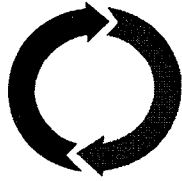


CRRA
REGULAR BOARD MEETING
March 20, 2014



**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 Kenney, HR Specialist/Board Administrator
DATE: March 14, 2014
RE: Notice of Regular Board Meeting

There will be a Regular Board Meeting of the Connecticut Resources Recovery Authority Board of Directors on Thursday March 20, 2014, at 9:30 p.m. The meeting will be held in the Board Room at 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
March 20, 2014
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 Approval of the Regular Jan. 30, 2014, Board Meeting Minutes (Attachment 1).
2. Board Action will be sought for Approval of the Regular Feb. 20, 2014, Board Meeting Minutes (Attachment 2).

IV. Policies & Procurement Committee Reports

1. Board Action will be sought for the Resolution Regarding Ratification of Emergency Procurement (Attachment 3).
2. Board Action will be sought for the Resolution Regarding the Purchase of Jet Fuel for the South Meadows Jet Turbine Facility Attachment 4).

V. Finance Committee Reports

1. Board Action will be sought for the Resolution Regarding Renewal of All Risk Property Insurance, Public Officials' & Employment Practices Liability Insurance, Crime Insurance, and Fiduciary Insurance (Attachment 5).
2. Board Action will be sought for the Resolution Regarding Distribution of Recycling Rebates to the Connecticut Solid Waste System Participating Municipalities (Attachment 6).
3. Board Action will be sought for the Resolution Regarding the Transfer of the Montville Landfill Post Closure Reserve to the Southeastern Connecticut Regional Resources Recovery Authority (Attachment 7).

VI. Chairman and President's Reports

VII. 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.

VIII. Legal

1. Board Action will be sought Regarding Additional Projected Legal Expenditures (Attachment 8).

TAB 1

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND THIRTY-EIGHTH

JAN. 30, 2014

A regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thurs. Jan. 30, 2013, in the Board Room at 100 Constitution Plaza, Hartford, CT. Those present were:

Directors: Chairman Don Stein
Vice-Chairman Barlow
John Adams
Ralph Eno
Jim Hayden
Joe MacDougald
Andy Nunn (present by telephone)
Scott Shanley
Steve Edwards, Bridgeport Project Ad-Hoc
Bob Painter, Mid-Connecticut Project Ad-Hoc

Present from CRRA in Hartford:

Tom Kirk, President
Mark Daley, Chief Financial Officer
Dave Bodendorf, Senior Engineer
Jeff Duvall, Director of Budgets and Forecasting
Peter Egan, Director of Environmental Affairs and Operations
Laurie Hunt, Director of Legal Service
Paul Nonnenmacher, Director of Public Relations
Moira Kenney, HR Specialist/Board Administrator

Others present: Doug Cohen, Esq., Brown Rudnick; John Pizzimenti, USA Hauling; Jim Sandler, Esq., Sandler & Mara.

Chairman Stein called the meeting to order at 11:00 a.m. and said a quorum was present.

PUBLIC PORTION

Chairman Stein said 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.

As there were no members of the public present wishing to speak, Chairman Stein proceeded with the meeting agenda.

**APPROVAL OF THE MINUTES OF THE REGULAR DEC. 19, 2013, BOARD MEETING
MINUTES**

Chairman Stein requested a motion to approve the minutes of the Regular Dec. 19, 2013, Board Meeting. Vice-Chairman Barlow made the motion which was seconded by Director MacDougald.

The motion previously made and seconded to approve the minutes as amended was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Edwards, Director Eno, Director Hayden, Director MacDougald, Director Nunn, Director Painter, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
James Hayden	X		
Joe MacDougald	X		
Andy Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southeast	X		

RESOLUTION REGARDING DISTRIBUTION OF RECYCLING REBATES TO MID-CONNECTICUT PROJECT MEMBER MUNICIPALITIES

Chairman Stein requested a motion on the above referenced item. The motion to approve was made by Director Shanley and seconded by Director Hayden.

WHEREAS, the Authority has encouraged member municipalities to recycle to the maximum extent possible by not charging a tipping fee for the acceptance of recyclables at the Authority’s regional recycling facilities since commencing operations; and

WHEREAS, the Board of Directors adopted the Fiscal Year 2013 Mid-Connecticut Project Budget anticipating that a \$10.00 per ton rebate provision for member municipalities based on the amount of acceptable tons projected to be delivered would be possible; and

WHEREAS, the mid-Connecticut Project operations generated sufficient revenues in excess of expenses to rebate \$10.00 per ton delivered by the municipalities; and

WHEREAS, the Authority has accrued sufficient funds for a rebate and the Fiscal Year 2013 audit has been performed and the auditors have confirmed that the funds are accrued and available;

NOW THEREFORE, be it

RESOLVED: That the Board of Directors approve the use of approximately \$334,000.00 to provide a \$10.00 per ton rebate to the Mid-Connecticut Project municipalities based on their pro-

rate share of acceptable recycling tonnage delivered to the Mid-Connecticut Regional Recycling Center during the period of July 1, 2012, through November 15, 2012.

Director Shanley said this item was discussed and approved at the Finance Committee meeting. He said this rebate is for part of the year and that the transmittal letter should caution the member towns on expecting the same performance from the CSWS Project.

Mr. Daley said the \$10.00 rebate was budgeted for in the FY'13 Mid-Conn Project and was accrued when the books were closed and audited. Mr. Kirk said CRRA's rebate program shares any profit made in the sales of commodities proportionally with the member towns. He said the program has been impacted substantially as many of the member towns deliver their commodities via a transfer station. Mr. Kirk said management will bring consideration of a rebate concerning the CSWS Project to the Board within the coming months.

The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Hayden, Director MacDougald, Director Nunn, Director Painter, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
James Hayden	X		
Joe MacDougald	X		
Andy Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southeast			

DISCUSSION

Mr. Daley provided an overview of the handout in the package addressing the Property Division and CSWS budget development. Director Shanley noted the Finance Committee appreciated the format of the summary draft as it was very clear and comprehensive. Mr. Daley explained the Board attachment is a summarized version of the package which was presented to the Finance Committee.

RESOLUTION REGARDING CHANGE ORDER ASSOCIATED WITH THE CONTRACT FOR CLOSURE OF THE HARTFORD LANDFILL

Chairman Stein requested a motion on the above referenced item, which was made by Director Adams and seconded by Vice-Chairman Barlow.

RESOLVED: That the President is hereby authorized to execute three or more change orders with E. T. & L. Corporation, pursuant to its contract to construct the landfill cap and photovoltaic system at the Hartford Landfill, substantially as discussed and presented at this meeting.

FURTHER RESOLVED: That these change orders will be funded from the Hartford Landfill Closure Reserve.

Mr. Kirk said the specific change order descriptions are included in the write-up. He said the budget, contract, and engineering for the contract for the landfill has been ongoing for years. Mr. Kirk said change orders were anticipated and budgeted for in advance. He said the change orders costs total about \$203,000.

Mr. Bodendorf said the change orders were reviewed by staff and by CRRA’s consultant.

The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Hayden, Director MacDougald, Director Nunn, Director Painter, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
James Hayden	X		
Joe MacDougald	X		
Andy Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southeast			

REVIEW AND RECOMMEND RESOLUTION REGARDING A SOIL DELIVERY CONTRACT

Chairman Stein requested a motion on the above referenced matter. The motion to approve was made by Vice-Chairman Barlow and seconded by Director Adams.

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

FURTHER RESOLVED: That the revenue received from this agreement will be deposited into the Hartford Landfill Closure Reserve.

Mr. Bodendorf explained the pricing in the first contract was arrived at through years of assessing the soil market in both Connecticut and Southwestern Massachusetts. Mr. Bodendorf said this soil is from the Hartford to New Britain bus way project. He said the original approval from the Board for an earlier agreement was approved in April 2013 when the market was at \$20.00 a ton. Mr. Bodendorf said this price was based on comparative \$14.00 a ton tip fees in Massachusetts after the savings in transporting the soil to Hartford was factored in.

Mr. Bodendorf said throughout the summer Environmental Partners had more soil and CRRA continued to have capacity which was a win for both companies. He said CRRA received about 107,000 tons of soil from that project and made about \$2.1 million in the process.

The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Hayden, Director MacDougald, Director Nunn, Director Painter, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
James Hayden	X		
Joe MacDougald	X		
Andy Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southeast			

REVIEW AND RECOMMEND RESOLUTION REGARDING A SOIL DELIVERY CONTRACT

Chairman Stein requested a motion on the above referenced matter. The motion to approve was made by Vice-Chairman Barlow and seconded by Director Adams.

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

FURTHER RESOLVED: That the revenue received from this agreement will be deposited into the Hartford Landfill Closure Reserve.

Mr. Bodendorf said the soil from this agreement was from a project undertaken by the City of Hartford. He said several years ago CRRA negotiated a low \$11.00 per ton price with the City of Hartford soil because the City of Hartford is a host community and supported CRRA's permit modification for the landfill closure for the solar project and the exposed membrane cap. Mr. Bodendorf said CRRA held the price it had offered the City of Hartford in the past for this agreement. Mr. Kirk said the \$11.00 a ton deal was beneficial for the City.

The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Hayden, Director MacDougald, Director Nunn, Director Painter, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
James Hayden	X		
Joe MacDougald	X		
Andy Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southeast			

REVIEW AND RECOMMEND RESOLUTION REGARDING A SOIL DELIVERY CONTRACT

Chairman Stein requested a motion on the above referenced matter. The motion to approve was made by Vice-Chairman Barlow and seconded by Director Adams.

RESOLVED: That the President is hereby authorized to enter into an agreement with RED Technologies, LLC for delivery of soil to be used as contouring and cover material at the Hartford Landfill, and as approved by the Connecticut Department of Energy & 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 Closure Reserve.

Mr. Bodendorf said the price for this agreement was arrived at after assessing the market and negotiations.

The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Hayden, Director MacDougald, Director Nunn, Director Painter, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
James Hayden	X		
Joe MacDougald	X		
Andy Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southeast			

REVIEW AND RECOMMEND RESOLUTION REGARDING A SOIL DELIVERY CONTRACT

Chairman Stein requested a motion on the above referenced matter. The motion to approve was made by Vice-Chairman Barlow and seconded by Director Adams.

RESOLVED: That the President is hereby authorized to enter into an agreement with RED Technologies, LLC for delivery of soil to be used as contouring and cover material at the Hartford Landfill, and as approved by the Connecticut Department of Energy & 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 Closure Reserve.

Mr. Bodendorf said this agreement is related to the change order approved earlier in the meeting. He said the contractor encountered an area of the landfill where the soil subgrade was unsuitable. Mr. Bodendorf said management, the contractor, and CRRA’s consultant determined the best way to handle the issue was to excavate the area, bring in some dry sand and gravel, mix it with soil and replace the area.

Mr. Bodendorf said CRRA’s options were to purchase the soil from the contractor for \$20.00 a ton, or to look for other soil which was suitable. He said after speaking with several sources Mr. Bodendorf located soil from RED Technologies which fit CRRA’s needs, but was already being disposed elsewhere for \$10.00 a ton. He said a lower price of \$8.00 was negotiated to secure the soil for CRRA, which also saved CRRA from having to purchase soil from its contractor. Mr. Bodendorf noted that the landfill is capped and there will be no further need for soil.

The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Hayden, Director MacDougald, Director Nunn, Director Painter, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
James Hayden	X		
Joe MacDougald	X		
Andy Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southeast			

PRESIDENTS' REPORT

Mr. Kirk said the facilities operated through the period without any environmental, public safety, employee safety, or health impacts. He referred the Board to the auditor's report for further financial information and reports. Mr. Kirk said the supplemental package contains the CSWS source and use of funds and the finance and variance report.

Mr. Kirk said CRRA's expense variance shows favorable expenses. He said general administrative and other expenses are in line, with the exception of the power block facility which is over budget due to maintenance repair expenses which are expected to be mitigated by the end of the year. He said town receipts and favorable hauler contract receipts continue, resulting in lower spot demand. Vice-Chairman Barlow asked if management is reducing the spot market and trying to get more waste in. Mr. Kirk replied yes.

Mr. Kirk said the Southeast Project has had modest favorable budget performance mostly due to improved ferrous recovery. He said the unfavorable ash costs are resolved at the year end and will end up on budget. Mr. Kirk said the project continues to enjoy a very high power price.

Mr. Kirk said the Southwest deliveries and operations financing are on track as the budget comes to a close. He said the Authority budget shows a small favorable surplus and is essentially on track and on budget. Mr. Kirk said the Property Division has favorable revenue and some unfavorable expenditures due to change in law costs. He said CRRA is \$1.3 million favorable for the period.

Mr. Kirk said the capital reserve schedules are contained in the supplemental package. He said the initial results of the outages done in the fall appear to be positive. Mr. Kirk said there are still some back end problems management is working on. He said the capital spending is yielding good results.

Mr. Kirk said the gas circuit breakers were opened up by what management believes was a human error by an NU employee doing some testing. He said the impact was significant financially. Mr. Kirk said management will pursue what options it has for both the loss of generation and the demand charge. He explained when CRRA gets separated from the grid it is assessed with a twelve month demand charge which is set by the highest peak demand put on the system during the time period in

which CRRA is buying power. Mr. Kirk said that is about \$4,000 a month for the next twelve months and the overall incident will likely cost well above \$100,000.

Mr. Kirk said Tab F contains tonnage and delivery receipt information by town. He said seasonally receipts are down, as expected.

UPDATE ON MOU PROGRESS

Mr. Kirk said Doug Cohen, Esq. of Brown Rudnick is present at the meeting. He explained Mr. Cohen, Esq. and Dean Applefield, Esq., attorney to the Connecticut Department of Energy and Environmental Protection (hereinafter referred to as "CT DEEP") have been working closely on development of the memorandum of understanding (hereinafter referred to as "MOU") used by CRRA and the CT DEEP to determine the working relationship on the transfer of the responsibilities of the landfills to the CT DEEP.

Mr. Kirk said the MOU has been under development for several months. He said recently the CT DEEP accepted being the permittee, a critical acknowledgment. Mr. Kirk said the CT DEEP has not accepted ownership of the real estate and the infrastructure associated with the landfill which creates some problems requiring resolution.

EXECUTIVE SESSION

Chairman Stein requested a motion to enter into Executive Session to discuss the MOU and to consult with legal staff and appropriate staff. The motion, made by Director MacDougald and seconded by Director Eno, was approved unanimously. Chairman Stein asked the following people join the Directors in the first Executive Session:

Tom Kirk
Mark Daley
Dave Bodendorf
Peter Egan
Laurie Hunt
Doug Cohen, Esq.

The Executive Session began at 10:54 a.m. and concluded at 11:07 a.m. Chairman 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. Chairman Stein, Director Adams, Director Barlow, Director Edwards, Director Eno, Director Hayden, Director MacDougald, Director Nunn, Director Painter, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Donald Stein	X		
Richard Barlow	X		
John Adams	X		
Ralph Eno	X		
Jim Hayden	X		
Joe MacDougald	X		
Andy Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, Mid-Ct	X		
Steve Edwards, Bridgeport	X		

REVIEW AND RECOMMEND RESOLUTION REGARDING AGREEMENT WITH MCKENNA LONG & ALDRIDGE LLP

Chairman Stein requested a motion on the above referenced matter. The motion to approve was made by Director Adams and seconded by Director Eno.

RESOLVED: That the President is hereby authorized to enter into an agreement with McKenna Long & Aldridge LLP, substantially as presented and discussed in this meeting.

The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Hayden, Director MacDougald, Director Nunn, Director Painter, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
James Hayden	X		
Joe MacDougald	X		
Andy Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southeast			

EXECUTIVE SESSION

Chairman Stein requested a motion to enter into Executive Session to discuss pending claims and litigation, trade secrets, personal matters, pending RFP's, and feasibility estimates and evaluations, and to consult with legal staff with appropriate staff. The motion, made by Director MacDougald and

seconded by Director Adams, was approved unanimously. Chairman Stein asked the following people join the Directors in Executive Session:

- Tom Kirk
- Mark Daley
- Peter Egan
- Laurie Hunt
- Doug Cohen, Esq.

The Executive Session began at 11:15 a.m. and concluded at 1:07 p.m. Chairman 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. Chairman Stein, Director Adams, Director Barlow, Director Edwards, Director Eno, Director Hayden, Director MacDougald, Director Nunn, Director Painter, and Director Shanley voted yes.

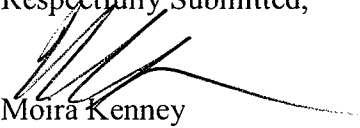
Directors	Aye	Nay	Abstain
Donald Stein	X		
Richard Barlow	X		
John Adams	X		
Ralph Eno	X		
Jim Hayden	X		
Joe MacDougald	X		
Andy Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, Mid-Ct	X		
Steve Edwards, Bridgeport	X		

ADJOURNMENT

Chairman Stein requested a motion to adjourn the meeting. The motion to adjourn was made by Director MacDougald and seconded by Director Adams and was approved unanimously.

There being no other business to discuss, the meeting adjourned at 1:07 p.m.

Respectfully Submitted,



Moira Kenney
HR Specialist/Board Administrator

TAB 2

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND THIRTY-EIGHTH

FEB. 20, 2014

A regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thurs. Feb. 20, 2013, in the Board Room at 100 Constitution Plaza, Hartford, CT. Those present were:

Directors: Chairman Don Stein
Vice-Chairman Barlow
John Adams
Ralph Eno
Jim Hayden
Andy Nunn (present by telephone)
Scott Shanley
Steve Edwards, Bridgeport Project Ad-Hoc
Bob Painter, Mid-Connecticut Project Ad-Hoc

Present from CRRA in Hartford:

Tom Kirk, President
Mark Daley, Chief Financial Officer
Jeff Duvall, Director of Budgets and Forecasting
Peter Egan, Director of Environmental Affairs and Operations
Laurie Hunt, Director of Legal Service
Tina Mateo, Assistant Director of Budgets and Cash Management
Moira Kenney, HR Specialist/Board Administrator

Others present: John Pizzimenti, USA Hauling; Jim Sandler, Esq., Sandler & Mara.

Chairman Stein called the meeting to order at 9:30 a.m. and said a quorum was present.

PUBLIC PORTION

Chairman Stein said 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.

As there were no members of the public present wishing to speak, Chairman Stein proceeded with the meeting agenda.

PRESENTATION ON THE PROPOSED CSWS AND PROPERTY DIVISION BUDGETS FOR FY 2015

Mr. Daley provided the Board with a presentation on the proposed CSWS and Property Division Budgets for FY 2015 included in the Board package.

REVIEW AND RECOMMEND RESOLUTION REGARDING DISPOSITION OF ACCOUNTS AND FLOW OF FUNDS ASSOCIATED WITH THE CONNECTICUT RESOURCES RECOVERY AUTHORITY'S PROPERTY DIVISION

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

WHEREAS, The Authority has developed a Transition Plan and Ten Year Financial Plan in response to the requirements of Section 9 of Public Act 13-285; and

WHEREAS, Such plan anticipates that certain actions be taken to ensure that the Authority remains a financially self-sufficient public instrumentality and political subdivision of the State for a period of at least ten years; and

WHEREAS, such actions include, but are not limited to, establishing a Tip Fee Stabilization Fund, making certain funds available for the Connecticut Solid Waste System (CSWS) Major Maintenance and Capital Improvement Program, and utilizing the Authority's bonding capability to provide further funding for such program; and

WHEREAS, Utilizing the Authority's bonding capability will ultimately require an integrated financial structure including a defined flow of funds and pledge of revenues derived from the Authority's Property Division; and

NOW THEREFORE, be it

RESOLVED: The Board of Directors approves the Property Division Flow of Funds attached hereto as Exhibit A.

RESOLVED: The Board of Directors approves the establishment of new accounts, closing of existing accounts and redistribution of funds within the Property Division as described in Exhibit B attached hereto.

RESOLVED: The Board of Directors authorizes Authority Management to undertake such actions as described on Exhibits A and B effective as of March 1, 2014.

The motion previously made and seconded was passed unanimously by roll call. Chairman Stein, Vice Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director MacDougald, Director Painter and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
James Hayden	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southeast			

REVIEW AND RECOMMEND RESOLUTION REGARDING ADOPTION OF THE FISCAL YEAR 2015 PROPERTY DIVISION OPERATING BUDGET

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

RESOLVED: That the fiscal year 2015 Connecticut Resources Recovery Authority Property Division Operating Budget attached hereto as Exhibit A be adopted substantially in the form as presented and discussed at this meeting; and

FURTHER RESOLVED: That the President is hereby authorized to approve the use of funds from the applicable Property Division accounts and reserves to pay for costs and fees incurred during Fiscal Year 2015 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 Policies and Procedures; and

FURTHER RESOLVED: That the Authority contribute \$85,000 to the Severance Reserve; and

FURTHER RESOLVED: That \$3,000,000 be contributed to the CSWS Improvement fund from existing resources of the Property Division; and

FURTHER RESOLVED: That the Authority establish a Property Division General Fund and contribute all remaining operating funds as described in the Disposition of Accounts and Flow of Funds which is anticipated to be \$2,194,000 in Fiscal Year 2015.

The motion previously made and seconded was passed unanimously by roll call. Chairman Stein, Vice Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director MacDougald, Director Painter and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
James Hayden	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southeast			

REVIEW AND RECOMMEND RESOLUTION REGARDING DISPOSITION OF ACCOUNTS AND FLOW OF FUNDS ASSOCIATED WITH THE CONNECTICUT RESOURCES RECOVERY AUTHORITY'S CSWS DIVISION

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

WHEREAS, The Authority has developed a Transition Plan and Ten Year Financial Plan in response to the requirements of Section 9 of Public Act 13-285; and

WHEREAS, Such plan anticipates that certain actions be taken to ensure that the Authority remains a financially self-sufficient public instrumentality and political subdivision of the State for a period of at least ten years; and

WHEREAS, such actions include, but are not limited to, establishing a Tip Fee Stabilization Fund, making certain funds available for the Connecticut Solid Waste System (CSWS) Major Maintenance and Capital Improvement Program, and utilizing the Authority's bonding capability to provide further funding for such program; and

WHEREAS, Utilizing the Authority's bonding capability will ultimately require an integrated financial structure including a defined flow of funds and pledge of revenues derived from the Authority's CSWS Division; and

NOW THEREFORE, be it

RESOLVED: The Board of Directors approves the CSWS Division Flow of Funds attached hereto as Exhibit A.

RESOLVED: The Board of Directors approves the establishment of new accounts, closing of existing accounts and redistribution of funds within the CSWS Division as described in Exhibit B attached hereto.

RESOLVED: The Board of Directors authorizes Authority Management to undertake such actions as described on Exhibits A and B effective as of March 1, 2014.

The motion previously made and seconded was passed unanimously by roll call. Chairman Stein, Vice Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director MacDougald, Director Painter and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
James Hayden	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southeast			

REVIEW AND RECOMMEND RESOLUTION REGARDING ADOPTION OF THE FISCAL YEAR 2015 CSWS DIVISION OPERATING AND CAPITAL BUDGETS

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

RESOLVED: That the fiscal year 2015 Connecticut Resources Recovery Authority CSWS Division Operating and Capital Budgets attached hereto as Exhibits A and A1 be adopted substantially in the form as presented and discussed at this meeting; and

FURTHER RESOLVED: That the following tip fees be adopted for the Fiscal Year 2015 operating budgets; and

WASTE STREAM	TIP FEES
Base Disposal Fee/Tier 1 Short-Term (per ton)	\$64.00
Tier 1 Long-Term/Tier 3 (per ton)	\$62.00
Tier 2 (per ton)	\$66.00
Spot Waste (per ton)	Market Rate
Bulky Waste (per ton)	\$85.00
Ferrous (per ton)	Market Rate
Mattress/Box Springs Surcharge (per unit)	\$30.00
Recycling; Single or Dual Stream (per ton)	No Charge

FURTHER RESOLVED: That the President is hereby authorized to approve the use of funds from the applicable CSWS accounts and reserves to pay for costs and fees incurred during Fiscal Year 2015 in accordance with the operating and capital budgets 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 Policies and Procedures; and

FURTHER RESOLVED: That the Authority contribute \$85,000 to the Severance Reserve, \$100,000 to the Legal Reserve and \$191,000 to the CSWS Risk Reserve; and

FURTHER RESOLVED: That a the Authority contribute \$7,425,000 to the CSWS Improvement Fund from the Fiscal Year 2015 CSWS operating budget and adopted CSWS flow of funds; and

FURTHER RESOLVED: That the Authority establish a CSWS General Fund and contribute all remaining operating funds as described in the Disposition of Accounts and Flow of Funds which is anticipated to be \$500,000 in Fiscal Year 2015.

Director Painter asked what the Pilot payment for Hartford is. Mr. Daley replied \$1.5 million for FY'15. Director Painter said he recalled there was a discussion that \$1.2 million would be provided for the first half of the year and then, based on what was available, the Board would make a decision about the second half of the year. Mr. Daley said the existing FY 2014 budget is for \$2.2 million split into two payments of \$1.1 million. Mr. Daley said the first payment for FY 2014 has been made and the second \$1.1 million is subject to further Board action.

Director Painter said he believes the Board should recognize the position that Hartford is in as far as sustaining the host community responsibilities. He said he does not feel comfortable with the \$700,000 reduction in the Pilot payment, or with this budget.

Chairman Stein asked if there is room in the budget to revisit and possibly increase the Pilot going forward if the Board makes such a decision. Mr. Daley said that is within the Board's Authority and the FY'15 budget is \$1.5 million funded with conservative figures for electricity and other items. He said the revenue side may perform better than estimated and if that happened the Board could change the budget on the Pilot piece and not otherwise affect the reserves.

Mr. Daley said if the revenue piece comes in as planned increasing the Pilot would draw down the reserves. Chairman Stein said he was not aware of any agreement with the City of Hartford on a gradual reduction of the Pilot. Director Painter said there was no expression from the City of Hartford that a reduction was appropriate.

Chairman Stein said he was under the impression that the negotiation had a great deal to do with the assessed value of the property. Director Painter said that was CRRA's proposal however there was a great deal of disagreement over the assessed value as no assessment took place.

Director Freedman said he would support reconsideration of the Pilot six months into the fiscal year. He said if revenue increases more than projected CRRA can keep the stabilization reserves in the

budget and may have excess income. Director Painter said he appreciates the approach however some of the funding of the reserve seems on the generous side.

Director Eno agreed with Director Freedman. He suggested an amendment be made to the resolution stating that the Board will revisit the issue of an increased Pilot payment to Hartford if certain triggers can be met without jeopardizing the integrity of the budget.

Director Adams asked if the \$1.2 million payment was made if that would impact cash flow negatively. Mr. Daley said the budget has not been cash flowed out. He said there is room within the cash flow perimeters CRRA has to make that work. Director Freedman asked when the FY'15 Pilot payment is required. Mr. Daley said there is no contract currently in place for the FY'15 Pilot. Ms. Hunt said there is a contract in place however the amount of the Pilot is at the discretion of the CRRA Board.

MOTION TO AMEND THE CSWS DIVISION BUDGET

Chairman Stein requested a motion on the above referenced item. The amendment was made by Vice-Chairman Barlow and seconded by Director Eno.

Director Shanley said the amendment should recognize that the Board would like to have the ability to revisit the Hartford Pilot payment six months after the first payment.

Mr. Daley suggested adding a resolve after the first resolve that the Board reserves the right to increase the budgeted amount for the Hartford Pilot should there be excess revenues based on assessment to occur six months after the first payment is made.

The motion previously made and seconded to approve the amendment was passed unanimously by roll call. Chairman Stein, Vice Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director MacDougald, Director Painter and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
James Hayden	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southeast			

MOTION TO APPROVE THE CSWS DIVISION BUDGET AS AMENDED

Chairman Stein requested a motion on the above referenced item. The motion to approve the budget as amended was made by Vice-Chairman Barlow and seconded by Director Eno.

RESOLVED: That the fiscal year 2015 Connecticut Resources Recovery Authority CSWS Division Operating and Capital Budgets attached hereto as Exhibits A and A1 be adopted substantially in the form as presented and discussed at this meeting; and

FURTHER RESOLVED: That the Board reserves the right to increase the budget for the City of Hartford PILOT should surplus revenues be available. Such adjustment to occur within six months of the first payment to Hartford; and

FURTHER RESOLVED: That the following tip fees be adopted for the Fiscal Year 2015 operating budgets; and

WASTE STREAM	TIP FEES
Base Disposal Fee/Tier 1 Short-Term (per ton)	\$64.00
Tier 1 Long-Term/Tier 3 (per ton)	\$62.00
Tier 2 (per ton)	\$66.00
Spot Waste (per ton)	Market Rate
Bulky Waste (per ton)	\$85.00
Ferrous (per ton)	Market Rate
Mattress/Box Springs Surcharge (per unit)	\$30.00
Recycling; Single or Dual Stream (per ton)	No Charge

FURTHER RESOLVED: That the President is hereby authorized to approve the use of funds from the applicable CSWS accounts and reserves to pay for costs and fees incurred during Fiscal Year 2015 in accordance with the operating and capital budgets 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 Policies and Procedures; and

FURTHER RESOLVED: That the Authority contribute \$85,000 to the Severance Reserve, \$100,000 to the Legal Reserve and \$191,000 to the CSWS Risk Reserve; and

FURTHER RESOLVED: That a the Authority contribute \$7,425,000 to the CSWS Improvement Fund from the Fiscal Year 2015 CSWS operating budget and adopted CSWS flow of funds; and

FURTHER RESOLVED: That the Authority establish a CSWS General Fund and contribute all remaining operating funds as described in the Disposition of Accounts and Flow of Funds which is anticipated to be \$500,000 in Fiscal Year 2015.

The motion previously made and seconded was passed unanimously by roll call. Chairman Stein, Vice Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director MacDougald, Director Painter and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
James Hayden	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southeast			

MOTION TO TABLE THE RESOLUTION REGARDING ADDITIONAL PROJECTED LEGAL EXPENDITURES

Chairman Stein requested a motion to table the above referenced item. The motion to table was made by Vice-Chairman Barlow and seconded by Director Eno.

WHEREAS, CRRA obtained Board authorization to pay projected legal fees and expenses from appropriate budgets and reserves in May, 2013; and

WHEREAS, Public Act 13-247, approved in June, 2013, states that CRRA shall enter into a memorandum of understanding with DEEP for the assumption by DEEP of CRRA’s post-closure obligations for the Hartford, Ellington, Wallingford, Shelton, and Waterbury landfills; and

WHEREAS, CRRA has engaged its environmental counsel to provide legal advice and assistance with the drafting and negotiation of the required MOU; and

WHEREAS, CRRA expects to incur greater than authorized legal expenses for these 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 2014:

<u>Firm:</u>	<u>Amount:</u>
Brown Rudnick	\$85,000

The motion to table was approved by roll call. Chairman Stein, Vice Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director MacDougald, Director Painter and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
James Hayden	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southeast			

PRESIDENT’S REPORT

Mr. Kirk referred the Board to the supplemental information for further details and data. He said the CSWS source of use of funds has a \$6.1 million capital balance. Mr. Kirk said the finance and variance report indicates a \$1.3 million deficit on operations as a result of October and November production outages. He said January was a productive month in terms of production and pricing with well over \$4 million in energy revenues.

Director Shanley asked if he was correct that CRRA has almost reached its annualized target of \$4.6 a kilowatt hour. Mr. Kirk said that was correct although predicting the rest of the year would be difficult. He said investments made earlier in the season during long outages paid off. Vice-Chairman Barlow asked why tonnage had increased. Mr. Kirk speculated that spot numbers jumped dramatically due to a seasonal drop in municipal tonnage. He said December was a difficult month in processing.

Mr. Kirk said the Southeast Southwest Authority property division revenue contains no outstanding items.

Mr. Kirk distributed a letter from the council of the City of Bridgeport regarding CRRA’s preliminary plans to consider a Southwest Regional Transfer Station at the Stratford Facility or by leasing the City of Stratford’s. He said the City of Bridgeport is opposed to CRRA considering a Transfer Station.

Mr. Kirk provided the Board with an update on the memorandum of understanding (hereinafter referred to as “MOU”) for the landfill and landfill reserve. He said management is getting closer to resolving this issue matter with the Connecticut Department of Environmental and Energy Protection (hereinafter referred to as “CT DEEP”) which has agreed to accept the permits for the landfills but would not accept ownership of the land. He said this creates difficulty for CRRA in terms of insurance. He said CRRA’s broker is trying to get availability and pricing for the insurance necessary if CRRA retains ownership of the landfills. The Board discussed the complications of this matter.

Mr. Kirk said power pricing continues to be favorable through February. He provided the Board with an update on Bill SB 27. Chairman Stein said there was a panel discussion at the Council of Small Towns at which Senator McKinney and Senator Williams were present. He said Director Eno brought

up issue related to CRRA in public session and Senator Williams indicated he would be willing to speak with some subset of the CRRA Board to discuss this Legislation.

Chairman Stein asked that the Board compile what their most important concerns are prior to this meeting. The Board discussed the complications of this matter. Chairman Stein suggested that Vice-Chairman Barlow and Director Eno work directly with Mr. Kirk to further address this legislation.

Mr. Kirk asked for guidance in providing a communication to CRRA’s customers’ concerning the tip fee and how it was derived at. He recommended sending a letter out immediately following the Board meeting which sets the tip fee. The Board made several suggestions.

EXECUTIVE SESSION

Chairman Stein requested a motion to enter into Executive Session to discuss pending litigation and personnel matters. The motion, made by Director Adams and seconded by Director Eno, was approved unanimously. Chairman Stein asked the following people join the Directors in the first Executive Session:

- Tom Kirk
- Mark Daley
- Peter Egan
- Laurie Hunt
- Eric Womack

The Executive Session began at 12:11 p.m. and concluded at 1:15 p.m. Chairman 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. Chairman Stein, Vice Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director MacDougald, Director Painter and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
James Hayden	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southeast			

ADJOURNMENT

Chairman Stein requested a motion to adjourn the meeting. The motion to adjourn was made by Vice-Chairman Barlow and seconded by Director Adams and was approved unanimously.

There being no other business to discuss, the meeting adjourned at 1:15 p.m.

Respectfully Submitted,.....



Moira Kenney
HR Specialist/Board Administrator

TAB 3

**RESOLUTION REGARDING RATIFICATION OF EMERGENCY
PROCUREMENT CONTRACT**

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

Emergency Procurement Contract

March 20, 2014

The following written evidence is being provided to the Board for ratification pursuant to Sections 2.2.12 and 5.10 of the CRRA Procurement Policy.

2.2.12 “Emergency Situation”

“Emergency Situation” shall mean a situation whereby purchases are needed to remedy a situation that creates a threat to public health, welfare, safety or critical governmental or CRRA service or function. The existence of such a situation creates an immediate and serious need that cannot be met through the normal procurement methods and the lack of which would seriously threaten: (i) the health or safety of any person; (ii) the preservation or protection of property; (iii) the imminent and serious threat to the environment; or (iv) the functioning of CRRA. Any such situation shall be documented with written evidence of said situation.

5.10 Emergency Procurements

In the event of an Emergency Situation as defined herein, the procedures for pre-approval of Contracts in these Policies and Procedures by the Board do not apply. When the President, Chairman, or designee determines that an Emergency Situation has occurred, the President, Chairman, or their designee is authorized to enter into a Contract under either a competitive or sole source basis, in such amount and of such duration as the President, Chairman, or their designee determines shall be necessary to eliminate the Emergency Situation. Such Emergency Situation contract(s), with written evidence of said Emergency Situation, shall be presented to the Board for ratification as soon as practicable following the execution of the Contract. The Board shall ratify such emergency Contract unless it is determined that under no circumstances would a reasonable person believe that an Emergency Situation existed.

Emergency Procurement

<u>Date</u>	<u>Description</u>	<u>Contract Value</u>	<u>Vendor</u>
2/10/2014	FY14 – Purchase of 33,885 gallons of Ultra- Low Sulfur No. 1 Diesel (Kerosene) (i.e., Jet Fuel)	\$126,463.00	Santa Buckley Energy, Inc.

Memorandum

To: Thomas D. Kirk, CRRA President
From: Peter W. Egan, Director of Operations & Environmental Affairs
Date: February 10, 2014
Re: Purchase of Fuel for the Jet Turbine Facility

This is to inform you that an emergency procurement needs to be authorized for the purchase of fuel for the South Meadows Jet Turbine Facility.

CRRA purchases the fuel that is used to operate the Jet Turbine Facility at CRRA's South Meadows facility.

The original budget for Jet Fuel purchases for FY2014 was \$1,243,000.00. This budget amount was determined based on the anticipated amount of fuel that the JTF would use during this fiscal year, based on historical operations.

To date during this fiscal year the JTF has been called on to operate by ISO-New England significantly more hours than were contemplated based on historical operations. In particular, the JTF was called to run four (4) times during the month of January 2014, and to date has been called twice during the month of February 2014.

This is unprecedented, and as a consequence CRRA has expended most of the funds contained in the property division budget for jet fuel purchase (\$1,243,000.00) which was approved by the Board of Directors prior to the beginning of fiscal year 2014.

Because the JTF fuel supply needs to be replenished as soon as possible to ensure an adequate supply in the event the units are called on to meet peak load demand and/or for blackstart capability, at this time CRRA needs to purchase 75,000 gallons for fuel to replenish the existing supply.

The amount of funds that currently remain in the budget for this purpose is \$161,987.65, enough to purchase approximately 40,000 gallons (at \$4.00 per gallon).

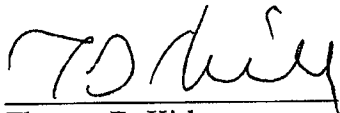
February 10, 2014

CRRA needs to purchase this additional fuel prior to the next Board of Directors meeting. Therefore, this emergency procurement authorization is for \$140,000.00. The actual price paid for the fuel will be based on the State of CT DAS contract. The price of the fuel fluctuates daily. On the day that CRRA purchases the fuel, CRRA will receive a firm price quote from Santa Buckley Energy, Inc. for a specific volume of fuel, which firm price is a function of a daily NYMEX fuel price in accordance with the CT DAS contract under which CRRA procures this fuel.

This is to seek approval for CRRA to expend up to \$140,000.00 as an emergency procurement. This purchase will be conducted pursuant to Section 3.1.2.1 of CRRA's Procurement Policies & Procedures, which governs "Emergency Situations."

Please sign below indicating your approval of this expenditure.

Thank you.



Thomas D. Kirk
President, Duly Authorized

TAB 4

**RESOLUTION REGARDING THE PURCHASE OF JET FUEL
FOR THE SOUTH MEADOWS JET TURBINE FACILITY**

RESOLVED: That the President is hereby authorized to execute a purchase order with Santa Buckley Energy, Inc. for purchase of Ultra Low Sulfur No. 1 Diesel Fuel to support operation of the South Meadows Jet Turbine Facility, substantially as presented and discussed at this meeting.

Connecticut Resources Recovery Authority

Contract Summary for Purchase of Ultra-Low Sulfur No. 1 Diesel Fuel for the South Meadows Jet Turbine Facility

Presented to the CRRA Board on: March 20, 2014

Vendor/Contractor(s): Santa Buckley Energy, Inc.

Effective Date: Upon Issuance of Purchase Order

Contract Type/Subject Matter: Pursuant to CT Department of Administrative Services Contract

Facility(ies) Affected: South Meadows Jet Turbine Facility

Original Contract: Department of Administrative Services
Contract No. 12PSX0029

Term: CRRA Fiscal Year 2014

Contract Dollar Value: Not to exceed \$600,000. (Additional to the \$1,243,000 originally budgeted in the Property Division Budget.)

Amendment(s): Not applicable

Term Extensions: Not applicable

Scope of Services: Purchase of Ultra Low Sulfur No. 1 Diesel Fuel (i.e., Jet Fuel) for the South Meadows Jet Turbine Facility. The President is authorized to purchase Jet Fuel during FY2014, as necessary, in order to ensure that an adequate volume of jet fuel is available to support operation of CRRA's Jet Turbine Facility.

Other Pertinent Provisions: The price of the fuel fluctuates daily. On the day that CRRA purchases fuel, CRRA will receive a firm price quote from Santa Buckley Energy, Inc. for a specific volume of fuel, which firm price is a function of a daily NYMEX fuel price, in accordance with the CT DAS contract.

Connecticut Resources Recovery Authority Mid-Connecticut Project

Purchase of Ultra-Low Sulfur No. 1 Diesel Fuel to support Operation of the South Meadows Jet Turbine Facility

March 20, 2014

Executive Summary

This is to request that the Board of Directors authorize the President to purchase Jet Fuel for the CRRA South Meadows Jet Turbine Facility, on an as needed basis, in order to ensure that there is a sufficient volume of jet fuel at the facility to support the operation. The President will be authorized to purchase up to \$600,000 of fuel, as necessary, for the remainder of fiscal year 2014.

Discussion

At its June 2013 meeting CRRA's Board of Directors authorized CRRA's President to purchase up to \$1,243,000 of Jet Fuel, as budgeted in the FY2014 Property Division budget, to support operations of CRRA's South Meadows Jet Turbine Facility.

Attached herewith is the discussion presented to the Board of Directors at its June 2013 meeting regarding this matter.

The FY2014 budget for operation of the Jet Turbine Facility assumed the facility would operate at full load for 20 hours. Based on the fuel cost assumption and the fuel usage rate, this equates to \$1,243,000 of fuel, as detailed in the FY2014 Property Division budget.

As of February 15, 2014 the JTF has actually operated for 31 hours, 18 hours of which occurred between December 9 and February 15. This is unprecedented, and is attributable to the abnormally cold winter, and other variables (e.g., constrained natural gas supply) that impact electric power production in the ISO-NE system, and which has resulted in ISO-NE calling on the JTF more frequently than we had forecast in the budget.

Consequently, CRRA has exhausted the funds approved by the Board of Directors for purchase of jet fuel for FY2014.

CRRA has received real time energy payments from ISO-NE for the additional amount of run hours (compared to budget) sufficient to replace the jet fuel that has been consumed.

Because the value of jet fuel purchases will exceed \$50,000 during the remainder of the fiscal year, CRRRA management is seeking Board authorization to purchase additional fuel during the remainder FY2014. In this case, purchases would be on an “as needed” basis, would be pursuant to a DAS contract, and would not exceed the additional amount approved herein.

Financial Summary

CRRRA has received real time energy payments from ISO-NE for the additional amount of run hours (compared to budget) sufficient to replace the jet fuel that has been consumed; accordingly, there are sufficient funds in the Property Division operating account for purchase of this fuel.

Jet Fuel Purchase Discussion

June 27, 2013 Board Meeting

Connecticut Resources Recovery Authority Mid-Connecticut Project

Purchase of Ultra-Low Sulfur No. 1 Diesel Fuel to support Operation of the South Meadows Jet Turbine Facility

June 27, 2013

Executive Summary

This is to request that the Board of Directors authorize the President to purchase Jet Fuel for the CRRA South Meadows Jet Turbine Facility, on an as needed basis, in order to ensure that there is a sufficient volume of Jet Fuel at the facility to support the operation. The President will be authorized to purchase up to \$1,243,000 of fuel, if necessary, during fiscal year 2014.

Discussion

In 2001, CRRA purchased from Northeast Utilities the land assets of the Mid-Connecticut Resources Recovery Facility site. Located at the site was CRRA's waste processing facility ("WPF") and power block facility ("PBF") that were developed by CRRA in the 1980's to process municipal solid waste and produce steam for sale to Connecticut Light and Power Company ("CL&P"). Importantly, also located at the site and part of CRRA's acquisition were the following:

1. The energy generating facility ("EGF"), that converts steam produced with refuse derived fuel at the PBF into electricity; and,
2. A jet turbine peaking power plant, commonly referred to as the South Meadows Jet Turbine Facility ("JTF"), with approximately 160 MW of capacity, which up to that time was part of CL&P's electricity generating system.

The JTF consists of four Pratt & Whitney Twin-Pac generating sets ("Twin-Pacs"). Each of the four Twin-Pac units is nominally capable of generating 40 MW of power and is comprised of two Pratt & Whitney FT4A-9 combustion gas turbine engines. The units serve the ISO-New England System as "peaking capacity" and typically are called to run only approximately 20 hours per year. Also, each Twin-Pac is capable of black-start operation, meaning they can start up without any outside power support, and can then be used to re-start other New England based generating assets in the event of a system black-out or similar upset condition.

Until June 1, 2012 the JTF was operated and maintained by Northeast Generation Services Company pursuant to an agreement effective May 30, 2000, which terminated on May 31, 2012.

CRRA contracted with NAES Corporation (“NAES”) to operate and maintain the JTF beginning June 1, 2012. Under the agreement with NAES, CRRA is responsible for paying the cost of jet fuel, and it was initially contemplated by the parties that NAES would procure jet fuel for the facility as part of its O&M responsibilities, and pass this cost through to CRRA in accordance with the JTF O&M agreement.

Accordingly, upon taking over operation of the JTF in June 2012, NAES solicited the marketplace to identify a preferred vendor and fuel price so that they could arrange for purchase and delivery of fuel.

NAES received several quotations, with the low quote coming from Santa Buckley Energy, Inc. (“SBE”). NAES was advised by SBE that NAES would be charged federal and state excise taxes on purchase of the fuel. CRRA management contacted SBE directly and confirmed that SBE is required to charge state and federal excise tax to NAES in the event that NAES purchased the fuel directly, whereas if CRRA purchased the fuel directly CRRA would not be charged the federal and state excise tax due to its status as a public organization; together, these two taxes amount to approximately \$0.70 per gallon.

Consequently, it is significantly more cost effective for CRRA to purchase the fuel directly, rather than have NAES purchase the fuel and pass the cost through to CRRA. CRRA can purchase fuel directly from SBE pursuant to a CT Department of Administrative Services contract, and did so on several occasions during FY2013.

Because the fuel supply needs to be replenished as soon as possible following operation of the JTF to ensure an adequate supply in the event the units are subsequently called on for blackstart capability, and because there are considerable tax savings if CRRA purchases the fuel directly, it is prudent for CRRA management to have the authority to purchase fuel directly from SBE.

Because the value of jet fuel purchases will exceed \$50,000 during the fiscal year, which requires Board of Director approval, CRRA management is seeking Board authorization to purchase fuel from Santa Buckley Energy, Inc. during FY2014. In this case, purchases would be on an “as needed” basis, would be pursuant to a DAS contract, and would not exceed the amount budgeted for FY2014.

Financial Summary

CRRA has budgeted \$1,243,000 for purchase of Jet Fuel in FY2014 in the Property Division Budget.

TAB 5

RECOMMENDED DRAFT RESOLUTION FOR CRRA BOARD OF DIRECTORS

**\$375 MILLION BLANKET ALL RISK (subject to policy terms and exclusions)
INSURANCE, INCLUDING BOILER & MACHINERY, REAL AND PERSONAL
PROPERTY, BUSINESS INTERRUPTION AND EXTRA EXPENSE**

RESOLVED: That CRRA purchase CRRA's \$375 Million Property Insurance from the following four (4) insurers with their shares as indicated:

➤ Zurich	(Rated A+)	42%
➤ Swiss Re	(Rated A+)	28%
➤ Starr Tech	(Rated A+)	15%
➤ XL	(Rated A)	15%

for the period 4/1/14 – 4/1/15 for a premium of \$896,984 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 4/1/14 – 4/1/15 for an amount not to exceed \$15,225 as discussed at this meeting.

Connecticut Resources Recovery Authority
All Risk Property Insurance Renewal

Property Policy Discussion

Current Policy

- Expires 4/1/14 – \$350 million Blanket All Risk (subject to policy terms and exclusions) including Boiler & Machinery, insuring Real and Personal Property, Business Interruption and Extra Expense
- Four Insurers – Zurich 42.1%, Swiss Re 26.3%, Starr Tech 16.6% and XL 15%
- Engineering inspection services, were purchased from XL GAPS, for \$14,625 for the Mid-Connecticut/CSWS facilities
- 4/1/13 – 4/1/14 total premium - \$775,016 (\$760,391 with terrorism and engineering at \$14,625 = \$775,016)

Policy Limit Determination

A monetary value, based on the cost to rebuild or replace the facility, is recorded for all of CRRA's properties at the time of acquisition or construction. Values are reviewed and updated by CRRA personnel responsible for each location each year. (For example, values assigned to the South Meadow Facility from last year are reviewed and updated by Rich Quelle; Tom Gaffey reviews the values at the recycling facility, etc.) This activity ensures that no locations have been overlooked, discontinued or replaced and that the current values assigned reflect replacement cost and are accurate.

Industry trending factors provided by the most recently published FM Global data sheets are applied as appropriate. These indices measure cost trends based on published labor rates for primary building trades and material costs found in six typical industrial and commercial buildings. The FM machinery and equipment indexes are based on a representative schedule of machinery and equipment in plants of varying types and are compiled from information furnished by more than 250 machinery builders. (This year's factors were - Industrial Buildings (1.0314%) and Machinery & Equipment (1.0171%).

Worksheets are prepared by CRRA personnel based upon CRRA's fiscal year budgets and contract requirements for the CSWS facilities. The worksheets are designed to calculate the amount of the Business Interruption (BI) exposure and to project what Extra Expense (EE) would be incurred to continue to meet contractual requirements (e.g., waste disposal) should a business interruption event occur.

The total of all these property values, including BI and EE, is the annual insurable property expense of all CRRA locations. The CSWS facilities (primarily the South Meadows Facility) drive the limit of insurance and the premium.

Based upon CRRA's contracted engineering firm, XL GAPS, the Maximum Foreseeable Loss (MFL) for the CSWS facilities is approximately \$366 million. MFL is the largest monetary loss that may be expected from a single fire or other peril to any given

property. The impairment of the fire protection that can be visualized on worst case scenario (i.e., free-burn with no intervention whatsoever) should be assumed when calculating MFL.

Renewal Discussion

Limits:

Aon Risk Services (Aon), CRRA's broker/consultant, evaluated the MFL and the value statements and BI/EE worksheet prepared and determined that the reasonable overall property insurance limit should be increased from \$350 million to \$375 million, given the MFL and capacity available in the current market.

1. The total of all CRRA property values, including BI and EE, is the annual insurable property expense for all CRRA locations. This year it is \$567 million;
2. Aon marketed the property policy with the \$375 million limit as it maximizes current market capacity;
3. The \$375 million limit applies on a blanket basis, per occurrence for property damage to all scheduled locations;
4. It is important to note that while it may appear logical that a lower limit would automatically result in a dramatically lower premium; that is not the case because:
 - a. Each market calculates what they believe to be the MFL. Three of the four markets stated that each of their MFL's were lower than the offered \$375 million. In other words, they believe the largest loss CRRA could suffer would be lower than the \$375 million limit.
 - b. Because markets calculate their maximum expected loss at much less than the policy limit purchased (\$375M), they are providing the excess capacity above the MFL at no additional cost. In other words, the savings to reduce the overall policy limit would be basically nil;
 - c. Generally, more of the premium dollars are targeted by insurance companies at the lower levels of a limit as that is the level most vulnerable to paying losses.

Marketing:

1. Over the last several years CRRA has enjoyed an extremely favorable premium rate for this type of risk exposure;
2. Aon marketed the program to all companies listed on the spreadsheet attached (Exhibit A).
3. Due, to the nature of CRRA's operations, markets for CRRA's program are limited in the best of circumstances; in addition, weather and other catastrophic losses in the industry influenced underwriters' responses;

Sublimits:

1. Solid quotes were received from Zurich, Swiss Re, Starr Tech and XL;
2. The nature of CRRA's property risk prevents any one market from covering the entire program;
3. Aon specifies the policy limits and sublimits, such as flood, earthquake, business interruption, extra expense, etc., to the markets on which to base their quotes. In some cases, the markets cannot match every limit or sublimit required, but they work to get as close as they can, taking into consideration their internal guidelines. This is not necessarily uncommon but creates differences within the program, not only in price, but, in some cases, in terms and conditions. Some examples of these differences will be discussed below.
4. On January 21, 2014, representatives from CRRA, Aon, and XL GAPS met to discuss XL's Maximum Foreseeable Loss (MFL) calculations and the potential recovery time in the event of an MFL event. CRRA advised that were an MFL event to occur at the CSWS facilities, a conceivable recovery time could be 18 to 24 months. Current Business Interruption and Extra Expense coverage provides 12 months of coverage. Based on this discussion, Aon provided a premium option to purchase an additional 12 months of Business Interruption and Extra Expense coverage that would cover CRRA in the event of a loss event with an indemnity period longer than 12 months.
5. CRRA purchases terrorism coverage through TRIPRA, a government backstop to the insurance marketplace for terrorism coverage. The act providing this coverage is due to expire at the end of the year. Congress has not yet decided whether or not it will be renewed. Should Congress elect not to renew TRIPRA, terrorism coverage would cease as a part of the current property program, and the stand-alone terrorism market would most likely show increased pricing as a result of TRIPRA expiring. Aon has provided an option in the stand-alone terrorism market for the full term of the policy for CRRA's consideration. The annual premium for this policy would be \$69,000. The markets that quotes are:
 - a. Primary \$250M layer
 - i. Various Lloyds Syndicates (A Rating) – 84%
 - ii. Axis Specialty Limited (A+ Rating) – 10%
 - iii. Torus Insurance (UK) Limited (A Rating) – 6%
 - b. \$125M xs \$250M layer
 - i. Lancashire Insurance Company (UK) Ltd. (A Rating) – 100%

Property Claims:

During the 2013-2014 policy term, CRRA did experience a property claim, with a net loss payment of \$270,693.

Summary of Quotations:

After negotiation the final quotes on the program reflected the following percentages:

Zurich	(Rated A)	42%
Swiss Re	(Rated A)	28%
Starr Tech	(Rated A+)	15%
XL	(Rated A)	15%

These are all incumbent insurers on the program.

Additional markets were approached, but declined the risk due to both the occupancy and the quality of the risk.

Deductibles:

1. Starr Tech mandated a Property Damage (PD) deductible at the Twin Packs (Jets) of \$350,000. This only applies to Starr Tech's participation (15%).
2. The rest of the program quoted the Twin Packs (Jets) program deductible at \$250,000. In the event of a loss at the Jets, subject to the terms and conditions of the policy, CRRA would have to pay a PD deductible of \$250,000, plus 15% of \$100,000 (representing the increase in deductible for Starr Tech's participation). \$250,000 plus \$16,600 = \$266,600 and the Time Element deductible of 45 Days would be additional.
3. The Property Damage deductible at the South Meadows Facility quoted by all insurers is \$250,000.
4. The Property Damage Deductible for all other locations (excluding Jets and South Meadows) is \$50,000.
5. XL mandated a Flood deductible at locations in Flood Zones A/V to 2% of the values, minimum of \$500,000 for Property Damage. This only applies to XL's participation (15%).
6. The rest of the program quoted the Flood deductible in Flood Zones A/V at the policy deductible.

Engineering

Most states, counties or cities, including the State of Connecticut, require periodic inspections of commercial boilers or pressure vessels (jurisdictional inspections and

engineering). The law or regulations may also require a certificate that attests the equipment complies with these requirements.

In addition to these engineering services, for the past several years, CRRA increased the scope of engineering services purchased to include:

1. Loss control visits where the company loss control engineer completed extensive evaluation of the risk and provided summaries of findings and written recommendations to mitigate potential property damage. These services were provided for the following facilities:
 - South Meadows Electric Generating Facility (EGF)
 - South Meadows Power Block Facility (PBF)
 - South Meadows Waste Processing Facility (WPF)
 - Twin Packs (Jets)
2. Because of the value of and complexity of the South Meadows facilities, inspections which produced recommendations for improvements, and discussions with in-house engineers, it was determined that loss control engineering of the type described above continues to be beneficial to CRRA.
3. Aon has stated that underwriters need engineering reports to evaluate the potential risk of loss and adequate protection of that risk. Without that, underwriters will not provide quotes especially on power generation exposures.
4. CRRA put into place a formalized loss control inspection plan and followed up those inspections with a spreadsheet of responses to those open recommendations. This shows an understanding of the potential risk of loss and a willingness to improve that risk.
5. Going forward it is important to prove to the marketplace that the safety programs currently in place at the sites are well documented and that the operators are being held accountable where there is a need for improvement.
6. Since 2008, CRRA has utilized the services of XL GAPS for third party engineering. Every year, proposals were sought from other third party engineering companies for the WPF, PBF, EGF and Twin Packs (Jets) facilities which ranged from \$12,500 to \$17,000 for similar services.
7. This year three companies quoted on third party engineering service – Paragon (\$14,500), XL GAPS (\$15,225) and Global Risk Consultants (\$15,378).
8. The analysis from our in-house engineering professionals, after reviewing the proposals and sample reports, was that XL GAPS provides the most comprehensive oversight for the least amount of money.
9. Given XL GAPS' familiarity with the facilities, the quality of the engineering reports and relationship with CRRA, Aon and our chief engineer recommend continuing with the same service provider even though their quote is \$125 above the lowest bid.
10. XL GAPS' service quote for the same locations is \$600 above last year.

Premium Summary

Property Insurance	Expiring Program 4/1/13 – 4/1/14	Renewal Program 4/1/14 – 4/1/15 (12 months BI/EE Option)	Renewal Program 4/1/14 – 4/1/15 (Additional 12 BI/EE Option)
Limit of Liability	\$350,000,000	\$375,000,000	\$375,000,000
Policy Deductible (PD)	\$50,000 , except \$100,000 Mobile Equipment \$250,000 at South Meadows and Jets ((\$350K Jets-Starr-Tech)	\$50,000 , except \$100,000 Mobile Equipment \$250,000 at South Meadows and Jets ((\$350K Jets-Starr-Tech)	\$50,000 , except \$100,000 Mobile Equipment \$250,000 at South Meadows and Jets ((\$350K Jets-Starr-Tech)
Policy Deductible (TE)	45 Days	45 Days	45 Days
Annual Premium	\$724,272	\$768,067	\$812,759
Engineering (Jurisdictional Inspections, Loss Prevention Visits w/ Reports and Recommendations)	\$14,625	\$15,225	\$15,225
Terrorism Coverage (TRIA)	\$36,120	\$37,574	\$37,574
Total Program Cost (Purchasing TRIA)	\$775,017	\$820,866	\$865,558
Terrorism Coverage (Stand-Alone Option)	N/A	\$69,000*	\$69,000*
Total Program Cost (Stand-Alone Terrorism Option)	N/A	\$852,292*	\$896,984*

*Stand-Alone Terrorism option is a firm indication, but there are still some tweaks being made to pricing and coverage. We will present the final option to you shortly.

Management Summary & Recommendations

- Policy expiration on 4/1/14 requires approval at the March 2014 Board meeting for continuance of coverage.
- Property insurance, business interruption and extra expense on CRRA property is required due to ownership and/or contractual requirements.
- Management recommends securing \$375 million all risk property insurance coverage for the period 4/1/14 – 4/1/15 as follows:

<u>Insurer</u>	<u>AM Best Rating</u>	<u>% Participation of \$350M</u>
Zurich	Rated A+	42%
Swiss Re	Rated A+	28%
Starr Tech	Rated A+	15%
XL	Rated A	15%

- Management recommends securing the additional 12 months of Business Interruption and Extra Expense coverage for \$44,625
- Management recommends purchasing terrorism coverage from the stand-alone terrorism markets for \$69,000*.
- Management recommends selection of XL GAPS for loss control engineering, inspection and reporting for \$15,225.

Finance Committee Recommendation to the CRRA Board

The Finance Committee has reviewed and discussed renewing CRRA's Property Insurance and recommends the purchase of the \$375 million policy for a premium of \$896,984 from the following four (4) insurers with their quota shares: Zurich 42%; Swiss Re 28%; Starr Tech 15%; and XL 15%; and engineering services from XL GAPS for \$15,225 for the period 4/1/14 – 4/1/15.

Anticipating the small pool of potential insurers for CRRA's program and market conditions in general, we budgeted 20% more for FY15 property insurance than the previous year.

The overall premium for \$375 million of property insurance, including business interruption and extra expense, engineering and terrorism coverage is \$121,967 (15.7%) more than last year. This is a result of the increased overall values, the additional year of Business Interruption/ Extra Expense coverage, the increased cost of purchasing terrorism through the stand-alone terrorism market, and to a lesser degree, the loss experienced in the past year.

RECOMMENDED DRAFT RESOLUTION FOR CRRA BOARD OF DIRECTORS

**RESOLUTION REGARDING THE PURCHASE OF PUBLIC OFFICIALS AND
EMPLOYMENT PRACTICES LIABILITY INSURANCE FOR THE PERIOD
4/1/14 – 4/1/15**

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 4/1/14 – 4/1/15 for a premium of \$144,796, as discussed at this meeting.

Connecticut Resources Recovery Authority
Public Officials and Employment Practices Liability Insurance Renewal
3/13/14

Current Policy

- Expires 4/1/2014 – Public Officials and Employment Practices Liability Insurance (POL/EPL)
- \$10,000,000 limit and up to \$10,000,000 in additional defense costs outside the limit
- \$150,000 self insured retention each claim
- Premium \$144,796
- Insurer – ACE American (Rated A+ by AM Best)

Renewal Policy

- An agreement was made between CRRA and Aon not to market the Public Officials policy if ACE agreed in advance to renew the policy between a 0-5% premium increase. ACE agreed to provide a flat renewal quote – resulting in no additional marketing.

	<u>Insurer</u>	<u>Limit</u>	<u>Self-Insured Retention</u>	<u>Premium</u>
Quote	ACE	\$10,000,000 *	\$ 150,000	\$144,796

***A separate 10M defense limit will apply to all claims expenses and defense costs in excess of the retention and will not reduce the aggregate limit of damages available until the separate limit for claims expenses and defense costs has been exhausted**

Some changes to the ACE Renewal Terms and Conditions

Network Security & Privacy Breach Exclusion – ACE intends not to cover this exposure because Public Official Liability policies are not customarily intended to cover this unique risk. Many carriers are placing this exclusion on their policies because a separate Cyber/Privacy based policy is intended to address this exposure.

Breach of Contract Sublimit - ACE has provided a \$100,000 defense sublimit for this standard exclusion placed on all public officials policies

Representations & Warranty Knowledge – ACE has amended knowledge of wrongful or inaccurate misrepresentation of information contained in the application by an insured person more favorably for this renewal.

The current policy states the policy is null and void to not only the insured person who was aware that the information in the application was wrongfully misrepresented or inaccurate, but also the insured entity itself. Ace will draft a manuscript endorsement which only imputes wrongful misrepresentation to insured entity if such wrongful misrepresentation is known by one of the top five officials of the insured entity.

***All other terms and conditions remain the same**

Management Summary & Recommendation

Section 1-125 of the Connecticut General Statutes (CGS) states that any director or employee of CRRA, including ad hoc members, may not be held personally liable for damage or injury, not wanton, reckless, willful or malicious, caused in the performance of his or her duties and within the scope of his or her employment or appointment as such director, officer or employee, or ad hoc member.

- CRRA is required to protect and indemnify all of its directors, officers and employees in accordance with Section 1-125 of the CGS.
- Public Officials Liability Insurance covers liability resulting from “wrongful acts” – any act, error, misstatement, misleading statement, omission, neglect or breach of duty committed or attempted by the insured, or Employment Practices Violations by any Insured solely in the performance of duties for CRRA as defined by the policy.
- This insurance provides secure, consistent, broad coverage with the least troublesome exclusions available in the marketplace.
- Based upon benchmarking, CRRA’s claims history and pricing, purchase of a \$10,000,000 limit is reasonable at this time, particularly since there is an additional \$10,000,000 in defense costs provided outside of the policy limit.
- Management in consultation with our broker recommends securing the quote as provided - \$10,000,000 coverage limit with \$150,000 self insured retention and up to \$10,000,000 in additional defense costs outside of the limit for a premium of \$144,796.
- ACE has provided a flat renewal for four consecutive years, despite incurred claims expenses over \$500,000 in 2011.
- Multi-year policies are not currently available for this insurance coverage.

**COMMERCIAL CRIME INSURANCE
FOR THE PERIOD 4/1/14 – 4/1/17**

RESOLVED: That CRRA purchase the three-year Commercial Crime policy from Travelers Casualty & Surety Company with a \$3,000,000 limit, \$100,000 deductible, for the period 4/1/14 – 4/1/17 for an annual premium of \$3,444, as discussed at this meeting.

The premium is \$3,196. CRRA's annualized budget for this policy is \$3,575. This represents a favorable variance of 11% (\$379) to budget.

The proposed premium is \$114 (3%) less than last year's annual premium for this insurance.

Connecticut Resources Recovery Authority
Commercial Crime Insurance Renewal
3/13/14

I. Current Policy

- Commercial Crime
 - 3-Year policy that expires on 4/1/2013.
 - \$3 million limit with \$100,000 retention for \$3,196.
 - Insurer is Travelers Casualty and Surety Company of America.

II. Renewal Marketing Effort

- This program was marketed to Travelers, Zurich and Great American.
- CRRA received 3-year and 1-year policy period quotes with a limit of \$3,000,000 and a retention of \$100,000.

- Travelers (Rated A+) -
 - Matches Expiring Terms and Conditions (Option 1):
 - 3-Year Annual Installments: Premium is \$2,907 per year and \$8,721 for 3 years total. This is a total decrease of \$867 (9%) compared to the expiring policy premium.
 - 3-Year Prepaid: Premium is \$8,248. This is a total decrease of \$1,340 (14%) compared to the expiring policy premium.
 - Expiring Terms & Conditions plus Forgery & Alteration with a \$3,000,000 limit and a retention of \$100,000 (Option 2):
 - 3-Year Annual Installments: Premium is 3,444 per year and \$10,332 for 3 years total. This is a total increase of \$744 (8%) compared to the expiring policy premium.
 - 3-Year Prepaid: Premium is \$9,815. This is a total increase of \$227 (2%) compared to the expiring policy premium.

*Due to a change in underwriting guidelines, Travelers reduced the claims expense limit on both options from \$250,000 with 25,000 retention to \$100,000 with \$0 retention.

- Great American (Rated A+) –
 - Expiring Terms & Conditions plus Forgery & Alteration with a \$3,000,000 limit and a retention of \$100,000:
 - 1-Year: Premium of \$10,964. This is a total increase of \$23,304 (243%) compared to expiring policy.
- Zurich declined to quote.

- Crime insurance is designed to cover losses due to public employee dishonesty, theft, disappearance & destruction of money, securities and property. The coverage limit of \$3,000,000 is based upon the number of CRRA employees, locations and revenues.
- Benchmarking indicates that the median limit is \$3 million for similar risks.
- Travelers provides terms/conditions covering Investigative Expenses incurred to determine the extent of any loss. In addition, both carriers provide Funds Transfer Fraud covering computer fraud and electronic, telegraphic, cable, teletype or telephone instructions fraudulently transmitted to a financial institution directing such institution to debit a transfer account and to transfer, pay or delivery money or securities from such transfer account.

III. Management Summary & Recommendation

- CRRA has consistently sought multi-year guaranteed premium insurance policies.
- Travelers' 3-year installment quotes for \$2,907 and \$3,444 are the most competitively priced options without sacrificing terms/conditions.
- Management recommends securing the three-year policy from Travelers with \$3 million limit, and a \$100,000 deductible with a premium of \$3,444 paid annually. This represents a slight increase (\$248) over the expiring annual premium for adding forgery & alteration to the policy.

IV. Recommendation to CRRA Board

The Finance Committee has reviewed and discussed renewing CRRA's Commercial Crime insurance, and

RESOLVED: That CRRA purchase the three-year Commercial Crime policy from Travelers Casualty & Surety Company with a \$3,000,000 limit, \$100,000 deductible, for the period 4/1/14 – 4/1/17 for an annual premium of \$3,444

**FIDUCIARY LIABILITY INSURANCE
FOR THE PERIOD 4/1/14 – 4/1/17**

RESOLVED: That CRRA purchase the three-year Fiduciary Liability policy from Travelers Casualty and Surety Company with a \$3,000,000 limit, and a separate \$1,000,000 outside the limit for defense expenses, and no deductible for the period 4/1/14 – 4/1/17 for an annual premium of \$4,309.

The annual premium is \$4,492. CRRA's annualized budget for this policy is \$4,948. This represents a favorable variance of 9% (\$456) to budget.

The proposed premium is \$89 (2%) less than last year's annual premium for this insurance.

Connecticut Resources Recovery Authority
Fiduciary Liability Insurance Renewal
3/13/14

I. Current Policy

- Fiduciary Liability Policy Expires – 4/1/14
- \$3 million limit for damages/defense and \$1 million separate limit for defense and expense, \$5,000 deductible/
- Three-Year Policy - premium was \$13,476
- The annual premium was \$4,492
- Fiduciary Liability Insurance pays, on behalf of the insured, the legal liability arising from claims for alleged failure to prudently act within the meaning of the Employment Retirement Income Security Act of 1974 (ERISA). “Insured” is variously defined as a retirement plan or employee benefit plan, except Employee Stock Ownership Plans (ESOPs), any trustee, officer, employee, any other administrator, designated as a fiduciary. Group life and medical expense plans, as well as pension and retirement plans, are within the scope of the law. It does not cover the Sponsor (Employer) - CRRA.
- Insurer – Travelers Casualty and Surety Company of America.

II. Renewal Policy

- This program was marketed to Travelers, Euclid/Hudson Insurance Company and Chubb
- CRRA only received one quote for the Three-Year Policy (Travelers-Rated A++) and one quote for an annual policy (Hudson Insurance Company-Rated A)) and an indication for an annual policy from Chubb(Federal Insurance Company-Rated A++)
- Travelers’ quote for the \$3 million policy for a 3-year period is \$4,309 per year. The \$5,000 deductible was removed
- Euclid provided 3million and 5 million one year policy options for premiums of \$4,397 and \$5,438, respectively
- Chubb provided a premium indication of \$13,500 with a \$2,000 deductible

III. Management Summary & Recommendation

- Discussions with our broker indicate there are no unusual exposures to CRRA and that the terms/conditions are the same as last year
- Aon recommends purchasing the three-year fiduciary insurance policy from the current carrier, Travelers
- CRRA has consistently sought multi-year guaranteed premium insurance policies

- Aon has advised that the \$3 million level appears reasonable for CRRA's exposures.
- Management, in consultation with our broker, recommends securing the three-year \$3,000,000 policy with a \$0 deductible, and separate defense costs of \$1,000,000, for an annual premium of \$4,309 from Travelers. This premium represents a \$183 decrease over the expiring three-year annual policy premium.

IV. Recommendation to CRRA Board

The Finance Committee has reviewed and discussed renewing CRRA's Fiduciary Liability insurance, and

RESOLVED: That CRRA purchase the three-year Fiduciary Liability policy from Travelers Casualty and Surety Company with a \$3,000,000 limit, and a separate \$1,000,000 outside the limit for defense expenses, and no deductible for the period 4/1/14 – 4/1/17 for an annual premium of \$4,309

TAB 6

**RESOLUTION REGARDING DISTRIBUTION OF RECYCLING
REBATES TO CONNECTICUT SOLID WASTE SYSTEM
PARTICIPATING MUNICIPALITIES**

WHEREAS, the Authority has encouraged municipalities to recycle to the maximum extent possible by not charging a tipping fee for the acceptance of recyclables at the Authority's regional recycling facilities since commencing operations; and

WHEREAS, the Board of Directors adopted the Fiscal Year 2013 Connecticut Solid Waste System Budget anticipating that a rebate of \$10.00 per ton of acceptable recyclables delivered from member municipalities would be possible; and

WHEREAS, the Connecticut Solid Waste System operations generated sufficient revenues in excess of expenses to rebate \$10.00 per ton delivered by the municipalities; and

WHEREAS, the Authority has accrued sufficient funds for such a rebate and the Fiscal Year 2013 audit has been performed and the auditors have confirmed that the funds are accrued and available.

NOW THEREFORE, be it

RESOLVED: That the Board of Directors approves the use of \$263,476.00 to provide a \$10.00 per ton rebate to the Connecticut Solid Waste System municipalities with contractual recycling commitments based on their pro-rata share of acceptable recycling tonnage delivered to the Mid-Connecticut Regional Recycling Center system during the period of November 16, 2012 through June 30, 2013.

CSWS RECYCLING TONNAGE AND POTENTIAL REBATE FOR FY13
For the Period of November 16, 2012 through June 30, 2013

Based on a \$10.00 per ton Rebate

CSWS Municipalities with Recycling Commitments

Municipality	TONS	Rebate Amount
AVON Total	1,283.160	\$ 12,831.60
BEACON FALLS Total	210.890	\$ 2,108.90
BETHLEHEM Total	220.450	\$ 2,204.50
BLOOMFIELD Total	1,132.220	\$ 11,322.20
CANAAN Total	64.970	\$ 649.70
CANTON Total	625.980	\$ 6,259.80
CHESTER Total	191.860	\$ 1,918.60
CLINTON Total	574.430	\$ 5,744.30
COLEBROOK Total	114.670	\$ 1,146.70
CORNWALL Total	88.570	\$ 885.70
DEEP RIVER Total	261.550	\$ 2,615.50
EAST GRANBY Total	309.060	\$ 3,090.60
EAST HAMPTON Total	563.070	\$ 5,630.70
ELLINGTON Total	874.660	\$ 8,746.60
ESSEX Total	444.010	\$ 4,440.10
FARMINGTON Total	1,466.380	\$ 14,663.80
GLASTONBURY Total	2,355.030	\$ 23,550.30
GOSHEN Total	193.290	\$ 1,932.90
GRANBY Total	955.340	\$ 9,553.40
HADDAM Total	333.270	\$ 3,332.70

Municipality	TONS	Potential Rebate Amount
HARTFORD Total	3,054.580	\$ 30,545.80
HARWINTON Total	349.210	\$ 3,492.10
KILLINGWORTH Total	358.650	\$ 3,586.50
LYME Total	0.000	\$ -
MARLBOROUGH Total	408.050	\$ 4,080.50
MIDDLEBURY Total	514.770	\$ 5,147.70
NORTH CANAAN Total	123.120	\$ 1,231.20
NORFOLK Total	97.090	\$ 970.90
OLD LYME Total	0.000	\$ -
OLD SAYBROOK Total	586.460	\$ 5,864.60
OXFORD Total	432.150	\$ 4,321.50
PORTLAND Total	387.090	\$ 3,870.90
ROCKY HILL Total	1,029.880	\$ 10,298.80
ROXBURY Total	127.670	\$ 1,276.70
RRDD#1 Total	1,174.330	\$ 11,743.30
THOMASTON Total	276.580	\$ 2,765.80
TORRINGTON Total	1,804.360	\$ 18,043.60
WATERTOWN Total	1,123.670	\$ 11,236.70
WETHERSFIELD Total	1,747.340	\$ 17,473.40
WOODBURY Total	489.740	\$ 4,897.40

Sub-Total 26,347,600 263,476,000

CSWS Municipalities without Recycling Commitments

Municipality	TONS	Rebate Amount
DURHAM-MIDDLEFIELD Total	0.000	\$ -
LITCHFIELD Total	7.440	\$ -
MANCHESTER Total	23.430	\$ -

Municipality	TONS	Potential Rebate Amount
NAUGATUCK Total	34.120	\$ -
SHARON/SALISBURY Total	0.000	\$ -
SIMSBURY Total	1,412.640	\$ -
SOUTH WINDSOR Total	0.000	\$ -

Sub-Total 1,477,630 0.000

CSWS RECYCLING TONNAGE AND POTENTIAL REBATE FOR FY13
For the Period of November 16, 2012 through June 30, 2013

Based on a \$10.00 per ton Rebate

Municipalities with Mid-Connecticut MSA for the Duration of FY 13

Municipality	TONS	Potential Rebate Amount
WATERBURY Total	1,856.060	\$ -
Sub-Total	1,856.060	0.000

Mid-Connecticut Municipalities that Did Not Execute a CSWS MSA

Municipality	TONS	Potential Rebate Amount
BOLTON Total	0.000	\$ -
COVENTRY Total	0.000	\$ -
CROMWELL Total	19.170	\$ -
EAST HARTFORD Total	1.840	\$ -
ENFIELD Total	0.000	\$ -
EAST WINDSOR Total	0.000	\$ -
HEBRON Total	253.020	\$ -
SOUTHBURY Total	0.270	\$ -
Sub-Total	1,585.900	0.000

Total	31,267.190	263,476.000
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TAB 7

**RESOLUTION REGARDING THE TRANSFER OF THE
MONTVILLE LANDFILL POST CLOSURE RESERVE TO THE
SOUTHEASTERN CONNECTICUT REGIONAL RESOURCES
RECOVERY AUTHORITY**

WHEREAS, the Connecticut Resources Recovery Authority (“CRRRA”) maintains the Montville Landfill Post-Closure Reserve for the benefit of the Southeastern Connecticut Regional Resources Recovery Authority (“SCRRA”); and

WHEREAS, the Southeast Project’s Fiscal Year 2014 Budget reflects a contribution of \$350,000 into the Montville Landfill Post-Closure Reserve through equal monthly contributions; and

WHEREAS, SCRRA performs all post-closure activities related to the Montville Landfill and is reimbursed for these activities from the Montville Landfill Reserve Post-Closure Reserve; and

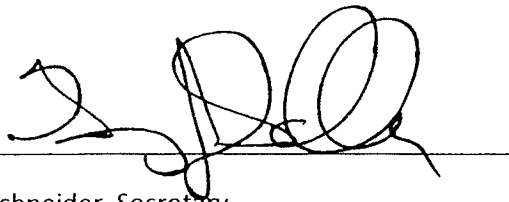
WHEREAS, SCRRA now desires to simplify the funding process for the Montville Landfill activities by transferring its funds from CRRRA to SCRRA as approved by the SCRRA Board of Directors on December 11, 2013 (Attached); and

WHEREAS, CRRRA has no liabilities recorded for the fund in the Montville Landfill Post-Closure Reserve;

NOW THEREFORE, be it

RESOLVED: That the Board of Directors approve that the remaining Fiscal Year 2014 contributions for Montville Landfill Post-Closure Reserve be funded immediately and that the reserve be transferred to SCRRA after the remaining contributions are completed.

ATTEST: This is a true copy of the Resolution adopted by the Board of Directors of the Southeastern Connecticut Regional Resources Recovery Authority on this 11th day of December, 2013.

A handwritten signature in black ink, appearing to read 'G. Schneider', is written over a horizontal line.

Gary Schneider, Secretary
Southeastern Connecticut Regional
Resources Recovery Authority

TAB 8

CONNECTICUT RESOURCES RECOVERY AUTHORITY

Request regarding Authorization for Payment of Projected Additional Legal Expenses

March 20, 2014

Executive Summary

This is to request Board authorization for payment of additional projected fiscal '14 legal expenses.

Discussion:

We are seeking Board approval to incur additional services from our general counsel, and to use funds available in the Mid-Connecticut Litigation Reserve to pay for such services. Additional Halloran & Sage expenses are primarily due to the extensive and laborious discovery effort required to prepare for the MDC arbitration scheduled to begin March 31.

BOARD RESOLUTION REGARDING ADDITIONAL PROJECTED LEGAL EXPENDITURES

WHEREAS, CRRA obtained Board authorization to pay projected legal fees and expenses from appropriate budgets and reserves in May, 2013; and

WHEREAS, CRRA expects to incur greater than authorized legal costs for these services; and

WHEREAS, CRRA now seeks Board authorization to expend funds from one of its Board-designated reserves to pay these additional legal costs;

NOW THEREFORE, it is

RESOLVED: That the following additional amount be authorized for projected legal fees and costs to be incurred during fiscal year 2014:

<u>Firm:</u>	<u>Amount:</u>
Halloran & Sage	\$750,000

FURTHER RESOLVED: That the President is authorized to pay such additional legal fees and costs from the Mid-Connecticut Litigation Reserve.