

CONNECTICUT RESOURCES RECOVERY AUTHORITY

THREE HUNDRED FIFTY-THIRD MEETING

JANUARY 16, 2003

A regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, January 16, 2003 at the 211 Murphy Road, Hartford. Those present were:

Chairman Michael A. Pace

Directors: Benson Cohn
 Theodore Martland
 Howard Rifkin (delegate for Director Nappier)
 Stephen Cassano
 James Francis
 Mark Cooper
 John Mengacci (delegate for Director Ryan)
 Mark Lauretti
 Ray O'Brien
 Andrew Sullivan

Directors Knopp, Boone, Blake, Ryan and Nappier did not attend.

Present from the CRRA staff:

James Bolduc, Finance Division Head
Bettina Bronisz, Assistant Treasurer & Director of Finance
Cheryl Burke, Educational Programs Director
Michael Bzdyra, Senior Analyst
John Clark, Operations Division Head
Robert Constable, Senior Analyst
Peter Egan, Director of Environmental Services
Brian Flaherty, Communications Coordinator
Thomas Gaffey, Recycling & Environmental Education Division Head
Gary Gendron, Director of Administration
Thomas Kirk, President
Lynn Martin, Insurance and Claims Manager
Angelica Mattschei, Executive Assistant & Corporate Secretary
John Romano, Projects Manager
Diane Spence, Secretary
Ann Stravalle-Schmidt, Director of Legal Services

Others in attendance were: John Stafstrom, Jr. of P&C; Joyce Tentor of HEJN; David Arruda of MDC; Frank Marci of USA Hauling; Jerry Tyminski of SCRRRA; Peter Boucher of H&S; John Maulucci of BRRFOC; Steve Diaz of Covanta; Lori Wachtelhausun from the City of Hartford; Frank Robinson of SA&B; Maureen Regula of the AG's Office and James Burns of Marsh USA, Inc.

Chairman Pace called the meeting to order at 9:05 a.m. and noted that a quorum was present. Chairman Pace requested that everyone stand up for the Pledge of Allegiance, whereupon, the Pledge of Allegiance was recited.

PUBLIC PORTION

Chairman Pace said that the next item on the agenda allowed for a public portion between 9:00 a.m. and 9:30 p.m. in which the Board would accept written testimony and allow individuals to speak for a limit of three minutes. Chairman Pace asked whether any member of the public wished to speak.

Ms. Joyce Tentor of the Hartford Environmental Justice Network (HEJN) introduced herself and publicly thanked Chairman Pace, Mr. Kirk and facilities staff for the tour they provided the HEJN of CRRA facilities. She said that a resolution was passed by HEJN creating a public counsel to act as a liaison between the public and CRRA. She said that many of the CRRA Board members did not live in Hartford and were not at the forefront of issues essential to the city.

APPROVAL OF THE DECEMBER 19, 2002 REGULAR BOARD MINUTES

Chairman Pace requested a motion to approve the minutes of the December 19, 2002 regular Board meeting. Director O'Brien made the motion which was seconded by Director Cooper.

Director O'Brien asked what the status was of the research regarding the powers of a Vice Chairman. Ms. Schmidt replied that it would be provided to the Board as soon as it was available.

Director Sullivan said the first page of the minutes erroneously listed him as being present by phone. Director Mengacci cited typographical errors.

The motion previously made and seconded was approved unanimously.

CHANGE IN MEETING DATES

Due to calendar and business needs, Chairman Pace suggested that the February 20, 2003 regular Board meeting date be changed to February 27, 2003. The motion to change the regular Board meeting date to February 27, 2003 made by Director O'Brien and seconded by Director Cassano was approved unanimously.

ADDITIONS TO THE AGENDA

Chairman Pace requested a motion to add items to the regular agenda. Director Rifkin made a motion to add an item regarding communication with the Attorney General's Office on legal fees of firms representing CRRA to the agenda. The motion made by Director Rifkin and seconded by Director Martland was approved unanimously.

FINANCE

REVENUE AND EXPENDITURE REPORT FOR THE MONTH OF NOVEMBER 2002

Ms. Bronisz presented the Revenue and Expenditure report for the month of November 2002 to the Board.

MID-CONNECTICUT REVENUE FUND ANALYSIS

Ms. Bronisz presented the Mid-Connecticut Revenue Fund analysis to the Board.

AUTHORIZATION WITH RESPECT TO RETENTION OF AUDITING FIRM

Chairman Pace requested a motion on the referenced topic. Director Sullivan made the following motion:

RESOLVED: That the President of the Authority be, and hereby is, authorized to enter into a contract with the auditing firm of Carlin, Charron & Rosen, LLP as substantially presented at this meeting.

Director O'Brien seconded the motion.

The motion previously made and seconded was approved unanimously.

AUTHORIZATION REGARDING THE DISBURSEMENT OF AUTHORITY FUNDS

Chairman Pace requested a motion on the referenced topic. Director O'Brien made the following motion:

RESOLVED: That the funds of the Authority deposited in Fleet Bank or otherwise invested (except Trustee-held funds and funds in the CRRA/MDC Arbitration Escrow bank account) be subject to withdrawal or charge at any time and from time to time upon checks, notes, drafts, bills of exchange, acceptance, or other instruments for the payment of money or upon directions for the wire transfer of money, when made, signed, drawn, accepted, or endorsed on behalf of the Authority, by any two of the following: Tom Kirk, Jim Bolduc, Bettina Bronisz, John Clark, Nhan Vo-Le or Michael A. Pace provided, however, wire transfers between Authority bank accounts or otherwise invested Authority funds (including to and from Trustee-held funds and the CRRA/MDC Arbitration Escrow bank account) shall require instructions from one of the foregoing.

FURTHER RESOLVED: That Trustee-held funds and the CRRA/MDC Escrow Arbitration bank account be subject to withdrawal or charge at any time and from time to time upon requisitions/instructions, checks, notes, drafts, bills of exchange, acceptance or other instruments for payment of money or upon directions for the wire of transfer money, when made, signed, drawn, accepted, or endorsed on behalf of the Authority, by any one of the above individuals.

Director Sullivan seconded the motion.

The motion previously made and seconded was approved unanimously.

AUTHORIZATION REGARDING THE GENERAL ADMINISTRATION BUDGET FOR FISCAL YEAR 2004

Director Sullivan said that the Administration Budget for FY04 assumed a salary increase of 4%. There was a lengthy discussion regarding the matter.

Chairman Pace requested a motion on the referenced matter. Director O'Brien made a motion to approve the General Administration Budget for Fiscal Year 2004 but not to expend the salary increase. The distribution of salary increases would be subject to review by the full Board. Director Sullivan seconded the motion.

The motion previously made and seconded was approved. Director Mengacci abstained from the vote.

AUTHORIZATION REGARDING LEGAL FEES

Chairman Pace requested a motion on the referenced topic. Director Rifkin made the following motion:

RESOLVED: That the Chairman and the President of the Authority be, and hereby is, directed to meet with the Attorney General for the purpose of restructuring the legal fee arrangement with those firms hired by the Attorney General to represent CRRA in the Enron matter. Specifically, it is the Board's intent to seek a contingency fee arrangement with those firms.

Director Martland seconded the motion.

The motion previously made and seconded was approved unanimously.

PROJECT REPORTS

BRIDGEPORT

ADOPTION OF THE FISCAL YEAR 2004

Chairman Pace requested a motion on the referenced topic. Director O'Brien made the following motion:

RESOLVED: That the fiscal year 2004 Bridgeport Project Budget be adopted substantially in the form as discussed at this meeting and that a fiscal year 2004 member tipping fee of \$63.00 per ton for the market component of the fee and \$8.00 per ton for the minimum commitment component of the tip fee for an all-inclusive fee of \$71.00 be adopted.

Director Sullivan seconded the motion.

The motion previously made and seconded was approved unanimously.

AUTHORIZATION REGARDING THE CREATION AND FUNDING OF A SHELTON LANDFILL FUTURE USE RESERVE ACCOUNT

Chairman Pace requested a motion on the referenced topic. Director O'Brien made the following motion:

Whereas: CRRA desires to create a divisible reserve account within the Bridgeport Project for the Shelton Landfill for future use expenditures of the Shelton Landfill ("Shelton Landfill Future Use Reserve");

Whereas: CRRA desires to fund the Shelton Landfill Future Use Reserve with \$630,000.00 from Fiscal Year 2003 Operating Budget of the Bridgeport Project;

RESOLVED: That the CRRA Finance Department is authorized to create a Shelton Landfill Future Use Reserve and fund it with \$630,000.00 from FY 03 Operating Budget of the Bridgeport Project.

Director Sullivan seconded the motion.

The motion previously made and seconded was approved unanimously.

MID-CONNECTICUT

AUTHORIZATION REGARDING THE PURCHASE OF COAL

Chairman Pace requested a motion on the referenced topic. Director O'Brien made the following motion:

RESOLVED: The Chairman, Vice Chairman, or President is authorized to enter into an agreement with Mountain Resources for the purchase of up to 5,000 tons of coal at a cost of \$61.90 per ton. Be it further resolved that the Chairman, Vice Chairman, or President is authorized to purchase 2,500 tons of coal under the executed agreement with Mountain Resources.

Director Martland seconded the motion.

The motion previously made and seconded was approved unanimously.

RECYCLING

RECOGNITION AND ACCEPTANCE OF BOETTNER AWARD FOR ENVIRONMENTAL EDUCATION EXCELLENCE FOR CRRA

Mr. Gaffey and Ms. Burke informed the Board that CRRA has received the Beth Brown Boettner Award for Outstanding Public Education given by the National Recycling Coalition ("NRC").

EXECUTIVE SESSION

Chairman Pace requested a motion to convene an executive session to discuss litigation, pending litigation, contractual negotiations and personnel matters with appropriate staff. Director Rifkin made the motion which was seconded by Director Sullivan. Chairman Pace requested that Mr. Kirk, Ms. Schmidt, Mr. Clark, Mr. Boucher, Mr. Cohn and Ms. Regula remain during the executive session. The motion previously made and seconded was approved unanimously.

The Executive Session began at 10:39 a.m.

The Executive Session concluded at 12:44 p.m.

Chairman Pace reconvened the Board meeting at 12:45 p.m.

Chairman Pace noted that no votes were taken in Executive Session.

APPROVAL OF SETTLEMENT AGREEMENT WITH FCR, INC. FOR EQUIPMENT REPAIRS AND NON-CONFORMING RECYCLABLE PROCESSING FEE

Chairman Pace requested a motion on the referenced topic. Director Sullivan made the following motion:

RESOLVED: The President is authorized to enter into a settlement agreement with FCR, Inc. for equipment repairs and non-conforming recyclable processing fees, substantially in the form as presented and discussed at this meeting.

Director O'Brien seconded the motion.

The motion previously made and seconded was approved unanimously.

PROJECT REPORTS (CON'T)

SOUTHEAST

Ms. Bronisz presented the Southeast Operating Budget for Fiscal Year 2004 to the Board.

CHAIRMAN'S AND COMMITTEE REPORTS

FINANCE COMMITTEE

Director Sullivan gave the Board a report of its January 9, 2003 Finance Committee meeting. Director Sullivan discussed an analysis of Terrorism Insurance and the Financial Mitigation Plan.

POLICY & PROCUREMENT COMMITTEE

Director Cohn gave the Board a report on its January 2, 2003 Policy & Procurement Committee meeting. Director Cohn said that the Committee has started a review of adopted policies and that he was no longer recused from the CRRA relocation project.

CHAIRMAN'S REPORT

Chairman Pace gave a report on various items including proposed legislative impacts, business model, contract review and plan of operation.

EXECUTIVE SESSION

Chairman Pace requested a motion to convene an executive session to discuss real estate and personnel issues with appropriate staff. Director Cohn made the motion which was seconded by Director Martland. Chairman Pace requested that Mr. Kirk, Mr. Gendron remain during the executive session. The motion previously made and seconded was approved unanimously.

The Executive Session began at 1:05 p.m.

The Executive Session concluded at 1:53 p.m.

Chairman Pace reconvened the Board meeting at 1:54 p.m.

Chairman Pace noted that no votes were taken in Executive Session.

CHAIRMAN'S AND COMMITTEE REPORTS (CON'T)

ORGANIZATIONAL SYNERGY & HUMAN RESOURCES COMMITTEE

Director Cassano said that the Policy & Procurement Committee has referred six items regarding the review of policies to the OS&HR Committee. The OS&HR Committee accepted the referral, he said.

Director Cassano made a motion to authorize salary adjustments up to 4% be granted. Director O'Brien seconded the motion. The motion previously made and seconded was passed. Directors Mengacci and Lauretti abstained from the vote

AJOURNMENT

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

There being no other business to discuss, the meeting was adjourned at 1:57 p.m.

Respectfully submitted,

Angelica Mattschei
Corporate Secretary to the Board