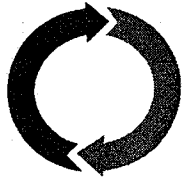


**CRRA  
BOARD MEETING  
Oct. 29, 2009**



**CONNECTICUT  
RESOURCES  
RECOVERY  
AUTHORITY**

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

## **MEMORANDUM**

**TO:** CRRRA Board of Directors  
**FROM:** Moira Kenney, Secretary to the Board/Paralegal  
**DATE:** Oct. 22, 2009  
**RE:** Notice of Meeting

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There will be a regular meeting of the Connecticut Resources Recovery Authority Board of Directors on Thursday, Oct. 29, 2009 at 9:30 a.m. The meeting will be held in the Board Room of 100 Constitution Plaza, Hartford, Connecticut and will also be available to the public via teleconference at 1410 Honeyspot Road ext. in the Board room, Second Floor, Stratford, CT

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

Connecticut Resources Recovery Authority  
Board of Directors Meeting

Agenda

Oct. 29, 2009

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. Executive Session

An Executive Session will be held to discuss pending litigation.

IV. Minutes

1. Board Action will be sought for the approval of the July 23, 2009, Regular Board Meeting Minutes (Attachment 1).

1.a Action Items

2. Board Action will be sought for the approval of the Sept. 24, 2009, Special Telephonic Board Meeting Minutes (Attachment 2).

V. Board Committee Reports

A. Finance Committee Reports

1. Board Action will be sought Regarding the Reserve Analysis (Attachment 3).
2. Board Action will be sought regarding the Bridgeport Financial Distribution Summary (Attachment 4).

B. Policies & Procurement Committee

1. Board Action will be sought for the Resolution Regarding a Trust Agreement Associated with South Meadows Site Remediation Activities (Attachment 5).
2. Board Action will be sought for the Resolution Regarding a Retrofit to Recycle #3 through #7 Plastics (Attachment 6).
3. Board Action will be sought for the Resolution Regarding the Municipal Government Liaison Services Agreement (Attachment 7).

4. Board Action will be sought for the Resolution Regarding Establishing a Special Committee to Study Options for Municipal Solid Waste Disposal Following the Expiration of the Mid-Connecticut Project (Attachment 8).

VI. Chairman and President's Reports

VII. Executive Session

An Executive Session will be held to discuss pending litigation, real estate acquisition, pending RFP's, and personnel matters with appropriate staff.

1. Board Action will be sought for the Resolution Regarding Additional Projected Legal Expenditures (Attachment 9).

# TAB 1

**CONNECTICUT RESOURCES RECOVERY AUTHORITY**

**FOUR HUNDRED AND FIFTY-FIFTH      JULY 23, 2009**

A Regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, July 23, 2009, at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Chairman Michael Pace

Directors:     David Damer  
                 Timothy Griswold  
                 Mark Lauretti (present beginning 10:35 a.m.)  
                 James Miron (present beginning 10:10 a.m.)  
                 Raymond O'Brien  
                 Linda Savitsky  
                 Steve Edwards, Bridgeport Project Ad-Hoc  
                 Warren Howe, Wallingford Project Ad-Hoc

Present from CRRA management:

Tom Kirk, President  
Jim Bolduc, Chief Financial Officer  
Peter Egan, Director of Environmental Affairs  
Thomas Gaffey, Director of Recycling and Enforcement  
Laurie Hunt, Director of Legal Services  
Paul Nonnenmacher, Director of Public Affairs  
Mike Tracey, Director of Operations  
Marianne Carcio, Executive Assistant  
Moira Kenney, Secretary to the Board/Paralegal

Also present were: Peter Graczykowski of the Town of Vernon, Conn.; Bob Gross, resident of the Town of Wallingford, Conn.; Susan Hemenway of BRRFOC; Mike Paine of Paine's Inc.; John Pizzimenti of USA Hauling; Jim Sandler of Sandler and Mara; and Cheryl Thibeault of Covanta.

Chairman Pace called the meeting to order at 10:05 a.m. and noted that there was a quorum.

**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.

Mr. Paine said that his family owns Paine's Rubbish & Recycling and that he is also representing the Connecticut Chapter of Waste Haulers of the National Solid Waste Association. Mr. Paine said he is present to address the change in the delivery standards for single-stream recycling. Mr. Paine said the haulers are concerned that they will now be required to bring commercial, institutional and industrial recycling to CRRA. He asked for an acknowledgment from the CRRA Board that haulers do not have to bring commercial recycling to CRRA, as many haulers have contracts where they are required to deliver to specific vendors.

Chairman Pace said that it is his understanding that the change in delivery standards is to enable CRRA to receive and that it is not mandatory for the haulers to deliver commercial recycling to CRRA. Mr. Kirk said that was correct. Vice-Chairman O'Brien suggested that this item be clarified for the benefit of the haulers.

Mr. Gross said that he had several questions for the CRRA Board. He said there have been several incidents concerning strong smells coming from the Wallingford plant. He asked the CRRA Board if it could assist with controlling this issue. Mr. Gross said that he did call the EPA but the EPA was unable to go out to the plant as the incident was a Sunday violation. He explained the plant's doors were open and the pits were being cleaned out which created a noxious smell. He said there was also a second incident.

Ms. Thibeault said that Covanta is aware of one of the complaints. She said due to waste volumes being low Covanta has requested spot waste on several occasions and has had to dig out the pits as a result. She said unfortunately the bottom of the pit does contain the worst offending smells. Ms. Thibeault said that the employees have been keeping the doors closed and that Covanta has educated its employees to be very sensitive concerning these issues. Ms. Thibeault said that Mr. Gross can call at any time as there is a control room operator and shift supervisor on at all times.

Mr. Gross asked whether the turbines are going to be replaced. Mr. Tracey said that they are not scheduled to be replaced but retrofitted. Ms. Thibeault said that the retrofit is scheduled to take place in May. She said diagnostics are currently being performed and a vendor is performing a detailed analysis which Covanta is waiting for.

Mr. Gross asked whether there has been a resolution between the State of Connecticut and Covanta concerning its emissions violation. Mr. Egan said that the answer is not yet. He explained that Covanta has the lead on negotiating the final terms of the consent order with the Connecticut Department of Environmental Protection (hereinafter referred to as the "CT DEP").

Mr. Gross asked whether the emission testing has taken place for this year. Mr. Egan said that the answer is yes and all tests indicate that the plant is compliant. Ms. Thibeault said that Covanta held discussions with the CT DEP the day before today's meeting. She said that due to staff shortages and other issues the CT DEP has expressed apologies for the delay and indicated that a final meeting would be held concerning the emission violation matter in the following weeks.

**APPROVAL OF THE MINUTES OF THE MAY 28, 2009, REGULAR BOARD MEETING**

Chairman Pace requested a motion to approve the minutes of the May 28, 2009, regular Board Meeting. Vice-Chairman O'Brien made a motion to approve the minutes, which was seconded by Director Savitsky.

Vice-Chairman O'Brien noted that the revisions conformed to the recording of the May 28, 2009, meeting.

The minutes were approved as amended and discussed by roll call. Director Griswold abstained as he was not present at the meeting. Chairman Pace, Vice-Chairman O'Brien, Director Damer, Director Miron, Director Savitsky, Director Edwards, and Director Howe voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Dave Damer	X		
Timothy Griswold			X
James Miron	X		
Raymond O'Brien	X		
Linda Savitsky	X		
<b>Ad-Hocs</b>			
Steve Edwards, Bridgeport	X		
Warren C, Howe, Jr., Wallingford	X		

**APPROVAL OF THE MINUTES OF THE JUNE 18, 2009, REGULAR BOARD MEETING**

Chairman Pace requested a motion to approve the minutes of the June 18, 2009, regular board Meeting. Director Savitsky made a motion to approve the minutes, which was seconded by Vice-Chairman O'Brien.

The minutes were approved by roll call. Vice-Chairman O'Brien abstained as he was not present at the meeting. Chairman Pace, Director Damer, Director Griswold, Director Miron, Director Savitsky, Director Edwards, and Director Howe voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Dave Damer	X		
Timothy Griswold	X		
James Miron	X		
Raymond O'Brien			X
Linda Savitsky	X		
<b>Ad-Hocs</b>			
Steve Edwards, Bridgeport	X		
Warren C, Howe, Jr., Wallingford	X		



**FINANCE COMMITTEE UPDATE**

Director Savitsky said she would like to report that the Finance Committee met and discussed both the funding of the Shelton landfill and the proposed recycling rebate at length.

**RESOLUTION REGARDING APPROVAL OF FUNDING FOR THE SHELTON LANDFILL POST CLOSURE RESERVE**

Chairman Pace requested a motion to approve the above referenced motion. Director Savitsky made the motion, which was seconded by Vice-Chairman O'Brien.

**WHEREAS**, On July 1, 2009, the Connecticut Department of Environmental Protection (CT DEP) issued a tentative determination and a draft permit for a stewardship permit for the Shelton landfill which required a 15% contingency be added for the entire landfill due to the presence of a hazardous waste cell located within the Shelton landfill; and

**WHEREAS**, CRRA reviewed the assumptions for the reserve earnings rate and the annual inflation rate and adjusted these rates to account for present economic conditions;

**NOW, THEREFORE**, it is

**RESOLVED**: that to meet the additional funding requirements, \$1,300,000 be transferred from the Bridgeport Project Operating Account to the Shelton Landfill Post Closure Reserve STIF.

Director Edwards asked that this item be tabled. He explained he was not able to meet with the SWEROC group in order to receive its members' opinions and feedback on the item, which he would like to have before it is voted on by the CRRA Board.

Vice-Chairman O'Brien asked for confirmation from management that delaying this item until September will not compromise CRRA's efforts with the CT DEP. Mr. Egan replied that it will not create any issues with the CT DEP. Mr. Kirk said that Mr. Bolduc will reserve for this amount which will not further delay the close-out of the project or the final reconciliation of the project.

**MOTION TO TABLE THE RESOLUTION REGARDING APPROVAL OF FUNDING FOR THE SHELTON LANDFILL POST CLOSURE RESERVE**

Chairman Pace requested a motion to table the resolution regarding funding of the Shelton Landfill post-closure reserve.

The motion to table was made by Vice-Chairman O'Brien and seconded by Director Savitsky.

The motion to table was approved unanimously by roll call. Chairman Pace, Vice-Chairman O'Brien, Director Damer, Director Griswold, Director Miron, Director Savitsky, and Director Edwards voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Dave Damer	X		
Timothy Griswold	X		
James Miron	X		
Raymond O'Brien	X		
Linda Savitsky	X		
<b>Ad-Hocs</b>			
Steve Edwards, Bridgeport	X		
Warren C, Howe, Jr., Wallingford			

**RESOLUTION REGARDING THE FUNDING OF THE BRIDGEPORT POST PROJECT RESERVE AND BRIDGEPORT RISK RESERVE**

Chairman Pace requested a motion to approve the above referenced motion. Vice-Chairman O'Brien made the motion, which was seconded by Director Damer.

**WHEREAS**, On March 26, 2009, the Connecticut Resources Recovery Authority's (the "Authority") Board of Directors ("Board") adopted a resolution authorizing the establishment of a Post Project Reserve and a Risk Reserve relating specifically to the former Bridgeport Project; and

**WHEREAS**, upon its review, the Authority has determined the initial funding amounts for these reserves.

**NOW, THEREFORE**, it is

**RESOLVED**: that two separate and distinct Short Term Investment Funds ("STIF") administered by the Office of the Connecticut State Treasurer be established for these two reserves; and

**RESOLVED**: That \$725,000 be transferred from Bridgeport project subaccount STIF account to the following STIF accounts:

\$625,000 to the Bridgeport Post Project Reserve STIF account

\$100,000 to the Bridgeport Risk Reserve STIF account

Mr. Bolduc said that management is in the process of closing the various accounts to come up with a final balance sheet for the Bridgeport Project in order to perform a disbursement of any excess cash. He explained there are several items that first need to be dealt with. He referred the Board to a table in the write-up which illustrates the Bridgeport Post-Project Reserve and the Bridgeport Risk Project Reserve. Mr. Bolduc explained these tables illustrate the remaining items that require action before Carlin Charron & Rosen's (hereinafter referred to as "CCR") final review on July 31, 2009.

Mr. Bolduc said the Bridgeport Post Project Reserve is for items that are in progress or will be in progress shortly. He said the Bridgeport Risk Project Reserve is for items that are longer in duration and do not follow a timetable. He explained the second reserve involves litigation and may not be resolved for years. He said that in addition the executive summary plan discusses how these items will be reviewed on a quarterly basis going forward. Mr. Bolduc said as items are taken care of additional disbursements will be made.

Mr. Bolduc said that concerning the Waterbury Landfill sale potential, there are several related items that must be resolved by management before the land can be sold. He explained dollars have been set aside to resolve those issues.

Mr. Bolduc said that the write-up contains notes which discuss that there are two towns which have outstanding receivables of a sizable amount. He said as the project is closed out a bad debt reserve for 100% of those amounts will be set up. Mr. Bolduc said the debt should not impact the remaining towns. He explained there should be a \$1 million to \$2 million in excess reimbursement and because these two towns will owe the project money the Bridgeport and East Haven debt will be roughly a wash. Mr. Bolduc said that this does make the issue a little more complicated. Mr. Bolduc said that there is also an outstanding payable (although Bridgeport has yet to bill CRRA) for which management will reserve \$145,000.

Mr. Bolduc said another item to note concerns the Bridgeport project. He said there is a Stratford recycling capital reserve with approximately \$650,000. He said those dollars came from settlements with Stamford, Greenwich and East Haven and were set aside for the IPC and that unfortunately how those disbursements will be made was never determined in the documents or by the attorneys. Mr. Bolduc said at this point how to make that distribution can't be made until further accounting and legal review.

Vice-Chairman O'Brien said that because the audit is due to take place at the end of the month to facilitate the audit being able to do a final, it may be appropriate to set up three STIF funds and designate \$2.085 million to be distributed to the STIF funds with the third STIF fund receiving the full amount which is on the agenda concerning the Shelton landfill. He said that this way CCR can do their final audit and the money is all accounted for.

Mr. Bolduc said that CCR is doing a review and not issuing an opinion. He said the resolution does call for establishing separate STIF accounts and the residual amount will stay in the Bridgeport operating STIF account. He said this resolution separates that one STIF account into three.

Vice-Chairman O'Brien asked what CCR is doing. Mr. Bolduc said that it is doing an agreed upon procedures review. Vice-Chairman O'Brien said that he believes distributions from the Board should be made on the basis of an audit.

Director Savitsky said that it can't be an audit as CRRA has hired new auditors. She said that when new auditors close out the year this project will be part of that audit. Director Savitsky said assuming that BST stays on a second year the final close out of the Bridgeport Project will occur through the June 30, 2010, audit. Director Savitsky said that CCR is performing a review with a discreet set of tasks. She said this is where it starts to get confusing when more than one auditor is involved. Director Savitsky asked if this review would be the final thing CCR is doing for CRRA. Mr. Bolduc replied that is correct.

Mr. Bolduc said that due to the timing of the project there was not a separate audit because only a segment is being closed. He said the supplemental package contains the separate review which is similar to an audit with the exception of the auditor's opinion.

Vice-Chairman O'Brien said that the CRRA audit is due to the State September 30, 2009, which means it will need to come to the Finance Committee well before that. He asked if that will include the Bridgeport Project. Mr. Bolduc said that is correct. Vice-Chairman O'Brien asked how BST is going to include the Bridgeport project if CRRA does not have these funds accounted for.

Mr. Bolduc said that finishing the review will flow to the audit. Vice-Chairman O'Brien asked if the new auditors will use the CCR review as part of their audit. Mr. Bolduc said that they will use the CRRA books that reflect these entries and these adjustments. Vice-Chairman O'Brien asked then why we are having CCR do anything.

Mr. Bolduc said that the review needs to be done to try and accelerate the distribution. He said as items are deferred it gets more complicated to close out.

Director Savitsky said that she believes there is redundancy here. She said if CRRA is not at a point where they are sure what CCR is doing there needs to be a date certain when they are done so that CRRA is not paying for a redundancy. She said that the reason CCR was brought in to do a review is because CRRA did not have an auditor at that time. She suggested that because there are going to be redundant costs that there be a drop dead day and if the review isn't done its done. Director Savitsky said that new auditor will fold in the same numbers and use the same diligence with reviews and analysis.

Vice-Chairman O'Brien asked Mr. Bolduc if he feels there is value to having CCR continue performing this review. Mr. Bolduc said that he believes that closure is needed for this project. He said if it isn't done now a substantial effort to educate the new auditors is necessary and that a delay of the initial distribution to the project member towns may take place.

Director Edwards said that in reality the project will not be wrapped up in August. He said he would be surprised if the quarterly updates end before July of 2010, therefore, the new auditors will be dealing with it either way.

Director Lauretti said that he agrees with Director Edwards if there's a redundancy there's no need to pay twice. He suggested that if CCR is not charging CRRA additional fees for the audit, then it wouldn't hurt to have two sets of eyes look at the project. Mr. Kirk reminded him that the Towns' want their funds as quickly as possible.

Director Edwards said that he would defer to the Finance Committee.

Chairman Pace referenced the resolution on the table and said that the Finance Committee can have its own discussion with the auditors later.

Director Savitsky said that whether CCR continues or not these reserves need to be established.

Director Griswold asked how the \$625,000 amount was determined. Director Savitsky said that the number was rounded at the request of Vice-Chairman O'Brien. Director Savitsky said that at the Finance meeting the original number was reduced from \$667,000 to \$625,000 and \$60,000 was pulled

out and the final number was rounded to \$607,000. Mr. Bolduc said that \$118,000 of that figure was not identified as it pertains to legal costs. Director Savitsky asked that the record show that the sum total of the individual parts does not agree with the number and is a combination of rounding and the legal costs.

The motion previously made and seconded was approved unanimously by roll call. Chairman Pace, Vice-Chairman O'Brien, Director Damer, Director Griswold, Director Lauretti, Director Miron, Director Savitsky, and Director Edwards voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
David Damer	X		
Timothy Griswold	X		
Mark Lauretti	X		
Jim Miron	X		
Ray O'Brien	X		
Linda Savitsky	X		
<b>Ad-Hocs</b>			
Steve Edwards, Bridgeport	X		
Warren C. Howe, Jr., Wallingford			

**RESOLUTION REGARDING THE ADOPTION OF THE FISCAL YEAR 2010 GARBAGE MUSEUM OPERATING BUDGET**

Chairman Pace requested a motion to approve the above referenced motion. Vice-Chairman O'Brien made the motion, which was seconded by Director Miron.

**WHEREAS:** The Garbage Museum has collected a total of \$99,000.00 from admission fees and museum tours, donations and grants, and fundraising activities; and

**WHEREAS:** The Garbage Museum will receive a fund transfer of \$100,000.00 from Southwestern Connecticut Regional Recycling Operating Committee (SWEROC) as approved at their July 8, 2009 meeting; therefore be it

**RESOLVED:** That the fiscal year 2010 Garbage Museum Operating budget totaling \$199,000.00 be adopted as presented at this meeting.

Director Edwards said that this budget includes means to keep the Garbage Museum open for hopefully another year. He credited the efforts of Mr. Nonnenmacher and Mr. Kirk and said that this is a smaller budget than in the past and that the SWEROC project is pleased to be able to keep the doors open using these efforts and concessions.

Director Damer asked whether the \$99,000 has been collected or is anticipated for collections. Mr. Nonnenmacher explained the answer is both. He said the museum began collecting fees last September knowing that there would be a change to funding. He said that the fee structure did not anticipate the economy change or the plunge in the commodities market.

Mr. Nonnenmacher said the SWEROC Board allowed the museum to accrue the fees as a reserve for FY'10 and that close to \$60,000 in contributions was collected. He said the Museum expects another \$40,000 to \$50,000 through fees in the upcoming year and along with the \$100,000 SWEROC provision that the museum will be able to stay open this coming fiscal year. Mr. Nonnenmacher thanked the Board for assisting with a salary provision.

Mr. Nonnenmacher said that the Museum staying open will provide for the sourcing of additional funds and also provide potential donors the security of an ongoing operation.

Mr. Kirk noted that management plans to have the September Board meeting in Stratford.

Director Savitsky asked that a monthly report on the museums numbers be provided for the Board. She said that keeping the museum open needs to be looked at as part of the core message of CRRA. Director Edwards said that SWEROC has made the same requests and that any reports provided to them should also go to the Board.

Director Miron asked if there is a Committee that looks at the ability of the museum to perform concerning public relations efforts as well as an educational component. Chairman Pace said that the Policies and Procurement Committee will be taking a look at these factors. Mr. Nonnenmacher said that additional information will be added to the informational section of the Board package which currently contains numbers and attendance reports from the museums.

Mr. Nonnenmacher thanked the Accounting and Finance department for setting up accounts to assist with fundraising and reserving funds to keep the Museum open.

The motion previously made and seconded was approved unanimously by roll call. Chairman Pace, Vice-Chairman O'Brien, Director Damer, Director Griswold, Director Lauretti, Director Miron, Director Savitsky, and Director Edwards voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
David Damer	X		
Timothy Griswold	X		
Mark Lauretti	X		
Jim Miron	X		
Ray O'Brien	X		
Linda Savitsky	X		
<b>Ad-Hocs</b>			
Steve Edwards, Bridgeport	X		
Warren C, Howe, Jr., Wallingford			

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

Chairman Pace requested a motion to approve the above referenced motion. Vice-Chairman O'Brien made the motion, which was seconded by Director Damer.

**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 Authority spent \$3 million to install single-stream sorting equipment its Mid-Connecticut Project Regional Recycling Center with the expectation that single-stream recycling would increase recycling in its member cities and towns; and

**WHEREAS**, Mid-Connecticut Project cities and towns delivered more than 79,000 tons of recyclables in FY 2009; and

**WHEREAS**, While recycling tonnages decreased from year to year in the remainder of the state, the Mid-Connecticut Project cities and towns delivered approximately 81,000 tons of recyclables in FY 2009, an increase of about 2%; and

**WHEREAS**, The Board of Directors adopted the FY 2009 Mid-Connecticut Budget that included a \$10.00 per ton rebate provision for member municipalities based on the amount of acceptable recyclable tons annually delivered; and

**WHEREAS**, Despite the unfavorable commodity market conditions, the Mid-Connecticut Project Regional Recycling Center operations generated sufficient revenues in excess of expenses to rebate \$5.00 per ton delivered by the municipalities; now therefore be it

**RESOLVED**: That the Board of Directors approves the use of approximately \$405,000.00 to provide a \$5.00 per ton rebate to the municipalities based on their pro-rata share of acceptable recycling tonnage delivered to the Mid-Connecticut Regional Recycling Center system.

Director Savitsky said that the third whereas in the write-up should say 2009 and not 2008. Vice-Chairman O'Brien noted that his motion includes that amendment.

Director Savitsky said that this item was discussed in depth at the Finance Committee meeting. She said that if these monies are distributed in July or August it is not inconceivable that those municipalities may book this as 2009 revenue. She said that if this occurs the public-relations impact would be lessened. Director Savitsky said that she is prepared to table this motion until September.

Vice-Chairman O'Brien said that he supports this resolution and that it is up to the towns to book for these funds as they see fit. He said he also believes it should be done now because this resolution is not for public-relations impact but because this is the right thing to do. Vice-Chairman O'Brien said that this rebate was provided as an incentive to return recyclables. He said in return solid-waste costs are reduced for the towns and that a portion of the money earned is returned to the towns as a reward.

Chairman Pace said that he was in support of this resolution. He said that as a public official he can vouch that towns will be appreciative of any additional funds. He noted this was more of a rebate than management had initially expected to provide.

Director Savitsky said that there were not firm numbers for June at the Finance meeting which is cause for concern. Director Lauretti asked when that issue would be wrapped up. Mr. Bolduc said that those numbers will be wrapped up in August.

Mr. Bolduc said that the dollars are not certified until the auditors come through, however the tonnage numbers are in and have been used to establish these numbers. Vice-Chairman O'Brien said that Mr. Duvall has also verified both the tonnage and the dollars with the plant operator.

Mr. Kirk said that MSW tonnage is down substantially due to economic activity. He said recycling tonnage is up slightly and the percentage increase works out to about a 7.8% increase which offers proof positive of the benefit of single-stream recycling which was embraced by the haulers. He said it is notable to see a 7.8% increase in recycling at a time when trash tonnage reports have dropped by more than 10%.

The motion previously made and seconded was approved by roll call. Director Savitsky voted no. Chairman Pace, Vice-Chairman O'Brien, Director Damer, Director Griswold, Director Lauretti, and Director Miron voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
David Damer	X		
Timothy Griswold	X		
Mark Lauretti	X		
James Miron	X		
Ray O'Brien	X		
Linda Savitsky		X	
<b>Ad-Hocs</b>			
Steve Edwards, Bridgeport			
Warren C, Howe, Jr., Wallingford			

**POLICIES & PROCUREMENT COMMITTEE**

**RESOLUTION REGARDING BOARD APPROVAL OF EMERGENCY PROCUREMENTS FOR WASTE EXPORTS**

Chairman Pace requested a motion to approve the above referenced motion. Vice-Chairman O'Brien made the motion, which was seconded by Director Lauretti.

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

Chairman Pace said that the definition of an emergency procurement was discussed in depth at that Policies & Procurement meeting. He said it is important to note that the haulers don't like long lines and it costs CRRA substantial dollars.



Vice-Chairman O'Brien noted that he was making the motion noting that unless there is reasonable belief by the Directors that this does not qualify as an emergency the Board has little discretion in this matter.

The motion was approved unanimously by roll call. Chairman Pace, Vice-Chairman O'Brien, Director Damer, Director Griswold, Director Lauretti, Director Miron, and Director Savitsky, voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
David Damer	X		
Timothy Griswold	X		
Mark Lauretti	X		
Jim Miron	X		
Ray O'Brien	X		
Linda Savitsky	X		
<b>Ad-Hocs</b>			
Steve Edwards, Bridgeport			
Warren C, Howe, Jr., Wallingford			

**ITEMS 2-5**

Ms. Hunt explained that any contract with a payment of over \$50,000 in a 12 month period requires two thirds of the full Board (eight votes) which is currently not available at this meeting.

Chairman Pace noted that he had heard a replacement for former Director Cooper had been nominated and that he will follow up on the appointment and meet with the new Director when appropriate.

**RESOLUTION REGARDING THE ADOPTION OF THE REVISED MID-CONNECTICUT PERMITTING, DISPOSAL AND BILLING PROCEDURES**

Ms. Hunt said that any policy that effects CRRA's interaction with the public needs 30 days notice and eight votes. Chairman Pace explained this matter to Mr. Paine.

Director Damer said that on page A-3 under the definition for glass, food and beverage containers there is a comma missing.

Chairman Pace asked that it be made clear for the record that the revisions to the billing procedures are not an attempt by CRRA to enforce flow control for commercial recyclables. Mr. Kirk said that is correct. Mr. Gaffey said that state statues do not allow for this authority within CRRA.

**CHAIRMAN'S REPORT**

Director Griswold said that the Mid-Connecticut Advisory Committee (hereinafter referred to as "MAC") meeting had been attended by many of the member towns. He said the MAC was

successful in passing modified bylaws that stipulated that 25% of the member towns (or 18 towns) are necessary for a quorum to be present.

Director Griswold said that there was discussion which determined a delegate may represent more than one town if he or she possesses prior written notice. He said Steve Wawruck of Windsor Locks was nominated as Vice-Chairman. He said that a Chairman will be elected at the next meeting. Chairman Pace said it is important to keep all 70 towns aware of the importance of their participation.

Director Griswold said that there was a healthy discussion on MSW trends, recycling and single-stream recycling. He said the group was updated on the boilers and the \$6.00 credit per town. Director Griswold said that Mayor Currey had suggested that while there is no action required by member towns to receive the credit that perhaps an affirmation from the towns should be taken. Mr. Bolduc said that 18 towns have elected to defer and provided indication of this preference.

Director Griswold said that Mr. Kirk had addressed the issue of leakage of tonnage from the system which affects the fees directly and results in 40-50 thousand diverted tons a year. He said there was discussion on the Franklin ash landfill and the potential \$9.00 per ton savings that may result. Director Griswold said that there was also discussion on post-2012. Chairman Pace said that he will send a communication to Mayor McCoy of Vernon stating that he will be happy to educate him on the particulars of the statutes, contract and whether departing towns from the Mid-Connecticut Project would be compensated from the Franklin reserves.

Chairman Pace said during a meeting between the Executive Committee and the MDC representatives an agreement was made concerning the exchange of information between actuaries. He said a second follow-up meeting is planned to discuss the issue of the dollar value, if any, owed to MDC by CRRA concerning post-retirement benefits.

Chairman Pace said that the August retreat for the CRRA Board is tentatively planned for August 27, 2009. Director Savitsky suggested that the annual retreat be placed on the typical Board meeting schedule for the future.

## **PRESIDENT'S REPORT**

Mr. Kirk said that the recycling rate for the Mid-Connecticut Project rose 7.8% and there was not a similar rise in the Southwest Project which he believes is due to a lack of single stream recycling.

Mr. Kirk said that concerning tonnage the effects of the economy continue to be apparent in diversions due to unprecedented discounts at private facilities during the summer months. Mr. Kirk said these discounts have exacerbated the diversion problem.

Mr. Kirk said Wheelabrator is continuing to accept CRRA controlled waste. He said that discussion continues with Wheelabrator and that CRRA does not intend to pay for any shortfall as long as Wheelabrator continues to accept flow-controlled waste.

Mr. Kirk said that at the Mid-Connecticut Project power side unscheduled outages due to pressure-part failures continue to be a problem. He said that management is creating a plan to address the availability issue in cooperation with CRRA's contractor Covanta. Mr. Kirk said it will likely require justifiable capital spending to fortify the pressure parts inside the boiler. He said management believes this is the best option for CRRA to increase the availability and reliability at the facility.

Mr. Kirk said a recent inspection of a 5.5-million storage fuel tank at the Mid-Connecticut facility has indicated an area of concern. He said that management anticipates a repair will be required and there is no cheap way to do so. Mr. Kirk said although there are significant reserves for jet repairs management will fully explore the issues as repair costs will be expected to be a minimum of \$1 million.

Chairman Pace asked why there is so much oil on site if the jets burn 4,000 gallons an hour. Mr. Kirk said that they run 168 hours a year. Chairman Pace asked why CRRA pays to store all that fuel. Mr. Kirk said that CRRA's contractor pays for the storage and that when the jets are running there are not enough trucks in the state to keep it fueled. Mr. Kirk said that management believes that the amount of fuel necessary to keep the jets available is 800,000 gallons. The Board discussed options for the fuel tank repair and/ or replacement.

Director Savitsky asked why the larger cites have such lower recycling tonnage in terms of their population. Mr. Gaffey said the challenge with big cites is multi-family housing where the owner and/or managers are not typically assisting with the cities' mission of recycling and are not properly making provisions for recycling containers for the residents of those apartments to appropriately recycle.

Mr. Gaffey said that the City of Hartford has a program under way to get those property managers on board. He said that in the Southwest region Mayor Finch is planning for conservation corps to go door to door, a program that Mr. Nonnenmacher and the educators are assisting with. Mr. Gaffey said in Milford a letter is being sent from the Department of Public Works to all condos and apartment owners alerting them that their haulers have to be permitted with the City and also that there is a requirement that their recyclables have to go to the Stratford recycling facility.

Mr. Kirk said that single-stream recycling is the best way to get to those multi-family homes as one container can provide for the entire building. He said the faster CRRA can implement single stream in Stratford the better. Director Edwards noted that Bridgeport nearly doubled its recycling.

Mr. Nonnenmacher said that the program in the City of Hartford involved educating residents' on the implementation of single stream in about 4,000 homes. He said that recyclables year to year are up about 40-50% and that the City of Torrington rolled out single stream in June and recyclables between May and June have more than doubled. Mr. Nonnenmacher said that the combination of single stream along with public awareness and education builds momentum and does work.

Director Griswold said that he had recently attended a trade conference concerning the energy block grant. He said he believes if the towns want to buy the carts for single stream that those funds can be used for that purpose and that every towns gets at least \$25,000.

## **LEGISLATIVE UPDATE**

Chairman Pace said that Mr. Bzydra's report was well written and self explanatory. The Board agreed.

## **RECESS**

The Board took a brief recess between 11:10 a.m. and 11:42 a.m.

**EXECUTIVE SESSION**

Chairman Pace requested a motion to enter into Executive Session to discuss pending litigation. The motion made by Vice-Chairman O'Brien and seconded by Director Savitsky was approved unanimously by roll call. Chairman Pace requested that the following people remain for the Executive Session, in addition to the Board members:

- Tom Kirk
- Jim Bolduc
- Laurie Hunt, Esq.

The Executive Session began at 11:42 a.m. and concluded at 12:57 p.m. Chairman Pace noted that no votes were taken in Executive Session.

The meeting was reconvened at 12:57 p.m., the door to the Board room was opened, and the Board secretary and all members of the public (of which there were none) were invited back in for the continuation of public session.

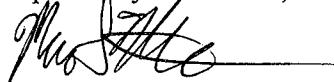
<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
David Damer	X		
Timothy Griswold	X		
Michael Jarjura	X		
Mark Lauretti	X		
Ray O'Brien	X		
Linda Savitsky	X		
<b>Ad-Hocs</b>			
Steve Edwards, Bridgeport			
Warren C. Howe, Jr., Wallingford			

**ADJOURNMENT**

Chairman Pace requested a motion to adjourn the meeting. The motion made by Vice-Chairman O'Brien and seconded by Director Savitsky was passed unanimously.

The meeting was adjourned at 12:58 p.m.

Respectfully submitted,



Moira Kenney  
Secretary to the Board/Paralegal

## TAB 2

**CONNECTICUT RESOURCES RECOVERY AUTHORITY**

**FOUR HUNDRED AND FIFTY-EIGHTH**

**SEPTEMBER 24, 2009**

A Regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, September 24, 2009, in the Board Room of the Garbage Museum at 1410 Honeyspot Road Extension, Stratford, Connecticut, and also by teleconference at 100 Constitution Plaza, Hartford, Connecticut. Those present in Stratford were:

Chairman Michael Pace

Directors: David B. Damer  
Mark Lauretti (present until 1:10 p.m.)  
Theodore Martland  
James Miron (present beginning 10:20 a.m.)  
Raymond O'Brien  
Linda Savitsky  
Stephen Edwards, Bridgeport Project Ad-Hoc  
Geno Zandri, Wallingford Project Ad-Hoc

In Hartford:

Directors: Alan Desmarais  
Nicholas Mullane

Present from the CRRA staff in Stratford:

Tom Kirk, President  
Jim Bolduc, Chief Financial Officer  
Peter Egan, Director of Environmental Affairs & Development  
Laurie Hunt, Director of Legal Services  
Paul Nonnenmacher, Director of Public Affairs  
Mike Tracey, Director of Operations  
Sotoria Montanari, Education Supervisor  
Moiria Kenney, Secretary to the Board/Paralegal

Present from the CRRA staff in Hartford:

Jeffrey Duvall, Manager of Budgets and Forecasting  
Lynn Martin, Risk Manager  
Rich Quelle, Senior Engineer  
Trevor Nichols, Senior Operations Analyst  
Nhan Vo-Le, Director of Accounting  
Marianne Carcio, Executive Assistant

Also present in Stratford: Robert Borden of Guilford, Conn. (present only for public portion); JoAnn McCann of Stratford, Conn. (present only for public portion); Anton Mirtshev and William Reynolds

of Bollam, Sheedy & Torani; John Pizzimenti of USA Hauling & Recycling; Cheryl Thibeault of Covanta; and Bettina Theil of *Hersam Acorn Newspapers*.

Also present in Hartford: Bob Gross of Wallingford, Conn. (present only for public portion); Peter Graczykowski of the Town of Vernon; and Jim Sandler of Sandler and Mara.

Chairman Pace called the meeting to order at 9:38 a.m. and said 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.

Mr. Borden, a fourth grade teacher at Country School in Madison, Connecticut, addressed the Directors in Stratford. He said that his school has been visiting the Garbage Museum from its inception and that the fourth-grade students at the Country School are given charge of the school's recycling program. Mr. Borden said that coming as a class to the Garbage Museum every year provides an education that the teachers can not provide at school. He said the experience is one that the students do not forget and that his own two children recall visiting the museum fondly.

Mr. Borden said that when he heard that the museum was having funding difficulties he took it upon himself to write to Congresswoman Rosa DeLauro for assistance and to get behind efforts to reach the appropriate people for assistance. Mr. Borden said he was able to gain the support of many parents and children and that he circulated a school-wide e-mail urging support to save the museum.

Chairman Pace said the Board of Directors agrees wholeheartedly with Mr. Borden's statements. He said the Board is trying to find the dollars to keep the museum in existence. He said any political support that Mr. Borden can provide would be appreciated. He urged Mr. Borden and other supporters of the museum to contact the legislature and the head of the legislature's Environment Committee with requests for assistance in funding.

Vice-Chairman O'Brien thanked Mr. Borden for his ringing support of Ms. Montanari and her staff.

Director Savitsky said that it is rare and very much appreciated to hear someone address the Board with something that has affected them positively. She said that she sincerely appreciated Mr. Borden's speech.

Chairman Pace noted that letters to the editor are also instrumental in bringing attention to the issue at hand. He said if the youth is not educated the Connecticut Department of Environmental Protection (hereinafter referred to as "CT DEP") can not hope to reach its goal of 58-percent statewide recycling as outlined by the Solid Waste Management Plan (hereinafter referred to as "SWMP").

Vice-Chairman O'Brien informed Mr. Borden that a policy to implement education as a core mission of CRRA was slated for approval by the Board later on the current meeting agenda. Chairman Pace said that when that policy was approved it would be sent to Mr. Borden. He thanked him for his time.

Ms. Montanari thanked Mr. Borden as well, especially for taking time off from his own job to address the Board with his concerns.

Ms. McCann said that she is Stratford's head science teacher for kindergarten through sixth grade and is in charge of writing the curriculum for Stratford. Ms. McCann there is a unit called Earth's Resources in the third-grade lesson plans (a copy of which is attached as "Exhibit A") which has about 28 lessons, the last page of which calls for a trip to the Garbage Museum. She said that she schedules 25 classes to come to the Garbage Museum as part of the education process. Ms. McCann said that Stratford believes children can make a difference and follows the motto of "educate for life" and starts education on recycling early. She said that Stratford is 100-percent in support of the museum and is actually looking for grant money to pay for the buses to come to Stratford.

Chairman Pace asked what the cost per bus is. Ms. McCann said that it is about \$100.00 a bus. He said that the bus companies can be generous with service. Ms. McCann said that Stratford has worked out a deal with the bus service to drop off and pick up the students. She explained there is a savings when the buses do not have to wait around and that the reduced services are at a minimal charge.

Chairman Pace suggested that Ms. McCann contact her legislators to ask for funding in order to help the Board in its efforts to support the museum.

Director Desmarais thanked Ms. McCann for speaking and said as a matter of personal privilege and full disclosure he would like to thank Ms. McCann as his sister as well.

### **ADDITION TO THE AGENDA CONCERNING AMMENDED JUNE 18, 2009, MINUTES**

Chairman Pace requested a motion to add the amended June 18, 2009, minutes to the agenda.

Vice-Chairman O'Brien made the motion which was seconded by Director Martland.

Vice-Chairman O'Brien said that there was a key omission in the actual minutes and not in the resolution which was voted on in the June 18, 2009, meeting. He said that he wanted to re-open the minutes to pass the corrected portion. Vice-Chairman O'Brien explained the importance of this action is to show accordance with court orders which indicate that CRRA is spending from the post-litigation reserve.

The motion to add an item to the agenda was approved unanimously by roll call. Chairman Pace, Vice-Chairman O'Brien, Director Damer, Director Desmarais, Director Lauretti, Director Martland, Director Miron, Director Mullane, Director Savitsky, Director Edwards, and Director Zandri voted yes.



<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Jim Miron	X		
Nicholas Mullane	X		
Raymond O'Brien	X		
Linda Savitsky	X		
<b>Ad-Hocs</b>			
Stephen Edwards, Bridgeport	X		
Geno Zandri, Jr., Wallingford	X		

**PUBLIC PORTION, CONTINUED**

Mr. Gross said that his question concerns the money which was refunded to the five communities and specifically to Wallingford. He asked when that money came back to the communities whether the contract contained any stipulation of how those funds could be used. Chairman Pace said that the answer is no. Mr. Kirk said there are no specific restrictions on how the money is to be spent and the return of funds were characterized as an overpayment of tipping fees. He said if there are individual restrictions on how tipping fee refunds must be used by the towns, that is the towns' decision as there is no specific contract restriction over the use of the money.

Mr. Gross said discussions with Mayor Dickinson caused him to believe those restrictions were in the contract at one particular point in time. He said the contract he received was the main contract which didn't cover the tip stabilizations funds or any of the other funds. Mr. Gross asked to see one of those contracts.

Mr. Bolduc said there are no contracts, there are only Board resolutions. He said the only contract in existence is the municipal service agreements with the Towns which is why the other reserve is restricted until the MSA's expire.

Mr. Kirk said that the tip stabilization fund language is in the contract which has been provided to Mr. Gross.

Mr. Gross asked a follow-up question for clarification concerning the Henry Trailer Park. He asked whether CRRA holds title to that park. Mr. Egan said that he believes that is correct. Mr. Gross said that he thought the communities (through the tipping fee) specifically purchased the trailer park for approximately \$1.7 million and then transferred the title over to CRRA for no compensation.

Mr. Egan said that was incorrect. He explained that the towns weren't involved in the transaction. He said that CRRA purchased the property directly from the former property owner in order to gain control over a subsurface leachate plume. He said that CRRA purchased the property directly from the former owner in 2001.

Mr. Gross asked about the source of the funds. Mr. Gross said the funds came out of the CRRA Wallingford Project. Mr. Gross asked if these funds accumulated from the tip fees. Mr. Kirk answered yes, in part, that Project Revenue contains a number of sources including tipping fees. Chairman Pace confirmed that CRRA purchased the property.

### **TOUR OF THE GARBAGE MUSEUM**

Chairman Pace said that a brief tour of the museum would take place after lunch.

### **APPROVAL OF THE ITEM AMMENDING THE JUNE 18, 2009, MINUTES**

Chairman Pace requested a motion to approve the amended June 18, 2009, minutes. Vice-Chairman O'Brien made the motion to approve the minutes as amended.

The motion was seconded by Director Martland.

Vice-Chairman O'Brien said that there was a portion of the resolution regarding the funds for legal fees which was included in the resolution which was approved by the Board. He explained however that portion was omitted from the minutes of the June 18, 2009, meeting. Vice-Chairman O'Brien said that resolution reads "further resolved that the President be authorized to spend up to \$50,000 from the post-litigation reserve account for payment of legal expenses that occurred in fiscal year 2010 in connection with the Enron global litigation contingent upon the Attorney General's approval." He said the importance of that resolution is that the court order required that CRRA does not mandate or spend money out of the budget on Enron-related matters. Vice-Chairman O'Brien said that he wanted to be sure that is clear on the record.

Director Savitsky said with all due respect she is concerned that Vice-Chairman O'Brien is bringing this item to the table as he was not present at the June 18, 2009, meeting.

Chairman Pace said that he asked Vice-Chairman O'Brien, as is custom, to bring this motion to the table for approval. He said for the record that the Chair asked the Vice-Chairman to bring this item to the table as the Chair normally refrains from bringing items to the table in order that the Committee members may do so.

The motion previously made and seconded was approved by roll call. Vice-Chairman O'Brien abstained from the vote as he was not present at the June 18, 2009, meeting. Director Mullane abstained as well as he was also not present at the June 18, 2009, meeting. Chairman Pace, Director Damer, Director Desmarais, Director Laretti, Director Martland, Director Miron, Director Savitsky, Director Edwards, and Director Zandri voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Jim Miron	X		
Nicholas Mullane			X
Raymond O'Brien			X
Linda Savitsky	X		
<b>Ad-Hocs</b>			
Stephen Edwards, Bridgeport	X		
Geno Zandri, Jr., Wallingford	X		

**APPROVAL OF THE MINUTES OF THE JULY 23, 2009, REGULAR BOARD MEETING**

Chairman Pace requested a motion to approve the minutes of the July 23, 2009, Regular Board Meeting.

Vice-Chairman O'Brien made a motion to approve the minutes, which was seconded by Director Savitsky.

After some discussion the Directors agreed to table the minutes until next month to allow Ms. Kenney to make several revisions and corrections.

**MOTION TO TABLE THE MINUTES OF THE JULY 23, 2009, REGULAR BOARD MEETING**

Chairman Pace requested a motion to table the above referenced item.

The maker and seconder of the original motion agreed to the motion to table the minutes.

The motion to table the July 23, 2009, minutes was agreed unanimously by roll call. Chairman Pace, Vice-Chairman O'Brien, Director Damer, Director Desmarais, Director Lauretti, Director Martland, Director Miron, Director Mullane, Director Savitsky, Director Edwards, and Director Zandri voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Jim Miron	X		
Nicholas Mullane	X		
Raymond O'Brien	X		
Linda Savitsky	X		
<b>Ad-Hocs</b>			
Stephen Edwards, Bridgeport	X		
Geno Zandri, Jr., Wallingford	X		

**APPROVAL OF THE MINUTES OF THE JULY 30, 2009, REGULAR BOARD MEETING**

Chairman Pace requested a motion to approve the minutes of the July 30, 2009, Regular Board Meeting. Vice-Chairman O'Brien made a motion to approve the minutes, which was seconded by Director Martland.

The minutes were approved as presented by roll call. Director Damer abstained as he was not present at the meeting. Chairman Pace, Vice-Chairman O'Brien, Director Desmarais, Director Lauretti, Director Martland, Director Miron, Director Mullane, Director Savitsky, Director Edwards, and Director Zandri voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
David Damer			X
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Jim Miron	X		
Nicholas Mullane	X		
Raymond O'Brien	X		
Linda Savitsky	X		
<b>Ad-Hocs</b>			
Stephen Edwards, Bridgeport	X		
Geno Zandri, Jr., Wallingford	X		

**APPROVAL OF THE MINUTES OF THE AUGUST 27, 2009, SPECIAL BOARD MEETING**

Chairman Pace requested a motion to approve the minutes of the August 27, 2009, Special Board Meeting. Vice-Chairman O'Brien made a motion to approve the minutes, which was seconded by Director Martland.

The minutes were approved as presented by roll call. Director Savitsky, Director Lauretti, Director Desmarais, and Director Miron abstained as they were not present at the meeting. Chairman Pace, Vice-Chairman O'Brien, Director Damer, Director Martland, Director Mullane, Director Edwards, and Director Zandri voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
David Damer	X		
Alan Desmarais			X
Mark Lauretti			X
Theodore Martland	X		
Jim Miron			X
Nicholas Mullane	X		
Raymond O'Brien	X		
Linda Savitsky			X
<b>Ad-Hocs</b>			
Stephen Edwards, Bridgeport	X		
Geno Zandri, Jr., Wallingford	X		

**RESOLUTION REGARDING THE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

**RESOLVED:** That the Board hereby approves and endorses the Annual Financial report for the Fiscal Year Ended June 30, 2009, substantially as discussed and presented at this meeting.

Director Damer seconded the motion.

Director Savitsky said that this is the first year of CRRA's engagement of new auditors. She explained after their appointment by the Board the Finance Committee (as it functions as the Audit Committee) met with the auditors for a pre-audit meeting, subsequent to which the auditors undertook their work. Director Savitsky said following the audit she met with the auditors, Mr. Bolduc and Ms. Vo-Le to review the status of the audit, various deadlines for reports and to discuss how the CRRA properties were to be handled going forward. Director Savitsky said that the auditors came to the September 17, 2009, Finance Committee meeting and made a similar presentation concerning the financials. She said that the Finance Committee recommended to the Board that the financial report for 2009 be accepted based on the condition that certain items will be completed. Director Savitsky said that

Bolam Sheedy & Tornai (hereinafter referred to as "BST") had an agenda for the Board to refer to during their presentation, a copy of which is attached as "Exhibit B".

Mr. Reynolds of BST said that he was present to represent the firm along with Anton Mirtshev. He explained the title partner could not attend as he is only just being released from the hospital for pneumonia. Mr. Mirtshev said that he was a CPA and audit manager at BST and that he was in charge of the field work and the overall audit.

Mr. Reynolds said that this was the first year audit, which is always more difficult to undertake than subsequent years. He said that he received ample support from management and that overall the audit went well. Mr. Reynolds said there was some scrambling on BST's part as the audit selection took place late. He said he has already planned meetings with management to ensure a smoother process the following year. He said the financial statement is audited and that BST's opinion is rendered in an independent unqualified report. Mr. Reynolds explained the report states that CRRA's 2009 financial statement presents fairly and that all material respects the financial position and results of the operation of CRRA.

Mr. Reynolds said that the auditors also issue an opinion over internal controls over financial reporting and compliance with laws and regulations where any material weakness and significant deficiencies in those processes are noted. He explained there were no such findings. Mr. Reynolds said management's discussion and analysis is prepared by management and that CRRA's is far more extensive, well documented, and thorough than comparable discussions BST has seen. He said that the auditors do review that item to be sure that it does not conflict with any of the information in the financial statement but do not audit the discussion.

Mr. Reynolds said that the financial statement is prepared by CRRA and contains thorough notes due to the many unusual and extensive transactions and matters undertaken by CRRA which the auditors also found extremely well prepared.

Chairman Pace said that the State single audit contains a schedule of State findings and costs for State expenditures. He said there is \$3 million for CT DEP protection for the Hartford landfill closure. Mr. Reynolds said that is a separate report which is required by the State. Chairman Pace said that he just wanted to note that there are no noted material weaknesses.

Mr. Reynolds said that the second report is the single audit for the State which is required when State money is received. He noted if more than \$500,000 of federal money is received CRRA would have also been required to file a federal single audit.

Chairman Pace noted that the report shows that in 2009 total assets decreased by \$26.3 million. Mr. Reynolds said that he was correct and the assets did decrease this year along with the net assets which is entirely due to the \$26 million distribution to the five member towns.

Director Desmarais said that the MD&A was excellent and asked if a letter of transmittal was necessary to apply for the certificate. Mr. Reynolds said that was not due until December 31, 2009. Mr. Bolduc said that once the Board accepts the audit the letter of transmittal will be filed with the State of Connecticut.

Chairman Pace asked that the statement which says the Metropolitan District Commission “to date the MDC has not taken any action” be removed. Mr. Bolduc said that change will be made.

Chairman Pace clarified that the Board hereby accepts this audit subject to the changes made in discussion.

Director Savitsky said that she and the Board appreciate the effort that went into completing the audit. She said it was a very quick turnaround from when the audit was started.

The motion previously made and seconded was approved unanimously by roll call. Chairman Pace, Vice-Chairman O’Brien, Director Damer, Director Desmarais, Director Lauretti, Director Martland, Director Miron, Director Mullane, and Director Savitsky voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Jim Miron	X		
Nicholas Mullane	X		
Raymond O’Brien	X		
Linda Savitsky	X		
<b>Ad-Hocs</b>			
Stephen Edwards, Bridgeport			
Geno Zandri, Jr., Wallingford			

**RESOLUTION REGARDING THE PURCHASE OF COMMERCIAL GENERAL LIABILITY, EXCESS LIABILITY, POLLUTION LEGAL LIABILITY AND COMMERCIAL AUTOMOBILE LIABILITY INSURANCE**

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

**RESOLVED:** That CRRA’s Commercial General Liability insurance be purchased from **ACE American Insurance Company** with a \$1,000,000 limit, \$25,000 deductible, for the period 10/1/09 – 10/1/10 for a premium of \$243,931, as discussed at this meeting; and

**FURTHER RESOLVED:** That CRRA’s \$25 million Umbrella Liability insurance be purchased from **ACE American Insurance Company** for a premium of \$185,621 for the period 10/1/09 – 10/1/10, as discussed at this meeting; and

**FURTHER RESOLVED:** That CRRA’s Pollution Legal Liability insurance be purchased from **ACE American Insurance Company** with a \$20 million limit, \$1 million retention, for the period 10/1/09 – 10/1/10 for a premium of \$343,366;

**FURTHER RESOLVED:** That CRRA's Commercial Automobile Liability insurance be purchased from **ACE American Insurance Company** with a \$1 million limit, liability coverage on all and comprehensive and collision on fifteen (15) passenger vehicles and light trucks with a \$1,000 deductible, for the period 10/1/09 – 10/1/10 for a premium of \$54,010.

Chairman Pace seconded the motion.

Director Savitsky said that this resolution addresses the yearly renewal of one set of CRRA's insurance requirements. She said that Ms. Martin and the Aon team did an excellent job of presenting insurance recommendations. Director Savitsky said that discussion was held during the Finance Committee meeting to review the proposed recommendations. She explained the write-up in the Board package has marketed and documented the coverage gathered as well as what the different lines of coverage are.

Chairman Pace said that the limits for pollution liability are \$20 million over two years as opposed to \$20 million for year; he asked if that is different from the prior year. Ms. Martin said that currently CRRA has a \$20 million policy for one year for which a renewal has been offered in addition to a second option for a \$20 million policy over two years. The recommendation is that CRRA stay with the \$20 million policy for one year as the two-year policy must share the \$20 million over the two-year period.

Mr. Bolduc explained this is because the upper limits do not compound each other. Ms. Martin said if CRRA went with a two-year policy for \$20 million, that \$20 million would be shared over the two-year period rather than having a \$20 million policy for year one and a \$20 million policy for year two.

Vice-Chairman O'Brien asked that the word "total" be eliminated for accuracy from the last sentence which states "the proposed premiums represent an annualized reduction." He said he believes the write-up demonstrates that CRRA is getting excellent value from its consultants Aon and Ms. Martin.

Chairman Pace asked Ms. Martin whether CRRA currently insures 15 vehicles. Ms. Martin said that CRRA currently has 38 vehicles, 15 of which are light passenger vehicles for which comprehensive and collision is purchased. Chairman Pace asked if this meant that CRRA increased its vehicles by three from the prior year. Ms. Martin said that the older vehicles were traded in for newer models and this increased the number of vehicles requiring comprehension and collision. Mr. Bolduc said that there is the same number of vehicles however three more vehicles were required to be covered this year in comparison to the prior year.

Director Martland said that he is disappointed that several of the companies approached for coverage were not interested in offering insurance to CRRA.

Director Savitsky said that this write-up is an excellent document. She said that Ms. Martin puts a substantial effort into its preparation and the risk management program is paying benefits in the rates and markets it has been able to attract.



The motion previously made and seconded was approved unanimously by roll call. Chairman Pace, Vice-Chairman O'Brien, Director Damer, Director Desmarais, Director Lauretti, Director Martland, Director Miron, Director Mullane, and Director Savitsky voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Jim Miron	X		
Nicholas Mullane	X		
Raymond O'Brien	X		
Linda Savitsky	X		
<b>Ad-Hocs</b>			
Stephen Edwards, Bridgeport			
Geno Zandri, Jr., Wallingford			

**RESOLUTION REGARDING THE RECLASSIFICATION OF THE STRATFORD RECYCLING CAPITAL RESERVE**

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

**WHEREAS**, the Connecticut Resources Recovery Authority's (the "Authority") Board of Directors (the "Board") adopted a resolution in October 2005 that established a Recycling Reserve within the Bridgeport Project; and

**WHEREAS**, the Bridgeport Project officially ended on December 31, 2008; and

**WHEREAS**, the Recycling component of the former Bridgeport Project survives the Bridgeport Project under the auspices of the Authority and by the operation of FCR; and

**WHEREAS**, the Authority seeks to make final distribution of Bridgeport Project-related funds to the towns that were member of the former Bridgeport Project; and

**WHEREAS**, on July 23, 2009, the Board reviewed and approved the consolidation of various activities and assets and accounts relating to the Bridgeport Project in order to set funds aside prior to the final distribution of Bridgeport Project-related funds to the towns that were members of the former Bridgeport Project; and

**WHEREAS**, the remaining assets and accounts that are necessary for the continuation of other activities of the former Bridgeport Project including, but not limited to, landfill closure and recycling will be reclassified into the Property Division in order to avoid comingling with other Bridgeport Project funds.

**NOW, THEREFORE**, it is

**RESOLVED:** that the full amount in the Bridgeport Project Recycling Reserve be transferred to the Property Division and renamed the Stratford Capital Recycling Reserve, pending final disposition from legal.

Vice-Chairman O'Brien seconded the motion.

Mr. Bolduc explained this resolution is one of the housecleaning items which relates to the closure of the Bridgeport Project. He said that two Bridgeport reserves were set up the prior month, one titled the post-project reserve, and the second titled a risk project reserve. Mr. Bolduc said that there are several items which still need to transpire. He explained the post project issues such as the Waterbury landfill acreage, outstanding receivables, and some other insurance issues will most likely take another year to be completely resolved.

Mr. Bolduc said that one of the remaining items which were identified concerns the Stratford recycling capital reserve which amounted to about \$640,000 at the end of July 2009. He said that amount has changed slightly as it is in a Short-Term Investment Fund (hereinafter referred to as "STIF") account. Mr. Bolduc said this reserve was established a few years ago and its ownership is a complicated issue. He said the document that was crafted contains references to SWEROC, SWAB, and CRRA and that management has been working with its attorneys to find who the money belongs to. Mr. Bolduc said the reserve will remain on the sheet containing the other post-project reserve items and will not be part of the initial distribution as the issue has not been resolved legally.

Mr. Bolduc said from an accounting perspective the item needs to be accounted for, isolated, and placed in a separate reserve. He said it will be transferred into the Property Division of CRRA which will be the repository for residual assets and liabilities as the projects culminate. Mr. Bolduc said when the legal issue is resolved this issue will move forward.

Director Edwards asked if he was correct in stating this money will be identified, as he is concerned that money in the Property Division may be co-mingled. Director Edwards said it is important that this money is earmarked.

Mr. Bolduc said the money will show up as a specific line item in the audit report and will be identified exactly as it is within separate STIF accounts. He said Exhibit C in the audit report was created for clarification of each separate item.

Director Edwards said that it is important the integrity of each asset is maintained, the main one being the Waterbury landfill, a major SWAB asset which he does not want CRRA to lose control of.

Director Desmarais said he is comfortable voting after hearing Director Edwards' comments.

The motion previously made and seconded was approved unanimously by roll call. Chairman Pace, Vice-Chairman O'Brien, Director Damer, Director Desmarais, Director Lauretti, Director Martland, Director Miron, Director Mullane, Director Savitsky, and Director Edwards voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Jim Miron	X		
Nicholas Mullane	X		
Raymond O'Brien	X		
Linda Savitsky	X		
<b>Ad-Hocs</b>			
Stephen Edwards, Bridgeport	X		
Geno Zandri, Jr., Wallingford			

**RESOLUTION REGARDING THE FUNDING OF SHELTON LANDFILL POST-CLOSURE RESERVE**

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

**WHEREAS:** On July 1, 2009 the Connecticut Department of Environmental Protection (CT DEP) issued a tentative determination and a draft permit for a stewardship permit for the Shelton landfill which required a 15-percent contingency be added for the entire landfill due to the presence of a hazardous waste cell located within the Shelton landfill; and

**WHEREAS,** CRRA reviewed the assumptions for the reserve earnings rate and the annual inflation rate and adjusted these rates to account for present economic conditions; and

**WHEREAS:** Certain work pertaining to the Shelton landfill estimated at \$60,000 was scheduled to be completed in Fiscal Year 2009 and will now be completed in Fiscal Year 2010;

**NOW, THEREFORE,** it is

**RESOLVED:** That to meet the additional funding requirements, \$1,360,000 be transferred from the Bridgeport Project Account to the Shelton Landfill Post-Closure Reserve STIF.

Director Miron seconded the motion.

Mr. Bolduc said that this resolution has been tabled by the Board in the past. He explained Mr. Egan's specific e-mail attachment behind the resolution describes one particular cell at the Shelton landfill which has been identified as hazardous. Mr. Bolduc explained that as a result the CT DEP requires a certain amount of funds to be set aside in a post-closure reserve. He said that since that ruling was obtained the reserve was set up and the next step is to make sure the necessary funds are moved into the reserve before any money is distributed.

Mr. Bolduc said the last time this resolution was brought before the Board, the Directors asked that the CT DEP be asked to move on the requirement, which has since been done. He said according to Mr. Egan's e-mail this is not a matter that DEP will negotiate as it is also tied in with federal regulation. Mr. Bolduc said money must be moved out of the remaining Bridgeport funds into the post-closure reserve calculations which are contained in the write-up.

Mr. Bolduc said the resolution is to clean up the balance sheet before making the final distribution which management intends to do in October. He said a letter containing more specificity has been drafted to the towns' CEOs and will be sent out on behalf of Mr. Kirk at the end of the week.

Director Lauretti informed Director Edwards the communication to the towns' CEOs will be done prior to the meeting with the CEOs. He asked that a copy of this resolution be sent to each chief elected official in the project just as an FYI separate from the letter Mr. Bolduc referenced.

Director Edwards said that he has the same reservation as he had when the issue was raised prior. He said that he was concerned that this issue wasn't fully vetted and that \$1.3 million is quite a bit to provide the CT DEP just as a request.

Director Lauretti said that those funds are going into a reserve.

Director Edwards said that the Shelton landfill reserve is CRRA money and not project money. Mr. Bolduc said that it is CRRA money and intended for this purpose. Director Edwards said that the money will be managed and handled by CRRA and that twenty years from now any leftover funds will belong to CRRA.

Director Desmarais suggested the Mr. Egan's memorandum be attached to the letter Director Lauretti requested be sent to the CEOs associated with the project.

Director Lauretti said that he wants the CEOs to be aware that this action took place in order to provide use as a reference when management provides a full explanation of the final reserves and distributions. Chairman Pace said that in addition he has asked Mr. Kirk to provide a cover letter explaining why this information is being mailed out.

The motion previously made and seconded was approved unanimously by roll call. Chairman Pace, Vice-Chairman O'Brien, Director Damer, Director Desmarais, Director Lauretti, Director Martland, Director Miron, Director Mullane, Director Savitsky, and Director Edwards voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Jim Miron	X		
Nicholas Mullane	X		
Raymond O'Brien	X		
Linda Savitsky	X		
<b>Ad-Hocs</b>			
Stephen Edwards, Bridgeport	X		
Geno Zandri, Jr., Wallingford			

**RESOLUTION REGARDING THE PURCHASE OF A RUBBER-TIRED WHEEL LOADER FOR THE MID-CONNECTICUT RESOURCE RECOVERY FACILITY**

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

**RESOLVED:** That the President is hereby authorized to execute an agreement for the purchase of a Rubber-Tired Wheel Loader from Tyler Equipment Corporation to be used at the Mid-Connecticut Resource Recovery Facility substantially as presented and discussed at this meeting.

Director Martland seconded the motion.

Mr. Kirk said that this resolution is very straightforward and details the replacement of a worn-out machine. He explained it is cheaper to buy a new wheel loader than to do an upgrade which would not have included a warranty.

Chairman Pace asked whether the extended warranty is included in the price. Mr. Tracey said that the warranty is a three-year preventative maintenance program which is included in the price.

Vice-Chairman O'Brien said the reasons why two companies did not meet the specs were included in the resolution per his request. He said however the documentation on the specifics of what those companies did not meet should be available from management if the public wants to examine that information in greater detail. Director Edwards said this is especially important considering management's recommendation was not the low bid.

The motion previously made and seconded was approved unanimously by roll call. Chairman Pace, Vice-Chairman O'Brien, Director Damer, Director Desmarais, Director Lauretti, Director Martland, Director Miron, Director Mullane, and Director Savitsky voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Jim Miron	X		
Nicholas Mullane	X		
Raymond O'Brien	X		
Linda Savitsky	X		
<b>Ad-Hocs</b>			
Stephen Edwards, Bridgeport			
Geno Zandri, Jr., Wallingford			

**RESOLUTION REGARDING THE PURCHASE OF A NEW JET FUEL TANK FOR THE JET TURBINE FACILITY**

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

**RESOLVED:** That the President is hereby authorized to execute an agreement with Northeast Generation Services Company, Inc. to purchase a new Jet Fuel Tank for the Mid-Connecticut Jet Turbine Facility, substantially as presented and discussed at this meeting. The funds for this expenditure will be withdrawn from the Jets/Energy Generating Facility reserve account.

Director Martland seconded the motion.

Mr. Kirk said that the recent jet fuel tank inspection indicated that repairs are necessary. He said that estimates have been provided for the repair cost. He noted that management would like to get started on the work as soon as possible.

Vice-Chairman O'Brien said that he had asked two questions at the Policies & Procurement Committee meeting. He said that first of all he had inquired as to what the reserve status is currently at particularly in view of the fact that management is taking money out of the reserve for the boiler pressure parts. Vice-Chairman O'Brien said that secondly he requested the list of the projects which have been deferred in order to complete these repairs be expanded upon.

Mr. Bolduc said that there are several accounts concerning the jets – Energy Generating Facility reserves, the operating account, the \$100,000 remediation account, and lastly the restricted account which is currently being discussed. He said that the restricted account (not including the operating account) contains about \$7.8 million as of July 31, 2009.

Vice-Chairman O'Brien said that between this resolution and the boiler parts resolution CRRA is looking at taking \$2.5 million out of these reserves. He asked where CRRA is in regards to the requirements to maintain the reserve.

Mr. Bolduc said that the Operations Division has looked at this issue relative to what is required concerning adequate numbers based on future projections. He said management is not taking funds out of FY'10. Mr. Bolduc explained the additional dollars for the jet fuel tank and the subsequent tank for pressure parts will cause the deferment of items in FY'11. Mr. Bolduc said that those items include a fuel control system, a PLC upgrade, a vibration detection system and rewinding of one of the generator fields. He said those pertain to the EGF in the original FY'11 budget and will be taken out and postponed.

Vice-Chairman O'Brien said that he thought the three items that were being postponed were in the FY'10 budget. Mr. Tracey said that was incorrect. He said that there are not going to be any changes to the expenditures in the FY'10 budget other than these two additions. Mr. Tracey said that the items management feels can be postponed until subsequent years include a fuel controller for the jets and a PLC system for the jets which is were the bulk of the money is (about \$1.9 million).

Mr. Quelle said that he feels comfortable with the items which are being moved out as they are long-term expenses.

Chairman Pace asked whether CRRA is keeping the jets. Mr. Kirk said that this is still an open question. Vice-Chairman O'Brien said it is a question that needs to be resolved. Mr. Kirk said that management recommends addressing the jet issue after ownership issues concerning the plant are resolved. Mr. Kirk said the decision management makes on how to maintain and invest in capital are pending some decisions which have yet to be made.

Director Damer asked whether option two includes the cost of eventually removing the existing tank. Mr. Tracy answered in the affirmative.

Vice-Chairman O'Brien said that the 2011 budget is not that far away. He said that he believes that management needs to make some clear policy decisions concerning CRRA's obligations to the facility. Vice-Chairman O'Brien said that he believes CRRA has an obligation to keep the equipment in good shape until the end of the project. He said whether CRRA sells the jets or not, due to its value as a black-start unit money may need to be spent to maintain its maximum value.

Director Lauretti said at the end of the day whether the project expires and goes away the need doesn't. He said the need for upkeep is a simple decision as far as he is concerned and is completely necessary. Vice-Chairman O'Brien agreed.

The motion previously made and seconded was approved unanimously by roll call. Chairman Pace, Vice-Chairman O'Brien, Director Damer, Director Desmarais, Director Lauretti, Director Martland, Director Miron, Director Mullane, and Director Savitsky voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Jim Miron	X		
Nicholas Mullane	X		
Raymond O'Brien	X		
Linda Savitsky	X		
<b>Ad-Hocs</b>			
Stephen Edwards, Bridgeport			
Geno Zandri, Jr., Wallingford			

**RESOLUTION REGARDING THE DELIVERY OF COVER SOILS TO THE HARTFORD LANDFILL**

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

**RESOLVED:** That the President is hereby authorized to enter into a contract with Pace Construction Corporation for delivery of soil to be used as cover material at the Hartford Landfill, and as approved by the Connecticut Department of Environmental Protection, substantially as discussed and presented at this meeting.

Director Martland seconded the motion.

Director Martland said that he is in support of this contract.

Chairman Pace said although he has no relation to the construction company cited in the resolution he will abstain from the vote to avoid any allegation of impropriety.

Mr. Kirk noted that this resolution details a revenue contract which does not incur any costs for CRRA. He said that the Environmental Division does a great job of finding the best value for this service.

The motion previously made and seconded was approved by roll call. Chairman Pace abstained. Vice-Chairman O'Brien, Director Damer, Director Desmarais, Director Lauretti, Director Martland, Director Miron, Director Mullane, and Director Savitsky voted yes.



Directors	Aye	Nay	Abstain
Michael Pace, Chairman			X
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Jim Miron	X		
Nicholas Mullane	X		
Raymond O'Brien	X		
Linda Savitsky	X		
<b>Ad-Hocs</b>			
Stephen Edwards, Bridgeport			
Geno Zandri, Jr., Wallingford			

**RESOLUTION REGARDING MUNICIPAL GOVERNMENT LIASION SERVICES AGREEMENT**

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

**RESOLVED:** That the President of CRRA is hereby authorized to execute the Municipal Government Liaison Services Agreement with Brown Rudnick LLP, substantially as presented and discussed at this meeting.

Director Damer seconded the motion.

Director Savitsky asked that this item be tabled until after Executive Session.

The motion to table was seconded by Director Martland.

Chairman Pace asked that this item be passed until after Executive Session, the maker of the motion to table and seconder agreed to withdraw the motion to table and agreed to pass on this item until a later date.

The motion was passed over.

**RESOLUTION REGARDING THE CRRA EDUCATION POLICY**

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

**WHEREAS** the State Solid Waste Management Plan's goal is to dramatically increase recycling; and

**WHEREAS** the Solid Waste Management Plan stresses that education is critical to reaching that goal; and

**WHEREAS** the Connecticut Resources Recovery Authority's education programs offered through the Trash Museum in Hartford and the Garbage Museum in Stratford have, since 1993, been proven to increase awareness of and participation in recycling by encouraging children to involve their entire families in recycling; therefore be it

**RESOLVED:** That the Board declares that recycling education is a part of its core mission and hereby adopts the Connecticut Resources Recovery Authority Education Policy substantially as presented and discussed at this meeting.

Director Miron seconded the motion.

Vice-Chairman O'Brien said that the public portion of the meeting contained several ringing endorsements for the museum. He said that the Board and management are aware of the important job which is being done by the museum and its educators. Vice-Chairman O'Brien said that this resolution will make the education policy part of CRRA's core mission specifically for recycling education.

Mr. Bolduc said that he wants everyone to be clear what this resolution will do. He explained that the general fund budget is allocated to each project accordingly, Bridgeport, Wallingford and the Southeast Project. Mr. Bolduc explained that Bridgeport has a \$2.00 cap for charges which is spoken for and that CRRA cannot allocate the payment as it will run as a deficit because it is a fixed amount. Mr. Bolduc said that the Wallingford Project is in the same situation in the next fiscal year and for the Southeast Project the process will charge dollars to the Southeast budget which is not currently part of the allocation. Mr. Bolduc said basically the costs will all come back to the Mid-CT Project, and those are not Mid-Conn project net costs of operation.

Chairman Pace said Mid-Conn can't pay for this and explained this is why he asked those folks present during public comment to solicit funds from the towns and other sources.

Mr. Bolduc said that in November the general fund budget for FY'11 comes to the Board and that decision will be made in the next eight weeks.

Chairman Pace said that there are enough funds to hold the museum in place until June 30 of the present fiscal year FY'10. Mr. Bolduc indicated only through FY'10. He explained that in November of this year the general fund budget is voted on and in December the Southeast budget is voted on for the FY'11 budget.

Director Miron asked what the total costs for the museum are. Mr. Bolduc said the total programs for both Stratford and Hartford are about half a million on an annual basis.

Chairman Pace said that the quarter of a million required this year for the Stratford museum has been taken care of. He suggested that a caveat be attached to this resolution stating that the towns will need to support what school systems are saying is a high value. He said a quarter of a million dollars at a little added cost to the towns is negligible.

Director Damer said that he believes the Garbage Museum's and Trash Museum's continuance is critical and that the education they provide is the most important thing that CRRA does in support of the State Solid Waste Management Plan (hereinafter referred to as "SWMP".) He said, however, he believes

that CRRA should be asking for statewide support of these facilities as opposed to asking members of the projects to cover the costs alone. Director Damer said that in recognition that such funding may not be procured there needs to be a way to keep the museums funded as the education it provides is critical.

Director Lauretti said that he would like to recommend that this item be tabled until the following month in order for management to identify a State grant or stimulus money to keep the museum funded.

Chairman Pace said that he appreciated the suggestion however the State has been asked and the CT DEP has been approached and the answer was no.

Director Miron said that he had contemplated weighing in on the jet turbine resolution given that there is some question surrounding the future of that project as well as the jet technology. He said because that resolution was critical to operations the \$1 million was approved by the Board. Director Miron said that the SWMP's goal of reaching 58-percent recycling by 2024 is difficult to fathom, and can certainly never be accomplished without education. He said the funding being considered is part of CRRA's core mission; he commended Mr. Nonnenmacher and Ms. Montanari for their efforts to obtain funding. Director Miron said that he feels the importance of the education provided by the museum is also part of CRRA's operations and that is sometimes overlooked by the Board. He said recycling efforts and what CRRA can do as the leader of those efforts is the good face of what CRRA does.

Chairman Pace thanked the Mayor of Stratford. He said everyone agrees with these statements however the question remains where the funding for the museum will come from.

Director Savitsky said that the museum is critical to CRRA's mission. She said that when budgets are put together the amount of money spent on legal fees is unconscionable. Director Savitsky said the Board can be more strict about what goes into the general fund budget so that this half a million dollars can be included.

Director Savitsky said that the museum affects all 169 towns and that the Board needs to be sure that all the school districts in the State, not just those adjacent or near to the project come to the museum. She said that she believes the Board needs to get away from making plans based on what funds are available at that moment and consider the greater picture of where the new CRRA will be further down the road. Director Savitsky said that Mr. Borden said it well when he said "it starts with the kids." She said she believes the museum funding should become part of the general fund budget and remain so permanently going forward.

Chairman Pace said that hopefully some ongoing legal issues will be resolved and eventually those costs would be off of CRRA's expenses and can go towards reducing tip fees. He said that support for the museum has not been found from the Southwest towns and under present MSA's CRRA can only charge towns the net cost of operation for services they receive.

Director Edwards said that the Southwest towns have lost half of their tonnage. He said the whole Southwest corner of the towns including Norwalk and Darien left because of the \$2.00 administration fees that CRRA placed on the tip fee. Director Edwards said that adding an additional dollar to the tip fee in order to fund the museum manifests the allegation from the SWEROC towns initially that the tip fee would gradually increase over time due to these costs. He said he does not think

that the Board should place those costs on that tip fee and suggested perhaps approaching Wheelabrator and placing it on those tons in order to obtain the necessary funds.

Director Edwards said that much of the tonnage which has been lost by the project is going in the back door at Wheelabrator which is getting a free ride. Chairman Pace said that CRRA has to deal with this problem in Wallingford as well and it comes down to what is left, which is the Mid-Connecticut Project. Director Edwards said that it is frustrating when project towns use the facility and do not pay for it.

Vice-Chairman O'Brien said that the Project member towns have not been asked to pay for the museum costs. Director Edwards said that is incorrect and that the towns have been asked many times over.

Chairman Pace said that he would like to see a line added to the resolution which states something along the line of "seeking the support of the towns in the Southwest Project."

Director Savitsky said that she does not think only the Southwest towns should be asked. She said that other towns use the facility and there may be towns which bring students that are not part of the CRRA.

Director Miron said that Stratford is part of the Greater Bridgeport Transit Authority for buses. He said that every year a letter is mailed out stating that the pro-rata share for being in the project is X. He said although Stratford is not compelled to pay it (although it does) the buses are still provided for the district. Director Miron said that may be a suitable model to secure funds in a case where the pro-rata costs are billed to each municipality.

Director Edwards said he would rather see it go back to the legislature where a dollar a ton is placed on the burn plant.

Director Miron asked that this request for funding be added to CRRA's legislative agenda. Mr. Kirk said that funding has been requested in the past. Mr. Kirk said that in a recent meeting with the CT DEP despite the fact that the SWMP mentions education no less than 300 times, CRRA's request that the CT DEP use the roughly \$400,000 from Covanta's substitute environmental program (hereinafter referred to as "SEP") violation fine to fund the museums was denied. Chairman Pace said that he personally spoke with the commissioner in this regard but was unsuccessful.

Ms. Montanari said that Mr. Borden (who spoke during public session) is from a Mid-Conn town and chooses to come to the Stratford museum despite the cost and availability of a free trip to the Hartford museum.

Mr. Nonnenmacher said that there is already a two-tiered fee structure at the Garbage Museum. He said that "old SWEROC" towns pay one rate and other towns pay another rate. He said that this fee structure could be extended to Hartford to help defray some of those costs as well. Mr. Nonnenmacher said that the recycling budget came under question when recycling contracts expired and prices collapsed.

Mr. Nonnenmacher said that since September he and Ms. Montanari have been scrambling for money and that in general the fee structure has been accepted. He referred the Board to the museum reports which illustrate the evidence of the non-CRRA towns' attendance to the museum.

Chairman Pace asked Mr. Bolduc how much money was returned to the towns for recycling rebates. Mr. Bolduc said around \$900,000. Chairman Pace said that it is possible in the future portions of that rebate can be earmarked for the museums. He said in the meantime funding must be found and that the Board has shown willingness to bring the necessary dollars to the table in the meantime. Chairman Pace said this is for the purpose of recycling and the identification of education to encourage more recycling.

Director Edwards pointed out that the Mid-Connecticut Project has already converted to single-stream recycling, whereas the Southwest Project is looking not only at funding the museum but also at a \$5-6 million upgrade to convert to single stream.

#### **AMENDMENT TO THE RESOLUTION REGARDING THE EDUCATION POLICY**

Chairman Pace offered an amendment to the resolution that a "Further Resolved" be added to say "that efforts for funding be gathered through municipality, State and private funding."

Vice-Chairman O'Brien accepted the amendment.

The amendment was seconded by Director Lauretti.

Director Savitsky said that she does not feel this language should be part of the resolution. Director Damer asked if this language goes in the actual policy. Chairman Pace said that it did not.

Director Desmarais said that he thinks in the end that these facilities have to stay open as they play an incredibly important part of the education process. He said he believes the discussion is only on the financing aspect and whether it be generally financed by all or whether admission is charged. Director Desmarais said that admission is being charged now and the question is whether or not the museum is funded from the general fund and other projects. He suggested that a season pass be offered to the towns along with a choice to come to the facility with the pass or on a pay as you go basis. Director Desmarais said that he feels the issue here is policy and education which he believes CRRA has to act on.

The motion to accept the friendly amendment was approved. Director Savitsky and Director Miron voted no. Chairman Pace, Vice-Chairman O'Brien, Director Damer, Director Desmarais, Director Lauretti, Director Martland, Director Mullane, and Director Savitsky voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Jim Miron		X	
Nicholas Mullane	X		
Raymond O'Brien	X		
Linda Savitsky		X	
<b>Ad-Hocs</b>			
Stephen Edwards, Bridgeport			
Geno Zandri, Jr., Wallingford			

**VOTE ON THE RESOLUTION REGARDING THE EDUCATION POLICY AS AMENDED**

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

**WHEREAS** the State Solid Waste Management Plan's goal is to dramatically increase recycling; and

**WHEREAS** the Solid Waste Management Plan stresses that education is critical to reaching that goal; and

**WHEREAS** the Connecticut Resources Recovery Authority's education programs offered through the Trash Museum in Hartford and the Garbage Museum in Stratford have, since 1993, been proven to increase awareness of and participation in recycling by encouraging children to involve their entire families in recycling; therefore be it

**RESOLVED:** That the Board declares that recycling education is a part of its core mission and hereby adopts the Connecticut Resources Recovery Authority Education Policy substantially as presented and discussed at this meeting.

**FURTHER RESOLVED:** That efforts for funding be gathered through municipality State and private funding.

The motion was seconded by Director Lauretti.

The motion to approve the resolution as amended was approved by roll call. Chairman Pace, Vice-Chairman O'Brien, Director Damer, Director Desmarais, Director Lauretti, Director Martland, Director Miron, Director Mullane, and Director Savitsky voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Jim Miron	X		
Nicholas Mullane	X		
Raymond O'Brien	X		
Linda Savitsky	X		
<b>Ad-Hocs</b>			
Stephen Edwards, Bridgeport			
Geno Zandri, Jr., Wallingford			

**RESOLUTION REGARDING ADOPTING AN AMENDMENT TO SECTION 5.11 OF THE PROCUREMENT POLICY**

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

**RESOLVED:** That the Board of Directors hereby adopts the following revision to the Authority's Procurement Policy, amending and restating in its entirety Section 5.11 of the Policy, Market Driven Purchases and Sales:

**5.11 Market Driven Purchases and Sales**

Recognizing CRRA operates in an industry that has market driven goods and commodities services, CRRA needs to purchase and sell certain goods or commodities services in a short time-period in order to maximize optimize prices and/or revenue to CRRA. Examples of such market driven goods and commodities services include, but are not limited to, the following: the acquisition of cover soil for landfills,; and the sale of glass, plastic, paper, cardboard, newspaper, and metals; and the procurement of waste export and diversion services from time to time due to excess deliveries and/or unscheduled outages. CRRA may utilize an expedited purchase or sale procedure for market driven goods and commodities services but CRRA must strive to get the most price quotes as are practicable without jeopardizing the prices or revenue to CRRA. Recognizing the intent of these Policies And Procedures is to have a Competitive Process for all goods and commodities services, this section should be limited in its use and used only when absolutely necessary. When CRRA determines such a market driven purchase or sale is necessary, CRRA shall utilize the provisions of this section but report to the Board the market driven transaction as soon as is practicable and obtain Board approval if such approval is necessary.

Mr. Tracey said that this resolution provides the ability to do a market check on the current prices available when the need to export waste to other disposal facilities arises. He said that in the past management had to go out to bid and although contract prices are established they do not always keep

pace with market prices. Mr. Tracey said that there is currently only one export contractor under an agreement and this will allow management to establish a stable of qualified haulers to provide service within a short notice period.

Director Miron said that he wants to be sure that when State wide solicitations are done that they include coverage of the southern part of the State as well.

Vice-Chairman O'Brien asked whether this change has been noticed. Ms. Hunt replied yes.

The motion previously made and seconded by Director Martland was approved by roll call. Chairman Pace, Vice-Chairman O'Brien, Director Damer, Director Desmarais, Director Lauretti, Director Martland, Director Miron, Director Mullane, and Director Savitsky voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Jim Miron	X		
Nicholas Mullane	X		
Raymond O'Brien	X		
Linda Savitsky	X		
<b>Ad-Hocs</b>			
Stephen Edwards, Bridgeport			
Geno Zandri, Jr., Wallingford			

**RESOLUTION ESTABLISHING A SPECIAL COMMITTEE TO STUDY OPTIONS FOR MUNICIPAL SOLID WASTE DISPOSAL FOLLOWING THE EXPIRATION OF THE MID-CONNECTICUT PROJECT**

Chairman Pace requested a motion to approve the above-captioned matter. The motion to approve was made by Vice-Chairman O'Brien:

**RESOLVED:** That a Special Committee is hereby formed and charged to study options for the disposal of solid waste from the Mid-Connecticut Project municipalities post Project, and report thereon to this Board; and

**FURTHER RESOLVED:** That the Special Committee consist of the five representatives of the Mid-Connecticut Project contracting municipalities designated by the Mid-Connecticut Project Municipal Advisory Committee (MAC representatives from Windsor Locks, Canton, Hartford, East Hartford, and Barkhamsted), and the Authority's President; Director of Operations; Environmental Affairs & Development Director; Development, Environmental Compliance & IT Manager; and Senior Operations Analyst.

Director Martland seconded the motion.



Director Savitsky asked that this item be passed on until after Executive Session.

Chairman Pace asked that this item be passed on until after Executive Session, the maker of the motion and seconder agreed.

The motion was passed on.

**RESOLUTION REGARDING THE PURCHASE OF NEW BOILER PRESSURE PARTS FOR THE MID-CONNECTICUT POWER BLOCK FACILITY**

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

**RESOLVED:** That the President is hereby authorized to execute an agreement with Covanta Energy, Inc. to purchase new Boiler Pressure Parts for the Mid-Connecticut Power Block Facility, substantially as presented and discussed at this meeting.

**FURTHER RESOLVED:** \$1,235,000 for this project will be transferred from the Jets/ Energy Generating Facility Reserve to the Facility Modification Reserve and allocated from that account.

The motion was seconded by Director Martland.

Chairman Pace said that this item was discussed in great detail during the Policies and Procurement Committee meeting.

The motion previously made and seconded was approved by roll call. Chairman Pace, Vice-Chairman O'Brien, Director Damer, Director Desmarais, Director Lauretti, Director Martland, Director Miron, Director Mullane, and Director Savitsky voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Jim Miron	X		
Nicholas Mullane	X		
Raymond O'Brien	X		
Linda Savitsky	X		
<b>Ad-Hocs</b>			
Stephen Edwards, Bridgeport			
Geno Zandri, Jr., Wallingford			

**RESOLUTION REGARDING THE STANDARD FORM SOLID WASTE TRANSPORTATION AND DISPOSAL AGREEMENT FOR THE MID-CONNECTICUT PROJECT**

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

**RESOLVED:** That the President is authorized to execute agreements for the Transportation and Disposal of Municipal Solid Waste from the CRRA Mid-Connecticut Project using the standard form hauler agreement substantially as presented and discussed at this meeting.

The motion was seconded by Chairman Pace.

Mr. Tracey said that this resolution provides the actual mechanics to implement the amendment to CRRA's procurement procedures which the Board had just approved. He said it is the actual agreement which will put that policy in effect.

Mr. Tracey said that this is a standard-form hauler agreement. He said that management intends to go out to bid with this and ask the haulers to identify disposal facilities where they intend to take the waste. He said the haulers must provide a transportation cost when they identify the disposal facility to get the waste to that facility. Mr. Tracey said that management will solicit the low price depending upon the price provided per ton to the actual disposal facilities.

Mr. Edwards asked how the fuel adjustment is dealt with. Mr. Tracey said that a fuel adjustment formula is contained in the resolution.

The motion previously made and seconded was approved by roll call. Chairman Pace, Vice-Chairman O'Brien, Director Damer, Director Desmarais, Director Lauretti, Director Martland, Director Miron, Director Mullane, and Director Savitsky voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Jim Miron	X		
Nicholas Mullane	X		
Raymond O'Brien	X		
Linda Savitsky	X		
<b>Ad-Hocs</b>			
Stephen Edwards, Bridgeport			
Geno Zandri, Jr., Wallingford			

**RESOLUTION REGARDING PROJECTED LEGAL EXPENDITURES**

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

**WHEREAS**, CRRA has entered into Legal Service Agreements with various law firms to perform legal services; and

**WHEREAS**, the Board of Directors has previously authorized certain amounts for payment of fiscal year 2010 projected legal fees; and

**WHEREAS**, CRRA expects to incur greater than authorized legal expenses for General Counsel 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 2010:

<u>Firm:</u>	<u>Amount:</u>
Halloran & Sage	\$885,000

Director Savitsky asked that the item be passed on until after Executive Session.

Chairman Pace agreed.

The motion was passed on.

**CHAIRMAN'S REPORT**

Chairman Pace said that there has been communication from the Chairman of MDC basically stating CRRA will not be receiving the information it has been requesting since January with regard to the dispute over post contract costs. He said that despite the best efforts of management, at the request of the MDC member towns to come to an agreement without arbitration, MDC has demanded arbitration. Chairman Pace said CRRA will proceed to protect the best interests of both the CRRA member towns and the MDC towns. He said that he was disappointed and stated that information which should have been provided has suddenly become not legal to provide (due to confidentiality reasons) according to MDC, despite CRRA's offer of a binding agreement.

**EXECUTIVE SESSION**

Chairman Pace requested a motion to enter into Executive Session to discuss pending litigation, real estate acquisition, pending RFP's, and personnel matters with appropriate staff. The motion made by Vice-Chairman O'Brien and seconded by Director Savitsky was approved unanimously by roll call. Chairman Pace requested that the following people be invited to the Executive Session in addition to the Directors:

- Tom Kirk
- Jim Bolduc
- Peter Egan

Laurie Hunt, Esq.  
 Paul Nonnenmacher

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Jim Miron	X		
Nicholas Mullane	X		
Raymond O'Brien	X		
Linda Savitsky	X		
<b>Ad-Hocs</b>			
Stephen Edwards, Bridgeport			
Geno Zandri, Jr., Wallingford			

The Executive Session began at 12:10 p.m. and concluded at 1:48 p.m. Chairman Pace noted that no votes were taken in Executive Session.

The meeting was reconvened at 1:48 p.m., the door was opened, and the Board secretary and all members of the public were invited back in for the continuation of public session.

**REVISED RESOLUTION REGARDING THE ESTABLISHMENT OF A SPECIAL COMMITTEE TO STUDY OPTION FOR MUNICIPAL SOLID WASTE DISPOSAL FOLLOWING THE EXPIRATION OF THE MID-CONNECTICUT PROJECT**

Chairman Pace requested a motion to table the above-captioned matter. The motion to table was made by Vice-Chairman O'Brien:

**WHEREAS** Section 22a-268f of the Connecticut General Statutes directs CRRA to form a committee to study options for solid waste disposal beyond the expiration of the Mid-Connecticut Project; and

**WHEREAS** said Statute calls for the committee to include "not more than five representatives jointly designated" by Mid-Connecticut Project municipalities; and

**WHEREAS** the Mid-Connecticut Project Municipal Advisory Committee, at its meeting of July 22, 2009, nominated representatives from East Hartford, Hartford, Windsor Locks, Canton and Barkhamsted; and

**WHEREAS** the Mid-Connecticut Project provides for solid waste disposal for 70 municipalities located several different regions of Connecticut; therefore be it

**RESOLVED:** That the CRRA Board of Directors Board expresses its concern that the committee members nominated by the 22 Municipal Advisory Committee members in

attendance at the July 22, 2009, meeting are not representative of the geographic diversity of the Mid-Connecticut Project; and

**FURTHER RESOLVED:** That the CRRA Board of Directors urges the 70 Mid-Connecticut Project municipalities to select members for said study committee representing each of the five areas in which Mid-Connecticut Project facilities are located as follows: one representative from Torrington or a municipality adjacent to Torrington; one representative from Watertown or a municipality adjacent to Watertown; one representative from Ellington or a municipality adjacent to Ellington; one representative from Essex or a municipality adjacent to Essex; and one representative from Hartford.

A handout was distributed containing a revised resolution regarding the establishment of a special committee to study options for municipal solid waste disposal following the expiration of the Mid-Connecticut Project.

Vice-Chairman O'Brien suggested that "Resolved" portion of the resolution be amended to state, "The Board has reviewed the MAC recommendations and respectfully requests that MAC reconsider the membership of the Committee to provide broader geographic and demographic presentation. The Board believes that a special committee composed of members representing the four transfer station towns and the Hartford host community of the facility would provide a broad and fair representation of the Mid-Connecticut Project members."

Director Martland said that the Board wants the 70 towns to choose.

Vice-Chairman O'Brien said that his amendment will replace the "Resolved" and the "Further Resolved" will say "That the Board urges the 70 Mid-Connecticut Project towns to select members as provided for in the statutes for said committee."

Director Miron said that he finds the statute to be legally problematic. He said five representatives must be jointly designated by the municipalities. He said in his opinion the designating authority according to the statute is legally problematic. Director Miron said that in his opinion there needs to be concurrence from each municipality.

Mr. Nonnenmacher said that the statutes do not say who in each municipality is responsible for the designation and management assumes it is the CEO of each municipality.

**MOTION TO TABLE THE REVISED RESOLUTION REGARDING THE ESTABLISHMENT OF A SPECIAL COMMITTEE TO STUDY OPTION FOR MUNICIPAL SOLID WASTE DISPOSAL FOLLOWING THE EXPIRATION OF THE MID-CONNECTICUT PROJECT**

Chairman Pace requested a motion to table the resolution regarding the above captioned matter.

The motion to table the above referenced resolution was seconded by Director Miron.

After discussion the Board agreed to table this item for further development and legal review

The motion to table the resolution was passed unanimously by roll call. Chairman Pace, Vice-Chairman O'Brien, Director Damer, Director Desmarais, Director Martland, Director Miron, Director Mullane, and Director Savitsky voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
David Damer	X		
Alan Desmarais	X		
Theodore Martland	X		
Jim Miron	X		
Nicholas Mullane	X		
Raymond O'Brien	X		
Linda Savitsky	X		
<b>Ad-Hocs</b>			
Stephen Edwards, Bridgeport			
Geno Zandri, Jr., Wallingford			

**AMENDED RESOLUTION REGARDING PROJECTED LEGAL EXPENDITURES**

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

**WHEREAS**, CRRA has entered into Legal Service Agreements with various law firms to perform legal services; and

**WHEREAS**, the Board of Directors has previously authorized certain amounts for payment of fiscal year 2010 projected legal fees; and

**WHEREAS**, CRRA expects to incur greater than authorized legal expenses for General Counsel 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 2010:

<u>Firm:</u>	<u>Amount:</u>
Halloran & Sage	\$300,000

The motion was seconded by Director Miron.

Ms. Hunt said that Director Savitsky had requested the originally proposed amount be reduced to \$300,000 and that Ms. Hunt return to the Board in two months for further funding.

The motion was approved unanimously by roll call. Chairman Pace, Vice-Chairman O'Brien, Director Damer, Director Desmarais, Director Martland, Director Miron, Director Mullane, and Director Savitsky voted yes.

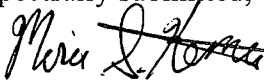
<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
David Damer	X		
Alan Desmarais	X		
Theodore Martland	X		
Jim Miron	X		
Nicholas Mullane	X		
Raymond O'Brien	X		
Linda Savitsky	X		
<b>Ad-Hocs</b>			
Stephen Edwards, Bridgeport			
Geno Zandri, Jr., Wallingford			

**ADJOURNMENT**

Chairman Pace requested a motion to adjourn the meeting. The motion to adjourn was made by Vice-Chairman O'Brien and seconded by Director Damer was approved unanimously.

There being no other business to discuss, the meeting was adjourned at 2:05 p.m.

Respectfully submitted,



Moira Kenney  
Secretary to the Board/Paralegal

# EARTH'S RESOURCES

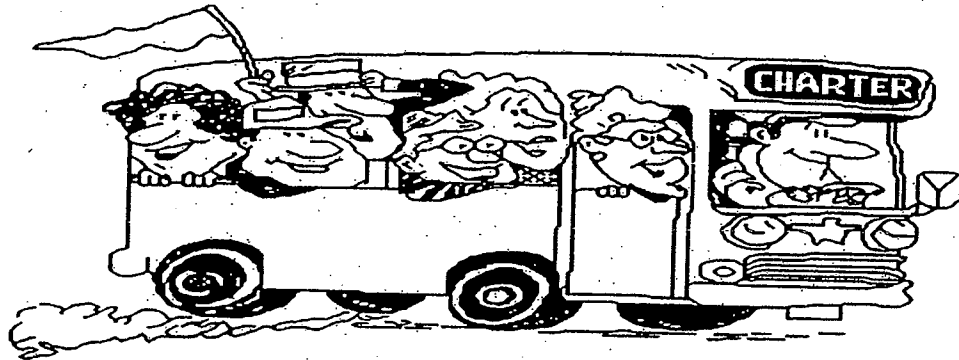
Lesson Number/ Number of days to complete lesson	Lesson Topic	Connecticut Standard	Required for 3 <sup>rd</sup> Grade
One 1 day	Wise Choices	3.4 B7 B INQ. 1,2,5,6,7	Fundamental
Two 1 day	Our Treasured Trees	3.4 B7 B INQ. 1,2,5,6	Fundamental
Three 2 days	Air Pollution Solution	3.4 B7 B INQ. 1,2,5,6,7	Fundamental
Four 2 days	Acid Rain	3.4 B7 B INQ. 1,3,5,6	Fundamental
Five 1 day	Water Pollution	3.4 B7 B INQ. 1,3,4,5,6	Fundamental
Six 2 days	Fossil Fuel Power	3.4-B.7 B INQ. 1,2,6,7	Fundamental
Seven 1 day	Dino-Saver: Fossil Fuel Sandwich	3.4 B7 B INQ. 1,3,4,5,6,7	Elective
Eight 1 day	United Streaming Video: Power Up: Energy in our Environment	3.4-B.7 B INQ. 2,5,6,8	Fundamental
Nine 1 day	Resources: Will We Ever Run Out?	3.4 B7 B INQ. 1,6	Fundamental
Ten 2 days	Solar Sizzling	3.4 B7 B INQ. 1,3,4,5,6,	Fundamental
Eleven 1 day	Wind Energy	3.4 B7 B INQ. 1,3,6	Fundamental
Twelve 1 day	Hydroelectric Power	3.4 B7 B INQ. 1,3,6,	Fundamental
Thirteen 1 day	Alternative Energy Flip Book	3.4 B7 B INQ. 2, 5, 6	Fundamental
Fourteen 1 day	Create A Poster	3.4 B7 B INQ. 1, 2, 5, 6	Elective



# EARTH'S RESOURCES

Fifteen 2 days	Energy Usage: Yesterday and Today	3.4 B7 B INQ. 1,5,6	Elective
Sixteen 2 days	Water Conservation	3.4 B7 B INQ. 1,3,4,5,6	Fundamental
Seventeen 1 day	Energy Saving Ideas	3.4 B7 B INQ. 1,2,5,6	Fundamental
Eighteen 1 day	What's In My Trash	3.4 B7 B INQ. 1,2,3,4,5,6, 10	Fundamental
Nineteen 1 day	Tracing Trash Back To Its Roots	3.4 B7 B INQ. 1,6	Fundamental
Twenty 1 day	Recycle	3.4 B7 B INQ. 1,2,5,6,7	Fundamental
Twenty-one 1 day	No Bones About It: Recycling Matters	3.4 B7 B INQ. 1,3,4,5,6,9, 10	Fundamental
Twenty-two 2 days	All Wrapped Up: Packaging	3.4 B7 B INQ. 1,3,5,6	Fundamental
Twenty-three 1 day	Design a Package	3.4 B7 B INQ. 1,2,4,5,6,10	Fundamental
Twenty-four 1 day	Waste -Less Lunch	3.4 B7 B INQ. 1, 3, 4, 5, 6, 9, 10	Fundamental
Twenty-five 1 day	Waste Reduction	3.4 B7 B INQ1, 5, 6	Fundamental
Twenty-six 1 day	Use and Reuse	3.4 B7 B INQ. 1,2,3,4,6	Fundamental
Twenty-seven 1 day	Blue Bin Recycling in Stratford	3.4 B7 B INQ. 1,3,4,5,6 9,10	Fundamental
Twenty-eight 1 day	The Great Divide	3.4 B7 B INQ. 1,3,4,6	Elective
Twenty-nine 1 day	Recycling of Plastics	3.4 B7 B INQ. 1,3,4,5,6,10	Fundamental

# Fun Field Trip!



## GARBAGE MUSEUM

1410 Honeyspot Rd. Ext.

Stratford, CT 06615

381-9571



**Connecticut Resources Recovery Authority  
BST - Audit Meeting Agenda  
September 24, 2009**

## **I. REVIEW OF FINANCIAL STATEMENTS**

### **A. Financial Highlights**

1. Assets and Net Assets decreased from 2008 to 2009 mainly because of the \$26 million cash distribution to the five member towns
2. Operating Net Loss is mainly the result of the \$26 million cash distribution to the five member towns, offset by otherwise favorable operating results

### **B. New Items and Significant Transactions**

1. Bridgeport Project – ceased operations 12/31/08
2. Property Division – was created during 2009 to account for the remaining assets and post closure reserves of the Bridgeport Project and any other projects that will be closed in the future
3. Hartford Landfill was closed on 12/31/08 – this was the last landfill to close
4. Wallingford Project had a \$26 million distribution to its five member towns
5. Starting in 2009 energy share revenue was not netted against solid waste expense. For FY 2008 to be comparative \$14.9 million was reclassified from the Southeast Project solid waste expense to the energy share revenue line item.
6. \$4.1 million was received from Enron related litigation settlements

## **II. REPORTS TO BE ISSUED**

- A. Independent Auditor's Report – the financial statements were prepared by CRRA's management and have been audited by BST
- B. Connecticut State Single Audit – Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
- C. Accountant's Bond Certification – Mid-CT Covenant Compliance

## **III. STATE OF CONNECTICUT FILING DEADLINE IS SEPTEMBER 30, 2009**

- A. Audited Financial Statements will be issued and filed with the State of Connecticut by the September 30, 2009 deadline

**TAB 3**

## **RESOLUTION REGARDING CERTAIN PROJECT RESERVES**

**WHEREAS**, the Connecticut Resources Recover Authority (the "Authority") has fulfilled its consent obligation for Connecticut DEP Consent Order SW-400 by obtaining DEP approval to exhaust the remaining funds reserved to promote mercury awareness; and

**WHEREAS**, the Fiscal Year 2009 Mid-Connecticut Project's actual revenues exceeded actual expenses resulting in a surplus of \$7,291,252, which, as required by the Mid-Connecticut Project's MSAs, must be incorporated in the Fiscal Year 2011 budget; and

**WHEREAS**: the Authority has performed an analysis of its Town of Ellington Transfer Station Trust Reserve and has determined that a balance of \$10,000 is required to fulfill the contractual obligations; and

**WHEREAS**: the Authority has fulfilled its obligations to the bond trustee in accordance with the bond indentures associated with the Wallingford and Bridgeport Projects and the bond trustee has discharged the Authority of said obligations; and

**WHEREAS**: The closing of the Bridgeport Project has caused the Authority to release all Bridgeport Project monies in its Guarantee of Payment reserve.

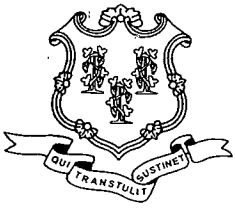
**NOW, THEREFORE, BE IT:**

**RESOLVED**: That the Mercury Public Awareness Reserve be dissolved; and

**FURTHER RESOLVED**: That the Mid-Connecticut Fiscal Year 2009 operating surplus of \$7,291,252 be incorporated in the Fiscal Year 2011 operating budget; and

**FURTHER RESOLVED**: That the Town of Ellington Transfer Station Trust Reserve be reduced to the required amount of \$10,000 and the remained be incorporated in the Mid-Connecticut Project Year 2011 operating budget.

**FURTHER RESOLVED**: That the Bridgeport Project's Customer Guarantee of Payment reserve be dissolved.



STATE OF CONNECTICUT  
DEPARTMENT OF ENVIRONMENTAL PROTECTION



April 2, 2009

RECEIVED

APR 06 2009

CRRA  
ENVIRONMENTAL

Mr. Peter Egan  
Director of Environmental Affairs and Development  
Connecticut Resources Recovery Authority  
100 Constitution Plaza, 6<sup>th</sup> Floor  
Hartford, CT 06103

RE: Remainder of funds in Consent Order SW-400

*Peter -*  
Dear Mr. Egan:

The department is in receipt of your letter dated March 20, 2009. According to your letter, CRRA is requesting written approval from the department prior to disbursing the balance, approximately \$21,808, of the Mercury Public Awareness Account associated with Consent Order SW-400. The intended use of the remaining money is to fund the Product Stewardship Institute's proposal to develop a pilot project that will work towards increasing the number of thermostats recycled in the greater Bridgeport area.

According to the language in the Consent Order, the funds were to be used for various public outreach efforts and mercury collection activities. The activities proposed by the Product Stewardship Institute are consistent with the funding requirements contained within Consent Order SW-400. Having reviewed the scope of work associated with the proposed project, the department hereby approves the disbursement of the remaining \$21,808.49 to the Product Stewardship Institute for the mercury thermostat collection program activities outlined in your letter.

Sincerely,

Amey Marrella  
Deputy Commissioner

AM/rjh

# Connecticut Resources Recovery Authority

## Reserve Analysis

*October 29, 2009*

Each year management reviews the Authority's restricted and unrestricted reserves. The purpose of this review is to determine if additional funds will be required to be deposited in the upcoming budget process or if certain reserves can be reduced, dissolved and/or funds re-designated.

The following are Management's recommendations based upon this year's review:

- In 1998, the Authority was cited with consent order SW-400 from the Connecticut Department of Environmental Protection, which prompted the Authority to create and fund the Mercury Public Awareness Reserve. This reserve was established to promote public education designed to improve consumer awareness of mercury-containing products and their risks, as well as improve consumer awareness of recycling opportunities for mercury to eliminate sources of mercury in municipal solid waste bound for combustion in waste incinerators. In April 2009, the deputy commissioner of the Connecticut DEP approved the use of the funds remaining in the Mercury Public Awareness Reserve. The Authority completed all of its requirements under this consent order and depleted the remaining funds in this account. Management is recommending that the Board dissolve this account.
- That the Mid-Connecticut Project Fiscal Year 2009 surplus be used to develop the Fiscal Year 2011 operating budget in accordance with the MSAs.
- During negotiations with the Town of Ellington in 1987 over the Authority's use of property to develop the Ellington transfer station, the Authority agreed to maintain a \$10,000 reserve to assure that funds would be available should the Town have to pick up litter emanating from the transfer station. The Town has never needed to use this reserve and the reserve has since grown to \$47,622. Management is recommending that the reserve be reduced to \$10,000 as required and the difference be used during to develop the Mid-Connecticut Project's Fiscal Year 2011 operating budget.
- Several trustee reserves associated with the Bridgeport and Wallingford Projects' bond indentures have been used in accordance with their bond indenture provisions.
- Due to the ending of the Bridgeport Project, all funds from the Customer Guarantee of Payment Reserve have been returned to their respective customers. Management recommends that this reserve be dissolved.

Copies of the individual Reserve summaries are attached for your review.



# Connecticut Resources Recovery Authority Reserves

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# Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** MERCURY PUBLIC AWARENESS.

**Account #:** 01-000-000-12114

**Designation:** Restricted

**Project:** General

**Purpose:** To develop and implement a public education or media campaign designed to: 1) improve consumer awareness of mercury-containing products and the risks posed by mercury-containing products and to encourage consumers to choose alternatives, where feasible; 2) improve consumer awareness of recycling opportunities for mercury batteries, fluorescent bulbs and other mercury containing products; and 3) eliminate sources of mercury in municipal solid waste bound for combustion in waste incinerators.

**Fund Basis:** Established by DEP Consent Order SW-400. Funds are located in a Bank of America checking account.

**Fund Source:** Being reviewed.

**Fund Amount as Of June 30, 2009:** \$0.00

**Term:** When the fund balance is zero.

## Supporting Documentation:

The following is language from the DEP Consent order dated February 19, 1998.

...**Supplemental Environmental Projects.** Respondent shall undertake the following supplemental environmental project: Within thirty (30) days from the date of issuance of this consent order, Respondent shall establish and fund in the amount of three hundred fifty thousand dollars (\$350,000) an account to be known as the "mercury public awareness account"....

## Recommendation:

In April 2009, the DEP approved final use of the remainder of this reserve. Management recommends that this reserve be dissolved since all funds have been distributed.

# Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** BENEFIT FUND

**Account #:** 01-000-000-10222

**Designation:** Board Designated

**Project:** General

**Purpose:** To provide funding for various means of controlling the costs of health insurance premiums, including, but not limited to, funding of rate increases, and funding of premium payments.

**Fund Basis:** Basis to be reviewed annually.

**Fund Source:** Transferred previous balance from the Health Fund plus deposited \$180,746 in March 2004 from the Anthem stock proceeds.

**Fund Amount as Of June 30, 2009:** \$217,110

## **Supporting Documentation:**

Approved by the Board on April 20, 1995. The following are the minutes from the April 1995 Board meeting:

Director Phillips said enclosed in the Board's package is a report that CRRA is receiving a reserve fund from Blue Cross and Blue Shield amounting to \$179,000. He said the Finance Committee approved a resolution which is attached to the package establishing a health fund which would be used primarily as a wellness program for employees. He said the Personnel Committee reviewed this matter this morning.

The motion was made by Director Phillips to approve the resolution establishing a health fund attached to the minutes as Exhibit A. Vice Chairman Selden seconded the motion and it was unanimously voted.

Director Berliner asked if the \$179,000 is meant to be strictly for wellness. Director Phillips said only \$20,000. Director Berliner asked if you could use this to underwrite any yearly increases with Blue Cross Blue Shield. Director Phillips said it could be. Director Berliner said it should not be "could be" but it "should be" since CRRA is not self-insured so to set this money aside in order to do that we need to underwrite future year increases as they come. Chairman Fay said staff wants to report the money in this reserve and will come back later to the Board with the disposition of the money and recommendation on how it should be spent. Director Berliner said that it is nice that CRRA had good years but we all know there are great variations and there will be some bad years. Chairman Fay said absolutely. Mr. Guidone said that is the primary purpose for creating the fund, to put those dollars aside, and to commit some to a wellness program, but the main purpose would be to avoid future spikes or address future spike issues.

The Health Fund was renamed the Benefit Fund by the Board of Directors in October 2003.

## **Recommendation:**

Board approved use of this fund during the FY 10 Budget process to offset General Fund expenses. This fund will be closed at the end of Fiscal Year 2010.

# Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** SHELTON LANDFILL POSTCLOSURE

**Account #:** 35-000-000-10301

**Designation:** Board Designated

**Project:** Property Division

**Purpose:** To cover the GASB 18 costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill

**Fund Basis:** The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate in real dollars to monitor and maintain the landfill is \$11,243,763 which includes estimated costs for environmental insurance premiums. These estimates do not include any funds for future changes in law.

**Fund Source:** Past funding has come from the Bridgeport Project operating budgets.

**Fund Amount as Of June 30, 2009:** \$8,198,027

**Term:** Thirty years after the landfill is certified closed. Ash area certified close April 2001 and MSW area certified closed October 1997. Postclosure ends in fiscal year 2030.

## **Supporting Documentation:**

The Board approved a resolution on June 17, 1999 to transfer \$2,734,000 from prior year surpluses to the post-closure reserve. In addition, the Board through adoption of the annual budget has been authorizing annual contributions into this reserve.

## **Recommendation:**

The Authority has recorded the postclosure liability on its financial statements. Continue to perform a full analysis of the account on an ongoing basis.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** WATERBURY POSTCLOSURE

**Account #:** 35-000-000-10307

**Designation:** Board Designated

**Project:** Property Division

**Purpose:** To cover the GASB 18 costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill

**Fund Basis:** The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate in real dollars to monitor and maintain the landfill is \$988,280, which includes estimated costs for environmental insurance premiums. These estimates do not include any funds for future changes in law.

**Fund Source:** Past funding has come from the Bridgeport Project operating budgets.

**Fund Amount as of June 30, 2009:** \$786,961

**Term:** Thirty years after the landfill is certified closed. Circa 2038.

### **Supporting Documentation:**

The Board approved the following resolution at their April 2005 meeting.

...“**RESOLVED:** That a reserve be established to cover postclosure costs for the Waterbury Landfill for the Bridgeport Project.”

### **Recommendation:**

The Authority has recorded the postclosure liability on its financial statements. Continue to perform a full analysis of the account on an ongoing basis.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** SHELTON LANDFILL NON-GASB 18 POSTCLOSURE

**Account #:** 35-000-000-10309

**Designation:** Board Designated

**Project:** Property Division

**Purpose:** To cover the non-GASB 18 costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill

**Fund Basis:** The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate in real dollars to monitor and maintain the landfill is \$4,472,175 which includes estimated costs for insurance premiums and administrative costs. These estimates do not include any funds for future changes in law.

**Fund Source:** Shelton Landfill Postclosure Reserve.

**Fund Amount as Of June 30, 2009:** \$3,190,428

**Term:** Thirty years after the landfill is certified closed. Ash area certified close April 2001 and MSW area certified closed October 1997. Postclosure ends in fiscal year 2030.

### **Supporting Documentation:**

The Board approved a resolution on June 17, 1999 to transfer \$2,734,000 from prior year surpluses to the post-closure reserve. In addition, the Board through adoption of the annual budget has been authorizing annual contributions into this reserve.

The Board approved the following resolution at their October 23, 2008 meeting

..."**FURTHER RESOLVED:** That the non-GASB 18 funds from the existing Ellington, Hartford, Shelton, Wallingford and Waterbury landfill Board designated postclosure reserves be transferred into their new respective non-GASB 18 postclosure STIF accounts"

### **Recommendation:**

The Authority has recorded the postclosure liability on its financial statements. Continue to perform a full analysis of the account on an ongoing basis.

# Connecticut Resources Recovery Authority<sup>6</sup>

October 29, 2009

**Reserve:** WATERBURY NON-GASB 18 POSTCLOSURE

**Account #:** 35-000-000-10310

**Designation:** Board Designated

**Project:** Property Division

**Purpose:** To cover the non- GASB 18 costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill

**Fund Basis:** The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate in real dollars to monitor and maintain the landfill is \$691,100, which includes estimated costs for insurance premiums and administrative costs. These estimates do not include any funds for future changes in law.

**Fund Source:** Waterbury Postclosure Reserve.

**Fund Amount as of June 30, 2009:** \$563,569

**Term:** Thirty years after the landfill is certified closed. Circa 2038.

## **Supporting Documentation:**

The Board approved the following resolution at their April 2005 meeting.

...“ **RESOLVED:** That a reserve be established to cover postclosure costs for the Waterbury Landfill for the Bridgeport Project.”

The Board approved the following resolution at their October 23, 2008 meeting

...”**FURTHER RESOLVED:** That the non-GASB 18 funds from the existing Ellington, Hartford, Shelton, Wallingford and Waterbury landfill Board designated postclosure reserves be transferred into their new respective non-GASB 18 postclosure STIF accounts”

## **Recommendation:**

The Authority has recorded the postclosure liability on its financial statements. Continue to perform a full analysis of the account on an ongoing basis.



# Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** SHELTON LANDFILL FUTURE USE

**Account #:** 35-000-000-12206

**Designation:** Restricted

**Project:** Property Division

**Purpose:** To set aside funds to pay for expenditures associated with the two DEP Consent Orders including costs relating to future use options of the landfill.

**Fund Basis:** Amount based upon a DEP Consent Orders (\$330k) plus a preliminary estimate of the cost to implement the future use options at the landfill (\$530k) as required by the permit.

**Fund Source:** Past funding has come from Bridgeport Project operating budgets.

**Fund Amount as Of June 30, 2009:** \$869,572

**Term:** Upon completion of the work.

## **Supporting Documentation:**

The following is the resolution approved by the Board January 16, 2003 and the January 2003 minutes:

WHEREAS: CRRA desires to create a divisible reserve account within the Bridgeport Project for the Shelton Landfill for future use expenditures of the Shelton Landfill ("Shelton Landfill Future Use Reserve");

WHEREAS: CRRA desires to fund the Shelton Landfill Future Use Reserve with \$630,000 from the Fiscal Year 2003 Operating Budget of the Bridgeport Project;

RESOLVED: That the CRRA Finance Department is authorized to create a Shelton Landfill Future Use Reserve and fund it with \$630,000.00 from the FY03 Operating Budget of the Bridgeport Project.

Chairman Pace requested a motion on the reference topic. Director O'Brien made the following motion:

WHEREAS: CRRA desires to create a divisible reserve account within the Bridgeport Project for the Shelton Landfill for future use expenditures of the Shelton Landfill ("Shelton Landfill Future Use Reserve");

WHEREAS: CRRA desires to fund the Shelton Landfill Future Use Reserve with \$630,000 from the Fiscal Year 2003 Operating Budget of the Bridgeport Project;

RESOLVED: That the CRRA Finance Department is authorized to create a Shelton Landfill Future Use Reserve and fund it with \$630,000.00 from the FY03 Operating Budget of the Bridgeport Project.

## **Recommendation:**

Continue to maintain until final ecological risk assessment has been completed circa 2015.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** WATERBURY LANDFILL TRUST

**Account #:** 34-000-000-13202

**Designation:** Restricted - DEP

**Project:** Property Division

**Purpose:** To provide a performance bond or surety to guarantee closure of the landfill as required by the solid waste permit.

**Fund Basis:** Estimated cost for closure.

**Fund Source:** No supporting records found.

**Fund Amount as Of June 30, 2009:** \$174,275

**Term:** Upon closure of the landfill or approval from DEP that another funding source could be utilized.

### **Supporting Documentation:**

The following is language from the regulations.

“...an owner or operator of a facility with a hazardous waste disposal unit must establish financial assurance for post-closure care of the disposal unit...”

### **Recommendation:**

Since the project has already funded a closure reserve for the Waterbury landfill management has approach DEP to determine if this reserve can be eliminated. A determination is expected in FY 10

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:**     STRATFORD RECYCLING CAPITAL

**Account #:**   35-000-000-10229

**Designation:** Board Designated

**Project:**     Property Division

**Purpose:**     To cover potential futures costs associated with the replacement or repair of capital equipment and/or buildings for the Stratford intermediate processing center.

**Fund Basis:** The basis will be determined annually during the budget process.

**Fund Source:** This reserve is to be funded from the settlements reached with the Town of East Haven (net lump sum payment of \$14,634) and City of Stamford (net payment of \$122,000 paid equally over a thirty-six month period) relating to their non-delivery of recyclables. Initial funding will commence in fiscal year 2006.

**Fund Amount as of June 30, 2009:**             \$726,090

**Term:**        The reserve will be maintained until all capital projects have been completed or it is no longer required.

### **Supporting Documentation:**

The Board approved the following resolution at their October 2005 meeting.

“**FURTHER RESOLVED:** that a Recycling Reserve be created for the Bridgeport Project to cover capital repairs and/or replacements costs for the Stratford intermediate processing center and that the initial funding of this reserve come from the settlement funds to be received from the Town of East Haven and City of Stamford.”

### **Recommendation:**

The Authority is determining the ownership of this fund and will provide a subsequent result.

**Connecticut Resources Recovery Authority**

October 29, 2009

**Reserve:** DEBT SERVICE RESERVE FUND

**Account #:** 34-000-000-13144

**Designation:** Restricted - Trustee

**Project:** Bridgeport

**Purpose:** To secure debt service payments for bondholders.

**Fund Basis:** 10% of original par value.

**Fund Source:** 2000 Series Bonds and interest earnings from the Collection & Paying Agency Account.

**Fund Amount as of June 30, 2009:** \$0.00

**Term:** This reserve ceased with payment of debt.

**Supporting Documentation:**

Section 5.1 of the Fourth Supplement Indenture of Mortgage and Trust dated June 1, 1999 states that the Authority shall establish and create certain funds and accounts including the Debt Service Reserve Fund.

**Recommendation:**

As part of the final payment of the bonds, this fund was reduced to zero and is now dissolved in accordance with the bond indentures.

**Connecticut Resources Recovery Authority**

October 29, 2009

**Reserve:** DEBT SERVICE FUND

**Account #:** 34-000-000-13143

**Designation:** Restricted - Trustee

**Project:** Bridgeport

**Purpose:** To pay debt service (principal and interest) to the bondholders.

**Fund Basis:** One-sixth of the next ensuing interest payment due and one-twelfth of the next ensuing principal payment due.

**Fund Source:** Monthly transfers from the Collection & Paying Agency Account.

**Fund Amount as of June 30, 2009:** \$0.00

**Term:** This reserve ceased with payment of debt

**Supporting Documentation:**

Section 5.1 of the Fourth Supplement Indenture of Mortgage and Trust dated June 1, 1999 states that the Authority shall establish and create certain funds and accounts including the Debt Service Fund.

**Recommendation:**

As part of the final payment of the bonds, this fund was reduced to zero and is now dissolved in accordance with the bond indentures.

**Connecticut Resources Recovery Authority**

October 29, 2009

**Reserve:** REBATE ACCOUNT

**Account #:** 34-000-000-13149

**Designation:** Restricted - Trustee

**Project:** Bridgeport

**Purpose:** To pay Internal Revenue Service in the event any funds related to the bonds earn more than the arbitrage yield.

**Fund Basis:** As required by Indenture.

**Fund Source:** Interest earnings in Debt Service Reserve Fund that would result in positive arbitrage.

**Fund Amount as of June 30, 2009:** \$0.00

**Term:** This reserve ceased with payment of debt.

**Supporting Documentation:**

Section 3.1 of the Supplement Indenture of Trust dated August 1, 2000.

**Recommendation:**

As part of the final payment of the bonds, this fund was reduced to zero and is now dissolved in accordance with the bond indentures.

**CLOSED**

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** COLLECTION & PAYING AGENCY ACCOUNT

**Account #:** 34-000-000-13108

**Designation:** Restricted - Trustee

**Project:** Bridgeport

**Purpose:** To accept all payments related to the Bridgeport project.

**Fund Basis:** None

**Fund Source:** Tip fees, recycling revenues and other miscellaneous fees.

**Fund Amount as of June 30, 2009:** \$0.00

**Term:** This reserve ceased with payment of debt.

**Supporting Documentation:**

Section 4 of the Collection and Paying Agency Agreement between the Authority and Bridgeport Resco (Wheelabrator Bridgeport) dated June 1, 1987.

**Recommendation:**

As part of the final payment of the bonds, this fund was reduced to zero and is now dissolved in accordance with the bond indentures.

CLOSED

**Connecticut Resources Recovery Authority**

October 29, 2009

**Reserve:** CUSTOMER GUARANTEE OF PAYMENT

**Account #:** 34-000-000-12112

**Designation:** Restricted

**Project:** Bridgeport

**Purpose:** To deposit the cash guaranty of payments ("GOP") received by the Authority by some of its customers.

**Fund Basis:** Varies by customer based upon their delivery trends.

**Fund Source:** Authority customers

**Fund Amount as of June 30, 2009:** \$0.00

**Term:** This reserve ceased with the combination of the Project.

**Supporting Documentation:**

Permitting, Disposal and Billing Procedures all for cash GOP's.

**Recommendation:**

Due to Project expiration, this fund is no longer required. Management recommends that this reserve be dissolved.

**CLOSED**



## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** WATERBURY CLOSURE

**Account #:** 34-000-000-10302

**Designation:** Board Designated

**Project:** Bridgeport

**Purpose:** To pay for anticipated expenditures associated with the closure of the landfill.

**Fund Basis:** The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded.

**Fund Source:** Past funding has come from operating budgets.

**Fund Amount as Of June 30, 2009:** \$681,291

**Term:** Upon DEP certification of the closure work. Circa 2009.

### **Supporting Documentation:**

The minutes indicate that this reserve was first established in July 1991. The Board has been approving contributions to this reserve as part of the annual budget process. The Board adopted the following resolution at their October 2003 meeting.

“...**FURTHER RESOLVED:** That the Waterbury Landfill Closure/Postclosure Reserve be renamed the Waterbury Closure Reserve.”

### **Recommendation:**

The Authority has recorded the postclosure liability on its financial statements and will begin funding landfill activities for the postclosure funds once the landfill is certified closed. At that time the Authority will reconcile any remaining closure funds and dissolve and distribute said funds appropriately.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** POST PROJECT

**Account #:** 34-000-000-xxxxx

**Designation:** Board Designated

**Purpose:** To cover costs associated with the expiration of the project including but not limited to; cost of accounts payable and accounts receivable, accounting functions associated with project closure, and administrative expense associated with ongoing project closure meeting.

**Fund Basis:** The basis was determined as a conservative estimate of the Authority's total expense to close this Project.

**Fund Source:** Contributions from the operating fund FY 09 surplus.

**Fund Amount as of June 30, 2009:** \$0.00

**Term:** The reserve will be maintained until all liabilities for this Project have been remunerated. Any residual funds will be return to the Project.

### **Supporting Documentation:**

The Board adopted the following language at their March 26, 2009

“Now, Therefore it is **RESOLVED**, a Post Project Reserve be established to retain necessary funds to meet residual Bridgeport Project Expenses...”

The Board adopted the following language at their July 23, 2009

“...**Resolved:** That \$725,000 be transferred from the Bridgeport project subaccount STIF account to the following STIF accounts:

\$625,000 to the Bridgeport Post Project Reserve STIF account  
\$100,000 to the Bridgeport Risk Reserve STIF account”

### **Recommendation:**

Maintain until all liabilities associated with the Bridgeport Project have been remunerated. Any remaining funds will be distributed back to the Project.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** RISK FUND

**Account #:** 34-000-000-xxxxx

**Designation:** Board Designated

**Project:** Bridgeport

**Purpose:** To cover costs associated with the potential risks of the Bridgeport Project after the close of the Project.

**Fund Basis:** The basis was determined as a conservative estimate of the Project's potential risk expense after closure of this Project.

**Fund Source:** Contributions from the operating fund FY 09 surplus.

**Fund Amount as of June 30, 2009:** \$0.00

**Term:** The reserve will be maintained until all liabilities for this Project have been remunerated. Any residual funds will be return to the Project.

### **Supporting Documentation:**

The Board adopted the following language at their March 26, 2009

“**Further RESOLVED**, a Risk Fund Reserve be established to retain anticipated funds needed to cover outstanding post Bridgeport Project risk associated with claims and litigation...”

The Board adopted the following language at their July 23, 2009

“...**Resolved:** That \$725,000 be transferred from the Bridgeport project subaccount STIF account to the following STIF accounts:  
\$625,000 to the Bridgeport Post Project Reserve STIF account  
\$100,000 to the Bridgeport Risk Reserve STIF account”

### **Recommendation:**

Maintain until all risk liabilities associated with the Bridgeport Project have been remunerated. Any remaining funds will be distributed back to the Project.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** DEBT SERVICE RESERVE FUND

**Account #:** 41-000-000-13133

**Designation:** Restricted - Trustee

**Project:** Mid-Connecticut

**Purpose:** To provide debt service payment security to 1996 Series bondholders.

**Fund Basis:** Maximum Annual Debt Service amount in any calendar year, adjusted annually by the Trustee.

**Fund Source:** 1985 Series Bonds (the amounts in the current DSRF were originally funded by the 1985 Series Bonds. The 1996 Series Bonds refunded the 1985 Series Bonds.)

**Fund Amount as of June 30, 2009:** \$4,381,529

**Term:** Upon final payment of bonds.

### **Supporting Documentation:**

Language from the Mid-Connecticut Bond Resolution adopted March 13, 1985.

Section 5.2 of the Bond Resolution states that the Authority shall establish and create certain funds and accounts which include a Special Capital Reserve Fund, which is the same as the Debt Service Reserve Fund.

“Section 5.10 *Special Capital Reserve Fund (A)* Upon the delivery of any Bonds, the Authority shall pay to the Trustee from the proceeds of such Bonds or otherwise, the sum of money, if any, necessary to increase the amount in the Special Capital Reserve Fund to the Special Capital Reserve Fund Requirement.”

### **Recommendation:**

Continue to maintain as required by the indenture.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** DEBT SERVICE FUND

**Account #:** 41-000-000-13130

**Designation:** Restricted - Trustee

**Project:** Mid-Connecticut

**Purpose:** To provide debt service (principal and interest) payments to 1996 Series bondholders.

**Fund Basis:** One-sixth of the next ensuing interest payment due and one-twelfth of the next ensuing principal payment due.

**Fund Source:** Monthly transfers from the Mid-Connecticut Revenue Fund.

**Fund Amount as of June 30, 2009:** \$5,132,291

**Term:** Upon final payment of bonds.

### **Supporting Documentation:**

Language from the Mid-Connecticut Bond Resolution adopted March 13, 1985.

Section 5.2 of the Bond Resolution states that the Authority shall establish and create certain funds and accounts which include a Debt Service Fund.

The Debt Service Fund is sub-divided into two Accounts: the Interest Account and the Principal Installment Account

“Section 5.9 *Debt Service Fund*. (A) The Trustee shall pay out of the Interest Account of the Debt Service Fund to the respective Paying Agents for any of the Bonds (i) on the day preceding each Interest Payment Date, the amount required for the payment of interest on the Bonds due on such Interest Payment Date and (ii) on the day preceding the redemption date, the amount required for the payment of accrued interest on Bonds redeemed unless the payment of such accrued interest shall be otherwise provided for, and such amounts shall be applied by the Payment Agents to such payment. The Trustee shall also pay out of the Interest Account the accrued interest included in the purchase price of the Bonds purchased for retirement.

“(B) The Trustee shall pay out of the Principal Installment Account to the respective Payment Agents, on the day preceding each Principal Installment Date for any of the Bonds, the amounts required for the payment of principal due on such Principal Installment Date and such amounts shall be applied by the Paying Agents to such payments.”

### **Recommendation:**

Continue to utilize the account until final payment of bonds.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** REVENUE FUND

**Account #:** 41-000-000-13101

**Designation:** Restricted - Trustee

**Project:** Mid-Connecticut

**Purpose:** To receive all revenues associated with the Mid-Connecticut Project including the FY 08 and FY 09 surpluses and to make disbursements, to the funds and accounts established under the Mid-Connecticut Bond Resolution.

**Fund Basis:** None

**Fund Source:** Tip fees, energy revenues and other miscellaneous income.

**Fund Amount as of June 30, 2009:** \$18,318,045

**Term:** Upon final payment of bonds.

### **Supporting Documentation:**

Language from the Mid-Connecticut Bond Resolution adopted March 13, 1985.

Section 5.2 of the Bond Resolution states that the Authority shall establish and create certain funds and accounts which include a Revenue Fund.

“Section 5.4 *Revenue Fund*. All Revenues received shall, upon receipt, be deposited with the Trustee unless required more frequently and credited to the Revenue Fund. Prior to the Commercial Operation Date at least monthly and thereafter unless required more frequently as soon as practicable after the end of each Billing Period and in any case no later than forty-five (45) days after the end of such Billing Period, the Trustee shall withdraw from the Revenue Fund and transfer to the Person, Funds and Accounts as set forth”...in the Section and in the priority as indicated in the Section.

### **Recommendation:**

Continue to review during annual reserve analysis cycle and reallocate funds per budget and Municipal Service Agreements (e.g. Use of surplus)

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** GENERAL FUND

**Account #:** 41-000-000-13152

**Designation:** Restricted - Trustee

**Project:** Mid-Connecticut

**Purpose:** To hold any funds not needed in another fund or account established by the Mid-Connecticut Bond Resolution.

**Fund Basis:** None

**Fund Source:** Initial funding came from the proceeds from the sale of the Enron claims. Current balance includes amounts not utilized in July 2006 bond defeasance.

**Fund Amount as of June 30, 2009:** \$692,858

**Term:** Upon final payment of the bonds.

### **Supporting Documentation:**

Language from the Mid-Connecticut Bond Resolution adopted March 13, 1985.

Section 5.2 of the Bond Resolution states that the Authority shall establish and create certain funds and accounts which include a General Fund.

“Section 5.13 *General Fund*. So long as (i) there shall not be any deficiency in any other Fund or Account under this Resolution, (ii) there shall not exist an Event of Default, and (iii) the amount in the General Fund is not otherwise required to be retained by the Authority for use with respect to the Mid-Connecticut System, any balance in the General Fund shall, upon direction of an Authorized Officer of the Authority, be paid to the State in amounts sufficient to repay the State for amounts theretofore paid by the State into the Special Capital Reserve Fund, and any remaining balance may, upon direction of an Authorized Officer of the Authority, be transferred to any other Fund established hereunder or to the Redemption Fund for the purchase or redemption of Bonds.”

### **Recommendation:**

Continue to maintain as established by indenture.

# Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** RENEWAL & REPLACEMENT FUND

**Account #:** 41-000-000-13106

**Designation:** Restricted - Trustee

**Project:** Mid-Connecticut

**Purpose:** To provide funds for improvements, constructions, reconstructions, major repairs, renewals, replacements or maintenance items not recurring annually or at shorter intervals and for costs of equipment.

**Fund Basis:** Minimum funding requirement is \$1,500,000 as defined in the Mid-Connecticut Bond Resolution.

**Fund Source:** Series 1985 Bonds

**Fund Amount as of June 30, 2009:** \$1,763,613

**Term:** Upon final payment of bonds.

## **Supporting Documentation:**

Language from the Mid-Connecticut Bond Resolution adopted March 13, 1985.

Section 5.2 of the Bond Resolution states that the Authority shall establish and create certain funds and accounts which include a Renewal and Replacement Fund.

*“Renewal and Replacement Fund Requirement”* means \$1,500,000 or such greater amount as the Consulting Engineer shall determine is required on an annual basis.

*“Section 5.7 Renewal and Replacement Fund. (1) The Trustee shall withdraw from the Renewal and Replacement Fund amounts requisitioned by the Authority for, and apply the same to, the reasonable and necessary expenses of the Authority with respect tot the Mid-Connecticut System, for improvement, constructions, reconstructions, major repairs, renewals, replacement or maintenance items of a type not recurring annually or at shorter intervals and for costs of equipment.”*

*“(2) If on any date all withdrawals or payment from the Renewal and Replacement Fund required by any other provision of this Resolution with respect to the same and every prior date shall have sooner been made and the amount in the Renewal and Replacement Fund exceeds the Renewal and Replacement Fund Requirement, the Trustee shall withdraw from the Renewal and Replacement Fund the amount of such excess and pay the moneys as withdrawn into the Revenue Fund as Revenues.”*

## **Recommendation:**

Continue to maintain as required by indenture.



## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** OPERATING & MAINTENANCE FUND

**Account #:** 41-000-000-13105

**Designation:** Restricted - Trustee

**Project:** Mid-Connecticut

**Purpose:** To provide amounts required for operating expenses to the extent the Mid-Connecticut Operating Fund does not have sufficient funds.

**Fund Basis:** Minimum funding requirement is \$1,500,000 as defined in the Mid-Connecticut Bond Resolution.

**Fund Source:** Series 1985 Bonds.

**Fund Amount as of June 30, 2009:** \$1,763,616

**Term:** Upon final payment of bonds.

### **Supporting Documentation:**

Language from the Mid-Connecticut Bond Resolution adopted March 13, 1985.

Section 5.2 of the Bond Resolution states that the Authority shall establish and create certain funds and accounts which include an Operation and Maintenance Fund.

*“Operation and Maintenance Fund Requirement”* means \$1,500,000 or such greater amount as the Authority and the Consulting Engineer shall agree is prudent to maintain as a reserve for the operation of the Mid-Connecticut System.

*“Section 5.6 Operation and Maintenance Fund. (1) The Trustee shall withdraw from the Operation and Maintenance Fund and deposit in the Operating Fund amounts required for Operating Expense to the extent that the Operating Fund is insufficient for such purpose at that time and will not be available from funds in the Revenue Fund at the end of the next Billing Period.*

*“(2) If on any date all withdrawals or payment from the Operation and Maintenance Fund required by any other provision of this Resolution with respect to the same and every prior date shall have sooner been made and the amount in the Operation and Maintenance Fund exceeds the Operation and Maintenance Fund Requirement, the Trustee shall withdraw from the Operation and Maintenance Fund the amount of such excess and pay the moneys as withdrawn into the Revenue Fund as Revenues.”*

### **Recommendation:**

Continue to maintain as required by indenture.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** CUSTOMER GUARANTEE OF PAYMENT

**Account #:** 41-000-000-12112

**Designation:** Restricted

**Project:** Mid-Connecticut

**Purpose:** To deposit the cash guaranty of payments ("GOP") received by the Authority by some of its customers.

**Fund Basis:** Varies by customer based upon their delivery trends.

**Fund Source:** Authority customers

**Fund Amount as of June 30, 2009:** \$355,288

**Term:** Various

**Supporting Documentation:**

Permitting, Disposal and Billing Procedures all for cash GOP's.

**Recommendation:**

Continue to maintain the reserve as long as customers have cash GOP's.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** SELECT ENERGY ESCROW

**Account #:** 41-000-000-13104

**Designation:** Restricted - Trustee

**Project:** Mid-Connecticut

**Purpose:** To be in compliance with the Jets power purchase and sales agreement and escrow agreement between CRRA and Select Energy.

**Fund Basis:** Amount established pursuant to the escrow agreement.

**Fund Source:** Funding came from the transfer of funds from the Power Block Facility Maintenance Fund (\$500k), the Transfer Station Maintenance Fund (\$466k) and the operating account (\$34k).

**Fund Amount as Of June 30, 2009:** \$1,000,000

**Term:** Until expiration of the power purchase and sales agreement.

### **Supporting Documentation:**

The Board approved the following resolution at their June 2003 meeting.

“...Whereas: it is a precondition to the execution of an Energy Purchase Agreement (the “EPA”) between Connecticut Resources Recovery Authority (“CRRA”) and Select Energy, Inc., that an escrow fund in the amount of ONE MILLION DOLLARS (\$1,000,000.00; the “Escrow Fund”) be established; and ...”

### **Recommendation:**

Disposition is currently under legal review.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** JETS / ENERGY GENERATING FACILITY

**Account #:** 41-000-000-12201

**Designation:** Restricted

**Project:** Mid-Connecticut

**Purpose:** To cover the future Energy Generating Facility (EGF) operating costs.

**Fund Basis:** The initial reserve estimate projected anticipated electricity revenues from the Jets less operating and maintenance costs of the Jets and Energy Generating Facility (EGF) to determine what level of reserves was required to cover future costs of the EGF through the term of the existing project.

**Fund Source:** Initial funding of \$20M was received as part of the CL&P and Enron Power Marketing, Inc agreement.

**Fund Amount as Of June 30, 2009:** \$7,566,168

**Term:** Upon final payment of bonds.

### **Supporting Documentation:**

In addition to the letter to State Street Bank and Trust dated December 28, 2000, the Board minutes and resolutions from the November and December 2000 Board meetings imply that the intent of the prior Board was to set aside these funds to cover future costs of the EGF. Furthermore, although there is no specific resolution in regards to this reserve, it is management's opinion that this reserve was set-aside for the specific purpose stated above to satisfy the Trustee. On July 5, 2006 the Authority received an analysis from R.W. Beck that states the \$20 million was no longer necessary to be maintained in this account, but rather only \$10,888,000.

### **Recommendation:**

Management has determined that a minimum balance of \$5,400,000 plus the budgeted contributions in the capital improvements plan is sufficient for the term of the current agreement.

# Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:**     RECYCLING EDUCATION

**Account #:**   41-000-000-12203

**Designation:** Restricted

**Project:**     Mid-Connecticut

**Purpose:**     To reimburse the City of Hartford for expenses incurred solely for its recycling education program.

**Fund Basis:** Per the host community agreement the Authority shall contribute \$50,000 annually in addition to the \$100,000 annually per the PILOT agreement.

**Fund Source:** Past funding has come from the operating budget.

**Fund Amount as Of June 30, 2009:**         \$441,395

**Term:**        The requirement to fund this reserve will terminate upon the final maturity of all bonds and satisfaction of all obligations with respect thereto, which term shall be consistent with the provisions as to expiration contained in the Municipal Solid Waste Management Service Contract by and between the CRRA and the City, dated June 30, 1982, or any amendment thereto.

## **Supporting Documentation:**

The following language is from the Agreement for Payments In Lieu Of Taxes and the Host Community Agreement between CRRA and the City of Hartford, respectively.

Commencing July 1, 1990 and for each year that the Authority owns and operates the Recycling Center the Authority hereby agrees to maintain an account and provide funding for the same in an amount not to exceed One Hundred Thousand (\$100,000.00) Dollars per year, which funds may be used by the City solely for the benefit of its recycling education program. Any funds remaining in the account at the end of each fiscal year shall be rolled over and added to the One Hundred Thousand (\$100,000.00) Dollars that the Authority is required to provide for the next succeeding year.

“CRRA will make a recycling payment of \$150,000 per year (\$50,000 of which is in addition to the current annual payment into such fund of \$100,000) into the Recycling Account...”

## **Recommendation:**

Continue to maintain reserve as required by PILOT agreement.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** TOWN OF ELLINGTON TRANSFER STATION TRUST

**Account #:** 41-000-000-13211

**Designation:** Restricted

**Project:** Mid-Connecticut

**Purpose:** To be in compliance with the Certificate of Special Permit granted by the Ellington Planning and Zoning Commission.

**Fund Basis:** Established pursuant to the Certificate of Special Permit.

**Fund Source:** No supporting documents found.

**Fund Amount as Of June 30, 2009:** \$47,622

**Term:** Upon termination of the permit.

### **Supporting Documentation:**

The following is language from the Certificate of Special Permit.

...Connecticut Resource Recovery Authority shall maintain a minimum balance of \$10,000 in a passbook account to be held by the Town of Ellington. This account shall be drawn upon to off set the expense of solid waste litter pickup in the event that the landfill operator fails to meet acceptable standards..."

### **Recommendation:**

Certificate only requires that the fund have balance of \$10k. Management recommends using the remaining \$37,622 to offset FY 11 expenses.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** ELLINGTON LANDFILL TRUST

**Account #:** 41-000-000-13201

**Designation:** Restricted - DEP

**Project:** Mid-Connecticut

**Purpose:** To maintain financial assurance for postclosure care, thirty years of monitoring and maintenance, as required by 40 CFR 265.145 and Section 22a-449 (c) -30 CT HWMR.

**Fund Basis:** Estimated amount of postclosure costs for monitoring and maintenance. Funds are located in Treasury Bills.

**Fund Source:** No supporting documents found.

**Fund Amount as Of June 30, 2009:** \$490,037

**Term:** After thirty years of postclosure or until DEP and the Town agree that the postclosure account for the Ellington landfill can be used in replace of this trust.

### **Supporting Documentation:**

The following is language from the regulations.

“...an owner or operator of a facility with a hazardous waste disposal unit must establish financial assurance for post-closure care of the disposal unit...”

### **Recommendation:**

Since the project has already funded a postclosure reserve for the Ellington landfill, management is approaching DEP in November to request that this reserve can be eliminated.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** MUNICIPALITY RETAINED SUBSIDY FUND

**Account #:** 41-000-000-xxxx

**Designation:** Restricted by Municipality

**Project:** Mid-Connecticut

**Purpose:** To hold subsidy funds from individual participating municipalities from the Fiscal Year 2010 tip fees. The ending balance of these funds are to be applied to subsequent year's tip fee payment for each participating municipality.

**Fund Basis:** To offset operating expenses

**Fund Source:** Mid-Connecticut Debt Stabilization Fund.

**Fund Amount as of June 30, 2009:** \$0.00

**Term:** Upon depletion of funds in FY 2011.

### **Supporting Documentation:**

The Board approved the following resolution at their June 2009 meeting:

“Resolved: that the Debt Service Stabilization Fund shall be used to provide a subsidy in the amount of \$6.00 per ton to all Mid-CT member solid waste customers for FY 10, effective July 1, 2009

Further Resolved: That at the request of any municipality, said municipality's subsidy shall not be credited against such municipality's FY 10 monthly invoices, but shall rather be retained by the Authority, and deposited in a restricted account; and

Further Resolved: That any funds so deposited shall be identified as allocable to such requesting municipality and shall be held for the benefit of such municipality only and shall be protected from any other use; and

Further Resolved: That such retained funds shall be used as a subsidy against each such requesting municipality's FY 11 monthly invoices.”

### **Recommendation:**

To utilize account in FY 11 until funds have been depleted.



## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** POST LITIGATION

**Account #:** 41-000-000-10233

**Designation:** Board Designated

**Project:** Mid-Connecticut

**Purpose:** To provide costs of paying expert witnesses and other legal fees relating to the Enron-related lawsuits.

**Fund Basis:** None.

**Fund Source:** Enron-related litigation settlements net of amounts to be determined by court order.

**Fund Amount as of June 30, 2009:** \$1,876,676

**Term:** Upon resolution of pending litigation.

### **Supporting Documentation:**

Board resolution adopted October 25, 2007.

“...**WHEREAS**, the Authority has recovered funds from the global litigation matters, which can be reserved to provide for the circumstance that the Authority shall be required by a final, non-appealable order of a court of competent jurisdiction to pay additional amounts as interest on the New Hartford judgment and for associated legal expenses for which other funds may not be available; and”

“...**FURTHER RESOLVED**: That there is hereby created a Post Litigation Reserve, which is to be funded from the global bank settlements and such funds shall be conserved for the circumstance that the Authority shall be required by a final, non-appealable order of a court of competent jurisdiction to pay additional amounts as interest on the Escrowed Funds and for up to \$800,000 of associated legal expenses for which other funds may not be available; and”

### **Recommendation:**

Current review indicates continued open litigation based on General Counsel recommendation; continue to maintain. However base on Management’s recommendation, the Board transferred \$1.2M to the Facility Modification Reserve.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** ASH DISPOSAL

**Account #:** 41-000-000-10232

**Designation:** Board Designated

**Project:** Mid-Connecticut

**Purpose:** Fund established to mitigate pending future tip fee increases from the impact of the Hartford Landfill closure resulting in significant increases in tip fees starting in fiscal year 2009 for the cost of transportation and disposal of ash to out-of-state facilities.

**Fund Basis:** The fund basis will be reviewed as part of the FY 2010 budget process.

**Fund Source:** The initial funding of the reserve will come from the fiscal year 2008 operating budget.

**Fund Amount as Of June 30, 2009:** \$0.00

**Term:** Board has dissolved this reserve.

**Recommendation:**

Account has been closed. Funds transferred to the Ash Landfill Development Fund account # 41-000-000-10308 as approved by the Board of Directors at the October 23, 2008 meeting.

CLOSED

# Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** HARTFORD LANDFILL POSTCLOSURE

**Account #:** 41-000-000-10304

**Designation:** Board Designated

**Project:** Mid-Connecticut

**Purpose:** To cover the GASB 18 costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

**Fund Basis:** The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate includes estimated costs for insurance premiums and administrative costs. These estimates do not include any funds for future changes in law.

**Fund Source:** Initial funding of \$500,000 came from a previous reserve called the Hartford Landfill Closure / Postclosure Reserve. Additional funding is to come from operating budgets.

**Fund Amount as Of June 30, 2009:** \$11,229,340

**Term:** Thirty years after the landfill is certified closed. Certified closed in CIRCA 2011.

## **Supporting Documentation:**

The Board approved the following resolution at their October 2003 meeting.

“...**FURTHER RESOLVED:** That the Hartford Landfill Closure/Postclosure Reserve be split into two separate reserves (balance as of August 31, 2003 was \$7,109,905.17) and that \$500,000 of these funds be designated for the Hartford Postclosure Reserve and the remaining fund balance be designated for the Hartford Landfill Closure Reserve....”

## **Recommendation:**

The Authority has recorded the postclosure liability on its financial statements. Continue to perform a full analysis of the account including funding requirements during the annual budget process.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** HARTFORD LANDFILL NON-GASB 18 POSTCLOSURE

**Account #:** 41-000-000-10311

**Designation:** Board Designated

**Project:** Mid-Connecticut

**Purpose:** To cover the non-GASB 18 costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

**Fund Basis:** The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost includes estimated costs for certain insurance premiums and administrative costs. These estimates do not include any funds for future changes in law.

**Fund Source:** Initial funding of \$3,943,285 came from the Hartford Landfill Postclosure Reserve. Additional funding, if needed, is to come from operating budgets.

**Fund Amount as Of June 30, 2009:** \$3,945,044

**Term:** Thirty years after the landfill is certified closed. Certified closed in CIRCA 2011.

### Supporting Documentation:

The Board approved the following resolution at their October 2003 meeting.

“...**FURTHER RESOLVED:** That the Hartford Landfill Closure/Postclosure Reserve be split into two separate reserves (balance as of August 31, 2003 was \$7,109,905.17) and that \$500,000 of these funds be designated for the Hartford Postclosure Reserve and the remaining fund balance be designated for the Hartford Landfill Closure Reserve....”

The Board approved the following resolution at their October 23, 2008 meeting

...”**FURTHER RESOLVED:** That the non-GASB 18 funds from the existing Ellington, Hartford, Shelton, Wallingford and Waterbury landfill Board designated postclosure reserves be transferred into their new respective non-GASB 18 postclosure STIF accounts”

### Recommendation:

The Authority has recorded the postclosure liability on its financial statements. Continue to perform a full analysis of the account including funding requirements during the annual budget process.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** ELLINGTON LANDFILL POSTCLOSURE

**Account #:** 41-000-000-10305

**Designation:** Board Designated

**Project:** Mid-Connecticut

**Purpose:** To cover the GASB 18 costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

**Fund Basis:** The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate includes estimated costs for environmental insurance premiums. These estimates do not include any funds for future changes in law.

**Fund Source:** Past and future funding comes from operating budgets.

**Fund Amount as Of June 30, 2009:** \$1,687,732

**Term:** Thirty years after the landfill is certified closed. Certified closed in October 1998, postclosure ends fiscal year 2029.

### **Supporting Documentation:**

The Board approved the following resolution at their October 2003 meeting.

**“...FURTHER RESOLVED:** That the Ellington Landfill Closure/Postclosure Reserve be renamed the Ellington Postclosure Reserve.”

### **Recommendation:**

The Authority has recorded the postclosure liability on its financial statements. Continue to perform a full analysis of the account including funding requirements during the annual budget process.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** ELLINGTON LANDFILL NON-GASB 18 POSTCLOSURE

**Account #:** 41-000-000-10312

**Designation:** Board Designated

**Project:** Mid-Connecticut

**Purpose:** To cover the non-GASB 18 costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

**Fund Basis:** The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate includes estimated costs for insurance premiums and administrative costs. These estimates do not include any funds for future changes in law.

**Fund Source:** Initial funding of \$874,943 came from the Ellington Landfill Postclosure Reserve. Additional funding, if needed, is to come from operating budgets.

**Fund Amount as Of June 30, 2009:** \$875,333

**Term:** Thirty years after the landfill is certified closed. Certified closed in October 1998, postclosure ends fiscal year 2029.

### **Supporting Documentation:**

The Board approved the following resolution at their October 2003 meeting.

“...**FURTHER RESOLVED:** That the Ellington Landfill Closure/Postclosure Reserve be renamed the Ellington Postclosure Reserve.”

The Board approved the following resolution at their October 23, 2008 meeting

...”**FURTHER RESOLVED:** That the non-GASB 18 funds from the existing Ellington, Hartford, Shelton, Wallingford and Waterbury landfill Board designated postclosure reserves be transferred into their new respective non-GASB 18 postclosure STIF accounts”

### **Recommendation:**

The Authority has recorded the postclosure liability on its financial statements. Continue to perform a full analysis of the account including funding requirements during the annual budget process.

# Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** HARTFORD LANDFILL CLOSURE

**Account #:** 41-000-000-10303

**Designation:** Board Designated

**Project:** Mid-Connecticut

**Purpose:** To cover the anticipated expenditures associated with the closure of the Bulky Waste and Ash Residue areas of the Hartford Landfill.

**Fund Basis:** The basis is reviewed annually by internal staff. Per the existing agreement with the City of Hartford the Authority is responsible to pay all closure costs.

**Fund Source:** Initial funding came from a prior Hartford Landfill Closure/Postclosure Reserve. Additional funding came from the operating budget any additional funding, if needed, is to come from future operating budgets.

**Fund Amount as Of June 30, 2009:** \$17,617,612

**Term:** Upon certified closure of the landfill.

## **Supporting Documentation:**

The Board approved the following resolution at their October 2003 meeting.

“...**FURTHER RESOLVED:** That the Hartford Landfill Closure/Postclosure Reserve be split into two separate reserves (balance as of August 31, 2003 was \$7,109,905.17) and that \$500,000 of these funds be designated for the Hartford Postclosure Reserve and the remaining fund balance be designated for the Hartford Landfill Closure Reserve....”

## **Recommendation:**

The Authority has recorded the closure liability on its financial statements; therefore a Board designated unrestricted reserve is not required. Continue to perform a full analysis of the account including funding requirements during the annual budget process.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** RISK FUND

**Account #:** 41-000-000-10221

**Designation:** Board Designated

**Project:** Mid-Connecticut

**Purpose:** To protect the project against catastrophic losses and litigation.

**Fund Basis:** The basis will be determined annually during the budget process.

**Fund Source:** Past funding has come from operating budgets.

**Fund Amounts as Of June 30, 2009:** \$7,692,475

**Term:** When Board dissolves the reserve.

### **Supporting Documentation:**

The Board approved the Policy Establishing the Risk Financing Plan, which included the Risk Fund on September 18, 1990. On December 19, 1996 the Board approved a modification to the CRRA Risk Fund Policy. The resolutions and minutes are extensive.

### **Recommendation:**

Reevaluate the risk assessments and update during the annual budget process.



## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** DEBT SERVICE STABILIZATION

**Account #:** 41-000-000-10231

**Designation:** Board Designated

**Project:** Mid-Connecticut

**Purpose:** This reserve is to provide a source of funds which will be used to ameliorate future debt service.

**Fund Basis:** The basis will be reviewed annually during the budget cycle by evaluating various projection scenarios through the term of the existing project.

**Fund Source:** During fiscal year 2006, \$14,663,000 was deposited into the reserve. The Board authorized an additional \$1.4 million from the fiscal year 2005 surplus to be deposited into this reserve. An additional \$4.3 million was deposited into this account in fiscal year 2007 and \$16,400,000 was withdrawn for Series 96A as approved by the Board on May 25, 2006.

**Fund Amount as of June 30, 2009:** \$4,834,373

**Term:** Upon final payment of bonds or when the Board dissolves the reserve.

### **Supporting Documentation:**

The Board approved the following resolution at their April 2005 meeting.

**RESOLVED:** That a Debt Service Stabilization Reserve be created for the Mid-Connecticut Project for the purpose of paying future debt service during a period when the project will experience a revenue shortfall due to the loss Enron energy revenues.

**FURTHER RESOLVED:** That the initial funding for this reserve be through the fiscal year 2006 operating budget.

The Board approved the following resolution at their October 2005 meeting.

**"FURTHER RESOLVED:** that \$1,457,028 from the Mid-Connecticut Project fiscal year 2005 project surplus be deposited into the Debt Service Stabilization Reserve in the Mid-Connecticut Project."

The Board approved the following resolution at their May 25, 2006 meeting

**"... WHEREAS,** the Authority has identified approximately \$35,000,000 in uncommitted funds available for any lawful purpose (collectively, "Uncommitted Funds"), such funds include (i) approximately \$16,000,000 credited to the Mid-Connecticut Debt Services Stabilization Fund..."

### **Recommendation:**

This fund is being used in FY 10 to provide a \$6.00 per ton tip fees reduction.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** FACILITY MODIFICATION

**Account #:** 41-000-000-10223

**Designation:** Board Designated

**Project:** Mid-Connecticut

**Purpose:** To cover capital expenditures associated with the Mid-Connecticut Project facilities.

**Fund Basis:** The basis will be determined annually during the budget process.

**Fund Source:** Past funding has come from operating budgets.

**Fund Amount as Of June 30, 2009:** \$(252,183)

**Term:** When Board dissolves the reserve.

### **Supporting Documentation:**

The Board approved a resolution on June 18, 1991 to transfer \$8,624,000 from prior year operating budget surpluses for WPF improvements. The Board adopted resolutions to designate Mid-Connecticut retained earnings to the WPF Modification reserve in the amounts of \$4,490,000 and \$3,925,000 on June 17, 1999 and May 18, 2000 respectively.

The Board approved the following resolution at their October 2005 meeting.

**“FURTHER RESOLVED:** that the Waste Processing Facility Modification Reserve for the Mid-Connecticut Project be renamed the Facility Modification Reserve.”

### **Recommendation:**

At its June 18, 2009, the Board approved the transfer of \$1.2M from the Post Litigation Reserve to the Facility Modification Reserve to ensure funds were available for all approved expenditures. The transfer took place in July and the July balance was \$716,910. Management recommends this reserve be review as part of the FY 2011 budget process.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** ROLLING STOCK

**Account #:** 41-000-000-10224

**Designation:** Board Designated

**Project:** Mid-Connecticut

**Purpose:** To cover costs associated with the purchase of new and/or rebuilds of equipment such as tractors, trailers, loaders, containers, sweepers, etc.

**Fund Basis:** The basis will be determined annually during the budget process.

**Fund Source:** Past funding has come from operating budgets and retained earnings.

**Fund Amount as Of June 30, 2009:** \$2,678,701

**Term:** When Board dissolves the reserve.

### **Supporting Documentation:**

On June 17, 1999 the Board approved a resolution to transfer \$680,000 from prior year operating budget surpluses to this reserve.

### **Recommendation:**

To review as part of the FY 2011 budget process.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** RECYCLING

**Account #:** 41-000-000-10225

**Designation:** Board Designated

**Project:** Mid-Connecticut

**Purpose:** To reserve funds necessary for future capital repairs and/or replacements or any other recycling activities the Authority may pursue.

**Fund Basis:** The basis will be determined annually during the budget process.

**Fund Source:** On June 30, 2003, the entire balance of \$1,739,925 from the Regional Recycling Center Paper Equipment Reserve was transferred into this reserve. In the first quarter of FY 2009 the entire balance was used to retrofit the recycling center to install single stream recycling.

**Fund Amount as Of June 30, 2009:** \$0.00

**Term:** Board has dissolved this reserve.

### Supporting Documentation

The Board approved the following resolution at their July 2003 meeting.

**“RESOLVED:** that the Regional Recycling Center Paper Equipment Replacement Reserve for the Mid-Connecticut Project be reclassified from Restricted to Board Designated (balance as of May 31, 2003 was \$1,729,509).

**FURTHER RESOLVED:** That the Regional Recycling Center Paper Equipment Replacement Reserve be renamed Recycling Reserve.

**FURTHER RESOLVED:** That the Regional Recycling Center Paper Equipment Replacement Reserve be dissolved.”

The Board approved the following resolution at their April 24, 2008 meeting.

**“RESOLVED:** that the President is hereby authorized to execute a third amendment to the agreement with Casella Waste Systems, Inc. and FCR, Inc. for the design, upgrade, retrofit and operation/maintenance services for the Regional Recycling Center to install the necessary equipment to accommodate single stream recyclables delivered from the Mid-Connecticut Project municipalities substantially as presented at this meeting.

### Recommendation:

At its October 23, 2008, the Board resolved to dissolve this reserve and dedicate its funds to the installation of new single stream processing equipment at the Mid-Connecticut Resources Recovery Center. Subsequent to the completion of this installation, this account is close.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** SOUTH MEADOWS SITE REMEDIATION

**Account #:** 41-000-000-10228

**Designation:** Board Designated

**Project:** Mid-Connecticut

**Purpose:** To pay for change orders not covered in the original scope of services for the South Meadows site remediation project.

**Fund Basis:** The basis will be determined annually during the budget process.

**Fund Source:** The initial funding of an estimated \$245,000 for this reserve came from a credit received from the contractor due to a reduction in the original scope of work.

**Fund Amount as of June 30, 2009:** \$116,372

**Term:** Upon completion of the work or when the Board dissolves the reserve.

### **Supporting Documentation:**

The Board approved the following resolution at their April 2005 meeting.

“**RESOLVED:** That a reserve be established to cover costs not included in the original scope of the South Meadows property remediation project for the Jets/Energy Generating Facility.”

### **Recommendation:**

Management expects fund to be used until remediation is complete Circa 2012.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** LANDFILL DEVELOPMENT FUND

**Account #:** 41-000-000-10308

**Designation:** Board Designated

**Project:** Mid-Connecticut

**Purpose:** To cover ash landfill development expenditures.

**Fund Basis:** Based upon preliminary estimate for development costs.

**Fund Source:** Initial funding came from \$1.4 million of the fiscal year 2005 project surplus. Additional funding came from the FY07 operating budget and from the dilution and fund transfer of the Ash Disposal Fund in the amount of \$2,150,002 as approved at the October 23, 2009 Board of Directors meeting.

**Fund Amount as Of June 30, 2009:** \$3,355,243

**Term:** When Board dissolves the reserve.

### **Supporting Documentation:**

The Board approved the following resolution at their October 2005 meeting.

“...**FURTHER RESOLVED:** that a Landfill Development Fund be created for the Mid-Connecticut Project to pay for ash landfill development costs and that \$1,400,000 from the fiscal year 2005 project surplus be transferred into the reserve.”

### **Recommendation:**

Management recommends that \$300,000 for residual work and payment for the Franklin development be retained. The balance of this reserve is available for future Mid-Connecticut budgets.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** DEBT SERVICE RESERVE FUND

**Account #:** 11-000-000-13134

**Designation:** Restricted - Trustee

**Project:** Southeast

**Purpose:** To provide debt service payment security to bondholders.

**Fund Basis:** Maximum Annual Debt Service amount in any calendar year, adjusted annually by the Trustee.

**Fund Source:** 1998 Series Bonds

**Fund Amount as of June 30, 2009:** \$889,611

**Term:** Upon final payment of bonds.

### **Supporting Documentation:**

Section 5.1 (A) (3) of the Indenture of Mortgage and Trust dated as of December 1, 1988 as supplemented.

### **Recommendation:**

The Authority will commence to draw upon in the final year of debt service.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** DEBT SERVICE FUND

**Account #:** 11-000-000-13136 & 11-000-000-13137

**Designation:** Restricted - Trustee

**Project:** Southeast

**Purpose:** To provide debt service payments (principal and interest) to bondholders.

**Fund Basis:** One-sixth of the next ensuing interest payment amount due and one-twelfth of the next ensuing principal payment amount due.

**Fund Source:** Monthly transfers from the Revenue Fund.

**Fund Amount as of June 30, 2009:** \$383,900

**Term:** Upon final payment of bonds.

### **Supporting Documentation:**

Section 5.1 (A) (2) of the Indenture of Mortgage and Trust dated as of December 1, 1988, as supplemented.

### **Recommendation:**

Funding source will change from the Revenue Fund to the Debt Service Reserve Fund in the final bond year.



**Connecticut Resources Recovery Authority**

October 29, 2009

**Reserve:** REVENUE FUND

**Account #:** 11-000-000-13101

**Designation:** Restricted - Trustee

**Project:** Southeast

**Purpose:** To accept all payments related to the Southeast project.

**Fund Basis:** None

**Fund Source:** Tip fees, energy revenues and other miscellaneous income.

**Fund Amount as of June 30, 2009:** \$1,053,882

**Term:** Upon final payment of bonds.

**Supporting Documentation:**

Section 5.1 (A) (8) of the Indenture of Mortgage and Trust dated as of December 1, 1988, as supplemented.

**Recommendation:**

Continue to utilize the account until final payment of bonds.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** REBATE FUND

**Account #:** 11-000-000-13141

**Designation:** Restricted - Trustee

**Project:** Southeast

**Purpose:** To pay the Internal Revenue Service in the event any funds relating to the bonds earn more than the arbitrage yield.

**Fund Basis:** As required by the Indenture

**Fund Source:** 1998 Series A Bonds

**Fund Amount as of June 30, 2009:** \$178,487

**Term:** Upon final payment of bonds.

### **Supporting Documentation:**

The following is language from Section 3.2 of the 1998 Series A Supplemental Indenture of Mortgage and Trust dated March 1, 1998

“There is hereby created and established a Rebate Fund. The Rebate Fund shall be held in trust solely for the purpose of making rebate payments, if any, to the federal government and shall not be held in trust for or pledged as security for payments required to be made to the Holders of the Bonds.”

The following is language from Section 3.4 of the 1998 Series A Supplemental Indenture of Mortgage and Trust dated March 1, 1998

“(A) There shall be deposited in the Rebate Fund such amounts as (i) the Authority may pay to the Trustee for deposit therein pursuant to the Indenture or any Tax Regulatory Agreement or (ii) the Lessee may pay to the Trustee for deposit therein pursuant to the Lease Agreement or any Tax Regulatory Agreement (or cause an Parent to pay or cause to be paid to the Trustee for deposit there pursuant to the Company Support Agreement).”

### **Recommendation:**

Continue to have outside arbitrage consultant review on an annual cycle. Upon final bond payment the account will be closed.

# Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** MONTVILLE POST-CLOSURE

**Account #:** 11-000-000-12301

**Designation:** Restricted

**Project:** Southeast

**Purpose:** To cover the costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

**Fund Basis:** Updated annually during the budget process by the Southeastern Connecticut Regional Resources Recovery Authority ("SCRRA").

**Fund Source:** Initial funding came from a payment of \$2 million from the Mohegan Properties, LLC pursuant to Section 4.5.4 of the Ground Lease between Southeastern Connecticut Resources Regional Recovery Authority and Mohegan Properties. In fiscal year 2005, SCRRA withdrew approximately \$1.5 million from the reserve to redeem the 1989 Series Bonds. Future funding will come from operating budgets.

**Fund Amount as Of June 30, 2009:** \$885,680

**Term:** Thirty years after the landfill is certified closed.

## Supporting Documentation:

The Board approved the following resolution on October 21, 1999:

Chairman Ellef requested a motion on the reference topic. Director Winkler made the following motion:

RESOLVED: That \$2,000,000 received by the Authority from Mohegan Properties, LLC, pursuant to Section 4.5.4 of the Ground Lease Between Southeastern Connecticut Resources Regional Recovery Authority and Mohegan Properties, LLC (the "Ground Lease") is deposited into the Montville Landfill Postclosure Reserve as required by the Ground Lease.

FURTHER RESOLVED: That \$990,000 of existing funds in the Montville Landfill Postclosure Reserve be de-designated for application to other project purposes.

## Recommendation:

Continue to maintain the reserve as required by SCRRA.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** RISK FUND

**Account #:** 11-000-000-10221

**Designation:** Board Designated

**Project:** Southeast

**Purpose:** To protect the project against catastrophic losses.

**Fund Basis:** The basis will be determined annually during the budget process.

**Fund Source:** Past funding has come from operating budgets.

**Fund Amounts as Of June 30, 2009:** \$251,972

**Term:** When Board dissolves the reserve.

### **Supporting Documentation:**

The Board approved the Policy Establishing the Risk Financing Plan, which included the Risk Fund on September 18, 1990. On December 19, 1996 the Board approved a modification to the CRRA Risk Fund Policy. The resolutions and minutes are extensive.

### **Recommendation:**

Reevaluate the risk assessments and update during the annual budget process for each project.

**Connecticut Resources Recovery Authority**

October 29, 2009

**Reserve:** DEBT SERVICE RESERVE FUND

**Account #:** 71-000-000-13135

**Designation:** Restricted - Trustee

**Project:** Wallingford

**Purpose:** To secure bond debt service payment for bondholders.

**Fund Basis:** 10% of original issue par value.

**Fund Source:** 1998 Bond Series

**Fund Amount as of June 30, 2009:** \$0.00

**Term:** This reserve is dissolved.

**Supporting Documentation:**

Section 5.1 (A) (3) of the Indenture of Trust dated December 1, 1985.

**Recommendation:**

Due to the payoff of the Wallingford bond debt this account has been dissolved in accordance with the bond indentures.

**CLOSED**

**Connecticut Resources Recovery Authority**

October 29, 2009

**Reserve:** DEBT SERVICE FUND

**Account #:** 71-000-000-13136 & 71-000-000-13137

**Designation:** Restricted - Trustee

**Project:** Wallingford

**Purpose:** To provide debt service (principal and interest) payments to bondholders.

**Fund Basis:** One-sixth of the next ensuing interest payment amount due and one-twelfth of the next ensuing principal payment due.

**Fund Source:** Monthly transfers from the Wallingford Revenue Fund.

**Fund Amount as of June 30, 2009:** \$0.00

**Term:** This reserve is dissolved.

**Supporting Documentation:**

Section 5.1 (A) (2) of the Indenture of Trust dated December 1, 1985. Composed of Debt Service Interest Fund and Debt Service Principal Funds.

**Recommendation:**

Due to the payoff of the Wallingford bond debt this account has been dissolved in accordance with the bond indentures.

**Connecticut Resources Recovery Authority**

October 29, 2009

**Reserve:** REVENUE FUND

**Account #:** 71-000-000-13101

**Designation:** Restricted - Trustee

**Project:** Wallingford

**Purpose:** To accept all payments related to the Wallingford project.

**Fund Basis:** None

**Fund Source:** Tip fees, energy revenues and other miscellaneous income.

**Fund Amount as of June 30, 2009:** \$0.00

**Term:** This reserve is dissolved.

**Supporting Documentation:**

Section 5.1 (A) (5) of the Indenture of Trust dated December 1, 1985.

**Recommendation:**

Due to the payoff of the Wallingford bond debt this account has been dissolved in accordance with the bond indentures.

**CLOSED**

**Connecticut Resources Recovery Authority**

October 29, 2009

**Reserve:** REBATE FUND

**Account #:** 71-000-000-13141

**Designation:** Restricted - Trustee

**Project:** Wallingford

**Purpose:** To pay the Internal Revenue Service in the event any funds related to the bonds earn more than the arbitrage yield.

**Fund Basis:** As required by the Indenture.

**Fund Source:** 1998 Series A, B & C Bonds

**Fund Amount as of June 30, 2009:** \$0.00

**Term:** This reserve is dissolved.

**Supporting Documentation:**

Section 3.3 of the Fourth Supplement to the Amended and Restated Indenture of Mortgage and Trust dated September 1, 1998.

**Recommendation:**

Due to the payoff of the Wallingford bond debt this account has been dissolved in accordance with the bond indentures.

**CLOSED**



## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** CUSTOMER GUARANTEE OF PAYMENT

**Account #:** 71-000-000-12112

**Designation:** Restricted

**Project:** Wallingford

**Purpose:** To deposit the cash guaranty of payments ("GOP") received by the Authority by some of its customers.

**Fund Basis:** Varies by customer based upon their delivery trends.

**Fund Source:** Authority customers

**Fund Amount as of June 30, 2009:** \$57,128

**Term:** Various

**Supporting Documentation:**

Permitting, Disposal and Billing Procedures all for cash GOP's.

**Recommendation:**

This will be closed when the account receivable balance for the haulers of the Wallingford Project is zero.

# Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** TIP FEE STABILIZATION

**Account #:** 71-000-000-12205

**Designation:** Restricted

**Project:** Wallingford

**Purpose:** Fund established per the municipal solid waste agreements with the towns for the purpose of paying all or a portion of system costs for any contract year.

**Fund Basis:** The municipal service contracts stipulate that any surpluses or deficits are to be deposited or withdrawn from this reserve.

**Fund Source:** Per the agreement all surpluses or deficits are to flow through this reserve. These deposits and withdrawals require approval from the Wallingford Policy Board.

**Fund Amount as Of June 30, 2009:** \$16,153,379

**Term:** Upon termination of the municipal solid waste agreements.

## **Supporting Documentation:**

Below is the contract language in Section 6.03 in reference to this Reserve, otherwise known as the Municipal Disposal Fee Stabilization Fund. The entire section pertaining to this Fund is available in the reserve folder.

At least one hundred fifty (150) days prior to the beginning of each Contract Year, the Municipal Disposal Fee will be calculated as follows:

System Cost and System Revenue for each Contract Years shall be estimated. The estimated System Cost shall be (i) increased by that amount, if any, which the Policy Board and the Authority determine is to be deposited in the Municipal Disposal Fee Stabilization Fund, or (ii) decreased by that amount, if any, which the Policy Board and the Authority determine is to be withdrawn from the Municipal Disposal Fee Stabilization Fund and applied against System Costs.

## **Recommendation:**

Continue to maintain reserve as required by contract. Utilize necessary funds for FY 2010 as approved during the budget process as a result of reduction in electric purchase agreement terms.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** WALLINGFORD LANDFILL TRUST

**Account #:** 71-000-000-13203

**Designation:** Restricted - DEP

**Project:** Wallingford

**Purpose:** To maintain financial assurance for postclosure care, thirty years of monitoring and maintenance, as required by 40 CFR 265.145 and Section 22a-449 (c) -30 CT HWMR.

**Fund Basis:** Estimated thirty years of monitoring and maintenance costs.

**Fund Source:** No supporting documents found.

**Fund Amount as Of June 30, 2009:** \$153,277

**Term:** Upon completion of thirty years of postclosure monitoring and maintenance.

### **Supporting Documentation:**

The following is language from the regulations.

“...an owner or operator of a facility with a hazardous waste disposal unit must establish financial assurance for post-closure care of the disposal unit...”

### **Recommendation:**

Continue to maintain account until the DEP issues a final hazardous waste postclosure permit for the entire landfill. Management will then approach the DEP to determine if this account can be closed, since a postclosure account has already been funded for the Wallingford landfill. Management expects to approach the DEP before December 2009.

# Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** WALLINGFORD POST-CLOSURE

**Account #:** 71-000-000-10306

**Designation:** Board Designated

**Project:** Wallingford

**Purpose:** To cover the GASB 18 costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

**Fund Basis:** The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate includes estimated costs for environmental insurance premiums. These estimates do not include any funds for future changes in law.

**Fund Source:** Past contributions have been through the annual operating budget.

**Fund Amount as Of June 30, 2009:** \$5,740,113

**Term:** Thirty years after the landfill is certified closed. The landfill was certified closed in February 2005 and the postclosure ends in fiscal year 2035.

## **Supporting Documentation:**

Below is Section 5.12 of the Amended and Restated Municipal Solid Waste Delivery And Disposal Contract between CRRA and the Town of Wallingford in reference to this Reserve. The entire section of the contract pertaining to this reserve is available in the reserve folder.

The Authority, with the approval of the Policy Board, shall establish a fund intended to meet any and all costs and expenses related to the Facility, the Site and/or the Residue Disposal Site(s), including but not limited to environmental clean-up costs and post-closure monitoring costs, which may result from the use of the Facility, The Site and/or the Residue Disposal Site(s) pursuant to this Agreement but which are not quantified or do not arise until after this Agreement otherwise ends.

In addition, the following language is from Section 6.12 of the Lease Agreement between CRRA and the Town of Wallingford.

The Authority shall provide all post-closure maintenance and monitoring of the Demised Property required by then applicable DEP regulations. The provisions of this Section 6.12 shall survive the term of this lease.

## **Recommendation:**

The Authority has recorded the postclosure liability on its financial statements. Continue to perform a full analysis of the account on an ongoing basis.

# Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** WALLINGFORD NON-GASB 18 POST-CLOSURE

**Account #:** 71-000-000-10313

**Designation:** Board Designated

**Project:** Wallingford

**Purpose:** To cover the non-GASB 18 costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

**Fund Basis:** The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate includes estimated costs for environmental insurance premiums. These estimates do not include any funds for future changes in law.

**Fund Source:** Past contributions have been through the annual operating budget.

**Fund Amount as Of June 30, 2009:** \$1,780,542

**Term:** Thirty years after the landfill is certified closed. The landfill was certified closed in February 2005 and the postclosure ends in fiscal year 2035.

## Supporting Documentation:

Below is Section 5.12 of the Amended and Restated Municipal Solid Waste Delivery And Disposal Contract between CRRA and the Town of Wallingford in reference to this Reserve. The entire section of the contract pertaining to this reserve is available in the reserve folder.

The Authority, with the approval of the Policy Board, shall establish a fund intended to meet any and all costs and expenses related to the Facility, the Site and/or the Residue Disposal Site(s), including but not limited to environmental clean-up costs and post-closure monitoring costs, which may result from the use of the Facility, The Site and/or the Residue Disposal Site(s) pursuant to this Agreement but which are not quantified or do not arise until after this Agreement otherwise ends.

In addition, the following language is from Section 6.12 of the Lease Agreement between CRRA and the Town of Wallingford.

The Authority shall provide all post-closure maintenance and monitoring of the Demised Property required by then applicable DEP regulations. The provisions of this Section 6.12 shall survive the term of this lease.

The Board approved the following resolution at their October 23, 2008 meeting

..."**FURTHER RESOLVED:** That the non-GASB 18 funds from the existing Ellington, Hartford, Shelton, Wallingford and Waterbury landfill Board designated postclosure reserves be transferred into their new respective non-GASB 18 postclosure STIF accounts"

**Recommendation:**

The Authority has recorded the postclosure liability on its financial statements. Continue to perform a full analysis of the account on an ongoing basis.

## Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** RISK FUND

**Account #:** 71-000-000-10221

**Designation:** Board Designated

**Project:** Wallingford

**Purpose:** To protect the project against catastrophic losses.

**Fund Basis:** The basis will be determined annually during the budget process.

**Fund Source:** All documentation found indicates that funding of this reserve has occurred through the operating budget.

**Fund Amounts as Of June 30, 2009:** \$1,047,107

**Term:** When Board dissolves the reserve.

### **Supporting Documentation:**

The Board approved the Policy Establishing the Risk Financing Plan, which included the Risk Fund on September 18, 1990. On December 19, 1996 the Board approved a modification to the CRRA Risk Fund Policy. The resolutions and minutes are voluminous. Complete minutes are available in the reserve backup file.

### **Recommendation:**

Reevaluate the risk assessments and update during the annual budget process.

# Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** PROJECT CLOSURE

**Account #:** 71-000-000-xxxxx

**Designation:** Board Designated

**Project:** Wallingford

**Purpose:** To cover costs associated with the expiration of the project including but not limited to; cost of accounts payable and accounts receivable, accounting functions associated with project closure, wrap up and distribution meetings, and ongoing project closure meeting.

**Fund Basis:** The basis was determined as a conservative estimate of the Authority's total expense to close this Project.

**Fund Source:** Contributions are from the Future Use Reserve.

**Fund Amount as of June 30, 2009:** \$0.00

**Term:** The reserve will be maintained until all liabilities for this Project have been remunerated. Any residual funds will be return to the Project.

## **Supporting Documentation:**

The Board and the Wallingford Policy Board adopted the following language at their respective January 2009 meetings.

**"FURTHER RESOLVED:** That the Board approve the establishment of a Project Closure Reserve to cover costs associated with project closure: and

**"FURTHER RESOLVED:** That the Board approve the transfer of \$820k from the Future Use Reserve to the newly established Project Closure Reserve. Any residual funds will be distributed back to the project.

## **Recommendation:**

Maintain until all liabilities associated with the Wallingford Project have been remunerated. Any remaining funds will be distributed back to the Project.



# Connecticut Resources Recovery Authority

October 29, 2009

**Reserve:** FUTURE USE/PLANNING

**Account #:** 71-000-000-10230

**Designation:** Board Designated

**Project:** Wallingford

**Purpose:** To cover costs associated with the expiration of the project of the existing project, extension costs associated with the existing project or costs associated with developing a new strategy for the member towns post current project.

**Fund Basis:** The basis was contingent upon the completion of the future option study.

**Fund Source:** Contributions have been through the annual operating budget.

**Fund Amount as of June 30, 2009:** \$2,348,665

**Term:** The reserve will be maintained until it is fully funded to meet the obligations of the project, to terminate the existing project or extend the existing project.

## **Supporting Documentation:**

The Board and the Wallingford Policy Board adopted the following language at their respective April 2005 meetings.

**“RESOLVED:** That a Future Use/Planning Reserve be established for the Wallingford Project for the purpose of funding termination costs associated with the existing project, funding extension costs associated with the existing project or funding costs associated with developing a new strategy for the member towns upon termination of the existing project.

## **Recommendation:**

As part of the FY 10 budget process, this reserve will transfer \$820,000 to the Wallingford Post Project Reserve. The remaining funds will be maintained in the reserve until Project closure. Final distribution will be determined once the Project has been closed.

# TAB 4

**RESOLUTION REGARDING THE FIRST PAYMENT TO  
FORMER BRIDGEPORT PROJECT TOWNS OF REMAINING  
BRIDGEPORT PROJECT FUNDS**

WHEREAS, the Bridgeport Project officially ended on December 31, 2008; and

WHEREAS, the Connecticut Resources Recovery Authority's (the "Authority") Board of Directors (the "Board") seeks to make a first distribution of Bridgeport Project-related funds to the towns that were member of the former Bridgeport Project; and

WHEREAS, on July 23, 2009, the Board reviewed and approved the consolidation of various activities and assets and accounts relating to the Bridgeport Project in order to set funds aside prior to a distribution of Bridgeport Project-related funds to the towns that were members of the former Bridgeport Project; and

WHEREAS, on September 24, 2009 the Board reviewed and approved the transfer of remaining assets and accounts that are necessary for the continuation of other activities of the former Bridgeport Project in order to avoid comingling with other Bridgeport Project funds and arrived at a dollar amount to be distributed; and

WHEREAS, the former President of the Bridgeport Solid Waste Advisory Board has approved the methodology of distribution of funds to the former Bridgeport Project towns, which will be the pro rata of each town's weighted average delivery and minimum commitment to the Bridgeport Project during the immediate past five years.

NOW, THEREFORE, it is

RESOLVED: that the amount of \$1,639,185 be distributed to the 18 former Bridgeport Project towns in the percentage values and dollar amounts as follows:

<u>Municipality:</u>	<u>Percentage:</u>	<u>Distribution:</u>
Bethany	0.37%	\$ 6,064.99
Bridgeport	17.21%	282,103.74
Darien	2.59%	42,454.89
East Haven	3.48%	57,043.64 *
Easton	0.73%	11,966.05
Fairfield	11.32%	185,555.74
Greenwich	13.15%	215,552.83
Milford	10.08%	165,229.85
Monroe	2.84%	46,552.85
Norwalk	11.77%	192,932.07
Orange	1.51%	24,751.69
Shelton	4.69%	76,877.78
Stratford	6.42%	105,235.68
Trumbull	4.84%	79,336.55
Weston	1.28%	20,981.57
Westport	4.66%	76,386.02
Wilton	2.22%	36,389.91
Woodbridge	0.84%	13,769.15
<b>Total</b>	<b>100.00%</b>	<b>\$ 1,639,185.00</b>

\* This amount will be netted against the outstanding receivable of \$175,106, as will any further distribution until such time as the amount has been reduced to zero outstanding.



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FAX (860) 727-4141

October 8, 2009

The Honorable Gordon F. Joseloff  
First Selectman, Town of Westport  
110 Myrtle Avenue  
Westport, CT 06880

**RE: Disposition and Distribution of Bridgeport Project Funds**

Dear First Selectman Joseloff:

I am writing to summarize the status of the disposition of the Bridgeport Project assets and liabilities and the cash reserves in order to provide your town with its accorded distribution of funds from the former Bridgeport Project. As you know, the Bridgeport Project's initial term ceased on December 31, 2008 upon the termination of the Municipal Solid Waste Management Services Agreements. Since that time, the Authority has been working to finalize a number of items (both cash and legal) relating to the project including:

- Transfer of facility to Wheelabrator including entering into the First Amendment and Renewal of Site Lease on December 31, 2008,
- Transfer of transfer stations occurred during January and May 2009.
- Maturity of two project bond series required releases of the two bond indentures from the Trustee, UCC Termination filings, final arbitrage rebate reports and arbitrage rebate filings with the IRS all of which occurred by June 2009.
- Final accounting of all remaining trustee funds with the exception of the Waterbury Landfill Trust (August balance: \$174,249), which will remain open pending determination by the Connecticut DEP of its continued need.
- Pursuit of payment for services from the Town of East Haven (\$175,106). In addition pursuit of payment from All American Waste (\$75,938) and City Carting (\$55,000).
- Establishment of cash reserves for risk project reserve (\$100,000) and post project reserve (\$625,000) was approved by the Authority's Board in July 2009 (see attached Exhibit A).
- Transfer of \$1,360,000 from the Bridgeport Project STIF account to the Shelton Landfill Post Closure Reserve was approved by our Board on September 24, 2009 (see attached Exhibit B).

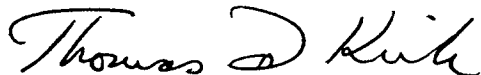
The attached Exhibit C is an accounting of the Bridgeport Project funds, which highlight balances at the project end (December 31, 2008), June 30, 2009 and September 30, 2009.

Also, we have segregated the funds that belong to the Bridgeport Project towns from the funds required by the DEP to be held for landfill closure and post closure activities or funds otherwise restricted for culmination of operations.

We anticipate making an initial distribution of funds to the former Bridgeport Project towns in November of 2009. The methodology for distribution will be the pro rata of each town's average deliveries to the Bridgeport Project during the immediate past five years (see attached Exhibit D for pro rata and dollar amount by town). This methodology was reviewed and approved by the Executive Board of the Solid Waste Advisory Board. The grand total distributed is \$1,639,185.

Please feel free to contact me at (860) 757-7777 to discuss any of these issues.

Sincerely,



Thomas D. Kirk  
President

cc: Michael A. Pace, Board Chairman  
James. P. Bolduc, Chief Financial Officer  
Bettina M. Bronisz, Assistant Treasurer & Director of Finance

**EXECUTIVE SUMMARY**

*Updated as of September 30, 2009*

This document summarizes the status of the disposition of the Bridgeport Project.

The Bridgeport Project concluded on December 31, 2008 upon the expiration of the Municipal Solid Waste Management Services Agreements. Since that time, the Authority has finalized a number of items relating to the project including:

- Transfer of facility to Wheelabrator, including entering into the First Amendment and Renewal of Site Lease on December 31, 2008,
- Transfer of transfer stations occurred during January and May 2009.
- Closure of two project bond series including releases of the two bond indentures from the Trustee (received on April 17, 2009), UCC Termination filings, final arbitrage rebate reports and arbitrage rebate filings with the IRS (executed in January and March 2009). Rating agency bond rating terminations occurred in June 2009.
- All remaining funds held by the trustee were accounted for during March and April 2009. All trustee accounts were closed with the exception of the Waterbury Landfill Trust (September 2009 balance: \$174,249), which will remain open pending determination by the Connecticut DEP of its continued need. It is expected this will occur in the fall of 2009. Once DEP rules that this Trust is no longer necessary, funds will be transferred to the Waterbury Post Closure Reserve.
- The Authority's independent outside auditor has completed its audit for fiscal year 2009, which reflects the residual Bridgeport project's financial status.
- Ongoing processing of Accounts Payable, Accounts Receivable, collection, billings and final reconciliation of funds is continuing.

A number of issues yet remain to be conclusively. Exhibit A-2 is the resolution adopted by the Authority's Board to complete the process. The issues are summarized on Exhibit A-3 and A-4. Going forward, a quarterly review will be undertaken and funds released and/or utilized as issues are resolved or closed out.

**RESOLUTION REGARDING THE FUNDING OF THE  
BRIDGEPORT POST PROJECT RESERVE AND  
BRIDGEPORT RISK RESERVE**

WHEREAS, On March 26, 2009, the Connecticut Resources Recovery Authority's (the "Authority") Board of Directors ("Board") adopted a resolution authorizing the establishment of a Post Project Reserve and a Risk Reserve relating specifically to the former Bridgeport Project; and

WHEREAS, upon its review, the Authority has determined the initial funding amounts for these reserves.

NOW, THEREFORE, it is

RESOLVED: that two separate and distinct Short Term Investment Funds ("STIF") administered by the Office of the Connecticut State Treasurer be established for these two reserves; and

RESOLVED: That \$725,000 be transferred from Bridgeport project subaccount STIF account to the following STIF accounts:

\$625,000	to the Bridgeport Post Project Reserve STIF account
\$100,000	to the Bridgeport Risk Reserve STIF account

Adopted by the Board of Directors: July 23, 2009.

## BRIDGEPORT – POST PROJECT RESERVE

Item:	Description:	Exposure/ Amount:	Resolution:	Milestone Dates:
Bond Counsel costs	Pullman & Comley legal work (UCC terminations, indenture releases, etc.)	\$8,000	Awaiting invoices	August 09
Combe Fill South	Federal and State actions against the Municipal Group (including CRRA) are complete. CRRA has paid approximately \$100K.	*	Likelihood unknown but small that any future claims by settling parties will occur. Insurance will only pay 2/3 of claims	
RTC Dispute	Bankruptcy – dispute over any items remaining on site at the Shelton Landfill – Butler Building	*	Pending review	Expect to finalize FY2010
Waterbury Landfill Closure	TRC Closure Certification Report	\$17,332	Awaiting DEP Certification	
	TRC Engineering	5,977		
	Retainage	24,405		
	Groundwater Monitoring	4,500		
	Install GW Well	5,000		
	Mowing	3,000		
Waterbury Land sale potential	CRRA Engineering & Environmental	4,732	Pending DEP certification and timing	
	TOTAL:	\$64,946		
	Sale of 12 acres of unused Waterbury landfill to be decided once DEP certifies the landfill closed and acceptable sale price is negotiated.	Legal: * Insurance: \$72,000 (\$36K/yr until sold) Miscellaneous: \$25,000		
Outstanding Accounts	Potential settlement with City Carting and All American Waste **	\$130,000	May require resolution in court	
Auditor	Payment due to outside auditor for independent review of financial statements for Bridgeport	\$7,000	Awaiting review completion	
Insurance (Pollution) Administrative	Transfer Station legacy costs (five years)	\$150,000		
	General Administrative costs for completing all items on this list	\$50,000		

\* Total Legal Costs are \$118,000.

\*\* Additional pursuit of Town of East Haven Accounts Receivable balance of \$175,106.

NOTE: Stratford Recycling Capital Reserve (CRRA/SWEROC/FCR Settlement): \$739,000 as of 9/30/09. Distribution to be resolved by Legal.

DATED: September 30, 2009.



**BRIDGEPORT -- RISK PROJECT RESERVE**

<b>Item:</b>	<b>Description:</b>	<b>Exposure/ Amount:</b>	<b>Resolution:</b>	<b>Milestone Dates:</b>
Milford Transfer Station Claim	Man sustained serious injury after falling at the TS	Insurance Deductible: \$50,000	Parties in suit all in one case (Wheelabrator, Enviro, CRRA and Town of Milford)	
Contingency Claim	In general, claims are usually filed within two years of occurrence, but can be up to three years.	Insurance Deductible: \$50,000	Unknown	1/1/2012

DATED: September 30, 2009.

**Exhibit B**

**RESOLUTION REGARDING THE FUNDING OF SHELTON  
LANDFILL POST CLOSURE RESERVE**

WHEREAS: On July 1, 2009 the Connecticut Department of Environmental Protection (CT DEP) issued a tentative determination and a draft permit for a stewardship permit for the Shelton landfill which required a 15% contingency be added for the entire landfill due to the presence of hazardous waste cell located within the Shelton landfill; and

WHEREAS: CRRA reviewed the assumptions for the reserve earnings rate and the annual inflation rate and adjusted these rates to account for present economic conditions; and

WHEREAS: Certain work pertaining to the Shelton landfill estimated at \$60,000 was scheduled to be completed in Fiscal Year 2009 and will now be completed in Fiscal Year 2010;

NOW, THEREFORE, it is

RESOLVED: That to meet the additional funding requirements, \$1,360,000 be transferred from the Bridgeport Project Account to the Shelton Landfill Post Closure Reserve STIF.

Adopted by Board of Directors: September 24, 2009.

**Chronology of Bridgeport Project Fund Balances**

<b><u>FUND &amp; RESERVE BALANCES:</u></b>	<b><u>12/31/2008</u></b>	<b><u>6/30/2009</u></b>	<b><u>9/30/2009</u></b>	<b><u>Required to be Held:</u></b>	<b><u>Expected Net Available for Distribution:</u></b>
<b><u>Bridgeport Project STIF Accounts:</u></b>					
Operating Fund	\$ 1,394,409	\$ (83,400)	\$ -	\$ -	\$ -
Waterbury Landfill Closure	681,448	681,291	681,820	681,820	-
(1) Bridgeport Project Fund	-	3,942,778	2,967,214	1,360,000	1,607,214
(2) Bridgeport Risk Reserve	-	-	100,000	100,000	-
(2) Bridgeport Post Project Reserve	-	-	625,000	625,000	-
Recycling Fund	563,931	726,090	-	-	-
Shelton Landfill Post Closure Fund	11,519,147	-	-	-	-
Waterbury Landfill Post Closure	1,349,306	-	-	-	-
Shelton Landfill Future Use Fund	865,870	-	-	-	-
<b><u>Property Division STIF Accounts:</u></b>					
Stratford Capital Recycling (former Recycling Fund)	-	-	739,298	739,298	-
Shelton Landfill Post Closure Fund	-	11,388,455	11,355,023	11,355,023	-
Waterbury Landfill Post Closure	-	1,350,530	1,351,579	1,351,579	-
Shelton Landfill Future Use Fund	-	869,572	870,243	870,243	-
<b><u>Other Account (Bank of America):</u></b>					
Bridgeport Clearing Account	43,890	33,368	31,971	-	31,971
<b>(3) <u>Trustee Accounts (U.S. Bank):</u></b>					
Collection & Paying Agency Escrow Account	-	-	-	-	-
CPAA Reserve Fund	405,585	-	-	-	-
Series 1999 Coverage Sub-Account	243,993	-	-	-	-
Series 1999 Guaranteed Borrowing Account	548,859	-	-	-	-
Series 2000 Debt Service Fund	1,199,250	-	-	-	-
Series 2000 Debt Service Reserve Fund	549,180	-	-	-	-
Series 2000 Rebate Account	4,045	-	-	-	-
(4) DEP Trust - Waterbury Landfill	174,140	174,218	174,249	174,249	-
					<b><i>Status:</i></b>
					<i>Account Closed 4/09</i>
					<i>Account Closed 4/09</i>
					<i>Account Closed 4/09</i>
					<i>Account Closed 4/09</i>
					<i>Account Closed 4/09</i>
					<i>Account Closed 3/09</i>
					<i>Account Closed 3/09</i>
<b><u>GRAND TOTAL</u></b>					<b>\$ 1,639,185</b>

- (1) Opened May 2009 with \$3,814,033 transferred from Operating Fund. Per Board resolution (9/24/09) \$1,360,000 to be transferred to Shelton Landfill Post Closure Reserve STIF.
- (2) Per Board resolution (7/23/09) \$625,000 transferred to Bridgeport Post Project Reserve and \$100,000 to Bridgeport Risk Reserve.
- (3) Per Bond Indenture, trustee funds were applied to remaining debt service obligations or returned to the Authority. Funds returned to the Authority were deposited to the Bridgeport Project Operating Fund and trustee accounts closed with the exception of the Waterbury Landfill Trust.
- (4) Pending DEP decision; amount to be transferred to Waterbury Post Closure Reserve.

**Exhibit D-1**

**Distribution Percentage to the former Bridgeport Project Towns:**

<b>Municipality:</b>	<b>Percentage:</b>	<b>Distribution:</b>
Bethany	0.37%	6,064.99
Bridgeport	17.21%	282,103.74
Darien	2.59%	42,454.89
East Haven	3.48%	57,043.64 *
Easton	0.73%	11,966.05
Fairfield	11.32%	185,555.74
Greenwich	13.15%	215,552.83
Milford	10.08%	165,229.85
Monroe	2.84%	46,552.85
Norwalk	11.77%	192,932.07
Orange	1.51%	24,751.69
Shelton	4.69%	76,877.78
Stratford	6.42%	105,235.68
Trumbull	4.84%	79,336.55
Weston	1.28%	20,981.57
Westport	4.66%	76,386.02
Wilton	2.22%	36,389.91
Woodbridge	0.84%	13,769.15
<b>Total</b>	<b>100.00%</b>	<b>\$ 1,639,185.00</b>

\* This amount will be netted against the outstanding receivable of \$175,106, as will any further distribution until such time as the amount has been reduced to zero outstanding.

**Exhibit D-2**

**Calculation of Distribution Percentage:**

Weighted five year average of minimum commitment and tonnage delivered to arrive at pro rata share.

<b>Municipality:</b>	<b>Minimum Commit:</b>	<b>Amount Invoiced:</b>	<b>Total:</b>	<b>Pro Rata Percentage:</b>
Bethany	\$ 61,050	\$ 609,037	\$ 670,087	0.37%
Bridgeport	6,105,000	24,865,725	30,970,725	17.21%
Darien	943,500	3,722,090	4,665,590	2.59%
East Haven	1,110,000	5,147,601	6,257,601	3.48%
Easton	111,000	1,193,479	1,304,479	0.73%
Fairfield	2,331,000	18,049,681	20,380,681	11.32%
Greenwich	3,330,000	20,333,500	23,663,500	13.15%
Milford	2,220,000	15,915,682	18,135,682	10.08%
Monroe	527,250	4,587,209	5,114,459	2.84%
Norwalk	3,718,500	17,463,996	21,182,496	11.77%
Orange	555,000	2,163,611	2,718,611	1.51%
Shelton	1,665,000	6,772,007	8,437,007	4.69%
Stratford	1,276,500	10,281,032	11,557,532	6.42%
Trumbull	1,276,500	7,434,597	8,711,097	4.84%
Weston	233,100	2,064,569	2,297,669	1.28%
Westport	1,443,000	6,940,378	8,383,378	4.66%
Wilton	627,150	3,369,265	3,996,415	2.22%
Woodbridge	155,400	1,363,467	1,518,867	0.84%
<b>Total</b>	<b>\$27,688,950</b>	<b>\$152,276,927</b>	<b>\$179,965,877</b>	<b>100.00%</b>

# TAB 5

**RESOLUTION REGARDING A TRUST AGREEMENT  
ASSOCIATED WITH SOUTH MEADOWS SITE REMEDIATION  
ACTIVITIES**

**RESOLVED:** That the President of CRRA is authorized to execute a Trust Agreement with New York Community Bank, substantially as presented and discussed at this meeting.

# Connecticut Resources Recovery Authority

## Contract Summary for

### Trust Agreement between New York Community Bank and CRRA

Presented to the CRRA Board on: October 29, 2009

Vendor/ Contractor(s): New York Community Bank

Effective date: Upon Execution

Contract Type/Subject matter: Trust Agreement to provide financial assurance for long term maintenance & monitoring of an area at CRRA's South Meadows site which contains PCBs

Facility (ies) Affected: South Meadows Site (Mid-Connecticut Project)

Term: Upon Execution, and until terminated with the consent of the United States Environmental Protection Agency (at least 30 years)

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

Scope of Services: Establishment of a Trust Agreement and associated Trust Fund to provide financial assurance for long term maintenance and monitoring of an area at the South Meadows Site.

Other Pertinent Information: CRRA and TRC will execute a Memorandum of Understanding to ensure that the obligations of TRC pursuant to the *Exit Strategy* <sup>TM</sup> *Contract*, as they relate to this Trust Agreement, are clarified and memorialized by the two parties.



**Connecticut Resources Recovery Authority**

**Trust Agreement to serve as a Financial Assurance  
Mechanism to guarantee Post-closure Care &  
Maintenance of an area at CRRA's South Meadows Site  
that contains PCBs**

*October 29, 2009*

**Executive Summary**

On December 22, 2000, CRRA and TRC Companies, Inc. (TRC) executed a contract entitled *Exit Strategy™ Contract For South Meadows Station Site Between Connecticut Resources Recovery Authority And TRC Companies, Inc.*, which obligates TRC to remediate certain areas of contamination at the site.

As an outcome of remediating a particular area of the South Meadows site, a Trust Fund must be established which will serve as a financial assurance mechanism to guarantee long term maintenance and monitoring of a small area which contains PCBs that could not be removed. In accordance with United States Environmental Protection Agency (USEPA) regulations which govern this matter, CRRA, as the property owner, must be the Grantor in the Trust Agreement.

CRRA will not bear any costs to establish this Trust Agreement, including funding of the associated Trust Fund; however, because this is a contract of greater than five (5) years in duration, execution of the Trust Agreement by CRRA's President requires Board of Directors approval. This is to seek approval for the President to execute the Trust Agreement.

**Discussion**

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

TRC has completed remediation of a certain portion of the site which involved removing soil contaminated with PCBs, transporting the soil off site to a properly licensed disposal facility, and delivering clean fill to replace the material that was removed. A small section of the area extended underneath the Powerblock Facility building, and the soil in this area could not be removed without jeopardizing the structural integrity of the building. TRC received permission from the USEPA to instead place an engineered control (an impermeable cap) over this small area of soil adjacent to the building, and manage it as a closed disposal area. Management in this fashion requires that TRC, as the responsible party, establish a financial assurance mechanism to guarantee that funds are available to cover the cost of monitoring and maintenance of the engineered control for a minimum of 30 years. TRC has chosen to use a Trust Fund as the financial assurance mechanism. However, USEPA requires in such cases that the property owner, in this case CRRA, be the party that establishes the financial assurance mechanism.

TRC will fund the trust fund, will pay the annual fee to maintain the trust fund, and will pay all other costs associated with the fund. CRRA will not incur any costs to establish and maintain the trust fund. Attached is a table which shows estimated annual monitoring and maintenance costs for the 30 year post-closure period, as well as the pay-in schedule which has been approved by USEPA.

The language of the Trust Agreement is prescribed in a federal regulation promulgated by USEPA, and cannot be modified. The beneficiary of the Trust Agreement is the USEPA.

Because TRC is funding the trust fund and will pay the annual costs associated with maintenance of the fund and Trust Agreement, TRC chose the Trustee: New York Community Bank.

TRC and CRRA will execute a Memorandum of Understanding to make clear the obligations of TRC under the *Exit Strategy™ Contract* as they relate to this PCB area and the costs and funding associated with the Trust Agreement.

### **Financial Summary**

The financial obligations to fund the trust fund and to pay annual cost to maintain the Trust Agreement are solely TRC's. Accordingly, there will be no cost to the CRRA Mid-CT Project to establish and maintain the Trust Agreement and associated fund.

**Trust Fund  
Annual Maintenance And Monitoring Costs  
and  
Annual Contribution Schedule**

<b>Calendar Year</b>	<b>Annual Expenses</b>	<b>Annual Contribution</b>	<b>Cumulative Contribution</b>
2010	\$ 5,005	\$ 14,070	\$ 14,070
2011	\$ 5,005	\$ 14,070	\$ 28,140
2012	\$ 3,160	\$ 14,070	\$ 42,210
2013	\$ 3,160	\$ 14,070	\$ 56,280
2014	\$ 3,160	\$ 14,070	\$ 70,350
2015	\$ 3,160	\$ 14,070	\$ 84,420
2016	\$ 3,160	\$ 14,070	\$ 98,490
2017	\$ 3,160		
2018	\$ 3,160		
2019	\$ 3,160		
2020	\$ 3,160		
2021	\$ 3,160		
2022	\$ 3,160		
2023	\$ 3,160		
2024	\$ 3,160		
2025	\$ 3,160		
2026	\$ 3,160		
2027	\$ 3,160		
2028	\$ 3,160		
2029	\$ 3,160		
2030	\$ 3,160		
2031	\$ 3,160		
2032	\$ 3,160		
2033	\$ 3,160		
2034	\$ 3,160		
2035	\$ 3,160		
2036	\$ 3,160		
2037	\$ 3,160		
2038	\$ 3,160		
2039	\$ 3,160		
<b>TOTAL</b>	<b>\$ 98,490</b>	<b>\$ 98,490</b>	

Note: 1) USEPA has approved contribution schedule  
2) No money will be removed from Fund until USEPA authorizes

# TAB 6

*RECOMMENDED DRAFT RESOLUTION FOR CRRA BOARD OF DIRECTORS*

**RESOLUTION REGARDING A MODIFICATION TO THE MID-CONNECTICUT REGIONAL RECYCLING FACILITY TO ENABLE THE PROCESSING OF #3 THROUGH #7 PLASTICS CONTAINERS**

**WHEREAS:** CRRA has encouraged its member municipalities to recycle to the maximum extent possible and;

**WHEREAS:** CRRA has invested in the installation of state-of-the-art, single stream, processing technology at the Mid-Connecticut Regional Recycling Facility to increase citizen participation and recycling rates in pursuit of accomplishing the new statewide recycling goal and;

**WHEREAS:** Citizens and officials from member municipalities have requested that CRRA add #3 through #7 plastic containers as acceptable items to be processed at the Mid-Connecticut facility and;

**WHEREAS:** CRRA's contracted vendor, FCR, LLC, has recently proposed adding the requisite equipment to sort and process #3 through #7 plastic containers therefore;

**RESOLVED:** That the Board of Directors hereby approves the expenditure of funds to modify the facility to enable the recycling of #3 thorough #7 plastic containers and the President is hereby authorized to enter into the Fifth Amendment to the Agreement For Design, Upgrade, Retrofit, And Operation/Maintenance Services For The Mid-Connecticut Regional Recycling Facility with FCR, LLC substantially as presented at this meeting.

# Connecticut Resources Recovery Authority

## Contract Summary for Contract entitled

### **Fifth Amendment to the Agreement For Design, Upgrade, Retrofit, And Operation/Maintenance Services For The Mid-Connecticut Regional Recycling Facility**

Presented to the CRRRA Board on: October 29, 2009

Vendor/ Contractor(s): FCR, LLC

Effective date: November 1, 2009

Contract Type/Subject matter: Amendment to existing Agreement

Facility (ies) Affected: Mid-CT Regional Recycling Facility

Original Contract: Agreement For Design, Upgrade, Retrofit, And Operation/Maintenance Services For The Mid-Connecticut Regional Recycling Facility, Number 064109

Term: August 1, 2005 through December 31, 2015

Annual Contract \$767,000 net revenue based on 80,000 tons (FY10 Budgeted)

Amendment(s): Four previously adopted

Term Extensions: Allows one five (5) year extension

Scope of Services: To modify facility by adding equipment necessary to sort and process #3 through #7 plastic containers

Total Cost of Modification \$65,000

Budget Status Expenditure was unplanned for in FY10; however there are funds available within the Facility Modifications Reserve

Other Pertinent Provisions: None

# **Connecticut Resources Recovery Authority Mid-CT Regional Recycling Facility**

## **Modification to Enable the Recycling of #3 through #7 Plastics**

*October 29, 2009*

### **Executive Summary**

CRRA's recycling facilities have been recycling #1 and #2 plastic containers since commencing operations. For the past couple of years, CRRA management has received numerous inquiries and requests about accepting #3 through #7 plastics at our regional recycling facilities. The feasibility of recycling the additional plastics was examined prior to the single stream retrofit of the Mid-Connecticut facility. While poor market conditions for this material initially ruled out including this mix of plastic in our retrofit project, the location of the plastic sorting lines and the baler were designed to accommodate the equipment necessary to process the additional plastic material once favorable markets were secured.

In order to sort these additional plastics, a bin or storage hopper of at least 30-40 cubic yards will be needed to accumulate the material in a large enough quantity to make a bale in the baler. This bin is constructed with a sloped bottom floor designed at an angle of 35 degrees so that when a door on the side of the bin is opened (activated by an electric driven winch remotely controlled at the baler operator's station) the material will slide out via gravity onto a conveyor leading directly to the baler. This storage hopper needs to be located adjacent to the baler feed conveyor to allow this gravity evacuation. Since the new plastic material to be accumulated is manually picked from the existing sort line there needs to be a conveyor to convey this material to the new storage hopper. This proposed design includes the new storage hopper, the conveying system to get the material to the new storage hopper from the manual sort position, the mechanical and electrical installation of this equipment including any sprinkler work required to meet code.

## **Financial Summary**

Total project cost of \$65,000 includes:

- Approx 60-80 cubic yard storage bin with door powered by an electric winch \$30,000
- 30" x 20' transfer conveyor to move material into the center of the new bin \$20,000
- Mechanical installation \$ 8,000
- Electrical installation \$ 5,000
- Add one sprinkler line under new bin \$ 2,000

As shown in Table 1, this modification will achieve a positive NPV during the third year.

The Facility Modification Reserve has been modified to fund this project. Please see attached status report of this reserve account indicating how funding for this project will be facilitated.



**MID-CONNECTICUT  
FACILITY MODIFICATION RESERVE  
Fiscal Year 2010**

Report Date: 10/21/09

Reference #	Project	Budget	Adjusted Budget <sup>1</sup>	Contracted Amount	(Remaining \$)	CEA Number
	<b>Facility Modification</b>	\$ 1,005,000	\$ 3,320,800	\$ 1,089,830	\$ 1,286,691	
	<b>Waste Processing Facility</b>	\$ 922,000	\$ 887,000	\$ 270,778	\$ 616,222	
MDC	<b>MDC-Projects</b>	\$ 172,000	\$ 172,000	\$ -	\$ 172,000	
1	Fire system upgrades	\$ 150,000	\$ 150,000		\$ 150,000	
2	MDC Applied Overhead Costs	\$ 22,000	\$ 22,000		\$ 22,000	
WPF	<b>CRRA-Projects</b>	\$ 750,000	\$ 715,000	\$ 270,778	\$ 444,222	
1	CV - 131 & 231 upgrade two	\$ -	\$ 42,000	\$ 40,925	\$ 1,075	1007-41-009 (a)
2	CV - Replace / Rebuild 101/201	\$ -	\$ 91,000	\$ 90,750	\$ 250	1007-41-008 (f)
3	Miscellaneous Building Repairs	\$ 20,000	\$ -		\$ -	
4	Miscellaneous Floor Repairs	\$ 40,000	\$ 25,000		\$ 25,000	
5	Miscellaneous Site Repairs/Paving	\$ 40,000	\$ 25,000	\$ 18,000	\$ 7,000	1009-41-015 (m)
6	Refurbishment of Maxim Rd Railroad Crossing	\$ 200,000	\$ 200,000	\$ 39,928	\$ 160,072	1007-41-003 (b)
7	Resurface MSW Feed Areas	\$ 100,000	\$ 75,000	\$ 16,500	\$ 58,500	1007-41-010 (h)
8	Roof Repair	\$ 100,000	\$ 50,000		\$ 50,000	
9	Trommel Doors/Thrust rings	\$ -	\$ 42,000	\$ 42,000	\$ -	10007-41-007 (e)
10	WPC Control Room/AC Replacement	\$ -	\$ 25,000	\$ 22,675	\$ 2,325	10007-41-006 (d)
11	Replace all (6) Trommels 1" Screens	\$ 250,000	\$ 140,000		\$ 140,000	
PBF	<b>Power Block Facility</b>	\$ 575,000	\$ 1,960,000	\$ 1,626,541	\$ 269,320	
1	Screen House Stabilize Dike	\$ 65,000	\$ 65,000		\$ 65,000	
2	Upgrades to fly ash pugmills	\$ 300,000	\$ 300,000	\$ 205,680	\$ 94,320	(c)
3	upgrades to all boiler furnace gas burners	\$ 80,000	\$ 80,000		\$ 80,000	
4	DCS Optimization Work	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	1007-41-011 (i)
5	Upgrade PBF Control Room and admin building	\$ 30,000	\$ 30,000		\$ 30,000	
6	Residual FY 09 change order \$ for ash loadout <sup>1</sup>	\$ -	\$ 150,000	\$ 85,861	\$ -	
		\$ -	incl above	\$ 19,861		1008-41-013 (l)
		\$ -	incl above	\$ 66,000		0808-41-007 (k)
		\$ -	incl above			
7	Replacement of Pressure Parts	\$ -	\$ 1,235,000	\$ 1,235,000	\$ -	1009-41-016 (n)
RRC	<b>Recycling</b>	\$ 112,000	\$ 147,000	\$ 49,676	\$ 97,324	
1	Convert dry-pipe sprinkler	\$ 12,000	\$ 2,000		\$ 2,000	
2	Collins building roof repairs	\$ 15,000	\$ 15,000		\$ 15,000	
3	Misc floor repairs	\$ 20,000	\$ -		\$ -	
4	Paving	\$ 15,000	\$ 15,000		\$ 15,000	
5	Roof Repairs	\$ 50,000	\$ 50,000	\$ 49,676	\$ 324	1007-41-005 (c)
6	Retrofit for #3 - #7 Plastics <sup>2</sup>	\$ -	\$ 65,000		\$ 65,000	
ELL	<b>Ellington Transfer Station</b>	\$ 181,000	\$ 181,000	\$ -	\$ 181,000	
1	Building Repairs	\$ 5,000	\$ 5,000		\$ 5,000	
2	Miscellaneous	\$ 3,000	\$ 3,000		\$ 3,000	
3	Paving / Curbing	\$ 5,000	\$ 5,000		\$ 5,000	
4	Roof	\$ 160,000	\$ 160,000		\$ 160,000	
5	Scale repairs	\$ 8,000	\$ 8,000		\$ 8,000	
ESS	<b>Essex Transfer Station</b>	\$ 30,000	\$ 22,000	\$ -	\$ 22,000	
1	Miscellaneous	\$ 15,000	\$ 7,000		\$ 7,000	
2	Paving, Curbing	\$ 10,000	\$ 10,000		\$ 10,000	
3	Scale repairs	\$ 5,000	\$ 5,000		\$ 5,000	
TOR	<b>Torrington Transfer Station</b>	\$ 60,000	\$ 68,000	\$ 42,335	\$ 25,665	
1	Miscellaneous	\$ 20,000	\$ -		\$ -	
2	Paving, curbing	\$ 5,000	\$ 21,000	\$ 20,335	\$ 665	1008-41-014 (l)
3	Railroad Crossing	\$ 25,000	\$ 25,000		\$ 25,000	
4	Concrete pave repair at recycling bays	\$ 10,000	\$ 22,000	\$ 22,000	\$ -	1007-41-004 (a)
WAT	<b>Watertown Transfer Station</b>	\$ 55,000	\$ 55,000	\$ -	\$ 55,000	
1	Miscellaneous	\$ 15,000	\$ 15,000		\$ 15,000	
2	Rock Slope Stabilization	\$ 40,000	\$ 40,000		\$ 40,000	

<sup>1</sup> Includes \$150,000 from FY 09. Funds were appropriated at the June 09 Board meeting & \$1.235M additional funds approved at the October 24, 2009 Board meeting.

<sup>2</sup> Funds for Recycling Retrofit of Plastics #3 - #7 were made available as follows: \$35K from WPF item 11, \$10K from Recycling item 1 and \$20K from Recycling item 3.

**MID-CONNECTICUT  
FACILITY MODIFICATION RESERVE  
Fiscal Year 2010**

**Record of Accounting for use of Funds**

(a) CEA # 1007-41-004 submitted by GC for concrete pave repair at recycling bays- Torrington	\$	22,000
(b) CEA # 1007-41-003 submitted by GC for engineering services for Maxim Railroad Crossing	\$	39,928
(c) CEA # 1007-41-005 submitted by GC for replacement of the inbound scale	\$	49,676
(d) CEA # 1007-41-006 submitted by JR for HVAC	\$	22,675
(e) CEA # 1007-41-007 submitted by RQ for replacement of trommel thrust rings	\$	42,000
(f) CEA # 1007-41-008 submitted by RQ for rebuild of steel pan conveyor	\$	90,750
(g) CEA # 1007-41-009 submitted by RQ Secondary shredder motor conversion to 1250hp	\$	40,925
(h) CEA # 1007-41-010 submitted by GC for repair of asphalt on the in-feed conveyor tip floor	\$	16,500
(i) CEA # 1007-41-011 submitted by RQ for enhancement of the PBF control systems	\$	100,000
(j) CEA # 1008-41-013 submitted by GC for Inspection assistance with ash load out	\$	19,861
(k) CEA # 0808-41-007 submitted by JB for payment of FY 09 ash load out contract.	\$	66,000
(l) CEA # 1008-41-014 submitted by GC for bituminous overlay at the Torrington transfer station.	\$	20,335
(m) CEA # 1008-41-015 submitted by JR for repairs to ramps to both inbound scales at the WPF.	\$	18,000
(n) CEA # 1008-41-016 submitted by RQ for Purchase (parts only) for PBF pressure parts.	\$	1,235,000
(o) CEA # 1008-41-013 submitted by RQ for Purchase (parts only) of a new Pugmil.	\$	205,680
(o) CEA # 1008-41-013 submitted by RQ for Purchase (Installation) of a new Pugmil.		

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<b>Total</b>	<b>\$</b>	<b>1,989,330</b>
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# TAB 7

*RECOMMENDED DRAFT RESOLUTION FOR CRRA BOARD OF DIRECTORS*

**RESOLUTION REGARDING  
MUNICIPAL GOVERNMENT LIAISON SERVICES AGREEMENT**

**RESOLVED:** That the President of CRRA is hereby authorized to execute the Municipal Government Liaison Services Agreement with Brown Rudnick LLP, substantially as presented and discussed at this meeting.

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

**MUNICIPAL GOVERNMENT LIAISON SERVICES AGREEMENT**

Presented to the CRRA Board on:	October 29, 2009
Vendor/Contractor:	Brown Rudnick LLP
Effective Date:	November 1, 2009
Term:	November 1, 2009, through October 31, 2010, with options to extend for two periods of one year each at CRRA's discretion. CRRA may terminate the agreement at any time after providing 30 days' notice.
Contract Type/Subject Matter:	Agreement to provide municipal government liaison and other related services.
Facilities Affected:	All
Original Contract:	This is the original contract although the vendor has had previous contracts for these services resulting from previous solicitations with the first contract beginning June 1, 2006.
Amendments:	Not applicable
Contract Dollar Value:	\$84,000
Scope of Services:	Strategic counsel, advice, government relations and other related activities which will strengthen CRRA's relationships with the cities and towns it serves.
Other Pertinent Provisions:	None

## **Connecticut Resources Recovery Authority**

### **Municipal Government Liaison Services Agreement with Brown Rudnick LLP**

*October 29, 2009*

#### **Executive Summary**

This is to request approval of the CRRA Board of Directors for the President to enter into an agreement with Brown Rudnick LLP to provide municipal government liaison and related services for CRRA and its solid waste projects. The term of the agreement is from November 1, 2009, through October 31, 2010, with options to extend for two periods of one year each at CRRA's discretion. CRRA has the right to cancel the agreement with 30 days' notice.

The CRRA Policies & Procurement Committee voted to approve the agreement at its meeting on September 10, 2009, but the CRRA Board, at its meeting of September 24, 2009, requested additional information before acting on the agreement.

#### **Discussion**

CRRA's experience has been that contracting with firms to help CRRA's ongoing efforts to maintain a good relationship with the cities and towns it serves pays dividends. These services were key to a number of CRRA's recent successes, including the retrofitting of the Hartford recycling center and closure of the Hartford landfill (including negotiations on responsibility for post-closure monitoring and maintenance). Since June 2006 (as a result of previous solicitations for such services), CRRA has retained Attorney Thomas D. Ritter of Brown Rudnick LLP to provide these services, and he provided valuable assistance in both those successes.

Management believes it is in CRRA's best interests to have these services available as it undertakes a series of new initiatives that are crucial to the future of CRRA and its stakeholders beyond the end of the Mid-Connecticut Project in 2012, as well as implementation of the state Solid Waste Management Plan. Further, with a group of Hartford-area towns forming their own solid waste entity, it is absolutely essential that CRRA retain the services of someone who is as well-known and highly respected in the Hartford area as is Attorney Ritter.

Management expects Attorney Ritter to be involved in many issues, initiatives and activities including (but are not limited to):

- Arranging meetings between CRRA and those who opposed CRRA's ash landfill initiative to follow through on alternatives put forth by those opponents, such as beneficial re-use of ash, expanded recycling and changing the criteria for siting an ash landfill.
  - (The Office of State Ethics has allowed Attorney Ritter to work with legislators and other state officials to facilitate these meetings. CRRA is statutorily prohibited from retaining a legislative lobbyist.)
- Developing and maintaining lines of communication between Hartford-area towns and leaders and CRRA strained by political imperatives.
- Interfacing and communicating with leaders of CRRA's largest contractor, the Metropolitan District.

- Negotiation of post-2012 host community benefits with the City of Hartford.
- Advice for CRRA activities related to securing remaining \$10 million of Hartford landfill closure funds from the State Bond Commission.
  - Working with the Office of Policy & Management to ensure CRRA receives the funds.
- Interfacing and communicating with the Executive Branch, especially the Office of Policy & Management and the Department of Public Utility Control.
- Interfacing with municipal CEOs and communications surrounding rollout of new Municipal Service Agreements.
- Negotiation of new Host Community Agreement with Town of Essex.
- Investigation and development of post-2012 facilities and services, including (but not limited to)
  - Diversion project,
  - Composting project,
  - Electronics recycling system,
  - Additional single-stream recycling infrastructure,
  - New transfer station(s), and
  - Bail-and-rail operation.

Attorney Ritter has been on call to provide his services whenever they are needed.

On July 13, 2009, CRRA issued a Request for Qualifications (RFQ) to attract firms interested in providing these services. The RFQ was posted on CRRA's Web site and advertised in the following daily newspapers: (Bridgeport) *Connecticut Post*, *Hartford Courant*, *New Haven Register*, *The (New London) Day* and *Waterbury Republican-American*. The RFQ was also advertised in *LaVoz Hispania de Connecticut* and the *Northeast Minority News*. Finally, the RFQ was posted on the Department of Administrative Services Web site. Statements of Qualifications were due August 12, 2009.

Three firms – Pepe & Hazard LLP, Brown Rudnick LLP and CME Associates Inc. – responded to the RFQ and submitted Statements of Qualifications (“SOQs”). After review of the SOQs, CRRA decided to interview Brown Rudnick. Two other firms had submitted Notices of Interest but did not submit SOQs.

Based on the results produced by Attorney Ritter, the SOQ submitted by Brown Rudnick and the interview with Brown Rudnick, management recommends entering into this agreement, which will have the effect of continuing the arrangement with Brown Rudnick LLP.

At its meeting of September 24, 2009, the CRRA Board asked for a list of Attorney Ritter's other lobbying clients. The list he provided is as follows: 95/7 Ventures, LLC; Alliance of Automobile Manufacturers; Anheuser-Busch; Boehringer-Ingelheim; Cablevision; Connecticut Nurses Association; Connecticut Science Center; Dattco; Day Kimball Hospital; Exelon; Feld Entertainment; Halden Acquisition Group; Kool Smiles; Imagineers LLC; Maritime Aquarium; Norwalk Hospital; St. Mary's Hospital; Stop & Shop; and the Universal Healthcare Foundation of Connecticut.

CRRA is statutorily prohibited from hiring a contract lobbyist to represent CRRA before the General Assembly. This prohibition was clearly explained in the RFQ and during the interview with each firm.

### **Financial Summary**

The proposed Brown Rudnick LLP contract is a retainer arrangement at the same terms as previous agreements.

# TAB 8



**RESOLUTION ESTABLISHING A SPECIAL COMMITTEE TO STUDY  
OPTIONS FOR MUNICIPAL SOLID WASTE DISPOSAL FOLLOWING THE  
EXPIRATION OF THE MID-CONNECTICUT PROJECT**

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

FURTHER RESOLVED: That the Special Committee consist of the five designated representatives of the Mid-Connecticut Project contracting municipalities (representatives from Windsor Locks, Canton, Hartford, East Hartford, and Barkhamsted), together with the Authority's President; Environmental Affairs & Development Director; Development, Environmental Compliance & IT Manager; and Board members Jarjura and Griswold.

## **Connecticut Resources Recovery Authority**

### **Special Committee**

October 29, 2009

#### **Executive Summary**

This is to request that the CRRA Board of Directors form a special committee to study post-project disposal options for the Mid-Connecticut Project municipalities.

#### **Discussion**

Section 22a-268f of the Connecticut General Statutes (copy appended) mandates that the CRRA Board establish a Special Committee three years prior to the last maturity date of any outstanding bond issuance of any waste management project, to consist of five representatives of the Authority and not more than five representatives of the contracting municipalities. The Special Committee is directed to study and present post-Project options for the disposal of solid waste from the Project municipalities to the CRRA Board.

The Mid-Connecticut Project Municipal Advisory Committee nominated representatives of Barkhamsted, Canton, East Hartford, Hartford and Windsor Locks to serve on the Special Committee. Because the statute requires that municipal representatives be designated by "jointly" by the cities and towns that have contracts with the Mid-Connecticut Project, the Authority sent a ballot to all 70 Mid-Connecticut Project municipalities, 52 of which returned completed ballots. The five MAC nominations were confirmed by the majority of responding municipalities. (A tally of all votes received is appended hereto.)

We are now requesting that the Board form the subject Special Committee in accordance with statute, and recommending the appointment of five Authority employees and Directors to represent the Authority.

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

**Mid-Connecticut Project Special Committee Vote Totals**

Avon	0	Farmington	1	Old Saybrook	6
<b><u>Barkhamsted</u></b>	<b>25</b>	Glastonbury	0	Oxford	1
Beacon Falls	0	Goshen	0	Portland	5
Bethlehem	0	Granby	2	Rocky Hill	1
Bloomfield	0	Guilford	1	Roxbury	0
Bolton	0	Haddam	1	Salisbury	7
Canaan	4	<b><u>Hartford</u></b>	<b>26</b>	Sharon	3
<b><u>Canton</u></b>	<b>27</b>	Harwinton	2	Simsbury	2
Chester	4	Hebron	1	South Windsor	2
Clinton	1	Killingworth	1	Southbury	3
Colebrook	0	Litchfield	2	Suffield	0
Cornwall	1	Lyme	3	Thomaston	2
Coventry	2	Madison	1	Tolland	2
Cromwell	0	Manchester	2	Torrington	3
Deep River	5	Marlborough	0	Vernon	0
Durham	3	Middlebury	5	Waterbury	6
East Granby	1	Middlefield	1	Watertown	5
East Hampton	4	Naugatuck	3	West Hartford	1
<b><u>East Hartford</u></b>	<b>26</b>	New Hartford	1	Westbrook	1
East Windsor	2	Newington	0	Wethersfield	1
Ellington	2	Norfolk	3	Winchester	1
Enfield	0	North Branford	0	<b><u>Windsor Locks</u></b>	<b>25</b>
Essex	5	North Canaan	2	Woodbury	8
		Old Lyme	1		

# TAB 9

**Recommended BOARD RESOLUTION REGARDING ADDITIONAL  
PROJECTED LEGAL EXPENDITURES**

**WHEREAS**, CRRA has entered into Legal Service Agreements with various law firms to perform legal services; and

**WHEREAS**, the Board of Directors has previously authorized certain amounts for payment of fiscal year 2010 projected legal fees; and

**WHEREAS**, CRRA expects to incur additional legal expenses in connection with Mid-Connecticut Project matters;

**NOW THEREFORE, it is RESOLVED:** That the following additional amount be authorized for payment of legal fees and costs to be incurred through June 30, 2010:

Firm:

Amount:

Hinckley, Allen & Snyder

\$300,000

## CONNECTICUT RESOURCES RECOVERY AUTHORITY

### Request regarding Authorization for Payment of Projected Additional Legal Expenses

October 29, 2009

#### **Executive Summary**

This is to request Board authorization for payment of additional projected fiscal '10 legal expenses.

#### **Discussion:**

On September 21, 2009, MDC served CRRA with a Petition for Declaratory Judgment, seeking a ruling that CRRA is contractually obligated by the terms of the CRRA-MDC Agreement to indemnify MDC for all costs and expenses related to MDC's performance under the Agreement, including those incurred following the expiration of the Agreement. CRRA has engaged one of the law firms on its litigation panel, Hinckley, Allen & Snyder, to represent the Authority in this matter (as co-counsel with CRRA's employment counsel, Kainen, Escalera, & McHale).

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

In February 2009, when budgeting for legal expenses for FY 10 Mid Connecticut Project matters, we anticipated that additional legal representation might be required for a couple of different issues, including this one. The funds for which authorization for payment is hereby requested are included in the FY10 Mid-Connecticut Project legal budget.