

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND THIRTY

APRIL 26, 2012

A regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thurs. April 26, 2012, in the Board Room at 100 Constitution Plaza, Hartford, CT 06103. Those present were:

Directors: Chairman Don Stein
Louis J. Auletta, Jr.
David Damer
Timothy Griswold
Dot Kelly (present by telephone)
Ted Martland
Andrew Nunn (present by telephone)
Scott Slifka (present by telephone)
Steve Edwards, Bridgeport Project Ad-Hoc
Mark Tillinger, Bridgeport Ad-Hoc (present by telephone)
Bob Painter, Mid-Connecticut Project Ad-Hoc
Steven Wawruck, Mid-Connecticut Project Ad-Hoc

Present from CRRA in Hartford:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Peter Egan, Director of Environmental Affairs and Operations
Laurie Hunt, Director of Legal Service
Paul Nonnenmacher, Director of Public Affairs
Jim Perras, Government Relations Liaison
Chris Shepard, Senior Environmental Engineer
Nhan Vo-Le, Director of Accounting
Moira Benacquista, Board Secretary/Paralegal
Marianne Carcio, Executive Assistant

Others present: Dave Aldridge, SCRRRA; Dick Barlow, First Selectman of Canton CT; John Pizzimenti, USA Hauling; Joe Vitale, Covanta.

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

PUBLIC PORTION

Chairman Stein said 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 present wishing to speak, Chairman Stein proceeded with the meeting agenda.

APPROVAL OF THE MINUTES OF THE MARCH 29, 2012, BOARD MEETING

Chairman Stein requested a motion to approve the minutes of the March 29, 2012, Special Board Meeting. Director Damer made a motion to approve the minutes, which was seconded by Director Martland.

The motion previously made and seconded to approve the minutes as amended and discussed was approved by roll call. Chairman Stein, Director Auletta, Director Damer, Director Edwards, Director Griswold, Director Kelly, Director Martland, Director Nunn, Director Painter, Director Slifka, Director Tillinger voted yes.

Directors	Aye	Nay	Abstain
Chairman Donald Stein	X		
Louis J. Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Scott Slifka	X		
Ad-Hocs			
Steve Edwards, Bridgeport	X		
Bob Painter, Mid-Ct	X		
Mark Tillinger	X		

FINANCE COMMITTEE

RESOLUTION REGARDING APPROVAL OF 3 YEAR AUDIT CONTRACT

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

RESOLVED: That the President of the Authority is hereby authorized to enter into a contract with the auditing firm of Bollam, Sheedy, Torania & Co., LLP, CPAs (“BST”), as substantially presented at this meeting. This contract will commence on May 1, 2012 and expire on March 31, 2015.

Mr. Bolduc said CRRA is required to put out an RFP every three years for independent auditing services and by statute every six years CRRA is required to hire new auditors all together. He explained three years ago CCR was CRRA’s auditing firm, and as they had completed six years as CRRA’s auditing firm Bollam, Sheedy & Torani (“BST”) was then brought on board. Mr. Bolduc said after three

years with BST, CRRA went out to bid and received six responses which are ranked within the Board package.

Mr. Bolduc said a Committee consisting of himself, Ms. Vo-Le, and Mr. Guzoski (CRRA’s Contracts & Procurement Manager) performed a thorough review of the bid responses. He said the resulting summary was presented to and approved by the Finance Committee. Mr. Bolduc said based on the review and discussions management is recommending staying with BST for the next three years. Mr. Bolduc said some of the firms had experience in the Solid Waste Industry, a unique business which makes CRRA’s audit a specialty. He said BST has experience not only in the GAAP accounting area but also possess an understanding of the Solid Waste Industry.

Mr. Bolduc said management added one calculation to the rates to assist with the analysis. He said auditing is less of a product than a service and is not just a function of the total amount of dollars. Mr. Bolduc said management evaluates experience in the industry as well as the estimate of audit hours which will be committed to the job. Mr. Bolduc said management added a category which calculates the overall hourly fee for comparison. He said BST falls right in line with the other bid responders. Mr. Bolduc said there was one response which had a low fee; however they have no experience in the Solid Waste Industry. He said the firms which do are all within a couple of dollars per hour.

Director Martland said the Finance Committee voted unanimously in favor of management’s recommendation. Director Kelly asked if the fact that BST is from New York has been beneficial to CRRA. Mr. Bolduc said BST’s comes in with a pure eye to perform the audit which is good.

Director Griswold noted that next year CRRA will have a stub period requiring an additional audit and the fact that BST is already experienced with CRRA will be helpful.

The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Nunn, and Director Slifka voted yes.

Directors	Aye	Nay	Abstain
Chairman Donald Stein	X		
Louis J. Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Scott Slifka	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Bob Painter, Mid-Ct			
Mark Tillinger			

MOTION TO ADD AN ITEM TO THE AGENDA CONCERNING A RESOLUTION REGARDING DISBURSEMENT OF AUTHORITY FUNDS

Chairman Stein requested a motion to add the above referenced item to the agenda. The motion to add the item to the agenda was made by Director Damer and seconded by Director Martland.

RESOLVED: That the funds of the Authority deposited or invested in any financial institution (except Trustee-held funds) be subject to withdrawal at any time through checks, notes, drafts, bills of exchange, acceptance, or other instruments (including wire transfer and electronic banking) for the payment of money when made, signed, accepted or endorsed on behalf of the Authority, by two of the following: Tom Kirk, Jim Bolduc, Jeff Duvall or Tina Mateo, provided however that Tom Kirk or Jim Bolduc must at least be one of the two signers.

FURTHER RESOLVED: That any funds transferred solely between Authority bank accounts shall require a signature from only one of the individuals authorized above.

FURTHER RESOLVED: That funds of the Authority held by the Trustee be subject to withdrawal at any time upon written requisitions or instructions for the payment of money, when made, signed, accepted or endorsed on behalf of the Authority by any one of the individuals authorized above.

The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Director Auletta, Director Damer, Director Edwards, Director Griswold, Director Kelly, Director Martland, Director Nunn, Director Painter, Director Slifka, and Director Tillinger voted yes.

Directors	Aye	Nay	Abstain
Chairman Donald Stein	X		
Louis J. Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Scott Slifka	X		
Ad-Hocs			
Steve Edwards, Bridgeport	X		
Bob Painter, Mid-Ct	X		
Mark Tillinger	X		

RESOLUTION REGARDING DISBURSEMENT OF AUTHORITY FUNDS

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

RESOLVED: That the funds of the Authority deposited or invested in any financial institution (except Trustee-held funds) be subject to withdrawal at any time through checks, notes, drafts, bills of exchange, acceptance, or other instruments (including wire transfer and electronic banking) for the payment of money when made, signed, accepted or endorsed on behalf of the Authority, by two of the following: Tom Kirk, Jim Bolduc, Jeff Duvall or Tina Mateo, provided however that Tom Kirk or Jim Bolduc must at least be one of the two signers.

FURTHER RESOLVED: That any funds transferred solely between Authority bank accounts shall require a signature from only one of the individuals authorized above.

FURTHER RESOLVED: That funds of the Authority held by the Trustee be subject to withdrawal at any time upon written requisitions or instructions for the payment of money, when made, signed, accepted or endorsed on behalf of the Authority by any one of the individuals authorized above.

Mr. Kirk said this resolution is being presented for approval at the insistence of one of the banks authorizing the removal of Ms. Ferguson's signatory rights. Mr. Bolduc said two steps must be taken. He said Ms. Ferguson's authorization needs to be removed so she may no longer perform wire transfers and secondly Ms. Mateo will be appointed the new signatory and key contact between the bank trustee and the Treasurer's STIF accounts.

Director Martland asked if CRRA has two signature checks. Mr. Kirk replied yes. Mr. Bolduc said there is one signature and he or Mr. Kirk must always counter sign.

Director Painter said the amount of funds which can be moved out of accounts without Board approval is limited to \$50,000. He said he was not sure if that type of action is necessary in this case, but there does not seem to be such a restriction. Mr. Bolduc explained the control procedure for the wires must be set up with Bank of America. He said the wires are set up from specific accounts to specific CRRA accounts. Mr. Bolduc said setting up the specific moving of funds between accounts requires two signatures.

Director Painter said CRRA had limitations concerning other types of withdrawals. He asked why the same limitations are not in place in this case. Mr. Bolduc said the control system is in the approval. He explained once the expense is approved the mechanics of paying the check are required.

The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Nunn, and Director Slifka voted yes.

Directors	Aye	Nay	Abstain
Chairman Donald Stein	X		
Louis J. Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Scott Slifka	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Bob Painter, Mid-Ct			
Mark Tillinger			

POLICIES & PROCUREMENT COMMITTEE

RESOLUTION REGARDING A HOST COMMUNITY BENEFIT AGREEMENT AND LEASE AGREEMENT WITH THE TOWN OF ESSEX

Chairman Stein said at the request of the First Selectman of Essex this item will be addressed the following month.

Mr. Kirk said management met with the First Selectman of Essex as there have been several new developments. He explained the First Selectman and his team require a more thorough understanding of the relationship with other CRERPA towns and how they pay for and reimburse the Town of Essex on a host of services, some relating to CRRA collection of additional fees for CREPA. Mr. Kirk said the First Selectman of Essex has asked CRRA to postpone this item for another month.

RESOLUTION REGARDING A TRUST AGREEMENT WITH WELLS FARGO ASSOCIATED WITH REMEDIATION ACTIVITIES AT THE SOUTH MEADOWS SITE

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

RESOLVED: That the President of CRRA is authorized to execute an Instrument of Resignation, Appointment and Acceptance with Wells Fargo Bank, National Association, substantially as presented and discussed at this meeting.

Director Damer said when CRRA took over the South Meadows site, due to prior contamination; a responsible party was required to clean up that site. He explained TRC has taken that on through contractual arrangements, although the trust fund needs to be set up through CRRA as it is the owner of the site. Director Damer said TRC funds the trust fund and CRRA acts as the conduit.

Director Damer said this resolution provides for a change in the bank which will be administering the trust fund. He explained the current bank is not going to be handling trusts like this in

the future. He said this resolution is at no cost to CRRA and only pertains to the funds placed in this account by TRC for the long term resolutions of issues at the site.

Mr. Kirk said the South Meadows site originally involved a very significant environmental remediation effort which was wrapped into the broader transaction between CRRA and CL&P. He said it was a \$26 million project and was originally CL&P's power plant of which CRRA then became the owners. Mr. Kirk said the Connecticut transfer act requires a cleanup of industrial standards. Mr. Kirk said by the conclusion this land will be cleaned up, with the exception of the land found beneath the buildings which is exempt from the transfer act responsibilities. He said the South Meadows site will be an asset unimpeded for development under the industrial specifications.

Director Griswold said the amount of funds seems rather small in proportion to the possible complications. He asked how this amount is determined. Director Damer said this is small area under a building. Mr. Egan said it is an area that is about 800 square feet containing PCB's which extends under the power block facility and cannot be removed without structural risk to the facility. He said the CT DEEP allowed CRRA to use a regulation which allows CRRA to leave the material in place and create a mini landfill. Mr. Egan said this trust agreement provides for thirty years of post-closure and maintenance for the concrete pad over the area and one ground water monitoring well.

Director Griswold asked if the building was to go away if it would be CRRA's responsibility to remove the soil. Mr. Egan said he would have to review the contract for that specific question however he believes the answer is yes. Director Damer said the trust has already been set up; this resolution switches one bank to another. Chairman Stein said this is a financial transaction.

Mr. Bolduc said when the year-end audit is performed this issue will come up and will need to be identified and addressed.

The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Nunn, Director Painter, and Director Slifka voted yes.

Directors	Aye	Nay	Abstain
Chairman Donald Stein	X		
Louis J. Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Scott Slifka	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Bob Painter, Mid-Ct	X		
Mark Tillinger			

**RESOLUTION REGARDING ESTABLISHING A SPECIAL COMMITTEE TO STUDY
OPTIONS FOR MUNICIPAL SOLID WASTE DISPOSAL FOLLOWING THE MATURITY OF
THE SOUTHEAST PROJECT BONDS**

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

WHEREAS, the Connecticut Resources Recovery Authority (the “Authority”) is the conduit issuer for the waste management projects financed by bonds for the Southeastern Connecticut Regional Resources Recovery Authority (“SCRRA”), the latest of which bonds matures on November 15, 2015; and

WHEREAS, pursuant Connecticut General Statutes Section 22a-268f a special committee is to be formed at least three years prior to the last maturity date of any bonds issued for a waste management project to study the options available for solid waste disposal; and

WHEREAS, the special committee is to be comprised of five representatives of the project financed and five representatives of the Authority; and

WHEREAS, the Board of Directors of SCRRA has selected the five members of its Executive Committee to be the five representatives for the Southeast project and has also requested the five members from the Authority to serve on the committee.

NOW, THEREFORE, it is

RESOLVED: That a Special Committee is hereby formed and charged to study options available for the disposal of solid waste from the Southeast Project municipalities and to report thereon to this Board; and

FURTHER RESOLVED: that Special Committee consists of the five representatives selected by the project together with Authority’s President, Chief Financial Officer, Director of Operations and Environmental Affairs, Director of Legal Services, and Senior Operations Analyst.

Chairman Stein noted that the resolution being approved was slightly revised the day prior to illustrate the change from “Assistant Treasurer & Director of Finance” to “Senior Operations Analyst”.

Mr. Kirk said the statute requires CRRA and the member towns to create a Future Options Committee at least two years before the scheduled repayment of the bonds for each of the projects. He said it is a great opportunity for CRRA and the towns to prepare for and plan a transition to a new system to ensure uninterrupted services and to examine new technologies and services for the needs of the towns and haulers.

Director Damer said SCRRA has nominated all Board members and CRRA members are part of the management team. Mr. Bolduc said in this case SCRRA is the primary Board and CRRA acts as support by providing management and data.

Director Kelly asked for clarification as to which Board the “Resolved” refers to. Ms. Hunt explained the “Resolved” refers to the CRRA Board. Mr. Kirk said that language mirrors CRRA’s governing statute. He said SCRRRA is an operating authority and CRRA is required to have this Committee per the statutes. Director Kelly asked what the time frame is. Ms. Hunt explained the report must be submitted two years prior to the scheduled completion of the bonds.

The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Nunn, and Director Slifka voted yes.

Directors	Aye	Nay	Abstain
Chairman Donald Stein	X		
Louis J. Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Scott Slifka	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Bob Painter, Mid-Ct			
Mark Tillinger			

PRESIDENT’S REPORT

Mr. Kirk said in the past month all CRRA facilities operated without environmental or public health events. He asked the Board to refer to the Supplemental Package. Mr. Kirk said year to date CRRA had a small surplus and is expected to be on budget for the full fiscal year. He said the recycling project is also having a small surplus for the period. Mr. Kirk said management is also expecting a small surplus of about \$65,000 for the full year primarily due to a higher tonnage of recycling, lower overhead of administration and labor costs, building costs offset by some higher electric and fuel costs and some expired residential and contract costs from the old FCR contract.

Mr. Kirk said a \$1.1 million surplus is anticipated on the Southeast Project. He said of note are improvements in metal sales revenue and reduced deliveries of member and spot waste, which is a concern for all of the projects. Mr. Kirk said waste deliveries are about 7% below last year’s March period.

Mr. Kirk said Mid-Conn is anticipating a modest surplus of \$500,000 despite the last month of electric revenue coming in at a much lower rate. He said there have been some favorable waste deliveries on the spot side which reflects CRRA’s more favorable operating scenarios and does not reflect a healthier market. Mr. Kirk said improved metals revenue, lower administrative expenses and lower than budgeted operating costs for the WPF are contributing factors to the anticipated surplus.

Mr. Kirk said operation and maintenance costs for the jets remains slightly unfavorable due to higher than anticipated costs. He said all of the CRRA facilities are struggling with fuel shortages due to the poor economy and diversions. Mr. Kirk said Mid-Conn in particular has suffered about twelve days of boiler down time due to fuel shortages since March 15. He explained that means revenue losses in terms of power at a 3.3% rate. Mr. Kirk said even at that low rate that is \$350,000 in lost tip fees and about \$1.2 million in impact, a very significant impact to the facilities. He said there is a diversion concern and management is aware that some of the waste is being lost to other locations. Mr. Kirk said it continues to be a problem and if the economy does not grow the waste stream it will continue to be an issue.

Director Martland asked if increased recycling contributes to the lack of MSW. Mr. Kirk said that it is having an effect as many of the CRRA towns have seen a double digit increase in recycling. He explained however residential recycling is such a small part of the MSW stream it does not equal the thousands of tons of missing garbage which is a result of diversion due to fire sales at other locations.

Director Edwards asked what CRRA's spot market price is. Mr. Kirk said CRRA's contract rate is \$69.00 and noted that management has heard of spot market prices anywhere from \$30 to as low as \$20.

Mr. Kirk said CRRA's RFI for compost and development is out and CRRA is hoping for some partners to work with in developing a composting project. He said CRRA's single stream RFP for Stratford was released on the 16th and he is optimistic that CRRA will receive responses. Mr. Kirk said the RFP for the Stratford single stream facility was literally five inches thick. He said the vast majority of the RFP consist of documents and amendments required by statute and CRRA procedural requirements.

Mr. Kirk said he would like to address that issue with the Board in the future to see where CRRA can economize on what is required of its bidders. He explained some independent firms may not have the time to go through such exacting documentation.

Mr. Kirk said 42 towns have signed with CRRA and a number are still in a holding game due to the market and current activity. He said management is confident that the waste is out there to keep the plant full.

Mr. Kirk said CRRA extended the contracts for the transfer station operators for the last year in a previously agreed upon agreement for CWPM and Copes as provided for in the contract at a very favorable price. He explained this was done as CRRA does not know what its requirements will be in the following year so it made sense rather than going out to bid for a long term contact.

Chairman Stein suggested the strategic planning meeting be postponed until May 17, 2012. He said he will also be addressing possible openings at the committee level at this meeting.

Director Kelly noted that she will be staying on the Board until June 30, 2012 although she will be resigning at that point in time.

EXECUTIVE SESSION

Chairman Stein 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 Damer and seconded by Director Auletta, was approved unanimously. Chairman Stein asked the following people join the Directors in the Executive Session:

- Tom Kirk
- Jim Bolduc
- Peter Egan
- Laurie Hunt
- Chris Shepard

The Executive Session began at 10:26 a.m. and concluded at 11:37 a.m. Chairman Stein noted that no votes were taken in Executive Session.

The motion previously made and seconded to go into Executive Session was approved unanimously by roll call. Chairman Stein, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Nunn, Director Painter, and Director Slifka voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Louis J. Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Scott Slifka	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Bob Painter, Mid-Ct	X		
Mark Tillinger			

RESOLUTION REGARDING ADDITIONAL PROJECTS LEGAL EXPENDITURES

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

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 Authority and mid-Connecticut Project 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>
Halloran & Sage	\$350,000

The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Director Auletta, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Nunn, and Director Slifka voted yes.

Directors	Aye	Nay	Abstain
Chairman Donald Stein	X		
Louis J. Auletta	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Scott Slifka	X		
Ad-Hocs			
Bob Painter, Mid-Ct			

ADJOURNMENT

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

There being no other business to discuss, the meeting adjourned at 11:39 a.m.

Respectfully Submitted,

Moira Benacquista
Board Secretary/Paralegal