

**CITY OF BRIDGEPORT
CONTRACTS COMMITTEE
TUESDAY, OCTOBER 8, 2013
6:00 PM**

ATTENDANCE: Co-chair Silva; Council members: dePara, Paoletto
*Council President McCarthy

*= sat in to make a quorum

OTHER(s): Associate City Attorney Trachtenburg
Associate City Attorney Pacacha; Ted Graybarz

Co-chair Silva called the meeting to order at 6:30 pm.

132-12 Proposed Service Agreement with Pro-Act, Inc to provide a free discount Prescription Card to Residents of Bridgeport.

Richard Weiner, Benefits Manager wasn't present to present the item. Attorney Pacacha stated that he worked with Mr. Weiner on the contract and he offered to give some background information to the committee.

Council President McCarthy recalled there were some specific questions by the committee at the last meeting from Council member Stafstrom. Attorney Pacacha said he didn't have any information to relay about those questions.

**** COUNCIL MEMBER PAOLETTO MOVED TO TABLE
** COUNCIL PRESIDENT McCARTHY SECONDED
** MOTION PASSED UNANIMOUSLY**

Minutes Approval – September 16, 2013

**** COUNCIL PRESIDENT MOVED TO ACCEPT THE MINUTES
** COUNCIL MEMBER dePARA SECONDED
** MOTION PASSED UNANIMOUSLY**

164-12 Communication from Public Facilities re: Proposed Resolution Concerning the Power Purchase Agreement for Solar Photo-Voltaic Electric Generation at the WPCA (East Side), Public Facilities Complex, Barnum, Waltersville and Jettie Tisdale Schools, High Horizons Magnet School (JFK Campus), referred to Contracts Committee.

Co-chair Silva explained that the item was taken up off the floor last night during the City Council meeting. He said the item would require a two-thirds vote to add it to the agenda and to amend the contract to include Read School.

**** COUNCIL PRESIDENT McCARTHY MOVED TO SUSPEND THE RULES FOR THE PURPOSE OF ADDING ITEM 164-12 TO THE AGENDA
** COUNCIL MEMBER PAOLETTO SECONDED
** MOTION PASSED UNANIMOUSLY**

**** COUNCIL PRESIDENT McCARTHY MOVED TO ADD ITEM 164-14 TO THE AGENDA
** COUNCIL MEMBER PAOLETTO SECONDED
** MOTION PASSED UNANIMOUSLY**

Co-chair Silva stated that this item would need to be added to the agenda.

174-12 Communication from City Attorney re: Proposed Request for Approval of Seventh Amendment to Lease with Captain's Cove Marina of Bridgeport, Inc. to provide location for Proposed Anaerobic Digester Site Adjacent to the West Side Treatment Plan, referred to Contracts Committee.

**** COUNCIL PRESIDENT McCARTHY MOVED TO SUSPEND THE RULES FOR THE PURPOSE OF ADDING ITEM 174-12 TO THE AGENDA
** COUNCIL MEMBER PAOLETTO SECONDED
** MOTION PASSED UNANIMOUSLY**

**** COUNCIL PRESIDENT McCARTHY MOVED TO ADD ITEM 174-12 TO THE AGENDA
** COUNCIL MEMBER PAOLETTO SECONDED
** MOTION PASSED UNANIMOUSLY**

Co-chair Silva returned to the item below.

164-12 Communication from Public Facilities re: Proposed Resolution Concerning

the Power Purchase Agreement for Solar Photo-Voltaic Electric Generation at the WPCA (East Side), Public Facilities Complex, Barnum, Waltersville and Jettie Tisdale Schools, High Horizons Magnet School (JFK Campus), referred to Contracts Committee.

Bieu Tren was present to discuss the item. He gave some background about the item and he mentioned that there would be a fantastic view for this project, in line with the Mayor's BGreen Initiative. He further explained that the project will help build an energy source for the next twenty years. He noted that the matter was time sensitive due to the state funding they received. He commented that they can begin to solarize Bridgeport in a big way if the item is approved, noting that the project will secure a huge amount of kilowatts as needed.

Co-chair Silva asked the length of the contract. Mr. Tren said the contract would be for twenty years at a cost of 5.5 cents. The cost savings will be approximately \$1 million over the course of twenty years; which equates to approximately \$64k per year. There is no cost to the city up front and no capital expenses. He added that distribution will be generated by United Illuminating and the city will see the transmission savings.

Brent of Solar City stated that the project will result in clear energy. He pointed out that the utility equipment won't be visible from the street. He noted that the primary purpose is only to collect power.

Co-chair Silva asked if the project will disrupt usage or operation of the unit. Brent said no, because there are no penetrations in the roof and no leaks. He explained that if snow hits the utility, it will slide off. However, if there is a heavy snow, then the weight will be assessed by the engineers. They will also work with local roofers to maintain warranty of the roof that will have a specific weight warranty to maintain. He commented that his firm has done over 160,000 systems nationwide.

Co-chair Silva asked if the city would eat the cost for the roofing. Mr. Tren said no, the roof will have less exposure due to the solar panels that will be installed.

Council President McCarthy questioned if the system should get damaged by a storm, will the city be liable. Attorney Trachtenburg said the firm will be responsible for repairs and maintenance; the city will only be responsible should willful neglect occur.

Attorney Trachtenburg added that the contract comes with a performance guarantee and every five years it's averaged out to determine if they under produced what was expected. If that is the case, the cost will be covered as an added protection.

Council President McCarthy if the city will be liable if the panels should happen to damage a city building. Attorney Trachtenburg said the contractor will be responsible if that happens.

Council member dePara asked what the selection process entailed. Mr. Tren said they went through the Board of Registers for the five firms. Mr. Graybarz added that there were four to five proposals and Solar City had the best proposal as it pertained to operations maintenance, price, escalators (that were zero) and ownership responsibility.

Co-chair Silva stated that initially he had a concern of adding the item to the agenda at the eleventh hour, because there hasn't been any time to digest all the information. He said that they need to ensure that they are making the right decision for the building and the taxpayer. He explained that it's important for the committee to ask the right questions in accordance with their commitment to safeguard Bridgeport.

Mr. Graybarz commented that the RFP goes back a year and due to energy legislation, they had to find more opportunities for solar projects. The delay was due to finding the right project and then they had to review the competitive pricing.

Co-chair Silva questioned the cost of \$1 million over twenty years. He commented that it didn't seem like much. Brent stated that the \$1 million is probably on the low side. He further relayed some information about the United Illuminating energy rates to make the point that the market fluctuates. He reiterated that the cost could be higher. Mr. Graybarz added that one thing about doing solar is that the carbon savings cost could be significant, but there isn't enough information regarding that right now to quantify it.

Council member Paoletto said he basically understood the information that was provided, particularly as it pertained to the cost savings. He said he felt the estimated \$1 million over twenty years was a good thing.

Attorney Trachtenburg stated that the committee was distributed the redline amendment to add Read School to the contract for approval.

**** COUNCIL MEMBER PAOLETTO MOVED TO AMEND ITEM 164-12 TO
INCLUDE READ SCHOOL IN THE CONTRACT
** COUNCIL PRESIDENT McCARTHY SECONDED
** MOTION PASSED UNANIMOUSLY**

**** COUNCIL MEMBER PAOLETTO MOVED TO APPROVE ITEM 164-12 AS
AMNEDED
** COUNCIL PRESIDENT McCARTHY SECONDED
** MOTION PASSED UNANIMIOUSLY**

***Consent calendar**

Co-chair Silva returned to the item below.

- 174-13** Communication from City Attorney re: Proposed Request for Approval of Seventh Amendment to Lease with Captain's Cove Marina of Bridgeport, Inc. to provide location for Proposed Anaerobic Digester Site Adjacent to the West Side Treatment Plan, referred to Contracts Committee.

Attorney Pacacha stated that the information distributed was the substituted resolution – *it was noted that it should be amended by substitution.*

Attorney Pacacha explained that the matter involved a project where the WPCA will enter into an agreement to build an Anaerobic Digester Site. He stated that if excess electricity is generated, it will be transmitted to the Aquaculture School to help reduce costs. He went on to say that the contract has finally come together and it's poised to be presented to the WPCA. They have worked with Captain's Cove, but they have to finalize the agreement with them.

Mr. Graybarz stated that there is an opportunity to save money for WPCA and the rate payers, in terms of taking the sludge to New Haven to be burned, it will now be done on site with a low pressure process. There will be a savings of \$100k in initial years for the twenty year agreement and there is no capital cost on WPCA to implement it. He mentioned that they have worked on the agreement for over one year. They conducted the RFP process and determined that that best location was to do the project at the east side plant where the majority of sludge is generated. He further explained that process where they put the sludge through a low pressure process, where it generates methane and turns into turbine to generate energy.

Council President McCarthy asked if the sludge disappears. Mr. Graybarz said it becomes reduced to a much smaller amount of approximately 10% that will then go to a landfill. Overall, there will be a 90% savings.

Council President McCarthy questioned if any toxins will be released into the atmosphere. Brent said the process is contained in tanks with a cover that is raised and lowered to detect volume and maintain a certain pressure. There will be some initial flaring, which is primarily a safety precaution. He explained that as gas pressure builds up there will be a flare, but after that; they won't need to flare.

Council President McCarthy asked what gets released into the air. Brent said he was only aware of the flaring that may occur, noting that 99% of the time nothing is released.

Attorney Pacacha continued to discuss the land that was required consisting of 2.3 acres located off of Bostwick Avenue. He said when it was decided, they had to negotiate with the land owner that is Captain's Cove and they commissioned two real estate appraisers for the length of the lease. The highest appraisal was in the amount of \$330k and the offer was made to Captain's Cove who accepted. He stated that they also told them that they needed a 15 foot utility easement to access electricity and hot water to send over to the Aquaculture School. The easement will be between the city and WPCA.

He added that landscaping will be installed along the pink denoted line outlined on the map and WPCA will install a buffer. They will also install a locked gage where they will be able to store equipment securely and not have it subject to vandalism. The acquisition cost is \$233k and under the deal, the developers contributed \$200k and the balance of \$133k will be applied to Captain's Cove rent. *It was noted that an A-2 survey will be recorded as part of the land agreement.*

Council member Paoletto questioned how long the \$133k rent will cover. Attorney Pacacha replied that the amount was based on real estate taxes and percentage rent from four different income streams on the property.

Co-chair Silva asked if the boat storage at Captain's Cove would be disturbed. Attorney Pacacha said no, because they haven't been storing boats currently.

Council President McCarthy questioned if Captain's Cove still owed the city back rent. Attorney Pacacha said yes, in the amount of \$365k.

Council President McCarthy asked if the payment of \$330k technically would include the \$200k payment.

Council President McCarthy asked if the land that the city wants is contained in a lease to Captain's Cove. Attorney Pacacha said that was correct. He explained that \$200k is paid by Inergia to WPCA for the land acquisition cost. He noted that the city can put the amount into the general fund or apply it to Captain's Cove rent.

Attorney Pacacha said that WPCA is giving the city \$200k for acquiring the land. Council President McCarthy questioned then where the other \$130k was going. Attorney Pacacha clarified that instead of paying Captain's Cove, the city will deduct it and apply it to the rent they owe us. Council President McCarthy asked if this would be in return for giving up the portion of the lease. Attorney Pacacha said that was correct. He added that Captain's Cove technically doesn't get anything. He clarified that the city owes Captain's Cove \$330k for the property.

Council President McCarthy asked for clarification of whether Captain's Cove has control of the designated property until 2014 and if the city wants the land, they have to do something from a legal perspective to get the land back. He further asked if the land was appraised at \$330k, is it in lieu of Captain's Cove getting a check for \$330k. He asked Attorney Pacacha to explain why the city has to give Captain's Cove \$330k in value if they owe \$365k. He further questioned if at the end of the process, will they then still owe the city \$25k. Attorney Pacacha said yes and it could be more. He clarified that the reality is, the city is getting the value of the land.

Council President McCarthy commented that he understood why Captain's Cove wants a buffer. However, he questioned why the city isn't installing a buffer on the P.T. Barnum Apartments side to protect the residents from the unattractive appearance of the property.

There was some open discussion regarding the necessity for a buffer on the P.T. Barnum Apartment's side.

Council member dePara questioned why Captain's Cove is getting the benefit of storage at no cost. Attorney Pacacha stated that only items that could be vandalized will be stored.

Council member dePara asked what the projected costs savings would be to the city. Mr. Graybarz said the savings to WPCA will be \$100k.

Council member dePara asked what the cost was to currently ship and burn the sludge. Mr. Graybarz said he wasn't sure.

Co-chair Silva asked if they would be hiring any people from Bridgeport to operate the plant. Mr. Graybarz said they have expectations to hire local people.

Council member Paoletto made it clear that he was for the project, but that he wasn't in agreement with the deal. Therefore, he said he was **not** in support of approving the item, primarily due to all the back issues with Captain's Cove.

COUNCIL PRESIDENT MCCARTHY MOVED TO MARK ITEM 174-12 SEVENTH AMENDMENT TO CAPTAIN'S COVE LEASE PROVIDING FOR THE RELEASE OF A 2.23 ACRE PORTION OF ITS LEASEHOLD TO FACILITATE THE LOCATION OF AN ANAEROBIC DIGESTER ADJACENT TO THE WEST SIDE TREATMENT PLANT AS EXHIBIT-1-174-12

**There was no second to the motion
Therefore, the motion wasn't moved for a vote and failed**

**** COUNCIL PRESIDENT McCARTHY MOVED TO TABLE ITEM 174-12
** COUNCIL MEMBER PAOLETTO SECONDED
** MOTION PASSED UNANIMOUSLY**

ADJOURNED

**** COUNCIL PRESIDENT McCARTHY MOVED TO ADJOURN
** COUNCIL MEMBER PAOLETTO SECONDED
** MOTION PASSED UNANIMOUSLY**

The meeting was adjourned at 7:45 pm.

Respectfully submitted,

Diane Graham
Telesco Secretarial Services