

**CRRA  
BOARD MEETING  
FEBRUARY 19, 2004**



100 CONSTITUTION PLAZA - 17<sup>th</sup> FLOOR • HARTFORD • CONNECTICUT • 06103-1722 • TELEPHONE (860) 757-7700  
FAX (860) 727-4141

February 13, 2004

TO: CRRA Board of Directors  
FROM: Angelica Mattschi, Corporate Secretary *AM*  
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, February 19, 2004 at 9:30 a.m. at the CRRA Headquarters, 100 Constitution Plaza, Hartford.

Please notify this office of your attendance at (860) 757-7792 at your earliest convenience.



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Connecticut Resources Recovery Authority  
Board of Directors' Meeting

Agenda

February 19, 2004

9:30 AM

I. Pledge of Allegiance

II. Public Portion

A public portion from 9:30 to 10:00 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 January 22, 2004 Regular Board Meeting Minutes (Attachment 1).
2. Board Action will be sought for the approval of the January 26, 2004 Special Board Meeting Minutes (Attachment 2).
3. Board Action will be sought for the approval of the February 2, 2004 Special Board Meeting Minutes (Attachment 3).

IV. Finance

1. Board Action will be sought regarding the Mid-Connecticut Project Operating & Capital Budget for FY 2005 (Attachment 4).

V. Human Resources

1. Board Action will be sought regarding the adoption of an Affirmative Action Plan (Attachment 5).
2. Board Action will be sought regarding the adoption of an Employee Handbook (Attachment 6).

VI. Executive Session

An Executive Session will be held to discuss litigation, pending litigation, contractual and consent order negotiations and personnel matters with appropriate staff.

# **TAB 1**

**CONNECTICUT RESOURCES RECOVERY AUTHORITY**

**THREE HUNDRED SIXTY-SEVENTH MEETING**

**JANUARY 22, 2004**

A regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, January 22, 2004 at 100 Constitution Plaza, Hartford. Those present were:

Chairman Michael Pace

Directors:     Stephen Cassano  
                  Benson Cohn  
                  Andrew Sullivan  
                  Mark Lauretti (arrived at 10:10 a.m.)  
                  Theodore Martland  
                  James Francis  
                  Mark Cooper  
                  Ray O'Brien  
                  Alex Knopp (present by telephone)(left at 10:30 a.m.)  
                  Sherwood Lovejoy (ad hoc for Bridgeport)(left at 12:58 p.m.)  
                  Arthur Lathrop (ad hoc for Southeast)(left at 12:55 p.m.)  
                  Timothy Griswold (ad hoc for Mid-Connecticut)(left at 12:58 p.m.)

Ad Hoc member Jeffrey Hedberg did not attend.

Present from the CRRA staff:

James Bolduc, Chief Financial Officer  
Robert Constable, Comptroller  
Floyd Gent, Director of Operations  
Thomas Kirk, President  
Angelica Mattschei, Corporate Secretary  
Ann Stravalle-Schmidt, Director of Legal Services

Others in attendance were: Ted Doolittle of the A.G.'s office; Jerry Tyminski of SCRRRA; Robert Pandolfo of HEJN; John Maulucci of BRRFOC; Frank Marci of USA Hauling; David Arruda of MDC; John Stafstrom, Jr. of P&C; and Richard Belden.

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

**PUBLIC PORTION**

Chairman Pace said that the next item on the agenda allowed for a public portion between 9:30 a.m. and 10:00 a.m. in which the Board would accept written testimony and allow individuals to speak for a limit of three minutes. Chairman Pace asked whether any member of the public wished to speak.

Mr. Richard Belden introduced himself and stated that he was a former CRRA Board member for 17 years. He spoke to the Board about his concerns regarding the lawsuit brought on by the Town of New Hartford. Director O'Brien made a motion to add the indemnification of legal expenses of former Board members and others who may be sued to the Executive Session agenda. Director Martland seconded the motion which was approved unanimously (refer to pages 4-16).

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

**APPROVAL OF THE MINUTES OF THE DECEMBER 18, 2003 REGULAR BOARD MEETING**

Chairman Pace requested a motion to approve the minutes of the December 18, 2003 regular Board meeting. The motion was made by Director O'Brien and seconded by Vice Chairman Cassano. Chairman Pace noted that on page 11 of the minutes, "Tom Gavin" should be corrected to "Tom Gaffey." Director Lathrop, by request of the stenographer also on page 11, corrected the French as "Pour encourager les autres."

The motion previously made and seconded was approved unanimously (refer to pages 16-17 of transcript).

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Stephen Cassano	X		
Andrew Sullivan	X		
Benson Cohn	X		
Mark Cooper	X		
Ray O'Brien	X		
Theodore Martland	X		
James Francis	X		
Alex Knopp	X		
<b>Non Eligible Voters</b>			
Sherwood Lovejoy, Ad Hoc - Bridgeport			
Timothy Griswold, Mid-Connecticut			
Arthur Lathrop, Ad Hoc - Southeast			

**APPROVAL OF THE MINUTES OF THE DECEMBER 23, 2003 SPECIAL BOARD MEETING**

Chairman Pace requested a motion to approve the minutes of the December 23, 2003 special Board meeting. The motion made by Director O'Brien and seconded by Director Cassano was approved. Directors Knopp and Francis abstained from the vote as they were not present at the meeting (refer to pages 17-18 of the transcript).

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Stephen Cassano	X		
Andrew Sullivan	X		
Benson Cohn	X		
Mark Cooper	X		
Ray O'Brien	X		
Theodore Martland	X		
James Francis			X
Alex Knopp			X
<b>Non Eligible Voters</b>			
Sherwood Lovejoy, Ad Hoc - Bridgeport			
Timothy Griswold, Mid-Connecticut			
Arthur Lathrop, Ad Hoc - Southeast			

**FINANCE**

**AUTHORIZATION REGARDING THE ISSUANCE OF SUBORDINATED INDEBTEDNESS UNDER THE GENERAL BOND RESOLUTION IN THE FORM OF A LOAN NOT TO EXCEED \$20,000,000 FOR FY 2005 FROM THE STATE OF CONNECTICUT FOR THE BENEFIT OF THE MID-CONNECTICUT PROJECT**

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

**WHEREAS**, the Connecticut Resources Recovery Authority (the "Authority") has been duly established and constituted as a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut, to carry out the purposes of Chapter 446e of the Connecticut General Statutes, Sections 22a-260 et. seq., as amended (the "Act"); and

**WHEREAS**, the Authority has, from time to time, issued bonds, pursuant to certain powers and duties expressly provided for in the Statute, and pursuant to the terms of its Resolution Authorizing the Issuance of Mid-Connecticut System Bonds, adopted on March 13, 1985, as amended (the "General Bond Resolution"), for the purpose of

financing its Mid-Connecticut Project, a Waste Processing Facility and Power Block Facility of the Authority, pursuant to the powers vested in the Authority under the Statute (the "Mid-Connecticut Project"); and

**WHEREAS**, Section 2(a) of Public Act No. 03-5, as the same is codified under Section 22a-268d of the Act provides that the Authority may, upon the approval of two-thirds of the appointed directors of the Authority and subsequent approval of the State Treasurer and the Secretary of the Office of Policy and Management ("OPM"), borrow from the State of Connecticut (the "State"), for the fiscal years ending June 30, 2003 and June 30, 2004, an amount not to exceed twenty-two million dollars (\$22,000,000) and, for the fiscal years ending subsequent to June 30, 2004, an amount in the aggregate not to exceed ninety-three million dollars (\$93,000,000), which borrowing shall be for the purposes of supporting the repayment of debt issued by the Authority on behalf of the Mid-Connecticut Project, and shall be collateralized, as determined by the State Treasurer and the Secretary of OPM, to the extent possible under the Act; and

**WHEREAS**, the Act requires that any loan from the State to the Authority for such purpose as stated above shall be subordinate to all bonded indebtedness of the Authority; and

**WHEREAS**, on February 27, 2003, the Board of Directors of the Authority (the "Board"), adopted a resolution authorizing the members of the Steering Committee of the Board, the President and the Chief Financial Officer of the Authority (the "Officials") to, among other items: (i) submit an application to the State Treasurer and the Secretary of OPM for loans in an amount not to exceed \$115,000,000 in accordance with the provisions of the Act; and (ii) negotiate and document such financing in connection with the Mid-Connecticut Project; and

**WHEREAS**, on April 10, 2003, the Board adopted a resolution supplementing the February 27, 2003 resolution, and authorizing the Officials, pending the final determination by the State as to the original \$115,000,000 application, to enter into an interim financing arrangement with the State in the form of a loan in an amount not to exceed twenty-two million dollars (\$22,000,000), the proceeds of which shall be expended by the Authority for the purpose of supporting the repayment of debt service on the Mid-Connecticut Project during the remainder of the Authority's fiscal year 2003 and fiscal year 2004; and

**WHEREAS**, on May 5, 2003, the Authority filed its Financial Mitigation Plan, as required to access any borrowing under the Act, with the State Treasurer and the Secretary of OPM (the "Financial Mitigation Plan"); and

**WHEREAS**, on June 27, 2003, the Authority and the State entered into an interim financing arrangement in the form of a credit facility from the State to the Authority in the aggregate amount of \$2,000,000, as the same is evidenced by a Master Loan

Agreement, dated as of June 27, 2003, by and between the Authority and the State (the "\$2,000,000 Loan"); and

**WHEREAS**, on July 24, 2003, the Authority and the State entered into a second interim financing arrangement in the form of a credit facility from the State to the Authority in the aggregate amount of \$2,171,149, as the same is evidenced by a Master Loan Agreement, dated as of July 24, 2003, by and between the Authority and the State (the "\$2,171,149 Loan"); and

**WHEREAS**, on October 29, 2003, the Authority and the State entered into an aggregate \$22,000,000 financing arrangement, consisting of (i) the reclassification of both the \$2,000,000 Loan and the \$2,171,149 Loan as Subordinated Indebtedness under the General Bond Resolution, and (ii) the issuance of an additional \$17,828,851 financing arrangement, classified as Subordinated Indebtedness under the General Bond Resolution; and

**WHEREAS**, on December 18, 2003, the Board adopted a resolution authorizing the Officials to: (i) submit an application to the State Treasurer and the Secretary of OPM for loans in an amount not to exceed \$93,000,000 in accordance with the provisions of the Act, to support the repayment of debt issued by the Authority on behalf of the Mid-Connecticut Project for the fiscal years ending subsequent to June 30, 2004; and (ii) submit to the State Treasurer and the Secretary of OPM, those items required under the provisions of the Act to access such loans including, but not limited to the First Supplement to the Financial Mitigation Plan, substantially in the form attached to such December 18, 2003 resolution; and

**WHEREAS**, on December 18, 2003, the Authority filed its First Supplement to the Financial Mitigation Plan with the State Treasurer and the Secretary of OPM; and

**WHEREAS**, the Authority currently desires to access a portion of such \$93,000,000, in the form of a loan from the State in an amount not to exceed \$20,000,000, for the purpose of paying a portion of the debt service payments on its outstanding Bonds issued for the Mid-Connecticut Project for the fiscal year ending June 30, 2005 (the "Loan"), which Loan shall be issued: (i) in accordance with the terms, conditions and limitations of the Act, and (ii) pursuant to the General Bond Resolution, as supplemented by that certain Supplemental Resolution Authorizing the Issuance of \$20,000,000 Subordinated Indebtedness, in the form attached hereto as Exhibit A (the "Supplemental Resolution"), executed in accordance herewith and constituting an Additional Bond and Subordinated Indebtedness under the terms and provisions of the General Bond Resolution; and

**WHEREAS**, the Board wishes to authorize the negotiation and documentation of the Loan including, but not limited to the execution of the Supplemental Resolution as contemplated under the provisions of Article II and Section 10.2 of the General Bond Resolution, to support the repayment of debt issued by the Authority on behalf of the Mid-Connecticut Project; and

**WHEREAS**, unless otherwise defined herein or in the body of this resolution, each capitalized term set forth herein shall have the meaning ascribed to it in the General Bond Resolution.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of the Connecticut Resources Recovery Authority:

**Section 1.** That the action of the Officials of the Authority, in entering into the Loan from the State, in an amount not to exceed \$20,000,000, for the purpose of paying a portion of the debt service payment on its outstanding Bonds issued for the Mid-Connecticut Project for the fiscal year ending June 30, 2005, be and the same is hereby authorized and approved.

**Section 2.** That the Authority's acceptance of the Loan shall be authorized pursuant to both the Act and the General Bond Resolution, and shall be classified as an Additional Bond and Subordinated Indebtedness under the General Bond Resolution, the proceeds of which shall, pursuant to Section 2.9(3) of the General Bond Resolution, be used and expended for the Mid-Connecticut Project for the purpose of paying debt service on the Authority's Outstanding Bonds.

**Section 3.** That the Board hereby authorizes the adoption of the Supplemental Resolution, attached hereto as Exhibit A (located at the end of the minutes); and further authorizes the President, for and in the name of and on behalf of the Authority, to execute, acknowledge and deliver the Supplemental Resolution, and the execution of such Supplemental Resolution by the President shall be conclusive evidence of the approval of the Authority.

**Section 4.** That the Loan shall be secured by a pledge of the Revenues of the Authority for the Mid-Connecticut Project granted, created or authorized by the General Bond Resolution (except the Special Capital Reserve Fund), subordinate, however to the pledge of the Revenues of the Mid-Connecticut Project granted under its 1996 Series A Bonds, 1997 Series A Bonds, and Subordinated 2001 Series A Bonds, as well as any other Bonds (including Subordinated Indebtedness) other than any Additional Bonds issued by the Authority in the form of Subordinated Indebtedness pursuant to the General Bond Resolution and in accordance with the provisions of Section 22a-268(d) (as the same may be amended) of the Act.

**Section 5.** That the Board hereby authorizes the Officials to enter into negotiations with the State Treasurer and the Secretary of OPM to establish the terms of such Loan, which terms shall include the maturity date of such Loan (which maturity date shall be no later than June 30, 2012), interest rate, repayment terms, security and other terms of the Loan provided, however, that the repayment of such Loan shall be subordinate to the repayment of any Outstanding Bonds of the Authority, all in accordance with the terms and provisions of the Act, and substantially in the form of the Term Sheet attached hereto as Exhibit B (the "Term Sheet") and made a part hereof, all in such manner as the Officials shall determine to be in the best interests of the Authority.

**Section 6.** That the Board hereby authorizes the Officials, for and in the name of and on behalf of the Authority, to take such actions and to negotiate any and all such loan instruments including, but not limited to a Master Loan Agreement, a Promissory Note, and any and all certificates or other documents required pursuant to the Act or the General Bond Resolution (collectively, the “Loan Documents”), all substantially in accordance with the attached Term Sheet, and in such form as such Officials shall approve, subject to the advice of bond counsel to the Authority, as are deemed necessary, appropriate and advisable and in the Authority’s best interests in order to effectuate such Loan.

**Section 7.** That the Board hereby authorizes the Chairman of the Board and the President, for and in the name of and on behalf of the Authority, to execute, acknowledge and deliver the Loan Documents, and the execution of such Loan Documents, by the Chairman of the Board and the President shall be conclusive evidence of the approval of the Authority.

**Section 8.** That any two of the Chairman of the Board of Directors, the Chairman of the Finance Committee, the President and the Chief Financial Officer, acting together, are further hereby authorized, for and in the name of and on behalf of the Authority, to approve, execute or submit, as appropriate, any and all of the Authority’s requisition forms for the disbursement of Loan funds as submitted to the State Treasurer and Secretary of OPM during the term of the Loan, in such form and substance satisfactory to the Authority and the State Treasurer and Secretary of OPM.

**Section 9.** That the designated Officials are authorized and directed to perform and take such other actions as may be desirable, necessary, proper or convenient to accomplish the intent and purposes expressed herein, and the performance thereof by such Officials shall be conclusive as to the approval by the Authority of the terms thereof.

**Section 10.** This resolution shall take effect immediately.

Director O’Brien seconded the motion which was approved unanimously (refer to pages 18-24 of transcript).

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

<b>Non Eligible Voters</b>			
Sherwood Lovejoy, Ad Hoc - Bridgeport			
Timothy Griswold, Mid-Connecticut			
Arthur Lathrop, Ad Hoc - Southeast			

**AUTHORIZATION REGARDING THE ADOPTION OF FISCAL YEAR 2005  
WALLINGFORD PROJECT OPERATING & CAPITAL BUDGETS AND TIP FEE**

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

**RESOLVED:** That the fiscal year 2005 Wallingford Project Operating budget in the amount of \$22,510,100 and the Capital Budget of \$801,000 be adopted as substantially presented in the form as discussed in this meeting.

**FURTHER RESOLVED:** That the fiscal year 2005 member tip fee for municipal solid waste be set at \$56.00 per ton and the fiscal year 2005 tip fee for non-contracted municipal solid waste be set at \$67.00 per ton.

Director O'Brien seconded the motion which was approved unanimously (refer to pages 24-31 of transcript).

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Stephen Cassano	X		
Andrew Sullivan	X		
Benson Cohn	X		
Mark Cooper	X		
Ray O'Brien	X		
Theodore Martland	X		
James Francis	X		
Alex Knopp	X		
<b>Non Eligible Voters</b>			
Sherwood Lovejoy, Ad Hoc - Bridgeport			
Timothy Griswold, Mid-Connecticut			
Arthur Lathrop, Ad Hoc - Southeast			

**AUTHORIZATION REGARDING THE ADOPTION OF FISCAL YEAR 2005  
BRIDGEPORT PROJECT OPERATING AND CAPITAL BUDGETS AND TIP FEE**

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

**RESOLVED:** That the fiscal year 2005 Bridgeport Project Operating budget in the amount of \$50,262,500, which includes \$2,700,330 for the recycling budget, and the Capital Budget for \$929,000 be adopted as substantially presented in the form discussed at this meeting.

**FURTHER RESOLVED:** That the fiscal year 2005 Bridgeport Project municipal solid waste member town tipping fee of \$64.50 per ton for the market component of the tip fee and \$8.00 per ton for the minimum commitment component of the tip fee for an all-inclusive fee of \$72.50 be adopted.

**FURTHER RESOLVED:** That the fiscal year 2005 Stamford and New Canaan recycling tipping fees of \$3.75 per ton be adopted.

Director O'Brien seconded the motion which was approved unanimously (refer to pages 31-41 of transcript).

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

**AUTHORIZATION REGARDING THE DISSOLUTION OF CERTAIN BRIDGEPORT PROJECT RESERVE ACCOUNTS**

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

**RESOLVED:** That the Risk Fund, Municipal Share Replacement Reserve, Recycling Trust, and Landfill Replacement Reserve for the Bridgeport Project be dissolved.

**FURTHER RESOLVED:** The existing reserve balances (shown below) be reclassified from Unrestricted/Board Designated to Unrestricted Undesignated and be placed in the project operating account:

The reserve as of June 30, 2003 were as follows:

Risk Fund	\$2,543,653
Municipal Share Replacement Reserve	\$ 134,717
Recycling Trust	\$ 50,000
Landfill Replacement Reserve	\$ 0
Total Reserves	\$2,728,370

Director O’Brien seconded the motion which was approved unanimously (refer to pages 41-47 of transcript).

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

**AUTHORIZATION REGARDING A LEASE AND OBTAINING A LOAN TO FINANCE RELOCATION COSTS AND CREATION OF A CAPITAL IMPROVEMENT RESERVE AND GENERAL FUND BUDGET MODIFICATIONS**

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

**WHEREAS:** the CRRA intends to relocate its administrative offices from 100 Constitution Plaza 17<sup>th</sup> and 18<sup>th</sup> floors, Hartford, Connecticut, to 100 Constitution Plaza 5<sup>th</sup> and 6<sup>th</sup> floors, Hartford, Connecticut; and

**WHEREAS:** the cost of this relocation, including but not limited to the costs of furniture, business equipment, construction, and moving expenses, is estimated not to exceed \$951,000.00; and

**WHEREAS:** it is advantageous to finance the costs of relocation from the assets of the Mid-Connecticut Project Rolling Stock; and

**NOW THEREFORE BE IT RESOLVED:** that the CRRA President is hereby authorized to enter into a lease agreement with Connecticut Constitution Associates, L.P., substantially in the form as discussed at this meeting and pursuant to the term sheet substantially in the form presented at the meeting; and

**FURTHER RESOLVED:** that the Board of Directors authorizes a loan from the Mid-Connecticut Project Rolling Stock Reserve (the "Loan") to CRRA in an amount not to exceed \$860,000.00, for a term of eight years, payable in monthly principal and interest installments beginning on April, 1, 2004; and

**FURTHER RESOLVED:** that the interest rate on the Loan is authorized to be the higher of the monthly short-term investment fund rate established by the Treasurer of the State of Connecticut or the maximum available rate earned by investments as allowed in the CRRA Investment Policy;

**FURTHER RESOLVED:** that all funds necessary to then repay the Loan be included as an expense in the General Fund budget in fiscal years 2005 through 2012;

**FURTHER RESOLVED:** that the Board of Directors establish a "Capital Improvement Reserve" in the General Fund which will be funded by the Loan; and

**FURTHER RESOLVED:** that additional funds be authorized to pay for the moving costs and computer capital expenditures in amounts not to exceed \$91,000.00 and \$110,000.00 respectively, for the fiscal year 2004 General Fund budget; and

**FURTHER RESOLVED:** that the President is hereby authorized to expend up to \$951,000.00 for the purpose of the administrative office relocation and to take all further

action, including, but not limited to, the execution of contracts and agreements, necessary to accomplish the administrative office relocation as substantially discussed at this meeting.

Director Cohn seconded the motion. After a long discussion (refer to pages 47-76 of transcript), a roll call was taken and the referenced item was approved by two-thirds vote.

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

**AUTHORIZATION REGARDING THE ADOPTION OF A REVISED INVESTMENT POLICY**

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

**RESOLVED:** That the revised Investment Policy of the Connecticut Resources Recovery Authority be adopted substantially in the form as discussed at this meeting.

Director O'Brien seconded the motion which was approved unanimously (refer to pages 77-80 of transcript).

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Stephen Cassano	X		
Andrew Sullivan	X		
Benson Cohn	X		
Mark Cooper	X		
Ray O'Brien	X		

Theodore Martland	X		
James Francis	X		
Mark Lauretti	X		
<b>Non Eligible Voters</b>			
Sherwood Lovejoy, Ad Hoc - Bridgeport			
Timothy Griswold, Mid-Connecticut			
Arthur Lathrop, Ad Hoc - Southeast			

**PUBLIC AFFAIRS**

**AUHTORIZATION TO SEEK LEGISLATIVE AMENDMENTS OR REVISIONS TO CONSOLIDATE QUARTERLY AND ANNUAL FINANCIAL REPORTS REQUIRED BY STATUTE**

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

**RESOLVED:** That the President is hereby authorized to seek legislative amendments or revisions to the appropriate Connecticut General Statutes as the President, in his best judgment, believes necessary to enhance the flexibility, efficiency and effectiveness of CRRRA operations by consolidating quarterly and annual financial reports made to the state executive and legislative offices as required by statute.

Director Sullivan seconded the motion which was approved unanimously (refer to pages 80-85 of transcript).

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Stephen Cassano	X		
Andrew Sullivan	X		
Benson Cohn	X		
Mark Cooper	X		
Ray O'Brien	X		
Theodore Martland	X		
James Francis	X		
Mark Lauretti	X		
<b>Non Eligible Voters</b>			
Sherwood Lovejoy, Ad Hoc - Bridgeport			
Timothy Griswold, Mid-Connecticut			
Arthur Lathrop, Ad Hoc - Southeast			

**ADDITIONS TO THE AGENDA**

**AUTHORIZATION TO SEEK LEGISLATIVE CHANGES REGARDING UNCOLLECTED BOTTLE DEPOSITS**

Chairman Pace requested a motion to add the referenced item to the agenda. The motion made by Vice Chairman Cassano and seconded by Director O’Brien was approved unanimously.

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

**RESOLVED:** That the President is hereby authorized to seek legislative amendments or revisions to the appropriate Connecticut General Statutes as the President, in his best judgment, believes necessary to ensure that uncollected bottle deposits are used to offset the costs of disposing of these unredeemed containers and for recycling education programs.

Director O’Brien seconded the motion which was approved unanimously (refer to pages 85-91 of transcript).

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Stephen Cassano	X		
Andrew Sullivan	X		
Benson Cohn	X		
Mark Cooper	X		
Ray O'Brien	X		
Theodore Martland	X		
James Francis	X		
Mark Laretti	X		
<b>Non Eligible Voters</b>			
Sherwood Lovejoy, Ad Hoc - Bridgeport			
Timothy Griswold, Mid-Connecticut			
Arthur Lathrop, Ad Hoc - Southeast			

**AUTHORIZATION TO SEEK LEGISLATIVE CHANGES REGARDING THE WASTE-TO-ENERGY TAX**

Chairman Pace requested a motion to add the referenced item to the agenda. The motion made by Vice Chairman Cassano and seconded by Director O’Brien was approved unanimously.

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

**RESOLVED:** That the President is hereby authorized to seek legislative amendments or revisions to the appropriate Connecticut General Statutes as the President, in his best judgment, believes necessary to reduce the waste-to-energy tax or to ensure that additional revenues generated by this tax are used to fund the updating of the state's Solid Waste Management Plan.

Director O'Brien seconded the motion which was approved unanimously (refer to pages 92-94).

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Stephen Cassano	X		
Andrew Sullivan	X		
Benson Cohn	X		
Mark Cooper	X		
Ray O'Brien	X		
Theodore Martland	X		
James Francis	X		
Mark Lauretti	X		
<b>Non Eligible Voters</b>			
Sherwood Lovejoy, Ad Hoc - Bridgeport			
Timothy Griswold, Mid-Connecticut			
Arthur Lathrop, Ad Hoc - Southeast			

**AUTHORIZATION TO SEEK LEGISLATIVE CHANGES TO CREATE A TASK FORCE TO STUDY THE RE-USE, RECYCLING AND DISPOSAL OF ASH PRODUCED AT WASTE-TO-ENERGY PLANTS**

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

**RESERVED:** That the President is hereby authorized to seek legislative amendments or revisions to the appropriate Connecticut General Statutes as the President, in his best judgment, believes necessary to create a task force to study the re-use, recycling and disposal of ash produced at waste-to-energy plants.

Director O'Brien seconded the motion which was approved unanimously (refer to pages 95-95 of transcript).

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Andrew Sullivan	X		
Benson Cohn	X		
Mark Cooper	X		
Ray O'Brien	X		
Theodore Martland	X		
James Francis	X		
Mark Lauretti	X		
<b>Non Eligible Voters</b>			
Sherwood Lovejoy, Ad Hoc - Bridgeport			
Timothy Griswold, Mid-Connecticut			
Arthur Lathrop, Ad Hoc - Southeast			

## **CHAIRMAN'S AND COMMITTEE REPORTS**

### **AUTHORIZATION REGARDING APPOINTMENT OF BOARD COMMITTEES**

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

**RESOLVED:** Pursuant to the Bylaws and CRRA's enabling statute, the Board hereby creates the following committee to have such powers and responsibilities that the Board of Directors shall determine from time to time. Said Committee shall be established for a one (1) year period.

**EXECUTIVE COMMITTEE** comprising as members: Michael Pace, as committee chair, Andrew M. Sullivan Jr., Stephen Cassano and Benson R. Cohn.

**FURTHER RESOLVED:** Pursuant to the Bylaws and CRRA's enabling statute, the board hereby re-appoints the following committees and members to have such powers and responsibilities that the Board of Directors shall determine from time to time. These Committees shall be established for a one (1) year period.

**ORGANIZATION SYNERGY AND HUMAN RESOURCES COMMITTEE** comprising as members: Stephen Cassano, as committee chair, James Francis, and Mark Cooper.

**FINANCE COMMITTEE** comprising as members: Andrew M. Sullivan, Jr., as committee chair, Jim Francis, Benson R. Cohn, Mark Lauretti, Theodore Martland and Raymond O'Brien.

**POLICY & PROCUREMENT COMMITTEE** comprising as members, Benson R. Cohn, as committee chair, Theodore H. Martland, as vice chair, Alex Knopp and Raymond O'Brien.

Director O'Brien seconded the motion. Director Sullivan said that Director O'Brien should be noted as the Vice Chairman for the Finance Committee. Director Cohn stated that since Director Francis was leaving the Policy & Procurement Committee to join the Finance Committee, he would like to respectfully request that Director Knopp withdraw from the Committee if he was not going to participate in order to attain a quorum for meetings. Vice Chairman Cassano noted that the resolution allowed the Committee Chairman to make appointments, as he deemed appropriate.

The motion previously made and seconded was approved unanimously (refer to pages 96-98 of transcript).

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Stephen Cassano	X		
Andrew Sullivan	X		
Benson Cohn	X		
Mark Cooper	X		
Ray O'Brien	X		
Theodore Martland	X		
James Francis	X		
Mark Lauretti	X		
<b>Non Eligible Voters</b>			
Sherwood Lovejoy, Ad Hoc - Bridgeport			
Timothy Griswold, Mid-Connecticut			
Arthur Lathrop, Ad Hoc - Southeast			

**POLICY & PROCUREMENT COMMITTEE**

**AUTHORIZATION REGARDING THE PURCHASE OF PERSONAL COMPUTERS**

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

**RESOLVED:** That the President is hereby authorized to enter into an agreement with Dell Computer Corporation to purchase computer equipment, substantially as discussed and presented at this meeting.

Director Sullivan seconded the motion which was approved unanimously (refer to pages 99- 101 of transcript).

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Stephen Cassano	X		
Andrew Sullivan	X		
Benson Cohn	X		
Mark Cooper	X		
Ray O'Brien	X		
Theodore Martland	X		
James Francis	X		
Mark Laretti	X		
<b>Non Eligible Voters</b>			
Sherwood Lovejoy, Ad Hoc - Bridgeport			
Timothy Griswold, Mid-Connecticut			
Arthur Lathrop, Ad Hoc - Southeast			

**AUTHORIZATION TO ADOPT THE REVISED PROCUREMENT POLICIES AND PROCEDURES**

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

**RESOLVED:** That the Board of Directors hereby adopts the revised “Procurement Policies and Procedures,” substantially as discussed and presented at this meeting.

Director O’Brien seconded the motion which was approved unanimously (refer to pages 101-103 of transcript).

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Stephen Cassano	X		
Andrew Sullivan	X		
Benson Cohn	X		
Mark Cooper	X		
Ray O'Brien	X		
Theodore Martland	X		
James Francis	X		
Mark Laretti	X		
<b>Non Eligible Voters</b>			
Sherwood Lovejoy, Ad Hoc - Bridgeport			
Timothy Griswold, Mid-Connecticut			
Arthur Lathrop, Ad Hoc - Southeast			

**ADDITION TO THE AGENDA**

**AUTHORIZATION TO SUSPEND THE USE OF A STENOGRAPHER DURING BOARD MEETINGS FOR A THREE-MONTH TRIAL PERIOD**

Chairman Pace requested a motion to add the referenced item to the agenda. The motion made by Director Cohn and seconded by Director O’Brien was approved unanimously.

Chairman Pace requested a motion on the referenced item. Director Cohn made a motion to suspend the use of a stenographer during Board meetings for a three-month trial period.

Chairman Pace stated that the item would be brought back to the table at the conclusion of the trial period. Director O’Brien seconded the motion which was approved unanimously (refer to pages 103-110).

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Stephen Cassano	X		
Andrew Sullivan	X		
Benson Cohn	X		
Mark Cooper	X		
Ray O'Brien	X		
Theodore Martland	X		
James Francis	X		
Mark Lauretti	X		
<b>Non Eligible Voters</b>			
Sherwood Lovejoy, Ad Hoc - Bridgeport			
Timothy Griswold, Mid-Connecticut			
Arthur Lathrop, Ad Hoc - Southeast			

**EXECUTIVE SESSION**

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

The Executive Session began at 11:25 a.m.

The Executive Session concluded at 1:27 p.m.

Chairman Pace reconvened the Board meeting at 1:28 p.m.

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

Chairman Pace made noted that he received a letter of resignation from Mr. Lathrop during the executive session (refer to page 111 of transcript).

**FINANCE (CON'T)**

**AUTHORIZATION REGARDING THE PAYMENT OF CERTAIN LEGAL INVOICES**

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

**WHEREAS:** CRRA has entered into Legal Services Agreements with various law firms to perform legal services including, but not limited to, Enron-related issues; and

**WHEREAS:** CRRA wishes to make payment for the legal services previously rendered from June 2002 until January 2004 and to seek authorizations for expected legal fees from February 1, 2004 through June 30, 2004.

**NOW THEREFORE, it is RESOLVED:** that the following amounts be authorized for payments for legal expenses incurred through January 31, 2004:

Enron-related:

<u>Firm:</u>	<u>Amount:</u>
Anderson Kill & Olick	\$ 21,000
Pullman & Comley	56,000
Halloran & Sage	341,000
McCarter & English	159,000
Rogin Nassau Caplan Lassman & Hirtle	33,000
Santos & Seeley	34,000
Brown Rudnick	24,000
Sidley Austin Brown & Wood	127,000

Non-Enron-related:

<u>Firm:</u>	<u>Amount:</u>
McCarter & English	\$ 539,000
Halloran & Sage	53,000
Brown Rudnick	297,000
Sidley Austin Brown & Wood	99,000
Cohn Birnbaum	149,000
Kainen & Escalera & Michale	86,000
Perakos Zitser	71,000
Pullman & Comley	172,000

**FURTHER RESOLVED:** that the following amounts be authorized for expected legal fees to be incurred from February 1, 2004 through June 30, 2004:

Enron-related:

<u>Firm:</u>	<u>Amount:</u>
Anderson Kill & Olick	\$115,000
Halloran & Sage	50,000
McCarter & English	200,000
Rogin Nassau Caplan Lassman & Hirtle	40,000
Santos & Seeley	25,000
Furey, Donovan, Racy & Daly, PC	25,000

Non-Enron-related:

<u>Firm:</u>	<u>Amount:</u>
McCarter & English	\$ 150,000
Halloran & Sage	100,000
Brown Rudnick	75,000
Sidley Austin Brown & Wood	75,000
Cohn Birnbaum	25,000
Kainen & Escalera & Michale	30,000
Perakos Zitser	50,000
Pullman & Comley	75,000

Director Sullivan seconded the motion which was approved. Director Cohn abstained from the vote as he has a cousin who is a partner with one of the firms listed (refer to pages 112-118).

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Stephen Cassano	X		
Andrew Sullivan	X		
Benson Cohn			X
Mark Cooper	X		
Ray O'Brien	X		
Theodore Martland	X		
James Francis	X		
Mark Laretti	X		

**CHAIRMAN’S AND COMMITTEE REPORTS (CON’T)**

**ORGANIZATIONAL SYNERGY & HUMAN RESOURCES COMMITTEE**

**AUTHORIZATION REGARDING THE ADOPTION OF AN EMPLOYEE  
COMPENSATION PLAN**

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

**RESOLVED:** That an employee compensation plan of the Connecticut Resources Recovery Authority be adopted substantially in the form as approved by the Organizational Synergy and Human Resources Committee.

Director O’Brien seconded the motion which was approved (refer to pages 118-119 of transcript). Director Martland voted “nay.”

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Stephen Cassano	X		
Andrew Sullivan	X		
Benson Cohn	X		
Mark Cooper	X		
Ray O'Brien	X		
Theodore Martland		X	
James Francis	X		
Mark Lauretti	X		

**EXECUTIVE SESSION**

Chairman Pace requested a motion to convene an executive session to discuss litigation, pending litigation, contractual negotiations and personnel matters with appropriate staff. Vice Chairman Cassano made the motion which was seconded by Director O’Brien. Vice Chairman Cassano requested that Messrs. Kirk and Doolittle and Ms. Schmidt remain during the executive session. The motion previously made and seconded was approved unanimously.

The Executive Session began at 1:40 p.m.

The Executive Session concluded at 1:54 p.m.

Vice Chairman Cassano reconvened the Board meeting at 1:55 p.m.

Vice Chairman Cassano noted that no votes were taken in Executive Session.

**ADJOURNMENT**

Vice Chairman Cassano 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 2:05 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Angelica Mattschei", with a long horizontal flourish extending to the right.

Angelica Mattschei

Corporate Secretary to the Board

**CONNECTICUT RESOURCES RECOVERY AUTHORITY**

**EXECUTIVE SESSIONS**

**JANUARY 22, 2004**

Executive Sessions called for the purposes of discussing litigation, pending litigation, contractual negotiations and personnel matters, were convened at 11:25 a.m. and 1:40 p.m. respectively.

**DIRECTORS**

Chairman Pace  
Vice Chairman Cassano  
Director O'Brien  
Director Laretti  
Director Martland  
Director Francis  
Director Cooper  
Director Sullivan  
Director Cohn  
Ad Hoc Member Lathrop (1<sup>st</sup> only)  
Ad Hoc Member Lovejoy (1<sup>st</sup> only)  
Ad Hoc Member Griswold (1<sup>st</sup> only)

**STAFF**

Tom Kirk  
James Bolduc (1<sup>st</sup> only)  
Ann Stravalle-Schmidt

**A.G.**

Ted Doolittle (2<sup>nd</sup> only)

No votes were taken in Executive Sessions.

The Executive Sessions were adjourned at 1:27 p.m. and 1:54 p.m. respectively.

1 CONNECTICUT RESOURCES RECOVERY AUTHORITY  
2 BOARD MEETING

3  
4  
5 January 22, 2003  
6

7  
8  
9 Held At:  
10 100 Constitution Plaza  
11 Hartford, Connecticut  
12

13  
14  
15  
16 H e l d B e f o r e :  
17 MICHAEL A. PACE, Chairman  
18

19  
20  
21  
22  
23  
24  
25

## 1 A p p e a r a n c e s :

## 2 Directors:

3 STEPHEN T. CASSANO  
 4 BENSON R. COHN  
 5 MARK COOPER  
 6 JAMES FRANCIS  
 7 TIMOTHY GRISWOLD  
 8 \*ALEX A. KNOPP  
 9 ARTHUR LATHROP  
 10 MARK A. LAURETTI  
 11 SHERWOOD LOVEJOY  
 12 THEODORE MARTLAND  
 13 RAYMOND O'BRIEN  
 14 ANDREW SULLIVAN, JR.

## 16 Present from CRRRA:

17 ANGELICA MATTSCHER  
 18 JAMES BOLDUC  
 19 THOMAS KIRK  
 20 ANN STRAVALLE-SCHMIDT  
 21 ROBERT CONSTABLE  
 22 FLOYD GENT

24 \*Present by telephone.  
25

1 THE CHAIRMAN: We're going to  
 2 call the meeting of CRRRA, January 22nd, to  
 3 order.

4 Please stand for the pledge of  
 5 allegiance.

6 (Whereupon, the pledge of  
 7 allegiance was recited.)

8 THE CHAIRMAN: For the  
 9 Stenographer, the record, we also have Mayor  
 10 Knopp on the line here.

11 DIR. KNOPP: Still here.

12 THE CHAIRMAN: Thank you.

13 Alex, just for your

14 information, the full board is here with the  
 15 two ad hocs except for Mark Lauretti and at  
 16 this time Steve Cassano who may join us  
 17 shortly.

18 DIR. KNOPP: Thank you.

19 THE CHAIRMAN: First item,  
 20 public portion, comments from the public.  
 21 Mr. Belden.

22 MR. BELDEN: Good morning,  
 23 Mr. Chairman, members of the Board. My name  
 24 is Richard Belden. I'm a former member of  
 25 the board for 17 years essentially starting

## 1 A p p e a r a n c e s (Cont'd.):

## 2 In attendance:

3 RICHARD BELDEN  
 4 (Former Board Member)

6 JERRY TYMINSKI  
 7 SCRRRA

10 ROBERT PANDOLFO  
 11 HEJN

14 JOHN MAULUCCI  
 15 BRRFOC

17 FRANK MARCI  
 18 USA

20 JOHN F. STAFSTROM, JR., ESQ.  
 21 Pullman & Comley, LLC

1 from the initiation of the second Bridgeport  
 2 project.

3 I appear this morning because  
 4 and actually I'm -- first of all, let me  
 5 indicate I'm not an attorney, and I do not  
 6 have legal counsel at this time regarding any  
 7 of the matters pending before myself or CRRRA.  
 8 I may in the near future, but that's one of  
 9 the reasons why I'm here this morning. I  
 10 have only been in discussion with one other  
 11 member of the former board who happens to  
 12 live in Florida in the winter, and he's not  
 13 quite sure what's happening. But there are  
 14 concerns on my part.

15 Each of us, when we're born,  
 16 we start out with our name and a very clean  
 17 reputation. And I have worked very hard for  
 18 69 years to maintain that status and as I'm  
 19 sure most others have as well. And I'm very  
 20 concerned over the situation that I currently  
 21 find myself in along with CRRRA, Enron  
 22 officials, various banks, et cetera, in being  
 23 sued by the Town of New Hartford and possibly  
 24 69 other towns in a lawsuit.

25 Based upon that, I do have

1 some questions, and I hope perhaps they might  
2 be answered in your activities here this  
3 morning.

4 Number one, has the insurer,  
5 CRRA's insurer, on the board of directors for  
6 errors and omissions at the time of this  
7 particular situation been notified of the  
8 events to date? That's one question I have.  
9 I've been told kind of that perhaps that  
10 insurance has been obviated in some way, and  
11 I think the former board needs to know and  
12 understand that.

13 Secondly, because CRRA has  
14 been sued and the individual former members  
15 of the board have been sued, we have issues  
16 of state statutes that talked about this, and  
17 the issue of willful, wanton and neglectful  
18 conduct comes into play in a significant  
19 nature. For the record, I want to indicate  
20 that on my part there is no willful, wanton  
21 or neglect. I think the record and the  
22 transcripts over a six-month period will show  
23 that, culminating in the letters from bond  
24 counsel and from Murtha Cullina, the  
25 Authority's bond counsel, and attorneys over

1 an extended period of time with vast  
2 knowledge of all of the transactions from the  
3 inception of the Mid-Connecticut project.

4 So naturally on my behalf I  
5 have some concerns over my reputation and my  
6 good name, and never mind the financial  
7 aspects. I did receive a registered letter  
8 from CRRA a few days ago from legal counsel  
9 indicating that there may be some further  
10 activities this morning, and hopefully that  
11 will begin to tell the former board members  
12 what their activity has to be in this regard.  
13 Thank you.

14 THE CHAIRMAN: Sir, I've just  
15 sent for our counsel, Ann, so she ought to be  
16 here directly.

17 Just to that issue, I did get  
18 a call from Mr. St. John in Middlebury, and  
19 he faxed me up some of the paperwork that he  
20 got because of the New Hartford suit. I did  
21 talk to Mr. St. John. He has the same  
22 concerns that the gentleman just said. I  
23 think one of the things, again, speaking to  
24 this point, is Dr. Martland just gave me a  
25 copy of the newspaper article that another

1 town in that area, Barkhamsted, was thinking  
2 of joining New Hartford, as well as the Town  
3 of Beacon Falls, I believe.

4 If one recalls, this issue  
5 came up some time back when the whole Enron  
6 thing, if you will, hit and West Hartford  
7 began a class action suit. Jim, you're from  
8 West Hartford. And at that point the  
9 legislature stepped in because of CCN's  
10 activities, cost activities, and, quite  
11 honestly, that's why some of us are here  
12 because of our activities.

13 And we have the AG  
14 representing all of the towns and the  
15 citizenry of the state to try to recoup this.  
16 And I believe -- and unfortunately the AG  
17 isn't here. I won't speak totally for him,  
18 but these kinds of suits almost become  
19 somewhat a redundancy of what the AG is doing  
20 for us.

21 And the other issue is that  
22 these suits -- a lot of people have the right  
23 to file suits -- will drain monies from CRRA,  
24 which drains monies from the membership, and  
25 we are the membership. We had hoped -- and

1 I'll leave it to the AG when he comes in --  
2 to see whether or not all of the  
3 municipalities fully understand that there is  
4 a continuous ongoing effort through CRRA  
5 against some of the people that advised your  
6 board, sir, and working through the AG on his  
7 strategy of legal advice to try to recoup as  
8 much money as possible.

9 So I think, for the record, it  
10 should be noted that CRRA is not just sitting  
11 here. Working through the AG and working  
12 through a variety of other means, we're  
13 looking to recoup these monies.

14 DIR. MARTLAND: I just would  
15 like to reiterate something that I should  
16 have said at least a year ago. I've known,  
17 and you used his name, Eddie St. John for a  
18 lot of years when we both worked for the  
19 city. And I know he was tremendously hurt  
20 about what occurred, personally hurt. And I  
21 think now to criticize this action that could  
22 cause him further aggravation, I think it's  
23 horrible. And I think it's our obligation,  
24 because a number of those people, I'm sure,  
25 were very honest and had great integrity as

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1 Eddie has, I think we're obliged to somehow  
2 act in their stead.  
3 THE CHAIRMAN: Yes. And to  
4 your point, that's why I've asked Ann -- to  
5 your question, sir, I've asked Ann, our  
6 in-house counsel, to come down and talk to  
7 it. But I don't think the point could be  
8 emphasized enough that since this event and  
9 since change has been mandated by the  
10 legislation, if nothing else, there has been  
11 an active role to recoup these monies. So  
12 it's not that Barkhamsted or New Hartford or  
13 even West Hartford is out there doing it  
14 alone. The main thing is that the Attorney  
15 General's office is taking the major leap  
16 through the legislature to recoup some of  
17 these funds.  
18 Ann, do you have -- do you  
19 remember Mr. Belden?  
20 MS. STRAVALLE-SCHMIDT: Yes, I  
21 do.  
22 THE CHAIRMAN: He raised  
23 concern and question about the latest suit,  
24 right and obviously, one, his reputation;  
25 but two, I'm sure the cost factor. And we

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1 did get some paperwork from Mr. St. John, I  
2 believe. Have we had any other previous  
3 board members contact us?  
4 MS. STRAVALLE-SCHMIDT: Yes,  
5 we've had some other members.  
6 MR. BELDEN: Timolat.  
7 THE CHAIRMAN: Do you want to  
8 address -- the Chair will allow a direct  
9 question to our counsel?  
10 MR. BELDEN: That's Okay.  
11 THE CHAIRMAN: No? Okay.  
12 DIR. O'BRIEN: Mr. Chairman, I  
13 would like to move at this time to suspend  
14 the rules and add this item to the agenda  
15 following the executive session so the Board  
16 can take a position if it chooses to,  
17 restating or do whatever --  
18 THE CHAIRMAN: Clarify for the  
19 Chair the item you want to add.  
20 DIR. O'BRIEN: The item  
21 indemnifying or covering legal expenses of  
22 former board members and others who may be  
23 sued.  
24 THE CHAIRMAN: The gentleman  
25 is making a motion to add that to the agenda

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1 subsequent to our executive session which is  
2 at the end.  
3 DIR. MARTLAND: I second it.  
4 THE CHAIRMAN: Any discussion  
5 on this?  
6  
7 DIR. COHN: I think it needs  
8 to be part of the executive session.  
9 DIR. MARTLAND: Well put.  
10 DIR. O'BRIEN: That's why I  
11 ask for it to be afterwards. I guess the  
12 motion then should say it would be included  
13 in the executive session, as well.  
14 THE CHAIRMAN: I think that  
15 that was the understanding of why you wanted  
16 that.  
17 Ann, legal.  
18 MS. STRAVALLE-SCHMIDT: To the  
19 extent we're going to be discussing the legal  
20 strategy and everything that might be  
21 involved in that, obviously we'll come out of  
22 executive session and vote on the record on  
23 the resolution.  
24 THE CHAIRMAN: So the motion  
25 is appropriate to add to the executive

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1 session? I just want to make sure.  
2 MS. STRAVALLE-SCHMIDT: It's  
3 fine. When you go into executive session you  
4 don't need to necessarily delineate what the  
5 discussion would have been. That's fine for  
6 the record.  
7 THE CHAIRMAN: Thank you.  
8 Any further questions,  
9 comments, discussion on this issue?  
10 Sir.  
11 DIR. SULLIVAN: I think the  
12 record also should be clear that any of these  
13 municipal suits really -- and I think you  
14 said that in one way. I just want to  
15 reiterate it gets in the way of our ability  
16 to work hand in glove with the Attorney  
17 General in reaching the appropriate  
18 settlements that may be available to us as we  
19 go forward and to this next fiscal period.  
20 THE CHAIRMAN: Would you say  
21 it also drains assets?  
22 DIR. SULLIVAN: It definitely  
23 drains assets.  
24 THE CHAIRMAN: And as it  
25 drains assets, I don't believe the Attorney

1 General gets a percentage, where attorneys,  
2 I'm sure, for these other places are looking  
3 at a percentage contingency. So that would  
4 further drain any recovery from coming back  
5 to CRRA, and CRRA is inclusive of all of the  
6 municipalities.

7 DIR. SULLIVAN: Correct.

8 DIR. MARTLAND: It's also  
9 suing the municipalities costwise that aren't  
10 in the limited scenario of CRRA.

11 THE CHAIRMAN: Yes.

12 DIR. MARTLAND: Mid-Conn --  
13 excuse me. So it's, in effect, taxing  
14 Bridgeport and the towns of Eastern  
15 Connecticut, as well as the ones that are  
16 involved with Enron. That's ridiculous.

17 MR. KIRK: Just to clarify,  
18 that is true to the extent that our costs of  
19 defending the suit are borne by the  
20 administrative budget of CRRA, but the other  
21 projects, it should be noted, are completely  
22 insulated from settlements and damages  
23 associated with the Mid-Conn project. But  
24 that leaves two very important points that I  
25 think should be made clear for the record.

1 One has been articulated by other board  
2 members already, but I'll repeat it. Any  
3 lawsuits that are made against CRRA  
4 complicates -- and that's probably a very  
5 mild word -- complicates our ability to be  
6 able to redress and resolve our claims made  
7 in the name of all 70 towns for resolution of  
8 the Enron problems against our advisors,  
9 bankers, bankruptcy court, et cetera, very  
10 complicating and very disappointing to the AG  
11 who's managing those suits.

12 Secondly, should there be any  
13 settlement, the question of insurance was  
14 raised, our insurers had been notified. It's  
15 important to note that we have a claims made  
16 insurance policy, and we have an absolute  
17 Enron exclusion which means that insurance  
18 would not be paying any damages associated  
19 with a claim like New Hartford's. So we  
20 would, in fact, have a situation where the 70  
21 towns suing CRRA would take money out of one  
22 pocket, give a third of it to their lawyer  
23 and the rest to the CRRA and then reimburse  
24 the CRRA.

25 They are, in effect, suing

1 themselves. If you do that circular thing in  
2 and out of one pocket enough and carving off  
3 a third to the lawyer, you go broke very  
4 fast, kind of like a casino. In any case,  
5 it's safe to say a layman's view of this is  
6 the 70 towns, the towns participating in a  
7 suit like this, appear to be suing  
8 themselves.

9 THE CHAIRMAN: There are not  
10 70 towns.

11 MR. KIRK: There are two towns  
12 involved so far. Class action status is  
13 requested such that they could represent all  
14 70 towns.

15 THE CHAIRMAN: And that's what  
16 West Hartford had done, and we won't go into  
17 the status of that at this point.

18 All those in favor of the  
19 motion added to the agenda?

20 Opposed?

21 Abstained?

22 So moved.

23 Item on the agenda, minutes.

24 DIR. O'BRIEN: I will move  
25 approval of the minutes of December 18th

1 regular board meeting.

2 DIR. CASSANO: Second.

3 THE CHAIRMAN: The Chair would  
4 ask on page 11 of the verbatim top right-hand  
5 corner, page 40, it talks about recycling and  
6 it says "Tom Gavin." It's Tom Gaffney.

7 Other than that, sir.

8 DIR. LATHROP: The  
9 stenographer has asked me to correct the  
10 print so I will. On page 11 -- it hardly  
11 rises to anything that should take our time,  
12 but page 11, top right-hand corner, page 40,  
13 in fact, of the verbatim. The French would  
14 say, "Pour" is correct, p-o-u-r, encourger,  
15 e-n-c-o-u-r-g-e-r, les, l-e-s, autres,  
16 a-u-t-r-e-s.

17 THE CHAIRMAN: All right, any  
18 other corrections?

19 Seeing none, all those in  
20 favor of the minutes with corrections?

21 Opposed?

22 Abstained?

23 DIR. O'BRIEN: I would move  
24 the Board approve the minutes of the special  
25 telephone meeting of December the 23, 2003.

1 DIR. COOPER: Second.  
 2 THE CHAIRMAN: Further  
 3 comments?  
 4 Seeing none, all those in  
 5 favor?  
 6 Opposed?  
 7 Abstained?  
 8 So moved.  
 9 DIR. FRANCIS: I'll abstain.  
 10 DIR. KNOPP: Abstained.  
 11 THE CHAIRMAN: Two  
 12 abstentions.  
 13 Finance, under the category of  
 14 finance, we're seeking Board action on the  
 15 resolution authorizing the subordinated  
 16 indebtedness.  
 17 I'd entertain a motion to put  
 18 it on the table.  
 19 DIR. SULLIVAN: So moved.  
 20 DIR. O'BRIEN: Second.  
 21 DIR. SULLIVAN: This was an  
 22 item that was discussed at some length at our  
 23 meeting on Thursday last by the finance  
 24 committee. And basically I think it's  
 25 relatively clear. I think that the only

1 The loan documentation you  
 2 have before you is substantially similar to  
 3 the loan that the resolution and the  
 4 suggested term of the loan as last year's  
 5 loan. The only difference is -- the only  
 6 significant difference, as Andy points out,  
 7 is last year's loan required that we needed  
 8 to -- and this year's loan still requires  
 9 that if there are Enron recoveries you need  
 10 to consult with the State OPM and the State  
 11 Treasurer as to the utilization of those  
 12 recoveries. And this resolution says that  
 13 those shall be used to mitigate the need for  
 14 future loans to repay advances and/or to  
 15 mitigate tip fees.  
 16 So it is a consultative  
 17 process with OPM and the treasurer if there  
 18 are any recoveries. There are some other  
 19 issues, accounting issues, that may drive  
 20 some of that when and if those recoveries are  
 21 received, but that's what the loan  
 22 documentation is going to provide, sort of  
 23 that rubric as to utilization of those  
 24 recoveries.  
 25 THE CHAIRMAN: Anybody else

1 issue that I'd like to make sure is on record  
 2 with respect to this is relative to the  
 3 potential for any settlements, and I'd ask  
 4 John Stafstrom to speak to that for a moment.  
 5 But any settlement that are received in  
 6 relation to the Enron matter which we  
 7 discussed just a moment ago generally have to  
 8 be used to reduce any past borrowings or  
 9 lower the need for future borrowings. So I  
 10 think that's pretty clear.  
 11 John, would you like to add  
 12 anything to that?  
 13 MR. STAFSTROM: The  
 14 resolution you have before you is to  
 15 authorize the loan for fiscal year 2005. As  
 16 you recall, last year you had authorized the  
 17 loan for the fiscal year that we're currently  
 18 in in the amount of \$2 million which the  
 19 Authority did not expect to use. At your  
 20 last board meeting you approved the  
 21 application to the state for the borrowings,  
 22 the filing of the financial mitigation plan.  
 23 This is the resolution that actually  
 24 authorizes the Authority to borrow up to \$20  
 25 million from the state for fiscal year 2005.

1 want to clarify on the repayment part?  
 2 Anybody have a question on this document?  
 3 We've gone through this a couple of times.  
 4 Is everyone clear on the repayment piece?  
 5 Sir.  
 6 DIR. O'BRIEN: Just a comment.  
 7 When I came in this morning our esteemed  
 8 counsel was looking out at all the snow and  
 9 saying that he was anxiously awaiting spring,  
 10 and my response was not only would that bring  
 11 the first robin but hopefully it will also  
 12 bring a very timely approval of this loan.  
 13 DIR. SULLIVAN: John had  
 14 mentioned the accounting treatment. I just  
 15 thought that maybe Jim could just briefly, if  
 16 there's any questions relative to the  
 17 accounting treatment, recollect that we're  
 18 talking about the debt coverage -- we've  
 19 talked about that before -- and what kinds of  
 20 revenues are necessary in order to meet our  
 21 debt coverage arrangement.  
 22 So, Jim, if you might just  
 23 briefly with respect to this particular  
 24 resolution.  
 25 MR. BOLDUC: The accounting

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1 treatment for any settlements would be  
2 treated as a gain, not a revenue item. And  
3 that's a very important distinction, because  
4 if you look at the covenants under the  
5 indenture, gains would not be classified as a  
6 revenue item, therefore not part of the  
7 numerator. And as you may recall, we have a  
8 one-time coverage requirement, so therefore  
9 gains would not be incorporated into that  
10 calculation which goes to the whole issue of  
11 the certificate of compliance and indirectly,  
12 even though we got the cash, we would not  
13 qualify those revenues.  
14 And so the thought was to  
15 reduce tip fees for that. It would leave us  
16 in a situation where we had less than  
17 one-time coverage and we'd be in default  
18 under the interest coverage. There's a  
19 mechanical way around that where we borrow  
20 money from the state under the state loan,  
21 which is qualified revenues, so that there  
22 may be some mechanics that we'd have to go  
23 through.  
24 So while we have the money, we  
25 may still be borrowing money and then the

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1 next day paying it off, but one qualifies as  
2 a revenue item, one does not. So whenever  
3 that event occurs, it may seem a little odd.  
4 We've talked to the state about it. The  
5 treasurer understands the mechanics, but  
6 short of rewriting the indenture, that's the  
7 only way to qualify the gain.  
8 DIR. SULLIVAN: OPM  
9 understands that as well. We've had some  
10 discussions with, as you recollect, John  
11 Mengacci who had been part of the ad hoc and  
12 no longer is, but he does participate from  
13 time to time at our request, and he can carry  
14 the water back to OPM with respect to how we  
15 administerially perform this so that we don't  
16 run amuck on this debt coverage issue that  
17 gets us into a very tenuous circumstance with  
18 our bondholders so everybody is clear on what  
19 that issue is. We've talked about that  
20 before so --  
21 THE CHAIRMAN: And also one  
22 knows it mitigates the money that the state  
23 has outstanding to us and ultimately it  
24 reduces our long-term effect for interest  
25 payments.

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1 Any further questions?  
2 Comments?  
3 The Chair will seek approval.  
4 All those in favor?  
5 Opposed?  
6 Abstained?  
7 Alex, are you there?  
8 DIR. KNOPP: Yes.  
9 THE CHAIRMAN: Did you vote  
10 yes?  
11 DIR. KNOPP: Yes, I did.  
12 THE CHAIRMAN: Thank you.  
13 The next item on the agenda  
14 concerns the Wallingford project operating  
15 and capital budget, attachment 4. I'd  
16 entertain a motion to put it on the table.  
17 DIR. SULLIVAN: So moved.  
18 DIR. O'BRIEN: Second.  
19 THE CHAIRMAN: Okay, Tom,  
20 who's going to speak to this?  
21 MR. KIRK: Jim can speak to  
22 this one and the following.  
23 THE CHAIRMAN: I see Rob here.  
24 MR. KIRK: Probably refer to  
25 Rob. Let me just kick it off. This section

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1 4 and section 5 are two operating budgets for  
2 the Wallingford and Bridgeport projects.  
3 They are pretty straightforward, very  
4 similar. There are some changes and some  
5 explanations in the first couple of pages.  
6 Rob is the author of all our budgets, and  
7 he's here to explain any particular questions  
8 you might have.  
9 MR. BOLDUC: Let me just kick  
10 it off by saying both budgets, both  
11 Wallingford and Bridgeport, have been gone  
12 over with the Board to cement those projects.  
13 THE CHAIRMAN: Alex, there's a  
14 lot of background noise. Could you move a  
15 little further away from it?  
16 DIR. KNOPP: I wish I could.  
17 They are just clearing out.  
18 THE CHAIRMAN: Maybe you could  
19 just cover the mouthpiece of the phone.  
20 DIR. KNOPP: Okay.  
21 THE CHAIRMAN: Thank you.  
22 MR. BOLDUC: So both of the  
23 projects have reviewed their budgets. The  
24 Wallingford one, the big significant thing is  
25 the tip fee is going up from 55 to 56. It's

1 still an issue. They are obviously very  
2 financially well off with their high electric  
3 contracts, but there is an issue that they  
4 will be confronted with -- in fact, they are  
5 trying to deal with it now -- is they have  
6 the lowest tip fee around. There will be an  
7 issue of control of the waste. So they  
8 beefed up their enforcements since there will  
9 be a tendency for companies to try to move  
10 product into their system. The specifics of  
11 the budget Rob very diligently has gone  
12 through it a number of times, I think, and  
13 probably understood a couple of highlights of  
14 the uniqueness of the Wallingford budget.

15 THE CHAIRMAN: Any comments?

16 DIR. SULLIVAN: The fact that  
17 Jim just alluded to, the date that this was  
18 adopted by Wallingford, we're sort of  
19 ratifying what they have adopted. What was  
20 the date of their --

21 MR. BOLDUC: January 6th, I  
22 believe.

23 MR. CONSTABLE: That's  
24 correct.

25 DIR. SULLIVAN: So it sort of

1 there's an incorporation of an additional  
2 \$100,000 escalated cost related to ash  
3 disposal, and I think Dr. Martland has  
4 presented something to us that we will vote  
5 on a little bit later. This ash disposal was  
6 a key thing that we've been looking at in our  
7 new business model plan.

8 THE CHAIRMAN: The next page there's -- I'm  
9 sorry, page 7. Maybe, Rob, this says "power  
10 production," the term "avoided cost rate,"  
11 can you help me out with that?

12 MR. CONSTABLE: Basically  
13 that's for power that they don't have under  
14 contract because it's like the market rate,  
15 what we think the market rate would be. They  
16 do have contract rates for on-peak and  
17 off-peak, but there are periods when they are  
18 selling not under contract. CL&P is not  
19 obligated to -- it's more of a market rate  
20 than it is a -- the contract rate is right  
21 above it which is 24 cents. And when they  
22 are not selling under contract it's 5 cents.

23 THE CHAIRMAN: So the avoided  
24 cost rate --

25 MR. BOLDUC: It's CL&P avoided

1 mirrors what the Wallingford board had  
2 adopted in the January 6th meeting.

3 THE CHAIRMAN: Sir.

4 DIR. O'BRIEN: I would request  
5 that the minutes of the Wallingford board  
6 meeting be appended to this when they become  
7 available to this resolution so it's clear.  
8 I appreciate the comment that they did vote  
9 unanimously and all five member communities  
10 were represented, but I think the minutes  
11 should be appended to the minutes of this  
12 meeting to that resolution. The same thing  
13 on the next resolution.

14 MR. BOLDUC: Yes. We just  
15 didn't have what we indicated.

16 DIR. O'BRIEN: Your comment  
17 says that clearly. I'm just asking when they  
18 become available --

19 MR. BOLDUC: Sure.

20 DIR. CASSANO: Just a quick  
21 comment. To have this and the Bridgeport  
22 budget ahead of time to look at it is a lot  
23 easier to appreciate.

24 THE CHAIRMAN: I would just  
25 make note, just a comment, page 4, item 8,

1 cost. It's not the --

2 THE CHAIRMAN: I was trying to  
3 figure out how that related to us. Thank you  
4 for the clarification.

5 I also notice that the waste  
6 transport metals it looks like it's going up  
7 \$25 a ton, same page, page 7.

8 MR. CONSTABLE: Correct.  
9 Currently that contract expires at the end of  
10 this year. It's an estimate of what we think  
11 the market is going to be. It's going to go  
12 out to bid.

13 THE CHAIRMAN: All right.  
14 It's not reflective of what we have?

15 MR. CONSTABLE: That's  
16 correct.

17 THE CHAIRMAN: It's reflective  
18 of anticipated?

19 MR. CONSTABLE: That's  
20 correct.

21 THE CHAIRMAN: Because I had  
22 some other notes at home and I was trying to  
23 ferret that out. Same with bulky waste?

24 MR. CONSTABLE: That's  
25 correct, same contract.

1 THE CHAIRMAN: Okay.  
 2 So total expenditures are up  
 3 about 750K?  
 4 MR. CONSTABLE: Correct. But  
 5 if you go to page 10, we show the  
 6 expenditures going up. But on page 10 of the  
 7 resource recovery facility, actually this  
 8 budget assumes that they will generate \$1.4  
 9 million in excess revenues which they will  
 10 put into the tip fee stabilization fund.  
 11 THE CHAIRMAN: The thing that  
 12 I just bring to the table is between the  
 13 \$100,000 of the ash, which is something we're  
 14 looking at and working hopefully with DEP, if  
 15 you go to page 10, expenditure detail, under  
 16 "resources recovery facility," the fourth  
 17 down, you'll see the dioxin tax is costing  
 18 \$77,500 more for that project this year.  
 19 This is something that, as you know, came as  
 20 a surprise, at least to the Chair, when that  
 21 was passed. So there's almost, what, roughly  
 22 just like \$200,000 of new costs built in  
 23 between those two things on this project  
 24 which has only an increase of 750,000. Those  
 25 are the Chair's comment.

1 Anything else? Andy, do you  
 2 want to bring anything else on the financial  
 3 part? Steve? Then the Chair will move to  
 4 accept. All those in favor?  
 5 Opposed?  
 6 Abstained?  
 7 So moved.  
 8 Okay, next item concerning the  
 9 Bridgeport project, the operating and capital  
 10 budget, attachment 5.  
 11 DIR. MARTLAND: So moved.  
 12 DIR. O'BRIEN: Second.  
 13 MR. KIRK: Similar to the  
 14 budget we just discussed, the Bridgeport  
 15 budget was provided in the packet and  
 16 available for -- Rob and Jim are available to  
 17 answer any questions you may have, and  
 18 detailed explanations of a number of our  
 19 assumptions are in the front and the detailed  
 20 line item expenditure follows.  
 21 THE CHAIRMAN: Alex, are you  
 22 there?  
 23 DIR. KNOPP: Yes.  
 24 THE CHAIRMAN: At this meeting  
 25 the Solid Waste Advisory Board unanimously

1 with the City of Norwalk abstaining, your  
 2 town abstained in this budget?  
 3 DIR. KNOPP: Yes, I think we  
 4 had some questions about the final resolution  
 5 of the issue about the mixed paper.  
 6 MR. KIRK: Yes. As I recall,  
 7 Alex, that was an issue with the SWROC  
 8 board's approval of a resolution of a mixed  
 9 paper issue. It was not a SWAB issue.  
 10 THE CHAIRMAN: Just for the  
 11 board that's here, Alex is there, if you look  
 12 at page 3 of this document, about midway down  
 13 you'll see the paragraph that I'm referring  
 14 to. That's why I asked Alex to comment.  
 15 Alex, are you satisfied or is there something  
 16 you want to bring to the table now?  
 17 DIR. KNOPP: Our concern was  
 18 that in our view the issue was in dispute and  
 19 that any penalties or liability from any  
 20 municipality should not be retroactive as  
 21 long as everybody complies going forward.  
 22 THE CHAIRMAN: Woody, help me  
 23 out.  
 24 DIR. LOVEJOY: It's under  
 25 discussion exactly how we are going to be

1 handling going forward. We're in the same  
 2 area with -- we got Stamford we're working  
 3 with, and we're also going to be working with  
 4 East Haven, and we've got some efforts to try  
 5 to stabilize what we're going to do with  
 6 Greenwich.  
 7 THE CHAIRMAN: So absent  
 8 Alex's concern, the Board unanimously voted  
 9 to move this on to us?  
 10 DIR. LOVEJOY: Yes.  
 11 THE CHAIRMAN: And nothing has  
 12 come up to change that?  
 13 DIR. LOVEJOY: No, since that  
 14 time. It's under discussion.  
 15 MR. KIRK: And nothing we're  
 16 asking the Board to consider today would  
 17 prevent us from resolving that particular  
 18 issue of concern to Norwalk separately.  
 19 DIR. KNOPP: I understand  
 20 that.  
 21 THE CHAIRMAN: The Chair just  
 22 wants it out so everybody here knows.  
 23 DIR. KNOPP: All right.  
 24 THE CHAIRMAN: Thank you.  
 25 Getting to the budget, we're going to look

1 toward Rob one more time. Can we take a look  
2 at starting on 4, there's some expenditures,  
3 the transfer station costs are up due to  
4 increased construction activity. Perhaps  
5 either you or Woody want to refer to that.  
6 I'm looking at the bottom of page 4,  
7 "expenditures."

8 MR. CONSTABLE: What's  
9 happening down there is over the last couple  
10 of years there's been a dispute item with  
11 Wheelabrator on what's qualified as capital  
12 and what has not been capital for the  
13 contract, so some of the construction  
14 activities have been put on hold. Over the  
15 last few years if you look at the actuals,  
16 they've actually been down as compared to our  
17 budgets. I believe that's on the resolution  
18 here shortly --

19 (Whereupon, Dir. Lauretti  
20 entered the hearing room.)

21 MR. CONSTABLE: -- and so  
22 Mike Tracey anticipates that we'll be able to  
23 get in there and fix some of the issues that  
24 are outstanding, such as overhead doors,  
25 paving, and so on, and that's why the capital

1 and myself were trying to figure out who to  
2 go to next, maybe DEP.

3 THE CHAIRMAN: On the dioxin  
4 tax?

5 DIR. LOVEJOY: On dioxin.

6 THE CHAIRMAN: I think we have  
7 to go back to the legislature. There's a  
8 contradiction here of what I had asked people  
9 to look into to remove this inflated tax  
10 against all the municipalities.

11 DIR. LOVEJOY: And hitting  
12 midyear makes it even worse.

13 THE CHAIRMAN: My sense is  
14 that it was brought to the table to the  
15 legislature at the last minute and there  
16 wasn't full understanding of the impact on  
17 the towns, and I'm hoping we can reverse it  
18 this time.

19 DIR. MARTLAND: They also  
20 doubled the transfer tax.

21 THE CHAIRMAN: That's a  
22 \$300,000 increase to Bridgeport alone.  
23 The other thing that I have a question on is  
24 Stamford and New Canaan are not part of this  
25 project.

1 budget is up. The construction budget is up  
2 as compared to prior years.

3 THE CHAIRMAN: Alex, just an  
4 FYI: Mayor Lauretti has just entered the  
5 room.

6 MR. CONSTABLE: The major  
7 issue at this project, I just want to  
8 highlight, is that we have a Waste Management  
9 agreement that goes through June '04 of this  
10 year that was going to expire, and they have  
11 a 150,000 ton put or pay agreement. As  
12 everybody is aware, this project does not  
13 receive any revenues from electricity so they  
14 rely totally on tip fees. I was able to meet  
15 with Waste Management, and it looks like this  
16 budget assumed that we're going to be able to  
17 lock the tons in, 125,000 tons put or pay,  
18 through the end of the project with a  
19 possible another 25,000 tons optional over  
20 and above that. So it's very good news to  
21 the project if we are able to capture that.

22 THE COURT: And on the bad  
23 news of the project, Woody, the dioxin tax is  
24 going to cost you \$300,000.

25 DIR. LOVEJOY: Mark Anastasi

1 MR. CONSTABLE: Not part of  
2 the solid waste --

3 THE CHAIRMAN: Right, but they  
4 are for recycling?

5 MR. CONSTABLE: That is  
6 correct.

7 THE CHAIRMAN: The charges for  
8 their recycling which may -- and I didn't  
9 want to use the word "may" -- be a benefit to  
10 us is their percentage of cost that we are  
11 charging them equal to the net out costs  
12 after the tip fees to the member towns?

13 MR. CONSTABLE: The way this  
14 project works is you have two different  
15 boards. You have SWROC, the Southwest  
16 Recycling Operating Committee, and you have  
17 SWAB, which is the Solid Waste Advisory  
18 Board. SWROC actually adopts a separate  
19 budget only for recycling, and I believe I  
20 have a -- I didn't put a separate recycling  
21 budget in here. But basically what happens  
22 is you bring your total revenues for  
23 recycling, for recycling sales, plus your  
24 expenditures and a net cost of operations on  
25 a part-time basis under the contract with

1 Stamford or New Canaan is what they pay. So  
2 in the event that all the member communities  
3 of SWROC had to pay a tip fee for recycling,  
4 they would be paying \$3.75, as did Stamford  
5 and New Canaan, and that budget is zero. As  
6 it is, if you flip over to page 7, which is a  
7 summary --

8 THE CHAIRMAN: The income from  
9 sales is a million 387.

10 MR. CONSTABLE: Plus the  
11 rental income right below that is also  
12 recycling. So basically you have \$2.5  
13 million. And if you look down below, the  
14 regional recycling budget is 2.7. So the  
15 solid waste side is actually subsidized in a  
16 recycling budget by about \$200,000.

17 THE CHAIRMAN: And there's my  
18 question. That subsidy, are the nonmember  
19 towns paying equal to, more or less than our  
20 member towns?

21 MR. CONSTABLE: Stamford and  
22 New Canaan are paying their share based on  
23 the contract. They are paying an equal  
24 share, and the other towns are subsidizing  
25 their own piece.

1 need to meet with their senators and reps and  
2 make a local pitch on the dioxin tax as  
3 opposed to CRRRA going up statewide and making  
4 a plea for all of us. If we have the label  
5 of CRRRA, we fell on deaf ears without  
6 question. We need to expand that effort.

7 THE CHAIRMAN: The Chair has  
8 got to say a lot of that is for convenience  
9 of not wanting to hear. We're here putting  
10 budgets together. We have a charge to  
11 mitigate the tip fees to the towns, all  
12 right. We're back into the same cycle of  
13 what we talked about last year. We need to  
14 do everything we can to make sure our  
15 business model works, that we take care of  
16 our charge, and we do the best we can for the  
17 tip fees on the municipalities.

18 DIR. LAURETTI: Don't we  
19 employ that same philosophy regarding respect  
20 to the municipalities? I certainly do.

21 THE CHAIRMAN: We're talking  
22 about an entity higher than us.

23 Okay. Any other questions or  
24 comments on the Bridgeport project?

25 Woody, do you want to add

1 MR. KIRK: The  
2 nonparticipating towns do pay a small fee for  
3 recycling.

4 THE CHAIRMAN: Right.

5 MR. KIRK: The member towns  
6 are not.

7 THE CHAIRMAN: If you go  
8 through all the projects, I think it's more  
9 of you know all the little nuances of these  
10 deals.

11 Woody.

12 DIR. LOVEJOY: That's correct.

13 DIR. MARTLAND: Mr. Chairman,  
14 to reiterate what you said earlier, I'm  
15 looking at \$8 million to get rid of ash?

16 THE CHAIRMAN: Yes. Thank  
17 you.

18 Sir.

19 DIR. CASSANO: Just a comment  
20 on the dioxin tax. Last year some of us who  
21 represented CRRRA went up and testified  
22 regarding the tax. But I think particularly  
23 knowing the strength and size of the  
24 Bridgeport region, and Wallingford needs to  
25 do the same thing, I think the various boards

1 anything to this?

2 DIR. LOVEJOY: No.

3 THE CHAIRMAN: Jim anything  
4 you want to add to this?

5 MR. BOLDUC: No.

6 THE CHAIRMAN: Then the Chair  
7 will entertain a motion to accept.

8 MR. O'BRIEN: Aye.

9 DIR. MARTLAND: Aye.

10 THE CHAIRMAN: Opposed?  
11 Abstained?

12 Alex, what was your vote?

13 DIR. KNOPP: I voted in favor.

14 THE CHAIRMAN: Thank you.

15 The next item still under finance, Board  
16 action sought for the dissolution of certain  
17 reserves of the Bridgeport project.

18 DIR. O'BRIEN: I'll second  
19 Andy's vote.

20 DIR. SULLIVAN: So moved.

21 THE CHAIRMAN: The Chair heard  
22 that in reverse but will accept.

23 Would you speak to this, Andy?

24 DIR. SULLIVAN: Yes. We  
25 studied this to some degree last week. And

1 it really is one of these issues where  
2 there's based on unrestricted Board-designed  
3 funds we're actually in the hole. And I  
4 think, Jim, you can probably describe that  
5 for the other members of the Board, if you  
6 would?

7 MR. BOLDUC: Sure. As you  
8 recall, we started last year, trying to clean  
9 up the balance sheet designation of what's  
10 restricted assets and what's unrestricted and  
11 what's Board designated. This came about  
12 from when we were confronted with what  
13 reserves were available for utilizing to  
14 mitigate tip fees. And when we started  
15 looking at it last year what we found was  
16 that there was some confusion in terms of  
17 what funds were restricted by either permit  
18 or contract, and really the Board did not  
19 have any ability to move those funds. We  
20 then have other funds that were, I think,  
21 classified as unrestricted Board designated,  
22 and then we had some difficulty trying to  
23 track all that back.

24 I think we're pretty well down  
25 to like the last remaining pieces, and the

1 Bridgeport project has kind of a unique  
2 situation. If you look at last year's audit  
3 report, what you'll find on the detail behind  
4 the Bridgeport project is that it ends up  
5 with a negative, about \$5.7 million, of  
6 restricted unrestricted net assets, and  
7 that's driven primarily by the there's a \$6.6  
8 million unrestricted net asset  
9 classification.

10 In essence, what that's saying  
11 is when we went back through this -- we  
12 talked this over with our outside  
13 accountants -- it's suggesting at the time in  
14 the past there was a Board designated  
15 restriction of certain assets but there was  
16 no cash in the till to do that with. And  
17 really what precipitated that event was --  
18 and when I went back and looked is  
19 2000/2002 -- and under GASB 18 it required  
20 about a \$10 million liability to set up on  
21 the books for the postclosure reserve from  
22 landfills. Immediately what hit the books is  
23 a 10 million dollar liability, and at that  
24 point it threw the net assets into a  
25 negative.

1 When that occurs -- at that  
2 time what should have occurred was all of  
3 those previous assets that have been  
4 designated by the Board should have now been  
5 undesignated because we couldn't use the cash  
6 from both. I guess the easy way to look at  
7 it is if a business were to cease today, the  
8 legal requirements, from an accounting  
9 perspective, for those assets would be that  
10 liability could be recorded on the boards.

11 The Board designated reserves,  
12 those weren't really liabilities; they were  
13 just trying to squirrel some dollars away  
14 from these funds and other funds, but there  
15 was really no liability associated with them.  
16 So if the business were to terminate and we  
17 close the books down, the underfunded  
18 liability would have a call on all the assets  
19 first. Obviously, they are short by 6  
20 million.

21 The converse to that is saying  
22 that until such time as that project ends up  
23 funding fully the liability from the  
24 postclosure reserves, the Board is not in the  
25 position to designate any additional assets

1 because there's none to designate.  
2 Now, two things that are  
3 happening. That \$10 million is coming down  
4 over the next five years as we move to 2008,  
5 because that's the game plan. So that 10  
6 million is moving south, and the earnings  
7 from the current operations moving north at  
8 the crossover point, and at that point there  
9 will be dollars available if the Board wants  
10 to designate unrestricted assets, but until  
11 such time, from an accounting perspective,  
12 there aren't any. What we have to do here is  
13 basically dissolve those restrictions because  
14 there's no cash to fund them. They don't  
15 really exist on the books.

16 THE CHAIRMAN: Sir.  
17 DIR. O'BRIEN: I would just  
18 like to thank Jim and staff for changing the  
19 wording of the recommendation from using a  
20 term of art to an actual explanation that a  
21 layman like myself can understand.

22 MR. BOLDUC: It's a  
23 complicated issue. We're just trying to get  
24 all the books in line with cash.

25 DIR. O'BRIEN: Using a term

1 like "negative assets issue" didn't help me  
2 at all.

3 THE CHAIRMAN: Woody, would  
4 you care to speak to this at all?

5 DIR. LOVEJOY: I think he's  
6 covered it. We don't need to have these  
7 separate pots, so-called "pots of money"  
8 hanging out there.

9 THE CHAIRMAN: Just for the  
10 public, Woody is our ad hoc for the  
11 Bridgeport project. That's why it's  
12 important.

13 Mark.

14 DIR. LAURETTI: There was  
15 lengthy discussion at the finance committee  
16 with respect to this, and I think rather than  
17 go through all those comments again --

18 THE CHAIRMAN: I'm just  
19 looking for input from people who represent  
20 that area. Okay?

21 DIR. LAURETTI: I would  
22 concur.

23 DIR. MARTLAND: I have a  
24 question. It isn't directly apropos to this  
25 but it is to the whole budget. Can we have

1 some kind of rule of thumb what \$100,000 is  
2 in tip fees by project so that when we talk  
3 to the towns --

4 THE CHAIRMAN: I think  
5 \$100,000 in one project is like 10 cents.

6 DIR. MARTLAND: But I mean  
7 they are separate. So if we could have some  
8 kind of rule of thumb so when we discuss it  
9 we could say something easily is comparable  
10 to --

11 MR. BOLDUC: We can develop a  
12 matrix for that.

13 THE CHAIRMAN: Does the Board  
14 feel comfortable in the single resolution to  
15 be adopted to bring all these from designated  
16 to undesignated?

17 DIR. O'BRIEN: That was my  
18 second.

19 THE CHAIRMAN: I just want to  
20 make sure everybody feels comfortable.

21 All those in favor?

22 Opposed?

23 So moved.

24 THE CHAIRMAN: The next item  
25 on the agenda is attachment 7, approval of

1 the lease and obtaining a loan to finance the  
2 relocation.

3 MR. KIRK: This is actually a  
4 second --

5 THE CHAIRMAN: Let's have a  
6 motion to put it on the table, please.

7 DIR. O'BRIEN: So moved.

8 DIR. COHN: Second.

9 MR. KIRK: An oversight on the  
10 staff's part. The Board considered this as  
11 passed with one abstention late in the  
12 November meeting. Unfortunately in review of  
13 the minutes, we found out we did not have the  
14 required two-thirds of the full board to pass  
15 this so we'd like the Board to reconsider it  
16 today. We have sufficient folks here at the  
17 meeting to meet our two-thirds requirement.

18 DIR. O'BRIEN: As soon as the  
19 Chairman gets back.

20 MR. KIRK: There are no  
21 changes so while we're waiting, just quickly,  
22 our move is anticipated to progress. We're  
23 scheduling about a May schedule for  
24 completing the move. There are some delays.  
25 Yesterday the construction crew hit our T1

1 line so we've been flying blind here at the  
2 CRRA for the last 24 hours. It's nice not to  
3 have so much E-mail when I walk in in the  
4 morning.

5 DIR. LAURETTI: Mr. Chairman,  
6 I have a couple more questions on this. As  
7 some of you may recall, I abstained last time  
8 you voted, and I'm not sure that my opinion  
9 has changed much since then. I'm not sure  
10 that I believe that this is the right move  
11 for us to be making at this time for a couple  
12 of different reasons. I understand there was  
13 an asbestos problem with this building. And  
14 I was just curious to know if there was any  
15 remediation that was slated to be done or has  
16 been done for the floors that we're proposed  
17 to be moving on?

18 MR. BOLDUC: It's my  
19 understanding what's causing the delay right  
20 now, they ran into a couple of more pockets,  
21 not specifically in the building, but the  
22 asbestos abatement was basically -- the  
23 building has been gutted except these two  
24 floors. And that's what they've been doing.

25 DIR. LAURETTI: So we have no

1 responsibility and/or liability towards  
 2 asbestos abatement for those two floors we're  
 3 proposing to move on?  
 4 MR. BOLDUC: It's my  
 5 understanding that the whole building will be  
 6 clean of asbestos by the time we move.  
 7 DIR. LAURETTI: Who pays for  
 8 that?  
 9 MR. BOLDUC: Capital  
 10 Properties. That's not our cost. I'm sure  
 11 somehow, though, that cost is built into the  
 12 rent.  
 13 DIR. LAURETTI: Has the  
 14 University of Connecticut rented some space  
 15 in this building?  
 16 MR. BOLDUC: It's my  
 17 understanding they're announcing next week  
 18 that the MBA program will consolidate the  
 19 Storrs, West Hartford and a couple of the  
 20 campuses on the first four floors.  
 21 DIR. LAURETTI: Do we know and  
 22 can we find out what they are paying?  
 23 MR. BOLDUC: I've got that  
 24 number, yes.  
 25 DIR. LAURETTI: Can you share

1 that with us?  
 2 MR. BOLDUC: I don't have it  
 3 with me. I've got the number. According to  
 4 Capital we've got the best deal.  
 5 THE CHAIRMAN: What's your  
 6 concern?  
 7 DIR. LAURETTI: Number one,  
 8 I'm not of the mind that we should be  
 9 outlaying approximately a million dollars for  
 10 the fit-out of this building. I'm not sure  
 11 the Mid-Conn project is in the position to do  
 12 that, number one. Number two, I'm not sure  
 13 that I understand the full savings there.  
 14 From my evaluation, the savings are really  
 15 predicated on what an estimate of the future  
 16 rates might be. Am I correct in that  
 17 assumption?  
 18 MR. KIRK: No, I don't think  
 19 so. We have a hard and fast lease through --  
 20 DIR. LAURETTI: At least for  
 21 the additional three years at the end.  
 22 MR. KIRK: Yes, there is an  
 23 assumption for the extension period of what  
 24 we believe market rates will be, but there is  
 25 -- the spreadsheet behind tab 7 shows an NPV

1 analysis of four different choices, if you  
 2 will, with different returns. And we're  
 3 positive on all of them; is that's correct?  
 4 MR. BOLDUC: I think what we  
 5 did, Mark, is if you go behind tab 7, the  
 6 fourth page in, the NPV I've been talking  
 7 about, the 800,000 savings, is only through  
 8 the period 2012. That's the period when this  
 9 project contracts. We did negotiate --  
 10 DIR. LAURETTI: But our lease  
 11 goes to 2009.  
 12 MR. BOLDUC: We have the  
 13 option. Our current lease only goes to 2009,  
 14 so we have this problem what to do in 2009  
 15 when we'd be basically at the mercy of the  
 16 market and having to figure out if we want to  
 17 go through with a move and whatever happens  
 18 through those last two or three years.  
 19 DIR. LAURETTI: To that point  
 20 I might suggest that we would probably be in  
 21 a better position to understand what our  
 22 future would be and be in a better position  
 23 to make a better business decision. That's  
 24 my opinion.  
 25 MR. BOLDUC: I guess the way I

1 looked at it was two things: One, at that  
 2 point in time our primary focus is probably  
 3 going to be reupping all the contracts and  
 4 figuring out what we're going to be doing  
 5 post 2012. But more importantly, what we're  
 6 going to do --  
 7 DIR. LAURETTI: If I were  
 8 sitting here in 2009 I might suggest that we  
 9 move out of the city completely and move into  
 10 an area where we can get a better rate. We  
 11 really don't need to be paying this kind of  
 12 money for rent.  
 13 THE CHAIRMAN: You're right.  
 14 One of the things is we do have a lease to  
 15 2009. So we have that lease.  
 16 MR. BOLDUC: And we also have  
 17 the obligation based on the agreement that  
 18 was signed a couple of years ago to  
 19 accommodate Capital Properties. And that  
 20 accommodation allowed them to keep us here  
 21 and work around us, which is an untenable  
 22 position.  
 23 DIR. LAURETTI: I'm not sure  
 24 about that. I've had some people look at  
 25 that in more and more detail. There's

1 nothing in there that is absolute about what  
2 we have to do. They have to be reasonable.  
3 They have to accommodate us. And if the  
4 prior board forfeited that right, then I  
5 would say that that would be a reckless act,  
6 and I'm not sure that that's the case with  
7 respect to that agreement that was signed.  
8 So I'm not sure I really buy that argument  
9 that they've got to replace these windows and  
10 they've got to move 8 feet in.

11 We said that we're going to  
12 reduce our space so there's space that we  
13 don't need. Why can't they provide swing  
14 space for us in this building for a lesser  
15 amount and work on one side of the building  
16 at a time. They're not going to occupy four  
17 sides of the building all at once to do this.

18 MR. BOLDUC: I'm not saying  
19 that. If you look at the building, there is  
20 no swing space. The building has been gutted  
21 down to the bare iron. So anything  
22 downstairs would have to be built out.  
23 There's no wiring, there's no heating,  
24 there's nothing in them.

25 DIR. LAURETTI: Have you

1 savings to the project by moving to a less  
2 expensive floor. I would submit we'd  
3 probably want to do that independent of  
4 whether or not there were strong motivations  
5 to leave this floor because of impending  
6 construction.

7 But the other issue is the  
8 impact to the project and the rest of the  
9 CRRA in moving twice. If they provide a  
10 swing space they wouldn't have to do it at a  
11 lower cost. The lease and the subsequent  
12 agreements require us essentially to  
13 accommodate them. And although I'm certain  
14 they would be reasonable, we would be  
15 essentially either moving twice or would  
16 anticipate seeing a pretty significant impact  
17 on our operations. Nothing that we couldn't  
18 handle somehow, we'd certainly work through  
19 it, but there'd be zero savings. There'd be  
20 a significant cost somehow, and we would lose  
21 the opportunity, I think, to leverage our  
22 ability to move to leverage a better price  
23 for a lower floor. I think the important  
24 point is we save money whether we go a  
25 short-term lease, mid-term lease or a

1 looked at the proposition of consolidating  
2 portions of this building into our already  
3 existing space seeing how that we don't need  
4 as much space?

5 MR. BOLDUC: Within these two  
6 floors. We'd have the same problem. They've  
7 got to knock these windows out. In that  
8 process I don't know how you do that. And  
9 then they've got to get inside here to do the  
10 rest of the abatement.

11 DIR. LAURETTI: If you don't  
12 know how we'd do that, then I'm not sure I do  
13 either. But I think we have the obligation  
14 to understand what that is. And I would  
15 reinforce the fact that they've got to be  
16 reasonable in that approach regardless of  
17 what agreement was signed.

18 MR. KIRK: Our assumption was  
19 that they would be reasonable in working with  
20 us should we decide to stay. I think there  
21 were two major motivations for the move. The  
22 committee considered an opportunity to save  
23 some money. And whether we go to 2009, 2012  
24 or 2015, the longer we agree to stay, the  
25 more money we save. There is a real dollar

1 long-term lease versus our hard and fast  
2 lease that we have signed and are committed  
3 to to 2009.

4 DIR. LAURETTI: But it says  
5 based on assumptions.

6 MR. KIRK: Not to 2009.

7 DIR. LAURETTI: A portion of  
8 it is.

9 MR. KIRK: Only that small  
10 piece from 2009 to 2012. We're making an  
11 assumption of what the rate per foot will be  
12 from 2009 to 2012. It's hard money savings  
13 between now and 2009.

14 THE CHAIRMAN: Bud, do you  
15 want to speak to this?

16 DIR. COHN: My committee  
17 looked at this extensively over many  
18 meetings, and we think it presents us a  
19 win/win situation. We're not subject to the  
20 disruption of having construction going on  
21 around us and having to continuously move  
22 equipment, move people, move furniture, move  
23 computers, and because our landlord has a  
24 need to get us out of the way because it  
25 makes his construction easier and he was

1 amenable to a different deal than we have  
2 now, a better deal, and even with the  
3 investment we have to make, we save money,  
4 and we save quite a bit of money, \$800,000  
5 present value.

6 If one is concerned about the  
7 estimates for the portion, that is 2009  
8 through 2012, when one does a present value  
9 analysis, the farther out the piece is, the  
10 less impact it has on the current present  
11 value. So even though it is based on  
12 assumptions, if the assumptions are a little  
13 off, it has very little effect on the bottom  
14 line. We save money and we avoid  
15 construction.

16 DIR. LAURETTI: You save  
17 money, but we don't have any hard  
18 construction costs here, and a month, two  
19 months into --

20 DIR. COHN: Yes, we do.

21 MR. BOLDUC: We do have with  
22 Capital. Any overrides will be their cost.  
23 That's part of the arrangement.

24 DIR. LAURETTI: I missed that.  
25 I didn't see that. I thought that this thing

1 was an estimate. I thought that's the way it  
2 was presented to us. We all know how these  
3 extras get added on because of some price  
4 that's got --

5 MR. KIRK: We have a  
6 not-to-exceed number. But our anticipation  
7 is -- we would take good construction  
8 management and our guys are working closely  
9 with Capital -- it would be less than the  
10 not-to-exceed number.

11 THE CHAIRMAN: Ray, you have  
12 comment?

13 DIR. O'BRIEN: And the other  
14 thing that the pledge committee looked at was  
15 relocation, a new site, and this has an  
16 advantage over that also. We looked at the  
17 cost to take one of the sites already owned  
18 by CRRA and retrofit it for an office, even  
19 assuming we could break the lease. This is  
20 an advantage and it leaves that other site  
21 available for perhaps other uses or other  
22 projects.

23 DIR. LAURETTI: I'm not sure  
24 that that's a valid rationale for an  
25 apples-to-apples comparison.

1 DIR. O'BRIEN: It was the  
2 rationale because we felt we needed to look  
3 at all of the options available to us, and  
4 one of the options was relocate to a  
5 different site. And we looked at that.  
6 Engineering did a good estimate on it, and  
7 this comes out to be an advantage in the  
8 judgment of the committee and my judgment  
9 specifically.

10 THE CHAIRMAN: Art.

11 DIR. LATHROP: I accept the  
12 rationale that both Jim and Bud have put  
13 forward, and I accept it as it is presented.  
14 The problem I have is that it looks to me  
15 like we're in a deal we wish we weren't in,  
16 okay, and in order to fix it we're going to  
17 extend the time we're in it. Now, granted  
18 that with the assumptions made, which I  
19 accept, there may be a savings. I'm just  
20 wondering whether we shouldn't live with the  
21 problem we have until 2009 and then would be  
22 free at last, free at last.

23 The second point, if I might,  
24 I'm not a party to any of the negotiations  
25 with the landlord, but it would seem to me

1 that the landlord needs our cooperation more  
2 than we need the landlord's cooperation. We  
3 have the right to quiet enjoyment of the  
4 property and then suddenly boom, they're  
5 going to push us into a situation where we  
6 shouldn't have to give away a lease extension  
7 for reasonable treatment.

8 That's just the way I see it,  
9 but, again, my view is cloudy and others are  
10 closer to the situation.

11 THE CHAIRMAN: No, that's a  
12 good point. I think on the lease extension  
13 we were looking at 2009 or at least to 2012.  
14 The other thing is if we're all part of the  
15 group I've asked us and we've had our first  
16 meeting to take a look at our business model,  
17 our strategic plan going forward looking at  
18 2012 and then beyond. We also have to take a  
19 look at our assets, and we have to consider  
20 what assets we want to keep and what assets  
21 we may want to sell. But all that is based  
22 on what our new business plan is. There's  
23 been talk about the old pipe building on  
24 Murphy Road, and so on and so forth. If we  
25 take a look at the 2009, let's just address

1 this in piece, Bud, there is still a savings  
 2 between now and 2009?  
 3 DIR. COHN: Yes.  
 4 DIR. SULLIVAN: What is it?  
 5 DIR. COHN: It's \$631,000  
 6 present value --  
 7 DIR. LAURETTI: But that's  
 8 because we're taking less space and that  
 9 we're moving to a lesser quality space.  
 10 THE CHAIRMAN: That said,  
 11 Mark, there's no disagreement with that. One  
 12 of the first things that we all try to do is  
 13 to take a look at how we can reduce our  
 14 costs.  
 15 DIR. LAURETTI: But there's an  
 16 incentive for Capital Properties there, too,  
 17 to have these two upper floors at a  
 18 renovated --  
 19 DIR. COHN: That's why they  
 20 talked to us at all; otherwise, they wouldn't  
 21 have.  
 22 THE CHAIRMAN: This represents  
 23 60 cents a ton to Mid-Connecticut.  
 24 DIR. SULLIVAN: Through 2009.  
 25 THE CHAIRMAN: Again, if we

1 take a look at our charge, all we can do is  
 2 take a look at what we've been doing, every  
 3 contract that this company has, and see what  
 4 we can take as a best advantage, renegotiate  
 5 or move forward with current. This is  
 6 something that Bud's group has renegotiated.  
 7 If you recall, I had staff a year or so ago  
 8 draw up a plan of us consolidating just to  
 9 one of the floors. The lease doesn't allow  
 10 that. We would have to pay for that floor.  
 11 We could not find a subtenant at the time.  
 12 DIR. LAURETTI: Are we allowed  
 13 to sublet?  
 14 MR. KIRK: Only to other state  
 15 agencies. We did try and find some state  
 16 agencies willing to --  
 17 DIR. LAURETTI: Talk to  
 18 University of Connecticut. They only took  
 19 four floors and we have two.  
 20 MR. KIRK: I do want to  
 21 correct --  
 22 THE CHAIRMAN: Dr. Martland  
 23 can speak first.  
 24 DIR. MARTLAND: I was on the  
 25 committee and, as Bud and the other members

1 know very well, I wanted to go to Murphy Road  
 2 so bad I was trying to figure out a way to  
 3 make the arithmetic come out, and it just  
 4 wouldn't compute. And reluctantly I went  
 5 along with this because it's still  
 6 mathematically the best deal for the CRRA,  
 7 but my heart was always in another place.  
 8 And it just wouldn't come out. We couldn't  
 9 make it work. And it's as simple as that.  
 10 THE CHAIRMAN: Tom.  
 11 MR. KIRK: I did want to  
 12 gently correct the Chairman. It's not 60  
 13 cents per ton. This is a \$631,000 through  
 14 2009 savings. That's the total savings, not  
 15 annual savings. We're not paying anywhere  
 16 near that kind of rent.  
 17 DIR. LAURETTI: If it was  
 18 annual, we wouldn't even be having this  
 19 discussion.  
 20 MR. KIRK: Absolutely.  
 21 THE CHAIRMAN: Mistake. The  
 22 Chair apologizes.  
 23 MR. KIRK: I'm all in favor of  
 24 moving a little bit closer to Newtown if we  
 25 decide.

1 THE CHAIRMAN: Sir.  
 2 DIR. O'BRIEN: The extension  
 3 beyond 2009 is at CRRA's option. We're not  
 4 obligated to it.  
 5 DIR. LATHROP: Thank you.  
 6 THE CHAIRMAN: Steve.  
 7 DIR. CASSANO: Just a comment.  
 8 I can recall a conversation with one of our  
 9 illustrious senators last year, not connected  
 10 with this organization, and there was a  
 11 comment that you guys are using 2 million a  
 12 month and you're still living in a penthouse.  
 13 That's an attitude that people have, that we  
 14 are still here in the top two floors high in  
 15 Hartford, and so on, and this addressed that.  
 16 It still keeps us downtown. Murphy Road, I  
 17 thought Murphy Road was a sensible option to  
 18 look at. I can tell you in Manchester, East  
 19 Hartford, they all got plenty of space, but I  
 20 think CRRA belongs here. If places like CRRA  
 21 are leaving the central cities, you're not  
 22 going to have central cities. So I have no  
 23 problem staying here if we can save money and  
 24 still stay in the city. Maybe nine years or  
 25 eight years or six years from now something

1 will happen with Murphy Road or something  
2 else, but we're saving money and we're not on  
3 the top floor. I think that's important.

4 MR. BOLDUC: Can I just --  
5 it's just a recent survey the Hartford  
6 Business Journal did. This lease works out  
7 on a 2012 basis at 18.86 a square foot. The  
8 current asking rate for the central business  
9 downtown is \$21 a foot, west is 19.85, south  
10 is 22.65, east is 23.827.

11 DIR. LAURETTI: If that were  
12 the case then, Jim, I would think that  
13 Capital Properties would be all over this  
14 case and would be happy to let us get out of  
15 the lease.

16 MR. BOLDUC: There's other  
17 reasons they want us as a tenant, too. It's  
18 not just that they want us to leave because  
19 we do have a six-year lease still with them.  
20 And they financed that when they bought the  
21 building so I don't think they are just  
22 anxious to buy us out. I guess the question  
23 is how far do we continue pushing.

24 DIR. LAURETTI: Maybe those  
25 numbers aren't holding the test of time. You

1 can get them in some places, but you don't  
2 know what kind of cash incentives or deals  
3 that the landlord is putting on the table to  
4 keep them there to keep the number on the  
5 table to use as an incentive to get other  
6 people to come to their properties. These  
7 guys are business people. They know what  
8 they are doing.

9 MR. BOLDUC: I don't doubt  
10 that, Mark.

11 DIR. LAURETTI: Hopefully.  
12 that's why we're here, too.

13 DIR. CASSANO: Exactly. Can I  
14 just ask a couple of questions? The November  
15 vote, is that automatically rescinded because  
16 we didn't have a two-thirds?

17 MS. STRAVALLE-SCHMIDT:  
18 Technically, since we don't have the  
19 two-thirds vote, it wasn't a valid vote so we  
20 just revote.

21 THE CHAIRMAN: So, in a  
22 nutshell -- Bud's committee did the research  
23 -- is that moving to the other floors will  
24 provide us space from now to 2009 with the  
25 three-year possible extension to 2012. The

1 savings to CRRA over that period of time is  
2 about \$600,000 to 2009. There's a chart that  
3 we have that shows the annual savings. That  
4 is the second sheet in? Am I looking at the  
5 right one here, Tom?

6 MR. KIRK: The one previous,  
7 \$835,212.

8 MR. BOLDUC: But that's based  
9 on 2012.

10 THE CHAIRMAN: That's the  
11 2012?

12 MR. BOLDUC: That's correct.

13 MR. KIRK: And that is our  
14 lease. There is not an option beyond 2009.  
15 There's options beyond 2012. Our lease would  
16 commit us similar to our commitment now  
17 through 2009 this lease would commit us  
18 through 2012. I wanted to correct that.

19 DIR. LATHROP: I thought Ray  
20 told me --

21 DIR. O'BRIEN: Yes, that was  
22 my understanding, Art.

23 MR. BOLDUC: We had talked  
24 about 2009 options and 2012 options. Two  
25 thousand nine would have a higher cost

1 associated than the 2012. At the last Board  
2 meeting I thought the direction was 2012 with  
3 two three-year options as opposed to 2009.

4 DIR. LAURETTI: Is the annual  
5 savings based on the reduction of the square  
6 footage price?

7 DIR. COHN: In part. It's  
8 based on reduction of square footage and  
9 reduction of lease cost.

10 DIR. LAURETTI: The actual  
11 price plus the reduction on the amount of  
12 square footage.

13 DIR. COHN: Uh-huh.

14 DIR. KNOPP: Mike, I  
15 apologize. I need to cut out pretty soon.  
16 Do you need my vote? I know there's a  
17 question about a two-thirds vote. I have  
18 something at 10:30.

19 DIR. LAURETTI: Call the  
20 question.

21 THE CHAIRMAN: Let's take the  
22 committee. Any other comments from the  
23 committee?

24 So, Jim, between Jim and Bud,  
25 I'd like a very -- 25 words or less -- as to

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1 what the conditions are for this lease, 25  
2 words or less -- Bud -- the time frame, the  
3 savings.  
4 DIR. COHN: The time frame is  
5 to 2012. As I recall, we went to that for  
6 two reasons: It's proterminus with our  
7 existing contracts. We didn't want to be put  
8 in a position where our contracts went to  
9 2012 and in 2009 we had to find a premier  
10 location. We save money despite having to  
11 invest some for build-outs because the fact  
12 that the landlord needs us out of the way to  
13 complete work on the building gave him an  
14 incentive to renegotiate with us an incentive  
15 he didn't otherwise have, and what has been  
16 renegotiated both reduces the rate per square  
17 foot and gives us an opportunity to get us an  
18 extra space that we don't need. The bottom  
19 line is we save money for our clients, and we  
20 should do it.  
21 THE CHAIRMAN: Jim, can you  
22 give me a little synopsis of going out in  
23 these years, by your chart, what we would  
24 save on our operating costs and anything else  
25 you care to add in in 25 words?

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1 MR. BOLDUC: Just a couple of  
2 things. On the lease going to 2012 it's an  
3 NPV savings of 835,000. If we elect to  
4 trigger the first three-year renewal option  
5 that would have an NPV savings of 1.3  
6 million.  
7 The other two salient factors  
8 that are embedded in this term, one, our  
9 current lease has no cap on operating  
10 expenses. The operating expenses get  
11 transferred 100 percent to us. The new lease  
12 we put some restrictions in in terms of their  
13 managed operating expenses not to exceed 3  
14 percent, so that's a benefit we don't have  
15 now if we stay here over the next six years.  
16 DIR. LAURETTI: Are we subject  
17 to property taxes?  
18 MR. BOLDUC: Yes, the building  
19 is, and we're just a tenant. We've gone  
20 around that one. It's a very tricky one.  
21 But I think, yes, to answer.  
22 The second piece, the dollars  
23 we're spending for Capital, the reason we did  
24 that, when we first moved in here we did not  
25 spend any dollars for Capital directly and

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1 they were built into the lease cost. The  
2 reason we decided to do it, as our cash  
3 paying for it, because our cost of money is  
4 significantly less than I'm sure their debt  
5 equity cost. It's probably up around 8 or 9  
6 percent after tax. Our cost of capital right  
7 now is around 1 and three-quarters. So to  
8 use our cash as opposed to looking to them,  
9 and that's why we're spending the money as  
10 opposed to building it into a rent cost.  
11 My preference is is our  
12 business is not leasing. We can do this and  
13 we can keep doing it. Our business is a lot  
14 more issues with regard to how we can -- here  
15 post 2012, and these do take a lot of time.  
16 Disruption is going to come from a move.  
17 I've been through a couple of them. They are  
18 very time consuming. And, quite frankly, I  
19 think to have a home with options to continue  
20 is a lot more logical than trying to go  
21 through this cycle every six years. I mean,  
22 I've been through it a few times and it's  
23 just my preference.  
24 DIR. LAURETTI: So Bud, the  
25 commitment is through '012 and not '09?

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1 DIR. COHN: Yes.  
2 MR. BOLDUC: With options at  
3 our call after that, whatever we want to do.  
4 DIR. LAURETTI: After '012?  
5 MR. BOLDUC: We have two,  
6 three-year renewal options.  
7 THE CHAIRMAN: What we're  
8 working on is what we're going to be in '012.  
9 The payments back for our own borrowing from  
10 ourselves will be on a monthly basis. Right?  
11 MR. BOLDUC: What we'll do is  
12 we've got a reserve we'll use the dollars for  
13 and then we'll pay it back at our overall  
14 average cost of the money under our new  
15 investment bonds.  
16 DIR. LATHROP: One sentence.  
17 As an ad hoc member I can't vote on this, but  
18 I want to be recorded as instinctively and  
19 thinking it through I think we should  
20 disentangle ourselves from this building as  
21 soon as we can which is '09. So I would not  
22 be happy with this proposal.  
23 THE CHAIRMAN: What the  
24 gentleman is saying he's not happy to '012?  
25 There's a three-year delta of the

1 unhappiness.  
 2 DIR. LATHROP: Yes. That's  
 3 correct.  
 4 DIR. SULLIVAN: The  
 5 predicament I see with respect to going  
 6 beyond the '09 for a temporary situation  
 7 between '09 and '012 when our contract  
 8 expires puts us in a very tenuous situation  
 9 with respect to negotiating with our  
 10 municipalities, not knowing where we would be  
 11 in 2009, so that's a worry.  
 12 DIR. LAURETTI: I don't  
 13 think --  
 14 DIR. LATHROP: I would put it  
 15 a little more tactfully, but I don't think  
 16 that has any effect on negotiating with the  
 17 municipalities. I don't think our business  
 18 requires us to have first class office space.  
 19 DIR. SULLIVAN: I agree with  
 20 that.  
 21 DIR. LATHROP: And here we  
 22 are. And we still will even if we move  
 23 downstairs. I congratulate the team that  
 24 Bud's headed and Jim's been on and all the  
 25 people who are on it. I'm sure they've done

1 the best they can, but I think we just need  
 2 to disentangle ourselves from this building  
 3 and the sooner the better.  
 4 DIR. MARTLAND: Can we move  
 5 the question so we don't lose Alex?  
 6 MR. KIRK: I do want to add  
 7 that there are \$631,000 in hard savings to be  
 8 had that we would be leaving on the table if  
 9 we don't sign this lease. We would have to  
 10 recoup in those three years in question  
 11 \$630,000 to break even. That would be hard  
 12 to do in any real estate market.  
 13 THE CHAIRMAN: The Chair is  
 14 going to call -- unless there's an exception  
 15 to the Chair's ruling -- we're going to call  
 16 for the vote.  
 17 All those in favor?  
 18 Let's record it.  
 19 Pace, aye.  
 20 DIR. O'BRIEN: O'Brien, aye.  
 21 DIR. CASSANO: Cassano, aye.  
 22 DIR. COHN: Cohn, aye.  
 23 DIR. COOPER: Cooper, aye.  
 24 DIR. MARTLAND: Martland, aye.  
 25 DIR. LAURETTI: Abstained.

1 THE CHAIRMAN: Mr. Knopp.  
 2 DIR. KNOPP: Aye.  
 3 DIR. FRANCIS: Francis, aye.  
 4 DIR. SULLIVAN: Sullivan, aye.  
 5 THE CHAIRMAN: And that's it.  
 6 No one else.  
 7 Ad hoc members?  
 8 MR. KIRK: You're an aye?  
 9 THE CHAIRMAN: I'm an aye. I  
 10 voted first. So we have eight with an  
 11 abstention from Mr. Lauretti. All right?  
 12 Motion passes.  
 13 Jim, Tom and Bud, I'm going to  
 14 ask that the three of you keep the Board and  
 15 committees involved and advised as to how  
 16 this moves forward.  
 17 Thanks, Alex. Enjoy whatever  
 18 is going on down there.  
 19 The next item on the agenda  
 20 would be attachment 8, which is the payment  
 21 of certain legal items.  
 22 Ann or Andy.  
 23 DIR. SULLIVAN: I think we  
 24 ought to at least defer this action. We  
 25 should consider it first in executive

1 session. So I'd move that. And also I would  
 2 like to have the Attorney General represented  
 3 here when we come out of executive session,  
 4 at least to discuss this, and perhaps even  
 5 have him in executive session, but I think  
 6 there are certain things in here that we  
 7 really ought to move to executive session.  
 8 THE CHAIRMAN: So then the  
 9 Chair will just take it as a prerogative to  
 10 move that later on.  
 11 The adoption of the revised  
 12 investment policy, attachment 9.  
 13 Jim, are you going to speak to  
 14 that?  
 15 MR. BOLDUC: Just briefly.  
 16 This is the one that has gone through the  
 17 finance committee. I think it was given to  
 18 the Board. We were going through the 30-day  
 19 notice period. It's my understanding we  
 20 didn't get any comments on it from the  
 21 public, and therefore it's the same document  
 22 that we've been looking at for the last  
 23 several months. And at this point it would  
 24 require the Board's formal adoption of it.  
 25 It's basically an update of the 1996 policy

1 that the Authority had previously adopted to  
2 incorporate additional statutory, regularly  
3 and also indenture and bond controls that are  
4 in the bond indentures and to just kind of  
5 bring everything up to date. And so there's  
6 really nothing new that you haven't seen over  
7 the last several months except we were  
8 waiting for the public notice.

9 THE CHAIRMAN: Andy, any  
10 comments on this?

11 DIR. MARTLAND: Could I ask  
12 one question? Not being an accountant, but  
13 how can we, when we're borrowing money and  
14 bonding ourselves, turn around and invest it?

15 MR. BOLDUC: What we have is  
16 the excess cash. We have restricted funds  
17 like the debt service account. We have to  
18 put dollars in under the indenture to certain  
19 things, the postclosure accounts that we  
20 really can't use but they are restricted to  
21 the Shelton Landfill. So right now they are  
22 just being invested in the state's --

23 DIR. MARTLAND: Where are we  
24 on that arbitrage?

25 MR. BOLDUC: We talked to bond

1 or is there disagreement on that? Okay? So  
2 that being the only thing I would ask for.

3 Okay, Andy, would you support  
4 that?

5 DIR. SULLIVAN: Yes.

6 THE CHAIRMAN: And with that  
7 minor modification on 16.0, any other  
8 discussion?

9 All those in favor?

10 Opposed?

11 Abstained?

12 So moved.

13 Public affairs. We're looking

14 for Board action to consolidate this  
15 quarterly and annual report. I'd entertain a  
16 motion to place it on the table.

17 DIR. O'BRIEN: So moved.

18 THE CHAIRMAN: Second? Help  
19 me out somebody.

20 DIR. SULLIVAN: Second.

21 THE CHAIRMAN: Thank you.

22 Okay.

23 MR. KIRK: We'd like to ask  
24 the Board to direct management to seek four  
25 specific legislative initiatives. Two of

1 counsel, and it wouldn't be an issue.

2 THE CHAIRMAN: On page 6 --  
3 and I just make this as a reference for a  
4 sticky note on somebody's pad someplace --  
5 "This policy shall be reviewed on an annual  
6 basis by the president, chief financial  
7 officer and the Board of Directors for any  
8 modifications." Just so we know a year from  
9 now just so everybody stays in compliance  
10 this Board would have that back to review.

11 MR. BOLDUC: This has it going  
12 to the finance committee. Do you want to  
13 modify that to the Board? It goes to the  
14 finance committee and then if there's any  
15 changes they go to the Board.

16 THE CHAIRMAN: The chair would  
17 recommend it to the Board.

18 DIR. SULLIVAN: We'd recommend  
19 it to the Board if there were changes  
20 necessary.

21 THE CHAIRMAN: I think I would  
22 like to have these kinds of things, these  
23 policy things, from finance following the  
24 same track and come back to the Board. Does  
25 that satisfy the rest of the Board members,

1 them are in your book behind 10 and 11.  
2 There are another two that Mike and I  
3 discussed yesterday. In a nutshell one is  
4 behind 10. It's a technical change. It asks  
5 the legislature to allow us to consolidate  
6 the myriad of quarterly annual reports and  
7 addressees of these reports to ease our  
8 administrative burdens. We have roughly --  
9 do you have your matrix with you? We have a  
10 pretty substantial matrix of probably a dozen  
11 different reports that need be to compiled  
12 and sent on their way. We've been doing a  
13 good job of it. I don't think we've missed  
14 any. But it's ripe for a miss, if you will,  
15 that we either miss a submittal date or miss  
16 a required chapter in one of these reports.  
17 Our hope is to be able to consolidate some of  
18 these such that we can reduce the actual  
19 number of reports without cheapening any of  
20 the reports' value, put them all in one  
21 report with one due date, if possible, so we  
22 can minimize our administrative risks with  
23 making a mistake and the administrative  
24 effort in creating them.

25 THE CHAIRMAN: I think the

1 other part is that it's the quality of the  
2 document, so the quality of the document  
3 becomes holistic and not as this month here  
4 is one quarter and 30 days later it is  
5 another quarter. This becomes a holistic  
6 view for the legislature to take a look at  
7 and for our towns in the municipality. To me  
8 it's a cleaner way of total transparency.

9 DIR. LAURETTI: A more  
10 comprehensive document as opposed to multiple  
11 documents. There is an electronic as opposed  
12 to hard copy, the transmittal electronically  
13 as opposed to the hard copy.

14 THE CHAIRMAN: It would be  
15 both in today's world.

16 MR. BOLDUC: I think the big  
17 issue here is probably 90 percent of what's  
18 going into these things are redundant, so the  
19 amount of effort in creating these things --  
20 I don't know what the value is because, quite  
21 frankly, I look at them and other than  
22 probably two or three of these documents I  
23 think what was happening is over the last  
24 several years when there was an event that  
25 occurred, somebody passed a bill and said

1 create another document. And over time we  
2 probably have 15 different reports, some to  
3 the governor, some to this committee, some to  
4 that committee, and 90 percent of the  
5 material is just redundant.

6 DIR. LAURETTI: Same  
7 information.

8 MR. BOLDUC: And we add one  
9 or more piece to it and then it's a whole new  
10 document and it's a month off. But to be  
11 accurate you have to update and put figures  
12 in there and they want another quarter, so  
13 instead of nine months into September, it's  
14 ten months into October. Not a hell of a lot  
15 is probably happening in that one month, but  
16 the effort to update all the numbers and --

17 DIR. LAURETTI: Are we  
18 actually sending hard copies to all the  
19 respective agencies and --

20 THE CHAIRMAN: All of our  
21 dates fit. If you recall, there were some  
22 things not filed. We are going back to  
23 correct that. This is another piece to make  
24 sure that everybody has the same information  
25 as opposed to just multiple documents on

1 different dates.

2 MR. KIRK: To answer your  
3 question, yes, we still send hard copies to  
4 the statutorily required addressees. Other  
5 copies that are not required to be sent, for  
6 instance, we will very often copy legislators  
7 we will do by E-mail.

8 DIR. LAURETTI: Do  
9 electronically and send the hard copy upon  
10 request. But if they have an E-mail, they  
11 can print it out themselves.

12 MR. KIRK: But the ones that  
13 are statutorily required to get it, we  
14 actually send them certified or stamped hard  
15 copies.

16 DIR. LAURETTI: Is there a way  
17 to certify something through electronically?

18 MS. STRAVALLE-SCHMIDT: Not  
19 really. I mean, the only thing you do is ask  
20 for a message back, but other than keeping a  
21 trail, there's no way to certify.

22 THE CHAIRMAN: Any comment on  
23 this?

24 Ted.

25 DIR. MARTLAND: Half in jest,

1 but I agree wholeheartedly as someone who  
2 deals with HUD, the State of Connecticut as a  
3 limited partner, I'd love to see anything  
4 consolidated.

5 THE CHAIRMAN: Any further  
6 comment? All those in favor?  
7 Opposed?  
8 Abstained?

9 At this point I've asked the  
10 vice chairman to add two items to the agenda.  
11 We will take them individually.

12 DIR. CASSANO: The first one  
13 is authorization of legislative action  
14 dealing with -- I'll read the amendment:  
15 "That the President is hereby authorized to  
16 seek legislative amendments or revisions to  
17 the appropriate Connecticut General Statutes  
18 as the President in his best judgment  
19 believes is necessary to ensure that  
20 uncollected bottle deposits be used to offset  
21 the cost of disposing of these unredeemed  
22 containers and for the recycling education  
23 programs."

24 Move to adopt.

25 DIR. O'BRIEN: Are we moving

1 to add that to the agenda?  
 2 THE CHAIRMAN: Move to the  
 3 agenda. Is there a second?  
 4 DIR. MARTLAND: Second.  
 5 THE CHAIRMAN: I'm going to  
 6 ask if, Floyd, would you do me a favor? Can  
 7 you make a copy of both that and this?  
 8 MR. GENT: How many copies do  
 9 you want?  
 10 THE CHAIRMAN: For everybody  
 11 on the Board. And we'll give one to the  
 12 stenographer to help her out a little bit.  
 13 Okay. We have it on the table. Steve, do  
 14 you want to talk about this a little bit?  
 15 DIR. CASSANO: We're losing  
 16 millions of dollars basically, and I don't  
 17 know what the chances are, but if we don't  
 18 stay on top of it. There's an issue,  
 19 obviously, between us and the State of  
 20 Connecticut and the bottlers who now retain  
 21 it. There was supposed to have been a study  
 22 committee appointed at the end of the  
 23 legislative session last year to look at this  
 24 in depth. To my knowledge, that committee  
 25 was never appointed by the environmental

1 committee. So it's where we left off last  
 2 year. It never got out of committee. There  
 3 were some people that were split pretty much  
 4 down the middle. There were people somewhat  
 5 in favor, people that weren't. There was a  
 6 lot of effort, I believe, by the  
 7 administration at the OPM feeling that, in  
 8 fact, that might be the general fund as  
 9 opposed to --  
 10 DIR. LAURETTI: How about  
 11 that.  
 12 DIR. CASSANO: Everybody wants  
 13 a piece of the pie.  
 14 THE CHAIRMAN: I think we had  
 15 Representative Widlitz, we had freshman  
 16 Representative Giuliano present the bill, we  
 17 got a hearing. Ms. Widlitz allowed that  
 18 hearing, plus to be part of it. I went to  
 19 that and Steve went and whoever else, but we  
 20 were heard. It was heard to the effect that  
 21 we got one of the key lobbyists, we  
 22 definitely got their attention on this thing.  
 23 OPM, as was stated, then put in some  
 24 initiative to try to take that money.  
 25 I think what we have here is

1 just, again, there's a number out there. OPM  
 2 used 16. We've been using about 25. There's  
 3 a considerable amount of nickels unclaimed.  
 4 And our position was that those nickels  
 5 should be reclaimed, come to CRRRA, would be  
 6 redispersed back to the municipalities in the  
 7 form of lowering tip fees or other means.  
 8 We also took a look at it for  
 9 environmental aspects because that's what the  
 10 money was originally for, to clean up the  
 11 environment. We took a look at using some of  
 12 the funds for CRRRA to go back to  
 13 quality-of-life issues for towns that host  
 14 our facilities. We've also taken a look at  
 15 using some of those funds working in  
 16 conjunction with other environmental entities  
 17 in the towns that because of the unfortunate  
 18 circumstances in the state their budgets have  
 19 been cut.  
 20 So these monies we're going to  
 21 go back to what it was originally designed  
 22 for, at least in most people's minds,  
 23 environmental concerns, reduce our costs,  
 24 the collection cycle, and not just go to the  
 25 bottom line of the bottlers. It represents a

1 significant amount of money in our tip fees.  
 2 I believe from Mid-Conn it's what, \$5, \$4?  
 3 MR. KIRK: Up to eight.  
 4 THE CHAIRMAN: A ton. For  
 5 Bridgeport my recollection was \$9.  
 6 MR. KIRK: Yes.  
 7 THE CHAIRMAN: A ton. In the  
 8 world where the state has to find economies  
 9 and in a world where they shift some of the  
 10 cost back down to the towns, this is a way  
 11 that new revenues can come in, ultimately go  
 12 to the towns, the taxpayer and the consumer  
 13 who paid for it, and we can all get a benefit  
 14 out of it -- we meaning all the  
 15 municipalities -- through the Bottle Bill.  
 16 There's also been discussion.  
 17 The environmental groups would like to see, I  
 18 believe, a deposit placed on these, whether  
 19 or not the nickel goes away and it needs to  
 20 go to three cents and when you think of it  
 21 logically, there's not much difference  
 22 between this and a coke bottle. The coke  
 23 bottle is a nickel and this is free. It's  
 24 amazing, people complain \$1.69 for a gallon  
 25 of gasoline but pay a buck twenty for a

1 little bottle of water.  
 2 DIR. O'BRIEN: All that's  
 3 missing is some artificial color, flavor and  
 4 sweetener.  
 5 THE CHAIRMAN: So there is  
 6 some discussion with the environmental  
 7 committee of putting three cents, I think, on  
 8 everything. Can you imagine how many more  
 9 bottles of three cents, all right, would then  
 10 go back to the bottom line at the bottlers?  
 11 That's the consumers' money, it's the  
 12 taxpayers' money, and they are being taxed  
 13 twice. We would like to see it come back.  
 14 Sir.  
 15 DIR. MARTLAND: I thought only  
 16 the committees can submit bills at this  
 17 session; and two, I don't see how you can do  
 18 anything unless you get the towns' support.  
 19 I think it's great.  
 20 THE CHAIRMAN: We're working  
 21 on the second end of it again. I've talked  
 22 to CCM so we have some support. But I think  
 23 we need to expand that to whether this  
 24 session and Ms. Widlitz, if she's still chair  
 25 of that committee, can form this committee to

1 start to study the Bottle Bill and move  
 2 forward.  
 3 Sir.  
 4 DIR. O'BRIEN: You mentioned  
 5 an interactive committee for the Bridgeport  
 6 and Mid-Conn project. HRRRA which is not a  
 7 member of either would realize based on a  
 8 population portion there's more than enough  
 9 money to continue HRRRA's operations and the  
 10 recycling.  
 11 THE CHAIRMAN: Every group out  
 12 there, be it a part of CRRRA or not, would  
 13 benefit by this.  
 14 Any further discussion?  
 15 MR. KIRK: I would just add  
 16 we're the only state that does not find a way  
 17 to return that money to the public. Every  
 18 other state does.  
 19 DIR. MARTLAND: That's a hell  
 20 of a statement.  
 21 THE CHAIRMAN: I'm going to  
 22 move this. All those in favor?  
 23 Opposed?  
 24 Abstained?  
 25 So moved.

1 DIR. CASSANO: Move to add to  
 2 the agenda authorization against the  
 3 legislative action. "Resolved: That the  
 4 President is hereby authorized to seek  
 5 legislative amendments or revisions to the  
 6 appropriate Connecticut General Statutes as  
 7 the President in his best judgement believes  
 8 necessary to reduce the waste-to-energy tax  
 9 or to ensure that additional revenues  
 10 generated by this tax to be used to update  
 11 the state's solid waste management."  
 12 DIR. O'BRIEN: I'll second the  
 13 motion to add it to the agenda.  
 14 THE CHAIRMAN: All those in  
 15 favor? This is the dioxin tax.  
 16 DIR. O'BRIEN: And I'll second  
 17 the motion to consider.  
 18 THE CHAIRMAN: And you saw the  
 19 impact on Bridgeport and Wallingford today,  
 20 so it's significant dollars.  
 21 Any further discussion?  
 22 DIR. CASSANO: We tried to  
 23 repeal it and it increased. It's a home run.  
 24 MR. KIRK: They are telling us  
 25 something.

1 DIR. O'BRIEN: The legislative  
 2 action requested here should include some  
 3 requirement or otherwise some incentive for  
 4 the state DEP to update that solid waste  
 5 management plan which is definitely in long  
 6 need of an overhaul. So whether or not it's  
 7 just through the funding or through other  
 8 means available to the legislature to give  
 9 them some more incentive to do this.  
 10 THE CHAIRMAN: You're right.  
 11 If you recall, I had invited Art Rocque to  
 12 our meeting sometime ago to put together that  
 13 relationship that we can move forward, and I  
 14 believe Tom has been in contact with people  
 15 through Art's agency to start to work and put  
 16 that together. I will say that I believe the  
 17 Bristol project, correct, is moving on the  
 18 same agenda. Correct?  
 19 MR. MAULUCCI: Correct.  
 20 THE CHAIRMAN: Do you want to  
 21 speak to that and the Chair will allow that  
 22 as a cohortness.  
 23 MR. MAULUCCI: I don't really  
 24 want to add to what you've said, but, yes, we  
 25 are definitely trying to organize similar

1 minded groups to fight the dioxin tax.  
2 DIR. MARTLAND: Just to  
3 reiterate what I requested before, if we had  
4 a rule of thumb with every hundred thousand  
5 and that we could say to our legislators or  
6 our towns and say the dioxin tax costs you X  
7 amount of bucks tip fee.

8 THE CHAIRMAN: We'll leave  
9 that for Paul, and so on.

10 MR. KIRK: We had developed  
11 that dioxin tax last year. It only cost  
12 about 60 cents at Mid-Conn and 75 cents on  
13 the others. It was not insignificant.

14 THE CHAIRMAN: Anyone care to  
15 speak further on this?

16 All those in favor?

17 Opposed?

18 Abstained?

19 Sir.

20 DIR. CASSANO: A quick  
21 question on the legislative action. We  
22 talked last year about looking to try to get  
23 expansion of authorized positions and  
24 identifying and showing ways we can save  
25 money by expanding the amount of contracting

1 out. Are we still going to pursue that?

2 THE CHAIRMAN: For the bump-up  
3 limit of personnel.

4 MR. KIRK: Oh, yes, these  
5 initiatives today are added to previous Board  
6 resolutions that asked us to pursue for other  
7 technical issues. And I just remind the  
8 Chairman we have one more to do.

9 THE CHAIRMAN: Yes, I've got  
10 it right here in front of me. I'd ask  
11 somebody, Steve, to bring this to the table.

12 DIR. CASSANO: Move the  
13 adoption of tab 11, authorization to create a  
14 task force to study reuse, recycling and  
15 disposal of ash produced at waste-to-energy  
16 plants.

17 DIR. O'BRIEN: Second.

18 THE CHAIRMAN: Again, today  
19 you've seen in the budget the cost of our  
20 ash, the increased costs. We also know that  
21 the Hartford area has limited life.

22 And Ted, you brought this up.  
23 Do you want to speak to this?

24 DIR. MARTLAND: Yes. I was  
25 hopeful -- well, I don't want to say that.

1 But I was hopeful that we find some way to  
2 handle ash. I've been advised that in some  
3 states they can use it effectively to save  
4 money on road construction and things of that  
5 sort. So it's conceivable that we could have  
6 something that would be a positive cash flow  
7 or at least neutral rather than the cost. So  
8 I'm hopeful that we can get this through this  
9 year. We have support in the legislature.  
10 We're trying to get further support. And if  
11 we do that then I think we have a home run.

12 THE CHAIRMAN: And this would  
13 be part of the discussions with Art.

14 Any further comment on this?

15 All those in favor?

16 Opposed?

17 Abstained?

18 So moved.

19 Moving right along, next is  
20 the Board appointments.

21 DIR. CASSANO: Move the  
22 adoption of the committee appointments as  
23 proposed in item 12.

24 DIR. O'BRIEN: Second.

25 THE CHAIRMAN: Discussion?

1 DIR. SULLIVAN: I'd just like  
2 to add in the finance committee we'd like to  
3 add Ray O'Brien who has been acting in my  
4 stead as vice chair.

5 THE CHAIRMAN: Okay. The  
6 addition to this will be that Mr. O'Brien,  
7 who has been on that committee, be now the  
8 vice chair. That's the recommendation of the  
9 chairman.

10 DIR. SULLIVAN: Or actually  
11 continue.

12 THE CHAIRMAN: Or continue,  
13 whatever.

14 Sir.

15 DIR. COHN: One comment on the  
16 policies and procurement committee. Since  
17 Jim is leaving us to go to finance, we have a  
18 quorum problem occasionally because Alex is  
19 listed as a member and he's never  
20 participated. And that means that all three  
21 of the remaining members have to attend in  
22 order for there to be a quorum. I was hoping  
23 we could discuss this while he was still on  
24 the phone, but I would like to respectfully  
25 request that he withdraw from the committee

1 if he is not going to participate so we could  
 2 get a quorum.  
 3 THE CHAIRMAN: Angelica, if  
 4 you could send Alex a little note asking him  
 5 to be in contact with Bud concerning his  
 6 ability to participate. That would mean is  
 7 there anyone else that would care to  
 8 volunteer?  
 9 DIR. COHN: The main parts of  
 10 our agenda are done, so we have less business  
 11 to do, but when we need to do business, we  
 12 need people to contribute to it.  
 13 THE CHAIRMAN: Mark, do you  
 14 think you can?  
 15 MR. KIRK: Really as  
 16 necessary. Bud indicated there's less.  
 17 DIR. LAURETTI: Is this for  
 18 policies and procurements?  
 19 THE CHAIRMAN: Yes. Bud's  
 20 committee has worked extremely hard. As he  
 21 said, the bulk of it is done.  
 22 Mark, would you consider?  
 23 DIR. COOPER: I'll consider  
 24 it, but other things might conflict so --  
 25 THE CHAIRMAN: Please consider

1 and let us know.  
 2 All those in favor of the  
 3 committees as represented?  
 4 DIR. O'BRIEN: I would move to  
 5 amend the resolution to allow the chairman to  
 6 make such committee appointments as he deems  
 7 appropriate.  
 8 THE CHAIRMAN: Is there a  
 9 second to that?  
 10 DIR. SULLIVAN: Second.  
 11 DIR. O'BRIEN: Unless that's a  
 12 friendly amendment, Steve.  
 13 DIR. CASSANO: I'll treat it  
 14 as part of the resolution.  
 15 THE CHAIRMAN: All those in  
 16 favor?  
 17 Opposed?  
 18 So moved.  
 19 The computer purchases.  
 20 DIR. CASSANO: Move to adopt.  
 21 DIR. O'BRIEN: Second.  
 22 MR. KIRK: That's a good idea.  
 23 I think we ought to form kind of a consent --  
 24 THE CHAIRMAN: I do not like  
 25 consents. The Chair is not in favor of that.

1 At some point in the future --  
 2 DIR. CASSANO: At some point  
 3 today we're going to have a vote, and there's  
 4 going to be not two-thirds of the people  
 5 here, so that's the problem we're having.  
 6 THE CHAIRMAN: You're right,  
 7 Steve. But I think we've signed onto this,  
 8 obligated to stay. That's it. Consent  
 9 calendars to me are overt. I'm sorry, but --  
 10 Is there any further  
 11 discussion on this? We've gone through this.  
 12 DIR. O'BRIEN: I would just  
 13 like to thank staff for providing the  
 14 additional information I'd requested with  
 15 regard to what they are getting versus what  
 16 they got. It certainly makes a lot of sense  
 17 to me. We are getting a lot for the  
 18 computers. They probably needed to be  
 19 replaced in the near future anyway.  
 20 THE CHAIRMAN: Andy.  
 21 DIR. SULLIVAN: I agree.  
 22 THE CHAIRMAN: Any comments?  
 23 DIR. SULLIVAN: We could try  
 24 to buy them through the Internet at a  
 25 discount.

1 THE CHAIRMAN: All those in  
 2 favor?  
 3 Opposed?  
 4 So moved.  
 5 Adoption of revised  
 6 procurement policies and procedures.  
 7 DIR. COHN: I'll move it.  
 8 DIR. O'BRIEN: Second.  
 9 THE CHAIRMAN: Do you want to  
 10 discuss it?  
 11 DIR. COHN: Some months ago we  
 12 adopted a new policy and procedure for  
 13 procurement. After several months of  
 14 experience with it, there were a number of  
 15 areas that needed to -- particularly which  
 16 procedure applied to what scale purchase, and  
 17 that's all been ironed out in this new  
 18 procedure.  
 19 In addition, there was a  
 20 question of since contracts of over 50,000  
 21 have to come to the Board, what happens if  
 22 under an RFQ selection process we establish a  
 23 list and a firm gets more than \$50,000 of  
 24 work in smaller pieces, and that's ironed out  
 25 here too. There's no fundamental change in

1 the policy here. Everything still remains  
 2 competitive to the maximum extent possible.  
 3 THE CHAIRMAN: Okay. Anything  
 4 else?  
 5 DIR. O'BRIEN: Yes. There's  
 6 also some improved tracking at the suggestion  
 7 of Jim and others. For example, use of  
 8 requiring purchase orders to allow it to  
 9 track procurement better and keep track of  
 10 costs.  
 11 THE CHAIRMAN: Ann from legal,  
 12 any comment?  
 13 MS. STRAVALLE-SCHMIDT: No.  
 14 THE CHAIRMAN: President?  
 15 MR. KIRK: No. I'm very  
 16 comfortable, and I appreciate the committee's  
 17 work in helping us in identifying the handful  
 18 of challenges we ran across. We've got about  
 19 almost a year under our belt with most of  
 20 these new procedures, and we've worked out  
 21 the kinks and we're very comfortable with  
 22 them now.  
 23 THE CHAIRMAN: And Andy from  
 24 finance dealing with some of the other  
 25 initiatives that we're working on.

1 DIR. SULLIVAN: Yes.  
 2 THE CHAIRMAN: Other comment?  
 3 All those in favor?  
 4 Opposed?  
 5 Abstained?  
 6 So moved.  
 7 Sir.  
 8 DIR. COHN: Before we leave  
 9 the area, there was one other item that we  
 10 discussed. It was initially brought up at  
 11 the finance committee. My committee was  
 12 asked to look at whether we needed to have a  
 13 transcript of the Board meetings. And legal  
 14 looked and it, and there's no legal  
 15 requirement that we have it. So it's been an  
 16 assist to a certain degree in doing the  
 17 minutes. And what we discussed at the  
 18 committee meeting was doing a trial period  
 19 without steno and without the full transcript  
 20 to see if it hampers doing the minutes.  
 21 We'll still have the recording.  
 22 THE CHAIRMAN: So, the  
 23 recommendation is a trial period without.  
 24 Ann.  
 25 MS. STRAVALLE-SCHMIDT: As

1 long as we record it, it doesn't matter the  
 2 manner in which you record it as long as you  
 3 have the transcript.  
 4 THE CHAIRMAN: That would be  
 5 the decision of the Board, or is that a  
 6 decision of protocol by the chair?  
 7 DIR. COHN: Ann.  
 8 MS. STRAVALLE-SCHMIDT: I  
 9 think it's unclear.  
 10 THE CHAIRMAN: The Chair is a  
 11 little reluctant to move on that.  
 12 MS. STRAVALLE-SCHMIDT: I can  
 13 research the issue as to who should make the  
 14 decision as to how the minutes should be  
 15 recorded.  
 16 THE CHAIRMAN: I'm asking the  
 17 question.  
 18 DIR. MARTLAND: It's cleaner  
 19 and it's safer so --  
 20 MS. STRAVALLE-SCHMIDT: I'll  
 21 get back to you on that.  
 22 THE CHAIRMAN: So, if that's  
 23 the case, is that a motion that you want to  
 24 add to this agenda?  
 25 DIR. COHN: Yes, we might as

1 well add it.  
 2 DIR. O'BRIEN: Second.  
 3 THE CHAIRMAN: We're all  
 4 following where the chair is going with this.  
 5 DIR. CASSANO: The motion is  
 6 to add.  
 7 DIR. COHN: Yes.  
 8 THE CHAIRMAN: The motion is  
 9 to add.  
 10 DIR. COHN: For a trial period  
 11 of three months in which we don't have a  
 12 stenographer at the meeting but rely on the  
 13 reporting only for the record.  
 14 THE CHAIRMAN: Okay. That's  
 15 the motion. Everybody is clear on the motion  
 16 to add to the agenda?  
 17 Woody, you have a question  
 18 mark?  
 19 DIR. LOVEJOY: No.  
 20 DIR. COHN: And for  
 21 preparation of the minutes.  
 22 THE CHAIRMAN: All those in  
 23 favor of adding this to the agenda?  
 24 Opposed?  
 25 Abstained?

1 THE CHAIRMAN: Now, we'll  
 2 bring that now as a motion to the table.  
 3 DIR. O'BRIEN: Second. And  
 4 this doesn't have to be a part of the motion,  
 5 but I would request this be on the April  
 6 agenda for Board consideration and  
 7 discussion. We'll have two months of  
 8 meetings without a verbatim transcript, and  
 9 we can decide whether or not --

10 THE CHAIRMAN: That would be  
 11 part of the procedure to come back and  
 12 evaluate in three months.

13 The issue now on the table for  
 14 the vote is to suspend the stenographer and  
 15 those kinds of minutes from happening but  
 16 continue --

17 DIR. COHN: Not the minutes,  
 18 just the transcript.

19 THE CHAIRMAN: I'm saying the  
 20 verbatim minutes. But we would still tape  
 21 and have those kept for whatever period of  
 22 time need be.

23 DIR. COHN: Yes.

24 DIR. SULLIVAN: And the  
 25 purpose of doing this?

1 DIR. COHN: To save some  
 2 money.

3 DIR. O'BRIEN: And the  
 4 secondary purpose is to incorporate into the  
 5 discussion of the motion to the minutes some  
 6 of the substance of the discussion as opposed  
 7 to having to go from the resolution and then  
 8 start leafing through the verbatim to try and  
 9 find out what comments were offered.

10 DIR. COHN: I would also note  
 11 that none of the other parties that I've  
 12 served on have kept verbatim transcripts, and  
 13 to my knowledge there's never been an issue  
 14 over that.

15 DIR. SULLIVAN: We didn't do  
 16 that right at the outset, did we? When we  
 17 first took over did we have verbatim?

18 THE CHAIRMAN: I think after  
 19 the second or third meeting we did it because  
 20 we wanted to show true transparency. So that  
 21 demonstration has gone through.

22 Any comments?

23 DIR. CASSANO: I would suggest  
 24 that we use the term "suspend the use of the  
 25 stenographer" as opposed to suspending the

1 stenographer.

2 THE COURT REPORTER: Thank  
 3 you.

4 DIR. O'BRIEN: And I would  
 5 also like to thank the stenographer for an  
 6 excellent job done.

7 THE CHAIRMAN: And just for  
 8 the record, it's not personal. It's been an  
 9 outstanding and, I'm sure, a difficult task  
 10 at best at some points.

11 DIR. LAURETTI: What prohibits  
 12 us from getting verbatim minutes just from  
 13 recording?

14 THE CHAIRMAN: Somebody to  
 15 type it. Substantial, I would imagine.  
 16 Angelica, I think her time is more valuable  
 17 doing other things for us.

18 DIR. LAURETTI: We do it every  
 19 meeting. And our meetings are --

20 THE CHAIRMAN: Is that an  
 21 offer of Shelton to do it?

22 MR. KIRK: One of the further  
 23 challenges, I think, would be identifying  
 24 who's speaking from the tape. The other  
 25 challenge I would hope we all consider, too,

1 is it puts a lot of -- the challenge here is  
 2 for Angelica to be able to fairly and  
 3 completely represent the comments fully in  
 4 the minutes which we'll have three months to  
 5 identify. But I think it's very important  
 6 that even short comments that are made are  
 7 important to those individual directors and  
 8 to the public record, and I hope those aren't  
 9 at risk of being lost if we go to this  
 10 system.

11 DIR. LAURETTI: You would  
 12 maintain the tape. Right?

13 MR. KIRK: We would maintain  
 14 the tape, but that's all it is is a tape in  
 15 Angelica's cubicle that we can go back to but  
 16 would not be available readily.

17 DIR. LAURETTI: What's readily  
 18 mean? Does readily mean immediately or  
 19 within a day's time frame?

20 MR. KIRK: Well, for instance,  
 21 if I had a question about what happened at  
 22 the November Board, I'd pull out my book. I  
 23 can't imagine going back to the tape and  
 24 replaying the November board meeting. I  
 25 don't think it's an issue. I think it's

1 something we have to be aware of that the  
 2 transcript gives us the benefit of making  
 3 sure everything we say here is available to  
 4 the public.  
 5 THE CHAIRMAN: I think that's  
 6 why the maker and the seconder of the motion  
 7 said we'll try this out. If it's something  
 8 that is not as convenient or successful, then  
 9 we have the opportunity to go back.  
 10 DIR. COHN: I would also note  
 11 that if it turns out to be a problem sooner  
 12 than April in one month's time --  
 13 MR. KIRK: And the savings are  
 14 not insignificant. It's about \$1,000 per  
 15 month.  
 16 THE CHAIRMAN: I'm going to  
 17 move the question.  
 18 All those in favor?  
 19 Opposed?  
 20 So moved.  
 21 Next would be to go to  
 22 executive session. I'd entertain a motion to  
 23 go to executive session at 11:25.  
 24 DIR. SULLIVAN: So moved.  
 25 THE CHAIRMAN: All those in

1 favor?  
 2 (Whereupon, an executive  
 3 session was held from 11:25 o'clock a.m.  
 4 until 1:27 o'clock p.m.)  
 5 (The following was held  
 6 excluding Directors Lovejoy, Griswold, Knopp  
 7 and Lathrop.)  
 8 THE CHAIRMAN: We've entered  
 9 session again. It's 1:27. There were no  
 10 votes taken in executive session. If you  
 11 would record later on who is still in  
 12 attendance here. I do want to make  
 13 notification that during that executive  
 14 session and as part of a discussion I did  
 15 receive a letter of resignation from Arthur  
 16 Lathrop, and the letter I would put into  
 17 correspondence.  
 18 And I will say this for the  
 19 record. In part the letter is addressed to  
 20 me, absent the first part here. "You and Tom  
 21 Kirk and the entire Board have my upmost  
 22 respect and admiration for the job you are  
 23 doing, and it is with deepest regret that I  
 24 must tender by resignation."  
 25 DIR. O'BRIEN: That should be

1 copied to the appointed authorities.  
 2 THE CHAIRMAN: We will do all  
 3 that. I'll leave that to Tom and Ann to take  
 4 care of.  
 5 Ray, we have a couple items?  
 6 DIR. O'BRIEN: I will move the  
 7 resolution regarding payment of certain legal  
 8 invoices.  
 9 THE CHAIRMAN: Is there a  
 10 second?  
 11 DIR. SULLIVAN: Second.  
 12 THE CHAIRMAN: Any discussion  
 13 on this matter? This shows on bills to date  
 14 and some future anticipated costs.  
 15 Seeing none, all those in  
 16 favor?  
 17 DIR. MARTLAND: Nay.  
 18 THE CHAIRMAN: I have one nay.  
 19 DIR. LAURETTI: Abstained.  
 20 DIR. COHN: I'm going to  
 21 abstain because I have a cousin who's a  
 22 partner in one of the firms.  
 23 THE CHAIRMAN: We have two  
 24 abstained. That's does not leave enough  
 25 votes.

1 DIR. O'BRIEN: I would move to  
 2 separate out Cohn Birnbaum from that  
 3 resolution.  
 4 THE CHAIRMAN: The Chair just  
 5 needs to say that while it's fine to abstain,  
 6 you have every right to do so, there are  
 7 certain obligations that this Board has taken  
 8 on by legislative enactments and also by our  
 9 motions, and it's difficult to proceed with  
 10 the company when --  
 11 DIR. MARTLAND: If you  
 12 segregated them out, then I would vote for  
 13 most of them. But I just want to be on  
 14 record on certain ones.  
 15 DIR. CASSANO: Let me ask a  
 16 technical question. Do we need two-thirds to  
 17 pass or two-thirds to vote? There is a  
 18 difference.  
 19 DIR. LAURETTI: The simple  
 20 majority to pass.  
 21 DIR. CASSANO: I think it's  
 22 the simple majority to pass and the  
 23 abstentions don't affect the vote.  
 24 THE CHAIRMAN: Let's go to the  
 25 abstentions, okay, because these legal bills

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1 are an important facet of what we're doing.  
2 I'll let Bud, if he cares to state, there was  
3 one item in there that if removed you would  
4 feel comfortable with the vote?  
5 DIR. COHN: Yes.  
6 THE CHAIRMAN: Okay. Ray, if  
7 we extract that part, who would we be  
8 extracting?  
9 DIR. O'BRIEN: Cohn Birnbaum.  
10 THE CHAIRMAN: Is there an  
11 exception to one of the other pieces,  
12 Dr. Martland, that if taken out you would  
13 feel comfortable with the vote?  
14 DIR. MARTLAND: Correct.  
15 MR. KIRK: We would have seven  
16 votes.  
17 DIR. LAURETTI: Point of  
18 order, Mr. Chairman.  
19 THE CHAIRMAN: Let's stay with  
20 Dr. Martland. What would that be?  
21 DIR. MARTLAND: Pepe & Hazard.  
22 THE CHAIRMAN: So, absent Pepe  
23 & Hazard you'd feel comfortable bringing the  
24 table to a vote?  
25 DIR. MARTLAND: Yes.

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1 THE CHAIRMAN: Mark, is there  
2 anything in particular that you find  
3 exception to as a whole?  
4 DIR. LAURETTI: Pepe & Hazard  
5 and Anderson Kill. Let's see if we can get  
6 back to that chart.  
7 THE CHAIRMAN: Those are --  
8 DIR. O'BRIEN: While I respect  
9 the inclusion of the other two, we don't have  
10 any discretion with regard to Anderson Kill  
11 and Pepe & Hazard. They are retained by the  
12 Attorney General. He is directing the  
13 lawsuit. We are responsible for paying the  
14 bills, and that's a responsibility we can't  
15 avoid.  
16 THE CHAIRMAN: The Chair would  
17 make this: That motion be placed on the  
18 table to pay all of the legal bills except  
19 for --  
20 DIR. MARTLAND: Pepe &  
21 Hazard --  
22 THE CHAIRMAN: The Chair being  
23 interrupted, we will refer to the other two  
24 gentlemen.  
25 Yes.

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1 DIR. SULLIVAN: Where is Pepe  
2 & Hazard on the list? Aren't we on a  
3 contingency with them?  
4 MS. STRAVALLE-SCHMIDT:  
5 Expenses, potential expenses.  
6 DIR. MARTLAND: Okay. They're  
7 on one and not on the other. I have to  
8 change my opinion. I'm sorry. I apologize.  
9 THE CHAIRMAN: So we have  
10 clarification from the gentleman here.  
11 Now, the Chair is going to go  
12 through this. We have a list of attorneys  
13 and the fees that need to be paid. All  
14 right? What I'm hearing is we can vote on  
15 the whole, absent what name again?  
16 DIR. O'BRIEN: Cohn Birnbaum.  
17 THE CHAIRMAN: Cohn Birnbaum  
18 and --  
19 DIR. MARTLAND: I apologize  
20 because I made a statement. They aren't on  
21 your list. I was reading the other printout.  
22 THE CHAIRMAN: Okay.  
23 DIR. LAURETTI: Pepe & Hazard  
24 aren't listed. You have a required estimate  
25 for future work from 2/1 to 6/30/04, 60,000.

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1 THE CHAIRMAN: The Chair is  
2 going to call for the vote as a whole.  
3 DIR. MARTLAND: Which list are  
4 we doing? Is this the one in the book, tab  
5 8?  
6 THE CHAIRMAN: Yes. Okay?  
7 We're on our Board agenda, sir.  
8 DIR. MARTLAND: I'm sorry. I  
9 apologize.  
10 THE CHAIRMAN: Ray, your  
11 original motion is to pay the bills as stated  
12 in tab 8. We've had some clarifications from  
13 gentlemen.  
14 All those in favor?  
15 Opposed?  
16 Abstained?  
17 DIR. COHN: I abstain because  
18 I have a cousin who is a partner in one of  
19 the firms.  
20 THE CHAIRMAN: Which is very  
21 legitimate and we respect the gentleman. The  
22 other two gentlemen, let it be noted, were  
23 satisfied with the --  
24 DIR. LAURETTI: The first  
25 resolution in tab 8; is that correct?

1 DIR. COHN: Correct.  
 2 DIR. LAURETTI: That's the  
 3 motion that we just approved?  
 4 THE CHAIRMAN: Right.  
 5 DIR. LAURETTI: I was looking  
 6 on the wrong sheet.  
 7 THE CHAIRMAN: It's always  
 8 good to be on the same page.  
 9 The next item would be the  
 10 compensation package.  
 11 DIR. CASSANO: "Resolved:  
 12 That an employee compensation plan at  
 13 Connecticut Resources Recovery Authority be  
 14 adopted, substantially in the form as  
 15 approved by the Organizational Synergy and  
 16 Human Resources Committee."  
 17 Move to adopt.  
 18 DIR. O'BRIEN: Second.  
 19 THE CHAIRMAN: Discussion? Do  
 20 you want to say anything for the record, sir?  
 21 DIR. CASSANO: No. I think we  
 22 pretty much discussed it. It's within the  
 23 budget. It's been approved. We have had a  
 24 overall study of compensation in a variety of  
 25 industries, both in the region and out.

1 make sure --  
 2 DIR. LAURETTI: It doesn't  
 3 matter anyways because you still have enough  
 4 to pass even if I was a no vote.  
 5 MR. KIRK: We'll leave it as  
 6 is then.  
 7 THE CHAIRMAN: I have this  
 8 1:30.  
 9 DIR. O'BRIEN: Move to  
 10 adjourn?  
 11 DIR. SULLIVAN: I actually  
 12 would suggest that we move to recess to a  
 13 telephone or other meeting on Monday to deal  
 14 with the other matters relative to  
 15 compensation for legal fees.  
 16 DIR. O'BRIEN: I agree with  
 17 the suggestion to recess. But I would leave  
 18 the date open and just say next week at the  
 19 discretion of the Chair and the president.  
 20 DIR. SULLIVAN: Okay.  
 21 THE CHAIRMAN: Why are you --  
 22 DIR. SULLIVAN: Recessing to  
 23 deal with this issue here.  
 24 THE CHAIRMAN: Okay.  
 25 DIR. O'BRIEN: The recess

1 We've established a range. We're well within  
 2 the range of a large majority of all of our  
 3 positions. There are five that are exceeded.  
 4 There are a few that are below it, and  
 5 adjustments will be made over time to bring  
 6 everybody within the range.  
 7 THE CHAIRMAN: Everybody set?  
 8 All those in favor?  
 9 Opposed?  
 10 DIR. MARTLAND: Nay.  
 11 THE CHAIRMAN: Abstained?  
 12 Yes, sir.  
 13 MR. KIRK: If I can just  
 14 interrupt for a second? Can I confirm Mark's  
 15 point on the earlier motion. You voted on  
 16 the full resolution that was behind tab 8.  
 17 There was a second page that said "further  
 18 resolved." You understood that that was part  
 19 of the motion. Right? Mark?  
 20 DIR. LAURETTI: I thought it  
 21 was two separate motions. I did see it  
 22 there. I was aware of it.  
 23 MR. KIRK: It's not separate;  
 24 it's further resolved. Unless there's a  
 25 different vote as a result of it, I want to

1 would allow us to add items to that agenda if  
 2 something comes up between now and that  
 3 meeting.  
 4 THE CHAIRMAN: I'm wondering  
 5 if it would be cleaner, so to speak, to just  
 6 call a special meeting and give proper notice  
 7 of a special meeting by telephone.  
 8 DIR. O'BRIEN: How long does  
 9 that take?  
 10 MR. KIRK: Twenty-four hours.  
 11 But we would notice this recessed meeting  
 12 also.  
 13 THE CHAIRMAN: A cleaner piece  
 14 of paper saying, okay, this has been  
 15 adjourned and special meeting. Okay?  
 16 DIR. SULLIVAN: Then I take it  
 17 back. I'll second your motion to adjourn.  
 18 MR. KIRK: We had hoped Ted  
 19 could shed some light on the indemnity issue,  
 20 but more importantly, the New Hartford suit.  
 21 THE CHAIRMAN: What I'm going  
 22 to do is leave the vice chairman in place.  
 23 DIR. CASSANO: Do we need to  
 24 go into executive session?  
 25 MS. STRAVALLE-SCHMIDT: To the

1 extent that Ted is going to discuss  
2 litigation strategy, I think so.  
3 DIR. CASSANO: For those that  
4 can stay, we'll go back into executive  
5 session.  
6 DIR. O'BRIEN: I'll second.  
7 DIR. FRANCIS: I'll move.  
8 (Whereupon, an executive  
9 session was held.)

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## **TAB 2**

**CONNECTICUT RESOURCES RECOVERY AUTHORITY**

**THREE HUNDRED SIXTY-EIGHTH MEETING**

**JANUARY 26, 2004**

A Special telephonic meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Monday, January 26, 2004 at 100 Constitution Plaza, Hartford. Those present were:

Chairman Michael Pace

Directors:     Stephen Cassano  
                  Andrew Sullivan  
                  Theodore Martland  
                  Mark Cooper  
                  Ray O'Brien  
                  James Francis  
                  Alex Knopp  
                  Jeffrey Hedberg (ad hoc for Mid-Connecticut)  
                  Sherwood Lovejoy (ad hoc for Bridgeport)

Directors Laretti, Cohn, and Griswold did not participate.

Present from the CRRA staff:

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

Also in attendance was: Peter Hull of McCarter & English.

Chairman Pace called the meeting to order at 10:05 a.m. and noted that a quorum was present.

**EXECUTIVE SESSION**

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

The Executive Session began at 10:06 a.m.

The Executive Session concluded at 10:40 a.m.

Chairman Pace reconvened the Board meeting at 10:41 a.m.

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

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

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

**RESOLVED:** That the CRRA Board of Directors ("the Board"), pursuant Conn. Gen. Stat. § 1-125 and CRRA's bylaws, authorizes the payment of reasonable legal fees and expenses incurred by former members, alternate members, and ad hoc members of the Board for their defense of law suits regarding actions or omissions taken in connection with the CRRA-Enron-CL&P transaction, during their tenures while acting in the discharge of their duties or arising out their appointment.

CRRA will seek reimbursement where practicable of any fees and expenses paid if it is found that such acts or omissions were wanton, reckless, willful or malicious.

**FURTHER RESOLVED:** CRRA adopts two options for the payment of such legal fees and expenses. Each former member, alternate member, and ad hoc member of the Board must select, in writing, either Option One or Option Two.

Option One: CRRA will retain one attorney chosen by a group(s) of former members, alternate members, and ad hoc members of the Board to jointly defend them in connection with the above-referenced lawsuits. CRRA will negotiate the rate and will pay all reasonable fees and expenses charged by counsel for services rendered. Such payment will be subject to audit and compliance with CRRA billing guidelines.

Option Two: If an individual former member, alternate member, or ad hoc member of the Board chooses to select his or her own attorney to defend him or her in connection with the above-referenced lawsuits, CRRA will pay all reasonable fees and expenses charged by counsel for services rendered in connection with that representation. All such payments will be subject to prior approval of a six-month budget, audit, and compliance with CRRA's billing guidelines. A copy of the CRRA billing guidelines will be provided to the attorney that the former member, alternate member, or ad hoc member of the Board chooses. The rate of the attorney that he or she decides to retain must be determined by CRRA to be reasonable.

Director Martland seconded the motion. A roll call was taken and the motion was approved by a two-thirds (2/3) vote.

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

**EXECUTIVE SESSION**

Chairman Pace requested a motion to convene an executive session in order to discuss a drafting of a letter regarding the aforementioned issue. Director O'Brien made the motion which was seconded by Director Francis. Chairman Pace requested that Messrs. Kirk and Hull and Ms. Schmidt remain during executive session. The motion previously made and seconded was approved unanimously.

The Executive Session began at 10:45 a.m.

The Executive Session concluded at 10:58 a.m.

Chairman Pace reconvened the Board meeting at 10:59 a.m.

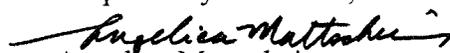
Chairman Pace noted that no votes were taken in Executive Session.

**ADJOURNMENT**

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

There being no other business to discuss, the meeting was adjourned at 10:59 a.m.

Respectfully submitted,



Angelica Mattschei  
Corporate Secretary to the Board

**CONNECTICUT RESOURCES RECOVERY AUTHORITY**

**EXECUTIVE SESSION**

**JANUARY 22, 2004**

Executive Sessions called for the purposes of discussing a policy for indemnification of current and former CRRA Directors, Ad Hoc Members and alternates and drafting of a letter was convened at 10:06 a.m. and 10:45 a.m. respectively.

**DIRECTORS**

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

**STAFF**

Tom Kirk  
Ann Stravalle-Schmidt

**M&E**

Peter Hull

No votes were taken in Executive Session.

The Executive Sessions were adjourned at 10:40 a.m. and 10:58 a.m. respectively.

**TAB 3**

**CONNECTICUT RESOURCES RECOVERY AUTHORITY**

**THREE HUNDRED SIXTY-NINTH MEETING**

**FEBRUARY 2, 2004**

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

Chairman Michael Pace

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

Directors Sullivan and Griswold did not participate.

Present from the CRRA staff:

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

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

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

**EXECUTIVE SESSION**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**ADJOURNMENT**

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

There being no other business to discuss, the meeting was adjourned at 3:05 p.m.

Respectfully submitted,



Angelica Mattschei  
Corporate Secretary to the Board

**CONNECTICUT RESOURCES RECOVERY AUTHORITY**

**EXECUTIVE SESSION**

**FEBRUARY 2, 2004**

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

**DIRECTORS**

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

**STAFF**

Tom Kirk  
Ann Stravalle-Schmidt

**H&S**

Peter Boucher

No votes were taken in Executive Session.

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

## TAB 4

**RESOLUTION REGARDING THE ADOPTION OF THE  
FISCAL YEAR 2005 MID-CONNECTICUT PROJECT  
OPERATING AND CAPITAL BUDGETS AND TIP FEES**

**RESOLVED:** That the fiscal year 2005 Mid-Connecticut Project Operating budget in the amount of \$104,992,000 and the Capital Budget in the amount of \$5,302,000 be adopted as substantially presented in the form as discussed at this meeting.

**FURTHER RESOLVED:** That the tip fees listed in the table below be adopted for fiscal year 2005.

<u>Waste Stream</u>	<u>Per Ton Tip Fees</u>
Municipal Solid Waste (MSW)	\$70.00
Metals	\$75.00
Bulky Waste – Municipal	\$85.00
Bulky Waste – Commercial	\$96.00
White Goods (Metals)	\$74.00
DEP Certified Soils	\$95.00
Nonprocessible Waste Fee	\$85.00
Non-Municipal Mattress Surcharge ( <i>Per Unit</i> )	\$75.00
Container Recycling Fee	\$30.00

# Fiscal Year 2005 Mid-Connecticut Project Proposed Operating & Capital Budgets

*February 19, 2004*

Attached is the proposed fiscal year 2005 Mid-Connecticut Project operating and capital budgets and five-year capital plan, which includes the Jets/EGF budget. The Finance Committee voted to recommend the attached resolution and proposed budgets be brought to the CRRA Board of Directors for review and adoption.

## Summary of Major Assumptions

This proposed operating budget reflects a 4.5% increase from the adopted FY04 budget. Assumes \$16.3M in State Loan borrowings.

### A. TIP FEES

The following table shows the proposed per ton tip fees for fiscal year 2005 as compared to the adopted fiscal year 2004.

<u>Waste Stream</u>	<u>Per Ton Fees</u>		
	<u>FY04</u> <u>Budget</u>	<u>FY05</u> <u>Budget</u>	<u>Increase</u>
Municipal Solid Waste (MSW) <sup>(1)</sup>	\$63.75	\$70.00	\$6.25
Metals	\$75.00	\$75.00	---
Bulky Waste – Municipal <sup>(2)</sup>	\$74.00	\$85.00	\$11.00
Bulky Waste – Commercial <sup>(2)</sup>	\$85.00	\$96.00	\$11.00
White Goods (Metals)	\$74.00	\$74.00	---
DEP Certified Soils	\$95.00	\$95.00	---
Nonprocessible Waste Fee <sup>(2)</sup>	\$74.00	\$85.00	\$11.00
Non-Municipal Mattress Surcharge	\$74.00	<sup>(3)</sup>	<sup>(3)</sup>
Container Recycling Fee <sup>(4)</sup>	\$0.00	\$30.00	\$30.00

<sup>(1)</sup> CRRA management recommends the MSW tip fee be set at \$70.00 per ton.

<sup>(2)</sup> CRRA management recommends the tip fees for Bulky Waste and NonProcessible Waste (“NPW”) be increased by \$11 per ton. Management will issue a Request for Proposal to seek an alternative economical disposal site(s) for our customers in lieu of delivering waste to the Hartford Landfill in an effort to preserve the remaining air space.

<sup>(3)</sup> CRRA management is introducing a new *per unit* tip fee for non-municipal mattress deliveries to the Hartford Landfill. Under the existing rate system, a hauler

that delivers one ton of bulky waste or one ton of mattresses pays CRRA \$74. However, a ton of bulky waste takes up ½ to ¾ cubic yards of air space, while a ton of mattresses can consume approximately 40 cubic yards of air space. Therefore, the proposed per unit fee for non-municipal mattress deliveries of \$75 is based upon volume and not weight.

<sup>(4)</sup> Finally, CRRA management recommends a \$30 per ton tip fee for container recyclables only. This cost could be mitigated with a sharing of the bottle and can deposits (“Escheats”), if they were to become available. Historically the MSW tip fee has subsidized the losses associated with processing container recyclables. Management is proposing this tip fee in order to associate fees with the actual costs being incurred. Without imposition of this fee it would require an additional \$0.75 per ton on the MSW tip fee to cover these costs should this tip fee not be adopted. This tip fee is not intended for fiber recyclables.

## **B. REVENUES**

1. Service Charges Solid Waste - Member / Contract
  - Proposed MSW tip fee of \$70 per ton up 9.8% from FY04
  - Proposed NPW tip fee of \$85 per ton up 14.9% from FY04
  - Request for Proposal to be issued to seek alternative disposal site for NPW customers
  - Budget assumes normalized condition for MSW deliveries of 880,000
2. Service Charges Solid Waste – Spot
  - Assumes adequate deliveries of MSW tons, only ferrous residue deliveries are projected which CRRA is required to take under contract
3. Bulky Waste (Municipal & Commercial)
  - Proposed Bulky Waste tip fee of \$85 per ton up 14.9% from FY04
  - Assumes lower deliveries due to proposed tip fee increase
  - Tip fee increase is intended to preserve the remaining limited amount of air space at the Hartford Landfill
  - Request for Proposal to be issued to seek alternative disposal site
4. DEP Certified Materials
  - Assumes continued revenues due to market demand for disposal sites
5. Interest Income
  - Assumes interest earnings of 2%

6. Electricity
  - Based upon current Electric Purchase Agreement contract rates
7. Miscellaneous Income
  - Assumes reduction in emission credit sales of \$100k to the Southeast Project

## C. EXPENDITURES

1. General Administration (\$1.1M Increase)
  - Reflects increased legal costs of \$500k driven primarily by litigation matters
  - Allocation of salaries and overhead costs includes the new scale / enforcement positions (\$600k). Savings offset reflected in Transfer Station operating costs. (See below)
2. Debt Service / Administration (\$2.2M Increase)
  - Reflects increased costs associated with additional borrowings on the State Loan (\$2.2M)
3. Waste Transport (\$2.8M Decrease)
  - The FY04 budget assumed cost reductions, which were not realized, for transportation services by current provider, which are also included in the FY05 budget
  - Lower export/diversion costs due to anticipated higher processing levels (\$2.6M)
4. Waste Processing Facility (WPF) (\$1M Increase)
  - Increase due primarily to projected higher insurance premiums (\$750k)
  - Increase in contract operating charges (\$250k)
5. Power Block Facility (PBF) (\$1.1M Increase)
  - Higher solid waste tax (Dioxin Tax) (\$400k)
  - Increased DEP permit fees (\$200k)
  - Funding for cooling water intake study (\$100k)
  - Increase in contract operating charges (\$400k)
6. Energy Generating Facility (EGF) (\$38k Increase)
  - Reflects anticipated increase in PILOT payment (\$38k)
7. Hartford Landfill (\$1.1M Increase)
  - Additional funds for temporary membrane installation (\$100k)

- Contingency of \$1M for landfill closure reserve for synthetic cap
8. Ellington Landfill (\$13k Increase)
    - Increased funding for erosion control (\$13k)
  9. Transfer Stations (\$150k Decrease)
    - The FY04 budget assumed \$230k in cost reductions for the operations and maintenance of the transfer stations by current provider, which are also included in the FY05 budget
    - Assumes cost savings from the replacement of scale operators (\$180k)
  10. 171 Murphy Road (\$6k Increase)
    - Reflects anticipated increase in PILOT payment (\$6k)

**D. RECYCLING**

Revenues	FY04 Budget	FY05 Budget
Recycling Sales <sup>(1)</sup>	\$1,467,600	\$1,407,000
Tip Fees <sup>(2)</sup>	\$ 0	\$ 660,000
Total Revenues	\$1,467,600	\$2,067,000
Expenditures <sup>(3)</sup>	\$2,798,781	\$3,038,000
Surplus / (Deficit)	<u>(\$1,331,181)</u>	<u>(\$971,000)</u>

1. Recycling Sales reflects slightly lower tonnages than budgeted in FY04
2. Reflects a container recyclables tip fee of \$30 per ton tip fee. As shown in the table above, these additional tip fee revenues mitigate some of the deficit associated with recycling. The MSW tip fee subsidizes the remaining deficit by \$1.10. Funding from the Escheats could also help mitigate these recycling losses. This tip fee is not intended for fiber recyclables.
3. The increase in expenses is a net of the following:
  - a. City of Hartford PILOT payment of \$100k, previously shown in the WPF budget
  - b. Estimated increase in General Fund allocation which reflects return to full complement of personnel (\$470k)

- c. Increase in Recycling Reserve contribution due to anticipated future capital expenditures (\$75k)
- d. Slight increases for other operating expenditures (\$15k)
- e. Reduction in operating costs associated with change in paper processing operations (\$420k)

**E. JETS / EGF (Energy Generating Facility)**

Revenues:	FY04 Budget	FY05 Budget
Operating	\$5,523,310	\$5,500,000
Black Start Credits <sup>(1)</sup>	\$249,597	\$738,000
Interest Income <sup>(2)</sup>	\$42,000	\$400,000
Other <sup>(3)</sup>	\$ 252,830	\$ 35,000
Total Revenues	\$6,067,737	\$6,673,000
Expenditures:		
General Administration <sup>(4)</sup>	\$281,691	\$1,021,000
Jets <sup>(5)</sup>	\$1,687,961	\$1,960,000
EGF <sup>(6)</sup>	\$4,098,085	\$3,692,000
Total Expenditures	\$6,067,737	\$6,673,000
Surplus / (Deficit)	\$ 0	\$ 0

1. Reflects increased revenues from Black Start Credits (ISO payments for Jets, for their ability to start up when the power grid is down) (\$488k)
2. Interest income from applicable reserves is now budgeted as part of the operating results (\$380k)
3. FY04 assumed the use of \$220k from the \$20M reserve to cover operating expenses
4. FY05 budget anticipates a surplus of \$809k, which needs to be reserved for future EGF operating losses as the existing \$20M reserve has a significant deficit if the existing contracts are not extended
5. Reflects increased Jet operating costs of \$215k per the contract and a \$50k increase in insurance premiums
6. FY04 operating budget was overly conservative on insurance premiums (\$400k)

## F. RISKS & OPPORTUNITIES

1. Anticipates no loss of MSW deliveries due to increase in tip fee (enforcement to monitor impact of tip fee)
2. Assumes slight loss of NPW & Bulky Waste deliveries due to increase in tip fees
3. Budget assumes \$850k in savings from contractor for transportation services and transfer station operations (work with contractor)
4. Processing levels based upon recent historical trends, reduced levels would result in increased diversions and/or exports at \$72 per ton
5. The Jets/EGF continue to run effectively to generate reserves to cover future costs (work to extend existing contracts to lock in revenues)
6. Budget reflects additional costs of \$1M for Hartford Landfill closure. Outcome of discussion with DEP on synthetic cap will determine ultimate need for expenditure.
7. Legislative changes on Solid Waste tax (Dioxin) and re-distribution of escheats on bottles and cans
8. Better than expected recyclables sales market

**MID-CONNECTICUT PROJECT**

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**Proposed FY05 Operating & Capital Budgets**

**February 19, 2004**

# MID-CONNECTICUT PROJECT PROPOSED FY05 BUDGET

## REVENUE AND EXPENDITURE SUMMARY

### REVENUES

Account	Description	ACTUAL FY03	ADOPTED FY04	(6+6) PROJECTED FY04	PROPOSED FY05
41-001-000-40101	Service Charges Solid Waste-Members	\$37,703,214	\$41,284,364	\$42,667,300	\$45,109,000
41-001-000-40102	Service Charges Solid Waste-Contracts	\$13,893,153	\$15,487,824	\$15,093,200	\$16,923,000
41-001-000-40103	Service Charges Solid Waste-Spot	\$846,314	\$272,500	\$870,800	\$108,000
41-001-000-41101	Bulky Waste - Municipal	\$936,716	\$1,813,000	\$592,900	\$680,000
41-001-000-41102	Bulky Waste - Commercial	\$72,600	\$85,000	\$69,200	\$43,000
41-001-000-41103	DEP Certified Materials	\$129,903	\$229,750	\$690,700	\$300,000
41-001-000-41104	Metal Sales	\$29,406	\$0	\$70,900	\$0
41-001-000-42101	Recycling Sales	\$1,479,756	\$1,467,600	\$1,760,900	\$1,407,000
41-001-000-xxxx	Recycling Tip Fee Revenue	\$0	\$0	\$0	\$660,000
41-001-000-42103	Metals Service Charge	\$10,346	\$5,230	\$9,900	\$5,000
41-001-000-43101	Electricity	\$15,549,275	\$14,462,500	\$17,695,900	\$15,290,000
41-001-000-45150	Miscellaneous Income	\$577,858	\$536,386	\$536,400	\$445,000
41-001-000-46101	Interest Income	\$908,910	\$354,600	\$737,200	\$1,000,000
41-001-000-xxxx	Supplemental Sources	\$17,572,107	\$18,421,399	\$10,993,500	\$16,349,000
41-001-000-xxxx	Jets / EGF	\$6,369,376	\$6,067,737	\$6,717,700	\$6,673,000
	<b>Total Revenues</b>	<b>\$96,078,934</b>	<b>\$100,487,890</b>	<b>\$98,506,500</b>	<b>\$104,992,000</b>

### EXPENDITURES

Account	Description	ACTUAL FY03	ADOPTED FY04	PROJECTED FY04	PROPOSED FY05
41-001-501-xxxx	General Administration	\$5,174,781	\$5,351,482	\$5,826,000	\$6,449,000
41-001-502-xxxx	Debt Service/Administration	\$26,090,416	\$26,893,541	\$26,595,000	\$29,163,000
41-001-505-xxxx	Waste Transport	\$12,794,229	\$13,901,762	\$11,755,400	\$11,064,000
41-001-506-xxxx	Regional Recycling	\$2,116,492	\$2,798,781	\$1,912,200	\$3,038,000
41-001-601-xxxx	Waste Processing Facility	\$19,695,090	\$20,316,311	\$20,698,700	\$21,312,000
41-001-602-xxxx	Power Block Facility	\$16,510,327	\$16,775,052	\$17,250,100	\$17,899,000
41-001-603-xxxx	Energy Generating Facility	\$1,425,818	\$1,461,706	\$1,460,900	\$1,500,000
41-001-604-xxxx	Landfill - Hartford	\$3,445,561	\$4,241,332	\$3,594,400	\$5,351,000
41-001-605-xxxx	Landfill - Ellington	\$168,310	\$397,281	\$389,100	\$410,000
41-001-61x-xxxx	Transfer Stations	\$2,246,686	\$2,242,348	\$2,271,700	\$2,086,000
41-001-620-xxxx	171 Murphy Road	\$41,851	\$40,556	\$35,300	\$47,000
41-001-xxx-xxxx	Jets / EGF	\$5,119,234	\$6,067,737	\$5,840,100	\$6,673,000
	<b>Total Expenditures</b>	<b>\$94,828,795</b>	<b>\$100,487,889</b>	<b>\$97,628,900</b>	<b>\$104,992,000</b>
	<b>Surplus / (Deficit)</b>	<b>\$1,250,139</b>	<b>\$0</b>	<b>\$877,600</b>	<b>\$0</b>
	<b>Surplus / (Deficit) w/o Jets/EGF</b>	<b>(\$3)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## MID-CONNECTICUT PROJECT PROPOSED FY05 BUDGET

### EXPENDITURE DETAIL

Account	Description	ACTUAL FY03	ADOPTED FY04	PROPOSED FY05
<b>GENERAL ADMINISTRATION</b>				
41-001-501-52101	Postage & Delivery Fees	\$7,231	\$12,000	\$12,000
41-001-501-52104	Telephone & Pagers	\$20,236	\$14,000	\$25,000
41-001-501-52111	Outside Copying	\$7,198	\$10,000	\$10,000
41-001-501-52115	Advertising	\$18,297	\$20,000	\$25,000
41-001-501-52201	Office Equipment	\$850	\$500	\$500
41-001-501-52202	Office Supplies	\$3,882	\$10,000	\$5,000
41-001-501-52211	Protect Clothing/Safety Equip.	\$334	\$3,000	\$8,000
41-001-501-52302	Miscellaneous Services	\$17,439	\$5,000	\$6,000
41-001-501-52305	Business Meetings and Travel	\$1,552	\$1,000	\$1,500
41-001-501-52355	Mileage Reimbursement	\$3,824	\$5,000	\$5,000
41-001-501-52401	Vehicle Repair / Maintenance	\$787	\$6,000	\$6,000
41-001-501-52403	Office Equipment Service	\$14,471	\$15,000	\$15,500
41-001-501-52404	Building Operations	\$40,659	\$71,960	\$75,000
41-001-501-52415	Grounds Maintenance	\$43,111	\$26,500	\$31,000
41-001-501-52502	Fees/Licenses/Permits	\$180	\$500	\$1,000
41-001-501-52505	Claims/Losses	\$13,921	\$8,500	\$10,000
41-001-501-52602	Bad Debt Expense	\$1,000	\$10,000	\$10,000
41-001-501-52612	Fuel	\$294	\$4,000	\$4,000
41-001-501-52856	Legal	\$2,290,716	\$1,500,000	\$2,000,000
41-001-501-52859	Financial	\$0	\$65,000	\$67,000
41-001-501-52863	Auditor	\$1,815	\$30,000	\$40,000
41-001-501-52875	Insurance, Consulting, Brokerage Serv	\$62,583	\$86,500	\$69,000
41-001-501-52899	Other Consulting Services	\$28,665	\$150,000	\$155,000
41-001-501-53301	Gas	\$6,479	\$7,850	\$8,000
41-001-501-53304	Electricity	\$55,679	\$55,000	\$58,000
41-001-501-54482	Computer Hardware	\$4,389	\$10,000	\$14,000
41-001-501-54483	Computer Software	\$719	\$4,000	\$5,000
41-001-501-52853	Information Technology	\$0	\$80,000	\$65,500
	Further Reduction in Allocation of Salaries & Overhead	\$0	\$0	\$0
41-001-501-57840	Allocation - Salaries	\$1,381,034	\$1,731,582	\$2,077,500
41-001-501-57850	Allocation - Overhead	\$1,147,436	\$1,408,590	\$1,639,500
	<b>Subtotal</b>	<b>\$5,174,781</b>	<b>\$5,351,482</b>	<b>\$6,449,000</b>
			3.4%	20.5%

# MID-CONNECTICUT PROJECT PROPOSED FY05 BUDGET

## EXPENDITURE DETAIL

Account	Description	ACTUAL FY03	ADOPTED FY04	PROPOSED FY05
<b><u>DEBT SERVICE/ADMINISTRATION</u></b>				
41-001-502-55525	Interest - 96 Series	\$10,464,441	\$9,704,513	\$8,837,000
41-001-502-55526	Interest - 97 Series	\$199,180	\$157,406	\$114,000
41-001-502-55536	Interest - 01 Series	\$686,623	\$686,623	\$687,000
41-001-502-55560	Principal Repayment	\$14,725,000	\$15,470,000	\$16,334,000
41-001-502-55585	Trustee Fees	\$15,075	\$15,000	\$17,000
41-001-502-xxxxx	Loan Repayment	\$97	\$860,000	\$3,174,000
	<b>Subtotal</b>	<b>\$26,090,416</b>	<b>\$26,893,541</b>	<b>\$29,163,000</b>
<b><u>WASTE TRANSPORT</u></b>				
41-001-505-52409	Other Repairs & Maintenance	\$0	\$2,000	\$2,000
41-001-505-52509	Transfer / Transport Subsidy	\$253,706	\$229,794	\$219,000
41-001-505-52658	Rolling Stock Reserve	\$750,000	\$750,000	\$750,000
41-001-505-52701	Contract Operating Charges	\$5,824,860	\$3,083,800	\$5,292,000
	Contract Operating Charges - Other	\$0	\$2,317,300	\$0
41-001-505-52701	Contract Operating Charges	\$5,824,860	\$5,401,100	\$5,292,000
41-001-505-xxxxx	Ash Loading	\$0	\$159,013	\$0
41-001-505-52706	Ash Hauling	\$445,346	\$426,855	\$467,000
41-001-505-52707	Contract Hauling - Other	\$89,046	\$23,000	\$100,000
41-001-505-52899	Other Consulting Services	\$45,038	\$60,000	\$40,000
	<b>Subtotal</b>	<b>\$7,407,996</b>	<b>\$7,051,762</b>	<b>\$6,870,000</b>
41-001-505-52710	Disposal Fees - Solid Waste (Bypass)	\$5,386,233	\$6,850,000	\$4,194,000
	<b>Subtotal - Waste Transport</b>	<b>\$12,794,229</b>	<b>\$13,901,762</b>	<b>\$11,064,000</b>
			8.7%	-20.4%
<b><u>REGIONAL RECYCLING</u></b>				
41-001-506-52118	Marketing & Public Relations	\$75	\$40,000	\$10,000
41-001-506-52202	Office Supplies	\$3,294	\$10,000	\$5,000
41-001-506-52302	Miscellaneous Services	\$190	\$2,000	\$2,000
41-001-506-52303	Subscriptions/Publications/Ref. Material	\$160	\$200	\$200
41-001-506-52305	Bus. Meetings & Travel	\$42	\$0	\$0
41-001-506-52355	Mileage Reimbursement	\$76	\$0	\$0
41-001-506-52404	Building Operations	\$2,190	\$25,000	\$15,000
41-001-506-52407	Project Equipment Maintenance	\$23,601	\$38,000	\$40,000
41-001-506-52418	Education Exhibits Maintenance	\$0	\$35,000	\$35,000
41-001-506-52502	Fees/Licenses/Permits	\$9,330	\$13,000	\$10,000
41-001-506-52652	Equipment Replacement Reserve	\$125,000	\$125,000	\$51,000
41-001-506-xxxxx	Recycling Education Reserve (PILOT)	\$0	\$0	\$100,000
41-001-506-52701	Contract Operating Charges	\$708,257	\$1,076,044	\$656,000
41-001-506-52709	Other Operating Charges	\$5,039	\$50,000	\$50,000
41-001-506-52810	Contract Services	\$21,770	\$50,000	\$40,000
41-001-506-52858	Engineering	\$31,269	\$100,000	\$70,000
41-001-506-52901	Environmental Testing	\$336	\$6,500	\$6,800
41-001-506-54482	Computer Hardware	\$0	\$1,000	\$2,000
41-001-506-56605	Construction	\$5,738	\$25,000	\$0
41-001-506-xxxxx	Recycling Reserve	\$0	\$0	\$100,000
41-001-508-xxxxx	Swero Education and Other Programs	\$195,268	\$168,386	\$173,000
41-001-506-57840	Allocation - Salaries	\$537,725	\$669,722	\$925,000
41-001-506-57850	Allocation - Overhead	\$447,132	\$532,315	\$747,000
	<b>Subtotal</b>	<b>\$2,116,492</b>	<b>\$2,798,781</b>	<b>\$3,038,000</b>
			32.2%	8.5%

# MID-CONNECTICUT PROJECT PROPOSED FY05 BUDGET

## EXPENDITURE DETAIL

Account	Description	ACTUAL FY03	ADOPTED FY04	PROPOSED FY05
<b>WASTE PROCESSING FACILITY</b>				
41-001-601-52404	Building Operations	\$15,793	\$10,000	\$25,000
41-001-601-52407	Project Equipment Maintenance	\$5,870	\$5,000	\$10,000
41-001-601-52502	Fees/Licenses/Permits	\$13,083	\$0	\$0
41-001-601-52507	Payments in Lieu of Taxes	\$2,890,921	\$2,471,211	\$2,833,000
41-001-601-52604	Rental / Lease	\$0	\$15,000	\$0
41-001-601-52640	Insurance Premium	\$1,185,601	\$1,567,600	\$2,315,000
41-001-601-52668	WPF Modification Reserve	\$500,000	\$500,000	\$1,000,000
41-001-601-52701	Contract Operating Charges	\$13,515,646	\$13,723,800	\$13,986,000
41-001-601-52709	Ferrous Metals Removal	\$113,147	\$178,200	\$184,000
41-001-601-52709	Dozing Costs	\$0	\$290,000	\$207,000
41-001-601-52709	Other Operating Charges (Subtotal)	\$113,147	\$468,200	\$391,000
41-001-601-52858	Engineering	\$165,851	\$57,000	\$190,000
41-001-601-52899	Other Consulting Services	\$3,686	\$15,000	\$0
41-001-601-52901	Environmental Testing	\$7,562	\$25,000	\$25,000
41-001-601-53304	Electricity	\$207,592	\$300	\$1,000
41-001-601-54482	Computer Hardware	\$0	\$1,000	\$4,000
41-001-601-56605	Construction	\$566,262	\$750,000	\$0
<b>Mid-Connecticut Air Processing System (MCAPS)</b>				
41-001-601-52616	Fuel	\$304,264	\$509,400	\$375,000
41-001-601-52713	Operating & Maintenance Costs	\$199,812	\$0	\$0
41-001-601-52713	Odor - Maintenance Costs	\$0	\$91,000	\$76,000
41-001-601-52713	Odor - Filter Maintenance	\$0	\$106,800	\$81,000
	Subtotal (MCAPS)	\$504,076	\$707,200	\$532,000
	<b>Subtotal</b>	\$19,695,090	\$20,316,311	\$21,312,000
			3.2%	4.9%
<b>POWER BLOCK FACILITY</b>				
41-001-602-52502	Fees/Licenses/Permits	\$205,522	\$126,000	\$324,000
41-001-602-52506	Solid Waste Tax (Dioxin Tax)	\$730,463	\$693,416	\$1,068,000
41-001-602-52611	Revenue Sharing Expense (5.05)	\$3,863,516	\$3,724,713	\$3,826,000
41-001-602-52613	Coal	\$154,003	\$154,750	\$0
41-001-602-52614	Lime	\$755,445	\$747,502	\$831,000
41-001-602-52616	SNCR (Urea)	\$165,925	\$208,000	\$234,000
41-001-602-52702	Contract Ops Charge - Equipment (5.02)	\$3,584,677	\$3,753,030	\$3,892,000
41-001-602-52703	Contract Ops Charge - Management Fee (5.03)	\$1,414,259	\$1,505,439	\$1,543,000
41-001-602-52709	Contract Ops Charge - Personnel (5.01)	\$5,310,858	\$5,132,202	\$5,261,000
41-001-602-52858	Engineering	\$25,957	\$65,000	\$175,000
41-001-602-52899	Other Consulting Services	\$0	\$5,000	\$5,000
41-001-602-52901	Environmental Testing	\$119,926	\$170,000	\$170,000
41-001-602-52910	Continuous Emission Monitoring	\$118,001	\$175,000	\$200,000
41-001-602-53305	Electricity	\$0	\$250,000	\$275,000
41-001-602-56605	Construction	\$61,775	\$65,000	\$95,000
	<b>Subtotal</b>	\$16,510,327	\$16,775,052	\$17,899,000
			1.6%	6.7%
<b>ENERGY GENERATING FACILITY</b>				
41-001-603-52504	Assessment / Taxes	\$0	\$1,455,206	\$0
41-001-603-52507	Payments In Lieu of Taxes	\$1,425,818	\$0	\$1,492,000
41-001-603-53304	Electricity	\$0	\$6,500	\$8,000
	<b>Subtotal</b>	\$1,425,818	\$1,461,706	\$1,500,000
			2.5%	2.6%

# MID-CONNECTICUT PROJECT PROPOSED FY05 BUDGET

## EXPENDITURE DETAIL

Account	Description	ACTUAL FY03	ADOPTED FY04	PROPOSED FY05
<b><u>HARTFORD LANDFILL</u></b>				
41-001-604-52104	Telephone & Pagers	\$3,218	\$3,750	\$4,000
41-001-604-52404	Building Operations	\$10,119	\$13,000	\$15,000
41-001-604-52407	Project Equipment Maintenance	\$60,741	\$67,200	\$214,500
41-001-604-52415	Grounds Maintenance	\$169,060	\$242,500	\$334,000
41-001-604-52502	Fees/Licenses/Permits	\$15,388	\$14,500	\$22,000
41-001-604-52507	Payments in Lieu of Taxes	\$93,128	\$179,914	\$61,000
41-001-604-52604	Rental / Lease	\$525,000	\$525,000	\$525,000
41-001-604-52650	Post Closure Reserve	\$475,000	\$475,000	\$475,000
41-001-604-52701	Contract Operating Charges	\$1,390,958	\$1,482,250	\$1,448,500
41-001-604-52709	Other Operating Charges	\$297,963	\$408,290	\$426,000
41-001-604-52858	Engineering	\$141,367	\$207,000	\$246,000
41-001-604-52901	Environmental Testing	\$116,210	\$106,528	\$139,000
41-001-604-53304	Electricity	\$232	\$13,900	\$17,000
41-001-604-54482	Computer Hardware	\$0	\$1,000	\$4,000
41-001-604-56605	Construction	\$147,177	\$500,000	\$400,000
41-001-601-xxxxx	Landfill Closure Reserve	\$0	\$0	\$1,000,000
41-001-604-58001	Contingency	\$0	\$1,500	\$20,000
	<b>Subtotal</b>	<b>\$3,445,561</b>	<b>\$4,241,332</b> 23.1%	<b>\$5,351,000</b> 26.2%
<b><u>ELLINGTON LANDFILL</u></b>				
41-001-605-52407	Project Equipment Maintenance	\$959	\$4,000	\$10,000
41-001-605-52415	Grounds Maintenance	\$21,140	\$37,500	\$60,000
41-001-605-52502	Fees/Licenses/Permits	\$0	\$250	\$1,000
41-001-605-52650	Post Closure Reserve	\$50,000	\$175,000	\$175,000
41-001-605-52709	Other Operating Charges	\$52,262	\$117,281	\$80,000
41-001-605-52856	Legal	\$0	\$0	\$0
41-001-605-52858	Engineering	\$1,843	\$12,000	\$20,000
41-001-605-52901	Environmental Testing	\$20,564	\$33,250	\$40,000
41-001-605-53304	Electricity	\$21,542	\$18,000	\$24,000
	<b>Subtotal</b>	<b>\$168,310</b>	<b>\$397,281</b> 136.0%	<b>\$410,000</b> 3.2%

## MID-CONNECTICUT PROJECT PROPOSED FY05 BUDGET

### EXPENDITURE DETAIL

Account	Description	ACTUAL FY03	ADOPTED FY04	PROPOSED FY05
<b><u>TRANSFER STATION - ELLINGTON</u></b>				
41-001-610-52104	Telephone & Pagers	\$1,181	\$1,000	\$1,500
41-001-610-52302	Miscellaneous Services	\$0	\$500	\$0
41-001-610-52404	Building Operations	\$9,522	\$12,000	\$16,000
41-001-610-52502	Fees/Licenses/Permits	\$1,500	\$1,500	\$3,000
41-001-610-52508	Municipal Subsidy	\$6,505	<b>\$6,188</b>	<b>\$7,000</b>
41-001-610-52701	Contract Operating Charges	\$456,875	\$434,600	\$394,000
41-001-610-52858	Engineering	\$263	\$0	\$0
41-001-610-52901	Environmental Testing	\$625	\$1,200	\$1,500
41-001-610-53304	Electricity	\$0	\$1,800	\$2,000
41-001-610-54482	Computer Hardware	\$0	\$1,000	\$2,000
41-001-610-56605	Construction	\$33,720	\$16,000	\$15,000
	<b>Subtotal</b>	<b>\$510,191</b>	<b>\$475,788</b> -6.7%	<b>\$442,000</b> -7.1%
<b><u>TRANSFER STATION - ESSEX</u></b>				
41-001-611-52404	Building Operations	\$25,940	\$30,000	\$30,500
41-001-611-52502	Fees/Licenses/Permits	\$1,500	\$1,500	\$3,000
41-001-611-52701	Contract Operating Charges	\$633,928	\$607,900	\$572,000
41-001-611-52858	Engineering	\$263	\$0	\$0
41-001-611-52901	Environmental Testing	\$1,472	\$3,500	\$3,500
41-001-611-54482	Computer Hardware	\$0	\$1,000	\$2,000
41-001-611-56605	Construction	\$27,791	\$16,000	\$10,000
41-001-611-57820	Local Administration	\$58,000	\$58,000	\$58,000
	<b>Subtotal</b>	<b>\$748,894</b>	<b>\$717,900</b> -4.1%	<b>\$679,000</b> -5.4%
<b><u>TRANSFER STATION - TORRINGTON</u></b>				
41-001-612-52404	Building Operations	\$19,913	\$35,000	\$30,500
41-001-612-52502	Fees/Licenses/Permits	\$1,500	\$1,500	\$3,000
41-001-612-52701	Contract Operating Charges	\$444,559	\$455,829	\$424,500
41-001-612-52858	Engineering	\$263	\$0	\$0
41-001-612-52901	Environmental Testing	\$502	\$2,000	\$2,000
41-001-612-54482	Computer Hardware	\$0	\$1,000	\$2,000
41-001-612-56605	Construction	\$7,012	\$3,000	\$9,000
	<b>Subtotal</b>	<b>\$473,849</b>	<b>\$498,329</b> 5.2%	<b>\$471,000</b> -5.5%

## MID-CONNECTICUT PROJECT PROPOSED FY05 BUDGET

### EXPENDITURE DETAIL

Account	Description	ACTUAL FY03	ADOPTED FY04	PROPOSED FY05
<b><u>TRANSFER STATION - WATERTOWN</u></b>				
41-001-613-52404	Building Operations	\$12,955	\$14,000	\$20,500
41-001-613-52415	Grounds Maintenance	\$0	\$0	\$0
41-001-613-52502	Fees/Licenses/Permits	\$1,500	\$1,500	\$3,000
41-001-613-52508	Municipal Subsidy	\$26,288	\$22,500	\$29,000
41-001-613-52701	Contract Operating Charges	\$445,554	\$455,831	\$424,500
41-001-613-52709	Other Operating	\$3,728	\$0	\$0
41-001-613-52858	Engineering	\$263	\$0	\$0
41-001-613-52901	Environmental Testing	\$502	\$1,500	\$2,000
41-001-613-54482	Computer Hardware	\$0	\$1,000	\$2,000
41-001-613-56605	Construction	\$22,962	\$54,000	\$13,000
	<b>Subtotal</b>	<b>\$513,752</b>	<b>\$550,331</b> 7.1%	<b>\$494,000</b> -10.2%
 <b><u>171 MURPHY ROAD</u></b>				
41-001-620-52404	Building Operations	\$12,767	\$10,000	\$15,000
41-001-620-52507	Payments in Lieu of Taxes	\$29,084	\$30,556	\$32,000
	<b>Subtotal</b>	<b>\$41,851</b>	<b>\$40,556</b> -3.1%	<b>\$47,000</b> 15.9%
 <b><u>Jets / EGF</u></b>				
02-001-501-xxxxx	General Administration	\$108,631	\$281,691	\$1,021,000
02-001-951-xxxxx	Jets	\$3,574,643	\$1,687,961	\$1,960,000
02-001-952-xxxxx	Energy Generating Facility	\$1,435,960	\$4,098,085	\$3,692,000
		<b>\$5,119,234</b>	<b>\$6,067,737</b> 18.5%	<b>\$6,673,000</b> 10.0%

## MID-CONNECTICUT PROJECT PROPOSED FY05 BUDGET

EXPANDED ASSUMPTIONS		ACTUAL FY03	ADOPTED FY04	PROPOSED FY05
<b>TIP FEES</b>				
MSW	Member (1)	\$57.00	\$63.75	\$70.00
	Contract (1)	\$57.00	\$63.75	\$70.00
	Spot (2)	\$55.00	\$63.75	\$70.00
Landfill	Metals (1)	\$75.00	\$75.00	\$75.00
	Bulky Waste (C&D) - Municipal (1)	\$74.00	\$74.00	\$85.00
	Bulky Waste (C&D) - Commercial (1)	\$85.00	\$85.00	\$96.00
	White Goods (Metals) (1)	\$74.00	\$74.00	\$74.00
	DEP Certified Soils (1)	\$95.00	\$95.00	\$95.00
	Nonprocessible Fee - Direct (1)	\$74.00	\$74.00	\$85.00
	Non-Municipal Mattress Surcharge (Per Unit)	n/a	n/a	\$75.00
	Cover Material - Charged (Negotiated) (3)	n/a	\$5 - \$25	\$0 - \$25
	Other	Ferrous Residue (Spot) (4)	\$12.00	\$12.00
Woodchips (Spot) (2)		\$0.00	\$0.00	\$0.00
RDF (Spot) (2)		\$15.00	\$15.00	\$15.00
Recycling Residue (Spot) (2)		\$62.00	\$68.75	\$70.00
Recyclables	Member - Container (1)	\$0.00	\$0.00	\$30.00
	Member - Paper (1)	\$0.00	\$0.00	\$0.00
<b>POWER</b>				
	kwh/ton of MSW Processed	535	562	539
	Total kwh Sold	438,789,530	445,000,000	440,000,000
	Average Rate Per kwh (4)	\$0.03149	\$0.03250	\$0.03475
<b>DELIVERIES (Tons)</b>				
MSW	Member	655,254	640,000	640,000
	Contract	237,096	240,000	240,000
	Spot	12,439	0	0
	<i>Subtotal</i>	<u>904,789</u>	<u>880,000</u>	<u>880,000</u>
Landfill	Metals	87	50	50
	Bulky Waste (C&D) - Municipal	12,652	24,500	8,000
	Bulky Waste (C&D) - Commercial	878	1,000	450
	White Goods (Metals)	52	20	20
	DEP Certified Soils	6	50	5
	Nonprocessible Waste - Direct	8,491	9,000	5,000
	Cover Material - Charged	8,955	15,000	30,000
<i>Subtotal</i>	<u>31,121</u>	<u>49,620</u>	<u>43,525</u>	
Other (Spot)	Ferrous Residue	9,499	10,000	9,000
	Wood chips	2,530	1,000	0
	RDF (Imported)	2,960	1,000	0
	Recycling Residue	2,473	2,000	0
	<i>Subtotal</i>	<u>17,463</u>	<u>14,000</u>	<u>9,000</u>
Recyclables	Containers	22,537	22,000	22,000
	Paper (total)	56,939	60,000	56,000
	<i>Subtotal</i>	<u>79,476</u>	<u>82,000</u>	<u>78,000</u>
<b>RECYCLING OPERATIONS</b>				
Revenues	Containers (Split 50% w/contractor)	\$45.45	\$40.00	\$41.00
	Paper Contract	\$18.00	\$18.00	\$18.00
Expenditures	Container Processing Fee	\$21.10	\$21.64	\$22.18
	Paper Processing Fee	\$4.00	\$10.00	\$4.00
Operations	Residue Rate- Containers	8.19%	7.00%	7.00%
	Residue Rate- Paper	5.00%	2.00%	2.00%

(1) Rates set during the annual budget process

(2) Rates received through an annual bid process

(3) Shown in DEP Certified Soil category

(4) Rates specified by contract

## MID-CONNECTICUT PROJECT PROPOSED FY05 BUDGET

EXPANDED ASSUMPTIONS, CONTINUED		ACTUAL FY03	ADOPTED FY04	PROPOSED FY05
<b>FACILITY OPERATIONS</b>				
Tons Processed		820,602	792,000	<b>817,000</b>
	Days Per Year	365	n/a	366
	Availability	89.86%	n/a	90.00%
	RDF Burned per Boiler Day	734	n/a	720
	RDF Produced	727,401	693,416	712,000
Residue Rates	Ash Rate (Per Ton of RDF)	24.1%	24.0%	24.0%
	Process Residue Rate (Per Ton of MSW)	9.0%	9.0%	10.0%
	Ferrous Metals Rate (Outbound) (Per Ton of MSW)	3.0%	3.0%	3.0%
	Ferrous Residue Rate (Inbound) (Per Ton of MSW)	1.2%	1.3%	1.3%
	Nonprocessible Waste - From WPF (Per Ton of MSW)	1.2%	2.0%	1.2%
Fees	Coal Price (per ton)	\$61.90	\$61.90	\$61.90
	Ash Loading (per ton)	n/a	\$0.96	\$0.75
	Lime (per ton)	\$98.42	\$98.00	\$101.50
	Urea (per gallon)	\$0.85	\$0.80	\$0.90
	Ferrous Residue	\$7.50	\$7.50	\$7.50
Other	Lime (Lbs/Ton of RDF Burned)	22.3	22.0	18.0
	Lime (Lbs/Ton of RDF Burned) - Dolomitic System	n/a	n/a	5.0
	Coal Purchase (Tons)	2,813	2,500	0
	Coal Use (Tons)	2,491	2,500	2,500
	Urea (gallons per year)	270,845	260,000	260,000
<b>WASTE TRANSPORT</b>				
Fees	Ellington	n/a	n/a	\$8.57
	Essex	n/a	n/a	\$11.16
	Torrington	\$12.18	\$12.55	\$12.93
	Watertown	\$11.60	\$11.95	\$12.30
	Southeast Project Diveresion Fee (per ton)	\$59.00	\$60.00	\$61.00
	Bridgeport Project Diveresion Fee (per ton)	\$58.00	\$61.00	\$63.00
	Wallingford Project Diveresion Fee (per ton)	\$55.00	\$55.00	\$55.00
	Bristol Project Diveresion Fee (per ton)	\$50.00	n/a	n/a
	Exports Fee (average per ton)		\$69.00	\$72.00
	Process Residue Hauling (per ton)	n/a	n/a	\$5.21
	Non-Processible/Bulky (per load)	n/a	n/a	\$240.40
	Ash Hauling (per ton)	\$2.55	\$2.57	\$2.68
Hauled Tons	Ellington (MSW Only)	66,294	70,000	67,000
	Essex (MSW & Recyclables)	81,734	78,000	82,000
	Torrington (MSW & Recyclables)	77,773	78,000	69,300
	Watertown (MSW & Recyclables)	124,901	112,000	125,000
Hartford Landfill	Ash	175,020	166,320	<b>174,300</b>
	Process Residue	73,542	71,280	81,700
	Ferrous Metals	24,609	23,760	24,500
	Nonprocessible Waste - from WPF	10,039	15,840	9,800
MSW Bypass	Transfer to Southeast	12,647	12,000	0
	Transfer to Bridgeport	32,411	10,000	38,000
	Transfer to Wallingford	159	0	0
	Transfer to Bristol	961	0	0
	Export Out-of-State	40,005	80,000	25,000
	<i>Subtotal</i>	<u>86,183</u>	<u>102,000</u>	<u>63,000</u>

## MID-CONNECTICUT PROJECT PROPOSED FY05 BUDGET

EXPANDED ASSUMPTIONS, CONTINUED		ACTUAL FY03	ADOPTED FY04	PROPOSED FY05
<b>MUNICIPAL PAYMENTS</b>				
Fees	Canton (\$/ Ton)	\$4.42	\$4.42	\$4.42
	East Granby (\$ / Ton)	\$8.38	\$8.38	\$8.38
	Ellington Surcharge (E. Windsor to Ellington TS) (\$/Ton)	\$2.25	\$2.25	\$2.25
	Essex Surcharge (Recycling) (\$ / MSW Ton)	n/a	n/a	\$1.50
	Granby (\$/Ton)	\$7.90	\$7.90	\$7.90
	Guildford / Madison (\$/Ton)	\$2.75	n/a	\$2.75
	Hartford PILOT - Bulky Waste (per ton)	\$6.88	\$7.06	\$7.23
	Hartford PILOT - Processible Waste Fee	\$8.26	\$8.47	\$8.68
	Simsbury (\$/Ton)	\$8.13	\$8.13	\$8.13
	RRDD#1 Recyclables (\$/Load)	\$60.00	\$60.00	n/a
	RRDD#1 MSW (\$/Load)	n/a	n/a	\$75.00
	Sharon/Salisbury (\$/Ton)	n/a	n/a	\$10.50
	Watertown (City of Waterbury to Watertown TS) (\$/Ton)	\$0.50	\$0.50	\$0.50
	Watertown (Settlement - Residential Drop Off) (Fixed)	\$9,000	\$9,000	\$9,000
	Waterbury Residential Drop Off (\$/Ton)	\$23.00	\$24.00	\$25.00
Deliveries (Tons)	Canton	5,827	5,500	5,500
	East Granby	3,490	3,500	3,500
	Ellington Surcharge (E. Windsor to Ellington TS)	2,879	2,750	3,000
	Essex Surcharge (MSW)	n/a	n/a	38,665
	Granby (TS Subsidy)	5,903	5,700	5,700
	Guildford / Madison (\$/Ton)	5,304	n/a	5,300
	Simsbury (TS Subsidy)	15,704	14,800	14,800
	RRDD#1 Recyclables	897	900	n/a
	RRDD#1 MSW	3,742	n/a	4,000
	Sharon/Salisbury (Transportation Offset)	4,622	n/a	4,700
	Watertown (City of Waterbury to Watertown TS)	35,642	45,000	40,000
	Waterbury Residential Drop Off	3,836	n/a	4,000
<b>MISCELLANEOUS</b>				
Inflation Estimate		2.10%	2.50%	2.50%

Permit Requirement (Five Years)

Reserve Earnings Rate Assumption: 4.00% 2.00%  
 Annual Inflation Rate Assumption: 2.50%

Fiscal Year	Post Year	Reserve Opening Balance	Reserve Contributions	Estimated Reserve Interest	Current	Estimated Postclosure Current Costs	Reserve Closing Balance
01	x						\$5,813,731
02	x	\$5,813,731	\$475,000	\$157,516	\$0	\$0	\$6,446,247
03	x	\$6,446,247	\$475,000	\$109,492	\$0	\$0	\$7,030,739
04	x	\$7,030,739	\$475,000	\$70,307	\$0	\$0	\$7,576,046
05	x	\$7,576,046	\$475,000	\$75,760	\$0	\$0	\$8,126,807
06	x	\$8,126,807	\$475,000	\$81,268	\$900,000	\$969,202	\$7,713,873
07	x	\$7,713,873	\$475,000	\$308,555	\$3,300,000	\$3,642,583	\$4,854,846
08	x	\$4,854,846	\$0	\$194,194	\$0	\$0	\$5,049,040
09	1	\$5,049,040	\$0	\$201,962	\$1,130,000	\$1,310,454	\$3,940,548
10	2	\$3,940,548	\$0	\$157,622	\$1,130,000	\$1,343,215	\$2,754,955
11	3	\$2,754,955	\$0	\$110,198	\$0	\$0	\$2,865,153
12	4	\$2,865,153	\$0	\$114,606	\$325,000	\$405,880	\$2,573,878
13	5	\$2,573,878	\$0	\$102,955	\$325,000	\$416,027	\$2,260,806
14	6	\$2,260,806	\$0	\$90,432	\$345,000	\$452,670	\$1,898,568
15	7	\$1,898,568	\$0	\$75,943	\$345,000	\$463,987	\$1,510,525
16	8	\$1,510,525	\$0	\$60,421	\$343,500	\$473,519	\$1,097,427
17	9	\$1,097,427	\$0	\$43,897	\$343,500	\$485,357	\$655,968
18	10	\$655,968	\$0	\$26,239	\$333,500	\$483,007	\$199,199
19	11	\$199,199	\$0	\$7,968	\$328,500	\$487,660	(\$280,493)
20	12	(\$280,493)	\$0	\$0	\$328,500	\$499,852	(\$780,345)
21	13	(\$780,345)	\$0	\$0	\$318,500	\$496,751	(\$1,277,096)
22	14	(\$1,277,096)	\$0	\$0	\$318,500	\$509,170	(\$1,786,266)
23	15	(\$1,786,266)	\$0	\$0	\$318,500	\$521,899	(\$2,308,166)
24	16	(\$2,308,166)	\$0	\$0	\$318,500	\$534,947	(\$2,843,112)
25	17	(\$2,843,112)	\$0	\$0	\$318,500	\$548,320	(\$3,391,433)
26	18	(\$3,391,433)	\$0	\$0	\$318,500	\$562,029	(\$3,953,461)
27	19	(\$3,953,461)	\$0	\$0	\$318,500	\$576,079	(\$4,529,541)
28	20	(\$4,529,541)	\$0	\$0	\$318,500	\$590,481	(\$5,120,022)
29	21	(\$5,120,022)	\$0	\$0	\$318,500	\$605,243	(\$5,725,265)
30	22	(\$5,725,265)	\$0	\$0	\$318,500	\$620,374	(\$6,345,639)
31	23	(\$6,345,639)	\$0	\$0	\$318,500	\$635,884	(\$6,981,523)
32	24	(\$6,981,523)	\$0	\$0	\$318,500	\$651,781	(\$7,633,304)
33	25	(\$7,633,304)	\$0	\$0	\$318,500	\$668,075	(\$8,301,379)
34	26	(\$8,301,379)	\$0	\$0	\$318,500	\$684,777	(\$8,986,156)
35	27	(\$8,986,156)	\$0	\$0	\$135,000	\$297,507	(\$9,283,663)
36	28	(\$9,283,663)	\$0	\$0	\$135,000	\$304,945	(\$9,588,608)
37	29	(\$9,588,608)	\$0	\$0	\$135,000	\$312,568	(\$9,901,177)
38	30	(\$9,901,177)	\$0	\$0	\$135,000	\$320,383	(\$10,221,559)
			\$2,850,000			\$20,874,626	

Per the DEP Permit, CRRA must maintain a postclosure reserve adequate to cover five year's postclosure cost.  
 Upon return of the Hartford Landfill to the City of Hartford, the funds in this reserve would become unrestricted/undesignated.

Reserve Earnings Rate Assumption: 4.00% 2.0%  
 Annual Inflation Rate Assumption: 2.50%

Fiscal Year	Post Year	Reserve Opening Balance	Reserve Contributions	Estimated Reserve Interest	Current	Estimated Postclosure Current Costs	Reserve Closing Balance
01	x						\$1,103,252
02	x	\$1,103,252	\$50,000	\$29,419		\$0	\$1,182,671
03	x	\$1,182,671	\$50,000	\$19,600	\$0	\$21,700	\$1,230,571
04	x	\$1,230,571	\$175,000	\$12,306	\$0	\$0	\$1,417,877
05	x	\$1,417,877	\$175,000	\$14,179	\$0	\$0	\$1,607,055
06	x	\$1,607,055	\$175,000	\$16,071	\$0	\$0	\$1,798,126
07	x	\$1,798,126	\$175,000	\$71,925	\$0	\$0	\$2,045,051
08	x	\$2,045,051	\$175,000	\$81,802	\$0	\$0	\$2,301,853
09	x	\$2,301,853	\$175,000	\$92,074	\$0	\$0	\$2,568,927
10	x	\$2,568,927	\$0	\$102,757	\$0	\$0	\$2,671,684
11	x	\$2,671,684	\$0	\$106,867	\$0	\$0	\$2,778,552
12	x	\$2,778,552	\$0	\$111,142	\$0	\$0	\$2,889,694
13	x	\$2,889,694	\$0	\$115,588	\$132,250	\$169,291	\$2,835,990
14	x	\$2,835,990	\$0	\$113,440	\$132,250	\$173,523	\$2,775,906
15	x	\$2,775,906	\$0	\$111,036	\$132,250	\$177,862	\$2,709,081
16	x	\$2,709,081	\$0	\$108,363	\$132,250	\$182,308	\$2,635,136
17	x	\$2,635,136	\$0	\$105,405	\$132,250	\$186,866	\$2,553,676
18	x	\$2,553,676	\$0	\$102,147	\$132,250	\$191,537	\$2,464,286
19	x	\$2,464,286	\$0	\$98,571	\$132,250	\$196,326	\$2,366,531
20	x	\$2,366,531	\$0	\$94,661	\$132,250	\$201,234	\$2,259,958
21	x	\$2,259,958	\$0	\$90,398	\$132,250	\$206,265	\$2,144,092
22	x	\$2,144,092	\$0	\$85,764	\$132,250	\$211,421	\$2,018,434
23	x	\$2,018,434	\$0	\$80,737	\$132,250	\$216,707	\$1,882,464
24	x	\$1,882,464	\$0	\$75,299	\$132,250	\$222,125	\$1,735,638
25	x	\$1,735,638	\$0	\$69,426	\$132,250	\$227,678	\$1,577,386
26	x	\$1,577,386	\$0	\$63,095	\$132,250	\$233,370	\$1,407,112
27	x	\$1,407,112	\$0	\$56,284	\$132,250	\$239,204	\$1,224,192
			\$1,150,000			\$2,818,213	

**Proposed FY05 Operating Budget**

**February 19, 2004**

# JETS / EGF - PROPOSED FY05 BUDGET

## REVENUE AND EXPENDITURE SUMMARY

### REVENUES

Account	Description	ACTUAL FY03	ADOPTED FY04	PROPOSED FY05
<b><u>ENERGY</u></b>				
<b>Jets</b>				
41-001-000-43104	Capacity	\$5,982,839	\$5,351,310	\$5,190,000
41-001-000-xxxxx	Variable	(a)	\$156,000	\$269,000
41-001-000-xxxxx	Backstop	(a)	\$16,000	\$41,000
41-001-000-xxxxx	Black Start Credit	\$0	\$249,597	\$738,000
41-001-000-xxxxx	O&M Compensation	\$0	\$0	\$0
	Total Energy	\$5,982,839	\$5,772,907	\$6,238,000
<b><u>OTHER</u></b>				
41-001-000-46107	Interest Income	\$375,737	\$42,000	\$400,000
41-001-000-45151	Misc - Billboard Lease	(b)	\$21,600	\$23,000
41-001-000-45151	Misc - Office Space Rental	(b)	\$10,000	\$10,000
41-001-000-45151	Misc - TCI Cable Maintenance Fees	(b)	\$2,205	\$2,000
41-001-000-45151	Miscellaneous Income	\$10,800	\$33,805	\$35,000
41-001-000-xxxxx	Use of EGF Reserve	\$0	\$219,025	\$0
	Total Other	\$386,537	\$294,830	\$435,000
	Total Revenues	\$6,369,376	\$6,067,737	\$6,673,000

### EXPENDITURES

Account	Description	ACTUAL FY03	ADOPTED FY04	PROPOSED FY05
xx-001-501-xxxxx	General Administration	\$108,631	\$281,691	\$1,021,000
xx-001-951-xxxxx	Jets	\$1,435,960	\$1,687,961	\$1,960,000
xx-001-952-xxxxx	Energy Generating Facility	\$3,574,643	\$4,098,085	\$3,692,000
	Total Expenditures	\$5,119,234	\$6,067,737	\$6,673,000
	Balance	\$1,250,142	\$0	\$0

(a) Included in Jets Capacity revenue.

(b) Any revenues are included in Miscellaneous Income

# JETS / EGF - PROPOSED FY05 BUDGET

## EXPENDITURE DETAIL

Account	Description	ACTUAL FY03	ADOPTED FY04	PROPOSED FY05
<b>GENERAL ADMINISTRATION</b>				
41-001-501-52404	Building Operations	\$0	\$5,000	\$5,000
41-001-501-52856	Legal	\$16,109	\$50,000	\$25,000
41-001-501-52875	Insurance, Consulting, Brokerage Service	\$0	\$39,000	\$12,000
41-001-501-52899	Other Consulting Services	\$88	\$35,000	\$35,000
41-001-501-53304	Electricity	\$1,778	\$3,500	\$4,000
41-001-501-xxxxx	Contribution to Reserve	\$0	\$0	\$809,000
41-001-501-57840	Allocation - Salaries	\$48,752	\$84,578	\$71,000
41-001-501-57850	Allocation - Overhead	\$41,904	\$64,613	\$60,000
	<b>Subtotal</b>	<b>\$108,631</b>	<b>\$281,691</b> 159.3%	<b>\$1,021,000</b> 262.5%
<b>JETS</b>				
41-001-951-52502	Fees/Licenses/Permits	\$0	\$12,400	\$19,000
41-001-951-52504	Assessment / Taxes	\$117,348	\$270,366	\$277,000
41-001-951-52640	Insurance Premiums	\$269,651	\$355,000	\$397,000
41-001-951-xxxxx	COC - Fixed Fee	(a)	\$695,772	\$766,000
41-001-951-xxxxx	COC - Variable Fee	(a)	\$132,423	\$201,000
41-001-951-xxxxx	COC - Backstop offset	(a)	\$0	\$0
41-001-951-xxxxx	COC - Pass-through expenses	(a)	\$75,000	\$150,000
41-001-951-xxxxx	COC - Capital Upgrades	\$0	\$50,000	\$50,000
41-001-951-xxxxx	COC - NOx Reduction Capital Upgrades	\$0	\$0	\$0
41-001-951-52701	Contract Operating Charges (COC)	\$970,723	\$953,195	\$1,167,000
41-001-951-52858	Engineering	\$0	\$25,000	\$25,000
41-001-951-53304	Electricity	\$78,238	\$72,000	\$75,000
	<b>Subtotal</b>	<b>\$1,435,960</b>	<b>\$1,687,961</b> 17.5%	<b>\$1,960,000</b> 16.1%
<b>ENERGY GENERATING FACILITY</b>				
41-001-952-52404	Building Operations	\$0	\$5,000	\$5,000
41-001-952-52640	Insurance Premiums	\$267,859	\$351,100	\$0
41-001-952-52701	Contract Operating Charges (C-1 Budget)	\$3,182,136	\$2,924,025	\$2,969,000
41-001-952-xxxxx	Contract Capital Expenditures (C-2 Budget)	(a)	\$592,960	\$493,000
41-001-952-52709	Other Operating Charges	\$0	\$0	\$0
41-001-952-52858	Engineering	\$0	\$25,000	\$25,000
41-001-952-53309	Other Utilities	\$124,648	\$200,000	\$200,000
41-001-952-54491	Other Equipment	\$0	\$0	\$0
	<b>Subtotal</b>	<b>\$3,574,643</b>	<b>\$4,098,085</b> 14.6%	<b>\$3,692,000</b> -9.9%

(a) Detail expenses are aggregated into Contract Operating Charges.

**Proposed FY05 Capital Improvement Budget**

**February 19, 2004**

Connecticut Resources Recovery Authority Summary (\$000's)

Mid-Connecticut Project

	Adopted FY04	Projected FY04	Proposed FY05	Projected FY06	Projected FY07	Projected FY08	Projected FY09
<b>Facility Expenditures</b>							
Waste Processing Facility	\$1,550	\$150	\$1,256	\$1,300	\$395	\$150	\$50
Power Block Facility	\$338	\$25	\$95	\$0	\$0	\$0	\$0
Energy Generating Facility	\$270	\$0	\$379	\$154	\$549	\$154	\$0
Hartford Landfill	\$500	\$500	\$400	\$1,050	\$3,300	\$0	\$1,130
Landfill Contingency	\$1,500	\$0	\$1,500	\$1,500	\$1,500	\$0	\$0
Recycling Facility	\$537	\$353	\$475	\$91	\$165	\$76	\$76
Rolling Stock	\$886	\$422	\$1,110	\$877	\$258	\$1,185	\$467
Transfer Stations	\$103	\$60	\$87	\$36	\$83	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Facility Expenditures</b>	<b>\$5,684</b>	<b>\$1,510</b>	<b>\$5,302</b>	<b>\$5,008</b>	<b>\$6,250</b>	<b>\$1,565</b>	<b>\$1,723</b>

Funding Sources	Beginning Fund Balance <sup>(1)</sup>	Annual Contribution	Adopted FY04	Projected FY04	Proposed FY05	Projected FY06	Projected FY07	Projected FY08	Projected FY09	Ending Fund Balance
Operating Budget			\$1,674	\$735	\$961	\$340	\$632	\$154	\$0	\$0
Capital Reserve - Operations	\$3,390	\$1,000	\$1,087	\$0	\$1,256	\$1,300	\$395	\$150	\$50	\$6,239
Capital Reserve - Recycling	\$2,308	\$100	\$537	\$353	\$475	\$91	\$165	\$76	\$76	\$1,672
Rolling Stock Reserve <sup>(2)</sup>	\$1,583	\$750	\$886	\$422	\$1,110	\$877	\$258	\$1,185	\$467	\$1,764
Landfill Closure Reserves <sup>(3)</sup>	\$6,629	\$0	\$0	\$0	\$0	\$900	\$3,300	\$0	\$1,130	\$4,299
Risk Reserve	\$4,767	\$0	\$1,500	\$0	\$1,500	\$1,500	\$1,500	\$0	\$0	\$267
<b>Total</b>	<b>\$18,676</b>		<b>\$5,684</b>	<b>\$1,510</b>	<b>\$5,302</b>	<b>\$5,008</b>	<b>\$6,250</b>	<b>\$1,565</b>	<b>\$1,723</b>	<b>\$14,240</b>

Additional Funding Requirements

	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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(1) Reserve balances in thousands as of June 30, 2003.

(2) Beginning Fund Balance adjusted for anticipated withdrawal of \$860k for relocation of CRRA headquarters.

(3) Balance is as of November 2003. Assumes \$1M contribution from FY05 through FY07.

**Mid-Connecticut Project**

**FY05 Major Projects**

Waste Processing Facility	Resurface the Refuse Derived Fuel (RDF) floor repairs (\$155k), rebuild 100b/200b conveyors (\$200k), perform trommel modifications (\$110k), implement spillage improvements (\$100k), rebuild 102 conveyor (\$250k), upgrade odor control
Processing Block Facility	Ash loadout building modifications (\$35k), paving (\$50k)
Energy Generating Facility	
Hartford Landfill	Completion of the liner extension over the MSW slope (\$275k)
Ellington Landfill	Environmental land purchases
Recycling Facility	Upgrade facility to accept paper at the container facility (\$318k) and roof repairs (\$100k)
Transfer Stations	Perform routine capital projects at transfer stations. In addition, paint recycling building at Watertown transfer station (\$20k)
Rolling Stock	Purchase new loader (\$325k), rebuild (2) 966 loaders (\$185k ea.), rebuild (8) transfer trailers (\$7k ea.) purchase (4) tractors (\$73k ea.), purchase (10) new containers (\$6k ea.), and other miscellaneous replacements / rebuilds (\$100k)

**Recommended Future Capital Projects**

Waste Processing Facility	Complete installation of Non-Ferrous system and continue plant conveyor improvements.
Energy Generating Facility	Ongoing routine overhauls plus LP Blade replacements (\$220k each turbine).
Hartford Landfill	West slope closure complete in FY06 (24 acres closed FY05, and 32 acres closed FY06). These closure cost estimates are based on a cost of \$75,000 per acre, as specified under the existing permit. DEP has recently suggested to CRRRA that they may require the permit to be modified to specify closure with a synthetic cap, at an estimated cost of approximately \$110,000 per acre.
Ellington Landfill	Environmental land purchases
Recycling Facility	Continue routine capital plan.
Rolling Stock	Continue planned replacement / rebuild of fleet.

**TAB 5**

**RESOLUTION REGARDING THE ADOPTION OF AN  
AFFIRMATIVE ACTION PLAN**

**RESOLVED:** That an affirmative action plan of the Connecticut Resources Recovery Authority be adopted substantially in the form as approved by the Organizational Synergy and Human Resources Committee.

## **OVERVIEW**

The Affirmative Action Plan was included in the November 20, 2003 Board package, but no action was taken at that time as public notice was required. Accordingly, the attached Affirmative Action Plan has been duly publicly noticed.

**I. Equal Employment Opportunity and Affirmative Action Statement and Plan**

The CRRA is an equal opportunity and affirmative action employer, dedicated to a policy of nondiscrimination in employment on any basis prohibited by law. It is the CRRA's policy to provide equal employment and advancement opportunities to all individuals without regard to age, sex, race, color, religion, national origin, marital status, veteran status, disability, sexual orientation or any other legally protected status, and to maintain an environment free from discrimination or harassment based upon these grounds.

The CRRA is committed to providing equal opportunities in terms of its recruiting and hiring practices, including without limitation, by notifying its recruitment sources of the CRRA's nondiscrimination policies and by placing "help-wanted" advertisements containing the phrase "An Equal Opportunity Employer." The CRRA is also committed to providing equal opportunities to its employees in all of its employment practices, including but not limited to compensation, training, transfers, promotions and disciplinary procedures, and in the provision of all of its employee benefit programs. Personnel decisions will be made on the basis of the needs of the CRRA and an individual's job-related skills, ability and merit.

The CRRA further pledges its strong commitment to ensure that all contractors and subcontractors who do business with the CRRA provide equal opportunities in employment to all qualified persons solely on the basis of job-related skills, ability and merit. The participation of minority business enterprises meeting qualifications established by applicable regulations shall further be solicited and encouraged.

The CRRA shall include an equal opportunity clause in all of its contracts and shall not enter into any contract with any person, agency or organization if it has knowledge that such person, agency or organization engages in unlawful discriminatory practices.

The CRRA further pledges that all CRRA-sponsored training and social and recreational programs will be administered without regard to any legally protected status.

As part of its commitment to equal opportunities, the CRRA expects all of its employees to adhere to this policy of nondiscrimination. The CRRA will take prompt action upon the receipt of a complaint of unlawful discrimination and will take appropriate corrective action, including disciplinary measures if necessary, to remedy any discriminatory conduct. Complaints should be referred to the Human Resources Manager, who is the CRRA's designated Equal Employment Opportunity (EEO) Officer. Alternatively, employees may submit complaints to the President of the CRRA or to any manager or supervisor.

The day-to-day responsibility for administering and complying with this policy is delegated to the various department heads with respect to the employees within their respective departments. The President and the Board of Directors will provide necessary procedural guidance in the coordination and application of the policy and any changes or modifications to the policy as may be required.

The CRRA's plan for implementing its equal employment and affirmative action policy could include any or all of the following actions:

1. Attempt to hire and promote qualified female and minority candidates through efforts to increase the number of highly qualified female and minority applicants for each vacancy, with the ultimate goal that CRRA's workforce will mirror the diversity of the labor pool.
2. Attempt to reach a greater number and diversity of representative groups to notify them of employment opportunities with CRRA. Wherever possible, target the Hispanic, African-American, Asian Pacific/Islander and Native American communities by contacting organizations and educational institutions that promote the interests of such individuals.
3. Explore the creation of an internship program to create interest among minority students in career opportunities at CRRA.
4. Take the following steps to ensure that all applicants and employees are aware that CRRA is an equal opportunity employer and of CRRA's affirmative action recruitment efforts:

Publicize the Equal Employment Opportunity Statement and Affirmative Action policy in CRRA's Personnel Policy Manual and post the same on CRRA bulletin boards.

Publicize the accomplishments and/or promotions of minorities and females internally.

Assess the equal opportunity and affirmative action efforts and achievements prior to the promotion of employees or the execution of discretionary salary increases.

Conduct meetings to discuss equal employment opportunity policies and responsibilities with CRRA employees, including during employee orientation and training sessions.

Advise all recruiting sources of CRRA's Equal Employment Opportunity Statement and Affirmative Action policy.

Notify all bidders, contractors, and suppliers of CRRA's Equal Employment Opportunity Statement and Affirmative Action policy and ensure that all contracts for services and materials include a statement in which the contractor agrees to abide by affirmative action and fair employment principles.

Attend job fairs where the potential for exposure to potential female and minority applicants is high.

Continue to encourage participation of minority business enterprises and not to contract with any entity debarred from participation in state or federal contract programs.

Notify minority and women's organizations, community organizations, state and local employment security and vocational rehabilitation agencies, schools and colleges of CRRA's Equal Employment Opportunity Statement and Affirmative Action policy.

Place advertisements for employees containing the phrase "CRRA is an Affirmative Action/Equal Opportunity Employer" within the appropriate classified section of newspapers and/or job posting websites.

Send outreach letters, job postings and job descriptions to various minority organizations throughout the state to increase awareness of employment opportunities at CRRA in the region's minority communities.

Conduct outreach meetings via telephone with minority organizations during the year to maintain and improve the lines of communication between CRRA and these organizations as well as increase the awareness of CRRA's affirmative action efforts throughout the state's minority communities.

# TAB 6

**RESOLUTION REGARDING THE ADOPTION OF**  
**AN EMPLOYEE HANDBOOK**

**RESOLVED:** That an employee handbook of the Connecticut Resources Recovery Authority be adopted substantially in the form as approved by the Organizational Synergy and Human Resources Committee.

## **OVERVIEW**

The Employee Handbook was included in the November 20, 2003 Board package, but no action was taken at that time. Accordingly, the attached-revised Employee Handbook, which shows a new Employee Benefit Eligibility Timeline on page 14 and a paragraph on the Compensation Plan on page 5, upon board approval will be publicly noticed.



## **EMPLOYEE HANDBOOK**

**EFFECTIVE DATE: February \_\_, 2004**

## FOREWORD

**Welcome!** As an employee of Connecticut Resources Recovery Authority, you are part of a team effort addressing an issue of critical importance to our families, our neighbors and our environment - how to dispose of Connecticut's solid waste in an economically efficient and environmentally responsible manner.

We have developed a set of personnel policies, procedures and benefits designed to attract and retain qualified and dedicated employees. We trust you will find these policies to be informative and that you will use this Handbook as a guide for your actions during the course of your employment.

The Board of Directors  
Connecticut Resources Recovery Authority

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## **BRIEF DESCRIPTION OF CONNECTICUT RESOURCES RECOVERY AUTHORITY**

Connecticut Resources Recovery Authority (“CRRA”) was established in 1973 by the Connecticut General Assembly to develop a comprehensive plan for solid waste disposal. CRRA’s primary purpose is to provide solid waste facilities and solid waste management services by working with private industry, municipalities, regional authorities and experts in the field. CRRA provides these services while at the same time producing sufficient revenues to support CRRA and its projects on a self-sustaining basis.

To accomplish its purpose, CRRA has the authority to plan, design, finance, construct, manage, own, operate, and maintain solid waste management projects, as well as to contract with municipal and regional authorities and State agencies to provide waste management services. Such projects include resource recovery facilities, which convert trash to energy, landfill services, and programs to recycle reusable materials.

CRRA is governed by an eleven-member Board of Directors, which by law represents a broad range of interests. In addition to the Board, CRRA employs a group of staff members in accordance with the number of positions established by law. Each job at CRRA plays an important role in helping to solve the challenges posed by resources recovery in Connecticut.

## 1. INTRODUCTION AND CONTRACT DISCLAIMER

This Employee Handbook (“Handbook”) is intended to serve as a practical guide to the current personnel policies and practices of CRRA and as your personal reference in answering questions that you may have about your job. If you do not understand anything in this Handbook, please consult your supervisor, the Human Resources Manager or CRRA’s President.

Since this Handbook is only a summary of CRRA’s expectations compiled for the convenience of its employees, it is not intended to cover all topics or circumstances. Additionally, **the policies and procedures in this Handbook are guidelines only and are not to be construed as an expressed or implied contract of employment, a promise of employment for any specified time, or a guarantee of benefits or working conditions between any employee and CRRA.** Moreover, in order to adapt to its changing needs and to respond to specific situations as they may arise, these policies may change from time to time. CRRA also reserves the right to revise, discontinue, suspend, or modify any part(s) of this Handbook at any time without prior notice and any such action shall apply to existing as well as future employees. Furthermore, CRRA’s actions, from time to time, may also vary from the attached policies and procedures, or any subsequent policies and procedures that may be implemented. Changes to this Handbook will be approved by the CRRA President under the advice and direction of the CRRA Board of Directors and the Board’s Human Resources Committee. The Human Resources Manager is responsible for maintaining this Handbook.

As illustrated in this Handbook, CRRA believes it offers its employees a variety of progressive benefits and protections. In exchange, CRRA expects that its employees will conform to certain rules and requirements consistent with maintaining a professional working environment. Furthermore, **CRRA follows a policy of “at-will” employment, which means that either its employees or CRRA can terminate the employment relationship with or without cause at any time for any lawful reason.** This “at-will” employment relationship may not be changed by any written document or by conduct unless the President of CRRA, authorized by the Board of Directors, specifically acknowledges such change in writing. No director supervisory, management or any other employee at CRRA has any authority to make a commitment of guaranteed or continuing employment to any employee, and no document or publication of CRRA should be interpreted to make such a guarantee.

## 2. EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION STATEMENT

CRRA is an equal opportunity and affirmative action employer, dedicated to a policy of nondiscrimination in employment on any basis prohibited by law. It is CRRA’s policy to provide equal employment and advancement opportunities to all individuals without regard to age, sex, race, color, religion, national origin, marital status, veterans status, disability, sexual orientation or any other legally protected status, and to maintain an environment free from discrimination or harassment based upon these grounds.

CRRA is committed to providing equal opportunities in terms of its recruiting and hiring practices, including without limitation, by notifying its recruitment sources of CRRA's nondiscrimination policies and by placing "help-wanted" advertisements containing the phrase "An Equal Opportunity Employer." CRRA is also committed to providing equal opportunities to its employees in all of its employment practices, including but not limited to compensation, training, transfers, promotions and disciplinary procedures, and in the provision of all of its employee benefit programs. Personnel decisions will be made on the basis of the needs of CRRA and an individual's job-related skills, ability and merit.

CRRA further pledges its strong commitment to ensure that all contractors and subcontractors who do business with CRRA provide equal opportunities in employment to all qualified persons solely on the basis of job-related skills, ability and merit. The participation of minority business enterprises meeting qualifications established by applicable regulations shall further be solicited and encouraged. CRRA shall include an equal opportunity clause in all of its contracts and shall not enter into any contract with any person, agency or organization if it has knowledge that such person, agency or organization engages in unlawful discriminatory practices.

CRRA further pledges that all CRRA-sponsored training and social and recreational programs will be administered to provide equal opportunities for all employees.

As part of its commitment to equal opportunities, CRRA expects all of its employees to adhere to this policy of nondiscrimination. CRRA will take prompt action upon the receipt of a complaint of unlawful discrimination and will take appropriate corrective action, including disciplinary measures if necessary, to remedy any discriminatory conduct. Complaints should be referred to the Human Resources Manager. Alternatively, employees may submit complaints to the President of CRRA or to any manager or supervisor.

The day-to-day responsibility for administering and complying with this policy is delegated to the various department heads or division directors with respect to the employees within their respective departments. The President and the Board of Directors will provide necessary procedural guidance in the coordination and application of the policy and any changes or modifications to the policy as may be required.

### **3. EMPLOYEE CLASSIFICATION**

#### **3.1 Overall Organization**

The organization for CRRA is established by the President and approved by the Board of Directors. From time to time, the President may recommend to the Board revisions in the staffing structure to meet the changing needs of the administration.

#### **3.2 Functional Categories**

All positions are grouped into four main categories as follows.

### 3.2.1 Management

Included in this group are such positions as the President, and others who have management and/or supervisory responsibility.

### 3.2.2 Professional Staff

This group includes engineering positions.

### 3.2.3 Administrative Staff

Included are administrative, secretarial, clerical and technical positions.

### 3.2.4 Operational Staff

This group includes those employees associated with landfill operating functions such as weighing and billing.

## 3.3 Classification System

Within these broad categories, individual positions are assigned to “classes” of similar character and responsibility. Each class is comprised of positions that require similar levels of education, experience, knowledge and/or ability, and to which the same range of compensation and descriptive title can be applied.

## 3.4 Reclassification of Positions

From time to time, CRRA may determine that the duties and responsibilities of an existing position have changed so as to require reclassification to a lower or higher class. In such cases, the President will recommend reclassification of the position to the Board for its approval.

## 3.5 Classification of Part-Time Employees

When a position is created that does not require full-time work, a part-time employee may be hired. Part-time employees are assigned to a class consistent with the duties of the position.

# 4. HIRING PROCEDURES

In accordance with applicable statutes and as otherwise determined by the Board of Directors, when a vacancy in the Board approved headcount exists and the President determines that such vacancy should be filled, the President will direct the Human Resources Manager to fill the position.

The description and salary range of each vacant position will be posted at locations at which CRRA employees regularly work and otherwise advertised in publications and at locations deemed appropriate by the Human Resources department.

Each candidate shall obtain, complete and sign an application for employment. Resumes from interested external applicants shall be kept on file for a minimum of six months from date of application.

The President, in consultation with appropriate supervisory personnel as necessary, shall make the final decision on which candidate to hire.

## **5. EMPLOYEE COMPENSATION**

### **5.1 General Compensation Guidelines**

CRRA will pursue a compensation strategy and Compensation Program that maximizes the recruitment, performance and retention of quality staff in order to drive a sense of commitment to the organization and its goals. In addition, CRRA's compensation strategy and Program will have a direct link to CRRA's overall business strategy and direction and is the foundation of the CRRA performance management system. CRRA recognizes and validates the importance to its customers and stakeholders of organizational efficiency and effectiveness and the importance of attracting and retaining a qualified, motivated workforce.

CRRA's compensation philosophy generally takes into consideration the following factors: economic climate/cost of living; affordability; employee tenure; retention benefits; market conditions; operational needs; and employee performance. CRRA's Compensation Program is appropriate, competitive, easy to understand and will be clearly communicated to employees. For additional information about the Compensation Plan and its specific components, employees may contact CRRA's Human Resources Manager.

### **5.2 Appointment Rates**

When first appointed to a position, pay rates are established in accordance with CRRA's Compensation Program and the following guidelines.

#### **5.2.1 At Hire**

Normally, the starting rate of pay for a new employee upon appointment is the minimum rate for the class. The President may approve initial compensation at a rate higher than the minimum rate if, in the discretion of the President, it is determined that:

- (a) the qualifications of the applicant are outstanding in relation to those of competing applicants or the applicant's qualifications are substantially in excess of the requirements of the job, or
- (b) no other qualified applicants will accept employment at the minimum rate of the range.

### 5.2.2 Promotion

Employees who are promoted are eligible for a promotional increase. The new pay rate for a promoted employee will be set within the pay range for the classification as deemed appropriate by the President.

### 5.2.3 Transfer

If an employee is transferred to a position within the same class, the rate of pay will remain within the pay range for the class.

### 5.2.4 Demotion

In case of demotion, the employee will be given an appropriate rate of pay within the pay range for the classification of the new position and the circumstances necessitating the demotion.

## 5.3 Pay Rates for Temporary Assignments

An hourly, non-exempt employee who temporarily assumes the duties of a position in a higher class will receive the minimum salary rate for that class **IF** the assignment is for two (2) weeks or more. The temporary salary rate becomes effective after two weeks and is retroactive to the beginning of the assignment. An employee temporarily assigned to a position within the same or a lower class will receive his or her regular rate of pay.

## 6. HOURS OF WORK AND PAY PRACTICES

### 6.1 Work Schedule

The standard work schedule for full-time employees is from 8:30 a.m. until 5:00 p.m., Monday through Friday, with an unpaid one-hour lunch break to be taken between the hours of 11:30 and 2:00 p.m. Work schedules will be determined by the needs of CRRA and are subject to change. Employees may have to adjust their work schedules accordingly. Each employee's supervisor has the authority to set specific schedules in order to meet CRRA's needs. Employees are responsible for adhering to the schedule and for continuing to meet their job obligations.

### 6.2 Accountability

During standard work hours, all employees are expected to be present at CRRA, unless official CRRA business requires that the employee be off worksite. When an employee will be out of a CRRA building during standard work hours, they should ensure that the receptionist or their supervisor is informed.

### **6.3 Alternative Work Schedule**

Any full-time employee wishing to work an alternate schedule that differs from the standard work hours described above must request approval for an alternative work schedule in writing using the appropriate form. The request will be submitted to the supervisor who will endorse the form and submit to the President for decision. No employee may work an alternate work schedule without written approval.

In determining whether to grant or deny a request for an alternate work schedule, the President will consider all of the circumstances, including whether there is good cause for the request, the impact on the mission of CRRA, the supervisor's recommendations, accountability, and the employee's work history. CRRA recognizes its obligations under state and federal law to consider requests for reasonable accommodations that are not unduly burdensome to the functioning of CRRA. CRRA also recognizes its obligations under state law regarding legislative candidates and legislators. Alternate work schedules, once approved, are subject to later modification or revocation by the President, if in his discretion such action is in the best interests of CRRA.

### **6.4 Overtime**

On occasion it may be necessary to work overtime. Hourly, non-exempt employees are eligible for overtime pay in accordance with CRRA's policies. All non-exempt employees will be eligible to receive payment at the rate of one and one-half times the employee's regular hourly rate of pay for overtime work that meets either of the following conditions:

- (a) All hourly, non-exempt employees with a regular work schedule of thirty-seven and one-half (37.5) hours per week who work more than 37.5 hours in any work week. [For the purposes of calculating overtime, vacation day and holidays are counted as seven and one-half (7.5) hours per day.]
- (b) All hourly, non-exempt employees with a regular work schedule of forty (40) hours per week who work more than 40 hours in any work week. [For the purposes of calculating overtime, vacation day and holidays are counted as eight (8) hours per day.]

Administrative and Operational Staff will receive double-time instead of the regular holiday pay for work performed on a holiday.

Supervisors will be responsible for scheduling overtime and will make every effort to notify employees as far in advance as possible. Non-exempt employees are expected to accept all requests to work overtime, unless there is an unavoidable scheduling conflict.

All overtime must be authorized and approved by a supervisor in advance. Failure to obtain authorization in advance to work overtime may result in disciplinary action.

## **6.5 Compensatory Time**

Salaried, exempt employees may need to work in excess of the standard work schedule to accomplish their duties. Because salaried, exempt personnel have an obligation that goes beyond fixed work schedules, they are not eligible for overtime pay. Exempt employees may, however, request reasonable compensatory leave in recognition of excessive work hours. Such compensatory leave may be granted at a time agreeable to the President or his or her designee, provided that there is no adverse operational impact.

### **Accrual of Compensatory Time**

Compensatory time is accrued in the following manner:

- (a) Every hour worked between thirty seven and one-half (37.5) hours and forty (40) hours in any given week, whether incurred in one day or more, remain uncompensated.
- (b) Every hour worked between forty (40) hours and forty-five (45) hours in any given week is reimbursable at the rate of 0.5 hour compensatory time for every 1.0 hour worked.
- (c) Every hour worked in excess of forty-five (45) hours in any given week is reimbursable at the rate of 1.0 hour compensatory time for every 1.0 hour worked.

### **Accumulation of Compensatory Time**

Each managerial employee can accumulate compensatory time provided that in no case will the employee be allowed to accumulate more than thirty-seven and one half (37.5) hours of such time, or carry forward such time beyond the pay period ending date of the pay period that includes December 31 of each year.

### **Use of Compensatory Time**

Each managerial employee who wishes to use compensatory time must submit a request to do so, using the leave request form, to his/her manager, or in the case of a Director, the President at least two weeks prior to the planned usage.

## **6.6 Pay Period and Paychecks**

CRRA's workweek runs from Saturday to Friday. Employees are paid bi-weekly, on Thursday, for the two-week period that has ended on the previous Friday. Overtime, if any, will be paid in arrears. From each paycheck, CRRA will deduct withholdings required by law, including state and federal income taxes. In addition, upon an employee's written authorization, CRRA will make deductions for various insurance premiums and other employee benefits' contributions from each paycheck.

## **6.7 Time Sheets**

All employees are required to submit a time sheet showing their hours worked each day. Time sheets must be signed by the employee and his/her supervisor, and must be submitted bi-weekly on Friday.

## **6.8 Pay and Work Hours for Part-Time Employees**

Each part-time employee receives a pay rate mutually agreed upon at the date of hire. Generally, the hourly rate will be consistent with the classification of the position. Pay increases will be provided at the discretion of CRRA. Work schedules for part-time employees are arranged according to the needs of CRRA. Advance notice of changes in schedules will be provided whenever possible.

# **7. EMPLOYEE DEVELOPMENT**

## **7.1 Changes in Employment Status**

### **7.1.1 Promotions**

CRRA encourages employees to develop new skills, expand knowledge of their work, assume greater responsibilities and make known their qualifications for promotion to higher-level positions. Current, regular full-time employees are encouraged to apply for any vacancy for which they meet the requirements of the position. Outside applicants may also be considered for any employment opportunities within CRRA. Promotions will be based on merit, past job performance, qualifications for the position and when appropriate, seniority.

### **7.1.2 Transfers**

An employee may be transferred to a position in the same class in another area of CRRA if the employee meets the qualifications of the new position and if it is in the best interests of CRRA. If a transferred employee does not feel well-suited to the new position, he or she may make a request within one month of the transfer to return to the original position, provided such position remains unfilled.

Any current, regular full-time employee who wishes to request a transfer must notify the President in writing. The President, in consultation with the appropriate supervisors, will evaluate any such request based on the above criteria and the availability of the original position and render a decision as soon as practicable following receipt of such request.

### 7.1.3 Status of Employee Upon Reclassification

If an employee's position is reclassified to a lower or higher class, the status of the employee and the rate of pay to be received will be determined in accordance with the procedures regarding promotions, transfers and demotions. Before allowing an employee to retain a position reclassified to a higher level, the President may require evidence of the employee's qualifications and fitness for the position.

### 7.1.4 Temporary assignments

Regular employees may be temporarily assigned to temporary or regular positions when deemed necessary by CRRA.

### 7.1.5 Demotions

The demotion of an employee to a lower classification may occur:

- (a) When it is deemed in the best interests of CRRA, including without limitation, when unsatisfactory service is rendered, for disciplinary reasons or when the position is reclassified to a lower grade; or
- (b) When an employee's request for demotion is granted.

## 7.2 Job Duties

CRRA will instruct employees about their job duties upon hire and throughout their employment, and reserves the right to change those duties and/or job assignments and titles as may be necessary for operational needs. One way to communicate job duties of a particular position to employees may be through a written job description, which CRRA may implement and change from time to time. In any event, employees will be expected to devote their best efforts to CRRA and to perform in good faith all duties that may be assigned, however and whenever they are assigned.

## 7.3 Personnel Records

CRRA maintains a separate confidential personnel file for each employee. An employee may inspect his or her personnel file within a reasonable period of time following a request made to the Human Resources Manager. A designated member of CRRA's staff will be present during any such review.

It is important to keep personnel records up to date. Accordingly, employees are expected to promptly notify the Human Resources department of any changes in the following information:

- (a) name;
- (b) address or telephone number;
- (c) marital status;

- (d) names of beneficiaries;
- (e) dependents listed on insurance policy;
- (f) number of dependents for withholding tax purposes; and
- (g) persons to notify in case of an emergency.

Failure to do so may result in loss of benefits or other personnel-related complications.

## **7.4 Communications and Problem Solving**

CRRA uses various methods to communicate its expectations of employees and its policies and procedures, including through this Handbook, written memoranda and verbal instruction. CRRA also uses bulletin boards to communicate such information to its employees, including information on safety, meeting notices, and job openings. Employees are encouraged to periodically review these bulletin boards and to read the information that is posted there. If an employee wants to post something on a bulletin board, he or she must obtain prior approval from their supervisor.

CRRA also maintains an “open door” policy for all employees. CRRA encourages all employees to bring forward their suggestions and ideas about how CRRA can be made a better place to work, how our work can be improved, and how our service to customers can be enhanced. Please bring any such suggestions and comments to your supervisor.

Whenever an employee has a problem or complaint, we expect that employee to speak up and communicate directly with us. In such cases, employees can take the following steps:

- (a) First talk to your immediate supervisor/division head. Your supervisor is most familiar with you and your job, and is, therefore, in the best position to assist you.
- (b) If your supervisor/division head cannot help you resolve the matter, you may speak to the Human Resources department and, if necessary, the President, who will give your problem or complaint prompt consideration.

## **7.5 Salary Review**

Salaries are reviewed on an annual basis but may be reviewed at other times as circumstances warrant. Salaries are typically adjusted, if at all, primarily based on merit but other factors such as salary ranges for the position, market conditions and operational needs may also impact upon salary reviews. Any salary adjustments will further be made in accordance with the terms of CRRA’s Compensation Program. There is no guarantee of a salary increase for any employee at any time. Employees will have the opportunity to understand the basis for any salary adjustment in discussions with their supervisor. However, CRRA treats each employee’s pay as confidential and each employee, in turn, is expected to treat his or her pay confidentially.

## **7.6 Performance Review Process**

Merit-based performance reviews will be conducted at least once a year to assist employees in identifying strong points and/or to illustrate areas that need improvement. Employee performance may be formally reviewed at other times as circumstances warrant. While satisfactory reviews are necessary for consideration of any pay raises, and while performance reviews, in general, may be relied upon for other decisions relating to employment, nothing about the existence or implementation of the performance appraisal process alters the “at-will” employment relationship that exists at CRRA.

Employees are encouraged to discuss their thoughts about their performance at any time during the year, including at the time of any performance review, and to provide any constructive comments they may have about their goals and performance objectives, or CRRA’s operations, policies and management practices. At the time of any performance review, employees may also be asked to prepare self-evaluations to encourage a more open dialogue with supervisors and/or to set performance objectives.

## **7.7 Training and Educational Opportunities**

### **7.7.1 Staff Development**

The success of CRRA depends on the abilities and performance of its employees. For this reason, CRRA offers a number of training and educational opportunities for employees who wish to improve their job efficiency and quality of work, including payment of fees for work-related conferences or seminars and a tuition reimbursement program, if approved by the President. CRRA also encourages staff development through professional affiliations and subscriptions.

### **7.7.2 Training**

All CRRA employees are eligible to take training seminars appropriate to their area of responsibility or to solid waste management generally. Training can include seminars and short courses in such areas as secretarial skills, word processing, computer operation, governmental accounting and finance, and project management. Generally, CRRA affords at least one, fully-paid training session per year to each staff member, as business demands warrant. Please ask your supervisor for more information.

### **7.7.3 Tuition Reimbursement**

Although CRRA does not require or request that any employee further his or her education or that he or she take particular courses or receive specific training for his or her job, CRRA seeks to provide its employees with the means to voluntarily further his or her education. CRRA will consider requests for financial assistance from employees interested in furthering their education and improving their job effectiveness. To apply for such tuition assistance, employees should submit a written request to the President, which includes a complete description of the course(s),

duration of the course(s), and cost of the course(s). The President will determine, in his or her sole discretion, whether to approve or deny any such requests.

To be eligible for tuition assistance, an employee must be employed full-time and must have completed at least one year of service at the time of any such request. In addition, factors that will be considered in determining whether to approve such requests include the length of employment and performance level of the requesting employee, and budgetary considerations.

Courses must be offered by accredited schools and colleges and either be:

- (a) Directly related to an eligible employee's present position;
- (b) Related to a position to which an eligible employee may reasonably aspire within CRRA; or
- (c) Oriented toward a degree program in a field related to an eligible employee's position.

In addition, course work must be pursued entirely on the employee's time. Furthermore, an eligible employee must complete the course, receive a final grade of "B" (3.0 on a GPA basis) or better and must be employed by CRRA at the completion of the course in order to receive tuition reimbursement.

If eligible, reimbursement will be made on the following basis:

- (a) Actual cost of course, up to a maximum of \$525.00 per credit at the time of enrollment;
- (b) Total annual reimbursement per employee shall not exceed \$3,100.00

CRRA will not reimburse employees for any mileage expenses or expenses for materials (e.g., textbooks, course manuals, etc.).

#### 7.7.4 Professional Affiliations

The President may also approve the payment of licenses, dues and/or fees for professional affiliations if job-related.

## Employee Benefit Eligibility Timeline<sup>1</sup>

Employee Benefit	Eligibility Timeline
Tuition Reimbursement	<u>Full-Time Employees</u> After 1 year of service
Medical, Dental, Life, & Disability Insurance	<u>Full-Time Employees</u> 1st of the month following date of hire
401 (k) Plan	<u>All Employees</u> After 6 months of service.
Vacation	<u>Full-Time Employees:</u> 1st of the month following date of hire <u>Part-Time Employees (regularly scheduled 20 hours or more):</u> 1st of the month following date of hire
Personal Leave	<u>Full-Time Employees:</u> In year of hire, 4 days if hired after July 1st and 8 days if hired before July 1st 8 days on January 1st in each calendar year after year of hire <u>Part-Time Employees (regularly scheduled 20 hours or more):</u> In year of hire, 8 hours if hired after July 1st and 16 hours if hired before July 1st 16 hours on January 1st in each calendar year after year of hire
Holidays	<u>Full-Time Employees (Exempt):</u> Eligible from hire date <u>Full-Time Employees (Non-Exempt):</u> Eligible from hire date, but must be at work or on a paid leave of absence on scheduled workday immediately before and after the holiday <u>Part-Time Employees:</u> Eligible from hire date, but only for hours regularly scheduled on the particular holiday
Workers' Compensation	<u>All Employees:</u> From date of hire
Paid Bereavement Leave	<u>Full-Time Employees:</u> After 6 months of service
Family And Medical Leave	<u>All Employees:</u> Must have worked for a minimum of 12 months and a total of at least 1,250 hours within the 12-month period immediately preceding first day of leave of absence
Unpaid Personal Leave of Absence	<u>Full-Time Employees:</u> After continuously employed for 1 year

<sup>1</sup> For details on other terms and conditions of benefits, please review applicable Handbook provisions.

## **8. EMPLOYEE BENEFITS**

Provided below is a general description of the employee benefits currently offered by CRRA to eligible full-time employees. Part-time and temporary employees are not eligible for any of these benefits, except that part-time employees are eligible for the 401(k) plan in accordance with the plan's requirements.

### **8.2 Flex Benefits**

Because the exact provisions of these benefits, particularly insurance coverage, change from time to time, the detailed descriptions of each benefits are contained in the annual Flex Benefits Booklet. Full details of the coverages or benefits presently available and/or the premium rates involved, all of which are subject to change, are available from the Human Resources department. CRRA reminds employees that it retains the sole discretion to amend or discontinue any existing benefits provided to employees. Furthermore, where the terms of this Handbook are inconsistent with the terms of any benefit plans maintained by CRRA, the terms of the more specific benefit plans shall control.

### **8.3 Insurance**

Presently, the following insurance benefits are offered to those eligible employees who choose, at the time of their hire or during open enrollment periods, to participate in the plans, to fill out any required paperwork, and/or to pay the employee's share of any insurance premiums involved. Core insurance benefits are provided at no cost to employees and become effective on the first day of the month following an employee's date of hire at CRRA. Employees must contribute to higher, non-core plans.

#### **8.3.1 Medical Coverage**

CRRA provides a plan or choice of plans which covers basic and major medical costs (including prescription drugs) for employees and their dependents.

#### **8.3.2 Dental Coverage**

CRRA provides a choice of plans which cover dental costs incurred by each employee and the employee's enrolled dependents.

#### **8.3.3 Group Life and Accidental Death and Dismemberment Insurance**

CRRA pays for group life and accidental death and dismemberment insurance, in an amount equal to 2 times annual salary for each insurance.

#### 8.3.4 Disability Insurance

CRRA provides short-term and long-term disability insurance for accidents or illnesses not covered by Worker's Compensation. Disability insurance will provide a weekly payment for a limited period of time, not to exceed 66 and 2/3% of the regular weekly pay, subject to limitations, in the event of a non-occupational accident or illness.

#### 8.4 401(k) Plan

CRRA will provide a defined contribution program after 6 months of employment at a rate of 5% of the salary of the employee. In its discretion, CRRA may also provide a matching contribution up to 5% for each participating employee.

#### 8.5 Liability Insurance

In accordance with Connecticut General Statutes §1-125, CRRA indemnifies employees, directors and officers who are performing within the scope of their duties of employment against financial loss and expense, legal fees and costs, if any, arising out of any claim, demand, suit or judgment by reason of alleged damage or injury, if the conduct at issue was not wanton, reckless, willful or malicious.

### 9. EMPLOYEE LEAVE

CRRA recognizes that employees may need time off from work for various reasons. Paid leaves of absence are authorized for holidays, vacation, sickness and other reasons as approved in accordance with the Handbook.

#### 9.1 Vacation

Full-time employees will accumulate vacation leave at the rate of 1 1/4 days per month (for up to a total of 15 days per calendar year) and are eligible to start accruing the 1<sup>st</sup> of the month following their date of hire. Part-time employees are eligible the 1<sup>st</sup> of the month following their date of hire and if they are scheduled to work a minimum of 20 hours per week. Part-time employees will accumulate vacation leave at a rate of 3/4 days per month. Employees scheduled for less than 20 hours per week are not eligible for paid vacation time.

After ten (10) years of service with CRRA, full-time employees will receive an additional vacation day for each year of service up to fifteen (15) years, as follows:

Calendar Years of Service	Total Vacation Days Earned
1 <sup>st</sup>	Up to 15
2 <sup>nd</sup> – 10 <sup>th</sup>	15
11 <sup>th</sup>	16
12 <sup>th</sup>	17
13 <sup>th</sup>	18
14 <sup>th</sup>	19
15 <sup>th</sup> and up	20

Vacation time will not accrue during any period of time in which, for more than one week the employee is on any type of leave and CRRA is not paying the employee's normal wages.

Employees must provide their supervisors with written notice of intent to take vacation at least thirty days in advance, and can only take vacation upon the approval of their supervisors. Under all circumstances, employees will only be allowed to take vacations in accordance with the operational needs of CRRA. Length of service will govern in the selection of vacations, insofar as it is practicable and consistent with current operating conditions.

Full-time employees may carry over vacation days from year to year with a maximum accumulation of thirty (30) days. Full-time employees can continue to accrue additional vacation days in any calendar year in which they have reached the maximum accumulation of 30 days; however, any such additional accrued vacation days above the maximum accumulation of 30 days will be lost if not used by the ending date of the pay period which includes December 31 of each such calendar year.

Part-time employees may not carry over vacation days from year to year, absent exceptional circumstances. Any vacation days not used by part-time employees will be lost if not used by the ending date of the pay period which includes December 31 of each calendar year.

Holidays occurring during vacation are not charged against vacation leave.

Employees may not request advances on vacation pay. In addition, employees will not be compensated for any amount of accrued but unused vacation time upon termination of employment at any time for any reason, except as indicated in the Notice of Resignation policy in this Handbook or in the event of the death of an employee actively employed at the time of death. In the latter case, the employee's current spouse or, if no current spouse, the employee's estate will receive the accrued vacation pay earned by the employee.

## **9.2 Personal Leave**

Eight (8) paid personal leave days will be granted to each full-time employee of CRRA per calendar year. Two (2) paid personal leave days (a total of 16 hours) will be granted to each part-time employee of CRRA per calendar year, provided that such employee is scheduled to work a minimum of 20 hours per week.

Personal time accrues in full as of January 1st of each eligible full calendar year of employment after the year of hire.

In the year of hire, full-time employees hired prior to July 1st accrue the full eight (8) days. Employees hired after July 1st accrue four (4) days to use for the remainder of the calendar year.

In the year of hire, eligible part-time employees hired prior to July 1st accrue the full sixteen (16) hours. Employees hired after July 1st accrue eight (8) hours to use for the remainder of the calendar year.

Non-exempt full-time employees may take personal time in units of one hour or more; eligible part-time employees and exempt employees may take personal time in full-day units only.

Personal leave days may be used for any purpose designated by the employee and must be used within the calendar year. Employees should attempt to provide their supervisors with notice of intent to take personal time at least one week in advance, and can only take personal time upon the approval of their supervisors. Under all circumstances, employees will only be allowed to take personal time in accordance with the operational needs of CRRA. Length of service will govern in response to requests for personal time, insofar as it is practicable and consistent with operating conditions.

Employees may not carry over any accrued but unused personal time to any subsequent year. If the employee has a personal leave balance at the conclusion of the last pay period of each calendar year, they will receive payment equal to 100% of the value of such personal leave balance in the paycheck for the last pay period of the calendar year. Employees generally may not borrow against future personal leave accruals. In extraordinary circumstances, the President may, in his or her sole discretion, allow employees to borrow from future leave accruals up to a maximum of eight (8) additional days.

## **9.3 Holidays**

CRRA observes twelve paid holidays per calendar year dependent upon the day of the week the holidays fall. Please refer to the current year's Holiday Schedule as designated by the President.

In order for a non-exempt employee to qualify for holiday pay, he or she must be at work or on a paid absence on his or her scheduled workday immediately before and after the holiday. If a CRRA observed holiday falls during an employee's vacation period, the holiday will not

count as a vacation day, assuming that the employee has satisfied the notice requirements for taking vacation and the vacation has been approved.

Part-time employees are eligible to receive holiday pay only for regularly scheduled hours on the particular holiday.

Paid holidays are not available to employees who, for more than one week, are on any type of leave for which CRRA is not paying the employee's normal wages as of the workday before or after the holiday.

Managers who are required by the President to work on a Holiday will receive another day off with pay at a mutually agreeable time.

#### **9.4 Workers' Compensation**

Under Connecticut's Worker's Compensation Act, an employee is eligible for benefit payments for any accident, injury or occupational disease that occurs while the employee is engaged in the performance of his or her duties. Each employee must report all injuries arising out of and in the course of employment immediately to his or her supervisor who will, in turn, make a full report to the Human Resources department.

In addition to payments received from worker's compensation insurance, employees with six (6) months of continuous service will receive supplemental payments from CRRA so that the employee receives his or her normal net pay during any leave of absence occasioned by such injury, up to a period not to exceed six months. An employee so disabled may be asked to assume "light" duties in order to be eligible for these supplemental payments. In no event will the employee receive a total salary (both worker's compensation and supplemental payments) which exceeds the employee's base salary.

#### **9.5 Short-term and Long-Term Disability Insurance**

If a full-time employee is absent due to a non-occupational accident or illness, he or she is eligible for paid disability insurance benefits in accordance with the provisions of CRRA's short and long-term disability insurance. Full-time employees should refer to the benefit supplement for details of the payment schedule and other terms and conditions for this insurance.

#### **9.6 Bereavement Leave**

If there is a death in the immediate family, all full-time employees who have completed six months of continuous employment will be eligible for an appropriate period of paid bereavement leave not to exceed three (3) regularly scheduled working days. Immediate family includes spouse, child, parent, grandparent, brother, sister, significant other, or other relative living in the same household. Supervisors will give favorable consideration to eligible employees for requests for vacation leave or leave without pay for deaths of relatives or friends other than those listed above, or for extension of the paid bereavement leave

provided. CRRA reserves the right to request verification of the death and the person's relationship to the employee.

## **9.7 Family And Medical Leave Of Absence**

In accordance with federal law, all eligible employees will be allowed to take an unpaid leave of absence for designated family or medical reasons. Federal law protects such eligible employees who exercise their rights and fulfill their obligations under this policy from discharge or discrimination.

### **9.7.1 Leave Requirements**

To be eligible, an employee must have previously worked for CRRA for a minimum of twelve (12) months and a total of at least one thousand two hundred and fifty (1,250) hours within the twelve-month period immediately preceding the first day of the leave of absence. Should these eligibility requirements change as a result of legislative or administrative action, CRRA reserves the right to modify this policy to comply with such changes.

Unpaid family and/or medical leaves may be granted for the following reasons:

#### **9.7.1.1 Serious Health Condition**

An eligible employee may take an unpaid medical leave of absence due to his/her own serious health condition. Likewise, an eligible employee may take an unpaid family leave of absence for the serious health condition of a child, parent or spouse. An eligible employee's child may be a biological child, foster child, adopted child, stepchild, legal ward or child of person standing in loco parentis (in place of parent), who is under the age of 18, or over the age of 18 and unable to care for himself/herself because of a serious health condition. A parent must be a biological parent, foster parent, adoptive parent, stepparent, legal guardian, or individual who stood in loco parentis to an eligible employee. An eligible employee's spouse may be a husband or wife as defined in accordance with applicable state law. To be considered a serious health condition, the condition must be an illness, impairment or physical or mental condition that involves inpatient or outpatient care. Inpatient care requires treatment at a hospital, hospice or residential medical care facility. Outpatient care requires continuing treatment by a health care provider.

#### **9.7.1.2 Birth or Adoption or Foster Care Placement**

A family leave of absence will be provided upon the birth, adoption or foster care placement of a child by an eligible employee. When a husband and wife are both eligible employees of CRRA, they are eligible

for the maximum family leave allowable to one individual eligible employee.

### 9.7.2 Employee Obligations

Employees are required to use their available vacation time or personal time during a family or medical leave of absence to care for others and available personal days shall be used when such a leave is taken because of an employee's own serious health condition. That portion of the leave of absence that is used under these conditions will be with pay according to the Company's policies regarding vacation and personal time. Since the purpose of a family or medical leave is to enable an employee to maintain his or her ability to continue employment with CRRA, such an employee may not work elsewhere while on leave.

All accrued but unused paid time-off available to eligible employees must be used before an employee is eligible to utilize any unpaid leave. The maximum amount of unpaid leave allowed under this policy, whether it includes paid and/or unpaid leave, cannot exceed the maximum allowed as described below. That is, the substitution of paid time for unpaid family/medical leave does not extend the length of the leave provided by the law. Furthermore, there will be no accruals of vacation or personal days during a family or medical leave of absence for one week or longer in which CRRA is not paying the employee's normal wages.

Whenever an eligible employee's medical or family leave is foreseeable based upon an expected birth, placement for adoption or foster care, or planned medical treatment, an eligible employee must attempt to avoid unduly disruptive effects on the operations of his/her job. Accordingly, at least thirty days of advance written notice must be provided where an eligible employee seeks a foreseen leave of absence. If prior notice is impossible, as in the case of an unforeseen need for a leave of absence, an eligible employee must provide written notice as soon as s/he learns of the need for the leave. Failure to comply with these notice rules is grounds for, and may result in, deferral or denial of the requested leave.

All leaves due to a serious health condition of an eligible employee, or an eligible employee's child, parent or spouse must be accompanied by a certification from the attending physician or appropriate health care provider identifying the condition and its probable duration. In response to a request for leave necessitated by an eligible employee's own serious health condition or pregnancy, CRRA may further require the employee to be examined by a physician selected and paid for by CRRA.

It is preferred that an eligible employee provide at least thirty days advance notice of the date on which s/he intends to return to work from a leave of absence.

### 9.7.3 Maximum Leave Allowed

The maximum unpaid family or medical leave an eligible employee may take in any twelve month time period measured from the date an employee's first leave begins is

twelve weeks. No employee may exceed the maximum leave allowed within any twelve month time period following the first day of leave.

When a husband and wife are both eligible employees of CRRA, they are each individually eligible to receive the maximum leave time allowable for their own serious health condition or the serious health condition of a child or spouse. For purposes of family leave to care for a parent, husband and wife employees are eligible for the maximum leave allowable to one individual eligible employee.

An eligible employee may take intermittent leave when medically necessary to care for himself/herself, a spouse, a parent or a child with a serious health condition. An employee planning to take such intermittent leave must submit to CRRA prior to the beginning of the leave, a signed statement indicating the dates and duration of the planned treatments. If such an intermittent leave is requested, CRRA reserves the right to temporarily transfer the employee to an available alternative position with equivalent pay and benefits that better accommodates this type of leave. Intermittent leave may not be taken upon the birth, adoption or foster care placement of a child unless agreed to by the employee and CRRA.

If the intermittent leave requested for planned medical treatments comprises more than 20% of the total number of working days for the period in which the leave would be used, CRRA may require the eligible employee to elect either to (1) take leave for a particular duration of time which is not greater than the duration of the planned treatment, or (2) transfer to an alternative equivalent position.

CRRA has no obligation under the federal family and medical leave act to guarantee an eligible employee's original job or equivalent position beyond the maximum period specified in this policy.

#### 9.7.4 Insurance Benefits

An eligible employee's insurance benefits will continue during a leave of absence up to the maximum amount of leave afforded under this policy. CRRA will continue to pay its portion of insurance premiums, and the employee must continue to pay his/her share of the any insurance premium while on leave. The employee's payment must be received by CRRA by the 1st day of each month. Failure of the employee to pay the premium may result in loss of coverage. If the employee does not return to work after the expiration of the leave, the employee will be required to reimburse CRRA for payment of insurance premiums during the leave, unless the employee does not return because of the presence of a serious health condition that prevents the employee from performing his/her job.

#### 9.7.5 Rights Upon Return From Leave

Upon the expiration of the maximum family or medical leave of absence provided by federal law, an employee may return to work with all seniority, retirement or fringe benefits s/he had at the commencement of such leave. Service credits will not accrue

during the period of the leave of absence. If the job previously held by an employee is unavailable, an equivalent position with equivalent pay, benefits, and other terms and conditions of employment will be provided. If an employee is medically unable to perform his/her prior job, s/he will be offered work suitable to his or her physical condition, if such work is available, at the pay rate appropriate to that job.

If an employee cannot return to work at the expiration of the maximum leave of absence provided by federal law, CRRA has no obligation under the family and medical leave act to restore an employee to any position. An employee on leave or returning from leave has no greater right to reinstatement or to other benefits and conditions of employment than if the employee had been continuously employed during the family or medical leave period.

#### 9.7.6 Physician Certification Notes

In accordance with federal law and CRRA's policy governing returns to work after a medically justified absence, employees returning to work after a medical leave due to their own serious health condition must present a physician's certification to the employee's immediate supervisor or the Human Resources department in a confidential envelope upon their return to employment. If there are any medical restrictions, the physician should state this in the certificate. It is the employee's responsibility to notify his/her supervisor prior to his/her return to work and make the supervisor aware of any restrictions. Employees will not be eligible to return to work after a medical leave without physician certification.

### 9.8 Other Leaves of Absence With Pay

Full-time employees may be granted leave with pay in accordance with the following:

#### 9.8.1 Jury Duty

Employees summoned for jury duty or any other civic duty which by law requires the employee's appearance before a court or other public body will receive that portion of his or her regular salary for days that attendance is required which, together with jury pay or other fees, will equal his or her total salary for the same period.

#### 9.8.2 Training

With the approval of the President, a leave of absence with pay may be granted for the purpose of allowing a regular employee to participate in conferences, seminars, training courses and other official activities which enhance the employee's performance.

#### 9.8.3 Military Training/Duty

Any regular full-time employee participating in required field training in the National Guard is entitled to a leave of absence with pay for the period of such field training up

to a maximum of one (1) month per calendar year. The amount of compensation paid to such employee for such leave of absence will be the difference between the compensation for military activities (as shown by a statement by military authorities giving his rank, pay and allowances) and the total amount of the employee's regular salary at CRRA. If the compensation for military service is equal to or greater than the employee's salary at CRRA for the period covered by such military leave, then no payment will be made, except that normal payroll deductions for pension and insurance purposes will be paid during such leave. Additional leaves for required training will be granted without pay.

An employee called to active military duty, or any employee who volunteers for the same, will be granted a military leave of absence without pay for the period of military service in accordance with applicable state and federal laws. Employees must submit copies of military orders to their supervisors with as much advance notice as possible prior to taking military leave. Eligibility for reinstatement at CRRA after military duty is completed will be determined in accordance with applicable laws.

## **9.9 Personal Leave of Absence**

Personal leaves of absence for reasons not covered elsewhere in this Handbook may be granted for full-time employees at the sole discretion of CRRA based on an employee's individual circumstances and the business needs of CRRA. Personal leaves are considered voluntary time off without pay. Since the purpose of an unpaid personal leave is to enable an employee to maintain his or her ability to continue employment with CRRA, such an employee may not work elsewhere while on personal leave.

To be eligible for a personal leave of absence, an employee must have been continuously employed full-time for a one (1) year period prior to the leave period requested. A request for an unpaid leave of absence must be submitted in writing two weeks in advance (unless it is an emergency) to the President stating the purpose and expected duration. The President will review each such request on a case-by-case basis to determine whether to approve the request, and if approved, to determine the duration of leave time that can be provided.

Because a personal leave of absence is unpaid, employees must use all of their accrued vacation and personal time before any unpaid leave can begin. Vacation and personal time so used will be counted as part of the total leave time allotted.

CRRA will continue to provide insurance benefits coverage (if applicable) during an unpaid personal leave of absence as long as the employee continues to pay his or her share of the applicable premiums.

Within a reasonable period of time prior to the expiration date of a personal leave, or in any event, at least two weeks prior to the expiration date, employees must contact the President to confirm whether they are able to return. If the personal leave time allowed has expired, and the employee has made no contact, the leave of absence will cease and employment will be terminated. If an employee confirms that he or she will be able to return to work upon the

expiration of the personal leave, CRRA will attempt to restore that employee to the same or similar position. However, employees should recognize that when they are ready to return from a personal leave, there is a risk that the same or similar position may not be available. As such, job placement following a return from an unpaid personal leave is not guaranteed.

## **10. WORKPLACE EXPECTATIONS**

### **10.1 Rules of Conduct and Disciplinary Actions**

All employees are expected to comply with CRRA's standards of behavior and performance. Any noncompliance with these standards may result in disciplinary action, up to and including termination.

Conduct that interferes with CRRA's operations, discredits CRRA, or is offensive to fellow employees or any other party connected to CRRA, will not be tolerated. All employees are expected to conduct themselves and behave in a manner that is conducive to the efficient operation of CRRA.

Whenever possible, if employee performance, attitude, work habits or personal conduct falls below a desirable level, supervisors shall inform the employee of the problem and give counsel and assistance. If appropriate and justified, a reasonable period of time for improvement may be allowed before initiating further disciplinary action. In some instances, however, a specific incident may justify severe disciplinary action up to and including immediate dismissal.

Consistent with the "at-will" nature of employment at CRRA and to ensure quality service and the efficient operation of its business, CRRA reserves the right to determine what form of discipline, if any, is appropriate for specific employee behaviors, given the particular facts and circumstances present in each instance, and what outcome would be in the best interests of CRRA.

### **10.2 Ethical Obligations and Conflicts of Interest**

In accordance with applicable state law, all CRRA employees must adhere to the following ethical obligations and conflict of interest rules.

#### **10.2.1 No Conflicts of Interest**

No employee shall have any financial interest in, or engage in, any business, employment or activity, which is in substantial conflict with the proper discharge of his/her duties for CRRA. A "substantial conflict" exists if the employee has reason to believe or expect that he/she, his/her spouse, a dependent child, or a business with which he/she is associated will derive a direct monetary gain or suffer a direct monetary loss, as the case may be, by reason of his/her official activity.

#### 10.2.2 No Employment

No employee shall accept other employment, which will either impair his/her independence of judgment as to his/her duties or employment or require or induce him/her to disclose confidential information acquired by him/her in the course of and by reason of his/her duties.

#### 10.2.3 No Disclosure

No employee shall willfully and knowingly disclose, for financial gain, to any other person, confidential information acquired by him/her in the course of and by reason of his/her official duties or employment and no employee shall use his/her position or any confidential information received through his/her holding such or position to obtain financial gain for himself/herself, his/her spouse, child, child's spouse, parent, brother or sister or a business with which he/she is associated.

#### 10.2.4 No Solicitation or Acceptance of Anything of Value

No employee shall solicit or accept anything of value, including but not limited to, a gift, loan, fee, other form of remuneration, reward or promise of future employment based on any understanding that the action or judgment of the employee would be or had been influenced thereby.

#### 10.2.5 Former Employees

In addition, should employment with CRRA terminate, former employees must adhere to the following ethical obligations and conflict of interest rules:

##### **10.2.5.1 No Disclosure**

No former employee shall disclose or use confidential information acquired in the course of and by reason of his/her official duties, for financial gain for himself/herself or another person.

##### **10.2.5.2 Limits on Representation**

No former employee shall represent anyone other than the state, concerning any particular matter (1) in which he/she participated personally and substantially while in state service and (2) in which the state has a substantial interest.

##### **10.2.5.3 Limits on Representation before CRRA**

No former employee who held a position which involved significant decision-making or supervisory responsibility shall, for one year after leaving his/her employment, represent anyone, other than the state, for

compensation before the CRRA, concerning any matter in which the state has a substantial interest.

#### 10.2.6 Penalties for Violation

Any employee who violates the aforementioned ethical obligations and conflict of interest rules may be subject to discipline up to and including termination of employment as well as civil liability, fines and criminal prosecution. For a complete listing of the applicable state laws regarding ethical obligations and conflict of interest rules, employees should consult Conn. Gen. Stat. §§ 1-79 through 1-89, a copy of which is available from the Human Resources Manager for review.

### 10.3 Workplace Harassment and Discrimination

CRRA will not tolerate verbal or physical conduct by any employee that discriminates against any co-workers, visitors, or others associated with CRRA, on the basis of any legally protected status, or which harasses, disrupts or interferes with another's work performance or which creates an intimidating, offensive or hostile working environment.

Discrimination or harassment can take many forms. It may be, but is not limited to: words, conduct, adverse job action, signs, jokes, pranks, intimidation, physical contact or violence. While all forms of discrimination and harassment based on an employee's legally protected status are prohibited, including but not limited to any adverse job action or intimidation based on race, color, religion, gender, national origin, age, disability, marital status, veteran status and sexual orientation, it is CRRA's policy to emphasize that sexual harassment is illegal and prohibited by both state and federal law.

Although not an exhaustive list, the following are examples of the type of conduct prohibited by CRRA's policy against sexual harassment: (1) unwelcome sexual advances, propositions or flirtations; (2) unwelcome attention of a sexual nature such as degrading comments, suggestive or lewd remarks, propositions, jokes, tricks or noises; (3) unwanted hugs, touches, kisses or requests for sexual favors; (4) the threat or suggestion that continued employment, advancement, assignment or earnings depend on whether or not the employee will submit to or tolerate harassment; and (5) retaliation for complaining about sexual harassment.

All employees are further advised that sexually explicit or sexually offensive material has no place within CRRA's facilities or property. Such material may not be posted, displayed, or even possessed within the facility or while doing CRRA business. Possession of such material, even if it is not posted or publicly displayed, will be considered a violation of CRRA policy and will subject the individual to disciplinary action.

If an employee believes that the actions or words of a supervisor, fellow employee or any outside party in the workplace constitute unwelcome harassment or unlawful discrimination, s/he should report such conduct or immediately complain to his/her supervisor should his/her direct requests that the conduct cease be ignored. If an employee is uncomfortable raising a complaint with someone to whom s/he reports, then such employee should bring the

complaint to the Human Resources Manager, a member of the legal department or the President.

Confidentiality at the time of reporting the incident will be preserved to the maximum extent possible. However, all allegations of unlawful harassment and discrimination must be investigated promptly. In this regard, both the reporting employee, the alleged harasser or discriminator and any other employees aware of the incident are required to treat this information in a confidential manner.

CRRA will take prompt action upon the receipt of a complaint of unlawful harassment or discrimination. CRRA will also not tolerate the taking of any reprisal against an employee who files a complaint of unlawful harassment or discrimination. Any employee determined to have committed unlawful harassment or discrimination will be subject to appropriate disciplinary action, up to and including termination. Moreover, any individual who makes unwelcome advances, threatens or in any way discriminates or harasses another employee based on a legally protected status may be personally liable for monetary damages for such actions and their consequences and/or subject to criminal penalties.

#### **10.4 Drug and Alcohol Free Workplace**

To promote safe and efficient operation of the workplace and to comply with applicable state and federal laws, it is the policy of CRRA to maintain a work force that is free from the effects of illegal drugs and abuse of alcohol or prescription drugs. Employees who abuse alcohol or drugs are a danger to themselves, to other employees, and to CRRA's business interests.

It is a standard of conduct for employees of CRRA not to use illegal drugs and not to abuse alcohol or prescription drugs, either on or off the job. No employees may use, sell, manufacture, receive, distribute, dispense, possess or be under the influence of alcohol or any illegal drug, or abuse prescription or over the counter drugs, while on CRRA property, while operating CRRA or personal vehicles on CRRA business, or while off-premises where such behavior compromises CRRA's business interests, or undermines the public confidence in or harms the reputation of CRRA, or adversely effects the employee's job performance, job safety and/or ability to fulfill CRRA responsibilities. It is further against CRRA policy to report to work under the influence of alcohol or drugs. Being under the influence of alcohol, an illegal drug, or abuse of any prescribed or over the counter drugs on CRRA's premises, while doing CRRA business, in CRRA supplied vehicles or during working hours is absolutely prohibited.

Failure or refusal of an employee or applicant to cooperate fully with any portion of this policy, or to submit to any drug or alcohol testing as may be lawfully required, will be grounds for disciplinary action up to and including denial of employment or termination.

## **10.5 Workplace Privacy, Monitoring and Internet Use Policy**

CRRA's primary mission is to effectively and efficiently conduct its business and meet or exceed service expectations. In order to do this, CRRA must be able to: (a) access business information at all times; (b) provide a safe, productive work environment; and (c) supervise its employees to be sure that they are acting consistently with business objectives.

In order to prevent any misunderstandings, CRRA believes that every employee should be aware of the following policies on privacy, monitoring and internet use in the workplace so that they can conduct themselves in a professional manner at all times and avoid any potentially embarrassing situations.

### **10.5.1 Right to Inspect**

CRRA reserves the right to inspect employees' work areas and their persons, possessions, and property at the workplace as reasonable and necessary. This includes, without limitation, employee lockers, desks, file cabinets, workstations, and mail.

### **10.5.2 Use of Personal Locks**

Employees using personal locks on CRRA property must provide the combination to their supervisor. CRRA will also retain a copy of any keys issued to employees.

### **10.5.3 Use of Electronic Communications Systems**

CRRA provides telephones and computers and other forms of electronic communications to employees to facilitate efficient and effective business operations. Electronic communications includes without limitation information that is transmitted, received, and/or stored via the telephone, the voice mail system, the electronic mail (e-mail) system, the facsimile machines and processes, the internet and the world wide web, and video systems. These communication systems, as well as all electronic communications transmitted, received, and/or stored on these systems, are property of CRRA. As such, employees shall use these communications systems for CRRA business only, except that incidental and reasonable personal use of these electronic communications systems is permitted, involving, for example, occasional personal phone calls, e-mails or web access, to the extent that such incidental use does not affect work productivity or job performance, does not cause CRRA to incur any additional expenses, and does not violate any policies or procedures of CRRA or applicable laws. Under no circumstances may the communication systems be used to send "broadcast" messages to large groups or all employees without the prior approval of management. As noted herein, CRRA employees should not presume or expect that personal messages will be private or free from monitoring or disclosure by CRRA.

#### 10.5.4 Not “Private” Communications

E-mail and voice-mail messages are not “private” communications. Recipients of e-mail and voice mail messages might save, print, distribute or forward them in ways that may not seem appropriate to the sender (although doing so may in some cases be in violation of this policy). Similarly, although employees have individual passwords, encryption keys or access codes to their voice mail, e-mail and computer network systems, communications created, stored, sent or retrieved on such systems should not be considered confidential, as these systems are accessible at all times by CRRA. Even when a communication or file is erased or deleted, it still may be stored and can be retrieved and reviewed.

#### 10.5.5 Prohibition on Harassment and Discrimination

CRRA's policy prohibiting harassment and discrimination applies to the use of these systems. Therefore, the creation, transmission, receipt or downloading of pornographic materials and inappropriate or offensive comments or other images or information, such as disparaging comments or pictures based on race, color, religion, gender, national origin, age, disability, marital status, veteran status, sexual orientation or any other protected category, over any of CRRA's systems, is prohibited.

#### 10.5.6 Prohibition on Religious and Political Solicitation

CRRA’s electronic communications systems may not be used to solicit for religious or political causes, outside organizations or other personal matters unrelated to employment with CRRA. Solicitation on CRRA’s premises is substantially disruptive to operations, may materially interfere with the working relationship between employees, and may affect the job performance of employees. Accordingly, CRRA prohibits all solicitation activities for the purpose of financial gain, lotteries or charities on CRRA premises, provided they are not sponsored or approved in advance by CRRA. In addition, no employee is permitted to engage in solicitation of subscriptions, memberships or other outside activity of any kind during working time (excluding lunch break). Solicitation and distribution of literature or other non-CRRA material is also prohibited during working time or in working areas at any time.

#### 10.5.7 Use of the World-Wide Web and Internet

World wide web access and use of the internet is encouraged where such use is appropriate for business and professional objectives and is conducted lawfully. Web access or internet use through CRRA’s electronic communications systems should not be for purposes of personal gain, solicitation of non-CRRA business or advancement of individual views. Nor should use of the internet disrupt the operation of CRRA’s electronic communications systems or the networks of other users. In addition, each employee is responsible for the content of all text, audio or images that s/he places, sends, downloads or receives over the internet. Accordingly, web access or internet use through CRRA’s electronic communications systems may not involve the

transmission, receipt or use of fraudulent, harassing or obscene information. Nor should any messages sent over CRRA's electronic communications systems be inconsistent with or interfere with CRRA's business practices or principles. Furthermore, messages communicated over CRRA's electronic communications systems must not be transmitted under an assumed name, and users may not attempt to obscure the origin of any message. Finally, no confidential information involving CRRA's operations should be sent or received via the internet unless approved by authorized management personnel, and care must be taken at all times to protect the confidentiality of CRRA's intellectual property and business assets.

#### 10.5.8 Use of Software

Software programs and materials, other than those that have been properly licensed by CRRA, may not be installed or downloaded on CRRA's computers. In addition, theft of software is a crime, and is punishable by law. Users are not permitted to copy, transfer, rename, add or delete information on programs belonging or licensed to others unless given express permission to do so. No employee may use CRRA's electronic communications systems in ways that are inconsistent with licenses or copyrights, or to download or distribute pirated software or data, including without limitation music or movies. Furthermore, no employee may use CRRA's electronic communications systems to propagate any virus, worm or trap-door program code, or to otherwise disable or overload any computer system or network, or to circumvent any system intended to protect the privacy or security of another user. All employees are further subject to the requirements of the State of Connecticut's Software Management policy, a copy of which is available for review from the Human Resources department or on the intranet.

#### 10.5.9 Prohibition on Intrusions of Privacy

Intrusions of privacy by any employee into CRRA's business affairs or the affairs of other employees is strictly prohibited. Employees are prohibited from accessing information or files at another employee's work station or vehicle unless expressly permitted to do so by authorized management personnel. The tape recording of any conversation in the workplace is strictly prohibited without written authorization from CRRA's President, or with the consent of all parties to the conversation. The tape recording of any telephone conversation to or from the workplace is strictly prohibited absent the consent of the parties to the phone call obtained in accordance with applicable law. Employees are prohibited from taking photographs in the workplace without written authorization from CRRA's President, or unless the consent of any individual to be photographed is obtained in advance.

#### 10.5.10 CRRA Rights Regarding Electronic Communications Systems

CRRA reserves the right to review, access, and intercept all messages created, received, or sent over its electronic communications systems at any time, without advance notice, for such reasons as, without limitation: ensuring that the systems are

being used solely to conduct CRRA's business; assisting in the evaluation of employee work performance; maintaining the system; preventing or investigating allegations of system abuse or misuse; assuring compliance with software copyright laws; complying with legal and regulatory requests for information; and ensuring that CRRA's operations continue appropriately. CRRA may also monitor or review employee work performance at any time, without advance notice, through the use of mechanical or electronic devices, or other methods, including the use of telephone or video monitoring. An employee's use of CRRA's communication systems constitutes consent to CRRA's conduct.

#### 10.5.11 Prohibition on Accessing Another Employee's Computer

Employees are prohibited from gaining access to another employee's computer or other electronic communications and must not use unauthorized codes, passwords or other means to gain access to another employee's computer or other electronic communications systems, unless expressly permitted to do so by authorized management personnel. Employees are prohibited from accessing a file or retrieving any stored information on CRRA's e-mail, voice-mail, and computer systems unless expressly permitted to do so by authorized management personnel.

#### 10.5.12 Use of Passwords

Employees should use e-mail, voice-mail and computer system passwords and change them regularly. Employees should keep these passwords confidential. However, employees must provide all personal passwords to authorized CRRA management or information systems personnel as requested, so that CRRA may effectively conduct business at all times. Upon sharing one's password, employees should immediately change the password after the purpose for which it has been shared has been accomplished.

#### 10.5.13 Applicability of Freedom of Information Act

Public records retention and Freedom of Information Act requirements must be satisfied in the use of electronic communications systems in accordance with applicable law and state policies, copies of which may be obtained from the Human Resources department and/or the Legal Department.

#### 10.5.14 Penalties for Violation

Any employee who violates CRRA's privacy, monitoring and internet use policy shall be subject to disciplinary action, up to and including termination of employment. In addition, criminal penalties and fines may apply where the employee's conduct violates applicable state or federal laws.

#### 10.5.15 Procedure for Complaints

Any complaints regarding potential violations of this policy, and/or any questions regarding an employee's use of these electronic communication systems in accordance with this policy, should be directed to the employee's immediate supervisor in the first instance, or if the matter is not resolved at that level, then to the Human Resources Manager.

### 10.6 Personal Appearance and Work Habits

All employees are representatives of CRRA and are expected to project a professional image to customers, visitors and to anyone associated with CRRA. As such, employees are expected to wear appropriate business attire when at work.

Employees are also expected to maintain good work habits at all times. All work areas are to be kept neat and orderly at all times, to assure ease in retrieval of necessary information. In addition, telephone courtesy at all times is essential.

### 10.7 Personal Telephone Calls and Personal Mail

CRRA recognizes the need for occasional personal calls to be made or received during business hours for situations such as checking on a family member's health or safety, childcare, eldercare, emergency transportation, etc. CRRA expects employees to keep the number of personal phone calls to a minimum, to make and receive them during personal time (e.g., breaks or lunch), and to limit the duration of such phone calls. In addition, when a long distance phone call must be made, the call must be billed to the caller's home phone number. Employees should not use CRRA as a personal mailing address and personal mail should not be put through CRRA's postage meter.

### 10.8 Smoking

Smoking is prohibited on CRRA premises.

### 10.9 Employee Safety

CRRA seeks to promote a safe and healthy physical environment for all employees. These guidelines are designed with employee safety in mind. In addition to complying with these guidelines and any directives from supervisors, each employee should insure that no action he or she takes endangers himself or herself or a fellow employee or results in the destruction of property.

Every employee needs to be aware of and adhere to the following safety precautions:

- (a) Notify your supervisor of any emergency situation.
- (b) If you are injured or become sick at work, no matter how slight, inform your supervisor immediately.

- (c) If you have an accident at work, immediately report it to your supervisor, who will assist you in completing an incident report. This incident report must be submitted within 24 hours of any accident so that it can be filed with our Workers' Compensation carrier, if necessary.
- (d) Learn how to lift properly. Bend your knees and keep your back erect. Get help when necessary.
- (e) Keep work areas neat and arrange workstations so there are no hidden safety or health hazards.
- (f) Keep passageways clear at all times.
- (g) Report unsafe working conditions immediately to your supervisor.
- (h) Report damages or broken machines and equipment to your supervisor.
- (i) Know the locations, contents and use of first aid and fire fighting equipment.

#### **10.10 Workplace Violence Prevention**

CRRA has a ZERO TOLERANCE policy against any form of intimidation, threats or violence in the workplace. Any form of intimidation, threat or violent act is STRICTLY PROHIBITED. Violations of this policy include but are not limited to: participating in, provoking or otherwise contributing to any threat or violent act in the workplace; abuse, assault, battery, oral or written threats, intimidation, and harassment; and possession of any firearm(s) or any other type of weapon at work.

Because it is often difficult to distinguish between a real threat and one made in jest, all threats will be treated as real and therefore even threats of violence spoken only in a joking manner are strictly prohibited by this policy. Any employee who makes a threat, whether express or implicit, exhibits threatening behavior, or engages in any violent act or other violation of this policy on CRRA property or otherwise in the course of their employment, shall be removed from the premises as quickly as safety permits, and shall remain out of work pending the outcome of an investigation. Depending on the circumstances involved, CRRA's response may include, but is not limited to, reassignment of job duties, discipline up to and including suspension and termination of employment, and/or criminal prosecution of the person(s) involved.

All CRRA personnel are responsible for notifying their supervisors and/or the Human Resources department and/or the President of any violation of this policy, including but not limited to, any threats they have witnessed, received, or have been told that another person witnessed or received. All reports will be investigated fully and promptly.

## **10.11 Unauthorized Use of Property and Return of Property**

Unauthorized employee use of any CRRA equipment and supplies for non-work related purposes is strictly prohibited. Examples of equipment and supplies that employees may not use without authorization include the following: computers/printers, copiers, telephones, fax machines, postage meter, and work supplies (pens, papers, tape, etc.). Unauthorized use or negligence in the care and use of CRRA property shall subject an employee to disciplinary action, up to and including termination. Unauthorized persons are also prohibited from entering CRRA's premises or using CRRA property.

All records, files, documents, equipment and other materials, or copies thereof, relating to CRRA's business, shall be and remain the sole property of CRRA. These materials shall not be removed from CRRA except when required in connection with the performance of an employee's duties, and shall be promptly returned and not retained by any employee upon request at any time and upon termination of employment with CRRA.

## **10.12 Vehicle Usage**

CRRA maintains a pool of vehicles to provide its employees for business-related transportation. These vehicles may be used for business purposes only; no personal use of the vehicles is permitted (except in the case of 24 hour "on-call" assignments; see below).

### **10.12.1 Assignments of Vehicles**

Vehicles may be assigned to individuals on the basis of their job duties, the frequency of their need for business transportation, and similar criteria as established by the Policies & Procurement Committee. The Committee may review and approve all vehicle assignments.

In appropriate instances, vehicles may be assigned on a 24-hour "On-Call" basis. These assignments shall be made on the basis of an employee's "on-call" status and their demonstrated record of calls outside of normal business hours.

Vehicles may be assigned by the President to divisions as warranted.

All other vehicles shall be assigned to the Headquarters Vehicle Pool.

### **10.12.2 Acceptable Uses of Pool Vehicles**

Transportation of individuals to/from CRRA-related business and facilities and other clearly business-related purposes as approved by the President or the employee's Division Head.

### **10.12.3 Acceptable Uses of "On-Call" Assigned Vehicles**

The following are acceptable uses of "on-call" assigned vehicles:

- (a) Transportation between the employee's primary place of residence and CRRA facility for which one has on-call responsibilities;
- (b) Emergency service and repair calls;
- (c) Transportation of individuals to/from CRRA-related business and facilities;
- (d) Delivery and pick-up of equipment, supplies, mail, and packages;
- (e) Attendance at conferences, meetings and/or seminars;
- (f) Other clearly business-related purposes as approved by the President or the employee's Division Head; and
- (g) Daily commuting (in this instance commuting mileage shall be accounted for in accordance with IRS regulations).

#### 10.12.4 Scheduling

The use of any division-assigned vehicle shall be scheduled through the Division Head. The use of any pool vehicle must be scheduled through the Facilities Manager as far in advance as possible. When reserving use of a vehicle, the employee must identify the purpose of the trip, destination, a method of contact while on the trip, and the approximate times of departure and return. Keys shall be checked out from the Facilities Manager at the time of departure and returned upon return from the trip. Reservations may be pre-empted by higher priority requests.

#### 10.12.5 General Guidelines

When driving a CRRA vehicle the operator must have in their possession a valid driver's license.

Each vehicle may have assigned to it a unique oil company charge card. Such card shall be for purchase of vehicle-related products (e.g., gasoline, oil, washer fluid, wipers, etc.) only; no other goods or services may be purchased with the card.

Vehicles may not be used for personal business or errands.

Only CRRA and MDC employees are permitted to drive a CRRA vehicle.

#### 10.12.6 Purchase and Disposal of Vehicles

All vehicles shall be purchased and disposed of through a competitive process.

#### 10.12.7 Other

This policy shall apply to all CRRA-owned vehicles, including those owned by CRRA but driven by MDC employees.

All CRRA vehicles shall be identified with appropriate decals.

#### 10.13 Cell Phone and Pager Usage

CRRA shall provide cell phones or pagers to employees where such equipment facilitates or is required for the employee's performance of their job duties. Assignments shall be made where clear business justifications warrant the assignment of such equipment.

Assignments shall be made upon the review and approval by an employee's Division Head (or in the case of a Division Head, the President). A brief written explanation of the employee's need for such equipment shall be submitted for justification. Such an explanation shall include justification based upon the following criteria (as applicable):

- (a) Description of safety requirements warranting the assignment of such equipment
- (b) A substantial portion of the employee's work is in the field or outside of the office on a regular basis, and there is a requirement that the employee be in regular contact with the office
- (c) The employee is "on-call" outside of regular business hours
- (d) The assignment of such equipment is expected to increase the employee's productivity
- (e) The employee is a critical decision maker.

If approved, the employee shall be assigned equipment with a service plan designed to meet their expected (or documented record of) business usage needs.

Brief incidental personal usage of the equipment is acceptable as long as such usage flows from the requirements of the employee's job duties and such incidental personal usage does not regularly result in the employee exceeding the service plan allowances.

The Policies & Procurement Committee shall review exceptions to this policy.

#### 10.14 Travel Policy and Expense Reporting

CRRA requires that all travel expenditures and their accountings meet the Internal Revenue Service requirements of "ordinary, necessary and reasonable" and should be conservative and consistent with the nature of the business assignment. These policies safeguard CRRA and protect the employee from being assessed additional taxable income. All employees are expected to fully comply with the policies and instructions in this guide. Reimbursements for actual and necessary expenses made to Directors of CRRA shall be made consistent with the

provisions of this Travel Policy and Expense Reporting guide; however, as stated in the Connecticut General Statutes, Directors shall not be required to obtain pre-approval from the President for any expenses.

#### 10.14.1 Approvals

Prior written approval by the President or the employee's Division Head at least one (1) week in advance is required for all overnight trips out of state, except in an emergency. It is the obligation of the employee to obtain this prior approval and no reimbursement will be made without this approval.

Prior written approval by the President or the employee's Division Head at least one (1) week in advance is required for all employee trips that are for educational seminars, professional conferences, vendor-initiated field trips, and industry organization events.

To obtain written approval, the employee must complete the overnight travel form, and, if a cash advance is requested, complete a cash advance form that estimates the out-of-pocket expenses, and submit the completed form(s) to the appropriate Division Head or President in as far in advance as possible of departure date.

#### 10.14.2 Transportation

Transportation expenses should be kept to a minimum. The most direct and practical route should be selected.

#### 10.14.3 Rental Automobile Insurance

Employees on business do not need to purchase additional insurance coverage (collision damage waiver or excess liability) from the rental company. The Corporate Insurance Program covers these risks. Please note that all vehicles must be rented in CRRA's name to have CRRA's policy cover the employee.

Employees are prohibited from using a CRRA rental automobile for personal use. Personal use that is incidental to CRRA business use will be covered by CRRA insurance policy as long as the vehicle was rented in CRRA's name. Incidental usage is defined as usage of the vehicle that is directly related to business usage (e.g. mileage to get meals on a business trip).

#### 10.14.4 Business Use of Employee's Car

##### **10.14.4.1 Reimbursement Rate**

The reimbursement rate for an employee's use of their personal automobile for CRRA business is the IRS approved rate, as adjusted from time to time by the IRS, for employee use of their personal car on business. The above mileage reimbursement allowance for business use

of an employee's vehicle is calculated in manner that takes in account all auto-related expenses, including the cost of carrying insurance (without a deductible). Therefore, CRRA will not reimburse an employee for vehicle damage or personal liability that occurs while a personal automobile is being used on CRRA business. This includes any deductible that may apply. Before an employee seeks the foregoing reimbursement for the use of his personal automobile, the employee shall provide CRRA with written evidence of his personal automobile insurance with limits as required by the Connecticut General Statutes. The foregoing written proof shall be kept on file in CRRA Finance Division.

#### **10.14.4.2 Mileage Calculation**

In all travel away from CRRA office, the employee will be reimbursed using the shortest distance between points.

#### **10.14.4.3 Tolls/Parking**

No receipts are necessary for tolls or parking unless they exceed Fifteen (\$15.00) Dollars.

#### **10.14.5 Air Travel**

All air travel requires prior approval from CRRA President. For approved travel, CRRA will reimburse employees only for coach accommodations. Employees are encouraged to inquire about discount packages and to take advantage of the least costly route whenever possible. When an employee plans a trip the reservations should be made as far in advance as practical to obtain the lowest rate. All approved air travel for the previous month shall be reported to CRRA Board of Directors at its next Board Meeting.

#### **10.14.6 Taxis**

Taxi service may be used when no other form of public transportation is available or when the cost of a taxi is close to the cost of public transportation. Employees are encouraged to use courtesy cars, airport limousines, or buses whenever possible. Since some taxi services do not provide receipts, you should have the back of your business card signed, dated, and the amount of the fare indicated by the driver.

#### **10.14.7 CRRA Owned Automobiles**

Please refer to CRRA Vehicle Usage Policy adopted by CRRA Board of Directors at its November 21, 2003, Board of Directors Meeting.

#### 10.14.8 Rental Automobile

Rental car expenses will be paid by CRRA and whenever possible should be billed directly to CRRA to take advantage of CRRA's tax-exempt status and any other CRRA discounts available.

#### 10.14.9 Meals

Permissible expenditures for meals and tips depend on location and circumstances. Only reasonable and customary charges will be allowed and reimbursed by CRRA. An exception may be granted by the President in unusual circumstances. In-state breakfast, lunch, and dinner will not be reimbursed unless they involve a business meeting.

#### 10.14.10 Lodging

Lodging accommodations in reasonable and economically priced single occupancy rooms, including customary tips, are reimbursable if the employee has to stay away from home overnight because of unfinished business or an early morning business meeting. Employees should request government rates at the time of making reservations.

#### 10.14.11 Incidentals

The incidentals allowance encompasses such things as gratuities and one telephone call a day to the employee's home of reasonable duration. It is anticipated that the cost of such calls generally will appear on the employee's hotel bill.

#### 10.14.12 Personal Expenses

Some travel expenses are considered personal and CRRA will not reimburse them. The following, while not all inclusive, lists examples of such personal expenses that are not reimbursable expenses: amusements, athletic events, barbers, books for personal reading, athletic court or gym costs, damage to luggage, fines, hair stylists, magazines, newspapers, movies, and saunas.

#### 10.14.13 Other Business Expenses

With prior approval of the President, CRRA will reimburse an employee for the incidental costs necessary to further an important CRRA business purpose. Any foregoing expense must be reported to the Board at the Board's next Board of Directors meeting. Any such expense must be documented by showing the following:

- (a) The name(s) of the person or persons and the location and nature of the expense;
- (b) The business relationship with CRRA;

- (c) The specific business reason for the expense;
- (d) The actual business conducted;

CRRA will not reimburse the cost of home entertaining;

#### 10.14.14 Expense Reporting

All expense reporting must be submitted to CRRA using CRRA expense reimbursement form(s) within twenty working days after the day the employee returns.

#### 10.14.15 Receipts

Employees shall obtain receipts for all travel expenses, exclusive of mileage reimbursement. This includes receipts for all meals, airfare, busfare, taxi, toll or parking charges in excess of \$5.00 dollars, limousine, hotel, and registration fees. Travel expenses in excess of the stated guidelines herein will be reimbursed only if all receipts accompany expense vouchers. Expenses submitted without a receipt, except for gratuity and certain transfer charges, may not be reimbursed.

Original receipts are required for all entertainment.

#### 10.14.16 Exceptions

Exceptions to these travel and expense guidelines will be authorized only upon the prior authorization of President when the circumstances warrant. Any such exception to these travel and expense guidelines should be documented and the President should notify CRRA Board of Directors of such exception at the Board's next Board Meeting.

## 11. TERMINATION OF EMPLOYMENT

### 11.1 Notice of Resignation

Employees are expected to present a written notice of resignation at least two weeks prior to the resignation's effective date. If an employee follows this resignation procedure, s/he will be entitled to the following benefit for which s/he is otherwise ineligible: payment for accrued but unused vacation time upon termination. Any employee who is involuntarily discharged (other than a layoff) or who fails to follow the aforementioned resignation procedures is not eligible for any such payment upon termination.

### 11.2 Group Health Insurance Continuation/COBRA

Under insurance continuation laws commonly known as COBRA, an employee may continue health insurance coverage at his or her expense for up to (generally) 18 months, unless

coverage is otherwise obtained. Upon termination of employment, CRRA will provide employees with the necessary information and forms regarding this insurance continuation option, including how much it will cost and when monthly premiums are due.

### **11.3 Exit Interview**

All terminating employees will be expected to complete an exit interview prior to leaving if requested by CRRA. In addition to supplying employees with necessary information, including information regarding the continuation of benefits as defined by COBRA, the exit interview process can provide an opportunity for an employee to suggest ways CRRA can be improved.

### **11.4 References**

All requests for information about current or former employees shall be referred to the President. Unless CRRA receives a written authorization from a current or former employee to release personnel information about that individual to a third party, or is otherwise legally obligated to release personnel information, CRRA will only confirm in writing the employee's dates of employment, salary history, and job title, in response to any request for personnel information or for a reference.

## **ACKNOWLEDGEMENT OF RECEIPT AND REVIEW OF EMPLOYEE HANDBOOK**

I acknowledge that I have received and reviewed a copy of CRRA's Employee Handbook. I understand that it is my obligation to familiarize myself with and abide by and comply with all of the policies and procedures set forth therein. I further understand that I am an "at will" employee subject to termination with or without notice or cause. I certify that I have had an opportunity to ask questions about these policies, and that all my questions have been satisfactorily answered by CRRA. I further understand that CRRA has the right to change, delete, add to, suspend, or discontinue any of its policies and procedures at any time without prior notice, and that if CRRA so exercises this right and I remain employed thereafter, I will abide by, and comply with, all of CRRA's policies and procedures which are then in effect.

Employee Name: \_\_\_\_\_  
(please print)

Signature: \_\_\_\_\_ Date: \_\_\_\_\_