

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND THIRTEENTH MEETING

JANUARY 25, 2007

A Regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, January 25, 2007 at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Chairman Michael Pace (Present by telephone from 10:20 a.m. to 10:30 a.m.)

Directors: Michael Cassella (Present by telephone beginning at 10:04 a.m.)
Mark Cooper (Present until 11:40 a.m.)
James Francis (Present until 11:40 a.m.)
Michael Jarjura (Present beginning at 10:20 a.m.)
Edna Karanian
Mark Lauretti (Present beginning at 10:00 a.m.)
Theodore Martland
Raymond O'Brien
Stephen Edwards, Bridgeport Project Ad-Hoc (Present until 11:00 a.m.)
Timothy Griswold, Mid-CT Project Ad-Hoc (Present until 11:30 a.m.)
Elizabeth Horton Sheff, Mid-CT Project Ad-Hoc (Present until 11:00 a.m.)

Present from the CRRA staff:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer (Present by telephone)
Michael Bzdyra, Government Relations Liaison
Robert Constable, Controller
Peter Egan, Director of Environmental Affairs & Development
Laurie Hunt, Director of Legal Services
Paul Nonnenmacher, Director of Public Affairs
Donna Tracy, Executive Assistant
Kristen Greig, Secretary to the Board/Paralegal

Also present were: Richard Goldstein, Esq. of Pepe & Hazard, Susan Hemenway of BRRFOC, Kathleen Henry of CCEJ, Margaret Japp of CCEJ, John Pizzimenti of USA Hauling & Recycling, Allan Mercado of CCEJ, Matt Suffish of Covanta, Jerry Tyminski of SCRRA.

Director Francis called the meeting to order at 10:02 a.m. and stated that a quorum was present.

PLEDGE OF ALLEGIANCE

Director Francis requested that everyone stand for the Pledge of Allegiance, whereupon, the Pledge of Allegiance was recited.

PUBLIC PORTION

Director Francis said that the agenda allowed for a public portion in which the Board would accept written testimony and allow individuals to speak for a limit of three minutes.

With no comments from the public, Director Francis stated that the regular meeting would commence.

APPOINTMENT OF TEMPORARY VICE-CHAIRMAN

Director O'Brien made a motion to suspend rules to add an item to the agenda appointing Director Francis as temporary Vice-Chairman. The motion was seconded by Director Cooper. The motion previously made and seconded was approved unanimously.

Director O'Brien made a motion to appoint Director Francis as temporary Vice-Chairman. The motion was seconded by Director Cooper. The motion previously made and seconded was approved unanimously.

APPROVAL OF THE MINUTES OF THE DECEMBER 6, 2006 SPECIAL BOARD MEETING

Vice-Chairman Francis requested a motion to approve the minutes of the December 6, 2006 Special Board Meeting. Director O'Brien made a motion to approve the minutes, which was seconded by Director Martland. The minutes were approved as presented. Directors Francis and Martland abstained.

Eligible Voters	Aye	Nay	Abstain
James Francis, Acting Vice-Chairman			X
Mark Cooper	X		
Edna Karanian	X		
Mark Laretti	X		
Theodore Martland			X
Raymond O'Brien	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut Project	X		
Elizabeth Horton Sheff, Ad Hoc, Mid-Connecticut Project	X		
Non Eligible Voters			
Stephen Edwards, Ad Hoc, Bridgeport Project			

APPROVAL OF THE MINUTES OF THE DECEMBER 21, 2006 REGULAR BOARD MEETING

Vice-Chairman Francis requested a motion to approve the minutes of the December 21, 2006 Regular Board Meeting. The motion was made by Director O'Brien and seconded by Director Martland. The minutes were approved as presented by roll call.

Eligible Voters	Aye	Nay	Abstain
James Francis, Acting Vice-Chairman	X		
Michael Cassella	X		
Mark Cooper	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Non Eligible Voters			
Stephen Edwards, Ad Hoc, Bridgeport Project			
Timothy Griswold, Ad Hoc, Mid-Connecticut Project			
Elizabeth Horton Sheff, Ad Hoc, Mid-Connecticut Project			

FINANCE COMMITTEE UPDATE

Director O'Brien informed the Board that the two budgets being considered by the Board were reviewed and recommended by the Finance Committee. In addition, the Committee and management have begun preparation for next year's Mid-Connecticut Project budget.

RESOLUTION REGARDING THE ADOPTION OF THE FISCAL YEAR 2008 BRIDGEPORT PROJECT OPERATING AND CAPITAL BUDGETS AND TIP FEE

Vice-Chairman Francis requested a motion regarding the above-captioned matter. The following motion was made by Director O'Brien:

RESOLVED: That the fiscal year 2008 Bridgeport Project Budget be adopted substantially in the form as presented and discussed at this meeting and that a fiscal year 2008 member Tipping fee of \$76.00 per ton for the component of the fee based on actual deliveries and \$8.00 per ton for the portion of the fee based on minimum commitment tonnage be adopted.

FURTHER RESOLVED: That the fiscal year 2008 capital budget totaling \$847,000.00 be adopted as presented and discussed at this meeting.

Director Lauretti seconded the motion.

Director O'Brien stated that the budget had been reviewed and approved by the Solid Waste Advisory Board ("SWAB") and the Southwest Connecticut Regional Recycling Operating Committee ("SWEROC"). Director Edwards commented that he would like to see a much lower tip fee, but realizes that this is what is required to balance the budget.

Mr. Kirk informed the Board that management has, on several occasions, asked the State Bond Commission to add consideration of the bonds for the Shelton Landfill Closure to their agenda. Mr. Kirk said that the bonds would translate into a \$6.00 per ton savings to the towns in the Bridgeport Project. Mr. Kirk stated that management had expected the item to be on the January Bond Commission agenda and it was not. Mr. Kirk stated that management would

follow up and try to get the item added to the February agenda. Director Edwards added that the CEO's of the Bridgeport towns would be contacting their elected officials to try to get this item addressed by the State Bond Commission. Director Edwards noted the bonds were approved by the legislature in 1999 and said he was not encouraged that it would be resolved soon.

Director Lauretti pointed out that the tip fee for the Bridgeport Project towns is considerably higher than the tip fee for other towns in Connecticut. Director Lauretti stated that the rest of the State should recognize how fortunate they are to have lower tip fees.

The motion previously made and seconded was approved unanimously by roll call.

Eligible Voters	Aye	Nay	Abstain
James Francis, Acting Vice-Chairman	X		
Michael Cassella	X		
Mark Cooper	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Stephen Edwards, Ad Hoc, Bridgeport Project	X		
Non Eligible Voters			
Timothy Griswold, Ad Hoc, Mid-Connecticut Project			
Elizabeth Horton Sheff, Ad Hoc, Mid-Connecticut Project			

RESOLUTION REGARDING THE ADOPTION OF THE FISCAL YEAR 2008 WALLINGFORD PROJECT OPERATING AND CAPITAL BUDGETS AND TIP FEE

Vice-Chairman Francis requested a motion regarding the above-captioned matter. The following motion was made by Director O'Brien:

RESOLVED: That the fiscal year 2008 Wallingford Project Budget be adopted substantially in the form as presented and discussed at this meeting.

FURTHER RESOLVED: That a fiscal year 2008 municipal solid waste tip fee of \$59.00 per ton be adopted for contracted member waste and a fiscal year 2008 municipal solid waste tip fee of \$69.00 per ton be adopted for non-contracted member waste.

FURTHER RESOLVED: That the fiscal year 2008 capital budget totaling \$682,000.00 be adopted as presented and discussed at this meeting.

Director Martland seconded the motion.

Mr. Kirk noted that the electric revenues in the Wallingford Project are remarkable and have been the key to the Project's success. Mr. Kirk explained that the electric contract expires in 2009 and the opportunity for re-signing at similar rates is non-existent so there will be a significant change for the Wallingford Project in the next couple of years. CRRA is currently

planning with the operator of the plant and considering other options for the Wallingford waste that include delivery to the Bridgeport Project, the Mid-Connecticut Project or other locations. Director Lauretti stated that the Bridgeport Project was the first of its type in Connecticut and that other projects/towns in the State have benefited from the mistakes made at the Bridgeport Project. Mr. Kirk added that the public ownership of the Mid-Connecticut and Wallingford Projects is a distinct benefit.

Mr. Bolduc directed the Board’s attention to Page 11 of the Wallingford budget. Mr. Bolduc explained that the Policy Board of the Wallingford Project understands that they currently have a very favorable rate, but that upon expiration of the contract, this rate will change. Mr. Bolduc pointed out that the Wallingford Policy Board has built in a tip fee stabilization reserve account to allow for the rate change. Mr. Bolduc added that this is the kind of planning that all projects need to do to maintain stable tip fees.

The motion previously made and seconded was approved unanimously by roll call.

Eligible Voters	Aye	Nay	Abstain
James Francis, Acting Vice-Chairman	X		
Michael Cassella	X		
Mark Cooper	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Non Eligible Voters			
Stephen Edwards, Ad Hoc, Bridgeport Project			
Timothy Griswold, Ad Hoc, Mid-Connecticut Project			
Elizabeth Horton Sheff, Ad Hoc, Mid-Connecticut Project			

BOARD RESOLUTION REGARDING THE USE OF SETTLEMENT PROCEEDS

Director O’Brien stated that he has been advised by CRRA legal counsel that the item added to the agenda regarding the use of settlement proceeds has been legally noticed to the Secretary of State and posted on CRRA’s website.

The following motion was made by Director O’Brien:

RESOLVED: That the Board of Directors of the Authority hereby adopts the attached plan for the use of the settlement funds received from Hawkins, Delafield & Wood and from other Enron transaction-related litigation, totaling approximately twenty-three million eight hundred thousand dollars (\$23,800,000) (net of attorneys’ fees and costs of litigation) and currently held in escrow by Pepe & Hazard (the “Settlement Funds”); and

FURTHER RESOLVED: That the Board charges the President to request the Authority’s attorneys to provide copies of the adopted plan to the Court and to the Plaintiffs in the matter of *New Hartford et al. v. Connecticut Resources Recovery*

Authority and request a hearing before the Court if necessary, all in accordance with the Court's instructions in that matter.

Director Martland seconded the motion.

Director O'Brien stated that this plan and resolution are consistent with all Board discussions on disposition of these funds. Director O'Brien said that it has always been the plan of the Board to first defease debt and then to distribute proceeds as is fiscally prudent. Director O'Brien added that this distribution has absolutely nothing to do with the New Hartford litigation. Director O'Brien stated that this distribution will benefit the towns; not only because of the receipt of the funds, but also because the towns' full faith and credit will no longer be on the line to cover these bonds.

Director Horton Sheff asked how these funds could not be considered part of the New Hartford litigation if these funds are being considered part of what the plaintiffs claim is owed to them. Director O'Brien clarified that it has always been the Board's plan to defease debt and distribute funds, so this action is not in reaction to the New Hartford lawsuit. Director O'Brien added that the judge has instructed the Board to develop a plan for these funds, which will be forwarded to the judge for his information. Director Lauretti added that this action is also consistent with what Connecticut state law requires CRRA to do, which is operate the Project on a cost basis.

Attorney Goldstein stated that the judge is aware of the Board's desire to prepare a plan of distribution for these funds and the judge has said that when the Board produces a plan of distribution, to bring the plan before the court for such action (if any) that the court may choose to take.

Chairman Pace reiterated Director O'Brien's comments that the Board's intention has always been to refund monies subsequent to paying off debt.

Chairman Francis stated that he has recused himself from any New Hartford suit votes or discussions up until this point, but said that he intends to vote on this matter because he felt it was and always has been the full Board's obligation to distribute these funds.

Mr. Kirk referred the Board to the distribution table, noting that great care had been taken in calculating the disbursements to towns. Each town's disbursement was calculated solely on the amount of tons delivered to the Mid-CT Project. Management believes that this is the best way to allocate the funds.

Director Martland noted that, according to statute, the Board was required to disburse these funds to the member towns. Mr. Kirk added, in accordance with the Bond Indenture, the Board is required to defease the debt prior to any cash distribution to the member towns.

The motion previously made and seconded was approved unanimously by roll call.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
James Francis, Acting Vice-Chairman	X		

Michael Cassella	X		
Mark Cooper	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut Project	X		
Elizabeth Horton Sheff, Ad Hoc, Mid-Connecticut Project	X		
Non Eligible Voters			
Stephen Edwards, Ad Hoc, Bridgeport Project			

RESOLUTION REGARDING EXTENSION OF THE ELLINGTON LANDFILL GAS SYSTEM O&M CONTRACT

Vice-Chairman Francis requested a motion regarding the above-captioned matter. The following motion was made by Director O'Brien:

RESOLVED: That the President is hereby authorized to extend by one year the contract term with SCS-Field Services for operation and maintenance of the Ellington Landfill Gas Collection and Control System, substantially as discussed and presented at this meeting.

Director Martland seconded the motion.

Director O'Brien noted that the Policies & Procurement Committee has recommended this contract for approval.

The motion previously made and seconded was approved unanimously by roll call.

Eligible Voters	Aye	Nay	Abstain
James Francis, Acting Vice-Chairman	X		
Michael Cassella	X		
Mark Cooper	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut Project	X		
Elizabeth Horton Sheff, Ad Hoc, Mid-Connecticut Project	X		
Non Eligible Voters			
Stephen Edwards, Ad Hoc, Bridgeport Project			

REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING EXTENSION OF THE SHELTON LANDFILL GAS SYSTEM O&M CONTRACT

Vice-Chairman Francis requested a motion regarding the above-captioned matter. The following motion was made by Director O'Brien:

RESOLVED: That the President is hereby authorized to extend by one year the contract term with SCS-Field Services for operation and maintenance of the Shelton Landfill Gas Collection and Control System, substantially as discussed and presented at this meeting.

Director Jarjura seconded the motion.

Director Edwards asked why the LEA bid was so different from the other bidders. Mr. Egan answered that both the Ellington and Shelton Landfill Gas System bids were solicited at the same time. Mr. Egan stated that LEA's two bids appeared to have been switched by LEA resulting in the large difference. Director O'Brien pointed out that even if the bids were inadvertently switched by LEA, both bids were well above the rest of the bidders.

Mr. Kirk stated that management has been pleased with SCS-Field Services thus far. Mr. Kirk added that for this type of work, it is essential that staff be located in the area.

The motion previously made and seconded was approved unanimously by roll call.

Eligible Voters	Aye	Nay	Abstain
James Francis, Acting Vice-Chairman	X		
Michael Cassella	X		
Mark Cooper	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Stephen Edwards, Ad Hoc, Bridgeport Project	X		
Non Eligible Voters			
Timothy Griswold, Ad Hoc, Mid-Connecticut Project			
Elizabeth Horton Sheff, Ad Hoc, Mid-Connecticut Project			

REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING REQUEST FOR SERVICES FOR PUBLIC RELATIONS SERVICES ASSOCIATED WITH LANDFILL SITING INITIATIVE

Vice-Chairman Francis requested a motion regarding the above-captioned matter. The following motion was made by Director O'Brien:

RESOLVED: That the President is hereby authorized to approve a Request for Services with Cubitt Jacobs & Prosek Communications for services associated with a landfill siting initiative, substantially as presented and discussed at this meeting.

Director Jarjura seconded the motion.

Director O'Brien noted that the Policies & Procurement Committee has recommended this contract for approval.

Mr. Kirk stated that management was anxious to get started with the siting initiative, which will require these public relations services. Director Jarjura stated that these are the types of proactive projects the Board should be focusing attention and energy on, and it is unfortunate that third parties are requiring a significant amount of the Board's time be spent in court.

The motion previously made and seconded was approved unanimously by roll call.

Eligible Voters	Aye	Nay	Abstain
James Francis, Acting Vice-Chairman	X		
Michael Cassella	X		
Mark Cooper	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut Project	X		
Elizabeth Horton Sheff, Ad Hoc, Mid-Connecticut Project	X		
Non Eligible Voters			
Stephen Edwards, Ad Hoc, Bridgeport Project			

REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING ADDITIONAL PROJECTED LEGAL EXPENDITURES

Vice-Chairman Francis requested a motion regarding the above-captioned matter. The following motion was made by Director O'Brien:

WHEREAS, CRRA has entered into Legal Service Agreements with various law firms to perform legal services; and

WHEREAS, the Board of Directors has previously authorized certain amounts for payment of fiscal year 2007 projected legal fees; and

WHEREAS, CRRA has incurred greater than anticipated legal expenses in connection with matters related to the Bridgeport Project contract renewal efforts, general counsel matters, and bond counsel matters;

NOW THEREFORE, it is RESOLVED: That the following additional amounts be authorized for payment of projected legal fees and costs to be incurred through June 30, 2007:

<u>Firm:</u>	<u>Amount:</u>
Halloran Sage	\$900,000
Sidley Austin	\$30,000

Director Jarjura seconded the motion.

Director Lauretti asked why this matter went before the Policies & Procedure Committee (“P&P”) and not the Finance Committee. Mr. Bolduc responded that the contracts go through the P&P Committee, but the Finance Committee gets a breakdown of costs each month also.

Chairman Francis suggested that the contracts continue to go through the P&P Committee, but that these same items appear as agenda items for the Finance Committee meeting.

Director Edwards added that SWAB/SWEROB Board had discussed these fees at length and was satisfied that the fees were in line with the services provided, but would have liked to see a more detailed accounting of the charges in a timlier manner. Director Jarjura noted that it is generally very difficult to predict legal fees. Mr. Kirk added that costs associated with expert witnesses are also included in the \$900,000 projection. Ms. Hunt stated that only 2/3 of the \$900,000 was for Bridgeport, with the remainder being allocated to the Mid-Connecticut Project and General Fund General Counsel.

The motion previously made and seconded was approved unanimously by roll call.

Eligible Voters	Aye	Nay	Abstain
James Francis, Acting Vice-Chairman	X		
Michael Cassella	X		
Mark Cooper	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Non Eligible Voters			
Timothy Griswold, Ad Hoc, Mid-Connecticut Project	X		
Elizabeth Horton Sheff, Ad Hoc, Mid-Connecticut Project	X		
Stephen Edwards, Ad Hoc, Bridgeport Project	X		

Director Edwards asked why the Ad Hocs would not be able to vote on this matter. Ms. Hunt replied that because the total amount of the legal fees includes costs for different projects

along with the General Fund, the Ad Hocs are ineligible to vote. Mr. Kirk reiterated that the Ad Hocs are only eligible to vote on matters relating to their specific Projects. Director Horton Sheff stated that she was uncomfortable not being able to vote on General Fund matters when those funds actually come from the Projects. Mr. Kirk stated that this matter has been raised with the legislature and they understand the problem, but at the present time have chosen not to change the statute. Vice-Chairman Francis suggested recording the Ad-Hoc's votes for the record, although they cannot count towards voting requirements. Directors Edwards, Griswold and Horton Sheff all voted in favor of the resolution.

ORGANIZATIONAL SYNERGY & HUMAN RESOURCES COMMITTEE

Chairman Francis asked Director Cooper for a report on any actions taken at the Organizational Synergy and Human Resources Committee. Director Cooper requested that the Board meet in Executive Session to discuss personnel issues.

EXECUTIVE SESSION

Vice-Chairman Francis requested a motion to enter into Executive Session to discuss personnel matters with appropriate staff. The motion made by Director Cooper and seconded by Director O'Brien was approved unanimously by roll call. Vice-Chairman Francis requested that the following people be invited to the Executive Session in addition to the Directors:

Tom Kirk
Jim Bolduc

The Executive Session began at 11:00 a.m. and concluded at 11:35 a.m. Vice-Chairman Francis noted that no votes were taken in Executive Session.

The meeting was reconvened at 11:35 a.m.

RESOLUTION REGARDING SENIOR MANAGEMENT SALARIES

Vice-Chairman Francis requested a motion regarding the above-captioned matter. The following motion was made by Director Cooper:

RESOLVED: That the Senior Management salaries be adopted as presented and discussed by the Organizational Synergy & Human Resources Committee.

Director O'Brien seconded the motion.

The motion previously made and seconded was approved by roll call. Director Martland voted nay.

Eligible Voters	Aye	Nay	Abstain
James Francis, Acting Vice-Chairman	X		
Michael Cassella	X		
Mark Cooper	X		
Michael Jarjura	X		

Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland		X	
Raymond O'Brien	X		
Non Eligible Voters			
NONE			

PRESIDENT’S REPORT

Mr. Kirk informed the Board that an agreement has been reached with City of Hartford on host community benefits and liabilities of closure. The City has agreed to the slope increase pending DEP approval. Mr. Kirk stated that the Bridgeport arbitration will be concluding shortly and is going well. A ruling should be forthcoming within six to eight weeks. Mr. Kirk stated that the \$3 million for the Shelton Landfill closure was not listed on the January State Bond Commission agenda. Mr. Kirk added that management will follow up with the Bond Commission. Mr. Kirk stated that the new landfill siting process is proceeding and the real estate acquisition process will begin soon. Mr. Kirk noted that management and staff are continuing to meet with legislators to push CRRA’s legislative agenda.

EXECUTIVE SESSION

Vice-Chairman Francis requested a motion to enter into Executive Session to discuss pending litigation with appropriate staff. The motion made by Director O’Brien and seconded by Director Jarjura was approved unanimously. Vice-Chairman Francis requested that the following people be invited to the Executive Session in addition to the Directors:

- Tom Kirk
- Jim Bolduc
- Floyd Gent
- Laurie Hunt, Esq.
- Richard Goldstein, Esq.

Eligible Voters	Aye	Nay	Abstain
James Francis, Acting Vice-Chairman	X		
Michael Cassella	X		
Mark Cooper	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Non Eligible Voters			
NONE			

Vice-Chairman Francis and Director Cooper voted in favor of entering into Executive Session but stated that they will not be participating in the Session.

The Executive Session began at 11:40 a.m. and concluded at 12:55 p.m. Director O'Brien noted that no votes were taken in Executive Session.

The meeting was reconvened at 12:55 p.m.

ADJOURNMENT

Director O'Brien requested a motion to adjourn the meeting. The motion to adjourn made by Director Martland and seconded by Director Lauretti was approved unanimously.

There being no other business to discuss, the meeting was adjourned at 12:55 p.m.

Respectfully submitted,

Kristen B. Greig
Secretary to the Board/Paralegal