

TOWN COUNCIL MEETING SUMMARY

OCTOBER 16, 1989

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TOWN COUNCIL MEETING

OCTOBER 16, 1989

7:00 p.m.

A special meeting of the Wallingford Town Council was held in Council Chambers and called to order at 7:15 p.m. by Chairman Albert Killen. Answering present to the roll called by Town Clerk Kathryn J. Wall were Council Members Adams, Bradley, Doherty, Holmes, Papale, Parisi, Solinsky and Killen. Also present were Mayor Dickinson and Adam Mantzaris, Town Attorney. Council Member Zandri was absent.

The Pledge of Allegiance was given to the flag.

Motion was made by Mr. Bradley to Waive Rule V, seconded by Mr. Solinsky.

VOTE: Unanimous ayes; motion duly carried.

Motion was made by Mr. Bradley to conclude the meeting at 11:00 p.m. Seconded by Mr. Solinsky.

Mr. Killen stated I don't like to see this drag any further. If we're going to conclude by 11:00, I would hope that everyone would try to keep their comments short so we will get through by 11:00.

Mrs. Papale stated I agree with Bert.

VOTE: Holmes, Papale, Parisi and Killen voted no; Adams, Bradley, Doherty and Solinsky voted yes; motion did not pass.

ITEM 1 Approval of a Transfer of an Amount Not to Exceed \$14,000 for Repair of Water Drainage System to Protect Sewage Septic System Along East Main Street. Motion was made by Mrs. Papale, seconded by Mr. Bradley.

Mrs. Papale read the attached letter, dated October 13, 1989, from Mayor Dickinson to the Town Council.

Motion was made by Mrs. Papale to Transfer \$14,000 from Contingency-Reserve for Emergency Acct. No. 001-8050-800-3190 to Storm Sewer 370-394 East Main Street Acct. No. 001-5011-999-0026. Seconded by Mr. Solinsky.

Mr. Bradley asked what is causing the impact in the area?

George Yasensky, Town Sanitarian, replied overdevelopment and the allowance of a home being built on a wetland area. This was a depressed lot that acted as a retention pond for an existing spring. Permission was granted by the State, and subsequently by different departments of the Town, to allow a building to go on that lot. The retention area was filled in and now the spring gushes onto the surface land and rolls across several properties. The existing drain worked for years but now it's undersized.

Mr. Bradley asked this predates our Inland/Wetlands Commission?

Mr. Yasensky replied yes as I understand it. If it's city water and city sewer, my department does not get involved. We don't even see a plot plan. The one house in question is serviced with city water and sewer. Some of the other homes may be hooked up to city water but all are on septic systems.

Mayor Dickinson stated this subdivision was approved at least 20 years ago. It was a pre-existing lot. Application was made and the State approved construction. At that point I'm sure our Building Department issued a permit based on this. So each one is able to justify what they did based upon someone else and they may not be wrong. The final result is there is a problem for others that ultimately is a health problem from a municipal standpoint. It's unfortunate that there is not a better review process. We're looking to determine a better way to review some of these situations when there's a pre-existing lot and the State has ruled one way or another.

Mr. Bradley stated I think we can prevent problems like this again because we have our own Inland/Wetlands Commission that looks after the best interests of Wallingford--not the State. Is there liability by the State DEP? On what basis did they allow this home to be built on a wetland? I know we have to help these people, but we also have to go back to the State DEP and find out what the basis was for this and determine liability on their part. I don't see anything in this letter that mentions the State is willing to pick up part of this.

Mayor Dickinson replied I doubt very much the State would be willing to accept liability. Often with the State, unless a commission up there votes to give the State liability, there is no liability.

Mr. Bradley asked can we pursue this avenue as far as the State DEP?

Attorney Mantzaris replied I'll pursue it, but you can't sue the State unless they give you permission. They have permitted suits in many areas, but whether this is one of them or not I don't know. I'll find out, but we also have the problem of statute of limitations. But the first question is whether there's any liability on them to begin with.

Mr. Bradley asked the recommendation here is to expand the leaching fields that are currently there?

Mr. Yasensky replied no the recommendation is to update and intercept their surface water draining system. If you do this, it will allow for expansion area on the properties should they have a septic failure.

Mayor Dickinson stated I want that to be clear. We are not repairing private septic systems. We are dealing with a water drainage system. The reason for the mention of the septic systems in the letter was the result of a question I raised as to how long we could expect the septic systems to work. If we're going to spend money to repair the drainage and the septic systems could not be expanded and we'd only have a few more years, then perhaps it's not a justifiable expense by the municipality. The Town Sanitarian indicates there is room for expansion and that is the reason for this being here as part of the justification for us to repair the drainage system.

Mr. Holmes asked are the homeowners agreeable to sharing the cost of this project?

Jim Wilson, 378 East Main Street, we have polled the homeowners and they are agreeable.

Mr. Solinsky asked who will design this system?

Mr. Yasensky replied the Engineering Department has designed the system and the plans have been sent to the Inland/Wetlands Commission because we are going to discharge that drain into the brook.

Mr. Wilson stated we do feel there has been some negligence in allowing a permit to have this property approved and it's caused us undue anguish. We feel somebody should pay for all of it because we just live there. So as much as the Town is willing to pay, we don't feel as though we're asking for too much.

VOTE: Killen voted no; all other ayes; motion duly carried.

ITEM 2 Discussion and Possible Approval of the Amended and Restated Pilot Agreement Between CRRRA and the Town of Wallingford. Motion was made by Mrs. Papale, seconded by Mr. Parisi.

Mr. Killen asked Phil Hamel to highlight the changes in the Pilot Agreement or Host Town Agreement.

Phil Hamel replied there were some changes in the definitions in order to conform the definitions to the rest of the project agreements. The major changes begin on Page 3, Paragraph 3.b. The payment in lieu of taxes amount has been increased from \$200,000 to \$800,000 with the exception that in the first year \$100,000 will be withheld to mine methane from the landfill. At this time this is really a collection system and I believe initially the gas will be flared. This is a public safety precaution and CRRRA has done it at other landfills. They also put methane monitors around the landfill to insure that no methane is escaping from the landfill. The Pilot will escalate annually beginning in FY 1991 in the same way the property tax escalates. If the project is expanded, then the payment in lieu of taxes will also be increased proportionately to the capacity increase of the facility. Another major change is on Page 5, Paragraph (e) which deals with changes in the landfill lease. The first provision is for a waiver of the basic rent at the landfill which you will recall was \$40,000 per year. The second provision allows CRRRA to utilize the methane gas in the future and, to the extent that revenues are generated from that usage, those revenues will be applied to the system and will reduce everyone's tip fee. The final provision is that if the Service Contract is terminated, the basic rent provision of the landfill lease will be renegotiated. If the parties can't reach agreement within 3 months, the rent for the landfill, and only that issue, will be submitted to arbitration. This provision will not be final until the Bond Trustee has approved it.

Mr. Bradley asked who currently holds the rights for the methane?

Mr. Hamel replied the Town has the rights and as far as I know the Town has no use for the methane. The Town did sign a contract with a company, but that contract was never fulfilled because the company could not find a customer within a reasonable distance. CRRA may very well be able to use it in conjunction with the trash plant and they have requested those rights. That was part of the negotiation on the Pilot.

Robert Wright stated it's actually a benefit for the Town. Methane isn't looked on as a good thing; it's something you have to get rid of. Currently the Town is responsible for remediating the methane problem. It's a poisonous gas. The only benefit you can get out of methane is if you can sell the methane as a fuel to someone. As Phil noted the Town has tried to do this in the past, but if you don't have any methane user in close proximity it doesn't do you any good. Under this agreement CRRA will start to discharge your obligation, which would be significant, to get rid of the methane. In return for that, CRRA will investigate whether it's economic for CRRA to use it. The trash plant is right across the street and we're hoping to negotiate with Ogden and put down an internal combustion engine which would generate between 1/2 megawatt and 1 megawatt of power. We'd run an electric line down to the plant and use that to turn on the lights in the plant, etc. Thus we will have more power to sell to CL&P. We might be able to make money on it, but I really don't think the Town could. As the project is present configured, the Town instead would end up spending a fair amount of money trying to get rid of the methane. When we take the rights to the methane, if it works out to have some value for us then fine. But we're starting to get rid of the methane even if it doesn't.

Mr. Bradley asked then you would agree that it does have significant environmental benefits and also financial benefits?

Mr. Wright replied when we get rid of the methane that's a significant environmental benefit. It's been a real problem in Shelton. We're taking steps today, before it becomes a problem, to head that off. I can't say it's going to be a big winner for you economically, but what I can tell you is we're going to get a start on remediating a problem that otherwise the Town would have to remediate. So in that sense it will be an economic benefit to the Town because we're going to spend the first \$100,000 in taking care of what would otherwise be your liability. If it does turn out to be an economic winner, Wallingford and the other towns will benefit because the money will be pumped back into this project. All the profits will be put back into this project.

Mr. Bradley asked are you committed to making electricity from the methane or just venting and burning it?

Mr. Wright replied we don't know at this time if it's economic to try and make electricity from it. We've got a very good bid from someone who says he can, but we're not sure we can cost-effectively run the electricity into the plant. The first step is to drill the methane extraction pipes into the landfill and see how much gas there is. At this point we don't know what the potential is. Once we mine it we'll know how much is coming out and we'll be able to make the decision as to whether we'll make electricity or just flare it.

Mr. Bradley asked can you give me a good reason why you're deducting \$100,000 from the first year Pilot when Wallingford already owns the rights to what's there? Why are we paying for it?

Mr. Wright replied it was negotiated to deduct \$100,000 to discharge one of your liabilities instead of prorating your \$800,000 the first year. That would be a worse deal for you.

Mr. Bradley stated we have a customer for the methane and that customer is our Electric Division. They're doing a feasibility study to put in a new generator and initial discussions with the PUC Director indicate that the generator can burn methane. We need to do a feasibility study to determine just how much there is and if it's feasible to go that route based on the quantity there. I would be extremely reluctant to give up any mineral rights in lieu of that feasibility study, let alone the \$100,000 we're paying for you to mine what is essentially our mineral rights.

Mr. Hamel replied I spoke with Ray Smith last week and he indicated he was not really interested in the methane because it's a very low BTU gas.

Mr. Bradley stated well that definitely contradicts what I was told and it will have to be pursued further.

Mayor Dickinson stated Ray Smith is fully aware of this. In fact some of the language in the draft indicating reimbursement of the Electric Division is the result of telephone conversations between Mr. Smith and myself. He did not indicate an interest on the part of the Electric Division in reserving the methane for their use.

Mr. Bradley stated that's most unfortunate. I was reading an article about Virginia Beach where they opened up a methane recovery plant on their landfill and were quite successful. This could be a very viable fuel. I hear your arguments, but they're not strong arguments.

Mr. Wright replied the Virginia Beach landfill is a 2-4 megawatt site. Your landfill is a .5 megawatt site and the economies of scale go down dramatically. The first time I heard the Electric Division might be interested was tonight so I can't comment on whether it would be a good deal or a poor one.

Mr. Solinsky asked did CRRA suggest this methane proposal to the towns?

Mr. Wright replied yes. We thought given the experience in Shelton you really don't want to wait to take out the methane. I thought it was a good compromise on whether or not we should prorate the first year's payment. And I thought it benefited the Town.

Mr. Solinsky asked who maintains the scale at the landfill?

Mr. Hamel replied that is maintained by CRRA.

Mr. Solinsky asked will they replace it when it wears out?

Mr. Hamel replied I would assume under the terms of the lease they have to maintain it. If it wears out and they're going to continue using the landfill, then they would have to replace it.

Mr. Solinsky stated CRRA is using a portion of the landfill. Are you planning on getting the methane from the entire landfill?

Mr. Wright replied yes.

Mr. Solinsky asked our liability is on the portion of the landfill we've used and CRRA is liable for the new portion?

Mr. Hamel replied the Town remains liable for environmental emissions from the materials that the Town placed in the landfill.

Mr. Solinsky asked has anybody thought about what we're going to do with this landfill when it's used up?

Mr. Hamel replied it will come back to the Town in terms of the Town having the ability to use it. Post-closure monitoring and maintenance will be done by the Authority.

Mr. Solinsky asked what would the Town do with the landfill? We're making all these conditions regarding the methane, the equipment, etc. Why doesn't CRRA just buy the landfill from us and we'll be done with it. We won't have any liability at all, they can have everything. We're bargaining on things that are going to be useless.

Mr. Killen stated no matter who has the landfill the question will always be when it's filled what do you do with it.

Mr. Solinsky stated then let it be their problem.

Mr. Wright stated actually it is our problem. We are responsible for the closure and the post-closure monitoring and maintenance. So to the extent there's a problem there, it would be our problem. To the extent that it has any use, that's yours. So under the landfill lease we actually have bought the problem and if there's any value it's yours.

Mr. Hamel stated if there are environmental emissions and it can be demonstrated that it's from stuff that the Town put in the landfill, the Town would have that liability. On the other hand, in terms of maintenance, once it is properly closed with a cover and vegetation, it's CRRA's responsibility to maintain it, to make sure the grass keeps growing and that there's not major erosion, etc. This is on the entire landfill.

Mr. Solinsky stated the methane might be a good idea, but I don't know why it has to be tied in with this Pilot Agreement. We can agree to something like that in a separate agreement so they don't hinge on each other. Was this a big negotiation item that CRRA wanted?

Mr. Wright replied it was offered as a compromise on a very different issue. To be frank with you, CRRA didn't offer you this good a deal. During the negotiation sessions I advised the other towns that I thought they were paying too much. But this is the deal that the other towns offered. I don't know whether the other towns would consider deleting the methane portion to be a plus or minus on the deal. I'm not at liberty to say okay well I agree with you, let's strike that provision. This wasn't the CRRA offer, this was the offer from the other towns.

Mr. Solinsky asked you say you advised the other towns that they're paying too much?

Mr. Wright replied yes.

Mr. Solinsky asked when did you advise that, in public?

Mr. Wright replied this is the first time.

Mr. Solinsky asked did you advise that at a meeting with all five towns present?

Mr. Wright replied what actually happened was several of the towns went into caucus. We went into a different room and they asked me my opinion. And I told them. They said forget it we want to get this deal done. Let's give Wallingford what they've asked for, and they did.

Mr. Solinsky asked were all the other four towns there?

Mr. Wright replied it was actually three. I'm not saying that I think it's terrible or I'm upset that Wallingford got as much as they're getting. I think it's great. If the other four towns are happy giving it and you're happy getting it, that's terrific. I don't begrudge you and I think it's great that you're happy with the deal and I think the other towns are resigned to it.

Mr. Holmes asked if the physical size of the plant expands by one third, but you're able to handle 50% more capacity due to an Ogden Martin burner going in there, how would our payment increase?

Mr. Wright replied it would increase by the capacity.

Mr. Holmes stated regarding the methane gas, the Council has looked at mining methane in the past and from our standpoint it has never been a cost-effective way to go. If methane gas was so valuable to the Town, we'd be selling it already. So I think the issue of the methane is one of minor importance in relation to the total project. I think it's best to minimize our exposure on the methane gas as best as possible and I believe this is the best way to go at this point in time.

Mrs. Papale asked do you know of any place that is making a nice amount of money by having the methane gas there?

Mr. Wright replied there's a proposal for a much bigger landfill in New Milford that will generate 8 times as much methane as this one will and they think they can run it profitably. As I mentioned earlier, we have a landfill that has 4

times as much methane and it's going to be a net loser to us. When we went out to bid we called four companies to give us a proposal. Only one responded. The other three said it was absolutely not economic and they wouldn't even bother. The one who did respond is leaving all the risk on us. If it's not economic, it's our problem. That's why we're going to do the drilling first so we have a better handle on whether there really is enough methane in there to justify buying an engine to burn it.

Mrs. Papale asked in the long run if anything good comes out of it the towns will benefit through the tipping fees?

Mr. Wright replied you'll get one-fifth of the profits. Actually you'll get more because your tonnage represents more than one-fifth of the tonnage that comes in here.

Mrs. Papale stated so the bottom line is if it does well we benefit, if it doesn't do well it's your problem.

Mr. Wright stated yes.

Mr. Solinsky asked have you considered a similar offer to Meriden on their landfill?

Mr. Wright replied no. I think we'll own the mineral rights in Meriden, but also at this point we're not using the Meriden landfill for any purpose. Until it's established that there could be a purpose, we're really not looking to do anything in that landfill that's going to give us any liability associated with it. Ultimately, if there's no use for the Meriden landfill, we're going to end up trying to break the lease. That's probably years down the line. But for us to take a significant presence in that landfill, if we ultimately determine there's no use for it, we don't want to have an operation in there where they can claim that we're going to be liable for it.

Mr. Solinsky asked on Page 5 where it says "in the event the service contract is terminated the basic rent shall be renegotiated . . ." does this mean that if the service contract is terminated the landfill lease stays in tact one way or another?

Mr. Wright replied the landfill lease stays in tact, but you can arbitrate and try and get more money than you have under the landfill lease as it stands now.

Mr. Solinsky asked the only thing that can be arbitrated for is the amount of money?

Mr. Wright replied you can get more money, but we can't get out of any of our obligations.

Mr. Solinsky stated let's say we have a major catastrophe a week from now and the plant didn't run anymore. This says the landfill would stay with CRRA?

Mayor Dickinson replied that's not what it says.

Mr. Wright replied the landfill lease stays in place and all of it's terms and conditions. If under those terms and conditions you could get out of the lease, that out would remain in place.

Mayor Dickinson stated this gives the right to renegotiate the basic rent. Any other arguments either party has on the lease would still be available.

Mr. Bradley asked regarding the methane, who's going to pay for the generator and the electrical lines?

Mr. Wright replied the Authority.

Mr. Bradley asked that won't be passed on or absorbed within the overall tipping fee or passed on to the residents of the towns?

Mr. Wright replied we'll only do that if it's economically feasible. If it makes economic sense to do it, we'll do it and the towns will share in the profit. If it doesn't make economic sense, we'll flare it. If it's economical, you will get the net profit from it. If the cost of building the generator and stringing the line is more than the money we'll make through the electricity, the project won't go forward.

Mr. Bradley asked would the towns have a say in this project?

Mr. Wright replied we certainly intend to give them a thorough presentation and to ask them if they think it's wise that we go forward.

Mr. Bradley asked they have a right to say no?

Mr. Wright stated Mr. Hamel just pointed out to me that this would be a whole new project. We would have to get your say so to undertake that sort of a project. Moreover, the Policy Board's say so and our board.

Mr. Bradley asked can you show me where it states that?

Mr. Hamel replied CRRA, under the Municipal Agreement, has the right to do certain things. They have a responsibility to provide a landfill and a resource recovery facility. They have no responsibility to provide an electric generating facility. To do those things that they have a responsibility to do, within certain limits, they can spend money and they need not come back to the Policy Board. To do things that they have no responsibility to do, I don't think it would stand up in court if they said well we're going to spend the money whether you like it or not. I think they would have to go to the Policy Board and get approval. As far as I can see, CRRA has no authority to go ahead with this project without going back to the Policy Board.

Mr. Wright stated it's really a matter of how we would charge you. There's no provision in the contracts that would allow us to build new projects and pass the costs along to you. There just isn't a mechanism unless the Policy Board approves this.

Mr. Bradley asked do you see it that way Mayor?

Mayor Dickinson replied I'm looking at the Municipal Contract now, just give me a minute.

Mr. Parisi asked are the votes by the Policy Board unanimous votes or majority votes?

Mr. Hamel replied they're both. In certain circumstances they're required to be unanimous.

Mr. Killen stated the ones that require a unanimous vote are specified.

Mr. Hamel stated I'm not sure CRRA would proceed without approval from each of the towns because each of the towns would have to pay it's share as part of the tip fee. So even though it may not be contractually required because it's not mentioned, I would expect that in the real world CRRA would not proceed unless they had a unanimous vote. I don't think it's required, but I don't think CRRA would proceed without it.

Mr. Wright stated you're saying gee Bob would you commit that you won't go forward without a unanimous vote and I don't think I can do that. But I can tell you that the economic analysis is going to be a simple one. You've got this much gas which can make this much energy. It's not a very difficult calculation. I can't see too many people having a big difference over it. We had an offer that they would build the entire system for about \$400,000. This isn't a huge liability. It would be \$2 on your tip fee if the thing were a complete bust, if we absolutely got nothing out of it and we weren't able to resell any of the equipment. That would be \$2 for one year. I know that sounds like a lot and we wouldn't want to put that on you willy-nilly. If everything were completely screwed up and we really hood-winked the Policy Board, that would be your maximum exposure. On the other hand, you're going to have a fixed contract and we're going to see how much methane is in the landfill first. Again, it's not that difficult a calculation.

Mr. Doherty stated on the payment for this first fiscal year, it's my understanding the plant's been going since July 1 and the tipping fee has been at \$45 from the first of the year. Why are we talking about prorating the payment to the Town of Wallingford? The Town has had that plant operating since July 1. There shouldn't be any prorating in terms of host benefits. We should get the straight \$800,000 the first year.

Mr. Wright replied there is a Pilot in place that calls for \$1.50 per ton. We're changing the contractual obligations that we have had in the past and the question was to what extent did the other towns wish to do that. That's why we're talking about the proration. If you decide this is a terrible Pilot Agreement and you don't want it, there is still a Pilot Agreement in place and that Agreement calls for much lower payments. Today, right now, there is an Agreement in place that is legally binding and it gives you a lot less.

Mr. Doherty asked isn't that a tipping fee of \$22 in that original Agreement too? Is that still in place?

Mr. Wright replied the Agreement provides that up to this point any Town can elect to have us take care of all their waste. The fee we receive for that service is what it costs us to get rid of the waste. Four years ago everyone believed that the cost was going to be \$22.50, but it wasn't written into your agreement that absolutely you get this disposal at \$22.50. You get the disposal at cost and that's what we've been charging you.

Mr. Doherty asked what about the bills we've been getting in terms of the dumping of garbage at the landfill? Has there been any discussion as to prorating this or dropping these particular bills at all?

Mr. Wright replied no.

Mr. Doherty stated on page 4 it says, "Any payments received by the Town from state or federal government appropriations to municipalities in which solid waste disposal facilities are located shall be credited against the Pilot." Does this mean that if for some reason the State cannot get towns in the future to locate garbage plants in their town, and they make it attractive by giving to the host town a \$200,000 or \$500,000 inducement package, that they would subtract that \$500,000 from the \$800,000 and we would only get \$300,000?

Mayor Dickinson replied if the State determines that \$500,000 is a proper host community benefit, then we would get the \$800,000. However \$300,000 would come from the system and \$500,000 would come the State. However if the State decided \$1 million was the appropriate host community benefit, we would receive \$800,000 plus the \$200,000. We would not receive \$800,000 plus \$1 million.

Mr. Wright stated this agreement serves as a floor but not a ceiling.

Mayor Dickinson stated it is important to note that the benefit must come from appropriations.

Mr. Killen asked did you ever find what you were looking for Mayor?

Mayor Dickinson replied I believe the language that should be looked at is the System Cost definition. I do not find language in the System Cost definition that any and all projects dreamed up outside of this current project could be passed on to us in cost.

Mr. Bradley asked regarding the methane whose liability is that right now?

Mr. Hamel replied right now it is the Town's responsibility. As CRRA put in additional unprocessed refuse there would be a proportionate split if you couldn't prove what section of the landfill it came from. The likelihood is that CRRA will never put in anywhere near the amount of refuse that the Town of Wallingford has put in. So that liability will largely remain Wallingford's.

Mr. Bradley asked how receptive would CRRA be to reduce or remove the \$100,000 and if it is feasible for you to generate electricity, pay the Town of Wallingford a royalty?

Mr. Wright replied again CRRA isn't paying the money and I cannot commit to changes in this document. I can explain the document to you, but this was not a CRRA deal. This is the deal from the other towns. Mr. Killen and the Mayor were present during the negotiations and I think they can give you a sense of whether there is any more slack from the other towns. My own sense is there is not any more slack from the towns. My overall caution would be if we have to go back to the other towns to renegotiate this Pilot, it's pretty well assured we won't get this agreement done by the 18th.

Mr. Bradley stated I can appreciate that but I hope you can appreciate that this is the first time I've had the opportunity to view this document. Why did we negotiate this as part of the Pilot Agreement?

Mayor Dickinson replied first of all we're dealing with a very small part of this Pilot Agreement in talking about the methane. In 1984 the Town spent \$150,000 for a ditch, to stop the migration of methane. A contract was entered into with another company to mine and try to utilize the methane. We would have received some benefit from it had they been able to do it. Nothing ever came of that. At this point we have very little reason to believe that there is substantial value to the methane. We do know there is a real liability. We're already \$150,000 in the hole due to the methane. If it can be utilized, this is not a profit that is going to parties who are completely separate from our interest. We are participating in any profit should there be one. We are receiving as a part of this Agreement an increase from \$200,000 to \$800,000 per year. I'm a little puzzled as to why we want to spend so much time talking about what might or might not be a benefit. Certainly there are substantial capital costs associated with the mining of the methane. I felt that if there was interest on the part of CRRA and the other towns to utilize this mineral right in a manner that benefits the Town of Wallingford, with potentially a lower tip fee if it's successful, our interests are protected and it certainly was not worth jeopardizing other benefits in this package in order to fight over this questionable issue. There were lengthy negotiations and at times very unpleasant negotiations. I think we arrived at a good benefit for the Town and I'm sure we can all think of ways that it can be improved. But there are two sides to every negotiation. I think this one has come to a conclusion with the document in front of you.

Mr. Bradley stated I still think the Town was in a position to use it at the Electric Division.

Ron Gregory, 59 Hill Avenue, stated this contract is between CRRA and the Town of Wallingford. The Policy Board may have had a tremendous amount of input into this, but I don't see that the Policy Board is a party to this contract. So when you hear CRRA disclaim any ability to do anything here, remember the Policy Board is not part of this contract. I've given the Council a letter which I would like incorporated into the record. I would like to explain something that has been distorted and misunderstood for a very long time. When we heard there was going to be a change in the host town agreement, some of us suggested free dumping for Wallingford residents. This has been misconstrued to mean free dumping at the landfill. It was intended to mean that the residents of Wallingford should not have to pay any tipping fee for at least their minimum tonnage commitment. With a \$40 tipping fee times Wallingford's minimum commitment you would have a payment to the Town of \$950,000. Tonight you're

getting a figure of \$800,000. So those of you who thought that the idea of free dumping was pie in the sky and you don't get anything for nothing, it was a legitimate concern and well thought out. It's too bad that our negotiators didn't take it seriously.

Mr. Gregory then discussed the different points in his letter (attached).

Mr. Gregory stated this agreement includes payment for the landfill lease when it shouldn't, it grants easements in cooperation with our Electric Division for methane recovery, it deducts \$100,000 from our first year payment towards methane exploration, and most important Wallingford residents will be asked to pay the same amount in their tipping fee and are themselves paying to get this benefit. It's a hidden tax. I think this agreement is an outrageous.

Edward Musso, 56 Dibble Edge Road, asked why is Meriden getting \$340,000 for their landfill? They're not using it for anything.

Mr. Wright replied in the original 1984 deal we had a lease with Meriden and that lease remains in place. The primary reason nobody is using the Meriden landfill is there are concerns about the drinking water in Yalesville. There is a controversy as to whether dumping in the Meriden landfill does in fact have an effect on that water. The DEP is going to require a thorough study of that issue. If the hydrological tests indicate there is no threat, then we'll go ahead and attempt to use the landfill and it will be an extremely valuable resource. If the study indicates there is a risk to the water, we have the ability to get out of the lease and stop paying them anything. Meriden will probably dispute this. That's very different from the situation with the payments to Wallingford. You get the \$800,000 come hell or high water. The payments are also escalated.

Mr. Musso stated this new contract has all the risks on Wallingford and the other towns. I think this should be CRRRA's obligation because they had the original agreement with Vicon.

Bob Avery, 70 Masonic Avenue, asked who is going to do the hydrological study?

Mr. Wright replied the town would hire a group to do a hydrologic study. We may fund half of it or we may hire a group. At this point nobody has been selected.

Mr. Avery stated well we've heard your experts testify here before that the Meriden landfill is the safest place in the world to dump anything. So I'm sure you'll get consultants to come in and testify to this fact and the DEP will rubber stamp it. I would think the Council would get that straightened out before they sign this lousy contract. How much will the Town of Wallingford get for the first quarter of the year if they don't sign this agreement?

Mr. Wright replied the deal is \$1.50 per ton. The first quarter payment would probably be around \$50,000 with \$10,000 for the lease of the landfill.

Mr. Avery asked how much money do you think you'll make from the methane?

Mr. Wright replied the estimates we have is there is probably half a megawatt of electricity. Under the CL&P contract for the first year if you generated a half a megawatt of power for a full year we would receive approximately \$100,000. That number would go up in future years.

Mr. Avery stated don't give the methane away. If it is worth anything we should use it ourselves. It shouldn't be in this contract at all. It should be in a separate contract.

Romeo Dorsey, 122 South Orchard Street, stated I'd like to thank the Mayor and the other negotiators for the new contract which is \$600,000 better than the last one. I still think it needs a little more refining. I believe the sewer plant is using methane gas now. When you sign this contract just be sure you know what you're signing.

Violet Souse, 105 Clifton Street, asked why did we get \$45,000 for our landfill and Meriden got \$320,000 in the beginning? It will cost over \$240,000 to take care of Wallingford's trash. Shouldn't this \$240,000 be deducted from the \$800,000? That's taking away from our profit if we have to pay to dump in our own landfill. We only got \$40,000 for the landfill and we're paying \$240,000 to dump our garbage.

Mr. Killen replied the trash is being put in the processing plant and it costs money to operate the plant. There's a difference between dumping it in a hole in the ground and burning it.

Mrs. Souse stated we're hosting the plant and we're not getting anything for it. Everything is being taken off that \$800,000. When you figure everything out how much profit are we actually getting? If we had recycled instead of burned, we wouldn't have to have this plant.

Mr. Killen replied I wish everyone that stood there and said we should have recycled had come forward and said here's my plan for recycling. North Haven has been recycling in one aspect for over 18 years and they're losing money. People don't realize there is a market for a product when there is a little of it. When every municipality starts producing you'll find less of a market and recycling is going to cost money. There are going to be people who are dissatisfied. We can't please everyone. But don't say that the people who did this work didn't do the best they could.

Mr. Doherty asked could we have the lady's first question answered regarding the difference in price for the two landfills?

Mr. Hamel replied it was based on the relative capacity of the two landfills. Meriden had 10 times the amount of space left as compared to Wallingford.

Mr. Bradley stated I want everyone to remember that CRRA is suing us. Mr. Gregory brings up two good points--the hidden tax and the \$100,000 to commence mining. Why is Wallingford bearing the \$100,000? Why is it not being shared by the other towns?

Mayor Dickinson replied it's been argued that the \$800,000 is partly Wallingford so it would also seem clear that part of the \$100,000 is partly coming from other towns. So all of the towns are participating.

Mr. Bradley stated that's one way of looking at it. Many months ago I did a presentation on how the tipping fee could be adjusted and how the residents of Wallingford wouldn't incur the hidden tax. I presented this to the Mayor and the Council and it was rejected. I thought it was a good plan to offset the cost to the taxpayers of Wallingford. Other Council Members offered other presentations on what we thought would be a fair agreement. I don't see any of that in here. When you take into consideration the \$40,000 for the landfill and the \$200,000 from the other agreement, we're really only getting an additional \$560,000.

Mr. Wright replied you make it sound like it's not a lot. That's 3 times what you had before.

Mr. Bradley stated I think we could have tried harder for more or negotiated for more. I feel this agreement falls short of my expectations in what I would consider a fair agreement for the residents of Wallingford from the standpoint that we are hosting the facility.

Mr. Killen stated the tenacity with which this battle is being fought in the Council chambers is nothing compared to what happened with the Policy Board. The people there were just as tenacious and willing to fight for what they thought was right for their communities. We did not go in and say we'll take anything you can throw our way. The battle was fought and they weren't giving any more than what we got. They won't give any more. The alternative is to pull out which I'm not in favor of.

Mr. Bradley replied that may indeed be true. I received no feedback from the negotiations, everything was held in executive session and this is the first opportunity I have had to look at this. I received this Sunday evening and I am being asked this evening to make a decision on this.

Frank Adams stated we also have to consider the operating costs that we had when the Town operated the landfill such as employees, benefits, machines, overtime, etc. This is a very difficult decision to make. The question is what is the best possible deal that we can arrive at now, not what we should get or what we're entitled to, but what we can get.

Mr. Solinsky asked are you accepting all the liability for the methane?

Mr. Wright replied if we use it or flare it, we get the liability with it.

Mr. Solinsky asked are you accepting all the liability even if you don't do anything with it?

Mr. Wright replied no we're not if we don't do anything with it. But this agreement commits us to do something with it.

Peter Gouveia, 39 Lincoln Drive, stated since 1985 we've learned a great deal about host agreements for towns that have trash plants and landfills. We finally realized that we were not getting what was due to Wallingford. This contract does provide to some extent a monetary incentive to Wallingford, but is that going far enough? Keep in mind that we are taking on a lot of liabilities. So I really don't see what this contract has done to improve the previous contract.

Violet Souse asked why was Wallingford chosen to have the trash plant built here?

Mr. Hamel replied back in the late 1970's CRRA did a study of markets for energy. The processed steam was much more valuable at that time than electricity. For that reason CRRA thought it would be good to locate the plant near American Cyanamid where they could sell steam. The five towns agreed to that. That was the basic reason for locating it in Wallingford.

Mr. Holmes stated there's some talk about a hidden tax to Wallingford. When Wallingford operated a landfill it generated a substantial amount of money that we put back into the tax base and I never heard anyone complain there was a hidden tax at that time.

Motion was made by Mr. Holmes to move the question, seconded by Mr. Adams.

VOTE: Bradley voted no; all other ayes; motion duly carried.

Mrs. Papale then read the attached Resolution regarding the Pilot Agreement.

Motion was made by Mrs. Papale to approve the Resolution, seconded by Mr. Holmes.

Mr. Parisi stated this resolution authorizes the Mayor to make changes. If any changes were made, would the Council be made aware of these?

Mayor Dickinson replied the only change that is envisioned by my office and the only reason for that language as part of the resolution is to correct typos, punctuation, dates, etc. that might have to be corrected prior to signing a final document. I will not entertain any substantive changes. Anything of substance I won't sign without the Council being aware of it. Mr. Wright can confirm this.

Mr. Wright stated yes that is the understanding.

VOTE: Bradley voted no; all other ayes; motion duly carried.

ITEM 3 Discussion and Possible Approval of Amended and Restated Municipal Solid Waste Delivery and Disposal Contract Between CRRA and the Town of Wallingford. Motion was made by Mrs. Papale, seconded by Mr. Parisi.

Mrs. Papale read the attached Resolution regarding the Municipal Solid Waste Delivery and Disposal Contract.

Mr. Killen asked how does this Council want to proceed?

Mayor Dickinson stated there was a list of 7 recommendations. I suggest we take a look at the recommendations and find out to what extent they've been incorporated into the contract.

Mr. Killen stated we've only gone through Section 4 of the contract. The question is does the Council want to go further into the contract.

Mr. Doherty replied I have a few questions on the later sections.

Mr. Killen asked are those recommendations a synopsis of what we've gone through?

Mayor Dickinson replied I have 7 specific requests to change the contract and I don't think they're necessarily limited to the first 4 sections. These suggestions came from discussions here, my review of the contract and my discussions with Phil Hamel.

Mr. Killen stated we'll start with them.

Mayor Dickinson stated the first deals with Section 4.04(d) of the Service Contract which authorizes inspection of the facility by Wallingford officials. It was requested that this provision be in the Municipal Contract.

Mr. Wright replied CRRA agreed that was a reasonable provision and it was incorporated in Section 5.14 of the Municipal Contract and says, "The Authority will use its best efforts to cause the Company to comply with Subsection 4.04(d) of the Service Contract which gives, subject to certain conditions, duly appointed public health and/or safety officials of the Town of Wallingford the right of access to and entry upon the Site at any time, without the necessity of advance notice to the Company, to inspect the Facility for the purpose of ensuring the public health and safety."

Mayor Dickinson stated the next provision concerns Section 4.03(f) of the Municipal Contract which requires request of the Policy Board for enforcement of transportation routes. We believe the enforcement by CRRA should be without a request. It should be an automatic duty of theirs under the contract to enforce proper transportation routes.

Mr. Wright replied we deleted the requirement that the Policy Board make that request on Page 4-20 of the contract and added, "The Authority will take reasonable steps to cause the vehicles operated by the Participating Municipalities and their Designees to abide by all such designed roads. Such steps may include fines and exclusion from the System. The costs of such enforcement shall be System Costs."

Mayor Dickinson stated the next provision deals with Section 9.19. The thought was there should be an affirmative obligation on the part of CRRA to refinance should we need to borrow funds to facilitate improvements or repairs rather than have the municipality automatically bear that obligation. CRRA should have an obligation to seek refinancing under the State auspices.

Mr. Wright replied CRRA felt that was a reasonable request and on Page 9-14 it not only obligates us to refinance, but to attempt to refinance on a tax-exempt basis and to use good faith efforts within certain limitations to support the refinancing with the State Special Capital Reserve Fund. This would improve the rate of the financing to you.

Mayor Dickinson stated the next is on Section 6.01 and deals with special rates and the setting of those rates. Perhaps the Policy Board should be approving those special rates on the special waste.

Mr. Wright replied on Page 6-2 we committed to setting rates for those special items in such a way that the fees that are collected will reasonably reflect the system cost for handling the special waste. The Authority will consult with the Policy Board before establishing special disposal fees.

Mr. Doherty stated this is one of Geno's points and one that I find interesting. It says the Authority shall consult. Geno suggests "obtain the consent of the Policy Board". I would go along with the more stronger language.

Mr. Wright replied when we get a special waste, for instance batteries, I think you can fairly ask the Authority to reasonably estimate what it's going to actually cost us to dispose of the batteries. The reason the Authority couldn't commit to, in all cases, obtaining the towns' consent is if it costs us \$2,000 per ton to get rid of a ton of batteries and the towns won't consent to paying any more than \$5 per ton, we're taking a big loss for a year. So we wouldn't be in that position we committed to only charging you what it's going to cost us to get rid of these special handled materials and to consult with the Policy Board to give them assurances that in fact that is all we're charging. I'm not suggesting that the Policy Board would try and clip us in that way, but at the same time CRRA can't enter into an agreement where we might be running a loss for a year.

Mr. Parisi asked if you had a loss it would be a system cost?

Mr. Wright replied yes.

Mr. Parisi stated so you wouldn't really be giving up an awful lot. The problem with the wording is that "consult" means at a later date where "approval" means immediately.

Mr. Wright replied I can put in that we'd give you a prior consultation, but the contract limits us to reasonably reflecting the costs of the special handling. If we come up with something that doesn't do that, we will be breaching the contract and you could sue us. Yes we can get the money back in the next year's tip fee. Our problem is we don't want to float you a loan until the next year. Similarly if we overcharge you, you'll get it back in the next year's tip fee. There's no problem with putting "prior to the implementation of any special disposal fee, the Authority shall consult with the Policy Board."

Mr. Parisi asked what happens if the Policy Board doesn't agree?

Mr. Wright replied if the Policy Board determines that the costs we came up with don't reasonably reflect the costs of disposal, they can sue us. We would be in breach of our contract. We wouldn't intentionally try to overcharge you.

Mayor Dickinson stated the next item is CRRA having to make good faith efforts to minimize project costs that CRRA would be able to pass on to the system.

Mr. Wright stated that is included on Page 6-15, Section 6.08.

Mayor Dickinson stated the next item is the obligation of CRRA is disclose capital improvements as soon as known. Under the contract there was not an obligation to immediately inform the Policy Board as to potential increases or plan for identified capital improvements.

Mr. Wright replied CRRA felt that was a reasonable request and it's incorporated on the top of Page 5-9. It reads, "The Authority shall provide to the Policy Board information concerning anticipated capital expenditures within a reasonable period of time following the time that the Authority becomes aware that such capital expenditures are necessary. The Authority shall consult with the Policy Board to develop long range capital expenditure plans at reasonable intervals."

Mayor Dickinson stated the last item is an annual review of the securities provided by haulers. This would be an obligation of CRRA to review the security issue and determine whether the securities were adequate and whether there was any indebtedness at the time of review on the part of the hauler toward the system.

Mr. Wright replied that was incorporated on Page 4-23, Section 4-06.

Mr. Hamel stated I have a few items also. Mr. Doherty indicated he would like to see a review of the minimum tonnage commitments at 10 years.

Mr. Wright replied that is incorporated on Page 5-5 and reads, "Upon the request of the Municipality, at any time after the tenth anniversary of the Effective Date, the Authority shall make a good faith effort to find a municipality to which the Municipality may assign, in accordance with this Section 5.04, the whole or any part of its rights and obligations under this Agreement."

Mr. Hamel stated another question that came up was why should the towns pay for hazardous waste that might be brought in from other municipalities.

Mr. Wright replied that's at the bottom of Page 4-15 and states the Authority will use it's best efforts to try and pin those costs on the non-participating town. If we bring in other towns to meet the minimum commitment, we have to use our best efforts, if they deliver something they shouldn't have, and make them responsible for it.

Mr. Doherty stated I have a question on Page 5-14, which was on Geno's list as well, regarding noise levels. The last part reads, "to levels which are reasonably and economically feasible." Geno's comment was "economically feasible" should be removed. We've had problems with noise levels here and it's hard to sell economically feasible to people that are getting a humming noise constantly or the scraping noise from the conveyor belt.

Mr. Hamel replied at the request of the town CRRA has made some efforts to reduce the noise levels. They put some noise shielding around the conveyer and other efforts are being made now to look at some of the other noises.

Mr. Wright stated there was a real noise problem and perhaps CRRA should have moved earlier to correct that. The plant hasn't been accepted and our concern was we would be running up the cost to fix a car that we hadn't bought yet. We did step forward to address the problem. We're looking at other ways to reduce the noise even better and I think we will. Ogden is interested in that as well. My concern when you say we'll do anything we can is that's another one that would get passed right along through. It's no skin off CRRA's nose. If we give Ogden a change order, Ogden will say sure and just charge us a lot. To protect all the towns and the people that are paying the tips fees I think you want to rein us in. You don't want us to absolutely take all steps to silence the plant completely if it's going to jack your tip fees up to \$50,000 per ton.

Mr. Doherty asked what about changing the beginning of that to read, "The Authority shall use extraordinary efforts" instead of reasonable efforts?

Mr. Wright replied how about "shall use all reasonable efforts"?

Mr. Doherty asked what's the next step above reasonable? Reasonable took a long time to get the conveyer fixed.

Mr. Wright replied I hear what you're saying and yes it did take a long time.

Sheila Tralins stated I want to help put your mind at ease a little bit on the noise issue. It isn't our technology and we've just taken over the plant. In a number of communities where we have plants at one time or another there have been some questions about noise levels in the immediate area. When we hear about this we investigate and work with the community to try to mitigate the problem as best we can by looking at a cost/benefit analysis. A lot of times it's just a matter of figuring out what's causing it and working something out with the communities. We do have to meet several federal regulations to be within certain standards for noise and those will be complied with. If you have a problem, we'll work with you. I think "reasonable" efforts should be enough.

Mr. Wright stated instead of putting in a standard for what we're going to do, why don't we put in a standard for how quickly we're going to do it and say, "The Authority expeditiously shall implement these efforts.

Mr. Doherty stated that's okay. Can we also put in there "to the lowest levels which are reasonably and economically feasible"? The intent would be to meet the federal standards and go lower wherever possible--the lowest possible levels we can reach that are reasonable and economically feasible. Let's shoot for something better than the federal standards.

Mr. Wright replied I understand your intent and it's a good one. The noise levels are already better than federal and state standards and we'd like to get them even better than that and we're attempting to do so. Lowest has a never ending quality and you can always do a little better until the thing is absolutely muffled. Since we're beyond the federal and state levels already, how does this language sound. "The Authority expeditiously shall use reasonable

efforts to cause the Company to reduce noise levels from the operation of the Facility between 9 p.m. and 7 a.m. to levels below the levels achieved during other hours provided such efforts are reasonably and economically feasible." The federal and state standards would apply during the day hours and at night we're required to attempt to do better.

Mr. Doherty asked why don't we also insert "all reasonable efforts" like you suggested before?

Mr. Wright stated so it would read "shall use all reasonable efforts".

Mr. Doherty stated that's okay. Now let's go to Page 9-12, Section 9.16 regarding disposal of sludge. What is the story on the disposal of sludge?

Mr. Hamel stated CRRA will dispose of Meriden sludge only at the Meriden landfill and Wallingford sludge only at the Wallingford landfill.

Mr. Doherty stated the last one I have is on Page 9-15, Section 9.20 regarding restriction on loan to Company by Authority. It says they must first obtain the consent of the Policy Board. Is this unanimous consent of the Policy Board? I'd like to see this so worded. Also what is this \$500,000 loan all about?

Mr. Wright replied I think this is an anachronism going back to our deal with Vicon. They were such a thinly capitalized company that we thought we might have to loan them \$500,000 to get them through acceptance. We have a different deal now so why don't we strike the whole paragraph. That was a very good catch.

Mr. Killen stated if the other Council Members don't have any other sections they'd like to attack, we'll go out to the public?

Peter Gouveia, 39 Lincoln Drive, stated on the first item the Mayor made regarding the right to inspect the plant by Town officials without prior notification, I think the position taken by CRRA is too restrictive. To allow only the Health Inspector and the safety official of the Town to inspect is too restrictive. I would like to see language that would allow other Town officials to visit without prior notification. If this passes, this will render Mr. Doherty's recommendation for a garbage monitoring committee to be worthless if somebody from the committee does not have a right to go into the plant.

Mr. Wright replied when you make the committee all you would have to do is say this a public health related committee and all persons serving thereon are public health officials. You can do that just by the way you denominate the committee.

Mr. Gouveia asked is the Town Attorney comfortable with this? We could also indicate "the Health Inspector or his designees," but suppose he doesn't want to designate anybody to go in there.

Ms. Tralins stated naturally we're willing to let in those that are necessary for the health and safety of the community as provided herein. However, to go much further than that I would worry about endangering the safety of those persons coming on the site without reasonable notice. I would want to know what

you would really be looking to find if you just didn't give us reasonable notice. Other town officials are welcome to come, all we ask for is reasonable notice. We're trying to run a plant and we just can't have lots of people coming through. It could be a serious health problem for those coming through if they were unattended because we wouldn't have someone taking them around the plant. What is this committee you're thinking about forming?

Mr. Doherty replied the committee was being set up to monitor the plant and handle complaints in a much quicker fashion than was done in the past. Certainly the Town Sanitarian would be the health official and liaison with this committee and certainly he and maybe the Chairman of the committee would be the ones to come and have a surprise inspection on the plant. The Town Sanitarian is allowed to go in there anyway and he would just bring along maybe the Chairman of this committee. I don't see a whole bunch of people running down there, and two people from the committee that you'd recognize and spot very easily wouldn't cause any health problem.

Ms. Tralins stated I don't see any problem with that type of committee or involvement.

Mr. Gouveia asked why can't we say elected officials? You are the representatives of the people.

Mr. Wright replied the primary concern that we would have is that all your Town employees are covered by workman's comp. But if one of you were to walk in and slip on a piece of garbage and hurt yourself, that would present some insurance problems. Certainly having somebody come down and investigate the plant in the manner Mr. Doherty discussed earlier doesn't present a problem.

Mr. Gouveia asked on the noise level, can a community go ahead by ordinance and set their own noise standards that are better than state or federal levels?

Attorney Mantzaris replied I'm not sure. I don't know how the federal and state noise levels were arrived at. I can imagine a possible situation where the local standard is so low it prohibits the operation of an enterprise which had a right to operate. But I'm not sure if a local ordinance can be more strict than state or federal levels. Some years ago we discussed the possibility of establishing our own noise level ordinance and my recollection is it got to be an expensive proposition because of the equipment we would have to purchase to enforce it.

Mr. Gouveia stated I think we should be sure of that because if we adopt the language proposed tonight on the noise levels, it will render any kind of ordinance towards that effect meaningless or worthless.

Bob Avery, 70 Masonic Avenue, stated I have a question about the sewage or sludge. Will that go to the landfill?

Mr. Hamel replied it may go to the landfill and to the extent that CRRA has room at the landfill, CRRA would take it for the going tip fee.

Mr. Avery asked will the Meriden sludge go to the Meriden landfill at \$45 per ton also?

Mr. Hamel replied no it does not. There is some nominal charge, it's not \$45 per ton. I think it's just under \$5.

Mr. Avery asked what ever happened to the \$6 million owed the Bank of Japan?

Mr. Wright replied they are forgiving \$3.5 million of it and the other \$2.5 is being paid by Ogden through the equity payment.

Ron Gregory, 59 Hill Avenue, stated Mr. Wright attended a meeting of People Against Garbage Burning some time ago and told a little story about a frog. Basically Mr. Wright's story goes like this: if you take a frog and throw him in a pot of hot water he will react and jump out because he's afraid of what might happen to him. But if you take a frog and throw him in a pot of cold water and then turn up the heat a little at a time, before you know it you've cooked yourself a frog. That's basically what happened here. CRRA has cooked itself a frog and that frog is not only Wallingford but all the other four towns in this project as well.

Mr. Gregory then discussed some of the points in his letter (attached) regarding the Municipal Contract. I'm not suggesting that Wallingford should even consider pulling out of this project, but I don't think this contract should be accepted. Remember the frog. You've allowed CRRA to turn up the heat and cook the citizens of Wallingford.

Mr. Bradley stated I wrote to Attorney Mantzaris about concerns in this contract and one of Adam's biggest concerns was the obligation of the purchaser of the service to pay off the mortgage on the supplier's factory in the event this plant becomes unusable or is destroyed beyond economic point of repair. I haven't heard how far CRRA has protected itself or us against this liability. Attorney Mantzaris also says he does not know if insurance can be purchased for a reasonable sum to protect us against that and also Change of Law. I don't know if there have been any other thoughts or ideas on how the Town of Wallingford could protect itself from that.

Attorney Mantzaris replied maybe insurance is possible to protect us, but I didn't know when I wrote that report and I don't know today if it's possible. I haven't come up with any other alternatives to insurance.

Mr. Bradley asked what is the current value of the building or plant itself and is it fully insured?

Mr. Hamel replied the CRRA Risk Manager is the one who evaluates the insurance on it. I'm not sure how much evaluation Ogden has done to date, but I know their Risk Manager has looked at it too. I assume it's fully insured; the insurance premiums are certainly costly enough.

Mr. Wright replied we had a long meeting this afternoon on insurance which Sheila Tralins sat in on with my Risk Manager so she probably has a better sense of what those issues are.

Ms. Tralins stated I think it's approximately \$50 million. We are currently finalizing the fine points of who is going to place the insurance, CRRA or Ogden. Ogden can place the insurance under the package we have with a lot of

our plants. CRRA is being careful to determine which is the better deal because you have a system financing which includes a landfill and other items which also need to be insured. Ogden doesn't insure the landfills and they do need to be insured. I believe they are seeking full recovery in case of a total lose. The particular items of coverage and the deductibles are being finalized now. Whether CRRA or Ogden places the insurance, they are comparable in terms of coverage and in terms of coverage in the industry.

Mr. Wright stated the plant is fully insured now, but we're seeing if we can't get it more cheaply by having Ogden pay the insurance that they can pay more cheaply and having us bear the insurance that we can pay more cheaply. It's just a question of refining the financial deal.

Mr. Bradley asked then why do we have this language in the contract that we would pay off the mortgage?

Mr. Hamel stated that would be in the case of a risk not covered by insurance.

Mr. Bradley asked is there any obligation under State or Federal Change of Law if it was decided the Meriden landfill was acceptable and could be used as a landfill or ashfill?

Mr. Wright asked are you asking if we're obligated to use it? We have a Meriden landfill lease which gives us certain obligations which is outside of these agreements. The Meriden landfill lease requires the Authority to attempt to permit it for a wide variety of uses. That's why CRRA is in the uncomfortable position of being an adverse party in litigation with you. We are contractually required to attempt the permitting. That's how we got into this mess.

Mr. Bradley then read a statement from Mr. Zandri which is attached.

Mr. Bradley stated I have some concerns with the contract from a financial liability standpoint, the Force Majeure aspect and the point we just discussed regarding paying off the mortgage if the plant becomes unusable. As far as the State Change of Law, that is eminent. There is change coming and it's just a matter of what degree we will see that change. This could be expensive and I don't feel that responsibility should be placed on the Town of Wallingford. I also have a concern regarding the minimum tonnage requirement from a recycling standpoint over the long term and what the impact may be there. Those are my concerns and are my reasons for rejection of this contract.

VOTE: Bradley voted no; all other ayes; motion duly carried.

Meeting adjourned at 11:55 p.m.

Meeting recorded and transcribed by:
Katrina M. Manley, Council Secretary

Approved:

Albert E. Killen, Chairman

Date

Kathryn J. Wall, Town Clerk

Date