

NOT YET
APPROVED

WALLINGFORD REGIONAL SOLID WASTE PROJECT
POLICY BOARD

Minutes of a Meeting of the Policy Board held on July 21, 2010
at Wallingford Town Hall

A Meeting of the Policy Board of the Wallingford Regional Solid Waste Project was held at the Wallingford Town Hall on April 21, 2010. Present at the meeting were William W. Dickinson, Jr., Mayor of Wallingford; Larry Kendzior, City Manager of Meriden; Michael Milone, Town Manager of Cheshire; and Scott Jackson, Mayor of Hamden.

Others in attendance were: Cheryl Thibeault and Tim Cady of Covanta Energy; Peter Egan and Jeff Duvall of CRRA; Susan Hemenway of BRRFOC; Doreen Zaback, Wallingford Project Coordinator; Wallingford residents Geno Zandri, Jr. and Bob Gross. Derek Grasso of Covanta Energy arrived at approximately 9:30 a.m.

The meeting was called to order at 9:08 a.m. by Chairman Milone.

- I. *Approval of February 4, 2010 WRSWP Meeting Minutes*
Approval of April 21, 2010 WRSWP Meeting Minutes
Approval of May 13, 2010 WRSWP Special Meeting Minutes
Approval of June 15, 2010 WP Special Meeting Minutes
Approval of June 22, 2010 WP Meeting Minutes

Chair Milone asked that the minutes be approved with two motions; one for WRSWP Minutes and another for WP Minutes. Larry Kendzior motioned to accept the minutes from the above-referenced WRSWP meetings; Mayor Dickinson seconded the motion. The motion was unanimously approved.

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

- II. Project Update

- A. Report on Waste Volumes and Plant Operations

Cheryl Thibeault of Covanta reported that through the month of July it has been one of the heavier months. To date, Covanta has taken in 6797.5 tons, of which 6500 tons has been from member towns and the remainder has been spot waste coming in from the agreement with CRRA.

Ms. Thibeault also reported that switching over to the new Covanta scale software, as well as licensing and permitting of haulers vehicles has gone smoothly.

B. Enforcement Activities

Tim Cady, Plant Manager, reported Covanta has a new waste inspector who started on July 1. To date, there have been no enforcement activities. It is the philosophy of Covanta to correct problems before issuing fines. Mr. Cady added that there have been a couple of safety issues with spot waste haulers that Covanta chose to correct. He also mentioned that a CRRA inspector is also out on the floor most times. Mr. Cady stated that they have not gone out on route enforcement as much as they would like, but Covanta will be ramping that up over the next couple of weeks and when it is closer to schools going back into session.

Mayor Dickinson stated that a Wallingford hauler was concerned about haulers getting backed up at the plant last week. Mayor Dickinson said he let the hauler know that one of the units was down and that situation could affect wait times. Mr. Cady said there may have been back ups at times more than haulers usually experienced in the past, but there was nothing significant, certainly not hours of waiting. He said wait times varied with what Covanta was doing with spot waste and for the first few weeks they are still permitting trucks, putting stickers on trucks and doing tare weights. Mr. Cady added that the plant is full of waste at this time and it is hard to move around. Ms. Thibeault added that spot is coming from the Essex transfer station, and Covanta will try to stagger transfer station trucks with hauler route trucks. Ms. Thibeault stated that a new billing clerk, Jessica Butler, has started and she will be going out to meet staff in each town that is responsible for recording tonnage and billing.

Larry Kendzior asked about volumes and where they are coming from, and said that the Policy Board was used to getting all that information from CRRA; Mr. Kendzior asked if Covanta will provide that information to the Policy Board. Ms. Thibeault said that Covanta will provide that information and will share information with Ms. Zaback. She also added that Covanta will provide information to differentiate commercial waste from residential waste. Mr. Kendzior said that would be interesting to see.

Michael Milone asked when Covanta would have the volume and origin data to Ms. Zaback. Ms. Thibeault said she expects to have the information to Ms. Zaback the first Tuesday after the end of the month. Mr. Milone added that the Policy Board would like to see the information as early as possible so that they can make the next six months as smooth as possible. He also asked that Ms. Zaback send the information to the Policy Board as soon as she receives it so that it can be evaluated and they determine if they are receiving all the information they need.

Mr. Milone asked how the enforcement activities that Covanta was doing was similar to what CRRRA was doing in the past and how long will the overlap continue between the Covanta and CRRRA enforcement inspectors. Mr. Cady said Covanta will be there permanently and it is very similar to what was done in the past. The inspector is looking at loads to seeing if they match up with what the driver declares; the inspector also looks for non-processibles. Mr. Milone asked if every truck gets inspected. Mr. Cady said the check was random and Covanta logs every truck that gets inspected. The goal is to inspect 2 to 3 trucks an hour; each inspection takes about 10-15 minutes. Mr. Milone asked if this was in line with what CRRRA was doing. Mr. Cady said he didn't really know the frequency of CRRRA inspections. Mr. Milone asked how many trucks come through the plant an hour on an average day. Ms. Thibeault said there are about 63 to 120 on a given day and that the flow is heavier in the morning. She added that Covanta has to be cognizant of getting haulers back on the road and that they don't want to unfairly target any particular hauler. Mr. Milone asked for clarification of where route enforcement would be taking place. Mr. Cady answered that route enforcement would take place in Wallingford.

C Environmental
i. Stack Test Results

Ms. Thibeault reported that Covanta has completed stack testing on all three units and has begun to receive results. Ms. Thibeault said she wasn't sure she had the final results on one of the units. She said Covanta was working with DEP as there was an issue with one of the units, unit 2. As a result, Covanta has taken down that unit and is conducting an inspection and review. Mayor Jackson asked about the operational impact of having Unit 2 down. Ms. Thibeault said that each unit processes up to 140 tons per day; Covanta can't store all that waste so they have begun to send waste to the Preston facility. Mr. Milone asked when Unit 2 would be back in service. Mr. Cady said Covanta is working with DEP on that, but the hope is that they start it up on Friday and test it right away. In the mean time, they are working on the other units and collecting data. Ms. Thibeault said that they will keep Ms. Zaback informed. Mr. Milone indicated that was important as they don't meet again and they may need to have more information in case they need to get information out to haulers.

Mr. Bob Gross asked what was the failure with Unit 2. Ms. Thibeault said they were still working on this with DEP. Mr. Gross further asked if it was an emission problem or an operational problem. Ms. Thibeault responded that that was still being determined, that Covanta has found an operational problem. Mr. Milone stated that so at this time, it appears that it is not clear what the problem is. Ms. Thibeault said that was correct. Mayor Dickinson said to be clear, what triggered

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the shutdown of Unit 2 was an emissions testing issue. Ms. Thibeault said that was correct. Mr. Gross added that the unit may not be working properly; it is perhaps not hot or cold enough to break down the chemicals before they go out, so it is emissions related. Ms. Thibeault said it was emissions related.

III. Reserves

A. CRRA Wallingford Project Reserve Update

Jeff Duvall of CRRA reported on updated numbers for the following funds:

1. Risk Fund	\$594,000
2. Future Use Fund	\$1,531,000
3. Tip Fee Stabilization Fund	\$14,453,000
4. Closure Account	\$821,000
5. Trustee Account	\$500,000 (for Property Transfer costs)
6. Operation Account	\$4,252,000 (balance as of April 2010)

For funds numbered 1 through 5, the balances are as of the end of June. Mr. Milone asked about the change to the Risk Fund since the last time the Policy Board met. Mr. Duvall indicated the reduced balance in the Risk Fund is due to the deduction of \$500,000 from that fund to the Trustee Account to cover future Property Transfer costs. The Closure Account funds will be released as they become available. Mr. Milone asked about the Project Surplus, if the project of \$50,000 to \$100,000 reported at the June 22, 2010 meeting was still accurate. Mr. Duvall said the surplus has dropped to about \$30,000 due to some costs associated with the property title transfer. Mr. Duvall distributed the financial sheet for the period ending May 31, 2010 and indicated that the only line item that fluctuates much is the cost for the Resource Recovery Facility. The number shown on the sheet includes the FY09 true-up and an estimate of the FY10 true-up. All other numbers are pretty much to the true final numbers.

Mr. Milone asked about the Debt Service Reserve and whether that reserve has been depleted. Mr. Duvall said that in November FY09 the debt was paid off, and over a period of about a year, that money was distributed to other funds. Mr. Duvall thought that about \$1 million was transferred out to the Operating Account but did not have details of that distributions at that time, but will provide it if requested to.

Larry Kendzior asked about the Risk Fund, and if these funds will be part of the distribution. Mr. Duvall said he believed that \$50,000 will be held back for a deductible payment, but the remainder will be distributed.

B. Discussion on draft of Wallingford Regional Solid Waste Project Participating Towns' Reserve Fund Agreement

Mr. Milone asked if there were any comments, and mentioned that he has sent a copy to their town attorney. Mr. Milone stated that he and Ms. Zaback would like to see this agreement adopted by the end of the calendar year. Mayor Jackson indicated that he had provided it to his attorney and she asked for comments from other attorneys. Ms. Zaback stated that the agreement was drafted with the Wallingford Town Attorney and she was looking to receive comments from other attorneys as well.

Mr. Kendzior stated that in paragraph 9 the term "immediately prior" needs to be more definitive. He suggested that it be changed to indicate "within one year." There was some discussion as to the period to time that would be appropriate. Also, par.9 uses the percentages from the last distribution as the percentages for each town to pay in to the reserve, and wondering if these percentages should be revised to look at a more recent period. It was agreed that paragraph 9 should state the distribution will be based on the proportionate share of waste tonnage for the 5 year period prior to the termination. In addition, in paragraph 9 the percentages used to calculate the pay-in should use those of most recent year.

Mr. Kendzior brought up the language about the reserve being a custodial account and Wallingford investing it according to statutory requirements (see paragraph 6). He added that there is nothing in the agreement about who makes investment decisions, whether the Policy Board or towns individually will have input into that decision and it is unclear to him whether the investment decisions will be totally up to Wallingford or the Policy Board. Mayor Dickinson said it was not meant to be. He added that the Policy Board would want to set something. Mr. Kendzior suggested that wording such as the following language be added: "Investment policies should be reviewed by the Project annually and be open to suggestions of the project." Mayor Dickinson said holding the account is custodial on the part of Wallingford.

Mayor Dickinson asked if the group felt the funds should always be maintained at the \$2 million level. What if there is an episode requiring use of the funds, the funds used will need to be replenished and what is the framework for this. Mayor Dickinson asked if this was covered by the agreement. Ms. Zaback stated this was not absolutely covered but that the agreement allows for the addition of funds to the Reserve. Mayor Dickinson asked if paragraph 9 should state that "each Town shall pay into the Reserve Fund its proportionate share and maintained a Reserve Fund" with the idea that the fund be maintained at least at the \$2 million level. Mr. Milone said there had not been discussion about maintaining a minimum. Mayor Jackson

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said the agreement does not prohibit them from agreeing to add additional funds, which he would take to mean to add funds should the Reserve Fund be depleted, although it doesn't create a standing minimum at \$2 million. Mr. Milone mentioned that we talked with Covanta about collecting an add-on fee and that this money supplement the Reserve Fund. Mayor Jackson said that "maintain" is a difficult word as it could result in a special assessment for towns to keep the Reserve Fund always at the \$2 million level, and that it would be better to do this annually on a budgetary basis. Mayor Dickinson agreed that the agreement shouldn't mean the fund has to be maintained at a certain level at every minute. Mr. Kendzior suggested adding language that stated that any funds collected from a tip fee add-on be first used to replenish the Reserve Fund, then proceed to budgetary means to replenish the fund. Mr. Milone agreed with this.

Mr. Milone asked both Ms. Zaback and Ms. Thibeault when we would expect the agreement finalized for collecting the add-on fee. Ms. Zaback said we said we would like to have it complete by the end of December 2010 and Ms. Thibeault will check with Sheila Bilder on its status.

The group agreed that they should have the document adopted by the October 20, 2010 meeting so that they then have their legislative bodies approve it by the end of the calendar year.

IV. Status of Each Towns' Approval of Agreement for Services

Ms. Zaback stated that while the Agreement for Services was adopted at the April 2010 meeting, the agreement was not signed by the Policy Board members. She further stated that each town needed to determine if their town councils needed to approve the agreement prior to the Policy Board members signing. Mayor Dickinson stated that Wallingford had already received approval from the Wallingford Town Council. Ms. Zaback asked that each town have the approval of their town council prior to the October 20, 2010 meeting and that the agreement be signed by all members on October 20, 2010.

V. Project Coordinator Report

Ms. Zaback stated that she had met with Mr. Milone to discuss what the Policy Board might like to see reported in the future. For instance, Ms. Zaback said in light of the project ending with CRRRA, the one-day electronics collections will also end. At the same time, the State of Connecticut is rolling out its new E-waste recycling program and each town needs to make decisions on how they will handle e-waste in the future. Ms. Zaback was looking for direction from the Policy Board as to whether they would like her

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to research and report on this issue. The Policy Board indicated that they would like to be kept up to date on this issue in the near future. They also indicated they would like Ms. Zaback to research and report on applicable legislative issues as well. Mr. Kendzior and Mr. Milone indicated that both of those towns were members of CCM and Ms. Zaback should be able to use their memberships to access information from CCM.

Ms. Zaback added that she was looking for feedback on any other assistance they would like to be provided to their towns concerning solid waste issues. She added that she would also like input regarding agenda items and any need for special meetings.

The format of the minutes was discussed and it was agreed that the minutes should retain their existing format where both discussion and motions are included.

VI. ADJOURNMENT

The Meeting was adjourned at 10:15 a.m.

Doreen Zaback
July 22, 2010