

**Finance Committee
Nov. 11, 2011 Regular Meeting
Draft Minutes**

Members Present: Committee Chairman Martland (present by telephone)
Timothy Griswold (present by telephone)

CRRA Staff Present: Tom Kirk, President (present by telephone)
Jim Bolduc, Chief Financial Officer
Jeff Duvall, Director of Budgets and Forecasting
Moirra Benacquista, Secretary to the Board/Paralegal

Also Present: Jim Sandler, Esq. of Sandler & Mara.

Chairman Martland called the meeting to order at 9:35 a.m. He said there were no members of the public who wished to comment and proceeded with the agenda.

1. Approval of the Minutes of the Oct. 20, 2011, Finance Committee Meeting

Chairman Martland requested a motion to accept the minutes of the Oct. 20, 2011, Finance Committee meeting. The motion to approve the minutes was made by Director Griswold and seconded by Chairman Martland.

The minutes were approved unanimously by roll call.

2. Review and Recommend for Board Approval – Southeast Budget

Chairman Martland requested a motion regarding the above-captioned item. Director Griswold made the following motion which was seconded by Chairman Martland:

RESOLVED: That the fiscal year 2013 Connecticut Resources Recovery Authority Southeast Project Operating and Capital Budgets be adopted subject to the Southeastern Connecticut Regional Resources Recovery Authority's ("SCRRA") approval of this budget and as substantially presented and discussed at this meeting.

Director Griswold said it was his understanding that the SCRRA Board creates its own budget which the CRRA Board then approves. Mr. Bolduc said that the CRRA Board adopts the CRRA portion of the SCRRA budget. He said the SCRRA Board had met and reviewed the budget at its meeting the day prior. Mr. Bolduc said the budget is substantially an escalated operating budget which contains a service fee from Covanta. He said once the budget is adopted the tip fee is set by the SCRRA Board.

Mr. Bolduc reviewed several items of note with the Committee. He explained the budget reflects the significant bond refinancing undertaken by SCRRA and reflects the drop in interest. Mr. Bolduc said a portion of the savings on interest costs from the debt is reflected in the service fee.

Mr. Bolduc referred the Committee to the cash flow on pg. 12. He said the plant will eventually convert, similar to the Wallingford Plant, at which point Covanta will have the option to purchase the plant. He reviewed the service contract and noted the end of year reconciliation has been positive for the last few years and metal recovery has doubled. Mr. Bolduc cautioned the Committee that management has concerns that the market may drop as China is currently over inventoried and has shown significant changes in the last month. He said the Mid-Connecticut Project has some insurance through its contract with FCR.

Director Griswold noted that SCRRRA Board enjoys an excellent rate for its electricity. He asked if the electricity contract which runs through 2015 is written into the contract. Mr. Bolduc replied that it is a contractual formula. He continued with his review and noted that the capital budget does not show any foreseeable or unusual expenditures in the future.

2. Informational Section

Mr. Bolduc drew the Committee's attention to the audit management letter contained in the Informational Section of the package. He said BST had made two recommendations to CRRRA management concerning the presentation of restricted net assets and non-standard journal entries. Mr. Bolduc said BST is recommending segregating liabilities to be paid from restricted net assets, which management will do going forward. He said in addition BST recommended that the CFO physically approve all material non-standard journal entries and support for the entries, which CRRRA will also do going forward.

ADJOURNMENT

Chairman Martland requested a motion to adjourn the meeting. The motion was made by Director Griswold and seconded by Chairman Martland.

The meeting was adjourned at 9:48 a.m.

Respectfully submitted,

Moira Benacquista
Secretary to the Board/Paralegal