

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND FIRST MEETING

JANUARY 26, 2006

A Regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, January 26, 2006 at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Chairman Michael Pace

Directors: Benson Cohn
 Mark Cooper
 James Francis
 Michael Jarjura (Present beginning at 11:00 a.m.)
 Edna Karanian
 Mark Lauretti (Present beginning at 10:05 a.m.)
 Theodore Martland
 Raymond O'Brien
 Andrew Sullivan (Present beginning at 11:30 a.m.)
 Timothy Griswold - Ad-Hoc, Mid-Connecticut Project (Present until
 11:00 a.m.)
 Elizabeth Horton Sheff – Ad-Hoc, Mid-Connecticut Project (Present
 beginning at 9:40 a.m.)

Present from the CRRA staff:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Peter Egan, Director of Environmental Affairs & Development
Floyd Gent, Director of Operations
Laurie Hunt, Director of Legal Services
Paul Nonnenmacher, Director of Public Affairs
Michael Bzdyra, Government Relations Liaison
Robert Constable, Controller
Virginia Raymond, Senior Analyst
Donna Tracy, Executive Assistant
Kristen Greig, Secretary to the Board/Paralegal

Also present were: Mark Anastasi of SWAB/Bridgeport, Dave Arruda of MDC, Mike Calandra of CWPM, Bill Dunbar of Copes Rubbish, Bill Dunbar, Jr. of Copes Rubbish, Richard Goldstein, Esq. of Pepe & Hazard, Paul Jessell of Copes Rubbish, Stephen Hillyer of HEJN, Jason Manafort of CWPM, Frank Marci of USA Hauling & Recycling, Mark Mitchell of HEJN, Claude Pietrowicz of CWPM, Balbena Smickle of HEJN, Christine Stuart of the Journal Inquirer, Matthew Suffish of Covanta, Jerry Tyminski of SCRRA.

Chairman Pace called the meeting to order at 9:30 a.m. and stated 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 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.

Mr. Stephen Hillyer introduced himself as a member of the Connecticut Coalition for Environmental Justice. Mr. Hillyer stated that the Electronics Recycling in Hartford was a tremendous success. Mr. Hillyer said that as a resident of Hartford, and someone who is concerned about the welfare of the City, he and his group are asking that CRRA take a good look at community benefits.

Chairman Pace asked Mr. Hillyer to define “community benefits.” Mr. Hillyer said that community benefits could be a lower tip fee for residents of Hartford, adjustments in Pilot payments, or reviewing the contract to see if it is a deal that is favorable to the City. Chairman Pace stated that those were all good points and said that he would like to inform Mr. Hillyer of the strong financial benefits that the City already derives from its agreement with CRRA.

Dr. Mark Mitchell said that he would like to apologize for using the term “environmental racism” without defining it when he addressed the Board last month. Dr. Mitchell stated that he wanted to make it clear that when he uses the term environmental racism he is not calling anyone a racist and explained that environmental racism is the opposite of environmental justice. Dr. Mitchell said that CRRA facilities are disproportionately located in low-income communities and that is, by definition, environmental racism. Dr. Mitchell said that the United States Environmental Protection Agency defines environmental justice as the fair treatment and meaningful involvement of low-income people and people of color that are affected by environmental policy, with no community bearing a disproportionate burden of environmental hazards. Communities should be able to participate in discussions and have input throughout the decision-making process.

Dr. Mitchell said that part of environmental justice includes host-community benefits and gave the example that members of the community are worried about jobs, so Hartford residents should get first priority. Dr. Mitchell said that CRRA has five regional waste facilities in Hartford, where waste and recycling is brought in from sixty towns in an estimated 300-500 trucks per day. Dr. Mitchell said that the community is worried about the emissions from those trucks and the cost, pollution and safety issues associated with fires and explosions at the facilities.

Dr. Mitchell noted that he is scheduled to meet with Chairman Pace and Mr. Kirk regarding some of his concerns and distributed a map showing the relationship between air pollution sources and minority communities entitled “2000 Census Tracts Percent Minority & Plants Emitting Criteria Air Pollutants.”

Chairman Pace stated that he appreciates the comments regarding environmental racism because the initial comment had a great impact on him. Chairman Pace stated that CRRA has

maintained its contract with the City of Hartford and makes significant payments to the City, as payments in lieu of taxes and tip fee benefits. Chairman Pace noted that it was the current CRRA Board that decided not to expand the landfill, which shows that CRRA is cognizant of the issues in Hartford.

Mr. Jason Manafort, President of CWPM, noted that a letter about CWPM, their previous work for CRRA, and their qualifications was distributed for the Board to review. Mr. Manafort stated that the review of the bid for Transportation and Transfer Station Operation & Maintenance was posted online on Monday, and upon review of the information, it was noticed that there was a mistake with those numbers. Mr. Manafort said that a supplement would be supplied to the Board, but he had not been given a chance to review the revisions made. Mr. Manafort requested that the Board consider tabling the vote on the Transportation and Transfer Station Operation & Maintenance contract until CWPM has been given time to review the documents and the documents are made available to the public. Chairman Pace said that the Board would take that into consideration.

EXECUTIVE SESSION

Chairman Pace requested a motion to enter into Executive Session to discuss pending litigation, financial information given in confidence and personnel matters with appropriate staff. The motion made by Director O'Brien and seconded by Director Cohn was approved unanimously. Chairman Pace requested that the following people be invited to the Executive Session:

Tom Kirk
Jim Bolduc
Peter Egan (From 10:25 a.m. – 10:35 a.m.)
Floyd Gent
Laurie Hunt, Esq.
Virginia Raymond (From 10:50 a.m. – 11:07 a.m.)
Richard Goldstein, Esq. (From 9:47 a.m. – 10:25 a.m.)

The Executive Session began at 9:47 a.m. and concluded at 11:07 a.m. Chairman Pace noted that no votes were taken in Executive Session.

The meeting was reconvened at 11:07 a.m.

APPROVAL OF THE MINUTES OF THE DECEMBER 15, 2005 REGULAR BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the December 15, 2005 Regular Board Meeting. The motion was made by Director O'Brien and seconded by Director Cohn.

Director O'Brien stated that the words "as amended" should be added to the last sentence before the table. The sentence should read "The motion as amended was approved unanimously. The same change should be made to the first sentence on page 15.

The minutes as amended were approved. Director Jarjura abstained, as he was not present at the meeting.

Eligible Voters	Aye	Nay	Abstain
Chairman Michael Pace	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura			X
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Non-Eligible Voters			
Elizabeth Horton Sheff, Ad-Hoc – Mid-Connecticut			

APPROVAL OF THE MINUTES OF THE DECEMBER 26, 2005 SPECIAL BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the December 26, 2005 Special Board Meeting. The motion was made by Director O'Brien and seconded by Director Cohn.

Director O'Brien stated that the word "role" should be replaced by its homonym "roll" when used in the phrase "roll call" on pages 1 and 2 of the minutes.

The minutes as amended were approved. Directors Jarjura, O'Brien, and Francis abstained as they were not present at the meeting.

Eligible Voters	Aye	Nay	Abstain
Chairman Michael Pace	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis			X
Michael Jarjura			X
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien			X
Elizabeth Horton Sheff, Ad-Hoc – Mid-Connecticut	X		
Non-Eligible Voters			
None			

APPROVAL OF THE MINUTES OF THE DECEMBER 27, 2005 EMERGENCY BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the December 27, 2005 Emergency Board Meeting. The motion was made by Director O'Brien and seconded by Director Cohn.

Director O'Brien stated that the word "role" should be replaced by its homonym "roll" when used in the phrase "roll call" on page 1 of the minutes.

The minutes as amended were approved. Directors O'Brien and Jarjura abstained as they were not present at the meeting.

Eligible Voters	Aye	Nay	Abstain
Chairman Michael Pace	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura			X
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien			X
Elizabeth Horton Sheff, Ad-Hoc – Mid-Connecticut	X		
Non-Eligible Voters			
None			

RESOLUTION REGARDING EXPENDITURES FOR REMEDIATION OF PCB CONTAMINATED EQUIPMENT AT THE SOUTH MEADOWS ELECTRIC GENERATING FACILITY

Chairman Pace requested a motion regarding the above-captioned matter. The motion was made by Director O'Brien.

RESOLVED: That the President of CRRA be authorized to execute a change order to the Exit Strategy TM Contract between CRRA and TRC Companies, Inc. for activities involving remediation of PCB contaminated equipment at the South Meadows Electric Generating Facility, substantially as presented and discussed at this meeting.

Director Cohn seconded the motion.

Chairman Pace explained that this was a property acquired by CRRA from CL&P and said that CRRA is remediating that property.

Director O'Brien noted that the TM symbol is printed in subscript, asked if that should be in superscript, and asked what the trademark name is. Mr. Egan responded that the symbol was taken directly from what appears on the executed contract. Mr. Egan said that he believed it was TRC's trademark name for their remediation program.

Chairman Pace pointed out that bidding the phases of work together will benefit CRRA by providing economies of sale.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Chairman Michael Pace	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Elizabeth Horton Sheff, Ad-Hoc – Mid-Connecticut	X		
Non-Eligible Voters			
None			

RESOLUTION REGARDING MID-CONNECTICUT PROJECT WASTE TRANSPORTATION AND TRANSFER STATION OPERATION & MAINTENANCE

Chairman Pace requested a motion regarding the referenced item. Director O'Brien made the following motion:

RESOLVED: That the President is hereby authorized to:

1. Enter into an agreement with Copes Rubbish Removal for the Waste Transportation and Transfer Station Operation and Maintenance Services associated with the Watertown and Torrington Transfer Stations; and
2. Enter into an agreement with CWPM, LLC for the Waste Transportation and Transfer Station Operation and Maintenance Services associated with the Ellington and Essex Transfer Station

substantially in the form presented and discussed at this meeting.

The motion was seconded by Director Cohn.

Director O'Brien noted that the Board received supplemental information from CWPM and CRRA management. Mr. Kirk noted that the three pages supplied by CRRA management were replacement pages for the corresponding pages in the Board package. Mr. Kirk said that

the updated information changes some of the figures, but not management's recommendation. Two additional documents were distributed to the Board and Mr. Kirk stated that these documents provided a simplified comparison of the information provided. Mr. Kirk said that management has made a recommendation based on the objective data in the bid and there are four scenarios that can be considered by the Board.

Mr. Gent said that he would like to address four issues: the Request For Proposals ("RFP") structure, the RFP process, an economic analysis of the bids, and the qualifications of the bidders. Mr. Gent noted that CWPM is the current contractor at the four transfer stations and for the corresponding transportation operations. Mr. Gent said that this is a major contract with a value of approximately \$6 million per year, so when CRRA was looking to re-bid this work, management met with the Executive Committee to discuss how the bid should be structured. At the direction of the Executive Committee, management structured the bid so it could be divided into several contracts so bidders had the opportunity to bid on any transfer station individually, more than one transfer station, or all of the transfer stations as a whole. Mr. Gent stated that the contract has a five-year term with renewal options. Mr. Gent said that the five-year term would allow smaller companies an opportunity to bid by giving them sufficient time to recover any investment made in equipment.

Mr. Gent said that the RFP was issued on November 7, 2005 and widely advertised in four Connecticut newspapers, two national trade magazines, on the internet, and at the annual hauler meeting. Mr. Gent noted that there were six firms at the mandatory pre-bid meeting and three bids were received by the due date of December 16, 2005. Bids were received from: Botticello, who bid on the Ellington Transfer Station, Copes Rubbish, who bid on the Torrington and Watertown Transfer Stations, and CWPM, LLC, who bid on each individual transfer station and Full Control Services. Mr. Gent explained that one of the stipulations of the bid was that a contractor could not bid on Full Control Services without bidding on the four transfer stations individually.

Mr. Gent said that if the contract was awarded to CWPM under the Full Control Services scenario, there was a significant cost savings which is shown on Table 6. Mr. Gent reviewed the savings as shown on Table 6 with the Board. Mr. Gent explained that the revised tables that were distributed corrected an error in CWPM's price on Table 2 for fiscal years 2009 through 2013. Mr. Gent explained that the error also affected the total. Mr. Gent said that revisions were also made to Table 4 regarding CWPM's FY09 price for the Essex Transfer Station and the corresponding total. Mr. Gent explained that the error affected every figure on Table 5, except one number, which was corrected on Table 6.

Mr. Gent pointed out the low bidder of each transfer station individually, as follows:

Ellington – CWPM
Essex – CWPM (only bidder)
Torrington – Copes Rubbish
Watertown – Copes Rubbish

Mr. Gent stated that in the analysis, CRRA weighed the benefit of Full Control Services versus splitting the contract up by transfer station. Referring to Table 7, Mr. Gent pointed out that there were several ways to award this contract and reviewed the different scenarios. Mr.

Gent noted that the lowest cost could be achieved by awarding CWPM the Ellington and Essex transfer stations and Copes Rubbish the Torrington and Watertown transfer stations (Scenario A). Mr. Gent stated that the difference between Scenario A and Scenario B (awarding Ellington, Essex and Watertown to CWPM and Torrington to Copes) is \$84,382 in fiscal year 2007. Scenario C (Full control to CWPM) is \$129,789 higher than Scenario A and Scenario D (awarding Ellington, Essex and Torrington to CWPM and Watertown to Copes) is \$386,062 higher than Scenario A. Mr. Gent concluded that, based on the financial analysis, Scenario A is the lowest cost option.

With regard to the bidders' qualifications, Mr. Gent said that CRRA did investigations on both bidders. Because CWPM is currently providing these services with no performance issues, CRRA limited its investigation to CWPM's financials, which were submitted in confidence. Mr. Gent said that CRRA reviewed Copes much more closely because they had not worked on a CRRA contract of this magnitude before, so financials were reviewed and references were checked. Mr. Gent explained that Copes is small business with good experience and references, but CRRA has some concerns that need to be discussed because Copes has not handled a project of this size and, if awarded, the contract will significantly increase their business. Mr. Gent said that, in order for Copes to perform, the company will have to procure tractors and trailers and have that equipment delivered by July 1st, which will require financing. Mr. Gent said that one concern is that, as a result of Hurricane Katrina, there is a big demand for tractors and trailers so there must be enough time after the award is made to allow sufficient time for delivery of that equipment.

Mr. Gent said that CRRA wants to be sure that Copes will be able to close on the financing, purchase the equipment, have the equipment delivered, and staff the operation in time for the July 1st start date. Mr. Gent added that because Copes needs a signed agreement in order to secure financing, CRRA has asked for termination rights. If Copes fails to meet certain requirements (i.e. post a performance bond or close on financing) by prescribed dates, CRRA would have the ability to terminate the agreement and to award CWPM Full Control Services. Director O'Brien asked if the termination rights allowed for a partial award, such as awarding Copes only one transfer station, and if there was a termination before July 1st, if CWPM would agree to maintain their bid prices. Mr. Gent said that CWPM is willing to hold the Full Control Services price for up to three years, only if they are awarded three transfer stations (which is Scenario B). Mr. Gent said that is a potential option, but it is not as economical as Scenario A. Regarding terminating a portion of the award and awarding Copes only one transfer station, Mr. Gent said that CRRA has the option to award any number of transfer stations it sees fit. The dilemma is that if CRRA initially awards CWPM only two transfer stations, and Copes is unable to perform the services, there is no guarantee that CWPM will honor their Full Control bid price. If CRRA delayed making an award to CWPM to see if Copes could meet their obligations, CRRA would have until April 11th to make that determination.

Director O'Brien asked what the disposition was of the equipment currently being leased to CWPM. Mr. Gent responded that CWPM has an option to purchase the equipment at the end of the lease term and CWPM has given CRRA notice that it intends to do so.

Director O'Brien noted that the environmental record of both companies was reviewed and asked for a summary of the findings. Mr. Egan responded that CRRA asked both companies to disclose their five-year compliance history, which both companies did. Mr. Egan stated that

he also contacted the Solid Waste Group at the Connecticut Department of Environmental Protection and asked for information regarding the companies' compliance history. Mr. Egan explained that CWPM has a good record and said that the company closed out a consent order several years ago that regarded closing a landfill in Berlin. Mr. Egan stated that Copes has had two minor Notices of Violation in the last five years: one ordering removal of an underground storage tank, which was done, and one for picking up recycling and municipal solid waste together and delivering it to a transfer station. Mr. Egan concluded that he was comfortable with the environmental compliance history of both companies.

Director Jarjura asked if CWPM would agree to hold the Full Control Pricing if Scenario D was chosen. Mr. Gent replied that CRRA did not explore that option because the price of Scenario D was the least beneficial to the Authority. Director Jarjura said that, based on the discussion, Copes seems to have a history in Watertown, not in Torrington, and Scenario B would be awarding Torrington to Copes. Mr. Gent said that management considered that, but noted that Copes was aggressive in their pricing for Torrington with a lower per ton rate.

Director Lauretti asked how the value of the rolling stock was established at the end of the lease term. Mr. Kirk responded that a Blue Book value was established for the stock and a projection was made as to what that would be at the end of the contract. The option to purchase called for half of the value to be paid during the term of the lease and the other half to be paid in a lump sum at the end of the lease.

Mr. Kirk summarized that management was recommending Scenario A, but said that performance was an important aspect of this contract, in addition to financial considerations. Mr. Kirk said that CRRA had to carefully consider the impact that an operational problem would present to its customers.

Director Lauretti asked if Scenario C would give CRRA a greater level of comfort from an operational standpoint. Mr. Gent said that Scenario C would be easier to manage, because CRRA would not have to manage multiple contracts, but with the recommendation of the Executive Committee, CRRA decided to split up the project so CRRA could get more bidders. Mr. Gent said that if this was bid for Full Control Services only, CRRA would not have any choices because there would likely be only one bidder. Director Lauretti agreed that there is a financial benefit to having more than one bidder, but said that from a management and efficiency standpoint, there is a greater level of comfort with the Full Control Services. Mr. Kirk agreed and said that while change will introduce a certain level of risk that CRRA does not have now, management wanted the Board to have all of the information available to weigh the operational risk against the financial benefits.

Director Cohn stated that Scenario C would ratify a monopoly and that was not in the long-term interests of the Authority or its clients. Director Cohn said that CRRA made the right decision to divide up the work so there is a chance to create some competition for the long-term. Director Cohn agreed that there are some risks associated with Scenario A, but said, overall, it was in the best interests of the Authority and its clients.

Director Martland stated that he had some experience with similar situations and added that, provided the financing and equipment can be secured, the low bidder should be awarded the contract.

Director O'Brien suggested setting up a compliance schedule for Copes to follow, which would help Copes be in the position to perform the services and mitigate CRRA's risk.

Director Lauretti asked if the transfer stations were impacted by the expiration of the Municipal Services Agreements ("MSAs"). Mr. Kirk responded that this agreement would bring CRRA close to the expiration. Director Lauretti asked why the contract was not set up to expire concurrently with the MSAs. Mr. Gent responded that there are two renewal options, and said the contract was structured with those options to avoid the possibility of having to terminate the agreement and pay a termination fee at the expiration of the MSAs. Mr. Gent said that CRRA would have a better idea of the disposition of the Projects closer to the end of the five-year term.

Director Jarjura stated that he was going to vote against the motion on the table with the hope that it does not pass and said that he would support either Scenario B or Scenario D. Director Jarjura recognized that CRRA has two good companies to choose from, but said he was apprehensive from an operational standpoint. Director Jarjura said that he supports dividing the work to make it more available to smaller companies and said the Board and CRRA should be commended for that. However, Director Jarjura noted that CRRA would be thrusting the responsibility of two major transfer stations onto a small company. Director Jarjura said that this company should "walk before it runs" and said it would be a much more responsible action to award Copes one transfer station and see how the company performs.

Director Karanian said that she was considering Scenario B for the same reasons that Director Jarjura set forth, but offered the possibility that Scenario A could work with the caveat that CRRA monitor closely to ensure that certain milestones are met within specified time periods. Director Karanian said that the risk that something will slip through the cracks is arguably greater than the \$84,382 savings between Scenario A and Scenario B. Director Karanian emphasized the need to be proactive in terms of managing those risks. Mr. Gent said that there would be deadlines in the contract, and if those deadlines were not met, CRRA could exercise the termination option.

Director Lauretti asked how a default would impact the day-to-day operations of the transfer stations. Mr. Gent said that there were two issues to be dealt with. The first issue was whether Copes could get all of the security and equipment prior to the commencement of operation, which could be known within six to eight weeks. The second issue was how the contractor would perform during the start-up period and Mr. Gent said that CRRA would monitor and work closely with the contractor during that period. If there are disruptions in services or the contractor fails to perform, there is a list of defaults in the contract that would allow CRRA to terminate the agreement. Director Lauretti asked how termination would affect service. Mr. Gent responded that CRRA has asked for an assignment of the equipment in the case of a default, which the bank seems to be amenable to. Director Lauretti asked if CRRA would be a co-signer on the loan. Mr. Kirk responded that CRRA would be a signee and would step in and start making payments. Mr. Kirk added that it would be easier to react in an emergency situation if CRRA has access to the equipment than to be at the mercy of whatever contractor is capable of stepping in at whatever cost they wish to charge.

Director O'Brien stated that CWPM's offer to hold their Full Control Services price for three years with the award of three transfer stations has value, which should be considered when comparing the price difference between Scenarios A and B.

Chairman Pace said it sounds like CRRA is acting as a backstop for the financing. Mr. Kirk said that, by stepping in on the payments, CRRA could ensure that the vehicles are available in the event of a default. Mr. Gent noted that the contract for the new recycling center had a similar take-over option. Chairman Pace said that there was a difference because the recycling center is on CRRA property.

By roll call, the motion previously made and seconded to award the contracts under Scenario A was not approved. Chairman Pace, Directors Francis, Jarjura, Karanian, Lauretti and O'Brien voted nay.

Eligible Voters	Aye	Nay	Abstain
Chairman Michael Pace		X	
Benson Cohn	X		
Mark Cooper	X		
James Francis		X	
Michael Jarjura		X	
Edna Karanian		X	
Mark Lauretti		X	
Theodore Martland	X		
Raymond O'Brien		X	
Andrew Sullivan	X		
Elizabeth Horton Sheff, Ad-Hoc – Mid-Connecticut	X		
Non-Eligible Voters			
None			

Chairman Pace requested a motion to accept Scenario B. Director O'Brien made the following motion:

RESOLVED: That the President is hereby authorized to:

3. Enter into an agreement with Copes Rubbish Removal for the Waste Transportation and Transfer Station Operation and Maintenance Services associated with the Torrington Transfer Station; and
4. Enter into an agreement with CWPM, LLC for the Waste Transportation and Transfer Station Operation and Maintenance Services associated with the Ellington, Essex and Watertown Transfer Stations

substantially in the form presented and discussed at this meeting.

The motion was seconded by Director Jarjura.

Director Jarjura reiterated that these were two good companies, but said he was apprehensive, from an operational standpoint, to split the work 50/50 until performance was proven. Director Jarjura stated that Scenario B addresses the goal of the Authority to encourage smaller companies to grow and create competition and said it is a good compromise.

By roll call, the motion previously made and seconded was approved. Director Sullivan voted nay.

Eligible Voters	Aye	Nay	Abstain
Chairman Michael Pace	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan		X	
Elizabeth Horton Sheff, Ad-Hoc – Mid-Connecticut	X		
Non-Eligible Voters			
None			

RESOLUTION REGARDING EMPLOYMENT OF GERSHMAN, BRICKNER & BRATTON, INC. FOR SOLID WASTE CONSULTING SERVICES

Chairman Pace requested a motion regarding the referenced item. Director O'Brien made the following motion:

RESOLVED: That the President of CRRA be authorized to execute a Request for Services with Gershman, Brickner & Bratton, Inc. for Solid Waste Consulting Services, substantially as presented and discussed at this meeting.

The motion was seconded by Director Cohn.

Director Cohn said that there was no indication as to how the firm was selected. Mr. Egan responded that the firm was on CRRA's panel, which was selected under the Solid Waste & Accounting/Finance Request for Qualifications.

Mr. Kirk said that this firm was very knowledgeable and added that it was important for CRRA to obtain professional insight and perspective as the Authority advises and influences the consideration of the Solid Waste Management Plan, and specifically to develop options for Connecticut cities and towns moving forward. Mr. Kirk stated that a specific task in this Request for Services is to look into an export option to western states.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Chairman Michael Pace	X		
Benson Cohn	X		
Mark Cooper	X		

James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Non-Eligible Voters			
Elizabeth Horton Sheff, Ad-Hoc – Mid-Connecticut			

RESOLUTION REGARDING THE ADOPTION OF THE FISCAL YEAR 2007 WALLINGFORD PROJECT OPERATING BUDGET, TIP FEES AND CAPITAL BUDGET

Chairman Pace requested a motion regarding the referenced item. Director Sullivan made the following motion:

RESOLVED: That the fiscal year 2007 Wallingford Project operating budget be adopted as presented at this meeting.

FURTHER RESOLVED: That a fiscal year 2007 municipal solid waste tip fee of \$58.00 per ton be adopted for contracted member waste and a fiscal year 2007 municipal solid waste tip fee of \$69.00 per ton be adopted for non-contracted member waste.

FURTHER RESOLVED: That the fiscal year 2007 capital budget totaling \$420,000 be adopted as presented and discussed at this meeting.

FURTHER RESOLVED: That the permit fees for fiscal year 2007 be set at \$100 per permit.

The motion was seconded by Director Cohn.

Director Sullivan said that this was discussed at the Finance Committee meeting and recommended to the Board for adoption. Director Sullivan noted that the budget was approved by the Wallingford Policy Board on January 10th.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Chairman Michael Pace	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		

Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Non-Eligible Voters			
Elizabeth Horton Sheff, Ad-Hoc – Mid-Connecticut			

RESOLUTION REGARDING THE ADOPTION OF THE FISCAL YEAR 2007 BRIDGEPORT PROJECT OPERATING BUDGET AND TIP FEE

Chairman Pace requested a motion regarding the referenced item. Director Sullivan made the following motion:

RESOLVED: That the fiscal year 2007 Bridgeport Project Budget be adopted as presented at this meeting and that a fiscal year 2007 member tipping fee of \$70.00 per ton for the component of the fee based on actual deliveries and \$8.00 per ton for the portion of the fee based on minimum commitment tonnage be adopted.

FURTHER RESOLVED: That the Authority will actively pursue funds from the State Bond Commission to reimburse the project for closure costs of the Shelton Landfill.

FURTHER RESOLVED: That the Authority will pursue additional revenues from the use of the Waterbury Landfill in fiscal year 2007.

The motion was seconded by Director Francis.

Director Sullivan noted that this was also discussed at length at the Finance Committee meeting. Mr. Constable explained that the Bridgeport budget includes a proposed increase in the Post-Closure Reserve required for the post-closure expenses related to the Shelton Landfill. Mr. Constable said that CRRA met with the Solid Waste Advisory Board (“SWAB”) to review the estimates and the initial tip fee was proposed to be \$72.00 per ton for actual deliveries and \$8.00 per ton for minimum commitment tonnage. Mr. Constable stated that the tip fee brought to the Board for approval is \$70.00 per ton and \$8.00 per ton for minimum commitment tonnage, which reflects a reduction equating to approximately \$600,000 as requested by SWAB. Mr. Constable explained that SWAB discussed making up for the \$600,000 difference with revenues generated by filling the remaining capacity at the Waterbury Landfill.

Mr. Constable said that another issue discussed with SWAB was securing funds from the State Bond Commission for closure costs of the Shelton Landfill. Mr. Constable informed the Board that legislation was passed in 1999 authorizing \$3 million for closure and SWAB has requested that CRRA pursue those funds as another possible source to pay for post-closure costs associated with the Shelton Landfill.

Director Jarjura pointed out that the Bridgeport Project owns the landfill in Waterbury and said that management was gracious enough to inform him of the intent to fill the Waterbury Landfill. Director Jarjura said that he had no objection to doing so and asked when was the last

time the landfill was active and for confirmation that all of the proper permitting was in place. Mr. Kirk responded that it has been some time since anything was deposited at the landfill, but noted that the landfill is still open. Mr. Kirk explained that CRRA has an agreement with the gravel operator adjacent to the landfill so it could become active at any time. Director Jarjura asked if the landfill would have to be closed when filled to capacity. Mr. Kirk responded in the affirmative, noted that all of the permits were in place, and said that the liability for long-term care and maintenance of the landfill remains with CRRA.

Mr. Bolduc mentioned that CRRA informed SWAB that if the plans to generate additional revenues in place of the reduced tip fee did not work out, there would have to be a significant increase in the tip fee next year to fund the reserves because there are only 18 months left on the Municipal Service Agreements.

Chairman Pace noted that, at this point, he would normally look to Director Lovejoy. Chairman Pace informed the Board that Director Lovejoy was in the hospital because of an injury and said that, on behalf of the Board, he wishes him well.

Chairman Pace invited Mr. Mark Anastasi, Vice-Chairman of the Solid Waste Advisory Board, to address the Board. With respect to the budget, Mr. Anastasi said that SWAB appreciates CRRA’s sensitivity to the Bridgeport Project’s desire to remain competitive in pricing, which was one of the reasons SWAB did not want to increase the tip fee to \$72.00. Mr. Anastasi said that the last thing SWAB wants to do is drive waste outside of the Project. Mr. Anastasi added that SWAB would be willing and enthusiastic to work with the CRRA Board and management to market and fill the Waterbury Landfill and, with CRRA’s aggressive support, get the State Bond Commission to act on the matter that has not yet appeared on the agenda. Mr. Anastasi stated that SWAB would be doing its part through its legislative delegation and said he hopes CRRA can assist in that endeavor.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Chairman Michael Pace	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O’Brien	X		
Andrew Sullivan	X		
Non-Eligible Voters			
Elizabeth Horton Sheff, Ad-Hoc – Mid-Connecticut			

RESOLUTION REGARDING AUTHORIZATION OF A SETTLEMENT IN THE MATTER OF INCREDIBLE MOTELS, INC., ET AL, v. CONNECTICUT RESOURCES RECOVERY AUTHORITY, ET AL

Chairman Pace requested a motion regarding the referenced item. Director O’Brien made the following motion:

RESOLVED: That the Board of Directors of the Authority hereby approves the settlement of the matter of Incredible Motels, Inc., et al v. Connecticut Resources Recovery Authority, et al, substantially in the form presented and discussed during this meeting; and

FURTHER RESOLVED: That the President of the Authority is hereby authorized to execute a Release and Settlement Agreement, substantially in the form presented and discussed during this meeting, and to take all actions and to execute any and all other documents required in connection with the proposed settlement of this matter.

The motion was seconded by Director Cohn.

Attorney Hunt explained that this matter was discussed in Executive Session and said that the Board understands that there will be a Stipulated Judgment and Settlement Agreement.

Director Horton Sheff said that she was under the impression that the landfill would be closed in 2007. Mr. Kirk explained that intention has been to close the landfill in the last quarter of 2008. Mr. Kirk noted that there are portions of the landfill that would be closed much sooner because the landfill is being closed as it is filled.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Chairman Michael Pace	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O’Brien	X		
Andrew Sullivan	X		
Elizabeth Horton Sheff, Ad-Hoc – Mid-Connecticut	X		
Non-Eligible Voters			
None			

**RESOLUTION REGARDING COMPROMISE AND PAYMENT OF CLAIMED
“RECAPTURE” OF LEGAL FEES**

Chairman Pace requested a motion regarding the referenced item. Director O’Brien made the following motion:

RESOLVED: That the President is hereby authorized to settle the dispute between CRRA and the law firm of Anderson, Kill & Olick regarding the firm’s claim for payment of that portion of fees which were purported to have been discounted subject to recapture from 2003 through the date hereof by a compromise substantially on the basis and in the amount discussed at this meeting, PROVIDED THAT the Attorney General’s Office agrees with such compromise; and

FURTHER RESOLVED: That the President is authorized to make payment of the agreed upon portion of such fees and to take any other action and to execute any documentation required to effectuate such compromise and settlement with Anderson, Kill & Olick.

The motion was seconded by Director Cohn.

Chairman Pace noted that the recommended compromise was payment in the amount of \$67,426. Mr. Bolduc explained that in reviewing the original agreement with Anderson Kill and comparing it to CRRA’s other Legal Service Agreements, CRRA noticed a major difference in that the Anderson Kill agreement did not provide for an annual adjustment for CPI. In addition, the original agreement allowed for a range of rates to be billed, but was not applied. Mr. Bolduc stated that the recommended figure was reached by taking Anderson Kill’s 2002 rates, adjusting them for the rate ranges in the original contract and then increasing them annually according to the formula used in all of CRRA’s Legal Services Agreements.

Director Sullivan noted that when this was discussed at the Finance Committee meeting, it was mentioned that CRRA should confer with the Attorney General’s Office prior to making any compromise. Mr. Bolduc agreed and said that the adoption of the resolution was subject to discussion with and agreement by the Attorney General’s Office.

Director O’Brien said that one of the reasons that this compromise was recommended by the Finance Committee was to recognize Anderson Kill for the excellent job they had done in the bankruptcy proceedings.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Chairman Michael Pace	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		

Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Elizabeth Horton Sheff, Ad-Hoc – Mid-Connecticut	X		
Non-Eligible Voters			
None			

RESOLUTION REGARDING SENIOR MANAGEMENT SALARIES

Chairman Pace requested a motion to table the referenced item. The motion to table made by Director Cohn and seconded by Director Martland was approved unanimously.

COMMITTEE REPORT

Policies & Procurement Committee

Director Cohn informed the Board that the Policies & Procurement Committee was asked by the Board Chairman to review two matters. The first matter was to review the report by the Governor's Office on Quasi-Public agencies to see if there was any additional action that should be taken. Director Cohn stated that the report was reviewed paragraph-by-paragraph and the Committee concluded that the only action that was required was made by the Human Resources & Organizational Synergy Committee and approved by the Board. The second matter was whether CRRA should have a charitable giving policy. Director Cohn explained that, based on the opinion of the Attorney General regarding the National Geographic Issue, the Committee agreed that it would be best if CRRA did not participate in charitable giving when it is not directly related to the mission of CRRA.

RESOLUTION REGARDING ADDITIONAL PROJECTED LEGAL EXPENDITURES

Chairman Pace requested a motion regarding the referenced item. Director Cohn made the following motion:

WHEREAS, CRRA has entered into Legal Service Agreements with various law firms to perform legal services; and

WHEREAS, the Board of Directors, on June 23, 2005, authorized certain amounts for payment of fiscal year 2006 projected legal fees; and

WHEREAS, CRRA has incurred greater than anticipated legal expenses in connection with its future planning efforts, documentation in connection with its new recycling center, and certain other matters;

NOW THEREFORE, it is RESOLVED: That the following additional amounts be authorized for payment of projected legal fees to be incurred through June 30, 2006:

Firm:	Amount:
Halloran & Sage	\$200,000
Heneghan, Kennedy & Doyle	\$ 40,000

The motion was seconded by Director Martland.

Attorney Hunt explained that the increases were for unanticipated expenses in connection with CRRA’s future planning, CRRA’s tax exempt issue and the conflict of interests issue. Attorney Hunt added that Heneghan, Kennedy & Doyle undertook some major initiatives including the new recycling center and the transfer station Request for Proposals.

Chairman Pace asked if these additional expenditures were within the legal budget. Mr. Kirk responded in the affirmative and said that CRRA takes an extra step and approves amounts on a firm-by-firm basis.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Chairman Michael Pace	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O’Brien	X		
Andrew Sullivan	X		
Non-Eligible Voters			
Elizabeth Horton Sheff, Ad-Hoc – Mid-Connecticut			

ADDITIONS TO THE AGENDA

Chairman Pace requested a motion to add an item to the agenda. Director Cohn made a motion to add an item regarding the Mid-Connecticut Waste Processing Facility Request for Proposals to the agenda. The motion was seconded by Director O’Brien. The motion previously made and seconded was approved unanimously.

Director Cohn stated that because CRRA decided not to pursue the Request for Proposals, the Board thought it best to formally remove the issue from consideration. Director Cohn made the following motion:

RESOLVED: That no acceptable bids were received in response to CRRA's September 16, 2005 Request for Proposals for Operation, Management, and Maintenance of the Mid-Connecticut Project Waste Processing Facility, that the RFP is therefore moot, and that no action to re-bid or to otherwise change operators of the Waste Processing Facility be taken at the present time.

The motion was seconded by Director Sullivan.

Chairman Pace stated that this issue was discussed both at the Finance Committee meeting and during the Executive Session at this meeting. Chairman Pace stated that this action is an attempt to resolve the long-standing issues between MDC and CRRA.

Director Sullivan stated that, even though he was not present for today's Executive Session, the issue was discussed at length at the Finance Committee meeting, and said that he had no reservation about voting on this issue. Director Martland said that he still had strong reservations regarding the quality of maintenance and added that he does not want this resolution to preclude the CRRA Board from revisiting this issue, if necessary, to address maintenance issues. Chairman Pace stated that maintenance concerns were being addressed by CRRA and the auditors, so he was viewing this action as another way to work toward better ends. Mr. Kirk added that this resolution was not intended to surrender away any of CRRA's rights under the contract, but to make it clear to MDC that CRRA is not issuing another Request for Proposals ("RFP") or pursuing the existing RFP any further.

Director Horton Sheff asked if the Chair intends to attend a MDC Board meeting. Chairman Pace responded that he is considering doing that.

Director Francis said that the phrase "at the present time" takes away the effect of the resolution. Director Francis said that it was clear that CRRA will not be taking any action at this time, but noted that it is understood that the CRRA Board can change its mind at any time. Director Francis said that to include that language in the resolution undermines the intention. Chairman Pace and the Board agreed to strike that language from the resolution so the resolution reads:

RESOLVED: That no acceptable bids were received in response to CRRA's September 16, 2005 Request for Proposals for Operation, Management, and Maintenance of the Mid-Connecticut Project Waste Processing Facility, that the RFP is therefore moot, and that no action to re-bid or to otherwise pursue an RFP for a change in of the Waste Processing Facility.

Director Lauretti noted that there have been several attempts on CRRA's part to address this issue with the MDC Board and emphasized that it needs to be clear that CRRA's attempts have been ongoing.

The motion as amended previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Chairman Michael Pace	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Elizabeth Horton Sheff, Ad-Hoc – Mid-Connecticut	X		
Non-Eligible Voters			
None			

Chairman Pace requested a motion to add an additional item to the agenda. Director Cohn made a motion to add an item regarding an appeal of a Labor Board ruling in connection with MDC employees. The motion was seconded by Director O'Brien. The motion previously made and seconded was approved unanimously.

Chairman Pace explained that, some time ago, there were MDC employees who, through the union contract, had the right to move to other positions when CRRA exercised its right to change contractors at the transfer stations. Chairman Pace stated that the positions at the transfer station paid a higher hourly rate than the new positions that were available and a complaint was filed with the Labor Board that claimed that the workers were “damaged.” Chairman Pace said that MDC defended the actions, but lost at the Labor Board. Chairman Pace stated that it was his understanding that the claim was for approximately \$1,000,000. Chairman Pace informed the Board that he thought CRRA should support what MDC tried to do for the employees and appeal the Labor Board’s ruling.

Mr. Kirk suggested that, with the Board’s consensus, he would like to make the determination whether to appeal the ruling because there may be fiscal reasons for choosing not to pursue the appeal. Mr. Kirk said that CRRA’s attorneys have requested information from MDC and would use that information to evaluate the chances of winning. Mr. Kirk said that if the chances of winning were poor, then choosing not to pursue the appeal could be a legitimate and viable decision.

Director Horton Sheff stated that the Board has a matter before them without any substantive information, such as what the appeal would be or how many employees are involved. Director Horton Sheff said she is a little nervous with this Board because there are a lot of discussions that take place without being given enough information. Director Horton Sheff said that she agrees with Mr. Kirk that an analysis needs to be done before committing to an appeal. Director Horton Sheff added that she did not like the Chair’s comment in support of appeal, noting that CRRA would not be giving money to MDC, but to the employees. Director Horton Sheff stated that this was an indication of the hostility between CRRA and MDC and this problem surfaces in different areas such as this. Director Horton Sheff said that she thought CRRA had just agreed to “play nice in the sandbox” with MDC.

Director Martland said that he does not agree with Director Horton Sheff and said that CRRA should aggressively oppose the appeal because supporting it will set a precedent for changes that could take place in the next couple of years. Director Martland said that if an analysis shows that it would be more cost-effective to discontinue consideration of the appeal, he would like that to be brought back to the Board for review.

Director O'Brien agreed with the need for an evaluation, but said that the authority should be given to the President in concert with the Executive Committee.

Director Sullivan noted that it was MDC that brought this issue to the Labor Department and by considering this appeal, CRRA is backing up MDC. Director Sullivan added that a cost-benefit analysis had to be performed before deciding to go forward.

Director Lauretti said that he questions whether the CRRA Board has the authority to vote on this matter because it is a labor matter. Director Lauretti stated that the authority may be in the hands of the President of CRRA. Director Francis added that the actual employer, MDC, may have the authority. Mr. Kirk informed the Board that he received a letter from MDC informing him of the ruling and asking to be advised on whether or not CRRA wanted MDC to appeal.

Chairman Pace said that he takes exception when his words are taken out of context and said that the members of this Board are here to protect the interests of the citizens of the towns they represent, but also to protect the interests of CRRA.

Chairman Pace requested a motion regarding the referenced item. Director Cohn made the following motion:

RESOLVED: That the President of CRRA be authorized to review the options and analyze the impacts of appealing the December 29, 2005 award of the State Labor Board regarding the reassignment of MDC employees, and to determine, in concert with the Executive Committee of this Board, whether or not CRRA should take action to pursue such appeal.

The motion was seconded by Director O'Brien.

The motion previously made and seconded was approved. Director Horton Sheff voted nay.

Eligible Voters	Aye	Nay	Abstain
Chairman Michael Pace	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		

Raymond O'Brien	X		
Andrew Sullivan	X		
Elizabeth Horton Sheff, Ad-Hoc – Mid-Connecticut		X	
Non-Eligible Voters			
None			

Mr. Kirk noted that the Board had requested management to survey the towns to find out how many towns had existing contracts for recycling and any potential fiscal impact the new recycling requirements would have on the towns. Mr. Kirk informed the Board that CRRA received surveys from approximately sixteen towns and there were three or four towns that would be impacted fiscally by the changes. Mr. Kirk said that management's proposal is to move forward with the Board's directive to collect mixed paper and to recognize and mitigate any costs to the towns by not requiring delivery of mixed paper in those towns until the start of the new fiscal year. The Board agreed.

ADJOURNMENT

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

There being no other business to discuss, the meeting was adjourned at 1:01 p.m.

Respectfully submitted,

Kristen B. Greig
Secretary to the Board/Paralegal