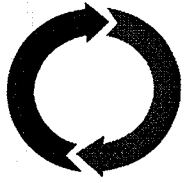


**CRRA
BOARD MEETING
Nov. 17, 2011**



**CONNECTICUT
RESOURCES
RECOVERY
AUTHORITY**

**100 Constitution Plaza • Hartford • Connecticut • 06103 • Telephone (860)757-7700
Fax (860)757-7745**

MEMORANDUM

TO: CRRRA Board of Directors
FROM: Moira Benacquista, Secretary to the Board/Paralegal
DATE: Nov. 10, 2011
RE: Notice of Regular Board Meeting

There will be a Regular Board Meeting of the Connecticut Resources Recovery Authority Board of Directors on Thursday, Nov. 17, 2011 at 9:30 a.m. The meeting will be held in the Board Room at CRRRA Headquarters, 100 Constitution Plaza, Hartford, CT 06103.

Please notify this office of your attendance at (860) 757-7787 at your earliest convenience.

Connecticut Resources Recovery Authority
Special Board of Directors Meeting

Agenda
Nov. 17, 2011
9:30 AM

I. Pledge of Allegiance

II. Public Portion

A ½ hour public portion will be held and the Board will accept written testimony and allow individuals to speak for a limit of three minutes. The regular meeting will commence if there is no public input.

III. Minutes

1. Board Action will be sought for the Approval of the Special Oct. 27, 2011, Board Meeting Minutes (Attachment 1).

1.a Action Items

IV. Board Committee Reports

A. Finance Committee Reports

1. Board Action will be sought Regarding Approval of the Southeast Budget (Attachment 2).

B. Policies & Procurement Committee

1. Board Action will be sought Regarding Purchase of the Three Year Public Relations Agreement (Attachment 3).
2. Board Action will be sought for the Resolution Regarding Contract with the CT DEEP for Reimbursement of Costs Associated with Annual Stack testing at the Mid-Ct RRF for Calendar Year 2012 (Attachment 4).
3. Board Action will be sought for the Resolution Regarding NERC Electric Reliability Standards Compliance Support Services Agreement (Attachment 5).
4. Discussion Regarding Municipal Government Liaison Services (Attachment 6).

C. Organizational Synergy & Human Resources Committee

1. Board Action will be sought for the Resolution Regarding the Renewal of Health, Dental, Vision, Life and Disability Insurance Programs (to be distributed at the meeting).

V. Chairman and President's Reports

VI. Executive Session

An Executive Session will be held to discuss pending litigation, trade secrets, personnel matters, security matters, pending RFP's, and feasibility estimates and evaluations.

TAB 1

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED TWENTY-FOURTH

OCT. 27, 2011

A special meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thurs. Oct. 27, 2011, in the Board Room at 211 Murphy Rd., Hartford, CT 06103. Those present were:

Directors: Chairman Pace
Louis J. Auletta, Jr.
Ryan Bingham
David Damer
Timothy Griswold
Dot Kelly
Theodore Martland
Donald Stein
Robert Painter, Mid-Connecticut Project Ad-Hoc
Mark Tillinger, Bridgeport Project Ad-Hoc
Steven Wawruck, Mid-Connecticut Project Ad-Hoc

Present from CRRA in Hartford:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Dave Bodendorf, Senior Environmental Engineer
Jeff Duvall, Director of Budgets and Forecasting
Peter Egan, Environmental Affairs and Environmental Director
Laurie Hunt, Director of Legal Services
Katha Kerr, Operations Analyst
Paul Nonnenmacher, Director of Public Affairs
Chris Shepard, Environmental Engineer
Moira Benacquista, Board Secretary/Paralegal

Others present: Dick Barlow, First Selectman of Canton CT; Jonathan Bilmes, BRRFOC; Julian Freund, Manchester; John Pizzmenti, USA Hauling; Cheryl Thibeault, Covanta; and Jerry Tyminski, SCRRA.

Chairman Pace called the meeting to order at 9:35 a.m. and said a quorum was present.

PUBLIC COMMENT

Chairman Pace welcomed the CRRA Board's newest member, Ryan Bingham, Mayor of Torrington, CT.

Mr. Barlow, First Selectman of Canton, CT greeted the Board and management. He thanked Chairman Pace for his years of service to CRRA. Mr. Barlow said he looked over the proposal for

recycling rebates contained in the Board package. He said the Trash Museum impacts the cost of recycling. Mr. Barlow said when the Trash Museum facility was built, as far as communications and technology went, it was probably the right direction to go in. He suggested that such a facility is no longer the most appropriate and most cost effective method to deliver recycling education.

Mr. Barlow suggested that the Mid-Conn facility be considered as alternative headquarters for CRRA instead of the high rent district it currently resides in. Chairman Pace noted that the Board and management have discussed moving CRRA headquarters to the Mid-Conn facility. He said CRRA is currently in a long term lease in Hartford and has already moved from the pent house offices into lower levels.

APPROVAL OF THE MINUTES OF THE SEPT. 29, 2011, REGULAR BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the Sept. 29, 2011, Regular Board Meeting. Director Martland made a motion to approve the minutes, which was seconded by Director Damer.

Director Damer had several small typos which he requested Mrs. Benacquista correct.

The motion to approve the minutes as amended and discussed was approved by roll call. Chairman Pace, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Painter, Director Stein, and Director Wawruck voted yes. Director Bingham and Director Tillinger abstained.

Directors	Aye	Nay	Abstain
Chairman Pace	X		
Louis Auletta	X		
Ryan Bingham			X
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Donald Stein	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			X
Bob Painter, Mid-Ct	X		
Steve Wawruck, Mid-Ct	X		

EXECUTIVE SESSION

Chairman Pace requested a motion to enter into Executive Session to discuss pending litigation, trade secrets, personnel matters, security matters, pending RFP's, and feasibility estimates and evaluations with appropriate staff. The motion, made by Director Martland and seconded by Director Griswold, was approved unanimously. Chairman Pace asked the following people join the Directors in the Executive Session:

Tom Kirk
Jim Bolduc
Peter Egan
Laurie Hunt

The motion to move into Executive Session was approved unanimously by roll call.

The Executive Session began at 9:45 a.m. and concluded at 10:10 a.m. Chairman Pace noted that no votes were taken in Executive Session.

The meeting was reconvened at 10:10 a.m., the door to the Board room was opened, and the Board secretary and all members of the public were invited back in for the continuation of public session.

FINANCE COMMITTEE

RESOLUTION REGARDING APPROVAL OF INSURANCE CONSULTANT AND BROKER SERVICES

Chairman Pace requested a motion on the above referenced item. The motion was made by Director Martland and seconded by Director Damer.

RESOLVED: That the President of CRRA is hereby authorized to execute the Insurance Consulting and Broker Services Agreement with Aon Risk Services for the period January 1, 2012 through December 31, 2014 for a total fixed fee of \$431,943, as presented and discussed at this meeting.

Director Martland said that he is typically a strong supporter of the low bidder. He said however, in this case he supports management's recommendations due to a variety of factors. Director Martland said several years ago CRRA's broker withdrew suddenly from CRRA's market which almost resulted in CRRA having to self-insure.

Mr. Bolduc said management advertised widely the availability of the RFP for insurance consulting and broker services. He said the three-year contract has always been a fixed annual fee arrangement for identified services. Mr. Bolduc said the four responses to the RFP that CRRA received were reviewed and ranked independently by each member of CRRA's internal review committee which consists of himself, Ms. Martin, and Mr. Womack.

Mr. Bolduc said one bidder was eliminated quickly due to several factors (including the fact that it had the highest price). He said the other two bidders were ranked below AON Risk Services, the incumbent provider. Mr. Bolduc said CRRA's broker/ consultant puts in a significant amount of work each year placing approximately \$1 million in insurance for CRRA.

Mr. Bolduc said the internal committee believes there are some potential conflicts of interest between two of the proposers and vendors CRRA is in litigation with or maybe in litigation with in the future. He said another large driver in the recommendation was CRRA's past experience with Marsh.

Mr. Bolduc explained several years ago when Marsh was CRRA's broker there came a time when Marsh made an internal corporate decision to discontinue providing service to entities in CRRA's market (waste to energy). He said this occurred at a time when CRRA's main insurance company declined to continue coverage. Mr. Bolduc said thankfully AON stepped in quickly to assist CRRA and was able to convince ACE to provide CRRA with insurance before CRRA was forced to self-insure.

Mr. Bolduc said getting good participation and pricing for CRRA's insurance is driven by two major components: the market in general, and the exposures presented by CRRA's business – operation of waste-to-energy facilities, landfills and recycling facilities. He said many insurers are willing participants for businesses on the collection side but the availability of insurance capacity in CRRA's arena is more limited. Mr. Bolduc said some of the responders to the RFP were lacking experience on the waste-to-energy side. He said CRRA also requires a company with significant expertise in the area of environmental liability.

Mr. Bolduc said management recommends staying with AON as it has kept CRRA's insurance rates fairly low, secured savings on a number of the policies, and has been very responsive to CRRA's needs in the past.

The motion to approve the resolution previously made and seconded was approved unanimously by roll call. Chairman Pace, Director Auletta, Director Bingham, Director Damer, Director Griswold, Director Kelly, Director Martland, and Director Stein voted yes. Director Painter, Director Tillinger, and Director Wawruck abstained.

Directors	Aye	Nay	Abstain
Chairman Pace	X		
Louis Auletta	X		
Ryan Bingham	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Donald Stein	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			X
Bob Painter, Mid-Ct			X
Steve Wawruck, Mid-Ct			X

RESOLUTION REGARDING APPROVAL OF THE REVISED PROPERTY DIVISION BUDGET

Chairman Pace requested a motion on the above referenced item. The motion was made by Director Martland and seconded by Director Kelly.

WHEREAS: the Connecticut Resources Recovery Authority (the "Authority") owns the facility at 1410 Honeyspot Road Extension (the "Facility") for which there are on-going operating expenses; and

WHEREAS: the Garbage Museum Budget for Fiscal Year 2012 Budget included funding for certain expenses of a portion the facility at 1410 Honeyspot Road Extension; and

WHEREAS: The Authority's Board of Directors (the "Board") tabled adoption of a Garbage Museum Budget for Fiscal Year 2012 at its May 19, 2011 and July 7, 2011 meetings; and

WHEREAS: the Authority's Board voted to close operations of the Garbage Museum on August 25, 2011; and

WHEREAS: On May 19, 2011 the Authority's Board adopted its Property Division Budget for Fiscal Year 2012 which identified the future need to change the budgeted expenditures should the Garbage Museum becomes non-operational; and

WHEREAS: the Garbage Museum has an account previously established at Bank of America, separate and apart from other Authority bank accounts, which has paid Garbage Museum operating expenses since July 1, 2009; and

WHEREAS: funds to pay final costs relating to the closure of the Garbage Museum are currently being made from the Garbage Museum bank account at Bank of America; and

WHEREAS: the funds in the Garbage Museum bank account at Bank of America are expected to be fully utilized before the calendar year ending 2011; and

WHEREAS: there will still be on-going expenses at the Facility that the Authority must pay.

NOW, THEREFORE, it is

RESOLVED: That funds within the Garbage Museum bank account at Bank of America be used to pay the remaining salaries of the Garbage Museum educators and closure costs until the account is exhausted; and

FURTHER RESOLVED: that any remaining Garbage Museum closure costs and Fiscal Year 2012 operating expenses will be reassigned to the Property Division; and

FURTHER RESOLVED: That the updated fiscal year 2012 Property Division Operating budget totaling \$1,813,000.00 be adopted as presented at this meeting.

Director Martland said the Finance Committee discussed this item at length. He said unfortunately the Garbage Museum was recently closed due to lack of funding however, the facility must be maintained. He said a security company is monitoring the building.

Chairman Pace said the closure of the Garbage Museum was very disappointing to him. He said although it was his intention to keep it going, the communities in that part of the State would not provide

the needed funding. Chairman Pace said CRRA was forced to shut down the successful education program the museum provided.

Director Stein asked what the status of the remaining educators at the Garbage Museum. Mr. Bolduc said two part-time educators were laid off on October 14, 2011, and the full time educator will be finished in January. Director Stein asked if the security company is contracted or an employee. Mr. Bolduc replied that is the same security system which has been used in the past, Sonitrol. Mr. Kirk added that the facility is still being used as a transfer station and employees are present six days a week.

The motion to approve the resolution previously made and seconded was approved unanimously by roll call. Chairman Pace, Director Auletta, Director Bingham, Director Damer, Director Griswold, Director Kelly, Director Martland, and Director Stein voted yes. Director Painter, Director Tillinger, and Director Wawruck abstained.

Directors	Aye	Nay	Abstain
Chairman Pace	X		
Louis Auletta	X		
Ryan Bingham	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Donald Stein	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			X
Bob Painter, Mid-Ct			X
Steve Wawruck, Mid-Ct			X

POLICIES & PROCUREMENT COMMITTEE

RESOLUTION REGARDING PURCHASE OF A MOBILE GRAPPLE CRANE FOR THE MID-CT WPF

Chairman Pace requested a motion on the above referenced item. The motion was made by Director Damer and seconded by Director Kelly.

RESOLVED: That the President is hereby authorized to execute an agreement for the purchase of a mobile grapple crane for the Mid-Connecticut Waste Processing Facility with Chadwick-Baross, Inc. substantially as presented and discussed at this meeting.

Director Damer said when the Hartford Landfill closed and stopped taking waste CRRA still had shipments of non-processible waste. He said this waste was redirected to the waste processing facility and put through a mobile shredder to reduce the volume of the material further and to burn that refuse as fuel. He said the pay back for the shredder was estimated to be 0.91 years however; the loading and feeding of the shredder was done with a front end loader which turned out to be problematic. Director

Damer said the write-up details many of the issues management has run encountered using the front end loader as well as the failure to process as much of the non-processible waste as initially planned.

Director Damer said the use of a mobile grapple crane was not on management's radar when the front-end loader was purchased. He said it is much more efficient and will double the processing. Director Damer said the analysis is complicated, well done, and was reviewed in depth by the Policies & Procurement Committee. He said the pay back for the mobile grapple crane is about 7 months and in addition if CRRA moved to a baling operation the crane may be capable of handling those bales as well. Director Damer said there were two bid responses, one of which was priced higher and was non-responsive at the same time. He said the other response includes a three year service contract in the \$299,500 range.

Director Kelly said this resolution will assist CRRA with the goal of refining waste as these "non-processible" waste items can be disposed of and used in a more environmentally friendly matter.

The motion to approve the resolution previously made and seconded was approved unanimously by roll call. Chairman Pace, Director Auletta, Director Bingham, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Painter, Director Stein, and Director Wawruck voted yes. Director Tillinger abstained.

Directors	Aye	Nay	Abstain
Chairman Pace	X		
Louis Auletta	X		
Ryan Bingham	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Donald Stein	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			X
Bob Painter, Mid-Ct	X		
Steve Wawruck, Mid-Ct	X		

RESOLUTION REGARDING AN AGREEMENT FOR THE ENVIRONMENTAL MONITORING LABORATORY ANALYSIS AND REPORTING SERVICES AT THE HARTFORD LANDFILL

Chairman Pace requested a motion regarding the above captioned item. Director Damer made the following motion which was seconded by Director Martland.

RESOLVED: That the President of CRRA be authorized to enter into a contract with Diversified Technology Consultants, Inc. for Environmental Monitoring Laboratory Analysis and Reporting Services at the Hartford Landfill, substantially as presented at this meeting.

Director Damer said this resolution is for a contract with Diversified Technology Consultants, Inc. for environmental monitoring services at the Hartford Landfill. He said CRRA had a contract with Anchor Engineering Services and discovered some substantial conflicts of interest with Anchor after the first year. Director Damer said management is looking to replace Anchor. He said there were a significant number of bidders a year ago when this went out to bid, and at the time Diversified Technology was the second place bidder. Director Damer said Diversified Technology has agreed to hold to the prices it submitted a year ago.

Chairman Pace asked if Anchor notified CRRA of the conflict of interest. Mr. Egan said no. He said CRRA discovered the conflict. Chairman Pace asked if Anchor had an obligation to notify CRRA of the conflict. Mr. Egan said he was not sure how much of an obligation Anchor had to notify CRRA of the conflict. Chairman Pace said he finds it to be a problem if a company has a conflict of interest and does not disclose that information. He asked Ms. Hunt to look into the contract to see if CRRA is in a position to recapture funds.

Chairman Pace asked what the conflict of interest pertains to. Mr. Kirk said that CRRA and Anchor are on different sides on an intervention issue on a permit application. He said Anchor is a consultant on a contested case.

The motion to approve the resolution previously made and seconded was approved unanimously by roll call. Chairman Pace, Director Auletta, Director Bingham, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Painter, Director Stein, and Director Wawruck voted yes. Director Tillinger abstained.

Directors	Aye	Nay	Abstain
Chairman Pace	X		
Louis Auletta	X		
Ryan Bingham	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Donald Stein	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			X
Bob Painter, Mid-Ct	X		
Steve Wawruck, Mid-Ct	X		

RESOLUTION REGARDING CONSULTING SERVICES FOR THE FINAL PHASE OF CLOSURE OF THE CRRA HARTFORD LANDFILL

Chairman Pace requested a motion on the above referenced item. The motion was made by Director Damer and seconded by Director Martland.

RESOLVED: That the President is hereby authorized to enter into a Request for Services with Fuss & O'Neil, Inc. to provide consulting services in support of the final phase of closure of the CRRA Hartford Landfill, substantially as discussed and presented at this meeting.

Director Damer said this resolution is in support of the initiative to provide coverage with solar panels at the Hartford landfill. He said when the initial contract was written with Fuss & O'Neil the solar panels were not a viable option. Director Damer said CRRA wants to be sure that the sub-contractor which reports directly to CRRA will provide Fuss & O'Neil with the correct capabilities.

Chairman Pace asked why CRRA does not work directly with the sub-contractor. Director Damer asked if CRRA is paying an additional fee to Fuss & O'Neil. Mr. Bodendorf said in this case there is no specific provision to pay an additional fee. Mr. Egan said he does not believe there is a mark-up charge. He said the reason management asked Fuss & O'Neil to sub-contract with this particular company is that information that the sub-contractor provides should flow through Fuss & O'Neil to CRRA as they are managing this entire project. Mr. Egan said management feels this is the most effective and efficient way to move ahead quickly.

Director Damer said CRRA had previously entered into a RFS with Fuss & O'Neil in January for under \$50,000, which did not require Board approval. He explained this resolution is seeking to add \$22,040 to what was already approved which brings the overall total to \$71,440. Mr. Kirk asked if a mark-up is allowed from sub-contractors. Mr. Egan replied yes however; that is not the case in this contract.

Director Kelly said she is a strong supporter of this solar cap and believes reaching out to the experts within the field is a smart move to ensure proper planning and execution in a timely manner.

Director Painter said that this endeavor is also very important to the City of Hartford which has hired a company to assist in evaluation with this project and working with CRRA. He said it is far more complicated than laying down solar cells as the process involves; virtual net metering, legal documents, and opportunities for grants and Federal assistance. Director Painter said expertise will make this a much better project short term as well as long term.

Chairman Pace asked Mr. Egan if he is familiar with the consultants which the City of Hartford has hired. Mr. Egan replied yes. He and Mr. Bodendorf have met with the consultants who accompanied CRRA management to the Connecticut Clean Energy Fund meeting.

The motion to approve the resolution previously made and seconded was approved unanimously by roll call. Chairman Pace, Director Auletta, Director Bingham, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Painter, Director Stein, and Director Wawruck voted yes. Director Tillinger abstained.

Directors	Aye	Nay	Abstain
Chairman Pace	X		
Louis Auletta	X		
Ryan Bingham	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Donald Stein	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			X
Bob Painter, Mid-Ct	X		
Steve Wawruck, Mid-Ct	X		

RESOLUTION REGARDING DELIVERY OF COVER SOILS

Chairman Pace requested a motion on the above referenced item. The motion was made by Director Damer and seconded by Director Stein.

RESOLVED: That the President is hereby authorized to enter into an agreement with the City of Hartford for delivery of soil to be used as contouring and cover material at the Hartford Landfill, and as approved by the Connecticut Department of Environmental Protection, substantially as discussed and presented at this meeting.

FURTHER RESOLVED: That the revenue received from this contract will be deposited into the Hartford Landfill Post-Closure reserve.

Director Damer said this resolution also concerns the Hartford Landfill and details the delivery of cover soils from the City of Hartford. Chairman Pace said this is a source of revenue for CRRA. He asked Director Damer to review the process for the new Board member.

Director Damer said the Hartford Landfill is closed and is in the process of achieving final closure with cover material. He said certain types of lightly contaminated soil, which is approved by the CT DEEP, is used below the cap for contouring and grading and is then covered with impermeable materials. Director Damer said because the entities disposing of the soil would typically pay fees in order to do so CRRA charges those entities a reasonable fee based on the going rate and has created a revenue source where there was formerly a substantial cost.

Director Bingham asked if the material is road sand. Mr. Egan said the material is soil which has been tainted with some type of contaminant. He said the CT DEEP has agreed that CRRA can use this material, which formerly would have ended up in a landfill, as cover material. Mr. Egan said the soil has come from all over Connecticut.

Director Griswold asked how much capacity will remain after this delivery. Mr. Bodendorf said this particular source of soil is tied into the solar cap. He said CRRA is waiting on approval from the CT

DEEP and if it is received, an additional 85,000 cubic yards will be available. Mr. Bodendorf said this delivery totals about 60,000 cubic yards leaving about 25,000 additional cubic yards available.

Mr. Egan said this helps the City of Hartford. He said if the landfill was not an option it would likely have to transport the soil upstate at a significant cost. Director Damer said while CRRA is proposing to accept this soil at a lower price point than it has been in the past, management does not feel it would be likely to secure the same amount of soil during the necessary time frame, which the Policies & Procurement Committee agreed with.

The motion to approve the resolution previously made and seconded was approved unanimously by roll call. Chairman Pace, Director Auletta, Director Bingham, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Painter, Director Stein, and Director Wawruck voted yes. Director Tillinger abstained.

Directors	Aye	Nay	Abstain
Chairman Pace	X		
Louis Auletta	X		
Ryan Bingham	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Donald Stein	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			X
Bob Painter, Mid-Ct	X		
Steve Wawruck, Mid-Ct	X		

RESOLUTION REGARDING REVISIONS TO THE CRRA TELEPHONIC MEETING POLICY

Chairman Pace requested a motion on the above referenced item. The motion was made by Director Martland and seconded by Director Kelly.

RESOLVED: That the Board hereby adopts the revised Telephonic Meeting Policy and Procedure substantially as presented and discussed at this meeting.

Chairman Pace said that this resolution was discussed at the Board’s last meeting. Mr. Kirk said the history of the CRRA Board, prior to its reconstitution in 2001 argued strongly for openness, transparency, and accountability. He said to enforce this the Board assigned itself strict meeting guidelines, including that no meeting could start without six of the full eleven Board members physically present in the room. Mr. Kirk said this provision, among others, did wonders to improve the CRRA Board’s image however; it has created some quorum issues moving forward.

Mr. Kirk said management is considering some changes to the policy which would release the Board from that self-imposed discipline and recognize the ease with which Board members can now participate by phone and occasionally by computer or video conferencing. He said the proposed change would still require six Board members physically present in the room to begin the meeting in the event all eleven Board seats are filled. Mr. Kirk said the CRRA Board has had a vacancy for the past three years. He explained the relaxation would no longer require six Board members to be in the room when a meeting starts, unless all eleven seats have been filled by the appointing authorities and the policy change will recognize CRRA's ability to meet the requirement using the phone or via teleconferencing.

Chairman Pace said it is his recollection that the self-imposed restrictions have caused issues for the last three to four years. He said in the past the CRRA Board was solid and any vacancy was immediately replaced. Chairman Pace said this self-imposed restriction was something he had pushed hard for during a time period when it was crucial to ensure that each Director was at the table due to the nature of the material the Board was addressing.

Chairman Pace said he believes if a Board member is able, they should do their best to attend all meetings in person. He said on the other hand, there are many Directors which travel significant distances to participate. Chairman Pace said he will support what the Directors see as the best policy moving forward.

Director Martland said he is in agreement with Chairman Pace's statement. He said the last few years CRRA has had trouble getting the appropriate authorities to appoint someone to the CRRA Board vacancies. Director Martland said in addition elections can also cause difficulties. He said he is in support of this policy change because as of late the Board has had to wait up to an hour to secure enough Directors to vote on certain issues. Director Martland noted for the record there is currently a vacancy on the Board.

The motion to approve the resolution previously made and seconded was approved unanimously by roll call. Chairman Pace, Director Auletta, Director Bingham, Director Damer, Director Griswold, Director Kelly, Director Martland, and Director Stein voted yes. Director Painter, Director Tillinger, and Director Wawruck abstained.

Directors	Aye	Nay	Abstain
Chairman Pace	X		
Louis Auletta	X		
Ryan Bingham	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Donald Stein	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			X
Bob Painter, Mid-Ct			X
Steve Wawruck, Mid-Ct			X

RESOLUTION REGARDING AN AMENDMENT TO THE TIER I MUNICIPAL SOLID WASTE AGREEMENT

Chairman Pace requested a motion on the above referenced item. The motion was made by Director Damer and seconded by Director Stein.

WHEREAS, CRRA has provided to its Mid-Connecticut Project participating municipalities the opportunity to enter into new Municipal Services Agreements (MSAs) for the disposal of waste and the processing of recyclables at an efficient, publically owned system operated by CRRA on a cost of service basis; and

WHEREAS, municipalities are encouraged by CRRA to consider their individual municipal interests in deciding the most beneficial providers of these important services; and

WHEREAS, some MSA options contemplate the payment of recycling rebates to municipalities in the event that sufficient recycling revenues are received and this Board declares a surplus with respect to such revenues and

WHEREAS, the MSAs do not presently ensure the payment of recycling rebates, nor a minimum dollar amount for any recycling rebate that is paid; and

WHEREAS, the payment of rebates for recyclables is desirable and would provide additional incentive to towns and citizens to improve recycling performance; and

WHEREAS, some municipalities have indicated their preference for an MSA whereunder they commit their solid waste to CRRA but may opt to deliver their recyclables to others; and

WHEREAS, all CRRA customers -- municipalities, haulers, commercial and residential waste generators -- benefit and from and enjoy lower disposal costs when CRRA maximizes its facilities capacity utilization, and

WHEREAS, CRRA's capacity utilization is maximized when municipalities participate with Tier 1 Municipal services agreements;

NOW THEREFORE be it

That the Board of Directors approves an optional amendment to the CRRA Tier 1 MSA allowing participating municipalities to opt out of future recyclable delivery requirements in the event that the recycling rebate paid in any of the first five years of the MSA term fails to meet the minimum level established in the MSA, and authorizes the President to execute such amendments, substantially in the form described in this meeting.

Mr. Kirk said this is a follow-up recommendation from management as a result of requests from CRRA member towns. He said for eighteen months CRRA has been reaching out to the Mid-Conn member towns for their input on the development of new MSA's. Mr. Kirk said there was a tremendous response with hundreds of comments, legal reviews, and corporate councils with the First Selectman and

Mayors from which CRRA devised four tiers of proposed MSA's. He said as the towns began the process of evaluating CRRA's offers and soliciting competitive bids (which CRRA encourages) other issues were raised, most importantly the issue of recycling and recycling rebates.

Mr. Kirk explained the requirement to deliver recyclables and still enjoy the Tier 1 offering was relaxed by the CRRA Board and was very well received by the towns which had requested it. Mr. Kirk said the request was motivated by a better understanding of the competitive market and geographic advantages and disadvantages of the member towns.

Mr. Kirk said the rebate issues are less easily fixed. He said initially management suggested matching the competitive market in rebates, which is between \$5 and \$21 a ton roughly, with a suggested \$20 minimum rebate. Mr. Kirk said that suggested rebate creates some risks the CRRA Board was not comfortable with. He explained any rebate is subject to a very volatile commodities pricing market.

Mr. Kirk said currently the rebate opportunity through CRRA's surplus is excellent, however recyclable commodities markets are at record highs which management is not confident are sustainable. Mr. Kirk said a drop in commodities prices would likely affect CRRA's ability to completely fund a guaranteed rebate without subsidization from the solid waste stream revenues.

Mr. Kirk said one Board member had suggested considering an opt-out provision similar to MSW pricing which would give a target rebate to the towns with the option for a town to exit the agreement if CRRA could not meet that rebate. He said this proposal is risk free for CRRA and the towns and provides for a nominal \$10.00 per ton rebate which could be more or less, and no guarantee. Mr. Kirk said management recommends a five year term for this guarantee which would allow the towns to opt-out if the rebate drops below \$10.00 and take its recyclables elsewhere.

Mr. Kirk said the CRRA Board has been very careful about guaranteeing rebates because the recycling revenues are used to fund several important costs including; the Mid-Conn facility and the Hartford Education efforts at the Trash Museum. Mr. Kirk said management and the Board feel education is valid and important and the recycling system has historically funded that education, which can be taken from other sources if the Board so chooses.

Director Stein asked if he was correct in stating if a town has an MSA this is an optional amendment that would be ratified by both parties allowing them to opt-out of delivering recyclables if they so choose. He said there is no re-entry provision. Mr. Kirk said management is concerned that the towns will be struggling to make MSA decisions as the offer is changing, for which management apologizes. He said the existing signed MSA's do not have to be re-written or re-considered. Mr. Kirk said a document will be offered to all of the Tier 1 towns providing this option.

Director Stein asked if the \$10 is a floor and based on management's calculations if a \$20 rebate for this year is a potentially viable option. Mr. Kirk replied yes. He said it would depend on the Board's decision to fund, or continue funding certain costs. Mr. Kirk said the numbers discussed at the Policies & Procurement Committee meeting point to a \$12.71 surplus, based on some towns leaving with their recycling, which in turn reduced the expected recycling numbers from 94,000 down to 70,000. Director Stein asked if that calculation would come before the Board. Mr. Kirk replied yes.

Director Bingham asked if this is a year to year opt-out. Mr. Kirk replied yes. He said it is an annual opt-out after the establishment of the rebate. Mr. Kirk said there is a 90 day decision period at which point the town can opt in or not. Director Bingham asked if that is going to be problematic for towns solidifying their budgets if they opt in and the \$10 floor is not met after their budgets have already been set. Chairman Pace said that is correct because a town's budget is set with a minimum number.

Mr. Kirk said Alan Curto from Halloran & Sage is drafting the letter with the intent of providing the town's with sufficient time to evaluate the Board's rebate decision and still have ninety days to make a decision to opt in or out and evaluate the market. He said in the six month period between the end of the fiscal year and the end of the calendar year CRRA would establish a rebate, pay a check, and the town would have the option of to make a decision at the end of the calendar year. Director Bingham asked if CRRA is making the decision on the rebate in arrears. Mr. Kirk said that was correct.

Director Damer said this option is on a year to year basis for the first five years. Mr. Kirk said that is correct. He said if the Board is inclined, and the market is right, it can certainly do another amendment at the end of five years.

Director Wawruck asked why the proposed rebate at this meeting is for \$12.71 when he had heard \$20.00 formerly and the market out there is for \$22.50. Chairman Pace said last time the Board had met he felt \$20.00 was too rich of a guarantee. Director Wawruck said regardless many different numbers are being tossed around and as a result in his town a town meeting was canceled the night before because of the constant fluctuations.

Mr. Kirk said he is empathetic. He said in the last two meetings there were many different discussions on this matter due to management and the Board attempting to meet the requests of the towns to address a competitive disassociation. Mr. Kirk said the towns have been very hesitant to sign an agreement because they want a better deal for their recyclables. He explained the key to this is CRRA's Board determines a rebate and they can choose any number they want. Mr. Kirk said last month the Board decided not to guarantee a \$20.00 a ton rebate for several different reasons. He said this proposal is management's suggestion to pro-mandate by recognizing there is an expectation of a rebate and \$10.00 a ton is a good estimate for the next ten years.

Mr. Kirk said a snapshot of the system today would allow for a \$12.00 rebate. He said each year the Board examines the operations of the recycling system, examines the surplus, and examines the costs and the revenues and declares a surplus to establish a rebate. Mr. Kirk said there is no guarantee and the Board will look at this on an annual basis. He said it is very hard for the towns to compare that unknown five year estimate of rebates to a guarantee from the private sector for \$21.00 a ton. Chairman Pace said towns do have an option to take that guarantee from a private provider.

Director Wawruck said last month he thought the discussion concerning the five year contract had a stable \$20.00 number which was then drilled down and has since evaporated. Mr. Kirk said according to the current commodities market CRRA could pay \$20.00 a ton, however if that number dropped significantly CRRA would not be able to pay for the \$20.00 rebate and the education system out of recycling. He said he sympathizes and apologies for the moving platform the towns are dealing with. Mr. Kirk said although this is difficult it provides the towns with the option they have requested.

Director Griswold asked what the costs of the Mid-Conn facility are. Mr. Kirk replied the total costs historically assigned to recycling are \$1.246 million, which includes significant transportation costs, electronic recycling, scale operations, building maintenance, prescribed salary, the host fee to the City of Hartford, and the communication issue. He said those are costs which could come out of the solid waste side, which may increase the tip fee as a result. Chairman Pace said management is assigning costs to areas where there are also revenues. He said the Board could certainly change the organizational structure and major missions of CRRA in the future.

Director Griswold asked on what conditions a town could opt back in. Mr. Kirk replied on a space available basis.

Director Kelly said she is happy with the current proposal as it encourages as many towns as possible to join CRRA at a net cost of operations for service to the communities. Director Kelly said there may be short term options which seem attractive, but as municipal leaders a long term option is better.

Director Kelly asked if offering a \$12.00 rebate is better than offering a \$10.00 rebate. She said this is going to be a net cost of operations and management will try and maximize the amount of money available by examining the overall costs at the Policies & Procedures Committee level. Director Kelly asked if the \$5.00 is going to be peculiar for a town which takes a 15 year term. She asked if at the end of the five years if this needs to be renewed with a different dollar value as the towns would be locked in. Mr. Kirk said he did not envision any requirement for CRRA to offer another five year guarantee. Director Kelly asked that it be made clear to the towns at the end of those five years they can walk away. Mr. Kirk said if CRRA has not met the \$10.00 rebate the towns clearly have the ability to walk away.

Director Stein said the way this is currently structured is CRRA is guaranteeing for five years if the rebate is less than \$10.00 in a given year the towns can opt-out the following year. He said there is no guarantee of any rebate, there is only the opportunity for the town to opt-out if the rebate does not meet expectations. Director Stein asked for the balance sheet for recyclables to be made available to the Board members. Mr. Kirk agreed.

Director Bingham asked if many communities were hesitant to sign the MSA's because of this issue. Chairman Pace replied yes. Director Bingham said this provision will provide those communities some security that if the rebate drops below the \$10.00 they can shop it out and supplant some of that income. He said the key issue is to get those hesitant towns signed in in order to provide long term stability to CRRA. Chairman Pace said CRRA's core business is the MSW. Director Bingham said the \$10.00 floor is likely more advantageous than raising that rebate up to a potential \$12.00.

Director Tillinger said the issue strategically is CRRA's obligation to communicate its value proposition to the towns. He said it does not diminish the individual decisions concerning contracting with a vision on costs and rebates, which is obviously very important. Director Tillinger said CRRA plays in a commodities world with a proposition that is quite a bit different than that of the private sector competitors. He said CRRA's proposition is about net costs of operation and transparency on decision making. Director Tillinger said this Board makes a decision on every dollar contract over \$50,000 which is an extraordinary level of detail very valuable to the towns as it relates to net cost of operation. Director Tillinger said in addition the Board provides training, education, and research into alternative

methods of environmental aspects. He said if that was communicated in the proactive, it would not trivialize these decisions but clearly differentiates over the long term versus short term competitors out there.

Director Wawruck asked if he was to sign an MSA Tier 1 agreement and opt-out of the recycling portion, if he was to sign a five year agreement with another firm, could he come back in five years from now with recycling. Mr. Kirk said yes, on a space available basis. Director Wawruck asked if there is space available on the recycling side. Mr. Kirk said the recycling side will most certainly have room. He said CRRA has a duty to serve and if municipalities have recycling CRRA will take it.

Mr. Bolduc said management will provide the normalized costs per Director Stein’s request. He said to be clear this is a capital intensive project and the lower the through put drops as town opt-out to chase short term rebates the further the CRRA rebate is reduced. Mr. Bolduc said there are two different economic propositions.

Director Kelly asked what the member towns are looking for. Mr. Kirk said each of the member towns is looking for different conditions in the agreement due to location and other factors.

The motion to approve the resolution previously made and seconded was approved unanimously by roll call. Chairman Pace, Director Auletta, Director Bingham, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Painter, Director Stein, and Director Wawruck voted yes. Director Tillinger abstained.

Directors	Aye	Nay	Abstain
Chairman Pace	X		
Louis Auletta	X		
Ryan Bingham	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Donald Stein	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			X
Bob Painter, Mid-Ct	X		
Steve Wawruck, Mid-Ct	X		

RESOLUTION REGARDING APPROVAL OF A RESOLUTION REGARDING ADDITIONAL PROJECTED LEGAL EXPENDITURES

Chairman Pace requested a motion on the above referenced item. The motion was made by Director Martland and 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 2012 projected legal fees; and

WHEREAS, CRRA expects to incur greater than authorized legal expenses for Mid-Connecticut Project environmental legal 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 2012:

<u>Firm:</u>	<u>Amount:</u>
Brown Rudnick	\$150,000

Chairman Pace said the Board discussed this issue at length in Executive Session. Director Kelly said she would like the question of how legal fees should be used in connection with what the State of Connecticut wants to accomplish from an environmental standpoint with waste to be addressed. She said she feels the waste in Connecticut should be refined and be used to make as many beneficial materials for the environment as possible. Director Kelly said she supports the State's waste minimization hierarchy which is to minimize re-use, recycle, and get energy from the waste with landfilling the waste in an environmentally friendly way at the bottom of that hierarchy.

Director Kelly said if there is capacity and an entity wanted to build an incinerator or a landfill it would have to show there is a need. She said however, if a permit for a transfer facility loads material onto trucks and takes it to a landfill that goes to the bottom of the hierarchy. Director Kelly said there is no requirement to show need for hauling the waste elsewhere, it just requires a CT DEEP permit. Director Kelly said she has broached this topic to the league of woman voters, and the Audubon Society, and would love to go to the Legislature and the Environment Committee and point out that this is a very big issue. She said it sounds like a small issue because it is just a transfer permit, but the underlying policy goes to the heart of CRRA and the State's mission.

Chairman Pace said this protects the interests of the State and the municipalities and CRRA is an instrument of the State and the municipalities.

The motion to approve the resolution previously made and seconded was approved unanimously by roll call. Chairman Pace, Director Auletta, Director Bingham, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Painter, Director Stein, and Director Wawruck voted yes. Director Tillinger abstained.

Directors	Aye	Nay	Abstain
Chairman Pace	X		
Louis Auletta	X		
Ryan Bingham	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Donald Stein	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			X
Bob Painter, Mid-Ct	X		
Steve Wawruck, Mid-Ct	X		

PRESIDENT'S REPORT

Mr. Kirk said he would like to clarify a topic broached by Director Slifka at the previous meeting concerning municipal liaison services. He said Director Slifka was under the impression CRRA had a simple three year contract which had not yet expired. Mr. Kirk said that is true, CRRA has a three year agreement but it is actually a contract with three separate years. He said the third year, which would typically be entered into with notice to the Board, has not been entered into as of yet. Mr. Kirk said that third year has not been committed to and he wanted to clarify that CRRA has not moved forward with that third year as management has posed a clarifying question to the ethics commission which will be provided to the Board for review once it is received.

Mr. Kirk said it is CRRA's practice to notify the Board when CRRA is entering into an extension. He said management has not done that yet and will not do so until feedback from the ethics commission is received and further discussion is held by the Board.

Director Stein asked when the current option expires. Mr. Kirk replied Monday Oct. 31, 2011. He also noted that management always reserves a thirty day exit option in agreements like this. Director Stein asked if he was correct in stating there is no ability to continue those services past Oct. 31, 2011, until that option is exercised. Mr. Kirk replied yes.

Mr. Kirk said all CRRA facilities operated during the reporting period without significant safety, environmental, or public health events. He said from a financial statement for the period ending August 31, 2011, the Mid-Conn Project is on budget with no significant variances and the same can be said of the Southeast Project. Mr. Kirk said the recycling division actually ran a slight budget surplus; however it is early in the year. He said CRRA is also ahead of budget; however timing issues dominate as it is early in the year.

Mr. Kirk said for tonnage and operations all the Projects are operating within the expected parameters. He said tonnage is still very soft although he optimistically feels that the bottom has been hit because numbers are not continuing to drop. Mr. Kirk said month over month recycling continues to show solid growth 6-7% annually which is remarkable in a soft trash market. Mr. Kirk said the

supplemental information for SWEROC shows a decline, he cautioned the Board to remember that is due to towns leaving the Project.

Mr. Kirk said Mid-Conn capacity factors in the plant are at 89-91%. He said CRRA is still not at the target but remarkably improved and pressure part outages are near zero which is an acceptable range. Mr. Kirk said management is now focusing on material handling issues and generation which are reducing capacity below targeted amounts. He said the Southeast continues to have high reliability.

Mr. Kirk said on the MSA update CRRA is finalizing the offer to the towns after today's meeting. He said towns continue to implement the MSA's and management continues to meet with Town officials to address questions and concerns.

Mr. Kirk said there has been no development on the arbitration with MDC which continues on a schedule, albeit slowly.

Mr. Kirk said that 33 of the present MDC employees have completed packages for applications with assured positions with NAES. He said taking advantage of that institutional knowledge is good for CRRA. Mr. Kirk said management is encouraged by MDC's cooperation to date and hopes to be able to sign a transition agreement with MDC shortly.

Mr. Kirk noted based on public comments, management does and will continue to examine opportunities to reduce administrative costs which are currently at about 3.9% of the operation. He said CRRA is in a high priced district with a very low per square foot rent as there is much empty square footage in Hartford. Mr. Kirk said moving is costly and management continues to threaten to leave when rent increases are suggested.

RESOLUTION REGARDING SERVICE TO THE CONNECTICUT RESOURCES RECOVERY AUTHORITY OCTOBER 27, 2011

Chairman Pace requested a motion on the above referenced item. Mr. Kirk asked Director Martland to read the following resolution on to the record, and requested that the Board members turn their attention to a power point presentation. The following motion was made by Director Martland and seconded by Director Griswold.

WHEREAS, the Connecticut Resources Recovery Authority ("CRRA") was established in 1973 by Special Act 73-459 of the General Assembly to provide Connecticut's cities and towns with environmentally responsible, cost-effective solid waste management services; and

WHEREAS, in 2002 CRRA was close to financial collapse due to an ill-fated deal with the Enron Corporation; and

WHEREAS, the Town of Old Saybrook, as one of the cities and towns that depended on CRRA for managing its solid waste, stood to be adversely impacted by the consequences of the CRRA-Enron deal; and

WHEREAS, Michael A. Pace, in his capacity as First Selectman of the Town of Old Saybrook had frequently criticized CRRA for straying too far from its core mission; and

WHEREAS, the senior leadership of CRRA resigned amid the controversy; and

WHEREAS, in April 2002 the General Assembly passed Public Act 02-46 to place CRRA under the jurisdiction of a new Board of Directors comprised mainly of municipal officials; and

WHEREAS, Mr. Pace was appointed as Chairman of the new CRRA Board of Directors in June 2002; and

WHEREAS, Mr. Pace immediately dedicated himself to stabilizing CRRA and, for six months, served as president of CRRA without taking a salary while also carrying out his duties as First Selectman of Old Saybrook; and

WHEREAS, under Mr. Pace's leadership CRRA today is financially solid and transitioning to a new business model that will provide services at lower costs; and

WHEREAS, Mr. Pace has decided not to seek re-election in Old Saybrook, meaning he will no longer meet the statutory requirement for serving on the CRRA Board of Directors; and

WHEREAS, today, October 27, 2011, is the final meeting of the CRRA Board of Directors before the end of Mr. Pace's term as First Selectman of Old Saybrook; now

BE IT RESOLVED THAT the Connecticut Resources Recovery Authority Board of Directors extends its heartiest congratulations to Michael A. Pace for a job well done; and

BE IT FURTHER RESOLVED THAT the Connecticut Resources Recovery Authority Board of Directors wishes Mr. Pace success in all his future endeavors.

Director Martland said he has worked with Chairman Pace for many years. He said Chairman Pace is the best Chairman of a Board that he has ever been associated with.

Chairman Pace thanked the Board and management for their kindness. He said he has been fortunate to work with an exceptional crew of people through his years of service on the CRRA Board.

Mr. Kirk thanked Chairman Pace for his years of dedication. He said Chairman Pace has acted as a mentor to him, and also was instrumental in assisting him with gaining a better understanding of the mechanics of the public sector. Mr. Kirk said Senator Richard Blumenthal has provided a thank you letter for Chairman Pace which he then read onto the record. He said CRRA also has a plaque to thank Chairman Pace for his years of service and the member towns which make-up CRRA.

Mr. Kirk said many former Board members have come to the meeting to express their thanks and to honor Chairman Pace.

The motion previously made and seconded was approved unanimously by acclamation.

ADJOURNMENT

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

There being no other business to discuss, the meeting adjourned at 12:05 p.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Moira Benacquista", with a long horizontal flourish extending to the right.

Moira Benacquista
Board Secretary/Paralegal

TAB 2

**REGARDING THE ADOPTION OF
THE FISCAL YEAR 2013 SOUTHEAST PROJECT
OPERATING AND CAPITAL BUDGETS**

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

The Fiscal Year 2013
Southeast Project
Proposed Operating Budget

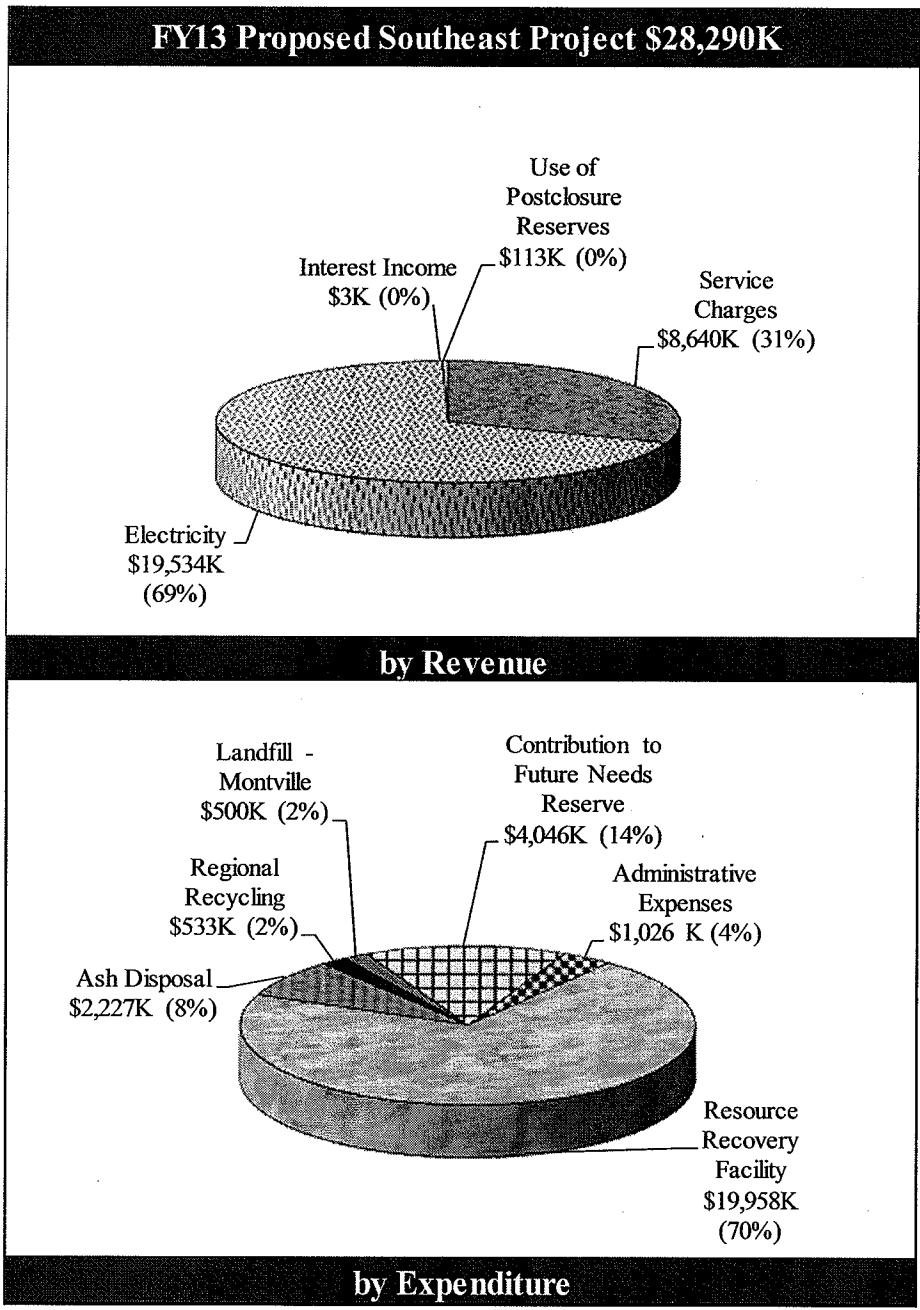
November 18, 2011

Attached are the proposed fiscal year 2013 Southeast Project operating and capital budgets, which include a five-year capital plan.

Over the last several years, the projections provided to the CRRRA Board and the SCRRRA Board have illustrated that the Southeast Project would begin to generate additional funds as a result of the increasing electricity contract rates. The fiscal year 2013 proposed budget reflects the continuation of increasing electricity rates. The fiscal year 2013 proposed budget includes a contribution to a future use reserve in excess of \$4.046M. The SCRRRA Board continues to review its options with regard to these and future surpluses.

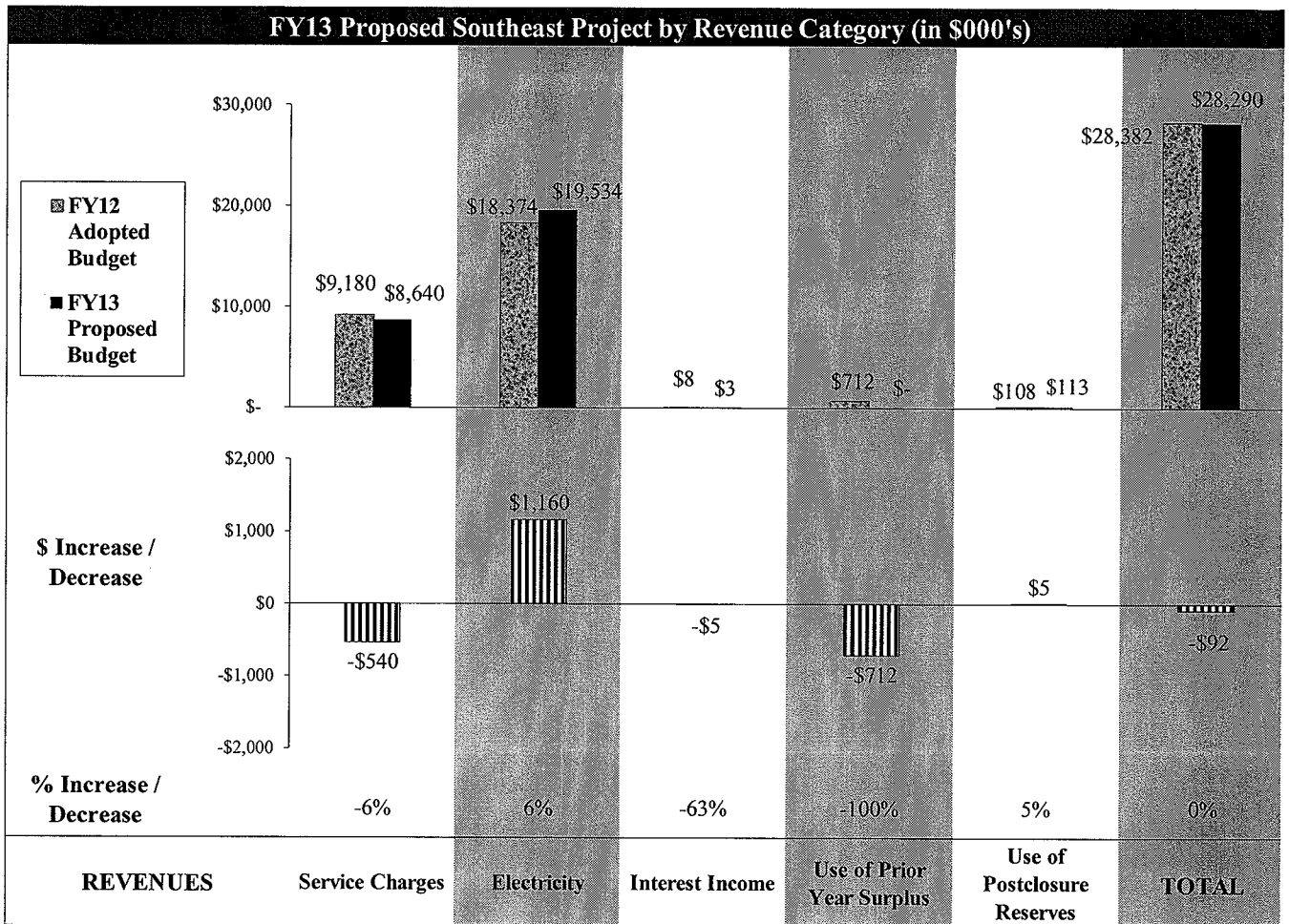
EXECUTIVE SUMMARY

- The fiscal year 2013 proposed operating budget reflects a decrease of \$92k or below 1% from fiscal year 2012 adopted budget.
- The fiscal year 2013 proposed municipal solid waste tip fee of \$60 per ton is based on a projected delivery of 144K tons, which is higher than fiscal year 2012 actual total delivery by 2%.



A. OPERATING BUDGET

The table below shows the budget changes by revenue category.



SERVICE CHARGES (Decrease of \$540k or 6%)

Revenues are from member, contract and spot deliveries.

- Member Deliveries

The fiscal year 2013 proposed tip fee revenue is lower than fiscal year 2012 adopted budget due to anticipated decrease in member deliveries.

- Contract Deliveries

CRRA currently has a contract with the town of Preston for waste deliveries. The town of Preston pays the member rate per their agreement.

- Spot Deliveries

Spot deliveries include waste diverted from other CRRA projects.

The fiscal year 2013 proposed revenue from spot deliveries is projected to be slightly higher than fiscal year 2012 adopted budget due to anticipated increase in spot deliveries.

ELECTRICITY (Increase of \$1,160K or 6%)

The fiscal year 2013 proposed electricity revenue assumes a higher kWh rate than in fiscal year 2012. The current electricity contract rate for fiscal year 2013 is \$0.2431 per kwh as compared to \$0.2286 in fiscal year 2012.

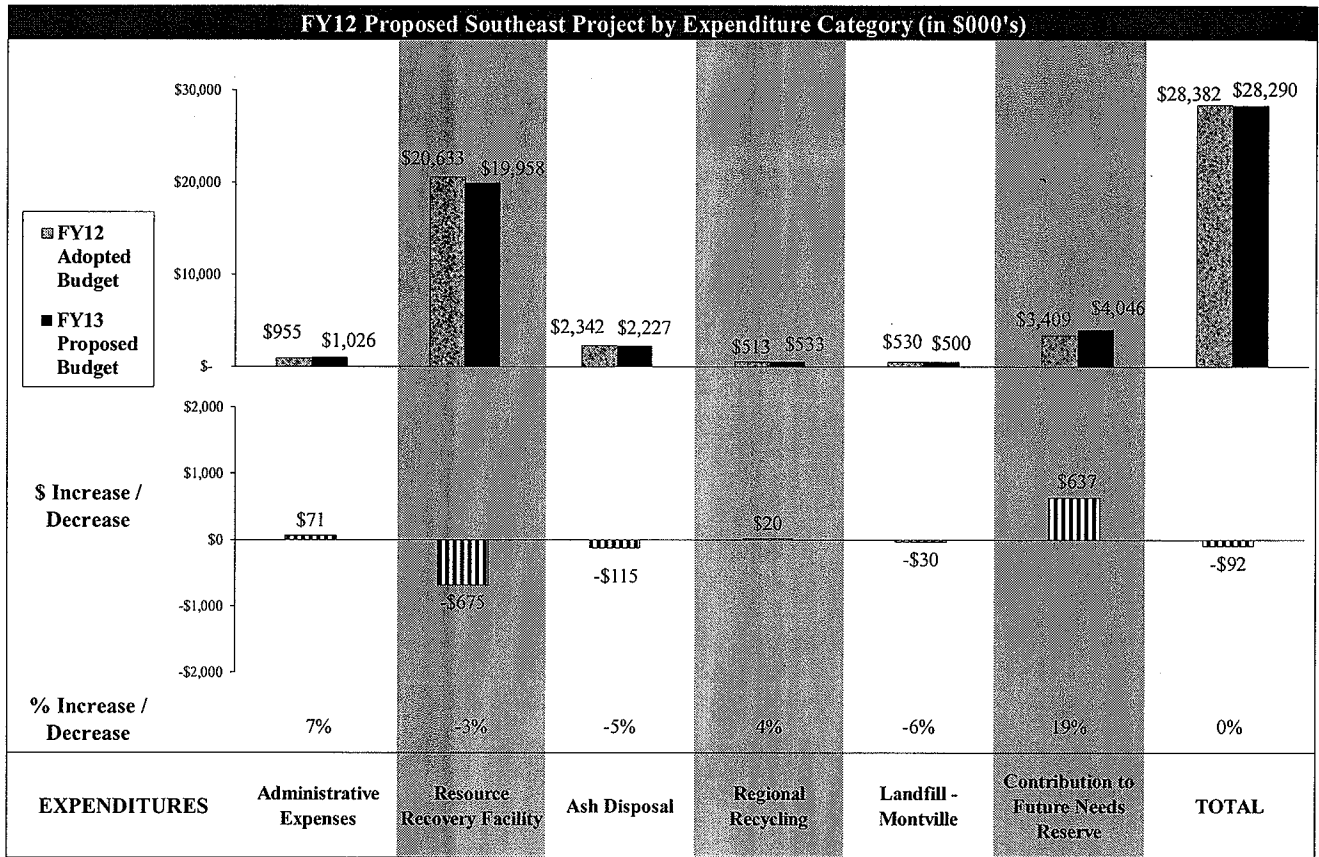
INTEREST INCOME (Decrease of \$5K or 63%)

The fiscal year 2013 proposed interest income is projected to be lower than fiscal year 2012 adopted budget due to anticipated decrease in interest rate. The proposed budget assumes an annual interest rate of 0.15%.

USE OF POST CLOSURE RESERVES (Increase of \$5K or 5%)

These funds are drawn from the post-closure reserve to pay for the operating maintenance costs associated with the 30-year care of the landfill. The fiscal year 2013 proposed costs are projected to be slightly higher than in fiscal year 2012. This is a restricted reserve under SCRRRA's oversight.

The table below shows the budget changes by expense category.



ADMINISTRATIVE EXPENSES (Increase of \$71K or 7%)

Administration Expenses include CRRA's salaries and overhead allocation, legal costs, and other miscellaneous administrative costs and SCRRRA's administrative costs.

The fiscal year 2013 proposed administrative expenses is higher than fiscal year 2012 adopted budget primarily due to an increase in local administration costs.

RESOURCE RECOVERY FACILITY (Decrease of \$675K or 3%)

Resource Recovery Facility expenditures include Debt Service, PILOT payments, insurance premiums, plant processing costs, offset by energy share.

The contract operating charges include both amounts paid to the plant operator to operate, maintain, and process wastes at the plant.

ASH DISPOSAL (Decrease of \$115K or 5%)

Ash Disposal expenditure reflects only the cost for ash disposal to Putnam.

The fiscal year 2013 proposed disposal fee is based on a blended rate of \$42.19 per ton. The new contract presented a better negotiated rate, which resulted in a lower disposal fee than fiscal year 2012 adopted blended rate of \$44.37 per ton.

REGIONAL RECYCLING (Increase of \$20K or 4%)

Regional Recycling expenditure includes administrative, overhead and other costs to cover for household hazardous waste collection, freon removal, fluorescent bulb disposal, and tire disposal.

LANDFILL-MONTVILLE (Decrease of \$30K or 6%)

SCRRRA expenditures include the cost for the 30-year post-closure monitoring of the landfill, mortgage payments associated with the landfill, and contributions to replenish the post-closure reserve. In fiscal year 2005, a portion of the post-closure funds were used to redeem the 1989 bonds, and the reserve has to be replenished. The fiscal year 2013 proposed budget includes a line item to replenish the post-closure reserve in the amount of \$350k.

CONTRIBUTION TO FUTURE NEEDS RESERVE (Increase of \$637K or 19%)

The fiscal year 2013 proposed contribution is increased due to the continuous impact of increased electricity revenues and prior year project surpluses.

B. CAPITAL BUDGET

The table below shows that there is no capital plan budget for fiscal years 2013 thru fiscal year 2017.

Expenditures	Adopted FY12	Proposed FY13	Projected FY14	Projected FY15	Projected FY16	Projected FY17
Resource Recovery Facility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Regional Recycling Facility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Funding Source	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional Funding Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Expense Description	Adopted FY12	Projected FY13	Projected FY14	Projected FY15	Projected FY16	Projected FY17
Resource Recovery Facility						
No Plans at this time	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Regional Recycling Facility						
No Plans at this time	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CRRA / SCRRRA - SOUTHEAST PROJECT

MEMBER TIP FEE

	ACTUAL FY11	ADOPTED FY12	PROPOSED FY13
Member Tip Fee MSW	\$ 60.00	\$ 60.00	\$ 60.00

BUDGET ASSUMPTIONS

ASSUMPTION	ACTUAL FY11	ADOPTED FY12	PROPOSED FY13
Average Contract Tip Fee MSW	\$ 60.00	\$ 60.00	\$ 60.00
CRRA Diversion Rate (<= 178k tons)	\$ 60.00	\$ 60.00	\$ 60.00
Average Price/Ton Company	\$ 38.76	\$ 45.00	\$ 46.13
DELIVERIES AND PROCESSING			
Member Waste	139,241	149,818	141,000
Contract Waste	1,598	1,386	1,000
CRRA Diversions	0	1,796	2,000
Total Authority Deliveries	140,839	153,000	144,000
Company/Spot/Merchant Waste	127,329	114,000	123,000
Municipal Solid Waste Deliveries	268,168	267,000	267,000
Waste Processed	267,230	267,000	267,000
POWER PRODUCTION			
kwh/Ton	496	525	492
Electric Power Produced (kwh)	132,449,517	140,175,000	131,364,000
Average Price/Kwh Sold	\$ 0.2162	\$ 0.2286	\$ 0.2431
ASH DISPOSAL			
Total Ash Generated	77,386	74,760	74,760
Authority Ash	62,379	52,790	52,790
Actual Ash Residue Rate	28.96%	28.00%	28.00%
Ash Disposal Cost/Ton	\$ 44.83	\$ 44.37	\$ 42.19
Ash Transport Cost (Credit)	\$ 6.29	\$ 6.39	\$ 6.75

PRIMARY CONTRACT EXPIRATIONS

CONTRACT	
Municipal Service Agreements with Towns	November 2015
Energy Purchase Agreement	February 2017
Resources Recovery Facility Operating Contract	November 2015
Ash Disposal Agreement	December 2016

CRRA / SCRRRA - SOUTHEAST PROJECT

REVENUE AND EXPENDITURE SUMMARY

REVENUES

ACCOUNT	DESCRIPTION	ACTUAL FY11	ADOPTED FY12	PROPOSED FY13
11-001-000-40101	Service Charges Solid Waste - Members	\$ 8,055,926	\$ 8,989,080	\$ 8,460,000
11-001-000-40102	Service Charges Solid Waste - Contracts	\$ 95,891	\$ 83,160	\$ 60,000
11-001-000-40103	Service Charges Solid Waste - Spot	\$ -	\$ 107,760	\$ 120,000
11-001-000-43101	Electricity	\$ 17,301,230	\$ 18,374,000	\$ 19,534,000
11-001-000-46101	Interest Income	\$ 17,416	\$ 8,000	\$ 3,000
11-001-000-48201	Use of Prior Year Surplus (a)	\$ -	\$ 712,201	\$ -
11-405-000-48601	Use of Postclosure Reserves (b)	\$ 109,375	\$ 107,500	\$ 112,500
	Total Revenues	\$ 25,579,839	\$ 28,381,701	\$ 28,289,500

EXPENDITURES

ACCOUNT	DESCRIPTION	ACTUAL FY11	ADOPTED FY12	PROPOSED FY13
11-001-501-xxxxx	Administrative Expenses	\$ 947,268	\$ 955,400	\$ 1,026,000
11-001-502-xxxxx	Debt Service/Administration	\$ 404,903	\$ -	\$ -
11-001-503-xxxxx	Resource Recovery Facility	\$ 18,041,245	\$ 20,633,000	\$ 19,958,000
11-001-504-xxxxx	Ash Disposal	\$ 2,437,881	\$ 2,342,000	\$ 2,227,000
11-001-506-xxxxx	Regional Recycling	\$ 471,360	\$ 512,900	\$ 532,500
11-001-910-xxxxx	Landfill - Montville	\$ 538,872	\$ 529,500	\$ 500,000
11-001-501-52644	Contribution to Future Needs Reserve	\$ 1,114,053	\$ 3,408,901	\$ 4,046,000
	Total Expenditures	\$ 23,955,582	\$ 28,381,701	\$ 28,289,500
	Balance	\$ 1,624,257 (c)	\$ -	\$ -

(a) As required by contract.

(b) Postclosure Reserve is restricted for SCRRRA use.

(c) FY11 Surplus was used in FY12 as a contribution to Future Needs Reserve.

CRRA / SCRRRA - SOUTHEAST PROJECT

EXPENDITURE DETAIL

ACCOUNT	DESCRIPTION	ACTUAL FY11	ADOPTED FY12	PROPOSED FY13
ADMINISTRATIVE EXPENSES				
11-001-501-52115	Advertising	\$ (1,600)	\$ -	\$ -
11-001-501-52355	Mileage Reimbursement	\$ 618	\$ 1,000	\$ 1,000
11-001-501-52856	Legal	\$ 4,211	\$ 50,000	\$ 50,000
11-001-501-52863	Auditor	\$ 6,250	\$ 20,000	\$ 20,000
11-001-501-52875	Insurance, Consulting, Brokerage Serv	\$ 4,500	\$ 4,000	\$ 4,000
11-001-501-57820	Local Administration	\$ 700,450	\$ 700,400	\$ 764,000
11-001-501-57872	Direct Labor & Overhead - Operational	\$ 232,839	\$ 180,000	\$ 187,000
	Subtotal	\$ 947,268	\$ 955,400	\$ 1,026,000
DEBT SERVICE / ADMINISTRATION				
11-001-502-55527	Interest-98 Series A	\$ 103,933	\$ -	\$ -
11-001-502-55560	Principal Repayment - 98 Series A	\$ 300,970	\$ -	\$ -
	Subtotal	\$ 404,903 (d)	\$ - (e)	\$ - (e)
RESOURCES RECOVERY FACILITY				
11-001-503-52507	Payments in Lieu of Taxes	\$ 772,684	\$ 808,000	\$ 846,000
11-001-503-52640	Insurance Premiums	\$ 23,024	\$ 36,000	\$ 37,700
11-001-503-52701	Contract Operating Charges	\$ 17,245,537	\$ 19,789,000	\$ 19,074,300
	Subtotal	\$ 18,041,245	\$ 20,633,000	\$ 19,958,000
ASH DISPOSAL				
11-001-504-52711	Disposal Fees-Ash	\$ 2,437,881	\$ 2,342,000	\$ 2,227,000
	Subtotal	\$ 2,437,881	\$ 2,342,000	\$ 2,227,000
REGIONAL RECYCLING				
11-001-506-52701	Contract Operating Charges	\$ 471,360	\$ 512,900	\$ 532,500
	Subtotal	\$ 471,360	\$ 512,900	\$ 532,500
LANDFILL - MONTVILLE				
11-405-910-52645	Postclosure Expense (Contract Operating Charges)	\$ 109,375	\$ 107,500	\$ 112,500
11-001-910-52650	Postclosure Reserve Contribution	\$ 350,004	\$ 350,000	\$ 345,500
11-001-910-52709	Other Operating Charges (Mortgage)	\$ 79,493	\$ 72,000	\$ 42,000
	Subtotal	\$ 538,872	\$ 529,500	\$ 500,000

(d) The FY11 Debt Service budget was \$883k. After the December 2010 bond refinancing the Project realized a debt service savings of \$479k, which represents a Project equity repayment of \$323k and an interest savings of approximately \$156k.

(e) The Debt Service budget would have been approximately \$880k annually had the 2010 bond refunding not occurred. Subsequent to the refunding this expense was eliminated from the budget. The reduction in debt service payment represents a Project equity repayment of approximately \$700k and an interest saving of approximately \$180k.

CRRA / SCRRRA - SOUTHEAST PROJECT

Exhibit A - Service Fee to Facility Operator

DESCRIPTION	ACTUAL FY11	ADOPTED FY12	PROPOSED FY13
Debt Service (DS)			
Project Bond DS (100%)	\$ 6,361,321	\$ 6,230,000	\$ 6,498,300
Interest Earnings on Project Bonds	\$ (25,533)	\$ 1,000	\$ -
Trustee Fees on Project Bonds	\$ 22,000	\$ 23,000	\$ 23,000
Subtotal	\$ 6,357,787 (f)	\$ 6,254,000 (g)	\$ 6,521,300 (h)
Base Operating Charge (BOC)	\$ 10,649,106	\$ 10,826,000	\$ 11,142,000
Pass Through (PT)			
Water	\$ 376,547	\$ 396,000	\$ 396,000
Electricity	\$ 121,419	\$ 130,000	\$ 130,000
Administration (Billing & Clerical)	\$ 13,000	\$ 13,000	\$ 13,000
Residue Transportation	\$ 239,186	\$ 307,000	\$ 356,000
Discriminatory Taxes	\$ 401,551	\$ 379,000	\$ 415,000
Insurance	\$ 52,450	\$ 58,000	\$ 60,000
Ferrous Recovery	\$ 649,957	\$ 500,000	\$ 1,055,000
Mercury Control	\$ 99,135	\$ 96,000	\$ 100,000
Convex UCC - QEI	\$ 4,038	\$ 4,000	\$ 4,500
SNCR O&M	\$ 115,043	\$ 15,000	\$ 120,000
Other (lime, interconnect maint.)	\$ 2,826	\$ 30,000	\$ 67,500
Subtotal	\$ 2,075,151	\$ 1,928,000	\$ 2,717,000
Other Adjustments			
Energy Share (ES)	\$ (17,244,473)	\$ (18,374,000)	\$ (19,534,000)
Energy Makeup Allowance (EMU)	\$ 81,947	\$ 41,000	\$ -
Curtailment Sales	\$ (75,117)	\$ (103,000)	\$ (100,000)
Federal Tax Law Surcharge (FTLS)	\$ 1,062,179	\$ 1,080,000	\$ 1,111,000
Landfill Costs (TG - 195,520) (LC)	\$ (570,996)	\$ (143,000)	\$ (148,000)
Other Waste Share (OWS)	\$ 1,022,549	\$ 943,000	\$ (1,219,000)
(\$30 * OEF * (CRRAW > TG))	\$ -	\$ -	\$ -
Prorated Acceptable Waste Surcharge	\$ (1,029,627)	\$ (1,037,000)	\$ (950,000)
Subtotal	\$ (16,753,537)	\$ (17,593,000)	\$ (20,840,000)
SERVICE FEE =	\$ 2,328,508	\$ 1,415,000	\$ (459,700)

(f) The Adopted FY 11 budget prior to the December 2010 bond refunding was approximately \$6.95M. The refunding saved approximately \$600k.

(g) The FY 12 budget was adopted prior to the December 2010 bond refunding and reflected an estimate of the post refunding debt service. The actual debt service for FY 12 is approximately \$6.45M. Had the refunding not occurred the debt service would have been approximately \$7.0M, thereby saving the Project approximately \$550k.

(h) Had the refunding not occurred the debt service would have been approximately \$7.0M.

CRRA / SCRRRA - SOUTHEAST PROJECT

Exhibit B - SCRRRA Administrative Budget

DESCRIPTION	ACTUAL FY11	ADOPTED FY12	PROPOSED FY13
Salaries	\$ 223,521	\$ 257,100	\$ 288,000
Benefits and Taxes	Incl. Above	Incl. Above	Incl. Above
Expenses			
Executive Director	Incl. Above	Incl. Above	Incl. Above
Professional Services			
Attorney Fees	\$ 69,139	\$ 35,000	\$ 40,000
CPA Audit	\$ 27,152	\$ 19,900	\$ 20,500
Lobbyist	\$ 20,000	\$ -	\$ 20,000
Contractual Services			
Insurance			
General Liability	\$ 19,770	\$ 25,000	\$ 25,000
Commercial Property	\$ 18,442	\$ 17,500	\$ 20,000
Commercial Umbrella	\$ 8,320	\$ 12,000	\$ 10,000
	\$ 46,532	\$ 54,500	\$ 55,000
Personnel Bond	\$ -	\$ 250	\$ -
Worker's Compensation	\$ 858	\$ 1,500	\$ 1,500
Postage Meter	\$ 1,058	\$ 1,000	\$ 1,200
Postage Fees	\$ 1,352	\$ 1,500	\$ 1,500
Computer Maintenance	\$ 2,325	\$ 2,400	\$ 2,400
Copy Machine	\$ 1,330	\$ 1,250	\$ 1,400
Scholarships	\$ -	\$ 5,000	\$ 5,000
Refreshments - Meetings	\$ 2,363	\$ 2,500	\$ 2,500
Telephone	\$ 8,041	\$ 8,500	\$ 8,500
Internet Service	\$ 384	\$ 500	\$ 500
Bank & Payroll Service Charges	\$ 2,792	\$ 1,500	\$ 3,000
Commodities			
Office Supplies	\$ 3,521	\$ 3,000	\$ 3,000
Equipment			
Computers/Software	\$ 3,607	\$ 5,000	\$ 5,000
Computers/Hardware	\$ -	\$ 2,500	\$ 2,500
Office Equipment/Copier	\$ -	\$ 2,500	\$ 2,500
Others			
Contingencies	\$ 40,982	\$ 15,000	\$ 20,000
LN Installation Payment to Covanta	\$ 530,000	\$ -	\$ -
Bond Refinancing Contribution	\$ 3,617,064	\$ -	\$ -
Transportation Subsidy	\$ 263,115	\$ 280,000	\$ 280,000
SCRRRA Administrative Budget	\$ 4,865,136	\$ 700,400	\$ 764,000
Use of Retained Earnings	\$ -	\$ -	\$ -
Net SCRRRA Administrative Budget	\$ 4,865,136	\$ 700,400	\$ 764,000
Contribution to Future Use Reserve	\$ 1,114,053	\$ 3,408,901	\$ 4,046,000

CRRA / SCRRRA - SOUTHEAST PROJECT

Exhibit C - SCRRRA Recycling Budget

<u>DESCRIPTION</u>	<u>ACTUAL FY11</u>	<u>ADOPTED FY12</u>	<u>PROPOSED FY13</u>
Salaries	\$ 92,610	\$ 106,100	\$ 101,000
Benefits and Taxes	Incl. Above	Incl. Above	Incl. Above
Operating Expenses			
Telephone	\$ 2,554	\$ 2,500	\$ 2,750
Publicity	\$ 38,830	\$ 41,500	\$ 41,500
Bank & Payroll Service Charges	\$ 1,095	\$ 1,300	\$ 1,000
Office Supplies	\$ 307	\$ 1,000	\$ 750
Office Equipment	\$ -	\$ 1,000	\$ 1,000
Trash Disposal	\$ -	\$ 90,000	\$ 90,000
Compost Bins	\$ -	\$ 20,000	\$ 15,000
HHW Collection	\$ 168,485	\$ 175,000	\$ 175,000
Electronics Recycling	\$ 27,493	\$ -	\$ -
Ledyard Building Lease	\$ 11,000	\$ 12,000	\$ 12,000
Freon Removal	\$ 24,143	\$ 35,000	\$ 35,000
Fluorescent Bulb Disposal	\$ 3,348	\$ 7,500	\$ 7,500
Tire Disposal	\$ -	\$ -	\$ 40,000
Contingencies	\$ 3,784	\$ 20,000	\$ 10,000
SCRRRA Recycling Budget	<u>\$ 373,648</u>	<u>\$ 512,900</u>	<u>\$ 532,500</u>
Use of Retained Earnings	\$ -	\$ -	\$ -
HHW Revenue - Non-member	\$ 27,720	\$ -	\$ -
Compost Bin Revenue	<u>\$ 3,765</u>	<u>\$ -</u>	<u>\$ -</u>
Net SCRRRA Administrative Budget	\$ 342,163	\$ 512,900	\$ 532,500

CRRA / SCRRRA - SOUTHEAST PROJECT

Exhibit D - SCRRRA Landfill Budget (Postclosure)

<u>DESCRIPTION</u>	<u>ACTUAL FY11</u>	<u>ADOPTED FY12</u>	<u>PROPOSED FY13</u>
Contract Operating Charges	\$ 91,386	\$ 107,500	\$ 112,500
Mortgage	\$ 72,736	\$ 72,000	\$ 42,000
Postclosure Reserve Contribution	\$ 350,000	\$ 350,000	\$ 345,500
Subtotal	\$ 514,123	\$ 529,500	\$ 500,000

TAB 3

**RESOLUTION REGARDING THREE-YEAR PUBLIC RELATIONS SERVICES
AGREEMENTS**

RESOLVED: That the President is hereby authorized to execute, deliver, and perform on behalf of this Authority, Public Relations Services Agreements as were substantially set forth in the Request for Qualifications dated September 26, 2011, for a period of three years commencing on January 1, 2012, and terminating on December 31, 2014, with the firms listed below. All firms will provide services “on call.”

Strategic Persuasion Group LLC

Connecticut Economic Resource Center, Inc.

Coursey & Company

Duby McDowell Communications, LLC

**Connecticut Resources Recovery Authority
Contract Summary for Contract Entitled**

PUBLIC RELATIONS SERVICES AGREEMENT

Presented to the CRRA Board on:	November 17, 2011
Vendor/Contractor:	Strategic Persuasion Group LLC
Effective date:	January 1, 2012
Term:	January 1, 2012, through December 31, 2014
Contract type/subject matter:	Agreement to provide public relations and related services
Facilities affected:	All
Original contracts:	December 1, 2007, through December 30, 2008; January 1, 2009, through December 31, 2011
Contract dollar value:	No dollar value
Scope of services:	Media strategy and training services; earned media services; message development and issues management services; community relations and public events management services; photography, graphic design, web design and related services; and video production and related services.
Other pertinent provisions:	None

**Connecticut Resources Recovery Authority
Contract Summary for Contract Entitled**

PUBLIC RELATIONS SERVICES AGREEMENT

Presented to the CRRA Board on: November 17, 2011

Vendor/Contractor: Connecticut Economic Resource Center, Inc.

Effective date: January 1, 2012

Term: January 1, 2012, through December 31, 2014

Contract type/subject matter: Agreement to provide public relations and related services

Facilities affected: All

Original contracts: December 1, 2007, through December 30, 2008;
January 1, 2009, through December 31, 2011

Contract dollar value: No dollar value

Scope of services: Media strategy and training services; earned media services; message development and issues management services; community relations and public events management services; photography, graphic design, web design and related services; video production and related services; advertising services; and interactive marketing services.

Other pertinent provisions: None

**Connecticut Resources Recovery Authority
Contract Summary for Contract Entitled**

PUBLIC RELATIONS SERVICES AGREEMENT

Presented to the CRRA Board on:	November 17, 2011
Vendor/Contractor:	Coursey & Company
Effective date:	January 1, 2012
Term:	January 1, 2012, through December 31, 2014
Contract type/subject matter:	Agreement to provide public relations and related services
Facilities affected:	All
Original contracts:	None
Contract dollar value:	No dollar value
Scope of services:	Media strategy and training services; earned media services; message development and issues management services; and community relations and public events management services.
Other pertinent provisions:	None

Contract Summary for Contract Entitled
PUBLIC RELATIONS SERVICES AGREEMENT

Presented to the CRRRA Board on:	November 17, 2011
Vendor/Contractor:	Duby McDowell Communications, LLC
Effective date:	January 1, 2012
Term:	January 1, 2012, through December 31, 2014
Contract type/subject matter:	Agreement to provide public relations and related services
Facilities affected:	All
Original contracts:	None
Contract dollar value:	No dollar value
Scope of services:	Media strategy and training services; earned media services; message development and issues management services; and community relations and public events management services.
Other pertinent provisions:	None

Connecticut Resources Recovery Authority

Three-Year Public Relations Services Agreements with Strategic Persuasion Group LLC, Connecticut Economic Resource Center, Inc., Coursey & Company and Duby McDowell Communications, LLC

November 17, 2011

Executive Summary

This is to request approval of the CRRA Board of Directors for the President to enter into three-year agreements with Strategic Persuasion Group LLC, Connecticut Economic Resource Center, Inc., Coursey & Company and Duby McDowell Communications, LLC, to provide public relations and related services for CRRA and its solid waste projects.

Discussion

From time to time, CRRA requires the use of contractors to provide public relations and related services beyond the scope of what staff can provide. For example, when CRRA wanted to launch junk-mail recycling in the Mid-Connecticut Project, outside counsel helped us develop a radio public-awareness campaign, which helped increase recycling rates and enhance CRRA's image. Outside counsel also helped us maximize the public-perception value of our closing the Hartford landfill by helping us to produce a closing-day event which was covered by all four of the state's major television outlets and have provided assistance necessary for CRRA to promote its electronics recycling collections and other recycling services in Spanish-language media.

CRRA has had a relationship with William R. Neagus, the principal of Strategic Persuasion Group ("SPG"), since January 1, 2006, when he was managing partner of another firm CRRA had under contract. When he started his own firm in 2007, CRRA terminated its contract with the previous firm and signed a contract with SPG. When CRRA issued a Request for Qualifications ("RFQ") for these services in 2008, SPG competed for and received a three-year contract, which was approved by the CRRA Board of Directors on November 20, 2008.

The Board also approved on that date three-year contracts for public relations and related services with the Connecticut Economic Resource Center ("CERC") and Pita Communications LLC (now known as The Pita Group)..

With the expiration of those contracts approaching, CRRA issued an RFQ on September 26, 2011. The RFQ was posted on the websites of the Connecticut Department of Administrative Services and CRRA, and was advertised in the (Bridgeport) *Connecticut Post*, *Hartford Courant*, *The (New London) Day*, *Waterbury Republican-American*, *LaVoz Hispana de Connecticut* and the *Northeast Minority News*. Notice of the RFQ was also circulated through various social media.

The RFQ's Scope of Services included

- media strategy and training;

- earned media;
- community relations and public events management;
- message development and issues management;
- photography, graphic design, web design and related services;
- video production and related services;
- advertising; and
- interactive marketing.

Four firms responded to the RFQ: SPG, CERC, Coursey & Company and DUBY McDowell Communications, LLC.

Because of CRRA's existing relationships with SPG and CERC, management decided interviews with those firms were not necessary. Two other firms – Coursey & Company and DUBY McDowell Communications, LLC, were interviewed on October 24, 2011. After consideration of the firms' qualifications and information gathered in interviews, as well as experience with the firms and their personnel, management recommends offering three-year contracts to Strategic Persuasion Group LLC, Connecticut Economic Resource Center, Inc., Coursey & Company and DUBY McDowell Communications, LLC.

Financial Summary

These contracts carry no dollar value, but as part of the RFQ process all firms submitted compensation schedules (included with this resolution) which have been included in their respective agreements and were considered while evaluating each firm.

It has been and will continue to be CRRA's practice to use such firms judiciously.

TAB 4

**RESOLUTION REGARDING A CONTRACT WITH THE
CONNECTICUT DEPARTMENT OF ENERGY AND
ENVIRONMENTAL PROTECTION FOR REIMBURSEMENT
OF COSTS ASSOCIATED WITH ANNUAL STACK TESTING
AT THE MID-CT RRF FOR CALENDAR YEAR 2012**

RESOLVED: That the President is hereby authorized to enter into a contract with the Connecticut Department of Energy and Environmental Protection for reimbursement of costs associated with the annual stack testing at the Mid-Connecticut RRF for calendar year 2012, substantially as discussed and presented at this meeting.

Connecticut Resources Recovery Authority

Contract Summary for Contract entitled

Reimbursement for Costs Associated with Annual Stack Testing at the Mid-Connecticut RRF for CY 2012

Presented to the CRRA Board on: November 17, 2011

Vendor/ Contractor(s): Connecticut Department of Energy and Environmental Protection

Effective date: Upon Approval

Contract Type/Subject matter: Reimbursement for costs associated with annual stack testing at the Mid-Connecticut RRF for calendar year 2012.

Facility (ies) Affected: Mid-Connecticut RRF

Original Contract: Original Contract

Term: One (1) Year – From Approval through October 10, 2012

Contract Dollar Value: \$89,177.00 (Revenue)

Amendment(s): Not applicable

Term Extensions: Not applicable

Scope of Services: Upon completion of the annual stack testing and documentation of the subcontractor selection process and all expenses incurred in the testing, analysis and report preparation, the CT Department of Energy and Environmental Protection will reimburse CRRA for these expenses up to a total of \$89,177.00 for calendar year 2012.

Other Pertinent Provisions: None

Connecticut Resources Recovery Authority Mid-Connecticut Resource Recovery Facility

Reimbursement for Costs Associated with Annual Stack Testing at the Mid-Connecticut RRF for CY2012

November 17, 2011

Executive Summary

CRRA is required by R.C.S.A. Section 22a-174-38 to conduct annual air emissions performance testing at the Mid-Connecticut Resource Recovery Facility (RRF). The CT Department of Energy and Environmental Protection (DEEP) has offered to enter into a contract with the owners of facilities to whom this regulation applies for reimbursement of the cost of performing this testing.

This is to request that the Board of Directors approve this contract with DEEP for reimbursement of costs associated with the annual air emissions performance testing for upcoming calendar year 2012.

Discussion

Beginning in calendar year 2001, owners of municipal waste combustors have been required to conduct annual air emission performance testing in order to demonstrate compliance of their facilities with the emission limits found in R.C.S.A. Section 22a-174-38(c). CRRA conducts a competitive bidding process to select a qualified stack test firm to perform this testing at the Mid-Connecticut RRF. The selected firm prepares a test plan, which is approved by DEEP, and performs the testing each year in the month of May. The stack-testing firm, in turn, utilizes a certified analytical laboratory to determine the emissions of the facility and reports these values to DEEP.

In May 2011 CRRA issued an RFP to identify a firm to conduct emissions testing at the Mid-Connecticut RRF for three years: calendar years 2012, 2013 and 2014. On July 7, 2011 the Board of Directors approved a contract with CK Environmental Inc. to perform this testing.

Following testing in May of each year, CRRA submits its claim to DEEP for reimbursement of the emissions testing costs per the terms of the DEEP contract, and based on the amount billed by the testing contractor. Assuming a timely reimbursement by DEEP, at the end of the term of this contract (October 10, 2012) there should be no net cost incurred by CRRA for emissions testing.

For your information, in the past two years CRRA has paid its emissions testing contractor approximately \$60,000 per year. This emissions testing cost is included in the Mid-Connecticut Project operating budget each year; specifically, it is contained within the "Environmental Testing" account line item within the Power Block Facility expenditure detail.

(DEEP may or may not offer a contract for reimbursement for testing costs in subsequent years (CY2013 and beyond), but if one is offered, CRRA will present it to CRRA's Board of Directors for consideration.)

Financial Summary

This contract is for reimbursement (revenue) of money spent by CRRA for RRF emissions testing. Reimbursement by DEEP for these costs results in no net expense for this activity, provided that the cost of testing does not exceed \$89,177.00 for the one-year period. The funds used by DEEP for this reimbursement come from the \$1.50 per ton Solid Waste Assessment levied on each of the waste-to-energy facilities in the state for each ton that is processed by the facility.

Although CRRA contracts with an emissions testing contractor for a fixed price, the price does not include costs for unforeseen or uncontrollable events that are not the result of the contractor, such as bad weather or an unscheduled facility outage. The DEEP has a formula that allows them to reimburse for such contingencies, which contingency (if necessary) is included within, and would not exceed, the one-year total of \$89,177.00.

TAB 5

**RESOLUTION REGARDING NERC BULK ELECTRIC RELIABILITY
STANDARDS COMPLIANCE SUPPORT SERVICES AGREEMENT**

RESOLVED: That the President is hereby authorized to increase, in the amount of \$8,000, the contract with SAIC Energy, Environmental & Infrastructure, LLC for professional services supporting CRRA's compliance activities associated with the NERC Bulk Electric Reliability Standards, substantially as presented and discussed at this meeting.

Agreement Summary

Mid-Connecticut Resource Recovery Transition Support Services

Presented to the CRRRA Board on	November 17, 2011
Facility	Mid-Connecticut Resource Recovery Facility
Contract	Contract No. 124106
Contractor	SAIC Energy, Environmental & Infrastructure, LLC
Term	July 1, 2011 – June 30, 2012
Term Extensions	None
Contract Type/Subject matter	NERC Bulk Electric Reliability Standards professional consulting services
Scope of Services	Consultant shall provide CRRRA on an as needed assignment basis, professional services related to compliance with the NERC Bulk Electric Reliability Standards.
Contractor Compensation	Billable hour rate structure.
Contract Value	Initial FY 2012 contract amount is \$10,000. This approval will increase the amount to \$18,000.
Budget Status	Funds necessary to cover the \$8,000 in additional compliance activities are contained in the FY 2012 budget line item for Power Block Facility Consulting Services line item.
Other Pertinent Provisions	SAIC was engaged as a contractor with Special Capability pursuant to section 3.1.2.5 of CRRRA's Procurement Policies & Procedures; accordingly, Contract No 124106 was awarded as an exception to the competitive process.

Connecticut Resources Recovery Authority Mid-Connecticut Project

Agreement for North American Electric Reliability Corporation ("NERC") Compliance Support Services

November 17, 2011

Executive Summary

CRRA entered into an agreement effective July 1, 2011 with SAIC Energy, Environmental & Infrastructure, LLC (SAIC) to provide professional support related to CRRA's compliance with the North American Electric Reliability Corporation ("NERC") Bulk Electric Reliability Standards ("Standards"). While NERC is a self-regulatory organization (non-governmental organization), it is subject to oversight by the U.S. Federal Energy Regulatory Commission ("FERC") and governmental authorities in Canada. On June 18, 2007 FERC granted NERC the legal authority to create, adopt and enforce mandatory reliability standards with all U.S. users, owners and operators of the bulk power system. SAIC (formerly R.W. Beck Engineering) was instrumental in assisting CRRA in developing its Standards compliance program and provided support to CRRA during CRRA's 2008 compliance audit. They continued to provide NERC compliance support services to CRRA in subsequent years. At this time CRRA does not have a three year services agreement with SAIC (they did not respond to CRRA's 2010 RFQ for engineering services due to an administrative oversight) and is therefore, because of their experience with CRRA in this area, engaging SAIC as a contractor with special capability pursuant to Section 3.1.2.5 of CRRA's Procurement Policies & Procedures; accordingly, the contract was awarded as an exception to the competitive process.

CRRA Management is seeking Board approval to increase the FY 2012 appropriation from \$10,000 to \$18,000. This request for additional Standards compliance funding comes as a result of compliance requirements that were not known to CRRA at the time the original appropriation for support services was established.

Discussion

The FY 2012 budget for Standards compliance support services was based on the CRRA's Operations Department best estimate regarding the level of support CRRA would need in order to comply with nine (9) Standards encompassing seventeen (17) reporting requirements applicable to CRRA-owned power generation assets. On July 7, 2011 CRRA received from the Northeast Power Coordinating Council, Inc. ("NPCC") a "Culture of Compliance Survey". NPCC is the Northeast regional entity delegated with enforcing Standards compliance. The

deadline for CRRA's responses to the survey was August 8, 2011. Given the nature and scope of the survey, CRRA elicited the help of SAIC to assist in preparing survey responses. As a result of this unforeseen and additional compliance expenditure there will likely be insufficient funding to support Standards compliance activities for the remainder of the fiscal year. Accordingly, CRRA management is requesting supplemental funding at this time.

Financial Summary

The FY 2012 budget appropriation for Power Block Facility Engineering Consultant Services (the budget line item from which funding is drawn for Standards compliance support services) contains sufficient funds to cover this expenditure.

TAB 6



100 Constitution Plaza, 6th Floor
Hartford, CT 06103
Telephone: 860-757-7771 Fax: 860-727-4141

**PAUL NONNENMACHER
DIRECTOR OF PUBLIC AFFAIRS**

MEMORANDUM

To: CRRA Board of Directors

From: Paul Nonnenmacher

Date: November 11, 2011

Re: Municipal Government Liaison Services Agreement

Recently there was some confusion over our solicitation for these services. This summer, operating under the assumption that our current contract for these services was about to expire, we issued a Request for Proposals to provide these services, and, after evaluating the two responses to this RFP we received, recommended the awarding of a new contract for same. Prior to seeking the Board's approval for this new contract, as required in the CRRA Procurement Policies & Procedures, we discovered that our original assumption was wrong and CRRA held an option to extend the agreement for another year, and management withdrew its request for Board action on this contract.

As you know, Connecticut General Statutes Section 1-101bb prohibits state and quasi-public agencies including CRRA from retaining a lobbyist. The Board therefore expressed concerns regarding the propriety of CRRA's contracting for any services from a firm that employs registered lobbyists.

While it is true that the firm that holds the existing contract to provide these services does employ registered lobbyists, and it is true that management was recommending the new contract be awarded to the same firm, management has taken careful steps to ensure that this contract leads to no actual or even implicit violation of Section 1-101bb:

- The Scope of Services in the existing contract and in the RFP includes this language: **“Since Connecticut statutes prohibit CRRA from retaining contract lobbyists, Consultant would be strictly prohibited from performing any legislative lobbying on CRRA’s behalf.”**
- Management sought the advice of the Office of State Ethics as to whether Section 1-101bb precludes the contracting of Municipal Government Liaison Services (letter attached). OSE's response (attached) affirmed CRRA's ability to award this contract, stating
 - “§ 1-101bb does not preclude the Authority from contracting for municipal services with a law firm which provides lobbying services to other clients (but not to the Authority)” and
 - “this office has previously provided general guidance in a staff opinion concluding that § 1-101bb does not prohibit a state or quasi-public agency from hiring an individual who happens to be a communicator lobbyist for other entities to perform non-lobbying services.”
- In any and all consultations with the contractor on any matter that may involve legislative action, both CRRA and the contractor are constantly mindful of the statutory prohibition and vigilant about ensuring that none of the services provided even approaches said prohibition. Both

management and the contractor are jealous of their public perceptions and zealous in guarding them.

In general, management is loath to spend money unless it is necessary. Managing relationships with the 96 cities and towns that contract with CRRA to dispose of their trash and recyclables, and in particular the communities that host CRRA facilities, is a challenge in even the best of circumstances. The fractious nature of some of those relationships adds to that challenge, and for these reasons management believes contracting for Municipal Government Liaison Services is essential and respectfully requests the Board approve the one-year extension of the existing contract for these services.



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FAX (860) 727-4141

October 7, 2011

Office of State Ethics
18-20 Trinity Street
Suite 205
Hartford, CT06106-1660

Re: Request for Staff Letter

Dear Sir/Madam:

I am writing to request a staff letter with respect to (2) questions concerning the following fact pattern.

Pursuant to Connecticut General Statutes Section 1-101bb (the "Prohibition"), Connecticut Resources Recovery Authority (the "Authority") is prohibited from retaining a lobbyist. The Authority routinely contracts for legal services with law firms that also provide lobbying services to other clients (but not to the Authority). The Authority also has a contract with one such law firm for municipal government liaison services ("Municipal Services"); the contractual scope of the Municipal Services is attached hereto for reference. All of the subject contracts, whether for legal services or Municipal Services, contain the following provision:

"Lobbying and Paying Finder's Fees

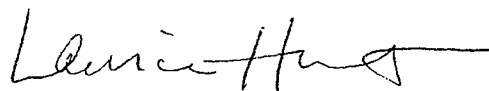
Pursuant to the *Connecticut General Statutes*, CRRA is prohibited from retaining or hiring a lobbyist as defined in Section 1-91 of the *Connecticut General Statutes* or paying a finder's fee for any services provided to CRRA. Therefore, [contract counterparty] shall not provide CRRA any lobbying services, or receive, pay, or distribute any finder's fees under this Agreement."

Our specific questions are as follows:

1. Does the Prohibition preclude the Authority from contracting for legal services with a law firm which provides lobbying services to other clients (but not to the Authority)?
2. Does the Prohibition preclude the Authority from contracting for Municipal Services with a law firm which provides lobbying services to other clients (but not to the Authority)?

Thank you for your prompt attention to this matter. Should you require any additional information, please do not hesitate to call.

Very truly yours,

A handwritten signature in black ink, appearing to read "Laurie Hunt". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Laurie Hunt
Director of Legal Services

2298778/3

SCOPE OF SERVICES

Consultant shall, as requested by CRRA, provide to CRRA municipal government advisor services which will include, but not be limited to, the following:

- (a) Provide CRRA with insight and outreach relative to CRRA and its interactions with municipalities that are currently and/or that may become hosts to CRRA facilities and pertinent or related groups and organizations that are and/or may become affected by CRRA facilities. Such services will be designed to assist CRRA in achieving certain critical goals as well as developing and enhancing relationships with CRRA's host communities. CRRA estimates these services will consume between 30 and 35 hours per month.
- (b) Act as a community liaison for CRRA to provide counsel and outreach to current and/or potential host communities in connection with local issues in the community(s) and the state of Connecticut in general.
- (c) Recommend to CRRA ways to improve outreach to the current and/or potential host communities and provide other opportunities for outreach.
- (d) Provide counsel to CRRA to assist CRRA with its critical goals in the current and/or potential host communities as well as develop and enhance CRRA's relationships with its current and/or potential host communities.

Since Connecticut statutes prohibit CRRA from retaining contract lobbyists, Consultant would be strictly prohibited from performing any legislative lobbying on CRRA's behalf.



STATE OF CONNECTICUT

OFFICE OF STATE ETHICS

October 27, 2011

Laurie Hunt
Director of Legal Services
Connecticut Resources Recovery Authority
100 Constitution Plaza, 6th Floor
Hartford, CT 06103-1722

Re: Request for Staff Letter

Dear Ms. Hunt:

I am writing in response to your October 7, 2011 request for opinion, received by this office on October 14, 2011, regarding the applicability of General Statutes § 1-101bb to the Connecticut Resources Recovery Authority ("Authority"). Specifically, you asked whether § 1-101bb precludes the Authority from contracting for legal services with a law firm which provides lobbying services to other clients (but not to the Authority), and whether the same section precludes the Authority from contracting for municipal services with a law firm which provides lobbying services to other clients (but not to the Authority).

Pursuant to § 1-101bb, "[n]o quasi-public agency, as defined in section 1-120, or state agency may retain a lobbyist, as defined in section 1-91. The provisions of [chapter 10] shall not be construed to prohibit a director, officer or employee of a quasi-public agency or state agency from lobbying, as defined in section 1-91, on behalf of the quasi-public agency or state agency."

Advisory Opinion No. 2003-7 is relevant to the questions asked. First, as noted in the opinion, pursuant to §§ 1-81 (a) (3) and 1-92 (e) of the General Statutes, the authority to issue advisory opinions by this office, which is the successor agency to the former State Ethics Commission ("Commission"), is specifically limited to Part I, The Code of Ethics For Public Officials, and Part II, The Code of Ethics for Lobbyists. No such authority currently exists with regard to Part III, Miscellaneous Provisions, in which § 1-101bb is codified.¹ Nevertheless, this office is able to provide general guidance since the application of § 1-101bb rests on an interpretation of the term "lobbyist," as defined in § 1-91 of the Code of Ethics for Lobbyists.²

¹ The Commission requested that the General Assembly adopt an amendment to extend its interpretative authority to Part III of Chapter 10 of the General Statutes. The Office of State Ethics also has included such amendment in its legislative proposals to the General Assembly.

² Advisory Opinion No. 2003-7.

Laurie Hunt
10/27/2011
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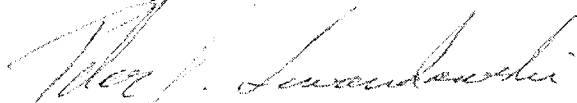
In Advisory Opinion No. 2003-7, the Commission was asked whether an executive branch or quasi-public agency would be prohibited from retaining a lobbyist to represent the agency's interests at the federal level. It responded:

“[The] term [“Lobbyist”] is specifically limited to “a person who in lobbying and in furtherance of lobbying” makes expenditures or receives compensation of \$2000 or more in a calendar year...“Lobbying” in turn is specifically limited to “...communicating directly or soliciting others to communicate with any official or his staff in the legislative or executive branch of government or in a quasi-public agency for the purpose of influencing any legislative or administrative action.”...And finally “Administrative action” and “Legislative action” are clearly limited to actions of the State of Connecticut[.]...[Therefore, it is] essentially unarguable that §1-101bb is only intended to prohibit State and Quasi-Public Agencies from retaining lobbyists at the state level in Connecticut. Consequently, no provision of [t]he Codes [o]f Ethics would prohibit such an agency from hiring a lobbyist to represent its interest before the Federal Government.”

Because § 1-101bb prohibition is limited to the hiring of lobbyists for lobbying state government, § 1-101bb does not preclude the Authority from contracting for municipal services with a law firm which provides lobbying services to other clients (but not to the Authority). However, the Authority should be mindful that any municipal services provided by a law firm may not include solicitation of “others”, including municipal entities, to communicate with state government on the Authority's behalf for purposes of influencing state action, as such solicitation would be considered “lobbying”, as defined in § 1-91, and would be subject to the prohibition under § 1-101bb if the solicited entity is required to register as a lobbyist. Similarly, as based on the reasoning found in Advisory Opinion No. 2003-7, this office has previously provided general guidance in a staff opinion concluding that § 1-101bb does not prohibit a state or quasi-public agency from hiring an individual who happens to be a communicator lobbyist for other entities to perform non-lobbying services, e.g., legal counsel.³

If you have any questions or comments, or if you would like the Citizen's Ethics Advisory Board to address the issues presented in this informal staff letter, please let me know.

Sincerely,



Peter J. Lewandowski
Assistant General Counsel

³ Request for Advisory Opinion No. 6192.