

CONNECTICUT RESOURCES RECOVERY AUTHORITY

THREE HUNDRED NINETY-SIXTH MEETING

OCTOBER 27, 2005

A Regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, October 27, 2005 at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Chairman Michael Pace

Directors: Benson Cohn
 Mark Cooper
 Edna Karanian
 Mark Lauretti (Present beginning at 9:40 a.m.)
 Theodore Martland
 Raymond O'Brien
 Timothy Griswold – Ad Hoc, Mid-Connecticut Project
 Elizabeth Horton Sheff – Ad-Hoc, Mid-Connecticut Project
 Sherwood Lovejoy – Ad-Hoc, Bridgeport Project

Present from the CRRA staff:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Rob Constable, Controller
Peter Egan, Director of Environmental Affairs and Development
Floyd Gent, Director of Operations
Laurie Hunt, Director of Legal Services
Paul Nonnenmacher, Director of Public Affairs
Donna Tracy, Executive Assistant (Present until 10:30 a.m.)
Kristen Greig, Secretary to the Board/Paralegal

Also present were: Mr. Dave Arruda of MDC, Mr. Craig Scott of Covanta, Richard Goldstein, Esq. of Pepe & Hazard, Mr. Jerry Tyminski of SCRRA.

Chairman Pace called the meeting to order at 9:36 a.m. and stated that a quorum was present.

In a brief discussion, it was decided that the November Board meeting would be held at 9:00 a.m. on November 17, 2005 at 211 Murphy Road, Hartford, Connecticut.

PLEDGE OF ALLEGIANCE

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

Chairman Pace stated that, over the course of history, there are people who make significant contributions and said that Rosa Parks was one of those people. Chairman Pace requested a moment of silence for the passing of Rosa Parks, whereupon a moment of silence was observed.

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.

Chairman Pace noted that there were no comments from the public and that the Regular meeting would commence.

APPROVAL OF THE MINUTES OF THE SEPTEMBER 29, 2005 REGULAR BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the September 29, 2005 Regular Board Meeting. The motion was made by Director O’Brien and seconded by Director Cooper.

The minutes as presented were approved. Director Sullivan abstained as he was not present at the meeting.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan			X
Non Eligible Voters			
Timothy Griswold, Ad Hoc, Mid-Connecticut			
Elizabeth Horton Sheff, Ad Hoc, Mid-Connecticut			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

Director O’Brien requested an update on the steps being taken to allow a transition period for towns that currently have contracts for junk mail recycling. Mr. Kirk stated that a letter had been sent to the towns requesting that towns contact CRRA if they have current junk mail contracts. Director Karanian pointed out the copy of the letter behind Tab H of the Supplemental Package. Mr. Kirk stated that CRRA was waiting for the towns to respond so management could get an idea of the number of towns that will be affected financially by the new junk mail recycling requirement. Director O’Brien pointed out that towns would be developing their budgets soon and would need to know what their obligations will be to do so.

Director O'Brien asked how the procedure will be enforced while management is compiling that information. Mr. Kirk responded that CRRA has not yet begun enforcing the new recycling requirement. Mr. Kirk said that a precedent has been set in the Bridgeport Project and CRRA needs to proceed carefully if there will be any sort of exception to the requirement. Mr. Kirk said that he would hesitate to commit to not enforcing the change through any specific time frame because that may conflict with CRRA's actions in the Bridgeport Project and invite other towns that might not have contracts to seek out other options.

After a brief discussion, it was decided that management would develop a complete list of towns that are currently receiving revenues for recycling junk mail and present that information and a recommendation no later than the January Board meeting.

APPROVAL OF THE MINUTES OF THE OCTOBER 3, 2005 SPECIAL BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the October 3, 2005 Special Board Meeting. The motion was made by Director O'Brien and seconded by Director Cohn.

The minutes were approved. Directors Griswold, Martland, and Sullivan abstained as they were not present at the meeting.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
Edna Karanian	X		
Theodore Martland			X
Raymond O'Brien	X		
Andrew Sullivan			X
Timothy Griswold			X
Elizabeth Horton Sheff, Ad Hoc, Mid-Connecticut	X		
Non-Eligible Voters			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

RECOGNITION OF COVANTA MID-CONNECTICUT, INC. FOR BEING ACCEPTED AS A MEMBER OF THE U.S. ENVIRONMENTAL PROTECTION AGENCY'S NATIONAL ENVIRONMENTAL PERFORMANCE TRACK PROGRAM AS A RESULT OF COVANTA'S ENVIRONMENTAL PERFORMANCE AT CRRA'S MID-CONNECTICUT WASTE-TO-ENERGY FACILITY

Chairman Pace requested a motion regarding the referenced item. Director O'Brien made the following motion:

RESOLVED: That the Board of Directors recognizes Covanta Mid-Connecticut, Inc. for being accepted as a member of the U.S. Environmental Protection Agency's *National*

Environmental Performance Track Program as a result of Covanta’s environmental performance as CRRA’s Mid-Connecticut Waste-to-Energy Facility.

The motion was seconded by Director Cohn.

Mr. Kirk informed the Board that Covanta Mid-Connecticut had been accepted as a member of the EPA’s National Environmental Track Program. Mr. Kirk explained that this means that Covanta has been recognized as a leader in environmental performance. Mr. Kirk stated that this is a nationally recognized achievement and very few facilities meet the standards required to be a member of this program.

Mr. Egan congratulated Covanta for their achievement and noted that the facility would continue to be monitored by the EPA on a regular basis.

Chairman Pace asked what this acceptance means to CRRA. Mr. Kirk responded that Covanta’s acceptance into this program means that CRRA’s plant is operated at the highest standards of environmental performance. Chairman Pace asked if the Connecticut Department of Environmental Protection was made aware of Covanta’s acceptance into this program. Mr. Kirk responded in the affirmative. Chairman Pace requested that this be posted on CRRA’s website and that the Mid-Connecticut towns be notified of this accomplishment.

Mr. Scott, the representative from Covanta, thanked the Board for their recognition of Covanta’s hard work to achieve this acceptance by the EPA.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut	X		
Elizabeth Horton Sheff, Ad Hoc, Mid-Connecticut	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

RESOLUTION REGARDING CERTAIN PROJECT RESERVES

Chairman Pace requested a motion regarding the referenced item. Director Sullivan made the following motion:

RESOLVED: that the Capital Improvement Reserve for the General Fund be dissolved.

FURTHER RESOLVED: that a Recycling Reserve be created for the Bridgeport Project to cover capital repairs and/or replacement costs for the Stratford intermediate processing center and that the initial funding of this reserve come from the settlement funds to be received from the Town of East Haven and City of Stamford.

FURTHER RESOLVED: that \$100,000 be drawn from the Mid-Connecticut Project operating account and be deposited into the Mid-Connecticut Project Recycling Education Reserve.

FURTHER RESOLVED: that \$1,457,028 from the Mid-Connecticut Project fiscal year 2005 project surplus be deposited into the Debt Service Stabilization Reserve in the Mid-Connecticut Project.

FURTHER RESOLVED: that the Waste Processing Facility Modification Reserve for the Mid-Connecticut Project be renamed the Facility Modification Reserve.

FURTHER RESOLVED: that a Landfill Development Fund be created for the Mid-Connecticut Project to pay for ash landfill development costs and that \$1,400,000 from the fiscal year 2005 project surplus be transferred into the reserve.

The motion was seconded by Director O'Brien.

Mr. Bolduc reviewed the reserves in the resolution. Mr. Bolduc explained that the Capital Improvement Reserve was established to fund the relocation of CRRA headquarters. Mr. Bolduc noted that there was a question at the Finance Committee meeting regarding funds spent in excess of the reserve and informed the Board that the overage was approximately \$7,000. Mr. Bolduc stated that the overage was absorbed in operating expenses.

Mr. Bolduc stated that the Recycling Reserve would be funded with settlement funds from East Haven and Stamford. Mr. Bolduc stated that this would be a Board-Designated reserve so the Board would first approve any funds expended for capital repairs and replacements at the Stratford intermediate processing center.

Mr. Bolduc stated that the agreement with the City of Hartford requires that CRRA set aside \$100,000 per year for the City's withdrawal for expenses related to recycling education. Mr. Bolduc said that this section of the resolution allows CRRA to set aside those funds. Mr. Bolduc noted that the Finance Committee requested that management look into whether CRRA could assist the City in determining effective uses of the funds.

Mr. Bolduc said that there was a Waste Processing Facility Modification Reserve for the Mid-Connecticut Project. Mr. Bolduc explained that the recommendation was to rename that reserve the Facility Modification Reserve to allow a broader use of the funds as opposed to limiting them to one facility.

Mr. Bolduc explained that the last section of the resolution pertained to the \$2.8 million surplus for fiscal year 2005 for the Mid-Connecticut Project. Mr. Bolduc recommended transferring \$1.4 million of the surplus to the Debt Stabilization Fund to compensate for any unmitigated losses from the Enron transaction. Mr. Bolduc stated that the remaining \$1.4 million would be used to fund the Landfill Development Reserve. Mr. Bolduc said that those funds would be needed in fiscal year 2006 for preliminary environmental work, land acquisition and other related activities.

Director O'Brien asked for confirmation that all of the funds in the reserves were "real dollars". Mr. Bolduc confirmed and stated that CRRA has made a significant effort to ensure all reserves are funded by actual cash.

Director Martland noted that there was a substantial amount of money in the reserves and pointed out that many of the reserves had trustees. Director Martland asked how much the trustees received in fees. Mr. Bolduc responded that the fees were minimal and noted that the funds with trustees were required to be so by contract or bond indenture. Mr. Bolduc said that he would provide those figures.

Director Horton Sheff asked if there was a location for the new ash landfill referenced on page 2 of the supporting documentation or if that was an expansion of the Hartford Landfill. Mr. Bolduc explained that CRRA is currently siting locations for a new ash landfill. Mr. Bolduc stated that the locations are confidential because of the issues associated with the development of a new landfill.

Director Horton Sheff referred the Committee to page 35 of the reserve analysis and noted that the purpose of the Hartford Landfill Postclosure Reserve was to monitor and maintain the landfill for five years. Director Horton Sheff asked if CRRA was only obligated to monitor the landfill for five years. Mr. Bolduc responded that this reserve is required by CRRA's permit with DEP which requires that CRRA set aside five years' worth of monitoring and maintenance costs. Chairman Pace added that CRRA is well aware that the costs of postclosure monitoring of the Hartford Landfill extend over 30 years. Chairman Pace said that CRRA wants to work together with the City of Hartford to see that the landfill is closed correctly. Chairman Pace stated that this reserve was established to simply fill a requirement of a DEP permit. Mr. Kirk explained that CRRA is in the process of discussing with Hartford what their responsibility is with regard to the closure. Director Horton Sheff stated that she wants the Board Members to be clear that the City of Hartford disagrees with CRRA's interpretation of the City's responsibility for closure of the landfill. Mr. Bolduc stated that CRRA has an accounting requirement to maintain and fund this reserve. Director Horton Sheff stated that she disagrees with the five-year responsibility, and asked for confirmation that the purpose of the reserve was to meet the permitting requirement, and the five-year time frame was not a commitment of CRRA's responsibility for the closure. Mr. Bolduc agreed.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Non Eligible Voters			
Timothy Griswold, Ad Hoc, Mid-Connecticut			
Elizabeth Horton Sheff, Ad Hoc, Mid-Connecticut			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

RESOLUTION REGARDING MID-CONNECTICUT WASTE PROCESSING FACILITY UP-GRADED DESIGN OF THE SPARE SECONDARY SHREDDER ROTORS

Chairman Pace requested a motion regarding the referenced item. Director O'Brien made the following motion:

RESOLVED: That the President is hereby authorized to execute an agreement with Process Equipment Parts, Inc. to implement the purchase of two (2) new, redesigned secondary shredder rotors located at the Mid-Connecticut Waste Processing Facility, substantially as presented and discussed at this meeting.

The motion was seconded by Director Cohn.

Director Martland asked why there was such a significant difference between the bids. Mr. Kirk responded that CRRA was not surprised by the wide range in the bids because there was not a large market for these items. Mr. Kirk explained that the items require a large amount of fabrication and differences in the design and fabrication process account for the differences in price.

Director Sullivan asked how long it would take for the shredder rotors to be completed and delivered after the signing of the contract. Mr. Kirk responded that it would take twenty weeks.

Director Griswold asked if there was any value to the shredders being replaced. Mr. Gent responded that one shredder rotor was not worth repairing and that the second one would be kept as a spare.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut	X		
Elizabeth Horton Sheff, Ad Hoc, Mid-Connecticut	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

RESOLUTION REGARDING AGREEMENT FOR THE REPLACEMENT OF OVERHEAD DOORS AT THE GREENWICH, NORWALK AND MILFORD TRANSFER STATIONS

Chairman Pace requested a motion regarding the referenced item. Director O'Brien made the following motion:

RESOLVED: That the President is hereby authorized to execute an agreement with Overhead Door Co. of Hartford, Inc. to replace overhead doors at the Greenwich, Norwalk and Milford Transfer Stations, substantially as presented and discussed at this meeting.

The motion was seconded by Director Cohn.

Chairman Pace stated that the bids were reasonably close and asked Director Lovejoy how he, as a representative of the Bridgeport Project, felt about the replacement. Director Lovejoy responded that the towns were anxious to have the doors replaced.

Director Martland asked if CRRA received any bids from the Bridgeport or Stamford area. Mr. Gent responded that no bids were received the first time this project went out to bid so the project was bid out a second time. Mr. Gent stated that the project was advertised in various newspapers and trade publications and informed the Board that he could get the specific names of the publications. Mr. Gent noted that the specifications of the doors required by CRRA could have limited the number of bidders.

Director Martland asked why the unit cost of four doors was twice as high as the unit cost for ten doors. Mr. Gent responded that the bid for the 4 doors were for alternate doors. Mr. Gent informed the Board that he would have to get the specifics from Mr. Tracey who worked on the project.

Director Martland made a motion to table the item until further information could be provided. The motion was seconded by Director Sullivan.

The motion to table previously made and seconded was approved unanimously.

EXECUTIVE SESSION

Chairman Pace requested a motion to enter into Executive Session to discuss pending litigation with appropriate staff. The motion made by Director Sullivan and seconded by Director Cooper was approved unanimously. Chairman Pace requested that the following people be invited to the Executive Session:

Tom Kirk
Laurie Hunt
Richard Goldstein

The Executive Session began at 11:35 a.m. and concluded at 12:37 p.m. Chairman Pace noted that no votes were taken.

The meeting was reconvened at 12:37 p.m.

RESOLUTION REGARDING AGREEMENT FOR THE REPLACEMENT OF OVERHEAD DOORS AT THE GREENWICH, NORWALK AND MILFORD TRANSFER STATIONS

Chairman Pace requested a motion regarding to place the referenced item back on the floor for discussion. Director O'Brien made the following motion:

RESOLVED: That the President is hereby authorized to execute an agreement with Overhead Door Co. of Hartford, Inc. to replace overhead doors at the Greenwich, Norwalk and Milford Transfer Stations, substantially as presented and discussed at this meeting.

The motion was seconded by Director Cohn.

Mr. Gent explained that some of the doors quoted were motor operated and others were not, which accounts for the major price difference. Mr. Gent added that there was also a significant difference in the size of the doors.

Mr. Gent informed the Board that the work was advertised in the Tuesday and Sunday editions of the Hartford Courant and the New Haven Register. Mr. Gent also stated that that it was advertised in several trade papers. Director Lauretti noted that the New Haven Register is not widely circulated in the Bridgeport area and recommended advertising in the Connecticut Post. Mr. Gent stated that after there was no response to the first bid package, Mr. Tracey personally reached out to companies that CRRA had worked with in the past to encourage more vendors to submit bids.

Mr. Gent explained that one of the reasons for the limited number of bids was because CRRA was required to put a prevailing wage provision in the contract because the contract was valued over \$100,000. Mr. Gent said that CRRA was also requiring a performance bond and a construction bond. There was a brief discussion regarding prevailing wage requirements. In that discussion, Director Martland stated that he did not know of any door companies that hired union workers. Mr. Gent responded that the provision did not require union workers, only that the workers that work on the project be paid prevailing wages.

The motion previously made and seconded was not approved. This item required a 2/3 affirmative vote of the Directors, exclusive of Ad-Hocs. There were seven affirmative votes from Directors as listed below and Director Martland voted nay.

Chairman Pace stated that CRRA would try advertising this project in the area in which the work is to be completed.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland		X	
Raymond O'Brien	X		
Andrew Sullivan	X		
Sherwood Lovejoy, Ad Hoc, Bridgeport	X		
Non Eligible Voters			
Timothy Griswold, Ad Hoc, Mid-Connecticut			
Elizabeth Horton Sheff, Ad Hoc, Mid-Connecticut			

RESOLUTION REGARDING ENGAGEMENT OF ALTERNATE COUNSEL TO REPRESENT FORMER AUTHORITY EMPLOYEES IN DEPOSITIONS IN THE ENRON GLOBAL SUIT

Chairman Pace requested a motion regarding to place the referenced item back on the floor for discussion. Director O'Brien made the following motion:

RESOLVED: that the President of the Authority is hereby authorized to engage counsel not on any of the Authority's current legal panels to represent former Authority employees who request such counsel in depositions to be taken by defendants in the Enron Global Suit, in accordance with the terms of the Authority's Procurement Policies and Procedures and including, but not limited to, costs and hourly fees, on the terms presented and for the purposes discussed at this meeting.

The motion was seconded by Director Cohn.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut	X		
Elizabeth Horton Sheff, Ad Hoc, Mid-Connecticut	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

RESOLUTION REGARDING WAIVER OF CRRA'S ATTORNEY CLIENT PRIVILEGE AS TO MURTHA CULLINA, LLP AND HAWKINS DELAFIELD & WOOD REGARDING THE ENRON TRANSACTION

Chairman Pace requested a motion regarding the referenced item. Director O'Brien made the following motion:

WHEREAS, on August 30, 2002, at the request of the Connecticut Attorney General, the Board of Directors of CRRA authorized the Chairman to waive CRRA's attorney-client privilege as to Murtha Cullina, LLP and Hawkins Delafield & Wood (the "Law Firms") regarding the Enron transaction up until the filing of the Enron bankruptcy; and

WHEREAS, the defendant financial institutions in the matter of *CRRA v. Lay et al* have subpoenaed post-bankruptcy documents and are seeking discovery from the Law Firms, the compliance with which, the Law Firms maintain, requires the waiver by CRRA of its attorney-client privilege with regard to such documents and discovery;

NOW, THEREFORE, IT IS

RESOLVED: That the Board of Directors hereby authorizes the President to waive CRRA's attorney-client privilege as to Murtha Cullina, LLP and Hawkins Delafield & Wood representation of CRRA in transactions involving CRRA and Enron Corporation of Enron Power Marketing, Inc., for the period before and following the filing of the Enron bankruptcy (the "Enron Transactions"); and be it further

RESOLVED: That the Board of Directors hereby also authorizes the President to waive CRRA's attorney-client privilege as to Murtha Cullina, LLP and Hawkins Delafield & Wood representation of CRRA in transactions involving CRRA and Connecticut Light &

Power Company, Standard & Poor's, or Moody's to the extent referencing or relating to the Enron Transactions; and be it further

RESOLVED: That CRRA's counsel, Pepe & Hazard, LLP is hereby authorized to advise Murtha Cullina, LLP and Hawkins Delafield & Wood of CRRA's privilege waiver as set forth herein.

The motion was seconded by Director Cohn.

Attorney Hunt informed the Board the Attorney General agrees that the waiver is appropriate and noted that CRRA will have access to all of the documents related to this privilege waiver.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut	X		
Elizabeth Horton Sheff, Ad Hoc, Mid-Connecticut	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

ADJOURNMENT

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

There being no other business to discuss, the meeting was adjourned at 12:45 p.m.

Respectfully submitted,

Kristen B. Greig
Secretary to the Board/Paralegal