

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND EIGHTY-FIRST

SEPTEMBER 30, 2010

A regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, Sept. 30, 2010, in the Board Room at CRRA Headquarters, 100 Constitution Plaza, Hartford, Connecticut. Those present in Hartford were:

Directors: Chairman Pace
 Vice-Chairman Jarjura (present beginning 10:26 a.m.)
 David B. Damer
 Timothy Griswold
 Dot Kelly (present by telephone until arriving in person at 9:57 a.m.)
 Mark Lauretti (present beginning at 10:36 a.m.)
 Theodore Martland
 Nicholas Mullane
 Ron Van Winkle
 Mark Tillinger, Bridgeport Project Ad-Hoc
 Warren Howe, Wallingford Project Ad-Hoc

Present from CRRA:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Peter Egan, Director of Environmental Affairs & Development
Bettina Ferguson, Director of Finance
Laurie Hunt, Director of Legal Services
Lynn Martin, Risk Manager
Paul Nonnenmacher, Director of Public Affairs
Richard Quelle, Senior Engineer
Christopher Shepard, Environmental Engineer
Nhan Vo-Le, Director of Accounting Services
Moira Benacquista, Board Secretary/Paralegal

Also present were: Rick McCarthy of Environmental Capital, LLC; John Pizzimenti of USA Hauling & Recycling; Jeff Roude of Bollam, Sheedy, Torani & Company; Jim Sandler, Esq., of Sandler & Mara; John Stafstrom, Esq., of Pullman & Comley; Jerry Tyminski of SCARRRA and Cheryl Thibeault of Covanta.

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 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. Pizzimenti said at several of the Special Committee meetings he had requested a copy of the draft of the Special Committee Report. He said Mr. Nonnenmacher and he had communicated in e-mails in which Mr. Nonnenmacher correctly said nothing in the Freedom of Information act (hereinafter referred to as "FOIA") should disclose preliminary drafts which clearly outweigh the public interests and disclosure. He said Mr. Nonnenmacher also talked about trade secrets. Mr. Pizzimenti said the meetings have been held in public and all discussions at those meetings have also been held in public. He said he and other members of the public which have attended the meetings are well aware of changes made to the draft but do not have a full copy of that draft in hand.

Mr. Pizzimenti said because the meetings have been public he does not agree that he would have to pursue a Freedom of Information Act complaint to obtain that document. He said at this time he would also like a copy of the consultant's report on capital improvements. He said he was not sure if it out yet but he believes that would be public also.

Chairman Pace asked Mr. Pizzimenti if his requests are for his own purpose or for that of another entity. Mr. Pizzimenti replied that he would like a copy of the report to see how the process works and where it is going. He said he is sure his company is interested in it as well.

Chairman Pace said his request will be reviewed and referred to counsel. Mr. Kirk said the document will be public soon and is certainly available. Mr. Kirk said the capital report is still in progress and will most likely be available in several months.

Chairman Pace asked Ms. Hunt if there are other FOIA requests which have been made to CRRA. Mr. Egan said in the past few days someone had requested Franklin Landfill documents. Chairman Pace said he wished to revisit the Franklin landfill issue when the Wheelabrator agenda item is reached.

Chairman Pace said CRRA has made FOIA requests of MDC and others. He asked Ms. Hunt if those requests have been met. Ms. Hunt replied no. Chairman Pace asked why this was the case and asked management to take the necessary steps to address this issue.

APPROVAL OF THE MINUTES OF THE AUGUST 19, 2010, REGULAR BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the Aug. 19, 2010, Regular Board Meeting. Director Mullane made a motion to approve the minutes, which was seconded by Director Damer.

The motion to approve the Aug. 19, 2010, minutes as amended was approved by roll call. Chairman Pace, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Mullane, and Director Tillinger voted yes. Director Howe and Director Van Winkle abstained.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle			X
Ad-Hocs			
Mark Tillinger, Bridgeport	X		
Warren Howe, Jr, Wallingford			X

RESOLUTION REGARDING THE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

RESOLVED: That the Board hereby approves and endorses the Annual Financial report for the Fiscal Year Ended June 30, 2010, substantially as discussed and presented at this meeting.

Director Van Winkle seconded the motion.

Director Martland said this item was discussed at the Committee level. He noted Jeff Roude will present the financial report to the full Board.

Mr. Roude said he would be reviewing the highlights of the financial statement which he had presented and was approved at the Finance Committee meeting. He said the report was an unqualified opinion which means it was a clean audit. Mr. Roude said only one journal entry was proposed and incorporated into the books for the \$5.2 million grant from the State regarding reimbursement for previously spent monies relating to the Hartford landfill. He said a single audit required by the State of Connecticut will also be issued regarding that issue. Mr. Roude said that report has also been approved and was an unqualified opinion which will be issued next week.

Mr. Roude reviewed several highlights in the notes of the statement. He began with note twelve which discussed significant events. Mr. Roude said note twelve discuss the Enron related reimbursement. He said CRRA estimates an additional \$8.35 million will be added to the profit and loss statement of CRRA through December of 2012 as a result of CRRA's settlement with the waste haulers of the Mid-Connecticut Project.

Mr. Roude said the contingency addresses a number of lawsuits. He said some of those highlights are the arbitration proceeding with MDC. He said at this point the arbitration is in the preliminary stages and estimates for potential exposure cannot be provided as of yet. Mr. Roude said many settlements have been reached concerning the other lawsuits, many of which will drop off the financial statement the following year as a settlement has been reached.

Mr. Roude said also under subsequent events CRRA plans to refund some bonds in the second quarter of the 2011 fiscal year. He said the bonds will be swapped out at a lower interest rate and maintain the bond maturity of November 2015. He said the exchange will lower the interest rate and save SCRRRA approximately \$2 million.

Mr. Roude said note fifteen concerns some current accounting pronouncements which the auditors are required to comment on. He said the first concerns land and real estate held for investments (which CRRA does not have) which is stated. Mr. Roude said the second accounting pronouncement concerns derivatives (which CRRA has not entered into) which is stated. He said the final accounting pronouncement concerns intangible assets. He said CRRA has two easements on two pieces of property in Ellington and in Shelton which were deemed immaterial in an internal investigation and were not booked in the financial statements.

Mr. Roude said note sixteen concerns fund balance reporting which is an announcement which will take place in next year's financial statement which will change the wording and is mainly cosmetic.

Chairman Pace asked Mr. Roude to comment on FY09 when CRRA assets decreased by \$26 million or 7% overall. He said CRRA's assets offset its total liabilities by \$226 million. Mr. Roude said the actual unrestricted cash decreased by almost \$19 million with \$13.2 going to the Hartford landfill and \$5 million to offset tip fees.

Director Martland requested the member towns be informed of CRRA's clean audit. Chairman Pace agreed that the favorable audit results will be shared. Chairman Pace said CRRA is nearing the end of a laundry list of suits concerning Enron. He said there are no new items from post Enron including the MDC arbitration.

Director Griswold asked if the audit looked at the reserves in terms of adequacy. Mr. Roude replied yes. He said a study is done and updated every year which reviews the reserves to make sure they are adequate. Mr. Bolduc said the October Finance Committee meeting is also used to address the reserves and ensure their adequacy.

Director Damer pointed out a few editorial changes which were required. He asked what the effective date of finalizing the agreements with the towns is now that there have been some changes. Mr. Kirk said there have been changes based on comments from member towns and the Municipal Advisory Committee has agreed July 1, 2011 is the new date for consideration of the proposed MSA's.

Mr. Bolduc said the audit went smoothly and all parties involved worked well to complete the audit. He said the FY09 State auditor's report was favorable and had only one small comment which was to institute spot audits on a quarterly basis on various inventories which CRRA has already begun implementing. Director Martland asked that this information also be shared with the towns.

Ms. Vo-Le thanked the accounting staff, billing staff, and management for their support and efforts through the audit. Chairman Pace thanked Ms. Vo-Le for her efforts and the accounting department's exemplary work.

The motion to approve the resolution was approved by roll call. Chairman Pace, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

RESOLUTION REGARDING AUTHORIZING THE ISSUANCE OF REFUNDING BONDS FOR THE SOUTHEAST PROJECT

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

WHEREAS, the Connecticut Resources Recovery Authority (the “Authority”), in furtherance of the Southeastern Connecticut Regional Resources Recovery System (the “System”) has authorized the issuance of bonds to finance costs of the System pursuant to an Indenture of Mortgage and Trust, dated as of December 1, 1988 (as amended and supplemented to the date hereof, the “Indenture”); and

WHEREAS, the Authority has previously issued under the Indenture, among other bonds, its \$87,650,000 aggregate principal amount of Resource Recovery Revenue Bonds (American REF-FUEL Company of Southeastern Connecticut Project – 1998 Series A) (the “Prior Bonds”); and

WHEREAS, the Indenture authorizes the Authority, subject to the conditions set forth therein, to issue additional bonds under the Indenture to refund bonds previously issued and outstanding under the Indenture; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority and the System to refund and defease the entire outstanding balance of the Prior Bonds, currently \$39,855,000; and

WHEREAS, in furtherance of such refunding, the Authority has prepared or caused to be prepared the documentation to implement the refunding through the issuance of additional bonds under the Indenture (the “Refunding Bonds”), including, among other documents, (i) a 2010 Series A Supplemental Indenture of Mortgage and Trust, between the trustee under the Indenture (the “Trustee”) and the Authority (the “2010 Series A Supplemental Indenture”), (ii) Amendment No. 4 to Lease Agreement, between Covanta Southeastern Connecticut Company (the “Company”) and the Authority (“Amendment No. 4 to Lease Agreement”), (iii) Amendment No. 4 to Lessee Guaranty and Security Agreement, from the Company to the Trustee (“Amendment No. 4 to Lessee Guaranty and Security Agreement”), (iv) Amendment No. 3 to SCRRRA Pledge and Security Agreement, from the Southeastern Connecticut Regional

Resources Recovery Authority (“SCRRA”) to the Trustee (“Amendment No. 3 to SCRRA Pledge and Security Agreement”); (v) Amendment No. 3 to Open-End Mortgage and Security Agreement, from the Company to the Trustee (“Amendment No. 3 to Mortgage”), (vi) Continuing Disclosure Agreement, among the Authority, SCRRA, and the Trustee (the “Continuing Disclosure Agreement”), (vii) a Bond Purchase Agreement relating to the delivery of and payment for the Refunding Bonds, between Citigroup Global Markets Inc., as representative of the underwriters, the Authority, SCRRA and the Company (the “Bond Purchase Agreement”), (viii) an Official Statement relating to the offering and sale of the Refunding Bonds (in preliminary form, the “Preliminary Official Statement” and in final form, the “Official Statement”), (ix) a Tax Regulatory Agreement Among the Authority, the Company and the Trustee (the “Tax Regulatory Agreement”) and (x) an Escrow Agreement between the Authority and the Trustee providing for the defeasance of the Prior Bonds (the “Escrow Agreement”); and

WHEREAS, the Authority, the Company and Covanta ARC, LLC (the “Parent”), in connection with the issuance of the Refunding Bonds, have agreed that the Parent shall have the right, but not the obligation, to terminate the existing Equity Contribution Agreement (which supports the Parent’s obligations under the Company Support Agreement and Parent Undertaking, as defined below) at any time while the Refunding Bonds are outstanding if, and only if, at or prior to such termination, the Parent delivers a direct pay, irrevocable letter of credit to the Authority and/or the Trustee that (i) is in an amount at least equal to the outstanding principal and interest due on the Refunding Bonds (subject to reduction as principal and interest on the Refunding Bonds are paid), (ii) will remain effective until the Refunding Bonds are no longer outstanding, (iii) is issued by a commercial bank with at least \$10,000,000,000 of combined capital and surplus and a credit rating from Standard & Poor’s of at least A+, and (iv) provides the Authority and/or the Trustee the right to draw on such letter of credit upon any debt service shortfalls on the Refunding Bonds (the “Qualified Letter of Credit”); and

WHEREAS, in connection with the issuance of the Refunding Bonds, the Authority will request the Company to enter into (i) a new Company Support Agreement, among the Company and the Parent (the “Company Support Agreement”) to replace the existing company support agreement relating to the Prior Bonds, and (ii) a new Parent Undertaking, among the Company and the Parent (the “Parent Undertaking”) to replace the existing parent undertaking relating to the Prior Bonds; and

NOW THEREFORE, it is

RESOLVED: That the Authority hereby determines that the issuance, sale and delivery of the Refunding Bonds, as hereinafter described, for the purposes herein described, is in the best interests of the Authority and the System; and

FURTHER RESOLVED: That in order to accomplish the purposes of the Connecticut Solid Waste Management Services Act, constituting Public Act No. 73-459 of the General Assembly of the State of Connecticut, codified as Chapter 446e, as amended and supplemented to the date hereof (the “Act”), the issuance and sale of Refunding Bonds is hereby authorized in an aggregate principal amount not to exceed \$40,000,000, subject to the provisions of the Indenture and the 2010 Series A Supplemental Indenture, and subject to approval of the Treasurer of the State of Connecticut; and

FURTHER RESOLVED: That the Authority adopts the attached Findings of Self-Sufficiency for the System pursuant to Connecticut General Statutes Section 22a-272, so as to enable the establishment of a special capital reserve fund for the Refunding Bonds, as provided for by such statute, which will be pledged as security for the Refunding Bonds; and

FURTHER RESOLVED: That any of the Chairman, the President or the Chief Financial Officer of the Authority, or any person acting in any of the foregoing capacities, are each hereby authorized to seek approval from the Treasurer of the State of Connecticut with respect to the issuance of the Refunding Bonds and the establishment of a special capital reserve fund for the Refunding Bonds; and

FURTHER RESOLVED: That at least two of the following Authority officials, the Chairman, the President and the Chief Financial Officer of the Authority, or anyone acting in any of the foregoing capacities, are hereby delegated the power of this Board to determine the principal amounts of each maturity of the Refunding Bonds, the aggregate principal amount of the Refunding Bonds provided such amount does not exceed \$40,000,000, the interest rates for each maturity for the Refunding Bonds, the maturities of the Refunding Bonds, the sinking fund installments, if any, of the Refunding Bonds, and all other terms and particulars of the Refunding Bonds, including, but not limited to any bond insurance, other credit enhancement, and redemption schedules; and

FURTHER RESOLVED: That the Refunding Bonds shall be sold on a negotiated basis pursuant to the Bond Purchase Agreement at the prices and upon the terms set forth in the Bond Purchase Agreement; and

FURTHER RESOLVED: That any of the Chairman, the President or the Chief Financial Officer of the Authority, or any person acting in any of the foregoing capacities, are each hereby authorized to execute on behalf of the Authority (i) the 2010 Series A Supplemental Indenture, (ii) Amendment No. 4 to Lease Agreement, (iii) the Official Statement, (iv) the Bond Purchase Agreement, (v) Continuing Disclosure Agreement, (vi) the Escrow Agreement and (vii) the Tax Regulatory Agreement, similar in form and containing comparable terms and conditions as discussed at this meeting, but with such changes and additions as are, in the opinion of the person executing such agreement (upon the advice of bond counsel to the Authority), necessary or desirable in order to complete and execute the same, and the approval of this Board with respect to each such agreement shall conclusively be determined by the signature of any one of such persons thereon; and

FURTHER RESOLVED: That any of the Chairman, the President or the Chief Financial Officer of the Authority, or any person acting in any of the foregoing capacities, are each hereby authorized to consent on behalf of the Authority, to the extent required by any agreement, to (i) the Company Support Agreement, (ii) the Parent Undertaking, (iii) the issuance of the Qualified Letter of Credit, (iv) Amendment No. 3 to SCRRRA Pledge and Security Agreement, (v) Amendment No. 4 to Lessee Guaranty and Security Agreement, and (vi) Amendment No. 3 to Mortgage, similar in form and containing comparable terms and conditions as discussed at this meeting, but with such changes and additions as are, in the opinion of the person executing such document (upon the advice of bond counsel to the Authority), necessary or desirable in order to complete and consent to the same, and the approval of this Board with respect to each such

document shall conclusively be determined by the signature of any one of such persons thereon; and

FURTHER RESOLVED: That there is hereby approved the distribution of the Preliminary Official Statement and the Official Statement for the Refunding Bonds and that any of the Chairman, the President or the Chief Financial Officer of the Authority, or any person acting in any of the foregoing capacities, are each hereby authorized to execute on behalf of the Authority such Preliminary Official Statement and the Official Statement for the Refunding Bonds, similar in form and containing comparable terms and conditions as discussed at this meeting, but with such changes and additions as are, in the opinion of the person executing such document (upon the advice of bond counsel to the Authority), necessary or desirable in order to complete and execute the same, and the approval of this Board with respect to each such document shall conclusively be determined by the signature of any one of such persons thereon; and

FURTHER RESOLVED: That proceeds of the Refunding Bonds, together with funds of or available to the Authority and other amounts available under the Indenture shall be deposited with the Trustee pursuant to the Escrow Agreement and applied to refund the entire outstanding balance of the Prior Bonds; and

FURTHER RESOLVED: To the extent needed, that the Authority shall direct the Trustee to seek such consent of the holders of the bonds issued and outstanding under the Indenture as is required under the Indenture for those matters authorized under this Resolution that may require bondholder consent (as determined by the Chairman, the President or the Chief Financial Officer of the Authority or any person acting in any of the foregoing capacities, upon the advice of bond counsel to the Authority); and

FURTHER RESOLVED: That any of the Chairman, the President or the Chief Financial Officer of the Authority, or any person acting in any of the foregoing capacities, are each hereby authorized to take all such further actions and execute and deliver such further documents, certificates, schedules and agreements on behalf of the Authority to accomplish the issuance, sale and delivery of the Refunding Bonds and the redemption of the Prior Bonds as contemplated hereby, and as otherwise may be necessary and appropriate under the terms and conditions of all the aforesaid documents.

Director Damer seconded the motion.

Director Martland said the Southeast Project is planning on refunding the existing bonds and noted for the record that the Southeast Project was able to achieve what the CRRA Board had attempted to do at the Mid-Connecticut Project by balancing its tip fees to obtain tip fee stability over the years with financial strength gained from uneven revenue flows.

Mr. Bolduc introduced CRRA's financial advisor Rick McCarthy, of Environmental Capital and John Stafstrom, Esq. of Pullman & Comley and noted Jerry Tyminski and Bettina Ferguson were also present. He said this process began in the spring when management recognized an opportunity to take the remaining \$40 million in existing SCRRA bonds and refinance those bonds from about 5% to 2% for a significant financial savings.

Mr. Bolduc said this project goes back to Duke Energy and BFI which were the original parties which were eventually bought out by American Re-Fuel which was then acquired by Covanta. He said in the process the original financing was backed by the Treasurer's office under Special Capital Reserve Fund (hereinafter referred to as "SCRFF") which means that the State puts its guarantee on the bonds which are essentially stepped up to the State's rating. Mr. Bolduc said this is significant as it results in a lower interest rate as well enhancing the ability to market the bonds.

Mr. Bolduc said management met with the Treasurer's office for two reasons. He said under CRRA statutes the Treasurer has to approve the bonds and secondly management was seeking their assignment of SCRFF designation on the bonds. Mr. Bolduc said a self-sufficiency certificate is required to be approved by the Board in order to gain official confirmation of the verbal approval the Treasurer's office has already provided.

Director Mullane disclosed that he was a member of the Southeastern Connecticut Resource Recovery Authority. He said he does attend the SCRRA meetings and has been involved in the unanimous decision to forward this item to the CRRA Board. Mr. Mullane said he sees no reason to exclude himself in the discussion and he does not feel it is a violation of ethics or a conflict of interest.

Mr. McCarthy proceeded to summarize the findings of self-sufficiency. He said four findings are required however, in summary what the Board is required to find is that the Project will pay for itself. Mr. McCarthy said the past history of the Project is first reviewed and in this case there is eighteen years of success. He said in particular the last five fiscal years indicate strong debt service coverage.

Mr. McCarthy said the next step after reviewing the past is to look to the future, or a projection based on reasonable assumptions. He said the projection shows the debt service coverage for the next five years is expected to be even stronger than in the past. He said this is due to the fact that SCRRA is putting a substantial amount of equity to reduce the principal amount of the bonds and also interest will be saved resulting in a combined effect which will increase the coverage. He said in addition the favorable power sales agreement will continue to make revenues increase.

Mr. McCarthy said management has spelled out chief assumptions which were made such as; waste levels will stay the same, and the project will produce roughly the same amount of electricity with increasing electric prices.

Director Kelly asked Mr. McCarthy to address the paying down of the bonds by the Project. Mr. McCarthy said there is \$4.5 million in reserves that the SCRRA Board has authorized be put into this financing. He said the forecast is for almost \$2.5 million in net present savings.

Director Tillinger asked if management had looked at possible negative scenarios in these projections. Mr. McCarthy replied that these projections are conservative and are so strong that creating a bad scenario would be very difficult with five to seven times coverage. Director Tillinger asked if he was correct in stating this is a very conservative scenario with upside on top of this possible and a downside scenario may not exist. Mr. McCarthy agreed. Mr. Stafstrom added that many of these projections are based on arrangements which are locked into place and the tipping fees are based on municipal service agreements which run through the term of the bonds with the electric contract running through the term of the bonds. He said even if there was some kind of a problem with the purchase of the electricity (which is highly unlikely) if the electric power was sold on the open market it would probably be sufficient to support this.

Director Griswold asked why the balance is listed at \$39,855 in the resolution if there is a \$4.5 million pay down figure. He said the later whereas states it is to refund the bonds, not to exceed \$40 million. Director Griswold asked why that figure wouldn't be reduced by \$4.5 million. Mr. McCarthy replied it is prudent to authorize as many bonds as could conceivably be issued under a worst case scenario to avoid returning for further approval. He said as time has passed and one further principal payment will be made before the bonds are issued the current projection is \$26 million for bonds.

Mr. Tyminski said on page twelve of the write-up on the favorable energy prices which drive this contract the blended rate shows the price rising by about a penny a kilowatt every year from now until the end of the contract. He said the energy contract can be extended out to 2017 and the Project will get about \$800,000 a year in additional energy revenue.

Mr. Tyminski said the SCRRA Board passed the resolution to go forward with the bond refinancing in September. He said because of the energy contract, the Project expects to use its significant reserves to offset the tip fee when the power contract expires. Mr. Tyminski said \$4.5 million is being used to pay back the principal and the savings will accrue back to the Project which will be returned to the reserves so the twelve SCRRA towns will have funds to do some planning after the power contract expires. He explained years ago the Project had some of the worst tip fees the State had ever seen and still enforced put or pay contracts on minimum commitment billing.

Mr. McCarthy said finding number three illustrates the dependability of the SCRRA municipalities. Mr. McCarthy said prior to the Project's inception contracts were put into place to provide repayment of the bonds even if the Project did not work as it was supposed to. He said the ratings for the individual towns are highly rated. Mr. McCarthy said CL&P has investment grade ratings which are also listed. He said lastly Covanta is good at their job and has incentive to keep the project up. He said there is another contract called the equity contribution agreement which requires the parent companies to support up to a \$100 million in the obligations of Covanta ARC and if any of the owners of Covanta ARC are not investment grade, letters of credit totaling that \$100 million are required. He said the \$100 million is spread over a number of companies. Mr. McCarthy said as part of the refunding Covanta will be permitted to eliminate the equity contribution agreement however in its place a letter of credit to the holders of the bonds will be required from a bank with at least an A+ rating and with at least \$10 billion in equity to guarantee the payment of the bonds.

Mr. McCarthy said the Treasurer's office asked management what would happen if the Project had physical issues. He explained the documents require that Covanta maintains sufficient insurance coverage in the remote chance that ever occurs. He said the last finding is that the project has what is required in the debt service reserve fund. He explained this information is presented for the Board to endorse the finding that the Project will have sufficient revenue to cover the Project costs between now and when the bonds are paid off which is roughly five years total with a debt service reserve fund to cover the last year.

Chairman Pace asked what the total net savings will be. Mr. Bolduc replied roughly \$2-\$2.5 million plus returning to the Project the \$4.5 million equity contribution. Ms. Ferguson added that letters from the Citigroup and Environmental Capital are provided as additional support so that the findings the Board is required to make are found to be satisfactory.

Mr. Stafstrom reviewed highlights from the resolution with the Board. He explained the Board is being asked to approve the refunding of the original bonds which currently total almost \$40 million,

and approve the findings of self-sufficiency in order to access the SCRF. Mr. Stafstrom said the Treasurers' office was pleased with the recent presentation by management and CRRA's economic advisors and attorneys and provided verbal assurance that they will approve the bond issue and also place the SCRF on the bond.

Director Griswold asked if there is any direct or indirect liability to CRRA through this transaction. Mr. Stafstrom said as the issuer of the bond it is CRRA's responsibility to see that the bonds are issued correctly. He said economically with the existing protections in place he would say the answer is no. Director Griswold asked if there are any fees which go from SCRRRA to CRRA. Mr. Bolduc said there are administrative fees CRRA charges to SCRRRA on an annual basis. He said the cost for underwriting bonds and lawyers will be wrapped into the issuance cost for the debt as this is part of the service CRRA charges to SCRRRA. Ms. Ferguson clarified all fees will be paid from bond proceeds.

The motion to approve the resolution was approved by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

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 Martland:

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 10/1/10 – 10/1/11 for a premium of \$215,172 as discussed at this meeting; and

FURTHER RESOLVED: That CRRA's \$25 million Umbrella Liability insurance be purchased from ACE American Insurance Company for a premium of \$158,552 for the period 10/1/10 – 10/1/11, 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, \$250,000 self-insured retention for the period 10/1/10 – 10/1/11 for a premium of \$242,348;

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 eighteen (18) passenger vehicles and light trucks with a \$1,000 deductible, for the period 10/1/10 – 10/1/11 for a premium of \$54,911.

Director Van Winkle seconded the motion.

Ms. Martin said it was a very soft market. She said management is very pleased with the marketing as there was some competition this year which drove prices down. Ms. Martin said Aon Risk Service contacted fourteen market participants and received several responses two of which are presented. She said Ironshore is a combined policy where the limit is shared between pollution and general liability. Ms. Martin said the limit is higher but it is a shared policy. She said based on costs and policy improvements from ACE management is recommending the incumbent ACE for a total premium of \$667,983 which also represents a much lower self-insured retention on the pollution portion which went from \$1 million down to \$250,000 per claim.

Chairman Pace said there are four different sections of insurance through ACE. He asked what the total overall savings are. Ms. Martin said over last year's policy each policy portrays a savings, general liability saves \$41,000, umbrella saves \$37,000, pollution \$119,000 and auto \$3,000. Chairman Pace asked if the rates are based on the market place in general. Ms. Martin said they are based on CRRA's experiences which are controlled by the market. She said CRRA has not had terrible claims which are in CRRA's favor however, the market controls the pricing.

Director Kelly asked if the change in ownership in Wallingford has any material impact on insurance. Ms. Martin replied not really at this point. She said CRRA is still covering legacy insurance in the pollution range just in case for the next five years or so. She said there is maybe a \$20,000 difference because CRRA does not have ownership of the facility.

Director Griswold said the general liability is \$1 million and the umbrella is \$25,000. He said in the scope of things \$1 million seems low; however he assumes the umbrella picks that up. Ms. Martin said that was correct. She said it is typical of how general liability is sold, \$1 million per occurrence with the \$25 million on top of that.

Director Damer said in the third resolve of the resolution the \$250,000 is not identified as a deductible. Ms. Martin said he is correct and the resolution should state \$250,000 self-insurance retention.

Director Martland said consideration of the upcoming budget may have to be done carefully as he had heard recently on public radio that insurance costs are expected to increase. Mr. Bolduc said management will be approaching the Board soon with health insurance considerations which is likely where increases in costs will be seen.

The motion to approve the resolution with the change suggested by Director Damer was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

RESOLUTION REGARDING A REQUEST FOR SERVICES FOR DEVELOPMENT OF EDUCATIONAL COMPUTER TOOLS FOR USE IN EDUCATIONAL PROGRAMS BY THE CONNECTICUT ENERGY EFFICIENCY FUND AND THE US INSTITUTE OF MUSEUM & LIBRARY SERVICES

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

RESOLVED: That the President is hereby authorized to approve a Request for Services with the Pita Group LLC for services associated with the development of educational computer tools for use in educational programs funded by the Connecticut Energy Efficiency Fund and the U.S. Institute of Museum & Library Services.

Director Mullane seconded the motion.

Director Damer said the Policies & Procurement Committee held a substantial and in-depth discussion concerning the items which are being brought to the Board under the Policies & Procurement Committee report. Director Kelly added that these items were passed unanimously by the Committee.

Mr. Kirk said the education program is valuable and well received by CRRA customers. He said CRRA customers have expressed satisfaction and appreciation for the education programs but are hesitant to fund those costs out of the tip fee. He said the Bridgeport Project charged management with funding the education programs through donations and philanthropy combined with user fees. Mr. Kirk said management is still struggling with this but is making progress.

Mr. Kirk said one of the projects Mr. Nonnenmacher and the education team have embarked on is outreach to organizations and donors which may help with funding. He said as the write-up notes donors do not want to pay money for operating costs, they prefer something tangible that they can see

and label, a challenge management works with. Mr. Kirk said this resolution details a fund type with a matching expenditure where \$39,000 is expected to be returned to CRRA.

Director Griswold asked if the recycling meter can be adopted for member town’s schools. Mr. Nonnenmacher said the idea behind both of these tools is to provide a linkage from the museums to the schools participating in the programs. He said the meters will calculate the energy savings schools are creating through recycling which they will be able to track.

Mr. Nonnenmacher said management expects this will also make the museum more attractive to schools which may not have participated in museum programs in the past. He said the grant program is to provide those education programs to schools.

Director Kelly said she had attended the Connecticut Department of Environmental Protection (hereinafter referred to as “CT DEP”) meeting earlier that week along with Mr. Egan and Mr. Bodendorf. She said she spoke with Diane Duva concerning recycling which is being pushed heavily by the CT DEP. Director Kelly asked Ms. Duva what the CT DEP does to support these efforts and was told that they look to CRRA.

Chairman Pace asked what the timeline for development of this meter is. Mr. Nonnenmacher said this meter will be developed and implemented between now and late winter early spring 2011.

The motion to approve the resolution was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

RESOLUTION REGARDING CONSTRUCTION OF A NEW JET FUEL TANK AT THE SOUTH MEADOWS SITE

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

RESOLVED: That the President is hereby authorized to enter into a contract with TMC Services, Inc. to construct a new jet-fuel storage tank at the South Meadows Jet Turbine Facility, substantially as discussed and presented at this meeting.

Director Mullane seconded the motion.

Director Damer said this resolution has been before the Board several times in different stages of development. He said the Board is aware the existing tank has problems and is expected to be removed sometime in 2011. Director Damer said the Board had previously approved up to \$1.6 million however when doing the detailed engineering and sub-surface engineering the sub-surface conditions were discovered to require more substantial tank foundations. He said this resolution also incorporates the cost of cleaning and removal of the existing tank.

Chairman Pace asked if delivery as needed is an option or does CRRA require the storage tank. Director Damer said this question was discussed at length at the Committee level. He said it was determined that there are not enough trucks to provide delivery on an "as needed" basis. He said the other option discussed by the Committee was the possibility of using gas fuel in the future.

Director Damer said even if the tank was powered by gas the requirements of the tanks are such that dual fuel capability is optional. He said the tank is still useful in terms of being deconstructed and reconstructed elsewhere even if the jets are sold.

Chairman Pace noted TMC is separate from TRC.

Director Griswold asked if the ground beneath the tank is unstable. Mr. Egan replied the existing 5.5 million gallon tank sits where it is and a new tank has to be installed at an alternative location because there cannot be an interrupted fuel supply. He said the tank must be placed in a new area which is why the rammed aggregate pier is needed.

Director Martland asked what the soil characteristics are. Director Damer said this is based on very specific borings for the site in question whereas before assumptions were made on what management thought could be designed. He said this resolution provides for the actual borings and the bearing structure of the soils directly under where the tanks are located.

Chairman Pace asked if management is comfortable with the contingency. Mr. Egan replied yes. He said management is comfortable with this number and the next item on the agenda is for engineering support.

Mr. Kirk said the variance from the original estimate is primarily due to assumptions made on the sub-surface conditions which after the expense of boring were proven to be incorrect. He said secondly the Connecticut Siting Council requires dual capability should the tank be converted to gas and requires deconstruction and removal of the 5.5 million gallon tank. Mr. Kirk said although management had anticipated and planned on doing that it will not be a substantial cost because the steel recycled from the deconstruction typically pays for most of the deconstruction.

The motion to approve the resolution was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

RESOLUTION REGARDING QA/QC CONTRACT FOR CONSTRUCTION OVERSIGHT ASSOCIATED WITH CONSTRUCTION OF A NEW JET FUEL TANK

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

RESOLVED: That the President is hereby authorized to enter into a Request for Services with TRC Environmental Corporation to provide construction engineering and inspection services associated with construction of a new jet-fuel storage tank for the Jet Turbine Facility at the South Meadows Site, substantially as discussed and presented at this meeting.

Director Mullane seconded the motion.

Director Damer said this resolution is straight forward and executes a request for services with TRC Environmental for services associated with construction of the new tank. He said TRC has the most information regarding the tank especially concerning the sub-surface conditions on the site. He said this is under the three year engineering services agreement.

Mr. Egan said TRC is intimately familiar with this site. He noted that TRC discounted their standard billing rates by 5% for this job.

Director Griswold asked what the reserve balance is. Mr. Bolduc replied the balance as of August 10, 2010, is about \$7.1 million. Director Griswold asked if the \$2 million comes out of that reserve. Mr. Bolduc responded yes.

The motion to approve the resolution was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

RESOLUTION REGARDING INSTALLATION OF AN OVERFIRE AIR SYSTEM ON UNIT #11 AT THE SOUTH MEADOWS RRF

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

RESOLVED: That the President is hereby authorized to direct Covanta Mid-Conn, Inc. to install a new overfire air system manufactured by Jansen Combustion and Boiler Technologies, Inc. on Unit 11 at the Mid-Connecticut Power Block Facility, substantially as presented and discussed at this meeting.

Director Mullane seconded the motion.

Chairman Pace asked for an explanation of an over-fire air system. Director Damer explained it is part of the combustion system in the boiler. He said the main burners fire a combination of air and fuel into the boiler and the over-fire system takes a portion of that air and puts it into a different level of the boiler for a better mixture and combustion.

Director Damer said these boilers, this one in particular have had some issues with how the combustion is occurring. He said there has been pluggage of certain screen tubes and corrosion of other tubes. He said Jansen has done a lot of engineering work to try and determine the proper distribution of air flow in the boilers to help with the ongoing operating concerns.

Chairman Pace asked if Covanta will oversee this process. Mr. Egan said that Jansen is a stand alone company which has the proprietary technology. He said Covanta in their role as the operator will contract directly with Jansen. Mr. Egan said that CRRRA and Covanta funded the initial study together. Mr. Egan said Covanta will contract with Jansen and concurrently with a yet to be determined company to erect and install the system which Jansen manufacturers.

Director Damer said the payback on this installation is calculated at about five months. He said although the installation is costly the additional revenues which will result from higher capacity factors

on the unit will allow for more tonnage to come through the unit and more electricity to be produced as a result.

Chairman Pace asked if an outage will occur. Director Damer replied yes. He said the outage will occur during the regularly scheduled outage for service. Director Damer asked if this will extend that outage. Mr. Quelle responded no. He said the outage is regularly scheduled for ten-twelve days and this system will be installed in seven days.

Director Damer said the Committee had asked substantial questions on whether additional licensing would be required. He explained the Committee was assured that is not a factor.

Director Mullane said along with better performance this will also improve maintenance capabilities and decrease costs there as well.

Director Kelly asked if the arrangement that this will be contracted through Covanta is typical. Chairman Pace said that Covanta operates the back end. Mr. Egan said work on the power block facility is undertaken and managed by Covanta as the operator. He said if it is an activity which is not Covanta's responsibility contractually (which this is an example of) the cost is passed back through to CRRA which is the contractual arrangement CRRA has with Covanta. He said occasionally CRRA can contract directly with an outside vendor to do some activities at the power block facility however; typically it is preferable to run it through the operator as they are more familiar with the facility and CRRA's role is one of oversight.

Director Tillinger asked if there is a direct cost pass through or if Covanta keeps a management fee which CRRA pays for. Mr. Kirk said there is no mark-up on the contract.

The motion to approve the resolution was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

RESOLUTION REGARDING THE INSTALLATION OF TWO BEDROCK GROUNDWATER MONITORING WELLS AT SHELTON LANDFILL

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

RESOLVED: That the Board of Directors authorizes the President to execute a Request for Services with GZA GeoEnvironmental, Inc. to install two bedrock groundwater monitoring wells at the Shelton Landfill, substantially as presented and discussed at this meeting.

Director Mullane seconded the motion.

Director Damer said this resolution concerns bedrock monitoring wells at the Shelton landfill. He said GZA was installing the two groundwater monitoring wells under an original contract which was less than \$50,000 as required by CRRA’s stewardship permit from the CT DEP. Director Damer said one well was put in no problem however with the second reinforced concrete at the drilling site created difficulty as the well casing would collapse and as a result the well was unable to be drilled.

Director Damer explained GZA had to go to a different style of well drilling in order to get the necessary depth. He said this was required to be drilled by Sept. 15, 2010, per the permit. Director Damer said because of the required type of drilling the total contract value is now \$59,821 and requires Board approval.

The motion to approve the resolution was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

RESOLUTION REGARDING GREENHOUSE GAS MONITORS AT THE CRRA MID-CT RESOURCE FACILITY

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

RESOLVED: That the President is hereby authorized to direct the Power Block Facility operating contractor, Covanta Mid-Conn, Inc. to install greenhouse gas monitoring equipment on each of the three municipal waste combustor units, substantially as discussed and presented at this meeting.

Director Jarjura seconded the motion.

Director Damer said this item is required as part of CRRA’s permit with the CT DEP which issued an order for these monitors to be installed. He said Covanta will be doing the contracting however CRRA will be paying the cost. Director Damer said the resolution contains an excellent cost break down of the installation capital costs and the ongoing operations and maintenance costs. He said CRRA is looking at \$287,004 for installation and annual costs of a little more than \$18,000 a year from the operating budget.

Mr. Egan said one of the cost estimates of \$50,000 is for the CEMS. He said yesterday management received a firm estimate of \$39,000 which changes the contract dollar value from \$287,004 down to \$276, 004. Mr. Egan said this is CRRA’s cost and is essentially in the contract with the operator.

Chairman Pace asked for the record that the figure be changed to \$276,004.

The motion to approve the resolution was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

RESOLUTION REGARDING EXTENSION OF THE ASH T&D CONTRACT WITH WHEELABRATOR LANDFILL

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

RESOLVED: That the President is hereby authorized to execute an extension of the 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; and

FURTHER RESOLVED: That the President is hereby authorized to execute an extension of the 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 Martland seconded the motion.

Director Damer said this resolution concerns a reduction in the current contract prices with Wheelabrator for substantial savings over the next year for continued disposal of ash at the Putnam landfill. Director Martland asked if Wheelabrator owns both the ash landfills. Director Damer replied that he believed so.

Mr. Egan explained CRRA has a contract with Wheelabrator to move ash from the Hartford and Preston facility to the landfill in Putnam Connecticut. He said the contract has a three year base term ending in 2011 which CRRA is almost through. Mr. Egan said there are five one year extensions for the Hartford facility and six one year extensions for the Preston facility.

Mr. Egan said after discussions Wheelabrator proposed at the end of the three year based term (which is contract year number four on the table) that the contract price for Hartford's transportation disposal costs rise from \$66.23 to \$67.22 and Preston from \$46.87 to \$47.57 using the CPI in the contract today. He explained Hartford contracts for transportation and disposal which is \$66.23 for the last contract year which is a six month term. Mr. Egan said Preston pays only for disposal under the current contract at \$46.87.

Mr. Egan said management recommends exercising all of the option years which Wheelabrator proposed and in return will receive a reduction in disposal and transportation pricing for Hartford and disposal pricing for Preston. He said under Wheelabrator's proposal the costs for Hartford and Preston would drop.

Mr. Egan said management believes this is a favorable proposal and would recommend exercising all five years in the case of Hartford and in the case of Preston an option for three and half years through the end of the initial term of the Project.

Chairman Pace asked if this proposal would be lower in pricing for CRRA than where it would be with the current agreement at the end of the three year base term. Mr. Egan replied yes. Chairman Pace said even if CRRA was to develop an alternative ash disposal site it would not be completed in this span of time.

Mr. Egan said there is a provision in the contract which allows CRRA to terminate the contract if CRRA does site its own ash residue landfill in Connecticut, identifies a technology which allows for the beneficial recycling of ash, or loses control of the ash for some reason.

Director Kelly said at the Policies & Procurement Committee meeting there was substantial discussion concerning the Committee’s desire to look into the beneficial reuse of incinerator ash. The Board agreed that this is a topic of interest for everyone present. Director Kelly said she had broached the subject at a recent CT DEP meeting. She said how the regulator perceives the re-use of ash is a key question in terms of the technical aspect involving what is in the ash and what may leach out.

Chairman Pace said the Board has identified some practices which are used in other countries such as utilizing the ash for road base. Director Kelly said it was brought to her attention that Connecticut coal ash re-use has been approved which made her wonder if that had an impact on the land. She said this is a good movement in the right direction concerning re-use of the coal ash. Director Martland said years ago the coal ash was used under foundations in the construction of schools.

Director Damer said the legislature passed a bill this past session that required the CT DEP in conjunction with the Connecticut Academy of Science and Engineering to develop a study on ash residue to find out if there is a way to do general permits versus individual permits.

The motion to approve the resolution was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

PRESIDENT’S REPORT

Mr. Kirk said the year-end results for the Projects are contained in the supplemental portion of the package. He said 789,000 tons were processed at Mid-Connecticut, with 805,000 tons delivered and 15,000 tons diverted away. He said that is a low number which is beneficial to the Project as the cost of diverting to the Project is higher. He said management has done a good job with the logistical issues and peak shaving of delivery versus capacity.

Mr. Kirk said production was unfavorable primarily due to plant unavailability issues. He said the development and installation of the over-fire air system discussed during this meeting as well as other work done in the past two year on pressure parts will provide some benefits. He reminded the Board that for eight years the plant was not maintained as it should have been because funds were not available due to the Enron problem. Mr. Kirk said there will be challenges going forward in terms of capital funding and spending however management is constantly ensuring the integrity of the boiler and the plant with the small amount of capital available.

Mr. Kirk said the State Auditors public reports provided CRRA with a clean audit.

Mr. Kirk said August results for the new fiscal year are improved versus last year's processed tons and steam generation. He said waste deliveries are down slightly by about 1% and recyclables are up double digits.

Mr. Kirk said the deadline for RFQ/ RFP submittals for those interested in operating the WPF, PGF and PDF starting January 2012 came and went and multiple bids were received details of which are confidential until evaluations are completed.

Mr. Kirk said the MSA review and comment outreach this summer was very successful and concluded with three separate workshops which were well attended by the Towns. He said extensive insight was provided by the Towns and positive feedback from the Towns has been received. Mr. Kirk said final deadline for Tier 1 is July 1, 2010, a substantial relaxation of the initial dates of October 31, 2010, Dec. 1, 2010, and Jan 1, 2010, as it is very important to identify how many tons there are in order to conclude negotiations with operators and the electric generation contract because without fuel, power cannot be guaranteed. Mr. Kirk said it was clear the Towns could not perform due diligence, evaluate their opportunities and get the MSA through their Legislative bodies by Jan. 1, 2011.

Mr. Kirk said the Board was asked to make assumptions about how many tons will eventually be signed up with the Towns. He said based on this management is comfortable proceeding with negotiations, contracting with operators, proceeding with planned consideration of new energy contracts and other items putting together the Future Conn project in the absence of signed contracts. He said the Towns recognize the importance of having that information to CRRA and are comfortable with the July 2011 deadline.

Mr. Kirk said CRRA is still involved with arbitration with its contractor MDC. He said there is an appeal of a Superior Court ruling by CRRA about the non-independent nature of the arbitrator. He said CRRA is pursuing that appeal as management believes the party appointed arbitrator should be independent. Mr. Kirk said the risk of that issue is not currently being considered in financial planning but may be in the future. Management is confident arbitration will result in a manageable outcome.

Mr. Kirk said the SouthWest Division (SWEROC operating Committee) has elected to discontinue processing at the Stratford facility as a result of the loss of several towns' participation including Greenwich which contributed 10,000 tons. Mr. Kirk said at 25,000 total tons renovating the plant to a single stream facility is not possible. He said the plan is to have CRRA make small modifications to the Mid-Conn facility to allow for the transfer of single stream items from Stratford to the Hartford facility a cost of about \$20.00 a ton or less. Mr. Kirk said if 25,000 tons are attracted management believes it can offer zero cost recycling. He said at zero cost recycling and single stream, management believes it can expand the list of customers and increase per unit per customer production

of recycling to get to a total recycling commodity number which may justify construction of a facility. He said the magic number is about 45,000 tons to pay for capital and provide zero cost recycling, a goal which management feels is reasonable over time.

CHAIRMAN'S REPORT

Chairman Pace said in his Town of Old Saybrook a member of the Board of Selectman made an inquiry about Chairman Pace acting as the Chair of the CRRA Board while acting as First Selectman of Old Saybrook. He said he asked an attorney from CRRA, Mr. Farley, Esq., to represent the position of Chair to the CRRA Board and had Mr. Goldstein, Esq., represent his office of First Selectman for the town of Old Saybrook, CT.

Chairman Pace asked Ms. Hunt to include documents related to this matter as part of the Chairman's report to be submitted in the entire package. He asked that part of the package also include an article from a reporter.

Chairman Pace said he has an attorney looking into this matter. He said moving forward the Old Saybrook ethics Board will consider the documents, he believes they are getting an outside independent decision on this matter. He said he thinks this is exactly what it looks like the effort to embarrass, ridicule, or intimidate which is not taken lightly by this Elected Official or by this Appointed Official.

Chairman Pace noted he has been appointed by two Governors's several times, by three or four legislative groups, both Democrats and Republicans and does not believe he has ever gotten a negative vote.

Chairman Pace noted during this time he never neglected his obligations as First Selectman of Old Saybrook.

Mr. Kirk said he was present at this meeting with the Chairman. He said it is clear to him this was not an item of concern regarding ethics. He said in 2005 Director Cooper, Director Francis, and Vice-Chairman Jarjura were proactive about pursuing an understanding of the dual nature of their appointments as both municipal official and Director as the statutes require at least four, and in this case six members, to be both Elected Officials of Towns with CRRA contracts as well as Directors. He said this is clearly the intent of the Legislature and is clear in the statutes. He said in addition the Attorney General weighed in with a letter stating the dual nature of the appointment of the elected official was the intent of the legislature with the purpose and intent that the towns would be well treated and well represented at CRRA. He said this information was provided to the town of Old Saybrook by CRRA's attorney Mr. Farley, Esq.

Vice-Chairman Jarjura said unfortunately public service has become a thankless profession for those involved in elected office and in many respects has become a nasty way of doing business. He said he has served ten years in the General Assembly and ten years as Mayor of Waterbury. He said his first CRRA meeting involved the Enron settlement and discussion about whether or not that would be parleyed into the open market. Vice-Chairman Jarjura said the Board was able to up the settlement by almost \$30 million. He said Chairman Pace and the Board inherited a mess of monumental proportions. Vice-Chairman Jarjura said as a representative of one of the largest tonnage users in the system he would like to make a motion to send to Chairman Pace's town council, on behalf of the Board, a commendation of thanks and gratitude for his service as Chairman for his service and troubles. He said

frankly CRRA would not be where it is without Chairman Pace, or saving the Towns money over the years, like the rebate which came at a crucial time for Waterbury and other towns during economic crisis.

Vice-Chairman Jarjura made a motion that an item be added to the agenda from the Board that they support and stand fully behind Chairman Pace and thank him for his service. He said it is unfortunate that politicians and politics want to try and discredit a man of great character.

Chairman Pace stepped down from the Board as Chair for Vice-Chairman Jarjura's motion.

Director Mullane said he has been First Selectman of North Stonington for twenty five years, served on the Board Finance prior to that, and has also served in other positions in the Town. He said the environment is terrible. He said so much useful talent and energy is spent in areas similar to this that the balance of what can get done requires enormous amounts of time to get anything accomplished. Director Mullane said government today is challenging and is chasing away a lot of talent which could really contribute to an efficient creditable and well-adjusted economic government. Director Mullane said as a short term member of CRRA he can say this is a corporation with talented and expert management, good people, good communication and serves as an example of what should be happening in government all of which he is pleased to be a part of. He said the political things disrupt the communities and spread to the State and State associations and is disheartening.

Director Martland said he has worked on Boards for over forty years on everything from church to Town Boards. He said this is the best run Board which he has been associated and the most democratic.

ADDITION OF AN ITEM TO THE AGENDA

Vice-Chairman Jarjura made a motion to add an item to the agenda concerning sending a letter on behalf of the full Board to the Town of Old Saybrook.

Director Mullane seconded the motion.

The motion to add the above referenced item to the agenda was approved by roll call. Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Howe, Director Kelly, Director Lauretti, Director Martland, Director Mullane, Director Tillinger, and Director Van Winkle voted yes. Chairman Pace abstained.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman			X
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport	X		
Warren Howe, Jr, Wallingford	X		

RESOLUTION REGARDING A LETTER TO THE OLD SAYBROOK ETHICS COMMISSION ON BEHALF OF THE CRRA BOARD IN APPRECIATION OF CHAIRMAN PACE'S SERVICE

Vice-Chairman Jarjura made a motion to send a letter on behalf of the CRRA Board to the Old Saybrook Ethics' Commission in appreciation of Chairman Pace's service.

Director Mullane seconded the motion.

The motion was approved by roll call. Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes. Chairman Pace abstained.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman			X
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

EXECUTIVE SESSION

Chairman Pace requested a motion to enter into Executive Session to discuss pending litigation, real estate acquisition, pending RFP’s, and personnel matters with appropriate staff. The motion made by Director Damer and seconded by Director Martland 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
- Peter Egan
- Laurie Hunt, Esq.
- Eric Womack

A ten minute recess was taken before Executive session began.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport	X		
Warren Howe, Jr, Wallingford	X		

The Executive Session began at 12:07 p.m. and concluded at 12:58 p.m. Chairman Pace noted that no votes were taken in Executive Session.

The meeting was reconvened at 12:58 p.m., the door was opened, and the Board secretary and all members of the public (of which there were none) were invited back in for the continuation of public session.

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	\$350,000

Director Martland seconded the motion.

The motion to approve the resolution was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

ADDITION OF A RESOLUTION REGARDING WORKFORCE RETENTION TO THE AGENDA

Chairman Pace requested a motion regarding to add a motion to the agenda concerning workforce retention. The motion was made by Vice-Chairman Jarjura.

Director Martland seconded the motion.

The motion to add the above referenced item to the agenda was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

RESOLUTION REGARDING WORKFORCE RETENTION

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

WHEREAS, the Connecticut Resources Recovery Authority (the “Authority”) desires to retain its very capable work forces to continue to provide effective service to its member Towns; and

WHEREAS, The Authority recognizes that it is important to have in place a level of commitment to its employees that alleviates to some degree any immediate concerns regarding their employment and to mitigate the impact to CRRA it might experience from a loss of personnel during the forthcoming mission-critical transition period and beyond.

NOW THEREFORE, it is RESOLVED: That CRRA shall institute a six-month working notice period for fulltime CRRA employees and a three month working notice period for part-time employees who are terminated by CRRA without cause attributable to the employee, including as result of position elimination, reorganization, restructuring, reduction in force; or other related circumstances.

Director Damer seconded the motion.

Chairman Pace said this resolution provides part-time employees of CRRA three months’ notice and full time employees of CRRA six months’ notice if there should ever be a need for downsizing or elimination, for which the Board has no such plans at present.

The motion to approve the resolution was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

ADJOURNMENT

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

There being no other business to discuss, the meeting was adjourned at 1:00 p.m.

Respectfully submitted,

Moira Benacquista
Secretary to the Board/Paralegal