

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND SEVENTY-SECOND **FEBRUARY 25, 2010**

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

Chairman Michael Pace (present by telephone until 10:39 a.m.)

Directors: David B. Damer
 Alan Desmarais
 Timothy Griswold
 Michael Jarjura (present beginning 10:43 a.m.)
 Mark Lauretti (present by phone beginning 10:00 a.m. until his arrival in person at 10:30 a.m.)
 Theodore Martland (present by telephone)
 Nicholas Mullane
 Raymond O'Brien
 Linda Savitsky
 Stephen Edwards, Bridgeport Project Ad-Hoc

Present from CRRA management:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Jeffrey Duvall, Manger of Budgets & 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
Moirra Kenney, Secretary to the Board/Paralegal

Also present were: Tom DeMaio and Cheryl Thibeault of Covanta; Dot Kelley of Darien, CT; Jim Sandler, Esq., of Sandler & Mara; John Pizzimenti of USA Hauling & Recycling; and Jerry Tyminski of SCRRRA.

Vice-Chairman O'Brien called the meeting to order at 10:08 a.m. and said that a quorum was present.

PLEDGE OF ALLEGIANCE

Vice-Chairman O'Brien requested that everyone stand for the Pledge of Allegiance, whereupon the Pledge of Allegiance was recited.

PUBLIC PORTION

Vice-Chairman O'Brien said that the agenda allowed for a public portion in which the Board would accept written testimony and allow individuals to speak for a limit of three minutes.

Vice-Chairman O'Brien noted that Ms. Dot Kelly, who has been nominated to the CRRA Board as an Environmental expert, was present at the meeting and would be replacing him as a Board member.

As there were no members of the public present wishing to speak, Vice-Chairman O'Brien proceeded with the meeting agenda.

APPROVAL OF THE JANUARY 28, 2010, REGULAR BOARD MINUTES

Vice-Chairman O'Brien requested a motion to approve the Jan. 28, 2010, regular meeting minutes. Chairman Pace made the motion which was seconded by Director Savitsky.

The motion to approve the minutes was approved by roll call. Chairman Pace, Vice-Chairman O'Brien, Director Damer, Director Desmarais, Director Edwards, Director Martland, Director Mullane, and Director Savitsky voted yes. Director Griswold abstained as he was not present at the last meeting.

Directors	Aye	Nay	Abstain
Chairman Pace	X		
Vice-Chairman O'Brien	X		
David Damer	X		
Alan Desmarais	X		
Timothy Griswold			X
Theodore Martland	X		
Nicholas Mullane	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport	X		

RESOLUTION REGARDING THE – FY 11 MDC MID-CONN OPERATING BUDGET

Vice-Chairman O'Brien requested a motion regarding the above-captioned item. Director Savitsky made the following motion:

WHEREAS, The Metropolitan District Commission (MDC) failed to meet the contractual due date of February 1st for submitting the fiscal year 2011 annual operating budget for the Mid-Connecticut Project (the fiscal year 2011 Proposed Budget). The MDC submitted such operating budget to the Authority on February 3, 2010, two days beyond the contractual due date, which caused difficulty in the Authority's budget review process; and

WHEREAS, the budget prepared by the MDC demonstrated an increase of \$16,724,195 in expenditures or additional \$22.37 per ton as compared to their fiscal year 2009 actual expenses; and

WHEREAS, The Authority immediately reviewed and submitted questions to the MDC to assist in the evaluation of the Proposed Budget; and

WHEREAS, as of February 18, 2010 no response to the Authority's request for documentation or additional information has been forthcoming from MDC; and

WHEREAS, upon its review, the Authority determined that the fiscal year 2011 Proposed Budget for the Administration submitted by the MDC included \$12,440,500 for a line item entitled "MDC Contract Separation Costs". The Authority recommends the elimination of such contract expiration costs, and further recommends maintaining the existing managerial complement level and reducing the Administration regular pay budget by an estimated \$94,550 and reducing other personnel-related costs estimated at \$497,100 which collectively will result in a reduction in Indirect Cost by \$14,900; and

WHEREAS, upon its review, the Authority determined that the fiscal year 2011 Proposed Budget for Waste Processing Facility (WPF) submitted by the MDC included an increase in a line item entitled Pension Regular for pension contribution which appears to include contract expiration costs estimated at \$3,700,900. The budget also reflected an increase in personnel-related costs due to additional headcount estimated at \$165,000. In addition, the Authority recommends a number of other reductions as follows:

- Reduce Outside Services and Consulting Services by \$118,000 to a combined total of \$32,000 which is consistent with Fiscal Year 2009 actual expenditures.
- Reduce Pest Control Services by \$5,000 to \$5,000 which is consistent with Fiscal Year 2009 actual expenditures.
- Reduce Power Operated Equipment by \$127,800 to \$852,000 which is consistent with Fiscal Year 2010 projected expenditures.
- Reduce Indirect Costs by \$31,600 to \$2,067,200 which is the related reduction to the above-mentioned reductions in expenditures.

The Authority recommends a reduction in these amounts and deletion of additional headcount. The Authority also recommends a capital budget of \$200,000 for the upgrade of primary shredder.

NOW, THEREFORE, it is

RESOLVED: That the Board hereby adopts the fiscal year 2011 Mid-Connecticut Annual Operating Budget as submitted by the MDC and revised by the Authority in the form presented at this meeting.

The motion was seconded by Director Desmarais.

Director Savitsky said that the approval process for this resolution begins when the Metropolitan District Commission (hereinafter referred to as the "MDC") submits its budget, which then becomes part of the Mid-Conn Budget after it is adopted by the CRRA Board. She noted that although the agenda item lists this item as FY'10, it is actually FY'11.

Mr. Bolduc said that the approval process is defined in the contract with MDC in terms of its requirement for submitting the budget within a specific time frame which is then followed by a period of time where CRRA management can comment and respond. He said there is a short time frame between the adoption of the MDC budget which then flows into the Mid-Conn budget according to the municipal service agreement (hereinafter referred to as the "MSA"). Mr. Bolduc explained the MSA's dictate the Mid-Conn budget has to be adopted by the CRRA Board 120 days prior to the new fiscal year for the member towns.

Mr. Bolduc said that management had submitted a letter to the MDC which describes the assumption MDC should be using in the preparation of its budget for CRRA. He said that this letter was sent out in December. Mr. Bolduc said that management also informed MDC verbally in a meeting (as well as in the letter) that although the contract stipulates the budget is needed by January 31, 2010, it would be appreciated earlier in order to provide CRRA's management time to review and ask any follow up questions concerning certain items if that was necessary.

Mr. Bolduc said the actual budget was submitted by MDC late and was not received until the third of February. He said that management scrambled to review and submit its questions to MDC and received no response. Mr. Bolduc said at the Finance Committee meeting management informed the Committee that no response had been received to its inquiries. He said that afternoon an e-mail from MDC was received which stated responses to management's questions would be sent by the end of the day.

Mr. Bolduc said that unfortunately due MDC's delay in providing CRRA with its budget, as well as its apparent refusal to provide more detailed information, the budget which was submitted to the Finance Committee for review contained managements' best estimates and assumptions. He said that limited responses to the questions from CRRA management concerning the budget were received from MDC on Feb. 18, 2010, and some adjustments were made in response.

Mr. Bolduc referenced a handout which detailed some of those changes and noted that management received answers to only a minimal number of its questions concerning the budget, the remainder of which was not responded to. He said that management detailed that failure to respond in another letter to MDC that morning and have yet to receive further information.

Director Savitsky said that Director Lauretti will be calling in shortly and as he wishes to be part of this conversation. She suggested the Board skip over this item temporarily and move on to another item which can be addressed.

REPORT TO BOARD ON RFS FOR SINGLE-STREAM RECYCLING MARKETING AND PUBLIC RELATIONS CAMPAIGN

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

Vice-Chairman O'Brien said that the Policies and Procurement Committee did not meet in February. He noted he was informed of the details on this item by Mr. Nonnenmacher.

Mr. Nonnenmacher said that a motion is not needed on this item as it does not require a resolution. He said that under the Procurement code this RFS requires notification to the Board which was satisfied through the report contained in the package.

The maker and the seconder of the motion withdrew their motions as they were unnecessary.

Mr. Nonnenmacher said that this report is the latest effort in the single stream recycling campaign. He explained that the recycling ratio, which is the ratio of recycling tons to municipal solid waste tons collected, has increased substantially as a result of these radio ads. Mr. Nonnenmacher said that management feels that these ads have been successful in bringing in greater tons and this request for service (hereinafter referred to as "RFS") concerns running another three to four weeks worth of ads.

Director Damer asked if these ads will discuss the collection of plastics #1-7. Mr. Nonnenmacher replied no. He said when that collection process is ready there will be additional radio ads specifically scripted to illustrate that service.

Director Savitsky said that she would like to be sure that those ads are also aired on public radio stations. Mr. Nonnenmacher said that they are running on public radio ads and another thirteen week sponsorship of "where we live" was started in January and will run until June.

Director Edwards asked when CRRA anticipates having the ability to roll out the collection of plastics #1-7. Mr. Nonnenmacher said that would happen in early April. He said the vast majority of those items which now come in will be #5's. Mr. Nonnenmacher said that if the CT DEP's waste characterization studies are correct an additional 3,000-5,000 tons of recyclables should be coming in with the advent of this expanded collection.

RESOLUTION REGARDING THE CONTRACT FOR ECONOMIC ADVISORY SERVICES

Vice-Chairman O'Brien requested a motion on the above referenced item. Director Savitsky made the motion which was seconded by Director Martland.

RESOLVED: That the President be authorized to enter into a contract for economic advisory services with Environmental Capital, LLC to assist management with work on a variety of projects including, but not limited to, financial and economic evaluation with regard to the strategic plans of the Authority, market information on other comparable solid waste authorities and innovations within the solid waste field; financial feasibility analyses; and analysis of state and federal laws and regulations relative to solid waste management and municipal bonds. This contract will be for a three-year period, from March 1, 2010 to February 28, 2013.

Ms. Ferguson said due to an oversight the current economic contract expired this October and was subsequently temporarily extended. Ms. Ferguson said at the same time management went out with an RFQ which was published in the local papers and also the Bond Buyer. She said a timetable is included in the package with more details.

Ms. Ferguson said there were several specific areas which management wanted the economic advisor responses to address. She said that six proposals were received. Ms. Ferguson said management's recommendation is to stay with CRRA's incumbent economic advisor Environmental Capital and was recommend as such to the Finance Committee.

Director Desmarais said that the Finance Committee acted quickly on this matter as the background information was extremely well organized and detailed.

Director Savitsky said that when management and the Finance Committee were seeking underwriters for the Wallingford Project, Rick McCarthy of Environmental Capital was extremely helpful, intelligent and knowledgeable with an understanding of CRRA’s business. Mrs. Ferguson added that Environmental Capital was specifically created to assist solid waste clients and that the principal is a CPA.

Director Damer asked if it is fair to say that the choices were made on the basis of responses to the RFQ and overall qualifications versus on the lowest cost. Mrs. Ferguson said that the lowest cost firm did not have the requisite solid waste experience.

Director Griswold said that the hourly rate for the service is \$220.00. He asked if there is an overall budget for this activity. Mrs. Ferguson said that it is contained in the budget. Director Griswold asked if these costs are in addition to what is contained in the budget. Mrs. Ferguson replied no.

Mr. Bolduc said that this is a budgeted item which does not commit an amount. He said that CRRA is engaging the firm as specific work is done. Director Savitsky said that they are not on a retainer and are only paid if they are asked to do a specific task.

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

Directors	Aye	Nay	Abstain
Chairman Pace	X		
Vice-Chairman O'Brien	X		
David Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			

CONTINUED DISCUSSION AND PASSAGE OF THE MOTION ON THE RESOLUTION REGARDING THE – FY 11 MDC MID-CONN OPERATING BUDGET

Vice-Chairman O’Brien requested a motion regarding the above-captioned item. Director Savitsky made the following motion:

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Connecticut Project (the fiscal year 2011 Proposed Budget). The MDC submitted such operating budget to the Authority on February 3, 2010, two days beyond the contractual due date, which caused difficulty in the Authority's budget review process; and

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The motion was seconded by Director Desmarais.

Director Savitsky said the handout contains the most recent information pertaining to the resolution in the package. Mr. Bolduc said there are two changes in the handout which differ from the item contained in the package. He said the consulting services have decreased by \$4,000 and the processing facility costs have increased by \$5,000 and the indirect associated with that by a total net increase of \$1,100. He said the handout shows that management is recommending the Board adopts a budget of \$17,055,975 rather than the budget of \$17,054,855 which was contained in the package.

Vice-Chairman O'Brien said this budget will go into the overall Mid-Conn budget after its approval in order to set the tip fee. He said he is clarifying that this is an adoption of this budget not an approval. Mr. Bolduc said that the requirement in the contract is that the CRRA Board adopt the MDC budget, it does not use the word approve. Vice-Chairman O'Brien said that the Board needs to adopt the budget in order to approve the Mid-Conn budget. Chairman Pace said that the Board may still have questions and concerns moving forward.

Director Desmarais asked management to summarize the questions it asked MDC concerning the \$17,000,000 budget. Mr. Bolduc said that in FY'10 a budget of \$17,300,000 was adopted. He said that the proposed budget from MDC for FY'11 was \$34,065,000 of which approximately \$16.6 million was costs associated with the expiration of the contract which is known as "separation costs" in MDC's language. Mr. Bolduc said those costs primarily focused on unfunded pension liabilities and unrecorded and unfunded post-medical retirement costs.

Mr. Bolduc said that management wanted to know where in the budgets these costs are. He explained there is one specific line item which talks about MDC contract separation costs which identifies roughly \$12 million. Mr. Bolduc explained that management knows there is \$4 million worth of other items floating around and needed to know specifically what those costs were.

Director Desmarais asked if a response was received for those requests. Mr. Bolduc said that a response was received but it was not specific. He said the response was ambiguous and contained data that said those costs were the pension regular however management knows from historicals that a portion of the pension has been funded. Mr. Bolduc said that it appears to have been calculated based on a different amortization period. He said that management is estimating that half a million will cover those costs based on historicals.

Mr. Bolduc said that the second category where management had asked questions concerned large expenditures relative to operation and maintenance. He said through discussion with CRRA's senior engineer, the power operator figure historically is a lump sum number which is reflected in maintenance costs. He said that \$3 million of expenditures were actuals in FY'09 and adopted. Mr. Bolduc said that detail is missing from many of the items under operation and maintenance which MDC has yet to provide. He said for some of the equipment there are no specifics and there are also other responses to questions which are needed to clarify some other big increases.

Mr. Bolduc said if you look at pension regulars there is a historical spending of \$563,000 and MDC proposed \$4.3 million. He said that management recommends \$565,000 for this item. Mr. Bolduc said that MDC had also requested some additional manpower which management questioned and subsequently decided was unnecessary.

Director Desmarais said there are two adjustments at work here, one a reduction of \$4,000 in administration and the other in the waste processing facility in pest control. He said that given the \$10

million worth of questions that management has the two adjustments that were made result in an only \$1,100 worth of changes in the budget.

Mr. Bolduc said that management is adjusting the budget in response to the data it received. Director Desmarais said it is frustrating to ask a \$6 million question and receive a \$5,000 response.

Director Lauretti asked management to explain the difference in the \$13 million proposal on operations. Mr. Bolduc said that the power operated equipment and maintenance is a big item. Mr. Bolduc said that there is roughly \$130,000 in power operated equipment, \$100,000 in outside consultant services and roughly \$15,000 in the actual but the proposal was for over \$110,000. He said that management eliminated \$30,000 of other operating expenses and about \$160,000 worth of labor for additional personnel.

Mr. Bolduc said that MDC had requested another staff engineer, to increase plant operators and training for two positions which management did not think was necessary and eliminated. He said on the administrative side MDC had increased a manager from 50% part-time to 100% of the time. Mr. Bolduc explained this prompted management to ask for support for this increase. He said that support was not provided and as MDC has been operating with the position at 50% and CRRA's operating personnel did not think this was necessary or needed, this was eliminated as well.

Chairman Pace asked if the Finance Committee recommended this resolution. Vice-Chairman O'Brien said that the Finance Committee had made some changes and advised management to follow up with communications to MDC.

Chairman Pace said that there is information management requested from MDC which was not provided in a timely manner. He said that this happens year after year and assumptions are used that are not verified in a timely manner. Chairman Pace said that MDC's proposed operating costs would place a substantial financial burden on the member towns, towns which he knows are concerned regarding the tip fee. He said that this shows inefficiency not of the plant operators but of MDC's management.

Director Martland said that he was hoping that the tip fee could be brought down to \$69.00 a ton.

Director Damer asked if there is a mechanism to make any changes assuming that the Board adopts this MDC budget today, should additional information come in from MDC concerning management's questions. Vice-Chairman O'Brien said that a tip fee must be set by March 1, 2010, he said that does not leave any time for changes.

Chairman Pace said that this is what he means concerning timely manners. He said that CRRA goes through this delay with MDC on an annual basis.

Director Desmarais said that it is really frustrating when the Board is charged with coming up with the Mid-Conn budget and a tip fee and there is a difference of \$22.50 per ton. He said there were responses on minor issues however the big piece is left unanswered. Director Desmarais said a response that recognizes these difficulties is a professional response however a minimal response or no response at all is frustrating and does not allow the Board to fulfill its duties.

Director Griswold asked if MDC is obliged to operate within the budget that the CRRA Board establishes. Mr. Bolduc said that there are guidelines within the contract and the intent is that MDC works within this number.

Director Desmarais asked if he is correct in assuming that the \$1,100 change is so minimal that it will not make a difference concerning the tip fee. Mr. Bolduc said that was correct. He said that the actual FY'09 expenditures were in the \$15.9 million range. Mr. Kirk said the administration of the capital project makes a huge difference in terms of the budget where millions of dollars difference can be made depending on whether CRRA manages the project or MDC handles it.

Director Savitsky said CRRA operates under specific timelines, charters and guidelines. She said during this lengthy contractual relationship with the MDC it is unfair to the CRRA Board and customers that it can not obtain the appropriate information it needs in order to set accurate and reasonable tip fees so that its customers can move into the municipal budgeting process. She said this creates an enormous challenge for the municipalities which do not have the flexibility to miss and ignore deadlines. Director Savitsky said this delay in information has been a source of frustration for many years.

Director Martland said that if the MDC budget was accepted as is that would cause the tip fee to be in the \$90.00's.

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

Directors	Aye	Nay	Abstain
Chairman Pace	X		
Vice-Chairman O'Brien	X		
David Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			

RESOLUTION REGARDING THE FY 11 MID-CONN BUDGET AS AMENDED

Vice-Chairman O'Brien requested a motion to approve the above referenced item and its accompanying amendment. Director Desmarais made the motion which was seconded by Director Martland.

RESOLVED: That the proposed fiscal year 2011 Mid-Connecticut Project operating budget be adopted substantially in the form presented and discussed at this meeting;

FURTHER RESOLVED: That the following tip fees be adopted for fiscal year 2011 operating budget;

WASTE STREAM	TIP FEES
Member and Commercial Solid Waste Tip Fee (per ton)	\$70.00
Spot Solid Waste Tip Fee (per ton)	Market Rate
Municipal Bulky Waste (per ton)	\$90.00
Ferrous Residue (per ton)	Market Rate
DEP Certified Soils/Cover Material (per ton)	Market Rate
Mattress fee (per unit)	\$45.00
Recycling Tip Fee (per ton)	\$0.00

FURTHER RESOLVED: That the President is hereby authorized to approve the use of funds from the following Mid-Connecticut Project reserves, as appropriate, to pay for costs and fees incurred during fiscal year 2011 in accordance with the capital budget adopted pursuant hereto, substantial as presented and discussed at this meeting, provided that all purchases of goods and services shall comply with the requirements of the Authority's Procurement Policy:

Hartford Landfill Closure Reserve
 Landfill Development Fund
 Jets/EGF Reserve
 Facility Modification Reserve
 Rolling Stock Reserve
 Risk Fund

MOTION TO APPROVE AMENDMENT ONE

Vice-Chairman O'Brien requested a motion to approve the above referenced amendment. Director Desmarais made the motion which was seconded by Director Martland.

AMENDMENT NUMBER ONE

To reflect adjustments to net cost of operation as discussed at the Finance Committee meeting.

Item:	Current Proposed FY11:	Revised Proposed FY11:	Reduction Amount:
<u>Administrative Expenses:</u>			
Indirect Labor & Overhead	3,775,000	3,700,000 (A)	(75,000)
<u>Operational Expenses:</u>			
Legal Notices	40,000	20,000 (B)	(20,000)
Legal	2,386,000	2,186,000 (C)	(200,000)
Contribution to Facility Modification Reserve	5,200,000	4,777,500 (D)	(425,000)
Communication Services	80,000	50,000 (E)	<u>(30,000)</u>
Total			(\$ 750,000)

(A) Reduction in staffing

(B) Greater utilization of internet web noticing

(C) Reduced usage of outside legal

(D) Reduced reserve level to minimal amount of \$43,000

(E) Reduced level of increase

SHORT RECESS

Vice-Chairman O'Brien requested a five minutes recess.

The recess began at 10:30 a.m.

The meeting was reconvened at 10:35 a.m.

VOTE ON AMENDMENT ONE TO THE RESOLUTION REGARDING THE FY 11 MID-CONN BUDGET

Director Savitsky said that the Finance Committee spent a lot of time discussing many different components of the budget and the changes in this resolution by amendment number one reflect those areas which the Committee asked management to review carefully to see if there would be an impact on operations as stated. She said the contribution to the facility modification reserve may require continued discussion as that figure is significant.

Vice-Chairman O'Brien said if this amendment is adopted it accounts for 95 cents a ton in the tip fee.

Director Savitsky said that the action detailed in this amendment is supported by the Finance Committee. Vice-Chairman O'Brien said that the Finance Committee authorized management to make the appropriate corrections consistent with those discussions in the form of an amendment for the full Board to vote on.

The motion previously made by Director Desmarais and seconded by Director Martland to approve the amendment to the resolution regarding the FY'11 Mid-Conn Budget was approved unanimously by roll call. Vice-Chairman O'Brien, Director Damer, Director Desmarais, Director Griswold, Director Jarjura, Director Lauretti, Director Martland, Director Mullane, and Director Savitsky voted yes.

Directors	Aye	Nay	Abstain
Vice-Chairman O'Brien	X		
David Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
Michael Jarjura	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			

MOTION TO APPROVE AMENDMENT TWO

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

AMENDMENT NUMBER TWO

In light of current personnel resources constraints, management felt undertaking two major projects in Fiscal Year 2011 would create difficult and unnecessary challenges and therefore presented the Budget with only one of the two major projects contemplated. If the Board determines to delay the implementation of a new bale operation then Management recommends advancing the turbine #6 overhaul work currently scheduled in the Fiscal Year 2012 Capital Improvement Plan to Fiscal Year 2011.

See attached discussion and analysis

- A) Implementation of a new bail operation
- B) Turbine #6 overhaul

Director Damer he wants to make it clear regarding the turbine outage repairs and reliability although the amendment references upgrades for steam turbine #6 it is his understanding these are not actually upgrades but replacements and do not have the ability to increase the output above the abilities of the machine. Mr. Kirk said that was correct and an important distinction to make as there is no improvement or increase in capacity in this resolution which is to authorize necessary repairs.

Vice-Chairman O'Brien said that he endorses management's recommendation with regards to turbine #6. He said he believes the operation to bale is a good project but he does not find it appropriate in the current economy to take \$2.7-\$2.8 or \$3.50 in tip fee to put in a project with a pay-back which is

not immediately available to the Project. He said that he does agree that the turbine outage should take place.

Vice-Chairman O'Brien said that the CRRA Board has a responsibility to maintain the equipment in first class order and it would be a disservice to rate payers to not maintain the turbine. He said the turbine repair is already one year beyond the normal scheduled maintenance. Vice-Chairman O'Brien said that to lose that turbine during the year and the ability to generate electricity would be a disservice. He said that he believes the CRRA Board has an obligation to maintain tip fees as level and low as possible for the municipal customers who need predictability and level tip fees to take the appropriate action. Vice-Chairman O'Brien said that he endorses the recommendation to put in the turbine even though it is \$300,000 more than the baler costs which he believes should be postponed.

Director Savitsky said that she supports Vice-Chairman O'Brien's statement. She asked if there is any opportunity to seek any kind of funding through the stimulus. She said once it is out of the budget it becomes even more supportable. Mr. Kirk said that management's proposal takes in Vice-Chairman's O'Brien comments from the Finance Committee to the extent that management does not expect to be pursuing the baler any time soon. He said that management has not been successful in pursuing stimulus money for the recycling venture in Stratford and the short answer is that management does not know yet and will continue to pursue the stimulus opportunity.

Director Desmarais asked if the baler project is in the budget. Vice-Chairman O'Brien said that the baler is in the project as presented. Director Desmarais said if the projects are substituted there is an additional \$280,000 expenditure which will increase the net cost of services. He asked if that will affect the tip fee.

Mr. Bolduc said that the capital expenditure is in the facility modification reserve and management puts dollars in its budget to fund that reserve and that reserve is a cash account by which the project is funded. He said that the reserve balance will be used to cover those costs.

Vice-Chairman O'Brien clarified that amendment two is to accept management's recommendation to put the turbine repairs in the FY'11 budget and delete the baler project from the FY'11 budget.

Director Damer asked if the baler project is being moved to FY'12. Mr. Kirk said no. He noted that management will return to the Board concerning this item at a later date.

The motion previously made and seconded to approve the amendment was approved unanimously by roll call. Vice-Chairman O'Brien, Director Damer, Director Desmarais, Director Griswold, Director Jarjura, Director Lauretti, Director Martland, Director Mullane, and Director Savitsky voted yes.

Directors	Aye	Nay	Abstain
Vice-Chairman O'Brien	X		
David Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
Michael Jarjura	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			

APPROVAL OF AN AMENDMENT CONCERNING THE BULKY WASTE TIP FEE

Vice-Chairman O'Brien requested a motion to amend the bulky waste tip fee from \$90.00 to \$85.00.

The motion to amend the bulky waste tip fee was made by Director Savitsky and seconded by Director Damer.

Mr. Egan said that this matter involves the non-processible bulky waste which will be delivered to the facility. He said when the budget was assembled management had not completely refined the estimate on the cost associated with managing the shredder which is used on the bulky waste. He said that \$90.00 was used conservatively as a place holder. He said after additional analysis he is prepared to recommend to the Board that the \$90.00 tip fee be reduced to \$85.00 which is the current tip fee.

Vice-Chairman O'Brien said that this is separate from the member tip fee but is still part of the main motion concerning the overall budget. He said this amendment will amend the main motion by this amount.

Director Desmarais said structurally to reduce the tip fee by \$5.00 will reduce the revenue budget by \$5.00 times the number of tons received. Mr. Egan said that will be addressed in the budget by reducing the tip fee by \$5.00 and increasing the estimated tons of bulky received by several hundred tons to balance that out.

Director Edwards asked how CRRA is getting rid of bulky waste. Mr. Egan said that a shredder was purchased a year ago and the material is shredded and then run through the waste processing facility.

Vice-Chairman O'Brien noted for the record that Mr. Egan has justified the mattress fee of \$45.00 a ton.

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

Directors	Aye	Nay	Abstain
Vice-Chairman O'Brien	X		
David Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
Michael Jarjura	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			

DISCUSSION ON MATTRESS DISPOSAL

Mr. Kirk said mattress disposal has been a problem for management and the customers of CRRA for many years. He said that in the past the mattresses and bulky waste were buried in the Hartford landfill. Mr. Kirk said that when the Hartford landfill was closed a shredder was purchased and CRRA continued to dispose of the mattresses and the bulky waste which are typically mixed together in member towns. Mr. Kirk said in a shredder the mixture created a problem. He said the shredder can be set to handle the mixed bulky waste however it is very low when it is outfitted to do so.

Mr. Kirk said that feedback was received in the form of complaints that tip fees were already set and the towns can not handle separating mattresses and bulky waste. He said as a result CRRA continued to receive the mixture for the next year without charge. Mr. Kirk said that it is extraordinarily expensive to dispose of mattresses and that cost was not reflected during the year. He said that after investigation it was determined that the actual cost of disposing mattresses if the towns mix them with bulky waste is \$45.00 per mattress.

Mr. Kirk said that management was encouraged to handle the mixed material despite the cost as the overall cost of separating the two is higher for the towns. He explained the mattresses will be pulled out of the bulky waste and then shredded together off hours. Mr. Kirk said that after consideration of a number of options over the past year, this was the preferred, most economical solution.

Vice-Chairman O'Brien asked that management notice the Towns of the tip fee along with a full explanation of the mattress handling procedure. Mr. Kirk said that information will be placed in the tip fee notification letter. He said that he would address this issue at the MAC meeting as well.

A discussion on possible alternatives for mattress disposal took place.

Vice-Chairman O'Brien asked if management can assign a number for average mattress weight. Mr. Egan said that management's analysis assumes a mattress is 100 pounds, and therefore there are 20 mattresses in a ton. Mr. Egan said that claims of double billing may take place he said that with 20 mattresses in a ton and an \$85.00 tip fee each mattress is about \$4.00. He said that the analysis is based on the best information available. Mr. Kirk said in the past those costs were washed through the MSW

tip fee. Mr. Kirk said the cost is now assigned appropriately so that those towns managing mattress differently are no longer subsidizing the mattress disposal.

Vice-Chairman O'Brien asked that options for managing the mattresses be included in the tip fee notification letter.

APPROVAL OF THE MOTION TO AMEND THE FINAL TIP FEE

Vice-Chairman O'Brien requested a motion to amend the tip fee to \$69.00 a ton.

The motion to amend the tip fee to \$69.00 a ton was made by Director Savitsky and seconded by Director Desmarais.

Director Savitsky said for the record that the tip fee reflects no change from the current year.

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

Directors	Aye	Nay	Abstain
Vice-Chairman O'Brien	X		
David Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
Michael Jarjura	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			

FINAL VOTE ON THE RESOLUTION REGARDING THE FY 11 MID-CONN BUDGET AS AMENDED

Vice-Chairman O'Brien requested a motion to approve the FY'11 Mid-Conn budget as amended and discussed.

The motion as made originally by Director Desmarais and seconded by Director Martland was passed unanimously. Vice-Chairman O'Brien, Director Damer, Director Desmarais, Director Griswold, Director Jarjura, Director Lauretti, Director Martland, Director Mullane, and Director Savitsky voted yes.

Directors	Aye	Nay	Abstain
Vice-Chairman O'Brien	X		
David Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
Michael Jarjura	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			

MOTION TO SUSPEND THE RULES TO ADD AN ITEM TO THE AGENDA REGARDING A TEMPORARY INCREASE FOR THE DIRECTOR OF ENVIRONMENTAL AFFAIRS AND DEVELOPMENT

Vice-Chairman O'Brien requested a motion to add an item to the agenda concerning the above referenced resolution.

Director Desmarais made the motion.

Director Damer seconded the motion.

Director Desmarais read the motion into the record:

RESOLVED: That the Board of Directors authorizes a temporary increase of 10% for the Director of Environmental Affairs and Development.

The motion to add an item to the agenda was approved by roll call. Vice-Chairman O'Brien, Director Damer, Director Desmarais, Director Griswold, Director Jarjura, Director Martland, Director Mullane, and Director Savitsky voted yes. Director Lauretti abstained.

Directors	Aye	Nay	Abstain
Vice-Chairman O'Brien	X		
David Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
Michael Jarjura	X		
Mark Lauretti			X
Theodore Martland	X		
Nicholas Mullane	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			

RESOLUTION REGARDING ORGANIZATIONAL SYNERGY & HUMAN RESOURCES COMMITTEE RECOMMENDATION REGARDING A TEMPORARY INCREASE FOR THE DIRECTOR OF ENVIRONMENTAL AFFAIRS AND DEVELOPMENT

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

RESOLVED: That the Board of Directors authorizes a temporary increase of 10% for the Director of Environmental Affairs and Development.

Director Jarjura seconded the motion.

Vice-Chairman O'Brien said that this resolution is fairly self explanatory. He said that Mr. Egan's duties are doubling and that he is receiving an additional temporary 10% in compensation as a result.

Director Jarjura said Mr. Egan's responsibilities as well as others in management have increased and the Organizational Synergy and Human Resources Committee is proposing that he temporarily receive 10% in compensation. He said that he believes it is a reasonable request and the amount will be taken into consideration if additional hiring takes places down the road.

Director Desmarais said that the alternative would be to replace the Director of Operations at a much greater expense and this alternative saves CRRA nearly \$130,000.

Director Savitsky said that she would like to see this action revisited in 90 days as this 10% may be a little low considering the amount of work which is being placed on Mr. Egan. Vice-Chairman O'Brien asked that the position itself be revisited and looked into considering the future of the CRRA operations. Mr. Kirk said that the Committee will certainly do so.

Mr. Kirk said that he is glad of the support and noted that this situation has placed additional strain and work on many of the employees.

Director Edwards said with no disrespect to Mr. Egan, from a municipal standpoint everyone has had to pick up additional duties and there is a freeze on increases at many municipalities.

Director Mullane asked if the administrative assistant position is being filled. Mr. Kirk said at this point in time most likely not. He said that there are many changes which are expected in the coming months and the organizational make-up of the CRRA will be examined.

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

Directors	Aye	Nay	Abstain
Vice-Chairman O'Brien	X		
David Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
Michael Jarjura	X		
Mark Lauretti			X
Theodore Martland			X
Nicholas Mullane	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			

PRESIDENT'S REPORT

Mr. Kirk said that maintenance efforts at the PBF continue with the pressure part replacements on the lower water wall of unit number eleven which have been completed. He said that management is utilizing a high tech cladding material which caused some installation issues which led to a seven day delay. He said that this was a difficult outage however management is anticipating great things from this cladding material which hopefully will save money in the future. Mr. Kirk said this replacement is a trial effort and if all goes well the material will be used in the future in other units.

Mr. Kirk said that the RFP process for the Mid-Conn–Future Conn Project renewal is complete and RFP's will be issued for mid March. He said that CRRA is on schedule for January 2011 for a contract with its new operator or a new contract with the incumbents.

Mr. Kirk said that concerning the town contracts there are three options which are likely; a member option, contract customer option and a spot option all of which were discussed at the CRRA annual meeting. He said that the MSA's for the towns will be sent out within the next three-four weeks with a thirty or more day period of time for comments to be received from the town attorneys.

Mr. Kirk said that management has been working closely with town customers who provided feedback to certain issues. He said he expects some of these changes may be difficult for the Towns.

Mr. Kirk said that concerning the SWEROC Division consideration of the single-stream recycling effort is proceeding. He said a number of bills have been introduced to the Legislature which may potentially significantly change CRRA's mission and existence. He said they are concept bills without specificity and management is watching them closely and meeting with various legislative leaders to be sure that legislators are well informed.

VICE-CHAIRMAN O'BRIEN ADDRESSES THE BOARD

Vice-Chairman O'Brien said that he is resigning from the CRRA Board. He said that he is pleased that Ms. Kelly has been nominated in his place, and noted that she is up for nomination review in March which may mean he will not be a Board member at the next meeting.

Vice-Chairman O'Brien said that it has been a real privilege to serve on the CRRA Board. He said the Board members have been a great group of people and he pleased to say that despite disagreements every Board member has been free to voice their individual opinions no matter what. Vice-Chairman O'Brien thanked the Board and management for their services and said that he considered it a privilege to work with them all.

Director Desmarais said he has only been on the Board a short amount of time but noted that he truly appreciates the hard work and dedication that Board members such as Vice-Chairman O'Brien have done over the years.

Vice-Chairman O'Brien thanked Chairman Pace for his leadership and guidance over the years.

Director Savitsky said that her experience with the Policies & Procurement Committee allowed her to understand the depth of knowledge and level of diligence that Vice-Chairman O'Brien brought to the Board. She said that she considers Vice-Chairman O'Brien to be a true treasure.

Mr. Kirk said that management will miss Vice-Chairman O'Brien and his contributions have been limitless. He said years ago CRRA was close to closing and bringing the state bond rating down with it and he credits Vice-Chairman O'Brien and that Board for their efforts over the years in turning CRRA around. Mr. Kirk said that management and the Board have well developed pride in the remarkable achievements of CRRA's recovery and reorganization in its service to Connecticut municipalities.

SHORT RECESS

Vice-Chairman O'Brien said that there would be a five minute recess.

The recess began at 11:40 a.m. and ended at 11:45 a.m.

EXECUTIVE SESSION

Vice-Chairman O'Brien 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 Desmarais and seconded by Director Jarjura was approved unanimously by roll call. Vice-Chairman O'Brien 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.

Vice-Chairman O'Brien noted that Director Edward will be present for discussion that pertains to the SouthWest Division.

The motion to enter into Executive Session was approved unanimously by roll call. Vice-Chairman O'Brien, Director Damer, Director Desmarais, Director Jarjura, Director Lauretti, Director Martland, Director Mullane, Vice-Chairman O'Brien and Director Savitsky voted yes.

Directors	Aye	Nay	Abstain
Vice-Chairman O'Brien	X		
David Damer	X		
Alan Desmarais	X		
Michael Jarjura	X		
Mike Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			

The Executive Session began at 11:45 a.m. and concluded at 12:47 p.m. Vice-Chairman O'Brien noted that no votes were taken in Executive Session.

The meeting was reconvened at 12:47 p.m., the door to the Board room was opened, and the Board secretary and all members of the public (of which there were none) were invited back in for the continuation of public session.

ADJOURNMENT

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

There being no other business to discuss, the meeting was adjourned at 12:47 p.m.

Respectfully submitted,

Moira Kenney
 Secretary to the Board/Paralegal