

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND FORTY-FIFTH **MARCH 26, 2009**

A Regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, March 26, 2009, at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Chairman Michael Pace

Directors: David B. Damer
 Alan Desmarais
 Michael Jarjura (present beginning 11:23 a.m.)
 Mark Lauretti (present beginning 10:32 a.m.)
 Timothy Griswold
 Theodore Martland
 James Miron (present by telephone)
 Raymond O'Brien
 Linda Savitsky (present until 11:30 a.m.)
 Steve Edwards, Bridgeport Project Ad-Hoc
 Warren Howe, Wallingford Project Ad-Hoc
 Geno Zandri, Wallingford Project Ad-Hoc

Present from CRRA management:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Peter Egan, Director of Environmental Affairs & Development
Laurie Hunt, Director of Legal Services
Paul Nonnenmacher, Director of Public Affairs (present by telephone)
Mike Tracey, Director of Operations
Lisa Bremmer, Executive Assistant
Maira Kenney, Secretary to the Board/Paralegal

Also present were: John Pizzimenti of USA Hauling & Recycling; Jim Sandler of Sandler and Mara; Cheryl Thibeault of Covanta; and Jerry Tyminski of SCRRRA.

Chairman Pace called the meeting to order at 9:47 a.m. and noted that there was a quorum.

PLEDGE OF ALLEGIANCE

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

APPROVAL OF THE MINUTES OF THE FEBRUARY 26, 2009, REGULAR BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the February 26, 2009, Regular Board Meeting. Vice-Chairman O’Brien made a motion to approve the minutes, which was seconded by Director Savitsky.

The minutes were approved as amended and discussed by roll call.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Dave Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
James Miron	X		
Theodore Martland	X		
Raymond O’Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Steve Edwards, Bridgeport	X		
Warren C, Howe, Jr., Wallingford	X		
Geno Zandri, Wallingford	X		

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.

With no comments from the public, Chairman Pace stated that the regular meeting would commence.

FINANCE COMMITTEE UPDATE

Director Savitsky said that the Finance Committee had met the prior week and had spent a considerable amount of time discussing renewal of the risk property and public officials’ insurance. She said the Committee members were in agreement that CRRA’s broker, Aon Risk Services, did a good job in presenting the information. Director Savitsky said that Ms. Martin’s risk management report was excellent.

Chairman Pace said that the Committee has come to an agreement that any efforts to send items by e-mail to reduce paper consumption would be undertaken. He asked that the Directors let Ms. Kenney know how they would prefer to receive communications and information.

RESOLUTION REGARDING RENEWAL OF ALL RISK PROPERTY INSURANCE

Chairman Pace requested a motion to approve the above referenced motion. Director Savitsky made the motion.

RESOLVED: That CRRA's Public Officials and Employment Practices Liability insurance be purchased from ACE with a \$10,000,000 limit and up to \$10,000,000 in defense costs outside the limit, and a \$250,000 retention for the period 4/1/09 – 4/1/10 for a premium of \$228,139.

The motion was seconded by Director Desmarais.

Mr. Bolduc said that management approaches the Finance Committee twice a year with insurance renewals. He explained consolidation of the renewals is not possible due to the market. Mr. Bolduc said CRRA's broker is AON Risk Services which works diligently to attract the market to CRRA's business. Mr. Bolduc said there were different responses to CRRA's business and that unfortunately several companies declined for varied reasons. Mr. Bolduc said that there is a surplus in the budget of about \$10,000 concerning the bids received and that the premiums came in at roughly \$228,000. He explained the major change this year is that the defense limits are going up from the current \$5 million to \$10 million.

Mr. Bolduc said the policy fees were about the same as the prior year. He said the markets are very challenging for a variety of reasons. He said that both Ms. Martin and Aon put in a significant amount of work through their approaches. Mr. Bolduc said that Ace continues to be the carrier on the coverage; he noted they fall in the ratings guidelines with an A-rating.

Vice-Chairman O'Brien clarified that defense costs are not going up; he explained the coverage for defense costs are going up. He said that Ms. Martin and Aon did an excellent job putting the information together and that there are several excellent tables and charts contained within the risk management report.

Director Savitsky said that she sits on the State Insurance and Risk Management Board. She explained that Board has held detailed discussion on AIG and XL. Director Savitsky said these issues were raised with Aon who assured the Finance Committee it is employing a stringent vetting process and is dedicated to monitoring the financial stability of these companies. Director Savitsky said that AON has continually proven that it offers valuable services to CRRA.

Director Damer asked why the services start April 1st rather than the beginning of the fiscal year. Mr. Bolduc explained that management has made an effort to adjust the services' start time to meet our fiscal calendar but unfortunately CRRA is driven by the carrier's cycles.

Director Griswold asked whether the loss of the Bridgeport Project is reducing insurance costs. Mr. Bolduc said concerning public officials insurance our experience does not necessarily concern the Bridgeport Project but reflects on issues concerning the Mid-Connecticut Project. Director Desmarais said that the insurance costs may not drop that much concerning the public officials' insurance but that CRRA should see some reduction in the future as insurance relates to properties. Mr. Kirk said that is an underwriting evaluation. He explained that Ms. Martin lays out very clearly what is left to insure. Mr. Kirk said he would argue that CRRA's risk exposure pertaining to the new contracts for the Bridgeport Project is less. He said management hopes that those reductions will become evident in the future.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Dave Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
James Miron	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Warren C, Howe, Jr., Wallingford			
Geno Zandri, Wallingford			

RESOLUTION REGARDING THE PURCHASE OF ALL RISK PROPERTY INSURANCE FOR THE PERIOD 4/1/09 – 4/1/10

Chairman Pace requested a motion to approve the above referenced motion. Director Martland made the motion, which was seconded by Vice-Chairman O'Brien.

RESOLVED: That CRRA's \$359 million All Risk Property Insurance be purchased for a premium of \$640,000 (including terrorism) from the following insurers with their quota shares as indicated: Zurich 32% (Rated A); Starr Tech 28% (Rated A); Arch 25% (Rated A) and Swiss Re 15% (Rated A), and

FURTHER RESOLVED: That CRRA procure loss-control engineering services for the Mid-Connecticut facilities (WPF, PBF, EGF and Jets) and jurisdictional inspections for all required locations from XL for a price of \$14,000.

Director Savitsky said that there are two components to the property insurance. She explained that the Board is being asked to retain XL for engineering services which is a very specialized service. Director Savitsky explained that CRRA's Senior Engineer, Rich Quelle, was present at the Finance Committee meeting to provide detailed information concerning management's review of XL's response.

Mr. Bolduc said this resolution concerns overall property coverage. He explained the limits and liability are being held at roughly \$359 million. He explained AIG was once CRRA's primary carrier until there were problems several years ago. Mr. Bolduc said at that time management was considering the option of self insurance until Aon was able to find several interested carriers to provide coverage.

Mr. Bolduc said the current proposal is at a premium of \$654,000 for coverage without engineering. He said the current proposal includes terrorism coverage which was previously two separate items. Mr. Bolduc said that after a lengthy process Aon was able to negotiate a 5% increase which he stated he felt was very good in the current market. He said that represents roughly a \$22,000 surplus over the projected budget.

Mr. Bolduc said there are some minor changes from CRRA's current carriers. He said Zurich, Starr Tech, Arch and Swiss Re are in the group and that XL is no longer included primarily because their bid came in significantly higher and management was not able to get them to agree to the overall coverage premiums the other organizations offered.

Mr. Bolduc explained the coverage was being divided by the percentage each carrier indicated they would be willing to cover. He said that all four carrier are rated A and said the percentages are Zurich 32%; Starr Tech 28%; Arch 25% and Swiss Re 15%.

Mr. Bolduc said that the limits are the same and that four carriers built on the number which tied the engineering to their property insurance. Mr. Bolduc said that XL offered stand-alone business and along with Starr Tech was the second lowest bidder out of four. Mr. Bolduc said Mr. Quelle preformed the engineering review and stated that he and the in-house engineering were pleased with XL. Mr. Bolduc said there is a \$3,500 difference between XL and Starr Tech; however the Finance Committee undertook a detailed discussion concerning XL's advantage over Starr Tech. He said there had been an agreement that next year's proposal will provide more detailed specification concerning the engineering inspection requirements.

Vice-Chairman O'Brien said that the 15% increase in the premium does not note that terrorism coverage is now contained in the base premium, a \$3,700 item which was carried separately the prior year. He said the total including engineering and terrorism is a 5% increase.

Director Martland said for the record that the Finance Committee had discussed AIG's troubles. He said due to AIG's difficulties it has been bidding very aggressively in an effort to retain business. Director Martland said a company able to tolerate more risk could secure AIG's reduced services however; for a quasi-public this would not be advantageous. Director

Martland said that other companies have said that AIG’s reduced rates have made the market more competitive.

Director Savitsky said that discussion at the State Board had touched on the fact that there are several new companies in the insurance market which are offering extremely low rates in an effort to take advantage of the business. She explained it has been to the State’s advantage to look into those smaller new companies.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Dave Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
James Miron	X		
Theodore Martland	X		
Raymond O’Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Warren C, Howe, Jr., Wallingford			
Geno Zandri, Wallingford			

RESOLUTION REGARDING THE ESTABLISHMENT OF BRIDGEPORT POST-PROJECT RESERVE

Chairman Pace requested a motion to approve the above referenced motion. Vice-Chairman O’Brien made the motion, which was seconded by Director Martland.

WHEREAS, The Authority is in the process of completing its Post Project Financial Audit; and

WHEREAS, The Authority has initially projected remaining Project liabilities that exist following the Bridgeport Project closure; and

WHEREAS, The Authority has preformed an initial analysis of its Bridgeport Project potential future risk liabilities and has determined additional funds be appropriated for potential future risk expenditure;

Now, Therefore it is Resolved, a Post-Project Reserve be established to retain necessary funds to meet residual Bridgeport Project expenses, with the level of funding to be determined in conjunction with the audit currently in progress and

FURTHER RESOLVED, a Risk Fund Reserve be established to retain anticipated funds needed to cover outstanding post-Bridgeport Project risk associated with claims and litigation with the level of funding to be determined in conjunction with the audit currently in progress

Mr. Bolduc said that management is going through the closing process on both the Bridgeport and Wallingford Projects. He said closing involves accounting and finance related activities such as creating a final balance sheet, reconciliations of accounts payable and accounts receivable, cash, review of the trustee accounts, and final payments of the reserve accounts.

Mr. Bolduc said the Bridgeport Project is at the full closure stage because their MSAs expired in December of 2008. He explained financial auditors are undertaking reviews and reserves need to be created for any outstanding litigations and legal issues. He said the funds must be put aside for instances such as an outstanding claim at the Milford transfer station.

Mr. Bolduc said those reviews are being completed in order for management to address concerns with the Bridgeport Project. He explained this is also taking place with the Wallingford Project; however its MSAs are not expiring until a year from June 2010. Mr. Bolduc said in that case there are significant reserves which are governed by legal documents. He said a summary of what is available will be provided along with a review of what needs to be set aside for reserves all of which will come to the Finance Committee and the full Board just as Bridgeport's documents will.

Mr. Bolduc said the Wallingford Project also has a tip fee stabilization fund which by contract can not be addressed until post June 30, 2010. He said that presentation will take place in the next month for the Wallingford Policy Board, the Finance Committee and the CRRA Board.

Mr. Bolduc said the resolution on the table seeks to approve management's establishment of two reserves; one a post-project reserve for dollars to pay remaining legal cost and remaining engineering cost, and transfer stations. He said, for example, there is remaining work at the Shelton landfill which will not be completed in the next months. He said money in the reserves will be earmarked so that the project knows clearly what the money is for and as those items are disposed of any residual amounts will go back to the towns.

Mr. Bolduc said that the risk fund is associated with items such as litigation and insurance claims. He said those items will all be clearly identified prior to approval by the Board and will be placed in a separate account.

Chairman Pace asked Director Miron and Director Edwards whether they had any commentary. Director Miron asked whether the reserves are necessary and whether the funds were available. Mr. Kirk said yes in order to assure that the funds are there to meet any liabilities these funds are being established and will be populated as necessary and all remaining money

will then be distributed to the towns. Mr. Kirk said the amount set aside for the reserves of Bridgeport will be modest as management has well identified the costs.

Director Miron asked how much of the reserve is allocated out of the tipping fee. Director Edwards explained the funds for the reserve are from monies that have already been collected. He explained the balance sheet of the Bridgeport Project contains \$3.2 million in fees collected. He said some of those fees will be distributed out over the next six months to a year to two years based on the pending lawsuit and the Waterbury Landfill. Director Edwards said this enables some of those funds to be used for unknown items going forward. Director Edwards said the Project's agenda is to distribute as much of the remaining \$3.2 million as possible back to the Project.

Director Miron asked whether the amount to be put into this fund, as well as how much money goes back to the Project, comes before the Board first. Mr. Bolduc said he will return to the Finance Committee and then to the full Board with a more detailed breakdown prior to putting any funds in the reserve. Director Desmarais asked whether the Board approves what is spent; Mr. Kirk said the answer is yes.

Director Martland asked whether CRRA informs the Project member towns how much money will be placed in the funds ahead of time. Mr. Kirk that management is moving as quickly as possible; however, an auditor's examination must take place prior to any action. Mr. Bolduc said that there is a Board policy which determines distribution of surplus funds and that a resolution will be needed for designation of a surplus.

Director Edwards said there is a separate fund for post-closure of Shelton which will carry on for 20 years and will be self-funded. He said the reserve is a short term fund that he hopes will not last more than a few years. Director Edwards said that the funds for the Waterbury landfill should be handled in the reserve and the Shelton landfill funds will stand alone.

Vice-Chairman O'Brien said that is highly unlikely that clear direction on the distribution of surplus from the Bridgeport project will take place as early as June. He said this is the first time that CRRA has been through a project closing and that there are many items out of that \$3.2 million that are already encumbered although they have not been spent.

Director Desmarais asked whether the Board will approve specific expenditures. Mr. Bolduc said the expenditures will follow the policies and procedures. Director Desmarais said that this is a two part process. He said the first part is to identify the process that CRRA is going to use, that it is going to create this reserve. He said the second piece of this will be the funding. Director Desmarais said this action should be used as a vehicle to let the member towns know what the time frame is. He said that a letter should be attached detailing what the reserve is along with a general idea of management's plan to fund the reserve.

Director Savitsky said that there was some disconnect in the Bridgeport Project concerning the public works directors and the CEOs. She said this is an excellent opportunity to communicate directly with the CEOs that there is no way to predict when and how much of the funds will be returned to the Project.

Director Edwards said that part of the Bridgeport group is still involved in a smaller reconfiguration of the group but those who are not involved may be out of the loop of communication. He said the April meeting for closure of the SWAB Project will hopefully be attended by all SWAB towns.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Dave Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
James Miron	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Steve Edwards, Bridgeport	X		
Warren C, Howe, Jr., Wallingford			
Geno Zandri, Wallingford			

RESOLUTION REGARDING REQUEST FOR SERVICES FOR SINGLE-STREAM RECYCLING MARKETING AND PUBLIC RELATIONS CAMPAIGN

Chairman Pace requested a motion to approve the above referenced motion. Vice-Chairman O'Brien made the motion, which was seconded by Director Desmarais.

RESOLVED: That the President is hereby authorized to approve a Request for Services with Pita Communications LLC for services associated with CRRA's single-stream recycling marketing and public relations campaign substantially as presented and discussed at this meeting.

Vice-Chairman O'Brien said this money is in CRRA's budget and was planned on. He said it is an important project.

Mr. Kirk noted that Director Miron had asked that the Committees be kept informed concerning the radio buys.

Director Damer asked whether there is a chance of confusion for the communities of the Mid-Conn Project member towns as to who is in single-stream and those outside of the Mid-Conn project that are not. Mr. Kirk said that single-stream conversion is occurring and the

message is good and valid for everyone and there are other programs not run by CRRA which perform single-stream. Mr. Kirk said that he would be delighted if citizens that are not involved in single-stream programs encouraged their towns to consider the possibility. Mr. Kirk said CRRA is available for assistance if other towns become interested.

Director Damer asked whether there are communities which do not have the option of single-stream. Mr. Kirk said management will try to minimize that possibility by encouraging listeners to go to web sites of their towns where single-stream is available.

Chairman Pace said that the radio buys will have to be carefully examined and considered.

Director Savitsky said the campaign offers an excellent opportunity to communicate with the member towns. She said CRRA needs to be sure that the member towns have the most updated information available to place on their Web sites or wherever this information should be directed.

Director Lauretti said that these issues are better served through the municipalities and not through CRRA. He said if the municipalities have an e-mail address then there is access to a lot of media which is not costly and offers many ways to reach the public. Director Lauretti said he believes the municipalities will be more effective at reaching the member towns.

Director Martland said that single-stream is beneficial to the multi-family homes but may not be good for a smaller town like Woodbury.

Director Miron said that he feels that single-stream recycling is an opportunity for CRRA to improve its image. He said as a Board member he has heard how CRRA is perceived. He said from his perspective you will never excite people with the topic of solid waste. He explained recycling is something that people can get excited about.

Director Miron said that Waste Management does a great job with its public relations efforts and how it positions itself. He said he believes if CRRA wants to remake its image it must do so as a leader through recycling. Director Miron said the State of Connecticut has done a bad job of it and that his community has done a bad job as well which is why Stratford has offered to be a pilot program for single-stream. Director Miron said he does think that municipalities should take responsibility but he believes it is really incumbent on CRRA to be the leader on recycling and this is a good opportunity to do so.

Director Lauretti said there is nothing wrong with CRRA being the leader in recycling but on the other hand he would suggest it not be done on his nickel.

Vice-Chairman O'Brien said that he would support putting more emphasis on recycling itself. He said that his town is not a part of CRRA but at least one of the carters in his town is doing single-stream presently. He said recycling is what CRRA should be trying to emphasize. Vice-Chairman O'Brien said that he has requested and wants to be sure that a database exists to evaluate success of the program in order to make this comparison. He suggested using the total recycling tons and the ratio of recycling tons to trash as a measurement of success.

Mr. Kirk said that CRRA has the data for its member towns, but the CT DEP has less than adequate results for non-member towns.

Director Griswold said that he thinks the single-stream discussion is good. He said that his town however, is not prepared to go to single-stream. He explained if this news hits the media in April and he receives calls from his constituents his town will not be prepared. Director Griswold said there should be a discussion between CRRA and the 70 member towns to better prepare. He said the media approach should be the third and final step as he suspects many of the towns are not prepared for single-stream.

Mr. Kirk said that 43 towns are currently involved in single-stream which is a large portion of the service towns which are ready and offering single-stream now. He said CRRA is still accepting dual stream deliveries for towns which are not prepared to convert. Mr. Kirk said this program is geared toward the generator to try to bring recyclable numbers up. He said every place where single-stream has been implemented has resulted in double digit increases in volume, even in towns where only half of the town is involved.

Chairman Pace said his town has subscription and its own transfer station where recyclables are taken. He said the public wants to and still separates their recyclables and that companies then come in and do subscription services in single stream. He said it is a matter of collection and Old Saybrook is not pushing the issue.

Director Griswold said the member towns should be notified prior to the single-stream program being implemented. Chairman Pace agreed.

Director Damer said one of CRRA's primary responsibilities is to implement the Solid Waste Management Plan which contains aggressive goals for recycling. He said he believes that single-stream recycling is one of the best methods to continue to increase that. Director Damer said that he supports any method to advertise and encourage people to increase recycling; however, management must be careful in how the program is tailored.

Director Savitsky said there is a meeting of the Mid-Connecticut Project Municipal Advisory Committee (hereinafter referred to as "MAC") in the month of April which presents an excellent opportunity to communicate with the member towns. She suggested tabling the motion until after that meeting.

Chairman Pace said that he feels the Board can move forward with this. He said Director Griswold's suggestion that a tour be offered showing the recycling center is an excellent idea. He said the CRRA Board has an obligation to increase recycling because of the CT DEP's Solid Waste Management Plan and that this is a Board ruled by policy.

Director Lauretti said that he agrees but spending money on radio ads may not be the correct tactic.

Mr. Kirk said that he agrees with Director Griswold and that the member towns should be informed by CRRA prior to any spending so that those member towns are prepared. He said management will work with the MAC to accomplish that goal.

Vice-Chairman O'Brien said that he agrees that the public relations campaign should be presented before the MAC. He said the recycling part is an important part of the message and that the financial advantage to operating a single stream recycling program should also be presented to the MAC. He said he would like to see this resolution pass however the advertising can be held off until the MAC can meet. Vice-Chairman O'Brien said that he had suggested that the entire \$90,000 may not need to be spent as there are currently deals to be had in radio advertising.

Director Lauretti said that in his view CRRA's biggest challenge with this approach is with the chief elected officials and politicians and not the public at large. He said this money is targeted to the consumer public and will not improve CRRA's image but will convey a message concerning recycling. He said the bigger challenge is the communication with the chief elected officials that CRRA serves and said that trying to get them together is very difficult.

Chairman Pace said CRRA has an obligation to lead on the recycling forefront. He said CRRA will try to educate the towns as much as possible in an effort to get them on board.

Director Edwards said that he would rather this campaign be held off for a month in order to avoid confusion during the impending negotiations with the Southwest towns.

Director Savitsky said that she is leaning towards delaying the campaign efforts until CRRA receives customer feedback. She said she is questioning whether radio advertising is the smartest way to target CRRA's audience. She said she is not in favor of supporting this until there is a clear identification of the needs of the CRRA member towns. She said it may be determined that radio is not the most effective method of communication.

Mr. Kirk said that radio advertising is not the only outreach done by CRRA. He explained Pita Communications (CRRA's consultant for Public Relations) is recommending using radio advertising to reach its member towns. He explained this is one of the steps CRRA is taking and that postponing it for a month is at the Board's discretion. Mr. Kirk said also to some extent perhaps the expert opinion of Pita Communication should not be micro-managed.

Director Lauretti said if CRRA is trying to implement the system to a municipality, as Chairman Pace said, the municipality is in the lead. He said he did not understand the point of the need for communication. He said if he was implementing the system in Shelton his residents would know.

Director Martland said that people from all over the state will be hearing this message and that he agrees with Mr. Kirk.

Director Savitsky asked what would happen if this resolution was delayed by a month. Mr. Kirk said the advertising would be delayed for a month. She said in a 30-day delay the concerns of Director Edwards and Director Griswold may be addressed. Mr. Kirk said the RFS expires June 30, 2009, and would need to be undertaken in the next few months or it would be subject to re-bidding at substantial cost and difficulty. Director Savitsky asked if CRRA has the ability to extend a contract end date. Ms. Hunt said the answer is no.

Director Griswold said it is his personal interest that all 70 member towns are contacted specifically in order to avoid a town being unprepared.

Director Miron said if this issue is tabled that Pita Communications should address the Board with a better presentation of the efforts to increase recycling in the Mid-Connecticut towns. He explained the radio spot is not just to advertise to those communities for single-stream recycling, but also to position and brand CRRA as a recycling leader and to increase recycling in the Mid-Conn towns. He said some of those radio ads may actually creep into the Bridgeport project area. He asked what CRRA has done to accomplish the goal of the Solid Waste Management Plan to increase recycling.

Director Desmarais said that CRRA’s obligation is to implement the Solid Waste Management Plan and that the Directors had all raised valid points. He said that CRRA should communicate with the project member towns before taking action. He said that should not stop CRRA from moving forward. Director Desmarais said it can’t hurt to reach citizens as well as chief elected officials and that CRRA has positioned itself well.

Director Lauretti said that he agrees but the issue is the spending of the towns’ money when there are many vehicles with which to accomplish that at a lower cost.

Mr. Kirk said that this campaign is to encourage recycling and serves as a means to brand CRRA as a leader in recycling.

Chairman Pace said that CRRA has to educate the public on the goals of the Solid Waste Management Plan.

The motion failed to carry the necessary eight votes and did not pass. Chairman Pace, Vice-Chairman O’Brien, Director Damer, Director Desmarais, and Director Miron voted yes. Director Griswold, Director Lauretti, Director Martland and Director Savitsky voted no. Director Edwards said that he was in favor of the resolution.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Dave Damer	X		
Alan Desmarais	X		
Timothy Griswold		X	
Mark Lauretti		X	
James Miron	X		
Theodore Martland		X	
Raymond O’Brien	X		
Linda Savitsky		X	
Ad-Hocs			
Steve Edwards, Bridgeport			
Warren C, Howe, Jr., Wallingford			
Geno Zandri, Wallingford			

After the vote Vice-Chairman O'Brien requested that the item be brought before the Board in April.

RESOLUTION REGARDING THE PURCHASE OF THREE HIGH SPEED RUBBER ROLL UP DOORS FOR THE MID CONNECTICUT WASTE PROCESSING FACILITY

Chairman Pace requested a motion to approve the above referenced motion. Vice-Chairman O'Brien made the motion, which was seconded by Director Savitsky.

RESOLVED: That the President is hereby authorized to execute an agreement for three (3) New M & I High Speed Rubber Roll-up Doors from BODE Equipment Company for use at the Mid-Connecticut Waste Processing Facility, substantially as presented and discussed at this meeting.

Vice-Chairman O'Brien said that this resolution was discussed and recommended by the Policies & Procurement Committee. He said a good presentation and financial analysis were provided. Vice-Chairman O'Brien said there were four rubber doors left and only three were being replaced as the last door is rarely used and does not need to be replaced. Vice-Chairman O'Brien said the funds for this resolution have already been budgeted.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Dave Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
Mark Lauretti	X		
James Miron	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Warren C, Howe, Jr., Wallingford			
Geno Zandri, Wallingford			

**RESOLUTION REGARDING AUTHORIZATION FOR PAYMENT OF PROJECTED
ADDITIONAL LEGAL EXPENSES**

Chairman Pace requested a motion to approve the above referenced motion. Vice-Chairman O'Brien made the motion, which was seconded by Director Damer.

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 2009 projected legal fees; and

WHEREAS, CRRA expects to incur unanticipated legal expenses in connection with Mid-Connecticut Project matters;

NOW THEREFORE, it is RESOLVED: That the following additional amount be authorized for payment of legal fees and costs to be incurred through June 30, 2009:

<u>Firm:</u>	<u>Amount:</u>
Kainen, Escalera & McHale	\$175,000

Vice-Chairman O'Brien said it was at the recommendation of CRRA's Director of Legal Services to retain Kainen, Escalera & McHale to assist with this potential litigation.

Director Savitsky asked if these funds are strictly for the actuary services or for the legal services. Mr. Kirk said the answer is both.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Dave Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
Mark Lauretti	X		
James Miron	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Warren C, Howe, Jr., Wallingford			
Geno Zandri, Wallingford			

RESOLUTION REGARDING REQUEST FOR SERVICES FOR PROFESSIONAL CONSULTING ENGINEERING SERVICES FOR THE MID-CONNECTICUT RESOURCES RECOVERY FACILITIES

Chairman Pace requested a motion to approve the above referenced motion. Vice-Chairman O'Brien made the motion, which was seconded by Director Savitsky.

RESOLVED: The President is authorized to execute the Request for Services with Dvirka and Bartilucci Consulting Engineers for professional consulting services associated with the operation and maintenance of the Mid-Connecticut Resources Recovery facilities.

Mr. Kirk said the resolution was vetted at the Policies & Procurement Committee. He explained this is part of CRRA's plan to consider post-2012 uses and opportunities for projects and assets. He said management desires the services on an as-needed basis at a rate determined by an RFS.

Chairman Pace asked where Dvirka & Bartilucci are located and if it has any other contracts with entities in the State of Connecticut. Mr. Tracey said it is located in New Jersey. Mr. Kirk said it has only had contracts with CRRA.

Director Martland asked what this firm's specialty is. Mr. Kirk said Dvirka is a solid waste management expert.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Dave Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Warren C, Howe, Jr., Wallingford			
Geno Zandri, Wallingford			

ORGANIZATIONAL SYNERGY & HUMAN RESOURCES COMMITTEE

Director Damer said that the Human Resources Committee is going to try to change its meeting time and would have done so sooner if he had not been out of State the prior month for the birth of his grandson.

Director Damer said the Committee has held a lengthy discussion regarding the issue of merit increases for the CRRA employees.

MOTION TO ADD AN ITEM TO THE AGENDA CONCERNING FY'09 MERIT INCREASES

Chairman Pace requested a motion to approve the above referenced motion. Director Damer made the motion to add a discussion item concerning merit increases to the agenda.

The motion to add an item to the agenda was seconded by Vice-Chairman O'Brien.

The motion to add the item to the agenda was approved unanimously by roll call.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Dave Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Warren C, Howe, Jr., Wallingford			
Geno Zandri, Wallingford			

Director Damer said the budget passed for 2009 contained a cost-of-living increase (hereinafter referred to as “COLA”) of approximately 2%, except for senior management, which was implemented July of 2008. He said it is also CRRA policy to implement merit increases in conjunction with the employee performance management and evaluation procedure as of January 1 of the calendar year. Director Damer said there is money in the budget for both the COLA and merit increases. He said the 2010 fiscal-year budget was also approved which included both COLA and merit increases.

Director Damer said the employees of CRRA have done outstanding work and that the Human Resources Committee is suggesting that the employees receive merit increases. He explained however, that the increases would be delayed from the normal start date of January 1, 2009, until April 1, 2009. Director Damer explained implementing the merit increase in April would represent an expenditure during FY’09 of \$20-25,000.

Chairman Pace said that he agreed that the CRRA employees have been working hard especially when considering the staff has been reduced by 12.5%. He said this is a non-mandatory reward on a merit basis. Mr. Kirk said that he and Mr. Bolduc have agreed to forgo any merit increases that would otherwise be awarded.

Chairman Pace said he believes there is justification for this merit raise. He said the dollar value on a three month basis is lower than it would be on a fiscal year basis.

Director Martland asked if MDC was asked to not give raises given the current economic climate. Mr. Kirk said that was correct MDC was asked to endeavor to reduce the 3.55% and 3.95% raises in the budget and that a reply had not been received.

Director Damer said the merit increase and COLA are budgeted for and are ordinarily done without being brought specifically to the Board. He said that under the circumstances the

Committee thought the Board should review this. He noted that the merit increases are normally done in January.

Director Savitsky said her concern is sending the wrong message in this economy especially when one considers CRRA has asked MDC to refrain from granting raises. She said this has been an extraordinary year and that the economic strife is a nation-wide issue; however she feels this is the wrong message at the wrong time.

Chairman Pace said that he feels this is the right message at the right time for employees within this organization which have helped with recent transitions. He said he has not seen any give-backs in the state and that a recent contract received from MDC contains a 4% increase. He said cost to the towns has been minimized and staff has been reduced by 12%. Chairman Pace said out of the 57 employees in CRRA this merit increase only represents a \$25,000 figure for the balance of FY'09 which is minimal with respect to the talent that is currently on the staff.

Director Lauretti asked if it would be fair to say that CRRA is currently accomplishing more with fewer employees. Chairman Pace said the answer is yes.

Vice-Chairman O'Brien said that the average salaries of CRRA's employees are necessary to determine whether or not a merit increase should be provided. He asked if this narrative applies only to the fourth quarter of the fiscal year. Chairman Pace said this was correct.

Chairman Pace said it was his initiative to bring the merit increases before the Board. He suggested that this matter be brought to the MAC meeting and be brought as a look-back at the next Board meeting.

After substantial discussion the Board agreed that although there is certainly exemplary work and effort by the CRRA employees they are not prepared to address merit raises at this point.

MOTION TO TABLE MERIT INCREASE FOR FY'09

Chairman Pace requested a motion to approve the above referenced motion. Director Damer made the motion to table, which was seconded by Vice-Chairman O'Brien.

The motion to table was approved unanimously by roll call.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Dave Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Warren C, Howe, Jr., Wallingford			
Geno Zandri, Wallingford			

RESOLUTION REGARDING MARKET PROGRESSION ADJUSTMENT FOR THE DIRECTOR OF OPERATIONS

Chairman Pace requested a motion to approve the above referenced motion. Director Damer made the motion.

RESOLVED: That the salary for the Director of Operations be adopted as presented and discussed by the Organizational Synergy & Human Resources Committee.

The motion was seconded by Vice-Chairman O'Brien.

Director Damer said that by policy CRRA employee salaries should fall within the approved salary ranges. He said that Mr. Tracey is currently out of the approved salary range and that the Human Resources Committee is recommending bringing that individual up slightly over the low point in the salary range.

Vice-Chairman O'Brien said that he was in support of this resolution as Mr. Tracey has done an excellent job with his relationship with the Policies & Procurement Committee. He said that he would like to remind the Board that as CRRA modifies its involvement in its projects a re-evaluation of what the ranges are for the position of Director of Operations will be needed moving forward.

Director Damer said the present salary range evaluation for the Director of Operations is 2011. Mr. Kirk said that evaluation can be moved up if necessary. Director Damer also pointed out that there was a typo and that the last evaluation was done in 2006.

The Board undertook discussion on how the range of the Director of Operations salary was set.

The motion previously made and seconded was approved by roll call. Director Desmarais voted no. Director Savitsky abstained.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Dave Damer		X	
Alan Desmarais	X		
Timothy Griswold	X		
Mark Lauretti	X		
James Miron	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky			X
Ad-Hocs			
Steve Edwards, Bridgeport			
Warren C, Howe, Jr., Wallingford			
Geno Zandri, Wallingford			

MOTION TO SUSPEND THE RULES TO ADD A DISCUSSION ITEM CONCERNING A POSSIBLE INTERNSHIP

Chairman Pace requested a motion to approve the above referenced motion. Director Damer made the motion to add a discussion item concerning the possibility of an internship through the University of Connecticut.

The motion to add an item to the agenda was seconded by Vice-Chairman O'Brien.

The motion to add the item to the agenda was approved unanimously by roll call.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Dave Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Warren C, Howe, Jr., Wallingford			
Geno Zandri, Wallingford			

Mr. Kirk said that he provided the Board with the research he was able to do on the program as well as Director Desmarais e-mail which broached the topic initially as well as Director Savitsky's e-mail in support.

Mr. Kirk said this internship is part of the University of Connecticut's Public Policy Program where a student comes to work for CRRA for a modest cost for around nine months at fifteen hours a week. Mr. Kirk said that Director Desmarais was extremely supportive of this initiative.

Director Damer said that the funds do not go directly to the student but go directly to the program.

Mr. Kirk said that he had asked the program if the \$12,000 fee could be waived for CRRA and that a response has not yet been received. He said if the program is willing to offer the program for free CRRA will take advantage of it. Mr. Kirk said that management would love the extra help but has some concerns about eliminating 12% of the work force only to take on an intern. Chairman Pace agreed.

Director Desmarais excused himself from the discussion.

After some discussion it was agreed as the program is close to starting that this item will come back to the Board the following year for consideration.

CHAIRMAN'S REPORT

Chairman Pace said that he has been concerned about CRRA's employees. He said he has been the Board Chairman for many years and that he had asked the employees to stay with CRRA while the newly configured Board navigated an overhaul of the company. He said the core of those staff members who stayed with CRRA are still present employees who have stayed dedicated.

Chairman Pace said that CRRA is now at the end of the initial contract for the project, and that other organizations are attempting to take that project over through political and other means. He explained the Board has a responsibility to the employees just as they have a responsibility to the State of the Connecticut. Chairman Pace said that in recognition of that value he composed a memo on behalf of himself and the CRRA Board detailing his appreciation to the CRRA employees.

Vice-Chairman O'Brien said that he agrees with the sentiments contained in the memo. Director Desmarais thanked Chairman Pace for providing such a memo to the employees. He said that the CRRA employees are valuable and have done an outstanding job. He noted that they are non-union and have presented a tremendous work effort on behalf of CRRA.

Chairman Pace said that in July or August he will ask Mr. Kirk to get the employees to interact one on one with the Board while discussions take place concerning the restructuring of CRRA. He said CRRA has an economic value to the state and the towns as well as a moral responsibility to the employees.

Director Jarjura suggested the Board retreat be attended by the CRRA employees.

PRESIDENT'S REPORT

Mr. Kirk said he was asked by the Committee to fast-track a letter to the towns to appraise them of the legislative issues that CRRA is currently facing. He said he has prepared that letter and requires guidance from the Board concerning the scope of the letter. He said that letter would be addressed to the CEOs.

Mr. Kirk said that Senate Bill 3 (the Franklin landfill prohibition bill) was voted out of committee and that management is hopeful that it will go to another committee before being sent to the Senate. He said that management is optimistic that the legislature understands the damage that passing this bill would cause to the State and the Solid Waste Management Plan.

Mr. Kirk said Senate Bill 1058; the oversight bill titled "An Act Concerning Economic Development" intends to create an oversight committee for the Board of Directors and would prohibit spending more than \$3 million without the committee's permission. He explained that is at odds with the bond indentures and would essentially make all bonds callable in the opinion of CRRA's bond counsel. Mr. Kirk said the bill has been amended in committee to reflect that it cannot adversely affect the bonds.

Chairman Pace said that it is somewhat offensive that people put items in bills which are against the public interest and public officials would support this. Mr. Kirk said although additional oversight sounds harmless and beneficial it would hamper CRRA's responsibilities to Bond holders. Mr. Kirk said that Director Jarjura had testified in support of CRRA at the hearing.

Director Jarjura said that he had testified that the function of CRRA's Board of Directors is to provide the oversight this bill was supposedly supplying.

Mr. Kirk said that Bill 6350, the sales and use tax bill, would eliminate exemptions from sales and use tax. Mr. Kirk said that CRRA's facilities operate without sales and use tax which is an important pass-through that is provided to CRRA's contractors.

Mr. Kirk said that management was favorably impressed by the Committee raising of a bill that would provide the CT DEP authority to allow CRRA employees permission to enter permitted facilities for the purpose of inspection and contract compliance. He said this would have helped tremendously with diversion of town waste to other locations. However, he said that Bill 6550, the inspection bill, is dead and that the Bristol Project had testified against it. He said management hopes to get it attached to another bill and that he feels it is clear to the Legislature how important such a bill would be when considering the millions of dollars which are being lost because of CRRA's inability to enforce contractual agreements with haulers and other facilities.

Mr. Kirk thanked Director Martland for testifying and contacting the Waterbury-region municipalities about these bills.

Mr. Kirk said that concerning the Franklin landfill the CT DEP concurrence was reached on the particulars of the water test plan which was to determine whether or not the location is a municipally suitable water site. He explained a well will be drilled by early April with results shortly thereafter.

Mr. Kirk said that tonnage deliveries continue to be low at all four projects as a result of diversion. He said that Bridgeport towns which have not passed flow-control are seeing huge double digit diversions away from their plants. Mr. Kirk said towns with enforced flow control are seeing the required tons coming in.

Mr. Kirk said that Preston commercial is being diverted and Covanta is importing replacement tons. He said that Wallingford tons are being attracted away to other disposal facilities and that CRRA enforcement inspects and documents the diversion where they have access.

Mr. Kirk said that the Mid-Conn Project is also seeing significant diversion to volume reduction facilities and into Massachusetts. He explained CRRA has proceeded with one lawsuit and is preparing another to deal with these problems.

Director Lauretti asked how the Waterbury towns are being affected. Mr. Kirk said there is some diversion; however CRRA's enforcement is very involved in inspections at Waterbury. Mr. Tracey said that enforcement has been working to correct Waterbury issues and was successfully able to reverse the diversion to Bristol back to CRRA. He noted that CRRA is also actively involved in challenging Covanta and the BRRFOC concerning these issues.

Mr. Kirk said that CRRA is trying to meet the monumental Freedom of Information Act request from MDC. He said management had estimated that 60% of three members of the Finance Department's time will be spent for two solid months in order to compile the information requested by MDC. Chairman Pace said that the towns should know that CRRA is trying to cut costs but this request will be a significant cost in resources and time for CRRA.

Mr. Kirk said a much more focused Freedom of Information Act request has been submitted to MDC from CRRA. Mr. Bolduc said that CRRA can only charge for duplication and not labor and that boxes back from 20 years are being pulled out and sifted through. Vice-Chairman O'Brien said a number in dollars should be attached to any commentary to the Project-member towns concerning the cost and length of this request. He said that he had urged management to make its request similar to MDC's.

Chairman Pace said that CRRA is making every effort to reply and to reduce costs to its Project member towns.

EXECUTIVE SESSION

Chairman Pace requested a motion to enter into Executive Session. The motion made by Vice-Chairman O'Brien and seconded by Director Damer was approved unanimously by roll call.

The Executive Session began at 12:26 p.m. and concluded at 12:44 p.m. Chairman Pace noted that no votes were taken in Executive Session.

The meeting was reconvened at 12:44 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.

ADJOURNMENT

Chairman Pace requested a motion to adjourn the meeting. The motion made by Vice-Chairman O'Brien and seconded by Director Martland was passed unanimously.

The meeting was adjourned at 12:45 p.m.

Respectfully submitted,

Moira Kenney
Secretary to the Board/Paralegal