

**NOT YET
APPROVED**

**WALLINGFORD RESOURCE RECOVERY PROJECT
POLICY BOARD**

**Minutes of a Meeting Policy Board Meeting held on July 14, 2009
at North Haven Town Hall**

A Meeting of the Policy Board of the Wallingford Resource Recovery Project was held at the North Haven Town Hall on July 14, 2009. Present at the meeting were William W. Dickinson, Jr., Mayor of Wallingford; Larry Kendzior, City Manager of Meriden; Janet McCarty, First Selectman of North Haven; and Pam Roach, Recycling Coordinator for Town of Hamden representing Craig Henrici.

Others in attendance were Jeff Duvall, Peter Egan, Tom Gaffey, and Rich Quelle all of CRRA; Cheryl Thibeault, Tim Cady and Steve Diaz (arrived at 9:40 am) of Covanta Energy; Scott Jackson, Chief Administrative Officer of Hamden; Don Roe, Program Planning, Wallingford; and Doreen Zaback Wallingford Project Coordinator.

Larry Kendzior, Chair, called the meeting to order at 9:11 a.m.

1. APPROVAL OF APRIL 14, 2009 MEETING MINUTES

Janet McCarty motioned to accept the minutes from the above-referenced meetings; Mayor Dickinson seconded the motion. The motion was unanimously approved.

2. PROJECT UPDATE

A. REPORT ON WASTE VOLUMES, PLANT OPERATIONS, CONTRACTS

Wallingford Project tonnage and operation reports were distributed (see Attachment 1). Rich Quelle reported that for FY 2009 tons of waste processed were up 2.5% as compared to FY 2008, while power generated was down about 2.2% as compared to FY 2008, which is tied to the efficiency of the turbine. There is a major turbine outage scheduled for the next year; the steam was down to 93% for FY 2009 as opposed to 93.5% for FY 2008. Mr. Quelle stated that overall the plant is operating well. Mr. Kendzior asked about differences in tons processed reported on Operational Summary and Customer MSW Deliveries sheets; Customer Deliveries sheet shows 142,688 tons delivered by member towns, while Operational Summary shows 146,954 tons processed. Mr. Kendzior asked for clarification that one report might be including waste coming from sources other than member towns. Mr. Quelle indicated the difference was due to the addition of 5,817 tons spot waste and the diversion of 1,988 tons of MSW.

B. ENFORCEMENT ACTIVITIES

Mr. Gaffey distributed a Hauler Violation Report (Attachment 2) which reported violations from April through June 2009. There has been relatively little activity with regard to violations. The first five violations on the report were reloads; there was one

Policy Board Meeting, July 14, 2009

non-member violation to John's Refuse. Typically we see more non-member violations, so the fact that there is only one is remarkable. There was a hazardous waste issue on June 1 from AJ's where the company was fined \$1,000. Recently with the start of the fiscal year, CRRA received a call from Covanta indicating some haulers were not permitted by various towns. Covanta, CRRA, the Towns and Project Coordinator made calls to the haulers, and it seems that the haulers are now properly permitted.

Mayor Dickinson asked about the nature of the hazardous material. Mr. Cady of Covanta indicated that a small medical waste box of needles came in from a condominium site; the box was spotted immediately and removed from the MSW. There was mention of the chemical spill at Byk Chemie which resulted in the closure of South Cherry Street a few weeks ago. As a result of the road closure, Covanta opened a back gate to the facility to allow for haulers to dump their loads.

C. LEGISLATION, REGULATION AND ENERGY ISSUES

Peter Egan updated the Policy Board on the Franklin Ash Landfill legislation. A bill preventing the development of the ash landfill in Franklin passed the House and the Senate, but Governor Rell vetoed the bill. Mr. Egan said he was unsure whether it would be taken up again by the legislature in order to override the veto. Mr. Gaffey said he didn't think it was possible to be overridden.

D. ENVIRONMENTAL

i. LANDFILL

Mr. Egan stated that there is a new permit application to CT DEP pertaining to the landfill. Because there is a hazardous waste cell on a portion of the landfill, the entire landfill is put into the federal and state Hazardous Waste Program. The permit is called a Stewardship Permit, and is being issued by CT DEP who has received delegation from the federal government to oversee this hazardous waste program. CRRA has worked with DEP over the spring to craft the permit and it was public-noticed in the Record Journal on July 2, 2009 and there has been a radio spot as well. There is a public hearing scheduled for August 12, 2009 from 6 p.m. to 9 p.m. at the Wallingford Town Hall. Law requires that the public hearing occur for a hazardous waste disposal facility that is receiving a permit under the RCRA hazardous waste program. A hearing officer will be at the meeting; there will be one hour of public informational time, then the actual legal public hearing where questions and comments will be taken, followed by the meeting closing. Following the meeting the hearing officer will make a final determination and DEP hopes to issue the permit by September 30, 2009. The permit involves the following - there have been no changes to the landfill - taking the solid waste permit and groundwater discharge permit, and incorporating it into one permit to govern the entire landfill. The Stewardship Permit will require some additional investigation

Policy Board Meeting, July 14, 2009

that hasn't been done yet, and that is an Ecological Risk Assessment. The permit will set timelines for this study.

Mayor Dickinson asked about the meeting process, and asked for clarification on the 6 p.m. to 9 p.m. meeting length; 6 p.m. to 7 p.m. is the informational presentation and question and answer period; 7 p.m. to 9 pm. is the public hearing. Mr. Egan said there will be a 15 to 20 minute break after the informational portion, then the public hearing will be opened up. We booked 6 p.m. to 9 p.m., but Mr. Egan didn't think the public hearing portion would last longer than 15 to 20 minutes. Mayor Dickinson asked if this public hearing will actually be open from 6 p.m. to 9 p.m. Mr. Egan said that the exact timeframe is up to DEP. There were no other questions.

Mr. Egan did notify the Policy Board that a part of this permit governs Post-Closure Cost estimates. This permit requires that adequate funds be maintained to manage the landfill for a minimum of 30 years from a date that is already passed; there are approximately 25 years left at this time. The federal and state policy is to require a 15% contingency be added to the Post-Closure Cost estimate. That amounts to about \$880,000 that will need to be added to Post-Closure account by next spring. All the activities and their associated costs which are subject to this total about \$5.8 million. We don't really have a choice here, we will take the funds from whatever reserve is available. Janet McCarty asked if this money is used to maintain the landfill. Mr. Egan said yes, CRRA has a very detailed plan of activity that occurs at the landfill and he will share this with the Policy Board. Ms. McCarty asked if we knew how much was spent this year. Mr. Egan said several hundred thousand dollars, but he didn't have the exact numbers. He will forward information to Doreen Zaback so that she can distribute it to the Policy Board.

ii. RESOURCE RECOVERY FACILITY

Mr. Cady stated that Covanta received draft results from the annual stack compliance test and everything looks good – dioxins look good.

iii. SOLID WASTE MANAGEMENT PLAN UPDATE

Mr. Egan stated a Solid Waste Advisory Committee is still in place, but nothing significant is going on. DEP seems to be focusing on encouraging Pay-As-You-Throw waste collection.

E. RECYCLING OF ELECTRONIC EQUIPMENT

i. REPORT ON MAY 16, 2009 NORTH HAVEN RESIDENTIAL COLLECTION

Tom Gaffey reported that there were 835 cars and the collection brought in nearly 84,000 pounds of electronics (Attachment 3). There was a municipal pickup in

Policy Board Meeting, July 14, 2009

Cheshire on April 14 and that brought in another 14,040 pounds of material. Mr. Gaffey mentioned that if any other towns need a municipal pickup, to contact CRRA to make arrangements.

ii. FALL 2009 RESIDENTIAL COLLECTION

Mr. Gaffey said that the date is set for November 7, but he didn't think a site had been arranged. Ms. Zaback indicated she is working with Cheshire Public Works and they have submitted the application to obtain approval to use Cheshire High School.

Mayor Dickinson asked if there was anything new from DEP regarding requirements of municipal electronics collections. Mr. Gaffey said DEP had hoped that their new regulations would be promulgated back a couple months ago, but then announced that it would be held off until next spring. This is the process that the people who salvage the material will be paying into a fund that presumably will pay for the recycling. Mayor Dickinson asked if the language will allow for the one-day collections to qualify for municipal collections. Mr. Egan stated that DEP doesn't like one-day collections, they prefer municipalities set up permanent drop-off centers, but he doesn't believe they legally have the authority to tell you to set up a permanent drop-off center. Many towns already have this at their local transfer stations. Mr. Egan stated that he will get a clear answer on the regulation. Mayor Dickinson said his concern is that this regulation will add another cost for municipalities; if we are handling as we are, why do we need to create another cost at another collection point. Mr. Egan said DEP has responded to this comment by saying it will not add another cost because the town will be reimbursed at some "per pound" price that yet needs to be established and the program will be cost neutral. There was some discussion as to the structure of the program and how costs are assigned. It was suggested that we obtain more information as to the specifics and continue the discussion at the next meeting. Mr. Gaffey pointed out that the current approved vendor for electronics recycling on the Dept. of Administrative Services list is much more expensive on a per pound basis than the vendor that CRRA is currently using.

3. REVIEW CRRA FINANCIAL REPORTS

A. YEAR-TO-DATE REPORT

Jeff Duvall provided the split load report (Attachment 4) and it shows that percentages of split loads have leveled off. He will keep providing this report unless the Policy Board doesn't need it. Mr. Duvall also distributed the Variance Report through May 2009 (see Attachment 5). The overall revenue that CRRA is projecting is down about \$1.5 million, mostly due to a reduction of waste coming into the facility. However, this decline in waste results in a reduction of diversion costs, so this savings wipe out the decline in revenue. CRRA is projecting a small surplus for FY 2009.

Mayor Dickinson asked if the decrease in waste is due to the economy, or are we worried about our waste going elsewhere. Mr. Gaffey stated that our waste reduction is due to the economy. Ms. McCarty asked how much we were down year-to-year. Mr. Gaffey said year-to-date the project is down 10% for member waste. The year before the project was down 5%, and the year before that the project was down 4%. CRRA and Covanta brought in spot waste to keep the plant running as close to capacity as possible. Mr. Kendzior pointed out that tons processed were actually up a bit. Ms. McCarty added that the North Haven municipal employees that do MSW pickup have noted a decrease in the amount of food take-out containers.

4. OTHER

A. DISCUSSION OF END OF CONTRACT ISSUES

Jeff Duvall briefly discussed how the project will be wrapped up. In terms of the bonds, they have already matured and he expects by early fall all the work that goes into closing those bonds will be complete. Essentially with Wallingford, CRRA will put everything into a balance sheet, and once they reconcile with Covanta and close all payables to them and post all receivables from haulers, CRRA will be able to produce a balance sheet in fall 2010, which will give the amount of cash on hand and what will be distributed. CRRA put aside \$820,000 in FY2010 budget for closing costs; there will be decommissioning costs associated with any staff reductions, and Legacy Insurance could be another cost. Other than the bonds, CRRA hasn't started closing down the project. Based on what Mr. Duvall has seen, he doesn't expect any complications; this closing will be much less complicated than the Bridgeport Project. Mr. Duvall expects CRRA will have more information in January 2010. The Chair indicated that January 2010 would be a good time to have more information presented to the Policy Board.

B. COVANTA ACQUISITIONS

Steve Diaz spoke to the group about recent transactions by Covanta. It was announced last week that Covanta has acquired seven energy-from-waste plants from Veolia; five were acquired through a stock purchase and two were an asset or equity purchase. Covanta is going through the final procedures with FERC. Covanta took over operation of the five last week; the other two will be under Covanta control in September. These plants are on the West Coast, Mid-Atlantic and Florida. This will bring Covanta ownership of about 50 energy-from-waste plants. Mr. Kendzior asked what Covanta paid for the facilities. Mr. Diaz answered \$450 million for the assets.

Policy Board Meeting, July 14, 2009

5. ADJOURNMENT

A motion was made to adjourn by Larry Kendzior and seconded by Janet McCarty. The motion was unanimously approved. The Meeting was adjourned at 9:55 a.m.

Doreen Zaback
July 15, 2009