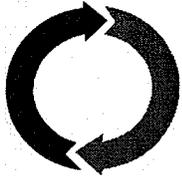


**CRRA
BOARD MEETING
MARCH 30, 2006**



**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: March 24, 2006
RE: Notice of Meeting

There will be a regular meeting of the Connecticut Resources Recovery Authority Board of Directors held on Thursday, March 30, 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

March 30, 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 February 16, 2006 Regular Board Meeting Minutes (Attachment 1).

IV. Finance

1. Board Action will be sought regarding the Purchase of Public Officials and Employees Liability Insurance for the Period 4/1/06 – 4/1/07 (Attachment 2).
2. Board Action will be sought regarding the Purchase of Commercial Crime Insurance for the Period 4/1/06 – 4/1/07 (Attachment 3).
3. Board Action will be sought regarding the Purchase of Fiduciary Liability Insurance for the Period 4/1/06 – 4/1/07 (Attachment 4).
4. Board Action will be sought regarding the Purchase of All Risk Property Insurance for the Period 4/1/06 – 4/1/07 (Attachment 5).

V. Project Issues

A. Mid-Connecticut

1. Board Action will be sought regarding Rebuild of Mid-Connecticut Project Loader (Attachment 6).

VI. President's and Committee Reports

A. President's Report

B. Organizational Synergy & Human Resources Committee

1. The Organizational Synergy & Human Resources Committee will report on its March 30, 2006 meeting.

a. Board Action will be sought regarding the Revised Wellness Program Policy (Attachment 7).

C. Policies & Procurement Committee

1. The Policies & Procurement Committee will report on its March 16, 2006 meeting.

a. Board Action will be sought regarding Additional Legal Expenditures (Attachment 8).

VI. Executive Session

An Executive Session will be held to discuss real estate acquisition and pending litigation with appropriate staff.

TAB 1

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND FIRST MEETING

FEBRUARY 16, 2006

A Regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, February 16, 2006 at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Chairman Michael Pace

Directors: Benson Cohn
Mark Cooper
James Francis (Present until 11:00 a.m.)
Edna Karanian
Mark Lauretti
Raymond O'Brien
Andrew Sullivan (Present by telephone)
Timothy Griswold - Ad-Hoc, Mid-Connecticut Project
Elizabeth Horton Sheff – Ad-Hoc, Mid-Connecticut Project

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
Michael Bzdyra, Government Relations Liaison
Robert Constable, Controller
Donna Tracy, Executive Assistant
Kristen Greig, Secretary to the Board/Paralegal

Also present were: Dave Arruda of MDC, Jason Manafort of CWPM, Frank Marci of USA Hauling & Recycling, John Pizzimenti of USA Hauling & Recycling, Christine Stuart of the Journal Inquirer, Cheryl Thibeault of Covanta.

Present only for a portion of the Executive Session were: Christopher Shepard of CRRA, Mark Baldwin, Esq. and Douglas Cohen, Esq. of Brown Rudnick Berlack Israels.

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.

Chairman Pace regretfully informed the Board that Director Woody Lovejoy passed away and requested a moment of silence, whereupon, a moment of silence was observed.

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 JANUARY 26, 2006 REGULAR BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the January 26, 2006 Board Meeting. The motion was made by Director O'Brien and seconded by Director Cooper.

Attorney Hunt noted that the word "operators" was omitted from the resolution at the bottom of page 20. The end of the sentence should read ". . . that no action to re-bid or to otherwise pursue an RFP for a change in operators of the Waste Processing Facility be taken."

Mr. Kirk pointed out that there was quite a bit of discussion regarding the referenced resolution, which resulted in some changes from the original. Mr. Kirk said that, after reviewing the tapes of the meeting, the resolution was revised to conform to the intent of the Board, which was different from the resolution that was read at the meeting. Mr. Kirk stated that he would like to be certain that the Board is comfortable with the wording of the resolution.

The minutes as amended were approved unanimously.

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

2007 MID-CONNECTICUT PROJECT OPERATING BUDGET, TIP FEES AND CAPITAL PROJECTS

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

RESOLVED: That the fiscal year 2007 Mid-Connecticut Project operating budget and capital budget be adopted as presented at this meeting.

FURTHER RESOLVED: That the following tip fees be adopted for fiscal year 2007.

WASTE STREAM	PER TON TIP FEES
Municipal Solid Waste (MSW)	\$69.00
Metals	\$75.00
Bulky Waste – Municipal	\$85.00
Bulky Waste – Commercial	\$96.00
White Goods (Metals)	\$74.00
DEP Certified Soils	\$95.00
Non-Processible Waste Fee	\$85.00
Non-Municipal Mattress Surcharge (<i>Per Unit Fee</i>)	\$15.00
Recycling Tip Fee	\$00.00

Director Cooper seconded the motion.

Director O'Brien noted that the budget was thoroughly discussed at the Finance Committee meeting and was being recommended with some dissenting votes from the Committee.

Chairman Pace stated that the key item to note in the budget was the recommended reduction in the tip fee from \$70 per ton to \$69 per ton.

Chairman Sullivan noted that he was unable to vote at the Finance Committee meeting, and said that he would have voted against the reduction. Chairman Sullivan explained if the tip fee is reduced now and it has to be substantially increased in the future, he believes CRRA's customers will be totally disenchanted. Chairman Sullivan said that, due to the levels of inflation, he thinks the appropriate action is to maintain the tip fee at \$70 per ton. Chairman Sullivan emphasized that he did not think it was a prudent business decision to reduce the tip fee.

Director Cohn said that, although it is gratifying that this discussion is even on the table, he remains concerned that the organization is only reserving funds for known contingencies. Director Cohn stated that, given the frequency with which additional contingencies arise, he remains uncomfortable with the prudence of reducing the tip fee at the expense of reserving additional funds for unknown contingencies.

Director O'Brien stated that he initially agreed with those arguments, but was convinced otherwise by Director Francis when he pointed out that CRRA has had an exceptionally good

year and CRRA's customers deserve to reap some of those benefits. Director O'Brien said the CRRA has an obligation to cover costs through all of its revenue sources and added that he will support the \$69 per ton tip fee because CRRA will be in a position to cover all necessary expenses with the reduction. Director O'Brien stated that the reduction would show good faith and also show that CRRA is truly concerned with representing its stakeholders in the best manner possible.

Regarding the contribution to the Hartford Landfill Post Closure Reserve shown on page 3, Director Horton Sheff asked if there has been an agreement between the City of Hartford and CRRA regarding post closure responsibilities. Mr. Kirk responded in the negative and Chairman Pace added that he would be meeting with Mayor Perez next week. Chairman Pace noted that, even though an agreement has not yet been reached, CRRA is still setting funds aside for that purpose.

Chairman Sullivan stated that he thinks the municipalities would be content if CRRA maintained the tip fee at \$70 per ton because, considering rising costs, it is almost impossible for the price of most services to remain the same. Chairman Sullivan pointed out that the reduction would have a cumulative effect in the years beyond fiscal year 2007 so it would be beneficial to maintain the tip fee now to reduce the potential need for more significant increases in the future.

Director Karanian noted that she supports the reduction and explained that her decision came down to weighing the risks versus the benefits. Director Karanian said that the budget covers expenses and contributes to reserves for all known potential liabilities, so with a conservative budget such as this, the reduction provides a substantial benefit, which should be given back to the people that CRRA is developing the budget for. Director Karanian said that the financial risk associated with the reduction is minimal.

Director Francis pointed out the CRRA has publicized that the organization has had a good year, in terms of recovering funds from the Enron case, reducing debt service, and the successful outcome of the MDC arbitration. Director Francis stated that the goodwill and credibility that CRRA will gain by this decrease would be valuable to CRRA as we move toward 2012 when the Authority will be asking towns to renew their contracts.

Director Horton Sheff asked if the tip fee was anticipated to increase next year. Chairman Pace responded that the Chairman of the Finance Committee projected a possible increase. Director Horton Sheff said that, if that is the case, the tip fee should be maintained at \$70 per ton rather than fluctuating. Director Karanian said that, being uncertain as to what the future holds, there could be an equal chance that CRRA could be in a different situation next year and the situation would have to be assessed at that time. Director Karanian said that CRRA is now in a position to do something, and saying that the tip fee might have to increase in a year is no excuse to shy away from CRRA's goal of providing services at the lowest possible cost.

Director Lauretti stated that, although he can appreciate the merit of both sides of the discussion, he would not be supporting the reduction. Director Lauretti added that there is something to be said for consistency and, while the Mid-Connecticut Project has made substantial progress financially, he did not want to suggest that the Project has completely recovered from the Enron loss. Director Lauretti said that maintaining a price that the towns are already comfortable with while strengthening its position for unforeseen issues would provide a level of comfort going forward.

Mr. Kirk explained that the management team is conservative by nature and said that this is an appropriately conservative budget that contributes substantial funds to reserves. Mr. Kirk agreed that there could be unforeseen contingencies that might occur, but stated that he believes that CRRA has planned for those to the extent that it is prudent and reasonable. Mr. Kirk stated that management would never recommend a reduction in the tip fee if they would reasonably anticipate having to take that back in any substantial way in the next fiscal year. Mr. Kirk stated that this recommendation is anticipating that CRRA will be able to maintain a very modest, below cost of living increase in years to come. Mr. Kirk said that reducing the tip fee is a legitimate sign that CRRA is recovering and in a position to be able to save its customers money in a time when many other costs are increasing. Mr. Kirk concluded that management thinks this is a conservative recommendation and the psychological benefit to the organization is well worth the minimal risk associated with the reduction.

Director Lauretti asked if it was fair to say that CRRA is still facing many liabilities. Mr. Kirk responded in the affirmative, but said there will always be liabilities and if that was used as the only measure, the tip fee could never be reduced. Director Lauretti noted that the specific liabilities currently facing CRRA are significant and said it would be more prudent to prepare for those liabilities at every possible opportunity. Mr. Kirk said that CRRA has conservatively addressed the known liabilities, but recognized that there may be unknown liabilities. Director Lauretti stated that maintaining the tip fee would show the towns that CRRA has managed its affairs as responsibly and economically as possible.

Mr. Bolduc stated that because CRRA has not yet recovered the full \$220 million loss from Enron, he would be more comfortable with the \$70 per ton tip fee, but noted that the reduction can serve a purpose. Mr. Bolduc said, however, that it was important to realize that the dollar reduction would not only affect fiscal year 2007, but also the next seven years. Mr. Bolduc said that the forecasts are based on assumptions and the graph on page 21 still shows a large gap in the years ahead. Mr. Bolduc stated that CRRA has high expectations that resolutions from some of the pending litigation will level out that gap. Mr. Bolduc added that he is sensitive to the importance of sending a signal and said that that signal will be highly dependant upon how the issue is portrayed in the media.

Director Francis said that this budget seems to take care of the needs of the organization. Director Francis pointed out that there is a \$7 million increase in waste transport costs in anticipation of the closure of the Hartford Landfill, which is a significant expense that has been accounted for in this budget. Director Francis added that there was also a \$4.4 million increase in the funds being allocated to the reserves, increases in marketing fees, legal fees, and a reserve for the Waste Processing Facility was added. Director Francis said that, if CRRA's needs were not taken care of, he would not support the decrease, but said that is not the case. Since these needs are met in the budget, it is time to give the member communities a break.

Director Karanian stated that she has heard the President of the organization say that he is comfortable with the minimal risk in the budget as presented. Director Karanian noted that if management is saying they are comfortable with the budget, it is probably very conservative because they are the ones who will have to work within that budget. Director Karanian said that this could even provide management with added incentive to work for every possible savings for

the organization. Director Karanian said that reducing the tip fee is the right thing to do for CRRA's customers.

Chairman Pace stated that most people never thought CRRA would be having this discussion and added that many people did not even think CRRA would be in existence today. Chairman Pace said that at the first Board meeting with the new Board, he presented an aggressive plan because the company had to be aggressive in order to survive. Chairman Pace stated that he has the utmost respect for every member of this Board and said that what has made this company strong is that the Board has not always agreed on everything. Chairman Pace acknowledged that every argument in this discussion is valid.

Chairman Pace said that this new Board was instituted for several reasons: to save the company and to mitigate the losses from Enron, to restructure the organization, to seek out cost savings and provide a service to CRRA's customers at the lowest possible cost. Chairman Pace stated the purpose of this quasi-public agency is to create competition within the private sector so prices are brought to a lower level. Chairman Pace stated that the reduction is only \$1 per ton, but it is a dollar of significance. It is a dollar of the money of the citizens of the Connecticut. Chairman Pace said he would not be supporting a reduction of the tip fee if it were not prudent. Chairman Pace acknowledged that there were outstanding liabilities, but pointed out that several millions of dollars were being put into reserves for those purposes. Chairman Pace said that he looks at this issue as the charge of the Board: to reorganize the company and provide services to the municipalities at the lowest possible cost. Chairman Pace added that wherever there is risk, there is also opportunity, and said he looks at this as an opportunity. Chairman Pace concluded that the Board and management team deserve a lot of credit for allowing this discussion to be on the table.

The motion previously made and seconded was approved by roll call with the votes recorded as follows:

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

CHAIRMAN'S AND COMMITTEE REPORTS

Policies & Procurement Committee

RESOLUTION ADOPTING THE CONNECTICUT RESOURCES RECOVERY AUTHORITY REVISED ETHICS POLICY

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

RESOLVED: That the Board hereby adopts the revised Ethics Policy, substantially as presented and discussed at this meeting.

Director O'Brien seconded the motion.

Referring to item 4 on page 7, Director Francis said that items (b) and (c) potentially represent some difficulties for Board members. For example, Director Francis said that if he were no longer on the Board, he still might represent West Hartford as the Finance Director concerning matters related to CRRA. Director Francis stated that these sections could create substantial conflicts. Director Cohn responded, stating that CRRA is bound by these restrictions because they are specifically established in the Code of Ethics. Director Cohn added that the Committee tried to mitigate the issues that public officials have in other sections of the policy. Director Francis said that these restrictions could create problems in terms of getting and maintaining membership on the Board because public officials will not give up their right to represent their towns.

Mr. Kirk asked if it would be possible to get guidance from the Office of State Ethics on how CRRA should interpret this restriction in terms of its statutorily required membership of public officials. Director O'Brien stated that CRRA should get a ruling on how this applies to members who are already public officials when they are appointed and also members who become public officials during their term with CRRA. Director O'Brien stated that this provision of the policy is counter-productive to the best interests of CRRA. Director Cohn agreed that this issue is of enough significance to pursue a ruling from the Office of State Ethics and said that could be completed post-approval of the policy because there are other elements of the policy that need to be approved. Chairman Pace agreed that it is important to move forward with the approval of the policy to be in compliance with changes at the state level.

Director Cohn gave a thorough explanation of the changes made to the policy, including changes that were made since the Committee last reviewed the policy.

A lengthy discussion ensued regarding what constitutes a substantial conflict of interest and what a Board member's obligations are when a conflict exists. Director Horton Sheff stated that she can see a situation where she may have a conflict by virtue of being a representative of the City of Hartford. Director Horton Sheff said that she would like to have her corporation counsel review this policy and give an opinion on this issue. Director Cohn stated that CRRA is faced with this unique conflict issue because of the specific set of circumstances the statutes relevant to the composition of the CRRA Board create. Director Cohn cautioned that, in addition to avoiding substantial conflicts, the Board should also be aware when there is the appearance of a conflict.

Chairman Pace said that CRRA supports the ethics initiatives that have been promoted by the legislature and the Governor and added that it is CRRA's goal to be an exemplary Board under those conditions. Chairman Pace noted that the concerns expressed are of a pragmatic nature and related to how CRRA will implement the changes to avoid even the appearance of a conflict.

The motion previously made and seconded was approved unanimously.

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

Appointment of Board Committees by Chairman

Chairman Pace announced that the Committees appointments are as follows:

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

ORGANIZATIONAL SYNERGY AND HUMAN RESOURCES COMMITTEE comprising as members: Mark Cooper, as Committee chair, Stephen T. Cassano, James Francis, and Edna Karanian.

FINANCE COMMITTEE comprising as members: Andrew M. Sullivan, Jr. as Committee chair, Raymond J. O'Brien as vice-chair, Benson R. Cohn, James Francis, Edna Karanian, Mark A. Lauretti, and Theodore H. Martland.

POLICIES & PROCUREMENT COMMITTEE comprising as members: Benson R. Cohn, as Committee chair, Theodore H. Martland, as vice-chair, Mark Cooper, Michael J. Jarjura and Raymond J. O'Brien.

Organizational Synergy & Human Resources Committee

Director Cooper informed the Board that the Committee completed performance evaluations for senior management and recommended salary adjustments to the Board. Director Horton Sheff pointed out that she was not given information on this matter. Attorney Hunt said that, because this is not a project-specific matter, the confidential information could not be provided to Ad-Hoc members. Director Horton Sheff objected, stating that salaries are a budget matter, and since the Mid-Connecticut Project contributes substantially to CRRRA, she objects that the Mid-Connecticut representatives are not privy to that information. Attorney Hunt responded that the information was distributed with the intent that it would be discussed in Executive Session. Attorney Hunt informed the Board that she has an opinion from CRRRA's general counsel that states that Ad-Hoc members are prohibited from participating in discussions on general matters in Executive Session. Chairman Pace said that this is not a matter of excluding the Ad-Hoc members, but a matter of compliance.

Mr. Kirk pointed out that senior management performance evaluations are before the Board to ensure compliance with the Governor's report on quasi-public agencies.

EXECUTIVE SESSION

Chairman Pace requested a motion to enter into Executive Session to discuss pending litigation and personnel matters with appropriate staff. The motion made by Director Cooper and seconded by Director O'Brien was approved unanimously. Chairman Pace requested that the following people be invited to the Executive Session:

Timothy Griswold - Ad-Hoc, Mid-Connecticut Project (Present until 12: 20 p.m.)
Elizabeth Horton Sheff – Ad-Hoc, Mid-Connecticut Project (Present until 12: 20 p.m.)
Tom Kirk
Jim Bolduc
Peter Egan (Present until 12:20 p.m.)
Floyd Gent
Laurie Hunt, Esq.
Christopher Shepard (Present until 12: 20 p.m.)
Mark Baldwin, Esq. of Brown Rudnick Berlack Israels (Present until 12: 20 p.m.)
Douglas Cohen, Esq. of Brown Rudnick Berlack Israels (Present until 12: 20 p.m.)

The Executive Session began at 11:05 a.m. and concluded at 12:35 p.m. Chairman Pace noted that no votes were taken in Executive Session.

The meeting was reconvened at 12:35 p.m.

RESOLUTION REGARDING SENIOR MANAGEMENT SALARIES

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

RESOLVED: That the salaries for the Director of Environmental Affairs, Director of Operations, and Director of Legal Services be adopted as presented and discussed by the Organizational Synergy & Human Resources Committee.

The motion was seconded by Director O'Brien.

Director O'Brien stated that he believed that, since the performance of specific employees was discussed, those employees have to be given the opportunity to either request public session or to be involved in the Executive Session, which can be waived by the employee. Attorney Hunt agreed and stated that all of the individuals at issue were aware that performance would be discussed in Executive Session and no requests such were made. Therefore, Attorney Hunt said that CRRA has satisfied that requirement.

Director Cooper noted that the Organizational Synergy Committee would coordinate with the Executive Committee to review the performance and salaries of the President and Chief Financial Officer.

The motion previously made and seconded was approved unanimously.

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

ADJOURNMENT

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

There being no other business to discuss, the meeting was adjourned at 1:01 p.m.

Respectfully submitted,

Kristen B. Greig

Kristen B. Greig
Secretary to the Board/Paralegal

TAB 2

PREMIUM SUMMARY

Insurance Type	2005 - 2006 (4/1/05-4/1/06) Premium	FY 2006 (4/1/06-6/30/06) Budget	FY 2007 (7/1/06-4/1/07) Budget	Annualized Budget	Proposed (4/1/06-4/1/07) Premium	Savings to Budget
Public Officials & Employees Liability	\$263,202	\$72,500	\$207,272	\$279,772	\$263,202	\$16,570
Commercial Crime	\$3,260*	\$897	\$2,690	\$3,587	\$3,311	\$276
Fiduciary Liability	\$4,187**	\$1,041	\$3,435	\$4,476	\$3,998	\$478
All Risk Property	\$697,009	\$221,000	\$653,446	\$874,446	\$756,343	\$118,103

* Annualized premium for 2-year policy

** Annualized premium for 41-month policy

RESOLUTION REGARDING THE PURCHASE OF PUBLIC OFFICIALS AND EMPLOYEES LIABILITY INSURANCE FOR THE PERIOD 4/1/06 – 4/1/07

RESOLVED: That CRRA's Public Officials and Employees Liability insurance be purchased from American International Specialty Lines Company (AISLIC) with a \$5,000,000 limit, \$250,000 deductible for the period 4/1/06 – 4/1/07 for a premium of \$263,202, as discussed at this meeting.

OR

RESOLVED: That based upon additional information to be received prior to the Board meeting regarding defense costs and claims history, the CRRA's Public Officials and Employees Liability insurance be purchased from ACE with a \$10,000,000 limit, \$250,000 deductible for the period 4/1/06 – 4/1/07 for a premium of \$234,520, as discussed at this meeting

Connecticut Resources Recovery Authority
Public Officials and Employees Liability Insurance Renewal
3/23/06

I. Current Policy

- Expires 4/1/06 – Public Officials and Employees Liability Insurance
- \$5 million limit, \$250,000 deductible – Premium was \$263,202
- Insurer – American International Specialty Lines Company (AISLIC – an AIG Company)

II. Renewal Policy

- Quotes sought from AISLIC (AIG), ACE, Monitor Liability, RSUI, Besso and Chubb
- All declined to quote except AISLIC and ACE:

<u>Limit</u>	<u>Deductible</u>	<u>Premium</u>	<u>Terrorism Endorsement</u>	<u>Total</u>	<u>Company</u>
\$5,000,000	\$250,000	\$212,334	\$ 4,247	\$216,581	ACE USA
\$5,000,000	\$250,000	\$263,202	Not Offered	\$263,202	AISLIC (AIG)
\$10,000,000	\$250,000	\$234,520	\$ 4,690	\$239,210	ACE USA
\$10,000,000	\$250,000	\$420,000	Not Offered	\$420,000	AISLIC (AIG)

AISLIC (AIG) – Defense costs do not erode limit
ACE – Defense costs do erode limit

III. Management Summary & Recommendation

- The need for adequate protection of Board members and employees with the need to control expenses
- Provide coverage limit with reasonable deductible
- Secure consistent, broad coverage with fewest exclusions
- Aon recommends CRRA continue coverage with AIG because of our long term, stable relationship. Also, AIG will continue to provide defense costs outside of the limit, ACE will not.

- AIG has provided good defense and indemnity payments on prior claims.
- Based upon benchmarking and CRRA's claims history, purchase of a \$5 million limit is reasonable and prudent.
- Because ACE's quote does not provide defense in addition to indemnity funds, CRRA would have to purchase the \$10M limit just to cover defense costs.
- Purchase of the higher limit could inspire additional litigation if CRRA is seen as a "deep pocket".
- Management, in consultation with our broker, recommends securing \$5,000,000 coverage limit with \$250,000 deductible for a premium of \$263,202.
- AIG did not offer a terrorism insurance quote on this policy. (Historically, CRRA has not purchased this endorsement to this policy).
- This premium is the same as the expiring policy and there are no changes in coverage.
- CRRA's annualized budget for this program covering FY'06 and FY '07 is \$279,772.

IV. Recommendation to CRRA Board

The Finance Committee has reviewed and discussed the options for renewing CRRA's Public Officials and Employees Liability insurance and has requested additional information regarding defense costs and claims history so that it can make a recommendation to the Board at the upcoming meeting.

TAB 3

PREMIUM SUMMARY

Insurance Type	2005 - 2006 (4/1/05-4/1/06) Premium	FY 2006 (4/1/06-6/30/06) Budget	FY 2007 (7/1/06-4/1/07) Budget	Annualized Budget	Proposed (4/1/06-4/1/07) Premium	Savings to Budget
Public Officials & Employees Liability	\$263,202	\$72,500	\$207,272	\$279,772	\$263,202	\$16,570
Commercial Crime	\$3,260*	\$897	\$2,690	\$3,587	\$3,311	\$276
Fiduciary Liability	\$4,187**	\$1,041	\$3,435	\$4,476	\$3,998	\$478
All Risk Property	\$697,009	\$221,000	\$653,446	\$874,446	\$756,343	\$118,103

* Annualized premium for 2-year policy

** Annualized premium for 41-month policy

**RESOLUTION REGARDING PURCHASE OF COMMERCIAL CRIME
INSURANCE FOR THE PERIOD 4/1/06 – 4/1/07**

RESOLVED: That CRRA's \$3,000,000 Commercial Crime insurance be purchased from St. Paul Travelers for a premium of \$3,311 for the period 4/1/06 – 4/1/07 as discussed at this meeting.

**Connecticut Resources Recovery Authority
Commercial Crime Insurance Renewal**

I. Current Policy

- Commercial Crime Policy - Expires 4/1/06
- \$3 million limit, \$50,000 deductible – 7/1/04-4/1//06 premium was \$6,520
- Insurer – Travelers Casualty and Surety Company of America

II. Renewal Policy

- This program was marketed to St. Paul Travelers, AIG, Zurich and Chubb.
Below are the renewal options:

	Travelers	AIG	Zurich	Chubb
	(Not a firm quote)			
Liability Limits:				
Public Employee Dishonesty	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Computer Fraud	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Money & Securities-Premises	\$10,000	\$10,000	\$10,000	\$10,000
Money & Securities-Messenger	\$10,000	\$10,000	\$10,000	\$10,000
Deductibles:				
Public Employee Dishonesty	\$100,000	\$100,000	\$100,000	\$100,000
Computer Fraud	\$100,000	\$100,000	\$100,000	\$100,000
Money & Securities-Premises	\$500	\$500	\$500	\$500
Money & securities-Messenger	\$500	\$500	\$500	\$500
Term & Premium:				
4/1/06 – 4/1/07 (12 months)	\$3,311	\$13,000	\$3,308	\$8,660

- Insurance designed to cover losses due to public employee dishonesty, theft, disappearance and destruction of money, securities and property. The coverage limit of \$3,000,000 is based upon the number of CRRA employees, locations and total receipts. Benchmarking indicates that the average limit is \$2 million.
- Deductible increased from \$50,000 to \$100,000.
- Same basic terms/conditions as existing

III. Management Summary & Recommendation

- Discussions with our broker indicate there are no unusual exposures to CRRA from the exclusions.
- Most policy deductibles for this insurance are at the \$100,000.
- Previous policy was for two year period – no longer available.
- Aon believes that the incumbent (St. Paul Travelers) deserves to keep the business as they know CRRA's business well and have provided a very favorable premium quote.
- Considering our internal checks and balances, our clean claims history and Aon's recommendation, Management recommends securing the \$3 million limit, with a \$100,000 deductible, from St. Paul Travelers for an annual premium of \$3,311. This represents a slight increase over the expiring annual premium (\$51) even though there was a 17% increase in the number of employees.
- CRRA's annualized budget for this program covering FY'06 and FY '07 is \$3,587.

IV. Recommendation to CRRA Board

The Finance Committee has reviewed and discussed the options for renewing CRRA's Commercial Crime insurance and recommends the purchase of the policy from St. Paul Travelers Company with a \$3,000,000 limit, \$100,000 deductible, for the period 4/1/06 – 4/1/07 for a premium of \$3,311.

TAB 4

PREMIUM SUMMARY

Insurance Type	2005 - 2006 (4/1/05-4/1/06) Premium	FY 2006 (4/1/06-6/30/06) Budget	FY 2007 (7/1/06-4/1/07) Budget	Annualized Budget	Proposed (4/1/06-4/1/07) Premium	Savings to Budget
Public Officials & Employees Liability	\$263,202	\$72,500	\$207,272	\$279,772	\$263,202	\$16,570
Commercial Crime	\$3,260*	\$897	\$2,690	\$3,587	\$3,311	\$276
Fiduciary Liability	\$4,187**	\$1,041	\$3,435	\$4,476	\$3,998	\$478
All Risk Property	\$697,009	\$221,000	\$653,446	\$874,446	\$756,343	\$118,103

* Annualized premium for 2-year policy

** Annualized premium for 41-month policy

**RESOLUTION REGARDING THE PURCHASE OF FIDUCIARY LIABILITY
INSURANCE FOR THE PERIOD 4/1/06 – 4/1/07**

RESOLVED: That CRRA's \$3,000,000 Fiduciary Liability insurance, including new enhancements providing coverage for HIPAA violations and punitive damage payments, be purchased for a premium of \$3,998 from St. Paul Travelers for the term 4/1/06 – 4/1/07, as discussed at this meeting.

**Connecticut Resources Recovery Authority
Fiduciary Liability Insurance Renewal**

I. Current Policy

- Fiduciary Liability Policy Expires – 4/ /1/06.
- \$3 million limit, \$5,000 deductible – 7/1/02-4/1//06 - premium was \$14,305.
- Fiduciary Liability Insurance pays, on behalf of the insured, the legal liability arising from claims for alleged failure to prudently act within the meaning of the Pension Reform Act of 1974. “Insured” is variously defined as a trust or employee benefit plan, any trustee, officer or employee of the trust or employee benefit plan, employer who is sole sponsor of a plan and any other individual or organization designated as a fiduciary. Group life and medical expense plans, as well as pension and retirement plans, are within the scope of the law.
- Insurer – Travelers Casualty and Surety Company of America.

II. Renewal Policy

- This program was marketed to St. Paul Travelers, AIG, ACE and Chubb. AIG and ACE did not provide quotes.
- Original program was a three-year policy term 11/1/02-11/1/05 (\$12,492), extended to 4/1/06 (1,813) – total 41-month premium \$14,305.
- Multi-year policy options are not currently available.
- Benchmarking prepared by Aon demonstrates that the average limit of insurance for this type of risk is \$4 million. However, many of these public entities are very large water/sewer facilities and airports. Aon has advised that the \$3 million level appears reasonable for CRRA’s exposures.
- The results of the search for \$3 million of coverage for a one-year policy are as follows:

St. Paul Travelers	\$3,998	\$5,000 deductible
Chubb	\$3,500	\$5,000 deductible

- Both have the same basic policy terms/conditions.

III. Management Summary & Recommendation

- Discussions with our broker indicate there are no unusual exposures to CRRA from the exclusions – two new endorsements:
 - HIPAA – provides coverage for violations of HIPAA
 - Punitive Damages – provides coverage for payment of these damages
- Aon recommends staying with the current carrier, St. Paul Travelers, as they know CRRA's business well and have provided a very favorable premium quote. In Aon's opinion, it is not worth moving the policy for the minor difference in premium.
- Management, in consultation with our broker, recommends securing the \$3,000,000 policy with a \$5,000 deductible for a premium of \$3,998 from St. Paul Travelers. This premium represents a slight decrease (\$189) from the expiring annual premium even though there has been a 67% increase in assets from those reported in 2001.
- CRRA's annualized budget for this program covering FY'06 and FY '07 is \$4.476.

IV. Recommendation to CRRA Board

The Finance Committee has reviewed and discussed the options for renewing CRRA's Fiduciary Liability insurance and recommends the purchase of the policy from St. Paul Travelers Company with a \$3,000,000 limit, \$5,000 deductible for the period 4/1/06 – 4/1/07 for a premium of \$3,998.

TAB 5

PREMIUM SUMMARY

Insurance Type	2005 - 2006	FY 2006	FY 2007	Annualized	Proposed	Savings to
	(4/1/05-4/1/06) Premium	(4/1/06-6/30/06) Budget	(7/1/06-4/1/07) Budget	Budget	(4/1/06-4/1/07) Premium	Budget
Public Officials & Employees Liability	\$263,202	\$72,500	\$207,272	\$279,772	\$263,202	\$16,570
Commercial Crime	\$3,260*	\$897	\$2,690	\$3,587	\$3,311	\$276
Fiduciary Liability	\$4,187**	\$1,041	\$3,435	\$4,476	\$3,998	\$478
All Risk Property	\$697,009	\$221,000	\$653,446	\$874,446	\$756,343	\$118,103

* Annualized premium for 2-year policy

** Annualized premium for 41-month policy

**RESOLUTION REGARDING THE PURCHASE OF ALL RISK PROPERTY
INSURANCE FOR THE PERIOD 4/1/06 – 4/1/07**

RESOLVED: That CRRA's \$327 million All Risk Property Insurance be purchased for a premium of \$730,743 from the following five insurers with their quota shares as indicated: Zurich 35%; XL 28%; ACE 16%; Starr Tech 11% and Arch 10%; and

FURTHER RESOLVED: That CRRA purchase terrorism coverage for a premium of \$19,000; and

FURTHER RESOLVED: That CRRA obtain engineering services from Zurich for a premium of \$ 6,600.

The overall premium for \$327 million of property insurance, including business interruption and extra expense insurance, engineering and terrorism coverage is \$756,343.

Connecticut Resources Recovery Authority
All Risk Property Insurance Renewal
3/23/06

I. Current Policy

- Expires 4/1/06 – \$315 million Blanket All Risk including Boiler & Machinery, insuring real and personal property, Business Interruption and Extra Expense.
- Property damage & boiler & machinery deductible \$50,000, except Mid-CT, Wallingford Facilities and Jets, which have a \$250,000 deductible
- Business Interruption/Extra Expense, deductible is the amount of loss during first 45 days after the occurrence.
- Five Insurers – Zurich 35%; XL 28%; ACE 16%; Arch 16% and Commonwealth 5%.
- Engineering inspection services were purchased from Zurich for \$6,600
- 4/1/05 – 4/1/06 premium \$670,000 (w/engineering), and terrorism coverage for \$20,409, for a total premium of \$697,009.

II. Renewal Policy

- Aon Risk Services (Aon), CRRA's new broker/consultant, marketed a slightly higher limit of \$327 million to account for increase in reported values, which represents 100% replacement cost values for the Mid-CT PBF and EGF (\$257M), plus business interruption and extra expense values for Mid-CT Project (\$70M).
- Mid-CT Project is CRRA's highest valued single facility.
- \$327 million applies on a blanket basis for property damage to all locations.
- Aon marketed the program to Zurich, XL, ACE, Arch, Commonwealth, Starr Tech, Liberty, Lloyds, FM Global, AWAC, Allianz and AIG Energy (London). Declinations were received from Lloyds (age of equipment), FM Global and Allianz (non-competitive w/terms/price), AWAC (premium too low). Commonwealth did not quote by deadline. Liberty's premium quote was too high.

- Quotes were received from insurers with participation percentages as follows:

<u>Insurer</u>	<u>% Participation of \$327 mm</u>
Zurich	35%
XL	28%
Starr Tech	25%
ACE	16.28%
Arch	10%
AIG Energy (London)	10%

- Premium increased to \$730,743 (9%), terrorism coverage reduced to \$19,000 (7% savings). The total premium is \$749,743.
- Property damage deductible \$50,000, except Mid-CT, Wallingford Facilities and Jets, which have a \$250,000 deductible.
- Zurich offered to continue to provide engineering/inspection services for \$6,600.

III. Management Summary & Recommendation

- Policy expiration on 4/1/06 requires approval at the March 30, 2006 Board meeting for continuance of coverage
- Property insurance, business interruption and extra expense, e.g. diversion costs, insurance on CRRA property is required due to ownership and/or contractual requirements
- Aon recommends using our current insurers Zurich, XL, ACE and Arch at expiring lines and adding Starr Tech to complete the 100% participation.
- Management recommends securing the \$327 million all risk property insurance coverage for the period 4/1/06 – 4/1/07 as follows:

<u>Insurer</u>	<u>% Participation of \$327 mm</u>
Zurich	35%
XL	28%
ACE	16%
Starr Tech	11%
Arch	10%

For a premium of \$730,743.

- Management recommends that engineering services be obtained from Zurich for an additional premium of \$6,600.
- Because of the currently very low cost of Terrorism Insurance management recommends that CRRA also acquire Terrorism Coverage for an additional premium of \$19,000. Note: The government sponsored TRIA was extended through 12/31/07 with some changes. It appears unlikely that TRIA will be extended beyond 2007. Aon will be prepared to discuss TRIA further at the meeting if desired.

	April 1, 2005 – 2006	April 1, 2006 – 2007	Comments
Limit of Liability	\$315 million	\$327 million	Equals 100% reported values for PBF & EGF plus BI & Extra Expense for Mid-CT project – BI and Extra Expense Worksheet Attached
Deductibles Property Damage:	\$50,000 except \$250,000 at Mid-CT and Wallingford facilities and jets	No change	
Time Element:	45 days	No change	
Annual Premium	\$670,000	\$730,743	\$60,743 increase (9%)
Engineering Service	\$6,600	\$6,600	No change
Terrorism	\$20,409	\$19,000	\$1,409 savings (7%)
TOTAL	\$697,009	\$756,343	\$59,334 (9%) *Increase

* 9% increase is combination of 4% increase in values reported and 5% increase in rate

IV. Finance Committee Recommendation to the CRRA Board

The Finance Committee has reviewed and discussed the options for renewing CRRA's Property Insurance and recommends the purchase of the \$327 million policy for a premium of \$730,743 from the following five insurers with their quota shares as indicated: Zurich 35%; XL 28%; ACE 16%; Starr Tech 11% and Arch 10%; and

The Finance Committee further recommends that CRRA purchase terrorism coverage as reviewed and discussed at this meeting for premium of \$19,000; and

The Finance Committee further recommends that CRRA obtain engineering services Zurich for a premium of \$ 6,600 as reviewed and discussed at this meeting. The overall premium for \$327 million of property insurance, including business interruption and extra expense insurance, engineering and terrorism coverage is \$756,343 or \$59,334 more than last year.

CRRA's annualized budget for this program covering FY '06 and FY '07 is \$874,446.

TAB 6

RESOLUTION REGARDING REBUILD OF MID-CONNECTICUT PROJECT LOADER

RESOLVED: That the Board of Directors, in accordance with Connecticut Resources Recovery Authority's Procurement Policy, hereby approves the procurement of parts and services from H.O. Penn Machinery Co., Inc., for the rebuild of the Mid Connecticut Project 966F CAT Loader, substantially as presented and discussed at this meeting.

**Connecticut Resources Recovery Authority
Mid Connecticut Project
Rebuild of a 966F CAT Loader**

Executive Summary

During the morning hours of operation at the Mid Connecticut Waste Processing Facility on Wednesday, July 19, 2005 an electrical fire began on a 966F Cat loader while it was working on the MSW floor. The fire advanced rapidly but the operator was able to move the loader to a safe area leaving him just enough time to exit safely. The suppression system was impacted by the electrical failure and did not activate. The fire advanced to the hydraulic lines behind the cab which fueled the fire. The Hartford Fire Department was contacted and in the interim of their arrival, MDC employees attempted to contain the fire using portable fire fighting equipment. The Hartford Fire Department arrived and contained the fire within minutes but by that time significant damage had occurred. The loader was staged in the back yard of the WPF until arrangements could be made to move the unit to the H.O. Penn facility located in Newington, CT. H. O. Penn is the only recognized and licensed company to handle repairs to Caterpillar equipment sold in Connecticut and they have been servicing CRRA equipment since the beginning of the project. After review of the damage, H. O. Penn submitted two quotes to CRRA on August 24, 2005 to repair or rebuild. The decision as to hold off what action was to be taken was predicated on operational issues with the MDC and what action CRRA would be taking regarding the operation and maintenance of the Mid Conn Project. As these issues have been resolved we have moved forward and prepared a cost analysis to determine whether to repair, rebuild or replace this loader. In the interim we have experienced some unexpected repairs to other loaders. At this time and based on a cost analysis, we are requesting Board authorization to move forward with the rebuild of this fire-damaged loader.

Discussion

CRRA's procurement policy reads in relevant part as follows:

3.1.2 *Exceptions*

Notwithstanding the provisions of Section 3.1.1 above, procurements may be conducted without utilizing a Competitive Process in the following limited circumstances:

3.1.2.5 Goods or services provided by a contractor who has special capability or unique experience, as determined by the Chief Financial Officer and the President if the cost of the goods or services is \$10,000 or less and as determined by a two-thirds (2/3) vote of the full CRRA Board of Directors if the cost of the goods or services is more than \$10,000;

The only dealer in Connecticut authorized to rebuild CAT loaders is H.O. Penn, located in Newington. CRRA therefore believes that H.O.Penn has "special capability" as set forth in the procurement policy, and procurement of parts and services from H.O. Penn may be conducted without utilizing a Competitive Process.

H.O. Penn's quote for provision of the rebuild is \$220,769.32. CRRA anticipates issuing a purchase requisition in an amount not to exceed \$225,000.00. CRRA expects to be partially reimbursed by insurance.

Financial Summary

This expenditure will be funded from the Mid-CT Project Rolling Stock Reserve Account. There are sufficient funds in this reserve account for this expenditure.

TAB 7

**RESOLUTION REGARDING THE REVISED WELLNESS
PROGRAM POLICY**

RESOLVED: That the revised Wellness Program Policy of the Connecticut Resources Recovery Authority be adopted substantially in the form as approved by the Organizational Synergy and Human Resources Committee.

OVERVIEW

The CRRA Wellness Program was implemented in 1995. The dollar amount of \$200.00 increased over the years from 1995-2002. The program dollar amount was raised to \$300.00 in FY 02 at the July 19, 2001 Board Meeting.

The Wellness Reimbursement amount of \$325.00 accounts for about a 2% increase for inflation each year from FY 02 to FY 07. This increase is covered in the FY 07 budget.



DRAFT WELLNESS PROGRAM POLICY

ADMINISTRATION AND HUMAN RESOURCES POLICY AND PROCEDURE No. 310

1. POLICY

CRRA has developed and instituted a Wellness Program to recognize that good health is a critical component in CRRA's continuing effort to control health insurance costs and to encourage employee activities and lifestyles, which promote such good health.

2. GUIDELINES

2.1 Eligibility

All full-time and part-time employees of the Authority are eligible for the Wellness Program following six months of employment.

2.2 Eligible Expenses

The following list is allowable health and fitness activity expenses within the Wellness Program:

- (a) Health/fitness club membership
- (b) Exercise classes
- (c) Recognized weight reduction programs
- (d) Smoking cessation products & services
- (e) Dietary classes
- (f) Home exercise equipment

2.3 Ineligible Expenses

The following list includes, but is not limited to, expenses not allowable as health and fitness expenses within the Wellness Program:

- (a) Massage therapy
- (b) Vitamins

- (c) Apparel
- (d) Video or audio tapes/compact discs
- (e) Books
- (f) Special foods
- (g) Sporting goods
- (h) Golf club memberships

The Human Resources (HR) Administrator and the Chief Financial Officer ("CFO") will review all requests for eligibility. If there is a question as to eligibility, the CFO will make the final decision.

2.4 Reimbursement Request

The Wellness Reimbursement Request Form (A&HR 310.1) should be completed and sent to the HR Administrator with the itemized receipts. If the form is in order, the HR Administrator will sign off on it and forward it to the CFO for approval. Approved amounts will be reimbursed in the next payroll cycle.

2.5 Maximum Reimbursement

The maximum allowable reimbursement amount per employee per fiscal year shall be \$325.00.

Deleted: 300

Prepared by: Robert Constable, Budget Analyst

P&P No.: A&HR 310

Approved by: James Bolduc, Chief Financial Officer

Effective Date:

Deleted: September 1, 2003

TAB 8

BOARD RESOLUTION REGARDING ADDITIONAL PROJECTED LEGAL EXPENDITURES

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

WHEREAS, the Board of Directors has previously authorized certain amounts for payment of fiscal year 2006 projected legal fees; and

WHEREAS, CRRA has incurred greater than anticipated legal expenses in connection with its future planning efforts, insurance related matters, environmental issues, and Enron litigation;

NOW THEREFORE, it is RESOLVED: That the following additional amounts be authorized for payment of projected legal fees and costs to be incurred through June 30, 2006:

<u>Firm:</u>	<u>Amount:</u>
Halloran & Sage	\$650,000
Brown Rudnick Berlack & Israels	\$220,000
Pepe & Hazard	\$550,000

CONNECTICUT RESOURCES RECOVERY AUTHORITY

Request regarding Authorization for Payment of Projected Additional Legal Expenses

March 30, 2006

Executive Summary

This is to request Board authorization for payment of additional projected fiscal '06 legal expenses.

Discussion:

We are seeking Board approval to incur and pay for additional services from our general counsel and environmental counsel, and to pay additional expenses incurred by counsel representing CRRA in Enron-related lawsuits under contract with the Attorney General.

Anticipated additional Halloran & Sage expenses result primarily from extensive involvement by counsel in CRRA's future planning efforts with regard to the Bridgeport Project, including representation of CRRA in its response to Wheelabrator's demand for arbitration; CRRA general counsel, Mid-CT general counsel, and Bridgeport Project general counsel matters are also expected to require additional authorized funds.

Additional authorization to incur fees for Brown Rudnick services is requested due to unanticipated assistance from counsel required in connection with a Notice of Violation regarding the Mid-CT Project received from DEP and disputed by CRRA, and with local permitting of the new recycling center. Additionally, CRRA efforts to resolve its dispute with neighboring landowners of the Ellington landfill have been complicated by legal action commenced by one such landowner.

Document management costs (scanning, indexing, storage) in connection with the 2.5 million pages of documents (on 74 CD's and DVD's) produced by Enron this month in response to discovery requests, similar types of costs to be incurred relative to documents to be produced by CRRA's former law firms, and costs for approximately 70 additional deposition transcripts, engender the need for additional authorization to pay Enron-related costs.

At its discussion of this request at its March 16th meeting, the P&P Committee asked that we confirm the SWAB's understanding regarding the potential costs and fiscal impact of the Wheelabrator (f.k.a. Bridgeport Resco) arbitration. Pursuant to the Committee's request, following please find a copy of the President's email to Steve Edwards, SWAB Chairman, and Mr. Edwards' reply acknowledging the SWAB's understanding and support.

Tom Kirk

From: Tom Kirk
Sent: Friday, March 17, 2006 9:55 AM
To: 'sedwards@westportct.gov'
Subject: SWAB Board

Steve,

I wanted to confirm our phone conversation this afternoon regarding two issues raised at the CRRRA Policy and Procedures Committee meeting today.

The committee wanted to be sure you and the SWAB Board were aware of the financial and fiscal impact of the legal expense projection discussed and approved at the committee meeting. I informed the committee that the SWAB Board was informed of the status of the legal dispute with our Bridgeport Resco Contractor in full at the Wednesday 3-14 meeting of the SWAB Board. At the previous meeting of the SWAB Board the CRRRA staff provided specific estimates of legal spending based on the anticipated course of events for the arbitration. As you know these are difficult estimates and the actual course of the arbitration is impossible to predict.

My understanding is that the SWAB Board is fully aware of the fact that some of the legal expenses will be paid from the present fiscal year expenses (those incurred to date and in the next few months) and next fiscal year legal expenses have been estimated to the extent possible at this point in time.

Please let me know if this is not the case so I can insure the SWAB has all the information they need to make their decisions and recommendations.

On the second item, please note that I am in the process of contacting the Governor's office regarding the appointment of the Bridgeport Project Ad Hoc position now vacant as a result of Woody's passing. I will be suggesting to the Governor's staff that the SWAB Board desires that you, as the new President of the SWAB Board, be appointed to the vacant Ad Hoc Director position.

Thanks Steve, I will copy you in the letter I send to the Governor's office regarding the appointment.

Thomas D. Kirk
President
Connecticut Resources Recovery Authority
100 Constitution Plaza
Hartford, Connecticut 06103
860.757.7700 phone
860.727.4141 facsimile

Tom Kirk

From: Edwards, Stephen [SEWARDS@westportct.gov]
Sent: Monday, March 20, 2006 8:27 AM
To: Tom Kirk
Subject: RE: SWAB Board

Tom –

Your memo is complete relative to the SWAB knowledge and support of CRRRA's legal initiative against the Bridgeport Resco Contractor.

Steve Edwards.

-----Original Message-----

From: Tom Kirk [mailto:tkirk@crra.org]
Sent: Friday, March 17, 2006 9:55 AM
To: Edwards, Stephen
Subject: SWAB Board

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Thomas D. Kirk
President
Connecticut Resources Recovery Authority
100 Constitution Plaza

3/24/2006