

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED TWENTY-FOURTH

OCT. 27, 2011

A special meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thurs. Oct. 27, 2011, in the Board Room at 211 Murphy Rd., Hartford, CT 06103. Those present were:

Directors: Chairman Pace
Louis J. Auletta, Jr.
Ryan Bingham
David Damer
Timothy Griswold
Dot Kelly
Theodore Martland
Donald Stein
Robert Painter, Mid-Connecticut Project Ad-Hoc
Mark Tillinger, Bridgeport Project Ad-Hoc
Steven Wawruck, Mid-Connecticut Project Ad-Hoc

Present from CRRA in Hartford:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Dave Bodendorf, Senior Environmental Engineer
Jeff Duvall, Director of Budgets and Forecasting
Peter Egan, Environmental Affairs and Environmental Director
Laurie Hunt, Director of Legal Services
Katha Kerr, Operations Analyst
Paul Nonnenmacher, Director of Public Affairs
Chris Shepard, Environmental Engineer
Moira Benacquista, Board Secretary/Paralegal

Others present: Dick Barlow, First Selectman of Canton CT; Jonathan Bilmes, BRRFOC; Julian Freund, Manchester; John Pizzmenti, USA Hauling; Cheryl Thibeault, Covanta; and Jerry Tyminski, SCRRRA.

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

PUBLIC COMMENT

Chairman Pace welcomed the CRRA Board's newest member, Ryan Bingham, Mayor of Torrington, CT.

Mr. Barlow, First Selectman of Canton, CT greeted the Board and management. He thanked Chairman Pace for his years of service to CRRA. Mr. Barlow said he looked over the proposal for

recycling rebates contained in the Board package. He said the Trash Museum impacts the cost of recycling. Mr. Barlow said when the Trash Museum facility was built, as far as communications and technology went, it was probably the right direction to go in. He suggested that such a facility is no longer the most appropriate and most cost effective method to deliver recycling education.

Mr. Barlow suggested that the Mid-Conn facility be considered as alternative headquarters for CRRA instead of the high rent district it currently resides in. Chairman Pace noted that the Board and management have discussed moving CRRA headquarters to the Mid-Conn facility. He said CRRA is currently in a long term lease in Hartford and has already moved from the pent house offices into lower levels.

APPROVAL OF THE MINUTES OF THE SEPT. 29, 2011, REGULAR BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the Sept. 29, 2011, Regular Board Meeting. Director Martland made a motion to approve the minutes, which was seconded by Director Damer.

Director Damer had several small typos which he requested Mrs. Benacquista correct.

The motion to approve the minutes as amended and discussed was approved by roll call. Chairman Pace, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Painter, Director Stein, and Director Wawruck voted yes. Director Bingham and Director Tillinger abstained.

Directors	Aye	Nay	Abstain
Chairman Pace	X		
Louis Auletta	X		
Ryan Bingham			X
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Donald Stein	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			X
Bob Painter, Mid-Ct	X		
Steve Wawruck, Mid-Ct	X		

EXECUTIVE SESSION

Chairman Pace requested a motion to enter into Executive Session to discuss pending litigation, trade secrets, personnel matters, security matters, pending RFP's, and feasibility estimates and evaluations with appropriate staff. The motion, made by Director Martland and seconded by Director Griswold, was approved unanimously. Chairman Pace asked the following people join the Directors in the Executive Session:

Tom Kirk
Jim Bolduc
Peter Egan
Laurie Hunt

The motion to move into Executive Session was approved unanimously by roll call.

The Executive Session began at 9:45 a.m. and concluded at 10:10 a.m. Chairman Pace noted that no votes were taken in Executive Session.

The meeting was reconvened at 10:10 a.m., the door to the Board room was opened, and the Board secretary and all members of the public were invited back in for the continuation of public session.

FINANCE COMMITTEE

RESOLUTION REGARDING APPROVAL OF INSURANCE CONSULTANT AND BROKER SERVICES

Chairman Pace requested a motion on the above referenced item. The motion was made by Director Martland and seconded by Director Damer.

RESOLVED: That the President of CRRA is hereby authorized to execute the Insurance Consulting and Broker Services Agreement with Aon Risk Services for the period January 1, 2012 through December 31, 2014 for a total fixed fee of \$431,943, as presented and discussed at this meeting.

Director Martland said that he is typically a strong supporter of the low bidder. He said however, in this case he supports management's recommendations due to a variety of factors. Director Martland said several years ago CRRA's broker withdrew suddenly from CRRA's market which almost resulted in CRRA having to self-insure.

Mr. Bolduc said management advertised widely the availability of the RFP for insurance consulting and broker services. He said the three-year contract has always been a fixed annual fee arrangement for identified services. Mr. Bolduc said the four responses to the RFP that CRRA received were reviewed and ranked independently by each member of CRRA's internal review committee which consists of himself, Ms. Martin, and Mr. Womack.

Mr. Bolduc said one bidder was eliminated quickly due to several factors (including the fact that it had the highest price). He said the other two bidders were ranked below AON Risk Services, the incumbent provider. Mr. Bolduc said CRRA's broker/consultant puts in a significant amount of work each year placing approximately \$1 million in insurance for CRRA.

Mr. Bolduc said the internal committee believes there are some potential conflicts of interest between two of the proposers and vendors CRRA is in litigation with or maybe in litigation with in the future. He said another large driver in the recommendation was CRRA's past experience with Marsh.

Mr. Bolduc explained several years ago when Marsh was CRRA’s broker there came a time when Marsh made an internal corporate decision to discontinue providing service to entities in CRRA’s market (waste to energy). He said this occurred at a time when CRRA’s main insurance company declined to continue coverage. Mr. Bolduc said thankfully AON stepped in quickly to assist CRRA and was able to convince ACE to provide CRRA with insurance before CRRA was forced to self-insure.

Mr. Bolduc said getting good participation and pricing for CRRA’s insurance is driven by two major components: the market in general, and the exposures presented by CRRA’s business – operation of waste-to-energy facilities, landfills and recycling facilities. He said many insurers are willing participants for businesses on the collection side but the availability of insurance capacity in CRRA’s arena is more limited. Mr. Bolduc said some of the responders to the RFP were lacking experience on the waste-to-energy side. He said CRRA also requires a company with significant expertise in the area of environmental liability.

Mr. Bolduc said management recommends staying with AON as it has kept CRRA’s insurance rates fairly low, secured savings on a number of the policies, and has been very responsive to CRRA’s needs in the past.

The motion to approve the resolution previously made and seconded was approved unanimously by roll call. Chairman Pace, Director Auletta, Director Bingham, Director Damer, Director Griswold, Director Kelly, Director Martland, and Director Stein voted yes. Director Painter, Director Tillinger, and Director Wawruck abstained.

Directors	Aye	Nay	Abstain
Chairman Pace	X		
Louis Auletta	X		
Ryan Bingham	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Donald Stein	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			X
Bob Painter, Mid-Ct			X
Steve Wawruck, Mid-Ct			X

RESOLUTION REGARDING APPROVAL OF THE REVISED PROPERTY DIVISION BUDGET

Chairman Pace requested a motion on the above referenced item. The motion was made by Director Martland and seconded by Director Kelly.

WHEREAS: the Connecticut Resources Recovery Authority (the “Authority”) owns the facility at 1410 Honeyspot Road Extension (the “Facility”) for which there are on-going operating expenses; and

WHEREAS: the Garbage Museum Budget for Fiscal Year 2012 Budget included funding for certain expenses of a portion the facility at 1410 Honeyspot Road Extension; and

WHEREAS: The Authority’s Board of Directors (the “Board”) tabled adoption of a Garbage Museum Budget for Fiscal Year 2012 at its May 19, 2011 and July 7, 2011 meetings; and

WHEREAS: the Authority’s Board voted to close operations of the Garbage Museum on August 25, 2011; and

WHEREAS: On May 19, 2011 the Authority’s Board adopted its Property Division Budget for Fiscal Year 2012 which identified the future need to change the budgeted expenditures should the Garbage Museum becomes non-operational; and

WHEREAS: the Garbage Museum has an account previously established at Bank of America, separate and apart from other Authority bank accounts, which has paid Garbage Museum operating expenses since July 1, 2009; and

WHEREAS: funds to pay final costs relating to the closure of the Garbage Museum are currently being made from the Garbage Museum bank account at Bank of America; and

WHEREAS: the funds in the Garbage Museum bank account at Bank of America are expected to be fully utilized before the calendar year ending 2011; and

WHEREAS: there will still be on-going expenses at the Facility that the Authority must pay.

NOW, THEREFORE, it is

RESOLVED: That funds within the Garbage Museum bank account at Bank of America be used to pay the remaining salaries of the Garbage Museum educators and closure costs until the account is exhausted; and

FURTHER RESOLVED: that any remaining Garbage Museum closure costs and Fiscal Year 2012 operating expenses will be reassigned to the Property Division; and

FURTHER RESOLVED: That the updated fiscal year 2012 Property Division Operating budget totaling \$1,813,000.00 be adopted as presented at this meeting.

Director Martland said the Finance Committee discussed this item at length. He said unfortunately the Garbage Museum was recently closed due to lack of funding however, the facility must be maintained. He said a security company is monitoring the building.

Chairman Pace said the closure of the Garbage Museum was very disappointing to him. He said although it was his intention to keep it going, the communities in that part of the State would not provide

the needed funding. Chairman Pace said CRRA was forced to shut down the successful education program the museum provided.

Director Stein asked what the status of the remaining educators at the Garbage Museum. Mr. Bolduc said two part-time educators were laid off on October 14, 2011, and the full time educator will be finished in January. Director Stein asked if the security company is contracted or an employee. Mr. Bolduc replied that is the same security system which has been used in the past, Sonitrol. Mr. Kirk added that the facility is still being used as a transfer station and employees are present six days a week.

The motion to approve the resolution previously made and seconded was approved unanimously by roll call. Chairman Pace, Director Auletta, Director Bingham, Director Damer, Director Griswold, Director Kelly, Director Martland, and Director Stein voted yes. Director Painter, Director Tillinger, and Director Wawruck abstained.

Directors	Aye	Nay	Abstain
Chairman Pace	X		
Louis Auletta	X		
Ryan Bingham	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Donald Stein	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			X
Bob Painter, Mid-Ct			X
Steve Wawruck, Mid-Ct			X

POLICIES & PROCUREMENT COMMITTEE

RESOLUTION REGARDING PURCHASE OF A MOBILE GRAPPLE CRANE FOR THE MID-CT WPF

Chairman Pace requested a motion on the above referenced item. The motion was made by Director Damer and seconded by Director Kelly.

RESOLVED: That the President is hereby authorized to execute an agreement for the purchase of a mobile grapple crane for the Mid-Connecticut Waste Processing Facility with Chadwick-Baross, Inc. substantially as presented and discussed at this meeting.

Director Damer said when the Hartford Landfill closed and stopped taking waste CRRA still had shipments of non-processible waste. He said this waste was redirected to the waste processing facility and put through a mobile shredder to reduce the volume of the material further and to burn that refuse as fuel. He said the pay back for the shredder was estimated to be 0.91 years however; the loading and feeding of the shredder was done with a front end loader which turned out to be problematic. Director

Damer said the write-up details many of the issues management has run encountered using the front end loader as well as the failure to process as much of the non-processible waste as initially planned.

Director Damer said the use of a mobile grapple crane was not on management’s radar when the front-end loader was purchased. He said it is much more efficient and will double the processing. Director Damer said the analysis is complicated, well done, and was reviewed in depth by the Policies & Procurement Committee. He said the pay back for the mobile grapple crane is about 7 months and in addition if CRRA moved to a baling operation the crane may be capable of handling those bales as well. Director Damer said there were two bid responses, one of which was priced higher and was non-responsive at the same time. He said the other response includes a three year service contract in the \$299,500 range.

Director Kelly said this resolution will assist CRRA with the goal of refining waste as these “non-processible” waste items can be disposed of and used in a more environmentally friendly matter.

The motion to approve the resolution previously made and seconded was approved unanimously by roll call. Chairman Pace, Director Auletta, Director Bingham, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Painter, Director Stein, and Director Wawruck voted yes. Director Tillinger abstained.

Directors	Aye	Nay	Abstain
Chairman Pace	X		
Louis Auletta	X		
Ryan Bingham	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Donald Stein	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			X
Bob Painter, Mid-Ct	X		
Steve Wawruck, Mid-Ct	X		

RESOLUTION REGARDING AN AGREEMENT FOR THE ENVIRONMENTAL MONITORING LABORATORY ANALYSIS AND REPORTING SERVICES AT THE HARTFORD LANDFILL

Chairman Pace requested a motion regarding the above captioned item. Director Damer made the following motion which was seconded by Director Martland.

RESOLVED: That the President of CRRA be authorized to enter into a contract with Diversified Technology Consultants, Inc. for Environmental Monitoring Laboratory Analysis and Reporting Services at the Hartford Landfill, substantially as presented at this meeting.

Director Damer said this resolution is for a contract with Diversified Technology Consultants, Inc. for environmental monitoring services at the Hartford Landfill. He said CRRA had a contract with Anchor Engineering Services and discovered some substantial conflicts of interest with Anchor after the first year. Director Damer said management is looking to replace Anchor. He said there were a significant number of bidders a year ago when this went out to bid, and at the time Diversified Technology was the second place bidder. Director Damer said Diversified Technology has agreed to hold to the prices it submitted a year ago.

Chairman Pace asked if Anchor notified CRRA of the conflict of interest. Mr. Egan said no. He said CRRA discovered the conflict. Chairman Pace asked if Anchor had an obligation to notify CRRA of the conflict. Mr. Egan said he was not sure how much of an obligation Anchor had to notify CRRA of the conflict. Chairman Pace said he finds it to be a problem if a company has a conflict of interest and does not disclose that information. He asked Ms. Hunt to look into the contract to see if CRRA is in a position to recapture funds.

Chairman Pace asked what the conflict of interest pertains to. Mr. Kirk said that CRRA and Anchor are on different sides on an intervention issue on a permit application. He said Anchor is a consultant on a contested case.

The motion to approve the resolution previously made and seconded was approved unanimously by roll call. Chairman Pace, Director Auletta, Director Bingham, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Painter, Director Stein, and Director Wawruck voted yes. Director Tillinger abstained.

Directors	Aye	Nay	Abstain
Chairman Pace	X		
Louis Auletta	X		
Ryan Bingham	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Donald Stein	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			X
Bob Painter, Mid-Ct	X		
Steve Wawruck, Mid-Ct	X		

RESOLUTION REGARDING CONSULTING SERVICES FOR THE FINAL PHASE OF CLOSURE OF THE CRRA HARTFORD LANDFILL

Chairman Pace requested a motion on the above referenced item. The motion was made by Director Damer and seconded by Director Martland.

RESOLVED: That the President is hereby authorized to enter into a Request for Services with Fuss & O'Neil, Inc. to provide consulting services in support of the final phase of closure of the CRRA Hartford Landfill, substantially as discussed and presented at this meeting.

Director Damer said this resolution is in support of the initiative to provide coverage with solar panels at the Hartford landfill. He said when the initial contract was written with Fuss & O'Neil the solar panels were not a viable option. Director Damer said CRRA wants to be sure that the sub-contractor which reports directly to CRRA will provide Fuss & O'Neil with the correct capabilities.

Chairman Pace asked why CRRA does not work directly with the sub-contractor. Director Damer asked if CRRA is paying an additional fee to Fuss & O'Neil. Mr. Bodendorf said in this case there is no specific provision to pay an additional fee. Mr. Egan said he does not believe there is a mark-up charge. He said the reason management asked Fuss & O'Neil to sub-contract with this particular company is that information that the sub-contractor provides should flow through Fuss & O'Neil to CRRA as they are managing this entire project. Mr. Egan said management feels this is the most effective and efficient way to move ahead quickly.

Director Damer said CRRA had previously entered into a RFS with Fuss & O'Neil in January for under \$50,000, which did not require Board approval. He explained this resolution is seeking to add \$22,040 to what was already approved which brings the overall total to \$71,440. Mr. Kirk asked if a mark-up is allowed from sub-contractors. Mr. Egan replied yes however; that is not the case in this contract.

Director Kelly said she is a strong supporter of this solar cap and believes reaching out to the experts within the field is a smart move to ensure proper planning and execution in a timely manner.

Director Painter said that this endeavor is also very important to the City of Hartford which has hired a company to assist in evaluation with this project and working with CRRA. He said it is far more complicated than laying down solar cells as the process involves; virtual net metering, legal documents, and opportunities for grants and Federal assistance. Director Painter said expertise will make this a much better project short term as well as long term.

Chairman Pace asked Mr. Egan if he is familiar with the consultants which the City of Hartford has hired. Mr. Egan replied yes. He and Mr. Bodendorf have met with the consultants who accompanied CRRA management to the Connecticut Clean Energy Fund meeting.

The motion to approve the resolution previously made and seconded was approved unanimously by roll call. Chairman Pace, Director Auletta, Director Bingham, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Painter, Director Stein, and Director Wawruck voted yes. Director Tillinger abstained.

Directors	Aye	Nay	Abstain
Chairman Pace	X		
Louis Auletta	X		
Ryan Bingham	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Donald Stein	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			X
Bob Painter, Mid-Ct	X		
Steve Wawruck, Mid-Ct	X		

RESOLUTION REGARDING DELIVERY OF COVER SOILS

Chairman Pace requested a motion on the above referenced item. The motion was made by Director Damer and seconded by Director Stein.

RESOLVED: That the President is hereby authorized to enter into an agreement with the City of Hartford 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.

FURTHER RESOLVED: That the revenue received from this contract will be deposited into the Hartford Landfill Post-Closure reserve.

Director Damer said this resolution also concerns the Hartford Landfill and details the delivery of cover soils from the City of Hartford. Chairman Pace said this is a source of revenue for CRRA. He asked Director Damer to review the process for the new Board member.

Director Damer said the Hartford Landfill is closed and is in the process of achieving final closure with cover material. He said certain types of lightly contaminated soil, which is approved by the CT DEEP, is used below the cap for contouring and grading and is then covered with impermeable materials. Director Damer said because the entities disposing of the soil would typically pay fees in order to do so CRRA charges those entities a reasonable fee based on the going rate and has created a revenue source where there was formerly a substantial cost.

Director Bingham asked if the material is road sand. Mr. Egan said the material is soil which has been tainted with some type of contaminant. He said the CT DEEP has agreed that CRRA can use this material, which formerly would have ended up in a landfill, as cover material. Mr. Egan said the soil has come from all over Connecticut.

Director Griswold asked how much capacity will remain after this delivery. Mr. Bodendorf said this particular source of soil is tied into the solar cap. He said CRRA is waiting on approval from the CT

DEEP and if it is received, an additional 85,000 cubic yards will be available. Mr. Bodendorf said this delivery totals about 60,000 cubic yards leaving about 25,000 additional cubic yards available.

Mr. Egan said this helps the City of Hartford. He said if the landfill was not an option it would likely have to transport the soil upstate at a significant cost. Director Damer said while CRRA is proposing to accept this soil at a lower price point than it has been in the past, management does not feel it would be likely to secure the same amount of soil during the necessary time frame, which the Policies & Procurement Committee agreed with.

The motion to approve the resolution previously made and seconded was approved unanimously by roll call. Chairman Pace, Director Auletta, Director Bingham, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Painter, Director Stein, and Director Wawruck voted yes. Director Tillinger abstained.

Directors	Aye	Nay	Abstain
Chairman Pace	X		
Louis Auletta	X		
Ryan Bingham	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Donald Stein	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			X
Bob Painter, Mid-Ct	X		
Steve Wawruck, Mid-Ct	X		

RESOLUTION REGARDING REVISIONS TO THE CRRA TELEPHONIC MEETING POLICY

Chairman Pace requested a motion on the above referenced item. The motion was made by Director Martland and seconded by Director Kelly.

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

Chairman Pace said that this resolution was discussed at the Board’s last meeting. Mr. Kirk said the history of the CRRA Board, prior to its reconstitution in 2001 argued strongly for openness, transparency, and accountably. He said to enforce this the Board assigned itself strict meeting guidelines, including that no meeting could start without six of the full eleven Board members physically present in the room. Mr. Kirk said this provision, among others, did wonders to improve the CRRA Board’s image however; it has created some quorum issues moving forward.

Mr. Kirk said management is considering some changes to the policy which would release the Board from that self-imposed discipline and recognize the ease with which Board members can now participate by phone and occasionally by computer or video conferencing. He said the proposed change would still require six Board members physically present in the room to begin the meeting in the event all eleven Board seats are filled. Mr. Kirk said the CRRA Board has had a vacancy for the past three years. He explained the relaxation would no longer require six Board members to be in the room when a meeting starts, unless all eleven seats have been filled by the appointing authorities and the policy change will recognize CRRA's ability to meet the requirement using the phone or via teleconferencing.

Chairman Pace said it is his recollection that the self-imposed restrictions have caused issues for the last three to four years. He said in the past the CRRA Board was solid and any vacancy was immediately replaced. Chairman Pace said this self-imposed restriction was something he had pushed hard for during a time period when it was crucial to ensure that each Director was at the table due to the nature of the material the Board was addressing.

Chairman Pace said he believes if a Board member is able, they should do their best to attend all meetings in person. He said on the other hand, there are many Directors which travel significant distances to participate. Chairman Pace said he will support what the Directors see as the best policy moving forward.

Director Martland said he is in agreement with Chairman Pace's statement. He said the last few years CRRA has had trouble getting the appropriate authorities to appoint someone to the CRRA Board vacancies. Director Martland said in addition elections can also cause difficulties. He said he is in support of this policy change because as of late the Board has had to wait up to an hour to secure enough Directors to vote on certain issues. Director Martland noted for the record there is currently a vacancy on the Board.

The motion to approve the resolution previously made and seconded was approved unanimously by roll call. Chairman Pace, Director Auletta, Director Bingham, Director Damer, Director Griswold, Director Kelly, Director Martland, and Director Stein voted yes. Director Painter, Director Tillinger, and Director Wawruck abstained.

Directors	Aye	Nay	Abstain
Chairman Pace	X		
Louis Auletta	X		
Ryan Bingham	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Donald Stein	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			X
Bob Painter, Mid-Ct			X
Steve Wawruck, Mid-Ct			X

RESOLUTION REGARDING AN AMENDMENT TO THE TIER I MUNICIPAL SOLID WASTE AGREEMENT

Chairman Pace requested a motion on the above referenced item. The motion was made by Director Damer and seconded by Director Stein.

WHEREAS, CRRA has provided to its Mid-Connecticut Project participating municipalities the opportunity to enter into new Municipal Services Agreements (MSAs) for the disposal of waste and the processing of recyclables at an efficient, publically owned system operated by CRRA on a cost of service basis; and

WHEREAS, municipalities are encouraged by CRRA to consider their individual municipal interests in deciding the most beneficial providers of these important services; and

WHEREAS, some MSA options contemplate the payment of recycling rebates to municipalities in the event that sufficient recycling revenues are received and this Board declares a surplus with respect to such revenues and

WHEREAS, the MSAs do not presently ensure the payment of recycling rebates, nor a minimum dollar amount for any recycling rebate that is paid; and

WHEREAS, the payment of rebates for recyclables is desirable and would provide additional incentive to towns and citizens to improve recycling performance; and

WHEREAS, some municipalities have indicated their preference for an MSA whereunder they commit their solid waste to CRRA but may opt to deliver their recyclables to others; and

WHEREAS, all CRRA customers -- municipalities, haulers, commercial and residential waste generators -- benefit and from and enjoy lower disposal costs when CRRA maximizes its facilities capacity utilization, and

WHEREAS, CRRA's capacity utilization is maximized when municipalities participate with Tier 1 Municipal services agreements;

NOW THEREFORE be it

That the Board of Directors approves an optional amendment to the CRRA Tier 1 MSA allowing participating municipalities to opt out of future recyclable delivery requirements in the event that the recycling rebate paid in any of the first five years of the MSA term fails to meet the minimum level established in the MSA, and authorizes the President to execute such amendments, substantially in the form described in this meeting.

Mr. Kirk said this is a follow-up recommendation from management as a result of requests from CRRA member towns. He said for eighteen months CRRA has been reaching out to the Mid-Conn member towns for their input on the development of new MSA's. Mr. Kirk said there was a tremendous response with hundreds of comments, legal reviews, and corporate councils with the First Selectman and

Mayors from which CRRA devised four tiers of proposed MSA's. He said as the towns began the process of evaluating CRRA's offers and soliciting competitive bids (which CRRA encourages) other issues were raised, most importantly the issue of recycling and recycling rebates.

Mr. Kirk explained the requirement to deliver recyclables and still enjoy the Tier 1 offering was relaxed by the CRRA Board and was very well received by the towns which had requested it. Mr. Kirk said the request was motivated by a better understanding of the competitive market and geographic advantages and disadvantages of the member towns.

Mr. Kirk said the rebate issues are less easily fixed. He said initially management suggested matching the competitive market in rebates, which is between \$5 and \$21 a ton roughly, with a suggested \$20 minimum rebate. Mr. Kirk said that suggested rebate creates some risks the CRRA Board was not comfortable with. He explained any rebate is subject to a very volatile commodities pricing market.

Mr. Kirk said currently the rebate opportunity through CRRA's surplus is excellent, however recyclable commodities markets are at record highs which management is not confident are sustainable. Mr. Kirk said a drop in commodities prices would likely affect CRRA's ability to completely fund a guaranteed rebate without subsidization from the solid waste stream revenues.

Mr. Kirk said one Board member had suggested considering an opt-out provision similar to MSW pricing which would give a target rebate to the towns with the option for a town to exit the agreement if CRRA could not meet that rebate. He said this proposal is risk free for CRRA and the towns and provides for a nominal \$10.00 per ton rebate which could be more or less, and no guarantee. Mr. Kirk said management recommends a five year term for this guarantee which would allow the towns to opt-out if the rebate drops below \$10.00 and take its recyclables elsewhere.

Mr. Kirk said the CRRA Board has been very careful about guaranteeing rebates because the recycling revenues are used to fund several important costs including; the Mid-Conn facility and the Hartford Education efforts at the Trash Museum. Mr. Kirk said management and the Board feel education is valid and important and the recycling system has historically funded that education, which can be taken from other sources if the Board so chooses.

Director Stein asked if he was correct in stating if a town has an MSA this is an optional amendment that would be ratified by both parties allowing them to opt-out of delivering recyclables if they so choose. He said there is no re-entry provision. Mr. Kirk said management is concerned that the towns will be struggling to make MSA decisions as the offer is changing, for which management apologizes. He said the existing signed MSA's do not have to be re-written or re-considered. Mr. Kirk said a document will be offered to all of the Tier 1 towns providing this option.

Director Stein asked if the \$10 is a floor and based on management's calculations if a \$20 rebate for this year is a potentially viable option. Mr. Kirk replied yes. He said it would depend on the Board's decision to fund, or continue funding certain costs. Mr. Kirk said the numbers discussed at the Policies & Procurement Committee meeting point to a \$12.71 surplus, based on some towns leaving with their recycling, which in turn reduced the expected recycling numbers from 94,000 down to 70,000. Director Stein asked if that calculation would come before the Board. Mr. Kirk replied yes.

Director Bingham asked if this is a year to year opt-out. Mr. Kirk replied yes. He said it is an annual opt-out after the establishment of the rebate. Mr. Kirk said there is a 90 day decision period at which point the town can opt in or not. Director Bingham asked if that is going to be problematic for towns solidifying their budgets if they opt in and the \$10 floor is not met after their budgets have already been set. Chairman Pace said that is correct because a town's budget is set with a minimum number.

Mr. Kirk said Alan Curto from Halloran & Sage is drafting the letter with the intent of providing the town's with sufficient time to evaluate the Board's rebate decision and still have ninety days to make a decision to opt in or out and evaluate the market. He said in the six month period between the end of the fiscal year and the end of the calendar year CRRA would establish a rebate, pay a check, and the town would have the option of to make a decision at the end of the calendar year. Director Bingham asked if CRRA is making the decision on the rebate in arrears. Mr. Kirk said that was correct.

Director Damer said this option is on a year to year basis for the first five years. Mr. Kirk said that is correct. He said if the Board is inclined, and the market is right, it can certainly do another amendment at the end of five years.

Director Wawruck asked why the proposed rebate at this meeting is for \$12.71 when he had heard \$20.00 formerly and the market out there is for \$22.50. Chairman Pace said last time the Board had met he felt \$20.00 was too rich of a guarantee. Director Wawruck said regardless many different numbers are being tossed around and as a result in his town a town meeting was canceled the night before because of the constant fluctuations.

Mr. Kirk said he is empathetic. He said in the last two meetings there were many different discussions on this matter due to management and the Board attempting to meet the requests of the towns to address a competitive disassociation. Mr. Kirk said the towns have been very hesitant to sign an agreement because they want a better deal for their recyclables. He explained the key to this is CRRA's Board determines a rebate and they can choose any number they want. Mr. Kirk said last month the Board decided not to guarantee a \$20.00 a ton rebate for several different reasons. He said this proposal is management's suggestion to pro-mandate by recognizing there is an expectation of a rebate and \$10.00 a ton is a good estimate for the next ten years.

Mr. Kirk said a snapshot of the system today would allow for a \$12.00 rebate. He said each year the Board examines the operations of the recycling system, examines the surplus, and examines the costs and the revenues and declares a surplus to establish a rebate. Mr. Kirk said there is no guarantee and the Board will look at this on an annual basis. He said it is very hard for the towns to compare that unknown five year estimate of rebates to a guarantee from the private sector for \$21.00 a ton. Chairman Pace said towns do have an option to take that guarantee from a private provider.

Director Wawruck said last month he thought the discussion concerning the five year contract had a stable \$20.00 number which was then drilled down and has since evaporated. Mr. Kirk said according to the current commodities market CRRA could pay \$20.00 a ton, however if that number dropped significantly CRRA would not be able to pay for the \$20.00 rebate and the education system out of recycling. He said he sympathizes and apologies for the moving platform the towns are dealing with. Mr. Kirk said although this is difficult it provides the towns with the option they have requested.

Director Griswold asked what the costs of the Mid-Conn facility are. Mr. Kirk replied the total costs historically assigned to recycling are \$1.246 million, which includes significant transportation costs, electronic recycling, scale operations, building maintenance, prescribed salary, the host fee to the City of Hartford, and the communication issue. He said those are costs which could come out of the solid waste side, which may increase the tip fee as a result. Chairman Pace said management is assigning costs to areas where there are also revenues. He said the Board could certainly change the organizational structure and major missions of CRRA in the future.

Director Griswold asked on what conditions a town could opt back in. Mr. Kirk replied on a space available basis.

Director Kelly said she is happy with the current proposal as it encourages as many towns as possible to join CRRA at a net cost of operations for service to the communities. Director Kelly said there may be short term options which seem attractive, but as municipal leaders a long term option is better.

Director Kelly asked if offering a \$12.00 rebate is better than offering a \$10.00 rebate. She said this is going to be a net cost of operations and management will try and maximize the amount of money available by examining the overall costs at the Policies & Procedures Committee level. Director Kelly asked if the \$5.00 is going to be peculiar for a town which takes a 15 year term. She asked if at the end of the five years if this needs to be renewed with a different dollar value as the towns would be locked in. Mr. Kirk said he did not envision any requirement for CRRA to offer another five year guarantee. Director Kelly asked that it be made clear to the towns at the end of those five years they can walk away. Mr. Kirk said if CRRA has not met the \$10.00 rebate the towns clearly have the ability to walk away.

Director Stein said the way this is currently structured is CRRA is guaranteeing for five years if the rebate is less than \$10.00 in a given year the towns can opt-out the following year. He said there is no guarantee of any rebate, there is only the opportunity for the town to opt-out if the rebate does not meet expectations. Director Stein asked for the balance sheet for recyclables to be made available to the Board members. Mr. Kirk agreed.

Director Bingham asked if many communities were hesitant to sign the MSA's because of this issue. Chairman Pace replied yes. Director Bingham said this provision will provide those communities some security that if the rebate drops below the \$10.00 they can shop it out and supplant some of that income. He said the key issue is to get those hesitant towns signed in in order to provide long term stability to CRRA. Chairman Pace said CRRA's core business is the MSW. Director Bingham said the \$10.00 floor is likely more advantageous than raising that rebate up to a potential \$12.00.

Director Tillinger said the issue strategically is CRRA's obligation to communicate its value proposition to the towns. He said it does not diminish the individual decisions concerning contracting with a vision on costs and rebates, which is obviously very important. Director Tillinger said CRRA plays in a commodities world with a proposition that is quite a bit different than that of the private sector competitors. He said CRRA's proposition is about net costs of operation and transparency on decision making. Director Tillinger said this Board makes a decision on every dollar contract over \$50,000 which is an extraordinary level of detail very valuable to the towns as it relates to net cost of operation. Director Tillinger said in addition the Board provides training, education, and research into alternative

methods of environmental aspects. He said if that was communicated in the proactive, it would not trivialize these decisions but clearly differentiates over the long term versus short term competitors out there.

Director Wawruck asked if he was to sign an MSA Tier 1 agreement and opt-out of the recycling portion, if he was to sign a five year agreement with another firm, could he come back in five years from now with recycling. Mr. Kirk said yes, on a space available basis. Director Wawruck asked if there is space available on the recycling side. Mr. Kirk said the recycling side will most certainly have room. He said CRRA has a duty to serve and if municipalities have recycling CRRA will take it.

Mr. Bolduc said management will provide the normalized costs per Director Stein’s request. He said to be clear this is a capital intensive project and the lower the through put drops as town opt-out to chase short term rebates the further the CRRA rebate is reduced. Mr. Bolduc said there are two different economic propositions.

Director Kelly asked what the member towns are looking for. Mr. Kirk said each of the member towns is looking for different conditions in the agreement due to location and other factors.

The motion to approve the resolution previously made and seconded was approved unanimously by roll call. Chairman Pace, Director Auletta, Director Bingham, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Painter, Director Stein, and Director Wawruck voted yes. Director Tillinger abstained.

Directors	Aye	Nay	Abstain
Chairman Pace	X		
Louis Auletta	X		
Ryan Bingham	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Donald Stein	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			X
Bob Painter, Mid-Ct	X		
Steve Wawruck, Mid-Ct	X		

RESOLUTION REGARDING APPROVAL OF A RESOLUTION REGARDING ADDITIONAL PROJECTED LEGAL EXPENDITURES

Chairman Pace requested a motion on the above referenced item. The motion was made by Director Martland and seconded by Director Damer.

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

WHEREAS, the Board of Directors has previously authorized certain amounts for payment of fiscal year 2012 projected legal fees; and

WHEREAS, CRRA expects to incur greater than authorized legal expenses for Mid-Connecticut Project environmental legal services;

NOW THEREFORE, it is RESOLVED: That the following additional amount be authorized for projected legal fees and costs to be incurred during fiscal year 2012:

<u>Firm:</u>	<u>Amount:</u>
Brown Rudnick	\$150,000

Chairman Pace said the Board discussed this issue at length in Executive Session. Director Kelly said she would like the question of how legal fees should be used in connection with what the State of Connecticut wants to accomplish from an environmental standpoint with waste to be addressed. She said she feels the waste in Connecticut should be refined and be used to make as many beneficial materials for the environment as possible. Director Kelly said she supports the State's waste minimization hierarchy which is to minimize re-use, recycle, and get energy from the waste with landfilling the waste in an environmentally friendly way at the bottom of that hierarchy.

Director Kelly said if there is capacity and an entity wanted to build an incinerator or a landfill it would have to show there is a need. She said however, if a permit for a transfer facility loads material onto trucks and takes it to a landfill that goes to the bottom of the hierarchy. Director Kelly said there is no requirement to show need for hauling the waste elsewhere, it just requires a CT DEEP permit. Director Kelly said she has broached this topic to the league of woman voters, and the Audubon Society, and would love to go to the Legislature and the Environment Committee and point out that this is a very big issue. She said it sounds like a small issue because it is just a transfer permit, but the underlying policy goes to the heart of CRRA and the State's mission.

Chairman Pace said this protects the interests of the State and the municipalities and CRRA is an instrument of the State and the municipalities.

The motion to approve the resolution previously made and seconded was approved unanimously by roll call. Chairman Pace, Director Auletta, Director Bingham, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Painter, Director Stein, and Director Wawruck voted yes. Director Tillinger abstained.

Directors	Aye	Nay	Abstain
Chairman Pace	X		
Louis Auletta	X		
Ryan Bingham	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Donald Stein	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			X
Bob Painter, Mid-Ct	X		
Steve Wawruck, Mid-Ct	X		

PRESIDENT'S REPORT

Mr. Kirk said he would like to clarify a topic broached by Director Slifka at the previous meeting concerning municipal liaison services. He said Director Slifka was under the impression CRRA had a simple three year contract which had not yet expired. Mr. Kirk said that is true, CRRA has a three year agreement but it is actually a contract with three separate years. He said the third year, which would typically be entered into with notice to the Board, has not been entered into as of yet. Mr. Kirk said that third year has not been committed to and he wanted to clarify that CRRA has not moved forward with that third year as management has posed a clarifying question to the ethics commission which will be provided to the Board for review once it is received.

Mr. Kirk said it is CRRA's practice to notify the Board when CRRA is entering into an extension. He said management has not done that yet and will not do so until feedback from the ethics commission is received and further discussion is held by the Board.

Director Stein asked when the current option expires. Mr. Kirk replied Monday Oct. 31, 2011. He also noted that management always reserves a thirty day exit option in agreements like this. Director Stein asked if he was correct in stating there is no ability to continue those services past Oct. 31, 2011, until that option is exercised. Mr. Kirk replied yes.

Mr. Kirk said all CRRA facilities operated during the reporting period without significant safety, environmental, or public health events. He said from a financial statement for the period ending August 31, 2011, the Mid-Conn Project is on budget with no significant variances and the same can be said of the Southeast Project. Mr. Kirk said the recycling division actually ran a slight budget surplus; however it is early in the year. He said CRRA is also ahead of budget; however timing issues dominate as it is early in the year.

Mr. Kirk said for tonnage and operations all the Projects are operating within the expected parameters. He said tonnage is still very soft although he optimistically feels that the bottom has been hit because numbers are not continuing to drop. Mr. Kirk said month over month recycling continues to show solid growth 6-7% annually which is remarkable in a soft trash market. Mr. Kirk said the

supplemental information for SWEROC shows a decline, he cautioned the Board to remember that is due to towns leaving the Project.

Mr. Kirk said Mid-Conn capacity factors in the plant are at 89-91%. He said CRRA is still not at the target but remarkably improved and pressure part outages are near zero which is an acceptable range. Mr. Kirk said management is now focusing on material handling issues and generation which are reducing capacity below targeted amounts. He said the Southeast continues to have high reliability.

Mr. Kirk said on the MSA update CRRA is finalizing the offer to the towns after today's meeting. He said towns continue to implement the MSA's and management continues to meet with Town officials to address questions and concerns.

Mr. Kirk said there has been no development on the arbitration with MDC which continues on a schedule, albeit slowly.

Mr. Kirk said that 33 of the present MDC employees have completed packages for applications with assured positions with NAES. He said taking advantage of that institutional knowledge is good for CRRA. Mr. Kirk said management is encouraged by MDC's cooperation to date and hopes to be able to sign a transition agreement with MDC shortly.

Mr. Kirk noted based on public comments, management does and will continue to examine opportunities to reduce administrative costs which are currently at about 3.9% of the operation. He said CRRA is in a high priced district with a very low per square foot rent as there is much empty square footage in Hartford. Mr. Kirk said moving is costly and management continues to threaten to leave when rent increases are suggested.

RESOLUTION REGARDING SERVICE TO THE CONNECTICUT RESOURCES RECOVERY AUTHORITY OCTOBER 27, 2011

Chairman Pace requested a motion on the above referenced item. Mr. Kirk asked Director Martland to read the following resolution on to the record, and requested that the Board members turn their attention to a power point presentation. The following motion was made by Director Martland and seconded by Director Griswold.

WHEREAS, the Connecticut Resources Recovery Authority ("CRRA") was established in 1973 by Special Act 73-459 of the General Assembly to provide Connecticut's cities and towns with environmentally responsible, cost-effective solid waste management services; and

WHEREAS, in 2002 CRRA was close to financial collapse due to an ill-fated deal with the Enron Corporation; and

WHEREAS, the Town of Old Saybrook, as one of the cities and towns that depended on CRRA for managing its solid waste, stood to be adversely impacted by the consequences of the CRRA-Enron deal; and

WHEREAS, Michael A. Pace, in his capacity as First Selectman of the Town of Old Saybrook had frequently criticized CRRA for straying too far from its core mission; and

WHEREAS, the senior leadership of CRRA resigned amid the controversy; and

WHEREAS, in April 2002 the General Assembly passed Public Act 02-46 to place CRRA under the jurisdiction of a new Board of Directors comprised mainly of municipal officials; and

WHEREAS, Mr. Pace was appointed as Chairman of the new CRRA Board of Directors in June 2002; and

WHEREAS, Mr. Pace immediately dedicated himself to stabilizing CRRA and, for six months, served as president of CRRA without taking a salary while also carrying out his duties as First Selectman of Old Saybrook; and

WHEREAS, under Mr. Pace's leadership CRRA today is financially solid and transitioning to a new business model that will provide services at lower costs; and

WHEREAS, Mr. Pace has decided not to seek re-election in Old Saybrook, meaning he will no longer meet the statutory requirement for serving on the CRRA Board of Directors; and

WHEREAS, today, October 27, 2011, is the final meeting of the CRRA Board of Directors before the end of Mr. Pace's term as First Selectman of Old Saybrook; now

BE IT RESOLVED THAT the Connecticut Resources Recovery Authority Board of Directors extends its heartiest congratulations to Michael A. Pace for a job well done; and

BE IT FURTHER RESOLVED THAT the Connecticut Resources Recovery Authority Board of Directors wishes Mr. Pace success in all his future endeavors.

Director Martland said he has worked with Chairman Pace for many years. He said Chairman Pace is the best Chairman of a Board that he has ever been associated with.

Chairman Pace thanked the Board and management for their kindness. He said he has been fortunate to work with an exceptional crew of people through his years of service on the CRRA Board.

Mr. Kirk thanked Chairman Pace for his years of dedication. He said Chairman Pace has acted as a mentor to him, and also was instrumental in assisting him with gaining a better understanding of the mechanics of the public sector. Mr. Kirk said Senator Richard Blumenthal has provided a thank you letter for Chairman Pace which he then read onto the record. He said CRRA also has a plaque to thank Chairman Pace for his years of service and the member towns which make-up CRRA.

Mr. Kirk said many former Board members have come to the meeting to express their thanks and to honor Chairman Pace.

The motion previously made and seconded was approved unanimously by acclamation.

ADJOURNMENT

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

There being no other business to discuss, the meeting adjourned at 12:05 p.m.

Respectfully Submitted,

Moira Benacquista
Board Secretary/Paralegal