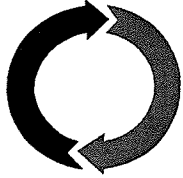


**CRRA
BOARD MEETING
APRIL 28, 2005**



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: April 22, 2005
RE: Notice of Meeting

There will be a regular meeting of the Connecticut Resources Recovery Authority Board of Directors held on Thursday, April 28, 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

April 28, 2005

9:30 AM

I. Pledge of Allegiance

II. Public Portion

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

III. Minutes

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

IV. Finance

1. Board Action will be sought for the Establishment of the South Meadows Site Remediation Reserve (Attachment 2).
2. Board Action will be sought for the Establishment of the Waterbury Landfill Postclosure Reserve (Attachment 3).
3. Board Action will be sought regarding the Establishment of the Future Use/Planning Reserve (Attachment 4).

V. Project Issues

A. Mid-Connecticut

1. Board Action will be sought regarding Sale of NOx Emission Reduction Credits to Select Energy, Inc. (Attachment 5).
2. Board Action will be sought to Employ R. L. Rogers & Sons, Inc to Undertake Land Surface Improvements and Stormwater Conveyance Improvements at the Hartford Landfill (Attachment 6).
3. Board Action will be sought regarding Expenditure of Additional Funds for the Operation and Maintenance of the Ellington Landfill Gas Collection and Control System (Attachment 7).

4. Board Action will be sought regarding the Agreement for Waste Compaction Dozer Services at the Mid-Connecticut Project (Attachment 8).
5. Board Action will be sought to Employ Camp McKee, Inc. to Provide Engineering Consulting Services to Perform a Feasibility Study on Expanding the Mid-Connecticut Waste-to-Energy Facility (Attachment 9).

B. Wallingford

1. Board Action will be sought regarding Modifications to the Wallingford Resources Recovery Facility Fly Ash System (Attachment 10).

C. Bridgeport

1. Board Action will be sought regarding Expenditure of Additional Funds for the Operation and Maintenance of the Shelton Landfill Gas Collection and Control System (Attachment 11).

VI. Legal

1. Board Action will be sought regarding Additional Legal Expenditures (Attachment 12).
2. Board Action will be sought Approving the Selection of New Counsel (Attachment 13).

VII. Chairman's and Committee Reports

A. Policy and Procurement Committee/Legal

1. The Policy and Procurement Committee will report on its April 14, 2005 meeting.

B. Organizational Synergy and Human Resources Committee

1. The Organization Synergy & Human Resources Committee will report on its April 28, 2005 meeting.

VIII. 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-SIXTH MEETING

MARCH 24, 2005

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

Chairman Michael Pace

Directors: Stephen Cassano (Present by telephone)
Mark Cooper (Present by telephone)
Michael Jarjura (Present by telephone beginning at 9:50 a.m.)
Edna Karanian
Mark Lauretti
Theodore Martland
Raymond O'Brien (Present by telephone)
Andrew Sullivan (Present by telephone from 9:55 a.m. until 11:30 a.m.)
Timothy Griswold (Ad-Hoc for Mid-Connecticut Project) (Present by telephone)

Present from the CRRA staff:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Peter Egan, Director of Environmental Affairs and Development
Floyd Gent, Director of Operations
Donna Tracy, Executive Assistant
Kristen Greig, Secretary to the Board/Paralegal

Also present were: Mr. Frank Marci of USA Hauling & Recycling and Mr. Matt Nozzolio of MDC.

Chairman Pace called the meeting to order at 9:47 a.m. and stated that a quorum was present. Chairman Pace noted that there was a snowstorm last night, which was why several Directors were participating via telephone and said that every vote would be conducted by roll call.

PLEDGE OF ALLEGIANCE

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

PUBLIC PORTION

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

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

APPROVAL OF THE MINUTES OF THE FEBRUARY 24, 2005 REGULAR BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the February 24, 2005 Regular Board Meeting. The motion was made by Director Lauretti and seconded by Chairman Pace.

Vice-Chairman Cassano noted that he was present by telephone.

Director O'Brien stated that the quality of the minutes reflected well on the Board's decision to eliminate the use of a Court Reporter for verbatim transcriptions. Director O'Brien said that the minutes conveyed all of the necessary information, were properly transposed and the public record was in good shape.

The minutes as amended were approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Mark Cooper	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Non Eligible Voters			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

RESOLUTION REGARDING ALL RISK PROPERTY INSURANCE RENEWAL

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

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

The motion was seconded by Chairman Pace.

Mr. Bolduc explained that the current policy expired at the end of March and a number of quotes were received for a \$315 million policy. Mr. Bolduc said that because the terrorism coverage was economically reasonable it should be continued this year. Mr. Bolduc noted that the policies were thoroughly reviewed by the Finance Committee.

Mr. Bolduc said that the \$696,000 premium was below the budgeted amount of \$800,000 and noted that the premium was lower than last year's premium of \$791,000.

Chairman Pace pointed out that even with the \$94,000 savings from last year's premium there was an increase in the liability coverage from \$305 million to \$315 million.

Mr. Bolduc stated that in addition to receiving quotes, CRRA looked to see if there was incremental insurance that could be bought at an additional cost, but it was determined that the current coverage was adequate.

Director Sullivan asked Mr. Bolduc to review the business interruption and extra expense coverage. Mr. Bolduc stated that CRRA analyzed whether CRRA's business interruption and extra expense coverage was adequate. Mr. Bolduc explained that the focus was on the length of time and CRRA's exposure if a facility was not operational and added that there was a lengthy discussion at the Finance Committee regarding those issues. Mr. Bolduc said that the Committee felt that it was not necessary or prudent to expand the coverage from a 12 month period to a 24 month period. Mr. Bolduc stated that the coverage seemed adequate based on the potential of an operational outage.

Director Sullivan stated that representatives from Marsh attended the Finance Committee meeting and noted that the Finance Committee was unanimous in its recommendation of the resolution to the full Board.

Director Griswold asked if all of the carriers were rated well by A.M. Best. Director Sullivan responded in the affirmative.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Mark Cooper	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Non Eligible Voters			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

RESOLUTION REGARDING PUBLIC OFFICIALS AND EMPLOYEES LIABILITY INSURANCE RENEWAL

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

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.

The motion was seconded by Chairman Pace.

Director Sullivan stated that this coverage would protect management and the Directors for matters other than willful acts. Mr. Bolduc explained that the current \$5 million policy expired at the end of March and noted that there was a \$250,000 deductible. Mr. Bolduc stated that the two companies that submitted quotes were ACE and AISLIC, which was a subsidiary of AIG. Mr. Bolduc noted that AIG's premium was approximately \$15,000 higher than ACE's premium, but said there was a fundamental difference between the two policies. AIG adds defense costs on top of the policy limit, where the ACE policy utilizes defense costs within the \$5 million cap. Mr. Bolduc said that in light of current litigation, he thought the Board could appreciate that legal fees could erode the \$5 million cap very quickly. Mr. Bolduc explained that, for that reason, the Finance Committee felt it was reasonable to recommend the AIG policy even though the premium was slightly higher.

Mr. Bolduc informed the Board that there was a lengthy discussion at the Finance Committee meeting regarding increasing the premium for an additional aggregate limit of liability. Mr. Bolduc said that the Committee decided that increasing the limit by an additional

\$2.5 million of liability and the premium associated with such an increase did not warrant making a change at this time.

Chairman Pace asked for confirmation that there were adequate funds in the budget to pay the premium. Mr. Bolduc stated that the actual premium was approximately \$263,000 and there was \$290,000 in the budget for this policy.

Director Martland emphasized that AIG was being recommended because the defense costs would be handled outside of the \$5 million limit and said it was important to reflect why the Board was considering the policy with the higher premium.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Mark Cooper	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Non Eligible Voters			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

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

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

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

The motion was seconded by Chairman Pace.

Director Sullivan noted that the Finance Committee unanimously agreed to recommend the resolution for adoption by the Board of Directors. Director Sullivan stated that the second page spoke to the statutory framework under which the procedure was to be conformed.

Mr. Bolduc explained that there was a statutory requirement that CRRA have an operations and budget procedure and said that the current procedure was adopted by the Board in

1990. Mr. Bolduc stated that it was CRRA’s practice to keep current with all procedures so the procedure was updated with no significant changes from the current procedure.

Director Martland asked for confirmation that the suggested changes from the Finance Committee were made. Mr. Bolduc responded that the procedure was changed to reflect that modifications to the total amount of the budget must be made with an affirmative vote of 2/3 of the Directors. To see the recommended changes, Chairman Pace referred the Board to Section 3.4 entitled “Modifications” on the second page of the proposed procedure and explained the changes.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Mark Cooper	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Non Eligible Voters			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

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

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

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 presented and discussed at this meeting.

The motion was seconded by Chairman Pace.

Director Sullivan noted that the Finance Committee unanimously agreed to recommend the resolution for adoption by the Board of Directors.

Mr. Bolduc stated that this was another procedure that is required by statute. Mr. Bolduc said it had been approximately 15 years since the procedure had been updated. Mr. Bolduc said that this procedure was discussed at the September 2004 Finance Committee meeting and comments from that meeting were incorporated. Mr. Bolduc noted that the procedure was noticed as required by statute.

Mr. Bolduc said that there was a correction to the Executive Summary on the second page. There were references to the Policies & Procurement Committee, but the procedure was actually being recommended by the Finance Committee.

Chairman Pace said that the second paragraph on the second page discussed CRRA's ability to award grants or other financial assistance for an amount not to exceed \$5,000. Mr. Bolduc emphasized that any grants or financial assistance would be related to CRRA's core business.

Chairman Pace pointed out that the procedure required a 2/3 vote to award grants or financial assistance. Vice-Chairman Cassano asked if the procedure required 2/3 of the entire Board or 2/3 of those present. Chairman Pace responded that an affirmative vote of 2/3 of the entire Board was necessary.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Mark Cooper	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Non Eligible Voters			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

RESOLUTION REGARDING DELIVERY OF COVER SOILS TO THE HARTFORD LANDFILL

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

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.

Chairman Pace seconded the motion.

Mr. Egan stated that the purpose of the resolution was to approve a contract with Nora Realty Corporation for delivery of contaminated soil to the Hartford Landfill that CRRA will use as daily cover material. Mr. Egan said the soil was in place of material that CRRA would otherwise have to procure for a cost. Mr. Egan explained that the soil was analyzed and approved by the Connecticut DEP as well as CRRA's internal waste material profile approval process. Mr. Egan said that this was a win-win situation because CRRA was taking brownfield soil, putting it to a beneficial use and it provided revenue for the Mid-Connecticut Project.

Mr. Kirk added that one of CRRA's management team members, Dave Bodendorf, did an exceptional job negotiating the contract. Mr. Kirk said that \$28.00 per ton was an exceptionally good price, which was substantially higher than CRRA's historical price.

Director Martland said that it was not clear that CRRA was receiving the \$28.00 per ton. Mr. Egan stated that information was in the Financial Summary on the second page. Chairman Pace read the pertinent section of the Summary, "This will provide up to \$224,000 in revenues to the Mid-Connecticut project." Mr. Kirk stated that the minutes would clearly reflect that this is a revenue to the Project.

Director Sullivan asked what the anticipated time frame was for deliveries. Mr. Egan responded that the contract required that Nora Realty deliver the soil by the end of May. Director Sullivan asked if that revenue was budgeted. Mr. Egan said that CRRA estimated a revenue amount each fiscal year and this year's estimate was approximately \$250,000 - \$300,000.

Director Martland asked if there was brownfield material available in the Hartford area. Mr. Egan responded that there are some projects that CRRA would be looking into and potentially offering prices on. Mr. Egan noted that CRRA took in a significant amount of soil from the Colt redevelopment project before the project was stalled. Mr. Egan explained that there were several variables that must be considered when evaluating contaminated soil for use are daily cover, and CRRA would evaluate any brownfields soil that came to its attention.

Director Griswold asked if the contamination was primarily oil-based. Mr. Egan responded that this particular source was from the clean-up of a leaking underground storage tank, but CRRA also looked at soils with unknown sources of contamination or soils with low concentrations of metals. Typically, CRRA used organic contaminated soil with petroleum hydrocarbons.

Mr. Kirk emphasized that any soil that CRRA used as final or daily cover at the Landfill meets all DEP specifications for cover material. Mr. Kirk said the soil was only mildly contaminated and there was a substantial financial benefit versus purchasing cover soil.

Director Martland stated that he believed that simply aerating some contaminated soils would diminish the concentration of contamination. Mr. Kirk agreed and added that landfarming or roasting the soil was the typical treatment method of organic volatiles. Mr. Kirk said that, in this case, using the soil as daily cover has the intended result.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Mark Cooper	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut	X		
Non Eligible Voters			
NONE			

COMMITTEE REPORTS

POLICIES & PROCUREMENT COMMITTEE

Mr. Kirk informed the Board that the Policies & Procurement Committee was proceeding with the Request for Qualifications process for legal services in all areas and new contracts would be signed by July 1. Chairman Sullivan stated that the Finance Committee would also be involved in selecting the Bond Counsel.

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

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

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.

The motion was seconded by Chairman Pace.

Mr. Kirk stated that this amendment to the Bylaws would better reflect the statutory requirements regarding attendance at Board Meetings. Mr. Kirk explained that CRRA's By-Laws originally indicated that all meetings, regular and special, would be used in tracking attendance. Mr. Kirk said that section of the Bylaws is in contradiction to an Attorney General Opinion found by CRRA's General Counsel. To correct this inconsistency, the change to the bylaws would delete special meetings and return to regular meetings as the sole requirement for attendance requirements.

Chairman Pace stated that he understands that everyone faces time constraints. Chairman Pace stated that, while attendance has been good and there have been some special situations where Directors have had to participate by telephone, he thanks everyone for their attendance and encourages them all to be physically present to participate in the meetings.

Vice-Chairman Cassano asked what the status of the legislation regarding phone meetings was. Mr. Kirk responded that the bill had been included in an Ethics bill from the House of Representatives, H.B. 6616, which would prohibit quasi-public Board Members from voting by telephone and would prohibit quasi-public Board Members from being counted as "in attendance" when participating by phone. Mr. Kirk explained that this was forwarded joint favorable by the Government Administrations and Elections Committee and was presently being referred to the Planning and Development Committee.

Mr. Kirk said that discussions with leadership indicate that there was a strong preference for this particular portion of the legislation, but there was also an understanding of the challenge that would be for Boards, such as the CRRA's Board, which has representation from across the State. The expectation was that some modification of the present language would be introduced to recognize a difference between special and regular meetings. Mr. Kirk stated that CRRA was monitoring the legislation and providing guidance and insight wherever possible in the hopes that the final legislation will not present undue obstacles to CRRA's ability to do business. Vice-Chairman Cassano stated that it would be helpful to get the prohibition from participating in special meetings by telephone out of the bill before it came out of the Planning and Development Committee. Mr. Kirk agreed and stated that his discussions with the Screening Committee concentrated on that and stated that the other quasi-public agencies were also trying to promote a distinction between regular and special meetings in the legislation.

Chairman Pace asked if this bill was originally targeted only to CRRA. Mr. Kirk responded in the affirmative and explained that the other quasi-publics were included when the bill was rolled into the Ethics bill. Chairman Pace stated that with good leadership in the Committees, the other quasi-publics were included in the legislation, which showed that the legislature was "taking the high road" as opposed to a targeted role.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Mark Cooper	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Non Eligible Voters			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

ORGANIZATIONAL SYNERGY & HUMAN RESOURCES COMMITTEE

RESOLUTION REGARDING THE WORKPLACE VIOLENCE POLICY

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

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.

The motion was seconded by Chairman Pace.

Mr. Kirk explained that this policy was in place but had never been officially adopted by the Board. Mr. Kirk noted that the policy had been publicly noticed.

Chairman Pace stated that it was not only necessary that there be a policy, but that the policy be clearly defined so people understand what is appropriate and what is not appropriate. Chairman Pace said that this policy gave specific examples so there was no confusion between what individuals saw as appropriate behavior and what is appropriate at the corporate level. Director Jarjura agreed and stated that the better a policy was explained, the better off the organization would be.

Chairman Pace noted that the change in the policy was the identification of specific behaviors.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Mark Cooper	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Non Eligible Voters			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

RESOLUTION REGARDING THE HIRING, COMPENSATION, PROMOTION AND DISMISSAL PROCEDURES POLICY

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

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.

The motion was seconded by Chairman Pace.

Mr. Kirk told the Board that the major change from the previous policy reflected CRRA's organizational change in 2004. The key issue was that management is permitted to fill vacant positions without getting direct approval from the Board of Directors. Mr. Kirk explained that upper-level management positions were still filled with the concurrence and advice of the Organizational Synergy and Human Resources Committee.

Director Karanian suggested that "high-level management" be defined in the policy to determine which specific positions would be filled with the Board's approval. Chairman Pace stated that section of the policy should include all of the President's direct reports. Vice-Chairman Cassano suggested that the specific positions be identified. Mr. Kirk stated that the language could be changed to read, "The President shall obtain the approval of the Directors prior to filling the following positions: Chief Financial Officer, Director of Legal Services, Director of Operations, Director of Environmental Affairs and Development, and Director of Communications and Government Affairs."

Director Karanian asked if approval of the Directors required a 2/3 affirmative vote. Mr. Kirk suggested adding "by majority vote" after "approval of the Directors" would clarify that. The Board agreed that the final language would read, "The President shall obtain the approval of

the Directors, by majority vote, prior to filling the following positions: Chief Financial Officer, Director of Legal Services, Director of Operations, Director of Environmental Affairs and Development, and Director of Communications and Government Affairs.”

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Mark Cooper	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Non Eligible Voters			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

CHAIRMAN’S REPORT

Chairman Pace stated that he had talked to management about meeting with the Steering Committee to develop the business plan. Mr. Kirk said that there would be a meeting on May 9th to discuss the Strategic Plan. Chairman Pace invited the Board to attend that meeting.

Chairman Pace said that he invited Director Francis, a member of the Organizational Synergy & Human Resources Committee, to attend a meeting with the Governor’s office regarding quasi-public agency salaries and benefits.

Mr. Kirk gave a brief update of CRRA’s legislative initiatives. In addition to the Ethics bill regarding telephone meetings, Mr. Kirk stated that SB94 would affect CRRA by requiring CRRA to get approval from the Comptroller’s Office for all transactions over \$25,000. Mr. Kirk stated that would be problematic for obvious reasons. Chairman Pace asked who introduced the bill stating that he was trying to get some insight as to what benefit that would have to the municipalities, the general public or the State. Mr. Bolduc stated that the bill was introduced by Representative Drew. Director Lauretti asked if the bill was directed at CRRA specifically. Mr. Kirk stated that the bill was directed toward all quasi-public agencies, but then several agencies were exempted in the language of the bill.

Director O’Brien requested that the letter from Attorney General Blumenthal supporting Chairman Pace’s reappointment as Chairman be included in the record. The letter was addressed to the Honorable Martin Looney and the Honorable Claire Janowski, Co-Chairs of the Executive and Legislative Nominations Committee and read as follows:

“Dear Senator Looney and Representative Janowski:

I write to strongly support the confirmation of Michael Pace as Chairman of the Connecticut Resources Recovery Authority. Mike Pace is a tireless public servant who has devoted countless hours and incalculable energy to restoring the CRRA’s financial viability and credibility among its member municipalities and their taxpayers.

I have known Mike since his appointment as Chairman of the Authority in the dark hours following the former CRRA Board’s loss of \$220 million in a failed, illegal deal with the Enron Corporation. Mike’s mission was the same as mine – to recover as much of the lost money as possible and spare CRRA’s member towns and their taxpayers increased tipping fees and a financially crippled waste collection agency. Working together, the CRRA and my office have recovered \$111 million from our Enron bankruptcy court action. This recovery, and the ongoing litigation we are pursuing, would never have been possible without the wise counsel, leadership and support that Mike Pace has lent to our legal efforts.

Michael Pace’s goals for CRRA have been larger than improving its financial health. He has worked relentlessly to restore the public’s confidence in CRRA as a cost-effective, consumer friendly governmental institution. He has streamlined the agency and made its decision making process open and transparent. He has been inclusive, not divisive, assuring that CRRA strives to serve the public interest.

Michael Pace is a man of impeccable integrity and the highest ethical standards. I recommend him for reappointment as Chairman of the CRRA without hesitation and with the highest personal regard and admiration.

Very truly yours,
Richard Blumenthal”

EXECUTIVE SESSION

Chairman Pace requested a motion to go into Executive Session to discuss pending litigation, contract negotiations and personnel matters. The motion made by Vice-Chairman Cassano and seconded by Director Cooper was approved unanimously. Chairman Pace requested that the following people remain for the Executive Session:

Chairman Michael Pace
Vice Chairman Stephen Cassano
Mark Cooper
Michael Jarjura
Edna Karanian
Mark Lauretti
Theodore Martland
Raymond O’Brien
Timothy Griswold

Tom Kirk
Jim Bolduc
Peter Egan
Floyd Gent

The Executive Session began at 10:50 a.m. and concluded at 11:21 a.m. Chairman Pace noted that no votes were taken in Executive Session.

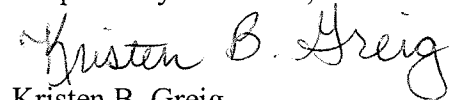
Chairman Pace reconvened the Board meeting at 11:21 a.m.

ADJOURNMENT

Chairman Pace requested a motion to adjourn the meeting. The motion to adjourn made by Director Laretti 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 THE ESTABLISHMENT OF THE
SOUTH MEADOWS SITE REMEDIATION RESERVE**

RESOLVED: That a reserve be established to cover costs not included in the original scope of the South Meadows property remediation project for the Jets/Energy Generating Facility

Connecticut Resources Recovery Authority

April 28, 2005

Account: SOUTH MEADOWS SITE REMEDIATION RESERVE

Project: Mid-Connecticut Project (Jets / EGF)

Purpose: To pay for change orders not covered in the original scope of services for the South Meadows site remediation project.

Fund Basis: The basis will be reviewed during the annual reserve analysis.

Fund Source: The initial funding of an estimated \$245,000 for this reserve will come from a credit received from the contractor due to a deletion of a part of the original scope of work.

Fund Amount as of March 31, 2005: \$0

Term: The reserve will remain active until the site remediation project has been completed.

Supporting Documentation:

This reserve is being established to pay for change orders not included in the original scope of work. This reserve will allow management to track the unplanned costs associated with the South Meadows site remediation project.

Recommendation: Establish the reserve and maintain the reserve until the funds are fully depleted or the projects are completed.

TAB 3

**RESOLUTION REGARDING THE ESTABLISHMENT OF THE
WATERBURY LANDFILL POSTCLOSURE RESERVE**

RESOLVED: That a reserve be established to cover postclosure costs for the Waterbury Landfill for the Bridgeport Project.

Connecticut Resources Recovery Authority
April 28, 2005

Account: WATERBURY POSTCLOSURE RESERVE

Project: Bridgeport

Purpose: To cover costs associated with the operation and maintenance of the Waterbury landfill after the landfill is certified closed.

Fund Basis: The basis will be reviewed annually as well as by an outside consultant to verify that the reserve is adequately funded.

Fund Source: This reserve is to be funded through the operating budget. Initial funding to begin in fiscal year 2006.

Fund Amount as of March 31, 2005: \$0

Term: The reserve will be fully funded by the end of the existing project and then drawn upon over the 30 year postclosure period.

Supporting Documentation:

This reserve is being established to pay for 30 years of operation and maintenance costs after the Waterbury landfill has been closed.

Recommendation: Establish the reserve and review the fund balance during the annual review process.

TAB 4

**RESOLUTION REGARDING THE ESTABLISHMENT OF THE
FUTURE USE/PLANNING RESERVE**

RESOLVED: That a Future Use/Planning Reserve be established for the Wallingford Project for the purpose of funding termination costs associated with the existing project, funding extension costs associated with the existing project or funding costs associated with developing a new strategy for the member towns upon termination of the existing project.

Connecticut Resources Recovery Authority

April 28, 2005

Account: FUTURE USE/PLANNING RESERVE

Project: Wallingford

Purpose: To cover costs associated with the termination of the existing project, extension costs associated with the existing project or costs associated with developing a new strategy for the member towns post current project.

Fund Basis: The basis will be reviewed during the next year after an evaluation of different cost scenarios involving the existing contract and other disposal options are completed.

Fund Source: This reserve is to be funded through the operating budget. Initial funding to begin in fiscal year 2006.

Fund Amount as of March 31, 2005: \$0

Term: The reserve will be maintained until it is fully funded to meet the obligations of the project, to terminate the existing project or extend the existing project.

Supporting Documentation:

This reserve is being established to pay for a future option study which will include the analysis of the termination of the existing project, extension of the existing project, or development of a new waste disposal strategy post project. This reserve can also be used to cover the costs associated with implementing whichever option is chosen. Reserve approved by the Wallingford Policy Board at their April 5, 2005 meeting.

Recommendation: Establish the reserve and adjust the fund balance as information becomes available to support the fund basis.

TAB 5

**RESOLUTION REGARDING SALE OF NOX EMISSION
REDUCTION CREDITS TO SELECT ENERGY, INC.**

RESOLVED: That the President is hereby authorized to enter into a contract with Select Energy, Inc. for the sale of fifty (50) tons of Ozone Season NOx Discrete Emission Reduction Credits, substantially as discussed and presented at this meeting.

Connecticut Resources Recovery Authority
Contract Summary for Contract
entitled

Sale of NOx Credits to Select Energy, Inc.

Presented to the CRRA Board on: April 28, 2005

Buyer/ Contractor(s): Select Energy, Inc.

Effective date: March 3, 2005

Contract Type/Subject matter: Letter Agreement. Market-driven sale of 50 tons of NOx Ozone Season Emission Reduction Credits, (ERCs) created at the Mid-Connecticut RRF, to Select Energy, Inc.

Facility (ies) Affected: None.

Original Contract: This is the original contract.

Term: Agreement terminates December 31, 2008.

Contract Dollar Value: \$100,000 (50 tons of NOx Ozone Season ERCs at \$2000.00 per ton)

Amendment(s): None.

Term Extensions: Not applicable.

Scope of Services: Transfer of ERCs.

Other Pertinent Provisions: None.

Connecticut Resources Recovery Authority

Sale of NOx Credits to Select Energy, Inc.

April 28, 2005

Executive Summary

CRRA has contracted with Select Energy, Inc. for the sale of 50 tons of Ozone Season NOx Discrete Emission Reduction Credits (ERCs) created at the Mid-Connecticut RRF in CY 2002 and 2003.

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

Section 22a-174-38(d) of the Regulation of Connecticut State Agencies provides a NOx Emission Trading Program to Municipal Waste Combustors. The Mid-Connecticut RRF creates emission reduction credits by the "over-control" of emissions of nitrogen oxides (NOx) via a selective non-catalytic reduction (SNCR) system. The Connecticut Department of Environmental Protection approves such credits for use by facilities that "over-emit" NOx. CRRA sells its NOx credits to such facilities on a market-driven basis for the best market price obtainable.

In October 2004, in order to determine the best market price obtainable for these assets, CRRA contacted over two dozen individuals via telephone, email and in person to solicit their input as to market pricing. These individuals include brokers, buyers and sellers who participate in Connecticut's NOx ERC Trading Programs.

The following individuals, who are most familiar with transactions like the one considered herein, gave the following recommendations.

Lauren Kisling of Cantor Fitzgerald:	\$1700 - \$2200 per ton
Jim Romanski of Pratt & Whitney:	\$1300 per ton
Darryl Conner of Pfizer	1700 per ton
Bob Silvestri of (PSE&G)	\$2000 per ton

Based on these recommendations, CRRA is selling these 50 tons of NOx Ozone Season ERCs for \$2000 per ton. Note that this price was agreed to with Select Energy, Inc. on January 5, 2005.

CRRA management believes that this price represents the best market price obtainable for this quantity of credits and that this sale is in the best interest of the member communities of the CRRA Mid-Connecticut Project.

Financial Summary

This will provide \$100,000.00 in revenues to the Mid-Connecticut project (50 tons at \$2,000 per ton).

TAB 6

**RESOLUTION TO EMPLOY R. L. ROGERS & SONS, INC. TO
UNDERTAKE LAND SURFACE IMPROVEMENTS AND
STORMWATER CONVEYANCE IMPROVEMENTS AT THE
HARTFORD LANDFILL**

RESOLVED: That the President is hereby authorized to enter into a contract with R. L. Rogers & Sons, Inc. to undertake land surface improvements, and to construct stormwater conveyance structures at the Hartford Landfill, substantially as discussed and presented at this meeting.

Connecticut Resources Recovery Authority
Contract Summary for Contract
entitled

Hartford Landfill – West/South Slope Improvements

**This is a Request for Services pursuant to a three year On-Call Equipment
Services Contract**

Presented to the CRRA Board on: April 28, 2005

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

Effective date: Upon Execution for this Request for Services

Contract Type/Subject matter: Request for Services pursuant to a three year On-Call Equipment Services Contract

Facility (ies) Affected: Hartford Landfill

Original Contract: Three-Year On-Call Equipment Services Agreement Number 057101

Term: Three Year Agreement terminates June 30, 2007. This specific Request for Services prescribes a schedule of 55 days from notice to proceed.

Contract Dollar Value: \$218,504.00

Amendment(s): None.

Term Extensions: Not applicable.

Scope of Services: Construct Stormwater Conveyance Structures (e.g., berms, downchutes). Place topsoil, grade, and establish vegetation on the west and southwest slopes of the Hartford Landfill.

Other Pertinent Provisions: None.

Connecticut Resources Recovery Authority

Hartford Landfill – West/South Slope Improvements

April 28, 2005

Executive Summary

For the past several years CRRA has been placing waste on the west and southwest slopes of the Hartford Landfill. This area of the landfill is now substantially at capacity. Final closure of this area is not expected to occur for at least 18 months. At this time, CRRA intends to dress the slope with topsoil and seed in order to improve the visual appearance of the landfill. This initiative to improve the appearance along the I-91 side of the landfill will be temporary, until a revised, final closure plan is developed and approved by the Connecticut Department of Environmental Protection. In addition, there are certain improvements to the stormwater conveyance system that need to be undertaken now that placement of waste in this area is complete.

CRRA requested proposals from two contractors with which CRRA has a three year services agreement for this type of construction work. This is to request that the Board of Directors authorize CRRA to contract with R. L. Rogers & Sons, Inc. to undertake these improvements to the west and southwest slope of the landfill.

Discussion

At this time, CRRA needs to undertake activities which involve installation of stormwater conveyance structures, and improvement of the visual appearance of the west and southwest slope areas at the Hartford Landfill.

CRRA developed a scope of work for installation of both horizontal and vertical stormwater conveyance structures (e.g., diversion berms, downchutes), and for placement of topsoil and establishment of a vegetative cover along an area of approximately 10 acres.

CRRA received bids from two of the contractors with which CRRA has an On-Call Equipment Services Agreement. Under these agreements, CRRA has established heavy equipment and labor rates for work at the Hartford Landfill. The purpose of the agreement is to identify and establish the unit prices of vendors with the insurance, equipment, manpower, and skill necessary to complete work as directed by CRRA. The contract for each landfill is designed to allow CRRA to define a scope of work, and receive competitive prices, based on the established T&M rates, from one or more of the vendors under contract.

CRRA requested cost estimates from two of the contractors with which it has such an agreement: Red Technologies, LLC, and R. L. Rogers & Sons, Inc. CRRA held a pre-

bid site-walk at the landfill, at which time a detailed scope of work was provided to both contractors. The contractors were asked to provide cost estimates for stormwater downchute and lateral diversion berm construction; provision of topsoil, placement and grading of topsoil, and hydroseeding. The contractor will be required to guarantee establishment and growth of the vegetative cover for 12 months.

The bid prices were as follows:

	Red Technologies, LLC	R.L. Rogers & Sons, Inc.
Stormwater Downchute Construction	\$17,600	\$14,000
Provision of Topsoil, Grading, Stormwater Diversion Berm Construction, Vegetative Cover (Contractor provided Topsoil, with Contractor Guarantee)	\$358,970	\$204,504
TOTAL	\$376,570	\$218,504

CRRA Management recommends that CRRA employ R. L. Rogers & Sons, Inc. to conduct this work. CRRA has employed R. L. Rogers & Sons, Inc. for this type of work in the past and their performance has been satisfactory. R. L. Rogers & Sons, Inc. has performed similar work at the Hartford Landfill in the past, and R.L Rogers & Sons, Inc. was the contractor that managed closure of several areas at the Wallingford Landfill.

Financial Summary

These land surface improvements were contemplated in the fiscal year 2005 Hartford Landfill budget. There are sufficient funds in the budget for this expenditure.

TAB 7

**RESOLUTION REGARDING EXPENDITURE OF
ADDITIONAL FUNDS FOR THE OPERATION AND
MAINTENANCE OF THE ELLINGTON LANDFILL GAS
COLLECTION AND CONTROL SYSTEM**

RESOLVED: That the President is hereby authorized to expend funds for the operation and maintenance of the gas collection and control system at the Ellington Landfill during Fiscal Year 2005, substantially as discussed and presented at this meeting.

Connecticut Resources Recovery Authority

Request to Expend Additional Funds for Operation and Maintenance of the Landfill Gas Collection System and Thermal Oxidizer Station at the Ellington Landfill

Presented to the CRRA Board on: April 28, 2005

Buyer/ Contractor(s): SCS Field Services

Effective date: July 1, 2004

Contract Type/Subject matter: Purchase Requisition to expend funds above original cost estimate for non-routine and emergency services.

Facility (ies) Affected: Ellington Landfill

Original Contract: Three-Year Operation and Maintenance Agreement, Number 054113

Term: Agreement terminates June 30, 2007.

Contract Dollar Value: Original budgeted amount for FY2005 was \$54,317 for routine, non-routine and emergency services. This is to add \$30,000 to the amount budgeted for non-routine and emergency services.

Amendment(s): None.

Term Extensions: Not applicable.

Scope of Services: Non-Routine and Emergency Services

Other Pertinent Provisions: None.

Connecticut Resources Recovery Authority

Request to Expend Additional Funds for Operation and Maintenance of a Landfill Gas Collection System and Thermal Oxidizer Station at the Ellington Landfill

April 28, 2005

Executive Summary

CRRA has contracted with SCS Field Services to provide operation and maintenance services for the Ellington Landfill Gas Collection System and Thermal Oxidizer Station. The cost of non-routine and emergency service has run higher than expected during this fiscal year. Consequently, additional funds above the original not-to-exceed estimate must be authorized to cover this increased cost.

Discussion

The cost of non-routine and emergency services has run significantly higher than anticipated. Since July 2004 there have been three significant, unanticipated events involving the gas collection and control system at the Ellington Landfill.

In September 2004, due apparently to settling of the landfill, a landfill gas condensate conveyance pipe (which gravity drains to a condensate storage tank) became blocked due to accumulation of condensate in a low section of the piping. The required repairs involved excavation and repair of a section of the conveyance piping.

In November 2004, the thermal oxidizer temperature attenuation valve actuator malfunctioned, forcing the thermal oxidizer system offline. In January 2005, there was a significant 'freeze-up' of condensate in the gas piping near the thermal oxidizer that, again, forced the unit offline.

The actuator is an electrically powered device designed to keep the operating temperature of the oxidizer within the required range by continuously regulating the position of an air control valve. Without a properly functioning actuator, the system requires frequent manual adjustment and is subject to additional outages. This results in additional costs to CRRA.

In early March, the electrical subcontractor to SCS Field Services applied for a permit to install control wiring for a replacement actuator, precipitating an inspection of the site by the Town Building Official. During the inspection, the inspector questioned whether the originally installed electrical components were in conformance with the current electrical code. CRRA staff is addressing this issue. However, until this work is completed, the actuator repair cannot be completed.

The 'freeze-up' of condensate was caused by excessively cold temperatures and the degradation of the heat-tracing and insulation. Troubleshooting and repairing this and getting

the system back online nearly doubled the anticipated monthly cost of gas system O&M.

CRRA staff believes that the cost of monthly non-routine and emergency work at Ellington Landfill will be about \$5,000 per month, at least for the remainder of FY 2005, compared to the \$2,900 per month originally estimated. Therefore, this is to request authorization to expend an additional \$30,000 to cover total gas system O&M costs at Ellington through June 2005.

Financial Summary

Original amount of contract for SCS Field Services to provide operation and maintenance services for the Ellington Landfill Gas Collection System and Thermal Oxidizer Station for FY2005 was \$54,317 (\$19,517 for routine services; \$34,800 for non-routine services).

The amount of additional funds requested to cover anticipated work associated with these non-routine and emergency services is \$30,000.

Total amount for this contract for FY 2005 is now \$84,317.

The funds for these additional activities will be taken from surpluses anticipated to be generated within the Mid-Connecticut Project during this fiscal year.

TAB 8

**Resolution Regarding the Agreement for
Waste Compaction Dozer Services
Mid-Connecticut Project**

RESOLVED: That the President is hereby authorized to enter into an agreement with Stoneyridge Construction Corp. to perform dozer compaction services for municipal solid waste and refuse derived fuel at the Mid-Connecticut Project.

**Connecticut Resources Recovery Authority
Contract Summary
Waste Compaction Dozer Services**

Presented to CRRRA Board on: April 28, 2005

Vendors/Contractors: Stoneyridge Construction Corp.

Effective Date: May 1, 2005

Contract Type/Subject matter: Waste Compaction Dozer Services

Facility (ies) Affected: Mid-Connecticut Project

Original Contract: This is the original contract

Term: May 1, 2005 through April 30, 2007 (2 years)

Term Extensions: One (1) year option to extend

Scope of Services: Stoneyridge Construction Corp shall be responsible for the cost and expense of providing all vehicles, labor, equipment, tools, material and fuel necessary to perform MSW and RDF stacking and compaction services at the Mid-Connecticut Project on an on-call, as needed basis.

Service Fees: \$145.00 per hour

Contract Dollar Value: Approximately \$424,000 for the initial two-year term of the agreement

Amendment(s): Not applicable

Connecticut Resources Recovery Authority
Mid-Connecticut Project -Waste Compaction Dozer Services Agreement
April 28, 2005

EXECUTIVE SUMMARY

The Authority issued a request for proposals on January 9, 2005, for waste compaction services. Ten firms requested proposal packages and on February 3, 2005, four proposals were received as shown in the following table:

Bidder	Base Contract Term	Per Hour Rate
Stoneyridge Construction	May 1, 2005 – April 30, 2007	\$145
Botticello, Inc.	May 1, 2005 – April 30, 2007	\$159.50
CWPM, LLC	May 1, 2005 – April 30, 2007	\$170
Herb Holden Trucking, Inc.	May 1, 2005 – April 30, 2007	\$247

CRRA management is requesting authorization to enter into an agreement with the low bidder, Stoneyridge Construction Corp. for the waste compaction services. Stoneyridge met all proposal requirements, and has the lowest per hour rate for the base contract term of May 1, 2005 through April 30, 2007, and for the optional one year contract extension period of May 1, 2007 through April 30, 2008.

Estimated annual cost for the dozer service - \$212,000.00

DISCUSSION

CRRA has been using waste compaction services for municipal solid waste (MSW) and refuse derived fuel (RDF) at the Mid-Connecticut Project for approximately 12 years. The waste is compacted on an as needed basis during periods of high waste deliveries and/or to accommodate scheduled and unscheduled plant maintenance outages. Compaction allows for approximately 40% more material to be stored in the MSW Receiving Hall and RDF Storage Hall.

The proposal process, contracting and dozer scheduling was historically handled by the MDC but was taken over by CRRA staff approximately four (4) years ago as part of CRRA's efforts to control costs at the Mid-Connecticut WPF. Since taking over the procurement and day-to-day management of the service, the Project has realized a reduction in compaction hours used of 500 hours per year for an annual savings to the Project of \$78,000.

FINANCIAL SUMMARY

The compaction dozer services are included in the current FY'05 budget and in the approved FY'06 budget.

TAB 9

Resolution Regarding the Employment of Camp Dresser McKee, Inc. to Provide Engineering Consulting Services to Perform a Feasibility Study on Expanding the Mid-Connecticut Waste-to-Energy Facility

RESOVED: The President is hereby authorized to enter into a Request for Services pursuant to the three year engineering service agreement with Camp Dresser McKee, Inc. for services to perform a feasibility study on expanding the Mid-Connecticut Waste-to-Energy Facility.

Connecticut Resources Recovery Authority Mid-Connecticut Resource Recovery Facility Expansion Feasibility Study

April 28, 2005

Executive Summary

This is to request approval of the CRRA Board of Directors for the President to execute a Request for Services ("RFS") with Camp Dresser McKee, Inc. (the "Consultant") to perform a feasibility study for the Mid-Connecticut Project to determine the maximum size and type of additional waste-to-energy capacity that can be added to the existing site while utilizing available power generation capabilities and auxiliary systems at the existing Energy Generating Facility ("EGF") to the extent practical.

Connecticut Resources Recovery Authority ("CRRA") Mid-Connecticut Waste-to-Energy ("WTE") facility consists of three (3) Refuse Derived Fuel ("RDF") boilers rated at 700 tons per day each. The facility is currently operating at its full annual capacity resulting in the need to divert and/or export increasing quantities of unprocessed solid waste to other disposal facilities. Exports and diversions currently range from 50,000 to 85,000 tons annually. In addition, to accommodating the future growth of the 70 Mid-Connecticut towns, there are other Connecticut towns that have expressed interest in disposing their waste at the Mid-Connecticut facility.

The Consultant will provide information necessary to size the additional capacity, determine the preferred WTE technology (mass burn or RDF), identify permit requirements and prepare preliminary cost estimates, with the assistance of Waste-to-Energy Equipment Suppliers (WTES), for the required capital investment and operations and maintenance costs.

This feasibility study will assist CRRA on which direction to pursue in the expansion of the Mid-Connecticut project. An additional detailed engineering study will be required to assemble the proper documentation to request board approval.

The estimated not to exceed cost for this RFS is \$63,500.00.

Connecticut Resources Recovery Authority

Feasibility Study on Expanding the Mid-Connecticut Waste-to-Energy Facility

Presented to the CRRA Board on: April 28, 2005

Vendor/ Contractor(s): Camp Dresser McKee, Inc.

Effective date: Upon Execution

Contract Type: Request for Services

Facility (ies) Affected: Mid-Ct Resource Recovery Facility

Original Contract: Three Year Engineering Services Agreement dated July 1, 2004

Term: Through June 30, 2007

Contract Dollar Value: \$63,500.00

Amendment(s): Not applicable

Scope of Services: Provide consulting services for the expansion of the Mid-Connecticut Resource Recovery Facility

Other Pertinent Provisions: None

TAB 10

**RESOLUTION REGARDING MODIFICATIONS TO THE WALLINGFORD
RESOURCES RECOVERY FACILITY FLY ASH SYSTEM**

Resolved: The President is authorized to amend the Amended and Restated Waste Disposal Services Agreement dated February 1, 1990, between the Connecticut Resources Recovery Authority and Wallingford Resource Recovery Associates, L.P. (Covanta of Wallingford) for the installation, operation, and maintenance of the Fly Ash Modification System substantially in the form discussed at this meeting.

Connecticut Resources Recovery Authority Wallingford Facility Fly Ash Modification Project

April 28, 2005

Executive Summary

CRRA seeks Board of Directors approval for the installation, operation and maintenance of a fly ash modification system at the Wallingford Resources Recovery Facility. Capital costs associated with the modification of the current system are estimated to be \$384,275. Seventy-five percent or \$288,207 of this cost will be borne by the Project with the remaining twenty-five percent or \$96,069 borne by the Facility operator, Covanta of Wallingford ("Covanta"). Covanta will be responsible for the modification of the system and will receive an annual fee of \$50,000 for the operation and maintenance of the modified system. These items will be incorporated into the operator agreement between CRRA and Covanta via an amendment. Given the substantial savings the Project will realize with this system, CRRA is projecting a payback of eight months.

At its April 5, 2005 meeting, the Wallingford Project Policy Board voted unanimously to proceed with the modification.

Discussion

As currently designed, dry fly ash captured in the bag house is combined with the bottom ash in the drag conveyors. These conveyors are submerged under the boiler water seals. The combined fly and bottom ash is saturated with water and then conveyed to ash load-out trailers. This system configuration has caused a number of operational problems resulting in higher costs for both Covanta and the Project. Because fly ash is light weight and dry when it reaches the drag conveyors, it tends to float on the water surface and is not readily removed by the submerged bottom ash drag conveyors. As a result, Covanta needs to frequently (twice a week on average) drain or "pump down" the water to allow the drag conveyors to capture and remove the buildup of fly ash. During the pump downs, the boiler water seal is lost causing fugitive CO and dust emissions. In addition, MSW feed to the boiler is interrupted and fuel oil and wood pallets are burned to maintain boiler steam production.

The proposed Fly Ash Modification Project will redirect the fly ash stream away from the drag conveyors so it can be treated separately with water and prevent it from becoming 100% saturated. The fly ash will then be combined with the bottom ash on the inclined dry portion of the bottom ash drag conveyor (the section of conveyor closer to the ash load-out trailers).

This modification will significantly reduce (or possibly eliminate) the need to perform pump downs and, as a result:

- Significantly decrease the amount of fuel oil consumed;
- Reduce plant water consumption by 100,000 gallons per year;
- Increase Facility MSW throughput by an estimated 1875 tons annually;
- Reduce MSW export and diversion costs because of the increased MSW throughput;
- Increase boiler availability by 4 boiler days (1 unit) by reducing unscheduled cleaning outages;
- Increase power generation and net power sales by 520 MWH annually;
- Reduce the amount of water that is mixed with the ash and transported and disposed of at the Wheelabrator-Putnam Landfill (CRRA estimates that it costs the Project about \$92,000 per year to dispose of 4,000 tons of extra water absorbed by the fly ash);
- Reduce fugitive CO and dust emissions;
- Provide a potentially safer work environment and improve morale for operating personnel; and
- Perhaps improve the facility's fly ash characterization to a level that may eliminate the need to install a dolomitic lime system in the future.

Financial Summary

Pursuant to the Restated Service Contract for the Wallingford Facility (Section 13-Capital Projects), competitive bids were solicited by Covanta . CRRA worked with Covanta to develop the Request for Bids' Scope of Service, equipment configuration and cost/benefit analysis. AHR Metals Inc and Szymaszek & Sons, Inc were the low mechanical and electrical bidders, respectively. Their cost for the design, equipment, materials and installation of the Fly Ash Modification Project is estimated at \$384,275.00.

The project will be funded from the Wallingford Resources Recovery Facility Capital Projects Budget as adopted for fiscal year 2005. The capital budget includes \$450,000 to fund this modification. Beginning with fiscal year 2006, the Wallingford Budget will reflect an annual operational and maintenance fee of \$50,000.

Because both Covanta and the Project will benefit financially from this project, the cost of the modification will be shared on a 75%/25% basis. The Project will incur \$288,207 of the cost and Covanta \$96,068.

Based on the cost/benefit analysis performed by CRRA and Covanta, the Project should realize a payback of eight months.

Connecticut Resources Recovery Authority

Capital Cost for the Installation of a New Fly Ash Conditioning System at the Wallingford Waste-to-Energy Facility

Presented to the CRRA Board on: April 28, 2005

Vendor/Contractor(s): Covanta Energy of Wallingford

Effective Date: Upon Execution

Contract Type: Amendment to the Waste Disposal Services Contract

Facility (ies) Affected: Wallingford Resource Recovery Facility

Original Contract: Amended and Restated Waste Disposal Services Contract Dated February 1, 1990.

Term: Through June 30, 2010

Contract Dollar Value: Total Capital Cost of \$385,000.00, of which the Project pays 75% and Covanta Energy of Wallingford pays 25%

Amendment(s): Not applicable

Scope of Services: Installation, Operation, and Maintenance of a new Fly Ash Conditioning System at the Wallingford Resource Recovery Facility.

Other Pertinent Provisions: None

Connecticut Resources Recovery Authority

Operation and Maintenance of a new Fly Ash Conditioning System at the Wallingford Waste-to-Energy Facility

Presented to the CRRA Board on: April 28, 2005

Vendor/Contractor(s): Covanta Energy of Wallingford

Effective date: Upon Execution

Contract Type: Amendment to the Waste Disposal Service Contract

Facility (ies) Affected: Wallingford Resources Recovery Facility

Original Contract: Amended and Restated Waste Disposal Services Contract – Dated February 1, 1990.

Term: Through June 30, 2010

Contract Dollar Value: \$50,000.00 annually

Amendment(s): Not applicable

Scope of Service: Operation and Maintenance associated with the installation of a new Fly Ash Conditioning System.

Other Pertinent Provisions: None

TAB 11

**RESOLUTION REGARDING EXPENDITURE OF
ADDITIONAL FUNDS FOR THE OPERATION AND
MAINTENANCE OF THE SHELTON LANDFILL GAS
COLLECTION AND CONTROL SYSTEM**

RESOLVED: That the President is hereby authorized to expend funds for the operation and maintenance of the gas collection and control system at the Shelton Landfill during Fiscal Year 2005, substantially as discussed and presented at this meeting.

Connecticut Resources Recovery Authority

Request to Expend Additional Funds for Operation and Maintenance of the Landfill Gas Collection System and Enclosed Flare Station at the Shelton Landfill

Presented to the CRRRA Board on: April 28, 2005

Buyer/ Contractor(s): SCS Field Services

Effective date: July 1, 2004

Contract Type/Subject matter: Purchase Requisition to expend funds above the original cost estimate for non-routine services.

Facility (ies) Affected: Shelton Landfill

Original Contract: Three-Year Operation and Maintenance Agreement, Number 053400

Term: Agreement terminates June 30, 2007.

Contract Dollar Value: Original budgeted amount for FY2005 was \$113,637 for routine, non-routine and emergency services. This is to add \$10,000 to the amount budgeted for non-routine services.

Amendment(s): None.

Term Extensions: Not applicable.

Scope of Services: Non-Routine Services

Other Pertinent Provisions: None.

Connecticut Resources Recovery Authority

Request to Expend Additional Funds for Operation and Maintenance of the Landfill Gas Collection System and Enclosed Flare Station at the Shelton Landfill

April 28, 2005

Executive Summary

CRRA has contracted with SCS Field Services to provide operation and maintenance services for the Shelton Landfill Gas Collection System and Enclosed Flare Station. The cost of non-routine and emergency service has run higher than expected. Therefore, additional funds must be encumbered to cover this increased cost.

Discussion

The Air Permit to Construct and Operate the Shelton Landfill Enclosed Flare Station requires that the landfill surface be monitored to verify proper operation of the gas collection system. In the past, no concentrations of methane have been detected above the action level of 500 ppm above background. During the August 2004 surface emission monitoring event, two areas were discovered emitting concentrations of methane above this level. The permit prescribes a series of additional monitoring and land surface remediation requirements that must be performed in such an event. These steps have been taken and the two areas of concern no longer emit methane above the action level.

The cost for SCS Field Services to provide this additional surface emission monitoring and remediation was approximately \$10,000.

Apart from this unanticipated work, CRRA staff believes that the cost of the monthly non-routine and emergency work at Shelton Landfill will be about \$5,000 per month, as originally budgeted.

Financial Summary

Original amount of contract for SCS Field Services to provide operation and maintenance services for the Shelton Landfill Gas Collection System and Enclosed Flare Station for FY2005 was \$113,637 (\$53,637 for routine services; \$60,000 for non-routine services).

The amount of additional funds requested to cover anticipated work associated with surface emission monitoring is \$10,000.

Total amount for this contract for FY 2005 is now \$123,637.

There are sufficient funds within the Shelton Landfill operating budget to cover this additional expense.

TAB 12

BOARD RESOLUTION REGARDING ADDITIONAL LEGAL EXPENDITURES

WHEREAS, CRRA has incurred unanticipated legal expenses in connection with the settlement of claims by and against RTC;

NOW THEREFORE, it is RESOLVED: That \$40,000 is hereby authorized for payment of McGuireWoods LLP legal fees to be incurred through June 30, 2005:

Connecticut Resources Recovery Authority
Authorization of Additional Legal Expenses

April 28, 2005

Executive Summary

This is to request that the CRRA Board of Directors authorize payment of McGuireWoods legal invoices

Discussion

Pursuant to its contract with CRRA, RTC was operating and maintaining a landfill gas conversion system at the Shelton Landfill at the time of the 1999 methane migration. CRRA immediately terminated the RTC contract. RTC filed for bankruptcy protection and sued CRRA (in an adversary proceeding in bankruptcy court) in 2000 for breach of contract and defamation. CRRA countersued for breach of contract and negligence. The court conducted a trial on the liability issues only and, in August 2003, found in favor of CRRA. The parties subsequently chose to settle rather than to continue with the damages portion of the suit. The Settlement Agreement between CRRA and RTC has been filed with the bankruptcy court, and is scheduled for initial hearing on May 3. We are hoping that there will be no opposition to the Trustee's motion for approval.

In March 2004, AIG, which had been paying CRRA's defense costs, sent notice that it considered its obligation to defend had ended with the judge's decision in the liability portion of the suit. In May 2004, CRRA's board approved payment of \$61,000 of McGuireWoods then-outstanding legal bills. After we paid the bills that AIG had refused to pay, AIG sent payment to McGuireWoods for bills incurred between the time CRRA won in court on the liability issues and AIG officially notified us that its defense responsibility had concluded. With our approval, McGuireWoods has been treating the overpayment as a retainer, and drawing on it for payment of new billings. The "retainer" has now been exhausted, and we are requesting board approval for payment of additional amounts incurred during fiscal '05.

Note that CRRA's contract for services with McGuireWoods was executed 5/1/2000 and continues until the bankruptcy matter is completed (unless earlier terminated by CRRA). A 2001 amendment allows rate increases when the firm's standard hourly billing rates are adjusted.

TAB 13

BOARD RESOLUTION APPROVING THE SELECTION OF NEW
COUNSEL

RESOLVED: That the Board hereby approves the Attorney General's recommendation regarding selection of Pepe & Hazard to represent CRRA on the New Hartford matter.

Connecticut Resources Recovery Authority

Selection of New Counsel

April 28, 2005

Executive Summary

This is to request that the CRRA Board of Directors approve the Attorney General's recommendation regarding selection of new counsel to represent CRRA on the New Hartford matter.

Discussion

The Attorney General's Office has now determined that it does not have the resources to continue its defense of CRRA in the next stage of the New Hartford lawsuit and has asked that we obtain outside defense counsel. The AG's Motion to Dismiss the lawsuit is still on track: Plaintiff filed its brief on 4/4, our reply brief is due 4/29, and oral argument is scheduled for mid-May. Assistant AG Ted Doolittle continues to be hopeful of success in his pursuit of dismissal, but urges us to be prepared in the event that the Motion is denied, or that it is granted and New Hartford appeals.

Will Gundling of the AG's office called Tom Kirk last week to urge CRRA to bring in new counsel as soon as possible, so that the chosen firm can get up to speed and primary responsibility for our defense can be transitioned over the next few weeks. The AG's office, while stressing that selection of defense counsel is CRRA's prerogative, strongly recommends that we use Pepe & Hazard, pointing to Pepe's familiarity with the Enron-CRRA transaction and ongoing litigation, and the impediment of a major "learning curve" with another firm. We would like to accommodate the AG's request for quick action. AIG will actually retain and pay defense counsel, and we have requested, and AIG has approved, the addition of Pepe to AIG's "approved" list of law firms. (Per Lynn Martin, we have already met our insurance deductible for this matter.)