

**CONNECTICUT RESOURCES RECOVERY AUTHORITY**

**THREE HUNDRED SIXTY-NINTH MEETING**

**FEBRUARY 2, 2004**

A Special telephonic meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Monday, February 2, 2004 at 100 Constitution Plaza, Hartford. Those present were:

Chairman Michael Pace

Directors:     Stephen Cassano, Vice Chairman  
                  Theodore Martland  
                  Benson Cohn  
                  Mark Cooper  
                  Ray O'Brien  
                  James Francis  
                  Mark Lauretti  
                  Alex Knopp  
                  Jeffrey Hedberg (ad hoc for Mid-Connecticut)  
                  Sherwood Lovejoy (ad hoc for Bridgeport)

Directors Sullivan and Griswold did not participate.

Present from the CRRA staff:

Thomas Kirk, President  
Angelica Mattschei, Corporate Secretary  
Ann Stravalle-Schmidt, Director of Legal Services

Also in attendance was: Peter Boucher of Halloran & Sage.

Chairman Pace called the meeting to order at 2:08 p.m. and noted that a quorum was present.

**EXECUTIVE SESSION**

Chairman Pace requested a motion to convene an executive session in order to discuss additional consideration of a policy for indemnification of current and former CRRA Directors, Ad Hoc Members and alternates. Director O'Brien made the motion which was seconded by Director Martland. Chairman Pace requested that Messrs. Kirk and Boucher and Ms. Schmidt remain during executive session. The motion previously made and seconded was approved unanimously.

The Executive Session began at 2:10 p.m.

The Executive Session concluded at 3:00 p.m.

Chairman Pace reconvened the Board meeting at 3:01 p.m.

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

**AUTHORIZATION REGARDING PAYMENT OF LEGAL FEES PURSUANT TO  
CONN. GEN. STAT. § 1-125**

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

**RESOLVED:** That the CRRA Board of Directors (the “Board”), pursuant to Conn. Gen. Stat. § 1-125 and the CRRA Bylaws, authorizes the payment of reasonable legal fees and expenses (collectively, “Costs”) incurred by former members, former alternate members, and former ad hoc members of the Board (individually a “Former Board Member” and collectively “Former Board Members”) for the Former Board Members’ defense of the lawsuit of New Hartford v. Connecticut Resources Recovery Authority, et al. (the “New Hartford Lawsuit”); regarding the Former Board Members’ acts or omissions in connection with the CRRA-Enron-CL&P transaction (the “Transaction”), during the Former Board Members’ tenures while acting in the discharge of their duties or arising out of their appointment.

CRRA will seek reimbursement where practicable of any Costs paid on behalf of any Former Board Member if it is found that any such acts or omissions of such Former Board Member were wanton, reckless, willful or malicious.

**FURTHER RESOLVED:** CRRA adopts two options for the payment of Costs concerning the New Hartford Lawsuit. Each Former Board Member shall select, in writing, either Option One or Option Two.

Option One: The Attorney General is providing representation in the New Hartford Lawsuit to CRRA, as well as current CRRA board members, current officers, and current employees. In the New Hartford Lawsuit, the Attorney General shall also represent Former Board Members who request representation at CRRA expense (excluding Peter Ellef), to the extent that representation is consistent with positions that the Attorney General has taken in CRRA's various ongoing affirmative lawsuits (“Affirmative Lawsuits”) to recover monies lost in the Transaction. More particularly, the Attorney General shall represent Former Board Members in the New Hartford Lawsuit who relied on the advice of outside counsel and experts, and on the representations of Enron, financial institutions and others, and who were not aware of the true nature of the Transaction. The Attorney General shall not be able to represent (and shall not represent)

any Former Board Member in the New Hartford Lawsuit who seeks to argue at any time that the Transaction was a legal transaction that was within CRRA's statutory authority -- a position contrary to CRRA's position in the Affirmative Lawsuits.

Option Two: This option shall be available only to Former Board Members seeking to argue that the Transaction was a legal transaction that was within CRRA's statutory authority. To the extent not precluded by positional conflicts among the Former Board Members, CRRA shall retain one attorney chosen, in consultation with CRRA, by a group or groups of Former Board Members to jointly defend them in connection with the New Hartford Lawsuit. CRRA shall negotiate the hourly rate of such counsel and will pay all reasonable Costs charged by such counsel for services rendered. Such payment will be subject to prior approval of a six-month budget, audit and compliance with CRRA billing guidelines. To the extent positional conflicts require individual representation of a Former Board Member (as determined by counsel chosen by a group or groups of former Board Members), CRRA's payment of all reasonable costs of such counsel shall be subject to the same negotiation, budget, audit and compliance with CRRA billing guidelines, policies, procedures, and all other relevant CRRA authority.

Default Arrangement: In the event that any Former Board Member or Former Board Members do not select either Option One or Option Two, then such Former Board Member or Former Board Members shall be deemed to have selected Option Two with respect to the New Hartford Lawsuit. CRRA shall pay all reasonable Costs charged by such counsel for services rendered. Such payment will be subject to audit and compliance with CRRA billing guidelines, policies, procedures, and all other relevant CRRA authority. Any Former Board Member Adversely affected by this Default Arrangement may later request representation by the Attorney General, who shall review any such request on an individual basis.

Any Former Board Member who fails to file an appearance in the New Hartford Lawsuit shall be assigned to either Option One or to Option Two at CRRA's election, in consultation with the Attorney General.

**FURTHER RESOLVED:** The CRRA Board of Directors (the "Board"), pursuant to Conn. Gen. Stat. § 1-125 and the CRRA Bylaws, authorizes the payment of Costs incurred by Peter Ellef for his defense of the lawsuit of Town of West Hartford v. Robert Wright, et al. (the "West Hartford Lawsuit") and adopts the following procedure for the payment of such Costs. CRRA shall retain one attorney chosen by Peter Ellef to defend him in connection with the West Hartford Lawsuit. CRRA shall negotiate the hourly rate of such counsel and will pay all reasonable Costs charged by such counsel for services rendered. Such payment will be subject to prior approval of a six-month budget, audit and compliance with CRRA billing guidelines, policies, procedures, and all other relevant CRRA authority.

Director O'Brien seconded the motion but noted that he was not comfortable. A roll call was taken and the motion was approved by a two-thirds (2/3) vote.

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Stephen Cassano	X		
Benson Cohn	X		
Mark Cooper	X		
Ray O'Brien	X		
Theodore Martland	X		
James Francis	X		
Alex Knopp	X		
Mark Lauretti	X		
<b>Non Eligible Voters</b>			
Sherwood Lovejoy, Ad Hoc - Bridgeport			
Jeffrey Hedberg, Ad Hoc - Mid-Connecticut			

**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 3:05 p.m.

Respectfully submitted,

Angelica Mattschi  
Corporate Secretary to the Board

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**EXECUTIVE SESSION**

**FEBRUARY 2, 2004**

An Executive Session called for the purposes of discussing additional consideration of a policy for indemnification of current and former CRRA Directors, Ad Hoc Members and alternates was convened at 2:10 p.m.

**DIRECTORS**

Chairman Pace  
Vice Chairman Cassano  
Director O'Brien  
Director Knopp  
Director Martland  
Director Cohn  
Director Cooper  
Director Francis  
Director Lauretti  
Ad Hoc Member Hedberg  
Ad Hoc Member Lovejoy

**STAFF**

Tom Kirk  
Ann Stravalle-Schmidt

**H&S**

Peter Boucher

No votes were taken in Executive Session.

The Executive Session was adjourned at 3:00 p.m.