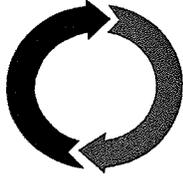


**CRRA  
BOARD MEETING  
JULY 28, 2005**



**CONNECTICUT  
RESOURCES  
RECOVERY  
AUTHORITY**

100 Constitution Plaza • Hartford • Connecticut • 06103 • Telephone (860)757-7700  
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## **MEMORANDUM**

**TO:** CRRRA Board of Directors

**FROM:** Kristen Greig, Secretary to the Board/Paralegal

**DATE:** July 22, 2005

**RE:** Notice of Meeting

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There will be a regular meeting of the Connecticut Resources Recovery Authority Board of Directors held on Thursday, July 28, 2005 at 9:30 a.m. The meeting will be held in the Board Room of 100 Constitution Plaza, 6<sup>th</sup> Floor, Hartford, Connecticut.

Please notify this office of your attendance at (860) 757-7787 at your earliest convenience.

Connecticut Resources Recovery Authority  
Board of Directors Meeting

Agenda

July 28, 2005

9:30 AM

I. Pledge of Allegiance

II. Public Portion

A ½ hour public portion will be held and the Board will accept written testimony and allow individuals to speak for a limit of three minutes. The regular meeting will commence if there is no public input.

III. Minutes

1. Board Action will be sought for the approval of the June 7, 2005 Special Board Meeting Minutes (Attachment 1).
2. Board Action will be sought for the approval of the June 23, 2005 Regular Board Meeting Minutes (Attachment 2).
3. Board Action will be sought for the approval of the June 29 – 30, 2005 Special Board Meeting Minutes (Attachment 3).

IV. Report on Department of Environmental Protection's Public Stakeholder Forum on the Management of Solid Waste Generated in Connecticut held on June 29, 2005

V. Project Issues

A. Mid-Connecticut

1. Board Action will be sought regarding the Roadway Reconstruction Agreement at the Power Block Facility (Attachment 4).
2. Board Action will be sought regarding Delivery of Cover Soils to the Hartford Landfill (Attachment 5).
3. Board Action will be sought regarding Mid-Connecticut Resources Recovery Facility Ash Residue Transportation Services (Attachment 6).
4. Board Action will be sought regarding Employment of a Contractor to Provide Materials, Equipment, and Labor for the Removal of the Screen Fence at the Hartford Landfill (Attachment 7)

B. Bridgeport

1. Board Action will be sought regarding a Limited Release Agreement by and Among East Haven, SWEROC, CRRA and FCR, Inc. (Attachment 8).

C. General

1. Board Action will be sought regarding Digital Copier Purchase (Attachment 9).
2. Board Action will be sought regarding an Agreement for Electronics Recycling Collection Services (Attachment 10).

VI. Legal

1. Board Action will be sought regarding Additional Projected Legal Expenditures for Fiscal Year 2005 (Attachment 11).

VII. Chairman's and Committee Reports

A. Executive Committee

1. The Executive Committee will report on its July 21, 2005 meeting.

B. Policy and Procurement Committee

1. The Policy and Procurement Committee will report on its July 14, 2005 meeting.
2. Board Action will be sought regarding Amendment to Travel Policy and Expense Reporting (Attachment 12).

VIII. Executive Session

An Executive Session will be held to discuss pending litigation, real estate acquisition, trade secrets/feasibility analysis and personnel matters with appropriate staff.

# TAB 1

**CONNECTICUT RESOURCES RECOVERY AUTHORITY**

**THREE HUNDRED EIGHTY-NINTH MEETING**

**JUNE 7, 2005**

A Special telephonic meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Tuesday, June 7, 2005 at 100 Constitution Plaza, Hartford, Connecticut.

Those present by telephone were:

Chairman Michael Pace

Directors: Stephen Cassano, Vice-Chairman (Present until 10:15 a.m.)  
Benson Cohn  
Mark Cooper  
James Francis  
Michael Jarjura (Present beginning at 10:15 a.m.)  
Edna Karanian  
Theodore Martland  
Raymond O'Brien  
Andrew Sullivan  
Timothy Griswold (Ad-Hoc for Mid-Connecticut Project)  
(Present until 10:58 a.m.)  
Elizabeth Horton Sheff (Ad-Hoc for Mid-Connecticut Project)  
(Present until 10:30 a.m.)

Present from the CRRA staff at 100 Constitution Plaza:

Tom Kirk, President  
Jim Bolduc, Chief Financial Officer  
Floyd Gent, Director of Operations (Present beginning at 10:15 a.m.)  
Laurie Hunt, Director of Legal Services  
Paul Nonnenmacher, Director of Public Affairs  
Kristen Greig, Secretary to the Board/Paralegal

Chairman Pace called the meeting to order at 10:00 a.m. and stated that a quorum was present.

**EXECUTIVE SESSION**

Chairman Pace requested a motion to enter Executive Session to discuss pending litigation. The motion made by Director Martland and seconded by Director O'Brien was approved unanimously. Chairman Pace requested that the following people be invited to the Executive Session, in addition to the Directors:

Tom Kirk  
Jim Bolduc  
Floyd Gent (Present beginning at 10:15 a.m.)  
Laurie Hunt  
Paul Nonnenmacher

The Executive Session began at 10:01 a.m. and concluded at 10:44 a.m. Chairman Pace noted that no votes were taken.

The meeting was reconvened at 10:45 a.m.

**RESOLUTION REGARDING AUTHORIZATION OF A SETTLEMENT PROPOSAL**

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

**RESOLVED:** That the Board of Directors hereby authorizes the President to proceed with a proposal to the Metropolitan District Commission that provides mechanisms for: the settlement of issues between CRRA and MDC; the replacement of the existing contract with a fixed fee operation and maintenance agreement; and the preservation of jobs of MDC WPF employees in the present represented workforce.

The motion was seconded by Director Sullivan.

Director O'Brien stated that the settlement proposal as presented to the Board would be amended as discussed in Executive Session. Director O'Brien stated that the letter would be stamped "Confidential" and all attachments would be clearly labeled as part of the same submission.

Director Griswold asked if there would be a letter that MDC would sign to acknowledge the confidentiality. Director Martland stated that he believed if the letter was stamped confidential, the confidentiality was binding.

Chairman Pace stated that in the Board's continuing effort to satisfy the needs of the CRRA in providing services to the municipalities, as well as trying to resolve long-standing issues between CRRA and MDC, this latest proposal was being sent to MDC with the hope that this can be a means of resolving said conflict.

Chairman Pace requested that Mr. Kirk supply the Board with a copy of the settlement proposal with the suggested amendments. Mr. Kirk agreed that the document would be sent to all of the Board members.

Chairman Pace asked if Mr. Sheehan of MDC knows that a proposal would be forthcoming. Mr. Kirk replied that CRRA has had discussions with MDC for a number of months in anticipation of sending the proposal. Mr. Kirk said that the proposal started as a

management initiative, which was reviewed by the Steering Committee and was now being reviewed for Board approval. Chairman Pace requested that a call be placed on his behalf to inform Mr. Sheehan that a proposal would be transmitted in the next couple of days.

Director O'Brien suggested that the agenda for the Regular Board meeting to be held on June 23<sup>rd</sup> include a report from Mr. Kirk regarding this issue.

Mr. Kirk noted that Vice-Chairman Cassano and Director Horton Sheff expressed their support for the resolution prior to disconnecting from the telephone conference.

The motion previously made and seconded was approved unanimously.

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut	X		
<b>Non Eligible Voters</b>			
NONE			

### **EXECUTIVE SESSION**

Chairman Pace requested a motion to enter Executive Session to discuss a potential pursuit of an ethics claim on matter arising out of the current legislative agenda. The motion made by Director Martland and seconded by Director O'Brien was approved unanimously. Director O'Brien asked Attorney Hunt to verify that the matter was appropriate for Executive Session. Attorney Hunt responded that the discussion of strategy or negotiation with regard to pending claims was suitable for Executive Session.

Chairman Pace requested that the following people be invited to the Executive Session, in addition to the Directors:

Tom Kirk  
 Jim Bolduc  
 Floyd Gent  
 Laurie Hunt  
 Paul Nonnenmacher

The Executive Session began at 10:58 a.m. and concluded at 11:25 a.m. Chairman Pace noted that no votes were taken.

The meeting was reconvened at 11:25 a.m.

Chairman Pace stated that there was an article in the paper that said the Manafort group, through lobbyist Brendon Fox, attached a piece of legislation for elderly transportation that would give Manafort the benefit of an exemption on fuel taxes. Chairman Pace noted that CRRA was mentioned in that article and emphasized that CRRA had no knowledge of Manafort's intention to pursue that legislation. Chairman Pace stated that he would have appreciated some advance warning regarding this matter. Director Sullivan stated that the article was clear that the legislation did not have anything to do with CRRA. Chairman Pace stated that he would like management to clarify with the newspaper that CRRA had no part in that legislation. Mr. Kirk stated the management was planning on issuing a statement that said that CRRA was not involved with the Manafort's initiative and stating that it is CRRA's policy that the ratepayers should receive the benefit from any potential rebates. Director Jarjura agreed that the newspapers should be informed of CRRA's position. Chairman Pace said that CRRA had no knowledge of this until the article was printed and emphasized that CRRA cannot properly defend itself absent of this kind of information.

#### **ADJOURNMENT**

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

There being no other business to discuss, the meeting was adjourned at 11:30 a.m.

Respectfully submitted,



Kristen B. Greig  
Secretary to the Board/Paralegal

## **TAB 2**

**CONNECTICUT RESOURCES RECOVERY AUTHORITY**

**THREE HUNDRED NINETIETH MEETING**

**JUNE 23, 2005**

A Regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, June 23, 2005 at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Chairman Michael Pace

Directors: Benson Cohn  
Mark Cooper  
James Francis  
Edna Karanian  
Mark Lauretti (Present at Constitution Plaza until 11:15 a.m., Present by telephone from 11:20 to 12:02 p.m.)  
Theodore Martland  
Raymond O'Brien  
Andrew Sullivan (Present from 9:45 a.m. to 11:00 a.m.)  
Timothy Griswold (Ad-Hoc for Mid-Connecticut Project) (Present until 12:02 p.m.)  
Elizabeth Horton Sheff (Ad-Hoc for Mid-Connecticut Project) (Present until 11:55 a.m.)  
Sherwood Lovejoy (Ad-Hoc for Bridgeport Project) (Present until 12:02 p.m.)

Present from the CRRA staff:

Tom Kirk, President  
Mike Bzdyra, Senior Analyst  
Peter Egan, Director of Environmental Affairs and Development  
Thomas Gaffey, Director of Recycling & Enforcement  
Floyd Gent, Director of Operations  
Paul Nonnenmacher, Director of Public Affairs (Present from 9:50 a.m. until 12:02 p.m.)  
Jim Ruel, Purchasing Manager (Present until 12:02 p.m.)  
Donna Tracy, Executive Assistant (Present until 11:00 a.m.)  
Kristen Greig, Secretary to the Board/Paralegal

Also present were: Mr. David Arruda of MDC, Ms. Gladys Ellis of HEJN, Ms. Kathleen Henry of HEJN, Mr. Frank Marci of USA Hauling and Recycling, Mr. Mark Mitchell of HEJN, Mr. Jerry Tyminski of SCRRA

Chairman Pace called the meeting to order at 9:39 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.

**INTRODUCTION OF NEW BOARD MEMBER**

Chairman Pace introduced Elizabeth Horton Sheff, a new Ad-Hoc Director for the Mid-Connecticut Project and welcomed Ms. Horton Sheff to the Board.

**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.

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

**APPROVAL OF THE MINUTES OF THE MAY 26, 2005 REGULAR BOARD MEETING**

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

Director Griswold noted that he was present at the meeting.

The minutes as amended were approved unanimously.

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chair	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
<b>Non-Eligible Voters</b>			
Timothy Griswold, Ad Hoc - Mid-CT			
Elizabeth Horton Sheff, Ad Hoc - Mid-CT			
Sherwood Lovejoy, Ad-Hoc - Bridgeport			

**RECOGNITION OF WHEELABRATOR FOR THE OCCUPATIONAL HEALTH AND SAFETY ADMINISTRATION'S DESIGNATION OF THE BRIDGEPORT PROJECT WASTE-TO-ENERGY FACILITY AS A STAR SITE IN THEIR VOLUNTARY PROTECTION PROGRAM**

Mr. Kirk informed the Board that Wheelabrator, the operator of the Bridgeport facility, received an OSHA Star Award, which is the result of an extensive review and examination of Wheelabrator's safety policies and procedures. Mr. Kirk stated that only a handful of the many facilities in the country reach this milestone and noted that the achievement demonstrates Wheelabrator's commitment to employee safety and public health.

Chairman Pace requested that a letter be sent to Wheelabrator and its employees acknowledging CRRA's recognition of this achievement.

Chairman Pace stated that this achievement and Mid-Connecticut's recent similar achievement demonstrated a pattern of safety awareness.

**RESOLUTION REGARDING CITY OF WATERBURY NON-PROCESSIBLE WASTE TRANSPORTATION SERVICES**

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

**RESOLVED:** That the President is authorized to enter into an agreement with CWPM, LLC for City of Waterbury non-processible waste transportation services substantially as presented and discussed at this meeting.

The motion was seconded by Director Cohn.

Chairman Pace noted that the value of the contract with CWPM was approximately \$60,000 for transportation of non-processible waste from the Waterbury Landfill to the Hartford landfill.

Mr. Gent noted that there was a correction to the contract summary and noted that the actual dollar value of the contract was \$113,000. Mr. Gent noted that there were three bidders. One bidder was non-responsive and the other two bidders were CWPM and Winter Ridge. Mr. Gent pointed out that CWPM's bid was less than half of Winter Ridge's bid.

Mr. Gent stated that there was an optional price included in the agreement to take non-processible waste to the Waterbury Landfill if it is opened for bulky waste. Mr. Gent added that the \$113,000 price included transportation from the Waterbury Landfill to the Hartford Landfill.

Chairman Pace asked if there was a clear reason why the difference in the bids was so widespread. Mr. Gent responded that both bidders were given the rights to use the roll-off containers so that was not a factor in the variance. Mr. Gent said that the difference was solely in the transportation cost and stated that Winter Ridge's bid of \$75.00 per ton was not a market price. Chairman Pace asked for confirmation that CWPM's bid of \$31.00 per ton was \$6.00

higher per ton than the current price. Mr. Gent confirmed. Chairman Pace stated that when there are bid responses that widespread, a flag is raised and one wonders if the bidders understand the bid requirements. Director Martland stated that when he received bids within a wide range, he would evaluate the language in the bids to make certain the bid could not be misinterpreted. Mr. Gent stated that the bid was explicit and proceeded to give an explanation of the bid package contents. Chairman Pace asked if management is comfortable that both bidders understood the bid documents. Mr. Gent responded in the affirmative.

Director O'Brien asked how much was in the approved budget for this function. Mr. Gent informed the Board that he believed the budget was in the range of \$100,000 - \$115,000, but noted that he would confirm that number.

Director O'Brien noted that the current price was \$24.00 per ton and pointed out that there was a \$7.00 per ton increase.

The motion previously made and seconded was approved unanimously.

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chair	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Mark Laretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Timothy Griswold, Ad Hoc - Mid-CT	X		
Elizabeth Horton Sheff, Ad Hoc - Mid-CT	X		
<b>Non-Eligible Voters</b>			
Sherwood Lovejoy, Ad-Hoc - Bridgeport			

**RESOLUTION REGARDING DELIVERY OF COVER SOILS TO THE HARTFORD LANDFILL**

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

**RESOLVED:** That the President is hereby authorized to enter into a contract with Newcarp First LLC for delivery of contaminated soil to be used as daily cover at the Hartford Landfill, and as approved by the Connecticut Department of Environmental Protection, substantially as discussed and presented at this meeting.

The motion was seconded by Director Cooper.

Chairman Pace pointed out that bringing in soil to be used as daily cover at the Hartford Landfill used to represent a cost to CRRA, but using contaminated soils has created a source of revenue. Chairman Pace asked for confirmation that the soils were coming from West Hartford. Mr. Egan confirmed. Chairman Pace asked if CRRA had done business with Newcarp First LLC in the past. Mr. Egan responded in the negative.

Mr. Egan stated that this was the mildly contaminated soil that was discussed at the previous Board meeting that was tentatively earmarked to be used at the South Meadows site. Mr. Egan stated that when the decision was made to prohibit its use at South Meadows, the developer reached out to CRRA to determine if CRRA could use the material at the Hartford Landfill. Mr. Egan explained that a price was negotiated based on CRRA's needs and availability of other sources. Mr. Egan added that some of the material would be used for the west slope of the landfill and noted that since the Board package documents were finalized there was additional soil available that would be presented to the Board for approval next month. Mr. Egan stated that the resolution was requesting that the Board retroactively approve the agreement for an initial 5,000 tons. Chairman Pace asked if the soil had already been delivered. Mr. Egan responded in the affirmative.

Director Horton Sheff stated that she is always leery of passing items in retro and said that if the issue is to be brought before the Board for a vote, it should be brought to the Board before the agreement is executed.

Director Horton Sheff asked what contaminants were in the soil. Mr. Egan responded that the contaminants or constituents of concern include total petroleum hydrocarbons, lead, and trace quantities of semi-volatile organic compounds. Mr. Egan noted that the levels of contamination in the West Hartford soil are well below the direct exposure criteria for residential reuse in the State of Connecticut and are well below the pollutant mobility criteria for Class GA groundwater areas. Mr. Egan added that the material under the remediation standards regulations is defined as "polluted soil" and is defined under solid waste regulations as "clean fill." Director Horton Sheff stated that if contaminated soil was to be used, that she would appreciate having that type of information in the background documents.

Director Horton Sheff asked if all the soil would be of that grade. Mr. Egan responded in the affirmative. Director Horton Sheff asked how long that soil source of soil would be used. Mr. Egan responded that the soil from the West Hartford source would be used for the next month or two. Director Horton Sheff asked if CRRA was back to square one when that soil source was exhausted. Mr. Egan responded that CRRA would move to other sources of cover soil and those sources could include virgin soil that is purchased by CRRA, treated residual soil from Phoenix Soil in Waterbury, which takes in total petroleum contaminated soil, incinerates it and generates an organic free residual, or soil from brownfield sites that DEP has approved as daily cover material because of the low levels of contamination. Mr. Egan noted that any soil purchase with a value over \$50,000 comes before the Board for approval and explained that because the soils came from a fluid, dynamic, commodity-based market, CRRA's Procurement Policy allows CRRA management to enter into a contract and lock into a soil stream prior to coming to the Board for approval. Mr. Egan added that there are a limited number of market-driven transactions that CRRA management is authorized to undertake prior to Board approval and the purchase of soil to be used as daily cover is included in that exception.

Director Martland noted that soil that is contaminated with an oil-based pollutant is often aerated to reduce the contamination values.

Director O'Brien stated that he understands that the services are to be completed by the end of the summer and said that the term of the agreement should specify an end date of June 2008 rather than the open-ended date of "Until specified quantity is delivered." Mr. Kirk recommended that the term be amended to read, "Until the specified quantity is delivered or three-years, whichever occurs first." Mr. Egan stated that he did not include an end date in this specific contract because he was certain that the developer would move the soil quickly from the site to the landfill as its presence was causing delays to the development project. Mr. Egan noted that, in those situations where the removal timeframe is less certain, CRRA does incorporate an end date so that CRRA is not in a position of having committed to accept soil long after the market rate may have changed. Mr. Egan stated that, in this particular situation, CRRA was comfortable that the developer would move quickly. Director O'Brien stated that he believes CRRA is limited to three-years for contracts of this nature. Mr. Egan agreed that there would be a specific end-date on all contracts moving forward. Chairman Pace stated that the three-year end date would reinstate the policy and give comfort to the Board without affecting the contract since it is anticipated that the soil would be received in a short period of time.

Director O'Brien said that he agreed that the background information should show the contaminants and the DEP standards they are being related to. Director O'Brien asked if any additional sampling was performed after the soil was initially characterized or before it was delivered to the landfill. Mr. Egan stated that the soil was adequately characterized on-site by a licensed environmental professional who oversees the loading of the soil at the generation site and signs shipment documents which include certification language that the shipment conforms to and represents soil that was approved by DEP for use as daily cover. Director O'Brien suggested that CRRA look into the cost of sampling during the delivery of the soil to confirm that the delivered soil is, in fact, what was initially characterized as within the ranges established as acceptable by the DEP. Mr. Kirk agreed that management would research the costs associated with further sampling.

Director Griswold stated that the City of Norwich was offering their sewage sludge as free cover material for a landfill in Old Lyme and asked if other organizations had a need to get rid of similar material that CRRA could receive as daily cover for the landfill. Mr. Egan stated that he would not consider accepting sludge-based material to be used as cover material because of the stability of the physical matrix, the potential odors associated with sludge, and the availability of other soil sources for that purpose.

Director O'Brien made a motion to amend the contract term to "Until the specified quantity is delivered or three-years, whichever occurs first." The motion to amend was seconded by Director Sullivan. The motion to amend was approved unanimously.

Director Horton Sheff reiterated that the contaminants and acceptable ranges would be included in the background documents in the future and asked what the process would be for reporting the findings regarding additional sampling to the Board. Mr. Kirk stated that management has committed to finding pricing and procedures for consideration of on-site sampling of contaminated soils when they are delivered to the landfill. Mr. Kirk stated that management would review their findings, including any benefits of additional sampling, with the

Board prior to implementing an on-site sampling process. Mr. Kirk stated that the Board could then determine whether the benefits of the additional sampling outweigh the costs.

Chairman Pace asked if the certifications of the licensed environmental professional were available to CRRA. Mr. Kirk responded in the affirmative and stated that those certifications would be included in future background documentation.

Director Horton Sheff asked when the findings would be available. Mr. Egan responded that the analytical information for the resolution at hand is currently in CRRA's possession and could be distributed at the current meeting if the Board so desired. Mr. Egan added that the July Board package would include an amendment to this agreement with all of the analytical information.

Director O'Brien stated that more information regarding the initial testing protocol could preclude the need for additional sampling. Mr. Kirk stated that management could provide a thorough understanding of the present DEP testing requirements so the Board can determine if further sampling is appropriate. Director Sullivan asked if CRRA received any documentation from DEP that states that their protocol has been followed. Mr. Egan responded that CRRA has its own detailed and precise sampling and analytical protocol for special waste. Mr. Egan explained that there is a waste material profile form on which the generator discloses information about the waste stream. That form includes a requirement based on volume for a minimum number of grab and composite samples based on EPA guidance. Mr. Egan added that the results are reviewed both internally and by an outside consultant and the DEP independently reviews the application submitted for approval of the soil for this use. Mr. Egan stated that the waste analysis plan for the Hartford Landfill is very adequate and said that a performance sampling program has not been instituted in the past because the information and tracking system established upfront have been adequate. Mr. Egan stated that a performance sampling program and analytical procedure could be established to serve as a way to double-check the material coming in.

Director Karanian stated that the Board needs to get more comfortable with this activity and the solution may not be creating new policies and procedures, but further educating the Board on the current processes and safeguards in place.

Mr. Egan confirmed that the July Board package would include all of the background information on the additional soil from West Hartford and the special waste approval process and requirements.

Director Lauretti asked if these activities are regulated by the DEP. Mr. Egan responded in the affirmative. Director Lauretti suggested including the DEP regulations since CRRA was required to meet those requirements.

The motion to approve the resolution previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chair	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Timothy Griswold, Ad Hoc - Mid-CT	X		
Elizabeth Horton Sheff, Ad Hoc - Mid-CT	X		
<b>Non-Eligible Voters</b>			
Sherwood Lovejoy, Ad-Hoc – Bridgeport			

**RESOLUTION REGARDING EXPENDITURES FOR ODOR MONITORING SERVICES AT THE MID-CONNECTICUT WASTE PROCESSING FACILITY & HARTFORD LANDFILL**

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 TRC Environmental Corporation for Odor Monitoring Support at the Mid-Connecticut Waste Processing Facility and Hartford Landfill, substantially as presented and discussed at this meeting.

The motion was seconded by Director Cooper.

Mr. Kirk stated that CRRA has engaged TRC in the past to ensure that odors from the Waste Processing Facility have a minimum impact on CRRA's neighbors in East Hartford. Mr. Kirk stated that the "odor patrol" can determine the source and severity of potential odors that might emanate from the facility. Mr. Kirk explained that TRC receives calls from the odor hotline and from CRRA staff and immediately investigate the source of odors so CRRA can quantify and respond to odor events. Mr. Kirk noted that CRRA's history with this contractor has been excellent with complaints being reduced from hundreds of complaints to complaints in the single digits. Mr. Kirk emphasized that CRRA would not rest until there were no complaints. Mr. Kirk added that although zero complaints might not be realistic, that was still CRRA's goal. Mr. Kirk said that TRC is very useful in achieving that goal, because it allows CRRA to have someone on-site within ½ hour of receiving a call on the hotline to identify if the odor is a result of problems with the operation of the facility or if the odor source is not CRRA's facility.

Chairman Pace noted that the dollar value of the contract was \$65,000.

Director O'Brien asked if there was a fixed cost to the \$40,000 component of the price. Mr. Egan responded that the \$40,000 consisted of both a fixed cost and a variable cost. Mr.

Egan explained that the fixed cost was the minimum cost for TRC to carry the pager and the variable cost was for TRC's response to odor complaints at either the Waste Processing Facility or the Hartford Landfill. Director O'Brien asked if a portion of the \$40,000 would be spent regardless of whether there were odor complaints. Mr. Egan responded in the affirmative. Director O'Brien stated that the fixed cost should be shown in the background documents.

Director Karanian asked how TRC handles complaints when it is determined that the odor is from a source other than a CRRA facility. Mr. Egan stated that the information is relayed to CRRA orally the day of the incident and in a written report the day after the odor was reported. Director Karanian asked if the person who made the complaint is informed of the source of the odor. Mr. Egan responded that the contractor does not always communicate the information to the complainant, but stated that if the odor is found to have originated at the MDC plant, MDC is informed of the complaint. Director Karanian stated that this is a good initiative and recognized that it is important that CRRA be a good neighbor. Mr. Gent further noted that a follow-up call to each complainant is made by a CRRA employee.

Director O'Brien asked why CRRA does not have a policy to always communicate with the complainant if the caller is identified. Mr. Gent stated that a CRRA employee from the Operations department often follows-up with callers after a call is received by TRC. Mr. Gent added that CRRA does not always follow up with callers if a CRRA facility is not the source of the odor. Mr. Gent stated that MDC also has an odor hotline and CRRA has encouraged neighbors of the facilities to call the hotlines if there is an odor problem. Mr. Gent said that CRRA typically shares information with MDC if CRRA receives complaints that seem to be emanating from the MDC plant.

Director Karanian asked if there was an opportunity to share costs with MDC since the number of complaints was decreasing but the fixed costs were essentially remaining the same. Mr. Gent stated that CRRA had an extensive process for odor monitoring and said that he was not certain of what MDC's process was. Mr. Gent said that, given CRRA's expenses associated with the MCAP system, he believed CRRA is much more active in monitoring and responding to complaints. Chairman Pace stated that sharing costs was something to consider.

Director Griswold asked if CRRA could expect a reduction in the variable costs given the small number of complaints. Mr. Gent responded that there were only 6 confirmed odor calls, but there were actually 15-20 calls to the hotline and TRC responds to all calls. Chairman Pace added that CRRA was also operationally proactive in avoiding odor problems by ensuring doors are closed and scales are not backed-up.

The motion previously made and seconded was approved unanimously.

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chair	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		

Raymond O'Brien	X		
Andrew Sullivan	X		
Timothy Griswold, Ad Hoc - Mid-CT	X		
Elizabeth Horton Sheff, Ad Hoc - Mid-CT	X		
<b>Non-Eligible Voters</b>			
Sherwood Lovejoy, Ad-Hoc - Bridgeport			

**RESOLUTION REGARDING AGREEMENT WITH CASELLA WASTE SYSTEMS, INC. AND FCR, INC. FOR DESIGN, UPGRADE, RETROFIT AND OPERATION/MAINTENANCE SERVICES FOR THE REGIONAL RECYCLING CENTER FOR THE MID-CONNECTICUT PROJECT**

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

**RESOLVED:** The President is authorized to enter into an agreement with Casella Waste Systems, Inc. and FCR, Inc. for the design, upgrade, retrofit and operation/maintenance services for the Mid-Connecticut Regional Recycling Center, substantially in the form as discussed at this meeting.

The motion was seconded by Director Martland.

Chairman Pace stated that this initiative started approximately two years ago. Mr. Kirk stated that this resolution provided for a substantial improvement to the current recycling facility and program. Mr. Kirk stated that the timing was favorable because of the healthy market for recyclables, particularly fibers, and CRRA was turning what used to be a cost into a revenue stream.

Mr. Gent informed the Board that CRRA currently has two facilities that are processing recyclables. Mr. Gent explained that the commingled container facility at 211 Murphy Road, which is owned by CRRA and operated by FCR, is 12 years old and noted that CRRA is responsible for any costs over \$2,500.00. Mr. Gent stated that the second facility is owned and operated by Murphy Road Recycling, and CRRA has a contract with Murphy Road Recycling for transloading of loose paper. Mr. Gent explained that CRRA owns the DEP permit and the contract for transloading expires in January of 2007. Mr. Gent stated that the contract with FCR also expires in 2007. Mr. Gent informed the Board that CRRA evaluated if the existing equipment at 211 should be kept and retrofitted to allow processing of paper or if the equipment should be totally replaced. Mr. Gent stated that CRRA decided to replace the equipment and said that the traditional arrangement was as follows: CRRA would own the facility and the equipment, CRRA would hire a contractor to build the new equipment and CRRA would then hire a contractor to operate the facility. Mr. Gent said that this agreement deviates from the traditional arrangement in that a new concept was adopted in which a contractor would build, own, operate, and then transfer the facility to CRRA in return for CRRA guarantying a minimum number of deliveries. Mr. Gent stated that CRRA would have the option to purchase the facility for one dollar at the end of the ten-year term or extend the term for an additional five years. Mr.

Gent pointed out that CRRA would retain ownership of the building, the site and the permit at 211 Murphy Road.

Mr. Gent stated that, by any measure, FCR had the superior proposal not only on price but also on technical content and responsiveness to the RFP. He went on to further explain that the contract has a 10-year term with an option to renew for five years. Mr. Gent said that the contract had to be structured in that manner since it is uncertain what will happen post 2012 at the Mid-CT Project because the towns are obligated to deliver recyclables under the Municipal Service Agreements that expire that year.

Mr. Gent stated that CRRA would not want to be in default of an agreement so the contract allows termination at anytime during 2012. If CRRA terminates early, the bidder does not recover full investment over a fifteen-year period and CRRA has requested that FCR provide a schedule showing what their unrecovered investment would be. Mr. Gent explained that at this point it appears that if CRRA terminates the agreement early, CRRA could have a \$3.3 million liability for FCR's unrecovered investment.

Director O'Brien asked if management had planned on taking the revenues from the first year and a half and setting those monies aside to cover FCR's unrecovered investment if CRRA terminates the agreement early. Mr. Gaffey responded that CRRA already has \$2.2 million in reserves set aside from both the previous paper operation and the current container operation. Director O'Brien asked if the additional new revenues would bring that reserve balance up to the unrecovered investment level. Mr. Gent replied that he would work with Mr. Bolduc and Mr. Constable to determine the period of time to do that.

Mr. Kirk stated that there was an extremely low probability that this plant would not be operating post 2012 and further stated that CRRA does not have to be in the solid waste business to run a recycling operation that can operate completely independent of any project.

Mr. Gent gave a detailed presentation detailing the RFP concept, proposal/bid analysis, terms and highlights of the agreement, and pricing options which presentation is attached as Exhibit A.

There was a lengthy, detailed discussion throughout Mr. Gent's presentation including discussion regarding the following topics:

- permit modifications
- the effect of the expiration of the Mid-Connecticut Municipal Service Agreements on the agreement
- termination options and available reserves
- pricing options
- timing of Board approval of the agreement and pricing options
- acceptable recyclables
- insurance requirements

Mr. Gent pointed out that if the Board approved this contract and chose the fixed price, CRRA would be receiving a guaranteed revenue stream that helps to subsidize the Mid-Connecticut tipping fee by \$3.50 per ton.

Chairman Pace asked if the Finance Committee has had the opportunity to review the pricing options. Director Sullivan responded in the negative noting that there was not a Finance Committee meeting scheduled for this month. Chairman Pace asked Mr. Gaffey for his thoughts on the FCR proposal and asked if management was seeking Board approval of just the concept of the agreement or the concept and the pricing options. Mr. Gaffey stated that management was recommending that the fixed price option be approved with the agreement. Chairman Pace stated that it may be too premature to approve a pricing option prior to a review by the Finance Committee.

Mr. Gent responded that CRRA had retained the services of a consultant to analyze this proposal, the pricing structures offered and historical commodity pricing. Mr. Gent also stated that there could be serious implications if the contract was delayed.

Mr. Gaffey stated that he thought that it was very important to understand that this proposed contract is a major change from the contract that CRRA entered into in 1991, when the current facility was constructed. He also emphasized that the proposed contract was far different from most contracts between the public sector and private recycling vendors in the United States. Mr. Gaffey explained that most contracts across the nation are structured similar to the recycling contract CRRA is currently obligated to at the Mid-Connecticut container plant where all capital costs are paid for by the public sector, a service fee is paid to the vendor and the public sector pays for repair and maintenance costs.

Mr. Gaffey went on to say that under the proposed contract:

CRRA does not pay any of the capital costs upfront;

CRRA does not pay any service fee to FCR as they are required to do now at about \$23 per ton;

CRRA does not pay any maintenance costs or equipment replacement costs as the Authority is required to do now with repairs or replacement of equipment in excess of \$2500.00.

Mr. Gaffey concluded by saying that the foregoing benefits and the savings CRRA would realize under the proposed agreement are significant. In addition, Mr. Gaffey said that because of the proposed contract structure, CRRA receives a monthly payment from the vendor for the simple delivery guarantee of fiber and container tonnage. He said that this would represent a major departure from the past because CRRA would have a guaranteed revenue stream and would not have any capital costs at the outset.

Chairman Pace and Director Sullivan agreed with Mr. Gaffey. Director Sullivan stated that the analytical review ought to be made of the differential between the variable option and the fixed price option.

Mr. Gaffey responded that management had the analytical review done with a report from RRT, a company that had one the most world-renowned experts on fiber markets. RRT provided CRRA with a report with a recommendation based on the fiber markets, which are primarily driven by Asia, China in particular. RRT's conclusion was that the decision to choose between

the variable rate or the fixed rate came down to risk. The question is whether CRRA wants to take the chance of marketing commodities internally, which has been done in the past, or set a fixed rate at \$34 and change. Mr. Gaffey said that management reviewed the RRT information for the last several weeks and decided that since the margin between the two options was so close, CRRA was better off opting for the fixed price.

Mr. Pace commented that opting for the fixed price takes CRRA out of the commodity market risk.

There was a lengthy discussion regarding the variable commodity option and the fixed pricing option and how the timing of Board approval could potentially affect those options. Director O'Brien suggested approving the concept of the agreement and allowing the Finance Committee time to review the two pricing options before a decision is made by the Board regarding which pricing option to accept.

Mr. Gent pointed out that there are schedule implications and continued with his presentation. He explained the task structure of the agreement and performance securities required to be provided by the contractor. Mr. Gent also emphasized that this contract would be also signed by FCR's parent company, Casella Waste Services, Inc. Mr. Gent further stated that Casella is a public company that has annual revenues of \$550 million per year and is pledging their balance sheet by signing this agreement.

Mr. Gent pointed out that this contract would allow spot tons to come in when there is available capacity and CRRA would share in the revenue and explained that the commodity benchmark prices that management included in the contract were based upon historical pricing. CRRA would receive additional revenue from sharing revenues received that exceed the benchmark prices. Mr. Gent clarified that this revenue sharing would be in addition to the monthly per ton payment that FCR is obligated to provide CRRA. Mr. Gent also pointed out that the contract guaranteed CRRA \$4.00 per ton from glass because of FCR's proprietary new system. Chairman Pace commented how that was a significant improvement from the current operation.

Mr. Gaffey explained that another added benefit of this contract was that CRRA would be expanding the list of acceptable recyclables into the Hartford plant and added that CRRA would now be able to accept junk mail, cereal boxes, aerosol cans, and oversized plastic and metal containers. Chairman Pace stated that this was also a significant improvement.

Mr. Gent went on to explain a number of scenarios of the pricing comparison between the fixed and variable bids and the relative risk of each. Mr. Gent reiterated that management recommended the fixed price bid considering the much lower risk, that it captures a lot of the upside of the variable bid, and guarantees a significant revenue stream throughout the term of the contract.

Director Francis asked what the current capacity is at the Mid-Connecticut plant for containers and paper. Mr. Bzdyra replied that the current capacity is 85 to 95 tons per day for the containers and about 130 to 185 tons per day for paper. Director Francis also inquired if CRRA would have business interruption insurance in the case of a fire. Mr. Gent responded that the vendor is responsible for force majeure throughout the term of the contract in the respect that they would still have to pay CRRA the monthly per ton revenues and pay for all costs associated

with diverting recyclables to acceptable facilities and said that CRRA would also be an additional insured party.

Chairman Pace stated that this agreement represented a new business model for CRRA. Chairman Pace pointed out that at the end of the term CRRA would own the facility and the equipment. Chairman Pace also noted that CRRA was not responsible for any capital improvements over the term of the agreement.

Chairman Pace stated that he would like to have a discussion regarding the initiative itself with the pricing option issues aside and invited each Director to comment. Director O'Brien commended the management and staff for a step in the right direction and said he would authorize the concept of the agreement, but would like to discuss pricing options with the Finance Committee. Director Martland stated that he agreed with Director O'Brien and would like the resolution to allow the agreement to proceed with the pricing options to be determined at a later date. Director Karanian stated that she thinks the agreement is a very good concept in design and stated that a very good job was done in ensuring that CRRA maintains benefits without a loss of control. Director Karanian said that she would also like to further review the pricing options. Director Griswold stated that he particularly liked the default language in the agreement because if the contractor did not work out CRRA would gain control of the facility and be able to continue processing recyclables as needed. Director Horton Sheff said that the design of the contract was fine by her and added that she liked that CRRA has the ability to purchase the equipment at the end of the term. Director Lovejoy suggested that the Board move forward with the contract as recommended. Director Cooper concurred the agreement should move forward stating that the new structure of the contract would benefit the towns by having the contractor assume the risk of building and operating the facility. Director Francis stated that he was also in support of the model, but suggested a more thorough review of the pricing options be undertaken by the Finance Committee. Director Cohn stated that the work done by staff on this agreement was excellent and said that he was in support of the agreement. Director Cohn also stated that he would feel reasonably comfortable with the fixed pricing option as recommended by management. Director Lauretti stated that he supported the model of the agreement. Chairman Pace pointed out that it was evident that the Board is in favor of the concept of the agreement and said that the pricing models would be further reviewed. Chairman Pace stated that CRRA does not want to be in the commodities market, as was evidenced by the sale of the Enron claim. Chairman Pace said that CRRA would lock in on the best business deal for the organization without taking on unknown risk and noted that due diligence needed to be done to determine the best option. Chairman Pace asked the Board if it was reasonable and prudent to proceed with the approval of the concept of the agreement and call a telephonic Finance Committee meeting and Special Telephonic Meeting for approval of the pricing options. It was determined that a telephonic Finance Committee meeting and Special Board meeting would be called on June 29<sup>th</sup>.

Mr. Kirk stated that CRRA management recognizes that this agreement is a favorable deal for CRRA and said that a very thorough analysis has been done. Mr. Kirk noted that he appreciated all of the Board's comments on the model change and the analysis. Mr. Kirk emphasized that he did not want management's enthusiasm to cloud the Board's judgement in any way because this is a ten-year contract and a substantial change in the model of the recycling operations. Mr. Kirk said that management wants the Board to be 100% convinced, as management is, that entering this agreement is the right decision.

Chairman Pace stated that the three gentlemen who worked on the initiative did a terrific job and expressed his appreciation.

Chairman Pace requested a motion to amend the motion to enter into the agreement pending final review of the pricing structure by the Finance Committee and further approval by the Board of Directors. The motion was made by Director Martland and seconded by Director O'Brien.

The amended motion previously made and seconded was approved unanimously.

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chair	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Timothy Griswold, Ad Hoc - Mid-CT	X		
Elizabeth Horton Sheff, Ad Hoc - Mid-CT	X		
<b>Non-Eligible Voters</b>			
Sherwood Lovejoy, Ad-Hoc – Bridgeport			

**RESOLUTION REGARDING FREE BLOW ADDITION TO THE MID-CONNECTICUT AIR PROCESSING SYSTEM**

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

**RESOLVED:** That the President is hereby authorized to execute an agreement with Infinity Constructors, Inc. to implement the free blow addition to the Mid-Connecticut Air Processing System located at the Mid-Connecticut Power Block Facility, substantially as presented and discussed at this meeting.

The motion was seconded by Director Cooper.

Mr. Gent stated that, recognizing that this is a significant investment, the addition would provide several benefits. Mr. Gent explained that the investment would pay for itself within two years and would provide flexibility in dealing with concerns that MDC has regarding air quality, while also dealing with odor concerns. Mr. Gent gave a technical explanation of the MCAP system and its relationship with the boilers. Mr. Gent stated that there were times when some of the three boilers were not operating, which was not a problem in cooler weather because there was not as much waste on the tipping floor and MDC could utilize the roof fans, discharging air

into the environment. Mr. Gent explained that the problems occur during the summer months when some of the boilers are not operational. Mr. Gent said that during those outages, although the air quality is still acceptable according to OSHA standards, the air quality does deteriorate. Mr. Gent said that the free blow system would replace the roof fans that discharge air to the environment and allow the air to be discharged through one common duct and treat it with an odor chemical in the event multiple boilers are not operational. Mr. Gent added that the system would also allow the shut-down of one or two of the RTOs when a significant amount of money is being spent on gas. Mr. Gent stated that an analysis has shown that the gas savings alone would pay for the upfront expenditure within two years. Mr. Gent stated that MDC has expressed a strong desire for this addition and noted that the addition makes good environmental sense.

Chairman Pace stated that CRRA has an obligation to the workers at the Power Block facility and pointed out the on-going savings.

Director O'Brien stated that the gas savings was well documented but said that he did not see the chemical and other operating costs associated with the free blow system. Mr. Gent responded that it was his understanding that the costs presented included chemical costs, but stated that he would confirm that information. Mr. Gent stated that the power would be from the power block itself rather than having to purchase power from CL&P and noted that if that the free blow system was not running the roof fans would be running instead. Director O'Brien requested that the operating costs of the free blow system versus the existing system be provided at the next meeting. Mr. Gent agreed that further information would be provided.

Director Horton Sheff asked if the air would be released after it was treated and asked about the chemical used to treat the air. Mr. Gent responded that the air was currently released which creates the potential for complaints and said that the same chemicals would be used as is currently used in the shredders. Mr. Kirk stated that there were two types of chemicals. The first type is an enzyme that eliminates the odor. The second and more common type is essentially a perfume that is available in a variety of scents.

Mr. Gent pointed out that there were two bidders for this work and said that both bids were close to CRRA's estimate for the work, with Infinity Constructors, Inc. coming in as the low bid. Mr. Gent noted that CRRA has worked with Infinity Constructors in the past.

Director Martland stated that the wide range in the bid prices bothered him. Mr. Gent stated that CRRA had onerous requirements regarding risk and stated that the bid specifications display how different companies price differently based on risk tolerance.

The motion previously made and seconded was approved unanimously.

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chair	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Mark Lauretti	X		

Theodore Martland	X		
Raymond O'Brien	X		
Timothy Griswold, Ad Hoc - Mid-CT	X		
Elizabeth Horton Sheff, Ad Hoc - Mid-CT	X		
<b>Non-Eligible Voters</b>			
Sherwood Lovejoy, Ad-Hoc – Bridgeport			

**RESOLUTION REGARDING THE EMPLOYMENT OF DVIRKA AND BARTILUCCI CONSULTING ENGINEERING CONSULTING SERVICES TO PERFORM A FEASIBILITY STUDY ON EXPANDING THE MID-CONNECTICUT WASTE-TO-ENERGY FACILITY**

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

**RESOLVED:** The President is hereby authorized to enter into a Request for Services pursuant to the three year engineering service agreement with Dvirka and Bartilucci Consulting Engineers for services to perform a feasibility study on expanding the Mid-Connecticut Waste-to-Energy Facility.

The motion was seconded by Director Cohn.

Mr. Kirk explained that this is the feasibility study that the Board examined and approved at the past meeting. Mr. Kirk stated that there was a conflict with the original contractor who was doing similar work for MDC and said that this a replacement contractor for the \$53,000 contract.

Director Karanian asked if management was comfortable with this contractor's expertise level, even though they were not CRRA's first choice to perform these services. Mr. Kirk responded that management was confident that the contractor could perform the services satisfactorily and stated that CRRA originally chose the other contractor because of their immediate and recent experience on a similar study.

The motion previously made and seconded was approved unanimously.

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chair	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Timothy Griswold, Ad Hoc - Mid-CT	X		
Elizabeth Horton Sheff, Ad Hoc - Mid-CT	X		

<b>Non-Eligible Voters</b>			
Sherwood Lovejoy, Ad-Hoc - Bridgeport			

**RESOLUTION REGARDING WESTON TRANSFER STATION WASTE HAULING SERVICES**

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

**RESOLVED:** That the President is authorized to enter into an agreement with City Carting & Recycling for Solid Waste Transportation Services for the Weston Transfer Station substantially as presented and discussed at this meeting.

The motion was seconded by Director Martland.

Mr. Gent noted that four bids were received for the transportation of waste from the Weston Transfer Station to the Bridgeport Project and stated that City Carting & Recycling was the low bidder. Mr. Gent added that CRRA has never done work with City Carting so their references were checked and stated that the principals are Mike Ferraro, Jr. and Anthony Terenzo.

Directors Lovejoy and Lauretti expressed their approval of the resolution.

The motion previously made and seconded was approved unanimously.

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chair	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Sherwood Lovejoy, Ad-Hoc - Bridgeport	X		
<b>Non-Eligible Voters</b>			
Timothy Griswold, Ad Hoc - Mid-CT			
Elizabeth Horton Sheff, Ad Hoc - Mid-CT			

**RESOLUTION REGARDING TOWN OF WALLINGFORD RESIDENT DROP-OFF ACCEPTABLE WASTE HAULING SERVICES**

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

**RESOLVED:** That the President is authorized to enter into an agreement with Waste Management of Connecticut for Wallingford Acceptable Waste Transportation Services substantially as presented and discussed at this meeting.

The motion was seconded by Director Cooper.

Chairman Pace noted that the contract value was approximately \$69,000.

Mr. Gent noted that Waste Management was the lowest bidder by almost \$12.00 per load. Mr. Gent said that the work involves transporting acceptable waste that is dropped off at the Wallingford Landfill drop-off site and the contractor is responsible for providing containers. Mr. Gent noted that the \$69,000 was based off of Waste Management's current pricing, but the new contract value reflecting the new pricing will be approximately \$52,000.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chair	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
<b>Non-Eligible Voters</b>			
Timothy Griswold, Ad Hoc - Mid-CT			
Elizabeth Horton Sheff, Ad Hoc - Mid-CT			
Sherwood Lovejoy, Ad-Hoc - Bridgeport			

**RESOLUTION REGARDING THE APPROVAL OF AN ANNUAL PLAN OF OPERATIONS FOR FISCAL YEARS 2004, 2005, AND 2006**

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

**RESOLVED:** That the Board of Directors hereby approves an Annual Plan of Operations for FY2004, FY2005 and FY2006, substantially as discussed and presented at this meeting.

The motion was seconded by Director Cohn.

Director O'Brien stated that he assumed CRRA was looking for approval primarily so the plan can be submitted to the DEP.

Chairman Pace pointed out that the procedure states, “If the DEP Commissioner does not approve the Plan of Operations, the CRRA Executive Committee and CRRA management will consult with the DEP Commissioner until a Plan of Operations is drafted that is satisfactory to all parties. Upon approval by the DEP Commissioner, the Plan of Operations will be forwarded to the CRRA Board of Directors for adoption in accordance with the CRRA Bylaws, contract terms and bond indentures.” Chairman Pace asked for an explanation of that section of the procedure. Mr. Kirk explained that the Board was approving the procedure to be submitted to DEP for their subsequent approval. Mr. Kirk explained that the procedure, after its approval by the DEP, would return to the CRRA Board for adoption.

Chairman Pace noted that in section 3.3 of the procedure, it was stated that the plan would be posted on the intranet. Chairman Pace asked if that should read “internet.” Mr. Kirk stated that the procedure could be posted on both the intranet and internet. Chairman suggested making that change.

The motion previously made and seconded was approved unanimously.

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chair	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
<b>Non-Eligible Voters</b>			
Timothy Griswold, Ad Hoc - Mid-CT			
Elizabeth Horton Sheff, Ad Hoc - Mid-CT			
Sherwood Lovejoy, Ad-Hoc – Bridgeport			

**RESOLUTION REGARDING ADDITIONAL PROJECTED LEGAL EXPENDITURES**

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

**WHEREAS**, CRRA has entered into Legal Service Agreements with Pullman & Comley to perform legal services; and

**WHEREAS**, the Board of Directors, on September 23, 2004, authorized \$100,000 for payment of Pullman & Comley’s fiscal year 2005 projected legal fees; and

**WHEREAS**, CRRA has incurred greater than anticipated legal expenses in connection with the use of its Enron settlement proceeds, ownership of the Projects upon termination of the municipal solid waste contracts and expiration of the bonds, review of proposed legislation, and certain other matters;

**NOW THEREFORE, it is RESOLVED:** That the following additional amount be authorized for payment of projected legal fees to be incurred through June 30, 2005:

<u>Firm:</u>	<u>Authorized Amount:</u>	<u>Increase Amount:</u>	<u>Total Amount Authorized for FY05:</u>
Pullman & Comley	\$100,000	\$48,000	\$148,000

The motion was seconded by Director Cohn.

Director Cohn noted that the Policies & Procurement Committee was recommending approval of this resolution.

Director O'Brien acknowledged that Pullman & Comley has done a very good job for CRRA over the past year.

The motion previously made and seconded was approved unanimously.

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chair	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
<b>Non-Eligible Voters</b>			
Timothy Griswold, Ad Hoc - Mid-CT			
Elizabeth Horton Sheff, Ad Hoc - Mid-CT			
Sherwood Lovejoy, Ad-Hoc – Bridgeport			

**RESOLUTION REGARDING PROJECTED LEGAL EXPENDITURES**

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

**WHEREAS,** CRRA has negotiated three-year Legal Service Agreements with various law firms for the provision of legal services from July 1, 2005 through June 30, 2008; and

**WHEREAS,** CRRA now seeks Board authorization for projected legal expenditures during the first year of the term of said Agreements;

**NOW THEREFORE, it is RESOLVED:** That the following amounts be authorized for projected legal fees to be incurred during fiscal year 2006:

<b><u>Firm:</u></b>	<b><u>Amount:</u></b>
Brown Rudnick	\$300,000
Cohn Birnbaum & Shea	55,000
Halloran & Sage	500,000
Heneghan Kennedy & Doyle	75,000
Kainen, Escalera & McHale	50,000
McCarter & English	350,000
Perakos & Zitser	150,000
Pepe & Hazard	250,000
Pullman & Comley	175,000
Sidley Austin	80,000
McGuireWoods	150,000

The motion was seconded by Director Cohn.

Director Cohn noted that the Committee was recommending this resolution after some discussion. Director Cohn stated that some of the explanations, especially where there were major increases, were a bit too meager. Director Cohn gave the examples of Pepe & Hazard, which would be working on the New Hartford suit and Pullman & Comley. Mr. Kirk stated that, based on the Policies & Procurement Committee's recommendation, Pullman & Comley's tasks would include potential landfill financing, New Hartford matters would be added to Pepe & Hazard's explanation, and Brown Rudnick's explanation would include landfill development and permitting.

Director O'Brien added that management would be providing a breakdown of how the estimates were developed.

The motion previously made and seconded was approved unanimously.

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chair	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
<b>Non-Eligible Voters</b>			
Timothy Griswold, Ad Hoc - Mid-CT			
Elizabeth Horton Sheff, Ad Hoc - Mid-CT			
Sherwood Lovejoy, Ad-Hoc - Bridgeport			

## **CHAIRMAN'S REPORT**

Chairman Pace noted that the New Hartford suit was proceeding and noted that depositions were being taken in the following days and weeks. Chairman Pace pointed out the suit will cost the Mid-Connecticut towns significant dollars and noted that those funds would be assessed at some point.

Chairman Pace called a five-minute recess with the meeting to reconvene at 12:20 p.m.

The meeting was reconvened at 12:20 p.m.

## **EXECUTIVE SESSION**

Chairman Pace requested a motion to enter Executive Session to discuss pending litigation, trade secrets, feasibility evaluations regarding CRRA's future development and plans with appropriate staff. The motion made by Director O'Brien and seconded by Director Martland was approved unanimously. Chairman Pace requested that the following people be invited to the Executive Session:

All Directors, excluding Ad-Hocs  
Tom Kirk  
Floyd Gent

The Executive Session began at 12:20 p.m. and concluded at 12:40 p.m. Chairman Pace noted that no votes were taken.

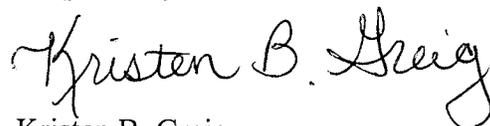
The meeting was reconvened at 12:40 p.m.

## **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 12:41 p.m.

Respectfully submitted,



Kristen B. Greig  
Secretary to the Board/Paralegal

Exhibit A

# Mid-Connecticut Regional Recycling Facility Request for Proposals: Recommendation

June 23, 2005

# Background

- Existing Container Recycling Facility
  - Located at 211 Murphy Road
  - Owned by CRRA, operated by FCR
  - 210 tons of commingled containers per day
  - 12+ years, outdated design
- Existing Paper Recycling Facility
  - Owned and operated by Murphy Road Recycling
  - CRRA owns DEP permit
  - Loose paper transloaded
  - Contract expires January 2007

# Options

1. Upgrade and modify existing container system and add paper recycling
2. Replace existing container system with new, combined system for containers and paper

# Business/Contract Structure

- Build, Own, Operate and Transfer New processing equipment and system by Contractor
  - Processing equipment and system design for 15-year life
  - Minimum 10-year economic life
  - CRRRA's option for ownership transfer after 10 years
  - CRRRA retains ownership of building, site and DEP permit at 211 Murphy Road
  - CRRRA guarantees minimum recyclables deliveries
  - Expanded list of Acceptable Recyclables to including Junk Mail, Cereal Boxes, Boxboard, Aerosol Cans, Bulk-sized Metal Food & Beverage Containers

# Business/Contract Structure (Cont.)

- Benefits
  - Sole source supply / no disputes among multiple contractors
  - Allocation of risks to contractor for design, construction, operations and ownership
  - No capital investment by CRRA
  - Guaranteed revenue stream to CRRA

# RFP Process Objectives

- Maximize recyclable revenues
- Consolidate paper and container operations
- Replace and upgrade paper and container processing equipment
- Modify existing building at 211 Murphy Road

## **RFP Process (Cont.)**

- **Task 1 – Design and engineering of new RRC**
- **Task 2 – Construction of new RRC**
- **Task 3 – Operation and maintenance of new RRC**
- **Task 4 – Transportation of recyclables to alternative facility during construction**

# RFP Results

Proposers	Guaranteed Rate \$/Ton	Minimum Guaranteed Annual Revenue	Differential
FCR, Inc.	\$27.04	\$2,082,080	Base
CellMark and Murphy Road Recycling	\$21.00	\$1,617,000	(\$465,080)
Hudson Baylor, Inc.	\$15.00	\$1,155,000	(\$927,080)

# Major Contract Terms

<p><b>Scope of Services:</b></p>	<p>All labor, materials and equipment at Contractor expense to design, supply, construct, own and operate the new RRC</p>
<p><b>New RRC Design Capacity:</b></p>	<p>Containers - 210 tons per day Paper - 350 tons per day</p>

# Major Contract Terms (Cont.)

<b>Contract Value:</b>	<b>Contractor Pricing Options</b> <ol style="list-style-type: none"><li data-bbox="527 289 764 1419">1. Base bid – Variable Commodity Option \$27.68/ton plus 50% sharing of recyclable revenue above benchmark</li><li data-bbox="794 405 927 1419">2. Alternative bid – Guaranteed Fixed Pricing Option - \$34.56/ton</li></ol>
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# Major Contract Terms (Cont.)

<p><b>Term:</b></p>	<p>Ten (10) years with option to extend for five (5) years</p>
<p><b>Early Termination:</b></p>	<ol style="list-style-type: none"> <li>1. CRRA has right to terminate Agreement in 2012 with 6-month prior notice. Contractor receives from CRRA an unrecovered investment payment of \$3.3 million in December 2012</li> <li>2. CRRA can terminate agreement for Contractor Event of Default. Contractor pays actual plus consequential damages and forfeits ownership of processing equipment and system</li> </ol>

# Major Contract Terms (Cont.)

<p><b>Option to Buy:</b></p>	<p>At end of term, CRRRA can purchase processing equipment and system for \$1</p>
<p><b>Performance Securities:</b></p>	<p>Bond or Letter of Credit</p> <p>Task 1 - \$500,000</p> <p>Task 2 - \$5,000,000 each for construction performance and payment</p> <p>Task 3 - \$2,000,000</p> <p>Task 4 - \$5,000,000</p>

# Major Contract Terms (Cont.)

<p>Minimum Annual Commitment:</p>	<p>CRRA guarantees: 19,800 tons of containers 50,400 tons of paper</p>
<p>Spot Tons:</p>	<p>After 6 months operation, Contractor may deliver spot tons subject to available capacity. CRRA/Contractor share equally in net revenues less cost of processing.</p>

# Project Schedule

Task/Activity		Duration	Est. Completion Date
Task 1	Design	2 mo.	Sep 2005
DEP Permit Modification		6 mo.	Mar 2006
Task 2	Equipment Procurement	6 – 8 mo.	Aug 2006
	Construction	6 mo.	Sep 2006
	Final Acceptance	9 wk.	Nov 2006
Task 4	Recyclable Diversions	3 mo.	During Construction

# Comparison of Fiber Commodity Pricing Base Bid – Variable Commodity Option and Alternate Bid – Guaranteed Fixed Price

Fiber Grade	Benchmark Floor <sup>(1)</sup>	Historical Low (Last 10 Years) <sup>(5)</sup>	Alternate Bid - Fixed Price Guarantee <sup>(2)</sup>	Current <sup>(4)</sup>	Likely Low <sup>(3)</sup>	Likely Average <sup>(3)</sup>	Likely High <sup>(3)</sup>
#6 ONP	\$44	(\$6)	\$58	\$55	\$60	\$70	\$79
#8 ONP	\$67	\$9	\$85	\$80	\$83	\$93	\$102
OCC	\$67	\$40	\$85	\$75	\$78	\$93	\$105

**Notes:**

- (1) Revenue amount per ton in excess of which contractor pays CRRRA 50% of such amount as shown in Exhibit 12 of Agreement.
- (2) As provided in FCR alternate bid on guaranteed fixed pricing, the variable commodity fiber prices are fixed at the above values. CRRRA guaranteed revenue share is 50% of the difference between the benchmark floor price and the fixed price guarantee commodity price.
- (3) The range of likely low to likely high commodity prices for fiber provided by RRT Design & Construction in their report "Review of Revenue Options."
- (4) Based upon fiber pricing as listed in the Official Board Markets most recent publication dated 6/11/2005.
- (5) Historical low is based upon the average commodity price over a period of one year.

# Alternate Bid: Guaranteed Fixed Pricing Option

Recyclable Revenue to CRRRA	Annual Tons <sup>(1)</sup>	\$/Ton	Annual Revenue
Base Fee	77,000	\$29.06	\$2,237,620
Guaranteed Glass Revenue	12,245	\$4.00	\$48,980
Guaranteed ONP #6 Revenue	17,780	\$7.00	\$124,460
Guaranteed ONP #8 Revenue	35,312	\$6.50	\$229,528
Guaranteed OCC Revenue	2,257	\$9.00	\$20,313
<b>Total Revenue</b>	<b>77,000</b>	<b>\$34.56</b>	<b>\$2,660,901</b>

<sup>(1)</sup> Estimated Tons for each recyclable commodity. The annual tons for the Base Fee and Total Revenues is the aggregate of all fiber and container recyclables.

# Base Bid: Variable Commodity Option

Recyclable Revenue to CRRR	Annual Tons <sup>(1)</sup>	\$/Ton	Minimum Annual Revenue	Low Annual Revenue	Average Annual Revenue	High Annual Revenue
Base Fee	77,000	\$27.04	\$2,082,080	\$2,082,080	\$2,082,080	\$2,082,080
Guaranteed Glass Revenue	12,245	\$4.00	\$48,980	\$48,980	\$48,980	\$48,980
Guaranteed ONP #6 Revenue	17,780	variable	\$0	\$142,240	\$231,140	\$311,150
Guaranteed ONP #8 Revenue	35,312	variable	\$0	\$282,496	\$459,056	\$617,960
Guaranteed OCC Revenue	2,257	variable	\$0	\$12,414	\$29,341	\$42,883
<b>Total Revenue</b>	<b>77,000</b>	<b>\$27.68</b>	<b>\$2,131,060</b>	<b>\$2,568,210</b>	<b>\$2,850,597</b>	<b>\$3,103,053</b>

Notes:

<sup>(1)</sup> Estimated Tons for each recyclable commodity. The annual tons for the Base Fee and Total Revenues is the aggregate of all fiber and container recyclables.

# Comparison of Pricing Options

## Alternate Bid – Guaranteed Fixed Pricing and Base Bid – Variable Commodity Option

Commodity Pricing Scenarios	Alternate Bid - Guaranteed Fixed Pricing <sup>(1)</sup>	Base Bid - Variable Commodity Option <sup>(2)</sup>	Differential Between Alternate & Base Bids
Likely High <sup>(3)</sup>	\$2,660,901	\$3,103,053	(\$442,152)
Likely Average <sup>(3)</sup>	\$2,660,901	\$2,850,597	(\$189,696)
Likely Low <sup>(3)</sup>	\$2,660,901	\$2,568,210	\$92,692
Worst Case (Historical Low)	\$2,660,901	\$2,131,060	\$529,841
Current Commodity Pricing <sup>(4)</sup>	\$2,660,901	\$2,467,406	\$193,495

Notes:

- (1) As provided in FCR alternate bid on guaranteed fixed pricing, the resulting revenue would be based upon the commodity fiber price fixed values shown on "Comparison of Fiber Commodity Pricing."
- (2) As provided in FCR base bid on variable commodity option, the resulting revenue would fluctuate depending upon the market pricing.
- (3) As provided in the RRT report "Review of Revenue Options."
- (4) Based upon fiber pricing as listed in the Official Board Markets most recent publication dated 6/1/2005.

**TAB 3**

**CONNECTICUT RESOURCES RECOVERY AUTHORITY**

**THREE HUNDRED NINETY-FIRST MEETING**

**JUNE 29-30, 2005**

A Special telephonic meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Wednesday, June 29, 2005 at 100 Constitution Plaza, Hartford, Connecticut.

Those present by telephone were:

Chairman Michael Pace

Directors:           Mark Cooper  
                          Michael Jarjura  
                          Mark Lauretti  
                          Theodore Martland  
                          Raymond O'Brien  
                          Andrew Sullivan

Present from the CRRA staff at 100 Constitution Plaza:

Tom Kirk, President (via telephone)  
Floyd Gent, Director of Operations  
Thomas Gaffey, Director of Recycling and Enforcement  
Laurie Hunt, Director of Legal Services  
Kristen Greig, Secretary to the Board/Paralegal

Chairman Pace called the meeting to order at 11:00 a.m. and noted that there was a quorum.

Chairman Pace noted that this vote required a 2/3 affirmative vote and stated that, although there was a quorum, there were not enough Directors to provide for a sufficient 2/3 affirmative vote on this matter. Chairman Pace requested a motion to recess the meeting and reconvene the telephonic meeting at 8:00 a.m. on Thursday, June 30, 2005. The motion made by Director O'Brien and seconded by Director Martland was approved unanimously.

The meeting was recessed at 11:08 a.m.

**JUNE 30, 2005**

Chairman Pace reconvened the meeting on Thursday, June 30, 2005 at 8:03 a.m.

Those present by telephone were:

Chairman Michael Pace

Directors: Mark Cooper  
James Francis  
Michael Jarjura  
Edna Karanian  
Mark Lauretti  
Theodore Martland  
Raymond O'Brien  
Andrew Sullivan

Present from the CRRA staff at 100 Constitution Plaza:

Tom Kirk, President (via telephone)  
Jim Bolduc, Chief Financial Officer (Present for a portion of the meeting)  
Floyd Gent, Director of Operations  
Thomas Gaffey, Director of Recycling & Enforcement  
Laurie Hunt, Director of Legal Services  
Michael Bzdyra, Senior Analyst  
Kristen Greig, Secretary to the Board/Paralegal

**RESOLUTION REGARDING PRICING OPTIONS ASSOCIATED WITH THE AGREEMENT WITH CASELLA WASTE SYSTEMS, INC AND FCR, INC FOR DESIGN, UPGRADE RETROFIT AND OPERATION/MAINTENANCE FOR THE REGIONAL RECYCLING CENTER FOR THE MID-CONNECTICUT PROJECT**

Chairman Pace stated that the issue is the review of the revenue options from the RRT report dealing with recyclables.

Chairman Pace asked Director Sullivan to review the discussion that the Finance Committee had on this issue. Director Sullivan stated that the Finance Committee had a lengthy meeting at which the Committee reviewed all of the options and recommended the Fixed Price Option on the contract. Director Sullivan noted that Mr. Gent was going to talk to FCR to determine whether there might be some revenue sharing alternatives that could be taken into consideration at the end of 2012 or at some intervening period.

Mr. Gent reviewed his conversation with Mr. Sean Duffy of FCR and stated that CRRA was looking to see if there could be some sort of revenue sharing on the upside above a trigger point if the market improved dramatically. Mr. Gent explained that the three commodities that CRRA is talking about are #6 ONP, #7/#8 ONP and OCC. Mr. Gent explained that Mr. Duffy told him that FCR is actually locking in rates for ten years on #6 ONP and OCC. With respect to #8 ONP, Mr. Gent said that FCR is entering into a financial hedge with AAA Financial, whereby FCR is giving up any upsides. Mr. Gent explained that whenever that commodity goes above a fixed price, that money goes to the benefit of the financial institution and when the price drops below the fixed price, the financial institution pays FCR the difference between the lower actual commodity price and the fixed price. Mr. Gent added that FCR's arrangement is basically a swap, taking a variable commodity price and converting it into a fixed revenue. Director O'Brien pointed out that this means that CRRA is well protected on that revenue stream.

Mr. Gent further explained that FCR locks in his profit with this arrangement. Mr. Gent said that if FCR did not do this, they would expect some relief on the low end. Mr. Gent explained that FCR is in a different position than CRRA because of the obligation to pay CRRA, the \$6 million investment and the cost of processing. Mr. Gent stated that, based on his calculation, that obligation came out to approximately \$60/ton. Mr. Gent said that if one looks at the investment, processing costs, fixed costs and what FCR pays CRRA as a minimum guarantee, FCR has significant risk. Mr. Gent stated that the FCR/Casella Board will not allow him to take that type of exposure over a ten-year period. Director Sullivan added that he did not think any Board would allow that kind of exposure over a one or two year period and added that the way these commodities fluctuate in the marketplace, everything has to have some sort of a hedge factor to it just to get businesses to commit to these types of transactions.

Chairman Pace asked Director Karanian if she was satisfied with that answer. Director Karanian responded that she understood why FCR would need to do that as Mr. Gent had stated, because they have a contract obligation so FCR is locking in their profit. Director Karanian stated that she had additional discussions with Mr. Gent prior to this meeting regarding some of the other aspects of the agreement. Director Karanian said that she still believes that ten years is a long time to bet on a fixed price being favorable in what has proven to be and will continue to be, particularly ten years out, a volatile commodity market. In the context of the overall contract, Director Karanian stated that she thought that she could affirm the fixed price option for the ten year period, subject to a couple of suggestions. Director Karanian's first suggestion was to monitor and track prices in the fiber market so CRRA has a feel for where it stands. Director Karanian's second suggestion was to explore a financial hedge to reduce the risk of missing any upside opportunity. Director Karanian stated that she was not sure if a financial hedge would be feasible outside the contract and recognized that there would be a cost associated with this. Director Karanian said that she thinks CRRA has an obligation to explore those kinds of things as they could be a way of reducing CRRA's risk of the loss of the upside opportunity.

Chairman Pace asked Director Sullivan if those explorations would take place outside and beyond the scope of this contract. Director Karanian stated that that is what she intended. Director Sullivan asked Director Karanian if she was suggesting a monitoring approach to this. Director Karanian replied that monitoring was part of it, but to also explore the use of a financial hedge to see if there is a way, outside of this contract, to capture or reduce the risk of the lost upside opportunity. Director Karanian pointed out that there may be a way to structure something that mitigates that risk. Chairman Pace asked Director Sullivan to have the Finance Committee take a look at Director Karanian's suggestion.

Chairman Pace asked the Board for their thoughts on the subject. Director Martland stated that FCR gave to a bank any upside after the fifth year so there isn't anything to discuss as far as that's concerned. Director Martland further stated that as Director O'Brien had said, CRRA is protected in the later years and said that he thought it was a good deal. Director Martland agreed that CRRA should monitor the market and be prepared to explain its decision to its customers if the market fluctuates. Director Martland said he sees the agreement as a "win-win" situation. Director Sullivan concurred.

Mr. Kirk said that the fixed price option is appropriate and said that everything that reduces risk to CRRA's stakeholders and customers is a benefit for a publicly-owned company such as CRRA. Mr. Kirk stated that CRRA should explore the hedging facilities to protect CRRA from the lost opportunity risk in future years. Mr. Kirk added that management recommends that the Board approve the resolution with the fixed price option provided the Board is comfortable all its concerns have been addressed.

Chairman Pace asked, if the Board approved this resolution, what the timeline was for signing the agreement, beginning the equipment installation, and refurbishing the building. Mr. Gent responded that CRRA and FCR are "finalizing" the contract and the contract should be ready for signature by next Friday. Mr. Gent said that Peter Egan, along with others at CRRA, are working on an application for a permit modification to allow CRRA to move the paper operation to 211 Murphy Road. Mr. Gent added that CRRA expects that completing the permit application and submitting all the necessary drawings to the DEP will take about two months, which would put us into September. Mr. Gent stated that CRRA is anticipating that it will take six months for the DEP to review the application and take action to issue the permit. At that point in time, Mr. Gent said that CRRA would issue a Notice to Proceed on Task to Activities. Mr. Gent explained that FCR can not start making any modifications to the building until CRRA has a permit and noted that prior to that notice FCR will be ordering equipment because some of the equipment has a lead time of up to eight months. Mr. Gent explained that construction could start in April or May. Mr. Gent stated that FCR anticipates a six-month construction window and will be required to pay liquidated damages if they don't complete construction within six months. Director Martland asked if the final date would be September 2006. Mr. Gent replied that September 2006 was accurate, but that there was a two month window of "float" time built into the time frame. Mr. Gent said that when notice is given on Task 2, FCR would start accepting recyclables, paying CRRA the contract price and diverting those materials to another facility.

Chairman Pace summarized that CRRA was looking at an April/May 2006 time frame and pointed out that that CRRA is looking at budgeting for next year under Phase 2 and Phase 3 of this project. Mr. Gent agreed that this statement was correct.

Director Martland asked if this contract should be reviewed by the Attorney General or any other State agency. Chairman Pace responded in the negative. Chairman Pace asked Mr. Gent who the principals of FCR were. Mr. Gent stated that the contract is being signed by two companies, FCR and Casella Waste Systems, Inc. and explained that Casella Waste Systems is a public company. Mr. Gent said that the founders of that public company are the Casella's and they each own about 6%. Mr. Gent further stated that the Casella's may also have some other family members working in the company, but approximately 72% of the company is owned by shareholders, with T.Rowe Price owning 11.2% of the outstanding shares. Mr. Gent said that Casella is pledging their balance sheet on this contract and noted that they do between \$400-\$500 million per year in annual revenues. Mr. Gent stated that this project is a \$6 million revenue stream.

Mr. Gent further stated that our contract has a lot of protections with respect to adverse parties.

Chairman Pace asked for any questions, comments or concerns, noting that the Finance Committee will address Director Karanian's and Director O'Brien's suggestions in their next meeting.

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

**WHEREAS:** The Board of Directors approved an agreement with Casella Waste Systems, Inc. and FCR, Inc. for the design, upgrade, retrofit and operation/maintenance services for the Mid-Connecticut Regional Recycling Center; and

**WHEREAS:** The pricing options associated with the approved agreement required further review; and

**RESOLVED:** The President is authorized to enter into an agreement to include the Fixed Pricing Option, substantially in the form as discussed at this meeting.

Director Martland seconded the motion.

The motion previously made and seconded was approved unanimously.

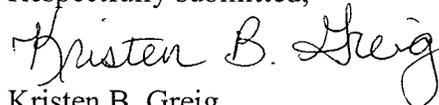
Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Marl Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		

**ADJOURNMENT**

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

There being no other business to discuss, the meeting was adjourned at 8:23 a.m.

Respectfully submitted,



Kristen B. Greig  
Secretary to the Board/Paralegal

**TAB 4**

**RESOLUTION REGARDING THE ROADWAY  
RECONSTRUCTION AGREEMENT AT THE POWER BLOCK  
FACILITY**

**RESOLVED:** That the President is hereby authorized to execute an agreement with J.H. Lynch & Sons, Inc. to implement the roadway reconstruction located at the Mid-Connecticut Power Block Facility, substantially as presented and discussed at this meeting, and

**FURTHER RESOLVED:** That the President is hereby authorized to execute a change order with TRC Environmental Corporation substantially as presented and discussed at this meeting.

**Connecticut Resources Recovery Authority  
Contract Summary for Contract  
Entitled**

**PBF Roadway Reconstruction Agreement**

Presented to the CRRA Board on:	June 28, 2005
Vendor/ Contractor(s):	J. H. Lynch & Sons, Inc.
Effective date:	Upon Execution
Contract Type/Subject matter:	Public Bid/Construction
Facility Affected:	Mid-CT Power Block Facility
Original Contract:	NA
Term:	90 days from Notice to Proceed
Contract Dollar Value:	\$293,750.00
Amendment(s):	NA
Term Extensions:	N/A
Scope of Services:	Roadway reconstruction at the Mid-CT Power Block Facility.
Other Pertinent Provisions:	None

**Connecticut Resources Recovery Authority  
Change Order Summary for Contract  
Entitled**

**Exit Strategy Contract**

Presented to the CRRA Board on:	July 28, 2005
Vendor/ Contractor(s):	TRC Environmental Corporation
Effective date:	Upon Execution
Contract Type/Subject matter:	Environmental Remediation Services
Facility (ies) Affected:	Mid-CT Resources Recovery Facility
Original Contract:	Exit Strategy Contract
Term:	NA
Change Order Dollar Value:	\$60,000.00 (credit)
Amendment(s):	NA
Term Extensions:	N/A
Scope of Services:	Reduction in work scope due to roadway reconstruction at the Power Block Facility.
Other Pertinent Provisions:	None

# **Connecticut Resources Recovery Authority Mid-Connecticut Project – Power Block Facility Roadway Reconstruction**

*July 28, 2005*

## **Executive Summary**

This is to request approvals of the CRRA Board of Directors for the President to enter into an agreement with J.H. Lynch & Sons, Inc. to reconstruct approximately 1100 feet of roadway at the Mid-Connecticut Power Block Facility and to approve a deductive change order with TRC Environmental Corporation (TRC) for environmental remediation services as contracted for in the Exit Strategy Agreement.

## **Discussion**

The roadway targeted to be reconstructed is a section of the main access road to the Power Block Facility. The roadway is used by the operator's employees, service contractors, visitors and ash residue trucks hauling ash from the facility to the Hartford Landfill. The roadway is in very poor condition and has experienced structural failure to the pavement surface and the subbase.

The scope of the work for the project is as follows:

Furnish all materials, labor, equipment and incidentals thereto for the reconstruction of approximately 1100 feet of existing roadway. The proposed work will consist of drainage improvements, re-grading and repaving of the existing roadway that extends from the Guardhouse (at the entrance to the facility), through the two CL&P switchyards to the south corner of the 115 KV switchyard.

TRC, CRRA's contractor per the Exit Strategy Agreement, is obligated to perform remediation services in the areas of the proposed roadway reconstruction to address certain arsenic contamination remediation standard exceedances that require excavation. For logistical coordination purposes and to ensure uniformity of finished roadway work and associated warranties, CRRA determined that all roadway work will be best performed by CRRA's roadway contractor. TRC, under the Exit Strategy Contract, has agreed to reimburse CRRA for the amount of work to be performed by CRRA's roadway contractor. Due to the coordination of work activities involved with this project, TRC has agreed to allow CRRA's roadway contractor to reconstruct approximately 215 ft of roadway on their behalf.

### **Financial Summary**

The project was solicited through a public procurement process. Sealed public bids were received on June 10, 2005, at which time they were publicly opened and read aloud. Bids were received from 5 qualified bidders, and are tabulated below.

Bidder	Bid Price
J.H.Lynch & Sons, Inc.	\$293,750.00
Gerber Construction, Inc.	\$311,000.00
Xenelis Construction Co.	\$330,000.00
Terry Contracting & Materials, Inc.	\$398,000.00
Ralph Camputaro & Son Excavating Inc.	\$450,000.00

The work for the project was bid as a lump sum. CRRA staff has met with the low bidder on the project, J.H.Lynch & Sons, Inc. and examined their references. Per discussions with them, CRRA staff is satisfied that they can complete the work as specified in the contract documents.

As explained in the Discussion Section above, CRRA's cost for this project will be reduced by \$60,000.00 per a deductive change order as negotiated with TRC. Therefore, CRRA's ultimate project cost for this work will be \$233,750.

The project will be funded from the WPF Modification Reserve Fund as planned for in the fiscal years 2005 and 2006 Mid-Connecticut capital improvement budgets.

## **TAB 5**

**RESOLUTION REGARDING DELIVERY OF COVER SOILS  
TO THE HARTFORD LANDFILL**

**RESOLVED:** That the President is hereby authorized to enter into an amended contract with Newcarp First LLC for delivery of contaminated soil to be used as daily cover at the Hartford Landfill, and as approved by the Connecticut Department of Environmental Protection, substantially as discussed and presented at this meeting.

# Connecticut Resources Recovery Authority

## Contract Summary for Contract entitled

### Amendments to Special Waste Cover Soils Letter Agreement

Presented to the CRRRA Board on: July 28, 2005

Vendor/ Contractor(s): Newcarp First LLC

Effective date: Amendment 1: June 20, 2005  
Amendment 2: July 14, 2005

Contract Type/Subject matter: Two Amendments to Original Letter Agreement. Delivery of DEP approved contaminated soil to the Hartford Landfill to be used as cover material.

Facility (ies) Affected: Hartford Landfill

Original Contract: Letter Agreement for acceptance of 5,000 tons at \$10.00 per ton

Term: September 1, 2005

Contract Dollar Value: Original contract: \$50,000  
(5,000 tons @ \$10.00 per ton)  
Amendment 1: \$70,000  
(additional 7,000 tons)  
Amendment 2: \$30,000  
(additional 3,000 tons)

Amendment(s): Two amendments, for a total of an additional 10,000 tons of soil

Term Extensions: Not applicable

Scope of Services: Delivery of DEP approved contaminated soil to the Hartford Landfill to be used as cover material.

Other Pertinent Provisions: Incorporated termination date of 9/1/05 in the second amendment

# **Connecticut Resources Recovery Authority Hartford Landfill Delivery of Cover Soil**

*July 28, 2005*

## **Executive Summary**

CRRA contracted with Newcarp First LLC in June 2005 to deliver approximately 5,000 tons of contaminated soil, generated in West Hartford, Connecticut, to the Hartford Landfill for use as cover material.

Subsequent to committing to the original 5,000 tons, CRRA determined that it could accept additional soil from this source for use as cover material at the landfill, and agreed to accept additional soil from the site pursuant to two amendments to the original letter agreement.

In accordance with Section 5.11 (Market Driven Purchases and Sales) of CRRA's Procurement Policies and Procedures, effective January 22, 2004, this is to report to the CRRA Board of Directors that CRRA has entered into this market driven transaction, and to seek Board approval of the transaction (i.e., the two additional amendments to the original letter agreement).

## **Discussion**

The Solid Waste Operating Permit for the Hartford Landfill requires that all of the solid waste deposited at the landfill each day is to be covered with soil, or other approved material, at the end of the day. Historically, CRRA has purchased virgin soil to be used for this purpose.

Several years ago management began an initiative to identify sources of contaminated soil that could be used to satisfy the requirement for the landfill's daily cover needs, and for which a delivery charge could be assessed to the generator or deliverer of the soil. CRRA staff contacted environmental remediation companies, and environmental and engineering consulting firms, to determine if there were sources of this soil that would be amenable for use as daily cover. CRRA staff also contacted other landfills and soil treatment facilities to determine the disposal market price for this type of contaminated soil.

In consultation with the Policy and Procurement Committee, CRRA staff developed a procedure to be used in negotiating prices for receipt of daily cover soil at the Hartford Landfill. In summary, CRRA staff has developed a list of approximately 35 companies (consultants, remediation companies, etc.) that have advised CRRA that they have, or

may have, sources of contaminated soil amenable for use as daily cover. CRRA staff periodically contact these companies to determine if they have quantities of soil for shipment to the landfill. CRRA also periodically receives inquiries from firms that have potential sources of cover soil.

Based on quantity, soil composition, the estimated delivery time frame, receipt of CTDEP approval of the soil for use as daily cover, and the Mid-Connecticut Project Permitting, Disposal and Billing Procedures, CRRA staff negotiate a delivery price with the generator or their representative.

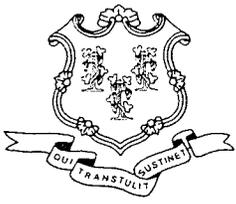
Based on this procedure, CRRA staff negotiated a price of \$10.00 per ton for 5,000 tons with the Newcarp First LLC for soil generated in West Hartford, Connecticut, which was presented to the Board of Directors in at its June 2005 meeting. Subsequent to committing to the original 5,000 tons, CRRA determined that it could accept an additional 7,000 tons, and executed a first amendment to the letter agreement to accept this material. Subsequent to the first amendment, CRRA determined that it could accept an additional 3,000 tons and executed a second amendment to the letter agreement. These additional increments of soil were also accepted fro a price of \$10.00 per ton. A contract termination date was also incorporated in the second amendment.

A summary of the analytical data associated with this soil, as well as the CTDEP authorization letter, is included herewith.

Based on prices negotiated with other generators of contaminated soil during the past several months, based on the regulatory status of this material, and based on CRRA's quantity needs for cover material, CRRA staff believe that this price represents a satisfactory market price for this particular contaminated soil that is to be used as cover material, and that acceptance of this soil is in the best interest of the member communities of the CRRA Mid-Connecticut Project.

### **Financial Summary**

Acceptance of the soil associated with these two amendments will provide to the Mid-CT Project \$100,000 in revenues, in addition to the original \$50,000 in revenues, for a total of \$150,000 (15,000 tons at \$10.00 per ton).



STATE OF CONNECTICUT  
DEPARTMENT OF ENVIRONMENTAL PROTECTION



June 10, 2005

Mr. Brian A. Cutler, P.E.  
Loureiro Engineering Associates, Inc.  
100 Northwest Drive  
Plainville, CT 06062

RECEIVED  
JUN 13 2005  
CRRA  
ENVIRONMENTAL

Re: Alternative Cover Material  
Connecticut Resources Recovery Authority Hartford Landfill

Dear Mr. Cutler:

The Bureau of Waste Management's Waste Engineering and Enforcement Division (WEED) has completed the review of your recent correspondence (letter with attachments dated June 8, 2005) regarding the use of approximately 12,000 cubic yards of soil as cover and/or grading material at the Connecticut Resources Recovery Authority (CRRA) Hartford Landfill located on Leibert Road, Hartford, CT. As outlined in your letter, the soil was generated during construction activities at a commercial property located at 50 Raymond Road, West Hartford, CT. The Department had previously approved this soil for re-use (letter dated May 10, 2005), in accordance with Section 22a-133k-2(h)(3) of the Remediation Standard Regulations, as backfill at a site owned by the CRRA. Reportedly, the use of this soil as backfill at the CRRA's property is no longer under consideration.

Given this information and based on WEED staff review of the available information, the use of this soil at the Hartford Landfill is hereby approved. The soil may be used as daily or interim cover material and/or as grading material. Appropriate sedimentation/erosion controls, including dust controls, shall be implemented and maintained during the delivery and grading of this material.

Please contact David McKeegan of my staff at (860) 424-3313 if you have any questions regarding this letter.

Sincerely,

Robert C. Isner  
Director  
Waste Engineering and Enforcement Division  
Bureau of Waste Management

RCI:DKM:dm  
cc: Peter Egan, CRRA





Loureiro Engineering Associates, Inc.

**Table 2**  
**SUMMARY OF ANALYTICAL RESULTS (DETECTS)**  
**50 Raymond Road, West Hartford, Connecticut: Stockpile Disposal**

Location ID	SPR-IP-05	SPR-IP-05	SPR-IP-06	SPR-IP-06	SPR-IP-06	SPR-SP-01	SPR-SP-02	SPR-SP-03
Sample ID	1060391	1060391	1060392	1060392	1060392	1060397	1060398	1060399
Sample Date	01/18/2005	01/18/2005	01/18/2005	01/18/2005	01/18/2005	01/18/2005	01/18/2005	01/18/2005
Sample Time	13:40	13:40	13:45	13:45	13:45	13:20	13:22	13:25
Sample Depth	0'	0'	0'	0'	0'			
Laboratory	AEL	Spec	AEL	Spec	Spec	AEL	AEL	AEL
Lab. Number	AEL05000636	SA23182-05	AEL05000637	SA23182-06	SA23182-06	AEL05000638	AEL05000639	AEL05000640
Units								
Constituent								
Date Metals Analyzed		01/19/2005		01/19/2005		01/24/2005	01/24/2005	01/24/2005
Date Physical Analyzed						01/19/2005	01/19/2005	01/19/2005
Date Semivolatile Organics Analyzed								01/20/2005
Total TICs	mg/kg							
Arsenic	mg/kg					3.77	3.48	4.29
Barium	mg/kg		113		77.9	126	123	140
Cadmium	mg/kg		1.10		0.992			
Chromium, Total	mg/kg		26.2		20.4	24.7	29.5	29.7
Lead	mg/kg		11.6		16.9	70.7	49.4 L	94.6
Hydrocarbons, aliphatic, C9-C36, NOS	mg/kg							
Total Petroleum Hydrocarbons (CT ETPH)	mg/kg	82		90		94	83	110
Total Petroleum Hydrocarbons EPA 418.1	mg/kg							
Benzo(a)anthracene	ug/kg							740 L
Benzo(b)fluoranthene	ug/kg							640 L
Benzo(a)pyrene	ug/kg							720 L
Benzo(g,h,i)perylene	ug/kg							460 L
Benzo(k)fluoranthene	ug/kg							570 L
Chrysene	ug/kg							780 L
Fluoranthene	ug/kg							1600
Indeno(1,2,3-c,d)pyrene	ug/kg							670 L
Phenanthrene	ug/kg							1400
bis(2-Ethylhexyl) Phthalate	ug/kg							1400
Pyrene	ug/kg							350 L
Anthracene	ug/kg							





## **TAB 6**

**Resolution Regarding Mid-Connecticut Resources Recovery Facility Ash Residue  
Transportation Services**

**RESOLVED:** The President is authorized to enter into an agreement with Botticello, Inc. for Mid-Connecticut resources recovery facility ash residue transportation services substantially as presented and discussed at this meeting.

**Connecticut Resources Recovery Authority  
Contract Summary**

Presented to Board: July 28, 2005

Vendor: Botticello, Inc.

Contract Type: Transportation services

Facility: Mid-Connecticut Project

Dollar Value: FY06 approximately \$541,000 without loading services or \$707,000 with loading services.

Base Term: August 1, 2005 – June 30, 2008

Term Extensions: None

Service Fee Structure:

<b>Contract Year</b>	<b>To Hartford Landfill Without Loading</b>	<b>To Putnam Landfill Without Loading</b>	<b>To Hartford Landfill With Loading</b>	<b>To Putnam Landfill With Loading</b>
FY06	\$3.09	\$10.71	\$4.04	\$11.66
FY07	\$3.18	\$11.03	\$4.16	\$12.01
FY08	\$3.28	\$11.36	\$4.29	\$12.37

Scope of Service: Contractor will provide transportation of the ash residue generated at the Mid-Connecticut Resources Recovery Facility. CRRA has the option of directing Contractor to provide ash loading services and transportation services to the Wheelabrator-Putnam Landfill (in the event the Hartford Landfill acceptance of ash residue is curtailed or shutoff for any reason) during the term of the agreement.

## Executive Summary

CRRA is recommending the Agreement for Ash Residue Transportation and Disposal Services be awarded to the low bidder, Botticello, Inc., for a base term ending June 30, 2008 with no options to extend.

## Discussion

In June, 2005, CRRA issued a request for bids for the ash residue transportation services. As part of the solicitation process a legal notice advertising the RFB was published in four Connecticut daily newspapers, posted on CRRA's web site and the bid documents mailed to a number hauling companies. Four bids were received as summarized in Table 1.

**Table 1 - Cost Per Ton Bids Received**

Company		To Hartford Landfill Without Loading	To Putnam Landfill Without Loading	To Hartford Landfill With Loading	To Putnam Landfill With Loading
Botticello	FY06	\$3.09	\$10.71	\$4.04	\$11.66
	FY07	\$3.18	\$11.03	\$4.16	\$12.01
	FY08	\$3.28	\$11.36	\$4.29	\$12.37
D.W. Transport	FY06	\$4.19	\$15.67	\$5.12	\$16.68
	FY07	\$4.32	\$16.14	\$5.28	\$17.18
	FY08	\$4.45	\$16.62	\$5.43	\$17.10
Herb Holden	FY06	\$4.98	\$10.72	No Bid	No Bid
	FY07	\$5.73	\$12.33		
	FY08	\$6.49	\$13.96		
CWPM, LLC	FY06	\$5.37	\$15.00	No Bid	No Bid
	FY07	\$5.53	\$15.45		
	FY08	\$5.70	\$15.91		

Table 2 summarizes the amount of ash residue generated in FY05.

**Table 2 – FY05 Mid-Connecticut Ash Residue Generation**

Month	Tons	Number of Loads
July	14,069	682
August	16,117	784
September	15,888	753
October	14,397	670
November	13,687	652
December	13,831	651
January	11,643	559
February	13,582	640
March	15,056	720
April	14,316	668
May	15,248	757
June	13,698	655
<b>Total</b>	<b>171,533</b>	<b>8191</b>

## **Financial Summary**

\$492,000 has been appropriated in the FY06 budget for ash transportation services. The appropriation is based on the assumptions that 820,000 tons of MSW will be processed resulting in the production of 697,000 tons of RDF and 24% of the RDF consumed will be ash residue that will be transported to the Hartford Landfill at a rate of \$2.81/ton (the rate during the final year of the old agreement was \$2.79/ton).

The low bid for the first year of the new agreement is \$3.09/ton (\$517,000 for FY06) or about 5 percent higher than the budget assumption of \$492,000. As a result, there is the potential for a budget shortfall of approximately \$25,000 depending upon the actual tons of ash generated in FY06. The higher than anticipated bid result can most likely be attributed to increased fuel prices.

**TAB 7**

**RESOLUTION REGARDING  
EMPLOYMENT OF A CONTRACTOR TO PROVIDE  
MATERIALS, EQUIPMENT, AND LABOR FOR THE  
REMOVAL OF THE SCREEN FENCE AT THE  
HARTFORD LANDFILL**

**RESOLVED:** That the President is hereby authorized to enter into a contract with R. L. Rogers & Sons, Inc. to provide materials, equipment, and labor to remove the screen fence at the Hartford Landfill, substantially as discussed and presented at this meeting.

# Connecticut Resources Recovery Authority

## Contract Summary for Contract entitled

### Hartford Landfill - Screen Fence Removal

Presented to the CRRA Board on: July 28, 2005

Vendor/ Contractor(s): R. L. Rogers & Sons, Inc.

Effective date: Upon Execution

Contract Type/Subject matter: Contract to remove the screen fence fabric and poles on the west side of the Hartford Landfill.

Facility(ies) Affected: Hartford Landfill

Original Contract: This is original contract

Term: 45 days from Notice to Proceed

Contract Dollar Value: \$128,800

Amendment(s): Not applicable

Term Extensions: Not applicable

Scope of Services: Contractor shall provide materials, labor, and equipment for the removal of the screen fence and restoration of the portions of the property disturbed by the work at the Hartford Landfill.

Other Pertinent Provisions: None

# **Connecticut Resources Recovery Authority Mid Connecticut Project**

## **Hartford Landfill - Screen Fence Removal**

*July 28, 2005*

### **Executive Summary**

In 1999, to reduce visual impacts of its mixed waste filling operation at the Hartford Landfill, CRRA installed approximately 2,000 feet of 30 foot high screen fence on the west side of the Hartford Landfill along Interstate 91. In recent months, the mixed waste filling operation at the Hartford Landfill as moved away from the west slope because that portion of the landfill has reached its permitted fill capacity. Additionally, in April, 2005, the Board of Directors approved a contract to improve the appearance of the Hartford Landfill by placing and grading additional soil material and topsoil, constructing additional drainage facilities, and establishing vegetation on the west side of the landfill. That work is currently proceeding. Therefore, the screen fence is no longer needed to provide a visual barrier to the filling operation, and in fact, has become an eyesore. In order to further improve the appearance of the Hartford Landfill, CRRA has undertaken a fair and open bidding process for the removal of the screen fence, and R. L. Rogers & Sons, Inc. has been selected as the party that submitted the best bid.

This is to request Board of Directors approval to employ R. L. Rogers & Sons, Inc. to remove the screen fence located on the west side of the Hartford Landfill.

### **Discussion**

#### ***Request for Bid Process***

CRRA solicited bids from qualified firms through an advertisement in the Hartford Courant. Seven firms responded to the advertisement and attended the mandatory, on-site pre-bid meeting.

Those firms were:

- Arborio Corporation
- Botticello, Inc.
- Nutmeg Gravel & Excavating
- O&G Industries

- RED Technologies, Inc.
- R.L. Rogers & Sons, Inc.
- Stonyridge Corporation

At the pre-bid meeting, CRRA provided the prospective bidders with details of the project requirements, guidelines for acceptable bids as well as a tour of the landfill.

Of the seven firms who attended the pre-bid meeting, four submitted bids. Those firms were:

- Arborio Corporation
- Botticello, Inc.
- Nutmeg Gravel & Excavating, Inc.
- R. L. Rogers & Sons, Inc.

The prospective bidders were asked to provide lump sum bids for the Work using an itemized bid form provided in the contract documents.

Each bid was evaluated based on the following criteria:

- Knowledge, capability and experience of the firm
- Experience in performing work for CRRA
- Experience in performing work for others at CRRA landfills
- How services will be implemented
- Staffing and management plans
- Knowledge and experience of staff
- Distribution of staff time
- Types and number of vehicles and equipment
- Adequacy of existing insurance
- Completeness of Bid
- Affirmative Action, Small Business Contractors and Occupational H&S

Based on completeness of bid, evaluation score, price, and a satisfactory past performance of services, CRRA staff recommends that CRRA employ R. L. Rogers & Sons, Inc. to perform this work.

A summary of the four bids is presented below:

ITEM	R.L. Rogers & Sons Inc.	Nutmeg Gravel & Excavating, Inc.	Botticello, Inc.	Arborio Corporation
Mobilization and demobilization	7,000	3,000	25,000	24,000
Remove fence fabric and deliver to daily cover	11,000	3,000	6,000	34,000
Remove poles, dispose of poles off-site, fill bases of poles	68,000	25,856	99,500	83,000
Load, haul, dump, spread, and compact CRRA provided fill material	8,800	31,000	24,000	23,000
Provide, spread and grade topsoil over all disturbed areas	25,000	65,000	32,400	35,000
Seed topsoil and provide erosion control measures as necessary.	9,000	12,000	10,050	15,000
<b>TOTAL</b>	<b>\$128,800</b>	<b>\$139,856</b>	<b>\$196,950</b>	<b>\$214,000</b>

### *Scope of Work*

This project will involve the following scope of work:

1. Contractor shall remove the existing fence fabric and hardware from the steel poles and deliver the fabric to the daily bulky waste landfill cell for burial by CRRA.
2. Contractor shall remove all (approximately eighty (80)) existing steel poles upon which the fence fabric is hung. The poles are hollow, .375 inches thick, 20 inches in diameter.
3. Contractor shall fill the area of the bench as designated on the plan with fill material provided by CRRA. Contractor is responsible to move the fill material from the top of the landfill to the work area. Contractor shall place, compact and grade the fill material to accept topsoil and seeding.
4. Contractor shall provide, place, and grade topsoil material over all disturbed areas, including the area covered with fill material. Topsoil shall meet Specification contained in Section M.13 of the State of Connecticut DOT Form 816, dated 2004. Contractor shall certify topsoil meets this specification. The amount of topsoil required to complete this task is estimated to be approximately 1,200 cubic yards.

5. Contractor shall hydroseed all disturbed areas and provide erosion control measures to minimize erosion while vegetation grows. Seed mixture shall be 80% Kentucky 31 Tall Fescue, 10% Red Fescue, and 10% annual Rye Grass. Mixture shall be applied at the rate of 170 pounds per acre. Contractor shall certify that seed mixture and application rate meet this specification. The area requiring Hydroseeding is estimated to be approximately 1.25 acres.
6. Contractor shall guaranty establishment of vegetation and repair any significant erosion within limits of work until vegetation is fully established for up to one year from the date of completion of the Work.
7. Contractor shall take care not to damage existing landfill gas headers, extraction wells, monitoring probes, drainage systems, landfill surface, fences, and any other site features. All damage shall be repaired by contractor at its own expense.
8. Contractor shall protect all existing trees located more than 12 feet from the poles. Trees within 12 feet of the poles within the bench area shall be removed.
9. Contractor shall make all required notifications and obtain all local, state, and federal permits and approvals necessary for the completion of the Work.

### **Financial Summary**

The funds for this project have been allocated in the FY 2006 Hartford Landfill budget.

**TAB 8**

**RESOLUTION REGARDING A LIMITED RELEASE  
AGREEMENT BY AND AMONG EAST HAVEN, SWEROC,  
CRRA AND FCR, INC.**

**RESOLVED:** That the President is hereby authorized to enter into a Limited Release Agreement by and among the City of East Haven, The Southwest Regional Recycling Operating Committee (“SWEROC”), The Connecticut Resources Recovery Authority (“CRRA”), and Fairfield County Recycling, Inc. (“FCR”), substantially in the form as discussed and presented at this meeting.

**Connecticut Resources Recovery Authority**  
**Contract Summary for Contract**  
**entitled**

**Limited Release Agreement By and Among**  
**East Haven, SWEROC, CRRA, and FCR**

Presented to the CRRA Board on: July 28, 2005

Vendor/ Contractor(s): City of East Haven

Effective date: upon notice of all Approvals

Contract Type/Subject matter: Limited Release Agreement for East Haven  
Recyclable Diversion

Facility (ies) Affected: Bridgeport Project

Original Contract: This is the original contract

Term: 90 days from date of all applicable approvals

Term Extensions: Not applicable

Scope of Services: The City shall pay CRRA \$18,000 within 90 days of  
all applicable approvals

Tip Fee: Not applicable

Contract Dollar Value: \$18,000

Amendment(s): Not applicable

Other Pertinent Provisions: CRRA , SWEROC, and FCR,(the Stratford IPC  
vendor) releases East Haven of liability with respect  
to claims that could have been made for failure to  
deliver recyclables to the date of execution

**Connecticut Resources Recovery Authority  
Bridgeport Project  
Limited Released Agreement By and Among  
East Haven, SWEROC, CRRA, and FCR**

*July 28, 2005*

**EXECUTIVE SUMMARY**

The City of East Haven has agreed to a Limited Release agreement by and among the City, SWEROC, CRRA and FCR. East Haven has agreed to pay CRRA \$18,000 within 90 days of all applicable approvals for failure to deliver recyclables to the Stratford Regional Recycling Center of the Bridgeport Project.

East Haven is now in compliance with the delivery of the recyclables.

CRRA, acting as SWEROC's agent, discovered through inspection and enforcement efforts, at the request of the SWEROC Board, that East Haven had not been shipping all of its recyclables to the Stratford Recycling Center for several years thereby depriving the Project recycling revenues.

As a result of these efforts, both the City and CRRA successfully negotiated a settlement that covers in full all of SWEROC's damages and provides a release of any liability from the Recycling Center operator, FCR.

## LIMITED RELEASE OF TOWN OF EAST HAVEN

In consideration of the sum of Eighteen Thousand Dollars (\$18,000.00), to be paid within Ninety (90) Days of notification to the **TOWN OF EAST HAVEN'S** legal representative of all applicable board approvals of this Release, and other valuable consideration consisting of the **TOWN OF EAST HAVEN'S** representation that, to the best of its knowledge, it is now in compliance with its obligations to deliver recyclables to the Intermediate Processing Facility at Stratford, Connecticut, the **CONNECTICUT RESOURCES RECOVERY AUTHORITY**, the **SOUTHWEST CONNECTICUT REGIONAL RECYCLING OPERATING COMMITTEE**, and **FAIRFIELD COUNTY RECYCLING, INC.** ("Releasees") hereby remise, release and forever discharge the **TOWN OF EAST HAVEN**, and its officers, officials, agents, employees, directors, representatives, heirs, successors, and assignees, from all existing debts, obligations, promises, covenants, agreements, contracts, endorsements, bonds, controversies, suits, actions, causes of actions, trespasses, executions, damages, claims or demands, whether known or unknown, in law or in equity, and more particularly with regard to the lawsuit known as *Connecticut Resources Recovery Authority And Southwest Connecticut Regional Recycling Operating Committee v. Town of East Haven, et al*, Docket No. HHD-CV 05 4006622S, J.D. of Hartford at Hartford, and with respect to any claims or set-offs that could have been made, which relate to the **TOWN OF EAST HAVEN'S** failure to deliver recyclables to the Intermediate Processing Facility at Stratford, Connecticut from the beginning of the world to the day of the date of these presents, but this Release does not release the **TOWN OF EAST HAVEN** from the obligation to pay the per-ton fee for the disposal of recyclables actually delivered to said Intermediate Processing Facility to the day of the date of these presents; nor does it affect such outstanding issues as the current dispute under the Municipal Solid Waste Management Services Agreement between the Connecticut Resources Recovery Authority and East Haven. **This limited release is subject to approval by the applicable boards of the Releasees, and shall be void if all such approvals are not received.** Upon receipt of all applicable approvals, the lawsuit, referred to above, shall be withdrawn. This Release shall not be construed as an admission of any wrongdoing by the **TOWN OF EAST HAVEN**. Payment of the Eighteen Thousand Dollars (\$18,000.00) shall be made to the **CONNECTICUT RESOURCES RECOVERY AUTHORITY**, which shall be solely responsible for making payments out of said funds to the Releasees, and the **CONNECTICUT RESOURCES RECOVERY AUTHORITY** shall hold the **TOWN OF EAST HAVEN** harmless, and indemnify and defend said Town, from any claim by any other Releasee as to the disbursement of said payment. In the event that Trash Master, LLC, brings a claim against the **TOWN OF EAST HAVEN** and any of the Releasees, with respect to any of the claims, set forth in the above-referenced lawsuit, the Releasees shall not bring any cross-claims against the **TOWN OF EAST HAVEN** or seek indemnification for any settlement or judgments rendered against them.







**TAB 9**

## **RESOLUTION REGARDING DIGITAL COPIER PURCHASES**

**RESOLVED:** That the President is hereby authorized to enter into an agreement with Ryan Business Systems to purchase six digital copiers, substantially as discussed and presented at this meeting.

# Connecticut Resources Recovery Authority

## Digital Copier Purchase

*July 28, 2005*

### Executive Summary

This is to request approval of the Board of Directors for the President to enter into an agreement with Ryan Business Systems for up to \$63,000 to purchase six new copiers, excluding maintenance costs.

### Discussion

The current three year lease for the four copiers located at 100 Constitution Plaza, one copier located at 211 Murphy Road and one copier located at the Stratford office will expire on August 26, 2005.

In June, 2005 CRRA issued a public notice requesting bids to purchase or lease six replacement copiers. Five companies submitted bids by the June 24, 2005 deadline.

Based upon a financial analysis, an outright purchase is more cost effective than a three or five year lease.

The specifications for the copiers included the following:

- One (1) high speed, 70-80 ppm copier, with the ability to insert tabs into large copy jobs.
- Two (2) 50-55 ppm copiers, with faxing, and scanning capability.
- One (1) 30-35 ppm color copier, with faxing, and scanning capability.
- Two (2) 20-25 ppm copiers, with faxing, and scanning capability.

Three of the bids did not meet the required specifications. Ryan Business Systems (Canon) and Konica both submitted qualifying bids.

The pricing, maintenance cost per page and copier speeds of the qualifying bids are listed below:

Item	Detail	Company (Brand)	
		Ryan (Canon)	Konica
<b>Costs:</b>	Base Equipment Purchase:	\$62,800.00	\$60,410.00
	Cost of additional Fax machines (if needed)*	—	\$2,000.00
	Total Purchase Price:	\$62,800.00	\$62,410.00
<b>Maintenance: (YR 1-5)</b>	Estimate based on 960,000 B&W copies per year	\$6,412.00	\$7,200.00
	<b>Overage:</b>		
	Black and White copies	0.0067 cents	0.0075 cents
	Color copier - Color copies	0.08 cents	0.10 cents
	Color copier - B&W Copies	0.016 cents	0.01cents
<b>Copier Speed:</b>	<b>1 x 70-80 ppm</b>	80 ppm	72 ppm
	<b>2 x 50-55 ppm</b>	55 ppm Includes built in fax	55 ppm * No built in fax
	<b>1 x 30-35 ppm Color</b>	32ppm Color and B&W	35 ppm Color, 45 ppm B&W
	<b>2 x 20-25 ppm</b>	22 ppm	22 ppm

\* The Konica 55 pages per minute copiers do not have a fax option; two additional fax machines would be needed.

After visiting each vendor and examining the copiers, features and support plans, the selection committee made a unanimous decision to select Ryan Business Systems and purchase the Canon copiers. This decision was based on the following:

- Ryan Business Systems maintains CRRA's current copiers and offers excellent service and support;
- CRRA currently leases Canon copiers and is very satisfied with their quality and performance;
- CRRA currently owns a Canon color copier, which is maintained by Ryan. This maintenance can be rolled into an overall maintenance plan;
- The annual maintenance costs are lower with Ryan;
- The maintenance cost per page is fixed over the first five years with Ryan. After the third year, it increases by an unspecified amount with Konica;
- The tab insertion ability is superior with Canon;

- Fax machines are built into the Canon copiers;
- The Canon high speed copier is faster than the Konica;
- CRRA's IT department is familiar with the technical aspects of wiring Canon copiers into the computer network; and
- Training will be simplified because CRRA employees are already familiar with the functionality of Canon copiers.

### **Financial Summary**

The Fiscal Year 2006 budget included \$80,000 for the purchase of new copiers. CRRA also examined the options of a three and five year lease. By purchasing the copiers, there is a present value advantage of \$2,152.86 over a three year lease option and a present value advantage of \$11,959 over a five year lease option. The maintenance cost is identical for all three options.

**TAB 10**

**RESOLUTION REGARDING APPROVAL OF AN AGREEMENT FOR  
ELECTRONICS RECYCLING COLLECTION SERVICES**

**RESOLVED:** The President is authorized to enter into an agreement with Advanced Recovery, Inc. for electronics recycling collection services, substantially in the form as presented and discussed at this meeting.

# Connecticut Resources Recovery Authority

## Contract Summary for Electronics Recycling Collection Services entitled

### Electronics Recycling Collection Program

Presented to the CRRA Board on: July 28, 2005

Vendor/ Contractor(s): Advanced Recovery, Inc.

Effective date: August 2005

Contract Type/Subject matter: Agreement to Provide Electronics Recycling Collection Services

Facility (ies) Affected: Bridgeport, Mid-Connecticut and Wallingford Projects

Term: August 2005 to December 31, 2007  
CRRA has right to terminate with 30-day notice

Term Extensions: One year optional extension to December 31, 2008

Contract Dollar Value: Total estimated annual dollar value of approximately \$30,000. Contractor to charge \$0.10 cents per pound for used electronics as follows:

- One-Day Collections for residents only of the respective member project towns
- Drop-Off Collections for Wallingford Project and Bridgeport Project member town municipal governments

Amendment(s): Not applicable

Scope of Services: To provide electronics recycling collection services for the residents of the Bridgeport, Mid-Connecticut, and Wallingford Project member towns and certain municipal governments

Performance Securities \$50,000 Performance Bond

# Connecticut Resources Recovery Authority Electronics Recycling Collection Services

*July 28, 2005*

## **EXECUTIVE SUMMARY**

For nearly the past six years, CRRA has performed electronics recycling collection services through a competitively bid contract with a private vendor and has recycled more than 1.7 million pounds, or nearly 900 tons, of used consumer electronics to date. The types of used electronics collected have included computers, computer monitors and accessories, televisions, VCRs, copiers, printers, stereos and cell phones.

These electronics recycling services have been for residents of the Bridgeport, Mid-Connecticut and Wallingford Project towns. The Wallingford Project has also collected used electronics from that Project's five member municipal governments and boards of education.

The contract with the previous vendor, Envirocycle, expired December 31, 2004. CRRA issued a publicly noticed Request for Proposals in April 2005 to receive competitive proposals for the collection and recycling of used electronics (generated only by residential and municipal sources). The Authority received three proposals in June 2005. Based upon the results of the RFP, CRRA management is recommending the Board to provide authorization to enter into an Agreement with Advanced Recovery, Inc. for the period of August 2005 to December 31, 2007, with an option to extend the contract for one additional year. CRRA has the right to terminate the contract with thirty days' advance written notice.

CRRA issued a publicly noticed RFP for electronics recycling collection services this spring and received three proposals. CRRA is recommending to the Board to enter into an agreement with Advanced Recovery, Inc. to perform electronics recycling collection services at their proposed price of \$0.10 cents per pound. The previous contract was for \$0.195 cents per pound.

## **DISCUSSION**

The RFP asked proposers to submit their proposals based upon two types of collections, One-Day Collection Services (generally a scheduled Saturday) where residents bring their electronics to a CTDEP authorized location, and Drop-Off Collections, on behalf of municipal governments or at Regional and Municipal Transfer Stations. Below are the results of the competitively bid RFP.

## RFP Results

### Initial Base Term (Aug-05 to Dec-07)

#### One-Day Collections

Proposer	Price Per Pound	Subsidy - Price Per Pound (1)
<b>Advanced Recovery (New Jersey)</b>	\$0.10	none
<b>Envirocycle, Inc. (Pennsylvania)</b>	\$0.17	\$0.10
TVs, Monitors	\$0.17	\$0.10
CPUs	\$0.07	\$0.10
All Other	\$0.15	\$0.10
<b>WeRecycle! (Connecticut)</b>	\$0.15	none

(1) The \$0.10 per pound subsidy offered by Envirocycle is for certain brand name products which represent an estimated 6% to 15% of the collected electronic equipment by weight.

### Initial Base Term (Aug-05 to Dec-07)

#### Drop-Offs (Municipal Collections)

Proposer	Price Per Pound	Subsidy - Price Per Pound (1)
<b>Advanced Recovery (New Jersey)</b>	\$0.10	none
<b>Envirocycle, Inc. (Pennsylvania)</b>	\$0.15	\$0.10
TVs, Monitors	\$0.15	\$0.10
CPUs	\$0.07	\$0.10
All Other	\$0.15	\$0.10
<b>WeRecycle! (Connecticut)</b>	\$0.15	none

(1) The \$0.10 per pound subsidy offered by Envirocycle is for certain brand name products which represent an estimated 6% to 15% of the collected electronic equipment by weight.

The previous vendor, Envirocycle, charged \$0.195 cents per pound for One-Day collections and \$0.175 cents per pound for Drop-offs and also included a \$0.10 cent per pound subsidy for certain brand name items.

## FINANCIAL SUMMARY

CRRA has historically recycled approximately 300,000 pounds per year of electronics among the Bridgeport, Mid-Connecticut and Wallingford Projects. In FY 2006 for electronics recycling, the Bridgeport Project has budgeted \$30,000, the Mid-Connecticut Project has budgeted \$50,000 and the Wallingford Project has budgeted \$45,000. Please note a small portion of those budgeted amounts included some advertising for the one-day collection events for residents. The budgeted amounts were based upon the previous contract pricing of \$0.195 cents per pound. Therefore, the expected impact to the FY2006 should be a reduction of nearly 50% in the respective electronics recycling expenditures for each project budget.

Please see the table below which shows the estimated annual dollar value of each of the respective three proposals based upon historical average of 300,000 pounds per year of used electronics collected:

<b>Company Name</b>	<b>Estimated Annual Dollar Value</b>
Advanced Recovery, Inc.	\$30,000
Envirocycle, Inc.	\$45,000
WeRecycle!	\$45,000

## **ENVIRONMENTAL ISSUES**

CRRA has contacted the New Jersey Department of Environmental Protection and confirmed that Advanced Recovery, Inc. operates in accordance with applicable environmental regulations and has the necessary permits, registrations and authorizations to conduct electronics recycling. All electronics collected would be shipped to their Newark, New Jersey facility where the materials are dismantled for recycling or refurbished. The deconstructed materials, which include cathode ray tube ("CRT") glass, plastics, metals, circuit boards and other items, are then shipped and recycled at various facilities in the United States and other countries.

**TAB 11**

**RESOLUTION REGARDING ADDITIONAL PROJECTED LEGAL  
EXPENDITURES FOR FISCAL YEAR 2005**

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

**WHEREAS**, the Board of Directors, on September 23, 2004, authorized certain amounts for payment of fiscal year 2005 projected legal fees; and

**WHEREAS**, the Board of Directors, on February 24, 2005, authorized additional amounts for payment fiscal year 2005 projected legal fees; and

**WHEREAS**, CRRA has incurred greater than anticipated legal expenses in connection with the Metropolitan District Commission arbitration and associated expert fees, review of proposed legislation, CRRA's tax exempt status, future planning, the South Meadows exit strategy 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, 2005:

<u>Firm:</u>	<u>Authorized Amount:</u>	<u>Increase Amount:</u>	<u>Total Amount Authorized for FY05:</u>
Cohn, Birnbaum & Shea	\$40,000 Projected	\$20,000	\$60,000
Halloran & Sage	\$650,000	\$325,000	\$975,000
McCarter & English	\$700,000	\$215,000	\$915,000

# CONNECTICUT RESOURCES RECOVERY AUTHORITY

## Request for Authorization for Payment of Legal Expenses

July 28, 2005

### Discussion:

In June of each year, the CRRA Accounting Department sends a notice to all CRRA personnel requesting that they notify Accounting of any goods or services received on or before June 30 for which an invoice has not been received by mid-July, so that Accounting can set up an accrual for payment of such invoices out of the appropriate fiscal year's budget. The notice includes a warning that failure to notify Accounting of such requirement will result in such invoices being booked during the new fiscal year (when, presumably, they have not been included in the budget for such new year). CRRA had no Director of Legal Affairs from May through August of 2004 to comply with Accounting's instructions.

As a further complication, CRRA requested mid-year that general counsel matters, where appropriate, be broken down and billed by Project, requiring extensive review and re-issuance of Halloran statements. A total of approximately \$280,000 of fiscal year 2004 invoices from Halloran Sage was paid during fiscal year 2005 – the last one about two weeks ago. Subsequent to discussion at the June P&P Committee meeting, CRRA received the requested estimate from Halloran Sage of services performed but not yet paid for through June 30, 2005. Halloran's estimate is approximately \$50,000 higher than anticipated, due to more extensive work than foreseen on a particular matter, together with a \$22,000 difference between Halloran's higher computation of the total amount outstanding and CRRA's own understanding. We are therefore requesting Board approval of an additional \$325,000 to ensure that all 2005 invoices are paid from fiscal 2005 budgeted amounts and the situation is not repeated. (The final total may, of course, be somewhat different, based on actual, rather than estimated, remaining 2005 invoices and disposition of the disputed \$22,000.)

We are also requesting Board approval of additional McCarter & English and Cohn, Birnbaum & Shea expenses. The above explanation applies, to a much lesser extent, to McCarter & English and to Cohn, Birnbaum. (Approximately \$90,000 of McCarter and \$10,000 of Cohn Birnbaum fiscal year 2004 invoices were paid in fiscal year 2005.) Moreover, third party costs of the MDC arbitration – largely expert witness fees and arbitrator fees – totaled over \$313,000.

Attached please find a breakdown, by firm, of amounts incurred during fiscal year 2004 and paid in fiscal year 2005, together with a breakdown of McCarter & English third-party arbitration costs.

<b>FY04 LEGAL FEES PAID IN FY 05 - FY06</b> <b>McCARTER &amp; ENGLISH THRID-PARTY ARBITRATION COSTS</b>
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**HALLORAN & SAGE**

FOR SERVICES:

Nov-03	\$4,432.50
Jan-04	\$18,480.00
Feb-04	\$34,013.95
Mar-04	\$63,697.21
Apr-05	\$76,829.49
May-05	\$42,808.25
Jun-05	\$39,674.55
	<b>\$279,935.95</b>

**McCARTER & ENGLISH**

FOR SERVICES:

Dec-03	\$8,179.00
Feb-04	\$6,537.70
Mar-04	\$9,736.11
Apr-04	\$19,602.61
May-04	\$21,650.10
Jun-04	\$24,515.47
	<b>\$90,220.99</b>

**MDC Third-Party Arbitration Costs**

Photocopies	\$6,418.36
Transcripts/Court Reporters	\$12,179.86
Arbitrator Fees	\$123,613.19
Expert Fees	\$171,074.00
	<b>\$313,285.41</b>

**COHN, BIRNBAUM & SHEA**

FOR SERVICES:

Feb-04	\$6,100.11
Mar-04	\$1,226.50
May-04	\$2,187.00
Jun-04	\$297.00
	<b>\$9,810.61</b>

**TAB 12**

## **RESOLUTION REGARDING AMENDMENT TO TRAVEL POLICY AND EXPENSE REPORTING**

**WHEREAS** the Policy and Procurement Committee established the CRRA Travel Policy and Expense Reporting Procedure; and

**WHEREAS** the CRRA Board of Directors subsequently adopted the Travel Policy and Expense Reporting Procedure on May 20, 2004; and

**WHEREAS** the Policy and Procurement Committee reviewed the proposed Amendment to the Travel Policy and Expense Reporting Procedure at its meeting on June 23, 2005; and

**WHEREAS** it has been determined that the average physical damage (comprehensive and collision) deductible is \$500.00; and

**WHEREAS** it is equitable to allow for reimbursement of an employee personal vehicle physical damage deductible if the employee is involved in an accident while conducting CRRA business and if the employee only occasionally uses his/her personal vehicle on company business; and

**NOW, THEREFORE,** be it

**RESOLVED:** The Policy and Procurement Committee has discussed the amendment allowing payment of an employee's personal physical damage automobile deductible in the event of accidents while employees are driving personal vehicles on CRRA business, if the employee drives 2,500 miles or less per year. The Committee recommends that the CRRA Board of Directors adopt this amendment as presented and discussed at this meeting.

CRRA's current Travel Policy and Expense Reporting procedures prevent reimbursement to employees for payment of their automobile physical damage deductible if they are involved in an accident while using their personal vehicle for business purposes. The reason, as defined in the procedures, is that the IRS-approved per mile allowance is designed to account for all auto-related expenses, including insurance costs and the deductible. However, this does not account for CRRA employees who only very occasionally use their personal vehicle on company business. Management believes it would be unfair to disallow reimbursement of the deductible for employees in this category.

Management requests that the Travel Policy and Expense Reporting procedures be amended to allow the reimbursement of personal automobile physical damage deductibles for those employees who drive their personal vehicles on business less than 2,500 annually.