

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND THIRTY-FIRST MEETING

DECEMBER 20, 2007

A regular meeting of the Connecticut Resources Recovery Authority Board of Directors (hereinafter referred to as 'CRRA' or the 'Authority') was held on Thursday, December 20, 2007, at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Chairman Michael Pace

Directors: Mark Cooper
 James Francis
 Michael Jarjura (present from 9:55 a.m. until 12:17 p.m.)
 Edna Karanian
 Mark Lauretti (present beginning 9:55 a.m.)
 Theodore Martland
 James Miron (present via teleconference)
 Raymond O'Brien
 Linda Savitsky
 Timothy Griswold, Ad-Hoc – Mid-Connecticut Project
 Warren C. Howe, Jr., Ad-Hoc – Wallingford Project

Present from the CRRA staff:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Michael Bzdyra, Government Relations Liaison
Robert Constable, Controller
Peter Egan, Director of Environmental Affairs
Laurie Hunt, Director of Legal Services
Paul Nonnenmacher, Director of Public Affairs
Mike Tracey, Operations Manager, Construction Management
Lisa Bremmer, Executive Assistant
Moiria Kenney, Secretary to the Board/Paralegal

Also present were: John Pizzimenti of USA Hauling & Recycling, Cheryl Thibeault of Covanta, Jerry Tyminski of SCRRRA, Bob Gross and Bob Hogan of Wallingford.

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

PLEDGE OF ALLEGIANCE

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

PUBLIC PORTION

Chairman Pace said that the agenda allowed for a public portion in which the Board would accept written testimony and allow individuals to speak for a limit of three minutes. Two Wallingford residents, Mr. Bob Gross and Mr. Bob Hogan addressed the Board.

Mr. Gross asked what land CRRA owns besides the 45 acres of land in Wallingford. Mr. Egan stated that CRRA owns many parcels of land in the state of Connecticut. Mr. Egan explained the only land owned by CRRA in the vicinity of Wallingford is the 45 acre parcel immediately to the south of Wallingford's landfill.

Mr. Gross asked who had the first right to buy the Wallingford plant. Mr. Kirk stated the first right to buy is CRRA's, and if they choose not to buy it at its fair market value Covanta has the right to operate the plant as a merchant facility.

Chairman Pace stated he is very interested in the Wallingford Plant for possible future proposals for both the future of CRRA and the best interest of the State of Connecticut. Mr. Gross asked if the Wallingford plant can be expanded on the land it currently stands on. Chairman Pace explained expansion would involve exploring the possibility with CT DEP permitting and local municipalities.

Mr. Gross asked if Covanta has expressed an interest to extend the project. Mr. Kirk stated CRRA was currently negotiating with Covanta for a possible renewal extension, but at present nothing had been decided upon.

Mr. Hogan asked for clarification on why Covanta has the option to buy the Wallingford facility for \$1. Chairman Pace stated the agreement was signed some 20 years ago. Mr. Kirk stated the agreements were reached with each of the operators of the project, with the exception of Mid-CT, which will remain publicly owned at the contract's end. Mr. Kirk stated the contracts are extremely clear and had been tested through arbitration. Mr. Kirk explained a 1983 tax law provided substantial tax benefits in the construction of Public Utility Regulatory Policies Act (hereinafter referred to as 'PURPA') - sponsored facilities. Mr. Kirk explained these were essentially renewable fuel power plants and trash to energy plants which would receive tax benefits on the condition that the plant could not remain a publicly owned facility at the contract's end. Mr. Kirk stated the condition was based on concerns that privately owned companies would inappropriately use the benefit to gain the tax advantages. Mr. Kirk explained the 25 year old decision has caused some concern as PURPA no longer exists, and also taking into consideration that the ownership reverts to the private sector after towns have finished paying off the project debt.

Mr. Bolduc stated another important aspect for consideration in this matter is that for the last 20 years the Wallingford Project, because of PURPA requirements, had electric companies buy the electric output at significantly higher rates (the project currently receives approximately 24 cents per kilowatt hour for its electricity when the market is only around 7-8 cents).

Mr. Hogan stated he thought one way or another the project would return to the five municipalities. Mr. Bolduc stated that unfortunately the contracts were established many years ago. Mr. Kirk added that the Bristol Project will be dealing with the same issue in 2008, but in that case the Bristol Project has the option to buy the plant at fair market value.

APPROVAL OF THE MINUTES OF THE NOVEMBER 29, 2007, REGULAR BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the November 29, 2007, Regular Board Meeting. Director O’Brien made a motion to approve the minutes, which was seconded by Director Martland. Director Francis noted he was missing from the attendance list and was also incorrectly noted as having voted twice in a roll call vote. Director Savitsky noted a roll call tally was missing from the OS & HR Committee section. The motion previously made and seconded to approve the November 29, 2007, meeting minutes as amended and discussed was approved by roll call.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
Jim Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O’Brien	X		
James Miron	X		
Linda Savitsky	X		
Non-Eligible Voters			
Stephen Edwards, Ad-Hoc, Bridgeport			
Timothy Griswold, Ad-Hoc, Mid-CT			
Warren C. Howe Jr., Ad-Hoc, Wallingford			

RESOLUTION REGARDING THE ADOPTION OF FISCAL YEAR 2009 GENERAL FUND OPERATING AND CAPITAL BUDGETS

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director Francis:

RESOLVED: That the fiscal year 2009 General Fund Operating and Capital Budgets be adopted substantially in the form as presented and discussed at this meeting.

Director O’Brien seconded the motion.

Director Francis stated the Finance Committee had discussed the \$750,000 for other consulting services within the general budget at length. He stated the Committee asked for further explanation as well as an outline of strategic planning initiatives being considered to be put forth to the full CRRA Board for consideration.

Mr. Bolduc stated that CRRA is trying to condense CRRA's enabling statutes, the CT DEP's Solid Waste Management Plan, and the documents from which the plan of operation is extracted from into the general fund budget. He stated CRRA is charged with carrying out these items. Mr. Bolduc explained that unfortunately the statutes don't take into consideration that CRRA doesn't include all of Connecticut's 169 towns in the existing four projects. Mr. Bolduc stated money needs to be approved to fund CRRA until June of 2009 concurrently with efforts to approach CT DEP and the CT legislature because the next chance to have the necessary funding would allow for appropriation almost two years from now.

Director Jarjura stated for the record that he had been approached by a company in New Jersey which collects trash to produce revenue from a process of composting which produces a gas and a rich compost soil. Director Jarjura stated for the record he was cautious in his role as mayor because a private firm is interested in purchasing a private piece of land in Waterbury to build a trash-to-energy plant. He raised the issue of whether he should recuse himself in this discussion. Director O'Brien stated because the possibility did not involve an actual allocation that Director Jarjura did not need to recuse himself.

There was substantial discussion by the Board on the responsibilities of CRRA and other municipalities to implement the State of Connecticut's mandated plans.

Mr. Kirk stated CRRA collects development funds through its general fund budget from 118 of the 169 which provide the seed money and development funds for something that may potentially be beneficial to other towns and the entire state. He stated that a letter has been drafted to the CT DEP asking for funding support for the solid waste management plan CRRA is being charged to implement. He stated that anything in the budget is essentially a line item which ensures the funding is available to do these activities and address these developmental issues as they emerge.

Director Karanian asked how CRRA ensures they are coordinating with the CT DEP on studies and efforts to implement the Solid Waste Management Plan. Mr. Kirk explained that CRRA works closely with the CT DEP routinely to make sure the work put into a project is given full support by CT DEP. He stated the Annual Plan of Operations drafted by CRRA is also examined by CT DEP.

Director O'Brien stated he supports the motion to approve the general fund budget, but does not support the projects illustrated in the handouts. He asked that the projects that affect CRRA's specific business be brought forth.

Director Savitsky stated she had asked for a timeline with a prioritization of what the \$750,000 would be used for. She stated she was not interested in supporting the motion as there

was no specific information on how the funds will be spent. Director Savitsky stated her interpretation of a self sustaining state does not mean the strategic planning of CRRA and the responsibilities under that Statute fall on the customers, but that the State of Connecticut has to provide sufficient planning funds.

Director Jarjura stated there probably should have been an allocation from the State to pay for the plan. Director Francis stated the Board is not approving the specific projects and the motion encompasses sending a letter to the CT DEP to ask for funds. Director Francis stated some specific kind of direction and studies are needed to answer the questions on the future of the member towns. He stated he would like to move the budget be approved with the understanding that the Board is not authorizing expenditure of the money, but that the project will come back for approval and that every effort is being made to approach the CT DEP and the State of Connecticut for funding.

Director Miron asked what impact the letter to the CT DEP would have on strategic planning by CRRA. He stated it would be unwise to hold up the planning of CRRA to wait for possible funds. Chairman Pace asked if less dollars can be applied to the plan so CRRA can begin with a smaller portion of prioritized items.

AMENDMENT TO THE MOTION

Director Savitsky made a motion to amend the \$750,000 for other consulting services within the general budget funds to \$500,000. The motion was accepted as a friendly amendment by the maker of the initial motion, Director Francis, and was adopted by unanimous consent.

Director Lauretti asked that the amount be lowered as he felt the amount opened CRRA to further criticism and possible litigation by member towns.

Director O'Brien stated his concern that a reduction in the line of budget may prevent CRRA from moving forward in initiatives in the next fiscal year. He stated if other funding is provided it can be applied, but if no other funding is available CRRA still has a deadline to get the general fund budget approved in order to enable the other CRRA projects to create their budgets. Director O'Brien stated he was still in favor of the half million and a meaningful appropriation. Director O'Brien stated that in this case he suggests all expenditures return to the Board for approval.

Mr. Kirk stated the SWEROC recycling initiative will continue and a big project moving forward will be the corporate governance and ownership issue that will need to be resolved to ensure recycling will continue for the Southwest towns. Mr. Kirk stated he is sure SWEROC will not want to pay for that but should as the recycling will directly benefit these towns.

Chairman Pace asked the Board to consider some dollars in the budget for these initiatives. Director Jarjura stated that an issue for consider is that the projects may have some revenue earning possibilities and that he supported the \$500,000. Director Miron stated he was also in support of the \$500,000 which is only 5% of CRRA's operating budget.

Chairman Pace took a roll call vote on the amendment to reduce the \$750,000 to \$500,000.

The motion previously made and seconded failed.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman		X	
Mark Cooper		X	
Jim Francis	X		
Michael Jarjura	X		
Edna Karanian		X	
Mark Lauretti		X	
Theodore Martland	X		
Raymond O'Brien	X		
James Miron	X		
Linda Savitsky		X	
Non-Eligible Voters			
Stephen Edwards, Ad-Hoc, Bridgeport			
Timothy Griswold, Ad-Hoc, Mid-CT			
Warren C. Howe Jr., Ad-Hoc, Wallingford			

FURTHER AMENDMENT TO THE MOTION

Chairman Pace moved to amend the motion to further reduce the \$500,000 for other consulting services within the general budget funds to \$350,000.00. The motion was seconded by Director O'Brien.

The amendment to approve the \$350,000 budget amount previously made and seconded passed. Director Savitsky and Director Lauretti voted Nay.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
Jim Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti		X	
Theodore Martland	X		
Raymond O'Brien	X		
James Miron	X		
Linda Savitsky		X	
Non-Eligible Voters			
Stephen Edwards, Ad-Hoc, Bridgeport			
Timothy Griswold, Ad-Hoc, Mid-CT			
Warren C. Howe Jr., Ad-Hoc, Wallingford			

RESOLUTION REGARDING THE REFURBISHMENT OF PRIMARY SHREDDERS AT THE MID-CONNECTICUT WASTE PROCESSING FACILITY

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director O'Brien:

RESOLVED: That the President is hereby authorized to execute an agreement with Welding Works, Inc. to refurbish two (2) Primary Shredders at the Mid-Connecticut Waste Processing Facility, substantially as presented and discussed at this meeting.

Director Francis seconded the motion.

Mr. Kirk stated three bidders were interested in providing services, one of whom was unable due to prior commitments. He stated CRRA was satisfied with the price offered and recommends Welding Works for the project. Director O'Brien stated for the record the refurbishment was accounted for in the 2008 budget. Director Martland stated he was uncomfortable with the spread in prices offered. Mr. Tracey explained the difference in spreads was primarily due to the locations of interested bidders. He explained the effort to find a bid was substantial but Infinity Constructors is out of state and therefore mobilization and management would be more costly than Welding Works, Inc. which is a Connecticut based company.

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

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
Jim Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
James Miron	X		
Linda Savitsky	X		
Non-Eligible Voters			
Stephen Edwards, Ad-Hoc, Bridgeport			
Timothy Griswold, Ad-Hoc, Mid-CT			
Warren C. Howe Jr., Ad-Hoc, Wallingford			

RESOLUTION REGARDING THE APPROVAL OF THE CONNECTICUT RESOURCES RECOVERY AUTHORITY TELEPHONIC MEETING POLICY AND PROCEDURE

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director O'Brien:

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

Director Martland seconded the motion.

Director Savitsky asked what the effective date would be if this item was passed. Ms. Hunt stated the effective date would be immediately after the resolution was passed. Director O'Brien stated there were two changes to the policy. He explained the first was to allow participation via video conference and which would constitute as physical presence at a meeting. He stated the second was that supermajorities of Directors present both physically and on the telephone can be used to satisfy the quorum requirement for six Directors to be physically present in the room in order to begin the meeting.

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

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
Jim Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
James Miron	X		
Linda Savitsky	X		
Non-Eligible Voters			
Stephen Edwards, Ad-Hoc, Bridgeport			
Timothy Griswold, Ad-Hoc, Mid-CT			
Warren C. Howe Jr., Ad-Hoc, Wallingford			

RESOLUTION REGARDING THIRD AMMENDMENT TO THE TOWN OF SOUTHBURY'S MUNICIPAL SOLID WASTE MANAGEMENT SERVICES AGREEMENT

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director O'Brien:

RESOLVED: The President is authorized to execute the third amendment to the Town of Southbury's Municipal Solid Waste Management Services Agreements substantially as presented and discussed at this meeting.

Director Savitsky seconded the motion.

Mr. Kirk explained that Southbury typically brings local garbage truck deliveries into the Watertown delivery station. Mr. Kirk stated that in light of the crowding in Watertown and the opportunity for Southbury to take their trucks directly to the plant, CRRA would recognize a savings. Mr. Kirk stated that in recognition of that savings CRRA helps subsidize the city's transportation costs between Southbury and the plant. Mr. Kirk stated the situation is beneficial to all parties involved except for the contractor, who loses revenue that CRRA would have normally given them.

The motion previously made and seconded was approved. Director Cooper abstained.

MOTION TABLED

RESOLUTION REGARDING ANNUAL SUBMITTAL OF AN PLAN OF OPERATIONS TO THE CONNECTICUT DEPARTMENT OF ENVIRONMENTAL PROTECTION

Chairman Pace requested a motion regarding the above-captioned matter. Director O'Brien made a motion to table the above captioned item until the Executive Committee is able to discuss the matter.

RESOLVED: That the Board of Director's hereby authorizes CRRA Management to submit the Annual Plan of Operations for FY2008 and FY2009 to the Connecticut Department of Environmental Protection, substantially as discussed and presented at this meeting.

Director Savitsky seconded the motion.

Chairman Pace explained that the resolution has to go to the Executive Committee for comment and review prior to going to the CRRA Board for approval. Chairman Pace asked the Directors to send in any recommended changes and notes to Chairman Pace so the comments can be incorporated into the discussion.

The motion previously made and seconded was approved unanimously.

PRESIDENT'S REPORT

Mr. Kirk stated the Southwest towns' negotiations for renewal with Wheelabrator continued. He stated an agreement on terms or prices had not yet been met and that CRRA was considering an RFP process to ensure the towns who are not participating have an option beyond Wheelabrator.

Mr. Kirk stated all of the plants continue to run well performance wise, with the exception of the Mid-CT facility. He explained there is a continued struggle with outages on the power side of the Mid-CT plant. He stated CRRA is continuing to work with Covanta to address the problem and to review Covanta's plan to return the plant to historical operating performance. He explained CRRA is optimistic that the return in performance will occur as Covanta is taking the financial and planning steps necessary. He stated CRRA will monitor the process carefully and is taking a conservative approach with the budget and anticipates potential good news and performance in fiscal year 2009 on the power plant side of the Mid-CT facility.

Mr. Kirk explained CRRA believes the Wallingford future options pricing proposal from Covanta is higher than it should be. As a result CRRA will report to the Wallingford Policy Board with some options including a purchase option. He stated the appraisal of the facility is underway and options beyond a continuation of the project with the present vendor are being considered.

Mr. Kirk stated the CRRA legislative plan is under development and will be considerable this year. He stated he hopes CRRA is able to raise more issues in the legislative session. Mr. Kirk asked any Directors with legislative issues to submit them for the plan, which will most likely be presented to the Board in January.

Director Howe stated he understood one option both CRRA and Covanta have with the Wallingford plant is to extend the current agreement for five years and that option needs to be raised in 2007. Mr. Kirk stated he had received notification from Covanta to decline a straight renewal which was both expected and understood as the finances would have frozen their operating fee at the present rate. Mr. Kirk stated CRRA's option to purchase the plant is still available but involves lengthy discussion on matters such as appraisal value, evaluation of public ownership with private ownership by Covanta. Mr. Kirk stated Covanta has the option to continue to operate as a merchant facility and have offered a price which has not been met with agreement but the negotiations will continue.

CHAIRMAN'S REPORT

Chairman Pace announced there were two articles recently published covering the New Hartford Settlement, one in *The New Haven Register*, and the second in *The Waterbury Republican American*. He stated moving forward he would like to assemble the materials necessary to provide the public a clear understanding of the issues involved.

EXECUTIVE SESSION

Chairman Pace requested a motion to enter into Executive Session to discuss personnel matters with appropriate staff. The motion made by Director O'Brien and seconded by Director Jarjura was approved unanimously. Chairman Pace requested that the following people be invited to the Executive Session in addition to the Directors:

Tom Kirk
Jim Bolduc
Laurie Hunt, Esq.
Paul Nonnenmacher

The Executive Session began at 11:03 p.m. and concluded at 12:04 p.m. Chairman Pace noted that no votes were taken in Executive Session.

The meeting was reconvened at 12:05 p.m.

Chairman Pace noted that all Directors that were participating by telephone had disconnected during or at the conclusion of the Executive Session.

ADJOURNMENT

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

There being no other business to discuss, the meeting was adjourned at 12:17 p.m.

Respectfully submitted,

Moira Kenney
Secretary to the Board/Paralegal