

**CONNECTICUT RESOURCES RECOVERY AUTHORITY**

**FOUR HUNDRED AND EIGHTY-FIRST**

**OCTOBER 28, 2010**

A regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, Oct. 28, 2010, in the Board Room at CRRA Headquarters, 100 Constitution Plaza, Hartford, Connecticut. Those present in Hartford were:

Directors:     Chairman Pace  
                  Louis Auletta  
                  David B. Damer  
                  Timothy Griswold  
                  Dot Kelly  
                  Mark Lauretti (present beginning at 10:36 a.m.)  
                  Theodore Martland  
                  Nicholas Mullane  
                  Ron Van Winkle  
                  Bob Painter, Mid-Connecticut Project Ad-Hoc  
                  Steve Wawruck, Mid-Connecticut Project Ad-Hoc  
                  Steve Edwards, Bridgeport Ad-Hoc  
                  Mark Tillinger, Bridgeport Project Ad-Hoc  
                  Warren Howe, Wallingford Project Ad-Hoc

Present from CRRA:

                  Tom Kirk, President  
                  Jim Bolduc, Chief Financial Officer  
                  Jeffrey Duvall, Director of Budgets and Forecasting  
                  Peter Egan, Director of Environmental Affairs & Development  
                  Bettina Ferguson, Director of Finance  
                  Laurie Hunt, Director of Legal Services  
                  Paul Nonnenmacher, Director of Public Affairs  
                  Nhan Vo-Le, Director of Accounting Services  
                  Maira Benacquista, Board Secretary/Paralegal

Also present were: John Pizzimenti of USA Hauling & Recycling; Jim Sandler, Esq., of Sandler & Mara; Jerry Tyminski of SCARRA and Cheryl Thibeault of Covanta.

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

**PLEDGE OF ALLEGIANCE**

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

**APPROVAL OF THE MINUTES OF THE SEPT. 30, 2010, REGULAR BOARD MEETING**

Chairman Pace requested a motion to approve the minutes of the Sept. 30, 2010, Regular Board Meeting. Director Martland made a motion to approve the minutes, which was seconded by Director Mullane.

Director Kelly asked that the last sentence on page fourteen in the third paragraph be struck from the minutes.

The motion to approve the Sept. 30, 2010, minutes as amended was approved by roll call. Chairman Pace, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Mullane, Director Howe, and Director Tillinger voted yes. Director Auletta, Director Painter, and Director Wawruck abstained.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Louis Auletta			X
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
<b>Ad-Hocs</b>			
Bob Painter, Mid-Connecticut			X
Steve Wawruck			X
Mark Tillinger, Bridgeport	X		
Warren Howe, Jr, Wallingford	X		

**WELCOME DIRECTOR PAINTER**

Chairman Pace welcomed Dr. Robert Painter, the Ad-Hoc member of the Mid-Connecticut Project to the Board.

Director Painter said it has taken him a long time to join the Board. He said he was supposedly appointed two years ago and is glad to be present.

**RESOLUTION REGARDING RESERVE ANALYSIS**

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

**WHEREAS**, the FY 10 Mid-Connecticut actual revenues exceed the actual expenses resulting in a surplus of \$5,778,936 which, as stated in the MSA, is to be used in the FY 2012 budget to offset expenses; and

**WHEREAS**, the Authority has recorded the postclosure liabilities on its financial statements for the Shelton, Wallingford and Waterbury landfills and has reserved sufficient funds; and

**WHEREAS**, the Authority plans to consolidate all of its landfill post-closure reserves from closed Projects into a distinct Division; and

**WHEREAS:** the Authority has recorded the postclosure liabilities on its financial statements for the Hartford Landfill and has estimated its closure liabilities for the Hartford Landfill and has determined that an additional \$1,000,000 contribution is needed to meet the postclosure liabilities and that the Hartford Landfill Closure Reserve is overfunded by an estimated \$1,000,000; and

**WHEREAS**, the Authority has several reserves that need to be closed and dissolved due to their depletion schedule; and

**WHEREAS:** the Authority plans to consolidate its non-landfill operating reserves from closed Projects into the Property Division; and

**WHEREAS:** the Mid-Connecticut Project is entering its last 12 month Fiscal Year and the Authority is executing the planned reduction of the Mid-Connecticut Project's Renewal & Replacement Fund, Operating & Maintenance Fund, General Fund, and Debt Service Stabilization Reserve; and

**WHEREAS:** the Authority has performed capital planning needs for the purchase of "rolling stock" and Facility maintenance for the Mid-Connecticut Project and has determined that the Facility Modification Reserve is under funded and the Rolling Stock Reserve has excess funds of \$1,440,000; and

**WHEREAS:** the Authority has performed an annual review of the Mid-Connecticut Project's Risk Fund Reserve and Post Litigation Reserve and based on favorable insurance bids and a reduction in the projected litigation funds needed to complete ongoing settlement negotiations, these reserves can be reduced by \$1,475,000 and \$480,000 respectively; and

**WHEREAS:** the Authority has performed a Wallingford end of Project review and has determined that the Wallingford Project's Risk Fund Reserve is under funded by \$116,000; and

**WHEREAS:** the Mid-Connecticut Project's energy revenues are used to offset the Project's cost of services and the Energy Purchase Agreement that represents these revenues is expiring in FY2012 and the Authority has available a \$1,000,000 escrow account to support the FY 2012 revenue stream.

**NOW, THEREFORE, BE IT:**

**RESOLVED:** That the Mid-Connecticut FY 2010 surplus of \$5,778,936 be used to develop the FY 2012 operating budget; and

**FURTHER RESOLVED:** that a Landfill Division be created and the funds from the Wallingford, Shelton, and Waterbury Post-Closure Reserves and the funds from the Wallingford, Shelton and Waterbury Landfill Trusts and the funds from the Shelton Landfill Future Use be transferred from their respective Project/Divisions to the Landfill Division at the end of Fiscal Year 11; and

**FURTHER RESOLVED:** that \$1,000,000 be transferred from the Hartford Landfill Closure Reserve to the Hartford Landfill Postclosure Reserve; and

**FURTHER RESOLVED:** that any residual funds remaining after all guarantee of payments have been refunded from the Wallingford Project's Guarantee of Payment Reserve be transferred to the Wallingford Project's Operating Account and that the Wallingford Project's Future Use/Planning Reserve, Tip Fee Stabilization Reserve, and Customer Guarantee of Payment Reserve be closed and dissolved once their respective balances reach zero and that the Mid-Connecticut Project's various Municipality Retained Subsidy Funds and the Bridgeport Project's Risk Fund and be closed and dissolved now; and

**FURTHER RESOLVED:** that the Bridgeport Project's Waterbury Closure Reserve be closed and dissolved and its funds be transferred to its Post Project Reserve; and

**FURTHER RESOLVED:** that the Bridgeport Project's Post Project Reserve and the Wallingford Project's Risk Fund, Wallingford Escrow reserve, and Project Closure reserves have their reserve names changed to denote their original Project and these reserves be transferred from their respective Projects to the Property Division; and

**FURTHER RESOLVED:** that the Mid-Connecticut Project's Debt Service Stabilization Reserve be closed and dissolved and any residual funds be used to offset Fiscal Year 2012 debt payments; and

**FURTHER RESOLVED:** that the Mid-Connecticut Project's General Fund be closed and all fund transferred to the Debt Service Reserve Fund; and

**FURTHER RESOLVED:** that any funds in excess of \$1,500,000 in the Mid-Connecticut Project's Renewal & Replacement Fund and \$1,500,000 in the Mid-Connecticut Project's Operating & Maintenance Fund be transferred to the Facility Modification Reserve; and

**FURTHER RESOLVED:** that \$1,440,000 be transferred from the Rolling stock Reserve to the Facility Modification Reserve, and

**FURTHER RESOLVED:** that \$480,000 of the Post Litigation Fund and \$1,475,000 of the Risk Fund be used in Fiscal Year 2012 cost of operation; and

**FURTHER RESOLVED:** that the \$1,000,000 in Select Energy Escrow Account be used to offset Fiscal Year 2012 cost of operation, when the funds become available, and that the Hartford Landfill Post Closure Reserve be used as a temporary advance and be replenish by the Select Energy Escrow Account revenues once they become available; and

**FURTHER RESOLVED:** that \$116,000 be transferred from the Wallingford Project operating account to the Wallingford Project Risk Fund Reserve.

Director Kelly seconded the motion.

Director Martland said a review of the reserve accounts is performed annually. He said the Board has no authority over some of the reserves, some are being eliminated, and a number of others are being transferred. Director Martland said this resolution was discussed at length during the Finance Committee meeting. Chairman Pace said this item is coming to the Board with the endorsement and approval of the Finance Committee.

Mr. Bolduc said Mr. Duvall; Director of Budgets and Forecasting is also present for questions. He said this action is performed annually as there are unrestricted net assets reflected on CRRA's balance sheet which are placed in two categories. Mr. Bolduc said the first category is restricted net assets which are governed by such things as bond indentures and legal contracts and the Connecticut Department of Environmental Protection (hereinafter referred to as "CT DEP").

Mr. Bolduc said the second category contains unrestricted net assets most of which were assigned by Board action for various items. He said the forms behind the resolution provide the reserve title, its account number, where it belongs, what it is for, and its restrictions. Mr. Bolduc said the form also contains a summary of why the reserve was set up and where the money came from originally. He said there is a separate STIF account set up at the State Treasurer's office for each one of these funds. Mr. Bolduc said the only remaining unrestricted assets are fund for working capital held by the trustee which is requisitioned by the Authority to pay ongoing bills.

Mr. Bolduc said under the existing municipal service agreements CRRA is required to show any surplus in the subsequent budget which come before the Board. Chairman Pace said that surplus goes back to offset the tip fees for the next year. Director Griswold asked if the account the surplus is placed in is a reserve. Mr. Bolduc said the surplus is accounted for as an unrestricted Board designated net asset.

Mr. Bolduc said page two contains a number of restricted Board designated assets. He said when the various Projects came to a close management needed to capture residual activities such as the thirty year post-closure activities. Mr. Bolduc said management created the property division to keep accounting of those funds with the eventual intention of creating separate landfill divisions. Director Damer asked if Mr. Bolduc is referring to a division in terms of accounting only and not an organizational change. Chairman Pace said that was correct and this is a division of the chart of accounts and not by organizational structure.

Director Kelly asked if a cost in post-closure ends up costing more than what was anticipated how that affects ongoing business. She asked if those costs would be shared evenly by ongoing projects. Mr. Kirk said management has to be extremely careful and conservative in ensuring there are no costs which cannot be anticipated. Mr. Kirk said there are consequences such as change in law which would force CRRA to answer that very question, for which there is currently no answer.

Director Edwards said those municipalities which are funding the Shelton and Waterbury post-closure are taking the opposite point that CRRA is being ultra conservative on the reserves which are

provided. He said management is doing their due diligence and the reserve balances are always a point of contention.

Director Lauretti said Director Kelly has made a good point. He said the CT DEP and the State Legislature may make costly changes to landfill closure requirements. Mr. Kirk said management feels they have reserved accurately and have been appropriately conservative for the present requirements of law and regulation. Chairman Pace said management and the Board have established there are no unfunded liabilities at this time.

Chairman Pace asked Mr. Bolduc to review the Select Energy Escrow Account. Mr. Bolduc said there is a million dollar escrow agreement which was originally put into play in 2003 concerning the Electric Power Agreement (hereinafter referred to as "EPA") and the Power Service Agreement (hereinafter referred to as "PSA"). He explained when they were originally started CRRA was uncomfortable with the financials of Select Energy (a subsidiary of Northeast Utilities) and required certain financial conditions such as placing money into a trust account if specific ratings were not achieved. Mr. Bolduc said Select Energy had reservations concerning CRRA and requested \$1 million be placed in an escrow account. He said over time that escrow account changed and there were two amendments to the Select EPA agreement. Mr. Bolduc said CRRA's account was eliminated out of the Constellation Energy requirement. He said CRRA required Select Energy place \$1 million into an escrow account if their rating falls below BBB-.

Mr. Bolduc said management proposes taking the money out of the post-closure reserve and placing an accounts receivable in there from this reserve so the money could be used during FY'12 to help defray tip fees, and then put the money back at the end of the year.

Mr. Bolduc said there are also a number of other reserves and accounts that management is advising be cleaned up including around \$400,000 in the debt service stabilization fund as well as the rolling stock reserve fund which will also be used to defray the tip fee. He said management has determined in conjunction with the Operations department that there is excess funding in the rolling stock reserve fund (which is used for larger equipment type items).

Mr. Bolduc said management determined after recent settlements that the risk fund and post-litigation fund also contain excess funds which can be used to further defray tip fees.

Mr. Bolduc said once the Wallingford customer guarantee of payment is refunded those accounts will no longer be needed and can be closed.

Chairman Pace asked Director Howe if he has further questions. Director Howe said he had questions concerning the timing of the return of the reserves and also the method of distribution. Mr. Bolduc said management had proposed using the same distribution process as the first Wallingford distribution to the Wallingford Policy Board. He said the Policy Board would like to include some of the tonnage which was diverted. He said as far as the process there is a specified time table part which involves using the final outside audit to eliminate any tail end expenses or costs. Mr. Bolduc said there is roughly \$15-16 million in a future use account which management hopes to bring to the Board in November to approve distribution pending a review from CRRA's auditors. He said the rest of the funds will be sent back as receivables come in and bills are paid and other items are cleaned up.

Director Howe said he understands that the reserves will not go back immediately but would like to know what the term for that is. Mr. Bolduc said management has reviewed these terms with the Wallingford Policy Board. He said depending on the nature of the claim as there are still some legacy issues which require insurance for another two to three years, those reserves will be paid out over time. Mr. Bolduc said some dollars will continue to be held to pay expenses with other deductibles being held for various legacy claim potentials which would be released in four or five years when they pass their maturity fund dates.

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

The motion was approved unanimously by roll call. Chairman Pace, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Louis Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
<b>Ad-Hocs</b>			
Bob Painter, Mid-Connecticut			
Steve Wawruck			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

**RESOLUTION REGARDING A CONTRACT FOR SOIL DELIVERY TO THE HARTFORD LANDFILL**

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

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

Director Martland seconded the motion.

Mr. Egan said this is a contract under the procurement policies which is a market driven sale or purchase. He said management goes out and identifies prospective soil streams and then negotiates pricing and enters into a contract. Mr. Egan said the contracts are time sensitive and management

approaches the Board for approval after the fact. He said this has been going on for about nine years after management sought to increase revenues under direction by the Board. Mr. Egan said management began looking for lightly contaminated soil which can be used at the Hartford landfill as opposed to the soil CRRA's landfill operator was formerly buying for \$5-7 a ton. He said CRRA is now paid \$9-15 a ton to take the contaminated soil.

Mr. Egan said periodically CRRA will remind the environmental remediation community in Connecticut by publically soliciting these soils. He said they are typically from brownfield sites which are contaminated but not to the extent that they can't be used as cover and contouring soil for the Hartford landfill.

Mr. Egan said CRRA has established a procedure with the CT DEP under a regulatory scheme which governs these types of soils. He said CRRA has a written evaluation and analysis program in place, certification requirements from the generator, and the information is evaluated in house as well as by support from an outside consultant. CRRA obtains approval from the CT DEP for use of such soils. He said after their approval the soil can be brought into the landfill.

Mr. Egan said a public solicitation to the environmental community was undertaken in June and notices were placed on environmental professional websites, newspapers, and the CT DEP e-mail list. He said one to two inquiries are received a week for small amounts of soil and management is seeking 5,000-20,000 in yard amounts. Mr. Egan said this contract is for a large increment of soil from a project in the City of Hartford associated with the MDC's sewer improvement project. He said the CRRA will receive \$15.00 a ton for the soil which will come in slowly over the next nine-ten months. He noted CRRA is only committed to take as much soil as is needed.

Mr. Egan said there was another increment of soil for use at the landfill over the summer for a lower price of \$9.00 a ton which due to timing issues was not able to be obtained. He said management still seeks other streams and will most likely be approaching the Board for approval of another increment of soil from the Sikorsky site in Stratford.

Director Painter asked if each truck load of soil is monitored for its content. He asked Mr. Egan to elaborate on the problems with the \$9.00 a ton shipment that could not be closed on. Mr. Egan said CRRA does not sample and analyze each load due to the cost associated with that much labor. He said in addition to management, the CT DEP, and the generator are comfortable that when an increment of soil is generated at one of these sites under the authority and direction of a licensed environmental professional that what goes into the truck and is represented in writing as being delivered to the landfill provides enough protection.

Director Painter said it may be prudent to do random testing on the loads. Mr. Egan said this can certainly be discussed. He said it is not a CT DEP requirement. Mr. Egan said he is not inclined to believe this is necessary. Chairman Pace asked if it would be possible to discover who the generator was and from what job site it came from if there was an issue. Mr. Egan said management would know the general location however tracking the specific generator would be difficult.

Mr. Kirk said the soils which are accepted are mildly tainted. He said the more heavily contaminated materials are not eligible for use in the landfill and are monitored by the CT DEP. Mr. Kirk stressed this material being accepted can also be used for industrial zoned fill requirements.



Mr. Egan said to answer Director Painter’s second question the second job which did not come to fruition was a result of contractor which was managing the job approaching CRRA towards the end of the activity. He said the contractor was trying to obtain a better disposal rate then he currently had however, despite going through the approval process, and obtaining CT DEP’s permission the job moved along more quickly than he had anticipated and he was forced to use the existing arrangement leaving no soil for the CRRA facility.

Director Damer reiterated this contract not only brings in a quarter of million dollars in revenue but it also offsets the costs of materials which have otherwise been budgeted for landfill closure.

The motion was approved unanimously by roll call. Chairman Pace, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, Director Painter, and Director Van Winkle voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Louis Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
<b>Ad-Hocs</b>			
Bob Painter, Mid-Connecticut	X		
Steve Wawruck			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

**NOTIFICATION CRRA MANAGEMENT INTENDS TO EXERCISE AN OPTION TO EXTEND CONTRACTS FOR OPERATION OF THE MID-CONNECTICUT TRANSFER STATIONS**

Director Damer said this notification has to do with the contracts to operate and maintain the Mid-Conn transfer stations which expire at the end of June 2011. He said the extension agreements are needed because of the timing of the project. Director Damer said management feels the prices contained in the extensions for these agreements are good and there would not likely be any substantial savings by going out to bid. He said this is a proposal to exercise a one year extension.

Mr. Kirk said the Policies & Procurement Committee discussed at length the potential for savings which may have been presented by going out to bid. He said after a lengthy discussion the Committee agreed with management that due to the nature of the short time period between now and the end of the project the large capital costs of bidders and the shallow pool of potential bidders locking in this price was in CRRA’s best interest.

Director Kelly asked if there is a strategy in place when CRRA goes out to bid the next year to try and attract new interest. Mr. Kirk replied yes. He said management has done some lobbying with other haulers in the State and is optimistic fuller participation will be obtained the next time around.

**RESOLUTION REGARDING THE REPORT OF THE MID-CONNECTICUT SPECIAL PROJECT COMMITTEE**

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

**WHEREAS**, Section 22a-268f of the Connecticut General Statutes requires the Connecticut Resources Recovery Board of Directors to establish a special committee to study options for disposing of solid waste from Mid-Connecticut Project municipalities after the expiration of the Mid-Connecticut Project contracts and

**WHEREAS**, the CRRA Board of Directors created this Special Committee by resolution on October 29, 2009, and

**WHEREAS**, the Mid-Connecticut Project Special Committee began its study of future waste disposal options at its first meeting on December 10, 2009, and

**WHEREAS**, the Mid-Connecticut Project Special Committee was required by statute to deliver its report to the CRRA Board by November 15, 2010, and

**WHEREAS**, the Mid-Connecticut Project Special Committee prepared the required report and, at its meeting of October 27, 2010, voted to approve said report and transmit it to the CRRA Board of Directors, now therefore

**BE IT RESOLVED** that the CRRA Board of Directors accepts the Report of the Mid-Connecticut Project Special Committee to the Connecticut Resources Recovery Authority Board of Directors and thanks the Special Committee for its work

Director Damer seconded the motion.

Chairman Pace this report was approved by the Mid-Connecticut Project Special the day prior.

Mr. Kirk said the report is interesting reading and serves as documentation for the efforts CRRA has undertaken in the last few years to pursue options and opportunities regarding town waste and to confirm pricing issues. He said the report discusses these activities under the more formal representation the five Mid-Connecticut Project representatives. Mr. Kirk said this process was statutorily required to be undertaken three years before the end of the bonds with the report produced two years before the ends of the bonds which expire in Nov. of 2012. He said the Mid-Connecticut Project Special Committee voted unanimously to forward this report to the CRRA Board. Mr. Kirk said the major final conclusions are that although there are new technologies under development at this point in time those options cannot be made economically viable without substantial subsidy from the public sector. He said based on that the Committee sees no opportunity for changing direction in dealing with waste in the immediate future.

Chairman Pace said the public is realizing the best technology is to lessen the production of waste in the first place. He said product engineering will have more emphasis on eliminating waste in the future.

Director Painter asked if a representative from the City of Hartford should be added to this Committee. Mr. Kirk said from a statutory standpoint the Committee's task is completed. He said at the beginning of the project there was active representation. Chairman Pace suggested Director Painter attend the Municipal Advisory Committee Group.

Director Griswold said there was a comment at the Mid-Connecticut Project Special Committee on future governance issues. He said this led to a suggestion that two different points of view could work on possible placeholder bills at the future legislative session concerning how CRRA would be governed. He said the current governance is determined by statute however there are other points of view which suggest more municipal input. Director Griswold said there are some thoughts that a large group would be difficult to manage and governance issues will be a future topic. He said all present at the meeting agreed on the report submitted.

Chairman Pace said the 2002 legislation determined municipalities should be at the table which is why the Chief Elected Officials are on the Board. He said CRRA is not arguing with that belief. Chairman Pace said the Board also supports the presence of other expertise in areas such as finance and energy on the Board which adds to the group effectiveness. Chairman Pace said the suggested numbers of representatives was a matter of contention. He said the current structure of the CRRA Board of municipal leaders is not in question.

Director Edwards said the Mid-Connecticut Project Special Committee report identifies the current system is working. He asked if there is any projection of the recommended extension. Mr. Kirk said an engineering report stated the existing facility can be extended with sufficient capital investment until 2024. He said the terms of any agreements are no longer restricted by bonds such that whatever works best for the towns will be inputted in the MSA's.

Director Damer asked if the report had to be accepted by the Board no later than Nov. 15, 2010. Ms. Hunt clarified the report only has to be presented to the Board by Nov. 2010. Director Damer noted the report has several attachments. Mr. Nonnenmacher said the entire report and attachments are available on the CRRA website.

The motion was approved unanimously by roll call. Chairman Pace, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, Director Painter, and Director Van Winkle voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Louis Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
<b>Ad-Hocs</b>			
Bob Painter, Mid-Connecticut	X		
Steve Wawruck			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

## **CHAIRMAN’S REPORT**

Chairman Pace asked Mr. Pizzimenti of USA Hauling & Recycling to comment on food waste composting technology.

Mr. Pizzimenti said he is with USA Hauling & Recycling which has entities with fourteen Solid Waste facilities in the State of Connecticut approved by the CT DEP. He said USA is currently engaged in food composting with a supermarket which has 89 stores in Connecticut. Mr. Pizzimenti said on average the stores have been fairly successful. He said once the stores are online he would expect nearly 200 tons of diversion a month from that supermarket chain. He said there are some other smaller entities doing individual recycling. Mr. Pizzimenti said the challenge is the plastic and rubber bands are often in the product which makes for labor intensity. He said a good item is candy and meat is also accepted. Mr. Pizzimenti said for example yogurt comes in a plastic container which is not acceptable although the yogurt itself is. He said the equipment is expensive as a special compacter is needed for the liquids.

Mr. Pizzimenti said the other big challenge in food composting is that there are only two facilities in the state which accept the composting. He said one is New Milford Farms which was recently bought out by Waste Management, and the second is Green Cycle in Ellington which has a limited capacities. He said the actual composting process takes six to eight months. Mr. Pizzimenti said New Milford Farms makes six to eight different products with the end product.

Chairman Pace asked if the reduction in food waste with this composting project would make CRRA’s burners burn more efficiently. Mr. Kirk said it depends on what comes out. He said the compostable portion of MSW which is coming out is generally wet and produces low BTU. Mr. Kirk said low BTU means less heat and less electricity however because CRRA is paid for its fuel low BTU means more fuel is needed which leads to more trucks and increased revenue. Mr. Kirk said a larger

issue and challenge for the industry is how these impacts are put together to make this work. He said two years ago CRRRA worked towards developing a food waste project in Waterbury which was eventually stopped by a NIMBY (not in my backyard) issue which is unfortunate as it had the capability to dispose of 50,000 and as far up as 200,000 tons of waste.

### **PRESIDENT'S REPORT**

Mr. Kirk said the SWEROC Project is moving ahead with efforts to trans-load the single stream and dual stream recyclables effective July 1, 2011, up to Hartford while the development of tonnage is increased in an effort to justify and fund the construction of a facility in Stratford.

Mr. Kirk said year-end results show there is a modest surplus in operations from Mid-Conn recycling. He said typically management would recommend a \$5.00 per ton rebate to the tons however the Board may want to postpone this decision until the tip fee for FY'12 is considered. He said a \$1 million reserve was transferred from escrow to lower the tip fee for FY'12. Mr. Kirk said management is hoping for a flat or modest tip fee for FY'12 which may potentially involve using the surplus. He said management will encourage the rebate after the Board is comfortable with the FY'12 tip fee.

Director Van Winkle said the recycling rebate is often incentive for the public which may feel it is off setting its taxes. He said it has some marketing impact which is successful. Mr. Kirk said it is worth about 50 cents a ton for FY'12. Chairman Pace said the towns may feel they are losing incentive if the rebate is spread evenly across tonnage for a tip fee savings versus receiving the individual rebates. Mr. Kirk said management agreed with Director Van Winkle's point however they are hopeful that the public understands the real savings is the 80,000 tons of recyclables which are not going into the waste stream at a cost of \$69 a ton.

Mr. Kirk said the Southeast Project is in the process of trying to refinance its bonds. He said there have been some issues with that process as Covanta (the operator for the Southeast Project) has some accounting issues which have caused a delay in conjunction with a need by the State Treasury to restate some financial reports to Wall Street. Mr. Kirk said delays are always stressful as the pro forma was put together with current market based information which may change. He said management is confident the refinance will still be accomplished.

Mr. Kirk said the Southeast Project continues to run well. He said the Wallingford facility is down to two boilers due to a dioxin problem which is still being resolved.

Mr. Kirk said the Mid-Conn Project is improving. He said the unscheduled down time has been reduced and the unit capacity factors are all north of 80% and progress is slowly being made. Mr. Kirk cautioned there is a need for significant capital renewal and replacement improvements in that facility because for seven to eight years after Enron those resources were not available. He said tonnage is still down indicating a tepid economic recovery with little relief on the horizon.

Mr. Kirk said concerning Future Conn, management is proceeding with the evaluation of the bids recently received for the operation of the WPF, PBF, and EGF operating facilities. He said management will expect the Board to consider management's recommendation at the December meeting. Mr. Kirk said the MSA's will also be brought to the Board in December.

### **RECESS**

Chairman Pace said a five minute recess would commence prior to entering into Executive Session.

### **EXECUTIVE SESSION**

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

Tom Kirk  
Jim Bolduc  
Peter Egan  
Laurie Hunt, Esq.

The Executive Session began at 11:30 a.m. and concluded at 12:15 p.m. Chairman Pace noted that no votes were taken in Executive Session.

The meeting was reconvened at 12:15 p.m., the door was opened, and the Board secretary and all members of the public were invited back in for the continuation of public session.

### **ADJOURNMENT**

Chairman Pace requested a motion to adjourn the meeting. The motion to adjourn was made by Director Mullane and seconded by Director Martland was approved unanimously.

There being no other business to discuss, the meeting was adjourned at 12:16 p.m.

Respectfully submitted,

Moira Benacquista  
Secretary to the Board/Paralegal