

TOWN OF WALLINGFORD, CONNECTICUT  
SPECIAL TOWN COUNCIL MEETING  
WORKSHOP

Monday, September 29, 2008

The following is a record of the minutes of the Wallingford Town Council at a Special Meeting held on Monday, September 29, 2008, in the Robert Earley Auditorium of the Wallingford Town Hall. Town Council Chairman Mike Brodinsky Called the Meeting to Order at 1:20 P.M. Responding present to the Roll Call given by Town Council Secretary Sandra Weekes were Councilors Michael Brodinsky, Nick Economopoulos, John LeTourneau, Robert F. Parisi, Rosemary Rascati, and Mayor William W. Dickinson, Jr., and Town Attorney Janis Small were also present. Vincenzo M. DiNatale, Gerald E. Farrell, Jr., and Vincent F. Testa, Jr. were absent from the meeting.

A Moment of Silence began the meeting. The Pledge of Allegiance was said and the Roll Call was taken.

1. Discussion regarding CRRA Project and future options – Chairman Mike Brodinsky

The following CRRA representatives were present for the Workshop and the Executive Session:

Thomas D. Kirk, President, Connecticut Resources Recovery Authority  
Virginia Raymond, Senior Analyst, Connecticut Resources Recovery Authority  
Bettina Bronisz, Assistant Treasurer and Director of Finance, Connecticut Resources Recovery Authority

Ms. Raymond distributed an agenda for the "Connecticut Resources Recovery Authority (herein CRRA) Purchase Option of the Wallingford Resource Recovery Facility". (*Appendix I*) She also distributed to the Council the document entitled "Base Case Business Model and Sensitivities" with the CRRA Facility Operations Proforma – Base Case detail. (*Appendix II*) Ms. Raymond reviewed the historical background on why they were there today. She discussed the Covanta/CRRA Operator Agreement and the Options Studied. In her presentation, she covered the Purchase Options that included –

Base Case Business Model Sensitivities  
Fair Market Valuations  
Electric Market Study  
Useful Life and Capital Expenditures  
Formal Valuation Process  
New MSA and Flow Control Ordinance

Ms. Raymond continued by discussing the Benefit (PILOT) for the Town of Wallingford as the Host Community and discussed the Financing Process that included Schedule and Timing.

Mr. Kirk identified the sensitive areas as the Appraisal of the Plant and the Electric Power Study. Ms. Raymond stated the five (5) towns have been well served with CRRA as agent for

the towns. She presented the Public Purchase Option and said that CRRA is no longer pursuing the Covanta -5 Town Agreement. The Council The Policy Board has the Memorandum of Understanding but the Council does not. Purchase options were discussed.

The Municipal Service Agreement discussion covered the background, the business options, PILOT and the financing. Ms. Raymond talked about future options and noted that the current agreement comes to term on June 30, 2010, and the CL & P Agreement comes to term June 30, 2009. They talked about steam energy, which was sold to American Cyanamid and switched to selling to the power-grid.

The budget detail for the base case scenarios was discussed at length in response to questions about it from the Council. In particular, Chairman Brodinsky asked questions line by line of the budget with attention on the Administrative section of the budget.

#### MOTION

Mr. LeTourneau made a motion for a five-minute recess. The motion was seconded by Mr. Parisi. All Councilors present (6) voted Aye, and the motion passed. The Council recessed at 2:15 P.M.

#### MOTION

Mr. LeTourneau made a motion to return from recess. Mr. Economopoulos seconded. All Councilors present (6) voted Aye, and the motion passed. The Council returned from recess at 2:25 P.M.

The Proforma review continued. To clarify, Chairman Brodinsky asked for a distinction between a "traditional operator" and an "historic operator." They discussed Scenario 3 - Traditional Operator of Facility and the estimations on page 3 of 3. Mr. Kirk described Scenario 4 - with the Franklin Land Fill in regard to costs for hauling ash. Fatal Flaws were described and gave examples, such as a Native American Burial Ground or animals or plants listed on the endangered list. Landfills in the state, such as Putnam, were mentioned as they will be reaching capacity in the near future. In Franklin, CT, Mr. Kirk said that what is expected as opposition to the landfill to include the effect on property values, the river, ground water. He pointed out that Franklin operates on a \$5 million dollar budget and that a new ash landfill would provide \$1.2 million to that town.

Chairman Brodinsky asked about how they have changed over the past 20 years and why. Land and plant ownership were discussed, and Chairman Brodinsky asked if the contract could include a proviso to turn the plant over to the town. Mr. Kirk said that he can't speak for the board but that he doesn't think they would have an objection to not owning the plant at the end of 20 years. Ms. Raymond interjected that in discussion over the next 20 years, at appropriate intervals, will be discussion over whether or not they want to invest money into the facility to keep it operational after the next 20 years.

The discussed delivery or shortfalls of tonnage and the consequences for a shortfall and how that relates to the towns in the agreement. In the new agreement, CRRA will seek to fill tonnage if there is a shortfall. Then risk to the towns was talked about if the tonnage exceeded the agreement. Mayor Dickinson voiced concern with the 90% rolling average because it

depends on records and record keeping. Attorney Small said that the new draft could have language based on more accurate data.

MOTION

Mr. Parisi made a motion to recess. Mr. LeTourneau seconded. All Councilors present (6) voted Aye. The Council recessed at 3:25 P.M.

MOTION

Mr. Parisi made a motion to return from recess. Mr. LeTourneau seconded. All Councilors present (6) voted Aye. The Council returned from recess at 3:35 P.M.

With regard to the governance of the facility, discussion ensues regarding the Policy Board as compared to the CRRA Board and the advisory status of the Policy Board and that perhaps it should have more power that it now does. Ms. Raymond said that the Policy Board is informed of everything and that it is a collaborative effort. She said that the more the new agreement is like the expiring agreement, the better. Mr. Kirk said that CRRA has the final authority on the budget and that during the length of his five-year tenure with CRRA, there has not been a serious conflict between the two boards. Chairman Brodinsky asked how could it harm to have something built in, some safeguards, for the town considering the risk. Mr. Kirk said that they are not allowed to have or keep retained earnings.

Chairman Brodinsky asked about the Expense side of the budget in looking at items that find their way into the budget and how does Wallingford stop it. He asked what statute do we go to; and what is the process if inquiry. Mr. Kirk said that it is an auditing process. Chairman Brodinsky asked why is it that the towns don't have enforceable say over the budget.

Mayor Dickinson talked a bit about bonding and said that the MSA is a critical component as it trumps the budget. He said that the budget doesn't amend the contract. He said that debt payment is only one portion of the budget and wanted to know what is being accountable to the rest of the budget and protection to advisory status of the Policy Board. Chairman Brodinsky returned to the Policy Board needing something enforceable and not just 2 votes out of 11. Councilor Rascati clarified that CRRA has the final say on the budget.

They next talked about ownership of the CRRA facility, the land lease and its term with Cytek. According to the statute, if CRRA is operating past 2016, then the land reverts to CRRA and that it trumps the lease. There is a right of reversion. Ms. Raymond said that in 2030, when the lease on the land with Cytek expires, the land then goes with the plant. Chairman Brodinsky stated that in 2030 whoever owns the building has the option to buy out. Chairman Brodinsky asked if the owner of the facility, whether its Covanta or CRRA, ever end up as the owner of the real estate. Ms. Raymond said yes under state statute for CRRA, and if its operating past 2016 and CRRA is the owner at that time, then the property will revert to CRRA, so that it trumps the lease. Mr. Parisi expressed that we are paying all the time but we never seem town anything and that we have no votes and no say. Ms. Raymond spoke about future options.

Ms. Raymond in reviewing her research said that the towns did not want to take the risk regarding plant and land ownership.

The workshop concluded with a review of the schedule and the timing of the new MSA and MOU with regard to the issues of the workshop, the timing of the responses and the timing of the action.

2. Executive Session – pursuant to Connecticut General Statutes §1-200 (6) (E) and pursuant to Connecticut General Statutes §1-210 (b)(5)(B) and §1-210 (b)(7) to discuss CRRA project and future options - Mayor

MOTION

Mr. LeTourneau made a motion, seconded by Mr. Parisi, to go into Executive Session pursuant to Connecticut General Statutes §1-200 (6) (E) and pursuant to Connecticut General Statutes §1-210 (b)(5)(B) and §1-210 (b)(7) to discuss CRRA project and future options as requested by the Mayor.

All Councilors present (6) voted Aye. The motion passed. The Council entered into Executive Session at 4:43 P.M.

Mr. Economopoulos left the meeting at 5:00 P.M.

MOTION

Mr. Spiteri made a motion, seconded by Mr. Brodinsky, to come out of Executive Session. All Councilors present (5) voted Aye. The motion passed. The Council exited into Executive Session at 5:10 P.M.

ATTENDANCE AT THE EXECUTIVE SESSION

Five (5) Councilors. Absent were Economopoulos, DiNatale, Farrell and Testa. Mayor Dickinson and Town Attorney Janis Small; Thomas D. Kirk, Virginia Raymond, Bettina Bronisz,

MOTION

Mr. Spiteri made a motion, seconded by Mr. Brodinsky, to Adjourn. All Councilors present (6) voted Aye. The motion passed.

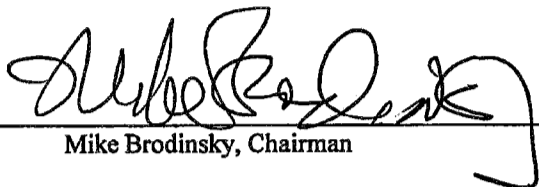
The meeting adjourned at 5:11 P.M., having concluded their business.

Respectfully submitted,

  
Sandra R. Weekes

Town Council Secretary

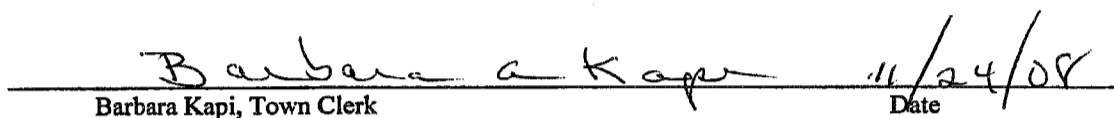
Meeting recorded by Sandra R. Weekes



Mike Brodinsky, Chairman

11/24/08

Date



Barbara Kapi, Town Clerk

Date