

Approved 5/13/11

RHODE ISLAND RESOURCE RECOVERY CORPORATION
BUSINESS MEETING

Tuesday, March 15, 2011

10:00 A.M.

65 Shun Pike

Johnston, Rhode Island 02919

In Attendance

Douglas Jeffrey, Chair

Geri-Ann DiPaolo, Vice-Chair

Jared Rhodes

Michael Sabitoni

Absent

Charles Lombardi

Michael Quinn

Staff Present

Michael OConnell, Executive Director

Sarah Kite, Director of Recycling Services

J. Timothy McCormick, CFO

Brian Card, Director of Operations and Engineering

Christine Jocelyn, Human Resources Director

Robert Lough, Security Officer and Safety Coordinator

Patricia Cerbo, Purchasing Director

Ken Paulhus, Landfill Operations Supervisor

Others Present

Ron Ronzio, Allied Court Reporters

Kelly Carpenter, Senate Fiscal Office

Ray Choiniere, House Policy Office

Kelly Mahoney, RI DOA

Joe Rodio, Sr., Rodio & Ursillo

David Ursillo, Rodio & Ursillo

Steve Mutter, City of East Providence

Steven Wright, K&L Gates

Gregory Youman, K&L Gates

Call to Order

Chairman Jeffrey called the meeting to order at 10:07 A.M. Pledge of Allegiance followed by Roll Call. Commissioners DiPaolo, Jeffrey, Rhodes, and Sabitoni present, constituting a quorum.

Chairman Jeffrey stated that he was pleased to be back after having received a favorable ruling from the Ethics Commission regarding any possible conflict with

his holding a position on the RIRRC Board and holding a Chief of Staff position in the Town of Johnston.

Agenda Items

1. Approval of Meeting Minutes from 2/8/11

Motion to accept the minutes by Commissioner Sabitoni. Seconded by Commissioner DiPaolo. Passed 3-0.

2. New Contracts

a. Portable Two-Way Radios

Resolution: Be it resolved that the Board of Commissioners authorizes the Executive Director to enter into a contractual agreement for the purchase of a new portable two-way radio system, IFB #914, between Rhode Island Resource Recovery Corporation and Challenge Electronics, Inc. of East Providence, RI. The total amount of this contract is \$58,160, which amount is based on the vendor's primary bid prices. This contract will commence on or about March 15, 2011. Motion to accept by Commissioner Sabitoni. Seconded by Commissioner DiPaolo. Passed 3-0.

b. Aerial Photography

Resolution: Be it resolved that the Board of Commissioners authorizes the Executive Director to enter into a contractual agreement for IFB #922, 2011 Aerial Photography and Photogrammetric Mapping with WSP Sells of Charlton, MA for a total amount not to exceed \$32,290 for bid items 1 to 8 and optional item 1. This contract will commence upon execution and continue until December 31, 2011. Motion to accept by Commissioner DiPaolo. Seconded by Commissioner Sabitoni. Passed 3-0.

c. Machine Lubricants and Fluids

Resolution: Be it resolved that the Board of Commissioners authorizes the Executive Director to enter into a contractual agreement for the purchase and delivery of machine fluids and lubricants, IFB #923, between Rhode Island Resource Recovery Corporation and Dennison Lubricants, Inc. of Lakeville, MA for an amount not to exceed \$20,000. The contract will commence on or about March 15, 2011, and continue until August 31, 2011, with the Corporation's option to renew, under the same terms and conditions, for five additional six-month periods.

Be it resolved that the Board of Commissioners authorizes the Executive Director to enter into a contractual agreement for the purchase and delivery of machine fluids and lubricants, IFB #923, between Rhode Island Resource Recovery Corporation and Industrial Oil & Supply Co., Inc. of Woonsocket, RI for an amount not to exceed \$50,000. The contract will commence on or about March 15, 2011, and continue until August 31, 2011, with the Corporation's option to renew, under the same terms and conditions, for five additional six-month periods. Motion to accept by Commissioner Sabitoni. Seconded by Commissioner DiPaolo. Passed 3-0.

3. Contract Renewals

a. Legal Services

Resolution: Be it resolved that the Board of Commissioners authorizes the Executive Director to engage the services of Rodio & Ursillo, Adler Pollock, and Hinckley Allen at the below rates for legal services in 2011 for an amount not to exceed \$500,000 annually or \$125,000 per fiscal quarter. Any spending in excess of these amounts will need prior approval by the Board. In addition, the Executive Director will advise the Board at the end of each quarter of actual amounts expended. Rates for services are as follows: Rodio & Ursillo, \$165 per hour; Adler Pollock, \$225 per hour; Hinckley Allen, \$325 per hour (environmental work is higher). Motion to accept by Commissioner Sabitoni. Seconded by Commissioner DiPaolo. Passed 3-0.

4. Contract Increases - None

5. Other Business

a. Grant Request

A written request from the Rhode Island Recycling Coalition was received on or about January 31, 2011, for a 50% Matching Grant, separate from the revenue share, of up to \$50,000, to be used by local recycling coordinators on programs and communications to promote recycling. At this time, the request was denied. However, Commissioner Jeffrey initiated establishing a policy and procedure for grants with the possibility of a budget line item for grants each year. Such grants would be awarded once a year and would be subject to approval of a subcommittee to be named. A motion was made to table this item until the next meeting when policies and procedures are in place. Motion to accept by Commissioner DiPaolo. Seconded by Commissioner Sabitoni. Passed 3-0.

b. Landfill Trust Funds and Strategy

Through the end of 2007 the trust funds managed and held by VanLiew Trust included 40 to 50% equities. This is contrary to our EPA consent decree. Late in 2007 the funds were transferred to Washington Trust and Sovereign Bank and were invested in government guaranteed instruments—CDARS, which were earning about 3% at that time. In 2010, Sovereign Bank decided to get out of the trust business. We moved that money to Rockland Trust. Currently, RIRRC management (Executive Director and CFO) directs the investment of those monies into new CDARS as the old CDARS mature. The current annual rate is .5%

This structure is inconsistent with our statutory framework and the EPA consent decree, which require the Corporation, acting through its Commissioners, to be responsible for the management of the funds in the trusts and to approve investment guidelines for the funds. Once approved, the investment guidelines could be implemented by the trustee and/or investment manager(s) for the trust.

RIRRC recommends that we move toward a structure similar to the pension funds management that includes a mix of Commissioners and management personnel along with an outside funds advisor to recommend to the Board investment guidelines and strategies for the funds in the trust. The Board would maintain authority with regard to additions to and withdrawals funds from the various trusts, subject to the terms of the trust agreements.

Next steps are to issue an RFP for a fund advisor; develop a management structure and governance plan for trustees; and recommend proposal to the full Board by October 1, 2011.

c. Solar Cap Option Discussion

RIRRC recently discussed with RIDEM the potential installation of an exposed geomembrane cap (EGC) with the inclusion of solar panels, otherwise known as PowerCap™, along portions of our south facing slope. This project has the potential to allow the Corporation to use newer technology on the final cover system while providing for a minor economic payback to an otherwise fixed expense to the landfill operation.

Under current regulations and our RIDEM permit, the Corporation must install a final cover system over the landfill when it reaches final grade. This cover system includes (from bottom to top) the following: subgrade layer, two geosynthetic products, two feet of soil, and vegetation. The elimination of these materials over the geosynthetic plastic layer can reduce the cost of the final cap cover to about \$50,000 per acre. With the cost savings, solar panels would be installed over the EGC, creating the PowerCap™.

The PowerCap™ is a dual purpose landfill solution. The main purpose is to provide a capping system which will reduce or eliminate the annual monitoring and maintenance cost as compared to a conventional cap with soil cover. The second purpose is through its solar panels which harness UV rays and convert them into usable energy. This energy could be used on site or sold back to the grid. The system can be installed for the same or less than the conventional cap, depending on the amount of cost savings, which varies from landfill to landfill. There are landfills in Texas and Georgia already using the system with landfills in New York and Massachusetts considering the system.

We would propose capping 1.4 acres out of 10 acres with solar panels. EGC with solar panels total estimated cost is \$1.6 million. A comparable conventional cap cost for 10 acres is \$1.7 million. The first year output is 273,888 kWh per year, with a .5% degradation. At an electric rate of \$.12 per kWh, annual revenue, or savings is \$32,000 in today's dollars. The potential post-closure cost savings include elimination of vegetation maintenance and erosion repairs. There is also a potential grant of up to \$750,000 from RIEDC's Renewal Energy Grant Fund.

The proposed EGC cap system will involve a modification to the existing closure plan. Discussions with RIDEM have already occurred. Future discussions will include presenting information and data that provide support that the design performance objectives of the Subtitle D cap are met using the EGC system. The design and maintenance improvements over the traditional capping system will be presented. Discussions will also focus on the long term durability with the contingent warranty offered by the manufacturer, Carlisle. Storm water limits may require modifications. However, these may be offset by the long-term final closure system that will ultimately be below the interim storm water discharge limits set for the EGC cap.

Design hurdles include storm water control design, access to the site without damaging the membrane or panels, long-term durability, wind shear damage, stability, and snow load.

This is intended to be only an introductory discussion and informational presentation. More research will be conducted and data collected, and this will be communicated to the Board as progress is made.

Motion for 5 minute recess and return in Executive Session. Motion made by Commissioner Sabitoni. Seconded by Commissioner DiPaolo. Passed 3-0.

6. Executive Session

a. Motion to approve sealed minutes from February 8, 2011.

Announced 3-0 vote to seal and have remain sealed the Executive Session minutes of February 8, 2011 and return to regular session.

7. Discussion of contract for Executive Director. Rodio & Ursillo will research and compile a report of quasi's salaries and contracts for Executive Director level positions for full Board review at the next meeting.

8. Mike OConnell presented projected financial position for the next three years, including cash flow and anticipated capital expenditures.

9. Next Meeting Date

A date in early May to be determined.

Motion to adjourn made by Commissioner Sabitoni. Seconded by Commissioner DiPaolo. Passed 3-0.

Adjourned at 11:46 A.M.