

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND FORTIETH

SEPTEMBER 25, 2008

A Regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, September 25, 2008, at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Chairman Michael Pace

Directors: Mark Cooper
 David B. Damer
 Alan Desmaris
 Michael Jarjura, (Present beginning 10:59.a.m.)
 Mark Lauretti, (Present by telephone beginning 9:48 a.m. until 1:10 p.m.)
 Theodore Martland
 Raymond O'Brien
 Linda Savitsky, (Present beginning 9:56 a.m.)
 Steve Edwards, Bridgeport Project Ad-Hoc
 Tim Griswold, Mid-Connecticut Project Ad-Hoc
 Geno Zandri, Wallingford Project Ad-Hoc

Present from CRRA Management:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Michael Bzdyra, Government Relations Liaison
Jeffrey Duvall, Manager of Budgets and Forecasting
Peter Egan, Director of Environmental Affairs & Development
Thomas Gaffey, Recycling Director
Laurie Hunt, Director of Legal Services
Lynn Martin, Risk Manager
Paul Nonnenmacher, Director of Public Affairs
Mike Tracey, Director of Operations
Nhan Vo-Le, Director of Accounting Services
Lisa Bremmer, Executive Assistant
Moira Kenney, Secretary to the Board/Paralegal

Also present were: Jay Aronson of Consensus Government; Richard J. Barlow, First Selectman of Canton, CT; Bob Gross of Wallingford, CT; John Pizzimenti of USA Hauling & Recycling; Vicki Kotlynar of Covanta; Jerry Tyminski of SCRRRA; Brian Motola, George Fetko, and Peter Griffin of the Town of Vernon; and Scott Trenholm and Mike VanDeventer of Carlin, Charron & Rosen, LLP

Chairman Pace called the meeting to order at 9:38 a.m. and said that a quorum was present.

PLEDGE OF ALLEGIANCE

Chairman Pace requested that everyone stand for the Pledge of Allegiance, whereupon the Pledge of Allegiance was recited.

PUBLIC PORTION

Chairman Pace 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.

Mr. Bob Gross of Wallingford said that he had a question regarding the Barbarino property which was purchased by CRRA in 2001. He asked if any soil samples had been done on that property. Mr. Egan said before CRRA purchased the property a phase one environmental assessment was done on the property. He explained a small area of soil directly adjacent to Oliver Creek Road which was petroleum contaminated was removed. Mr. Egan said that information was contained in the public file.

Mr. Gross asked if other than that soil if the property is relatively clean. Mr. Egan said it was not a Superfund site, he said the property was purchased because the leachate plume that migrates from the landfill proper has moved under that property on its' way to the Quinnipiac River. Mr. Gross asked where the funds to purchase the property came from, and what the purchase price was. Mr. Egan said that the funds for purchasing the project came out of CRRA's Wallingford Project and that he would need to check the records before quoting a price.

Mr. Gross asked if the funds in the Wallingford Project were made up of tipping fees from the project. Mr. Egan said this was correct. Mr. Gross asked if there was any other cleanup of the property performed. Mr. Egan replied that several old cars were removed, an old trailer park was demolished, and that some above ground fuel oil tanks associated with the trailer park were removed. He explained that the stained soil was also removed under the oversight of the Connecticut Department of Environmental Protection (hereinafter referred to as "CT DEP").

Mr. Gross asked if CRRA has plans for the property such as building a transfer station. Chairman Pace said that those facts were yet to be determined. Mr. Gross said that CRRA had petitioned the state for a possible transfer station on that property. Chairman Pace said that an answer has not been provided by the CT DEP regarding that request.

Mr. Gross asked how CRRA acquired the property and not the town of Wallingford. Mr. Egan said that CRRA holds the permits for the landfills which include the groundwater discharge permit. He explained the trailer park and water well on the property are the responsibility of CRRA in order to comply with the requirement that the permit holder of the landfill control the zone influence and the leachate plume and also because the solid waste disposal facility is in a retro corrective action program.

Mr. Gross asked when the public would be seeing the handouts which were distributed to the press in Cheshire, CT, at the Wallingford Plant. Mr. Tracey said that some of the material distributed at the workshop was confidential pending contract negotiations. Mr. Kirk said the data requested is expected to become public when the towns are finished reviewing the MSAs (municipal service agreements).

Mr. Gross said there was an issue at the Wallingford Plant with a strong smell. He explained he spoke with Covanta and requested the issue be resolved as a large funeral in proximity to the plant was due to take place. Mr. Gross said that Covanta had assured him that double deodorizers would be put on but that at 5:30-6 p.m. they were off. He explained the incident took place the previous Thursday and that there were smells on Sunday as well. Mr. Gross said that Covanta had informed him that they were not running the deodorizers on the weekend.

Mr. Kirk informed Mr. Gross that he would look into the issue. He explained this was the third complaint he had in the past three months.

APPROVAL OF THE MINUTES OF THE JULY 24, 2008, REGULAR BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the July 24, 2008, Regular Board Meeting. Director O’Brien made a motion to approve the minutes, which was seconded by Director Martland. The minutes were approved as presented by roll call.

Director Damer and Director Desmarais abstained as they were not present at the meeting.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer			X
Alan Desmarais			X
Theodore Martland	X		
Raymond O’Brien	X		
Ad-Hocs			
Stephen Edwards, Bridgeport	X		
Timothy Griswold, Mid-Connecticut	X		
Geno Zandri, Jr., Wallingford	X		

Mr. Kirk welcomed Director Damer and Director Desmarais to the CRRA Board of Directors. He explained Director Desmarais brings a unique perspective as he has worked as an employee of CRRA in the past. He said that Director Desmarais is currently the Finance Director of Manchester, CT.

Mr. Kirk said that Director Damer is a retired environmental engineer who spent most of his career with United Illuminating. Mr. Kirk said that Director Damer brings a wealth of knowledge and expertise on environmental engineering and is active on several boards.

APPROVAL OF THE MINUTES OF THE AUGUST 21, 2008, SPECIAL BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the August 21, 2008, 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 by roll call.

Director Damer and Director Desmarais abstained as they were not present at the meeting.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer			X
Alan Desmarais			X
Theodore Martland	X		
Raymond O’Brien	X		
Ad-Hocs			
Stephen Edwards, Bridgeport	X		
Tim Griswold, Mid-Connecticut	X		
Geno Zandri, Jr., Wallingford	X		

PRESIDENT’S REPORT

Mr. Kirk said a few of the Mid-Connecticut Project towns have expressed an interest in how CRRA is managing and administrating the disposal agreements and recycling issues. Mr. Kirk said communicating with the 70 towns has always been challenging. He said attendance at meetings and workshops concerning the Mid-Conn towns have always been poor. Mr. Kirk explained that Mid-Conn towns and CRRA Board of Directors suggested the creation of an advisory committee, similar to other advisory committees which participate in the other CRRA projects.

Mr. Kirk said that Chairman Pace sent a letter to the member towns inviting them to take part in the advisory committee. He explained it was the Chairman’s intention to receive feedback from the Board members regarding that invitation.

Mr. Kirk said that management had recently discovered that a Mid-Conn Advisory Committee had existed in the late 80’s-mid 90’s. He explained the Advisory Committee had ceased holding meetings in about 1995. He said that investigations into their mechanics would be done in more detail by management.

Mr. Kirk said that management was strongly supportive of the formation of a new Advisory Committee. Director O’Brien said that a suggestion had been made to set a date for a prospective

meeting in order to give the towns the opportunity to participate. Director Desmarais suggested an informal outreach be done. Mr. Kirk agreed and said that phone calls from the Board of Directors would provide the opportunity to draw interest from the Mid-Conn towns.

Chairman Pace said that a uniform letter should be sent out to all project member towns stating CRRA’s intent to formulate a Mid-Conn Advisory Committee. Director Damer said that more research should be done on the earlier format of the Advisory Committee. He asked if any of the project member towns had expressed interest in participating.

Director Savitsky said that the communication to the Mid-Conn towns is a necessary and important step for CRRA. Director Martland said that the position of Selectman is a two year position which may mean more assertiveness is necessary on CRRA’s part in reaching out.

First Selectman of Canton, CT, Richard Barlow said that he felt the advisory committee is an important thing to do. He said an ongoing dialog will provide better terms of communication.

Director Desmarais said management should find out if the original advisory group was a function of the original financing documents or if it was created as an ad-hoc and was statutory. Mr. Kirk explained there is a statutory opportunity for advisory committees with all of the projects. He said there is a statutory requirement for a post-project planning committee.

The Board discussed the methodology for reaching the Mid-Conn towns and forming an Advisory Committee at length.

ADDITION TO THE AGENDA

Chairman Pace requested a motion to add an item to the agenda. Director O’Brien made the motion which was seconded by Director Savitsky.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O’Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport	X		
Tim Griswold, Mid-Connecticut	X		
Geno Zandri, Jr., Wallingford	X		

APPROVAL OF ADDITIONAL AGENDA ITEM

Chairman Pace requested a motion to approve the above-captioned item. Director O’Brien made the following motion:

RESOLVED: That the Board hereby authorizes the creation of an Advisory Committee consisting of the Chief Elected Official or their designees of the member towns and further authorizes the Chairman of the CRRA Board to revise and distribute the letter which follows Tab 5 to the mayors and first selectmen and/or town managers of the Mid-Connecticut Project member towns.

The motion was seconded by Director Martland.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O’Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut	X		
Geno Zandri, Jr., Wallingford			

PRESIDENT’S REPORT CONTINUED

Mr. Kirk said that with regards to the New Hartford case that the Supreme Court will hear oral arguments on October 16, 2008. Mr. Kirk said the appeal case in chief contains four subparts; if the Board was authorized to raise tipping fees in response to the loss of \$220 million, if the Board was authorized to create an expenditure account (and if CRRA was unjustly enriched), if the towns were entitled to a constructive trust on the Murtha and Hawkins settlements, and if the class action was created correctly.

Mr. Kirk said the second issue concerned the FY’08 budget and whether the judge was correct in questioning the Board’s decision to lower the tip fee. He explained this also concerned whether the

lawyers should have been awarded fees due to the fact that the \$14.8 million monetary benefit would have accrued to the class had the judge not intervened. He said the third issue was the contempt and the gag order which stopped the Board from communicating with the towns. He explained CRRA's allegation is that the gag order violated due process and the first amendment that elected public officials can be gagged contrary to their duty as public officials by the court.

Mr. Kirk said that regarding the pre-judgment attachment CRRA's complaint is that it is illegal to attack a property owned by any political subdivision as it has never been done before and there is no legal basis.

Mr. Kirk said that recent communication with MDC has resulted in MDC's comfort with management's finalization of a procedure for emergency contingent costs. He said that MDC has agreed to pursue two outstanding issues concerning the alleged liability post-2012 of MDC costs. He explained one issue is the size of the liability and the second is who is responsible for those costs.

Mr. Kirk said CRRA's position is at the end of the contract that CRRA is no longer responsible, which MDC disagrees with. Mr. Kirk said the two issues will be resolved separately with an attempt to minimize costs. He explained Jim Bolduc will be working with a group to identify and mitigate costs and Laurie Hunt will be heading up a group to work with MDC to resolve the liability issue from a legal standpoint.

Director O'Brien asked if the procedure for emergency contingent costs involves the difficulties management has had with recent emergency repairs. Mr. Tracey replied that MDC has recognized management's concerns regarding this matter and they are working towards rectifying the issue.

Mr. Kirk said regarding the Wallingford Project the MSAs for consideration by the towns have been distributed and are being actively discussed and reviewed. He said that town meetings have been scheduled for those considerations. Mr. Kirk said the purchase option belongs to CRRA.

Mr. Kirk said the PILOT (payment in lieu of taxes) agreement is an issue that will need to be resolved among the towns. He said that CRRA's position is to pay the property tax value, however any additional premium is something that the towns have to agree on among themselves. Mr. Kirk said that towns have been notified that in order to access their reserve funds that research must be done on how to access those funds by the town or they must withdraw the money themselves. He said that CRRA can do the research if so requested by the towns.

Director O'Brien said that he believes CRRA should facilitate in the Wallingford negotiations. Chairman Pace said he agreed but the towns have a responsibility. Mr. Kirk said that management had facilitated meetings and participated where appropriate.

Mr. Kirk said regarding the Bridgeport Project that MSAs has been created that are acceptable to the towns and CRRA. He said Wheelabrator and CRRA have provided for SWDA which is near complete and ready for signature.

Director Edwards informed Director Lauretti that the project was still waiting to set up a CEO meeting. He said the advisory Board is now turning the process over to the CEO's for final say. Director

Lauretti said that the CEO's are working on reviewing the agreement and that he will be setting up the meeting.

Mr. Kirk said the early termination/exit could not be accomplished and SWEROC will stay in place as constructed. He explained a single-stream facility in Stratford will be attempted with the existing tons.

Director O'Brien said that he was pleased with management's efforts concerning the Bridgeport Project.

FINANCE COMMITTEE UPDATE

Director Savitsky said that the Finance Committee will have a very full agenda for the next few months.

RESOLUTION REGARDING THE PURCHASE OF COMMERCIAL GENERAL LIABILITY, EXCESS LIABILITY, POLLUTION LEGAL LIABILITY AND COMMERCIAL AUTOMOBILE LIABILITY INSURANCE

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

RESOLVED: That CRRA's Commercial General Liability insurance be purchased from ACE American Insurance Company with a \$1,000,000 limit, \$25,000 deductible for the period 10/1/08 – 10/1/09 for a premium of \$250,895, as discussed at this meeting; and

FURTHER RESOLVED: That CRRA's \$25 million Excess Liability insurance be purchased as follows: \$10 million from Everest National Insurance Company for a premium of \$120,360 and \$15 million from Allied World Assurance Company for a premium of \$76,500 for the period 10/1/08 – 10/1/09, as discussed at this meeting; and

FURTHER RESOLVED: That CRRA's Pollution Legal Liability insurance be purchased from ACE American Insurance Company with a \$20 million limit, \$1 million retention for the period 10/1/08 – 10/1/09 for a premium of \$340,328;

FURTHER RESOLVED: That CRRA's Commercial Automobile Liability insurance be purchased from ACE American Insurance Company with a \$1 million limit, liability coverage on all and comprehensive and collision on twelve (12) passenger vehicles and light trucks with a \$1,000 deductible, for the period 10/1/08 – 10/1/09 for a premium of \$65,517.

Director O'Brien seconded the motion.

Ms. Martin said the results of the marketing efforts by Aon were contained in the Board package. She explained that Aon spread a wide net in their attempt to get businesses interested in CRRA's program. Ms. Martin explained Aon was only successful in getting one competitive bid from Liberty on the general liability and the auto. She said management and Aon recommend ACE for the general

liability and the auto liability. She explained the recommendation is based on ACE’s stepping up to cover CRRA in the past and their excellent services. She said the premium difference is insignificant.

Ms. Martin said that last years’ excess carriers quoted this year with the same premiums that they quoted last year. She said that ACE is the only insurer who offered a quote for CRRA’s pollution legal liability insurance. Ms. Martin said that overall the program is the same as last year, with the exception of the deductible for general liability which is \$25,000 less than the prior year. She explained there was a 2.4% savings on the premium overall.

Director Savitsky said that there was a thorough vetting and lengthy conversation between the Finance Committee members and the Aon team regarding the insurance. Mr. Bolduc said that CRRA continues to struggle with placing its’ pollution liability insurance. He said having a good broker to canvass the market is important to assist with these difficulties. Mr. Bolduc said the issue will continue to be a challenge. He said the only alternative to finding coverage is the possibility of self-insurance.

Director O’Brien said that the complexity of the insurance coverage has increased. He said Aon’s results validate the Board’s decision to use Aon for their services.

Director Savitsky said there is a RFP out on the street because CRRA’s contract with Aon is expiring.

Director Desmarais asked if Ms. Martin could take the quotation away from “agent” and put in “consultant”. Director O’Brien accepted that change. Director Desmarais asked if the renewing premium is the budget. Chairman Pace replied that was correct and that CRRA was 2% below.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O’Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut	X		
Geno Zandri, Jr., Wallingford			

RESOLUTION REGARDING THE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

RESOLVED: That the Board hereby approves and endorses the Annual Financial report for the Fiscal Year Ended June 30, 2008, substantially as discussed and presented at this meeting.

Director O'Brien seconded the motion.

Mr. Bolduc said that the annual audit was completed for FY'08. He explained updates to the contingency section have been distributed to the Board members.

Mr. Bolduc said at an upcoming Board meeting the auditors will present the management letter. He explained an executive session without the presence of management will take place between the auditors and the Finance Committee. Mr. Bolduc said the CAFR (Consolidated Annual Financial Report) will also be started which will incorporate the audit for year-end. Mr. Bolduc introduced Scott Trenholm of Carlin, Charron & Rosen (hereinafter referred to as "CCR").

Mr. Trenholm said the communication letter and the audit had been reviewed by the Finance Committee at length. He then reviewed CRRA's responsibilities concerning the financial statements and CCR's responsibilities as an independent auditing firm. Mr. Trenholm explained that management is responsible for the preparation of the financial statements and also for taking ownership and responsibility of those statements. He explained CCR's responsibility is to perform the audit utilizing auditing procedures in accordance with U.S. auditing standards and upon completion to render opinions.

Mr. Trenholm said the opinion is unqualified as it has been in the past few years. He reviewed several items of importance from the audit with the Board.

Mr. Trenholm said that concerning management's significant accounting policies that CCR has reviewed the policies and found them to be both reasonable and appropriate in accordance with Generally Accepted Accounting Processes. He explained that during the year there were no new accounting policies that the Authority was required to adopt and there were no changes in existing policies.

Mr. Trenholm explained the auditing process involves many judgment calls from management and proceeded to review those significant items. He explained the first such item is the determination of closure and post-closure care of landfills liability. Mr. Trenholm said particular attention and time is paid to ensuring management's estimate is reasonable.

Mr. Trenholm said that a few other areas where management uses judgment and estimation are the determination of evaluation allowance for accounts receivable. He explained to do so historical information, credit information, and other information is used.

Mr. Trenholm said that another area where management uses judgment and estimation is in the determination of depreciation and amortization expense on the property and equipment. He explained management does this by estimating the life of the equipment.

Mr. Trenholm said the final area where management uses judgment and estimation is for loss contingencies. He explained determinations are made on existing litigation as to whether it is appropriate to record a loss contingency.

Mr. Trenholm stated in summation that CCR had determined that the amounts that have been recorded and the disclosures by management have been reasonable.

Mr. Trenholm noted that in the course of performing the audit CCR encountered no difficulties in completing their work and there were no disagreements with management concerning performing the audit.

Chairman Pace stated for the record that the updated handout distributed to the Board concerns the legal letters and litigation and has no bearing on the figures recorded in the financial statements. Mr. Trenholm stated that this is correct.

Ms. Vo-Le informed the Board that this was the last audit to be performed by CCR. She expressed her and Mr. Bolduc's appreciation for CCR's excellent work and thanked her staff as well and management for their support.

Director Savitsky said that per the statute a new auditing firm must be used after a six-year period and that CRRRA will be going out to bid sometime after the new year. She said a majority of municipalities do not produce their own statements and that having an audit performed and completed so early is an accomplishment. She extended thanks to CCR, Mr. Bolduc, Ms. Vo-Le, and their staff.

Director Desmarais asked if management had done any recent reviews of possible STIF (State Treasurer's Investment Fund) exposure. Mr. Bolduc responded that management has been monitoring STIF closely for the past six months and has been in frequent communication with the Treasurer's Office.

Mr. Bolduc explained that one potential situation was resolved due to an acquisition by Citicorp. He explained the second situation was a deal struck between the fund and Goldman Sachs. Mr. Bolduc said there is still some exposure but there is a \$53 million reserve for the entire STIF account. He said the interest rate has been very good and management's concern is based on the possible changes of governance in the Treasurer's Office which may be undertaken in order to ensure this fund becomes more restrictive in the future.

Director Desmarais asked if there had been any recent matters of concern raised by the Treasury. Mr. Bolduc responded that the answer was no but he would continue his communication with the Treasury.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut			
Geno Zandri, Jr., Wallingford			

RESOLUTION REGARDING THE RATIFICATION OF EMERGENCY PROCUREMENT CONTRACTS

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

RESOLVED: That the Authority Board of Directors ratifies the emergency purchases as substantially presented and discussed at this meeting.

Director Martland seconded the motion for discussion.

Mr. Tracey said that there were two emergency ratifications before the Board. He explained the first is for a 1250 HP secondary shredder motor that was upgraded approximately a year ago. Mr. Tracey said the machine is still under a two-year warranty and had developed several problems that management had directed MDC to execute and repair. He explained that due to MDC's procurement procedures they weren't able to effect the arrangements and that as a result CRRA had to undertake the repair process.

Chairman Pace asked why the repairs couldn't be directed under warranty. Mr. Tracey said it was determined that the work was covered under the existing warranty.

Mr. Tracey said the second item for emergency repair is the electromagnetic drum. He explained the drum was in need of a two-phased repair consisting of the fabrication of a shell for the drum which the MDC was able to perform. Mr. Tracey explained MDC was not able to perform the assembly of the device itself due to a sole source situation.

Chairman Pace asked if either of the repairs had not been done under the emergency status what the impact would have been. Mr. Tracey said processing numbers would have dropped, and the electromagnetic drum would have caused a loss of ferrous processing capabilities.

Chairman O'Brien asked that the documentation for why the emergency procurement was necessary be provided along with the purchasing procedure.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut	X		
Geno Zandri, Jr., Wallingford			

RESOLUTION REGARDING THE ADOPTION OF THE POLICY AND PROCEDURE FOR THE DISTRIBUTION OF RECYCLING REBATES TO MEMBER MUNICIPALITIES

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

WHEREAS: CRRA has encouraged member municipalities to recycle to the maximum extent possible by not charging a tipping fee for the acceptance of recyclables at the Authority's regional recycling facilities since commencing operations and;

WHEREAS: The Board of Directors has adopted budgets that include funds to be rebated to member municipalities based on the amount of acceptable recyclable tons annually delivered and;

WHEREAS: Monetary rebates reward member municipalities for the delivery of acceptable recyclables and provide further economic incentive to maximize their local recycling programs and;

WHEREAS: CRRA has invested in the installation of state-of-the-art, single stream, processing technology at the Mid-Connecticut facility to increase citizen participation and recycling rates in pursuit of accomplishing the new statewide recycling goal and is planning to do the same at the Stratford facility therefore;

RESOLVED: That the Board of Directors hereby adopts the Procedures for the Distribution of Recycling Rebates to member municipalities and the President is hereby authorized to issue rebate checks to said member municipalities substantially as presented at this meeting.

Director Savitsky seconded the motion.

Chairman Pace excused himself from the discussion and subsequent vote.

Mr. Gaffey said that this motion had been discussed thoroughly at the P&P Committee meeting. He explained the policy allows for the distribution of rebates. He said the procedure that accompanies this resolution allows for the sole exception of towns to allow for their residents to donate their deposit containers to charities at their local transfer station.

Mr. Gaffey said the procedure allows for the exception on or prior to the adoption of this charity. He explained any of the towns from the prior fiscal year can still receive a check. Mr. Kirk said the agreement from FCR is not without cost to CRRA as aluminum recycled at our facility sells for \$1,700 a ton. He said management is pleased that FCR is cooperating in this public policy.

Mr. Gaffey said towns which have allowed for the donations have been told to bring all acceptable recyclables to the plant. He explained if they are not currently doing this they will not be able to do so on a foregoing basis. Director Savitsky clarified that the policy has a controlled number of participants. Mr. Gaffey said this was correct and that fourteen towns were participating.

Director Edwards asked if the participating towns were only part of the Mid-Conn Project. Mr. Gaffey said this was correct. He explained management anticipates having a rebate for the Stratford towns starting January 1, 2009.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman			X
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Michael Jarjura	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut			
Geno Zandri, Jr., Wallingford			

RESOLUTION REGARDING TRANSPORTATION AND DISPOSAL OF PROCESS RESIDUE, NON-PROCESSIBLE WASTE AND BYPASS WASTE FOR THE MID-CONNECTICUT PROJECT

Chairman Pace 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 enter into an agreement with Waste Management of Massachusetts, Inc., to provide transportation and disposal services for process residue, non-processible waste and bypass waste for the Mid-Connecticut Project, substantially as presented and discussed at this meeting.

Director Martland seconded the motion.

Mr. Egan said the resolution involves the Mid-Conn facility. He explained the Hartford landfill is closing December 31, 2008. Mr. Egan said the Board had before it a recommendation to execute a contract with Waste Management of Massachusetts, Inc. for the transportation and disposal of approximately 110,000 tons per year of the front end process residue generated from the waste processing facility along with 10,000 tons per year of the large bulky waste non-processible items that are picked out of the trash at the Waste Processing Facility in Hartford. He explained that included in the bid was also pricing to export bypass waste when there is more garbage than the waste-to-energy facility can handle out of the Mid-Conn system.

Mr. Egan said that the write-up includes a term sheet. He explained there was a typo within the term sheet under contract dollar value. He explained the first year incorrectly says \$72.15 a ton and that \$70.15 a ton is the correct price. Mr. Egan explained the contract was for six and a half years and includes a provision to exit the contract after three years with a 12-month advance notice. He explained

that such an exit provision was included given the potential of technology to burn 110,000 tons of the process residue.

Mr. Egan said the contract commits 110,000 tons or whatever amount is generated of process residue to Waste Management but does not commit any of the 10,000 tons per year of the large non-processible items, or any of the bypass waste. He said the fuel surcharge used in the analysis included in the Board package assumes a diesel price of \$4.65 a gallon. The contract includes a performance guarantee, and an indemnification for environmental liability. Mr. Egan said the company has about \$13 billion in revenue with a market cap of about \$15 million.

Chairman Pace asked Mr. Egan to define the large non-processible items that are pulled out. Mr. Egan said these items include chairs, couches, carpet and other large items that the current shredding technology cannot manage equaling roughly 8,000-10,000 tons a year.

Chairman Pace asked if there is any way to volume-reduce the couches. Mr. Egan said there is a bulky waste shredder which can assist and that proposal will be brought before the Board for approval later in the year. Mr. Tracey said the proposal will be brought before the Policies & Procurement Committee the following month. He explained bids for that project had recently been submitted and were being reviewed by management.

Mr. Egan said the bid was very favorable relative to the budget and the contrast is shown in the term sheet. He explained management expects to spend \$4.2 million of the budgeted \$5.2 million for non-processible and process residue. Chairman Pace asked that the Board take note of the estimate for the net cost of operations.

Director Savitsky said that the Finance Committee is pleased with the results of this bid, however regarding the overall budget, there should be no rushing to judgment as communicating this information should be a cautious process. She explained CRRA is only two and a half months into the fiscal year and there are still many actions that could affect the budget.

Director O'Brien asked that the record reflect the volumes of each type of waste. Mr. Egan said the process residue is approximately 110,000 tons per year. He said the non-processible waste is approximately 10,000 tons per year and approximately 15,000 tons per year of bypass waste.

Director Desmarais asked what the possible impact of technology may be on the amount of process residue on the third year of the contract. Mr. Egan said a decision must be made after 24 months as there is a one-time chance to exit the contract. Mr. Kirk said the soonest this technology could impact the contract is two years and the soonest CRRA could take advantage of this technology is three years.

Mr. Tracey said the technology has several unknowns including possible effects on the boilers and/or a request from Covanta on a possible reimbursement. Chairman Pace asked Mr. Tracey why Covanta would receive a reimbursement. Mr. Tracey explained past changes in operations have involved an award for reimbursement as provided for in the agreement from Covanta.

The Board discussed the possibilities of this new technology at length.

Mr. Kirk pointed out that the low bidder concerning this bid is far below the other bids. He explained this does not indicate the market rate for garbage has changed. He explained competing figures are \$80-\$85 which indicate that the market has not collapsed. Mr. Kirk said management was fortunate to get a good price, a trend which is similar in the price obtained for ash. Mr. Kirk said management believes the numbers favorable to the budget are a result of the economy. He explained western regional landfills are seeing less garbage and want to keep their flows up in order to achieve their discounts. He said diesel fuel prices have not dropped substantially and it is important for the Board to be aware that, despite the favorable prices, that CRRA owning its own ash landfill is still a far better option. Mr. Kirk said that regarding shredding bulky waste, management will find options for customers in the future.

Director O'Brien said the other four bids would have added \$1 million to \$1 ½ million to costs for process residue which would have been slim savings based on what was budgeted. He explained these figures validate the budget recommendations provided to the Board by management.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Michael Jarjura	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut	X		
Geno Zandri, Jr., Wallingford			

RESOLUTION REGARDING ASH RESIDUE TRANSPORTATION AND DISPOSAL SERVICES FOR THE MID-CONNECTICUT RESOURCE RECOVERY FACILITY, ASH RESIDUE TRANSPORTATION AND DISPOSAL SERVICES FOR THE WALLINGFORD RESOURCE RECOVERY FACILITY AND ASH RESIDUE DISPOSAL SERVICES FOR THE PRESTON RESOURCE RECOVERY FACILITY

Chairman Pace 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 execute an agreement with Wheelabrator Technologies Inc. to provide transportation and disposal services for ash residue from the Mid-Connecticut Resource Recovery Facility, substantially as presented and discussed at this meeting;

FURTHER RESOLVED: That the President is hereby authorized to execute an agreement with Covanta Mid-Connecticut, Inc. to provide transportation and disposal services for ash residue from the Wallingford Resource Recovery Facility, substantially as presented and discussed at this meeting; and

FURTHER RESOLVED: That the President is hereby authorized to execute an agreement with Wheelabrator Technologies Inc. to provide disposal services for ash residue from the Preston Resource Recovery Facility, substantially as presented and discussed at this meeting.

Director Savitsky seconded the motion.

Mr. Egan said this resolution involves ash residue and involves the Southeast, Wallingford, and Mid-Conn Projects. He explained the bid went out on the street earlier this calendar year to identify outlets for ash residue from these facilities. Mr. Egan said the contract for the Wallingford and Preston Connecticut facility for ash disposal expires in December 31, 2008. He said their ash has been going to the Wheelabrator landfill in Putnam, CT. Mr. Egan said Hartford's ash has been going to the North Meadows landfill which is closing at this end of this year.

Mr. Egan said the bid received half a dozen responses which were then put through a qualification and pricing process which was discussed in the write-up. Mr. Egan pointed out the Mid-Conn Resource Recovery Facility generates about 170,000 tons a year and the base contract is for three years with five one-year extensions. Mr. Egan said the base was restricted for three years as management was considering the possibility of CRRA having their landfill operational by 2011. He explained if this was not the case there are extensions available.

Mr. Egan said the Wallingford waste-to-energy facility has a one-and-a-half-year base term because the project ends after one and a half years.

Mr. Egan said the Preston facility is also a three-year base term with six one-year extensions. He explained SCRRRA had asked that management negotiate six one-year extensions to allow for a co-terminus term with the RRF service agreement with Covanta.

Mr. Egan said that the Preston bid was for disposal only and the Mid-Conn and Wallingford bids are for disposal and transportation of the ash. He explained the disposal price recommended for Preston is \$41.00 per ton, which is higher than several other disposal prices. This is because the other landfills that bid are further away, but when the transportation component is added, the Wheelabrator option becomes the least cost option. He explained management recommends the Wheelabrator Putnam option.

Mr. Tyminski said that Mr. Egan had summed up the Preston bid correctly. He said essentially the difference between Wheelabrator and Peabody is about \$550,000.

Mr. Egan said these contracts commit the ash to the vendors. He said that in the case of Preston there are two components to the ash amounts. Mr. Egan explained one is the SCRRRA component and the second is the Covanta spot component. Mr. Egan explained in Preston what is committed to Wheelabrator is the SCRRRA component which is approximately 55,000 tons a year. He said that Wheelabrator will accept the Covanta spot component of about 17,000-18,000 tons a year at this price if Covanta chooses to use the Wheelabrator Putnam disposal option. He said the contract with Covanta in the Southeast project requires landfill capacity for all the ash generated from the project, and Covanta has the option to take their component wherever they want.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Michael Jarjura	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut			
Geno Zandri, Jr., Wallingford			

RESOLUTION REGARDING ASSIGNMENT OF LEGAL SERVICES AGREEMENT

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

WHEREAS, Tyler Cooper & Alcorn, LLP, entered into a three-year Legal Services Agreement with the Authority dated July 1, 2008; and

WHEREAS, Tyler Cooper has now announced that it is closing, and that the majority of the attorneys in its Hartford office have joined the law firm of Hinckley, Allen & Snyder LLP effective September 15, 2008; and

WHEREAS, pursuant to Section 7.5 of its Legal Services Agreement, Tyler Cooper has requested CRRA's consent to the assignment of all its right title, and interest in and to the Legal Service Agreement to Hinckley, Allen & Snyder.

NOW THEREFORE, it is

RESOLVED: That the Authority hereby consents to the assignment by Tyler Cooper & Alcorn, LLP to Hinckley, Allen & Synder, LLP of all of its rights, title and interest in and to the Legal Services Agreement and authorizes the President to execute all documentation reasonably necessary in connection therewith.

Director Desmarais seconded the motion.

Ms. Hunt said that Tyler Cooper & Alcorn had been assigned to three-year legal service agreements for solid waste counsel, municipal counsel and litigation. She explained Tyler Cooper is closing. Ms. Hunt explained that with the exception of a name change the office and its staff are staying almost exactly the same.

Ms. Hunt explained the resolution has been authorized by Policies & Procurement to proceed during the interim period. Mr. Kirk said administratively the firm is not in CRRA's bullpen and this resolution will allow for the name change to be accepted administratively.

Director O'Brien said that this is the first year CRRA has used Tyler Cooper & Alcorn but that he has worked with member attorney Bob Metzler for a number of years through the Housatonic Resource Recovery Authority. He said he believes the action management is recommending is appropriate.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Michael Jarjura	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut			
Geno Zandri, Jr., Wallingford			

EXECUTIVE SESSION

Chairman Pace 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 Savitsky was approved unanimously by roll call. Chairman Pace requested that the following people be invited to the Executive Session in addition to the Directors:

- Tom Kirk
- Jim Bolduc
- Jeff Duvall
- Peter Egan
- Laurie Hunt, Esq.
- Paul Nonnenmacher

The Executive Session began at 11:40 a.m. and concluded at 1:15 p.m. Chairman Pace noted that no votes were taken in Executive Session.

The meeting was reconvened at 1:15 p.m., the door was opened, and the Board secretary and all members of the public were invited back in for the continuation of public session.

ADDITION TO THE AGENDA

Chairman Pace requested a motion to add an item to the agenda. Director Cooper made the motion to add an agenda item which was seconded by Director Desmarais.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Michael Jarjura	X		
Theodore Martland	X		
Raymond O’Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport	X		
Tim Griswold, Mid-Connecticut	X		
Geno Zandri, Jr., Wallingford	X		

APPROVAL OF ADDITIONAL AGENDA ITEM

Chairman Pace requested a motion to add an item to the agenda. Director Cooper made the following motion:

RESOLVED: That the Authority approach the new Mid-Connecticut Project Advisory Committee to present proposals for use of the FY’08 audited Mid-Connecticut positive results of operation, consistent with the existing MSAs and bond indentures and to obtain feedback from the members for consideration by the Authority’s Board.

The motion was seconded by Director O’Brien.

Chairman Pace said that he is taking into consideration that the advisory committee is being developed. Director Savitsky said that the Finance Committee saw the first draft of the audit at its last meeting. She said it is prudent to look at some form of disposition in accordance with the Bond Indentures and the MSAs and urged the President to establish the advisory committee as quickly as possible in order to garner optimum participation.

Director Desmarais agreed and said the Board had taken action of the audit as soon as possible.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Michael Jarjura	X		
Theodore Martland	X		
Raymond O’Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport	X		
Tim Griswold, Mid-Connecticut	X		
Geno Zandri, Jr., Wallingford	X		

ADJOURNMENT

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

There being no other business to discuss, the meeting was adjourned at 1:18 p.m.

Respectfully submitted,

Moira Kenney
Secretary to the Board/Paralegal