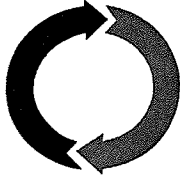


**CRRA
BOARD MEETING
MARCH 24, 2005**



**CONNECTICUT
RESOURCES
RECOVERY
AUTHORITY**

**100 Constitution Plaza • Hartford • Connecticut • 06103 • Telephone (860)757-7700
Fax (860)757-7745**

MEMORANDUM

TO: CRRA Board of Directors
FROM: Kristen Greig, Secretary to the Board/Paralegal
DATE: March 18, 2005
RE: Notice of Meeting

There will be a regular meeting of the Connecticut Resources Recovery Authority Board of Directors held on Thursday, March 24, 2005 at 9:30 a.m. The meeting will be held in the Board Room of 100 Constitution Plaza, 6th Floor, Hartford, Connecticut.

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

Connecticut Resources Recovery Authority
Board of Directors' Meeting

Agenda

March 24, 2005

9:30 AM

I. Pledge of Allegiance

II. Public Portion

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

III. Minutes

1. Board Action will be sought for the approval of the February 24, 2005 Regular Board Meeting Minutes (Attachment 1).

IV. Finance

1. Board Action will be sought for Renewal of All Risk Property Insurance (Attachment 2).
2. Board Action will be sought for Renewal of Public Official's Employees Liability Insurance (Attachment 3).
3. Board Action will be sought regarding Adoption of the Annual Plan of Operations and Budget Procedure (Attachment 4).
4. Board Action will be sought regarding Adoption of the Policy for Grants and Loans (Attachment 5).

V. Project Issues

A. Mid-Connecticut

1. Board Action will be sought regarding Delivery of Cover Soils to the Hartford Landfill (Attachment 6).

VI. Chairman's and Committee Reports

A. Policy and Procurement Committee

1. The Policy and Procurement Committee will report on its March 10, 2005 meeting.

2. Board Action will be sought regarding an Amendment to Section 307 of the Amended and Restated Bylaws (Attachment 7)

B. Organizational Synergy and Human Resources Committee

1. Board Action will be sought regarding the Adoption of the Workplace Violence Policy (Attachment 8).
2. Board Action will be sought regarding the Adoption of the Hiring, Compensation, Promotion and Dismissal Procedures Policy (Attachment 9).

VII. Executive Session

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

TAB 1

CONNECTICUT RESOURCES RECOVERY AUTHORITY

THREE HUNDRED EIGHTY-FIFTH MEETING

FEBRUARY 24, 2005

A Regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, February 24, 2005 at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Chairman Michael Pace

Directors: Benson Cohn
Mark Cooper
James Francis
Michael Jarjura (Present beginning at 10:15 a.m.)
Edna Karanian
Theodore Martland
Raymond O'Brien (Present by telephone until 11:30 a.m.)
Andrew Sullivan (Present by telephone from 9:55 a.m. until 11:30 a.m.)
Veronica Airey-Wilson (Ad-Hoc for Mid-Connecticut Project) (Present by telephone until 11:30 a.m.)
Timothy Griswold (Ad-Hoc for Mid-Connecticut Project)
Sherwood Lovejoy (Ad-Hoc for Bridgeport Project)

Present from the CRRA staff:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Bettina Bronisz, Assistant Treasurer and Director of Finance
Rob Constable, Controller
Thomas Gaffey, Director of Recycling & Enforcement
Floyd Gent, Director of Operations
Laurie Hunt, Director of Legal Services
Chris Hyfield, Human Resources Manager
Paul Nonnenmacher, Director of Public Affairs
Kristen Greig, Secretary to the Board/Paralegal

Chairman Pace called the meeting to order at 9:30 a.m. and noted that a quorum was present.

Also present were: Mr. David Arruda of MDC, Mr. Frank Marci of USA Hauling & Recycling, Mr. Matt Nozzolio of MDC, Mr. Jerry Tyminski of SCRRA.

PLEDGE OF ALLEGIANCE

Chairman Pace requested that everyone stand for the Pledge of Allegiance, whereupon, the Pledge of Allegiance was recited.

RESOLUTION REGARDING THE ADOPTION OF THE FISCAL YEAR 2006 MID-CONNECTICUT PROJECT OPERATING AND CAPITAL BUDGETS AND TIP FEES

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

RESOLVED: That the fiscal year 2006 Mid-Connecticut Project Operating Budget in the amount of \$94,250,000 and the fiscal year 2006 Mid-Connecticut Project Capital Budget in the amount of \$7,322,000 be adopted as substantially presented and discussed at this meeting.

FURTHER RESOLVED: That the tip fees listed in the table below be adopted for fiscal year 2006.

WASTE STREAM	PER TON TIP FEES
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
Non-Processible Waste Fee	\$85.00
Non-Municipal Mattress Surcharge (<i>Per Unit Fee</i>)	\$15.00
Recycling Tip Fee	\$00.00

The motion was seconded by Director Martland.

Mr. Kirk stated that the budget was thoroughly reviewed by the Finance Committee and noted that the Mid-Connecticut tip fees, which were at or below market rates, would remain the same.

Chairman Pace stated that the Operating Budget was \$94,250,000 and the Capital Budget was \$7,322,000. Chairman Pace emphasized that the Operating Budget reflected a 10.2% decrease from the adopted FY05 budget and noted that the Mid-Connecticut facility was one of the few facilities of its nature that did not charge for recycling.

Mr. Bolduc referred the Board to page 14 of the budget. Mr. Bolduc stated that the last item under the “Debt Service/Administration” heading, entitled “Contribution to Debt Service Stabilization Reserve,” was a reserve that would be presented to the Board later in the meeting for the purpose of stabilizing debt in future years where there could be a deficit.

Chairman Pace reviewed highlights of the budget including: a 158.8% increase in recycling sales, a substantial increase in metal sales, and a 25.2% increase in electricity revenues. Chairman Pace pointed out that there was a 36% decrease in debt service/administration. Chairman Pace stated that CRRA had worked hard over the last few years to achieve those

numbers.

Chairman Pace pointed out an increase in the landfill expenses, which reflected an increase in grounds maintenance as part of CRRA's commitment to its host communities.

Director O'Brien asked for confirmation that the vote on the budget was in no way dependent upon subsequent Board action regarding the reserve fund. Attorney Hunt responded that the budget was not dependent upon any subsequent Board actions.

Regarding the Capital budget, Mr. Constable stated that any projects in excess of \$50,000 would be brought back to the Board for approval. Mr. Constable noted that some of the major projects at the Waste Processing Facility included resurfacing of the MSW and RDF floors and conveyor rebuilds. Mr. Constable gave an overview of the other major capital improvement projects planned for the various facilities.

Chairman Pace noted that the Finance Committee was well represented at the Board meeting. Director Cohn stated that the Finance Committee reviewed the budgets at length and were satisfied with the budgets as they were presented.

Director Airey-Wilson pointed out that there were no funds budgeted for the closure of the Hartford Landfill and asked if there would be discussion of that in the future or if CRRA would be seeking funds from elsewhere. Chairman Pace stated that CRRA would both be addressing funds for closure internally as well as seeking funds elsewhere. Mr. Constable referred the Board to the projections of the FY07-FY10 capital budgets, which include funds for closure of the landfill.

Director Airey-Wilson asked what the projected closure date of the Hartford Landfill was. Mr. Kirk responded that there were two tentative dates. The first was the closure of the MSW process residue side of the landfill, which was expected to close in 18 months to 2 years depending upon the grading plan accepted by DEP. The second date was for the ash residue portion, which was expected to close in 3-4 years. Mr. Kirk noted that the closure process takes approximately one year.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O'Brien	X		
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut	X		

Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

RESOLUTION REGARDING THE ESTABLISHMENT OF THE DEBT SERVICE STABILIZATION RESERVE FOR THE MID-CONNECTICUT PROJECT

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

RESOLVED: That a Debt Service Stabilization Reserve be created for the Mid-Connecticut Project for the purpose of paying future debt service during a period when the project will experience a revenue shortfall due to the loss of Enron energy revenues;

FURTHER RESOLVED: That the interest earnings for this reserve be retained within this reserve;

FURTHER RESOLVED: That the initial funding for this reserve be through the fiscal year 2006 operating budget.

The motion was seconded by Director Martland.

Mr. Bolduc explained that the Debt Service Stabilization Reserve would be funded by excess revenue generated by the defeasance of debt. The reserve would satisfy the need to mitigate the tip fees in approximately FY09 when it is anticipated that there will be a deficit.

Mr. Bolduc noted that the reserve would be used only for debt service and would be controlled by the Board. Mr. Bolduc said the reserve was in line with CRRA's agreement with the Trustee, U.S. Bank, that the proceeds from the sale of the Enron bankruptcy claim be used for debt service.

Director O'Brien stated, for the record, that CRRA has received the settlement from Deutsche Bank and noted that the money is within CRRA's control.

Chairman Pace emphasized that the purpose of the fund was to establish a source of funds for future debt service. Chairman Pace added that the reserve was based on current projections and would be funded for the next several years. The reserve would be drawn down during the final years of the Mid-Connecticut Project.

Director O'Brien noted that the establishment and reporting of the reserve has been thoroughly reviewed by Bond Counsel and CRRA's auditor.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O'Brien	X		
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

RESOLUTION ADOPTING THE INVESTMENT APPROACH FOR THE \$111 MILLION ENRON SETTLEMENT

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

WHEREAS, the Authority received \$111,686,881 (representing \$111,261,955 from the sale of the Enron claim to Deutsche Bank on August 20, 2004, plus \$424,926 accrued interest) on February 1, 2005 (collectively the “Enron Settlement Funds”); and

WHEREAS, under Section 4 of the U.S. Bank Pledge Acknowledgement and Confirmation and Agreement as to Proofs of Claims executed between the Authority and U.S. Bank as Trustee (“Trustee”) on July 28, 2004, the Authority will apply the Enron Settlement Funds toward payment on the Mid-Connecticut Bonds; and

WHEREAS, the Amended and Restated Master Lease Agreement between the Authority and the State of Connecticut on October 29, 2003 included the State Loans as Bonds of the Authority; and

WHEREAS, the Office of the State Treasurer and the Office of Policy and Management have determined that full repayment of the State Loan is not necessary at this time and leaves the decision to retire the State Loan with the Authority; and

WHEREAS, application of the Enron Funds to pay and or otherwise defease outstanding Mid-Connecticut debt will satisfy the calculation of Section 7.16(A) of the Resolution Authorizing the Issuance of the Mid-Connecticut System Bonds adopted March 13, 1985, as amended, concerning the revenue covenant, whereby defeased debt service will be eliminated from the calculation referred to herein; and

WHEREAS, the Board has received and reviewed the Investment Manual for Enron Settlement Claim Proceeds prepared by Management, dated February 2005 and has determined that the following Management recommendations are prudent:

1. The balance of the State Loan should continue to be paid through to its stated maturity in 2012 rather than upon receipt of the Enron Settlement in order to take advantage of currently lower interest rates, while defeasing higher costing debt service.
2. The Authority's 2001 Bonds be fully defeased with a portion of the Enron Settlement Funds, which will eliminate this liability.
3. The Authority's 1997 Bonds be fully defeased with a portion of the Enron Settlement Funds, which will eliminate this liability.
4. To apply the remaining Enron Settlement Funds for a partial defeasance of as many of the Authority's outstanding 1996 Bonds as the funds will enable; and

WHEREAS, under Section 11.1(B) of the Resolution Authorizing the Issuance of the Mid-Connecticut System Bonds adopted March 13, 1985, as amended, for purposes of defeasance, the Investment Securities available for the Authority are defined for purposes of defeasance; and

WHEREAS, the Board has been provided with the Authority's Investment Policy revised and adopted by the Board on January 22, 2004; now therefore, be it:

RESOLVED: That the Board hereby approves the Management Plan as presented in the Investment Manual for Enron Settlement Claim Proceeds at this meeting and approves the application of the Enron Settlement Funds as outlined; and

FURTHER RESOLVED: That the Board hereby approves the investment in State and Local Government Securities ("SLGS") of the funds to be held in escrow for defeasance of Mid-Connecticut bonds.

The motion was seconded by Director Martland.

Mr. Bolduc briefly reviewed the background of the settlement and subsequent sale of the Enron bankruptcy claim. Mr. Bolduc explained that the next stage was determining how the proceeds from the claim would be used.

Mr. Bolduc referred the Board to the CRRA Investment Policy behind Tab 5 of the Investment Manual and explained that the policy detailed the criteria for the types of investment vehicles allowed under the Bond Indentures and the investment guidelines for management.

Mr. Bolduc stated that the first step in the investment approach was to set aside approximately \$19,000,000 for the State Loan in a variable rate Short-Term Investment Fund ("STIF") account. Mr. Bolduc added that the interest expense would match the interest income.

Mr. Bolduc noted that CRRA met with the Office of Policy and Management (OPM) and the State Treasurer regarding the use of the funds. Mr. Bolduc said the State Treasurer and OPM did not require that the Loan be paid off, but stated that the CRRA Board should decide the most appropriate use of the funds.

Mr. Bolduc said the second step in the investment approach was the legal defeasance of the Mid-Connecticut Bonds. The 2001 Bonds would be defeased first by depositing approximately \$13,000,000 in an escrow account to be handled by the Trustee. The funds would be used to pay off the bonds and the debt would come off of CRRA's balance sheet. The same approach would be used for the 1997 Bonds, with approximately \$2.5 million outstanding, and the remaining funds of approximately \$92 million would be used to partially defease the 1996 bonds.

Mr. Bolduc noted that the Finance Committee thoroughly reviewed the Investment Manual and the various investment options available under the Bond Indenture. The options were narrowed down to three investment options: State and Local Government Securities (SLGS), U.S. Treasury Securities and Guaranteed Investment Contracts. Mr. Bolduc added that the options were also discussed at length with Bond Counsel, an economic advisor and CRRA's auditor.

Mr. Bolduc stated that the Finance Committee was recommending investing in SLGS because the investment could be made without delay and, more importantly, the redemption dates could coincide with payment due dates.

Chairman Pace asked what the risk factor was for investing in SLGS. Ms. Bronisz responded that SLGS are 100% secure because they are U.S. Treasury securities. Ms. Bronisz stated that anyone could buy Treasury securities, but the SLGS program was specifically designed for municipalities, quasi-public agencies and state government.

Chairman Pace asked for an explanation of defeasance. Ms. Bronisz explained that the funds were being put in a special account and rather than using the money from tip fees to pay debt service, the payments will come directly from that account. Ms. Bronisz added that the bonds will still be outstanding, but CRRA will not be required to make the payments directly because the payments will come from that account.

Director Sullivan pointed out that the SLGS program would allow CRRA the flexibility to make required debt service payments as they became due. Ms. Bronisz explained that other investment options had specific maturity dates and those maturity dates might not exactly match when the debt service payments are due. The SLGS program would allow CRRA to control when payments were made.

Chairman Pace asked for confirmation that CRRA would not have to pay brokers fees for the SLGS. Ms. Bronisz confirmed that there were no brokers fees associated with SLGS.

Director O'Brien asked Director Sullivan or Mr. Bolduc to comment on CRRA's bond counsel's analysis of the interest earned, particularly with regard to arbitrage. Mr. Bolduc stated that CRRA's bond counsel was certain that the investment would not be subject to arbitrage because there was a fairly large rate differential. Mr. Bolduc said the CRRA was also currently in a negative arbitrage situation so that would have to be overcome before arbitrage would even become an issue. Director Sullivan added that the minutes from the Finance Committee meeting would reflect also bond counsel's analysis of the arbitrage situation.

Director Cohn noted that Finance Committee was recommending the adoption of the resolution and further recommended SLGS as the investment vehicle. Director Cohn also noted that the Finance Committee commended management for the fine work that went into developing the investment approach and background information. Director Martland expressed his support for Director Cohn's comments.

Chairman Pace emphasized that this vote was only for the investment approach.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CONNECTICUT RESOURCES RECOVERY AUTHORITY DESIGNATING NOT MORE THAN \$20,000,000 OF PROCEEDS RECEIVED FROM THE SALE OF THE SETTLEMENT OF ITS BANKRUPTCY CLAIMS AGAINST ENRON CORP. AND CERTAIN ENRON SUBSIDIARIES TO THE REPAYMENT OF ITS OUTSTANDING LOANS WITH THE STATE OF CONNECTICUT FOR THE BENEFIT OF THE MID-CONNECTICUT PROJECT

Chairman Pace requested a motion regarding the referenced item. Director Cohn 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 Act, 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 Act (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, 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 (the "\$2,000,000 Loan"), which \$2,000,000 Loan was issued pursuant to the terms of a Master Loan Agreement, dated as of June 27, 2003, by and between the Authority and the State, and evidenced by a Promissory Note, in the aggregate amount of \$2,000,000, dated June 27, 2003; 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 (the "\$2,171,149 Loan"), which \$2,171,149 Loan was issued pursuant to the terms of a Master Loan Agreement, dated as of July 24, 2003, by and between the Authority and the State, and evidenced by a Promissory Note, in the aggregate amount of \$2,171,149, dated July 24, 2003; 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 of indebtedness, classified as Subordinated Indebtedness under the General Bond Resolution (the "\$22,000,000 Loan"), all pursuant to the terms of an Amended and Restated Master Loan Agreement, dated as of October 29, 2003 (the "2003 Master Loan Agreement"); and

WHEREAS, on March 1, 2004, the Authority and the State entered into a loan 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 and subsequent fiscal years, classified as Subordinated Indebtedness under the General Bond Resolution (the "\$20,000,000 Loan"), all pursuant to the terms of a Master Loan Agreement, dated as of March 1, 2004 (the "2004 Master Loan Agreement"); and

WHEREAS, as of the date hereof, the Authority owes the State approximately \$11,000,406 of principal plus interest with respect to the \$22,000,000 Loan and approximately \$8,331,406 of principal plus interest with respect to the \$20,000,000 Loan; and

WHEREAS, on February 1, 2005, the Authority received a total of \$111,686,881 from the sale of the settlement of its bankruptcy claims against Enron Corp. and certain Enron subsidiaries (the "Enron Settlement"); and

WHEREAS, the proceeds of the Enron Settlement were deposited with U.S. Bank National Association, the bond trustee under the General Bond Resolution (the "Trustee"), and will be used for the benefit of the holders of the Bonds issued for the Mid-Connecticut Project, including the repayment of debt service on outstanding Bonds issued for the Mid-Connecticut Project; and

WHEREAS, the 2003 Master Loan Agreement and the 2004 Master Loan Agreement provide that the Authority shall consult with the State Treasurer and the Secretary of the Office of Policy and Management regarding the utilization of the proceeds received in connection with the Enron Settlement; and

WHEREAS, the 2003 Master Loan Agreement and the 2004 Master Loan Agreement provide that the proceeds from the Enron Settlement may be used to repay advances under the \$22,000,000 Loan and the \$20,000,000 Loan (collectively, the "Loans"), to mitigate the need for anticipated future advances under the Loans and/or to mitigate

service payments collected by the Authority as a gate or user fee for the disposal of solid waste at the Mid-Connecticut Project; and

WHEREAS, after consulting with the State Treasurer and the Secretary of the Office of Policy and Management, the Board has determined to use a portion of the proceeds from the Enron Settlement to repay the advances made under the Loans as well as any other debt issued pursuant to the General Bond Resolution.

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

Section 1. That not more than \$20,000,000 of the proceeds from the Enron Settlement shall be deposited in an irrevocable escrow or similar fund or account designated for the repayment of the Loans and that the interest earned on such fund or account shall be held for the repayment of the Loans until the Loans are paid in full.

Section 2. That the Chairman of the Board, the President and the Chief Financial Officer of the Authority (the "Officials") are authorized and directed to execute and deliver any agreements or letters necessary to provide for the payment when due of the current installments of principal and interest on the Loans, including, but not limited to, agreements with the Trustee establishing the necessary funds and/or accounts in order to repay the 2003 Loan and the 2004 Loan, respectively.

Section 3. That the 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 4. This resolution shall take effect immediately.

Date: February 24, 2005

The motion was seconded by Director Martland.

Chairman Pace stated that this resolution was action based on the investment approach just approved by the Board and noted that this was thoroughly reviewed by the Finance Committee and bond counsel.

Mr. Bolduc stated that this resolution would authorize the use of money from the \$111 million to be set aside in an account for payment of the outstanding State Loan. Mr. Bolduc said this would not be a legal defeasance, as in the case with the bonds, but it would be viewed as a restricted net asset on the balance sheet and governed by contract.

Director Sullivan stated that the Loan Agreement did not require that the funds be restricted, but it was good public policy and accounting practice. Director Sullivan pointed out that the funds could not be used for anything other than the liquidation of the State Loan.

Chairman Pace asked that Section 1 of the resolution be read into the record. Ms. Bronisz read, "That not more than \$20,000,000 of the proceeds from the Enron Settlement shall be deposited in an irrevocable escrow or similar fund or account designated for the repayment of the Loans and that the interest earned on such fund or account shall be held for the repayment of the Loans until the Loans are paid in full."

Director Francis noted that the Finance Committee recommended that the Chairman of the Board, the President, and the Chief Financial Officer be required to execute all of the required documentation, which was reflected in Section 2 of the resolution.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

A RESOLUTION AUTHORIZING THE APPLICATION OF A PORTION OF THE PROCEEDS OF THE SALE OF THE CONNECTICUT RESOURCES RECOVERY AUTHORITY'S CLAIMS IN BANKRUPTCY AGAINST THE ESTATE OF ENRON CORP. AND ITS AFFILIATES TO THE DEFEASANCE OF OUTSTANDING MID-CONNECTICUT SYSTEM BONDS AND THE EXECUTION AND DELIVERY OF ESCROW DEPOSIT AGREEMENTS WITH U.S. BANK NATIONAL ASSOCIATION TO PROVIDE FOR THE CUSTODY, INVESTMENT AND APPLICATION OF SUCH PROCEEDS TO EFFECT SUCH DEFEASANCE

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

WHEREAS, the Connecticut Resources Recovery Authority (the "Authority") has previously issued, and there are outstanding \$150,095,000 Mid-Connecticut System Bonds, 1996 Series A, \$2,100,000 Mid-Connecticut System Bonds, 1997 Series A and \$13,210,000 Mid-Connecticut System Bonds, 2001 Series A (collectively, the "Bonds"), all pursuant to a resolution of the Authority adopted March 13, 1985 as supplemented and amended (the "Bond Resolution"); and

WHEREAS, under the Bond Resolution, the Authority pledged to the payment of the bonds issued thereunder, including the Bonds, certain Revenues, including revenues derived from an Energy Purchase Agreement; and

WHEREAS, the Authority entered a series of transactions into with Enron Power Marketing Incorporated ("EPMI") that in effect amended the Energy Purchase Agreement and, following the bankruptcy filing of EPMI and its affiliates including Enron Corp. (collectively, "Enron") in December 2001, resulted in the Authority's filing claims against Enron in its bankruptcy proceedings; and

WHEREAS, the Authority's claims in the Enron bankruptcy proceedings were allowed, the Authority sold such claims, and the Authority realized from such sale of such claims a sum in excess of \$111,600,000 (the "Proceeds"); and

WHEREAS, the Board of Directors of the Authority (the "Board") has determined to apply a portion of such Proceeds to the payment and prepayment of Debt Service on the Bonds in a manner consistent with the Bond Resolution and designed to stabilize the tipping fees charged to the communities obligated to deliver waste to the Mid-Connecticut System and to assist the Authority to meet its revenue covenant contained in Section 716(A) of the Bond Resolution (the "Revenue Covenant"); and

WHEREAS, the Board has determined that the most effective application of the Proceeds consistent with the Authority's obtaining maximum credit for such Proceeds for purposes of its meeting its Revenue Covenant requires that the Authority defease Bonds so as to reduce the amount of Debt Service to be paid from Revenues derived from tipping fees; and

WHEREAS, defeasance of Bonds requires that the Authority enter into agreements with the Trustee under the Bond Resolution to provide irrevocably for the custody, investment and payment and redemption of Bonds from the Proceeds deposited with the Trustee as escrow agent for the defeased Bonds, to the end that such Bonds shall be deemed to have been paid in accordance with the provisions of Section 11.1(B) of the Bond Resolution and therefore the Debt Service thereon shall not be taken into account for purposes of the Revenue Covenant; and

WHEREAS, there have been presented to the Authority three Escrow Deposit Agreements, one each for the Mid-Connecticut Bonds, 1996 Series A, 1997 Series A and 2001 Series A to be defeased, and the Authority has determined to approve and authorize the execution and delivery of each; and

WHEREAS, the Board has previously this day resolved to set aside a portion of the Proceeds in a reserve for the payment or prepayment of certain other obligations outstanding under the Bond Resolution (the portion of the Proceeds and the investment income thereon not so set aside being herein called the "Remaining Proceeds"); now, therefore, be it

RESOLVED: That the Board hereby authorizes the application of all or a portion of the Remaining Proceeds to the defeasance of all of the Authority's outstanding 1997 Series A Bonds, all of the Authority's outstanding 2001 Series A Bonds and so many of the 1996 Series A Bonds, in the order of their maturity, as the Chairman of the Board, the President and the Chief Financial Officer of the Authority (the "Officials") shall determine, in their sole discretion, to be practicable; and

FURTHER RESOLVED: That the Board hereby approves the forms of the Escrow Deposit Agreements and authorizes the Officials to execute and deliver each of the three Escrow Deposit Agreement in substantially the forms presented at this meeting with such changes as the Officials shall approve as in the best interests of the Authority, their execution and delivery thereof being conclusive evidence of their approval of any such changes; and

FURTHER RESOLVED: That the Officials be, and hereby are, authorized to take all such further actions and execute such further documents on behalf of the Authority to accomplish the defeasance of the Bonds as contemplated hereby, and as otherwise may be necessary and appropriate, and of the terms and conditions of any and all the aforesaid documents.

Capitalized terms not defined herein shall have the meanings accorded to them by the Bond Resolution. This resolution shall take effect immediately.

Adopted: February 24, 2005

Director Martland seconded the motion.

Mr. Bolduc stated that the resolution dealt with the defeasance of the 1996, 1997, and 2001 Series A Bonds. Mr. Bolduc informed the Board that the resolution was thoroughly discussed by the Finance Committee and that the resolution required action by the Chairman of the Board, the President and the Chief Financial Officer to accomplish the defeasance of the bonds.

Director Martland asked how much of the 1996 bonds would be remaining after the defeasance. Ms. Bronisz responded that approximately half of the 1996 bonds would not be defeased, which was approximately \$75 million - \$78 million. Mr. Kirk pointed out that the \$75 million remaining would be the only debt remaining on the books since the State Loan and other bonds were being defeased.

Director Cohn noted that the Finance Committee recommended the resolution as part of the Investment Approach for the Enron proceeds.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CONNECTICUT RESOURCES RECOVERY AUTHORITY RESCINDING ITS RESOLUTION ADOPTED ON DECEMBER 16, 2004 AUTHORIZING THE ISSUANCE OF SUBORDINATED INDEBTEDNESS UNDER THE GENERAL BOND RESOLUTION IN THE FORM OF A LOAN NOT TO EXCEED \$20,000,000 FOR THE FISCAL YEAR ENDING JUNE 30, 2006 AND SUBSEQUENT FISCAL YEARS FROM THE STATE OF CONNECTICUT FOR THE BENEFIT OF THE MID-CONNECTICUT PROJECT

Chairman Pace requested a motion regarding the referenced item. Director Cohn 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 Act, 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 Act (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, 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 (the "\$2,000,000 Loan"), which \$2,000,000 Loan was issued pursuant to the terms of a Master Loan Agreement, dated as of June 27, 2003, by and between the Authority and the State, and evidenced by a Promissory Note, in the aggregate amount of \$2,000,000, dated June 27, 2003; 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 (the "\$2,171,149 Loan"), which \$2,171,149 Loan was issued pursuant to the terms of a Master Loan Agreement, dated as of July 24, 2003, by and between the Authority and the State, and evidenced by a Promissory Note, in the aggregate amount of \$2,171,149, dated July 24, 2003; 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 of indebtedness, classified as Subordinated Indebtedness under the General Bond Resolution (the "\$22,000,000 Loan"), all pursuant to the terms of an Amended and Restated Master Loan Agreement, dated as of October 29, 2003; and

WHEREAS, on March 1, 2004, the Authority and the State entered into a loan 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 and subsequent fiscal years, classified as Subordinated Indebtedness under the General Bond Resolution (the "\$20,000,000 Loan"), all pursuant to the terms of a Master Loan Agreement, dated as of March 1, 2004; and

WHEREAS, on December 16, 2004, the Board of Directors of the Authority (the "Board") adopted a resolution authorizing the President and Chief Financial Officer of the Authority (the "Officials") to enter into an interim financing arrangement with the State in the form of a loan in an amount not to exceed twenty million dollars (\$20,000,000), the proceeds of which were to be expended by the Authority 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, 2006 and subsequent fiscal years (the "2006 State Loan"); and

WHEREAS, on February 1, 2005, the Authority received a total of \$111,686,881 from the sale of the settlement of its bankruptcy claims against Enron Corp. and certain Enron subsidiaries (the "Enron Settlement"); and

WHEREAS, the proceeds of the Enron Settlement were deposited with U.S. Bank National Association, the bond trustee under the General Bond Resolution, and will be used for the benefit of the holders of the Bonds issued for the Mid-Connecticut Project, including the repayment of debt service on outstanding Bonds issued for the Mid-Connecticut Project; and

WHEREAS, because the Authority has received the proceeds from the Enron Settlement, the Board has determined that the 2006 State Loan is not needed and wishes to rescind the authorization for the 2006 State Loan passed at its December 16, 2004 Board meeting.

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

Section 1. That the resolution adopted by the Board on December 16, 2004 authorizing the Authority to enter into the 2006 State Loan is hereby rescinded.

Section 2. That this resolution shall have no force and effect upon the terms and provisions of the \$22,000,000 Loan and the \$20,000,000 Loan and the Authority shall continue to be obligated for the repayment of such Loans in accordance with their provisions.

Section 3. That the 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 4. This resolution shall take effect immediately.

Date: February 24, 2005

The motion was seconded by Director Jarjura.

Chairman Pace emphasized that this resolution was rescinding previous Board action.

Mr. Bolduc stated that the Board approved a resolution for borrowing from the State Loan before receiving the proceeds from the Enron bankruptcy claim. While CRRA was anticipating receiving the \$111 million, the transaction was not yet final, so CRRA put the State on notice that funds might be needed. Mr. Bolduc said that, since receiving the \$111 million, the State had been notified that CRRA would not need an advance from the State Loan and the Board could rescind its prior authorization for borrowing from the State Loan in FY06.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

RESOLUTION REGARDING ADDITIONAL PROJECTED LEGAL EXPENDITURES

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

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

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

WHEREAS, CRRA has incurred greater than anticipated legal expenses in connection with the settlement of its Enron bankruptcy claim, the MDC arbitration, and certain other matters;

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

<u>Firm:</u>	<u>Amount:</u>	<u>Revised Board Authorized Amount:</u>
Anderson Kill & Olick	\$100,000	\$600,000
Halloran & Sage	\$150,000	\$650,000
McCarter & English	\$300,000	\$700,000

The motion was seconded by Director Martland.

Attorney Hunt explained that the additional amounts for Anderson, Kill & Olick and Halloran & Sage were necessary largely because of the Enron settlement including the settlement with CL&P and concluding the bankruptcy claim. Attorney Hunt added that the increase for McCarter & English was for the MDC arbitration.

Attorney Hunt informed the Board that the first phase of the MDC arbitration was complete and the second phase dealing with indirect costs would begin soon.

Director Martland asked if MDC had comparable legal expenses. Mr. Kirk stated that the agreement between MDC and CRRA required that CRRA pay a substantial amount of MDC's costs associated with the arbitration.

Director Airey-Wilson asked which figure the Board was voting on – the amount or the revised board authorized amount. Attorney Hunt explained that management was asking for authorization for the increases shown in the center column. Director Sullivan said that the right column reflected the total Board-approved amounts including the projected increases.

Director Jarjura commented that CRRA had been involved in a number of extraordinary legal matters with extraordinary results, but stated as these matters were resolved that the legal fees should begin to show a reduction.

The motion previously made and seconded was approved unanimously.

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

Raymond O'Brien	X		
Andrew Sullivan	X		
Non Eligible Voters			
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

RESOLUTION REGARDING LOOSE RESIDENTIAL MIXED PAPER PURCHASE AND SALE AGREEMENT WITH RECYCLE AMERICA ALLIANCE, L.L.C

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

RESOLVED: That the Board of Directors hereby approves the execution by the President of an agreement with Recycle American Alliance, L.L.C., for the purchase of CRRA's loose residential mixed paper from its Mid-Connecticut Project, substantially in the form as presented to the Board in the January 27, 2005 Board package, and as presented and discussed at this meeting.

The motion was seconded by Director Cooper.

Mr. Gaffey introduced the resolution by explaining that CRRA had a prior agreement with Capital Recycling of Connecticut. Under that agreement, CRRA was allowed to directly market the sale of paper. Mr. Gaffey stated that it became clear that CRRA could get an attractive price for the paper while saving a significant amount on the costs of processing and baling the paper. Mr. Gaffey explained that CRRA could go to the direct market with the loose paper and have that paper transloaded directly to the mill.

Mr. Gaffey stated that CRRA entered into a contract with The Newark Group at \$18.00 per ton, which resulted in a savings of approximately \$1,068,000 in costs and brought in approximately the same amount in revenue. Mr. Gaffey said that the former operator pursued legal action on the basis that CRRA was not allowed to directly market the paper, and the case was decided in CRRA's favor. Mr. Gaffey explained that the operator subsequently sold the facility and assigned the contract to Murphy Road Recycling. After a similar dispute with the new operator, CRRA entered into two agreements with Murphy Road recycling – a transloading agreement and a scale use agreement.

Mr. Gaffey said that prior to the expiration of the agreement with the Newark Group, CRRA went to bid for a new paper purchase agreement. Mr. Gaffey added that Recycle America submitted the high bid of \$56.11 per ton, which represents a 200% increase in revenues.

Chairman Pace emphasized that reviewing contracts to ensure CRRA was getting the best cost and the highest revenue was an important aspect of CRRA's obligation to Connecticut citizens.

Mr. Kirk pointed out that there were issues with CRRA owning a permit, but not the real estate or facility for which the permit was issued. Mr. Kirk also noted that the entire recycling operation was being re-bid, which would allow CRRA to progress from a container-only facility to a container plus fiber facility.

Director Karanian asked what could account for the diversity in prices between the bids submitted. Mr. Gaffey responded that the two highest bidders were very large corporations in the waste market and were able to use hedges in their bids. Mr. Kirk added that the two highest bidders were brokers who had access to access to larger markets, in comparison to the third highest bidder who consumes its own paper at its mill.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

RESOLUTION REGARDING EXTENSION OF MID-CONNECTICUT PROJECT LOOSE PAPER TRANSLOADING AGREEMENT WITH MURPHY ROAD RECYCLING AND MURPHY ROAD REALTY

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

RESOLVED: That the Board of Directors hereby approves the execution by the President of an extension agreement with Murphy Road Recycling, LLC and Murphy

Road Realty, LLC, to continue loose paper transloading at the Mid-Connecticut Project Paper Facility, substantially in the form as presented to the Board in the January 27, 2005 Board package, and as presented and discussed at this meeting.

The motion was seconded by Director Cooper.

Mr. Kirk explained that the other half of the agreement just described by Mr. Gaffey was the extension of the agreement with Murphy Road Recycling, which was operating under Murphy Road Realty for transloading loose paper.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

RESOLUTION REGARDING AGREEMENT WITH FCR REDEMPTION, INC., THE MID-CONNECTICUT PROJECT'S CONTAINER PROCESSING FACILITY OPERATOR

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

RESOLVED: The President is authorized to enter into an extension agreement with FCR, Inc., the Mid-Connecticut Project's container processing facility operator, substantially in the form as discussed at this meeting.

The motion was seconded by Director Martland.

Mr. Kirk stated that the resolution was implementing the plan to go to a container plus fiber processing facility under CRRA control and ownership. Mr. Kirk stated that the extension

would allow CRRA to continue with the existing operator until the recycling re-bid could be completed.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

RESOLUTION REGARDING DELIVERY OF COVER SOILS TO THE HARTFORD LANDFILL

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

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

The motion was seconded by Director Martland.

Mr. Kirk explained that the Environmental Department was doing a good job of pushing the prices higher for mildly contaminated soil to be used as daily cover at the Hartford Landfill, and the prices were now at a record \$18.00 per ton. Mr. Kirk said that cover soil used to represent a substantial cost to the Authority because topsoil was used, but noted that CRRA was now receiving revenue for the soil.

Chairman Pace pointed out that the soil was approved by the DEP. Mr. Kirk added that an example of the typical soil would be soil excavated from around an oil tank and said that the soil was safe.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

RESOLUTION REGARDING SETTLEMENT AGREEMENT FOR THE BRIDGEPORT PROJECT

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

RESOLVED: That the President is hereby authorized to enter into a Settlement Agreement with Bridgeport RESCO Company, L.P. for the Bridgeport Resources Recovery Facility substantially in accordance with the terms and conditions presented at this meeting.

The motion was seconded by Director Martland.

Mr. Kirk stated that the matter was discussed at the previous Board meeting. The dispute was over the refinancing of the project bonds. Mr. Kirk said there was substantial input and discussion at the SWAB meetings. Mr. Kirk said resolution was being recommended by management and the SWAB board at some cost, but management and the SWAB board felt it was in the best interest of the Project to get the dispute resolved in lieu of arbitration. Mr. Kirk noted that the SWAB board unanimously approved a recommendation of the resolution.

Mr. Kirk gave an overview of the four Projects and the Bridgeport Project in particular.

Director O'Brien pointed out that the CRRA Board had mentioned reducing legal fees by resolving litigation and said that this was another dispute that was recently resolved.

Director Lovejoy noted CRRA had negotiated an agreement to accept Stamford's MSW, which would generate funds to cover some the costs associated with this settlement. Mr. Kirk added that the settlement figure was negotiated down a substantial amount by agreeing to pay the settlement upfront as opposed to paying over the remaining of the years of the Project.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Sherwood Lovejoy, Ad Hoc, Bridgeport	X		
Non Eligible Voters			
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

RESOLUTION REGARDING AN AGREEMENT WITH ENVIRO EXPRESS, INC. TO DELIVER CITY OF STAMFORD ACCEPTABLE SOLID WASTE TO CRRA'S BRIDGEPORT PROJECT RESOURCES RECOVERY FACILITY

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

RESOLVED: That the Board of Directors hereby approves the execution by the President of an agreement with Enviro Express, Inc., for the delivery of the City of Stamford's Acceptable Solid Waste to the Bridgeport Project Resources Recovery Facility, substantially in the form as presented to the Board in the January 27, 2005 Board package, and as presented and discussed at this meeting.

The motion was seconded by Director Cooper.

Mr. Gent explained that CRRA responded to an RFP issued by Stamford for disposal of municipal solid waste. CRRA was initially the second lowest bidder, but the lowest bidder was not able to post a bond and Stamford sent CRRA a Notice of Award. Mr. Gent stated that Stamford's contract with their previous contractor expired on December 19, 2004 and since an agreement between Stamford and CRRA could not be finalized by that date, the two parties entered into a 90-day interim agreement.

Mr. Gent noted that Stamford had an agreement with Enviro Express, Inc. for the transportation and disposal of waste, but until the agreement between CRRA and Stamford was finalized, Stamford would pay CRRA \$62.00 per ton for MSW disposal and Enviro approximately \$13.00 per ton for transportation. Mr. Gent added that a letter would be sent to Enviro Express terminating the short-term contract when the long-term agreement with Stamford was finalized.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Sherwood Lovejoy, Ad Hoc, Bridgeport	X		
Non Eligible Voters			
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

RESOLUTION REGARDING AN AGREEMENT WITH THE CITY OF STAMFORD TO DELIVER ITS ACCEPTABLE SOLID WASTE TO CRRA'S BRIDGEPORT PROJECT RESOURCES RECOVERY FACILITY

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

RESOLVED: That the President is hereby authorized to enter into a contract with the City of Stamford to deliver its Acceptable Solid Waste to the Bridgeport Project Resources Recovery Facility, substantially as discussed and presented at this meeting.

The motion was seconded by Director Martland.

Mr. Gent stated that this was the long-term agreement referenced in the discussion of the last resolution. Mr. Gent explained that the agreement was for a three-year term with Stamford having an option to renew for one year. Mr. Gent said that CRRA was able to resolve all of the issues with the agreement to CRRA's satisfaction. Mr. Gent noted that the agreement was already signed by the City of Stamford and by Enviro Express and added that Enviro had committed to following CRRA's permitting and disposal procedures at the Bridgeport facility.

Mr. Gent said that, as a result of a settlement with Wheelabrator, the agreement provided that Stamford would allow Wheelabrator to dispose of Stamford's waste at an alternate permitted facility at Wheelabrator's discretion and cost.

Mr. Gent informed the Board that the contract with Stamford provided gross revenue of about \$14 million and the Bridgeport towns would realize a net benefit of approximately \$1 million, which helps to offset a portion of the settlement with Wheelabrator.

Director O'Brien asked if SWAB supported the agreement. Mr. Gent responded in the affirmative and noted that with the execution of the agreement the Bridgeport Project tip fee would be \$66 per ton. Mr. Kirk added that SWAB voted unanimously in favor of the agreement.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Sherwood Lovejoy, Ad Hoc, Bridgeport	X		
Non Eligible Voters			
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

RESOLUTION REGARDING A SETTLEMENT AGREEMENT BY AND AMONG STAMFORD, SWEROC, CRRA AND FCR, INC.

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

RESOLVED: That the President is hereby authorized to enter into a settlement agreement by and among the City of Stamford, The Southwest Regional Recycling Operating Committee ("SWEROC"), The Connecticut Resources Recovery Authority ("CRRA"), and Fairfield County Recycling, Inc. ("FCR"), including the acknowledgement letter to FCR concerning the apportionment of the settlement payments to FCR, substantially in the form as discussed and presented at this meeting.

The motion was seconded by Director Martland.

Mr. Gent explained that there was an issue with Stamford regarding the wrongful diversion of cardboard and mixed paper. Mr. Gent stated that CRRA acts as an agent for SWEROC to enforce the contract obligations of the SWEROC member towns. It came to CRRA's attention that there were several towns that were not delivering all of their recyclables to the Stratford IPC (Intermediate Processing Center) facility. Mr. Gent said that CRRA submitted a letter to Stamford advising them that the materials had to be brought back into the facility and that they had exposure to damages. Mr. Gent added that meetings over the course of about 6 months resulted in a settlement agreement for past damages.

Mr. Gent noted that the settlement agreement provided for the following: 1) That Stamford is in full compliance of their agreement with SWEROC by bringing all of its recyclables to the Stratford facility; 2) A dollar amount that Stamford would pay for the 100 percent of the damages that SWEROC suffered as a result of the wrongful diversion of cardboard and mixed paper; and 3) A dollar amount to be paid to FCR, the Stratford facility operator, for damages. The payments, totaling \$150,000, would be paid over 36 months starting July 1, 2005. Of that \$150,000, \$28,000 would be paid to FCR in settlement of damages and potential damages against SWEROC and CRRA.

Mr. Gent stated that both Stamford and SWEROC had executed the settlement and added that FCR had not yet signed, but was in concurrence with the terms of the settlement.

Mr. Gent noted that Stamford was very forthright with CRRA and acknowledged their obligation to adhere to the contract.

Director Francis noted that he would have like to see the settlement paid upfront, rather than in monthly payments. Mr. Gent responded that the monthly payments were a concession on CRRA/SWEROC's part. Mr. Kirk added that CRRA and the SWEROC member towns could not accept anything less than one hundred percent of the damages. Mr. Kirk pointed out that CRRA and SWEROC were also faced with a unique opportunity to have Stamford sign the three-year disposal agreement and realized that there was a way to limit the pain of the settlement to Stamford as a new customer.

Director O'Brien commended the enforcement personnel who were involved in the effort to ensure towns were meeting their contractual obligations, but noted that it was imperative that all of the contracts were properly enforced to be able to keep the fees for recycling at \$0.00.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Sherwood Lovejoy, Ad Hoc, Bridgeport	X		
Non Eligible Voters			
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

RESOLUTION REGARDING AN AMENDMENT TO THE SUPPLEMENT TO AMENDED AND RESTATED AGREEMENT BY AND AMONG SWEROC AND CRRA

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

RESOLVED: That the Supplement to Amended and Restated Agreement by and among SWEROC and CRRA (SWEROC Museum and Operations Supplement) is amended to extend the agreement from January 28, 2005 to June 30, 2005, substantially in the form as discussed at this meeting.

The motion was seconded by Director Martland.

Mr. Kirk stated that CRRA had an agreement with SWEROC to provide education and museums at the recycling museum in Stratford and the agreement referenced in the resolution restated that agreement.

Chairman Pace noted that education was one of the major missions of CRRA.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Sherwood Lovejoy, Ad Hoc, Bridgeport	X		
Non Eligible Voters			
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

RESOLUTION RATIFYING THE PROCUREMENT ACTION TAKEN REGARDING WASTE EXPORT AND DIVERSION HAULING AND DISPOSAL SERVICES FOR MID-CONNECTICUT AND WALLINGFORD PROJECTS

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

RESOLVED: That the Board of Directors, in accordance with Connecticut Resources Recovery Authority's Procurement Policy, hereby ratifies the execution of agreements with USA Hauling and Recycling, Energy Answers Corporation, Waste Management of Massachusetts, Santaro Development, and CWPM, LLC, for waste export and diversion services for the Mid-Connecticut and Wallingford Resources Recovery Facilities, substantially in the form presented to the Board in the January 27, 2005 Board package, and as presented and discussed at this meeting.

The motion was seconded by Director Martland.

Mr. Kirk said that CRRA occasional had a need for exporting and diverting waste. Mr. Kirk stated that those services were bid and a list of vendors was established for use on an as needed basis and noted that the least expensive vendor was utilized first. Mr. Gent noted that the agreement was executed at the beginning of the year on an emergency basis because the prior agreements expired on December 31, 2004. Mr. Gent added that there are typically outages in January and February, CRRA needed access to contractors to export and divert waste during those outages and stated that if CRRA was not able to divert waste during the outages, CRRA would potentially have to interrupt waste deliveries to the plant.

Mr. Kirk said that the contractors were willing to continue services without a contract, but legal counsel recommended utilizing emergency procurement action rather than allowing contractors to access to CRRA facilities for liability reasons.

Director Martland asked if there would be a higher probability of needing these services as towns grow. Mr. Kirk responded that effective enforcement and at or below market rate tip fees would require use of export and diversion services more often.

Mr. Gent noted that this agreement was for exporting waste out of state, but the Board approved a contract with Windsor for in-state diversion, which was limited in the number of tons per day that could be delivered. Waste in excess of that limit had to be exported out of state. Mr. Gent said that Windsor was agreeable to allowing CRRA to increase the limit in the amount of tonnage, which would be at a lower cost than exporting waste out of state.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Non Eligible Voters			
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

RESOLUTION REGARDING SPOT WASTE DELIVERY SERVICES FOR THE MID-CONNECTICUT AND WALLINGFORD PROJECTS

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

RESOLVED: That the President is hereby authorized to enter into agreements with A.J. Waste Systems, LLC, USA Hauling and Recycling, Inc., and CWPM, LLC for the delivery of spot waste on an as needed basis for the Mid-Connecticut and Wallingford Resources Recovery Facilities substantially in accordance with the terms and conditions presented at this meeting.

The motion was seconded by Director Martland.

Mr. Kirk stated that CRRA occasionally needed to accept spot waste to maintain operation of the plant and generation of electricity. Mr. Kirk explained that it was a decreasing need that CRRA hoped to eliminate in the near future, but in the meantime, CRRA needed the capability to accept the amount of waste needed.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Non Eligible Voters			
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

APPROVAL OF THE MINUTES OF THE JANUARY 18, 2005 SPECIAL BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the January 18, 2005 Special Board Meeting. The motion was made by Director Martland and seconded by Director Cooper.

Director O'Brien asked why non-eligible voters were reflected as voting affirmatively. It was agreed that the minutes would be amended to make that correction.

The motion previously made and seconded was approved. Directors Cohn and Francis abstained as they were not present at the meeting.

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

Michael Jarjura	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Non Eligible Voters			
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

APPROVAL OF THE MINUTES OF THE JANUARY 27, 2005 REGULAR BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the January 27, 2005 Regular Board Meeting. The motion was made by Director Martland and seconded by Director Karanian.

The motion previously made and seconded was approved. Directors Cohn, Francis, and Sullivan abstained as they were not present at the meeting.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn			X
Mark Cooper	X		
James Francis			X
Michael Jarjura	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan			X
Non Eligible Voters			
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

APPROVAL OF THE MINUTES OF THE FEBRUARY 1, 2005 ANNUAL MEETING

Chairman Pace requested a motion to approve the minutes of the February 1, 2005 Regular Board Meeting. The motion was made by Director Cooper and seconded by Director Martland.

The motion previously made and seconded was approved. The following Directors abstained as they were not present at the meeting: Director Cohn, Director Francis, Director Jarjura, Director Karanian, and Director Sullivan.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn			X
Mark Cooper	X		
James Francis			X
Michael Jarjura			X
Edna Karanian			X
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan			X
Non Eligible Voters			
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

CHAIRMAN'S REPORT

Chairman Pace stated that he would be meeting with the Steering Committee and management regarding the business plan.

Chairman Pace informed the Board that Governor Rell sent letters to all of the quasi-public agencies concerning compensation packages and other benefits. Chairman Pace stated that CRRA would do everything possible to work with the Governor's office and provide all of the information requested by the Governor and her staff. Chairman Pace noted that the Policies and Procurement Committee did a thorough review of all CRRA policies and procurements and suggested that CRRA could be used as a model for how a quasi-public agency could be deconstructed and reconstructed again. Chairman Pace stated that he would also be looking to the Organizational Synergy and Human Resources Committee for assistance in responding to the Governor's request.

Director Cohn explained that the Governor requested that the Chairman or a designee from the Board meet with his counterparts from the other quasi-public agencies and come up with a standard procedure and set of requirements relative to personnel compensation and benefits.

Director Martland pointed out that CRRA policies regarding ethics for the Board and management are stricter than what is acceptable for governmental agencies.

Director Sullivan stated that he was disappointed that this was the first official message from the Governor's office since CRRA recovered the \$111 million dollars from the Enron bankruptcy claim and said he was not aware of any acknowledgement, publicly or privately, of the substantial efforts that went into that recovery.

Chairman Pace stated that he would meet with the other quasi-public agencies to discuss how they operate and compare that to CRRA. Chairman Pace read the last paragraph of the Governor's letter:

"I commend you for the work you have done on behalf of the State of Connecticut and look forward to cooperating with you to ensure that the best in the spirit of public service is represented in the work done by Connecticut Resources Recovery Authority."

Chairman Pace noted the Governor's acknowledgement.

Director Jarjura pointed out that uniformity would be difficult since the various quasi-public agencies each served such unique and different functions and added he hoped that the letter did not intend to suggest that all the respective heads of each agency should be compensated the same. Director Cohn said that the discussion at a meeting with the Governor's office was centered around the belief that there were likely more similarities among the quasi-publics than was reflected by the range of policies, compensation, perquisites, and retirement benefits. Director Cohn said the Governor's office acknowledged the differences between the quasi-public agencies, but said the Governor's office wanted to get as much uniformity as was possible.

Chairman Pace stated that, in hiring Mr. Kirk, the Board was looking for someone with extensive waste and energy experience, management skills and engineering skills that could pull CRRA in a whole new direction. Chairman Pace said it could have been more expensive to pay less.

Director Cohn added that the charge to the quasi-publics was to focus on the areas where there could be similarities rather than justify the lack of uniformity.

Director Jarjura stated, in the public arena, that it was difficult to convey that for the slightly higher cost of getting an individual with the necessary skills and expertise, that individual could save a significant amount of money with their knowledge base. Director Jarjura stated that any position could be filled with a warm body, but asked if a company should be willing to settle for mediocrity at the expense of not having an individual who can save significant amounts of money or manage in such a way that brings great value to an organization.

Chairman Pace stated that the Governor was looking for both uniformity and justification and noted that what the Governor was looking to do was very similar to what this new Board did to CRRA when they were appointed. Chairman Pace stated that CRRA would work with the Governor and her office to ensure she was satisfied with CRRA's policies.

PUBLIC PORTION

Chairman Pace said that the agenda allowed for a public portion in which the Board would accept written testimony and allow individuals to speak for a limit of three minutes.

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

ADJOURNMENT

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

There being no other business to discuss, the meeting was adjourned at 11:35 a.m.

Respectfully submitted,

Kristen B. Greig
Secretary to the Board/Paralegal

TAB 2

RESOLUTION REGARDING ALL RISK PROPERTY INSURANCE RENEWAL

RESOLVED: The Finance Committee has reviewed and discussed the options for renewing CRRA's Property Insurance and recommends the purchase of the \$315 million policy from the following five insurers with their quota shares as indicated: Zurich 35%; XL 28%; ACE 16%; Arch 16% and Commonwealth 5% for the period 4/1/05 – 4/1/06 for a premium of \$670,000 and

FURTHER RESOVLED: The Finance Committee further recommends that CRRA purchase terrorism coverage as reviewed and discussed at this meeting for a premium not to exceed \$20,450, and

FURTHER RESOVLED: The Finance Committee recommends that CRRA obtain engineering services from Zurich for a premium of \$6,600 as reviewed and discussed at this meeting.

Connecticut Resources Recovery Authority
All Risk Property Insurance Renewal
3/24/05

I. Current Policies

- Expire 4/1/05 – \$305 million Blanket All Risk including Boiler & Machinery, insuring real and personal property, Business Interruption and Extra Expense
- Property damage & boiler & machinery deductible \$100,000, except Mid-CT, Wallingford Facilities and Jets, which have a \$250,000 deductible
- Business Interruption/Extra Expense, deductible is the amount of loss during first 45 days of after the occurrence
- Five Insurers – Zurich 35%; XL 28%; ACE 16%; Arch 16% and Commonwealth 5%
- Engineering inspection services were purchased from Zurich for \$16,500
- 4/1/04 – 4/1/05 premium \$745,152, with terrorism coverage for \$30,051, for a total premium of \$775,203

II. Renewal Policy

- Marsh marketed slightly higher limit of \$315 million to account for increase in reported values, which represents 100% replacement cost values for the Mid-CT PBF and EGF, plus business interruption and extra expense values for Mid-CT Project
- Mid-CT is CRRA's highest valued single facility
- \$315 million applies on a blanket basis for property damage to all locations
- Quotes received from the same insurers as last year with the same participation percentage

<u>Insurer</u>	<u>% Participation of \$315 mm</u>
Zurich	35%
XL	28%
ACE	16%
Arch	16%
Commonwealth	5%

- Overall Premium reduced to \$670,000 (10% savings), with terrorism coverage for \$20,450 (32% savings), for a total premium of \$690,450

- Various deductible options were explored, but there was no value added to CRRA for changing from the last year's deductibles - Property damage & boiler & machinery deductible \$100,000, except Mid-CT, Wallingford Facilities and Jets, which have a \$250,000 deductible.
- CRRA received two offers to provide engineering services – XL for \$22,000 and Zurich at \$ 6,600. (Zurich's price is lower than normal as Zurich is offering CRRA All Risk Loss Control inspections at no cost in consideration for their having completed the inspections/provided the reports later than they should have this year. Boiler Machinery Jurisdictional Inspection Services are covered by the \$6,600. This reduced price is for this year only).

III. Management Summary & Recommendation

- Policy expiration on 4/1/05 requires approval at the March 24, 2005 Board meeting for continuance of coverage
- Property insurance, business interruption and extra expense, e.g. diversion costs, insurance on CRRA property is required due to ownership and/or contractual requirements
- Management recommends securing the \$315 million all risk property insurance coverage for the period 4/1/05 – 4/1/06 as follows:

<u>Insurer</u>	<u>% Participation of \$315 mm</u>
Zurich	35%
XL	28%
ACE	16%
Arch	16%
Commonwealth	5%

For a premium not to exceed \$670,000.

- The offering was initially oversubscribed and has been redistributed using last year's subscription percentages.
- Management recommends that engineering services be obtained from Zurich for an additional premium of \$6,600.
- Marsh advises that the percent of government and power generation clients purchasing Terrorism Insurance is higher than the overall percentage of others purchasing it. Because of the currently very low cost of Terrorism Insurance management recommends that CRRA also acquire Terrorism Coverage for an additional premium of \$20,450. Note: The government sponsored TRIA is currently scheduled to expire 12/31/05. If the legislation is not renewed, a prorated premium will be refunded to CRRA.
- The overall premium for \$315 million of property insurance, including business interruption and extra expense insurance, engineering and terrorism coverage is \$697,050, or \$94,653 less than last year. CRRA budgeted \$803,324 for FY '05 and \$884,000 for FY '06.

	April 1, 2004 – 2005	April 1, 2005 – 2006	Comments
Limit of Liability	\$305 million	\$315 million	Equals 100% reported values for PBF & EGF plus BI & Extra Expense for Mid-CT project – BI and Extra Expense Worksheet Attached
Deductibles Property Damage:	\$100,000 except \$250,000 at Mid-CT and Wallingford facilities and jets	No change	
Time Element:	45 days	No change	
Annual Premium	\$745,152	\$670,000	\$75,152 savings (10%)
Engineering Service	\$16,500	\$6,600	\$ 9,900 savings (60%)
Terrorism	\$30,051	\$20,450	\$9,601 savings (32%)
TOTAL	\$791,703	\$697,050	\$ 94,653 (12%) Savings

IV. Recommendation to CRRA Board

The Finance Committee has reviewed and discussed the options for renewing CRRA's Property Insurance and recommends the purchase of the \$315 million policy from the following five insurers with their quota shares as indicated: Zurich 35%; XL 28%; ACE 16%; Arch 16% and Commonwealth 5% for a premium of \$670,000, and

The Finance Committee further recommends that CRRA purchase terrorism coverage as reviewed and discussed at this meeting for a premium not to exceed \$20,450, and

The Finance Committee recommends that CRRA obtain engineering services from Zurich for a premium of \$ 6,600 as reviewed and discussed at this meeting.

Connecticut Resources Recovery Authority

2005 Business Interruption & Extra Expense - Mid-Connecticut Project

COMPONENT	FY05 BUDGET	FORCE MAJEURE BUDGET	BUSINESS INTERRUPTION	EXTRA EXPENSE	COMMENTS
Revenues					
Member waste	\$45,109,000	\$45,109,000	\$0		
Contract waste	\$16,923,000	\$16,923,000	\$0		
Spot Waste	\$108,000	\$0	\$108,000		
Bulky-Municipal	\$680,000	\$680,000	\$0		
Bulky-Commercial	\$43,000	\$43,000	\$0		
DEP Materials	\$300,000	\$300,000	\$0		
Metal Sales	\$0	\$0	\$0		
Recycling Sales	\$1,407,000	\$1,407,000	\$0		
Recycling Tip Fees	\$0	\$0	\$0		
Metals Service Charge	\$5,000	\$5,000	\$0		
Electricity	\$15,290,000	\$0	\$15,290,000 *		
Steam	\$0	\$0	\$0		
Energy Capacity	\$0	\$0	\$0		
Misc. Income	\$445,000	\$445,000	\$0		
Interest Income	\$1,000,000	\$1,000,000	\$0		
Supplemental Sources	\$17,009,000	\$17,009,000	\$0		
Jets/EGF	\$6,673,000	\$0	\$6,673,000		
Use of Bond Proceeds	\$0	\$0	\$0		
Total Revenue	\$104,992,000	\$82,921,000	\$22,071,000		

Expenditures					
General Admin	\$6,449,000	\$6,949,000		\$500,000	Assumes \$500,000 increase in legal and arbitration costs
Debt Service	\$29,163,000	\$29,163,000			
Waste Transport	\$6,870,000	\$971,000		-\$5,899,000	Assumes savings in operating charges, ash loading, ash hauling, consulting
Waste Exporting	\$4,194,000	\$79,200,000.00		\$75,006,000.00	Waste transport & disposal 880,000 tons @ \$90.00/ton
Waste Reloading	\$0	\$6,888,000		\$6,888,000	WPF direct tons of 492,000 @ \$15.00/ton
Regional Recycling	\$2,798,781	\$2,798,781		\$0	
WPF	\$20,780,000	\$6,378,000		-\$14,402,000	Assumes 100% savings on MDC operating costs, savings in construction costs, environmental testing & other
MCAPS	\$532,000	\$1,000,000		\$468,000	Assumes increased fuel costs
PBF	\$17,899,000	\$11,020,000	-\$6,879,000	NA	Assumes savings in dioxin tax, revenue sharing, coal, lime, SNCR, engineering, construction, electricity, etc.
EGF	\$1,500,000	\$1,492,000	-\$8,000	NA	Assumes electricity savings
Hartford Landfill	\$5,351,000	\$5,351,000		\$0	
Ellington Landfill	\$410,000	\$410,000		\$0	
Ellington TS	\$442,000	\$442,000		\$0	
Essex TS	\$679,000	\$679,000		\$0	
Torrington TS	\$471,000	\$471,000		\$0	
Watertown TS	\$494,000	\$494,000		\$0	
171 Murphy Road	\$47,000	\$47,000		\$0	
Jets/EGF	\$6,673,000	\$6,673,000		\$0	
Total Expenditures	\$104,752,781	\$160,426,781	-\$6,887,000	\$62,561,000	

* EGF revenue loss (electricity)
 • Minus Expenses not necessary to pay because not operating

\$15,184,000	\$62,561,000	← Extra Costs Due to Not Operating
\$15,290,000		
- 6,879,000		
- 8,000		
<u>\$ 8,403,000</u>		= BI Mid-CT

**EXCERPTS FROM THE MARSH PRESENTATION MADE AT THE
CRRRA FINANCE COMMITTEE MEETING ON MARCH 17, 2005**

Executive Summary

- Objectives
 - 5% - 7.5% reduction in the average rate
 - Increase the policy limit from \$305 million to \$315 million
 - For increase in reported values of the PBF and EGF
 - Reduce \$100,000 PD deductible to \$50,000
 - Increase \$10 million sublimit for non-TRIA certified terrorism for Arch's 16% share
 - Obtain option for \$500,000 PD deductible for Mid-CT and Wallingford
 - Seek option for a 30 day Time Element deductible

Executive Summary

- Results
 - Total savings of \$84, 754 (11%)
 - \$315 million limit at premium of \$670,000 excluding terrorism
 - \$75,152 savings (10%) from \$745,152
 - Terrorism coverage at premium of \$20,450
 - \$9,601 savings (32%) from \$30,051
 - Represents annual premium for 95% of the program and a pro-rata premium for Commonwealth's share for period from April 1 to Dec. 31.
 - Obtained Arch's agreement to provide full coverage for non-TRIA certified terrorism
 - Also have additional capacity from ACE and Commonwealth
 - Obtained various quotes to increase \$250,000 PD deductible to \$500,000
 - Obtained various quotes to reduce the Time Element deductible from 45 days to 30 days



Insurers Approached

- Incumbent Insurers – Best’s Rating (current participation)
 - Zurich American Insurance Co. - A XV (35%)
 - XL Insurance America Inc. - A+ XV (28%)
 - ACE American Insurance Co. - A XV (16%)
 - Arch Specialty Insurance Co. - A- X (16%)
 - Commonwealth Insurance Co – A- VIII (5%)
- Others
 - Hartford Steam Boiler – A+++ X
 - Allianz Global Risks US Insurance Co. – A XV
 - Liberty Insurance Underwriters – A XV

Summary of Results

- \$315 million limit at premium of \$670,000 excluding terrorism
 - \$75,152 in savings (10%)
 - Oversubscribed by 24.3%: Zurich - 35%, XL - 28%, ACE - 30%, Arch - 23.8%, Commonwealth - 7.5%
- Hartford Steam Boiler
 - Could not support a price less than \$750,000 excluding terrorism
- Allianz
 - Declined because of delay in completion by Zurich of engineering report for Mid-Conn and lack of monthly cap on Extra Expense
- Liberty Insurance Underwriters
 - Declined because of the low rate

\$315 Million limit

- Equates to:
 - 100% reported replacement cost values for PBF (\$163M) + EGF (\$80.3M), plus;
 - reported 12 month business interruption (\$8.5M) and extra expense (\$63.2M) values for Mid-Conn project
 - Total: \$315M
- Applies to all locations
- Considerations:
 - confidence that the EGF and PBF could be re-built at a cost of not more than \$243.3 million
 - in the event of a catastrophic loss at PBF / EGF, would not provide add'l limits for damage to other facilities such as WPF or jets
 - Extra Expense and Business Interruption coverages subject to sublimits equal to reported 12 month values

TAB 3

**RESOLUTION REGARDING PUBLIC OFFICIALS AND EMPLOYEES LIABILITY
INSURANCE RENEWAL**

RESOLVED: The Finance Committee has reviewed and discussed the options for renewing CRRA's Public Officials and Employees Liability Insurance and recommends the purchase of the \$5 million policy from American International Specialty Lines Company (AISLIC) for the period 4/1/05 – 4/1/06 for a premium of \$263,202.

Connecticut Resources Recovery Authority
Public Officials And Employees Liability Insurance Renewal
3/24/05

I. Current Policy

- Expires 4/1/05 – Public Officials and Employees Liability Insurance
- \$5 million limit, \$250,000 deductible – Premium was \$263,202
- Insurer – American International Specialty Lines Company (AISLIC – an AIG Company)

II. Renewal Policy

- Quotes sought from AEGIS, Euclid Managers, St. Paul, Scottsdale, United National, XL and Zurich– All declined to quote
- Renewal premium choices from AISLIC and Illinois Union Insurance Company (ACE USA):

<u>Limit</u>	<u>Deductible</u>	<u>Premium</u>	<u>Endorsement</u>	<u>Terrorism Total</u>	<u>Insurance Company</u>
\$ 5,000,000	\$250,000	\$218,325	\$ 24,258	\$261,998	ACE USA
\$ 5,000,000	\$250,000	\$263,202	\$ 13,160	\$276,362	AISLIC (AIG)

ACE – Defense costs are capped to amount of limit

AIG – Defense costs are in addition to the limit of insurance

III. Management Summary & Recommendation

- Balance the need for adequate protection of Board members and employees with the need to control expenses
- Provide coverage limit with reasonable deductible
- Secure consistent, broad coverage with fewest exclusions
- Management recommends securing \$5,000,000 coverage limit with \$250,000 deductible for a premium of \$263,202. We are not recommending purchase of the Terrorism Coverage. The cost for coverage under this policy appears excessive when compared to the \$20,450 quoted for the \$315 million property program. (FY '05 budget was \$263,202 and budget for FY'06 was \$290,000).

IV. Recommendation to CRRA Board

The Finance Committee has reviewed and discussed the options for renewing CRRA's Public Officials and Employees Liability insurance and recommends the purchase of the policy from American International Specialty Lines Company (AISLIC) with a \$5,000,000 limit, \$250,000 deductible for the period 4/1/05 – 4/1/06 for a premium of \$263,202.

TAB 4

**RESOLUTION REGARDING THE ADOPTION OF THE ANNUAL
PLAN OF OPERATION AND BUDGET PROCEDURE**

RESOLVED: That the Board of Directors hereby adopts the Annual Plan of Operation and Budget Procedure as substantially presented and discussed at this meeting.

Annual Plan of Operations and Budget Procedure

March 24, 2005

Conn. Gen. Stat. Section 22a-268a states “The board of directors of the Connecticut Resources Recovery Authority shall adopt written procedures, in accordance with the provisions of section 1-121, for:

- (1) Adopting an annual budget and plan of operations, including a requirement of board approval before the budget or plan may take effect.”

Attached is the current annual plan of operation and budget procedure which was adopted by the CRRA Board on November 20, 1990.

The attached recommended procedure has been reviewed and amended by the Finance Committee.

CURRENT PROCEDURE



**PROCEDURE REGARDING THE ADOPTION OF THE
ANNUAL PLAN OF OPERATION AND BUDGET
BOARD OF DIRECTORS PROCEDURE NUMBER 011**

1. PROCEDURES

- A. A draft of the plan of operations (the “Plan of Operations”) which sets forth the objectives of the Connecticut Resources Recovery Authority (the “Authority”) for the next fiscal year shall be prepared by staff each year under the direction of the President of the Authority (the “President”).
- B. This draft Plan of Operations shall be forwarded for review to the Planning and Finance Committees of the Board of Directors.
- C. A draft of the annual budget (the “Annual Budget”) which sets forth the Authority’s financial plans for the next fiscal year shall be prepared by staff under the direction of the President.
- D. This draft Annual Budget shall be forwarded to the Finance Committee for its comment, review and recommendations.
- E. The Plan of Operations and Annual Budget, as amended by the Finance and/or Planning Committees, shall be forwarded to the full Board of Directors (the “Directors”) for adoption at the February Directors meeting in accordance with the Bylaws of the Authority. Towns served by Authority projects will be notified of the availability of the proposed Plan of Operations and Annual Budget prior to the February meeting of the Directors.
- F. The Annual Budget adopted by the Directors shall employ the object of expenditure format and, thereafter, the President shall have the authority to effect appropriation transfers within the object of expenditure summaries of each account.

- G. The Directors may, from time-to-time, amend the Annual Budget when they deem necessary.
- H. The Directors must approve any non-budgeted expenditure in excess of five thousand (\$5,000.00) dollars.
- I. The Plan of Operations, after adoption by the Directors, shall be forwarded to the Commissioner of the Department of Environmental Protection for the State of Connecticut.
- J. Any deviation from these procedures must be approved by a majority of the voting members of the Directors present at a scheduled meeting.

Approved By: Board of Directors

P&P Number: BOD 011

Bylaw Reference: Article VII

Effective Date: 11/20/90

Statutory Reference: CGS 1-121, 22a-265(15) and 22a-268a



PROCEDURE REGARDING THE ADOPTION OF THE ANNUAL PLAN OF OPERATION AND BUDGET

BOARD OF DIRECTORS PROCEDURE NO. _____

1. POLICY

It is intent of the Connecticut Resources Recovery Authority's ("CRRA") to adopt an annual plan of operations (the "Annual Plan of Operations") and annual budgets for each project and the general fund (the "Annual Budgets") in an orderly and timely manner, while adhering to the Bylaws, contract timelines, bond indentures and incorporating business goals.

2. PROCEDURE

As authorized by *Conn. Gen. Stat.* Section 22a-268(a), the CRRA Board of Directors shall adopt an Annual Plan of Operations and Annual Budgets prior to the beginning of each fiscal year. The Annual Plan of Operations will adhere to any requirements as defined in *Conn. Gen. Stat.* Section 22a-264.

3. GUIDELINES

3.1 Development

CRRA management, under the direction of the President, shall develop a draft Annual Plan of Operations which set forth the objectives of the CRRA for the next ensuing fiscal year.

Under the direction of the President, CRRA management shall develop draft Annual Budgets which sets forth the financial plans of the CRRA for the next ensuing fiscal year.

3.2 Approval Process

Each draft Annual Plan of Operations shall be forwarded to the CRRA Executive Committee for comment, review and recommendations prior to its submission to the CRRA Board of Directors for review.

The Plan of Operations, if and as amended by the CRRA Executive Committee, shall be forwarded to the CRRA Board of Directors for review.

After reviewing and approving the Plan of Operations, the CRRA Board of Directors will authorize CRRA management to forward the Plan of Operations to the Commissioner of the Department of Environmental Protection for the State of Connecticut (“DEP Commissioner”) for approval.

If the DEP Commissioner does not approve the Plan of Operations, the CRRA Executive Committee and CRRA management will consult with the DEP Commissioner until a Plan of Operations is drafted that is satisfactory to all parties.

Upon approval by the DEP Commissioner, the Plan of Operations will be forwarded to the CRRA Board of Directors for adoption in accordance with the CRRA Bylaws, contract terms and bond indentures.

Each draft Annual Budget shall be forwarded to the CRRA Finance Committee for comment, review and recommendations prior to its submission to the CRRA Board of Directors for adoption.

Each Annual Budget, if and as amended by the CRRA Finance Committee, shall be forwarded to the CRRA Board of Directors for adoption in accordance with the CRRA Bylaws, contract terms and bond indentures.

3.3 Publication

Once adopted each Annual Budget shall be sent by CRRA management to the respective participating member municipalities in a timely manner, as required by contract or bond indenture.

Once adopted, the Annual Plan of Operations shall be forwarded to the Commissioner of the Department of Environmental Protection for the State of Connecticut for approval, by CRRA management prior to the commencement of the next ensuing fiscal year.

The adopted and approved Annual Plan of Operations shall also be posted on the CRRA intranet.

3.4 Modifications

The CRRA Board of Directors, with a two-thirds vote, may change the total amount of the Annual Budgets during the course of the fiscal year when they deem necessary and if allowable by contract or bond indenture.

Prepared by: Robert Constable, Controller

P&P Number:

Approved by: CRRA Board of Directors

Effective Date: 3/24/05

TAB 5

**RESOLUTION REGARDING THE ADOPTION OF PROCEDURES
FOR AWARDING LOANS, GRANTS AND OTHER FINANCIAL
ASSISTANCE**

RESOLVED: Effective upon passage, that the Procedures for Awarding Loans, Grants and Other Financial Assistance of the Connecticut Resources Recovery Authority be adopted substantially in the form as presented and discussed at this meeting.

Connecticut Resources Recovery Authority Procedures for Awarding Loans, Grants and Other Financial Assistance

March 24, 2005

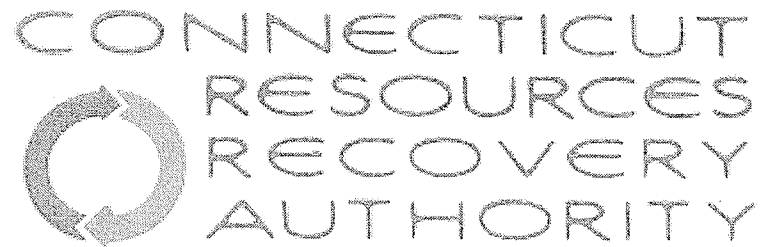
Executive Summary

This is to request that the CRRA Board of Directors adopt procedures for the awarding of loans, grants and other financial assistance.

Discussion

Connecticut General Statutes Section 22a-268a requires CRRA to adopt procedures for the awarding of loans, grants and other financial assistance. Management presented draft procedures to the P&P Committee at its September 2004 meeting. The P&P Committee expressed certain reservations and requested certain amendments to add additional Board control over any such awards, and voted to recommend the policy as so amended.

The attached draft of the proposed policy includes additional restrictions not specifically discussed during the P&P meeting, but which management believes are responsive to the Committee's expressed concerns. In the current version of the policy, CRRA's ability to make loans is limited to its statutory authority to make loans under specified conditions to municipal or regional solid waste authorities, and its ability to award grants or other financial assistance is limited to amounts not exceeding \$5,000, and in either case, the approval of two-thirds of the Directors is required.



**PROCEDURES FOR AWARDING
LOANS, GRANTS AND OTHER
FINANCIAL ASSISTANCE**

EFFECTIVE MARCH 24, 2005

CONNECTICUT RESOURCES RECOVERY AUTHORITY

AWARDING LOANS, GRANTS AND OTHER FINANCIAL ASSISTANCE

CRRA BOARD OF DIRECTORS POLICY No. 016

I. Statutory Directive

Connecticut General Statutes Section 22a-268a(6) requires the Connecticut Resources Recover Authority (the "Authority") to adopt written procedures for "awarding loans, grants and other financial assistance, including eligibility criteria, the application process and the role played by the Authority's staff and Board of Directors ("Directors")."

II. Procedures Regarding Awarding Loans

A. Application Process

1. Subject to a two-thirds approval vote of the Directors, the Authority may award loans to municipal or regional authorities for the establishment of a solid waste project(s), disposal facility(s), volume reduction plant(s) or disposal area(s). All loans shall comply with all applicable requirements for such loans set forth in Sections 22a-267(5) and 275(f) of the Connecticut General Statutes. The Authority shall award no other loans. All loans must be recommended to the Directors by the Authority's Chairman or its Finance Committee upon advice of the President of the Authority, bond counsel or such other advisors as the Chairman or Finance Committee deems appropriate.

B. Repayment of Loans

1. The Directors, on a case-by-case basis, will determine the maturity date for each loan awarded.
2. The principal repayment schedule (e.g.: equal principal, level debt service, balloon payment) for all such loans shall be at the discretion of the Directors.
3. Unless otherwise specified, any loan awarded shall bear interest at a monthly variable interest rate plus 50 basis points. The Authority's Chief Financial Officer shall calculate the monthly variable interest rate based on the Authority's monthly cost of funds. In no case shall the monthly variable interest rate be greater than the Authority's monthly cost of funds plus 200 basis points.
4. All loans shall be collateralized.

III. Procedures Regarding Awarding Grants Or Other Financial Assistance

A. Application Process

1. Subject to a two-thirds approval vote of the Directors, the Authority may award grants or other financial assistance in amounts not to exceed \$5,000.00 per transaction.
2. Any potential grant or other financial assistance recipient must make a formal presentation to the Directors at a regularly scheduled Directors' Meeting.
3. The Authority's Chairman or its Finance Committee, upon advice of the President and the Chief Financial Officer of the Authority, must recommend any grant or other financial assistance to the Directors.

IV. Miscellaneous

A. Approval of Procedural Deviation

Any deviation from the above procedures must be approved by an affirmative vote of two-thirds of the Directors.

Policy Adopted by Board of Directors:

March 24, 2005

TAB 6

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

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

Connecticut Resources Recovery Authority
Contract Summary for Contract
entitled

Special Waste Cover Soils Letter Agreement

Presented to the CRRA Board on: March 24, 2005

Vendor/ Contractor(s): Nora Realty Corporation

Effective date: March 15, 2005

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

Facility (ies) Affected: Hartford Landfill

Original Contract: This is the original contract

Term: Until specified quantity is delivered

Contract Dollar Value: \$224,000 (8,000 tons at \$28.00 per ton)

Amendment(s): None

Term Extensions: Not applicable

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

Other Pertinent Provisions: None

Connecticut Resources Recovery Authority Hartford Landfill Delivery of Cover Soil

March 24, 2005

Executive Summary

CRRA has contracted with Nora Realty Corporation to deliver approximately 8,000 tons of contaminated soil, generated in New Haven, Connecticut to the Hartford Landfill for use as daily cover.

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

Discussion

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

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

In consultation with the Policy and Procurement Committee, CRRA staff developed a procedure to be used in negotiating prices for receipt of daily cover soil at the Hartford Landfill. In summary, CRRA staff has developed a list of approximately 35 companies (consultants, remediation companies, etc.) that have advised CRRA that they have, or may have, sources of contaminated soil amenable for use as daily cover. CRRA staff periodically contact these companies to determine if they have quantities of soil for shipment to the landfill. CRRA also periodically receives inquiries from firms that have potential sources of cover soil.

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

Based on this procedure, CRRA staff negotiated a price of \$28.00 per ton for 8,000 tons with Nora Realty Corporation for soil generated in New Haven, Connecticut.

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

Financial Summary

This will provide up to \$224,000.00 in revenues to the Mid-Connecticut project (8,000 tons at \$28.00 per ton).

TAB 7

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE CONNECTICUT
RESOURCES RECOVERY AUTHORITY APPROVING AN AMENDMENT TO
SECTION 307 OF THE AMENDED AND RESTATED BYLAWS**

RESOLVED: That the Board hereby approves the following revision to the Amended and Restated Bylaws, amending and restating in its entirety Article III, Section 307, thereof:

Any appointed Director who fails to attend three (3) consecutive regular meetings of the Board or who fails to attend fifty percent (50%) of all regular meetings of the Board held during any calendar year shall be deemed to have resigned from the Board. Any director may resign at any time by delivering notice to the Authority. A resignation is effective when the notice is delivered unless the notice specifies a later effective date. If a resignation is made effective at a later date and the Authority accepts the future effective date, the Board may fill the pending vacancy before the effective date, provided, that the successor is not permitted to take office until the effective date. The appointing authority for such Director may remove any such Director for inefficiency, neglect of duty or misconduct in office in the manner provided by Section 22a-261(1) of the Act.

Deleted: For the purposes of this Section, Board meetings shall be deemed to include regular and special meetings.

The foregoing revision to the Bylaws shall be effective immediately.

CONNECTICUT RESOURCES RECOVERY AUTHORITY

AMENDMENT TO SECTION 307 OF THE AMENDED AND RESTATED BYLAWS

March 24, 2005

Discussion:

The current version of Article III, Section 307, of CRRA's bylaws includes an attendance requirement for the directors which is more stringent than the attendance requirement set forth in Connecticut statutes.

Section 22a-261 of the Connecticut General Statutes provides that "Any appointed director who fails to attend three consecutive meetings of the board or who fails to attend fifty per cent of all meetings of the board held during any calendar year shall be deemed to have resigned from the board."

CRRA's bylaw tracks this provision, but adds: "For the purposes of this Section, Board meetings shall be deemed to include regular and special meetings."

CRRA's general counsel has now advised us that the Attorney General has previously considered the above-referenced section of the Connecticut statutes, and opined that "meetings" as used in that context means regular meetings only. Our general counsel has further advised that the conflict between the statute and our bylaw mandates the conclusion that the bylaw is invalid.

We are now seeking board approval of the attached amendment in order to render our bylaws consistent with statute as interpreted by the Attorney General.

TAB 8

**RESOLUTION REGARDING THE WORKPLACE VIOLENCE
POLICY**

RESOLVED: That the new Workplace Violence Policy of the Connecticut Resources Recovery Authority be adopted substantially in the form as approved by the Organizational Synergy and Human Resources Committee at its September 23, 2004 meeting.

OVERVIEW

The new Workplace Violence Policy was created broaden the scope of the text in CRRA's Employee Handbook. The new policy gives examples of prohibited behavior and lists a reporting procedure if a violent act occurs to a CRRA employee while on CRRA property or while at a contractor's property. The policy completed its 30-day notice period on March 9, 2005.



Workplace Violence Policy

1. Policy

The Connecticut Resources Recovery Authority (CRRA) is committed to preventing workplace violence and to maintaining a safe work environment for all of its employees. Workplace violence is violence or the threat of violence against workers. It can occur at or outside the workplace and can range from threats, and verbal abuse, to physical assaults and homicide.

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.

2. Prohibited Conduct

CRRA does not tolerate any type of workplace violence committed by or against employees. Employees are prohibited from making threats or engaging in violent activities.

The following list of behaviors, while not inclusive, provides examples of conduct that is prohibited.

- Participating in, provoking or otherwise contributing to any threat or violent act in the workplace;
- Causing physical injury to another person (assault, battery);
- Making threatening remarks (abuse, oral or written);
- Aggressive or hostile behavior that creates a reasonable fear of injury to another person or subjects another individual to emotional distress (intimidation and harassment);
- Intentionally damaging employer property or property of another employee;
- Possession of a firearm or other weapon while on company property or while on company business;

- Committing acts motivated by, or related to, sexual harassment or domestic violence.

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.

3. Penalties for Violations

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.

4. Risk Reduction Measures

CRRA's Human Resources Manager is responsible for taking reasonable measures to conduct background checks and reference checks on employees prior to offering them a position.

5. Reporting Procedures

All CRRA personnel are responsible for notifying their supervisors and/or the Human Resources Manager 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. CRRA employees are also encouraged to report violent acts inflicted on them by non-CRRA employees such as our contractors. If an employee is subject to violent or abusive behavior by a contractor, the employee should report it immediately to his/her supervisor, CRRA Human Resources Manager or CRRA's President. All reports will be investigated fully and promptly.

TAB 9

**RESOLUTION REGARDING THE HIRING, COMPENSATION,
PROMOTION and DISMISSAL PROCEDURES POLICY**

RESOLVED: That the revised Hiring, Compensation, Promotion and Dismissal Procedures Policy of the Connecticut Resources Recovery Authority be adopted substantially in the form as approved by the Organizational Synergy and Human Resources Committee at its November 18, 2004 meeting.

OVERVIEW

The Hiring, Compensation, Promotion and Dismissal Procedures Policy was revised from the policy adopted by the Board of Directors November 20, 1990. This policy completed its public notice period of 30 days as of March 9, 2005. The policy was revised to fall in line with the organizational changes that occurred in December of 2003, which gave the President and his management team more flexibility in the day-to-day management of the Authority.



HIRING PROCEDURE

1. The creation of all positions and the duties and compensation therefore are subject to the prior approval of the Board of Directors (“Directors”) of the Connecticut Resources Recovery Authority (the “Authority”).
 - A. When a vacancy exists in an Authority position and the President of the Authority (the “President”) determines that such position should be filled, he shall proceed to fill the position in accordance with this Authority procedure.
 - B. The President shall obtain the approval of the Directors prior to a filling high level management position.
 - C. The description and salary range of each position which has been approved for filling will be posted at each location owned or leased by the Authority at which Authority employees regularly work. Each position shall be advertised in daily newspapers, on the Internet, and in other publications and at locations deemed appropriate by the President of the Human Resources Manager (“HR Manager”).
 - D. Each respondent shall submit a resume and cover letter for employment which will be part of the personnel file for the applicant who is hired.
 - E. All applications received by the date posted in the advertisement shall be reviewed by the HR Manager. Applications received after that date may, at the discretion of the HR Manager, also be considered.
 - F. The appropriate hiring manager and the HR Manager shall decide which candidate to hire, with the prior approval of the President and, with respect to high level management candidates, with the prior approval of the Directors.
 - G. The President or the HR Manager shall report to the Organizational Synergy & Human Resources Committee regarding any decision to fill an existing vacancy and ultimate candidate selection.
 - H. Resumes from interested applicants shall be kept on file for a minimum of two years from the date of application.