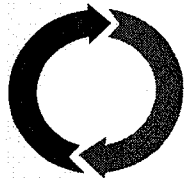


**CRRA
BOARD MEETING
OCTOBER 26, 2006**



**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: October 20, 2006
RE: Notice of Meeting

There will be a regular meeting of the Connecticut Resources Recovery Authority Board of Directors held on Thursday, October 26, 2006 at 9:30 a.m. The meeting will be held in the Board Room of 100 Constitution Plaza, 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

October 26, 2006

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 September 28, 2006 Regular Board Meeting Minutes (Attachment 1).

IV. Finance

1. Board Action will be sought regarding the Certain Bridgeport Project Reserve Accounts (Attachment 2).
2. Board Action will be sought regarding Authorization of a Contract for Economic Advisory Services (Attachment 3).
3. Board Action will be sought Authorizing Senior Management to Apply Available Funds of the Authority to the Defeasance of Outstanding Mid-Connecticut System Indebtedness and the Execution and Delivery of an Escrow Deposit Agreement with U.S. Bank National Association to Provide for the Custody, Investment and Application of Such Funds to Effect Such Defeasance (Attachment 4).

V. Project Issues

A. Mid-Connecticut

1. Board Action will be sought regarding Refurbishment of Steel Pan Conveyor CV-200B Agreement at Mid-Connecticut Waste Processing Facility (Attachment 5).
2. Board Action will be sought regarding Electric Power Market Professional Services (Attachment 6).

VI. Chairman's, President's and Committee Reports

- A. Chairman's Report
- B. President's Report

C. Policies & Procurement Committee

1. The Policies & Procurement Committee will report on its October 12, 2006 meeting.
 - a. Board Action will be sought regarding Ratification of Emergency Procurement Contracts (Attachment 7).
 - b. Board Action will be sought regarding Revision to Procurement Policy (Attachment 8).

D. Organizational Synergy & Human Resources Committee

1. The Organizational Synergy & Human Resources Committee will report on its October 26, 2006 Meeting.
 - a. Board Action will be sought regarding Addition of Health and Dental Insurance for Part-Time Employees based on Employee Only Enrollment (Attachment 9).

VII. Executive Session

An Executive Session will be held to discuss pending litigation with appropriate staff.

VIII. Legal

1. Board Action will be sought for Authorization of a Settlement with a Law Firm Which Formerly Represented Enron and/or Related Entities (Attachment 10).
2. Board Action will be sought regarding Execution of a General Release of American International Group, Inc. (Attachment 11).
3. Board Action will be sought Authorizing the President to Exercise CRRA's Option to Acquire the Parcel of Land in the South Meadows Known as Parcel 3 (Attachment 12).

TAB 1

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND FIFTH MEETING

SEPTEMBER 28, 2006

A Regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, September 28, 2006 at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Chairman Michael Pace

Directors: Mark Cooper
 James Francis (Present until 11:20 a.m.)
 Michael Jarjura (Present by telephone beginning at 9:50 a.m.)
 Edna Karanian
 Mark Lauretti (Present beginning at 9:50 a.m.)
 Theodore Martland
 James Miron (Present by telephone beginning at 10:10 a.m.)
 Raymond O'Brien
 Timothy Griswold - Ad-Hoc, Mid-Connecticut Project
 Elizabeth Horton Sheff – Ad-Hoc, Mid-Connecticut Project (Present from
 9:40 a.m. until 11:50 a.m.)

Present from the CRRA staff:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Peter Egan, Director of Environmental Affairs & Development
Floyd Gent, Director of Operations
Laurie Hunt, Director of Legal Services
Paul Nonnenmacher, Director of Public Affairs
Nhan Vo-Le, Director of Accounting
Michael Bzdyra, Government Relations Liaison
Lynn Martin, Risk Manager
Alexandra Anweiler, Communications Intern
Donna Tracy, Executive Assistant
Kristen Greig, Secretary to the Board/Paralegal

Also present were: Bill Dunbar, Jr. of Copes, Susan Hemenway of BRRFOC, Kathleen Henry of CCEJ, Stephen Hillyer of CCEJ, Jerry McStravick of AON , Allan Mercado of CCEJ, John Pizzimenti of USA Hauling & Recycling, Scott Trenholm of Carlin, Charron & Rosen, Diane Turner of CCEJ, Jerry Tyminski of SCRRRA.

Chairman Pace called the meeting to order at 9:40 a.m. and stated that a quorum was present.

PLEDGE OF ALLEGIANCE

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

PUBLIC PORTION

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

The following people addressed the Board: Mr. Stephen Hillyer and Ms. Kathleen Henry.

Mr. Stephen Hillyer introduced himself as a member of the Connecticut Coalition for Environmental Justice. Mr. Hillyer stated that he was confused by Mr. Egan’s testimony at the DEP hearing regarding the recycling center. Mr. Hillyer said that he recalled a report of far more fires at the Waste Processing Facility than Mr. Egan testified to at the hearing. He asked that the number of fires be clarified.

Ms. Kathleen Henry of the Connecticut Coalition for Environmental Justice said that she has visited the Trash Museum in Hartford and said that even though people are taught about recycling at the museum, they do not learn how to recycle. Chairman Pace stated that recycling is a priority for CRRA. Chairman Pace stated that with anticipated changes to the Solid Waste Management Plan, recycling would be more important than ever, and an organization like CRRA could be much more effective if organizations like the Connecticut Coalition for Environmental Justice worked with CRRA instead of against CRRA.

With no further comments from the public, Chairman Pace stated that the regular meeting would commence.

APPROVAL OF THE MINUTES OF THE JULY 27, 2006 REGULAR BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the July 27, 2006 Regular Board Meeting. The motion was made by Director O’Brien and seconded by Director Francis.

The minutes were approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		

Mark Lauretti	X		
Theodore Martland	X		
James Miron	X		
Raymond O'Brien	X		
Non Eligible Voters			
Timothy Griswold, Ad Hoc, Mid-Connecticut			
Elizabeth Horton Sheff, Ad Hoc, Mid-Connecticut			

RESOLUTION RECOGNIZING AN OUTSTANDING ACT OF COURAGE

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

WHEREAS, on August 14, 2006, the Essex steam train and a garbage truck collided at a crossing in Essex and the force of the crash caused the garbage truck to flip on its side, trapping the driver inside; and

WHEREAS, without any thought for his own personal safety Mike Criniti, a CWPM employee who works at CRRA's Essex Transfer Station and certified Emergency Medical Technician, showed outstanding courage when he came to the aid of the driver by pulling him from the smoking vehicle and stabilizing him until an ambulance arrived; and

WHEREAS, due to Mr. Criniti's unselfishness and courage the driver of the garbage truck was safely removed from the truck and given necessary medical attention; and

WHEREAS, it is fitting and proper that the Connecticut Resources Recovery Authority recognize this gentleman for his selfless actions on that day.

NOW, THEREFORE, BE IT RESOLVED: That the Board of Directors of the Connecticut Resources Recovery Authority hereby goes on record as recognizing Mike Criniti for his outstanding act of courage.

Director Cooper seconded the motion.

Mr. Kirk stated that Mr. Criniti, a CWPM employee, exemplified outstanding courage when he assisted the driver of a garbage truck that was involved in a collision with a train. Mr. Criniti, who is also an EMT, removed the driver from the truck and stabilized him until emergency responders arrived. Mr. Kirk stated that CRRA is proud to acknowledge Mr. Criniti's courage.

The motion previously made and seconded was approved unanimously.

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

RESOLUTION REGARDING THE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director Francis:

RESOLVED: That the Board hereby approves and endorses the Annual Financial Report for the Fiscal Year Ended June 30, 2006, substantially as discussed and presented at this meeting.

Director O'Brien seconded the motion.

Director O'Brien noted that the Finance Committee recommended this resolution. Mr. Bolduc stated that the audit would be submitted to the State by the end of the month.

Mr. Trenholm of Carlin, Charron & Rosen ("CCR") explained that the "Independent Auditors' Report" covers the financial reports, footnotes, and supplementary information such as the Management Discussion and Analysis. Mr. Trenholm reviewed the report in detail, noting that there is a delineation of responsibility with the financial statements being the responsibility of management and the opinion based upon those financial statements is the responsibility of CCR as the auditor. Mr. Trenholm stated that CCR was issuing an unqualified opinion, which extends to the attached schedules detailing the balance sheets of each project.

Mr. Trenholm referred the Committee to the report on Internal Control over Financial Reporting and Compliance on other Matters. Mr. Trenholm explained that this report, required by government auditing standards, requires the auditor to report any weaknesses with regard to control over financial reporting and to report any non-compliance of laws or regulations. Mr. Trenholm said that CCR came across a matter that is a reportable condition having to do with the Mid-Connecticut Project inventory and said that he understands that CRRA is taking steps to remedy the condition.

In a discussion regarding the report on Internal Control over Financial Reporting and Compliance on other Matters, Mr. Trenholm stated that CCR did not find any non-compliance with laws or regulations governing reporting in the course of the audit.

Director Francis referred the Board to the “Financial Position Summary” on page 3 and pointed out that the total assets increased by \$15 million and the total liabilities decreased by \$6.6 million over the last fiscal year. Director Francis stated that the other significant point to notice is the defeasance of some of the Mid-Connecticut bonds. These combined show a significant improvement in the financial status of the organization.

Mr. Bolduc added that, in private industry, one of the key factors of an audit is the relationship between debt and equity. Mr. Bolduc said that CRRA’s improved ratio between liabilities and assets would be very impressive in the private sector.

In a brief review of the reserve requirements, Mr. Bolduc referred the Board to the “Contingencies” section on page 43 and explained that the section indirectly relates to the levels and establishment of reserves. Mr. Bolduc noted that a full review of the reserves would take place in October.

Chairman Pace said that the financial health of CRRA continues to improve. Mr. Trenholm added that, as an auditing firm, CCR concerns itself mostly with the accuracy of the financials and while the numbers are correct, one thing that really stands out in this audit is the transparency of disclosure. Mr. Trenholm stated that the disclosure does a wonderful job of explaining what is happening at the Authority.

The motion previously made and seconded was approved unanimously by roll call.

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

RESOLUTION REGARDING THE PURCHASE OF COMMERCIAL GENERAL LIABILITY, UMBRELLA LIABILITY, POLLUTION LEGAL LIABILITY, COMMERCIAL AUTOMOBILE LIABILITY, AND WORKERS COMPENSATION/EMPLOYERS LIABILITY INSURANCE

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director Francis:

RESOLVED: That CRRA's Commercial General Liability insurance be purchased from Ace (Illinois Union Insurance Company) with a \$1,000,000 limit, \$50,000 deductible for the period 10/1/06 – 10/1/07 for a premium of \$305,000, as discussed at this meeting; and

FURTHER RESOLVED: That CRRA's Umbrella Excess liability insurance be purchased from Ace (Illinois Union Insurance Company) with a \$25 million limit, \$100,000 retention for the period 10/1/06 – 10/1/07 for a premium of \$351,750, as discussed at this meeting; and

FURTHER RESOLVED: That CRRA's Pollution Legal Liability insurance be purchased from Ace (Illinois Union Insurance Company) with a \$20 million limit, \$1 million retention for the period 10/1/06 – 10/1/07 for a premium of \$331,746; and

FURTHER RESOLVED: That CRRA's Commercial Automobile Liability insurance be purchased from Ace American Insurance Company with a \$1 million limit, comprehensive and collision only on five vehicles with a \$1,000 deductible, for the period 10/1/06 – 10/1/07 for a premium of \$81,025; and

FURTHER RESOLVED: That CRRA's Workers Compensation/Employers Liability insurance be purchased from Connecticut Interlocal Risk Management Agency (CIRMA) with a limit of \$1 million of Employers Liability insurance for the period 10/1/06 – 6/30/07 for a prorated premium of \$47,105. This policy includes mandatory TRIA coverage; and

FURTHER RESOLVED: That the Board of Directors endorses the recommendation of management for a comprehensive review of risk financing and risk transfer mechanisms as outlined in the materials to determine the most cost-effective program going forward.

The aggregate casualty premium is \$1,116,626 including all of the insurance outlined above for the period 10/1/06 – 10/1/07 (Workers Comp is 10/1/06-6/30/07). CRRA's 2007 budget for these policies was \$921,705.

Director Lauretti seconded the motion.

Director Francis stated that CRRA went out to bid for the Commercial General Liability, Umbrella Excess liability, Pollution Legal Liability, Commercial Automobile Liability, and Workers Compensation/Employers Liability policies. Director Francis said that the market was not kind, which resulted in some changes to policy amounts and costs.

Mr. Bolduc said that there was a slight change to the information in the package and explained that the original proposal from ACE required a \$100,000 Self-Insured Retention ("SIR"), which is similar to a deductible. Mr. Bolduc stated that a SIR would require that CRRA pay all costs up front for the first \$100,000 of a claim, which is different from a deductible where the insurance company pays claim costs and the insured reimburses the insurance company for the amount of the deductible. Mr. Bolduc said that when an SIR is required the carrier also requires a third-party administrator ("TPA") since the first \$100,000 is self-funded. Mr. Bolduc explained that the change was going from a \$100,000 SIR to a \$50,000 deductible, which also eliminates the need for a third-party administrator.

Mr. Bolduc informed the Board that AIG, CRRA's current carrier, declined to renew and only ACE submitted a quote for the casualty policies. Mr. Bolduc compared the coverage and prices of the quote for this year to last year's, and noted that overall premiums and deductibles increased while the amount of coverage decreased. Mr. Bolduc said that Ms. Martin and AON did a remarkable job getting ACE to submit a reasonable quote. Mr. Bolduc pointed out that had ACE not submitted that quote, CRRA would be in a self-insurance situation. Mr. Bolduc said that as a result of the shrinking insurance market, CRRA would be conducting an analysis of alternatives such as captives and self-insurance programs.

Mr. McStravick further explained that AIG, who has been CRRA's carrier for years, declined to renew after paying a significant claim. Mr. McStravick said that AON went out to the entire insurance market, including London and Bermuda, and added that ACE wrote a fairly competitive quote. Mr. McStravick stated that he agreed that CRRA should be looking forward and discussing alternatives to traditional funding.

Chairman Pace pointed out that the resolution deals with the current policies and incorporates a paragraph authorizing an analysis of traditional insurance alternatives. Chairman Pace said that he would like to remove the paragraph regarding the analysis from the original resolution and bring that discussion for full discussion at a later point. Chairman Pace stated that, while he understands the need for analysis, he has many concerns about CRRA getting into an insurance role.

The Board agreed to delete from the resolution the paragraph that states,

"FURTHER RESOLVED: That the Board of Directors endorses the recommendation of management for a comprehensive review of risk financing and risk transfer mechanisms as outlined in the materials to determine the most cost-effective program going forward."

Director Martland said that it is his understanding that the changing rules regarding landfills confuse the insurance industry and stated that CRRA should be prepared to discuss that with either the legislature or DEP. Director Martland suggested that there might be a middle ground between traditional insurance and self-insurance so the decision may not have to be one or the other.

Director Francis stated that there definitely needs to be some research into alternatives, and said that he would also like to find out why CIRMA did not step up to the plate when all

carriers except ACE declined to submit quotes. Director Francis explained that CIRMA was formed to help municipalities and entities such as CRRA in the insurance area so why CIRMA did not step up should be part of that research.

Director Francis pointed out that there was a significant change in the pollution liability coverage from \$30 million to \$20 million with a \$1 million retention. Director Francis stated that this would have an impact in the amount of reserves needed, which would be reviewed in the reserve analysis in October. Director Francis noted that even though there have been changes that impact the costs of the insurance program, the positive experience with renewals earlier in the year offset some of the increases. Director Francis said that the policies in this resolution and the policies that were renewed earlier in the year would have a total impact of approximately \$48,600.

The motion previously made and seconded was approved unanimously by roll call.

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

RESOLUTION REGARDING AMENDMENT NO. 1 TO THE WINDSOR-BLOOMFIELD LANDFILL STANDARD AGREEMENT FOR LANDFILL DISPOSAL SERVICES FOR THE MID-CONNECTICUT PROJECT

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director Martland:

RESOLVED: That the President is hereby authorized to enter into Amendment No. 1 to the *Windsor-Bloomfield Landfill Standard Agreement for Landfill Disposal Services* for Acceptable Waste and process residue diversion services for the Mid-Connecticut Project.

Director Cooper seconded the motion.

Chairman Pace asked if this is a “put-or-pay” agreement. Mr. Kirk responded in the affirmative and said that CRRA generates more process residue than this contract requires. Mr. Kirk said that this is a favorable agreement for both the municipalities and the Town of Windsor.

Director O’Brien noted that the Windsor Town Council has approved this agreement. Director O’Brien said that he would have liked to see some quantification of that price difference between delivering to Windsor or an alternate landfill.

The motion previously made and seconded was approved unanimously by roll call.

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

RESOLUTION REGARDING ONGOING TECHNICAL SUPPORT FOR THE REVISED CLOSURE PLAN FOR THE CRRA HARTFORD LANDFILL

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

RESOLVED: That the President is hereby authorized to execute a Request for Services with Fuss & O’Neill Inc. to perform engineering services associated with Connecticut DEP review of a revised closure plan, the preparation and assembly of contract and bid documents, and general solid waste consulting services associated with the CRRA Hartford Landfill, substantially as discussed and presented at this meeting.

Director Cooper seconded the motion.

Mr. Kirk explained that this engineering firm would assist CRRA in the planning for the Hartford Landfill closure. Chairman Pace, in a brief review of the scope of services, asked for an explanation of what “General Waste Consultant Services” would consist of. Mr. Egan responded that the contractor would be available to CRRA for any technical, solid waste questions or issues that arise as CRRA moves through the permit modification process.

Director Martland asked how and when CRRA would interact with DEP on the closure plan. Mr. Egan responded that CRRA submitted a comprehensive solid waste permit modification application in July. Mr. Egan stated that Fuss & O'Neill assisted CRRA in assembling that application and added that CRRA also submitted a storm water general permit registration for construction activities related to the closure of the landfill. Mr. Egan said that DEP is reviewing that document and hopes that DEP will complete its review this fall.

Mr. Egan gave a brief overview of the highlights of the application including a proposal for a state-of-the-art synthetic cap, a request to fill a small sliver of airspace to bring one side of the landfill to a 3-to-1 slope, a date certain for final delivery of waste of December 31, 2008, and a discussion of a future use concept.

Director Griswold asked if the nine-month timeframe of this agreement would be sufficient to complete the scope of services. Mr. Egan responded that the RFS would be extended if necessary, and a new contract would be signed upon the expiration of the existing contract. Mr. Egan stated that the RFS would be brought back for approval if it will exceed \$50,000.

Director O'Brien said that he would have liked to know what Fuss & O'Neill has been paid to date for this project and an explanation of what services were performed that were out of the scope of the RFS. Mr. Egan stated that the information would be provided.

Director Horton Sheff asked if these efforts have been in conjunction with the City of Hartford. Chairman Pace responded that he was in contact with the Mayor and discussions were held regarding maintenance and costs of the closure. Chairman Pace proposed that if the City would work with CRRA on the approval of filling the sliver of airspace to a 3-to-1 slope, CRRA would be able to provide considerable funds to relieve Hartford of some of the closure and maintenance costs. Chairman Pace said that he believed the matter came before the City Council recently and it was supported to a degree, but the Council would like to see the final document. Chairman Pace emphasized that filling in that sliver would not be an expansion of the landfill and would allow CRRA to dedicate significant funds to the closure of the landfill. Mr. Kirk noted that CRRA is also working very closely with Hartford's engineering department and the Mayor's Chief of Staff regarding the responsibility for payments. Mr. Kirk stated that there are discussions taking place between CRRA and the City to try to obtain substantial State assistance for the funding of the closure. Mr. Kirk added that CRRA has also been communicating routinely with DEP regarding the closure plan.

The motion previously made and seconded was approved unanimously by roll call.

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

Theodore Martland	X		
James Miron	X		
Raymond O'Brien	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut	X		
Elizabeth Horton Sheff, Ad Hoc, Mid-Connecticut	X		
Non Eligible Voters			
NONE			

**RESOLUTION REGARDING THE PURCHASE OF AN ARTICULATING BOOM
“HIGH LIFT” FOR THE MID-CONNECTICUT WASTE PROCESSING FACILITY**

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

RESOLVED: That the Board of Directors, in accordance with the Connecticut Resources Recovery Authority’s Procurement Policy, hereby approves the procurement of a New Genie Z45/25 Articulating Boom High Lift from United Rentals of Connecticut, for use at the Mid-Connecticut Waste Processing Facility, substantially as presented and discussed at this meeting.

The motion was seconded by Director Francis.

Chairman Pace noted that there is a one-year warranty on both parts and labor.

The motion previously made and seconded was approved unanimously by roll call.

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

RESOLUTION REGARDING ELECTRIC POWER MARKET PROFESSIONAL SERVICES

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

RESOLVED: That the President is hereby authorized to enter into a contract with Navigant Consulting, Inc. for Electric Power Market Professional Services for the Mid-Connecticut Electric Generating Facility, substantially as discussed and presented at this meeting.

Director Francis seconded the motion.

Chairman Pace began the discussion stating that the recommended vendor was not the lowest bidder. Chairman Pace asked President Kirk to begin the discussion. President Kirk stated that this contract involved the sale of Mid-Connecticut power (250,000 mega-watt hours). President Kirk indicated that CRRA had sold these mega-watt hours in the past using other consultants. President Kirk stated that management was not recommending the lowest bidder for the following reasons; 1) The benefit to the company is substantial, the opportunity for enhancing the value of the contract is directly related to the participation CRRA gets in the bidding process. 2) This market is a very volatile market in the deregulated power industry. There is substantial risk to CRRA of leaving money on the table. President Kirk indicated that management felt it was worth spending a little bit extra with Navigant as Navigant is judged to be capable of generating the broadest participation in the bidding process. President Kirk stated that management expected the bids to come in under \$50,000 because the last time CRRA sought bids for this service the winning bid was in the \$25,000 range. Management is asking more of the contractor this time. These additional services are reflected in the bid price.

Director Martland stated that the two other bidders were half the cost of Navigant and asked why there was such a big difference in bids.

Chairman Pace asked Mr. Gent to respond. Mr. Gent stated that he had reviewed the work of CRRA's previous vendor and felt that CRRA would be better served by using a firm that has more resources and could help CRRA identify more bidders. Mr. Gent indicated that Navigant's rates (as quoted) had been discounted. Mr. Gent explained that under the current contract, CRRA is receiving approximately \$13 million in energy payments annually from Select Energy. This contract expires in June 2007. Mr. Gent indicated that for every 1¢ per KWH more CRRA is able to obtain, CRRA will receive \$2.5 million. Mr. Gent stated that his expectation was that CRRA could be receiving as much as \$17 million for this contract. This amount would be influenced by how many bids are obtained.

Chairman Pace asked if these bidders would be from the State of Connecticut. Mr. Gent indicated that the bidders could be from anywhere in the United States. Mr. Gent did indicate that he was meeting with CL&P in the near future. The intent of this meeting is to request CL&P to purchase this power directly in order to bypass a wholesaler. Mr. Gent explained that he could not assure that CL&P would be receptive to this option.

Chairman Pace asked Director Karanian for her input. Director Karanian stated that she agreed with Mr. Gent. Director Karanian indicated that she had experience dealing with Navigant and had always been impressed with the firm. Director Karanian stated that the funds to be gained or lost versus the dollars spent to hire Navigant were cost justified. Director Karanian stated that she had not heard of the other two firms.

Director Lauretti asked why such a large difference in bid prices. Mr. Gent explained that while PLM was mainly a hardware company, dealing with transmission, PLM has bid indicating one individual would be dealing with bidders. Mr. Gent stated that the work involved is judged to be above the capability of one person. Mr. Gent went on to say that the process is very time consuming and time sensitive.

Director Karanian stated that this is a very specialized field. The chosen firm would need to understand the market. Director Karanian indicated that the more she heard about the other firms, the more she would endorse Navigant. Director Karanian stated that what is at stake is worth the extra cost.

Director O'Brien stated that he had concerns with management not choosing the lowest bidder. Director O'Brien indicated that the information provided was subjective. Director O'Brien stated that he would like to see an objective analysis of what Navigant has done for other clients.

Chairman Pace referred the Board to the Financial Summary. Chairman Pace stated that the contract would pay Navigant \$27,600 for the first two tasks and the remainder of the contract would be on an hourly basis to a ceiling of \$79,780.

Director Martland agreed with Mr. Gent that these energy prices change on a daily basis. Director Martland went on to say that when interviewed by the legislature, they emphasized their concern with the bidding process. Director Martland concluded by stating that he could not see why Navigant was worth double the cost and asked why ARI wasn't considered.

Mr. Gent stated that ARI was a very good consultant but their primary focus is solid waste and resource recovery. ARI has one individual who would be working with CRRA on this matter.

Mr. Gent indicated that if PLM was chosen, more costs would likely be incurred with Halloran & Sage. Mr. Gent added that if Navigant was chosen, there would be less legal costs incurred.

President Kirk asked Mr. Gent to address Director O'Brien's concern regarding a subjective analysis of Navigant over the other two vendors. Mr. Gent stated that management looked at the following issues; 1) how often had the vendors done the work; 2) what was the vendors' understanding of the issues in the market. Director Karanian added that it would be difficult to do an objective analysis or provide objective measures because of the changing market and client's decisions.

Director Griswold asked why The Shpigler Group would submit a fixed bid of \$125,250. Mr. Gent stated that the vendor indicated that they could market the power for this fixed price in lieu of a time and material price.

Chairman Pace asked President Kirk what the timetable was on this. President Kirk stated that the current contract expires in June 2007. Mr. Gent indicated that the contract must be in place by January 2007 in order to meet the June 2007 contract deadline.

Director O'Brien stated that he would be more comfortable if Navigant could give CRRA a fixed price for tasks 1, 2 and 3. Director O'Brien reiterated that he would like more information on Navigant's performance. Director Karanian indicated that this type of data is very client specific. Director Karanian stated that every company has different risk profiles and different objectives and that ultimately the client makes the decision. Director Karanian stated that the best a client can do is get the best information available, but ultimately the decision rests with the client, not the vendor.

Mr. Bolduc stated that he had participated in the vendor interviews. Mr. Bolduc indicated that ARI's primary business is in solid waste and the energy generated by solid waste. Mr. Bolduc added that PLM, though very competent in its past work for CRRA, has only one individual who would be working on a multi-million contract. Mr. Bolduc concluded that there is too much at stake and that Navigant is going to give CRRA the best value.

President Kirk stated that he did not want to push the Board into making a decision that that the Board was not comfortable with. President Kirk indicated that there were two issues involved with this decision; 1) CRRA's capability of doing the work in house. CRRA does not have the capability or skill set to properly evaluate a (potentially) 20-year power contract. 2) Is Navigant worth the extra \$40,000? President Kirk reiterated that the extra \$40,000 is worth the price because the resulting contract could be worth as much as \$20 million annually. President Kirk stated that if the Board decided to go with one of the other vendors, it could be a very costly decision. President Kirk concluded that there was very little additional information that could be supplied to the Board to help in their decision between these vendors.

Director Griswold stated that he felt that Navigant should be able to give a fixed price. Mr. Gent explained that there were many issues to consider; 1) how many bidders would be involved; 2) what are the options (1, 2, 3 or 5 year agreements); 3) what participants would be willing to lock in a long-term deal.

Director O'Brien stated that he would like more information before making a decision; 1) a fixed price for items 1, 2 & 3; 2) quantified estimate of what the reduction in legal costs would be if the Board went with Navigant. Director O'Brien asked how these vendors were selected. President Kirk stated that Halloran and Sage, given our general counsel's extensive energy practice, was asked to provide a list of potential bidders.

Chairman Pace stated that it was his feeling that the Board needed more time to review this matter. Chairman Pace suggested that the motion be tabled.

Director Martland made a motion to table the above-captioned matter. Director O'Brien seconded the motion. The motion to table previously made and seconded was approved by roll call. Director Jarjura voted nay.

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

RESOLUTION REGARDING NON-MEMBER WASTE DELIVERY AGREEMENT FOR MID-CONNECTICUT PROJECT

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

RESOLVED: That the President is hereby authorized to enter into agreements with private waste transportation haulers for the delivery of Acceptable Municipal Solid Waste generated within the boundaries of non-member CRRA project municipalities, substantially in accordance with the terms and conditions discussed at this meeting.

Director Cooper seconded the motion.

The motion previously made and seconded was approved unanimously by roll call.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
James Miron	X		

Raymond O'Brien	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut	X		
Elizabeth Horton Sheff, Ad Hoc, Mid-Connecticut	X		
Non Eligible Voters			
NONE			

RESOLUTION ADOPTING REVISIONS TO THE CONNECTICUT RESOURCES RECOVERY AUTHORITY ETHICS POLICY

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

RESOLVED: That the Board hereby adopts the revisions to the Authority's Ethics Policy, as presented and discussed at this meeting.

Director Martland seconded the motion.

Director O'Brien explained that this revision cleared up some confusion in the existing policy and said that the change does not have to be noticed publicly because it is an internal policy.

The motion previously made and seconded was approved unanimously by roll call.

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

RESOLUTION REGARDING RATIFICATION OF EMERGENCY PROCUREMENT CONTRACTS

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

RESOLVED: That the Authority Board of Directors ratifies the Emergency purchases as substantially presented and discussed at this meeting.

Director Martland seconded the motion.

Director Martland noted that for these items, there is only one vendor who can provide the items.

The motion previously made and seconded was approved unanimously by roll call.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
James Miron	X		
Raymond O'Brien	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut	X		
Elizabeth Horton Sheff, Ad Hoc, Mid-Connecticut	X		
Non Eligible Voters			
NONE			

RESOLUTION AUTHORIZING TRANSFER OF EXCESS NO_x DISCRETE EMISSION REDUCTION CREDITS

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

RESOLVED: That the Board of Directors, in acknowledgement of CRRA’s contractual obligation under Section 5.11 of the Power Purchase and Sales Agreement, as amended, to return unused NO_x credits to Select Energy, hereby authorizes the President to execute documentation required to accomplish said return.

Director Cooper seconded the motion.

Director O'Brien noted that this action is required by the contract and stated that the credits are actually owned by the party that CRRA is returning them to. Mr. Kirk said that this was brought to the Board because it is an unusual circumstance in that something of value is being transferred back to a vendor for no consideration. Mr. Kirk reiterated that is part of a contractual arrangement. Chairman Pace asked for confirmation that the credits were provided to CRRA at no cost. Mr. Kirk confirmed.

The motion previously made and seconded was approved unanimously by roll call.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
James Miron	X		
Raymond O'Brien	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut	X		
Elizabeth Horton Sheff, Ad Hoc, Mid-Connecticut	X		
Non Eligible Voters			
NONE			

RESOLUTION AUTHORIZING REVIEW AND REDUCTION OF SANCTIONS

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

RESOLVED: That the President is hereby authorized to review the sanctions imposed on a Mid-Connecticut permitted hauler, for which an appeal was filed on March 17, 2006, and to reduce or waive such sanctions, at his discretion, in the event that he determines the circumstances to warrant such reduction or waiver.

Director Cooper seconded the motion.

Mr. Kirk said that management is looking to confirm its ability to rule on proposed penalties to customers who violate procedures. Chairman Pace agreed that doing so is part of day-to-day operations and asked if there is an appeal process. Mr. Kirk responded in the affirmative and said that the appeals process is very open, transparent and fair. Mr. Kirk stated that, in this case, management feels that the penalty assessed is inappropriate.

Director O'Brien stated that he is not completely convinced that the policy allows management to overrule penalties, but agrees that management should have that discretion in this one instance. Chairman Pace noted that this is a case-specific authorization.

The motion previously made and seconded was approved unanimously by roll call.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Laretti	X		
Theodore Martland	X		
James Miron	X		
Raymond O'Brien	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut	X		
Elizabeth Horton Sheff, Ad Hoc, Mid-Connecticut	X		
Non Eligible Voters			
NONE			

PRESIDENT'S REPORT

Mr. Kirk informed the Board that the Strategic Planning Retreat has been scheduled to take place on October 16th in Old Saybrook.

Mr. Kirk stated that three public hearings were held by the DEP to accept testimony on the Solid Waste Management Plan and CRRA attended and testified at all three hearings. Mr. Kirk reported that the DEP Commissioner expects to have the final version completed in November.

Regarding the modification to the recycling center, Mr. Kirk said that the DEP hearing, required because of the intervention by the Connecticut Coalition for Environmental Justice, was complete. Mr. Kirk stated that a decision was expected by January and then the DEP Commissioner would have 30 days to either accept or reject the decision of the hearing officer.

Mr. Kirk stated that management brought a resolution to the last Board meeting for the purchase of a sweeper and a used sweeper became available at the last minute so the resolution was left open-ended to determine if the used sweeper would be acceptable for CRRA's use. Mr. Kirk informed the Board that the used sweeper was sold the day after the meeting before CRRA could look at it so the new sweeper was purchased.

Mr. Kirk said that CRRA is disappointed that MDC is continuing litigation against CRRA. Mr. Kirk stated that CRRA has been in mediation with Judge Wagner, who is

determined to have CRRA and MDC resolve this issue. Mr. Kirk informed the Board that he anticipates a resolution of the MDC appeal of the binding arbitration award of \$3.8 million will likely be resolved acceptably for both organizations.

Mr. Kirk informed the Board that a letter to the Mid-Connecticut towns has been prepared providing them with an update on the status of the Enron recovery and future planning. Mr. Kirk said that even though the letter does not address any pending litigation, CRRA's attorneys have asked that the Attorney General review the letter. Chairman Pace stated that he read the letter and thinks it is appropriate. Mr. Kirk added that the towns may be surprised to learn that there is only a very small premium remaining in the tip fee as a result of Enron losses. Mr. Kirk said that it is important for the towns to understand that many other costs, unrelated to Enron, have increased since 2001.

Mr. Kirk said that a tour of the Hartford Landfill would be given for Hartford residents or anyone else who might be interested on October 28, 2006. Mr. Kirk explained that the tour is part of CRRA's outreach to the community and will review the schedule for closure and possible future uses of the landfill. Mr. Kirk stated that recent outreach efforts have been well received. Director Horton Sheff requested to be sent information on the tour.

Mr. Kirk informed the Board that an engineer was hired to review the condition of the Mid-Connecticut Waste Processing Facility and referred the Board to the Condition Report in the Supplemental Package. Mr. Kirk noted that one of the reasons that bidders declined to bid on the operation of the plant was because of its condition. Mr. Kirk stated that the report details a number of issues that are being addressed with the cooperation of MDC but, overall, the report was favorable. Mr. Kirk added that there is a need for capital improvements, but those improvements are not of the dramatic nature that some of the declining bidders may have suspected.

Regarding the condition report, Director O'Brien stated that it is a very good report and noted that he has some concerns. Director O'Brien pointed out that the report identifies approximately \$500,000 of major items identified and said that he would like to know that those repairs/improvements have been scheduled. Director O'Brien also observed that there were several items that stated that the task is not assigned to anyone at this time and said he wants to know that individuals to perform those tasks have been identified. Director O'Brien stated that a common comment in the report was that certain tasks could be completed using existing staff, but noted that there is no confirmation of that being done. Referring to page 13, Director O'Brien stated that if a chain guard is to be removed, the language "may not be necessary" is not definitive enough. Director O'Brien stated that the guard either is or is not required by OSHA. Director O'Brien said that, overall, it is a good report and was money well spent if management follows up on the recommendations.

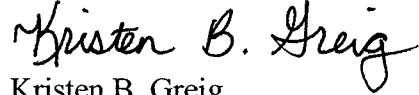
Mr. Kirk said that the recommendations have been shared with MDC and noted that many of the issues would be addressed by MDC. Mr. Kirk stated that the intent is to address all of the recommendations.

ADJOURNMENT

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

There being no other business to discuss, the meeting was adjourned at 12:00 p.m.

Respectfully submitted,



Kristen B. Greig
Secretary to the Board/Paralegal

TAB 2

**RESOLUTION REGARDING CERTAIN
BRIDGEPORT PROJECT RESERVES**

RESOLVED: That \$230,000 is re-designated from the Waterbury Landfill Closure reserve to the Waterbury Postclosure Reserve.

Connecticut Resources Recovery Authority Reserve Analysis

October 30, 2006

Every year the Authority's management performs a review of its restricted and unrestricted reserves. The purpose of this review is to determine if additional funds will be required to be deposited in the upcoming budget process or if certain reserves can be dissolved or funds re-designated.

Based upon this year's review management is seeking approval to submit the following recommendation to the CRRA Board of Directors for adoption at the October 2006 meeting.

- Re-designate funds from Bridgeport Project Waterbury Closure Reserve to the Waterbury Post-Closure Reserve – the closure reserve is over funded based upon current estimates and the post-closure reserve is under funded.

In addition to these changes, management will be making some additional changes during the budget process including but not limited to the following.

- Re-designate funds to be deposited into the Wallingford Landfill Post-Closure Reserve to cover the insurance premiums post project.
- Re-designate funds from the Mid-Connecticut Project Regional Recycling Center Equipment Replacement Reserve (Container) since the reserve is no longer required under the existing contract with the recycling facility operator.
- Discuss additional funding requirements for the Risk Funds based upon the insurance bid results.

Copies of the Individual Reserve Summaries are also attached for your review.



Connecticut Resources Recovery Authority

SUMMARY OF RESERVES AS OF JUNE 30, 2006 (In Thousands)

	Designation	General Fund	Bridgeport Project	Mid-Connecticut Project (1)	Southeast Project	Wallingford Project	Total
Restricted Reserves:							
Debt service reserve funds	Trustee	\$ -	\$ 948	\$ 24,235	\$ 909	\$ 608	\$ 26,700
Debt service funds	Trustee	-	666	678	342	472	2,158
Revenue fund	Trustee	-	-	7,101	3,339	973	11,413
Rebate fund	Trustee	-	4	-	159	116	279
State loans	Trustee	-	-	15,998	-	-	15,998
Collection and paying agency account	Trustee	-	-	-	-	-	-
Revenue - General	Trustee	-	-	119	-	-	119
Equipment replacement	Trustee	-	-	1,575	-	-	1,575
Operating and maintenance	Trustee	-	-	1,575	-	-	1,575
Customer guarantee of payment	Restricted	-	16	212	-	82	310
Select energy	Trustee	-	-	1,000	-	-	1,000
Jets / Energy generating facility	Restricted	-	-	20,962	-	-	20,962
MDC arbitration	Restricted	-	-	5,154	-	-	5,154
Recycling Center Container Equipment	Restricted	-	-	458	-	-	458
Recycling Education	Restricted	-	-	417	-	-	417
Montville landfill postclosure	Restricted	-	-	-	327	-	327
Town of Ellington trust	Restricted	-	-	42	-	-	42
Tip fee stabilization	Restricted	-	-	-	-	14,481	14,481
DEP trust - landfills	Trustee	-	158	445	-	139	742
Shelton Landfill Future Use	Restricted	-	792	-	-	-	792
Mercury public awareness	Restricted	21	-	-	-	-	21
Total Restricted Reserves		\$ 21	\$ 2,584	\$ 79,971	\$ 5,076	\$ 16,871	\$ 104,523
Unrestricted Reserves:							
Postclosure care of landfills	Board	\$ -	\$ 5,387	\$ 3,759	\$ -	\$ 6,740	\$ 15,886
Closure care of landfills	Board	-	731	9,208	-	-	9,939
Risk	Board	-	-	4,935	252	1,047	6,234
Debt Service Stabilization	Board	-	-	16,476	-	-	16,476
Facility Modification	Board	-	-	4,720	-	-	4,720
Rolling stock	Board	-	-	3,389	-	-	3,389
Wallingford Future Use	Board	-	-	-	-	2,805	2,805
Recycling	Board	-	94	1,872	-	-	1,966
Capital Improvement	Board	-	-	-	-	-	-
Benefit	Board	230	-	-	-	-	230
South Meadows site remediation	Board	-	-	249	-	-	249
Landfill Development	Board	-	-	1,306	-	-	1,306
Total Unrestricted Reserves		\$ 230	\$ 6,212	\$ 45,914	\$ 252	\$ 10,592	\$ 63,200
Total Reserves		\$ 251	\$ 8,796	\$ 125,885	\$ 5,328	\$ 27,463	\$ 167,723

(1) Account balances may vary from financial statements which include accruals.

Connecticut Resources Recovery Authority Reserves

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Connecticut Resources Recovery Authority

October 30, 2006

Reserve: MERCURY PUBLIC AWARENESS.

Designation: Restricted

Project: General

Purpose: To develop and implement a public education or media campaign designed to: 1) improve consumer awareness of mercury-containing products and the risks posed by mercury-containing products and to encourage consumers to choose alternatives, where feasible; 2) improve consumer awareness of recycling opportunities for mercury batteries, fluorescent bulbs and other mercury containing products; and 3) eliminate sources of mercury in municipal solid waste bound for combustion in waste incinerators.

Fund Basis: Established by DEP Consent Order SW-400.

Fund Source: Being reviewed.

Fund Amount as Of June 30, 2006: \$20,864

Term: When the fund balance is zero.

Supporting Documentation:

The following is language from the DEP Consent order dated February 19, 1998.

...**Supplemental Environmental Projects.** Respondent shall undertake the following supplemental environmental project: Within thirty (30) days from the date of issuance of this consent order, Respondent shall establish and fund in the amount of three hundred fifty thousand dollars (\$350,000) an account to be known as the "mercury public awareness account"....

Recommendation:

Continue to maintain the reserve as required.

Connecticut Resources Recovery Authority

October 30, 2006

Reserve: BENEFIT FUND

Designation: Board Designated

Project: General

Purpose: To provide funding for various means of controlling the costs of health insurance premiums, including, but not limited to, funding of rate increases, and funding of premium payments.

Fund Basis: Basis to be reviewed annually.

Fund Source: Transferred previous balance from the Health Fund plus deposited \$180,746 in March 2004 from the Anthem stock proceeds.

Fund Amount as Of June 30, 2006: \$230,216

Supporting Documentation:

Approved by the Board on April 20, 1995. The following are the minutes from the April 1995 Board meeting:

Director Phillips said enclosed in the Board's package is a report that CRRA is receiving a reserve fund from Blue Cross and Blue Shield amounting to \$179,000. He said the Finance Committee approved a resolution which is attached to the package establishing a health fund which would be used primarily as a wellness program for employees. He said the Personnel Committee reviewed this matter this morning.

The motion was made by Director Phillips to approve the resolution establishing a health fund attached to the minutes as Exhibit A. Vice Chairman Selden seconded the motion and it was unanimously voted.

Director Berliner asked if the \$179,000 is meant to be strictly for wellness. Director Phillips said only \$20,000. Director Berliner asked if you could use this to underwrite any yearly increases with Blue Cross Blue Shield. Director Phillips said it could be. Director Berliner said it should not be "could be" but it "should be" since CRRA is not self-insured so to set this money aside in order to do that we need to underwrite future year increases as they come. Chairman Fay said staff wants to report the money in this reserve and will come back later to the Board with the disposition of the money and recommendation on how it should be spent. Director Berliner said that it is nice that CRRA had good years but we all know there are great variations and there will be some bad years. Chairman Fay said absolutely. Mr. Guidone said that is the primary purpose for creating the fund, to put those dollars aside, and to commit some to a wellness program, but the main purpose would be to avoid future spikes or address future spike issues.

The Health Fund was renamed the Benefit Fund by the Board of Directors in October 2003.

Recommendation:

Continue to maintain reserve and review annually.

Connecticut Resources Recovery Authority

October 30, 2006

Reserve: DEBT SERVICE RESERVE FUND

Designation: Restricted - Trustee

Project: Bridgeport

Purpose: To secure debt service payments for bondholders.

Fund Basis: 10% of original par value plus interest earnings on the Collection & Paying Agency Account.

Fund Source: 2000 Series Bonds and interest earnings from the Collection & Paying Agency Account.

Fund Amount as of June 30, 2006: \$947,679

Term: Upon final payment of bonds.

Supporting Documentation:

Section 5.1 of the Fourth Supplement Indenture of Mortgage and Trust dated June 1, 1999 states that the Authority shall establish and create certain funds and accounts including the Debt Service Reserve Fund.

Recommendation:

Continue to review during annual reserve analysis cycle.

Connecticut Resources Recovery Authority

October 30, 2006

Reserve: DEBT SERVICE FUND

Designation: Restricted - Trustee

Project: Bridgeport

Purpose: To pay debt service (principal and interest) to the bondholders.

Fund Basis: One-sixth of the next ensuing interest payment due and one-twelfth of the next ensuing principal payment due.

Fund Source: Monthly transfers from the Collection & Paying Agency Account.

Fund Amount as of June 30, 2006: \$665,575

Term: Upon final payment of bonds.

Supporting Documentation:

Section 5.1 of the Fourth Supplement Indenture of Mortgage and Trust dated June 1, 1999 states that the Authority shall establish and create certain funds and accounts including the Debt Service Fund.

Recommendation:

Continue to review during annual reserve analysis cycle. Complete analysis.

Connecticut Resources Recovery Authority

October 30, 2006

Reserve: REBATE ACCOUNT

Designation: Restricted - Trustee

Project: Bridgeport

Purpose: To provide funds in the event the bonds exceed their arbitrage yield.

Fund Basis: As required by Indenture.

Fund Source: Interest earnings in Debt Service Reserve Fund that would result in positive arbitrage.

Fund Amount as of June 30, 2006: \$3,632

Term: Upon final payment of bonds.

Supporting Documentation:

Section 3.1 of the Supplement Indenture of Trust dated August 1, 2000.

Recommendation:

Continue to have outside arbitrage consultant review on an annual cycle.

Connecticut Resources Recovery Authority

October 30, 2006

Reserve: COLLECTION & PAYING AGENCY ACCOUNT

Designation: Restricted - Trustee

Project: Bridgeport

Purpose: To accept all payments related to the Bridgeport project.

Fund Basis: None

Fund Source: Tip fees, recycling revenues and hauler permit fees.

Fund Amount as of June 30, 2006: \$0

Term: Upon final payment of bonds.

Supporting Documentation:

The Collection and Paying Agency Agreement between the Authority and Bridgeport Resco (Wheelabrator Bridgeport) dated June 1, 1987 is being reviewed.

Recommendation:

Continue to review during annual reserve analysis cycle.

