

**CRRA
BOARD MEETING
SEPTEMBER 25, 2003**



100 CONSTITUTION PLAZA - 17th FLOOR • HARTFORD • CONNECTICUT • 06103-1722 • TELEPHONE (860) 757-7700
FAX (860) 727-4141

September 12, 2003

TO: CRRA Board of Directors
FROM: Angelica Mattschi, Corporate Secretary
RE: Notice of Meeting

There will be a regular meeting of the Connecticut Resources Recovery Authority Board of Directors held on Thursday, September 25, 2003 at 9:00 a.m. at the CRRA Headquarters, 100 Constitution Plaza, Hartford.

Please notify this office of your attendance at (860) 757-7792 at your earliest convenience.



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Connecticut Resources Recovery Authority
Board of Directors' Meeting

Agenda

September 25, 2003
9:00 AM

I. Pledge of Allegiance

II. Public Portion

A public portion from 10:00 to 10:30 will be held and the Board will accept written testimony and allow individuals to speak for a limit of three minutes. The regular meeting will commence if there is no public input.

III. Minutes

1. Board Action will be sought for the approval of the July 17, 2003 Regular Board Meeting Minutes (Attachment 1).
2. Board Action will be sought for the approval of the August 21, 2003 Regular Board Meeting Minutes (Attachment 2).

IV. Finance

1. Management will present A Review of the FY 2003 Financial Statement and Audit Report (Attachment 3).
2. Board Action will be sought regarding the State Loan and Subordinated Indebtedness (Attachment 4).
3. Board Action will be sought regarding the Dissolution of the Montville Landfill Post-Closure Reserve (Attachment 5).
4. Board Action will be sought regarding the Use of Rolling Stock Reserve (Attachment 6).
5. Board Action will be sought regarding the FY 2003 Year End Budget Transfers & Appropriations (Attachment 7).

6. Board Action will be sought regarding the Insurance Renewals for Commercial General Liability, Automobile Liability, Umbrella Liability and Pollution Legal Liability (Attachment 8).
7. Management will present the Establishment of Recycling Education Reserve (Attachment 9).

V. Project Reports

A. Bridgeport

1. Board Action will be sought regarding a Consent Order Between the Connecticut Department of Environmental Protection and CRRA Regarding the Shelton Landfill (Attachment 10).

B. Mid-Connecticut

1. Board Action will be sought regarding a Contract with CT DEP for Reimbursement of Costs Associated with Annual Stack Testing at Mid-CT for Calendar Years 2004 and 2005 (Attachment 11).
2. Board Action will be sought regarding the Use of Lisbon Resources Recovery Facility And Bloomfield/Windsor Landfill For Mid-Connecticut Diverted Waste Disposal (Attachment 12).

C. Southeast

3. Board Action will be sought regarding Sale of Nitrogen Oxides Emission Reduction Credits to the American-Ref-Fuel Company (Attachment 13).

VI. Executive Session

An Executive Session will be held to discuss litigation, pending litigation, contractual and consent order negotiations and personnel matters with appropriate staff.

VII. Communications

1. Board Action will be sought to Request Attorney General Opinion (Attachment 14).
2. Board Action will be sought regarding Legislative Action (Attachment 15).

VIII. Legal

1. Board Action will be sought regarding the Acceptance of a Potential Settlement (Attachment 16).

2. Board Action will be sought regarding the June 2002 Professional Employment Agreement by the Attorney General and Pepe and Hazard, LLP (Attachment 17).
3. Board Action will be sought regarding Legal Requests for Services (Attachment 18).

IX. Chairman's and Committee Reports

1. The Policy & Procurement Committee will report on its September 4, 2003 meeting.
2. The Organizational Synergy & Human Resources Committee will report on its September 18, 2003 meeting.

X. Additional Board Actions

1. Board Action will be sought regarding approval of Amemdments to the June 2003 Amended and Restated Bylaws (Attachment 19).
3. Board Action will be sought regarding the approval of the Connecticut Resources Recovery Authority Ethics Policy (Attachment 20).

TAB 1

CONNECTICUT RESOURCES RECOVERY AUTHORITY

THREE HUNDRED SIXTIETH MEETING

JULY 17, 2003

A regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, June 19, 2003 at 211 Murphy Road, Hartford. Those present were:

Chairman Michael Pace

Directors: Catherine Boone (delegate for Director Nappier)
John Mengacci (delegate for Director Ryan)(left at 11:19 a.m.)
Ray O'Brien
Andrew Sullivan
Mark Lauretti (arrived at 9:25 a.m.)
Theodore Martland
James Francis
Arthur Lathrop (ad hoc for Southeast)(left at 11:56 a.m.)
Sherwood Lovejoy (ad hoc for Bridgeport)

Directors Ryan, Cassano, Knopp, Cooper, Cohn, Rifkin, Nappier and ad hoc member Griswold did not attend.

Present from the CRRA staff:

James Bolduc, Chief Financial Officer
Bettina Bronisz, Assistant Treasurer & Director of Finance
Robert Constable, Budget Analyst
Peter Egan, Director of Environmental Services
Christopher Fancher, Facilities Engineer
Thomas Gaffey, Recycling & Environmental Education Division Head
Ronald Gingerich, Senior Analyst
Thomas Kirk, President
Angelica Mattschei, Executive Assistant & Corporate Secretary
Christopher May, Systems Analyst
Michael Tracey, Director of Civil & Construction Engineer
Richard Quelle, Facilities Engineer

Others in attendance were: Paul Doyle, CRRA Part-time Counsel; Joyce Tentor of HEJN; Frank Marci of USA Hauling; Jerry Tyminski of SCRRA; David Arruda of the MDC; Ted Doolittle and Charlie Steenburg of the AG's Office; Douglas Cohen of BRBI and Jerry Tyminski of SCRRA.

Chairman Pace called the meeting to order at 9:07 a.m. Chairman Pace requested that everyone stand up for the Pledge of Allegiance, whereupon, the Pledge of Allegiance was recited.

PUBLIC PORTION

Chairman Pace said that the next item on the agenda allowed for a public portion between 9:00 a.m. and 9:30 a.m. in which the Board would accept written testimony and allow individuals to speak for a limit of three minutes. Chairman Pace asked whether any member of the public wished to speak.

Chairman Pace noted that there were no public comments and that the regular meeting would commence.

FINANCE

MID-CONNECTICUT PROJECT SOURCE AND USE OF CASH FUNDS

Mr. Bolduc gave the Board a review of the referenced item (refer to pages 5-9 of transcript).

POLICY & PROCUREMENT COMMITTEE

AUTHORIZATION REGARDING THE APPROVAL OF THE CRRA ETHICS POLICY

Director Martland said that the Committee was unable to ask for action regarding the referenced item, but would like to give the Board members who were not part of the Policy & Procurement Committee an opportunity to review and comment on the policy.

FINANCE (CON'T)

FINANCIAL AND VARIANCE REPORT FOR MAY 2003

Mr. Bolduc gave the Board a review of the referenced item (refer to pages 13-19 of transcript).

APPROVAL OF THE MINUTES OF THE JUNE 19, 2003 REGULAR BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the June 19, 2003 regular Board meeting. The motion to accept made by Director O'Brien and seconded by Director Mengacci was approved. Directors Martland, Boone and Francis abstained from the vote as they were not present at the meeting.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Ray O'Brien	X		
Andrew Sullivan	X		
Mark Lauretti	X		
Theodore Martland			X
James Francis			X
Treasurer's Office (Nappier, Rifkin, Boone)			X
OPM (Ryan, Mengacci)	X		
Non Eligible Voters			
Arthur Lathrop, Ad Hoc - Southeast			
Sherwood Lovejoy, Ad Hoc - Bridgeport			

APPROVAL OF THE MINUTES OF THE JUNE 30, 2003 SPECIAL BOARD MEETING

Chairman Pace requested a motion to accept the minutes of the June 30, 2003 special Board meeting. The motion to accept made by Director O'Brien and seconded by Director Sullivan was approved. Director Francis abstained from the vote as he was not present at the meeting.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Ray O'Brien	X		
Andrew Sullivan	X		
Mark Lauretti	X		
Theodore Martland	X		
James Francis			X
Treasurer's Office (Nappier, Rifkin, Boone)	X		
OPM (Ryan, Mengacci)	X		
Non Eligible Voters			
Arthur Lathrop, Ad Hoc - Southeast			
Sherwood Lovejoy, Ad Hoc - Bridgeport			

ADDITIONS TO THE AGENDA

Chairman Pace requested a motion to add three items to the agenda regarding resolutions to the delivery of cover soils to the Hartford landfill, the reconditioning of two WPF wheel loaders and an update from Marsh USA, Inc. The motion made by Director O'Brien and seconded by Director Sullivan was passed unanimously.

AUTHORIZATION REGARDING DELIVERY OF COVER SOILS TO THE HARTFORD LANDFILL

Chairman Pace requested a motion on the referenced item. Director O'Brien made the following motion:

RESOLVED: That the President is hereby authorized to enter into a contract with LEA-Cianci, Inc. for delivery of contaminated soil to be used as daily cover, and as approved by the Connecticut Department of Environmental Protection, substantially as discussed and presented at this meeting; and

FURTHER RESOLVED: That the President is hereby authorized to enter into a contract with Manafort Brothers Incorporated for delivery of contaminated soils to be used as daily cover, and as approved by the Connecticut Department of Environmental Protection, substantially as discussed and presented at this meeting.

Director Sullivan seconded the motion which was approved unanimously (refer to pages 30-38 of transcript).

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Ray O'Brien	X		
Andrew Sullivan	X		
Mark Lauretti	X		
Theodore Martland	X		
James Francis	X		
Treasurer's Office (Nappier, Rifkin, Boone)	X		
OPM (Ryan, Mengacci)	X		
Non Eligible Voters			
Arthur Lathrop, Ad Hoc - Southeast			
Sherwood Lovejoy, Ad Hoc - Bridgeport			

AUTHORIZATION REGARDING AN AGREEMENT FOR RECONDITIONING OF TWO WPF WHEEL LOADERS

Chairman Pace requested a motion on the referenced item. Director O'Brien made the following motion:

RESOLVED: The President to be authorized to enter into an agreement with H.O. Penn Machinery Company, Inc. for the reconditioning of two Caterpillar 966F Series II Wheel Loaders that operate at the Mid-Connecticut Waste Processing Facility substantially in accordance with the terms and conditions as presented herein.

Director Sullivan seconded the motion which was approved unanimously (refer to pages 38-48 of transcript).

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Ray O'Brien	X		
Andrew Sullivan	X		
Mark Lauretti	X		
Theodore Martland	X		
James Francis	X		
Treasurer's Office (Nappier, Rifkin, Boone)	X		
OPM (Ryan, Mengacci)	X		
Non Eligible Voters			
Arthur Lathrop, Ad Hoc - Southeast			
Sherwood Lovejoy, Ad Hoc - Bridgeport			

CONTRACT WITH MARSH USA, INC. TO UPDATE AN ENVIRONMENTAL RESERVE ASSESSMENT REPORT

Mr. Kirk gave the Board a brief report on the referenced item (refer to pages 48-49 of transcript).

FINANCE (CON'T)

AUTHORIZATION REGARDING THE CREATION AND DISSOLUTION OF A RECYCLING RESERVE

Chairman Pace made the following motion on the referenced item:

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.

Director O'Brien seconded the motion which was approved unanimously (refer to pages 49-54 of transcript).

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Ray O'Brien	X		
Andrew Sullivan	X		
Mark Lauretti	X		
Theodore Martland	X		
James Francis	X		
Treasurer's Office (Nappier, Rifkin, Boone)	X		
OPM (Ryan, Mengacci)	X		
Non Eligible Voters			
Arthur Lathrop, Ad Hoc - Southeast			
Sherwood Lovejoy, Ad Hoc - Bridgeport			

PROJECT REPORTS

MID-CONNECTICUT

AUTHORIZATION REGARDING A CONNECTICUT MARKET WASTE FLOW AND MANAGEMENT STUDY

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

RESOLVED: The President be authorized to enter into a Connecticut Market Waste Flow and Management Study with HRP Associates, Inc., in accordance with the terms and conditions discussed at this meeting.

Director Sullivan seconded the motion.

A long discussion ensued (refer to pages 54-73 of the transcript). Director Martland offered an amendment to the motion to replace "in accordance with the terms and conditions discussed" to "as substantially presented." Director Sullivan seconded the amendment to the motion which was passed unanimously.

The amended motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Ray O'Brien	X		
Andrew Sullivan	X		
Mark Lauretti	X		
Theodore Martland	X		
James Francis	X		
Treasurer's Office (Nappier, Rifkin, Boone)	X		
OPM (Ryan, Mengacci)	X		
Arthur Lathrop, Ad Hoc - Southeast	X		
Sherwood Lovejoy, Ad Hoc - Bridgeport	X		

AUTHORIZATION REGARDING A FACILITIES MODIFICATION AGREEMENT TO MODIFY EXISTING REGIONAL RECYCLING CENTER LOCATED IN HARTFORD, CT

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

RESOLVED: The President is authorized to enter into an Agreement with Central Construction Industries, L.L.C. to modify the existing Regional Recycling Center located in Hartford, CT substantially as presented at this meeting.

Chairman Pace seconded the motion.

Director O'Brien offered an amendment to add:

FURTHER RESOLVED: The Board authorizes \$228,000 to be taken from the Recycling Reserve Fund.

Director Sullivan seconded the amendment to the motion.

The amended motion previously made and seconded was approved unanimously (refer to pages 74-82 of transcript).

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Ray O'Brien	X		
Andrew Sullivan	X		
Mark Lauretti	X		
Theodore Martland	X		

James Francis	X		
Treasurer's Office (Nappier, Rifkin, Boone)	X		
OPM (Ryan, Mengacci)	X		
Non Eligible Voters			
Arthur Lathrop, Ad Hoc - Southeast			
Sherwood Lovejoy, Ad Hoc - Bridgeport			

CHAIRMAN'S REPORT

AUGUST STEERING COMMITTEE AND BOARD MEETINGS, PERSONNEL MATTERS AND MID-CONNECTICUT UPDATE LETTER

Chairman Pace and Mr. Kirk led discussions on the referenced items (refer to pages 83-88 of transcript).

EXECUTIVE SESSION

Chairman Pace requested a motion to convene an executive session to discuss litigation, pending litigation, contractual negotiations and personnel matters with appropriate staff. Director O'Brien made the motion which was seconded by Director Sullivan. Chairman Pace requested that Messrs. Kirk, Bolduc, Cohen, Doolittle and Rachmuth remain during separate parts of the executive session. The motion previously made and seconded was approved unanimously.

The Executive Session began at 10:39 a.m.

The Executive Session concluded at 12:08 p.m.

Chairman Pace reconvened the Board meeting at 12:09 p.m.

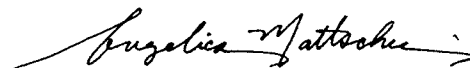
Chairman Pace noted that no votes were taken in Executive Session.

AJOURNMENT

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

There being no other business to discuss, the meeting was adjourned at 12:10 p.m.

Respectfully submitted,



Angelica Mattschei
Corporate Secretary to the Board

CONNECTICUT RESOURCES RECOVERY AUTHORITY

EXECUTIVE SESSION

JULY 17, 2003

An Executive Session called for the purposes of discussing litigation, pending litigation, contractual negotiations and personnel matters, was convened at 10:39 a.m.

DIRECTORS

Chairman Pace
Director Sullivan
Director O'Brien
Director Mengacci
Director Lauretti
Director Martland
Director Francis
Ad Hoc Member Lathrop
Ad Hoc Member Lovejoy

STAFF

Tom Kirk
James Bolduc

BR

Doug Cohen

A.G.

Theodore Doolittle

AK&O

Paul Rachmuth

No votes were taken in Executive Session.

The Executive Session was adjourned at 12:08 p.m.

CONNECTICUT RESOURCE RECOVERY AUTHORITY
BOARD MEETING

July 17, 2003

Held At:

211 Murphy Road

Hartford, Connecticut

H e l d B e f o r e :

MICHAEL A. PACE, Chairperson

1 Appearances:
 2 Directors:
 3 CATHERINE BOONE
 4 JAMES FRANCIS
 5 ARTHUR LATHROP
 6 MARK LAURETTI
 7 SHERWOOD LOVEJOY
 8 THEODORE MARTLAND
 9 JOHN MENGACCI
 10 RAY O'BRIEN
 11 ANDREW SULLIVAN
 12
 13 Present from CRRA:
 14 JAMES BOLDUC
 15 BETTINA BRONISZ
 16 ROBERT CONSTABLE
 17 PETER EGAN
 18 THOMAS GAFFEY
 19 THOMAS KIRK
 20 ANGELICA MATTSCHER
 21 RICHARD QUELLE
 22 MICHAEL TRACEY
 23
 24
 25

1 9:07 O'CLOCK A.M.
 2 THE CHAIRMAN: We'll call the
 3 meeting of July the 17th of the CRRA to
 4 order. Stand for the pledge, please.
 5 (Whereupon, the pledge of
 6 allegiance was recited.)
 7 THE CHAIRMAN: Thank you.
 8 Next, comments from the
 9 public?
 10 I'm trying to take a look
 11 down. Let's go. The Chair is going to take
 12 the prerogative to move around on
 13 informational items, Board action items,
 14 until we get Mr. Lauretti or somebody else
 15 from a municipality here so we won't bring
 16 those to the table. So unless I see
 17 objection, the Chair will use that as its
 18 individual prerogative.
 19 Let's go over to finance and
 20 the Mid-Connecticut Project source and use of
 21 cash.
 22 Could you do that?
 23 MR. BOLDUC: Sure.
 24 Okay, under tab 3 is the
 25 updated cash flow. There's been a lot of

1 Appearances (Cont'd.):
 2 In attendance:
 3 JOYCE TENTOR
 4 HEJN
 5
 6 FRANK MARCI
 7 USA Hauling & Recycling
 8
 9 THEODORE DOOLITTLE, ESQ.
 10 Office of the Attorney General
 11
 12 DOUGLAS COHEN, ESQ.
 13 Brown Rudnick Berlack Israels, LLP
 14
 15 PAUL DOYLE
 16 PAUL RACHMUTH
 17 Anderson Kill & Olick, PC
 18
 19
 20
 21
 22
 23
 24
 25

1 activity going on in this particular area
 2 with regard to the obtaining the state loan
 3 and financial mitigation plan in addition to
 4 a lot of activity with regard to certain
 5 medical and electrical purchase agreements.
 6 What we've attempted to do is
 7 on the first page of the tab is to kind of
 8 keep a running log of where the major
 9 variance and revisions are from what you
 10 might have seen in the previous cash flows
 11 because this is a fairly fluid document. So
 12 those are summarized on the first page.
 13 On the second page is the
 14 actual cash flow beginning with FY03. So the
 15 focus really should be on the last column of
 16 the first page, June, June of '03, which is
 17 where we are. We are now looking at the
 18 situation where we took down a \$2 million
 19 advance on the FY03/FY04 interim financing
 20 from the state. So at the end of the month
 21 we have an ending cash balance of around 4.8
 22 million and approximately 2.2 million in the
 23 identified reserves that we could call on for
 24 future operating calls.
 25 If you go to July -- and I'm

1 going to kind of cover July, August and
 2 September in kind of a quarterly look -- the
 3 many activities going on in July, you'll
 4 notice that there's a significant jump in the
 5 expense line from a more normative level of
 6 about 4 and a half million up to 8 and a half
 7 million. A number of items are triggering
 8 there. First, we've got the \$1.7 million
 9 City of Hartford pilot payment going on.
 10 We've got about \$950,000 in the FY03 medical
 11 bills from the MDC. We have in fact finished
 12 the audit on that and a check was sent to the
 13 MDC wire transfer yesterday for that piece.
 14 In addition, we also had to fund a million
 15 dollar escrow which would come back to us at
 16 the end of the two-year contract period on
 17 the electric purchase agreement. So there's
 18 a lot of cash outflow in this particular
 19 period. In addition, there's about \$600,000
 20 for legal bills that are sitting in various
 21 stages of payment processing.
 22 So the result is, is that we
 23 have requested from the state an additional
 24 \$2.1 million take down on the FY03/FY04
 25 interim financing which has been reflected in

1 here. And at the end of the day what it
 2 leaves us with is about 1.1 million in the
 3 identified reserves, a cash balance of 3.1
 4 million, and as you see, if we go through the
 5 next several months, it looks like we can
 6 manage to not have to go back to ask for any
 7 further tranches on the interim financing
 8 until we get to the October/November time
 9 frame when we start looking at it much closer
 10 again and probably the need for December.
 11 So I think we've been able to
 12 do some things, particularly as we negotiate
 13 new contracts. There's been some positive
 14 revenues coming in. And as a result, we've
 15 been able to remodify the overall projection
 16 of 18.8 million which we had looked at
 17 earlier for the need for the state loan.
 18 We're down now looking at a projected 13.7
 19 million.
 20 So, again, it's a fluid
 21 situation. We'll be updating this thing
 22 constantly, but I think we're in good shape
 23 with the loan. And the loan is being
 24 processed at this point between the
 25 treasurer's office and OPM.

1 THE CHAIRMAN: Andy, any --
 2 DIR. SULLIVAN: No. We went
 3 through this in detail at the finance
 4 committee meeting last week. And I think the
 5 positive outcome of what's happened with our
 6 energy contract reflecting the decrement, if
 7 you will, recall that we had a \$22 million
 8 approval. The Board approved a \$22 million
 9 loan request from the state. It had boiled
 10 down to a projected 18 and a half million,
 11 and so basically we're \$5 million projected
 12 to the good, recognizing again Jim's caveat
 13 with the fact that we're talking about a
 14 fluid situation as you get closer and closer.
 15 And we talked earlier at finance and I think
 16 I mentioned it to the Board we're going to be
 17 working through -- as we get probably through
 18 the end of the first quarter based on our
 19 budget we're going to be working through --
 20 which will drive into operational issues that
 21 show up on the cash flow -- we're going to be
 22 looking at not revisions to the budget but
 23 projected estimate to actual and compare that
 24 with our budget so that we can see that we're
 25 managing our funds and our income and

1 expenses in such a fashion that hopefully
 2 gets us to the 13 or less.
 3 THE CHAIRMAN: I'll just bring
 4 to the table, you know, that part of the
 5 finance committee, Jim, Andy, finance
 6 committee, steering committee, we've pretty
 7 much taken a look at everything we can do to
 8 reduce our cost except for a couple of
 9 contracts we hope to renegotiate. Revenue,
 10 as you said, the energy agreement helped us
 11 out a little bit more so we're pretty much --
 12 we've tackled, if you will, most of the costs
 13 and projected revenues that we can bring in
 14 at this point.
 15 DIR. SULLIVAN: Right.
 16 THE CHAIRMAN: Okay. As I
 17 turn the page, I see everything here with a
 18 Board action.
 19 Now, there's one item under
 20 Roman numeral VI that is listed for Board
 21 action. It's my understanding that
 22 Mr. Martland's -- your committee will not
 23 seek that today. Why don't we go to that,
 24 please, policy and procedures committee.
 25 DIR. MARTLAND: The committee

1 reviewed the policy, the ethics policy, and
 2 it is in the book. We're unable to ask for
 3 action at this time, but we do want you to
 4 acknowledge receipt of it so that if there's
 5 any member of the Board who is not on
 6 committee has any comments or any suggestions
 7 or whatever that he has an opportunity to
 8 review it. And we will seek approval at the
 9 regular September meeting.

10 THE CHAIRMAN: Is there
 11 anything of particular highlight or note that
 12 you care to point out to the Board?

13 DIR. MARTLAND: We offer it
 14 two ways. I could ask our staff to review
 15 it, but it also had to be reviewed by the
 16 ethics commission and they reviewed it in
 17 quite detail. And most of their comments or
 18 their comments are reflected in the proposal.

19 THE CHAIRMAN: So, moving
 20 forward then, this would be coming with the
 21 recommendation of your committee; correct?

22 DIR. MARTLAND: Yes, sir.

23 DIR. O'BRIEN: Also, I think
 24 it's reasonable to point out that a red-line
 25 version is in here so people can see what did

1 than the state guidelines. We say zip and
 2 they had \$50 or something like that. And we
 3 said no.

4 MR. DOYLE: Correct.

5 DIR. MARTLAND: It's cleaner.
 6 We don't get into an argument over what the
 7 doggone thing is worth. And if you get in
 8 trouble, you always get in trouble for the 5
 9 and 10 dollar things anyway.

10 DIR. O'BRIEN: Does the \$50
 11 include sales tax?

12 THE CHAIRMAN: Thank you.

13 DIR. MARTLAND: So we have
 14 zip.

15 THE CHAIRMAN: Okay. And I
 16 think, as the Board knows, the mission of
 17 this Board, if you will, is to really do a
 18 strong-line separation between the new Board
 19 and the old CRRA.

20 Okay. I have asked Doug Cohen
 21 to make a phone -- did anybody make a phone
 22 call to see if Mr. Lauretti is on his way?

23 MS. MATTSCHER: He's about two
 24 minutes away.

25 THE CHAIRMAN: Why don't we

1 change from the old policy as well as the
 2 final version with all of the additions just
 3 put in as a final form. So they can see what
 4 has changed.

5 THE CHAIRMAN: In-house
 6 counsel helped you with this, Ted? Paul?

7 DIR. MARTLAND: Paul did the
 8 work. And what occurred was, as was
 9 observed, the red line was mostly the result
 10 of the ethics commission.

11 THE CHAIRMAN: Paul, any
 12 comment from the legal?

13 DIR. O'BRIEN: Ann helped him
 14 too.

15 MR. DOYLE: A lot of work with
 16 in-house counsel, some outside also. It's
 17 just a lot of detail. The policy procurement
 18 committee went through it line by line. I
 19 guess the highlight probably is that nothing
 20 of value. There's a question whether you go
 21 any gift of \$5 or whatever. This is stricter
 22 than the standards to nothing of value.

23 THE CHAIRMAN: I was trying
 24 to -- please restate that.

25 DIR. MARTLAND: We're stricter

1 go -- we'll do the variance report.

2 DIR. O'BRIEN: Do you need to
 3 move that to add it to the agenda?

4 MR. BOLDUC: It's in the
 5 supplemental book.

6 DIR. O'BRIEN: Yes, I know
 7 where it is. It just isn't on the agenda,
 8 but that's okay. No action required.

9 THE CHAIRMAN: Just bring it
 10 to the table. There's no action. Just bring
 11 it to the table for information.

12 MR. BOLDUC: Okay. I'll
 13 quickly -- in your supplemental agenda under
 14 tab A is the financial variance analysis for
 15 11 months. Let's see, I picked up Bridgeport
 16 in the package first, so let me talk about
 17 that quickly.

18 Bridgeport is having a good
 19 year. We are projecting at this point
 20 approximately a \$500,000 surplus at year-end.
 21 Revenues are up. Expenses are down. The
 22 primary drivers really have to do with some
 23 of the -- the delivered tons are up higher
 24 than was originally budgeted, and the process
 25 tons right now are projected to be about a

1 17,000-, 18-000 ton favorable variance to
2 budget.

3 A lot of the expense areas are
4 down primarily, I think, again, because of
5 cost control. The one big item having to do
6 with the recycling is, again, regional
7 recycling from some of the original budget
8 items they were able to offset that with some
9 lower-than-budgeted cost.

10 So we're at this point 391,000
11 favorable looking at 500,000 for the
12 year-end.

13 Since there's no questions,
14 shifting to Mid-Conn, Mid-Conn is right now
15 at a one point -- the total surplus is 2.4
16 million of which 1.4 million represents a
17 surplus excluding the jets and EGF, which are
18 under a separate reserve requirement. But
19 for the 11-plus-one we're projecting right
20 now at about 1.6 million for overall, 1.0
21 million surplus for the --

22 DIR. MENGACCI: Positive
23 variance.

24 MR. BOLDUC: Yes.

25 THE CHAIRMAN: For the record,

1 Mr. Lauretti has just arrived.

2 MR. BOLDUC: Again, revenues
3 are up, expenses are down. Controls continue
4 to be in place where we can control the cost.
5 In addition, there's been a lot of activity
6 for some additional revenues items between
7 the EPA revenues that we were able to recover
8 from the CL&P and Enron situation from last
9 year that are reflected, as well as some of
10 the regional recycling, there's a significant
11 variance there, and that really is
12 attributable to the difference between what
13 was budgeted for the operating fee, around
14 \$20 a ton, and that was able to be reduced to
15 \$4 a ton. So that contributed considerably
16 to the reduction in expenses.

17 So overall we're still looking
18 fairly favorable for year-end on the Mid-Conn
19 project.

20 DIR. SULLIVAN: To make one
21 comment, Jim, I think on the waste transport
22 line the unfavorable variance, could you
23 just --

24 MR. BOLDUC: That really was
25 budgeted that we had anticipated the four

1 transfer stations coming to the new
2 contractor where in fact there are only two.
3 The Ellington and the Essex were still with
4 MDC. And that original budget had
5 anticipated all four moving to a new
6 contractor, whereas the actual result were
7 only two, Torrington and Watertown.

8 DIR. SULLIVAN: Okay.

9 DIR. MENGACCI: Is that also
10 why Essex is running way over?

11 MR. KIRK: Yes.

12 MR. BOLDUC: Yes.

13 MR. KIRK: There was a pretty
14 demonstrative shift in costs to the Essex
15 project when changes were made at Watertown
16 and Torrington.

17 MR. BOLDUC: Moving to the
18 star project, Wallingford, they continue to
19 generate a lot of cash, primarily driven by
20 the very favorable electric agreement that
21 continues on. But I would comment they are
22 prudently using that excess cash to build up
23 a reserve in anticipation of the day when the
24 contract runs out. I think they recognize
25 that while they could take advantage of all

1 that extra cash at this point and reduce
2 tipping fees significantly, I think they
3 are -- the board down there is looking at it
4 very prudently to balance that need to want
5 to reduce tip fees with the expectation of
6 what will happen when that contract on the
7 electric side runs out, so therefore continue
8 to bank those dollars for the future for
9 their towns when that contract expires and
10 the trigger point turns the other way. But
11 they are in good shape down there.

12 And on the Southeast project
13 they also are doing well. A couple of
14 comments I may make there. You'll notice
15 that they do -- we do budget a projected
16 surplus of a deficit of a break-even zero.
17 We'd all like to take credit for it. Jerry
18 Tyminski does a great job, but, quite
19 frankly, it's balanced because it's integral
20 to utilization of a reserve up in the revenue
21 line to balance it. So it's more the reserve
22 as opposed to terrific budgeting that makes
23 all that work. But, again, they are using it
24 the way they had planned. And, again, they
25 also have a good electric contract and are

1 managing through the process.
 2 The one thing I would report
 3 from the finance side. We still have not
 4 closed the loop on the potential of a bond
 5 refinancing down there, and we would hope in
 6 short order to be able to come to some
 7 resolution of that issue. It seems that that
 8 has a life of its own. It's been going on
 9 for some period. But I think at some point
 10 we will work with Jerry and the SCRRA board
 11 to bring that thing to closure so it's not
 12 just kind of hanging out there forever
 13 because over time that does start to
 14 diminish. So, again, I think there's been a
 15 lot of distractions with a lot of the people
 16 who need to be involved in making that
 17 decision. And it's just one of those things
 18 that hasn't gotten closure at this point.
 19 And then the administrative
 20 results, as you can see, we're doing what we
 21 can to continue controlling cost. Obviously
 22 the law of diminishing returns starts to take
 23 place in this thing, as the low hanging fruit
 24 gets picked off and you're now into really
 25 the hard pieces of programs and cost

1 reductions. So the big reductions come early
 2 but the hard work for some of them really
 3 start now to try to get those smaller
 4 contracts and operational changes needed to
 5 keep plugging away to get the reductions.
 6 But, obviously, as we all know, those become
 7 a little bit harder and take a little more
 8 time.
 9 THE CHAIRMAN: I believe, and
 10 just in case not, I'm sure the Board realizes
 11 that amongst the project each has a different
 12 revenue rate, if you will, for electricity.
 13 As you said, Wallingford has the most
 14 favorable; Southeast has, again, more
 15 favorable than Mid-Conn but not as favorable
 16 as Wallingford; and then Mid-Conn is the
 17 lowest?
 18 MR. KIRK: Yes.
 19 MR. BOLDUC: Yes.
 20 THE CHAIRMAN: Right. And
 21 that's part of the situation we all find
 22 ourself in.
 23 Okay, I'm going to turn to
 24 Ray. Ray, the president, and Doug have
 25 handed me this. I would ask you if you would

1 just take a look at that for a minute and
 2 then after the next couple of items perhaps
 3 entertain adding that to the agenda.
 4 Let's go on to the Board
 5 minutes. Action will be sought for the Board
 6 minutes approval of June the 19th. This is
 7 your attachment one.
 8 DIR. O'BRIEN: So moved.
 9 THE CHAIRMAN: Okay, we have a
 10 motion.
 11 DIR. MENGACCI: Second.
 12 THE CHAIRMAN: Thank you. Any
 13 discussion?
 14 DIR. O'BRIEN: Just in the
 15 case where particularly we have the full
 16 minutes transcript, but in the summary
 17 minutes it would be helpful if, for example,
 18 on the authorization of payment for Anderson
 19 Kill, Mark Lauretti voted nay, and it would
 20 be useful to put in the reason why he voted
 21 no, because I think it was a substantive
 22 reason that many of us shared but we chose
 23 not to vote no.
 24 THE CHAIRMAN: That's in
 25 the verbatim?

1 DIR. O'BRIEN: It's shown in
 2 the verbatim, but I think in the summary
 3 minutes which is where most people would tend
 4 to look.
 5 The other comment would be if
 6 in the discussion of the motion if you could
 7 refer to what pages of the transcript that
 8 could be found on.
 9 THE CHAIRMAN: Could that be
 10 done?
 11 THE COURT REPORTER: I don't
 12 do that. Angelica does that.
 13 MR. KIRK: I would like to
 14 address that. The reason there are some, I
 15 think you'd all agree, significant changes
 16 from minutes in prior years are important,
 17 we're required to post our minutes almost
 18 immediately after a meeting. We do that on
 19 the Web. And we want to obviously comply.
 20 So we put together these abbreviated summary
 21 minutes pending approval of the Board. The
 22 importance of being completely open and
 23 transparent is what requires us to include
 24 the actual transcription of all discussion
 25 that takes place, and we of course want to

1 comply with that also.
 2 As for Director O'Brien's
 3 suggestion, I don't think it will be a
 4 problem at all to indicate very briefly why a
 5 particular vote was no, but we do want to get
 6 away from -- we do want to stay far away from
 7 trying to explain and report on all of the
 8 discussion that takes place in the motions.
 9 We wanted the summary and minutes to be as
 10 factual, complete, and concise as possible so
 11 that there isn't a -- so they can be promptly
 12 posted and reported and voted on at the next
 13 meeting.

14 DIR. LAURETTI: Tom, doesn't
 15 FOI require a certain time frame for the
 16 motions to be filed? And is that not the
 17 reason that you've done it this way? And
 18 isn't it a duplication to give an explanation
 19 on the summary? It's in the minutes verbatim
 20 anyways.

21 MR. KIRK: That's the
 22 position we've taken. To write it down again
 23 in the summary minutes would be a
 24 duplication. Provided we're incorporating in
 25 the actual minutes the transcript of the

1 discussion, we think it's duplicative to
 2 include it in the summary of the minutes
 3 also. We think what's important for the
 4 minutes is obviously a clear statement of the
 5 resolution, the result of the voting, and
 6 it's of course not a problem to indicate very
 7 briefly a sentence why someone voted no and
 8 to indicate a page number where the
 9 discussion for that item can be found.

10 DIR. LAURETTI: You may have a
 11 situation where an individual doesn't give a
 12 reason. Some people just abstain. There's
 13 no requirement to give a reason why you vote
 14 one way or another. I certainly have no
 15 problem standing up and being counted.

16 MR. KIRK: I think that's a
 17 good point. I think it leaves perhaps
 18 Angelica or me in a position of trying to
 19 define particularly why a decision to vote a
 20 certain way was made. Perhaps if we just
 21 reference the page in the transcript.

22 DIR. O'BRIEN: Because you've
 23 got 170 pages of transcript in here and it's
 24 difficult to --

25 DIR. SULLIVAN: If he

1 references the page in the sheet then that's
 2 fine. I think that's better than excerpting
 3 reasons that you make a judgment on.

4 DIR. O'BRIEN: I won't agree
 5 it's better, but it's certainly satisfactory.

6 THE CHAIRMAN: I think it's a
 7 good comment. We'll look at it. Our point
 8 for transparency -- you know, we'll take a
 9 look at this. I know the Chair had something
 10 similar not looking to see it in the shorter
 11 version, and I will just refer to it here.

12 If you look at the verbatim, page 46 and 47,
 13 that's when I had asked OPM specifically if
 14 there was any issue that the gentleman had
 15 with the format or content of the mitigation
 16 plan, if you remember that lengthy
 17 discussion, and I wanted to make sure that
 18 that was listed in our thing. But it's
 19 listed in the verbatim with the reply that
 20 was satisfactory to the Chair, so it doesn't
 21 need to be in the other thing. But she does
 22 say that there was a lengthy discussion
 23 related to that.

24 DIR. O'BRIEN: If it
 25 referenced what pages that were on, that

1 would be very helpful.

2 THE CHAIRMAN: Okay?

3 MR. KIRK: I think that can
 4 be --

5 DIR. SULLIVAN: Because
 6 there's a lot of comment on pages 151, 152,
 7 153 regarding that.

8 MR. KIRK: Angelica can do
 9 everything.

10 DIR. O'BRIEN: And generally
 11 does.

12 THE CHAIRMAN: All right. Any
 13 further discussion? Comments? Does anyone
 14 see any errors or omissions?

15 John?

16 DIR. MENGACCI: Pretty clean,
 17 Mike.

18 THE CHAIRMAN: Okay.

19 All those in favor of
 20 approval, signify by saying aye.

21 Opposed?

22 MS. BOONE: I will abstain.

23 DIR. LOVEJOY: Abstain.

24 DIR. MARTLAND: I have to
 25 abstain. I'll abstain.

1 THE CHAIRMAN: Abstain,
 2 abstain, abstain. Do I have a vote?
 3 Doug, with the abstentions and
 4 everything we still have a legal vote;
 5 correct?
 6 MR. COHEN: Yes.
 7 THE CHAIRMAN: The Chair
 8 recognizes approval with those abstentions.
 9 I saw no "no" votes; correct?
 10 DIR. O'BRIEN: I move the
 11 minutes of the June 30th special Board
 12 meeting.
 13 THE CHAIRMAN: That's your
 14 tab 2.
 15 DIR. SULLIVAN: Second.
 16 THE CHAIRMAN: You'll recall
 17 this was the conference call for the energy
 18 agreement.
 19 We have a motion seconded.
 20 Any discussion?
 21 Seeing none, all those in
 22 favor?
 23 Opposed?
 24 Abstained?
 25 DIR. FRANCIS: Abstained.

1 regarding the delivery of cover soils to the
 2 Hartford Landfill. We'll act on that.
 3 Is there a second to that?
 4 DIR. SULLIVAN: Second.
 5 THE CHAIRMAN: All right, all
 6 those in favor?
 7 Opposed?
 8 So moved.
 9 DIR. LOVEJOY: Abstained.
 10 THE CHAIRMAN: The gentleman
 11 also offered to bring the resolution
 12 regarding an agreement for reconditioning of
 13 two WPF wheel loaders to the table.
 14 Is there a second?
 15 DIR. SULLIVAN: Second.
 16 DIR. LAURETTI: Discussion,
 17 please?
 18 THE CHAIRMAN: Yes.
 19 DIR. LAURETTI: I'm not sure I
 20 understand where this information is. Is it
 21 part of the packet?
 22 MR. KIRK: Actually we're just
 23 adding it to the amendment.
 24 THE CHAIRMAN: We're just
 25 adding it. I just got it this morning.

1 DIR. LOVEJOY: Abstained.
 2 THE CHAIRMAN: One, two.
 3 So moved.
 4 Okay, Ray, would you entertain
 5 bringing those?
 6 DIR. O'BRIEN: I would move to
 7 suspend the rules to add to the agenda a
 8 resolution regarding the delivery of cover
 9 soils to the Hartford Landfill, a resolution
 10 regarding an agreement for reconditioning of
 11 two WPF wheel loaders.
 12 And a question to the Chair or
 13 the person that brought these up: Is the
 14 Marsh also for Board action, or is it just
 15 for information?
 16 MR. KIRK: Yes, that's also
 17 for Board -- I'm sorry, it's not for the
 18 Board. It's information to explain why that
 19 particular purchase order was --
 20 THE CHAIRMAN: There's a
 21 motion on the table --
 22 DIR. O'BRIEN: To add two
 23 items.
 24 THE CHAIRMAN: -- to add two
 25 items for Board action, a resolution

1 MR. KIRK: We have a package
 2 which we can distribute now.
 3 THE CHAIRMAN: We've obviously
 4 had a breakdown someplace with a piece of
 5 machinery. So we'll pass that out.
 6 All those in favor of adding
 7 to the agenda?
 8 Opposed?
 9 So moved.
 10 DIR. LOVEJOY: Abstained.
 11 THE CHAIRMAN: And the last
 12 would be an informational item to add to the
 13 agenda considering the contract with Marsh.
 14 So the Chair will make -- we have that as a
 15 motion. Will you second that?
 16 DIR. SULLIVAN: Second.
 17 THE CHAIRMAN: All those in
 18 favor?
 19 Okay. Tom, are you going
 20 to -- let's take these right now.
 21 MR. KIRK: Okay.
 22 THE CHAIRMAN: Why don't we do
 23 that in the order that they were brought to
 24 the table. Let's do them the way they were
 25 brought to the table. It makes it easier for

1 the stenographer.
 2 MR. KIRK: We'll give a second
 3 to look quickly at the packages we're
 4 distributing. We apologize for bringing this
 5 up and not having it included in the package.
 6 There are a number of reasons why these came
 7 late.

8 The first item is regarding
 9 delivery of cover soils to the Hartford
 10 Landfill. One of the initiatives we've
 11 undertaken in the past six months is seeking
 12 revenue for our cover requirements. The DEP
 13 and good operating practices require covering
 14 our processable waste and other material at
 15 our Hartford Landfill. Peter has entered the
 16 market and is actually leaning revenue a
 17 number of range of prices for contaminated
 18 soil. Contaminated soil is essentially soil
 19 picked up at construction sites throughout
 20 the state, sometimes out of state, that meets
 21 very strict criteria for use as cover in a
 22 landfill and for disposal in a landfill.
 23 We're utilizing that initiative now to bring
 24 some revenue in and more importantly to limit
 25 the costs of cover soil that we used to have

1 the Connecticut DEP, who reviews it and
 2 approves it for use as daily cover at the
 3 Hartford Landfill. We also obtain copies of
 4 the analytical to confirm that the analytical
 5 sampling has been conducted in accordance
 6 with EPA's sampling guidance, that is, enough
 7 samples were taken to adequately represent
 8 the soil. We review it in-house. It's
 9 myself that reviews that analytical. We also
 10 employ an outside environmental consultant to
 11 review the analytical and confirm that it is
 12 acceptable and poses no issues for risks to
 13 CRRA and that sampling and analysis has been
 14 conducted in conformance with government
 15 standards.

16 DIR. O'BRIEN: I would move
 17 the --

18 THE CHAIRMAN: I pick up on
 19 one thing that he said, that the DEP and EPA
 20 approves this for both industrial and
 21 residential reuse; is that correct?

22 MR. EGAN: Not in all cases.
 23 In this particular case some of the soil
 24 meets industrial reuse criteria, some also
 25 meets residential reuse criteria, some meets

1 to purchase. This particular resolution
 2 authorizes us to enter into a contract with
 3 LEAC and C (phonetic) for delivery of
 4 contaminated soil to be used as daily cover
 5 as per the DEP regulations.

6 THE CHAIRMAN: Can I
 7 interrupt, sir?

8 MR. KIRK: Sure.

9 THE CHAIRMAN: Maybe I can go
 10 to Peter. Peter, just for the record and for
 11 the public's information, we use the word
 12 "contaminated," which raises flags. Can you
 13 define that?

14 MR. EGAN: Yes, I can. The
 15 soil that we accept for use as daily cover at
 16 the Hartford Landfill that we refer to as
 17 "contaminated" is soil that has minimal
 18 contamination generated at various
 19 remediation sites around the state. It
 20 typically will meet industrial and in some
 21 cases, including this case, a portion of it
 22 meets residential reuse criteria under the
 23 Connecticut DEP's Remedial Standards
 24 Regulations. Significant analytical testing
 25 is conducted on the soil. It is submitted to

1 neither, but it is still acceptable for use
 2 as daily cover at this waste management
 3 facility here in the North Meadows.

4 THE CHAIRMAN: Okay, just so
 5 that it's defined here.

6 DIR. MARTLAND: From a soil
 7 point of view or from a country boy's point
 8 of view, what is it? Is it clay? Is it
 9 boney stuff? Is it sand?

10 MR. EGAN: It's material that
 11 is primarily sand. We want to see low silt,
 12 low clay content. And in fact, before we
 13 actually allow it to be put on trucks and
 14 delivered, a CRRA engineer, landfill
 15 engineer, goes down and actually visually
 16 inspects the soil to confirm that it is going
 17 to work appropriately as daily cover.

18 THE CHAIRMAN: Mr. Lathrop.

19 DIR. LATHROP: Just glancing
 20 through this, what's the term of the
 21 contract?

22 MR. EGAN: The term of the
 23 contract is through delivery of the
 24 agreed-upon quantity.

25 DIR. LATHROP: So it's

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1 open-ended?
 2 MR. EGAN: Yes. Typically
 3 this amount of quantity will come in over a
 4 two-, three-month period of time.
 5 DIR. LATHROP: Second point.
 6 I notice it's effective three days previous.
 7 MR. EGAN: Yes. In accordance
 8 with our procurement policies this is
 9 considered a market-driven sale or purchase
 10 and the CRRA president is authorized to enter
 11 into a market-driven transaction and then
 12 come to the Board after the fact to seek
 13 ratification of that contract.
 14 DIR. LATHROP: Thank you.
 15 DIR. LAURETTI: Mr. Chairman,
 16 didn't we have an item similar to this on our
 17 agenda a month or two back?
 18 DIR. MENGACCI: Yes.
 19 THE CHAIRMAN: Yes. Again,
 20 what we've been doing is, as opposed to going
 21 out and purchasing materials, Peter and the
 22 staff have been looking to not only mitigate
 23 costs but bring in revenue, and working with
 24 the DEP this is one way to do so. So, yes,
 25 you're right.

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1 DIR. LAURETTI: Market driven
 2 in that the price is much lower, much more
 3 affordable than our previous approval for
 4 cover soil?
 5 MR. EGAN: No. This is
 6 revenue that's coming into the company.
 7 We're not paying for the soil. We are
 8 charging to accept it. The material that
 9 came to you at the May Board meeting came out
 10 of a site in Rocky Hill for which we charged
 11 \$12 a ton. This material from the Colgate
 12 project we were able to negotiate a price of
 13 \$14 a ton.
 14 THE CHAIRMAN: You might
 15 recall, Mark, prior to Peter's initiative on
 16 some of this stuff we were paying to bring in
 17 fill. So this is --
 18 DIR. LAURETTI: Right. I
 19 guess I needed clarification on what he did.
 20 MR. KIRK: The market-driven
 21 aspect of this is two reasons. It's a
 22 volatile product, and it's a thin market.
 23 There are a number of other capacities -- a
 24 number of other uses for the material or
 25 destinations for the material, including a

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1 landfill closure in Massachusetts. So Peter
 2 needs to understand the market and be able to
 3 act relatively quickly to contractors that
 4 need to get their stuff out or need to
 5 ascertain a home for their stuff as their
 6 project continues. He's done a real good job
 7 to date, inching that price up to double
 8 digits from what used to be a cost-side entry
 9 in our ledger.
 10 DIR. SULLIVAN: And I would
 11 suggest to anyone who knows of any soil
 12 availability like, for example, down in my
 13 town in Glastonbury, there's tank farms that
 14 have been removed along the Connecticut River
 15 and the contaminated soil from the tank farms
 16 is now being actually excavated and removed
 17 so there can be a river park down there. And
 18 I mentioned that to Peter. He's been in
 19 contact with the Glastonbury town officials
 20 that are in charge of that. That may be some
 21 additional available soil, again, for some
 22 additional revenue. So I urge anyone here or
 23 in the public if you know of that going on in
 24 your town, it doesn't hurt to just make a
 25 phone call and say this is an opportunity

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1 that we may want to consider.
 2 DIR. LAURETTI: You know years
 3 ago the City of Shelton through the waste
 4 water treatment plant used to send all its
 5 sludge for cover material for the Shelton
 6 Landfill. And while there was some great
 7 debate with the DEP over that issue, I want
 8 to let everybody know that the Shelton
 9 Landfill has a nice glossy green color to it.
 10 (Laughter.)
 11 MR. KIRK: Great fertilizer.
 12 DIR. LAURETTI: The tomatoes
 13 are very plush too.
 14 THE CHAIRMAN: I got a line
 15 for that, but I'm not going there.
 16 (Laughter.)
 17 THE CHAIRMAN: Thank you,
 18 Mark.
 19 DIR. O'BRIEN: Mr. Chairman,
 20 I would move the resolution regarding
 21 delivery of cover soil to the Hartford
 22 Landfill.
 23 THE CHAIRMAN: All right, we
 24 have a motion on the table.
 25 DIR. SULLIVAN: Second.

1 THE CHAIRMAN: Any further
2 discussion?

3 DIR. O'BRIEN: Yes. Volatile
4 is the wrong adjective to use for soils.

5 MR. KIRK: You're right. I
6 take my marketing hat off.

7 THE CHAIRMAN: All those in
8 favor as substantially presented?

9 Opposed?

10 Abstained?

11 DIR. LOVEJOY: Abstained.

12 THE CHAIRMAN: So moved.

13 Thank you.

14 DIR. O'BRIEN: I will move the
15 resolution regarding agreement for
16 reconditioning of two WPF wheel loaders as
17 stated.

18 THE CHAIRMAN: Are you going
19 to handle that, Tom?

20 MR. KIRK: Just very briefly,
21 the Mid-Conn project has eight loaders it
22 uses for various tests throughout the plant,
23 large machines, very expensive. New costs
24 about 355 to 390,000 dollars. Two of these
25 machines are essentially parked at the moment

1 in need of repair. The proposal here is to
2 essentially rebuild those with the
3 Caterpillar-authorized dealer.
4 The issue of interest to the
5 Board, I think, and what makes this important
6 for us is to just recognize that although
7 this was bid in accordance with our policies
8 and procedures, we received only one bid, and
9 that is honestly to be expected. Caterpillar
10 only has one authorized dealer in the
11 particular region. H.O. Penn is the
12 authorized dealer here in Southern New
13 England. In order to rebuild these to near
14 new condition and get a two- or a three-year
15 warranty, years plus hours, that's just not
16 available from any other vendor. It's
17 proprietary technology. And it's appropriate
18 that we rebuild them with the
19 Caterpillar-authorized dealer. New units are
20 an option but they are roughly twice the
21 price of a rebuild. A rebuild, although the
22 paint won't look as nice, they will be near
23 new condition and have a similar warranty.
24 So we would recommend authorizing us to enter
25 into an agreement with H.O. Penn to rebuild

1 these machines. Rich is here to answer any
2 particular questions.

3 THE CHAIRMAN: I'm moving back
4 about four pages, the loader option table.
5 Purchase and own would be \$352,000 for a
6 machine?

7 MR. KIRK: New one, yes.

8 THE CHAIRMAN: There's a lease
9 for a three-year interval. You can see the
10 numbers there. And the third option which
11 the president is bringing to the Board is
12 \$175,590 per machine.

13 Sir.

14 DIR. MARTLAND: How long a
15 downtime? How are you going to do it when
16 these aren't there?

17 MR. KIRK: Right now they are
18 not being utilized. They are essentially
19 parked in our, I guess you'd say a warehouse
20 on wheels, so we don't anticipate an
21 operational impact. We need six to operate
22 in the schedule we're working now, so these
23 are not necessary. They will increase our
24 availability of machines.

25 Rich, did you want to address

1 that further?

2 DIR. LAURETTI: Do you rotate
3 the machines?

4 MR. KIRK: Yes.

5 MR. QUELLE: Presently we have
6 eight. One actually had a fire and is out of
7 service and the other one is basically
8 mothballed due to the amount of hours on the
9 machines. What's happened is we have eight
10 machines, but over the years we've never
11 spent the money to replace with new machines.
12 So we basically have a fleet of the wheel
13 loaders that have in excess of 25,000 hours
14 on them. Industry standard, an average of
15 running a machine is about 15. So through
16 our maintenance programs we've maintained
17 them and kept them running, but we're at a
18 point now where we have to make the decision,
19 Do we go out every year or so, buy new
20 machines, rebuild them -- or actually there's
21 a lease option. What this package has is the
22 analysis that I performed, looking at the end
23 of the life of the project -- which is 8 to
24 10 years out -- what is the best program to
25 start implementing to take these eight

1 machines and get them to the end of the
2 project.

3 DIR. MARTLAND: So it looks
4 like we'll be getting a similar request next
5 year?

6 MR. QUELLE: Yes. The savings
7 is upwards -- just on the reconditioning
8 alone, as opposed to purchasing it -- could
9 be up to a million and a half dollars to the
10 end of the life of the project without even
11 the maintenance costs.

12 THE CHAIRMAN: And that's
13 referenced on that page.
14 Sir.

15 DIR. O'BRIEN: Two questions.
16 One, how much is in the budget for this?

17 MR. QUELLE: It's \$750,000.

18 MR. KIRK: We anticipated that
19 question. Yes, \$750,000, but it's the
20 maintenance budget, so it would --

21 DIR. O'BRIEN: Was the
22 maintenance budget developed with these two
23 in mind at that cost, or is it just that you
24 have 750 in the budget which --

25 MR. QUELLE: There was a line

1 three months. The package was actually
2 prepared in the spring and could have been
3 introduced at any time. And if the Board
4 needs more time, it's not a timely issue. We
5 can postpone it.

6 DIR. O'BRIEN: No. It's not
7 like you've had nothing else to do in the
8 last three months.

9 THE CHAIRMAN: The issue here
10 I think, Mark, I'll defer. Yes.

11 DIR. LAURETTI: I certainly
12 concur with what you want to do. I think it
13 makes all the sense. You've got a piece of
14 equipment here that is ours that we own. We
15 know what it is. And, you know, you're going
16 to refurbish it to the point where you're
17 going to extend your value.

18 Have we ever explored the
19 opportunity to purchase these machines
20 through auctions, public auctions, or the
21 used market?

22 MR. KIRK: Certainly not in
23 the last six months because we haven't been
24 in an acquisition mode, but there is a pretty
25 brisk market in used machines.

1 item put in the budget for \$750,000 for all
2 -- I'll tell you what the line item is. It's
3 a vehicle maintenance reserve that was put in
4 the budget for \$750,000. That money would
5 come out of that.

6 DIR. O'BRIEN: Do we still
7 have that reserve? We've been dissolving
8 reserves left and right.

9 MR. CONSTABLE: The capital
10 budget did include the cost of two rebuilds,
11 and the \$750,000 is actually for contributing
12 to the rolling stock reserve where this money
13 would come from to pay for these
14 refurbishments.

15 DIR. O'BRIEN: So we're not
16 causing a blip in the budget?

17 MR. CONSTABLE: We are not.

18 DIR. O'BRIEN: The other
19 question is, why is it so urgent to do now if
20 you have six operating and this had to come
21 to us without being in our packets?

22 MR. KIRK: Actually this was
23 more an oversight than a rush. In fact,
24 we've discussed yesterday whether or not to
25 include it in this package or put it off for

1 MR. QUELLE: The risk with
2 that is you don't know what you've got.

3 DIR. MARTLAND: Pig in a poke.

4 MR. QUELLE: And you could buy
5 a machine, it looks great, put it through the
6 test, have it for six months and the
7 transmission blows up. You just don't know.
8 With this rebuilt program because it's going
9 to be a certified program from a Cat dealer,
10 you're guaranteed the quality of the rebuild
11 and the machining and they enhance it with a
12 warranty. So they're rebuilding it and they
13 feel confident enough they can give this
14 machine that's basically having a second life
15 a full warranty that a new machine would
16 have.

17 DIR. LAURETTI: I certainly
18 wouldn't disagree with that. But sometimes
19 through these various auctions that are all
20 over the country there's a huge market for
21 used and repossessed equipment and there is
22 some information available to the status and
23 the condition of the machine. And I wondered
24 if it made sense to pursue that.

25 MR. KIRK: I in my previous

1 job purchased used equipment, actually
 2 bulldozers, and have been very successful if
 3 you go into that with the understanding that
 4 the first step after purchase is to the
 5 rebuild shop so that you can assess exactly
 6 what you have and fix any problems. If we're
 7 in the acquisition mode, if we should be in
 8 that mode, we would certainly pursue used
 9 equipment as well as new, particularly in
 10 light of the eight-year time line on this
 11 project.

12 DIR. LAURETTI: And everything
 13 really depends upon what you pay for the used
 14 equipment too.

15 MR. QUELLE: These are also --
 16 these are special handling packages on these
 17 machines just for trash. They have different
 18 skid plates; they have different cooling
 19 systems. So you have to sort of find this
 20 specialty kind of application. It's been out
 21 in the general area. It's been used in this
 22 application, because there are differences.
 23 There actually is a trash package that's
 24 installed with these machines to handle what
 25 they do.

1 DIR. LAURETTI: To retrofit
 2 them?

3 MR. QUELLE: Right. And then
 4 they come with foam-filled tires. There's a
 5 lot of differences. It's just a regular unit
 6 that's been used in construction.

7 THE CHAIRMAN: Andy, did you
 8 have a comment?

9 DIR. SULLIVAN: How long does
 10 it take?

11 MR. QUELLE: Twelve weeks.

12 DIR. SULLIVAN: Start to
 13 finish?

14 MR. QUELLE: Yes. Per
 15 machine.

16 DIR. SULLIVAN: So we would
 17 assume that with adoption of this resolution
 18 that the start could be by the first of the
 19 month?

20 MR. QUELLE: Yes.

21 DIR. SULLIVAN: Okay. Thanks.

22 THE CHAIRMAN: All right. The
 23 issue then on the table is really two. I
 24 think it's been addressed. One, according to
 25 policy and procedure this is a single vendor

1 for --

2 MR. KIRK: It was bid.
 3 According to policies and procedures, we only
 4 received one qualified bid.

5 THE CHAIRMAN: So we have that
 6 issue, and I think that's been explained.
 7 And two, there is money within the budget to
 8 handle this.

9 So any other further
 10 questions, comments? Then we'll take it to
 11 the vote.

12 All those in favor?

13 Opposed?

14 DIR. LOVEJOY: Abstained.

15 THE CHAIRMAN: Abstained.

16 So moved.

17 Tom, are you going to handle
 18 that last one as well?

19 MR. KIRK: The last issue is
 20 essentially for information only. We have a
 21 contract with Marsh USA. They had in the
 22 past provided us with an environmental
 23 reserves assessment back in December of 2001.
 24 All of the information and resources used in
 25 that report are the property of Marsh. And

1 as such, to update that report, to make it
 2 timely to today, our choices are either going
 3 out to bid and creating a new report, which
 4 would be in the 60 to 70,000 dollar range or
 5 going directly to Marsh and using their
 6 proprietary information to update their
 7 report, which we can do for a cost of \$4,900,
 8 and that was the obvious answer for the
 9 management staff here, so we went ahead and
 10 did that. This is an informational item for
 11 the Board.

12 THE CHAIRMAN: Any questions?

13 All right, then we'll move on
 14 to the next item. And under finance we've
 15 done the cash funds. Board action will be
 16 sought regarding the creation and dissolution
 17 of the recycling reserve, which is
 18 attachment 4. The Chair will make that as a
 19 motion and bring it to the table.

20 Is there a second?

21 DIR. O'BRIEN: Second.

22 THE CHAIRMAN: Ray will
 23 second.

24 Andy.

25 DIR. SULLIVAN: We recommended

1 this up to the Board at our finance committee
 2 meeting last week. And basically just so
 3 there's a clear understanding, it's a
 4 reclassification. This does not in any way
 5 change the concept of maintaining this
 6 reserve. And we'll talk a little bit about
 7 later on or Jim can talk about the potential
 8 things that are going to be going on in the
 9 Mid-Conn sector. But the reason -- and I
 10 think it's clear in the discussion behind the
 11 resolution -- our contract has expired. This
 12 was a restricted reserve under the terms of
 13 the contract. Since the contract has
 14 expired, then we need to redefine what the
 15 nature of the reserve is and the appropriate
 16 redefinition is to bring it over into a
 17 Board-designated reserve. So that everybody
 18 is clear on this, this is in no way, shape or
 19 fashion indicating an approval to spend a
 20 million seven. The reserve is still
 21 necessary to be maintained. It just is in a
 22 different bucket, if you will.
 23 THE CHAIRMAN: Jim, do you
 24 want to -- maybe the first two lines of the
 25 resolution, Resolved, where you talk about

1 the reclassification.
 2 MR. BOLDUC: Sure. Again, as
 3 part of the process we started this year, and
 4 it will be part of our annual process in
 5 October, we will look at all reserves. The
 6 accounting rules require the reserves either
 7 to be restricted, which this one was, and
 8 that's either restricted by contract or other
 9 legal requirement, or all the other funds
 10 that have become in an unrestricted category
 11 which means unless the Board designates a
 12 restriction on they are basically
 13 unrestricted. What we've attempted to do is
 14 to identify, as you can see on the last page
 15 of this attachment, where we are now relative
 16 to the other work we've done and where all
 17 the Board-designated restrictions are. And
 18 because this one cannot continue in the
 19 accounting classifications restricted,
 20 because the contract doesn't exist, our
 21 recommendation is to -- rather than putting
 22 it into an unrestricted non-Board-designated
 23 category that there is future plans to do
 24 with the recycling facility -- and so in the
 25 interim to put it as a Board-designated item

1 subject to management having to come back to
 2 the Board and make a presentation before the
 3 funds are expended. And then in a second
 4 review would be in October of every year
 5 prior to starting the budget, we will work at
 6 all the reserves to determine inadequacies,
 7 continue the justification, and so forth. So
 8 it's part of the regular process. So making
 9 sure from an accounting perspective we've got
 10 these dollars in the right categories.
 11 THE CHAIRMAN: Ray.
 12 DIR. O'BRIEN: Is this the
 13 same reserve that would be used to finance
 14 the facilities modification agreement?
 15 MR. BOLDUC: That will be
 16 talked about right in the meeting.
 17 DIR. O'BRIEN: So in effect
 18 we're creating it, but we will be authorized
 19 spending from it perhaps later today?
 20 MR. BOLDUC: Yes. But all
 21 this does is -- by the accounting rules we
 22 have to move it --
 23 DIR. O'BRIEN: I understand.
 24 MR. BOLDUC: -- and so rather
 25 than making it unrestricted we're suggesting

1 it's Board restricted, renaming it and then
 2 the Board can elect to do what it wants.
 3 DIR. SULLIVAN: Collectively
 4 make a decision as to what we do with it.
 5 DIR. O'BRIEN: Okay. I just
 6 want to be sure they were the same.
 7 DIR. SULLIVAN: Did I move the
 8 resolution?
 9 THE CHAIRMAN: Yes, I believe
 10 so.
 11 DIR. O'BRIEN: I'll second.
 12 THE CHAIRMAN: I brought it to
 13 the table. You seconded it.
 14 DIR. SULLIVAN: You're right.
 15 DIR. O'BRIEN: I seconded it.
 16 THE CHAIRMAN: Just for
 17 clarification then, Jim, if you would just
 18 read the resolution out loud so everybody can
 19 hear it and then we'll do the vote.
 20 DIR. FRANCIS: "Resolution
 21 regarding the creation and dissolution of a
 22 recycling reserve.
 23 "Resolved: That the Regional
 24 Recycling Center Paper Equipment Replacement
 25 Reserve for the Mid-Connecticut project be

1 reclassified from restricted to Board
2 designated (balance as of May 31, 2003, was
3 \$1,729,509).

4 "Further resolved: That the
5 Regional Recycling Center Paper Equipment
6 Replacement Reserve be renamed Recycling
7 Reserve.

8 "Further resolved: That the
9 Regional Recycling Center Paper Equipment
10 Replacement Reserve be dissolved."

11 THE CHAIRMAN: Any further
12 comment? Questions?

13 Okay. Seeing none, the Chair
14 will call for the vote. All those in favor
15 of the resolution as presented and discussed?

16 Opposed?

17 Abstained?

18 DIR. LOVEJOY: Abstained.

19 THE CHAIRMAN: The Chair voted
20 in the affirmative.

21 DIR. O'BRIEN: I will move the
22 resolution regarding a Connecticut Market
23 Waste Flow Analysis and Management Study.

24 THE CHAIRMAN: Okay, Tom, are
25 you going to do this?

1 project and the quality of the product that
2 we would receive would be far superior than
3 the other firms that had submitted.

4 THE CHAIRMAN: And just --
5 I'll defer to Ray.

6 DIR. O'BRIEN: A question
7 really for Woody. Is this also a component
8 of the study you're doing, the market
9 analysis -- because I assume we're going to
10 share this with your Board, but is this also
11 a component?

12 DIR. LOVEJOY: Yes, we will be
13 putting this together with the study we're
14 doing ourselves. This will be of help to us.

15 DIR. O'BRIEN: Okay. In
16 other words, it's not a component of your
17 study as it stands now?

18 DIR. LOVEJOY: Not this one.
19 Ours was a survey of where we were when --
20 which would have been effectively with the
21 old board.

22 THE CHAIRMAN: Cathy.

23 MS. BOONE: May I ask about
24 the allocation of cost and why Southeast is
25 not included?

1 MR. KIRK: Yes. Actually Mike
2 and Ron can speak to this. The market flow
3 analysis will provide us with a market
4 intelligence and market information that will
5 allow us to better develop a strategic plan
6 for both of the -- for all four projects for
7 both the time period between now and
8 termination of the contracts and importantly,
9 for postcontract capacity development.

10 Mike and Ron, do you have
11 anything to add to that?

12 MR. TRACEY: We selected the
13 vendor from our stable of on-call engineering
14 consultants. We weren't required to go out
15 to bid for it. What we did do is solicit
16 proposals from three qualified firms. We
17 brought the firms in and spoke to each one of
18 them. The firm that we selected, HRP
19 Associates, we felt that their proposal and
20 their approach to doing the work was far
21 superior than the other two firms that had
22 submitted proposals.

23 HRP's price was a couple of
24 thousand dollars higher than the low bidder,
25 but we felt that their approach to the

1 THE CHAIRMAN: Yes. That is
2 on the next page. It's on the second page
3 right behind the resolution. You will see
4 it's broken into the Mid-Conn, Bridgeport,
5 Wallingford projects.

6 MS. BOONE: I saw that. I'm
7 asking why it is divided that way and why
8 Southeast is not included?

9 THE CHAIRMAN: Why is
10 Southeast not included in this allocation?

11 MR. KIRK: Southeast is pretty
12 much a stand-alone authority in and of
13 itself, and we contract with the authority as
14 opposed to sponsoring that project. The
15 information will be available to Southeast,
16 but they're not -- the focus is not the
17 Southeast project towns.

18 MS. BOONE: I guess then the
19 question is, what is the focus, since
20 Mid-Conn is paying for most of it?

21 MR. KIRK: The focus is all
22 169 towns. We want a statewide study of
23 waste flow, where it comes from, where it
24 goes, who picks it up. The bulk of the --
25 the most important product will be a database

1 that we can access, all the projects can
 2 access, that will provide market information
 3 and allow us to better strategically control
 4 or strategically plan for controlling waste
 5 and ensuring waste is delivered to the
 6 projects that are entitled to it. The
 7 Mid-Conn projects would benefit most in that
 8 70 of the towns will have a flow control
 9 concern as our tip fee goes up in coming
 10 years. And it was the concerns about flood
 11 control and ensuring sufficient waste is
 12 retained to the Mid-Conn project that was the
 13 original motivation for this. We decided
 14 that rather than limit it to just the
 15 Mid-Conn towns, since there is a regional
 16 component to all of the waste flow in the
 17 state, and that leakage of waste from the
 18 Mid-Conn project could be to other capacity
 19 projects throughout the state or outside the
 20 state, it made sense to do a statewide study.
 21 MS. BOONE: So this
 22 is not future looking to the expiration of
 23 the contracts and a redistribution of the
 24 waste or anything like that in terms of an
 25 overall policy for the state on waste

1 distribution?
 2 MR. KIRK: Correct. This is a
 3 fact-finding mission to find out where the
 4 waste is, where it goes, how it gets there,
 5 where the capacity is, and all of that
 6 information will obviously be valuable in
 7 creating a plan moving forward. There is not
 8 a current up-to-date solid waste management
 9 plan in the state. The DEP's
 10 responsibility -- has a responsibility to
 11 design one. We hope to be at the table when
 12 they do that and have influence in designing
 13 how that plan is built. This information is
 14 critical in designing a forward-looking plan.
 15 MS. BOONE: What is the
 16 immediate use of it, because isn't Mid-Conn
 17 pretty much at capacity now?
 18 MR. KIRK: Yes, Mid-Conn right
 19 now, because its tipping fee is about \$6
 20 below market, has no trouble attracting and
 21 keeping waste. In fact, in the summer months
 22 it ends up exporting waste out of the project
 23 either to Bridgeport or exporting out of
 24 state. There are times during the year when
 25 we are short on garbage, particularly the

1 January/December time frame. But, yes, the
 2 project is full.
 3 Looking forward, though, to
 4 next year when the full impact of the Enron
 5 agreement problem is felt in the tip fee, we
 6 will most certainly be out of market in our
 7 tip fee and at that point we will be very
 8 concerned about maintaining sufficient waste
 9 flows into the Mid-Conn project to avoid what
 10 is known in the industry as the death spiral,
 11 less tons meaning more costs spread above
 12 fewer tons chasing out even more tons and
 13 thus higher prices.
 14 So the study will grab all the
 15 information available to us today statewide
 16 and develop that into a database so we can
 17 manipulate that database and with that
 18 information better plan for both the
 19 immediate future of the Mid-Conn project and
 20 the other projects and the postcontract
 21 planning. CRRA's mission is to ensure a
 22 competitive balance to the waste market, and
 23 postcontract years that's still an open
 24 question.
 25 MS. BOONE: Thank you.

1 DIR. LATHROP: Taking up your
 2 comment that it does involve all 169 cities
 3 and towns, I reinforce the question and reask
 4 it, why is the Southeast project not
 5 included? And I didn't find your answer to
 6 speak to me somehow. Perhaps you can
 7 elaborate.
 8 THE CHAIRMAN: We're
 9 reviewing all 169 towns to certain
 10 components, okay? When we get that
 11 database -- let's go back a little bit here.
 12 One of the things at the last Board meeting
 13 you'll know that we put on the table, I've
 14 asked for a new management plan, a new
 15 strategic plan, a new business plan. What we
 16 need to do is know what the facts are versus
 17 what we think they are. We need to start
 18 moving forward so that we can renegotiate
 19 some contracts, MDC and everything else. We
 20 need to go and start going to our
 21 municipalities. Why we had a tip fee
 22 increase this year we know that the full
 23 fledge of Enron hasn't hit us yet. We've
 24 mitigated that to date.
 25 We also know that if we do not

1 reestablish the business plan, if you will, a
 2 strategic plan for us looking forward to the
 3 Bridgeport project, which is coming up
 4 soon -- and just for knowledge, I met with
 5 Woody and some other people yesterday from
 6 Bridgeport -- to try to take a look at where
 7 we're going to be. We need to know what the
 8 garbage is out there. We need to know where
 9 it comes from, where it's going.

10 DIR. MENGACCI: We understand
 11 that, but with all due respect --

12 THE CHAIRMAN: Let me finish,
 13 though.

14 DIR. MENGACCI: You're getting
 15 to why Southeast isn't part of this.

16 THE CHAIRMAN: It is part of
 17 it. What you're seeing here is you're not
 18 seeing an allocated cost to them. That's
 19 what you're not seeing.

20 DIR. MENGACCI: Why? All of
 21 what you said is absolutely correct, Mike.
 22 It's a very simple question.

23 MR. BOLDUC: Can I make a
 24 suggestion?

25 THE CHAIRMAN: Sure.

1 THE CHAIRMAN: That's us.
 2 DIR. SULLIVAN: So my point in
 3 saying that is we can go back through
 4 management, revise that, but it doesn't
 5 necessarily preclude us from adopting this
 6 resolution today. I don't see any reason not
 7 to. But I did have one question while I have
 8 the floor for a moment.

9 THE CHAIRMAN: Sure.

10 DIR. SULLIVAN: We're talking
 11 about HRP Associates, Inc., contract at
 12 51,160, yet the not-to-exceed price is
 13 \$55,000. It's a small item, but what's the
 14 difference for it?

15 THE CHAIRMAN: That's the
 16 allocation to Southeast.

17 (Laughter.)

18 DIR. SULLIVAN: Basically
 19 we're allocating more than what the contract
 20 price is even though they say not to exceed.

21 THE CHAIRMAN: It's a
 22 not-to-exceed by \$4,000.

23 DIR. SULLIVAN: But what is
 24 the reason for it?

25 MR. KIRK: Very quickly, the

1 MR. BOLDUC: I don't have the
 2 answer, so let me take a look at it and get
 3 back to our operating people to find out and
 4 I'll talk to Jerry at Southeast. If there's
 5 value to Southeast there should be. Let me
 6 talk to the Southeast people and then relook
 7 at the allocation and get back to the Board.

8 MR. KIRK: We owe the Board a
 9 better explanation of why Southeast is not
 10 included and why the division of the cost is
 11 as it is with Mid-Conn taking up the bulk of
 12 the project. We'll provide that prior to the
 13 next meeting.

14 DIR. LATHROP: I would like to
 15 add one comment.

16 THE CHAIRMAN: Yes.

17 DIR. LATHROP: I'm in no hurry
 18 to allocate costs to the Southeast project,
 19 but it just stares one in the face here that
 20 it's not part of it. Thank you.

21 DIR. SULLIVAN: You just want
 22 to be sure of inclusion too in the study, I
 23 would think. I don't -- the contract summary
 24 -- this is not the vendor's decision as to
 25 the allocation. That's more ours.

1 difference is their time and effort in
 2 helping us understand, develop and utilize
 3 the information.

4 DIR. SULLIVAN: Okay.

5 MR. TRACEY: Basically as part
 6 of their allocation, their planned allocation
 7 of their man-hours, there are some unknowns
 8 within the project that was basically built
 9 in. And you can see on the fee schedule, the
 10 amount above the 51 number is 55,000. I
 11 think it's a \$3,500 contingency.

12 DIR. SULLIVAN: Did the other
 13 two have not to exceed prices also that are
 14 above what they are quoting here?

15 MR. TRACEY: Yes.

16 THE CHAIRMAN: Ray.

17 DIR. O'BRIEN: Yes, a couple
 18 things. One, I have no objection to getting
 19 an allocation from Southeast, and I agree
 20 that a better explanation is needed, and I'm
 21 encouraged that you're going to go back to
 22 them. But as Andy does, I see no reason to
 23 delay the start of this project, particularly
 24 when you consider there's three times as many
 25 towns that aren't even in any of the projects

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1 as are in the Southeast project and you're
 2 not allocating anything to HRRRA, which is my
 3 organization, or some of these towns that
 4 don't have a regional organization. Roughly
 5 a quarter of the 169 towns in Connecticut are
 6 on the last page, attachment 2, other
 7 Connecticut communities not served, and yet
 8 those towns are included in the survey as
 9 they must be so that we have an accurate
 10 snapshot in time.
 11 So I don't agree with tabling
 12 it. I do agree with moving forward and
 13 seeing what you can get for an allocation
 14 from Southeast or at the very least a better
 15 explanation of why they're not in.
 16 THE CHAIRMAN: What's the
 17 timetable for completion on this?
 18 DIR. O'BRIEN: Ninety days.
 19 THE CHAIRMAN: Ninety days.
 20 So the other thing I wanted to add --
 21 DIR. O'BRIEN: Maybe we can
 22 get that in time for budgeting.
 23 THE CHAIRMAN: Not only
 24 budgeting. But also Art Rocque was here the
 25 last time, and I brought to the Board, and

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1 Art agrees from DEP, that we sit down at the
 2 table with DEP, they with policy and ours
 3 with, if you will, enactment, to take a look
 4 at the state's waste plan, all right, with us
 5 at the table. This would give us some of the
 6 background in order for us to sit down with
 7 the DEP to establish that. And it was my
 8 hope that we could have our preliminary
 9 meetings to start to set the agenda for those
 10 discussions in September, and the timeliness
 11 would be in October.
 12 Yes, sir.
 13 DIR. LAURETTI: Mr. Chairman,
 14 perhaps maybe this might help answer some of
 15 the questions. If this study includes all
 16 169 towns --
 17 THE CHAIRMAN: Yes.
 18 DIR. LAURETTI: -- what could
 19 be the negative impact to the Southeast
 20 project? How would they be left out? Would
 21 the information not be available to them?
 22 THE CHAIRMAN: No.
 23 DIR. SULLIVAN: They're not
 24 going to be left out. Any region that got
 25 left out would take the whole conclusions

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1 that are the outcomes of this review. So it
 2 seems to me --
 3 MR. BOLDUC: I think the issue
 4 really is, we focused on Southeast because
 5 they are a member, but you've got Bristol,
 6 you've got HRR, I think we need to talk to
 7 all of them. If everybody is going to have
 8 access to the data and use it however they
 9 want, then we should see if they all want to
 10 split the cost of doing it.
 11 DIR. LAURETTI: If I were
 12 Southeast and they weren't charging me, I
 13 might sit here and keep my mouth shut.
 14 DIR. LATHROP: You're smarter
 15 than I am.
 16 (Laughter.)
 17 MR. BOLDUC: So we'll canvas
 18 all the authorities and see if they want to
 19 participate.
 20 THE CHAIRMAN: Ted.
 21 DIR. MARTLAND: I just have
 22 one quick one. I wish the resolution would
 23 be a little more explicit. I mean, that's --
 24 in accordance with the terms discussed, I
 25 mean, I don't think that's appropriate. But

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1 I'm in favor of voting on it, and I think the
 2 work we're authorizing is separate from the
 3 issue we're talking about as to whom we're
 4 going to bill.
 5 DIR. SULLIVAN: Right,
 6 exactly.
 7 THE CHAIRMAN: Usually with
 8 the wording, Ted, we use the words "as
 9 substantially presented." Is that -- those
 10 are the words I usually use.
 11 DIR. MARTLAND: That would be
 12 better.
 13 THE CHAIRMAN: Okay. So, I'm
 14 going to look toward this resolution taking
 15 Ted's comments after the words "with HRP
 16 Associates, Incorporated" as opposed to "in
 17 accordance with terms and conditions," I
 18 would just put "as substantially presented."
 19 Is that fair to you?
 20 DIR. MARTLAND: That's better.
 21 DIR. SULLIVAN: Yes.
 22 THE CHAIRMAN: Then would you
 23 care to accept that as an amendment to the
 24 resolution?
 25 DIR. MARTLAND: I so move.

1 DIR. SULLIVAN: Second.
 2 DIR. O'BRIEN: I accept that,
 3 too.
 4 THE CHAIRMAN: All those in
 5 favor of that change of wording for the
 6 resolution?
 7 Opposed?
 8 Abstained?
 9 DIR. LOVEJOY: Abstained.
 10 THE CHAIRMAN: Ray.
 11 DIR. O'BRIEN: Another point.
 12 You talked about a meeting with Art Rocque
 13 and DEP. They have a big stake in this.
 14 This is something that they really should be
 15 doing. So among your due diligence after
 16 this meeting might be to see if they want to
 17 cofund this with us. They have sources of
 18 money that aren't in their budget.
 19 MR. KIRK: Taking off our
 20 dioxin tax perhaps to pay for it.
 21 DIR. SULLIVAN: As an offset.
 22 MR. KIRK: I did discuss this
 23 superficially with Jane. We're meeting to
 24 try and find other ways the CRRA can
 25 cooperate and influence hopefully a speedier

1 those that have contracts with --
 2 DIR. MENGACCI: Contract
 3 towns.
 4 MR. GAFFEY: We have 44
 5 original member towns and we have contract
 6 towns after that.
 7 DIR. MARTLAND: So it's
 8 conceivable a contract town has a shorter
 9 term and could renegotiate?
 10 MR. KIRK: No. All the terms
 11 are current in their termination, and
 12 essentially there's no difference in
 13 performance. The only difference is when
 14 they join the project.
 15 DIR. MARTLAND: Okay. Thank
 16 you.
 17 THE CHAIRMAN: You see,
 18 Woodbury, when I was there --
 19 DIR. MARTLAND: I'm concerned
 20 about Waterbury too.
 21 THE CHAIRMAN: -- well, we
 22 were one of the originals, as was Old
 23 Saybrook and others. Okay.
 24 DIR. MENGACCI: I would add to
 25 what you're saying, Mike.

1 addressing of a solid waste management plan
 2 for the state. I'm not holding my breath for
 3 money, though.
 4 DIR. O'BRIEN: But if we don't
 5 ask we never get.
 6 THE CHAIRMAN: The
 7 not-to-exceed price is 55,000. The
 8 allocation breakdown, as we see right here,
 9 is 48,000 to Mid-Conn, 5,000 to Bridgeport,
 10 2,000 to Wallingford. Those numbers could be
 11 adjusted, okay? I think the value of the
 12 discussion right here has been we will send
 13 back to see if others would share in the
 14 cost. But absent that, I would call the vote
 15 on the substantial piece of this is to do the
 16 market study.
 17 DIR. MARTLAND: I have one
 18 further question. And I should probably have
 19 known the difference. What's the difference
 20 between Mid-Conn contract and Mid-Conn
 21 project?
 22 DIR. MENGACCI: Where are you?
 23 DIR. MARTLAND: It's on
 24 attachment number 1. It lists the towns.
 25 DIR. O'BRIEN: Contracts are

1 THE CHAIRMAN: Sure.
 2 DIR. MENGACCI: Perhaps just
 3 for informational purposes at our next
 4 meeting, just to bring back what the final
 5 breakdown is.
 6 THE CHAIRMAN: Yes, yes.
 7 Okay, any further comment? Discussion?
 8 Then the motion, as amended,
 9 would read, "The president is authorized to
 10 enter into a Connecticut Market Waste Flow
 11 and Management Study with HRP Associates,
 12 Incorporated, as substantially presented
 13 herein." That's the motion.
 14 Second?
 15 DIR. O'BRIEN: Yes.
 16 THE CHAIRMAN: All right, it's
 17 been amended to read that. All those in
 18 favor?
 19 Opposed?
 20 Abstained?
 21 You, don't want to abstain on
 22 this one, right?
 23 DIR. LOVEJOY: No, I don't if
 24 it benefits us.
 25 THE CHAIRMAN: Right, just

1 making sure.
 2 Moving -- I'm sorry.
 3 DIR. LATHROP: Perhaps I
 4 should have called a point of order. I don't
 5 know whether I have a vote on it as the dog
 6 that didn't bark because Southeast is not
 7 included.
 8 THE CHAIRMAN: No, I think you
 9 do have a vote on that because --
 10 DIR. LATHROP: Well, then I
 11 vote with --
 12 THE CHAIRMAN: -- all 169
 13 towns are included.
 14 DIR. LATHROP: I vote in the
 15 affirmative.
 16 THE CHAIRMAN: Thank you.
 17 DIR. LATHROP: Thank you.
 18 I'll learn the ropes.
 19 DIR. O'BRIEN: I will move the
 20 resolution regarding a facilities
 21 modification agreement to modify the existing
 22 regional recycling center located in
 23 Hartford.
 24 THE CHAIRMAN: Is there a
 25 second? The Chair will second it to bring it

1 up to the table.
 2 Who will discuss?
 3 MR. KIRK: Just briefly, this
 4 resolution authorizes us to agree with
 5 Central Construction Industries. They were
 6 the most qualified bidder to perform
 7 modification of our IPC Regional Recycling
 8 Center here in Hartford for the Mid-Conn
 9 facility. This is a project we intend to
 10 pursue to allow us to bring the fiber
 11 recycling operation presently being done
 12 essentially at a \$4 transloading fee by a
 13 contractor in-house under our roof to save
 14 that \$4 per ton. There are ongoing potential
 15 discussions with contractors that may allow
 16 continuation of that process as it's being
 17 performed now if the prices can be made more
 18 favorable to CRRA. This agreement allows us
 19 to proceed when we determine in our best
 20 interest with a modest construction project
 21 to open up an area in the corner of the IPC
 22 not presently being utilized by FCR to allow
 23 us to do that fiber recycling project under
 24 our roof.
 25 THE CHAIRMAN: Ray.

1 DIR. O'BRIEN: In view of
 2 what we did a few minutes ago, and this is a
 3 question more for Jim, I guess, Jim or Andy,
 4 shouldn't this resolution include an
 5 explicit --
 6 MR. BOLDUC: Yes, it should.
 7 DIR. O'BRIEN: -- action by
 8 the Board taking it from that fund we just
 9 designated?
 10 DIR. SULLIVAN: Yes.
 11 DIR. O'BRIEN: So then I would
 12 move further, Resolved: the Board approves
 13 the transfer of an amount not to exceed
 14 \$228,000 from the recycling reserve fund to
 15 fund the appropriation for this project.
 16 DIR. SULLIVAN: You're
 17 offering that as an amendment?
 18 DIR. O'BRIEN: Yes.
 19 DIR. SULLIVAN: And I'll
 20 second it.
 21 DIR. O'BRIEN: Unless you want
 22 to offer it, Andy.
 23 DIR. SULLIVAN: No, no, no.
 24 That's fine.
 25 MR. KIRK: So the resolution

1 now would be two parts: to extract 250,000
 2 from the recycling reserve fund, and then to
 3 authorize a --
 4 DIR. O'BRIEN: I used 228
 5 because that's the number that's in here.
 6 MR. KIRK: I'm sorry, 227,883.
 7 DIR. O'BRIEN: I rounded it
 8 off.
 9 MR. KIRK: To extract that
 10 from the recycling reserve fund and then
 11 subsequently to authorize us to enter into an
 12 agreement to spend that money with Central
 13 Construction pending any last-minute
 14 negotiations with the contractor to keep the
 15 process as is.
 16 DIR. SULLIVAN: Mr. Chairman,
 17 I suggest we vote on the amendment and
 18 then --
 19 THE CHAIRMAN: The Chair was
 20 going to take this and make it less
 21 convoluted here. First, we have an offer to
 22 amend the resolution which would state,
 23 "Further resolved: That the Board authorize
 24 \$228,000 to be taken from the recycling
 25 reserve fund." Is that correct?

1 DIR. SULLIVAN: That's
 2 correct.
 3 DIR. O'BRIEN: For this
 4 purpose.
 5 THE CHAIRMAN: It's attached
 6 to the first paragraph, so it would be --
 7 DIR. SULLIVAN: Yes.
 8 THE CHAIRMAN: Andy, correct?
 9 DIR. SULLIVAN: Yes.
 10 THE CHAIRMAN: Jim, okay with
 11 that language?
 12 MR. BOLDUC: Yes.
 13 THE CHAIRMAN: All right.
 14 That's the motion that, I believe, the
 15 gentleman has intended to put to the table.
 16 DIR. SULLIVAN: That's the
 17 amendment.
 18 THE CHAIRMAN: The amendment.
 19 All those in favor of that amendment?
 20 Opposed?
 21 Abstained?
 22 DIR. LOVEJOY: Abstained.
 23 THE CHAIRMAN: Now, on the
 24 full motion which will -- there's a paragraph
 25 preceding that that we just voted would say

1 that, "The President is authorized to enter
 2 into an agreement with Central Construction
 3 Industries, LLC, to modify the existing
 4 Regional Recycling Center located in
 5 Hartford, Connecticut, substantially as
 6 presented at this meeting." Followed by
 7 that, "Further resolved: The Board
 8 authorized \$228,000 to be taken from the
 9 reserve fund."
 10 That's the motion now on the
 11 table in its entirety. All those in favor?
 12 DIR. SULLIVAN: I have one
 13 question before we go on. Have we used
 14 Central Construction for any project in the
 15 past and what has our experience been?
 16 MR. TRACEY: Yes, we've used
 17 them for quite a few projects, and we've had
 18 excellent results with this firm.
 19 DIR. SULLIVAN: Fine.
 20 THE CHAIRMAN: Sir.
 21 DIR. FRANCIS: Tom, you
 22 mentioned that we would save the \$4 a ton for
 23 the fiber processing. What's the annual cost
 24 of that right now?
 25 MR. KIRK: Tom, can you

1 just talk a little bit of the specifics of
 2 our transloading?
 3 MR. GAFFEY: About 50 to
 4 55,000 tons paper per annum.
 5 DIR. FRANCIS: So there's
 6 about a five-year payback period?
 7 MR. KIRK: Yes.
 8 DIR. SULLIVAN: No.
 9 Fifty-five thousand tons per year?
 10 MR. KIRK: Yes.
 11 DIR. SULLIVAN: At 4 bucks, so
 12 the payback is -- so we've got a one-year
 13 payback, a little more.
 14 DIR. FRANCIS: I just think
 15 it's important to get that out on the table.
 16 MR. GAFFEY: Just to give you
 17 an order of magnitude, as Jim pointed out
 18 before, when we process it the old way the
 19 savings that he pointed to before in the
 20 budget are significant savings going from
 21 processing bale to shipping loose from about,
 22 I'd say, about \$28 per ton down to 4.
 23 MR. KIRK: Just as
 24 importantly, we have more control over the
 25 situation if it's moved into our building and

1 away from our contractor. That's not
 2 necessarily a problem. But the history of
 3 this particular commodity is checkered, and I
 4 guess that's a polite way of saying it. And
 5 we ended up with a \$4 transloading fee as a
 6 result of a very long, hard-fought
 7 negotiation and litigation. So we're very
 8 comfortable with doing this project ourselves
 9 in our facility. If we can get a comfort
 10 level with the present contractor, Antonacci
 11 Brothers, that's certainly an option for us
 12 too.
 13 DIR. MENGACCI: We discussed
 14 this at our last finance committee meeting.
 15 MR. BOLDUC: Yes.
 16 THE CHAIRMAN: Any further
 17 comments?
 18 Sir.
 19 DIR. O'BRIEN: I think the
 20 point Jim made and it came up on another
 21 project last month where we do have a
 22 financial payout, even if it isn't as
 23 attractive as one year, I think it ought to
 24 be a part of the substance of the summary
 25 presentation. We're spending \$228,000, but

1 we anticipate \$200,000 annual savings or
 2 additional revenue or whatever it may be.
 3 MR. KIRK: That's a good idea,
 4 and I think we should put that on the summary
 5 sheet so it jumps out at you.
 6 DIR. O'BRIEN: And I put it in
 7 your template so that if there is none, you
 8 can say, just say, none in this case.
 9 THE CHAIRMAN: Anything
 10 further? The Chair will call for the vote.
 11 Does everybody understand the motion as
 12 amended?
 13 All those in favor?
 14 Opposed?
 15 Abstained?
 16 DIR. LOVEJOY: Abstained.
 17 THE CHAIRMAN: So moved.
 18 I think this just brings us
 19 down to the chairman and committee reports.
 20 Are there any committee reports?
 21 Andy?
 22 DIR. SULLIVAN: No. I think
 23 that everything that we incorporated in
 24 today's meeting is reflective of items that
 25 we discussed at last week's finance

1 committee.
 2 THE CHAIRMAN: Jim, is there
 3 anything?
 4 DIR. FRANCIS: I wasn't at the
 5 last one. John was, I believe.
 6 THE CHAIRMAN: Anything from
 7 your committee? Steve is not here.
 8 Personnel organizational synergy.
 9 DIR. MENGACCI: Not that I can
 10 think of, no.
 11 THE CHAIRMAN: And Ted made a
 12 report. So from the steering committee, the
 13 steering committee intends to have a meeting
 14 sometime in early August. And through the
 15 steering committee I've asked Jim and Tom to
 16 work with me to set up a small retreat with
 17 some of the Board members and particularly
 18 the steering committee and some members of
 19 our staff to start working on designing our
 20 first agenda detailed with the DEP, also
 21 perhaps a legislative agenda, and also to
 22 take a look at the management plan moving
 23 forward. So that retreat I think will
 24 hopefully help us, and I'm going to defer to
 25 management to help put together the

1 mechanics, if you will, as well as the agenda
 2 items for that. So you just send that to the
 3 Board for your information. The Chair may
 4 call you and ask for your participation in
 5 that retreat.
 6 DIR. MARTLAND: May or shall?
 7 THE CHAIRMAN: May. I have to
 8 take a look at -- I want a retreat so that we
 9 can hold candid discussion and not have to
 10 have records and things like that, but all
 11 four subcommittees will be represented with
 12 the steering committee.
 13 DIR. SULLIVAN: You and I
 14 talked about a date last week.
 15 THE CHAIRMAN: Yes. I think
 16 we have to nail that down and see what
 17 everybody's plans are.
 18 The last thing, I guess we
 19 have -- we're going to go to executive
 20 session but before we go there the schedule
 21 for our August meeting, we are mandated to
 22 call an August meeting.
 23 MR. KIRK: Yes. We are by
 24 statute required to meet monthly. I honestly
 25 hope that's something we can address with the

1 legislature at the next session and have the
 2 Board decide when it's necessary to meet.
 3 But the statute presently requires us to meet
 4 each month. Our plan is to on the third
 5 Thursday, as is routine, to schedule a
 6 meeting and notice a meeting. We do not
 7 intend to have an agenda, and we don't expect
 8 we'll have a quorum, but the meeting will be
 9 noticed to be at the headquarters of 100
 10 Constitution Plaza. You're welcome to
 11 attend.
 12 THE CHAIRMAN: The Chair will
 13 probably be there to call, but I've already
 14 been advised that attendance is going to be
 15 light. You're welcome to come on up for
 16 coffee.
 17 MS. TENTOR: Thank you.
 18 THE CHAIRMAN: So you'll get
 19 further e-mails or notification from us.
 20 MR. KIRK: Two quick
 21 communications issues. One of the mainstays
 22 of our efforts with the new CRRA and the new
 23 Board has been transparency, openness and
 24 communications. To that end, two pieces of
 25 news. Our replacement for Brian Flaherty

1 will be starting next Tuesday. His name is
 2 Paul Nonnenmacher, presently most recently
 3 the press communications director for the
 4 CBIA, prior to that with People's Bank and
 5 with the Bridgeport Regional Development
 6 Authority. He brings a wealth of experience
 7 to the CRRA. I think he'll be a key member
 8 of the management staff moving forward.

9 And also a point of
 10 information for the Board. I'm sending a
 11 letter to each of the Mid-Conn town chief
 12 elected officials essentially keeping them
 13 informed of the status and plans for the CRRA
 14 and in particular to help clearly identify a
 15 demarcation line, if you will, between the
 16 old board, the new board, the old management
 17 and the new management to better illuminate
 18 and describe the changes that have taken
 19 place in the last year and the status of the
 20 plan moving forward. I'll follow up that
 21 letter to each chief elected official next
 22 week with a phone call to make sure they
 23 understand. I think the important message
 24 they need to hear, quite honestly, is that
 25 the Enron problem is on its way to being

1 solved, but the full impact of the Enron
 2 problem on tip fee was not reflected in the
 3 fiscal year '04 increase. It's obviously, as
 4 we all know, a substantially bigger number.
 5 And we have to keep that on our radar screen
 6 at all times and make sure our customers are
 7 fully apprised of our efforts to mitigate
 8 those impacts on the tip fee.

9 If you do get any questions
 10 from any of the elected officials in your
 11 towns, please tell them not to hesitate to
 12 call me. I'll make that clear in my letter,
 13 and, as I mentioned, will be following up
 14 with a phone call to each of the 70 towns.

15 DIR. MARTLAND: Just one thing
 16 further. We're trying to make a distinction
 17 between the old board and the new board and
 18 that kind of thing. I'd just like to be on
 19 the record as saying I think it was more
 20 management though I'm not as knowledgeable as
 21 some of you because one of the people I
 22 respect most in public life was the selectman
 23 of Middlebury. He's exceedingly able, and he
 24 happened to be on the old board, and he was
 25 tremendously hurt by all of this. I think

1 some of those board members got hurt and they
 2 didn't even know they were getting clobbered.

3 THE CHAIRMAN: I don't think
 4 there's any disagreement on that. I knew
 5 Pete Webster personally and I couldn't tell
 6 you of a more honorable man. But we draw the
 7 distinction again. I think, as Jim mentioned
 8 at the Board of Finance, if this was a
 9 private company we would have cut our losses,
 10 so to speak, way back when and started anew.
 11 The agency and the condition we're in, we're
 12 not able to do that. We have to work through
 13 this process. But I think it's important
 14 that we do distinguish between the old CRRA
 15 and hopefully the new CRRA.

16 Woody, I don't want to put you
 17 on the spot, but do you want to share any
 18 part of the conversation we had yesterday?

19 DIR. LOVEJOY: No. I think
 20 I'll wait until it comes out.

21 THE CHAIRMAN: Good enough.
 22 Okay, then I would entertain a motion to go
 23 into executive session.

24 DIR. O'BRIEN: So moved.

25 DIR. SULLIVAN: Second.

1 THE CHAIRMAN: Thank you.
 2 (Whereupon, an executive
 3 session was held at 10:39 o'clock a.m.)
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TAB 2

CONNECTICUT RESOURCES RECOVERY AUTHORITY

THREE HUNDRED SIXTY-FIRST MEETING

AUGUST 21, 2003

A regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, August 21, 2003 at 100 Constitution Plaza, Hartford. Those present were:

Chairman Michael Pace (by telephone)

Present from the CRRRA staff:

Angelica Mattschei, Executive Assistant & Corporate Secretary

Others in attendance were: Joyce Tentor of HEJN.

Chairman Pace called the meeting to order at 9:07 a.m. and noted that there was no quorum as required by the Bylaws under Section 504 in order to conduct a meeting. Therefore, Chairman Pace said, no official business of the Authority could be conducted. Chairman Pace adjourned the meeting at 9:20 a.m. in accordance with the provisions of the Bylaws.

Respectfully submitted,



Angelica Mattschei
Corporate Secretary to the Board

TAB 3

FY 03 FINANCIAL STATEMENT AND AUDIT REPORT

WILL BE MAILED TO THE DIRECTORS

UNDER SEPARATE COVER

TAB 4

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CONNECTICUT RESOURCES RECOVERY AUTHORITY
TO AUTHORIZE THE ISSUANCE OF SUBORDINATED
INDEBTEDNESS UNDER THE GENERAL BOND RESOLUTION
IN THE FORM OF A LOAN FROM THE STATE OF CONNECTICUT
FOR THE BENEFIT OF THE MID-CONNECTICUT PROJECT**

WHEREAS, the Connecticut Resources Recovery Authority (the "Authority") has been duly established and constituted as a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut, to carry out the purposes of Chapter 446e of the Connecticut General Statutes, Sections 22a-260 et. seq., as amended (the "Statute"); and

WHEREAS, the Authority has, from time to time, issued bonds, pursuant to certain powers and duties expressly provided for in the Statute, and pursuant to the terms of its Resolution Authorizing the Issuance of Mid-Connecticut System Bonds, adopted on March 13, 1985, as amended (the "General Bond Resolution"), for the purpose of financing its Mid-Connecticut System, a Waste Processing Facility and Power Block Facility, and operated by the Authority, pursuant to the powers vested in the Authority under the Statute (the "Mid-Connecticut Project"); and

WHEREAS, Section 3 of Public Act No. 02-46, as the same is codified under Section 22a-268d of the Statute, as amended (the "Act") provides that the Authority may, upon the approval of two-thirds of the appointed directors of the Authority and subsequent approval of the State Treasurer and the Secretary of the Office of Policy and Management ("OPM"), borrow from the State of Connecticut (the "State"), for the fiscal years ending June 30, 2003 and June 30, 2004, an amount not to exceed twenty-two million dollars (\$22,000,000) and, for the fiscal years ending subsequent to June 30, 2004, an amount in the aggregate not to exceed ninety-three million dollars (\$93,000,000), all of which shall be for the purposes of supporting the repayment of debt issued by the Authority on behalf of the Mid-Connecticut Project; and

WHEREAS, the Act requires that any loan from the State to the Authority for such purpose as stated above shall be subordinate to all bonded indebtedness of the Authority; and

WHEREAS, on February 27, 2003, the Board of Directors of the Authority (the "Board"), adopted a resolution authorizing the members of the Steering Committee of the Board, the President and the Chief Financial Officer of the Authority to, among other items: (i) submit an application to the State Treasurer and the Secretary of OPM for an amount not to exceed \$115,000,000 in accordance with the provisions of the Act; and (ii) negotiate and document such financing in connection with the Mid-Connecticut Project; and

WHEREAS, on April 10, 2003, the Board adopted a resolution supplementing the

February 27, 2003 resolution, and authorizing the Officials of the Authority, pending the final determination by the State as to the original \$115,000,000 application, to enter into an interim financing arrangement with the State in the form of a loan in an amount not to exceed twenty-two million dollars (\$22,000,000), the proceeds of which shall be expended by the Authority for the purpose of supporting the repayment of debt service on the Mid-Connecticut Project during the remainder of the Authority's fiscal year 2003 and fiscal year 2004; and

WHEREAS, on June 27, 2003, the Authority and the State entered into an interim financing arrangement in the form of a credit facility from the State to the Authority in the aggregate amount of \$2,000,000, as the same is evidenced by a Master Loan Agreement, dated as of June 27, 2003, by and between the Authority and the State (the "\$2,000,000 Loan"); and

WHEREAS, on July 24, 2003, the Authority and the State entered into a second interim financing arrangement in the form of a credit facility from the State to the Authority in the aggregate amount of \$2,171,149, as the same is evidenced by a Master Loan Agreement, dated as of July 24, 2003, by and between the Authority and the State (the "\$2,171,149 Loan"); and

WHEREAS, Article II, Section 2.3 and 2.10 of the General Bond Resolution authorizes the Authority to issue Bonds and/or Additional Bonds (as the same is defined to include Subordinated Indebtedness in the form of bonds, notes or other evidences of indebtedness issued pursuant to the General Bond Resolution and not secured by the Special Capital Reserve Fund), for the purpose of providing sufficient funds for the Mid-Connecticut Project; and

WHEREAS, Article II, Section 2.9(3) of the General Bond Resolution authorizes the Authority to issue such Additional Bonds for the purpose of paying or refunding any Series of Outstanding Bonds; and

WHEREAS, the Authority desires to finance certain debt service payments of the Mid-Connecticut Project through a loan, from the State, in an aggregate amount not to exceed \$22,000,000.00, which loan shall be issued: (i) in accordance with the terms, conditions and limitations of the Act, and (ii) pursuant to the General Bond Resolution, as supplemented by that certain Supplemental Resolution Authorizing the Issuance of \$22,000,000 Subordinated Indebtedness, executed in accordance herewith and classified as Subordinated Indebtedness, as the same is defined and regulated in accordance with such General Bond Resolution (the "Loan"); and

WHEREAS, in accordance with the proposed Loan, and as a part thereof, the Authority has determined that it is in their best interests to refinance both the \$2,000,000 Loan and the \$2,171,149 Loan (collectively, the "Outstanding Loans") with the State so as to reclassify such Outstanding Loans under the General Bond Resolution as Subordinated Indebtedness, and as a portion of the aggregate \$115,000,000 maximum allowable under the Act; and

WHEREAS, the Board wishes to authorize the application to the State Treasurer and the Secretary of OPM for such Loan, and further wishes to authorize the negotiation and documentation of the Loan including, but not limited to the execution of a Supplemental

Resolution as contemplated under the provisions of Article II and Section 10.2 of the General Bond Resolution, to support the repayment of debt issued by the Authority on behalf of the Mid-Connecticut Project; and

WHEREAS, the Board wishes to give the members of the Steering Committee of the Board, the President and the Chief Financial Officer of the Authority (collectively, the "Officials") the authority to submit such application, to refinance the Outstanding Loans, and to negotiate and document such actions authorized herein; and

WHEREAS, the Board has deemed it necessary and appropriate to amend and modify the terms and provisions of the February 27, 2003 and April 10, 2003 resolutions in accordance with the determinations and conclusions set forth herein; and

WHEREAS, unless otherwise defined herein or in the body of this resolution, each capitalized term set forth herein shall have the meaning ascribed to it in the General Bond Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Connecticut Resources Recovery Authority:

Section 1. That the action of the Officials of the Authority, in submitting an application to the State Treasurer and the Secretary of OPM, in the name of and on behalf of the Authority, in connection with the extension by the State of Connecticut of a loan to the Authority in an aggregate amount not to exceed twenty-two million dollars (\$22,000,000.00), in accordance with the provisions of the Act, to support the repayment of debt issued by the Authority on behalf of the Mid-Connecticut Project, be and the same is hereby authorized and approved.

Section 2. That the Officials of the Authority, in connection with such application for the Loan, shall submit to the State Treasurer and the Secretary of OPM, those items required under the provisions of the Act including, but not limited to a Financial Mitigation Plan, the proposed budget for the Mid-Connecticut Project for the ensuing fiscal year, the Authority's three-year plan, a cash flow analysis showing the Authority's need for current and future borrowings, a most recent certified audit of the Authority, on an annual basis, all as previously reviewed and approved by the Board, as well as any other items reasonably requested by the State Treasurer and the Secretary of OPM in order to effectuate the Loan.

Section 3. That the Board of Directors of the Authority hereby authorizes the Officials to initiate proceedings authorizing the refinance of the Outstanding Loans for the purpose of financing the same pursuant to and under the provisions of the General Bond Resolution as Subordinated Indebtedness. All amounts refinanced under the Outstanding Loans shall, upon the completion of such refinancing, be rolled over and made a part of the Loan subject to the same terms and conditions as the Loan.

Section 4. That the Authority's acceptance of the Loan shall be authorized pursuant to both the Act and the General Bond Resolution, and shall be classified as Subordinated Indebtedness under the General Bond Resolution, the proceeds of which shall, pursuant to

Section 2.9(3) of the General Bond Resolution, be used and expended for the Mid-Connecticut Project for the purpose of paying debt service on the Authority's Outstanding Bonds.

Section 5. That the Board of Directors of the Authority hereby authorizes the Officials to enter into negotiations with the State Treasurer and the Secretary of OPM, to establish the terms of such Loan, which terms shall include the maturity date of such Loan (which maturity date shall be no later than June 30, 2012), interest rate, repayment terms, security and other terms of the Loan provided, however, that the repayment of such Loan shall be subordinate to the repayment of any Outstanding Bonds of the Authority, all in accordance with the terms and provisions of the Act, and substantially the form of the Term Sheet attached hereto as Exhibit A (the "Term Sheet") and made a part hereof, all in such manner as the Officials shall determine to be in the best interests of the Authority.

Section 6. That the Loan shall be a direct and general obligation of the Authority, and the full faith and credit of the Authority is pledged to the payment of the principal and interest due on the Loan; and further that the Loan shall be secured by a pledge of the Revenues of the Authority granted, created or authorized by the General Bond Resolution (except the Special Capital Reserve Fund), subordinate, however to the pledge of the Authority's Revenues granted under its 1996 Series A Bonds, 1997 Series A Bonds, and 2001 Series A Bonds, as well as any other bonds issued, or subsequently issued, pursuant to the General Bond Resolution and/or any other resolution or authorizing document authorized by the Authority in connection with the Mid-Connecticut Project.

Section 7. That the Board hereby authorizes the Officials, for and in the name of and on behalf of the Authority, to take such actions and to negotiate any and all such loan instruments including, but not limited to a Master Loan Agreement, a Supplemental Resolution as prescribed by the General Bond Resolution, a Promissory Note, and any and all certificates or other documents required pursuant to the Act or the General Bond Resolution (collectively, the "Loan Documents"), all substantially in accordance with the attached Term Sheet, and in such form as such Officials shall approve, subject to the advice of bond counsel to the Authority, as are deemed necessary, appropriate and advisable and in the Authority's best interests in order to effectuate such Loan.

Section 8. That the Board hereby authorizes the Chairman of the Board and the President, for and in the name of and on behalf of the Authority, to execute, acknowledge and deliver the Loan Documents, and the execution of such Loan Documents, by the Chairman of the Board and the President shall be conclusive evidence of the approval of the Authority.

Section 9. That any two of the Chairman of the Board of Directors, the Chairman of the Finance Committee, the President and the Chief Financial Officer, acting together, are further hereby authorized, for and in the name of and on behalf of the Authority, to approve, execute or submit, as appropriate, any and all of the Authority's requisition forms for the disbursement of Loan funds as submitted to the State Treasurer and Secretary of OPM during the term of the Loan, in such form and substance satisfactory to the Authority and the State Treasurer and Secretary of OPM.

Section 10. The Officials are authorized and directed to perform and take such other actions as may be desirable, necessary, proper or convenient to accomplish the intent and purposes expressed herein, and the performance thereof by such Officials shall be conclusive as to the approval by the Authority of the terms thereof.

Section 11. This resolution shall take effect immediately.

Date: _____

BPRT/68305.2/CGB/490326v2

Exhibit A

**CONNECTICUT RESOURCES RECOVERY AUTHORITY
Mid- Connecticut Project
\$22,000,000 Subordinate Loan**

TERM SHEET

BORROWER: Connecticut Resources Recovery Authority (the "Authority")

LENDER: State of Connecticut (the "State")

FACILITY: \$22,000,000 subordinate note (the "Loan")

INTEREST RATE: A variable rate of interest, as determined for each calendar month, and tied to the average effective yield of the State Treasurer's Short Term Investment Fund or the interest rate of any borrowing by the State that may be required to fund the Loan, plus twenty-five basis points. Notwithstanding the foregoing, in no event shall such variable rate exceed 6% per annum.

PAYMENT SCHEDULE: Advances under the Loan to be made through fiscal year ending June 30, 2012. Payments of interest on the Loan from commencement of the initial advance. Payments of principal to be made in accordance with a repayment plan established by the State.

TERM: Earlier of the date of final payment of principal and interest or June 30, 2012 (the "Maturity")

PURPOSE: To support the repayment of Bonds issued by the Authority on behalf of the Mid-Connecticut Project (the "Project")

ADVANCES: Monies will be advanced on a monthly basis, in advance, to fund or support debt service payments for the Project. Funds will be advanced upon the Authority's presentation of a detailed Requisition, in form and substance acceptable to the State, and satisfaction of all conditions set forth in Master Loan Agreement. No advances if there is an existing default under the Master Loan Agreement.

ADVANCE DENOMINATIONS: So much as needed to fund debt service shortfalls for the Project for the succeeding month

**SOURCE OF
REPAYMENT:**

Payments of principal and interest under the Loan shall be made solely from the revenues of the Project

PLEDGE:

The Loan shall be a direct and general obligation of the Authority, and the full faith and credit of the Authority are pledged to the payment of principal and interest under the Loan. The Loan shall be additionally secured by a pledge of the Revenues of the Authority granted, created or authorized by the General Bond Resolution (except the Special Capital Reserve Fund), subordinate, however to the pledge of the Authority's Revenues granted under its 1996 Series A Bonds, 1997 Series A Bonds and 2001 Series A Bonds, as well as any other bonds issued, or subsequently issued, pursuant to the General Bond Resolution and/or any other resolution or authorizing document authorized by the Authority in connection with the Mid-Connecticut Project.

**CONDITIONS FOR
LOAN:**

The Authority shall submit the following Project-specific (unless otherwise indicated) materials to both the State Treasurer and the Secretary of the Office of Policy and Management, all in accordance with the provisions of the Act, as amended:

- (i) Financial Mitigation Plan, as more particularly described in the Act, to include, but not be limited to the following:
 - plan to minimize tipping fees for municipalities that have entered into solid waste disposal contracts with the Authority;
 - efforts Authority has made to reduce general administration and costs;
 - Authority's efforts to renegotiate vendor contracts;
 - Authority's efforts to increase the price paid for the sale of steam or electricity;
 - efforts made by the Authority to assess the viability of the sale of hard assets of the Project;
 - analysis of the staffing levels, performance and qualifications of staff and members of the Board;
- (ii) Proposed Budget for the Project for fiscal year 2004;
- (iii) Three-Year Financial Plan for fiscal years 2004, 2005, and 2006;

- (iv) Cash Flow Analysis showing need for current and future borrowing through fiscal year 2012; and
- (v) Certified Audit of the Authority for fiscal year ended June 30, 2002, and annually thereafter.

SUBORDINATION: The Loan shall be subject and subordinate to all existing and future bonded indebtedness of the Authority

- CONDITIONS TO ADVANCES:**
- 1. No defaults or events of default under the Master Loan Agreement or General Bond Resolution
 - 2. Continued accuracy of all representations
 - 3. Satisfactory completion of required Requisition

- REPRESENTATIONS:**
- 1. Due formation and existence of the Authority
 - 2. Due authorization, execution and delivery of Master Loan Agreement, Supplemental Resolution and Promissory Note by the Authority
 - 3. Accuracy and completeness of information concerning the Authority that is provided to the State
 - 4. The execution and delivery of the Master Loan Agreement, Supplemental Resolution and the Note will not conflict or constitute a breach of or default under any law, administrative regulation, judgment, decree, indenture, loan agreement, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject

- COVENANTS:**
- 1. The Authority will maintain its revenues and other sources of funding, including tip fees, sufficient to repay the debt service on the Loan when due.
 - 2. Payment of principal and interest on the Promissory Note when due.
 - 3. Authority to provide any financial information concerning the Authority or the Project as requested by the State
 - 4. Authority will keep proper books, records and accounts with respect to all transactions relating to the Project and will permit the State to inspect the books and records

5. Authority shall submit, on a quarterly basis, reports detailing the status of the financial mitigation plan to the State Treasurer, the Secretary of OPM and to the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding.
6. Authority shall enter into discussions with municipalities that have entered into solid waste disposal services contracts with the Mid-Connecticut Project to determine the interest of said municipalities in extending the contracts beyond the fiscal year ending June 30, 2012. The Authority shall include the status of such discussions in the quarterly reports required pursuant to the Act.
7. For the term of the Loan, the Authority shall be subject to the provisions of Section 4-67 of the Connecticut General Statutes.

OPTIONAL
PREPAYMENT:

Authority shall have the option, to prepay all or any portion of the outstanding balance of the Loan, and at any time, from its own accounts. The Authority shall consult with the State Treasurer and the Secretary of the State Office of Policy and Management regarding the utilization of the proceeds received in connection with claims made or recoveries by the Authority in connection with litigation of the Enron claims. Such proceeds and recoveries may be used to repay advances under the Loan, to mitigate the need for anticipated future advances under the Loan and/or to mitigate tip fees.

EVENTS OF DEFAULT:

1. Failure to pay principal or interest on the Loan when due
2. Material inaccuracy of any representation as set forth in the Master Loan Agreement
3. Failure to comply with any other covenant set forth in the Master Loan Agreement or Supplemental Resolution and failure to cure within 60 days after notice from the State
4. Failure to pay when due any other amount required under the Master Loan Agreement or the Promissory Note
5. An event of default called by the Trustee under the Authority's General Bond Resolution shall occur, or the

Authority shall default in the payment of any other indebtedness.

REMEDIES:

1. Acceleration of the Promissory Note
2. Payment of all costs and expenses to enforce payment of the Promissory Note

CLOSING DOCUMENTS:

1. Executed copy of Master Loan Agreement
2. Executed Note
3. Certified copy of General Bond Resolution and supplements to date regarding bonds issued pursuant to the General Bond Resolution
4. Certified copy of resolution authorizing the Authority to enter into Loan
5. Executed Supplemental Resolution
6. Opinion of counsel to Authority, satisfactory to the State and its counsel, as to the validity and enforceability of Promissory Note and Master Loan Agreement
7. Confirmation that representations and warranties of the Authority are true, complete and correct in all material respects.
8. Signature and Litigation Certificate
9. Certificate of accuracy of information provided to State
10. Financial Mitigation Plan, as more particularly described in the Act, to include, but not be limited to the following:
 - plan to minimize tipping fees for municipalities that have entered into solid waste disposal contracts with the Authority;
 - efforts Authority has made to reduce general administration and costs;
 - Authority's efforts to renegotiate vendor contracts;
 - Authority's efforts to increase the price paid for the sale of steam or electricity;
 - efforts made by the Authority to assess

the viability of the sale of hard assets of the Project; and

- analysis of the staffing levels, performance and qualifications of staff and members of the Board;

11. Proposed Budget for the Project for fiscal year 2004;
12. Three-Year Financial Plan for fiscal years 2004, 2005 and 2006;
13. Cash Flow Analysis showing need for current and future borrowing through fiscal year 2012; and
14. Certified Audit of the Authority for fiscal year ended June 30, 2002
15. Such other documents or certificates as may be reasonably deemed necessary by counsel or pursuant to the General Bond Resolutuion to render its opinion or by the State or its counsel as are required in similar transactions or to otherwise conform to the provisions of this Term Sheet

BPRT/68305.2/CGB/490436v1

TAB 5

Connecticut Resources Recovery Authority Montville Post-Closure Reserve

September 4, 2003

In October 1999, the CRRA Board of Directors adopted a resolution creating the Montville Post-Closure Reserve. The reserve was funded from the receipt of payment in the amount 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 ("SCRRA") and Mohegan Properties.

Based upon the Auditor's findings, the Board should not have established a reserve for these funds. This is due to the fact that CRRA is acting as a Trustee for SCRRA, as it pertains to these funds pursuant to the Lease Agreement.

The original accounting of this transaction recorded the receipt of cash as revenue. These additional revenues generated positive retained earnings, which were booked to reserves. In retrospect, the entry should have recorded the cash as an asset and a credit to a liability due SCRRA. This is discussed in more detail in the Audited Financial Statements for fiscal year 2003.

The recommendation is to forward the attached draft resolution to the CRRA Board of Directors to dissolve the Montville Post-Closure Reserve.

DRAFT
**RESOLUTION REGARDING THE DISSOLUTION OF THE
MONTVILLE POST-CLOSURE RESERVE**

RESOLVED: that the Montville Post-Closure Reserve for the Southeast Project be dissolved (balance as of June 30, 2003 was \$2,170,127).

Connecticut Resources Recovery Authority

August 25, 2003

(26) **Account:** MONTVILLE POST-CLOSURE

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 Environmental Division. Current cost estimate in real dollars to monitor and maintain the landfill is \$2,889,941.

Fund Source: 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.

Fund Amount As Of June 30, 2003: \$2,170,127

Supporting Documentation:

The CRRA Board of Directors 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") be 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.

Director Tansi seconded the motion which was approved unanimously.

Recommendation:

Dissolve Board Designated reserve and record liability to offset cash.

TAB 6

**RESOLUTION REGARDING THE USE OF THE ROLLING STOCK
RESERVE**

RESOLVED: that the costs to recondition the two CAT 966F Wheel Loaders previously approved by the CRRA Board of Directors at the July 2003 meeting be paid from the Rolling Stock Reserve for the Mid-Connecticut Project in the amount of Three Hundred and Seventy-six Thousand Dollars and no cents (\$376,000.00).

Connecticut Resources Recovery Authority

Use Of Rolling Stock Reserve

September 4, 2003

The Board of Directors approved a resolution at the July 2003 meeting authorizing the President to enter into an agreement with H.O. Penn Machinery Company, Inc. for the reconditioning of two Caterpillar 966F Series II Wheel Loaders that operate at the Mid-Connecticut Waste Processing Facility.

Unfortunately, the attached draft resolution was not also approved at the same time. Therefore, this draft resolution needs to be presented to the Board of Directors to provide the necessary funds to cover the expense associated with the reconditioning of the two loaders.

**Connecticut Resources Recovery Authority
Contract Summary For
The Reconditioning of Two CAT 966F Wheel Loaders**

Presented to CRRA Board of Directors on: July 17th, 2003

Vendor/Contractor: H.O.Penn Machinery Company, Inc.

Facility Affected: Mid-Connecticut Waste Processing Facility (WPF)

Contract Type/Subject Matter: Reconditioning of Two Caterpillar 966F Wheel Loaders

Term: N/A

Costs:

Description of Task:	UNIT #4052	UNIT #4067
Accessory components with Certified Power Train (CPT)	\$174,900.00	\$174,900.00
Recondition the main wheel loader hydraulic system	\$11,500.00	\$11,500.00
Upgraded product link monitoring system	\$1,600.00	\$1,600.00
Total Cost per Unit	\$188,000.00	\$188,000.00

Total cost for reconditioning both wheel loaders is \$376,000.00

Summary: Both Caterpillar 966F Series II wheel loaders #4052 & #4067 have high operating hours (25,000 hours/plus) and are no longer in service. The Rebuilds will include most accessory components with a Caterpillar Certified Power Train (CPT) rebuild and up-grade the product link monitoring system. The CPT includes an extended Power Train coverage of two years/6000 hours or three years/5000 hours. The product link upgrade will allow the fleet maintenance group to receive instantaneous critical wheel loader operating conditions via satellite hook-up. Each unit will be completely reconditioned in 90 days starting on its pick-up date from vehicle maintenance.

Scope of Work: The following is a partial breakdown of tasks involved in the reconditioning of a CAT 966F Series II wheel loader.

1. Steam clean wheel loader and all of its components.
2. Remove and install radiator.
3. Remove and install engine assembly.
4. Remove and install transmission assembly.
5. Remove and install axle and differential assemblies.
6. Remove and install bucket control and all hydraulic cylinders.
7. Repairs to wheel loader's front frame.
8. Repairs to wheel loader's rear frame.

9. **Certified Power Train** - The CPT components are defined as:
- a. Basic Engine including the fuel, oil and water pump, turbocharger, governor, engine control module, etc.
 - b. Transmission including pumps and hydraulic controls
 - c. Torque Converter
 - d. Drive line including drive shafts and u-joints
 - e. Differential
 - f. Transfer gear group
 - g. Drive axles
 - h. Final drives
 - i. Electronic controls and sensors that function to direct power to move machine radiators and coolers

NOTE: Engine/Transmission/Torque converter Tests -- major power train components will be completely reconditioned and updated according to CPT standards. Each component is bench tested before installation.

10. Recondition or install a remanufactured radiator.
 11. Recondition or install a remanufactured articulated hitch.
 12. Recondition or install remanufactured hydraulic cylinders.
 13. Recondition or install a remanufactured lift arms and bucket control.
 14. Recondition the wheel loaders electrical system.
 15. Recondition the fuel tank and associated fuel lines.
 16. Recondition the operator's station, wheel loader cab and the Rollover Protection Structure (ROPS).
 17. Recondition the wheel loader cab's heating and air conditioner systems.
 18. Recondition the engine bay's AFEX fire suppression system.
 19. Repair the Murphy Shutdown System.
 20. Repair Body, Fenders, Ladders, Steps, platforms, etc.
 21. Replace all component fluids, oils and filters.
 22. Re-paint wheel loader meeting OEM spec.
- Perform tests on all components after assembly to meet like-new performance standards.
Perform function checks on all critical systems.

Resolution Regarding An Agreement for Reconditioning of Two WPF Wheel Loaders.

RESOLVED: The President be authorized to enter into an agreement with H.O.Penn Machinery Company, Inc. for the reconditioning of two Caterpillar 966F Series II Wheel Loaders that operate at the Mid-Connecticut Waste Processing Facility substantially in accordance with the terms and conditions as presented herein.

TAB 7

Fiscal Year 2003

Budget Transfers and Appropriations

September 4, 2003

The following summarizes the budget transfer and appropriation requests for the four projects and general fund for fiscal year 2003.

Pursuant to Article VII Section 702 of the CRRA Bylaws the President shall see to the proper allocation of the budget to an established chart of accounts. The Bylaws also authorize the President to transfer funds within summary of object categories without limit as long as each category and the grand total of each fund is not exceeded without the prior approval of the Directors.

According to the CRRA chart of accounts a "fund" represents each of the four projects and general fund. Each fund includes the following expense object categories:

- Personal Services
- Non-Personal Services
- Maintenance & Utilities
- Capital Outlay
- Debt Service / Administration
- Construction
- Project Administration Expense
- Contingency

Each object category represents the sum of individual accounts from the chart of accounts. The accounts adopted within the annual budgets are grouped or summarized into these higher-level account categories, based on the nature of the expenses. The respective projects excess revenues or use of prior years retained earnings, as previously approved within the budget approval process, fund budget transfers and appropriations.

The attached worksheets summaries the transfers and/or appropriations by fund required for fiscal year 2003.

The recommendation is to approve the attached draft resolution for the September 2003 Board meeting.

DRAFT

**RESOLUTION REGARDING APPROVAL OF FISCAL YEAR 2003
BUDGET TRANSFERS AND APPROPRIATIONS**

RESOLVED: That the fiscal year 2003 budget transfers and appropriations be approved as substantially discussed at this meeting.

**Connecticut Resources Recovery Authority
Fiscal Year 2003 Appropriation Transfers & Appropriations**

<u>Fund / Project</u>	<u>Object Category</u>	<u>Existing Appropriation</u>	<u>Revised Appropriation</u>	<u>Required Transfer /</u>	<u>Notes</u>
Bridgeport	Non-Personal Services	\$44,436,898	\$45,190,089	\$753,191	Resource recovery facility processed more waste than budget.
	Maint & Utilities	\$80,500	\$80,866	\$366	Shelton landfill utility usage was slightly higher than budget.
	Total			<u>\$753,557</u>	
The required appropriations are funded by the \$1,450,630 in excess revenues over budget.					
Mid-Connecticut	Non-Personal Services	\$61,016,242	\$63,729,951	\$2,713,709	Legal costs over budget by \$790,716 due to Enron proceedings. Waste Transport costs of \$4,183,828 above budget for exporting/diverting waste due to higher than budgeted waste deliveries and lower than budget processing and budget assumed all transportation services would be performed by a private operator. Power Block Facility operating costs were above budget by \$670,120 due to the unbudgeted purchase of coal and above budget expenses paid to the plant operator for activities not captured in the budget. Above budget costs paid to the MDC to operate the Ellington and Essex transfer stations.
	Debt Service / Admin Total	\$26,090,244	\$26,090,415	\$171 <u>\$2,713,880</u>	Trustee fees slightly higher than budget and interest due on state loan.
The required appropriations are funded by the Use of Reserves (of which \$18,852,133 had been budgeted)					
Southeast	Non-Personal Services	\$9,733,694	\$10,324,036	\$590,342	CRRRA and member municipalities delivered 9.6% more tons than budget.
	Debt Service / Admin	\$1,281,012	\$1,289,311	\$8,299	Trustee fees were higher than budget.
	Contingency	\$0	\$263	\$263	Balance of work initially scheduled in fiscal year 2002.
	Total			<u>\$598,904</u>	

The required appropriations are funded by the Use of Prior Year Retained Earnings (of which \$1,382,262 had been budgeted)

TAB 8

**Resolution Regarding Finance Committee Recommendations to Board of Directors
Regarding Renewal of Casualty Insurance Program**

RESOLVED: That the Board of Directors authorizes the renewal of the \$1 million EAGLE policy (Commercial General Liability and Pollution Legal Liability) through American International Group (AIG) for a premium not to exceed \$469,800, and

FURTHER RESOLVED: That the Board of Directors authorizes the purchase of \$20 million Umbrella excess of \$1 million covering Commercial General Liability (CGL) and Auto Liability through St. Paul Insurance for a premium not to exceed \$415,000, and

FURTHER RESOLVED: That the Board of Directors authorizes the purchase of \$20 million Umbrella over \$1 million for Pollution Legal Liability insurance (\$10 million through AIG (\$152,900) and \$10 million through Liberty Mutual (\$135,000) for a combined premium not to exceed \$ 287,900, and

FURTHER RESOLVED: That the Board of Directors authorizes the purchase of \$1 million of Automobile Liability insurance through AIG for a premium not to exceed \$145,645.

The total premium for the Casualty Program is not to exceed \$1,318,345. CRRA budgeted \$1,409,649 for FY '04 for these policies.

Connecticut Resources Recovery Authority
Casualty Insurance Program Renewal
September 11, 2003

Executive Summary

CRRA's current casualty insurance program, consisting of Commercial General Liability, Automobile Liability, Umbrella Liability, and Pollution Legal Liability policies, expires on October 1, 2003 and needs to be renewed.

Discussion

Since 1996, CRRA has purchased an insurance product called the Environmental and General Liability Exposures (EAGLE) program that provides both commercial general liability (CGL) and pollution legal liability (PLL) under one policy with one premium. This policy, with some enhancements and exclusions, has been renewed every year since then. Even though the market has been tested on several occasions, no other product or products have been able to compete with the terms and pricing offered by the EAGLE program.

At our direction, our brokers performed benchmarking of comparably sized organizations to make sure CRRA is looking for the correct amounts of insurance. Because CRRA is a very unique organization with a myriad of exposures, Marsh looked at four types of organizations – Transportation Services, Utilities (Non-Nuclear), Government and Others. Attached is a chart describing Marsh's results. It is indicated by the data that CRRA has been purchasing an appropriate amount of insurance – the \$30 million that is currently purchased falls in the mid-range of coverage limits.

Description of Coverages

Environmental and General Liability Exposures (EAGLE) Program

**\$1,000,000 - Commercial General Liability (Coverage A, B & C) with
Pollution Legal Liability (Coverage D)**

Coverage A, B, & C - Covers damages for bodily injury or property damage within policy terms and conditions (e.g., a workman drops a tool and dents someone's automobile; somebody slips and falls at one of our facilities).

Coverage D - Covers losses arising from pollution emanating from CRRA locations causing property damage, bodily injury or clean-up costs in accordance with policy terms and conditions (e.g., adjacent landowners claim CRRA's activities polluted their property).

**\$10,000,000 - Umbrella - Commercial General Liability/Automobile Liability
(non-pollution)**

Covers all of the losses (excluding pollution) within policy terms and conditions that exceed the underlying layer of \$1,000,000.

**\$20,000,000 over \$10,000,000 – Umbrella - Commercial General Liability/
Automobile Liability (non-pollution)**

Covers all of the losses (excluding pollution) within policy terms and conditions that exceed the underlying umbrella layer of \$10,000,000.

\$30,000,000 – Umbrella – Pollution Legal Liability

Covers pollution losses within policy terms and conditions that exceed the underlying layer of \$1,000,000 Pollution Legal Liability.

Automobile Liability Insurance

CRRA is responsible for insuring the tractors/trailers, light trucks and passenger vehicles used in connection with operation of the Mid-Connecticut Project and our other facilities.

44 power units (+27 trailers)

2 passenger vehicles (\$1750 per unit)

16 light trucks (\$1680 per unit)

6 Extra Heavy Trucks (\$3235 per unit)

25 Tractors (\$3575 per unit)

27 Trailers (\$240 per unit)

2003 Program Marketing and Results

CRRA's brokers conducted a full-fledged marketing of the various policies starting in June. Early on Chubb, ACE, Zurich, XL and our current insurer, AIG, showed indications of interest in the program.

Ultimately, only our current insurer, AIG, offered a quote on CRRA's liability exposures, with all of the other insurers declining to provide quotes for various reasons discussed below:

ACE, Zurich, Chubb – would not write the Automobile Liability portion of the program due to the low deductible program and exposure base of vehicles (i.e. tractors). CRRA maintains this “first-dollar” liability coverage because automobile claims represent the most frequent and potentially most severe losses.

XL Environmental – although XL had initially agreed to quote on this program, they chose not to because they were uncomfortable with the overall risk of the program. They stated issues such as Enron, the utilization of a bankrupt subcontractor (i.e., Covanta), and the overall claims history of the account as their main reasons for declining to quote.

AIG - although AIG did quote the Commercial General Liability portion of the policy, they have limited their non-pollution exposure to \$10 million (down from \$30 million at expiring). AIG has stated that its reinsurers will not provide a limit higher than \$10 million for the non-pollution portion of the umbrella. However, AIG has provided quotes for limits up to \$30 million for the pollution/environmental exposures – the other half of the EAGLE policy.

Since AIG would not quote more than \$10M in limits for the standard (non-pollution) umbrella, we requested other insurance carriers to quote on the excess layers.

CRRA Casualty Insurance
Breakdown of Expiring Premium vs. Renewal Options

Line of Coverage	Expiring Premium (02-03)	Renewal Premium (03-04)		Increase from expiring
EAGLE	\$454,688	\$469,800		+ 3.3%
Automobile Liability	\$139,422	\$145,645		+ 4.5%
Total of Primary	\$594,110	\$615,445		+3.6%
Umbrella	\$495,597 (for \$30M Casualty & PLL)	\$10M - \$265,000 \$20M - \$415,000 \$30M - \$495,000 <i>Casualty only</i>		N/a
PLL Options	Included in above	<u>AIG Only Option</u> \$10M - \$152,900 \$20M - \$341,500 \$30M - \$533,500	<u>AIG + Liberty</u> \$10M - \$152,900 \$20M - \$287,900 \$30M - n/a	N/a
Overall Cost of Program (\$10M in limits)	\$1,089,707	\$1,033,345		(5.2%)
Overall Cost of Program (\$20M in limits)	\$1,089,707	\$1,371,945 (AIG & St. Paul) \$1,318,345 (AIG, St. Paul and Liberty)		25.9% 21.0%
Overall cost of program (\$30 limits)	\$1,089,707	\$1,643,945 (AIG & St. Paul)		50.9%

Connecticut Resources Recovery Authority Benchmarking Data						
Industry	Annual Revenues*	Number of Responses	Minimum Limits*	Maximum Limits*	Average Limits*	
Transportation Services						
2002-2003	0-200	70	1	250	42	
2003-2004	0-200	64	1	200	35	
Utility, Non-Nuclear						
2002-2003	0-200	36	5	135	43	
2003-2004	0-200	32	5	400	50	
Governmental						
2002-2003	0-200	36	1	100	22	
2003-2004	0-200	33	3	250	35	
Other						
2002-2003	0-200	9	9	100	41	
2003-2004						
CRRRA						
2002-2003	171				30	
2003-2004	157				30**	
2003-2004					30/30***	

* Amount in Millions

** Non-pollution only

*** Pollution and Non-pollution

TAB 9

Connecticut Resources Recovery Authority Recycling Education Fund

September 4, 2003

The following Recycling Education Fund ("Fund") is to be established in the Mid-Connecticut Project pursuant to language in the Agreement For Payments In Lieu Of Taxes ("Agreement") between CRRA and the City of Hartford (the "City"). Attached is a copy of the Individual Reserve Summary.

Per the Agreement, CRRA is required to maintain an account and contribute an amount not to exceed \$100,000.00 per year to the Fund. In addition, the Agreement dictates that any excess monies remaining in the Fund at the end of each year are to be kept in the Fund and not counted toward the annual contribution.

The attached Recycling Education Reserve Balance Worksheet calculates what the Fund balance should have been as of June 30, 2003, based upon annual contributions of \$100,000 per year less amounts actually paid to the City for reimbursement. As shown on the attachment, the Fund's balance as of June 30, 2003 should have been \$237,312.05.

In order for the City to receive any of these Funds, they must submit an invoice to CRRA requesting reimbursement for costs solely for the benefit of its recycling education program. CRRA has sole responsibility for the review and approval of these invoices. The City has submitted an invoice for reimbursement for the first half of fiscal year 2003.

A resolution is not required to establish this reserve since it is required by the Agreement, making it a Restricted reserve. However, it is Management's recommendation to reallocate funds in the amount of \$237,312.05 from Undesignated / Unrestricted assets to the Recycling Education Fund, which is a Restricted reserve.

Connecticut Resources Recovery Authority
Individual Reserve Summary
September 4, 2003

Account: RECYCLING EDUCATION FUND

Project: Mid-Connecticut

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

Fund Basis: Per the PILOT Agreement CRRA shall contribute \$100,000 on an annual basis to this reserve. Information as to how the contribution amount was determined could not be found.

Fund Source: This reserve is to be funded through the operating budget.

Fund Amount As Of September 1, 2003: \$0

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 between CRRA and the City of Hartford.

Paragraph 9 Recycling Education Fund

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.

Recommendation:

Maintain the account as required by contract.

Connecticut Resources Recovery Authority
Recycling Education Reserve Balance Worksheet

4-Sep-03

Fiscal Year	Annual Contributions	Amounts Paid (1)	Estimated Cumulative Reserve Balance (2)
1991	\$100,000.00	\$0.00	\$100,000.00
1992	\$100,000.00	\$21,991.63	\$178,008.37
1993	\$100,000.00	\$162,740.17	\$115,268.20
1994	\$100,000.00	\$115,370.37	\$99,897.83
1995	\$100,000.00	\$41,843.74	\$158,054.09
1996	\$100,000.00	\$49,500.74	\$208,553.35
1997	\$100,000.00	\$188,872.51	\$119,680.84
1998	\$100,000.00	\$69,546.84	\$150,134.00
1999	\$100,000.00	\$114,901.47	\$135,232.53
2000	\$100,000.00	\$88,402.29	\$146,830.24
2001	\$100,000.00	\$102,476.66	\$144,353.58
2002	\$100,000.00	\$107,041.53	\$137,312.05
2003	\$100,000.00	Invoice (3)	\$237,312.05
Total	\$1,300,000.00	\$1,062,687.95	\$237,312.05

(1) Amounts paid based upon CRRA accounting data.

(2) Does not include potential interest earnings.

(3) CRRA has reviewed the invoice received for the first half of FY03 and anticipate paying the City \$51k.

TAB 10

**RESOLUTION REGARDING A CONSENT ORDER
BETWEEN THE CONNECTICUT DEPARTMENT OF
ENVIRONMENTAL PROTECTION AND CRRA REGARDING
THE SHELTON LANDFILL**

RESOLVED: That the President is hereby authorized to execute a Consent Order with the Connecticut Department of Environmental Protection regarding the Shelton Landfill, which will stipulate payment of \$330,500 to the City of Shelton, in the form of a Supplemental Environmental Project, substantially as discussed and presented at this meeting, and

FURTHER RESOLVED: That the President is hereby authorized to pay for the Supplemental Environmental Project associated with the Consent Order from the Shelton Landfill Future Use Account, such reserve account having been established in order to set aside funds in anticipation of this SEP payment.

Connecticut Resources Recovery Authority Shelton Landfill

Execution of Consent Order with the CTDEP Stipulating Payment of \$330,500 to the City of Shelton in the Form of a Supplemental Environmental Project

September 18, 2003

Executive Summary

In calendar year 2000 the Connecticut Department of Environmental Protection ("DEP") requested that the Connecticut Resources Recovery Authority ("CRRA") enter into an administrative consent order to address issues and establish a penalty as an outcome of the off-site gas migration incident that occurred in August 1999 at the landfill. DEP and CRRA negotiated the terms of the consent order during CY 2000 and 2001. Negotiations with DEP were suspended during CY 2002. CRRA and DEP recently resurrected negotiation of the Consent Order. At this time the Consent Order is substantially in final form.

This consent order includes a requirement to fund a Supplemental Environmental Project ("SEP"), rather than pay a monetary penalty to the DEP. The SEP would provide funds to the City of Shelton for purchase of open space, purchase of an emergency response vehicle, and upgrades to a recreational park in the vicinity of the Shelton Landfill. The cost of the SEP is \$330,500.00.

Discussion

In August 1999 landfill gas was identified as having migrated underground from the Shelton Landfill property into a utility conduit under Route 110, which borders the landfill. The Connecticut Department of Environmental Protection determined that the situation posed a potential hazard, and required that emergency response activities be initiated. The solid waste regulations which govern municipal solid waste landfills in Connecticut include a provision which prohibits the offsite movement or migration, underground, of landfill gas, and which require that the owner or operator of the landfill ensure that landfill gas does not migrate from the property.

As an outcome of this offsite gas migration, DEP ordered CRRA to cease operating the two electric generating engines that had been in use, and which utilized landfill gas as fuel, and instead install a temporary candlestick flare to control the landfill gas. CRRA and DEP entered into Consent Order 1590 on August 24, 2000 to allow CRRA to operate and maintain temporary flares and associated equipment at the Shelton Landfill to control methane migration from the Landfill. This Consent Order was closed out by the CTDEP on February

7, 2003, following permitting and construction of the new, permanent enclosed landfill gas thermal oxidizer which is currently in use at the landfill.

Consent Order 1590 did not include a penalty component. The proposed consent order serves to satisfy the DEP's monetary penalty requirement pursuant to its enforcement policy. Instead of payment of a monetary penalty to the DEP, the Consent Order requires that CRRA perform an SEP, which includes three elements as described below.

Pine Rock Park Improvements:

This work will include, among other things, clearing the Park's pond of overgrowth, installing an aerator in the pond, installing a walking path, making improvements to the Park's entrance, parking lot and bus stop, reconstructing the baseball field, and installing playground equipment. This element of the SEP enhances public access to the Park, public recreational activities, and water quality.

The cost of this element of the SEP is not to exceed \$225,000.

Purchase of Emergency Response Vehicle:

The Authority will purchase a model year 2004 crew cab pickup truck for the Pine Rock Park Volunteer Fire Department. Alternatively, the Authority will fund the City of Shelton's purchase of the vehicle directly. This element of the SEP will improve the Pine Rock Park Fire Department's response to emergencies, thereby enhancing public access and recreational opportunities. This element of the SEP will also help improve the Pine Rock Park Fire Department's emergency preparedness and satisfy paragraph B.7 of DEP's SEP Policy.

The cost of this element of the SEP is estimated at \$35,000.

Funding for Open Space Acquisition:

The Authority will provide funds to the City of Shelton for the purpose of acquiring land for open space preservation. According to the City of Shelton, these funds will be used to acquire land immediately adjacent to Pine Rock Park that will be added to the Park's total acreage. The total amount of funds provided by the Authority to the City of Shelton will be the difference between \$330,500 and the total final cost of (1) improvements to Pine Rock Park and (2) purchasing the emergency response vehicle. This element of the SEP satisfies the open space acquisition component contained in paragraph B.8 of DEP's SEP Policy.

The cost of this element of the SEP is estimated at \$70,500.

Financial Summary

The funds necessary to pay for this SEP have been set aside in an account entitled the Shelton Future Use Account. A one page summary of the Shelton Landfill Future Use Account is included herewith.

Connecticut Resources Recovery Authority
April 4, 2003

(19) **Account:** SHELTON LANDFILL FUTURE USE

Project: Bridgeport

Purpose: To set aside funds in anticipation of expenditures associated with a DEP Consent Order and to cover a portion of the costs associated with permit requirements relating to future use options of the landfill.

Fund Basis: Amounts based upon the amount due as stated on the DEP Consent Order (\$230k) and a portion of the preliminary estimates of the cost to implement the future use options at the landfill (\$430k).

Fund Source: Funded from the FY03 operating budget.

Fund Amount As Of December 31, 2002: \$0

Supporting Documentation:

The following is the resolution approved by the CRRA Board of Directors 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.

Director Sullivan seconded the motion.

The motion previously made and seconded was approved unanimously.

Recommendation:

Continue to operate under existing procedures. Review reserve during the annual reserve review.

TAB 11

**RESOLUTION REGARDING CONTRACT WITH CT DEP
FOR REIMBURSEMENT OF COSTS ASSOCIATED WITH
ANNUAL STACK TESTING AT MID-CT RRF FOR
CALENDAR YEARS 2004 AND 2005**

RESOLVED: That the President is hereby authorized to enter into a contract with the Connecticut Department of Environmental Protection for reimbursement of costs associated with the annual stack testing at the Mid-Connecticut RRF for calendar years 2004 and 2005, substantially as discussed and presented at this meeting.

Connecticut Resources Recovery Authority

Contract Summary for Contract entitled

Reimbursement for Costs Associated with Annual Stack Testing at the Mid-Connecticut RRF for CYs 2004 and 2005

Presented to the CRRA Board on: September 18, 2003

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

Effective date: November 1, 2003

Contract Type/Subject matter: Reimbursement for costs associated with annual stack testing at the Mid-Connecticut RRF for calendar years 2004 and 2005.

Facility (ies) Affected: Mid-Connecticut RRF

Original Contract: State of Connecticut Personal Service Agreement No. 2002-20350

Term: Two (2) Years – November 1, 2003 through October 31, 2005

Contract Dollar Value: \$195,000.00

Amendment(s): Not applicable

Term Extensions: Not applicable

Scope of Services: Upon completion of the annual stack testing and documentation of the subcontractor selection process and all expenses incurred in the testing, analysis and report preparation, CT DEP will reimburse CRRA for these expenses up to an annual limit of \$97,500 for the calendar years 2004 and 2005.

Other Pertinent Provisions: None

Connecticut Resources Recovery Authority
Mid-Connecticut RRF
Reimbursement for Costs Associated with Annual Stack
Testing at the Mid-Connecticut RRF for CY2004 and 2005

September 18, 2003

Executive Summary

CRRA is required by R.C.S.A. Section 22a-174-38 to conduct annual air emissions performance testing at the Mid-Connecticut RRF. The CT DEP has offered to enter into a contract with the owners of facilities to whom this regulation applies for reimbursement of the cost of performing this testing.

This is to request approval of the CRRA Board of Directors to enter into such a contract with CT DEP for reimbursement of costs associated with the annual air emissions performance testing for the calendar years 2004 and 2005.

Discussion

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

CRRA entered into a contract with CT DEP on April 1, 2002 for reimbursement of its expenses in performance of the annual emissions performance testing. CRRA submitted a claim for reimbursement of \$82,383 on August 30, 2002. Most of the cost for the testing (\$76,887) that was performed in April 2002 was reimbursed in 2003. Due to events beyond the reasonable control of CRRA and its subcontractor stack-testing firm, expenses were incurred that CT DEP claimed were beyond the contingency limits of the contract. Some additional reimbursement of the 2002 expenses, perhaps \$4000, has been promised by DEP and is being followed-up by CRRA staff.

CRRA submitted its claim for reimbursement of its expenses associated with the emissions testing that was performed in April 2003 (\$53,462.05) on July 15, 2003. CRRA expects to receive full reimbursement sometime in the third quarter of 2003. (Beginning in 2003 CRRA has taken advantage of a reduced testing requirement for dioxins due to the low emission

concentrations at the Mid-CT RRF. This accounts for the lower cost of testing in 2003 as compared to 2002 and 2001. It is expected that the 2004 and 2005 costs will be similar to those of 2003, about \$50,000.)

In order to minimize the cost of procurement, CRRA intends to issue an RFB for emissions testing at the Mid-Connecticut RRF for calendar years 2004 and 2005 in September 2003. It is expected that the successful bidder would begin work on the emission test plan in December 2003 or January 2004.

Financial Summary

CRRA expects to pay the selected emissions testing contractor approximately \$50,000 following testing in April 2004 at the Mid-Connecticut RRF. CRRA will then submit its claim to CT DEP for reimbursement of this amount per the terms of this contract. Likewise in 2005, CRRA will pay the emissions testing contractor about \$50,000 and then submit its claim for reimbursement to CT DEP. Assuming a timely reimbursement by CT DEP, at the end of the term of this contract (October 31, 2005) there should be no net cost incurred by CRRA.

TAB 12

**RESOLUTION REGARDING THE USE OF THE LISBON RESOURCES
RECOVERY FACILITY AND BLOOMFIELD/WINDSOR LANDFILL FOR MID-
CONNECTICUT PROJECT DIVERTED WASTE DISPOSAL**

Resolved: The President is authorized to use, on an emergency basis, the Lisbon Resources Recovery Facility, the Bloomfield/Windsor Landfill and other qualified site for the disposal of waste diverted from the Mid-Connecticut Resources Recovery Facility for a not to exceed cost of \$100,000 for the 2004 fiscal year.

**CONNECTICUT RESOURCES RECOVERY AUTHORITY
USE OF LISBON RESOURCES RECOVERY FACILITY AND
WINDSOR/BLOOMFIELD LANDFILL FOR EMERGENCY WASTE
DIVERSIONS**

Discussion

CRRA is responsible for the management of waste flow for both the Mid-Connecticut and Wallingford Resources Recovery Facilities. During peak periods of waste deliveries (spring through early fall) and during scheduled and unscheduled maintenance outages at the plants, waste is diverted away from the plants to other in-state disposal facilities (Southeast Project, Bridgeport Project, and Bristol plant) and/or exported to out-of-state disposal sites.

The hauling of waste to in-state disposal sites is performed by CRRA's transfer station operators. Private haulers that are awarded contracts each year through a competitive bid process perform out-of-state waste hauling and disposal activities. Over the past several years the export and diversion program has provided sufficient resources to effectively manage waste flows at the two plants. Recently, however, a series of unscheduled boiler outages has left CRRA without sufficient hauler and disposal resources to properly manage the waste. The export haulers simply do not have enough rolling stock – tractors and trailers – available to haul all the waste CRRA needs to export and CRRA's current in-state disposal sites are taking as much of CRRA's waste as they can.

It is critical CRRA expand its in-state disposal options for the diversion of waste. CRRA is recommending the Board of Directors approve the use, on an emergency basis, of the Lisbon Resources Recovery Facility, the Bloomfield-Windsor Landfill and other qualified site for the disposal of Mid-Connecticut Project diverted waste.

Budget Allocation

CRRA's transfer station operators will perform diversions to the Lisbon plant or Bloomfield-Windsor Landfill and the costs of these hauling activities will come under each operator's existing Waste Transport budget line item, 41-001-505-52701.

The disposal costs will come out of the existing waste export and diversion budget line item, 41-001-505-52710.

TAB 13

**RESOLUTION REGARDING SALE OF NITROGEN OXIDES
EMISSION REDUCTION CREDITS TO THE
AMERICAN REF-FUEL COMPANY**

RESOLVED: That the President is hereby authorized to enter into a contract with American Ref-Fuel Company of Southeastern Connecticut for the sale of certain nitrogen oxide emission reduction credits for use at the Preston, CT Resource Recovery Facility, substantially as discussed and presented at this meeting.

Connecticut Resources Recovery Authority

Contract Summary for Contract entitled

Sale of Emission Reduction Credits to American Ref-Fuel Company

Presented to the CRRA Board on: September 18, 2003

Vendor/ Contractor(s): American Ref-Fuel Company of Southeastern Connecticut

Effective date: August 28, 2003

Contract Type/Subject matter: Sale of Emission Reduction Credits to the Southeast RRF.

Facility (ies) Affected: Southeast RRF

Original Contract: This is original contract

Term: August 28, 2003 through September 30, 2003

Contract Dollar Value: \$54,000.00

Amendment(s): Not applicable

Term Extensions: Not applicable

Scope of Services: CRRA will sell eighty-five (85) emission reduction credits to American Ref-Fuel for use in compliance with nitrogen oxide emission limits under R.C.S.A. Section 22a-174-38.

Other Pertinent Provisions: None

Connecticut Resources Recovery Authority
Mid-Connecticut RRF
Sale of Emission Reduction Credits to American Ref-Fuel
Company

September 18, 2003

Executive Summary

R.C.S.A. Section 22a-174-38 specifies emission limits for a number of air pollutants. The Southeast RRF, operated by American Ref-Fuel Company of Southeastern Connecticut achieves compliance with the nitrogen oxides (NOx) emission limit through the use of emission reduction credits (ERCs) under a protocol approved by the CT DEP. The Mid-Connecticut RRF overcontrols its emissions of NOx and thus creates such ERCs under its own protocol, also approved by CT DEP. By this contract CRRA sells a number of the ERCs created at the Mid-Connecticut RRF to American Ref-Fuel for use at the Southeast RRF

In accordance with Article V, Section 11 (Market Driven Purchases and Sales) of CRRA's Procurement Policies and Procedures, effective November 21, 2002, this is to report to the CRRA Board of Directors that CRRA has entered into this Market driven transaction, and to seek Board approval of the transaction.

Discussion

R.C.S.A. Section 22a-174-38 regulates the operation of municipal waste combustors. This section contains emission limits for NOx as well as other air pollutants. Subsection (d) provides an ERC trading program that facilities may opt into. The Southeast RRF emits NOx above the allowable limit. Under a protocol approved by CT DEP, this facility achieves compliance with the NOx emission limit through the use of ERCs that it buys on the open market. The Mid-Connecticut RRF emits NOx below the allowable limit and thus creates ERCs under a protocol approved by CT DEP.

In consultation with the Policy and Procurement Committee, CRRA staff developed a procedure for assuring that the prices CRRA offers its NOx ERCs for sale to an affiliated facility is representative of current market prices. CRRA staff has contacted three brokers who deal in the sale of CT NOx ERCs and determined that the prices for the ERCs contained in this contract are representative of the current market prices. Ozone season ERCs, used during May, June, July, August and September, are selling for \$1000 per ton in quantities of greater than ten. Non-ozone seasons ERCs, used during the rest of the year, are selling for \$700 per ton for those ERCs whose expiration is not until 2006. CT DEP recently imposed expiration dates on NOx ERCs for the first time. Broker guidance indicates that pricing for non-ozone season ERCs expiring at the end of 2004 is \$500 per ton.

Financial Summary

This will provide \$54,000 in revenues to the Mid-Connecticut project (15 tons of ozone season ERCs at \$1000 per ton, 50 tons of non-ozone season ERCs expiring at the end of 2004 at \$500 per ton, and 20 tons of non-ozone season ERCs expiring at the end of 2006 at \$700 per ton).

TAB 14

AUTHORIZATION TO REQUEST ATTORNEY GENERAL OPINION

RESOLVED: That the President through his staff is hereby authorized to request a formal opinion from the Attorney General regarding certain issues surrounding the March 16, 1998, Agreement Between Connecticut Resources Recovery Authority And National Geographic Society Education Foundation Establishing The Connecticut Geography Education Fund.

TAB 15

AUTHORIZATION FOR LEGISLATIVE ACTION

RESOLVED: That the President is hereby authorized to seek whatever legislative amendments or revisions to CRRA's enabling statute as the President, in his best judgment, believes necessary to enhance the flexibility, efficiency and effectiveness of CRRA operations pertaining to meetings of its Board of Directors, staffing levels, and enhancements to future operations.

TAB 16

RESOLUTION TO ACCEPT POTENTIAL SETTLEMENT

RESOLVED: That the Board hereby gives the Attorney General and Pepe and Hazard the authority to accept a settlement in the mediation in the amount of not less than that approved by the Board and President as determined at this meeting, to settle the Authority's claims against the financial institutions sued to recover monies in the Enron matter.

TAB 17

**RESOLUTION WITH RESPECT TO THE JUNE 2002 PROFESSIONAL
EMPLOYMENT AGREEMENT BY THE ATTORNEY GENERAL AND PEPE
AND HAZARD, LLP**

RESOLVED: That the Board authorizes the First Amendment to the June 2002 Professional Employment Agreement between the Attorney General and Pepe and Hazard LLP re: new fee structure as substantially as presented at this meeting.

TAB 18

RESOLUTION RE: LEGAL REQUESTS FOR SERVICES

RESOLVED: That the President is hereby authorized to sign RFSs pursuant to the legal services agreement with Pullman and Comley in excess of \$50,000 as substantially presented at this meeting.

RESOLVED: That the President is hereby authorized to sign RFSs pursuant to the legal services agreement with Cummings and Lockwood in excess of \$50,000 as substantially presented at this meeting.

Memorandum

To: Tom Kirk
From: Ann R. Stravalle-Schmidt
Date: September 9, 2003
Re: Legal Request for Services

The CRRA Board of Directors pursuant to the newly adopted Procurement Procedures as of FY 04 must approve Requests for Services ("RFSs) over \$50,000 in a three year approved contract. There are some legal matters as of July 1, 2003 forward that will require expenditures over \$50,000 as follows.

- **Pullman Comley**, who had been retained as early as 2001, for work on potential legal issues involving the Ellington landfill. Estimated cost exclusive of litigation is \$60,00
- **Cummings and Lockwood** for work on the following matters:
 - Assist in-house general counsel in Enron related FOIA requests, state and federal investigations, and in non-Enron related FOIA requests, state and federal investigations, for an estimated cost of \$7,500- \$10,000 monthly. (FY 04 \$90,000-\$120,000.)
 - Wheelabrator¹ arbitration/ settlement issues for an estimated cost of \$80,000 up until 2/29/04.
 - MDC matters for an estimated cost of \$110,000 until 3/31/04

¹ On May 14, 2001, CRRA filed a declaratory action against Bridgeport Resco under Conn. Gen. Stat. §52-29 asking the court to find that CRRA is not required by the documents to arbitrate or to pay RESCO any money under the 1999 Refinancing term sheet. CRRA claims that the documents speak for themselves and that RESCO, which was amply represented, has to live with what they agreed to in writing. On May 25, 2001, Bridgeport Resco filed a demand for arbitration seeking a declaratory judgment that it is entitled to \$8,617,931.19, and claiming breach of contract, breach of good faith and fair dealing, CUTPA, Reformation, Unjust enrichment, and Money Had and Received. On September 17, 2001, Judge Shortell heard argument and ordered all arbitration proceedings stayed pending the court's resolution of the motion to compel arbitration. The parties have suspended arbitration to try to settle the matter.

- General litigation services/research as required by in-house regarding questions concerning claims and potential claims for or against CRRA. Estimated cost is \$7,500- \$10,000 monthly. (FY 04 \$90,000-\$120,000.)

TAB 19

**RESOLUTION FOR APPROVAL OF AMENDMENTS TO THE JUNE 2003
AMENDED AND RESTATED BYLAWS**

RESOLVED: That the Board hereby approves the amendments, as substantially presented at this meeting, to the June 2003 Amended and Restated Bylaws of the Connecticut Resources Recovery Authority.

AMENDED AND RESTATED
BYLAWS
OF
CONNECTICUT RESOURCES RECOVERY AUTHORITY
EFFECTIVE JUNE 20, 2003

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ARTICLE I
AUTHORITY FOR BYLAWS

101. Authority. These Bylaws are adopted pursuant to the Act and the General Statutes Section 22a-265(6) and supplement and implement certain provisions of the Act.

ARTICLE II
DEFINITIONS

201. Definitions. Unless the context shall otherwise require, the following words and terms shall have the following meanings (if there is a conflict between these Bylaws and the Act, the Act shall govern):

(a) "Act" means Chapter 446e of the General Statutes of Connecticut, Section 22a-257 *et seq.*, as amended from time to time, commonly known as the "Connecticut Solid Waste Management Services Act" or the Authority's enabling act.

(b) "Ad Hoc Member" or "Ad Hoc Members" means an individual or individuals appointed pursuant to Section 22a-261(g) of the Act. Pursuant to the Act, the term "Ad Hoc Member" does not include Director.

(c) "Authority" means the Connecticut Resources Recovery Authority, a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut, created and established by the Act.

(d) "Board" means the Board of Directors of the Authority.

(e) "Chairperson" means the Chairperson of the Authority as referred to in Section 22a-261(c) of the Act and Article III of these Bylaws.

(f) "Director" or "Directors" means an individual or individuals appointed to the Board pursuant to Section 22a-261 of the Act and Article III of these Bylaws ~~or an individual who is a voting ex-officio member of the Board, pursuant to Section 22a-261 of the Act and Article III of these Bylaws.~~ Pursuant to the Act, the term "Director" does not include Ad Hoc Member.

(g) "Executive Session" means a meeting of the Board or a committee of the Board at which the public is excluded for one or more of the purposes described in Section 1-200(6) of the Freedom of Information Act.

(h) "Freedom of Information Act" means Section 1-200 *et seq.* of the General Statutes, as amended from time to time, commonly known as the "Freedom of Information Act".

(i) "General Statutes" means the General Statutes of Connecticut, Revision of 1958, as amended.

(j) "Municipal Official" means the first selectman, mayor, city or town manager or chief financial officer of a municipality that has entered into a solid waste disposal services contract with the Authority and pledged the municipality's full faith and credit for the payment of obligations under such contract.

(k) "President" means the President of the Authority appointed by the Chairperson with the approval of the Directors pursuant to Section 22a-261(d) of the Act who shall be the Chief Executive Officer of the Authority.

(l) "Project" means one of the four (4) waste management systems operated by the Authority and more commonly known as: (i) the Bridgeport Project; (ii) the Mid-Connecticut Project; (iii) the Southeast Project; or (iv) the Wallingford Project.

(m) "Vice Chairperson" means the Vice Chairperson of the Authority elected pursuant to Article III of these Bylaws.

ARTICLE III BOARD OF DIRECTORS

301. Authority, Membership, Terms, Vacancies.

(a) The powers of the Authority shall be vested in and exercised by the Board which may exercise all such authority and powers of the Authority and do all such lawful acts and things as are permitted by the Act or these Bylaws. The Board shall consist of ~~thirteen~~eleven (~~13~~11) Directors defined by the Act as follows:

- (i) Three (3) appointed by the Governor, one (1) of whom shall be a Municipal Official of a municipality having a population of fifty thousand (50,000) or less and one (1) of whom shall have extensive, high-level experience in the energy field;
- (ii) Two (2) appointed by the president pro tempore of the Senate, one (1) of whom shall be a Municipal Official of a municipality having a population of more than fifty thousand (50,000) and one (1) of whom shall have extensive high-level experience in public or corporate finance or business or industry;
- (iii) Two (2) appointed by the speaker of the House of Representatives, one (1) of whom shall be a Municipal Official of a municipality having a population of more than fifty thousand (50,000) and one (1) of whom shall have extensive high-level experience in public or corporate finance or business or industry;
- (iv) Two (2) appointed by the minority leader of the Senate, one (1) of whom shall be a Municipal Official of a municipality having a population of fifty thousand (50,000) or less and one (1) of whom shall have extensive high-level experience in public or corporate finance or business or industry;

(v) Two (2) appointed by the minority leader of the House of Representatives, one (1) of whom shall be a Municipal Official of a municipality having a population of fifty thousand (50,000) or less and one (1) of whom shall have extensive, high-level experience in the environmental field;

~~(vi) Two (2) voting ex-officio members, who shall be the Secretary of the Office of Policy and Management and the State Treasurer, or their designees.~~

(b) No Director may be a member of the General Assembly. Not more than two (2) Directors appointed by the Governor shall be members of the same political party. The appointed Directors shall serve for terms of four (4) years each, provided, of the Directors first appointed for terms beginning on June 1, 2002: (A) two (2) of the Directors appointed by the Governor, one (1) of the Directors appointed by the president pro tempore of the Senate, one (1) of the Directors appointed by the speaker of the House of Representatives, one (1) of the Directors appointed by the minority leader of the Senate, and one (1) of the Directors appointed by the minority leader of the House of Representatives shall serve an initial term of two (2) years and one month; and (B) the other appointed Directors shall serve an initial term of four (4) years and one month. The appointment of each Director for a term beginning on or after June 1, 2004, shall be made with the advice and consent of both houses of the General Assembly. Notwithstanding the foregoing, a Director's term shall end upon the Director's death or resignation. Any vacancy occurring other than by expiration of term shall be filled in the same manner as the original appointment for the balance of the unexpired term.

302. Appointment of Chairperson. Pursuant to Section 22a-261(c) of the Act, the Governor shall designate one of the Directors to serve as Chairperson of the Board, with the advice and consent of both houses of the General Assembly. The Chairperson of the Board shall serve as Chairperson at the pleasure of the Governor.

303. Ad Hoc Members. Pursuant to Section 22a-261(g) of the Act, if the legislative body of a municipality that is the site of a Project (i.e. a host community) passes a resolution requesting the Governor to appoint a resident of such municipality to be an Ad Hoc Member, the Governor shall make such appointment upon the next vacancy for the Ad Hoc Members representing such Project. Pursuant to Section 22a-261(g) of the Act, the Governor shall appoint with the advice and consent of the General Assembly Ad Hoc Members to represent each Project provided at least one-half (1/2) of such members shall be chief elected officials of municipalities, or their designees. Each Project shall be represented by two (2) such members. The Ad Hoc Members shall be electors from a municipality or municipalities in the area to be served by the Project and shall vote only on matters concerning such Project. The terms of the Ad Hoc Members shall be four (4) years.

304. Duties. The Directors and Ad Hoc Members shall perform the duties imposed on them by the Act and by these Bylaws.

305. Chairperson The Chairperson shall perform the duties of a Director imposed by the Act, by these Bylaws and by resolution of the Directors, and shall preside at all meetings of the Directors.

306. Vice Chairperson. A Vice Chairperson may be elected by a majority vote of the Board. The Vice Chairperson shall preside over meetings of the Board of Directors in the absence of the Chairperson. In the absence or incapacity of the Vice Chairperson, or in case of his or her resignation or death, the Directors shall select, from their regular number, an acting Vice Chairperson during the time of such absence or incapacity or until such time as the Directors shall select a new Vice Chairperson. The Vice Chairperson shall serve until his or her successor is elected.

307. Resignation; Removal. Any appointed Director who fails to attend three (3) consecutive meetings of the Board or who fails to attend fifty percent (50%) of all meetings of the Board held during any calendar year shall be deemed to have resigned from the Board. For the purposes of this Section, Board meetings shall be deemed to include regular and special meetings. Any director may resign at any time by delivering notice to the Authority. A resignation is effective when the notice is delivered unless the notice specifies a later effective date. If a resignation is made effective at a later date and the Authority accepts the future effective date, the Board may fill the pending vacancy before the effective date, provided, that the successor is not permitted to take office until the effective date. The appointing authority for such Director may remove any such Director for inefficiency, neglect of duty or misconduct in office in the manner provided by Section 22a-261(1) of the Act.

308. Delegation of Powers. The Directors may, by resolution, delegate to the President such powers of the Authority, as they believe necessary, advisable or desirable to permit the timely performance of the administrative functions of the Authority and to carry out the plans, policies, procedures and decisions of the Directors, pursuant to Section 22a-277 of the Act.

309. Standing and Special Committees. The Directors and Ad Hoc Members may delegate from time to time, as necessary or convenient, in conformity with the provisions of the Act or these Bylaws, committees comprised of three (3) or more Directors at least one (1) of whom shall be a Municipal Official, and at least one (1) of such Directors shall not be a State employee. An Ad Hoc Member shall be eligible to serve only on a special committee concerning the Project relating to his or her appointment. Such committee or committees shall have, and may exercise, all such authority as the Directors may delegate, including the power to adopt a resolution upon a majority vote of the Members of the Committee at which a quorum is present. The Chairperson shall recommend the name of all standing committees and shall appoint a committee chairperson and all members of such committees. The Chairperson shall be an ex-officio voting member of all committees. In any committee comprised of four (4) or more Directors, a quorum for the transaction of business or the exercise of any power of a committee shall consist of fifty percent (50%) of the members of the committee other than the Chairperson. In any committee comprised of less than four (4) Directors, a quorum for the transaction of business or the exercise of any power of a committee shall consist of a majority of the members of the committee other than the Chairperson. A committee shall have the power to act by a majority of the members present at any meeting at which a quorum is in attendance. Each committee may elect a committee secretary and vice chairperson and shall maintain at all times minutes of its meetings including its considerations, deliberations, decisions and resolutions, and shall distribute copies of such minutes to committee members and to the Board as appropriate.

ARTICLE IV
OFFICERS

401. Appointment. The Board shall have the power to create positions for and employ such officers as it may deem to be in the interests of the Authority and in accordance with Section 22a-265 of the Act, and shall define the powers and duties of all such officers. All such officers shall be subject to the orders of the Board and serve at its discretion. Such officers shall include a President, appointed by the Chairperson in accordance with Section 22a-261(d) of the Act and Section 402 of these Bylaws. The Board shall be responsible for determining compensation for each officer. The act of appointment of an officer does not in and of itself create contract rights for such officer of the Authority.

402. President. The Chairperson shall, with the approval of the Directors, appoint a President of the Authority who shall be an employee of the Authority and be paid a salary prescribed by the Directors. The President shall supervise the administrative affairs and technical activities of the Authority in accordance with the directives of the Board, and shall perform all duties incident to the office of the President, including those duties imposed by the Act, by these Bylaws and by resolution of the Authority. The authorization of the President with respect to the Authority or certification as to the proceedings of the Authority or any of the official documents and papers of the Authority on file in the Authority's office shall be deemed to be conclusive and binding on the Authority.

403. Delegation. The President may, with the approval of the Directors, assign or delegate to the officers and employees of the Authority, any of the powers that, in the opinion of the President, may be necessary, desirable or appropriate for the prompt and orderly transaction of the business of the Authority.

404. Acting President. The Directors, by a majority vote, may by resolution appoint some other person to serve as Acting President and perform the duties of the President in the event of the death, inability, absence or refusal to act of the President. Such person shall be subject to all of the same restrictions placed upon the President.

405. Chief Financial Officer. The Chairperson shall, with the approval of the Directors, appoint a Chief Financial Officer of the Authority who shall be an employee of the Authority and paid a salary prescribed by the Directors. The Chief Financial Officer shall direct the finance, accounting, budgetary, treasury and cash management functions of the Authority and shall perform such other duties as the Board shall delegate from time to time. The Chief Financial Officer shall perform his or her duties in a manner consistent with the directives of the Board, these Bylaws and all applicable statutes and regulations.

406. Secretary. The Chairperson shall, with the approval of the Directors, appoint a secretary who shall be an employee of the Authority. The Secretary shall be the custodian of the Seal of the Authority, shall keep or cause to be kept, minutes of all meetings of the Directors and Ad Hoc Members and shall have such other duties as shall be delegated to the Secretary from time to time.

407. Additional Duties. In addition to such powers and duties as are specified in the Act, these Bylaws and by the Board, the President and other officers of the Authority shall have the authority and shall be required to perform such other duties and functions which may by law and general usage pertain to the particular office and as may from time to time be required, unless the Board or the Act expressly state otherwise.

408. Standards of Conduct. An officer with discretionary authority shall discharge such authority: (i) in good faith; (ii) with the care an ordinarily prudent person in like position would exercise under similar circumstances; and (iii) in a manner the officer reasonably believes to be in the best interests of the Authority. In discharging such duties, an officer is entitled to rely on information, opinions reports or statements, including financial statements and other financial data, if prepared or presented by: (i) one or more officers or employees of the Authority whom the officer reasonably believes to be reliable and competent in the matters presented; or (ii) legal counsel, public accountants or other persons as to matters the officer reasonably believes are within the person's professional or expert competence. An officer cannot so rely in good faith if he has knowledge concerning the matter in question that makes reliance otherwise permitted by this section unwarranted.

409. Resignation. An officer may resign at any time by delivering notice to the Authority. A resignation is effective when the notice is delivered unless the notice specifies a later effective date. If a resignation is made effective at a later date and the Authority accepts the future effective date, the Board may fill the pending vacancy before the effective date, provided, that the successor is not permitted to take office until the effective date. An officer's resignation does not affect the Authority's contract rights, if any, with the officer.

ARTICLE V

MEETINGS OF BOARD OF DIRECTORS

501. Regular Meetings. In accordance with Section 22a-263 of the Act, the Directors and Ad Hoc Members of the Authority shall meet at least monthly at the call of the Chairperson for the transaction of any lawful business of the Authority. The monthly meetings shall be held at such time and place as shall be designated in a written or printed notice of meeting given to the Directors and Ad Hoc Members at least three days prior thereto by the Chairperson or Vice Chairperson or President acting on behalf of the Chairperson. A schedule of regular monthly meetings of the Directors shall be filed not later than January 31 of each year in the office of the Secretary of the State and no meeting shall be held sooner than thirty (30) days after such schedule has been filed. A schedule of regular monthly meetings of the Directors and Ad Hoc Members shall be made available to the public through the internet by posting such schedule not more than seven (7) days after the schedule of meetings is established. The Board may permit any or all Directors to participate in a meeting by any means of communication by which all Directors participating may simultaneously hear each other during the meeting so long as the public is able to participate in such meeting.

502. Special Meetings. The Chairperson may, when he or she deems it expedient, and shall, whenever requested by any three Directors, call a special meeting of the Board for the purposes of transacting any business designated in the notice. A written or printed notice for a special meeting shall be given to each Director and Ad Hoc Member at least twenty-four hours

prior to the hour appointed for such special meeting. At such special meeting, no business shall be considered other than as designed in the notice. A notice of a call of a special meeting of the Directors and Ad Hoc Members shall be filed with Secretary of the State's Office as required by General Statutes Section 1-225(d). The Board may permit any or all Directors to participate in a meeting by any means of communication by which all Directors participating may simultaneously hear each other during the meeting so long as the public is able to participate in such meeting.

503. Notice of Monthly or Special Meeting; Waiver. Notices of each meeting of the Authority shall be in writing and may be given by U.S. mail, facsimile, e-mail, or other delivery to each Director and Ad Hoc Member in person or addressed to the last known business or residence address of such Directors and Ad Hoc Members. Whenever any notice is required to be given by law or by these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent thereto. If any person present at a meeting does not protest the lack of proper notice, prior to or at the commencement of the meeting, such person shall be deemed to have waived notice of such meeting.

504. Quorum; Transaction of Business.

(a) ~~Seven Six (76)~~ Directors of the Authority shall constitute a quorum for the transaction of any business or the exercise of any power of the Authority, provided, at least two (2) Directors appointed to the Board in their capacity as a Municipal Official pursuant to Section 22a-261(c) of the Act ~~the following individuals shall be present in order for a quorum to be in attendance: (a) at least one (1) ex-officio Director appointed to the Board pursuant to Section 22a-261(e) of the Act and Section 301(a), (v) of these Bylaws (or the designee of such ex-officio Director); and (b) at least two (2) Directors appointed to the Board in their capacity as a Municipal Official pursuant to Section 22a-261(c) of the Act.~~ Only Directors, and not Ad Hoc Members, shall be counted in determining whether a quorum is present. For the transaction of any business or the exercise of any power of the Authority, and except as otherwise provided in the Act or these Bylaws, the Authority shall have power to act by a majority of the Directors present at any meeting at which a quorum is in attendance.

(b) The following actions require the affirmative vote of at least two-thirds (2/3) of the Directors:

- (i) Adoption of the annual plan of Solid Waste Management Operations prepared in conjunction with the Department of Environmental Protection pursuant to Section 22a-264 of the Act;
- (ii) Establishment of the maximum number of employees of the Authority prior to employing more than forty-five (45) persons; and
- (iii) Adoption of rules and procedures for purchasing and contracting operations pursuant to Section 22a-266(c) of the Act; and

(iv) Adoption of contracts involving a period of over five (5) years in duration or for which the annual consideration is greater than fifty thousand dollars (\$50,000) pursuant to Section 22a-268 of the Act;

(c) The affirmative vote of at least two-thirds (2/3) of the Directors present and eligible to vote are required for the adoption of a resolution to sit in Executive Session pursuant to the Freedom of Information Act and Section 507 of these Bylaws.

(d) The affirmative vote of at least two-thirds (2/3) of the Directors and Ad Hoc Members present and eligible to vote are required for the addition of an agenda item at a regular meetings of the Board for subsequent business not already included in the meeting agenda on file at the principle office of the Authority twenty-four (24) hours in advance of such meeting.

505. Temporary Borrowing for Mid-Connecticut Project. Pursuant to Section 22a-268d of the Act, a two-thirds (2/3) vote of the Directors appointed pursuant to Section 301(a), (i) through (v) of these Bylaws, with the subsequent approval of the State Treasurer and the Secretary of the Office of Policy and Management, may authorize a temporary borrowing from the State of Connecticut of up to ~~one hundred fifteen ninety-three~~ million dollars (\$~~115~~93,000,000) for the purposes of supporting the repayment of debt issued by the Authority on behalf of the Mid-Connecticut Project.

506. Organization. At each meeting of the Directors and Ad Hoc Members, the Chairperson, or in his or her absence the Vice Chairperson, or in the absence, abstention or recusal of both, a Director chosen by a majority of the Directors then present, shall act as presiding officer of said meeting. The Secretary or another officer or employee of the Authority designated by the President shall act as secretary of the meeting. The secretary of each meeting shall prepare and maintain or cause the preparation and maintenance of the minutes of all business transacted at such meeting.

507. Executive Session.

(a) The Directors may make a determination to sit in Executive Session. An affirmative vote of at least two-thirds (2/3) of the Directors present and eligible to vote on such matter, taken at a public meeting and stating the reasons for such Executive Session, shall be necessary to approve such a resolution. The purpose and the conduct of the executive session shall be in accordance with the Freedom of Information Act and these Bylaws.

(b) The members of any committee of the Board may make a determination to sit in Executive Session. An affirmative vote of at least two-thirds (2/3) of the committee members present and eligible to vote on such matter, taken at a public meeting and stating the reasons for such Executive Session, shall be necessary to approve such a resolution. The purpose and the conduct of the Executive Session shall be in accordance with the Freedom of Information Act and these Bylaws.

(c) An Executive Session may be called for one or more of the following purposes:

- (i) Discussion concerning the appointment, employment, performance, evaluation, health or dismissal of a public officer or employee, provided that such individual may require that discussion be held at an open meeting;
- (ii) Strategy and negotiations with respect to pending claims or pending litigation to which the Authority or a member thereof, because of the member's conduct as a member of such agency is a party until such litigation or claim has been finally adjudicated or otherwise settled;
- (iii) Matters concerning security strategy or the deployment of security personnel, or devices affecting public security;
- (iv) Discussion of the selection of a site or the lease, sale or purchase of real estate when publicity regarding such site, lease, sale, purchase or construction would cause a likelihood of increased price until such time as all of the property has been acquired or all proceedings or transactions concerning same have been terminated or abandoned; and
- (v) discussion of any matter which would result in the disclosure of public records or the information contained therein described in Section 1-210.

508. Recessed Meeting. The Directors and Ad Hoc Members may recess a regular or special meeting. A Director or Ad Hoc Member absent from a regular or special meeting at which a resolution is passed for a recessed meeting shall be notified at least one hour prior to the hour appointed for such reconvening of the recessed meeting.

509. Method of Voting. Unless otherwise required by the General Statutes, voting by the Directors and Ad Hoc Members shall be by voice vote or roll call at the discretion of the Chairperson. A tally of votes shall be taken and recorded in the Minutes of the meeting. A Director who is present at a meeting of the Board or a committee of the Board when corporate action is taken is deemed to have assented to the action unless: (i) the Director's dissent or abstention from the action taken is entered in the minutes of the meeting; or (ii) the Director delivers written notice of dissent or abstention to the Chairman before the adjournment of the meeting or to the Authority immediately after adjournment of the meeting. The right of dissent or abstention shall not be available to a Director who votes in favor of the action taken.

510. General Standards of Conduct for Directors, Ad Hoc Members. Each Director and Ad Hoc Member shall discharge his or her duties as a Director or Ad Hoc Member respectively, including duties as a member of any committee: (i) in good faith; (ii) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (iii) in a manner such individual reasonably believes to be in the best interests of the Authority. In discharging a Director's or Ad Hoc Member's duties, such individual is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by: (i) one or more officers or employees of the Authority whom the Director or Ad Hoc Member reasonably believes to be reliable and competent in the matters presented; (ii) legal counsel, public accountants or other persons as to matters the Director or Ad

Hoc Member reasonably believes are within the person's professional or expert competence; or (iii) a committee of the Board of which the Director or Ad Hoc Member is not a member if the Director or Ad Hoc Member reasonably believes the committee merits confidence. A Director or Ad Hoc Member is not acting in good faith if he or she has knowledge concerning the matter in question that makes reliance, otherwise permitted, unwarranted.

511. No Invalidity. Failure to follow any procedure provided for in these Bylaws shall not render any action taken by the Directors ineffective unless it is ineffective under law. It is intended that these Bylaws be consistent with the Act and with the Freedom of Information Act. If any inconsistency should nevertheless appear, the provisions of the applicable law shall control.

ARTICLE VI **PERSONNEL AND PROCUREMENT POLICIES**

601. The Directors shall establish from time to time such rules and regulations as may be necessary to provide an adequate and systematic procedure for handling the personnel affairs of the administrative staff of the Authority and for handling the procurement policies of the Authority.

ARTICLE VII **FINANCIAL INFORMATION**

701. Fiscal Year. The Fiscal Year of the Authority shall commence on the first day of July and end on the last day of the following June.

702. Budget Process. The President shall recommend to the Directors for their evaluation and adoption a fiscal year budget for the following: (i) Authority General Fund and Capital Improvement Budget – at least fifteen (15) days before the regular meeting of the Directors in February; (ii) Southeast Project Operating Budget – at least fifteen (15) days before the regular meeting of the Directors in November; (iii) Bridgeport Project Operating Budget – at least fifteen (15) days before the regular meeting of the Directors in January; (iv) Wallingford Project Operating Budget – at least fifteen (15) days before the regular meeting of the Directors in January; and (v) Mid-Connecticut Operating Budget – at least fifteen (15) days before the regular meeting of the Directors in February. Such proposed budgets shall contain an estimate of all revenues and receipts anticipated from all sources in the ensuing fiscal year, the estimated expenditures necessary for the operation of the various activities of the Authority for that year and a balanced relation between the total estimated expenditures and total anticipated revenues and receipts. The Directors shall review the proposed budget, modify it where appropriate, and then adopt a final budget no later than the budget deadlines established for each Project agreement. After adoption of the final budget, the President shall ensure the proper allocation of the budget to an established chart of accounts. Budget appropriations allocated to the accounts of the Authority shall not be exceeded without the prior approval of the Directors. The President may transfer funds within the line items for each Project without limit as long as each line item of each Project and the grand total of each fund is not exceeded without the prior approval of the Directors.

An Ad Hoc Member shall be eligible to vote only on the budget concerning the Project relating to his or her appointment.

703. Director Expenses. As provided by Section 22a-261(e) of the Act, Directors and Ad Hoc Members shall be entitled to reimbursement by the Authority for actual and necessary expenses incurred during the performance of their official duties. All reimbursements shall be made in a manner consistent with the Authority's Travel Policy and Expense Reporting.

ARTICLE VIII **AMENDMENT OR REPEAL OF BYLAWS**

801. Amendment or Repeal. These Bylaws may be repealed or amended, or new Bylaws may be adopted, only by the affirmative vote of the majority of a quorum of the full Board of Directors of the Authority at any regular or special meeting in a manner consistent with the Act. Action by the Board to adopt or amend a bylaw that changes a required voting requirement for the Board not fixed by the Act must meet the same quorum requirement and be adopted by the same vote required to take action under the quorum and voting requirement then in effect or proposed to be adopted, whichever is greater. The Authority may adopt rules for the conduct of its business, and the adoption of such rules shall not constitute an amendment of these Bylaws, unless specifically so stated.

ARTICLE IX **INDEMNIFICATION OF OFFICERS OR DIRECTORS**

901. Indemnification. The Authority shall indemnify any Officer, Director, representative or Ad Hoc Member who is a party, or who is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, administrative or investigative by reason of the fact that he or she is or was serving as Director, Officer, representative or Ad Hoc Member of the Authority, against judgments, fees, amounts paid in settlement and expenses, including attorneys' fees, actually and reasonably incurred by him and the person whose legal representative he or she is, in connection with such action, suit or proceeding, or any appeal therein - as long as the Officer, Director, representative, or Ad Hoc Member was not wanton or willful. The Authority shall not so indemnify any such person unless it shall be concluded:

- (i) by the Directors, by a consent in writing signed by a majority of those Directors who were not parties to such action, suit or proceeding; or
- (ii) by independent legal counsel selected by a consent in writing signed by a majority of those Directors who were not parties to such action, suit or proceeding,

that such person, and the person whose legal representative he or she is, acted in good faith and in a manner he or she reasonably believed to be within his or her statutory authority, and he or she was not wanton or willful, including without limitation, Section 22a-261(n) of the Act. In the event that there are less than three Directors not parties to the action, suit or proceeding in question, then the matter of indemnification shall be submitted to an independent third party selected unanimously by the remaining Directors, or, if this is not possible, by a majority vote of

the entire Board, subject to the qualification that, so long as there is at least one Director not a party to the action or proceeding, a third party will not be chosen unless deemed acceptable to that Director.

902. Payment of Current Expenses. Expenses which may be indemnified under Article IX, Section 901 of these Bylaws incurred in defending an action, suit or proceeding, may be paid by the Authority in advance of the final disposition of such action, suit or proceeding upon agreement by or on behalf of the Officer, Director, representative, Ad Hoc Member, employee or agent, or his or her legal representative, to repay such amount if he or she is later found not entitled to be indemnified by the Authority as authorized in Section 901 above. Such reimbursement shall be in a manner consistent with Section 1-125 of the General Statutes.

ARTICLE X

SEAL, PLACE OF BUSINESS AND RECORDS

1001. Seal of the Authority.

(a) The official seal of the Authority shall be circular in form and shall have inscribed thereon the following words and figures: "Connecticut Resources Recovery Authority, 1973" and such additional matter as may be approved from time to time by the Directors of the Authority pursuant to the Act.

(b) In the execution on behalf of the Authority Of any instrument document, writing, notice or paper, it shall not be necessary, unless specifically required by law, to affix the official seal of the Authority, and such instrument, document, writing, notice, or paper when executed without the seal affixed shall be of the same force and effect and is binding on the Authority as if the official seal had been affixed in each instance. The use of the seal shall be symbolic only.

(c) The official seal need not be impressed on any instrument, document, writing, notice, or paper, but the same shall be sufficiently sealed if the official seal or a facsimile thereof is engraved, imprinted or otherwise reproduced thereon.

(d) The Secretary, or in the absence of the Secretary, a designee appointed by the President or Chairperson, may certify as to the official seal or its facsimile as of any date or with respect to any instrument, document, writing, notice, or paper, and any such certification shall be conclusive as to the form of the official seal and that any instrument, document, writing, notice, or paper has been duly and properly sealed by the Authority.

1002. Office of the Authority. The main office of the Authority shall be maintained at 100 Constitution Plaza, Hartford, Connecticut, or at such other place or places within the State as the Authority may designate. The Authority shall not be required to hold any of its meetings at such office. The Authority may maintain other offices in the State.

1003. Records of the Authority. The-records of the Authority shall be kept and maintained pursuant to Section 22a-263 of the Act and in such a manner and for that period of time as the Directors, acting upon the advice of the Authority's counsel and accountants deem appropriate. The written records of the Authority will be made available to the public as

required by the Freedom of Information Act. Records of the Authority shall be maintained in accordance with State of Connecticut guidelines.

[FinalApprovedCopy6/19/2003]

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TAB 20

**RESOLUTION AUTHORIZING THE APPROVAL OF THE CONNECTICUT
RESOURCES RECOVERY AUTHORITY ETHICS POLICY**

RESOLVED: That the Board hereby affirmatively approves and endorses the new Connecticut Resources Recovery Authority Ethics Policy document as presented and discussed at this meeting.

Memorandum

To: Thomas D. Kirk, President
From: Ann Stravalle-Schmidt
Date: September 4, 2003
Re: **New CRRA Ethics Policy**

As you know, the Policy & Procurement Committee recently reviewed and revised the CRRA Ethics Policy. This revised policy was properly advertised in the Connecticut Law Journal in its July 22, 2003, edition for CRRA's September 18, 2003 Board Meeting.

Attached you will find the following:

1. Board Resolution to approve the new CRRA Ethics Policy.
2. Final version of the revised CRRA Ethics Policy.
3. A red-lined version of the revised Ethics Policy that highlights the comments/revisions suggested by the State of Connecticut Ethics Commission.

AMENDED AND RESTATED

CONNECTICUT RESOURCES RECOVERY AUTHORITY

ETHICS POLICY

APPROVED BY CRRA BOARD OF DIRECTORS _____, 2003

EFFECTIVE _____, 2003

PREAMBLE

The Connecticut Resources Recovery Authority ("CRRA") hereby adopts this Ethics Policy ("Policy") replacing the April 29, 1988 revision. CRRA supports the spirit and letter of law of the Connecticut Code of Ethics for Public Officials as embodied in Connecticut General Statutes §§1-79 et seq. ("Code"). Any violation of their Policy and/or the Code may result in disciplinary action and a termination as set forth in CRRA's Personnel Policy.

Section 1. Definitions

This Policy adopts the definitions in Connecticut General Statutes §1-79. The following terms, when used in this Policy, shall have the following meanings unless the context otherwise requires:

- (a) "Board" means the entire membership of CRRA's Board of Directors as constituted pursuant to in Connecticut General Statutes § 22a-261 of the Connecticut General Statutes, as revised, including Ad Hoc Members;
- (b) "Chairman" means the chairman of the CRRA appointed by the Governor pursuant to subsection (c) of Connecticut General Statutes § 22a-261 of the Connecticut General Statutes;
- (c) "Employee" means any employee, whether full or part-time of CRRA;
- (d) "Gift" means that as set forth in Connecticut General Statutes § 1-79(e) as well as a payment, subscription, advance, forbearance, rendering of services, deposit of money, or anything of value unless consideration of equal or greater value is given in return. "Gift" shall not include those exceptions set forth in Connecticut General Statutes § 1-79(e)(1)-(16);
- (e) "Immediate Family" means any spouse, dependent or independent child, child's spouse, parent, sibling, grandchildren, or step-children;
- (f) "Member" means any designated, appointed ex officio, or ad hoc Member of CRRA's Board of Directors serving pursuant to Connecticut General Statutes § 22a-261 of the Connecticut General Statutes including designees acting as alternates pursuant to subsection (i) of Connecticut General Statutes § 22a-261;
- (g) "Organizational Synergy and Human Resources Committee" means the committee appointed by the Board to review all matters pertaining to compensation, benefits, duties and conduct of CRRA Employees; and .
- (h) "President" means the chief executive officer of CRRA appointed pursuant to subsection (d) of Section 22a-261 of the Connecticut General Statutes.

CRRA will conduct an Ethics training session once a year in concert with the State Ethics Commission.

In the construction of this Policy words of the masculine gender shall mean and include correlative words of the feminine gender and words importing the singular number shall mean and include the plural number or vice versa where appropriate.

The Policy terms or provisions, are to be read in tandem with the Code, to the extent there is any conflict, Connecticut General Statute §1-79 et seq., shall take precedence, except where this Policy is more restrictive.

Section 2. Prohibited Activities for Present Public Officials, Members, and Employees of CRRA

- (a) No Financial Interest. No public official, Member, or Employee shall, while serving as such, have any financial interest in, or engage in, any business, employment, transaction or professional activity, which is in substantial conflict with the proper discharge of his duties, responsibilities or employment with CRRA, or the public interest as prescribed in the laws of the State of Connecticut.
- (b) No Employment. No public official, Member or Employee shall accept other employment which will either impair his independence of judgment as to his responsibilities, official duties, or employment, or require him, or induce him, to disclose confidential information acquired by him in the course of and by reason of his responsibilities, official duties or employment with CRRA.
- (c) No Disclosure. No public official, Member, or Employee shall willfully and knowingly disclose, for financial gain, to any other person, confidential information acquired by him in the course of and by reason of his responsibilities, official duties, or employment with CRRA. No public official, Member, or Employee shall use his position or any confidential information received through his holding such position to obtain financial gain for himself, his Immediate Family or business with which he is associated.
- (d) No Partnerships etc. No public official, Member, or Employee shall agree to accept, or be a member or employee of a partnership, association, professional corporation or sole proprietorship which partnership, association, professional corporation or sole proprietorship agrees to accept any employment, fee or other things of value, or portion thereof, for appearing, agreeing to appear before CRRA.
- (e) No gifts or promises. No person shall offer or give to a public official, Member or Employee, or such public official's, Member's, or Employees', Immediate Family, or a business with which the public official, Member or Employee is associated, *anything of value*, including but not limited to, a gift, loan, political contribution, reward or promise of future employment based on any understanding that the vote, official action or judgment of the public official, Member, Employee would be or had been influenced thereby.
- (f) No solicitation or acceptance of anything of value. No public official, Member, or Employee, shall solicit or accept *anything of value*, including but not limited to, a gift, loan, political contribution, reward or promise of future employment based on any understanding that the vote, official action or judgment of the public official, Member or Employee, relating to the business of the CRRA would be or had been influenced thereby.
- (g) No \$100 + Contracts. No public official, Member, or Employee, or individual in his Immediate Family, friend or a business with which he is associated, shall enter

into any contract with CRRA, valued at one hundred dollars (\$100.00) or more, other than a contract of employment as an Employee or pursuant to a court appointment, unless the contract has been awarded through an open and public process, including prior public offer and subsequent public disclosure of all proposals considered and the contract awarded. In no event shall the President or his Immediate Family, friend or business with which he is associated enter into any contract with Connecticut Resources Recovery Authority. Nothing in this subsection shall be construed as applying to any director or Member of CRRA's Board and who receives no compensation other than a per diem payments or reimbursements for actual and/or necessary expenses, or both, unless such Member has authority or control over the subject matter of the contract. Any contract made in violation of this section shall be voidable by a court of competent jurisdiction if suit is commenced within 90 days of the making of the contract.

- (h) No knowing acceptance of anything of value from registrants. No public official, Member, or Employee, or individual in his Immediate Family, shall knowingly *anything of value*, including but not limited to, a gift, loan, political contribution, reward or promise of future employment from a person known to be a registrant or anyone known to be acting on behalf of a registrant.
- (i) No knowing acceptance, directly or indirectly, anything of value. No public official, Member, or Employee shall knowingly accept, directly or indirectly, *anything of value*, including but not limited to, a gift, loan, political contribution, reward or promise of future employment, from any person they know or have reason to know: (1) Is doing business with or seeking to do business with Connecticut Resources Recovery Authority or (2) is engaged in activities which are involved or are regulated Connecticut Resources Recovery Authority.
- (j) Must report. Any person who: (1) is doing business with or seeking to do business with CRRA (2) is engaged in activities which are directly regulated by or involved CRRA and (3) gives a public official, Member, or Employee anything of value which is subject to the reporting requirements pursuant to subsection (e) of Connecticut General Statute § 1-96 shall, not later than ten days thereafter, give such recipient a written report stating the name of the donor, a description of the item or items given, the value of such items, and the cumulative value of all items given to such person during the calendar year.
- (k) No Fees. No public official, Member, or Employee shall accept a fee or honorarium for an article, appearance or speech, or for participation at an event, in their official capacity, provided they might receive payment or reimbursement for necessary expenses for such activity in their official capacity.

If they receive such a payment or reimbursement for lodging or out-of-state travel or both, they shall, within thirty (30) days, file a report of the payment or reimbursement with the State Ethics Commission, unless the federal government or another state government provides the payment or reimbursement. If they do not file such report within such period, either intentionally or due to gross negligence on his part, they shall return the payment or reimbursement. If any

failure to file such report is not intentional or due to gross negligence on the part of the public official, Member, or Employee shall not be subject to any penalty under this chapter.

When a public official, Member, or Employee attends an event in this state in the public official's Member's, or Employee's official capacity and is a principal speaker at such event and receives admission to or food or beverage at such event from the sponsor of the event, such admission or food or beverage shall not be considered a gift and no report shall be required from such official, Member or Employee or from the sponsor of the event.

- (l) No knowing interference, influence, solicitation, or lobbying. No public official, Member or Employee, or any person acting on their behalf, shall willfully and knowingly interfere with, influence, direct or solicit existing or new lobbying contracts, agreements or business relationships for or on behalf of any person.
- (m) No Employment for One Year. No public official, Member, or Employee who participates substantially in the negotiation or award of a contract valued at an amount of fifty thousand dollars (\$50,000) or more, or who supervised the negotiation or award of such a contract, shall accept employment with a party to the contract or negotiation other than the State for a period of one year after the earlier of (A) the date the contract is signed, or (B) the date the public official, Member, or Employee ceases to participate substantially in the negotiation or awarding of the contract.

Section 3. Ownership of bonds issued by the Authority

- (a) No Purchase of CRRA bonds. No bonds issued by CRRA shall be directly purchased by a public official, Member, or Employee of CRRA nor by individuals in their Immediate Family nor by any corporation, partnership or trust for their benefit or that of their spouses or dependent children. The public officials, Members, or Employees shall list, in the financial statement filed pursuant to Connecticut General Statute § 1-83, any bonds issued by CRRA which were acquired prior to their Membership or Employment with CRRA and held in their own name or that of their Immediate Family or any corporation, partnership or trust for their benefit or that of their spouses or dependent children.
- (b) Public officials, Member, and Employees of the CRRA shall disclose to the Chairman pursuant to this Policy and the Code any bonds issued by CRRA which were acquired prior to their employment with the CRRA and held in their own name or that of their spouses, dependent children or any corporation, partnership or trust for their benefit or that of their spouses or dependent children.
- (c) Any public official, Member, or Employee who, in the discharge of his duties or by virtue of his position or through knowledge obtained as a public officer, Member or Employee of CRRA, would be required to, or would be able to, take any action which would affect bonds of CRRA held by him, his Immediate Family or any corporation, partnership or trust for his benefit or that of his spouse or dependent children, shall refrain from taking such action and shall not

participate in deliberations or influence or attempt to influence any decision of the Board, its Members or Employees, which would affect such bonds.

Section 4. Certain activities restricted after leaving CRRA

- (a) Disclosure or Use of Confidential Information by Former Employee. No former public official, Member, or Employee shall disclose or use confidential information acquired in the course of and by reason of his official duties, for financial gain for himself or another person.
- (b) No Representation, other than CRRA. No former public official, Member, or Employee shall represent anyone other than CRRA concerning any particular matter: (1) in which he participated personally and substantially while at CRRA; and (2) in which the State has a substantial interest.
- (c) No Representation for One Year. No former public official, Member or Employee of CRRA shall, for one year after leaving the Board or employment with the CRRA, represent anyone, other than CRRA, for compensation, before the CRRA, concerning any matter in which the CRRA has a substantial interest.
- (d) No Employment for One Year. No former public officials, Member, or Employee who: (1) participated substantially in the negotiation or award of (A) a CRRA contract valued at an amount of fifty thousand dollars (\$50,000.00) or more or (B) a written agreement for the approval of a payroll deduction described in Connecticut General Statute § 3-123g; or (2) who supervised the negotiation of award of such a contract or agreement, shall accept employment with a party to the contract or negotiation other than the State for a period of one year after the earlier (A) the date the contract is signed, or (B) the date the public official, Member, or Employee ceases to participate substantially in the negotiation or award of the contract.

Section 5. Interest in conflict with discharge of duties

A public official, Member, or Employee has an interest which is in substantial conflict with the proper discharge of his duties or employment, if he has reason to believe or expect that he or his Immediate Family, friend, or a business with which he is associated will derive a direct monetary gain or suffer a direct monetary loss, as the case may be, by reason of his official activity or employment with CRRA. He does not have an interest, which is in substantial conflict with the proper discharge of his duties, if any benefit or detriment accrues to him or his Immediate Family as a member of a business, profession, occupation or group to no greater extent than any other member of such business, profession, occupation or group. A public official, Member, Employee who has a substantial conflict may not take action on the matter.

Section 6. Procedure when discharge of duty affects financial interests.

Any public official, Member or Employee who, in the discharge of his official duties, or employment would be required to take an action that would affect a financial interest of himself, his spouse, parent, brother, sister, child, or the spouse of a child, friend, or a business with which he is associated, other than an interest of a de minimis nature or an interest that is not distinct from that of a substantial segment of the general public, shall: (1) if he is a Member, excuse

himself from voting or deliberating or taking action or prepare a written statement signed under penalty of false statement describing the matter requiring action and the nature of the potential conflict and explaining why despite the potential conflict, he is able to vote and otherwise participate fairly, objectively and in the public interest and deliver a copy of the statement to the Board and the State Ethics Commission and enter a copy of the statement in the minutes of the Board; (2) If he is a public official, or Employee, he shall prepare a written statement signed under penalty of false statement describing the matter requiring action and the nature of the potential conflict and deliver a copy of the statement to his immediate superior, if any, who shall assign the matter to another employee, or if he has no immediate superior, he shall take such steps as the Commission shall prescribe or advise.

Section 7. Consultants and independent contractors -- Prohibited activities.

- (a) No person hired by CRRA as a consultant or independent contractor shall: (1) Use the authority provided to him under the contract, or any confidential information acquired in the performance of the contract, to obtain financial gain for himself, his employees or a member of his immediate family; (2) Accept another State contract which would impair his independent judgment in the performance of the existing contract;
- (b) No person shall give anything of value to a person hired by the CRRA as a consultant or independent contractor based on an understanding that the actions of the consultant or independent contractor on behalf of the CRRA would be influenced.

Section 8. CRRA Management.

If CRRA management, in its best business judgment, reasonably thinks that a public official, Member, or Employee of CRRA may have violated the Code of Ethics or this Policy, it shall consult with the State Ethics Commission on how to handle the situation and, where appropriate, ask the Ethics Commission to conduct a formal investigation.

Section 9. Authority of the President and Board after Finding

- (a) The President, in consultation with the Organizational Synergy & Human Resources Committee ("Committee") shall have authority to do any or all of the actions listed below after a finding, formal or informal, by the State Ethics Commission of a violation of the Code, or a settlement of an investigation by the Ethics Commission of a Public Official, Member or Employee:
 - (1) Order the individual to cease and desist the violation;
 - (2) Issue a reprimand and place a copy in the personnel records of the individual;
 - (3) Temporarily or permanently demote the person;
 - (4) Suspend the employment of the individual, with or without pay; or
 - (5) Terminate his employment or relationship with CRRA.

Prior to sanctioning an individual for violation of the Code or this Policy, the President shall confer with the Committee.

- (b) If a public official, Member, or Employee, under investigation by the State Ethics Commission, settles with the State Ethics Commission, the President, after consultation with the Organizational Synergy & Human Resources Committee, may take whatever action to protect CRRA from further abuse, including but not limited to, prohibiting said individual from dealing with or being involved with the activities which were the subject of the investigation.

CONNECTICUT RESOURCES RECOVERY AUTHORITY

ETHICS POLICY

PREAMBLE

The Connecticut Resources Recovery Authority ("CRRA") hereby adopts this Ethics Policy ("Policy") replacing the April 29, 1988 revision. CRRA supports the spirit and letter of law of the Connecticut Code of Ethics for Public Officials as embodied in Connecticut General Statutes §§1-79 et seq. ("Code"). Any violation of their Policy and/or the Code may result in disciplinary action and a termination as set forth in CRRA's Personnel Policy.

Section 1. Definitions

This Policy adopts the definitions in Connecticut General Statutes §1-79. The following terms, when used in this Policy, shall have the following meanings unless the context otherwise requires:

- (a) "Board" means the entire membership of CRRA's Board of Directors as constituted pursuant to in Connecticut General Statutes § 22a-261 of the Connecticut General Statutes, as revised, including Ad Hoc Members;
- (b) "Chairman" means the chairman of the CRRA appointed by the Governor pursuant to subsection (c) of Connecticut General Statutes § 22a-261 of the Connecticut General Statutes;
- (c) "Employee" means any employee, whether full or part-time of CRRA;
- (d) "Gift" means that as set forth in Connecticut General Statutes § 1-79(e) as well as a payment, subscription, advance, forbearance, rendering of services, deposit of money, or anything of value unless consideration of equal or greater value is given in return. "Gift" shall not include those exceptions set forth in Connecticut General Statutes § 1-79(e)(1)-(16);
- (e) "Immediate Family" means any spouse, dependent or independent child, child's spouse, parent, sibling, or grandchildren, or step-children;
- (f) "Member" means any designated, appointed ex officio, or ad hoc Member of CRRA's Board of Directors serving pursuant to Connecticut General Statutes § 22a-261 of the Connecticut General Statutes including designees acting as alternates pursuant to subsection (i) of Connecticut General Statutes § 22a-261;
- (g) "Organizational Synergy and Human Resources Committee" means the committee appointed by the Board to review all matters pertaining to compensation, benefits, duties and conduct of CRRA Employees; and.

(h) "Person" means that as set forth in Connecticut General Statutes §1-79(i);

(i)(h) "President" means the chief executive officer of CRRA appointed pursuant to subsection (d) of Section 22a-261 of the Connecticut General Statutes.

CRRA will conduct an Ethics training session review once a year in concert with the State Ethics Commission.

In the construction of this Policy words of the masculine gender shall mean and include correlative words of the feminine gender and words importing the singular number shall mean and include the plural number or vice versa where appropriate.

The Policy terms or provisions, are to be read in tandem with the Code, to the extent there is any conflict, Connecticut General Statute §1-79 et seq., shall take precedence, except where this Policy is more restrictive.

Section 2. Prohibited Activities for Present Public Officials, Members, and Employees of CRRA

- (a) No Financial Interest. No public official, Member, or Employee shall, while serving as such, have any financial interest in, or engage in, any business, employment, transaction or professional activity, which is in substantial conflict with the proper discharge of his duties, responsibilities or employment with CRRA, or the public interest as prescribed in the laws of the State of Connecticut.
- (b) No Employment. No public official, Member or Employee shall accept other employment which will either impair his independence of judgment as to his responsibilities, official duties, or employment, or require him, or induce him, to disclose confidential information acquired by him in the course of and by reason of his responsibilities, official duties or employment with CRRA.
- (c) No Disclosure. No public official, Member, or Employee shall willfully and knowingly disclose, for financial gain, to any other person, confidential information acquired by him in the course of and by reason of his responsibilities, official duties, or employment with CRRA. No public official, Member, or Employee shall use his position or any confidential information received through his holding such position to obtain financial gain for himself, his Immediate Family or business with which he is associated.
- (d) No Partnerships etc. No public official, Member, or Employee shall agree to accept, or be a member or employee of a partnership, association, professional corporation or sole proprietorship which partnership, association, professional corporation or sole proprietorship agrees to accept any employment, fee or other things of value, or portion thereof, for appearing, agreeing to appear before CRRA as set forth in Connecticut General Statute §1-84(d).
- (e) No gifts or promises. No person who shall offer or give to a public official, Member or Employee, or such public official's, Member's, or Employees', Immediate Family, or a business with which the public official, Member or Employee is associated, *anything of value*, including but not limited to, a gift, loan, political contribution, reward or promise of future employment based on any

understanding that the vote, official action or judgment of the public official, Member, Employee would be or had been influenced thereby.

- (f) No solicitation or acceptance of anything of value. No public official, Member, or Employee, shall solicit or accept *anything of value*, including but not limited to, a gift, loan, political contribution, reward or promise of future employment based on any understanding that the vote, official action or judgment of the public official, Member or Employee, relating to the business of the CRRA would be or had been influenced thereby.
- (g) No \$100 + Contracts. No public official, Member, or Employee, or individual in his Immediate Family, friend or a business with which he is associated, shall enter into any contract with CRRA, valued at one hundred dollars (\$100.00) or more, other than a contract of employment as an Employee or pursuant to a court appointment, unless the contract has been awarded through an open and public process, including prior public offer and subsequent public disclosure of all proposals considered and the contract awarded. In no event shall the President or his Immediate Family, friend or business with which he is associated enter into any contract with Connecticut Resources Recovery Authority. Nothing in this subsection shall be construed as applying to any director or Member of CRRA's Board and who receives no compensation other than a per diem payments or reimbursements for actual and/or necessary expenses, or both, unless such Member has authority or control over the subject matter of the contract. Any contract made in violation of this section shall be voidable by a court of competent jurisdiction if suit is commenced within 90 days of the making of the contract.
- (h) No knowing acceptance of anything of value from registrants. No public official, Member, or Employee, or individual in his Immediate Family, shall knowingly *anything of value*, including but not limited to, a gift, loan, political contribution, reward or promise of future employment from a person known to be a registrant or anyone known to be acting on behalf of a registrant. CRRA
- (i) No knowing acceptance, directly or indirectly, anything of value. No public official, Member, or Employee shall knowingly accept, directly or indirectly, *anything of value*, including but not limited to, a gift, loan, political contribution, reward or promise of future employment, from any person they know or have reason to know: (1) Is doing business with or seeking to do business with Connecticut Resources Recovery Authority or (2) is engaged in activities which are involved or are regulated Connecticut Resources Recovery Authority. No person shall knowingly give, directly or indirectly, any gift or gifts in violation of this provision.
- (j) Must report. Any person who: (1) is doing business with or seeking to do business with CRRA (2) is engaged in activities which are directly regulated by or involved CRRA and (3) gives a public official, Member, or Employee anything of value which is subject to the reporting requirements pursuant to subsection (e) of Connecticut General Statute § 1-96 shall, not later than ten days thereafter, give such recipient a written report stating the name of the donor, a description of the

item or items given, the value of such items, and the cumulative value of all items given to such person during the calendar year. -comply with said section.

- (k) No Fees. No public official, Member, or Employee shall accept a fee or honorarium for an article, appearance or speech, or for participation at an event, in his~~their~~ official capacity, provided they might receive payment or reimbursement for necessary expenses for such activity in their ~~his~~ official capacity.

If they receive such a payment or reimbursement for lodging or out-of-state travel or both, they shall, within thirty (30) days, file a report of the payment or reimbursement with the State Ethics Commission, unless the federal government or another state government provides the payment or reimbursement. If they do not file such report within such period, either intentionally or due to gross negligence on his part, they shall return the payment or reimbursement. If any failure to file such report is not intentional or due to gross negligence on the part of the public official, Member, or Employee shall not be subject to any penalty under this chapter.

When a public official, Member, or Employee attends an event in this state in the public official's Member's, or Employee's official capacity and is a principal speaker at such event and receives admission to or food or beverage at such event from the sponsor of the event, such admission or food or beverage shall not be considered a gift and no report shall be required from such official, Member or Employee or from the sponsor of the event.

- (l) No knowing interference, influence, solicitation, or lobbying. No public official, Member or Employee, or any person acting on their behalf, shall willfully and knowingly interfere with, influence, direct or solicit existing or new lobbying contracts, agreements or business relationships for or on behalf of any person.

- (m) No Employment for One Year. No public official, Member, or Employee who participates substantially in the negotiation or award of a contract valued at an amount of fifty thousand dollars (\$50,000) or more, or who supervised the negotiation or award of such a contract, shall accept employment with a party to the contract or negotiation other than the State for a period of one year after the earlier of (A) the date the contract is signed, or (B) the date the public official, Member, or Employee ceases to participate substantially in the negotiation or awarding of the contract.

Section 3. Ownership of bonds issued by the Authority

- (a) No Purchase of CRRRA bonds. No bonds issued by CRRRA shall be directly purchased by a public official, Member, or Employee of CRRRA nor by individuals in their Immediate Family nor by any corporation, partnership or trust for their benefit or that of their spouses or dependent children. The public officials, Members, or Employees shall list, in the financial statement filed pursuant to Connecticut General Statute § 1-83, any bonds issued by CRRRA which were

acquired prior to their Membership or Employment with CRRA and held in their own name or that of their Immediate Family spouses, dependent children or any corporation, partnership or trust for their benefit or that of their spouses or dependent children.

- (b) Public officials, Member, and Employees of the CRRA shall disclose to the Chairman pursuant to this Policy and the Code any bonds issued by CRRA which were acquired prior to their employment with the CRRA and held in their own name or that of their spouses, dependent children or any corporation, partnership or trust for their benefit or that of their spouses or dependent children.
- (c) Any public official, Member, or Employee who, in the discharge of his duties or by virtue of his position or through knowledge obtained as a public officer, Member or Employee of CRRA, would be required to, or would be able to, take any action which would affect his monetary interest in bonds of CRRA held by him, his Immediate Family or any corporation, partnership or trust for his benefit or that of his spouse or dependent children, shall refrain from taking such action and shall not participate in deliberations or influence or attempt to influence any decision of the Board, its Members or Employees, which would affect such bonds.

Section 4. Certain activities restricted after leaving CRRA

- (a) Disclosure or Use of Confidential Information by Former Employee. No former public official, Member, or Employee or shall disclose or use confidential information acquired in the course of and by reason of his official duties, for financial gain for himself or another person.
- (b) No Representation, other than CRRA. No former public official, Member, or Employee shall represent anyone other than CRRA concerning any particular matter: (1) in which he participated personally and substantially while at CRRA; and (2) in which the StateCRRA has a substantial interest.
- (c) No Representation for One Year. No former public official, Member or Employee of CRRA shall, for one year (1) after leaving the Board or employment with the CRRA, represent anyone, other than CRRA, for compensation, before the CRRA, concerning any matter in which the CRRA has a substantial interest.

(d) ~~The provisions of this subsection (c) apply to present or former CRRA public officials, Members, or Employees who hold or, formerly held positions, which involve significant decision-making or supervisory responsibility and are designated as such by the State Ethics Commission in consultation with the CRRA, except that such provisions shall not apply to Members or former members of the Boards who serve ex-officio, who are required by statute to represent the related industry, or who are permitted by statute to have a past or present affiliation with the regulated industry. Designation of positions subject to the provisions of this subsection shall be by regulations adopted by the State Ethics Commission in accordance with chapter 54. The term "employment" means professional services or other services rendered as an employee or as an independent~~

contractor.

(e)(d) No Employment for One Year. No former public officials, Member, or Employee who: (1) participated substantially in the negotiation or award of (A) a CRRA contract valued at an amount of fifty thousand dollars (\$50,000.00) or more (\$50,000) or (B) a written agreement for the approval of a payroll deduction described in Connecticut General Statute § 3-123g; or (2) who supervised the negotiation of award of such a contract or agreement, shall accept employment with a party to the contract or negotiation other than the State for a period of one year after the earlier (A) the date the contract is signed, or (B) the date the public official, Member, or Employee ceases to participate substantially in the negotiation or award of the contract. ~~agreement CRRA for a period of (1) one year after his resignation from CRRA if his resignation occurs less than one year after the contract or agreement is signed.~~

~~(f) No Employment for One Year.~~ No public official, Member, or Employee who participates substantially in the negotiation or award of a contract valued at an amount of fifty thousand dollars (\$50,000) or more, or who supervised the negotiation or award of such a contract, shall seek, accept, or hold employment with a party to the contract for a period of one year after the signing of the contract.

Section 5. Interest in conflict with discharge of duties

A public official, Member, or Employee has an interest which is in substantial conflict with the proper discharge of his duties or employment, if he has reason to believe or expect that he or his Immediate Family, friend, or a business with which he is associated will derive a direct monetary gain or suffer a direct monetary loss, as the case may be, by reason of his official activity or employment with CRRA. He does not have an interest, which is in substantial conflict with the proper discharge of his duties, if any benefit or detriment accrues to him or his Immediate Family as a member of a business, profession, occupation or group to no greater extent than any other member of such business, profession, occupation or group. A public official, Member, Employee who has a substantial conflict may not take action on the matter.

Section 6. Procedure when discharge of duty affects financial interests.

Any public official, Member or Employee who, in the discharge of his official duties, or employment would be required to take an action that would affect a financial interest of himself, his spouse, parent, brother, sister, child, or the spouse of a child Immediate Family, friend, or a business with which he is associated, other than an interest of a de minimis nature or an interest that is not distinct from that of a substantial segment of the general public, shall: (1) if he is a Member, excuse himself from voting or deliberating or taking action ~~be excused from voting or deliberation or taking action on the matter if he so requests, but if he does not make such request, he shall~~ or prepare a written statement signed under penalty of false statement describing the matter requiring action and the nature of the potential conflict and explaining why despite the

potential conflict, he is able to vote and otherwise participate fairly, objectively and in the public interest and deliver a copy of the statement to the Board and the State Ethics Commission and enter a copy of the statement in the minutes of the Board; (2) If he is a public official, or Employee, he shall prepare a written statement signed under penalty of false statement describing the matter requiring action and the nature of the potential conflict and deliver a copy of the statement to his immediate superior, if any, who shall assign the matter to another employee, or if he has no immediate superior, he shall take such steps as the Board/Commission shall prescribe or advise.

Section 7. Consultants and independent contractors -- Prohibited activities.

- (a) No person hired by CRRA as a consultant or independent contractor shall: (1) Use the authority provided to him under the contract, or any confidential information acquired in the performance of the contract, to obtain financial gain for himself, his employees or a member of his immediate family; (2) Accept another State/CRRA contract which would impair his independent judgment in the performance of the existing contract;
- (b) No person shall give anything of value to a person hired by the CRRA as a consultant or independent contractor based on an understanding that the actions of the consultant or independent contractor on behalf of the CRRA would be influenced.

Section 8. CRRA Mmanagement.

If CRRA management, in its best business judgment, reasonably thinks that a public official, Member, or Employee of CRRA may have violated the Code of Ethics or this Policy, it shall consult with the State Ethics Commission on how to handle the situation and, where appropriate, ask the Ethics Commission to conduct a formal investigation.

Section 9. Authority of the President and Board after Finding

- (a) The President, in consultation with the Organizational Synergy & Human Resources Committee ("Committee") shall have authority to do any or all of the actions listed below after a finding, formal or informal, by the State Ethics Commission of a violation of the Code or this Policy, or a settlement of an investigation by the Ethics Commission of by a Public Official, Member or Employee:
 - (1) Order the individual to cease and desist the violation;
 - (2) Issue a reprimand and place a copy in the personnel records of the individual;
 - (3) Temporarily or permanently demote the person;
 - (4) Suspend the employment of the individual, with or without pay; or
 - (5) Terminate his employment or relationship with CRRA.

Prior to sanctioning an individual for violation of the Code or this Policy, the President shall confer with the Committee.

~~(b) The President, in consultation with the Committee, after a finding, formal or informal, by the State Ethics Commission of a VCO by a vendor or contract or settlement with, shall have the authority to do any or all of the following, including, but not limited to:~~

~~(1) Refuse to do business with that person or entity and/or~~

~~(2) Rescind or otherwise cancel any contract or other agreement, which is materially related to the violation of any provision of the Code or this policy.~~

~~(e)(b) If a public official, Member, or Employee, under investigation by the State Ethics Commission, settles with the State Ethics Commission, the President, after consultation with the Organizational Synergy & Human Resources Committee, may take whatever action to protect CRRA from further abuse, including, but limited to those set forth in section (Section 9 (a)), including, but not limited to, prohibiting said individual from dealing with or being involved with the activities which were the subject of the investigation.~~

~~(d) Any person who knowingly acts in his financial interest in violation of this Policy or the Code or any person, who knowingly receives a financial advantage resulting from a violation of this Policy or the Code, shall be liable to CRRA for damages in the amount of such advantage.~~