

**CONNECTICUT RESOURCES RECOVERY AUTHORITY**

**FOUR HUNDRED AND EIGHTY-FOURTH**

**FEBRUARY 24, 2011**

A special meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, Feb. 24, 2011, in the Board Room at CRRA Headquarters, 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Directors:      Chairman Pace  
                 Timothy Griswold  
                 John Harkins  
                 Dot Kelly (present by telephone)  
                 Theodore Martland  
                 Nicholas Mullane  
                 Ron Van Winkle  
                 Steve Edwards, Bridgeport Project Ad-Hoc  
                 Bob Painter, Mid-Connecticut Project Ad-Hoc  
                 Steve Wawruck, Mid-Connecticut Project Ad-Hoc  
                 Warren Howe, Wallingford Project Ad-Hoc

Present from CRRA:

Tom Kirk, President  
Jim Bolduc, Chief Financial Officer  
Jeffrey Duvall, Manager of Budgets and Forecasting  
Peter Egan, Director of Environmental Affairs & Development  
Laurie Hunt, Director of Legal Services  
Paul Nonnenmacher, Director of Public Affairs  
Marianne Carcio, Executive Assistant  
Moira Benacquista, Board Secretary/Paralegal

Also present were: Vic Fortin, Covanta Energy; Tom Gormley, Town of Middlebury First Selectman; John Pizzimenti of USA Hauling & Recycling; Jim Sandler, Esq., Sandler & Mara.

Chairman Pace called the meeting to order at 1:00 p.m. and said that a quorum was present.

**PLEDGE OF ALLEGIANCE**

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

**PUBLIC PORTION**

Chairman Pace welcomed John Harkins, Mayor of Stratford, CT, to the Board.

Chairman Pace said that the agenda allowed for a public portion in which the Board would accept written testimony and allow individuals to speak for a limit of three minutes. As there were no members of the public which cared to comment Chairman Pace proceeded with the agenda.

**APPROVAL OF THE MINUTES OF AMENDED DEC 2, 2010 SPECIAL BOARD MEETING**

Chairman Pace requested a motion to approve the amended minutes of the Dec. 2, 2010, Special Board Meeting. Director Martland made a motion to approve the minutes, which was seconded by Director Griswold.

The motion to approve the minutes as amended was approved by roll call. Chairman Pace, Director Griswold, Director Kelly, Director Martland, Director Mullane, Director Painter, Director Wawruck, and Director Van Winkle voted yes. Director Edwards, Director Harkins, and Director Howe abstained as they were not present at the meeting.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Timothy Griswold	X		
John Harkins			X
Dot Kelly	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
<b>Ad-Hocs</b>			
Steve Edwards, Bridgeport			X
Bob Painter, Mid-Connecticut	X		
Steve Wawruck, Mid-Connecticut	X		
Warren Howe, Wallingford			X

**APPROVAL OF THE MINUTES OF THE JAN. 27, 2011 REGULAR BOARD MEETING**

Chairman Pace requested a motion to approve the minutes of the Jan. 27, 2011, Regular Board Meeting. Director Martland made a motion to approve the minutes, which was seconded by Director Griswold.

The motion to approve the minutes was approved by roll call. Chairman Pace, Director Edwards, Griswold, Director Kelly, Director Martland, Director Mullane, Director Painter, Director Wawruck, and Director Van Winkle voted yes. Director Harkins, Director Howe, and Director Mullane abstained as they were not present at the meeting.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Timothy Griswold	X		
John Harkins			X
Dot Kelly	X		
Theodore Martland	X		
Nicholas Mullane			X
Ron Van Winkle	X		
<b>Ad-Hocs</b>			
Steve Edwards, Bridgeport	X		
Bob Painter, Mid-Connecticut	X		
Steve Wawruck, Mid-Connecticut	X		
Warren Howe, Wallingford			X

**RESOLUTION REGARDING APPROVAL OF THE MID-CONN RECYCLING REBATE REVIEW**

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

**WHEREAS**, the Authority has encouraged member municipalities to recycle to the maximum extent possible by not charging a tipping fee for the acceptance of recyclables at the Authority’s regional recycling facilities since commencing operations; and

**WHEREAS**, the Authority spent \$3 million to install single stream sorting equipment at its Mid-Connecticut Project Regional Recycling Center with the expectation that single-stream recycling would increase recycling in its participating cities and towns and spent an additional \$60,000 retrofitting the equipment to accept all household plastic containers; and

**WHEREAS**, Mid-Connecticut Project cities and towns delivered more than 83,00 tons of recyclables in FY 201; and

**WHEREAS**, while recycling tonnages decreased from year to year in the remainder of the state, the Mid-Connecticut Project regional recycling center processed approximately 84,00 tons of recyclables in FY 2010 an increase of about 3.5%; and

**WHEREAS**, the Board of Directors adopted the FY 2010 Mid-Connecticut Budget anticipating that a per-ton rebate provision for member municipalities based on the amount of acceptable recyclable tons annually delivered would not be possible; and

**WHEREAS**, the Mid-Connecticut Project Regional Recycling Center operations generated sufficient revenues in excess of expenses to rebate \$5.00 per ton delivered by the municipalities; and

**WHEREAS**, the Authority has accrued sufficient funds for a rebate and the Fiscal Year 2010 audit has been performed and the auditors have confirmed that the funds are accrued and available;

**NOW THEREFORE**, be it

**RESOLVED:** That the Board of Directors approves the use of approximately \$420,000.00 to provide a \$5.00-per-ton rebate to the municipalities based on their pro-rate share of acceptable recycling tonnage delivered to the Mid-Connecticut Regional Recycling Center system.

Director Martland seconded the motion.

The motion previously made and seconded was approved unanimously by roll call. Chairman Pace, Director Griswold, Director Harkins, Director Kelly, Director Martland, Director Mullane, Director Painter, Director Wawruck, and Director Van Winkle voted yes. Director Edwards and Director Howe abstained.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Timothy Griswold	X		
John Harkins	X		
Dot Kelly	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
<b>Ad-Hocs</b>			
Steve Edwards, Bridgeport			X
Bob Painter, Mid-Connecticut	X		
Steve Wawruck, Mid-Connecticut	X		
Warren Howe, Wallingford			X

**RESOLUTION REGARDING ADOPTION OF THE MDC MID-CONN OPERATING BUDGET**

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

**WHEREAS**, The Metropolitan District Commission (MDC) prepared an operating budget for the Mid-Connecticut Project (the MDCMC Proposed Budget) for the period July thru December 2011 and submitted such operating budget to the Authority for review on January 31, 2011; and

**WHEREAS**, The Authority reviewed the MDCMC Proposed Budget and scheduled a meeting on February 3, 2011 with the MDC to seek clarification on certain items included in the MDCMC Proposed Budget; and

**WHEREAS**, upon its review, the Authority determined that the MDCMC Proposed Budget for the Administration reflected a significant increase in contribution to Pension Regular. The budget also included approximately \$31.6 million for a line item entitled “MDC Contract Separation Costs”, for costs purported to be incurred following the expiration of the CRRA-MDC Agreement on December 30, 2011. The Authority recommends the revision of the MDCMC Proposed Budget for the Administration by a reduction in contribution to Pension Regular and the elimination of “MDC Contract Separation Costs”; and

**WHEREAS**, upon its review, the Authority determined that the MDCMC Proposed Budget for the Waste Processing Facility (WPF) reflected a significant increase in contribution to Pension Regular. The Authority recommends the revision of the MDCMC Proposed Budget for the WPF by a reduction in contribution to Pension Regular; and

**NOW, THEREFORE**, it is

**RESOLVED:** That the Board hereby adopts the fiscal year 2012 Mid-Connecticut Operating Budget for the period July 1, 2011 thru December 30, 2011 as submitted by the MDC and revised by the Authority in the form presented at this meeting.

Director Griswold seconded the motion.

The motion previously made and seconded was approved unanimously by roll call. Chairman Pace, Director Griswold, Director Harkins, Director Kelly, Director Martland, Director Mullane, Director Painter, Director Wawruck, and Director Van Winkle voted yes. Director Edwards and Director Howe abstained.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	<b>X</b>		
Timothy Griswold	<b>X</b>		
John Harkins	<b>X</b>		
Dot Kelly	<b>X</b>		
Theodore Martland	<b>X</b>		
Nicholas Mullane	<b>X</b>		
Ron Van Winkle	<b>X</b>		
<b>Ad-Hocs</b>			
Steve Edwards, Bridgeport			<b>X</b>
Bob Painter, Mid-Connecticut	<b>X</b>		
Steve Wawruck, Mid-Connecticut	<b>X</b>		
Warren Howe, Wallingford			<b>X</b>

**RESOLUTION REGARDING APPROVAL OF THE MID-CONN BUDGET**

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

**WHEREAS**, the Connecticut Resources Recovery Authority (the “Authority”) is required by the Municipal Service Agreement (the “MSA”) with the Mid-Connecticut project towns to submit the next succeeding fiscal year budget on a timely basis (i.e., 120 days before the beginning of the next fiscal year); and

**WHEREAS**, the Mid-Connecticut Project’s Fiscal Year 2012 will be the last twelve month fiscal year and the associated debt will be retired on November 15, 2012; and

**WHEREAS**, the Authority has prudently established necessary reserves to fund its liabilities including debt payment, landfill post closure activities, and risk mitigation; and

**WHEREAS**, the Authority has determined that based on the current spread between market interest rates and consumer price index rates, an additional contribution to the Hartford Landfill Post Closure Reserve is necessary to ensure that all landfill post closure liabilities are funded; and

**WHEREAS**, the Authority received \$5,000,000 in fiscal year 2011 from the State Bond Commission for reimbursement of closure activities of its Hartford Landfill; and

**WHEREAS**, similar to other Authority Project expirations, the Authority has identified the need to establish an end-of-Project reserves; and

**WHEREAS**, the final payment on Project bonds will be made on November 15, 2012, and funds now held by the bond trustee will thereupon become available for use by the Authority; and

**WHEREAS**, the Authority proposes a reserve be established to foster recycling, education, and solid waste reduction initiatives to support the Connecticut Department of Environmental Protection’s (the “CTDEP”) Solid Waste Management Plan; and

**WHEREAS**, the Authority’s Operating Agreements for the Mid-Connecticut Waste Processing Facility (the “WPF”), Power Block Facility (the “PBF”), and the Energy Generating Facility (the “EGF”), which will expire in fiscal year 2012, were competitively bid resulting in the selection of a new operator, and the associated annual savings and transition expenses for this operator are incorporated in the Fiscal Year 2012 proposed budget;

**NOW THEREFORE**, it is

**RESOLVED:** that the proposed Fiscal Year 2012 Mid-Connecticut Project operating budget be adopted in the form presented and discussed at this meeting; and

**FURTHER RESOLVED:** that the following tip fees be adopted for the Fiscal Year 2012 operating budget; and

<b>WASTE STREAM</b>	<b>TIP FEES</b>
Municipal Solid Waste (per ton)	\$69.00
Spot Waste (per ton)	Market Rate
Municipal Bulky Waste (per ton)	\$85.00
Ferrous Residue (per ton)	Market Rate
DEP Certified Soils /Cover Material (per ton)	Market Rate
Mattress / Box Spring Surcharge (per unit)	\$30.00
Recycling; Single or Dual Stream (per ton)	\$0.00

**FURTHER RESOLVED:** that the President is hereby authorized to approve the use of funds from the Facility Modification Fund, Rolling Stock Fund, and the Jets/EGF Fund to pay for costs and fees incurred during Fiscal Year 2012 in accordance with the operating and capital budgets adopted pursuant hereto, 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 Policies and Procedures; and

**FURTHER RESOLVED:** that a Recycling, Education, and Solid Waste Initiatives Fund (the “RESWI”) in the amount of \$500,000 be established at the Short Term Investment Fund of the State of Connecticut (“STIF”) to fund solid waste reduction activities in support of the CTDEP Solid Waste Management Plan; and

**FURTHER RESOLVED:** that in accordance with other Authority project expirations, a Post Project Closure Reserve in the amount of \$750,000 be established in a STIF account for project-related expenses that may occur after the Project has ended; and

**FURTHER RESOLVED:** that a Litigation Reserve in the amount of \$1,950,000 be established in a STIF account, and \$694,000 be transferred from the Hartford Landfill Closure Reserve to the Litigation Reserve; and

**FURTHER RESOLVED:** that \$2,676,000 from the Hartford Landfill Closure Reserve be transferred to the Facility Modification Reserve to defray the impact on fiscal year 2012 tip fees, and

**FURTHER RESOLVED:** that \$1,600,000 be transferred from the Hartford Landfill Closure Reserve to the Hartford Landfill Post Closure Reserve, and

**FURTHER RESOLVED:** that \$1,800,000 be transferred from the Risk Fund to the Revenue Fund to defray the impact on fiscal year 2012 tip fees; and

**FURTHER RESOLVED:** that a Transition Fund in the amount of \$3,670,000 be established in a STIF account to support the expenses associated with the transition from the two current operators to one operator; and

**FURTHER RESOLVED:** that \$3,000,000 be transferred from the Hartford Landfill Post Closure Reserve to the Facility Modification Reserve to defray the impact on the Fiscal Year

2012 tip fees and be replaced with \$3,000,000 in fiscal year 2013 from the Renewal & Replacement Fund and the Operating & Maintenance Fund held by the Trustee once these reserves become available in November 2012.

Director Griswold seconded the motion.

The motion previously made and seconded was approved unanimously by roll call. Chairman Pace, Director Griswold, Director Harkins, Director Kelly, Director Martland, Director Mullane, Director Painter, Director Wawruck, and Director Van Winkle voted yes. Director Edwards and Director Howe abstained.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Timothy Griswold	X		
John Harkins	X		
Dot Kelly	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
<b>Ad-Hocs</b>			
Steve Edwards, Bridgeport			X
Bob Painter, Mid-Connecticut	X		
Steve Wawruck, Mid-Connecticut	X		
Warren Howe, Wallingford			X

**ADJOURNMENT**

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

There being no other business to discuss, the meeting was adjourned at 2: 55 p.m.

Respectfully submitted,

Moira Benacquista  
Secretary to the Board/Paralegal