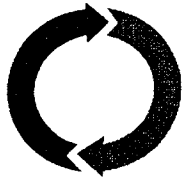


CRRA
BOARD MEETING
April 26, 2012



**CONNECTICUT
RESOURCES
RECOVERY
AUTHORITY**

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

MEMORANDUM

TO: CRRA Board of Directors
FROM: Moira Benacquista, Secretary to the Board/Paralegal
DATE: Apr. 20, 2012
RE: Notice of Regular Board Meeting

There will be a Regular Board Meeting of the Connecticut Resources Recovery Authority Board of Directors on Thursday, Apr. 26, 2012, at 9:30 a.m. The meeting will be held in the Board Room at CRRA 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
Regular Board of Directors Meeting

Agenda
April 26, 2012
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 March 29, 2012, Board Meeting Minutes (Attachment 1).

IV. Board Committee Reports

A. Finance Committee Reports

1. Board Action will be sought Regarding Approval of 3 Year Audit Contract (Attachment 2).

B. Policies & Procurement Committee

1. Board Action will be sought Regarding the Resolution for a Host Community Benefit Agreement and Lease Agreement with the Town of Essex (Attachment 3).
2. Board Action will be sought Regarding the Resolution for a Trust Agreement with Wells Fargo Associated with Remediation Activities at the South Meadows Site (Attachment 4).
3. Board Action will be sought Regarding the Resolution Establishing a Special Committee to Study Options for Municipal Solid Waste Disposal Following the Maturity of the Southeast Project Bonds (Attachment 5).

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.

1. Board Action will be sought Regarding Additional Projected Legal Expenditures (Attachment 6).

TAB 1

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND TWENTY-NINE

MARCH 29, 2012

A special meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thurs. March 29, 2012, in the Board Room at 100 Constitution Plaza, Hartford, CT 06103. Those present were:

Directors: Acting Chairman Don Stein
Louis J. Auletta, Jr.
Ryan Bingham
David Damer
Timothy Griswold
Dot Kelly (present by telephone beginning 9:55 a.m.)
Andrew Nunn (present by telephone)
Scott Slifka (present by telephone)
Steve Edwards, Bridgeport Project Ad-Hoc
Bob Painter, Mid-Connecticut Project Ad-Hoc
Steven Wawruck, Mid-Connecticut Project Ad-Hoc

Present from CRRA in Hartford:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Jeff Duvall, Director of Budgets and Forecasting
Peter Egan, Director of Environmental Affairs and Operations
Laurie Hunt, Director of Legal Service
Lynn Martin, Risk Manager
Paul Nonnenmacher, Director of Public Affairs
Jim Perras, Government Relations Liaison
Moira Benacquista, Board Secretary/Paralegal
Marianne Carcio, Executive Assistant

Others present: Dave Aldridge, SCRRRA; Dick Barlow, First Selectman of Canton CT; Sean Duffy and Jeff Possiuk, FCR; Jared McElroy, Property Broker, Aon Risk Solutions; John Pizzimenti, USA Hauling; Cheryl Thibeault, Covanta; and Melissa Yeich, OPM.

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

PUBLIC PORTION

Director Stein said that the agenda allowed for a public portion in which the Board would accept written testimony and allow individuals to speak for a limit of three minutes.

Mr. Barlow introduced himself as the First Selectman of the Town of Canton. He said he noticed that the renewal of CRRA’s lease with Constitution Plaza was on the agenda. Mr. Barlow asked that management consider the potential long term changes that may be occurring to CRRA’s structure and examine any opportunities that would exist to minimize the costs of the Central office.

APPROVAL OF THE MINUTES OF THE REGULAR FEB. 23, 2012, BOARD MEETING

Director Stein requested a motion to approve the minutes of the Regular Feb. 23, 2012, Board Meeting. Director Griswold made a motion to approve the minutes, which was seconded by Director Damer.

The motion previously made and seconded to approve the minutes as amended and discussed was approved by roll call. Director Stein, Director Auletta, Director Damer, Director Edwards, Director Griswold, Director Nunn, Director Painter, Director Slifka, and Director Wawruck voted yes. Director Martland and Director Tillinger abstained.

Directors	Aye	Nay	Abstain
Donald Stein	X		
Louis J. Auletta	X		
David Damer	X		
Timothy Griswold	X		
Ted Martland			X
Andrew Nunn	X		
Scott Slifka	X		
Ad-Hocs			
Steve Edwards, Bridgeport	X		
Bob Painter, Mid-Ct	X		
Mark Tillinger			X
Steve Wawruck, Mid-Ct	X		

FINANCE COMMITTEE

RESOLUTION REGARDING APPROVAL OF INSURANCE RENEWAL PUBLIC OFFICIALS

Director Stein requested a motion on the above referenced item. The motion was made by Director Martland and seconded by Director Griswold.

RESOLVED: That CRRA’s Public Officials and Employment Practices Liability insurance be purchased from ACE with a \$10,000,000 limit and up to \$10,000,000 in defense costs and expenses outside the limit, and a \$150,000 self insured retention for the period 4/1/12 – 4/1/13 for a premium of \$144,796, as discussed at this meeting.

Mr. Kirk said the resolution before the Board is the routine examination of CRRA’s insurance portfolio, this resolution in particular addressing the public officials insurance. He said Ms. Martin,

CRRA's Risk Manager, and a member of CRRA's brokerage team from Aon Risk Solutions are present to address any questions.

Director Damer asked for an explanation of the \$500,000 current claims experiences from 2011. Ms. Martin replied that the claim is for one issue, legal expenses for the suit brought by MDC concerning the procurement of CRRA's new operator at the Mid-Ct Facility.

MOTION TO TABLE THE RESOLUTION REGARDING APPROVAL OF INSURANCE RENEWAL PUBLIC OFFICIALS

Director Stein requested a motion to table the above referenced item. The motion to table was made by Director Damer and seconded by Director Griswold.

The motion to table was approved unanimously by roll call. Director Stein, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Nunn, and Director Slifka voted yes.

Directors	Aye	Nay	Abstain
Donald Stein	X		
Louis J. Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Scott Slifka	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Bob Painter, Mid-Ct			
Mark Tillinger			
Steve Wawruck, Mid-Ct			

PRESIDENT'S REPORT

Mr. Kirk said all CRRA facilities operated within the environmental safety and public health constraints effectively this month. He said there are no outstanding issues or concerns throughout the reporting period. Mr. Kirk asked the Board to refer to the supplemental package for specifics on financial performance. He said the CRRA actual has indicated a very small surplus year to date. Mr. Kirk said CRRA expects to be on budget for the full fiscal period.

Mr. Kirk said there is currently a modest surplus of about \$270,000 in the recycling budget however, for the full year management anticipates the surplus to reduce due to expenses associated with fuel prices. He said management did not budget for \$4.00 a gallon diesel fuel prices. Mr. Kirk said the Southeast budget is experiencing a very healthy \$1.2 million surplus which is anticipated for the full

fiscal year. He said there have been notable improvements in metal sales and revenue offset by reduced deliveries of member and spot waste.

Mr. Kirk said the Mid-Conn Project is expecting a modest surplus of \$500,000 despite the very unfavorable impact of the power price for the last month of the fiscal year. He said the metal revenue, lowered administrative expenses, and lower than budgeted operations costs at the WPF are also noteworthy. Mr. Kirk said the lower than budgeted operations cost is particularly good news and although management was aggressive on the anticipated savings, the operating change at the WPF has led to larger than expected savings.

Mr. Kirk said the Jets operation and maintenance (hereinafter referred to as "O&M") are unfavorable due to higher than anticipated budgeted O&M costs. He said it was very difficult to predict the O&M costs for that unit, which had a small unfavorable impact on the financials.

Mr. Kirk referred the Board to the operational reports in Tab E of the supplemental package. He said all facilitates are struggling with fuel shortages due to the poor economy and some diversions from the plant which are the focus of the enforcement group. Mr. Kirk said the Mid-Connecticut Plant in particular has recently had unprecedented reduced capacity at the facility. He said the boilers were slowed down and nearly taken off line due to fuel shortages. Mr. Kirk said this is typically a seasonal issue however, in the last year it has been an economic issue, one that management hopes to be slowly improving.

Mr. Kirk referred the Board to Tab F of the supplemental package in order to address tonnage figures. He said there have been modest improvements in the delivery of MSW. Mr. Kirk said due to CRRA's successful capital investments in the last three years reliability and capacity utilization have improved and availability numbers are back up closer to industry standard. Mr. Kirk said the waste delivery capacity has improved somewhat and CRRA's ability to handle the waste has improved faster due to capital improvements.

Mr. Kirk said CRRA's RFI for the composting development project is in the final stages. He said the preliminary siting is for South Meadows. Mr. Kirk said the single stream facility RFP for Stratford will be released shortly and management continues to work on the development of the Solid Waste Transfer Station Development in the Bridgeport area. He said the Mid-Ct Dirty Municipal Materials Recovery Facility (hereinafter referred to as "Dirty MRF") concept is in very preliminary stages but management believes due to the unique nature of the RDF fuel technology at Mid-Conn CRRA may have the real estate and technology to consider a Dirty MRF Facility.

Mr. Kirk explained in this process commodities and material are picked out of the waste stream after collection and before processing for recovery. He said it is a difficult process and there are very few successful installations across the world. Mr. Kirk said recoverable materials such as fiber and cardboard as well as containers are often visible in the waste stream. He said if the real estate and technology are appropriate, CRRA may be able to recover some of those materials and reduce the amount of combustion processing while improving the effectiveness and efficiency of the facility. Director Damer said in addition recycling rates may improve.

Mr. Kirk said there is an understanding that recycling rates in Connecticut have stalled. He said recycling rates and recycling rate calculations can be misleading. Mr. Kirk said every state (and in some case towns) count recycling rates differently. He said Connecticut has been at the same rate nominally for years however; inside that rate there is no accounting for returnable containers which are returned directly (which is known as "reversed vending"). Mr. Kirk said those tons which disappeared from the recycling plant are not counted. He said the double digit increase every town has received in residential recycling with CRRA does not show up in the increase in recycling. Mr. Kirk said the rate still shows up as 26%. He said CRRA and its member towns are moving forward and improving year over year. He said recycling per capita is increasing and waste is decreasing. Mr. Kirk said a decline in the rate of increase in recycling is emerging because the impact of single stream recycling is starting to wear off. He said the next expected step is organic composting.

Mr. Kirk said about 44 towns have signed up with CRRA. He said management believes the plant is essentially able to be filled to capacity, particularly given CRRA's reduction in plant capacity due to the combustion of process residue. Mr. Kirk said CRRA will have to supplement with spot waste but is not particularly concerned about short falls. Director Stein asked how many tons the 44 towns will bring in. Mr. Nonnenmacher replied that about 530,000 tons per year have been committed between the haulers and towns. He noted that there are still a lot of big towns which have yet to sign up.

Mr. Kirk said the very low electric contract as a result of the Jan. 19, 2012, auction has impacted CRRA's ability to assure reasonable tipping fees. He said management continues to work with the CT DEEP to develop alternatives for revenue shortfall. Mr. Kirk said Senate Bill 5118, concerning REC's has a rocky road before it and is frankly not seen as being likely to pass. He said there is other legislation proceeding which management is pleased with, specifically the composting task group bill.

Director Painter asked if management had looked into partnering the Trash Museum with the Connecticut Science Center. He said coalescing costs and giving up extra space at the Museum may save on office costs and the Science Center already has a system in place for scheduling classes. Mr. Kirk said management has not discussed this opportunity directly with the Science Museum but will.

RESOLUTION REGARDING APPROVAL OF INSURANCE RENEWAL PUBLIC OFFICIALS

Director Stein requested a motion on the above referenced item. The motion was made by Director Martland and seconded by Director Griswold.

RESOLVED: That CRRA's Public Officials and Employment Practices Liability insurance be purchased from ACE with a \$10,000,000 limit and up to \$10,000,000 in defense costs and expenses outside the limit, and a \$150,000 self-insured retention for the period 4/1/12 – 4/1/13 for a premium of \$144,796, as discussed at this meeting.

The motion previously made and seconded was approved unanimously by roll call. Director Stein, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Nunn, and Director Slifka voted yes.

Directors	Aye	Nay	Abstain
Donald Stein	X		
Louis J. Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Scott Slifka	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Bob Painter, Mid-Ct			
Mark Tillinger			
Steve Wawruck, Mid-Ct			

RESOLUTION REGARDING APPROVAL OF INSURANCE RENEWAL PROPERTY

Director Stein requested a motion on the above referenced item. The motion was made by Director Martland and seconded by Director Auletta.

RESOLVED: That CRRA purchase CRRA's \$350 Million Property Insurance from the following four (4) insurers with their shares as indicated:

Zurich	(Rated A)	42.10%
Swiss Re	(Rated A)	26.30%
Starr Tech	(Rated A+)	16.60%
XL	(Rated A)	15.00%

for the period 4/1/12 – 4/1/13 for a premium of \$755,639 and other terms and conditions as discussed at this meeting;

FURTHER RESOLVED: That CRRA purchase loss control engineering services from XL GAPS for the period 4/1/12 – 4/1/13 for an amount not to exceed \$14,440 as discussed at this meeting.

Mr. Kirk said similar to the prior resolution this item was thoroughly evaluated at the Finance Committee meeting. He said the market is extremely difficult at the moment and fortunately CRRA was able to secure reasonably priced carriers to handle its business.

Director Martland said as a result of the size and risk of its business this coverage is spread out over four carriers. Director Kelly asked when CRRA's last claim was. Ms. Martin replied that there was a fire claim in 2005, a significant jet's claims in 2005, and about six claims in the last five year's which hit the deductible. She said there have been other issues but these claims approached and exceeded the deductible. Director Kelly said she is aware that insurance companies are always looking to reduce

losses. She asked if CRRA is making progress in that direction. Ms. Martin said that CRRA has a good loss history. Director Damer and Director Kelly thanked Ms. Martin for the excellent write-up.

Mr. McElroy said there have been many catastrophic and natural events over the past couple of years which has driven pricing up. He said for power generation industries there are a limited number of markets to approach. Mr. McElroy said employing XL Gaps to do its engineering services and identify recommendations as to how the facilities can be improved has helped. He said CRRA provides the markets with ample information in order to understand the risk and there are some markets that cannot write the risk due to concerns. Mr. McElroy said there was a lot of concern this year over maintenance issues as a result of the new plant operator. He said after this year more markets may be interested in the program which may encourage more participation.

The motion previously made and seconded was approved unanimously by roll call. Director Stein, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Nunn, and Director Slifka voted yes.

Directors	Aye	Nay	Abstain
Donald Stein	X		
Louis J. Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Scott Slifka	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Bob Painter, Mid-Ct			
Mark Tillinger			
Steve Wawruck, Mid-Ct			

RESOLUTION REGARDING APPROVAL OF THE LANDFILL BUDGET

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

RESOLVED: That the fiscal year 2013 Landfill Division Operating budget totaling \$2,084,000 be adopted as presented at this meeting.

FURTHER RESOLVED: That the President is hereby authorized to approve the use of funds from the following Landfill Division Reserves, as appropriate to pay for costs and fees incurred during fiscal year 2013 in accordance with the operating budget adopted pursuant hereto, as presented and discussed at this meeting, provided that all purchases of goods and services shall comply with the requirements of the Authority’s Procurement Policy.

Shelton Landfill Post Closure Reserve
Waterbury Landfill Post Closure Reserve
Wallingford Landfill Post Closure Reserve
Hartford Landfill Post Closure Reserve
Ellington Landfill Post Closure Reserve

Mr. Bolduc said this resolution was thoroughly vetted at the Finance Committee meeting. He said this is not a project and a division was set up for accounting purposes. Mr. Bolduc said once the Mid-Conn Project ends in Nov. and the SCRRRA Project ends in three years the organization will transform to a divisional concept unless a project financing reviews suggests otherwise. Mr. Bolduc said rather than putting these items into one overall budget management suggested creating a separate budget for the tail end responsibilities for the Projects. He said those obligations concern the Bridgeport and Wallingford Projects which will continue to be the responsibility of CRRA for many years. Mr. Bolduc said in addition on November 16, 2012, of this year the Hartford and Ellington Landfill will also morph into this landfill division.

Mr. Bolduc said each of the activities will have their own STIF accounts according to their requirements. Director Damer asked how often the reserves are trued up. Mr. Bolduc explained CRRA management utilizes estimates of these costs over the next thirty years from the CRRA Environmental group. He said the accounting group must then segregate out the GASB and non-GASB costs after which a net present value calculation is done in order to determine the current amount of monies required for the next thirty years of funding.

Mr. Bolduc said every October the Finance Committee reviews all of the reserves after the specific calculation is done to determine if additional funding is required. Mr. Kirk added, or if overfunding has taken place. Mr. Bolduc explained based on what CRRA is currently earning on its STIF accounts that is unlikely. He said in addition the funds are time sensitive, he explained if the funds are not earning today and inflation is running at 2.5% it is likely that some of these funds may be unfunded in the future which becomes an issue for CRRA.

Director Stein asked if each reserve has its own timeline. Mr. Bolduc replied yes. He said for example the Shelton Landfill was closed years ago. Mr. Egan said Ellington has about 13-14 more years until the thirty year mark is reached.

The motion previously made and seconded was approved unanimously by roll call. Director Stein, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Nunn, and Director Slifka voted yes.

Directors	Aye	Nay	Abstain
Donald Stein	X		
Louis J. Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Scott Slifka	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Bob Painter, Mid-Ct			
Mark Tillinger			
Steve Wawruck, Mid-Ct			

POLICIES & PROCUREMENT COMMITTEE

RESOLUTION REGARDING THE JET TURBINE FACILITY ENERGY MANAGEMENT SERVICES AGREEMENT

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

RESOLUTION: That the President is hereby authorized to execute an agreement with NextEra Energy Power Marketing, LLC for the provision of energy management services for the South Meadows Jet Turbine Facility, substantially as presented and discussed at this meeting.

Mr. Kirk said in this resolution management is requesting approval to execute an agreement with NextERA Power Marketing, LLC. He said there are three issues surrounding the operation of the jets facility. Mr. Kirk said the Jet Turbine Facility is a 160 megawatt combustion turbine installation which CRRA inherited as part of the Enron transfer, a three party transfer of assets and money between Enron, CRRA and CL&P. He said CRRA is the owner and operator of these four-forty megawatt twin packs which are two jet engines which discharge into a generator.

Mr. Kirk said these units collectively make up to 160 megawatts and are very rarely used as they are poor efficiency machines with a very high heat rate (the measurement of how many BTU's it takes to make a given megawatt). He said the units are typically only used for two purposes; on an extremely high demand day, and when a Black Start is necessary. Mr. Kirk explained a Black Start is when the East Coast is blacked out and the Dominion Power Plant nuclear power plant, (or other plant), needs a source of power to start its cooling pumps and get the plant running. He said these units are push button starts which can start, energize the grid, and allow power flow to the other plants to start getting the system back up.

Mr. Kirk explained from an environmental perspective the jets are poor performers. He said when they operate, which is typically for a few hours a year, there is a yellow orange haze over South

Meadows due to NOX emissions. Mr. Kirk said the practical operations is controlled through Convex (the Connecticut Valley Exchange) and there is another recognition of an emergency purchase proposed which will be addressed later in the meeting. He said the two issues of concern are operations and maintenance of the machine, which is fairly routine, and was previously approved by the Board to be handled by NAES. Mr. Kirk said secondly this proposal is bidding the power into the market, bidding the products and Black Start capability, the location for reserve and the other products associated with this generators into the ISO New England market.

Mr. Kirk said management is recommending using NextEra Energy Power Marketing, LLC for this purpose. He said this is the result of a very extensive evaluation bid process in which NextEra is the preferred low cost provider. Mr. Kirk said an average fee per year of about \$150,000 will be charged to ensure CRRA is in position to maximize the revenues from these assets. He said this was a complicated process and Ms. Raymond is present to answer any questions.

Director Damer asked if he was correct in stating that daily bidding was not involved in these products. He asked how often they are bid. Mr. Raymond replied that CRRA can participate in the energy market daily. Director Damer noted in the interest of full disclosure that PSEG was his prior employer, and that he is presently drawing a full pension from PSEG.

Director Griswold asked if Table four in the write-up uses the same criteria as Table one. He said the management fee section is very different as the initial management fee was \$210,000 which was then dropped to \$150,000. Ms. Raymond said that was correct. She explained the jets are subject to a CT DEEP trading order and that trading order has a number of environmental compliance requirements. She said historically in terms of implementing and executing those requirements there is a split between the operator and the land market participant in terms of responsibility. Ms. Raymond said for example, operations and maintenance issues would be the responsibility of NAES, and in some cases the lead market participant or the manager would be responsible for those items.

Ms. Raymond said when CRRA issued the initial form of the agreement it was not specific in terms of which items relative to the trading order would be the responsibility of NAES and which items would be the responsibility of the manager. Ms. Raymond said NextEra had placed a lot of risk on that uncertainty when it submitted its initial bid. She said subsequent to the bid submittals management went through a great deal of effort to go through that trading order and set up a matrix in both the operators agreement and the manager's agreement with a very specific task force stipulating who is responsible for each trading orders. Ms. Raymond said after that risk was removed and CRRA asked for best and final bids, NextEra's management fee was reduced significantly.

Director Kelly asked if Next Era is the lead market participant for the jet's capabilities. Mr. Kirk replied yes. Director Kelly said at a recent tour of the Dominion Power Plant which she attended, a gentlemen from ISO New England commented that pricing on Black Start capabilities is being examined. Ms. Raymond said that management was aware of that. Director Kelly asked who would be participating in those negotiations. Ms. Raymond said there will not be negotiations. She said ISO New England is re-writing and expanding the tariff that governs Black Start units. Ms. Raymond said the evaluation is pretty much completed and she is trying to determine when that tariff takes effect.

Mr. Kirk said CRRA does not participate in any way in the user’s group of ISO New England. He said participation requires a large amount of time and management does not have the resources to become involved at this point.

Director Damer asked if NextEra is at the table with regard to the users group. Ms. Raymond said she would look into that. She said NU literally had a seat at the table discussing the tariff issue and served on that user Committee. Director Kelly said although this is a revenue generator this is guided by ISO New England. She suggested management assess whether it may be in CRRA’s best interest to have more influence in this matter. Mr. Kirk said there are a number of other combustion turbines which are eligible for Black Start capability. He said it is not just Black Start that gets CRRA its revenue. Mr. Kirk said there is a seven figure revenue associated with the jets (mostly from capacity) which management actively seeks to monetize. He said management’s task is to find the best way to monetize assets that are not crucial to its mission and those options are being explored as they are constantly evolving.

Director Kelly asked to look over the current tariff and the proposed draft as well. Mr. Bolduc said the big revenue generator is not Black Start but the capacity payments which were auctioned at about \$5.5 million for the fact that they exist at that location and passed the annual winter and summer tests.

The motion previously made and seconded was approved unanimously by roll call. Director Stein, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Nunn, Director Painter, and Director Slifka, and Director Wawruck voted yes.

Directors	Aye	Nay	Abstain
Donald Stein	X		
Louis J. Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Scott Slifka	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Bob Painter, Mid-Ct	X		
Mark Tillinger			
Steve Wawruck, Mid-Ct	X		

RESOLUTION REGARDING THE HOST COMMUNITY BENEFIT AGREEMENT AND LEASE AGREEMENT WITH THE TOWN OF ESSEX

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

RESOLVED: That the President of CRRA is authorized to execute a Transfer Station Host Community Agreement with the Town of Essex, substantially as presented and discussed at this meeting, and

FURTHER RESOLVED: That the President of CRRA is authorized to execute an amendment to the Lease Agreement between CRRA and the Town of Essex for the Transfer Station real property to extend the term of the lease and delete the payment provision, substantially as presented and discussed at this meeting.

Mr. Kirk said management is asking the Board to consider a resolution establishing a transfer station host-community agreement for Essex which if accepted, will be identical to the other three transfer station agreements. He said those three transfer station host-community agreements were implemented in 2007. Mr. Kirk said because of the unique aspects of the Essex facility, mainly that CRRA does not own the land underneath the facility; the negotiations are just now coming to a conclusion. Mr. Kirk said Mr. Egan was the point person in negotiating with the town.

Mr. Kirk said the host agreement for approval would require payment back in time to 2007 for the 50 cent per ton host fee agreement and would also recognize the heretofore unbilled but necessary lease payment CRRA is liable for back to 1987. Mr. Kirk said the town of Essex has been very cooperative in working with CRRA.

Director Griswold asked if CRRA is receiving indemnification so this agreement can't be challenged at a later point. Mr. Egan said that CRRA is going to amend the lease agreement. He said there will be an indemnification that Essex does not extend any further requests for monetary compensation.

Director Kelly said there was a term in this contract back to the 1980's when things were different at CRRA. She said Essex never asked to be paid. Director Kelly asked how much the back payments' total. Mr. Egan replied \$30,000 over twenty years. Director Kelly said she did not feel it was prudent on the part of CRRA management to agree to provide that back payment. She noted that in a newspaper account the Mayor of Essex reportedly had indicated that he was willing to forgo that payment. Director Kelly said she was in favor of getting Essex up to speed however, she does not feel proper in paying Essex for something from the past without a strong demand from the town first.

Director Stein said several pages into the clip packet is a quote from the First Selectman of Essex stating "he is willing to forgo the payment". Mr. Egan said that quote is misleading and is intended to mean going forward. Director Damer agreed. He said that is why CRRA is revising the lease to pay the benefit for the host community agreement.

Mr. Egan said CRRA attempted to modify the solid waste transfer station permit at the request of CT DEEP in the late 90's. He said an application to do so was submitted to the CT DEEP where it sat until 2006. Mr. Egan said at that point CT DEEP acted on the permit which was essentially to increase the permitted tonnage at the facility to take into account the growth which had taken place in the last fifteen years. He said Essex objected to the increase and raised several issues with regard to increasing the tonnage. Mr. Egan said part of exercising the host community agreement with Essex is to garner its support for modification of the permit so that CRRA will have a permit which actually prescribes the

tonnage which is currently going into the facility today. He said in addition Essex will also support CRRA in revising the special P&Z permit which currently restricts the number of towns which can deliver to this station to one where there will be no restriction.

Mr. Egan said the host community agreement will have a term date which coincides with the term of the fifteen year Tier 1 contract which Essex will sign with CRRA. He said Essex does expect, and has requested to be paid, for the lease payments totaling roughly \$31,700 which go back to 1987 through June of 2007.

Director Griswold asked what the annual tonnage is currently. Mr. Egan replied about 65,000 tons. He said CRRA pays the host benefit for both waste and recycling tons. Director Griswold pointed out that there was a drop in tonnage over the years. Mr. Egan said that Guilford and Madison will stop using the Essex transfer stations on July 1, 2012, which will further reduce the total amount of MSW delivered to the transfer station. He said there is a 50 cent per ton charge regardless of tons delivered.

Director Kelly asked if it would be helpful to separate out the payments for the past issues. She said she will abstain from the vote as the article was specific that past payment of \$30,000 would not be required. She said the discussion from today's meeting was inconsistent with what that article said. Director Kelly said she can vote in favor of the price per ton but is questioning the look back payment.

Director Stein said that an affirmative statement from the First Selectman of Essex will be obtained and this issue will be brought back to the Board.

The motion previously made and seconded failed. Director Stein, Director Auletta, Director Damer, Director Griswold, Director Martland, Director Nunn, Director Painter, and Director Slifka, and Director Wawruck voted yes. Director Kelly abstained.

Directors	Aye	Nay	Abstain
Donald Stein	X		
Louis J. Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly			X
Ted Martland	X		
Andrew Nunn	X		
Scott Slifka	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Bob Painter, Mid-Ct	X		
Mark Tillinger			
Steve Wawruck, Mid-Ct	X		

RESOLUTION REGARDING THE EXTENSION OF THE CONSTITUTION PLAZA LEASE WITH THE CONNECTICUT CONSTITUTION ASSOCIATES LLC

Director Stein 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 execute an amendment to the Lease Agreement with the Connecticut Constitution Associates LLC, substantially as presented and discussed at this meeting.

Mr. Kirk said this resolution is the consideration of the lease extension for the headquarters and office space of CRRA. He said the write-up details the history of the location of CRRA's headquarters. Mr. Kirk said management understands the desire of the Board and CRRA customers to pay close attention to administrative costs like rent, He said management is in full agreement that those costs must be closely watched.

Mr. Kirk said the owners of the plaza have offered CRRA some attractive deals for renewal as they understand the market. He said management has provided historical costs of moving for the Board and noted those costs are not insignificant. Mr. Kirk said there are at least two owned sites which are applicable and available as office sites, the Murphy Road facility (where the Trash museum currently resides) and the Stratford Facility, where the Garbage Museum was housed. He said the Policies & Procurement Committee has provided management with direction to ensure that CRRA's options are maintained. Mr. Kirk said based on that information management has negotiated a year by year lease agreement that gives CRRA the ability to continue in its present location with an option to exit on an annual basis if a preferable location which also makes sense economically is available.

Mr. Kirk said annual direct rent costs for Constitution Plaza are just under \$100,000 a year. He said with the proportional costs of property operations and maintenance it is about \$300,000 a year. Mr. Kirk said that is not an insubstantial administrative payment however; there is currently not a more cost effective way to address this. Mr. Kirk said the potential for change based on recommendations from the Governor's working group and possible changes in CRRA's scope of responsibility may direct CRRA toward a different sized organization in the future.

Director Stein said after substantial discussion at the Policies & Procurement Committee it was agreed that in order to effect the move sufficient time to plan appropriately and look for and outfit new space appropriately was required. He said a one year extension as a minimum would allow for that time and planning. Director Stein said the Committee endorsed the one year extension with a proviso that enough planning starts immediately so if there a move in the future CRRA would be ready. Director Kelly agreed.

Director Martland said he recalled the last time CRRA moved it was at a substantial cost. Director Stein said that was part of the consideration with this resolution. Director Damer said CRRA's last move was only mostly off-set by the savings in rent over eight years. Director Stein said the Committee had also discussed the Stratford facility and ruled it out due to its location.

The motion previously made and seconded was approved unanimously by roll call. Director Stein, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Nunn, Director Slifka voted yes.

Directors	Aye	Nay	Abstain
Donald Stein	X		
Louis J. Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Scott Slifka	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Bob Painter, Mid-Ct			
Mark Tillinger			
Steve Wawruck, Mid-Ct			

RESOLUTION REGARDING THE EMERGENCY PROCUREMENT FOR THE JTF ISO-NE RTU COMMUNICATION REPLACEMENT SYSTEMS

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

RESOLUTION: That the CRRA Board of Directors ratifies the Emergency Procurement as substantially presented and discussed at this meeting.

Mr. Kirk said this resolution acknowledges the emergency authorization discussed earlier in the meeting. He explained it addresses an RTU unit, a communications unit between the controlling ISO and ISO subsidiary called Connecticut Valley Exchange and CRRA's jet facility. He said this is the actual communication signals which start, stop and manage the operation of the jets should they be called. Mr. Kirk said it is a very complicated technical operation. He said CRRA's concern in changing over contractors from an operational and management standpoint was to capitalize on the potential savings gained by moving the receiving RTU into the already manned generator control room.

Mr. Kirk said the challenge was to get that done in a time period sufficient to ensure that there is no interruption in communications and control between Convex and CRRA. He said to ensure no interruptions management had to embark on a procurement of the RTU within 120 days as AT&T would not commit to an installation of its dedicated communication lines sooner than 120 days. He said CRRA needed to have its unit procured to support this schedule. Mr. Kirk said this is not an unexpected expense and is valid however CRRA's procedures require that the emergency notification be brought to the Board for approval.

Director Stein asked if this was the only expense associated with this transition. Mr. Kirk said there are other expenses which have already been budgeted for. He said these were anticipated costs paid for many times over by CRRA's ability to have the unit managed out of the existing control room.

Director Damer asked if AT&T is expected to have the lines in place before the May 31, 2012, date. Mr. Egan said AT&T has indicated a positive answer. Director Damer asked if AT&T did not do so if Convex would continue in that period of time. Mr. Egan replied yes.

The motion previously made and seconded was approved unanimously by roll call. Director Stein, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Nunn, Director Painter, and Director Slifka, and Director Wawruck voted yes.

Directors	Aye	Nay	Abstain
Donald Stein	X		
Louis J. Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Scott Slifka	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Bob Painter, Mid-Ct	X		
Mark Tillinger			
Steve Wawruck, Mid-Ct	X		

RESOLUTION REGARDING THE COLEBROOK CONSOLIDATED SCHOOL FOR ITS CONNECTICUT RECYCLE-BOWL CHAMPIONSHIP

Director Stein requested a motion on the above referenced item. The motion was made by Director Martland and seconded by Director Auletta.

WHEREAS, the Connecticut Solid Waste Management Plan calls for the state to recycle 58 percent of its solid waste by the year 2024; and

WHEREAS, the Solid Waste Management Plan makes no less than 300 references to education as being critical to meeting that goal; and

WHEREAS, since 1993 the Connecticut Resources Recovery Authority has provided award-winning education programs that have taught hundreds of thousands of people how and, more importantly, why to recycle; and

WHEREAS, in 2011 Keep America Beautiful, Inc., launched Recycle-Bowl, a nationwide recycling contest for schools as a means of encouraging and increasing recycling; and

WHEREAS, Colebrook Consolidated School won the Connecticut Recycle-Bowl competition; and

WHEREAS, the Town of Colebrook has been part of the Connecticut Resources Recovery Authority system since 1984; and

WHEREAS, the Connecticut Resources Recovery Authority is Connecticut's recycling leader; now

BE IT RESOLVED that the Connecticut Resources Recovery Authority hereby congratulates **Colebrook Consolidated School** on its success in Recycle-Bowl and encourages the students, faculty, staff and families of **Colebrook Consolidated School** to join with CRRA in efforts to increase recycling and lead Connecticut to its stated recycling goal.

Mr. Kirk said Colebrook is a long time CRRA customer which has been extremely successful with its recycling efforts. He said winning the Connecticut Recycle-Bowl competition is a great accomplishment for the school. Mr. Kirk said he has asked CRRA management to step up recognition for CRRA and its member towns concerning recycling endeavors in order to re-brand and re-recognize CRRA's work.

Director Stein said Colebrook which has roughly 100 students, making this a great accomplishment for a school of its size. Director Damer asked how many schools within Connecticut participated in the Recycle-Bowl. Mr. Nonnenmacher said roughly a handful, and noted that this was the first year for this event. He said it was sponsored by Keep America Beautiful and is expected to continue as more schools have become interested in participating in the future. Mr. Nonnenmacher said CRRA spread the word about this event through its own activities and also through its association with the Connecticut Recyclers Coalition. He said the Connecticut Recyclers Coalition approved a resolution congratulating Colebrook which Keep America Beautiful heard about and as a result is subsequently holding a recognition ceremony for the school which CRRA was also asked to be a part of.

Mr. Nonnenmacher said the approval of this resolution allows Mr. Nonnenmacher to bring congratulations from CRRA to encourage this school and others to keep up the good work. Director Griswold asked how the students win. Mr. Nonnenmacher said a recycling program is implemented in the school and their performance is tracked against other schools in Connecticut and across the State.

Director Kelly said she feels that CRRA's communities would be pleased by some outside force which assists them in disposal costs.

The motion previously made and seconded was approved unanimously by roll call. Director Stein, Director Auletta, Director Damer, Director Edwards, Director Griswold, Director Kelly, Director Martland, Director Nunn, Director Painter, Director Slifka, Director Tillinger, and Director Wawruck voted yes.

Directors	Aye	Nay	Abstain
Donald Stein	X		
Louis J. Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Scott Slifka	X		
Ad-Hocs			
Steve Edwards, Bridgeport	X		
Bob Painter, Mid-Ct	X		
Mark Tillinger	X		
Steve Wawruck, Mid-Ct	X		

EXECUTIVE SESSION

Director Stein 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 Damer and seconded by Director Martland, was approved unanimously. Director Stein asked the following people join the Directors in the Executive Session:

- Tom Kirk
- Jim Bolduc
- Peter Egan
- Laurie Hunt

The Executive Session began at 11:32 a.m. and concluded at 12:17 p.m. Director Stein noted that no votes were taken in Executive Session.

The motion previously made and seconded to go into Executive Session was approved unanimously by roll call. Director Stein, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Nunn, Director Painter, and Director Slifka, and Director Wawruck voted yes.

Directors	Aye	Nay	Abstain
Donald Stein	X		
Louis J. Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Scott Slifka	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Bob Painter, Mid-Ct	X		
Mark Tillinger			
Steve Wawruck, Mid-Ct	X		

RESOLUTION REGARDING ADDITIONAL PROJECTED LEGAL EXPENDITURES

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

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

The motion previously made and seconded was approved unanimously by roll call. Director Stein, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Nunn, and Director Slifka voted yes.

Directors	Aye	Nay	Abstain
Donald Stein	X		
Louis J. Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Scott Slifka	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Bob Painter, Mid-Ct	X		
Mark Tillinger			
Steve Wawruck, Mid-Ct	X		

EXECUTIVE SESSION

Director Stein 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 Damer, was approved unanimously. Director Stein asked the following people join the Directors in the Executive Session:

- Tom Kirk
- Jim Bolduc
- Peter Egan
- Laurie Hunt

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

The Executive Session began at 12:17 p.m. and concluded at 12:35 p.m. Director Stein noted that no votes were taken in Executive Session.

The motion previously made and seconded was approved unanimously by roll call. Director Stein, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Nunn, and Director Slifka voted yes.

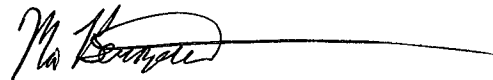
Directors	Aye	Nay	Abstain
Donald Stein	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Scott Slifka	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Bob Painter, Mid-Ct			
Mark Tillinger			
Steve Wawruck, Mid-Ct			

ADJOURNMENT

Director Stein requested a motion to adjourn the meeting. The motion to adjourn made by Director Martland and seconded by Director Damer and was approved unanimously.

There being no other business to discuss, the meeting adjourned at 12:35 p.m.

Respectfully Submitted,



Moira Benacquista
Board Secretary/Paralegal

TAB 2

RESOLUTION AUTHORIZING A CONTRACT FOR INDEPENDENT AUDITING SERVICES

RESOLVED: That the President of the Authority is hereby authorized to enter into a contract with the auditing firm of Bollam, Sheedy, Torani & Co., LLP, CPAs ("BST"), as substantially presented at this meeting. This contract will commence on May 1, 2012 and expire on March 31, 2015.

CONNECTICUT RESOURCES RECOVERY AUTHORITY INDEPENDENT AUDITING SERVICES AGREEMENT

EXECUTIVE SUMMARY

According to CRRA Procurement Policies and Procedures - Section 5.3.5 Solicitation Frequency, CRRA solicits proposals at least once every three years for professional services including auditing services. CRRA's independent auditing services agreement for fiscal years 2009 - 2011 ended March 31, 2012. On January 8, 2012, CRRA issued a Request for Proposals (the "RFP") for auditing services for fiscal years 2012 - 2015, with a response due date of February 15, 2012. CRRA received proposals from six audit firms as follows (listed in alphabetical order):

1. Bollam, Sheedy, Torani & Co. LLP
2. J.H. Cohn
3. Marcum LLP
4. Michaud and Accavallo
5. Seward and Monde, CPAs
6. Whittlesey & Hadley, PC

Based on a draft of the document and communications with the Finance Committee, it was determined that oral interviews would not be necessary.

Based upon CRRA's review of the proposals received as summarized in the attached Proposals Matrix - Analysis of Proposals, CRRA management recommends the independent auditing services agreement for fiscal years 2012 - 2015 be awarded to Bollam, Sheedy, Torani & Co. LLP ("BST").

A summary of BST's rate, experience, and other factor that is considered as part of management's recommendation, is as follows:

Rate: Overall hourly audit fee is \$160 with extensive solid waste experience.

Experience: CRRA's independent auditors for fiscal years 2009 - 2011.
Has in-depth experience and knowledge in solid waste business.
Provide good quality of services and timely responses.
Senior partners are accessible.

Other: As a result of institutional knowledge and no need to ramp up audit time, BST will be providing CRRA with enhanced value-added services.
Has no conflict of interests with CRRA's customers or vendors.

**RFP INDEPENDENT AUDITING SERVICES - 2012
PROPOSALS MATRIX - ANALYSIS OF PROPOSALS**

No.	Whitlsey & Hadley, P.C.	Michaud and Acevallo, CPA, LLC	J.H. Cohn, LLP	Bollam, Sheehy, Torani & Co., LLP, CPAs	Maroun LLP	Seward and Monde
1.	Edward S. Jason, Partner Corporation Hartford, CT	John A. Acevallo, Partner LLC Ansonia, CT	Joseph Centofanti, Partner LLP Farmington, CT	Jeffrey P. Roudie, Partner LLP New York, NY	John H. Schuyler, Partner LLP Hartford, CT	Pasquale C. Troita, Partner Partnership North Haven, CT
2.	Yes	Yes	Yes	Yes	Yes	Yes
3.	Annual Audit Fixed Fees for FY2013 FY2014 FY2015 \$50,000 \$50,000 \$50,000 400 hours \$125	\$64,850 \$66,800 \$68,800 No hours provided Unknown	\$70,000 \$71,400 \$72,850 450 hours \$158	\$76,500 \$73,500 \$73,500 450 to 480 hours \$160	\$74,800 \$76,000 \$77,200 380 hours \$200	\$75,000 \$77,000 \$79,000 480 hours \$160
4.	Calculated Overall Hourly Audit Fee \$6,000	\$22,500	\$22,000	\$17,500	\$15,600	\$23,000
5.	Review of Mid-Connecticut Balance Sheet as of 4/30/2013	\$8,500	\$12,000	\$4,500	\$4,800	\$6,200
6.	Review of Mid-Connecticut Balance Sheet as of 9/30/2013	\$8,500	\$12,000	\$4,500	\$4,800	\$6,200
7.	Total items 6 - 8	\$17,000	\$24,000	\$9,000	\$9,600	\$12,400
8.	Standard Fees by Personnel Levels	\$225 \$155 \$110 \$85 \$60	FY12: \$150 \$200 \$250 \$325; FY13: \$150 \$204 \$255 \$332; FY14: \$156 \$208 \$260 \$338	FY12: \$200 \$175 \$150 \$125; FY13: \$205 \$180 \$155 \$128; FY14: \$210 \$185 \$160 \$130	\$250 \$225 \$175 \$125 \$95	FY12: \$200 \$175 \$150 \$125; FY13: \$205 \$180 \$155 \$128; FY14: \$210 \$185 \$160 \$130
9.	Ancillary Services: - Travel in Firm-Owned Vehicle - Any other services for which Firm routinely bill	N/A	No charge	40% of standard	No charge	IRS standard rate
10.	Client References/Services	1. City of Ansonia, CT Governmental financial and single audits, housing and urban development testing and review of internal control policies, processes and procedures	1. City of West Haven, CT Independent audit including federal and state single audits	1. CRRA (auditor from FY09-FY11) Annual audits, quarterly review of financial reports, and consulting services	1. CT Innovation Incorporated Audit of financial statements	1. CT DOT Contractual subsidy audit management advisory services
11.	2. CT Development Authority Annual audits	2. Town of Oxford, CT Governmental financial and single audits, and review of internal control policies, processes and procedures	2. Town of Newtown, CT Independent audit including federal and state single audits	2. Montgomery Osago Waste Management Authority Auditing and consulting services	2. CT Development Authority Audit of financial statements	2. CT Treasurer's Office Clean and Drinking Water Funds Financial statement audits, federal single audits, and bond offerings and comfort letters
12.	3. CT Department of Transportation ("CTDOT") Audits of CTDOT vendors	3. Shelton Economic Development Corporation Governmental financial and single audits	3. Town of Fairfield Independent audit including federal and state single audits	3. Oneida-Herkimer Solid Waste Management Authority Auditing and consulting services	3. CT Transit Audit of financial statements	3. Town of Orange Financial statement audit, federal single audit, and state single audit

**RFP INDEPENDENT AUDITING SERVICES - 2012
PROPOSALS MATRIX - ANALYSIS OF PROPOSALS**

No.	Whittesey & Hadley, P.C.	Michaud and Acevallo, CPAs, LLC	Jill Cohn, LLP	Bolham, Steady, Torant & Co., LLP, CPAs	Marcum LLP	Seward and Monde	
12.	Background and experience provided	Yes	Yes	Yes	Yes	Yes	
13.	Questionnaire concerning Affirmative Action, Small Business Contractors and Occupational Health and Safety completion	Yes	Yes	Yes	Yes	Yes	
14.	Third Party Affidavit Provided	Yes - no third party payment	Yes - no third party payment	Yes - no third party payment	Yes - no third party payment	Yes - no third party payment	
15.	Certification concerning non-discrimination	Yes	Yes	Yes	Yes	Yes	
16.	Proposer's Background Questionnaire completion	Yes	Yes	Yes	Yes	Yes	
17.	Commit to CRRA Audit Schedule	Yes	Yes	Yes	Yes	Yes	
18.	Background of Personnel Assigned Provided?	Yes	Yes	Yes	Yes	Yes	
19.	Similar Auditing Experience	Governmental and quasi-public entities	Cities, Towns, Governmental agencies, Non-profit organizations, Public and Quasi-public agencies (including CRRA in previous years)	Cities, Towns, Governmental agencies, Non-profit organizations including SWEROC, Public and Quasi-public agencies including CRRA	Counties, Cities, Towns, Villages, Federal Departments and Agencies, State Agencies, Government Funds, Programs, Fire Districts, and Public Authorities	Numerous CT quasi-public entities and other governmental units	Transit, municipalities, state, and not-for-profit organizations.
20.	Solid Waste Experience	None	Yes (Partner was CRRA's auditor several years ago)	Yes, former CRRA's auditor (Kostin, Ruffless & Co, LLC FY95-FY98)	Yes, former CRRA's auditor (Simione, Scilla, Larow & Dowling, LLC FY99-FY00 and Scilla, Larow & Dowling, LLC FY01-FY02)	None	
21.	Firm's Research and Analytical Capabilities	Yes	Yes	Yes	Yes	Yes	
22.	Info on Audit Approach	Yes - 400 hours	Yes - No hours provided	Yes - 450 hours	Yes - 380 hours	Yes - 480 hours	
23.	Conflicts with CRRA	None	None	None	None	None	

**RFP INDEPENDENT AUDITING SERVICES - 2012
PROPOSALS MATRIX - ANALYSIS OF PROPOSALS**

No.	Whitney & Hadley, P.C.	Michand and Accavallo, CPA, LLC	J.H. Cohn, L.L.P.	Bolan, Sheedy, Torait & Co., LLP, CPAs	Marcum LLP	Seward and Monde
24. Conflicts with Vendors	None	None	ADP, All Waste, City of Hartford, Cytec Industries, Fias & O'Neal, Haloran & Sage, McCarter & English, McElroy, Deusch, Muvaney, Pita Communications, Sontrol, Town of Bloomfield, East Hampton, East Haven, Fairfield, North Haven, Old Saybrook, Preston, Southbury, and Vernon, and Walker Systems	None	Borough of Naugatuck, CT, TMC Environmental	Town of Orange
25. Special Qualifications provided	Yes	Yes	Yes	Yes	Yes	Yes
26. Certificate of Insurance Provided	Yes	None	Yes	Yes	None	Yes
27. Peer Review Provided	Yes - 6/2011	Yes - 5/2000	Yes - 10/2011	Yes - 12/2010	Yes - 12/2008	Yes - 7/2011
28. Comments	Found in 1961. Office in Hartford, CT. Small business. 90 personnel	Found in mid-80s. Offices in New Haven and Ansonia, CT. 13 personnel	Founded in 1919. Offices in California, Cayman Islands, Connecticut, Massachusetts, New Jersey, and New York. Over 1,000 total personnel. Office in Farmington, CT has 25+ employees	Established in 1944. Offices in Albany, Manhattan and Mahanassett, NY. Over 128 total personnel	Established in 1951. New England offices in New Haven and Hartford, and in Boston. 65 personnel in CT offices	Offices in North Haven and New London. 30+ total personnel

TAB 3

**RESOLUTION REGARDING A TRANSFER STATION HOST
COMMUNITY AGREEMENT AND LEASE AGREEMENT WITH
THE TOWN OF ESSEX**

RESOLVED: That the President of CRRA is authorized to execute a Transfer Station Host Community Agreement with the Town of Essex, substantially as presented and discussed at this meeting, and

FURTHER RESOLVED: That the President of CRRA is authorized to execute an amendment to the Lease Agreement between CRRA and the Town of Essex for the Transfer Station real property to extend the term of the lease and delete the payment provision, substantially as presented and discussed at this meeting.

Connecticut Resources Recovery Authority

Contract Summary for

Transfer Station Host Community Agreement between CRRA and the Town of Essex, CT

Presented to the CRRA Board on: April 26, 2012

Counter Party: Town of Essex, CT

Effective date: Upon Execution

Contract Type/Subject matter: **Host Community Benefit Agreement.**

Facility Affected: Essex Transfer Station (Mid-Connecticut Project).

Term: Upon Execution through June 30, 2027.

Host Benefit: \$0.50 per ton of MSW delivered to the transfer station, beginning July 1, 2007, escalated annually by CPI.

Key Provisions: If CRRA seeks a modification to the CTDEP Solid Waste Operating Permit for the transfer station that results in either an increase in the permitted tonnage of waste to be processed, or in the addition of a new type of waste that is not currently processed at the transfer station, the host community has the right to request that the contract be reopened for negotiation.

Other information: Upon execution of the contract, the Town of Essex will receive its host community benefit payment retroactive to July 1, 2007 (as CRRA did for Ellington, Torrington, and Watertown).

**Contract Summary for
Extension to Lease Agreement between CRRA and the Town of Essex**

Presented to the CRRA Board on: April 26, 2012

Counter Party: Town of Essex, CT

Effective date: Upon Execution

Contract Type/Subject matter: **Amendment to Lease Agreement for Essex Transfer Station Real Property**

Facility Affected: Essex Transfer Station (Mid-Connecticut Project).

Term: Upon Execution, the Lease will be extended from current term date of October 15, 2015 to June 30, 2027.

Contract Dollar Value: None

Other information: The current Lease, which was executed in May 1987, provides for an annual payment of 20% of the assessed value of the facility. No annual payments have ever been made. CRRA will pay Essex lease payments owed from May 1987 through June 30, 2007. The lease will be amended to provide for no lease payments after June 2007.

Connecticut Resources Recovery Authority

**Transfer Station Host Community Agreement Between
CRRA and Essex, Connecticut
and
Extension of Transfer Station Lease Agreement**

April 26, 2012

Executive Summary

The matter of a Transfer Station Host Community Benefit Agreement was brought before the Board of Directors at its June 28, 2007 meeting. At the request of CRRA Management the matter was tabled at that time. Management has now negotiated a final Transfer Station Host Community Agreement with the Town of Essex and seeks Board approval to enter into this agreement. The Board of Directors has previously approved Transfer Station Host Community Benefit Agreements with Ellington, Watertown and Torrington that provide the same host community payment.

CRRA leases the real property at the Essex Transfer Station from the Town of Essex. At this time CRRA management recommends extending the Lease Agreement and seeks Board approval to do so.

Discussion – Transfer Station Host Community Agreement

Background Information

CRRA owns and operates four transfer stations supporting the Mid-Connecticut Project: the Ellington, Essex, Torrington, and Watertown transfer stations. The transfer stations began operating in the 1987 to 1990 time frame. In response to increasing waste deliveries to the transfer stations beginning in the Mid-1990s, CRRA submitted to the CT DEP in calendar year 2000 applications for permit modifications to increase the tons of MSW permitted to flow through each transfer station. **Table 1** provides a summary and status of each of the permit modification applications.

Table 1 – MSW Tonnage Limits at Mid-Connecticut Project Transfer Stations – As of March 2012

Transfer Station	Original Permitted Daily Tons	Proposed/Revised Daily Tons	Status of Permit Modification
Ellington	287	560	Approved 5/18/06 (renewed in 2011)
Essex	300	710	Pending approval
Torrington	300	650	Approved 4/22/04
Watertown	350	550	Approved 4/7/08

Pursuant to Section 22a–270 of the Connecticut General Statutes, CRRA is not required to pay taxes or assessments levied by any municipality or political subdivision having taxing powers. In short, CRRA is exempt from paying property taxes (among other taxes) to any of the communities hosting a CRRA facility. Despite this tax exempt status, CRRA did take into consideration the best interests of the municipalities that host CRRA’s Resource Recovery Facilities and has entered into host community PILOT (Payment In Lieu Of Taxes) agreements with some municipalities; historically, this was not the case with all the Mid-Connecticut transfer stations.

As *Table 1* shows, CRRA permit modifications for the Ellington, Watertown and Torrington transfer stations have been approved. Still pending approval is the permit modification for the Essex transfer station. When seeking a significant modification for the facility permit, CRRA will notify local officials in the host community to apprise them of the change. In 2006, subsequent to notifying the towns of Essex and Watertown of the permit modifications, officials of both communities indicated they would object to the respective permit modification unless the towns received monetary compensation. While CRRA could invoke its tax exempt status, CRRA’s Board of Directors and Management believe such a course of action would be neither prudent nor fair. CRRA has since executed an agreement with Watertown (as well as with Ellington and Torrington). CRRA has not yet executed an agreement with Essex.

Rational for a Prescribed Compensation Program

It is possible that moving forward CRRA will from time to time seek additional modifications to the Mid-Connecticut Project transfer station permits. Establishing some form of host community benefit will go a long way toward maintaining the community goodwill, trust and support needed to get permit modifications and permit renewals through the CTDEP approval process.

Establishment of a host community benefit recognizes that there are impacts to the towns in which the transfer stations are sited, primarily in the areas of increased traffic and wear and tear on local roads, and providing some compensation for these potential impacts. The benefits contained in this agreement have been presented to the Town of Essex.

Pursuant to Section 22a–266 (19) (b) of the General Statutes of Connecticut, “...in entering into a contract for a resources recovery facility, solid waste facility, volume reduction plant or solid waste management system, the authority shall consider the best interests of the municipality or region to be served by such facility, plant or system.” Not only is it in the best interests of the municipalities, it is only reasonable that these host communities receive consideration for the real and personal property located in their communities. Any other business or institution would pay taxes on the assessed value of the property or a PILOT.

Form of Prescribed Compensation Program

To avoid the appearance of arbitrariness or favoritism in the development of host community agreements, CRRA management recommends that a proscribed methodology be consistently applied when calculating PILOT payments for all four Mid-Connecticut

Project transfer stations. Therefore, while the parties to this particular Agreement are CRRA and the Town of Essex, these terms are substantially the same as the terms in the Ellington, Torrington and Watertown agreements.

The Town of Essex has indicated that it would like the term of the Transfer Station Host Community Agreement to be coterminous with the Municipal Service Agreement (MSA) that Essex intends to execute with CRRA (a 15 year Tier 1 MSA). Accordingly, the term of the Host Community Agreement will be through June 30, 2027.

Financial Summary - Host Community Benefit Agreement

The FY2012 Mid-Connecticut Budget includes \$32,100.00 for the Essex Host Community Benefit payment: 60,000 tons x \$0.535 per ton.

In addition, payments under this agreement are retroactive to July 1, 2007. Accordingly, upon execution of this Agreement Essex will receive payment as follows.

For FY2008 Deliveries:

Payment due Essex: \$41,063.92 (82,127.83 tons x \$0.50 per ton)

For FY2009 Deliveries:

Payment due Essex = \$39,969.75 (77,611.17 tons x \$0.515 per ton)

For FY2010 Deliveries:

Payment due Essex = \$39,304.13 (76,318.70 tons x \$0.515 per ton)

For FY2011 Deliveries:

Payment due Essex = \$38,200.24 (72,762.37 tons x \$0.525 per ton)

Total due for FY08 through FY11 is \$158,538.04.

Payment will be made from the Mid-Connecticut Project Operating Budget.

Discussion - Lease Agreement with Town of Essex

Unlike the Ellington, Torrington and Watertown transfer stations, CRRA does not own the real property on which the transfer station is situated. CRRA and the Town of Essex signed a Lease Agreement in May 1987 that included an annual lease payment equal to 20% of the assess value of the property. The term of the Lease Agreement is through October 25, 2015. No payments have ever been made. At this time, CRRA will pay Essex for lease payments through June 2007, the date at which the Transfer Station Host

Community Agreement will become effective. The total amount of lease payments due to the Town through June 30, 2007 equals \$31,765.49. The Lease will be amended to remove the payment provision effective June 30, 2007.

The Town of Essex and CRRA will negotiate an extension to the Lease Agreement that extends through the 15 year term of the MSA (Essex has indicated it intends to sign a Tier 1 Long Term MSA). Additionally, CRRA and the Town of Essex will subsequently extend the term of the Transfer Station Host Community Agreement through the term of the MSA signed by Essex.

(CRRA management discussed the purchase of the Essex Transfer Station property with the Town of Essex. The Town has indicated that it does not want to sell the property to CRRA at this time.)

Financial Summary - Lease Agreement

Payment of \$31,765.49 will be made from the Mid-Connecticut Project Operating Budget.

TAB 4

**RESOLUTION REGARDING APPOINTMENT OF A SUCCESSOR
TRUSTEE FOR A TRUST AGREEMENT ASSOCIATED WITH
SOUTH MEADOWS SITE REMEDIATION ACTIVITIES**

RESOLVED: That the President of CRRA is authorized to execute an Instrument of Resignation, Appointment and Acceptance with Wells Fargo Bank, National Association, substantially as presented and discussed at this meeting.

Connecticut Resources Recovery Authority

Contract Summary for

Instrument of Resignation, Appointment and Acceptance between Wells Fargo Bank, National Association and CRRA

Presented to the CRRA Board on: April 26, 2012

Vendor/ Contractor(s): Wells Fargo Bank, National Association

Effective date: Upon Execution

Contract Type/Subject matter: Appointment of Successor Trustee for an existing trust agreement that provides financial assurance for long term maintenance & monitoring of an area at CRRA's South Meadows site which contains PCBs

Facility(-ies) Affected: South Meadows Site

Term: Upon Execution, and until terminated with the consent of the United States Environmental Protection Agency (term runs through calendar year 2039, at least)

Trust Fund Amount: \$98,490.00. (TRC, not CRRA, is responsible for funding the trust fund associated with the Trust Agreement, and paying all other costs associated with the Trust Agreement.)

Scope of Services: Appointment of a Successor Trustee for a Trust Agreement and associated Trust Fund that provides financial assurance for long term maintenance and monitoring of an area at the South Meadows Site.

Other Pertinent Information: CRRA and TRC have executed a Memorandum of Understanding to clarify and memorialize the obligations of TRC pursuant to the *Exit Strategy™ Contract*, as they relate to the Trust Agreement.

Connecticut Resources Recovery Authority

Appointment of a Successor Trustee for a Trust Agreement Associated with South Meadows Site Remediation

April 26, 2012

Executive Summary

This is to request approval of the CRRA Board of Directors for the President to execute an Instrument of Resignation, Appointment and Acceptance in order to designate a successor trustee for an existing Trust Agreement. The existing Trust Agreement serves as a financial assurance mechanism to guarantee post-closure care and maintenance of an area at CRRA's South Meadows site that contains PCB's.

Discussion

On December 22, 2000, CRRA and TRC Companies, Inc. (TRC) executed a contract entitled *Exit StrategyTM Contract For South Meadows Station Site Between Connecticut Resources Recovery Authority And TRC Companies, Inc.*, which obligates TRC to remediate certain areas of contamination at the site. The *Exit StrategyTM Contract* was a prerequisite to the transfer of the South Meadows property and the Electric Generating Facility (EGF) from Connecticut Light & Power to CRRA in early CY 2001. The purpose of the *Exit StrategyTM Contract* was to establish TRC as the "Certifying Party" under the Connecticut Transfer Act, thereby shifting the environmental remediation responsibility to TRC following transfer of the property from CL&P to CRRA. TRC is therefore responsible for remediation of pre-existing pollution conditions at, under or migrating from the site as required by applicable law, including, but not limited to, the Transfer Act.

TRC has completed remediation of a certain portion of the site which involved removing soil contaminated with PCBs, transporting the soil off site to a properly licensed disposal facility, and delivering clean fill to replace the material that was removed. A small section of the area extended underneath the Power Block Facility building, and the soil in this area could not be removed without jeopardizing the structural integrity of the building. TRC received permission from the United States Environmental Protection Agency (USEPA) to place an engineered control (an impermeable cap) over this small area of soil adjacent to the building, and manage it as a closed disposal area. Management in this fashion required that TRC, as the responsible party, establish a

financial assurance mechanism to guarantee that funds are available to cover the cost of monitoring and maintenance of the engineered control for a minimum of 30 years.

TRC chose to establish a Trust Fund as the financial assurance mechanism; however, USEPA regulations require that the property owner, in this case CRRA, be the party that establishes the financial assurance mechanism. At its October 29, 2009 meeting, the CRRA Board of Directors authorized establishment of a Trust Agreement, with New York Community Bank serving as the trustee. This Trust Agreement was established in April 2010. Concurrent with establishment of the Trust Agreement, CRRA and TRC executed a Memorandum of Agreement, which specifies that TRC is responsible to fund the trust fund, to pay the annual fees to maintain the trust fund, and to pay all other costs associated with the Trust Agreement. CRRA does not incur any costs to establish or maintain the trust fund.

New York Community Bank has recently notified TRC that it is eliminating its Trust Department, and that a successor trustee needs to be appointed for the Trust Agreement. Because TRC will continue to fund the trust fund and will continue to pay the annual costs associated with maintenance of the fund and Trust Agreement, TRC has selected the Successor Trustee: Wells Fargo Bank, National Association.

Because CRRA is the Grantor of the existing Trust Agreement, CRRA must execute an Instrument of Resignation, Appointment and Acceptance ("Instrument") in order for Wells Fargo Bank, National Association to be named as Successor Trustee. Other than changing the named trustee, execution of the Instrument will neither modify the existing Trust Agreement nor modify the Memorandum of Agreement between CRRA and TRC. Given that the Instrument is a contract of greater than five (5) years in duration, execution of the Instrument by CRRA's President requires approval of the CRRA Board of Directors.

Financial Summary

The financial obligations to fund the trust fund and to pay annual fees and other costs to maintain the Trust Agreement are solely TRC's. Accordingly, there will be no cost to CRRA associated with execution of the Instrument of Resignation, Appointment and Acceptance.

The pay-in schedule for the trust fund was approved by USEPA, and consists of seven annual installment payments of \$14,070.00 each. To date, TRC has made the first three annual installment payments, and the current trust fund balance is \$42,210.00. The trust fund will reach its fully-funded level of \$98,490.00 in 2016, after TRC makes the final installment payment.

TAB 5

**RESOLUTION REGARDING ESTABLISHING A SPECIAL
COMMITTEE TO STUDY OPTIONS FOR MUNICIPAL
SOLID WASTE DISPOSAL FOLLOWING THE MATURITY
OF THE SOUTHEAST PROJECT BONDS**

WHEREAS, the Connecticut Resources Recovery Authority (the "Authority") is the conduit issuer for the waste management projects financed by bonds for the Southeastern Connecticut Regional Resources Recovery Authority ("SCRRRA"), the latest of which bonds matures on November 15, 2015; and

WHEREAS, pursuant Connecticut General Statutes Section 22a-268f a special committee is to be formed at least three years prior to the last maturity date of any bonds issued for a waste management project to study the options available for solid waste disposal; and

WHEREAS, the special committee is to be comprised of five representatives of the project financed and five representatives of the Authority; and

WHEREAS, the Board of Directors of SCRRRA has selected the five members of its Executive Committee to be the five representatives for the Southeast project and has also requested the five members from the Authority to serve on the committee.

NOW, THEREFORE, it is

RESOLVED: That a Special Committee is hereby formed and charged to study options available for the disposal of solid waste from the Southeast Project municipalities and to report thereon to this Board; and

FURTHER RESOLVED: that Special Committee consists of the five representatives selected by the project together with Authority's President, Chief Financial Officer, Director of Operations and Environmental Affairs, Director of Legal Services, and Assistant Treasurer & Director of Finance.

EXECUTIVE SUMMARY

Section 22a-268f of the Connecticut General Statutes (see below) mandates that the Authority Board establish a special committee three years prior to the expiration of any bonds issued to finance a waste management project, to consist of five representatives of the Authority and not more than five representatives of the contracting municipalities. The committee is directed to study and present post-Project options for the disposal of solid waste from the Project municipalities to the Authority Board.

Since 1985, the Authority has served as conduit financier on behalf of the Southeastern Connecticut Regional Resources Recovery Authority ("SCRRA") for their waste-to-energy facility bonds.

The five-member Executive Committee of the SCRRA Board of Directors have nominated themselves to be the five representatives for the Southeast Project: John Phetteplace of Stonington, William Watkins of New London, Nick Mullane of North Stonington, Joe Lozier of Ledyard and Gary Schneider of Groton. Further, they have specifically requested the five representatives of the Authority to complete the remainder of the special committee.

We ask the Board to approve the formation of the special committee in accordance with statute and with the members as per the SCRRA Executive Committee's recommendation.

Sec. 22a-268f. Special committees to study options for municipal solid waste disposal. Not later than three years before the last maturity date of any outstanding bond issuance for a waste management project, as defined in section 22a-260, administered by the Connecticut Resources Recovery Authority, the board of directors of the authority shall establish a special committee for such project consisting of five representatives of the authority and not more than five representatives jointly designated by the municipalities having a contract with the authority for such project. At least two years before such last maturity date, such special committee shall study and present to said board of directors options for disposing of solid waste from such municipalities after the expiration of such contract. Such options shall include, but shall not be limited to, private sector management of such solid waste disposal.

(P.A. 03-133, S. 1.)

History: P.A. 03-133 effective July 1, 2003.

TAB 6

**RESOLUTION REGARDING ADDITIONAL PROJECTED LEGAL
EXPENDITURES**

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 Authority and Mid-Connecticut Project 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>
Halloran Sage	\$350,000

CONNECTICUT RESOURCES RECOVERY AUTHORITY

Request regarding Authorization for Payment of Projected Additional Legal Expenses

April 26, 2012

Executive Summary

This is to request Board of Directors authorization of payment of additional projected fiscal '12 legal expenses.

Discussion

At various points between December 2011 and November 2012, all of CRRA's major Mid-Connecticut Project contracts expire, necessitating the bidding, drafting, and negotiation of replacements. CRRA's general counsel, Halloran & Sage, has been intimately involved in CRRA's future planning and transition issues, and the primary drafter and supporting negotiator of MSAs, operation and maintenance agreements, electricity purchase agreements, and lead market participant agreements, and has provided legal advice and assistance with end-of-project and transition issues. Several of these matters have required more time and effort than anticipated a year ago, most notably, the electric purchase/lead market participant bids for the plant and for the jets, both of which were protracted and complicated procurements (and, in the case of the jets, uncharted territory). As always, Halloran & Sage has also assisted, and continues to assist, with board questions, ethics and FOIA matters, and legislative and regulatory issues.

It is anticipated that many of these matters will continue into the final quarter of fiscal year 12. CRRA may also require legal assistance with electric tariff and compliance issues, municipal RFPs for waste services, and renewal of its Title V air permits.

We are seeking board authorization to incur additional legal expenses for these matters.