

CONNECTICUT RESOURCES RECOVERY AUTHORITY

THREE HUNDRED SEVENTIETH MEETING

APRIL 15, 2004

A regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, April 15, 2004 at 100 Constitution Plaza, Hartford. Those present were:

Chairman Michael Pace

Directors: Stephen Cassano
Andrew Sullivan (present by phone)
Mark Lauretti
James Francis
Mark Cooper
Ray O'Brien
Alex Knopp (present by phone)
Theodore Martland
Sherwood Lovejoy (ad hoc for Bridgeport)
Timothy Griswold (ad hoc for Mid-Connecticut)

Present from the CRRA staff:

James Bolduc, Chief Financial Officer
Peter Egan, Director of Environmental Affairs & Development
Floyd Gent, Director of Operations
Thomas Kirk, President
Angelica Mattschei, Corporate Secretary
Ann Stravalle-Schmidt, Director of Legal Services

Others in attendance were: Larry Brown of HI; Oshrat Carmiel of the Hartford Courant; George Primich, Todd Koehler, Jim Riley, David Arruda and Dominick DiGangi of the MDC; Larry Dorman, Brian Anderson and Sal Luciano of Council 4 AFSCME; Christine Stewart of the JI; Valentine Doyle of HEJN; Frank Marci of USA Hauling; and Jerry Tyminski of SCRRA.

Chairman Pace called the meeting to order at 9:30 a.m. Chairman Pace requested that everyone stand up for the Pledge of Allegiance, whereupon, the Pledge of Allegiance was recited.

Ms. Mattschei requested that the Board of Directors complete their Statements of Financial Interests before the May 3, 2004 deadline and forward a copy to her for CRRA's records.

PUBLIC PORTION

Chairman Pace said that the next item on the agenda allowed for a public portion between 9:30 a.m. and 10:00 a.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.

Mr. Sal Luciano introduced himself and addressed the Board as quoted below:

“Good morning CRRA Board Members, Chairman Pace and President Kirk. My name is Salvatore Luciano. I am the Executive Director of AFSCME Council 4, representing over 35,000 employees in Connecticut, including those who work for the Metropolitan District Commission.

I am here to speak in opposition of transferring two more transfer stations from our MDC employees to private vendors.

Was the Manafort company able to save money? If they did, it was because they were taking dangerous short cuts both literally and figuratively.

The public give away by CRRA of one million dollars worth of trucks to this vendor clearly made it “easier” to be run more cheaply. This was then followed by the furtive and mysterious way the trucks came back to CRRA about the time the federal government began looking into this.

The trucks were about run into the ground. They also were run overweight and through short cut secondary roads, a hazard to communities and residents and in violation of the prior safety policies and practice in place. Truck weight tickets out of the Torrington transfer station proved 626 out of 714 trucks loaded and run by Manafort were over the legal weight limit.

In other words, 88% of those trucks were overweight and therefore illegally traveling down public roads. In case you believe this was an aberration, Watertown’s record at the time was 85% overweight. An overweight truck has an unsafe stopping distance.

The transfer stations run by Manafort also put them briefly in position to weigh competitor trucks as well as their own, clearly a conflict of interest until complaints stopped this scandal.

These kinds of things only happen when accountability and transparency are hidden by contracts with private business.

The transfer stations run by Manafort have been down for countless hours due to equipment failure.

It is not unusual for towns such as Waterbury to have to go to Torrington when Watertown was down, at further expense to Waterbury.

Given all these problems, it is almost beyond belief that CRRA would be considering the privatization of the remaining transfer stations.

I know that this board is trying desperately to get out from under the disaster that the Enron-CRRA blunder created.

I know that in order to save money, CRRA decided it didn't need the large space it leased. I know that to get out of this more expensive lease, it paid \$860,000. I know that the money was charged to MDC. And I know that CRRA has hired many consultants to help them figure out ways to do so.

Yet, I also know that CRRA has hired 14 additional employees, even as our employees have been dislocated and face layoffs if your budget recommendations are implemented. While CRRA has hired more employees, (in part to manage MDC staff that manages our workers), our employees, the ones who wear the gloves and do the dirty work, suffer.

When CRRA broke the last contract with MDC, the employees were out of a job with as little as ten minutes notice. This cost 28 workers their jobs. At the time, MDC was able to find work for many of them by putting them in unfilled and lower positions. Those positions are no longer available.

Privatization generally doesn't work. Savings generated by exploiting worker wages and benefits are usually more than eaten up by the profits corporations and businesses need to make.

Savings are often "low balled" at first, especially if resources are handed over. These prices usually shoot up as the corporations know that it cost prohibitive to re-purchase the equipment to take the functions back.

According to your website's mission statement, CRRA – and I quote—"will strive to maintain public accountability as we provide these essential public services in partnership with the private sector."

Our members who are employed by the MDC are proud of the quality public services they provide. They have been through difficult and trying times, often feeling like a "ping pong ball" going back and forth between CRRA and MDC.

It's time to view our workers as partners who can uphold your important public mission.

Thank you very much."

Chairman Pace responded that the CRRA Board and management has been committed to resolving its issues with the MDC, as seen on record, and yet they were no closer to a resolution since the new CRRA Board was formed in 2002. Chairman Pace said that CRRA's most recent offer to the MDC, which he could not disclose due to the ongoing talks, addressed the preservation of existing jobs. Those employees were considered a part of CRRA, Chairman Pace said.

Chairman Pace said that he was not comfortable with the trucks situation from the very beginning, among other things, and that he had intended to change the culture of the organization with the help of the new Board and the Steering Committee. That goal was achieved, Chairman Pace said, through the complete transparency of its new Board and organization and by working with the Attorney General.

Chairman Pace stated that he too had concerns regarding the scales because those were CRRA's cash registers. As a company, he explained, CRRA should be watching its own cash registers instead of the MDC, Manafort or any other entity.

Chairman Pace further stated that CRRA has not exploited worker wages and benefits. Chairman Pace said that he found it disheartening that it would seem as though the MDC had taken the position of fighting CRRA, including legislatively and as a potential hostile take-over, instead of working with CRRA for the public's interest. Chairman Pace said that he has not yet seen a way for CRRA and the MDC to work together and still meet CRRA's obligation to serve the public's interest. Chairman Pace said that he hoped to see some encouragement from the MDC board in the near future, but added that he had not been forthcoming to date. The issue was not CRRA against the worker's union, he continued, but to the contrary, it was an issue of the management and policy for the board of the MDC.

Mr. Luciano said that he hoped for the CRRA's Board's success in their endeavors and added that he would like to caution the Board to think about the workers who were caught in the crossfire.

Director O'Brien commented that the truck transfer issue did not make sense from the beginning. Director O'Brien asked whether Mr. Luciano would make a similar plea to the MDC to work with CRRA since a resolution was a two-way street. One side has been working very hard, Director O'Brien added. Mr. Luciano replied that he was not part of the mediation and did not know the terms and added that his concerns were for the workers who performed the dangerous and dirty jobs and their families. Chairman Pace said that he valued the workers for their large institutional knowledge and that CRRA had offered options to continue maintaining the work force and their institutional knowledge.

Chairman Pace noted that there were no further comments from the public and that the regular meeting would commence.

EXECUTIVE SESSION

Chairman Pace requested a motion to convene an executive session to discuss personnel matters with appropriate staff. Vice Chairman Cassano made the motion which was seconded by Director Cooper. Chairman Pace requested that Mr. Larry Brown remain during the executive session. The motion previously made and seconded was approved unanimously.

The Executive Session began at 9:47 a.m.

The Executive Session concluded at 10:37 a.m.

Chairman Pace reconvened the Board meeting at 10:38 a.m.

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

APPROVAL OF THE MINUTES OF THE MARCH 18, 2004 REGULAR BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the March 18, 2004 regular Board meeting. The motion was made by Director O'Brien and seconded by Director Cooper.

Director O'Brien suggested that the Board attendance list on page one of the minutes be changed to "present by phone until 10:35 a.m." instead of "hung up at 10:35 a.m." Director O'Brien said that the "Director's" should be replaced with "Directors" on page 10 of the minutes under Chairman's Report.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Andrew Sullivan	X		
Theodore Martland	X		
Mark Cooper	X		
Ray O'Brien	X		
James Francis	X		
Alex Knopp	X		
Mark Laretti	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc, Bridgeport			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

FINANCE

AUTHORIZATION REGARDING A FOURTH AMENDMENT TO THE AGREEMENT BETWEEN THE CONNECTICUT RESOURCES RECOVERY AUTHORITY AND THE CITY OF BRIDGEPORT

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

RESOLVED: That the President is hereby duly authorized to execute a Fourth Amendment to the Agreement between CRRA and the City of Bridgeport to clarify contract language for waste deliveries associated with condominium complexes and allow for waste deliveries from schools to be classified as City delivered waste as substantially discussed at this meeting.

Director Lauretti seconded the motion.

Mr. Bolduc explained that part of the resolution was a reimbursement to the City of Bridgeport of \$45,205.70 for deliveries from condominium complexes and schools retroactive to December 2000 and January 2002. Mr. Bolduc stated that the Solid Waste Advisory Board unanimously approved the resolution at their March 31, 2004 meeting. Director Lovejoy added that the Board was highly in favor of the resolution.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Andrew Sullivan	X		
Theodore Martland	X		
Mark Cooper	X		
Ray O'Brien	X		
James Francis	X		
Alex Knopp	X		
Mark Lauretti	X		
Sherwood Lovejoy, Ad Hoc Bridgeport	X		
Non Eligible Voters			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

PROJECT REPORTS

BRIDGEPORT

AUTHORIZATION REGARDING WASTE MANAGEMENT, INC., WASTE DELIVERY AGREEMENT, BRIDGEPORT PROJECT

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

RESOLVED: That the President is authorized to execute the agreement with Waste Management, Inc. for the delivery of Acceptable Waste to CRRA's Bridgeport Project, substantially as presented and discussed at this meeting.

Director Martland seconded the motion.

Mr. Gent said that the agreement with Waste Management was straightforward and would have an economic benefit of \$1.4 million per year based on the minimum commitment that the Bridgeport towns had to the project. Waste Management would deliver a minimum 125,000 tons per year of acceptable base on a put-or-day basis, with a delivery cap of 150,000 tons per year. The tip fee for that was \$61.25 per ton for the first 125,000 tons and \$60.00 per ton for the next 125,001 to 150,000 tons. Mr. Gent said that the SWAB approved the resolution and Director Lovejoy added that it would definitely benefit the tip fee.

Mr. Gent said that an RFP was posted on various newspapers on April 12, 2004. CRRA was asking for 80,000 tons per year to be delivered to Bridgeport and added that many requests were received for copies of the RFP. The bids were due on May 7, 2004, he added.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Andrew Sullivan	X		
Theodore Martland	X		
Mark Cooper	X		
Ray O'Brien	X		
James Francis	X		
Alex Knopp	X		
Mark Lauretti	X		
Sherwood Lovejoy, Ad Hoc Bridgeport	X		
Non Eligible Voters			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

GENERAL

AUTHORIZATION REGARDING STANDARD FORM HAULER AGREEMENTS, MID-CONNECTICUT, BRIDGEPORT AND WALLINGFORD PROJECTS

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

RESOLVED: That the President is hereby authorized to execute agreements for the delivery of Acceptable Waste to CRRA's Mid-Connecticut, Bridgeport and Wallingford waste facilities using the standard form Hauler agreements, substantially as presented and discussed at this meeting.

Director Sullivan seconded the motion.

Mr. Kirk said that there were two minor changes to a historically straightforward agreement. Mr. Kirk said that for fiscal year 2004, approximately 105 contracts had been executed for waste deliveries to the three projects. CRRA wanted to spread the contract terms out to three years. Mr. Kirk said the haulers had raised questions regarding the contracts and CRRA was going to meet with them to address their concerns with the new contract on April 29, 2004. Mr. Kirk suggested that approval of the contract be postponed until the questions of the haulers were addressed.

The motion to table the referenced item made by Director Martland and seconded by Director O'Brien was approved unanimously.

AUTHORIZATION REGARDING AN INITIATIVE TO CONDUCT A STUDY TO IDENTIFY POTENTIAL SITES FOR A NEW LANDFILL WITHIN THE STATE OF CONNECTICUT

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

RESOLVED: That the President is hereby authorized to enter into a contract with Malcolm Pirnie, Inc. to undertake a study to identify possible sites which have landfill siting potential, substantially as discussed and presented at this meeting.

Director Cooper seconded the motion.

Mr. Kirk said that the resolution would authorize CRRA to contract with Malcolm Pirnie to begin a process of identifying potential landfill sites in the State of Connecticut. It was a very important initiative, he said, as there will likely be no landfills available to anyone in the State in the following five or ten years. It was CRRA's mission to provide options for its member towns. Mr. Kirk added that the initiative was in a preliminary stage but that it was important to identify where sites existed and how feasible they would be to serve as a landfill.

Mr. Egan stated that in order for CRRA to continue to fulfill its statutory obligation to identify appropriate solid waste management strategies and to plan for the limited landfill capacity in Connecticut, it was appropriate to conduct a comprehensive, definitive study to identify potential landfill sites within the State. Mr. Egan noted that 4 out of the 5 firms that submitted proposals were interviewed.

Mr. Egan noted that staff did not choose the lowest the bid because CRRA would not have gotten what it wanted for the price as compared to the other finalists. The hours that the consultant proposed as opposed to what CRRA staff believed was necessary would have been insufficient for the job, he added.

Director Lauretti said that he supported this effort and asked whether CRRA was going to examine alternatives such as transporting out of State. Mr. Egan replied that all alternatives would be examined including exporting out of State in the long-term as well as beneficial ash reuse. Director Lauretti asked whether CRRA had interaction with the DEP regarding legislative ramifications that could prohibit CRRA from going forward. Mr. Egan replied that the DEP was going to be involved in making sure that CRRA was heading in the right direction.

Vice Chairman Cassano asked whether the DEP should share the cost of the study, possibly from the dioxin tax which CRRA paid to the DEP. Mr. Kirk said that the legislation did not authorize CRRA to determine how monies from the dioxin tax was used, but that he would pursue the suggestion. Mr. Egan added that the DEP's role was to support the effort from a technical point of view. Mr. Kirk said that 13 possible sites had previously been documented by the DEP in 1989, and that CRRA would investigate the availability of those sites.

Director O'Brien said that he agreed with Mr. Egan's recommendation of the essential need to conduct a full and comprehensive study on potential landfill sites. Director O'Brien said the project was vital in showing that CRRA was serious and committed by funding the study. Vice Chairman Cassano agreed but added that some of the money paid to the DEP for the dioxin tax should be used to help fund the project. Mr. Bolduc added that the study was also pertinent in demonstrating to Wall Street that CRRA had all the components necessary to effectuate the refinancing process. Without a landfill, Mr. Bolduc said, the refinancing process was going to be in jeopardy.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Andrew Sullivan	X		
Theodore Martland	X		
Mark Cooper	X		
Ray O'Brien	X		
James Francis	X		

Alex Knopp	X		
Mark Lauretti	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc, Bridgeport			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

CHAIRMAN’S AND COMMITTEE REPORTS

ORGANIZATIONAL SYNERGY AND HUMAN RESOURCES COMMITTEE

Mr. Kirk announced that Ms. Mattschei was leaving CRRA to pursue other career opportunities. Mr. Kirk said that Ms. Mattschei was going to work as a tennis professional in Vermont and then New Mexico. Chairman Pace said that Ms. Mattschei has been a remarkable asset in serving the CRRA Board and that he was sad to see her go.

Director O’Brien made a motion to thank Ms. Mattschei and to wish her good luck in her future endeavors. Chairman Pace seconded the motion and was approved unanimously.

AUTHORIZATION TO MAKE ADJUSTMENTS IN COMPENSATION

Chairman Pace requested a motion on the referenced item. Vice Chairman Cassano made the following motion:

RESOLVED: That the Chairman of the Organizational Synergy & Human Resources Committee is authorized to make adjustments in compensation in keeping with the approved CRRA Compensation Plan and approved CRRA salary range as substantially discussed at this meeting.

Director Cooper seconded the motion which was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Andrew Sullivan	X		
Theodore Martland	X		
Mark Cooper	X		
Ray O'Brien	X		
James Francis	X		
Alex Knopp	X		
Mark Lauretti	X		

Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc, Bridgeport			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

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 O’Brien made the motion which was seconded by Director Cooper. Chairman Pace requested that Messrs. Kirk, Bolduc, Gent and Ms. Schmidt remain during separate parts of the executive session. The motion previously made and seconded was approved unanimously.

The Executive Session began at 11:05 a.m.

The Executive Session concluded at 12:30 p.m.

Chairman Pace reconvened the Board meeting at 12:31 p.m.

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

LEGAL

AUTHORIZATION REGARDING MEDIATION WITH THE MDC

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

RESOLVED: That the Board hereby confirms that, per Chairman Pace’s April 7, 2004 letter to William DiBella of the MDC, the mediation between CRRA and MDC will terminate should CRRA not receive from MDC notice of agreement with CRRA’s March 5, 2004 offer by the end of business April 15, 2004.

Director Cooper seconded the motion.

Chairman Pace said that MDC’s FOIA requests seemed to characterize a hostile-takeover attempt. Chairman Pace said that CRRA’s transparency to the public had been apparent. The CRRA Board, because of its charge from the legislatures, had been diligent in its work to be transparent and to examine all options in the interests of the municipalities. CRRA, the public and the legislature should examine any entity considering a take-over of the CRRA, Chairman Pace said. The legislature, the public and the Governor’s office had examined CRRA through a microscope in the previous two years of its existence. MDC needed to be put through the same microscopic examination, Chairman Pace continued, to ensure proper understanding of the situation between the two entities.

Director O'Brien said that he supported the resolution because it was CRRA's obligation to take the recommended action.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Andrew Sullivan	X		
Theodore Martland	X		
Mark Cooper	X		
Ray O'Brien	X		
James Francis	X		
Alex Knopp	X		
Mark Lauretti	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc, Bridgeport			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

AUTHORIZATION REGARDING PAYMENT TO MCGUIRE WOODS TO CONTINUE WITH THE RTC BANKRUPTCY REPRESENTATION

Mr. Kirk said that the item was tabled until the Board received more information.

OTHER BUSINESS

Mr. Kirk said that the executive sessions would be put at the top of the agenda for the subsequent Board meetings.

Mr. Kirk asked whether there was a need to return the services of a stenographer for the Board meetings. Chairman Pace responded that he was satisfied with the minutes without a stenographer, which the Board supported.

ADJOURNMENT

Chairman Pace requested a motion to adjourn the meeting. The motion to adjourn made by Director O'Brien and seconded by Director Cooper was approved unanimously.

There being no other business to discuss, the meeting was adjourned at 12:37 p.m.

Respectfully submitted,

Angelica Mattschi
Corporate Secretary to the Board

CONNECTICUT RESOURCES RECOVERY AUTHORITY

EXECUTIVE SESSIONS

APRIL 15, 2004

Executive Sessions were called for the purposes of discussing personnel issues and litigation, pending litigation, contractual negotiations and personnel matters were convened at 9:47 a.m. and 11:05 a.m. consecutively.

DIRECTORS

Vice Chairman Cassano
Director Sullivan
Director Lauretti
Director O'Brien
Director Martland
Director Knopp
Director Francis
Director Cooper

MANAGEMENT

Tom Kirk
Ann Stravalle-Schmidt
James Bolduc
Floyd Gent

HI

Larry Brown

No votes were taken in the Executive Sessions.

The Executive Sessions were adjourned at 10:37 p.m. and 12:30 p.m. consecutively.