

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND EIGHTY-SIXTH

JANUARY 27, 2011

A special telephonic meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, Jan. 27, 2011, in the Board Room at CRRA Headquarters, 100 Constitution Plaza, Hartford, Connecticut. Those present on the telephone were:

Directors: Chairman Pace
 Vice-Chairman Jarjura
 Louis J. Auletta, Jr.
 David B. Damer
 Timothy Griswold
 Dot Kelly
 Mark Lauretti
 Theodore Martland
 Ron Van Winkle
 Steve Edwards, Bridgeport Project Ad-Hoc
 Mark Tillinger, Bridgeport Project Ad-Hoc
 Bob Painter, Mid-Connecticut Project Ad-Hoc
 Steve Wawruck, Mid-Connecticut Project Ad-Hoc

Present from CRRA:

Tom Kirk, President (present by telephone)
Jim Bolduc, Chief Financial Officer
Jeffery Duvall, Director of Budgets and Forecasting (present by telephone)
Peter Egan, Director of Environmental Affairs & Development
Laurie Hunt, Director of Legal Services
Paul Nonnenmacher, Director of Public Affairs (present by telephone)
Moira Benacquista, Board Secretary/Paralegal

Also present were: John Pizzimenti of USA Hauling & Recycling.

Chairman Pace called the meeting to order at 9:40 a.m. and said that a quorum was present.

APPROVAL OF THE MINUTES OF THE DEC 2, 2010 SPECIAL BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the Dec. 2, 2010, Regular Board Meeting. Director Griswold made a motion to approve the minutes, which was seconded by Director Martland.

The motion to approve the minutes as amended and discussed was approved by roll call. Chairman Pace, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director

Martland, Director Painter, Director Wawruck, and Director Van Winkle voted yes. Director Edwards and Tillinger abstained as they were not present at the meeting.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Louis Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Theodore Martland	X		
Ron Van Winkle	X		
Ad-Hocs			
Steve Edwards, Bridgeport			X
Mark Tillinger, Bridgeport			X
Bob Painter, Mid-Connecticut	X		
Steve Wawruck, Mid-Connecticut	X		

APPROVAL OF THE MINUTES OF THE DEC 16, 2010 REGULAR BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the Dec. 16, 2010, Regular Board Meeting. Director Griswold made a motion to approve the minutes, which was seconded by Director Kelly.

The motion to approve the minutes as amended and discussed was approved by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Auletta, Director Damer, Director Edwards, Director Griswold, Director Kelly, Director Martland, Director Painter, Director Tillinger, Director Wawruck, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Vice-Chairman Jarjura	X		
Louis Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Theodore Martland	X		
Ron Van Winkle	X		
Ad-Hocs			
Steve Edwards, Bridgeport	X		
Mark Tillinger, Bridgeport	X		
Bob Painter, Mid-Connecticut	X		
Steve Wawruck, Mid-Connecticut	X		

RESOLUTION REGARDING THE SOUTHWEST BUDGET

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director Griswold:

RESOLVED: That the fiscal year 2012 SouthWest Division operating budget be adopted substantially in the form as presented and discussed at this meeting; and

FURTHER RESOLVED: That a municipal solid waste tip fee of \$65.11 per ton be adopted for contracted member waste.

Vice-Chairman Jarjura seconded the motion.

Mr. Bolduc said this item was discussed by the Finance Committee at length. He said this budget deals with the twelve communities in the SouthWest part of the state and is different from the other budgets as it involves specific contractual agreements. Mr. Bolduc said the budget involves two contracts, one between CRRA and Wheelabrator and the second between CRRA and the towns of the SouthWest division for solid waste. He said in the agreement with those towns CRRA is required to provide an estimate of the fees which would start July 1 of the year by January 31. Mr. Bolduc said the fees are essentially dictated by contract and are a base rate which is escalated by CPI as determined by the department of labor. He said at this point CRRA provides the towns with an estimate of what the number will be so the towns may budget appropriately. Mr. Bolduc said beginning in July CRRA will bill using the CPI set by the government which is published in the second week of July.

Mr. Bolduc said there are three aspects of the agreement. The first is the charge from Wheelabrator, which is on a contractual basis which floats with 75% of the CPI number, the CRRA administration fee which also floats with a fixed calculation on the CPI index, and thirdly a number which comes to play after the fiscal year. He explained after the fiscal year there is a true-up mechanism for two items, fuel charges, and environmental costs. Mr. Bolduc said the terms' agreement specifies how those true-ups are dealt with in subsequent budgets. He said for FY'11 management is projecting a \$63.03 charge from Wheelabrator for the delivery of MSW to the plant and a \$2.08 administration fee for a total estimated tip fee of \$65.11, however the actual tip fee which will be billed in August is based on the actual June 30th CPI.

Director Edwards said he had reviewed the budget with management at length and is comfortable with it. He said he acknowledges the tip fee is a best estimate and there will be a fuel credit based on a \$4.25 a gallon. Director Lauretti said this budget is straightforward and mostly contractual. Chairman Pace asked if there has been feedback from the member towns relating to their contractual relationship with CRRA. Mr. Bolduc replied no.

The motion previously made and seconded was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Auletta, Director Damer, Director Edwards, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Tillinger, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Vice-Chairman Jarjura	X		
Louis Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Ron Van Winkle	X		
Ad-Hocs			
Steve Edwards, Bridgeport	X		
Mark Tillinger, Bridgeport	X		
Bob Painter, Mid-Connecticut			
Steve Wawruck, Mid-Connecticut			

RESOLUTION REGARDING DELIVERY OF COVER SOILS TO THE HARTFORD LANDFILL

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director Griswold:

RESOLVED: That the President is hereby authorized to enter into a contract with Clean Harbors Environmental Services, Inc. for delivery of soil to be used as contouring and cover material at the Hartford Landfill, and as approved by the Connecticut Department of Environmental Protection, substantially as discussed and presented at this meeting.

The motion was seconded by Director Damer.

Mr. Egan said Clean Harbors Environmental Services, Inc. is a reputable company. He said this resolution was for a contract with Clean Harbors to deliver 700-800 tons of soil tainted with some organic material, from the Sikorsky site in Stratford, CT. Mr. Egan said the soil was approved in accordance with CRRA and the Connecticut Department of Environmental Protection (hereinafter referred to as "CT DEP"). He said due to the regulatory status of this soil there are fewer disposal options in New England which can accept the material and as a result CRRA was able to command a higher disposal rate than usual. Mr. Egan said Clean Harbors is an International Waste Management Company dealing with solid waste. He said he had worked there for thirteen years in the past. Mr. Egan said Clean Harbors manages this type of material regularly.

Director Griswold said he noticed that this material commands an \$80.00 price and he is concerned that CRRA is using soil which may have further environmental ramifications. Mr. Egan explained there will not be ramifications further on. He said the contaminants in this soil are degreasing solvents at extremely low levels; however, because of the origins of the degreasing solvents the soil has to be managed under a more rigorous regulatory scheme which governs solid and hazardous waste. Mr. Egan said because of the regulatory scheme there are not as many facilities in the New England and New York areas which have permitted authority to take this soil. He said the quantity of these

chlorinated solvents is below the industrial commercial standards; however it can only be managed in certain facilities such as the CRRA landfill.

Director Damer said this soil is being used to shape and grade the landfill before closure. He said the impermeable membrane will go over the soil and then clean cover will go over that membrane.

The motion previously made and seconded was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Painter, Director Wawruck, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Vice-Chairman Jarjura	X		
Louis Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Ron Van Winkle	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Mark Tillinger, Bridgeport			
Bob Painter, Mid-Connecticut	X		
Steve Wawruck, Mid-Connecticut	X		

RESOLUTION REGARDING DELIVERY OF COVER SOILS TO THE HARTFORD LANDFILL

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director Griswold:

RESOLVED: That the President is hereby authorized to enter into a contract with Environmental Service Incorporated for delivery of soil to be used as contouring and cover material at the Hartford Landfill, and as approved by the Connecticut Department of Environmental Protection, substantially as discussed and presented at this meeting.

The motion was seconded by Director Martland.

Chairman Pace asked Mr. Egan if this soil commands a lower price because it is less contaminated than the soil in the earlier resolution. Mr. Egan said this soil is governed under a different regulatory scheme and is no more or less contaminated. He said the soil in this resolution is polluted with petroleum hydrocarbons from a leaking underground tank which has since been remediated.

Director Painter said CRRA should perform intermittent testing to ensure the soil it is receiving is what has been approved. Mr. Egan said that management is going to undertake such conformance testing and will report back to the Board when this procedure is in place.

Chairman Pace asked if CRRA has accepted soil from Environmental Services in the past. Mr. Egan said that was correct. He said Goodwin College is the generator and Environmental Services is the contractor.

The motion previously made and seconded was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Painter, Director Wawruck, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Vice-Chairman Jarjura	X		
Louis Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Ron Van Winkle	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Mark Tillinger, Bridgeport			
Bob Painter, Mid-Connecticut	X		
Steve Wawruck, Mid-Connecticut	X		

REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING MUNICIPAL SOLID WASTE MANAGEMENT SERVICES AGREEMENTS

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director Griswold:

RESOLVED: That the President is hereby authorized to enter into Tier 1 Short-Term, Tier 1 long-Term, Tier 2 and Tier 3 municipal solid waste management services agreements (“MSAS”) for the provision of acceptable solid waste and acceptable recyclables services with Connecticut municipalities, substantially as presented and discussed at this meeting.

Director Damer seconded the motion.

Chairman Pace said this resolution concerns the MSA's which have long been under development for the CRRA member towns. He said management has taken a considerable amount of concerns and suggestions from the towns and incorporated their requests. Mr. Kirk agreed. He said the towns were very helpful in molding the contract and providing specific language for the contract to their liking. Mr. Kirk said there was a further line by line review by the Policies & Procurement Committee; in particular concerns from Director Kelly were addressed.

Mr. Kirk said the final result was posted online. He said this resolution is to approve the form of the contract as is typical and routine.

Chairman Pace said management offered to come out to each town individually to address any concerns with their governing bodies. Mr. Kirk said that was correct. He said management offered to meet with any town at their public meeting forums or to meet with the Selectman, public works directors, or other individuals which desired a better understanding of this process.

Chairman Pace said it was his understanding that tip fees before the Enron issue were about \$57.00 a ton. He said that CRRA, after returning millions to the towns, is providing at \$61.00 a ton a four dollar delta over a ten year period. Chairman Pace said it seems to him in terms of what would have been present day value this is approximately lower than inflation. Mr. Bolduc agreed. He said the Enron issue is behind CRRA and the cost of closing the Hartford Landfill was overcome.

Chairman Pace noted the excellent work of the Board and management in overcoming these difficulties. He asked management to place into writing how this was accomplished in lieu of a proposed plan for CRRA to borrow \$115 million and to put tip fees at \$110. Chairman Pace said controlling costs, closing the Hartford landfill, returning \$36 million in cash distributions to the towns, the pilot fees to Hartford, as well as a contribution to Hartford for educational funds while accomplishing the \$61.00 a ton tip fee are noteworthy. Director Griswold added that in addition this was done without the benefit of an ash landfill.

Director Griswold asked if the towns which have preexisting agreements to send their recycling elsewhere will be knocked out of the Tier One agreement. Mr. Kirk said a change was made to the MSA's to allow grandfathering in of those agreements and preserve eligibility for the Tier One agreement.

Director Kelly asked what the feedback from the towns has been. Mr. Kirk said one town had indicated it wanted an execution of the MSA for signature. He said numerous clarifying questions have been heard from about a dozen towns however; for the most part the towns are still reviewing the document.

Director Griswold asked if management is making a special effort to attract the towns to the CRRA Annual meeting this year. Mr. Kirk said invitations were sent out in snail mail and e-mail which were preceded by a save the date notice. He said he is expecting a healthy attendance this year as it provides an opportunity for questions.

The motion previously made and seconded was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Painter, Director Wawruck, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Vice-Chairman Jarjura	X		
Louis Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Ron Van Winkle	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Mark Tillinger, Bridgeport			
Bob Painter, Mid-Connecticut	X		
Steve Wawruck, Mid-Connecticut	X		

REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING A PURCHASE AND INSTALLATION OF A NEW INSTRUMENT AIR COMPRESSOR AND ASSOCIATED EQUIPMENT FOR THE MID-CT POWER BLOCK FACILITY

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director Griswold:

RESOLVED: That the President is hereby authorized to execute an agreement for the purchase and installation of a new instrument air compressor and associated equipment for the Mid-Connecticut Power Block Facility with Air Compressor Engineering Co., Inc., substantially as presented and discussed at this meeting.

Director Damer seconded the motion.

Mr. Kirk said this is a substantial and important investment. He said the lack of back-up dry air capability was the direct cause of a recent plant failure. Mr. Kirk said CRRA is in need of additional air capacity which powers actuators, control mechanisms, and is key across the plant. He said this air compressor will bring CRRA back to an acceptable level of confidence regarding instrument air at the plant.

Chairman Pace said Air Compressor Engineering, Co Inc. is the low bidder; he asked if CRRA had experience with this company. Mr. Egan said this company was used about two years ago to install air compressors in the waste processing facility and did an excellent job. He said management is comfortable with this company and the bid.

Director Damer said this item was discussed at length at the Policies & Procurement Committee meeting.

The motion previously made and seconded was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Painter, Director Wawruck, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Vice-Chairman Jarjura	X		
Louis Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Ron Van Winkle	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Mark Tillinger, Bridgeport			
Bob Painter, Mid-Connecticut	X		
Steve Wawruck, Mid-Connecticut	X		

REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING EMERGENCY PROCUREMENTS FOR REPAIRS FOR A FAILED 1250 HP SECONDARY SHREDDER MOTOR

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director Griswold.

RESOLVED: That the CRRA Board of Directors ratifies the Emergency Procurement as substantially presented and discussed at this meeting.

Director Martland seconded the motion.

Director Damer said this resolution addressed a continuing problem with the shredder motors. He said the 1,000 horsepower motors which were upgraded to 1,250 horsepower have continually had problems. Director Damer said management has ordered a new 1250 hp motor which should be in soon. Mr. Kirk said moving the original 1,000 hp up to a 1,250 hp motor extension has been very beneficial in terms of operation as the motors significantly improve the flow of tons per hour through the plant. He said however; the ancient frame of the motor has been problematic, and finding a company to work on the motor is difficult due to its age.

Chairman Pace said the resolution details over \$160,000 worth of emergency work which has already been completed. Mr. Kirk said that was correct. He said a critical piece of equipment was repaired to ensure a working motor was in place and to accelerate and expedite the delivery of a spare motor. Mr. Kirk said CRRA’s contractor did not order a spare motor as planned by CRRA management.

The motion previously made and seconded was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Wawruck, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Vice-Chairman Jarjura	X		
Louis Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Ron Van Winkle	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Mark Tillinger, Bridgeport			
Bob Painter, Mid-Connecticut			
Steve Wawruck, Mid-Connecticut	X		

REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING THE AUTHORIZATION OF A CHANGE ORDER FOR THE ASH LOADOUT BUILDING CONSTRUCTION PROJECT AT THE POWER BLOCK FACILITY

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director Griswold.

RESOLVED: That the President is hereby authorized to execute a change order to the Contract between CRRA and Merritt Contractors, Inc. for construction activities involving the Ash Loadout Building at the Mid-Connecticut Project Power Block facility, substantially as presented and discussed at this meeting.

Director Martland seconded the motion.

Mr. Egan said two and half years ago management issued a contract to Merritt Contractors for modifications and expansion to the ash-load out building. He said the contract was awarded and several change orders occurred during the contract. Mr. Egan said towards the end of the contract CRRA and Merritt had a disagreement over some of the activities.

Mr. Egan said the disagreement centered over who was responsible for painting the building. He said it was CRRA’s position that Merritt was responsible, a position Merritt disagreed with. Mr. Egan said this change order was never issued during the dispute over the painting. He said management offered Merritt the value of the change orders, about \$93,000 which they did not accept as they wanted another \$50,000 for painting. He said after a year Merritt agreed to accept \$96,000 to settle everything. Mr. Egan said the change order was completed and this resolution is to seek Board approval to execute the change order.

Mr. Egan said the funds reside in the facility modification reserve and were allocated for this purpose. Chairman Pace asked if this resolution is for a change order for which the work has been completed, but which has not yet been executed. Mr. Egan said that was correct.

Mr. Kirk said the Policies & Procurement Committee thoroughly reviewed this matter. He said management is satisfied with the eventual results.

Director Griswold asked how much work is left to be done on this contract with respect to the change order. Mr. Egan explained this is the last of it and the work has already been done. He said the documents, warranties, and operation manuals for the facility have already been received; this is just to finalize payment to the vendor.

The motion previously made and seconded was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Painter, Director Wawruck, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Vice-Chairman Jarjura	X		
Louis Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Ron Van Winkle	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Mark Tillinger, Bridgeport			
Bob Painter, Mid-Connecticut	X		
Steve Wawruck, Mid-Connecticut	X		

RESOLUTION REGARDING ORGANIZATIONAL SYNERGY & HUMAN RESOURCES COMMITTEE RECOMMENDATION TO THE BOARD OF DIRECTORS REGARDING HEALTH AND WELFARE BROKER-OF-RECORD

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director Griswold:

RESOLVED: That the President of CRRA is hereby authorized to execute the Health and Welfare Broker-of-Record Agreement with RC Knox & Company for the period February 1, 2011 through January 31, 2014 for a total fixed fee of \$84,750 as presented and discussed at this meeting.

Director Damer seconded the motion.

Director Griswold said the Committee discussed this resolution at length. He said the proposals of the two finalists, Marsh and R.C. Knox were spread apart with a 25-30% difference. He said the Committee feels that although Marsh is a big company it is new to this market and there is some concern that they may exit the market if they do not like it. Director Griswold said CRRA has been with R.C. Knox for some time and has a good working relationship with the company.

Director Griswold said the range of bids was from \$20,000-\$40,000. He said at management's request R.C. Knox worked to reduce their bid. Director Griswold said management and the Committee agreed although it may be more costly, in the long run it is worth having R.C. Knox continue.

Chairman Pace said the write-up details that Marsh is just breaking into this market and there was some concern over who would be handling CRRA's business. He said management works directly with a specific contact from R.C. Knox and has worked with this representative for some time. Director Griswold said that was correct.

Director Griswold said this contract is to provide CRRA support when securing insurance valued at about \$750,000 in the aggregate.

Director Martland asked if Marsh is CRRA's consultant on all of its insurance. Mr. Bolduc said Marsh was once CRRA's broker for corporate insurance and exited the market suddenly at which point CRRA had to go out to bid. He said the question is whether CRRA's business is large enough to sustain Marsh's interest. Mr. Bolduc added that Marsh has only been in the market since 2009.

Mr. Kirk said the Committee reviewed this issue at length over the course of several meetings. He said management's recommendation was to preserve the relationship with its existing broker. Mr. Kirk said this is an employee centered service and having this level of confidence with the consultant is important.

Mr. Bolduc said what is being purchased here is a service and not a product. He said the product which is ultimately purchased is \$750,000 worth of insurance and the correct support to obtain those numbers is important. Mr. Bolduc said this service is part of the overall compensation package which benefits in attracting and retaining employees.

Director Lauretti asked how long R.C. Knox has represented CRRA. Mr. Bolduc replied approximately six years. Director Lauretti asked what the conflicts of interest with the other companies were. Mr. Bolduc replied one of the companies is MDC's actuary and another is the current benefits broker for MDC and its union contracts. He said that does not disqualify the bidder based on ability, however legal issues may complicate their role.

Director Painter asked if the newly selected contractor for the Mid-Connecticut Project, NEAS, will have its own set of benefits packages for their employees. Mr. Bolduc said that was correct. Director Painter asked if the services in this resolution concern benefits those employees may have. Mr. Bolduc replied this is solely for CRRA employees.

Director Painter said that MDC has claimed that although NAES will offer jobs to the current plant workers, the benefits package will not be adequate. Chairman Pace said MDC through their union

contractor offers benefits. Mr. Kirk said management does not know what NAES's specific plans are. He said as the owner and operator CRRA will have influence on this matter. Mr. Kirk said management's intent is to use a market based cost structure, which historically MDC has not been able to provide. He said the benefit package will be different; however whether it is better or worse than MDC's will be a matter of personal preference. Mr. Kirk said NAES has a bonus program and a defined contribution pension plan which differs from MDC's plan.

Director Damer said he calculated this resolution is around \$18-19 thousand more over the three years. He said Marsh's rate escalated much more quickly between year one and three so that the differential in the third year is not as great as it is in the first year leading one to believe that Marsh may be trying to get back to a market rate.

Director Van Winkle said some of the Board has been questioned concerning the NEAS benefit package. He said it would be helpful to have information as to what is included in the NAES benefits package. Mr. Kirk said management will provide that information. Director Martland agreed. He noted that benefits can be construed in many ways.

Mr. Kirk said management has heard positive feedback from the Covanta side of the plant concerning NAES. He said many of those employees indicated through past experience that NAES is a great employer with an excellent bonus program, and many plan on staying at the plant.

Director Kelly asked how the R.C. Knox bid compares with past years. She asked if the scope of service has changed and is it expected to change. Mr. Bolduc said that in the past the brokers were on a commission basis. He said when CRRA moved to Aon as its corporate insurance broker that basis converted to a fee basis. Mr. Bolduc said the same arrangement was now contained in this bid. He said the scope is comparable to the past and management hopes to draw on R.C. Knox's expertise for the NEAS agreement. Mr. Bolduc said the NEAS arrangement will allow for more input in ensuring good packages for the employees, including those of the sub-contractors.

Director Kelly said she is in favor of staying with R.C. Knox given their history with CRRA.

The motion previously made and seconded was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Vice-Chairman Jarjura	X		
Louis Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Laretti	X		
Theodore Martland	X		
Ron Van Winkle	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Mark Tillinger, Bridgeport			
Bob Painter, Mid-Connecticut			
Steve Wawruck, Mid-Connecticut			

PRESIDENT'S REPORT

Mr. Kirk said tonnage is still down due to economic conditions and the weather. He said there is a reduction in the amount of garbage generated during cold weather. Mr. Kirk said there has been a 5% reduction in recycling rates in the SouthWest region and a 4% increase in the Mid-Connecticut region, most likely due to the economy and weather. Mr. Kirk said Mid-Connecticut withstood those factors better with its single stream customers.

Mr. Kirk said there are a number of placeholder bills which have been introduced by a number of different legislators. He said the bills address governance issues of the CRRA Board and other requests from AFSCME.

Mr. Kirk said the turbines at the Mid-Connecticut facility are opened on a five to eight year basis for inspection. He said turbine six had some problems which management had anticipated and prepared for, including diaphragm replacements. He explained these replacements are the sections of the turbine which drop the pressure and increase the speed of the motivating fluid, steam which passes through the turbine where the steam gives up its energy to the rotor which spins and turns the generator. Mr. Kirk said those diaphragm replacements were anticipated and pre-manufactured. He said when the turbines were opened management discovered erosion in the late stages of the HP section of the turbine which caused concern.

Mr. Kirk said although it caused management great concern to close the turbines with the erosion CRRA was not in a position schedule wise to repair the section. He said some quick work and investigation were done and management located a contractor which has worked with Covanta and General Electric in the past and based on that evaluation, K Machining was engaged to do an inline boring machining operation on the eroding portions of the late stages which will essentially replace the eroded portions with new clean metal surfaces and manufacturer an insert to replace those sections. Mr. Kirk said this is a repair which is done on older machines which cannot be disassembled with the ease which new machines are. He said the 60 year old machine causes complications to its ability to be repaired.

Mr. Kirk said management decided to proceed with the repair while the machine was open as it costs around \$300,000 to open. He said this decision was fortified as the economy and logistical ability to move garbage around this year without incurring the cost of diverting trash from the plant was guaranteed and would not be a sure bet the following year. Mr. Kirk said management is confident in the contractor and expects upwards of a sixteen day delay in the outage. He said CRRA can handle the trash being diverted currently and noted that the weather is actually assisting in this case. Mr. Kirk said the sixteen day delay is a bid-number which will likely take less time. He said the repair will cost around \$160,000 with additional costs with General Electric keeping its engineers and engineering support on site. Mr. Kirk said management is confident in the decision to move forward and noted the cost of opening the turbines was covered under Covanta's responsibilities.

Director Damer asked how long it has been since the turbine was last opened. Mr. Kirk replied about seven years. Director Damer asked if management knows what the erosion was caused by. Mr. Kirk explained this erosion was not evident in turbine number five when it was opened the prior year. He said there was no chemical fallout. Mr. Kirk said the erosion was in the later stages of the hp where a steam quality issue is likely. He said the machines are oversized for the service and throttling back is always done on that machine as there is not enough steam to give it as a result and the later stages are seeing lower quality steam.

Mr. Kirk said the General Electric evaluation of this erosion is not alarming. He said General Electric has seen this kind of leakage around the old diaphragm as the seal between the diaphragm inserts and casings on the old machines are not as good as current machines. Mr. Kirk said the inserts will prevent any reoccurrence for the life of the machine. He said he was encouraged by the discussion with General Electric.

Chairman Pace said the CRRA Annual meeting provides the Board and management with the opportunity to provide correct and accurate information to the member towns and to address their concerns and questions. He said this year with the new MSA's and current litigation it is important to have Board members present for each member town to ask specific location related questions.

Chairman Pace said concerning hiring NEAS Corporation CRRA is not receiving any credit for saving jobs and the current discussions are focusing on misinformation. He asked management to continue to address new technology such as baling.

Mr. Kirk said management is still in test mode with baling technology and is arranging for a test of baled RDF. He said there are some issues with the New Jersey baling outfit CRRA is working with as there is no incentive for the company to bale CRRA's waste. He said management is confident it will achieve a comfort level with running bales through CRRA's plant by spring time.

Chairman Pace asked for any updates on the mattress initiative. Mr. Egan said there was a conference call with the stakeholders involved in the mattress initiative. He said that PSI has begun the draft model of legislation and has begun to reach out to the mattress manufacturers. Mr. Egan said whether or not a bill will be introduced this year has yet to be determined but certainly the issue will be brought forth this spring as best as possible and at the minimum will be posed for legislation in the next legislative session.

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

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Vice-Chairman Jarjura:

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 2011 projected legal fees; and

WHEREAS, CRRA expects to incur greater than authorized legal expenses for General Counsel services;

NOW THEREFORE, it is RESOLVED: That the following additional amount be authorized for projected legal fees and costs to be incurred during fiscal year 2011:

<u>Firm:</u>	<u>Amount:</u>
Halloran & Sage	\$400,000

Director Martland seconded the motion.

Ms. Hunt said these are budgeted costs which were built into the General Fund budget and Mid-Connecticut budget. She said at the request of the Board the costs are brought forward on a quarterly basis. Ms. Hunt noted at the request of the Policies & Procurement Committee the numbers were reviewed at length and in detail at their last meeting. She said the Committee was comfortable that the costs were real and necessary as there were many significant litigation issues going as well as the drafting of the MSA's and the NEAS contracts.

Director Damer said these legal numbers were reviewed in detail at the Policies & Procurement Committee meeting, a practice Director Kelly has suggested be repeated monthly. He said the items individually being worked on were looked over. Director Kelly agreed and noted this is a good model to continue. She thanked Ms. Hunt for her careful guidance and oversight on contractor and operations and responding accordingly.

Chairman Pace asked Ms. Hunt to look into the definition of legal residency for representing a town.

The motion previously made and seconded was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Martland, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Vice-Chairman Jarjura	X		
Louis Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Theodore Martland	X		
Ron Van Winkle	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Mark Tillinger, Bridgeport			
Bob Painter, Mid-Connecticut			
Steve Wawruck, Mid-Connecticut			

ADJOURNMENT

Chairman Pace requested a motion to adjourn the meeting. The motion to adjourn was made by Director Griswold and seconded by Director Kelly and was approved unanimously.

There being no other business to discuss, the meeting was adjourned at 12:35 p.m.

Respectfully submitted,

Moira Benacquista
Secretary to the Board/Paralegal