



MID-CONNECTICUT PROJECT MUNICIPAL ADVISORY COMMITTEE
DRAFT MINUTES – MAY 18, 2011

The Mid-Connecticut Project Municipal Advisory Council (“MAC”) held a regular meeting on May 18, 2011, at the CRRA Trash Museum, 211 Murphy Road, Hartford, Connecticut.

PARTICIPATING MUNICIPALITIES AND THEIR REPRESENTATIVES:

<u>Town</u>	<u>First Name</u>	<u>Last Name</u>	<u>Title/Proxy</u>
Barkhamsted	Donald	Stein	First Selectman
Bloomfield	Bill	Hogan	Proxy for Mayor Sydney Schulman
Bolton	Bonnie	Therrien	Proxy for First Selectman Robert Morra
Canton	Richard	Barlow	First Selectman
Chester	Timothy	Griswold	Proxy for First Selectman Thomas Marsh
Clinton	Timothy	Griswold	Proxy for First Selectman William Fritz
Colebrook	Thomas	McKeon	First Selectman
Deep River	Timothy	Griswold	Proxy for First Selectman Richard Smith
Durham	Ralph	Eno	Proxy for First Selectman Laura Francis
East Granby	James	Hayden	First Selectman
East Hartford	Melody	Currey	Mayor
Enfield	John	Adams	Proxy for Town Manager Matthew Coppler
Farmington	Richard	Barlow	Proxy for Town Manager Kathleen Eagen
Glastonbury	Michael	Bisi	Proxy for Town Manager Richard Johnson
Goshen	Robert	Valentine	First Selectman
Granby	John	Adams	First Selectman
Haddam	Ralph	Eno	Proxy for First Selectman Paul DeStefano
Hartford	Robert	Painter	Proxy for Mayor Pedro Segarra
Harwinton	Susan	Dyer	Proxy for First Selectman Frank Chiamonte
Hebron	Bonnie	Therrien	Town Manager
Killingworth	Catherine	Iino	First Selectman
Litchfield	Leo	Paul	First Selectman
Lyme	Ralph	Eno	First Selectman
Manchester	Brooks	Parker	Proxy for Town Manager Scott Shanley
Middlebury	Thomas	Gormley	First Selectman
Middlefield	Ralph	Eno	Proxy for First Selectman Jon Brayshaw
Naugatuck	Sheila	Baummer	Proxy for Mayor Robert Mezzo
Newington	John	Salomone	Town Manager
Norfolk	Susan	Dyer	First Selectman, M-CPMAC Vice-Chairman
Old Lyme	Timothy	Griswold	First Selectman
Old Saybrook	Timothy	Griswold	Proxy for First Selectman Michael Pace
Oxford	Wayne	Watt	Proxy for First Selectman Mary Ann Drayton-Rogers
Portland	Susan	Bransfield	First Selectman
Southbury	Wayne	Watt	Proxy for First Selectman Bill Davis
Suffield	John	Adams	Proxy for First Selectman Tom Frenaye
Tolland	Steven	Werbner	Town Manager
Torrington	Susan	Dyer	Proxy for Mayor Ryan Bingham
Waterbury	Timothy	Griswold	Proxy for Mayor Michael Jarjura
Westbrook	Timothy	Griswold	Proxy for First Selectman Noel Bishop
Wethersfield	Jeff	Bridges	Town Manager
Winchester	Donald	Stein	Proxy for Town Manager Dale Martin
Windsor Locks	Steven	Wawruck	First Selectman

CRRA MANAGEMENT ATTENDEES:

Thomas D. Kirk, President, Ex-Officio Member
Paul Nonnenmacher, Director of Public Affairs, CRRA Liaison
Peter W. Egan, Director of Operations & Environmental Affairs
Marianne Carcio, Administrative Assistant, CRRA
Ronald Gingerich, Manager of Development, Environmental Compliance & Information Technology
James P. Bolduc, Chief Financial Officer

NON-VOTING MUNICIPAL REPRESENTATIVES PRESENT:

Larrye deBear, Rocky Hill (no valid proxy letter from Town Manager Barbara Gilbert)

MEMBERS OF THE PUBLIC PRESENT:

John Pizzimenti, USA Hauling & Recycling
James Sandler, Sandler & Mara
Senator John Fonfara

1. CALL TO ORDER

Municipal Advisory Committee **Vice Chairman Susan Dyer** called the meeting to order at 8:35 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 announced that 36 members were in attendance or represented with valid proxies, and thus a quorum was present.

4. APPROVAL OF MINUTES

Ms. Therrien moved to approve the minutes of the February 16, 2011, meeting. **Mr. Adams** seconded. The motion passed unanimously.

5. LEGISLATIVE UPDATE

Mr. Kirk thanked all the towns for contacting their legislators regarding Senate Bill 1167 and advising that 68 of the 70 Mid-Connecticut Project towns were on record opposing 1167. He said many town officials have been extraordinarily effective in communicating their positions, making the Senate in particular and the legislature much better informed about the impact 1167 would have on the towns. He said SB 1167 is still on the Senate calendar, and while CRRA has been told the bill would be removed it is not expected to happen. He said CRRA has contacted the legislature and the Governor's office to explain CRRA's position on the bill and he is optimistic that the bill as written will not pass. He said the bill could be voted on or amended onto another bill, but with the towns' involvement that looks less likely every day.

Mr. Stein asked whether anyone had heard from Sen. John Fonfara's office as to whether he still planned on attending today's MAC meeting. **Mr. Nonnenmacher** said he never heard back from Sen. Fonfara's office. **Mr. Stein** said his assistant had contacted him and said he would attend.

Mr. Gormley asked whether SB 1167 or SB 1170 would turn over the Mid-Connecticut trash-to-energy facility to another entity. **Mr. Kirk** said it was SB 1167. **Mr. Gormley** said at a meeting of the Connecticut Conference of Municipalities ("CCM") on May 17 members voted unanimously to oppose SB 1167. **Mr. Kirk** said he wasn't aware of that and thanked Mr. Gormley for the information.

Mr. Adams said there is some overlapping of 1167 and SB 1170. He said Sen. Fonfara attended the Central Connecticut Solid Waste Authority meeting last week and as a result the Capitol Region Council of Governments ("CRCOG") empowered CRCOG's legislative committee to draft legislation that would combine 1170 and 1167. He said the CRCOG proposal has three sections:

- Section 1 includes language passed by the MAC regarding restructuring of the CRRA Board.
- Section 2 would establish that towns would not be required to sign new municipal service agreements ("MSAs") before November 1, 2011, and would preserve any contractual rights municipalities have for a later deadline.
- Section 3 is a redraft of 1167 and provides a less litigious or at least opportunity for a less litigious handover of the CRRA facility. He said that section is merely in there for discussion purposes and that CRCOG felt it needed to bring something to the MAC for action this morning so the legislative process to move forward.

Ms. Dyer notes that Sen. Fonfara has arrived offers him the opportunity to speak to the MAC regarding SB 1167.

Sen. Fonfara thanked everyone for the opportunity to speak. He said his bill it is a rather simple proposal, and after his discussions last week he was hoping he would be able to present something that gives people greater comfort to folks. He said he believes the Mid-Connecticut trash-to-energy facility belongs to the towns, they paid to have it built and should make decisions as to how it should be used. He said CRRA's asking towns to sign MSAs now is premature, and that he doesn't believe the towns can make a proper decision with the information available.

Sen. Fonfara said until the towns are able to make that decision with respect to the value of this facility, he believes them to be at a disadvantage. He said his objective is to slow down the process and give the towns control over the fate of that facility and all the information they need to reduce the cost of the disposal of waste. He said he hopes that everyone can come together and craft language for a moratorium on the signing of contracts which, he said, the legislature can impose on CRRA. He said he wants to establish a process under which the Office of Policy & Management ("OPM"), in consultation with the towns, would determine who should manage the facility.

Sen. Fonfara said his interest in this matter is threefold:

- He represents the area in which the plant is located.
- He chairs the legislature's Energy & Technology Committee which has some interest in what happens with this plant.
- He represents two Mid-Connecticut Project towns, Wethersfield and Hartford.

He said he has put forward language that would remove the MDC from playing any role in the management of that facility. He said he would prefer to move one bill that addresses the issues towns are facing today.

Mr. Stein said he served on two committees, one of which he chaired with Mr. Gormley, that went through a fairly rigorous process to recommend a restructuring of the CRRA board to give the towns more direct input. He said that is the major reason SB 1170 was introduced and Sen. Kevin Witkos, who represents many of the towns in the northwest part of the state, has been involved in this process. He said SB 1167 as first introduced stopped a process that had been making progress. He said SB 1170 should be implemented.

Sen. Fonfara said that would be fine if the towns weren't faced with having to make a decision. He said the towns built and financed that facility, and to have only one entity be the owner of that facility puts towns at a disadvantage. He said he understood that had other vendors had access to that facility they could offer more attractive rates for disposal. He was concerned that towns were being put into a position to make the decisions prematurely and with limited information.

Mr. Eno said he believed the MAC's prevailing sentiment is to deal strictly with the governance issue. He said he and the leaders of many other towns believe Sen. Fonfara's sense that towns have been under the gun, the process hasn't been properly defined and towns haven't been given enough time to consider their options are may be misplaced. He said he is very comfortable with what has gone on, that the selection of an operator for the plant went on for about a year and that towns were kept in the loop as to how that process was evolving. He said bringing in concerns other than governance would muddy the waters and detract from efforts to improve the governance structure.

Mr. Gormley said SB 1167 is about the worst possible solution to a possible problem that could be developed. He said Sen. Fonfara has suggested eliminating an organization that seems to be getting its act together, becoming stronger in its management and more open in its dealings, and replacing it with some other unnamed, unknown, undocumented organization.

Sen. Fonfara said CRRA has been battling with municipalities for years and has incurred substantial legal fees in doing so. He added there has been no decision made about who/what that entity would be, and CRRA would not be precluded from being that entity. He said he does not know where people get the message that his intent is to put another organization out of business. He said the overhead of the administration of CRRA is similar to what it was when CRRA was a statewide organization, compared to one that in essence oversees one facility. He said his committee has considered proposals for three or four years regarding the membership of the board. He said it was almost as if someone were suggesting it was him against the towns. He said legislation could be written to allow towns to make decisions in consultation with OPM.

Ms. Dyer asked what prompted Sen. Fonfara to author this bill without conferring with the Mid-Connecticut Project towns. **Sen. Fonfara** said he feels there needs to be a discussion among all the parties to determine the best solution, and his bill was an important step in facilitating that discussion.

Mr. Adams asked Sen. Fonfara whether the contractual moratorium he was proposing would leave in place CRRA's operating contracts. **Sen. Fonfara** said his objective would be a process to ensure continuity, and that he wants to give towns the comfort of knowing that they can move ahead with some certainty over the next year and half or so.

Mr. Adams said the CRCOG Legislative Committee proposed language that would extend towns' deadlines for signing new MSAs to Nov. 1, 2011, which he said was a reasonable amount of time to make these decisions. **Sen. Fonfara** said he has not seen that language but he believes towns should see proposals that would allow any entity to use the Mid-Connecticut facility. **Mr. Adams** said the Central Connecticut Solid Waste Authority ("CCSWA") is discussing with CRRA an additional MSA option that could have more favorable terms than the current MSAs CRRA is offering, and those discussions could be concluded in time for towns to make their decisions by Nov. 1.

Sen. Fonfara said no other vendor can price its service based on use of the Mid-Connecticut plant. **Mr. Adams** said CCSWA is considering a number of proposals with firm prices for managing solid waste, and that CRRA charges its net cost of operation and has provided projections of what that might be over the life of the next MSA.

Mr. Gormley said CCM met on May 17 and voted unanimously to fight against that legislation, and that he would like the MAC to vote to see whether its results would match the CCM vote.

Mr. Barlow said the towns have been working to get more power and there is some reluctance to accept a merely consultative position. He said he would prefer the towns to make any decisions rather than OPM. **Sen. Fonfara** said he wants to empower towns to make decisions not under artificial timetables and to structure a board to work through CRRA if they choose.

Mr. Griswold said he is a member of the CRRA board and discussed the progress CRRA has made since the Enron debacle. He said CRRA went through an extensive process to identify a new operator for the facility, and that discussion about new MSAs has gone on for quite a long while. He said CRRA held meetings with towns to solicit their input on the structuring of the MSAs, and that input has been incorporated into the new MSAs. He said he doesn't think any town could say that it has not had an opportunity to understand what the MSAs are about and what CRRA is about, and that to open it up at this time to any number of companies who might come in and push management out and bring in another company to supervise is madness. **Sen. Fonfara** said all he has to go on is the evidence he has observed.

Mr. Eno said that if the towns resolve the governance issue in a straight-ahead clean, forward legislative fashion then it becomes the board's responsibility to be determine appropriate staffing levels, and the sense of duress **Sen. Fonfara** believes towns are feeling is not as pronounced as he may feel.

Mr. Stein said he doesn't see the two issues being mutually exclusive. He said SB 1170 would create a board entirely comprised of municipal officials, giving the towns input into how CRRA operates. He said what the MAC is proposing is exactly what **Sen. Fonfara** is proposing, namely giving the towns the opportunity to restructure CRRA.

Sen. Fonfara said the one area he suspects in which everyone does not agree is that the present situation forces towns to make decisions that will impact them for several years, though he said he is not privy to the MSAs CRRA has proposed.

Ms. Dyer said the terms of the new MSAs run from five to 15 years. She then asked **Sen. Fonfara** who he is to sit there and say the MAC members don't know what's best for them. **Sen. Fonfara** said he put

forth a proposal for towns to consider, and that he has heard about the deadline for signing MSAs, and that is why he did what he has done.

Mr. Paul said it seems there is confusion about what the proposed legislation says and asked Sen. Fonfara to summarize the legislation and his intent. **Sen. Fonfara** said his intent was to establish a moratorium on the MSA process, and to allow proposals from other vendors who would use the Mid-Connecticut plant. He said once a new board is in place, it could entertain all such proposals.

Mr. Gormley asked Mr. Adams whether CCSWA is doing is essentially the same thing that Sen. Fonfara is proposing but without the legislation. **Mr. Adams** said the short answer is yes, and the long answer is that there is the CRRA option, and there is the private option and the privatized option may involve ultimate disposal at the CRRA facility or may involve ultimate disposal at other facilities. **Mr. Gormley** said his point is that Sen. Fonfara suggested that we have no process by which we can consider alternatives to CRRA as a management entity, but in fact CCSWA is exactly that without involving more complicated state legislation involving OPM, the contracts and the like.

Mr. Barlow said he is chair of CCSWA and explained CCSWA's competitive solicitation.

Mr. Gormley said he would prefer to stay with an entity that has a tremendous track record than bring somebody in at the 11th hour. He said many years ago he worked for Combustion Engineering, which had an association with the Metropolitan District that terrible and pathetic. He said he does not see anyone else in the state that has the expertise to run the plant. He said SB 1170 would give the towns more control and would like to get a consensus of what the MAC thinks.

Ms. Dyer asks whether anyone objects.

Ms. Therrien said her town has come out against SB 1167, but she hears Sen. Fonfara saying he will work to change the wording and that the CRCOG group is trying to do. **Sen. Fonfara** said the bill was a starting point for a conversation about giving towns the ability to make decisions outside of an imposed deadline and with the proper information, and he would like to do that in the time remaining in the legislative session. **Ms. Dyer** asked whether that meant a decision on legislation by June 8. Sen. Fonfara said a decision would have to be made by then.

Dr. Painter said the City of Hartford has a particular problem with the whole process, one that is different from other towns' concerns. He said the city has an agreement with CRRA to manage the Hartford landfill for the next 30 years, at a considerable expense to CRRA. He said CRRA has advanced some rather creative ideas such as putting solar panels on the landfill. He said Hartford also receives host-community payments and other benefits including funding for recycling. He said he was concerned that Hartford would be stuck with management of the landfill at a cost of about \$1 million per year. **Sen. Fonfara** said he would not support any bill that would take any of those obligations from CRRA. **Dr. Painter** said seeing that in the legislation would have been helpful.

Ms. Dyer suggested that the MAC Governance Committee look at the language Mr. Adams prepared and work with Sen. Fonfara's office to develop something that the MAC could agree on. She said it was too bad Sen. Fonfara did not approach the MAC before he decided to file these bills. **Sen. Fonfara** said he appreciated the opportunity to meet with the MAC. **Ms. Dyer** said the MAC appreciated his presence and willingness to answer questions.

Mr. Barlow moved to have the Governance Committee work with Sen. Fonfara on new language. **Ms. Bransfield** seconded the motion.

Mr. Griswold asked whether the current bills would be put on hold while new language was being discussed. **Sen. Fonfara** said he believed the offer was in good faith and he would work with the MAC.

Ms. Dyer calls for a vote on the motion, which is approved by voice vote.

Mr. Barlow said he wished to resign from the Governance Committee, as it would be a potential conflict for him to serve on the Governance Committee while chairing CCSWA. **Ms. Dyer** accepts Mr. Barlow's resignation and designated Mr. Elsesser to join the Governance Committee, pending his acceptance.

Dr. Painter said he has some questions that he just doesn't understand. He said he has no personal animosity toward Sen. Fonfara, who has helped the city in many ways. He said he knows what CRRA is but doesn't have a clue as to what that other entity might be. He said he was concerned that if CRRA goes away, all the work MAC members have done to decide how to operate the facility could go into a cocked hat, and MDC and Covanta could be back in the saddle again. He said he doesn't understand how the towns can be thinking about another entity when they don't know what that entity looks like.

Ms. Dyer said she agreed and felt a lot of MAC members feel the same way.

After further discussion, **Mr. Barlow** said he would like the Governance Committee to craft language that would allow for other entities to bid on disposal using the Mid-Connecticut facility. **Mr. Kirk** said CRRA contemplated that possibility in its procurement. He said one proposal was exactly what Mr. Barlow suggested, which amounted to a privatization of the facility in which the private operator would make a profit and charge a disposal fee of about \$82 per ton.

Mr. Stein said he was just speaking with Sen. Fonfara outside the meeting room and Sen. Fonfara said he is available May 20, and that he would be willing to go to Hartford with other members of the Governance Committee. He said the meeting would be at 8 a.m. in Sen. Fonfara's office.

Mr. Hayden said MAC members have faith and trust in the Governance Committee but he has a problem with recent events. He said that for two to two and a half years, towns have recognized there was an issue and have dealt with it, and pushed and prodded CRRA to listen to and make significant changes. He said now it's the ninth inning and there's a new pitcher coming in and the MAC has to make a decision in 14 days outside of a process in which MAC members have gotten cooperation and concessions with CRRA." **Mr. Stein** agreed. **Mr. Barlow** said welcome to the legislative process. **Ms. Dyer** wished the Governance Committee good luck and asked it to keep MAC members informed.

Ms. Bransfield asked whether the Governance Committee's meetings are noticed. **Mr. Stein** said all meetings of the Governance Committee have been noticed. **Mr. Kirk** said Mr. Nonnenmacher is at the committee's disposal to handle all the noticing of meetings. **Mr. Stein** asked Mr. Kirk to have Mr. Nonnenmacher email members of the Governance Committee to determine who can attend the meeting in Sen. Fonfara's office on May 20.

6. MID-CONNECTICUT PROJECT UPDATE

Mr. Kirk pointed MAC members to reports in the agenda package on each topic.

Mr. Kirk said trash deliveries and trends continue at about 2 percent below last year. He said trash deliveries have not rebounded because the economy has not rebounded. He said deliveries of recyclables continue to be very healthy, especially in light of decreases in trash. He said the recycling success is due to the spread of single-stream recycling and to CRRA's education and outreach efforts.

Mr. Kirk said the trash-to-energy plant's operational performance has improved significantly the past few months. He said after years of deferred maintenance following the Enron bankruptcy, CRRA is now back on schedule with its facility modification and refurbishment.

Mr. Kirk said the Mid-Connecticut Project is running a small surplus, less than \$500,000.00.

Mr. Kirk MDC's lawsuit against CRRA regarding its competitive solicitation is continuing. Mr. Barlow asked Mr. Kirk to summarize MDC's recent letter regarding the vendor selection. **Mr. Kirk** said the letter boils down to two arguments: One is that CRRA was biased against MDC, and the second was that CRRA's process was not competitive.

Mr. Kirk said a number of towns had asked for additional time beyond July 1 to consider the new MSAs. He said CRRA's original date was Dec. 31, 2010, but after discussing the matter with town leaders the deadline was moved to July 1, 2011. He said towns have asked for more time and CRRA is still considering how much flexibility it has. He explained CRRA needs commitments to secure the best price for electricity generated at the Mid-Connecticut plant, and the best way to get the best price is to demonstrate a guaranteed fuel supply. He said when CRRA's power is auctioned, every cent per kilowatt hour means about \$5.50 per ton on the disposal fee, so it's important to demonstrate a full plant when power is auctioned later this year.

Ms. Iino asked whether that point had been explained to Sen. Fonfara. **Mr. Kirk** said it had, and that he believes Sen. Fonfara's problem is the operating contract. He said with the change in operators, there are other parties involved here that are intent on not seeing that happen.

Mr. Egan explained that CRRA's electric purchase agreements expire next May and June, but CRRA needs to have contracts in place before finalizing the FY 2013 Mid-Connecticut Project budget in February 2012. He said with more uncertainty in the plant's fuel supply, the plant's power will attract lower prices and thus drive up disposal fees.

Mr. Adams asked what the NAES contract will save over existing contracts on operation of each side of the plant. Mr. Kirk said a memo to the CRRA board, which is available on CRRA's website, describes describe the cost advantages in dollars per ton of disposal fee. He said the NAES contract is much more cost-effective, and with the detail of the procurement process CRRA believes no reasonable person could argue that the best interest of the towns are not being served by that process.

7. COMMENTS AND QUESTIONS FROM MUNICIPAL ADVISORY COMMITTEE MEMBERS

Questions for MAC members were addressed during the Mid-Connecticut Project Update.

8. PUBLIC COMMENT

Ms. Dyer offered members of the public the opportunity to comment. None chose to speak.

9. ADJOURNMENT

Mr. Gormley moved to adjourn. **Mr. Griswold** seconded the motion, which passed unanimously. The meeting adjourned at 10:33 a.m.

Respectfully submitted,

Paul Nonnenmacher
Director of Public Affairs
CRRA Liaison