

CONNECTICUT RESOURCES RECOVERY AUTHORITY

THREE HUNDRED FORTY-NINTH MEETING

SEPTEMBER 19, 2002

A regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, September 19, 2002 at the 211 Murphy Road, Hartford. Those present were:

Chairman Michael A. Pace

Directors: Benson Cohn (Present by phone for part of the meeting)
Theodore Martland
Howard Rifkin (delegate for Director Nappier)(left at 11:40 p.m.)
Stephen Cassano
James Francis
Andrew Sullivan (left at 10:50 a.m.)
Mark Cooper (arrived at 9:08 a.m.)
John Mengacci (delegate for Director Ryan)
Mark Lauretti
Ray O'Brien

Directors Knopp, Boone, Blake, Nappier and Ryan did not attend.

Present from the CRRA staff:

Bettina Bronisz, Assistant Treasurer & Director of Finance
John Clark, Operations Division Head
Robert Constable, Senior Analyst
Peter Egan, Director of Environmental Services
Brian Flaherty, Communications Coordinator
Thomas Gaffey, Recycling and Environmental Education Division Head
Gary Gendron, Director of Administration
Lynn Martin, Insurance and Claims Manager
Angelica Mattschei, Executive Assistant & Corporate Secretary
Diane Spence, Secretary
Ann Stravalle-Schmidt, Director of Legal Services

Others in attendance were: Theodore Doolittle and Maureen Regula of the Attorney General's Office; John Maulucci of BRRFOC; Joyce Tenor, Joseph Wasserman, Mark Mitchell, Steven Sonnone, and Margaret Japp of HEJN; David Arruda of MDC; David Valzania and Derek Ezovski of Marsh; George McKee of LPR & IC; Sherwood Lovejoy and Mark Anastasi of SWAB; and A. Francis Robinson, Jr. of Sidley Austin Brown & Wood.

Chairman Pace called the meeting to order at 9:04 a.m. and noted that a quorum was present. Chairman Pace requested that everyone stand up for the Pledge of Allegiance, whereupon, the Pledge of Allegiance was recited.

Chairman Pace noted that there was a change in the routine agenda due to an executive session being held at the beginning of the meeting.

INSURANCE

APPROVAL OF THE CASUALTY INSURANCE PROGRAM

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

RESOLVED: That the Chairman, Vice Chairman or President is authorized to enter into insurance agreements with American International Group ("AIG") for the following insurance programs for the period 10/1/02 – 10/1/03:

Commercial General Liability with Pollution Legal Liability
Umbrella Liability with Pollution Legal Liability

FURTHER RESOLVED: That the Chairman, Vice Chairman or President is authorized to enter into an insurance agreement with Commerce & Industry Insurance Company for Automobile Liability insurance for the period 10/1/02 – 10/1/03 for a premium of \$139,422; substantially as presented and discussed at this meeting.

Director Cassano seconded the motion.

Ms. Martin noted that the proposal was brought to the Finance Committee and that the Committee agreed with recommendations from staff to retain the same amount of Commercial General Liability, Umbrella Liability and Pollution Legal Liability coverage with the same deductibles as the previous year. Ms. Martin said that the premium was 15% higher than the previous year but was significantly below what was budgeted for 2003. Ms. Martin said that staff also recommended placing CRRA's auto liability coverage with an AIG company for a 35% decrease in premium for the same amount of coverage. She added that the lower premium was a result of a reduction in the number of vehicles insured by CRRA.

Director Lauretti asked whether the policy premium would go down if the Board decided to eliminate vehicles in the future. Ms. Martin replied that the premium would be adjusted based on the number of vehicles. Chairman Pace added that the Policies and Procurement Committee was working toward eliminating vehicles.

In response to a request by Chairman Pace that the origin of the CRRA Risk Fund be explained, Ms. Martin said that in 1988 the Authority commissioned Tillinghast to conduct a Risk Financing Study and they came up with a financing plan which included establishing a reserve that was commonly referred to as the "Risk Fund." She said that the primary objective at that time was to fund for pollution events that might occur because at that time, commercial insurance to cover losses was unavailable. Additionally, Ms. Martin continued, Tillinghast identified a requirement in the Master Agreement with CL&P that the Authority provide \$25 million worth of pollution legal liability, which at the time CRRA could not buy. The mechanism for funding the reserve were contributions from the various projects. The idea was to build up to the \$25 million over time, she explained. Ms. Martin continued that the \$25 million amount was not reached, but as time went on the Authority was able to purchase pollution legal liability insurance. The reserve fund was still in place, she said, and had approximately \$7 million as of June 20, 2002 allocated among the four projects. Chairman Pace said that he wanted to bring the history of the Risk Fund to the Board's attention because he believed it was wisely done.

Director Lauretti asked whether historically the premium increases were driven by CRRA experience or market conditions. Ms. Martin replied that the increases were generally market driven. Director Lauretti asked whether the Authority had considered self-insuring since its claims history was low. Ms. Martin responded that the Risk Fund itself was a self-insuring mechanism. She added that CRRA was too small of an organization to consider self-insurance for all of its exposures.

Director O'Brien asked what portion of the premium goes to pay for the pollution legal liability out of the total premium of \$950,285. Mr. Valzania responded that the Commercial General Liability/Pollution Legal Liability program was a combined premium and it could not be presented separately. The opinion of an underwriter could be sought if it would be helpful to the Board. Director O'Brien said that it would be helpful because it related to Director Lauretti's question regarding self-insurance. Director O'Brien said that CRRA couldn't make a judgment about self-insuring without knowing what the incremental cost of the pollution was.

Director O'Brien asked whether the pollution liability insurance applied only to CRRA facilities. Ms. Martin responded that four non-owned landfills were specifically named in the policy, including Putnam and three out-of-state landfills where CRRA delivered ash and MSW. Ms. Martin explained that the policy covered third-party pollution claims. She emphasized that it was not designed to be used for cleaning up CRRA property but for responding to something offsite impacted by CRRA activities.

The motion previously made and seconded was approved unanimously.

EXECUTIVE SESSION

Chairman Pace requested a motion to convene an executive session to discuss legal and personnel matters. Director O'Brien made the motion which was seconded by Director Sullivan. Chairman Pace requested that Ms. Schmidt and Mr. Larry Brown stay during the executive session. The motion previously made and seconded was approved unanimously.

The Executive Session began at 9:16 a.m.

The Executive Session concluded at 12:49 p.m.

Chairman Pace reconvened the Board meeting at 12:50 p.m.

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

ORGANIZATIONAL SYNGERY & HUMAN RESOURCES COMMITTEE

PRESIDENT VACANCY

Director Cassano said that the president vacancy was discussed in executive session and that he was pleased to announce that there were four final candidates and a priority candidate in Mr. Thomas Kirk. Director Cassano said that the Committee was in the process of performing due diligence such as the necessary reviews and background checks. Director Cassano continued that it was his hope that the Committee would have a decision and a contract by the October Board meeting. Mr. Kirk would be invited to meet with the Board at the October meeting to finalize it, he said.

Chairman Pace said that there were two Thomas Kirk's and this gentleman was the one who worked for Wisvest.

LEGAL

AUTHORIZATION REGARDING WAIVER OF CRRA'S PROHIBITION ON FORMER EMPLOYEES

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

WHEREAS: The Connecticut Ethics Commission, in order to interview former CRRA employees, has requested that CRRA waive the provisions in its personal services contracts with former employees which states:

Consultants shall not use, publish, distribute, sell or divulge any information obtained from CRRA by virtue of this Agreement for its own purposes or for the benefit of any person, firm, corporation or other entity without prior written consent from CRRA. Any reports or other work product prepared by Consultant while performing Services under this Agreement shall be owned solely and exclusively by CRRA and cannot be used by Consultant for any purpose beyond the scope of this Agreement without the prior written consent of CRRA. Any material designated by CRRA in accordance with applicable law as confidential shall not be disclosed to any third parties without the prior written consent of CRRA.

WHEREAS: The Connecticut Ethics Commission, in order to interview former employees, has requested that CRRA waive the confidentiality provision in its severance agreements with former employees;

WHEREAS: CRRA desires to be of assistance to the Connecticut Ethics Commission, it is:

RESOLVED: That the Board of Directors hereby waive the confidentiality imposed in any severance agreement and any personal services agreements up until the date of this resolution solely in relationship to any current Connecticut Ethics Commission investigation.

This waiver does not apply to communications/documents, which are attorney client privilege, documents which are attorney work product or documents which are otherwise proprietary/confidential information under FOIA.

Director Cooper seconded the motion.

Ms. Schmidt said that this was a request made by the Connecticut Ethics Commission and discussed during executive session.

The motion made and seconded was approved unanimously.

PUBLIC PORTION

Chairman Pace said that the next item on the agenda allowed for a public portion between 11:30 a.m. and 12:00 p.m. in which the Board would accept written testimony and allow individuals to speak for a limit of three minutes. Chairman Pace asked whether any member of the public wished to speak.

Dr. Mark Mitchell, with the Connecticut Coalition for Environmental Justice and the Hartford Environmental Justice Network, introduced himself. Three of his colleagues introduced themselves as Mr. Steven Sonnone, Ms. Joyce Tentor and Ms. Margaret Japp. Dr. Mitchell said that he was a physician and previously was the director of the Hartford Health Department and

founder of the Hartford Environmental Justice Network. He noted that the Hartford Environmental Justice Network was a coalition of over 30 organizations in Hartford and represented over 2,000 residents.

Dr. Mitchell said that he was happy to see a new Board of Directors and leadership for CRRA because Hartford has had a long history with CRRA from its birth and long before the existing Enron issue. He said that his organization was going to be around as long as CRRA had facilities located in Hartford.

Dr. Mitchell distributed a Community Risk Reduction Action Fact Sheet to the Board of Directors in hopes that it would begin a dialogue to move CRRA toward becoming a better neighbor in Hartford. Dr. Mitchell read the 18 points on the Community Risk Reduction Action Fact Sheet and said that the purpose of documenting these points was to establish the basis for wanting a dialogue. He said that HEJN wanted to communicate with CRRA and was pleased that the Board of Directors started opening up the Board meeting to public comments. They wanted to begin by getting a tour of each of the five facilities in Hartford, Dr. Mitchell continued, starting with the trash incinerator.

Chairman Pace offered that Dr. Mitchell or other members of HEJN contact him to set up a meeting.

Mr. Mark Anastasi introduced himself and said that he was the former president and current executive member of SWAB. Mr. Anastasi introduced Mr. Woody Lovejoy, the project's current president of SWAB. Mr. Anastasi said that they were in attendance with respect to the agenda item regarding Solid Waste Disposal Alternatives for the Bridgeport Solid Waste Advisory Board (SWAB). It was a proposal as presently drafted to authorize or approve a contract between the Bridgeport project and "HDR" to conduct a future study of Bridgeport's options, he said. Mr. Anastasi stated that at the end of 2009, the Bridgeport project would have completed its initial 20-year contract term and they were examining the opportunities available to the 18 communities collectively or for communities individually should they elect at that point to go outside of the project.

Mr. Anastasi said that the authorization sought from the CRRA Board regarding the issue should have been for funding approval for SWAB to tap into their reserves. He said that it was their belief that SWAB had the authority to contract, subject to available funding. The SWAB Board voted unanimously and all 18 communities supported the study, he said. Mr. Anastasi said that SWAB would respectfully request that the CRRA Board allow them to proceed in the manner they had proposed.

Mr. Anastasi said that SWAB was aware and supported a preliminary CRRA/TRC study conducted the previous year. He said that the study was a good starting point but that due to the communities with divergent interests, SWAB needed to have an independent analysis. It was their intention, Mr. Anastasi continued, to have an oversight committee and consultant work very closely with CRRA staff in order to pursue remaining with CRRA as a primary option.

Chairman Pace said that the Board would address the issue when it came to it.

APPROVAL OF THE AUGUST 15, 2002 REGULAR BOARD MINUTES

Chairman Pace requested a motion to approve the minutes of the August 15, 2002 regular Board meeting. Director O'Brien made the motion which was seconded by Director Lauretti.

Director Mengacci noted that on page 4, last paragraph of the minutes, the word "both" should be moved from where it was to "their backgrounds and both their commitment and willingness to understand CRRA's business." Director Mengacci said that on page 10, first sentence, the word "project" was omitted after Mid-Connecticut. On page 11, last paragraph, Director Mengacci continued, the word "analyst" was incorrectly written as "analysis."

Director O'Brien said that on page 10, third paragraph from the bottom, the word "siding" was incorrectly spelled as "siting."

The motion previously made and seconded was approved. Director Rifkin abstained from the vote as he was not present at the meeting.

PROJECT REPORTS

BRIDGEPORT

AUTHORIZATION REGARDING SOLID WASTE DISPOSAL ALTERNATIVES FOR THE BRIDGEPORT SOLID WASTE ADVISORY BOARD (SWAB)

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

RESOLVED: The Chairman, Vice Chairman, or President is authorized to approve SWAB's request to enter into an Agreement with HDR to perform Phase 1 Activities substantially in accordance with the terms and conditions as presented at this meeting.

Director Martland seconded the motion.

Mr. Clark distributed copies of the TRC Report Review of Future Options, The Bridgeport Project for the Board's review. Mr. Clark said that, as Mr. Anastasi had pointed out during the public portion, the local group in Bridgeport was looking for authorization to enter into a contract with HDR to perform an independent analysis of their Phase 1 activities. Mr. Clark said that SWAB met with all of the towns individually in order to examine their individual goals and objectives as well as to examine the legal aspects.

Mr. Clark asked whether the resolution needed to be modified to reflect funding authorization instead of contracting authorization with HDR. Ms. Schmidt replied that that was correct.

Director O'Brien said that the letter included in the package distressed him deeply as it demonstrated serious tension between CRRA and SWAB. He said that there was nothing in the letter that showed any interest in mitigating the past tension. The letter acknowledged the new Board, he said, but did not depict an attitude of wanting to work with the new Board. Director O'Brien continued that both CRRA and SWAB faced the same urgency with regard to the timetable and it was an obligation of both organizations to make sure that efforts were not being duplicated. However, Director O'Brien added that he agreed that an independent review of the options was very prudent and necessary for public credibility. He said that he would support the resolution but that he had concerns supporting just a funding resolution because he only supported tasks 1 –7 without CRRA's further participation. Director O'Brien suggested that the SWAB meet promptly with CRRA to share their critique of the TRC report and to discuss their past, present and future concerns with CRRA and how those concerns could be mitigated. Director O'Brien said that CRRA and SWAB needed to develop a plan to move forward to the benefit of both organizations.

Mr. Anastasi responded that it was his and Mr. Lovejoy's belief that Mr. Kallmeyer, in his letter, was referencing ancient history. He said that a more appropriate document of the existing relationship between CRRA and SWAB was reflected in his resignation letter from the prior CRRA Board. Mr. Anastasi stated that SWAB was very grateful and felt that they had been served well by the staff in recent years in reducing their tip fee from a high of \$89 down into the low \$60's. Mr. Anastasi noted that there had been tension in that past but that there has also been a very good and solid working relationship between SWAB and CRRA staff in the more recent years and that SWAB did not have inclinations to work separately from the CRRA Board and staff in the future.

Mr. Anastasi said that the reality was that their communities collectively and voluntarily entered into a financially unfavorable agreement in the initial contract in the mid-1980's. He said that because they elected to avoid risk, as a consequence they avoided reward. Mr. Anastasi said that the Wheelabrator project was financially doing very well and SWAB was not sharing in that. SWAB wanted to examine all of their options in conjunction with CRRA, he said.

Mr. Clark said that CRRA attended the SWAB meetings on a bi-monthly basis and they had invited Mayors Lauretti and Knopp to participate because they were within that region. Mr. Kallmeyer had indicated that CRRA was going to be involved in working with HDR, Mr. Clark said.

Director Lauretti said that it was his hope that the DEP would be involved in the matter sooner rather than later because the DEP played an integral part in the success or failure of CRRA going forward. Mr. Clark responded that the DEP had been contacted and that they were a part of the ongoing plan.

Director O'Brien offered an amendment to the motion to include that the reserves would be replenished in FY2004 through a "surcharge" on the tip fee in the amount of approximately 24 cents per ton. Director O'Brien stated that he would like to make clear that an increase in tipping fees was set for a defined purpose. Director O'Brien added that he was making that reference based on the letter. Director Lauretti seconded the amendment for discussion.

Director Lauretti commented that SWAB had done an RFP and established a qualified contractor. He said that there was also a dollar amount that was stipulated in the letter. Director Lauretti suggested that there should be a "not to exceed" clause.

Director Rifkin said that the motion authorized funding within the scope of services listed in task one which did set a cap. Director Lauretti said that as long as it was understood it did not have to be placed in the motion.

Director O'Brien withdrew the surcharge comment out of the amendment. Chairman Pace said that there was an understanding to follow along with the concept of the 24 cents described in the letter. Director O'Brien restated the amendment to acknowledge that SWAB approved replenishing the reserves in the amount of \$116,900 in FY2004, as stated in the letter. The amendment previously made and seconded was approved unanimously.

Chairman Pace restated the original motion to authorize the funds for the study and that it was within the scope of services as presented in the document with the dollar amount included. The motion previously made and seconded was approved unanimously.

Director Cassano suggested that the Board meet with SWAB in order to resolve ongoing issues between the two boards. Director Rifkin commented that it was part of the new Board's core mission to examine public policy questions regarding the closing of the Hartford landfill and its affect on all the projects and even the towns that were not included with CRRA. There were questions that extended across the State of Connecticut as to how the disposal of solid waste was going to be dealt with, taking into consideration the kinds of questions that had been raised by the Hartford Coalition with respect to balancing the environmental concerns against questions about disposal of waste.

EXECUTIVE SUMMARY REGARDING THE WESTON TRANSFER STATION MUNICIPAL SOLID WASTE TRANSPORTATION AWARD

Chairman Pace said that his was an issue carried over from a previous Board meeting in which the Board had authorized him to speak with Director Knopp, who was the mayor of Norwalk. Chairman Pace said that Director Knopp thought that it would cost money by CRRA entering into a contract. CRRA was actually saving money, Chairman Pace said. Chairman Pace stated that he had the discussion with Director Knopp and that he did sign the contract that saved CRRA approximately \$16,000. Director Knopp understood and knew the reasons why, he said.

Chairman Pace said that Director Knopp had a separate issue in that he thought the weigh scales unduly burdened his town. Chairman Pace stated that he had advised Director Knopp to bifurcate those two issues and that if he had other issues that he thought were negatives and had an unfair impact on his town he should articulate that in writing through a CFO and CRRA would examine his concerns.

MID-CONNECTICUT

AUTHORIZATION REGARDING PERSONAL SERVICES AGREEMENT FOR LOAD AGGREGATION STUDY WITH PLM AND LETTER OF INTENT WITH CMEEC

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

RESOLVED: The Chairman, Vice Chairman, or President is authorized to enter into a Personal Services Agreement For Load Aggregation Study with PLM substantially in accordance with the terms and conditions presented and discussed at this meeting.

FURTHER RESOLVED: The Chairman, Vice Chairman, or President is authorized to enter into a Letter of Intent between the CRRA and CMEEC, substantially in accordance with the terms and conditions presented and discussed at this meeting.

Director Sullivan seconded the motion.

Mr. Clark said that there were issues discussed in executive session regarding the disposition of the first 250,000 megawatts of power that could affect the resolution. He stated that if it turned out that the power was not available for sale to the wholesale or retail market, then the money would be unwisely spent. However, Mr. Clark continued that he needed to spend that money because CRRA was ready to become a supplier and would go in front of the DPUC. Mr. Clark said that he would just have to presume that CRRA was going to get the rights to that power.

Chairman Pace said that CRRA was directed, through legislation, to seek the license and the cost benefit analysis of that would have to be examined. The Board needed to follow through with what was charged to them through that legislation, he said.

Director O'Brien said that the information that PLM would provide was required by DPUC. CRRA would still need to justify to the legislature what it has done to get the license, Director O'Brien said, and if it did not choose to exercise it, explain the economics of that decision. Director O'Brien continued that CMEEC was a heavy hitter in this field and would be a good organization to partner with.

Chairman Pace asked what the timetable was on the report. Mr. Clark responded that he needed the numbers by September 30, 2002. Chairman Pace added that part of the timeline was that Mr. Clark could go to DPUC with the report and it could be included as part of the Steering Committee report to the legislature. Director Mengacci said that it was also timely as far as the ability for CRRA to sell power to the state pool.

Director Francis asked whether the scope was limited to the state as a supplier. Mr. Clark responded that the scope was limited to becoming a retail supplier and that Mr. Ray Wilson was looking at state loads. Director Mengacci said that one of the Cibes Report recommendations was to sell the power to the state pool that was created in the electric restructuring bill and overseen by OPM.

The motion previously made and seconded was approved unanimously.

LEGAL

AUTHORIZATION REGARDING THE DISSOLUTION OF CRRA UMBRELLA ORGANIZATION

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

RESOLVED: That the Chairman of the Authority be, and hereby is, authorized to direct the initial incorporator of the Umbrella Corporation to take all actions necessary to dissolve said Umbrella Corporation, including, but not limited to filing a certificate of dissolution in accordance with Conn. Gen. Stat. Sec. 33-880.

Director Mengacci seconded the motion.

Ms. Schmidt said that on September 20, 2001, the former Board of Directors unanimously authorized the president to take any action to create an umbrella organization and single member limited liability company. What was done as a result, she explained, was that a certificate of incorporation was filed to create an umbrella corporation called "Green Resources Incorporation." Ms. Schmidt noted that nothing has happened with that corporation other than the filing of the Certificate of Corporation with the Secretary of State. There was no initial Board meeting, assignment of Board members, stock issued, assets transferred or officers elected. Ms. Schmidt said that in order to clean up odds and ends, a resolution was needed that would allow the Board to direct the incorporator to file a document that dissolved the corporation.

The motion previously made and seconded was approved unanimously.

CHAIRMAN'S AND COMMITTEE REPORTS

FINANCE COMMITTEE

AUTHORIZATION REGARDING DISBURSEMENT OF AUTHORITY FUNDS

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

RESOLVED: That the funds of the Authority deposited in Fleet Bank or otherwise invested (except Trustee-held funds and funds in the CRRA/MDC Arbitration Escrow bank account) be subject to withdrawal or charge at any time and from time to time upon checks, notes, drafts, bills of exchange, acceptance, or other instruments for the payment of money or upon directions for the wire transfer of money, when made, signed, drawn, accepted, or endorsed on behalf of the Authority, by any two of the following: Bettina Bronisz, John Clark, Nhan Vo-Le or Michael A. Pace provided, however, wire transfers between Authority bank accounts or otherwise invested Authority funds (including to and from Trustee-held funds and the CRRA/MDC Arbitration Escrow bank account) shall require instructions from one of the foregoing.

FURTHER RESOLVED: That Trustee-held funds and the CRRA/MDC Escrow Arbitration bank account be subject to withdrawal or charge at any time and from time to time upon requisitions/instructions, checks, notes, drafts, bills of exchange, acceptance or other instruments for payment of money or upon directions for the wire of transfer money, when made, signed, drawn, accepted, or endorsed on behalf of the Authority, by any one of the above individuals.

Director Lauretti seconded the motion.

Ms. Bronisz said that this was a housekeeping issue and that the resolution would authorize the addition of Ms. Nhan Vo-Le to the list of people already allowed to withdraw funds of the Authority. Ms. Bronisz said that historically the Director of Accounting was one of the individuals listed, but that the position had been vacant since November of 2001. The Board filled that position with Ms. Vo-Le in August of 2002 and the referenced action merely added her to the list which her position had already been a part of in the past. Ms. Bronisz stated that the individuals authorized to withdraw funds were herself, Chairman Pace, Mr. Clark and added to that would be Ms. Vo-Le.

Director Lauretti asked whether there was a dollar limit on the funds that were authorized to be withdrawn. Ms. Bronisz responded that there was not. Director Lauretti asked whether a minimum of two signatures were required. Ms. Bronisz replied that funds withdrawn outside of the CRRA paychecks, such as vendor payments and transfers made to the MDC required two signatures.

The motion previously made and seconded was approved unanimously.

AUTHORIZATION TO EMPOWER THE FINANCE COMMITTEE TO SEEK AN RFP FOR OPERATIONAL AUDIT REVIEW

Director O'Brien made a motion to add two items, the RFP for operational audit and FY'03 general fund budget reductions, to the agenda under the Finance Committee reports. Director Sullivan seconded the motion which was passed unanimously.

Chairman Pace requested a motion on the referenced topic. Director Sullivan made a motion to authorize to empower the Finance Committee to seek an RFP for an operational audit review of the activities of the enterprise. Director O'Brien seconded the motion.

Director Sullivan said that the reason for the operational audit review would be to make sure that CRRA had strong and wise financial and operational communications within the total enterprise. He said that it was the Finance Committee's view that it was an important review process and was not in anyway shaped or geared toward any implicit criticism of individuals or the organization. Director Sullivan said that the findings may be that the organization was operationally and financially efficient, but the Finance Committee would still request that the Board authorize the Committee to move forward with a Request for Proposal Process to engage an operational audit review firm.

Director Lauretti asked whether there was a monetary consideration being requested at that time. Director Sullivan replied that there was not and that it was the Committee's intent to discuss the matter further before monetary consideration was requested.

The motion made and seconded was approved unanimously.

FY'03 GENERAL FUND BUDGET REDUCTIONS

Director Sullivan distributed a document regarding the referenced item. Director Sullivan said that the 2003 budget originally submitted was subject to an overall 10% cut by the prior Board and that the last page of the handout stated that Mid-Connecticut Administrative Budget was reduced by \$136,836. Director Sullivan stated that the committee would examine the line items on the handout that made up the overall 10% plan reduction. The listing distributed to the Board identified administrative budget reductions to the overall Mid-Connecticut project of \$554,168.

Director Sullivan made a motion to approve an amendment to the line item budget as reflected in the handout in the memo prepared on September 12th by Mr. Gendron to Ms. Bronisz, and keeping with the authorization or approval of the resolution that was made as a Finance Committee. Director O'Brien seconded the motion.

Director Cassano asked whether the elimination of the Non-Personal Corporate Giving of \$20,000 was the entire budget for that line item. Mr. Gendron replied that it was. Director Cassano commented that the line item pertained to building community relationships and should

not be completely eliminated. Mr. Flaherty replied that monies for community outreach came out of his budget which was the line item for Public Education and Awareness and that it had sufficient funds.

Director Sullivan stated that Item B, Capital Outlay, was only a reduction or postponement of a larger group of items, not total items in capital outlay. Director Mengacci added that it was a postponement of an anticipated upgrade, but it did not leave employees without necessary equipment.

The motion previously made and seconded was approved unanimously.

ORGANIZATIONAL SYNERGY & HUMAN RESOURCES COMMITTEE

Director Cassano said that the committee met on September 17, 2002 and that items 4, 5, 6, 7, 11 and 12 on the committee's agenda were tabled.

AUTHORIZATION REGARDING THE CALENDAR YEAR 2003 FLEXIBLE BENEFITS PLAN RENEWAL

Director Cassano made the following motion on the referenced topic:

RESOLVED: That the Calendar Year 2003 Flexible Benefits Plan Renewal shall proceed consistent with current plan design. And be it

FURTHER RESOLVED: That the Chairman is authorized to enter into such agreements or other arrangements to implement the January 1, 2003 renewal, including but not limited to accepting the Anthem Blue Cross renewal offer and the Segal Company's project proposal not to exceed \$16,000.

Director O'Brien seconded the motion.

Director Cassano said that the \$16,000 was expected to be lowered to \$15,000. Director Cassano added that the renewal cost was relatively low and that it was a good plan for the organization. It was not a time for change, Director Cassano said.

Director O'Brien asked whether the cost was within the budget and that if approval would encumber additional funds. Chairman Pace replied that it was within budget and approval would not encumber additional funds.

The motion previously made and seconded was approved unanimously.

AUTHORIZATION TO FILL VACANCIES

Director Cassano made the following motion on the referenced topic:

RESOLVED: That the Chairman of the Personnel Committee is authorized to fill the following vacancies: Finance Division Head, staff accountant, part-time educator and senior analyst.

Director O'Brien seconded the motion.

Director Martland asked why an educator was needed. Mr. Gaffey responded that they operate the educational centers in Hartford and Stratford and they provide educational programs with grade and age appropriate curricula to approximately 40,000 students per year. Mr. Gaffey said that it was a part-time position with no benefits.

The motion previously made and seconded was approved unanimously.

FINANCIAL ANALYST POSITION

Director Cassano made the following motion on the referenced topic.

RESOLVED: The new description for the financial analyst position to be approved.
And be it

FURTHER RESOLVED: That Rob Constable be reclassified in the position at a date and salary within the new pay grade determined by the Personnel Committee.

Director O'Brien seconded the motion.

Director Cassano said that Mr. Constable had been very much involved in the budget the previous year and a budget analyst position was needed to coordinate the financial aspect with operations. Director Cassano distributed a general job description and said that it would be a Salary Grade 7 position.

Director Lauretti asked whether it was a new position. Director Cassano responded that one senior analyst position was upgraded to budget analyst.

Chairman Pace said that the position would provide an organizational synergy between the budget, the finance and operation budgets. He continued that Mr. Constable would be the connective piece between the environmental and operational departments that spent money, and the finance department that managed the budget.

The motion previously made and seconded was approved. Director Lauretti abstained from the vote.

STEERING COMMITTEE REPORT

Chairman Pace said that he was shooting for October 1, 2002 for some of the committee reports. He could possibly bring a draft to the Board in October, he said, and the final document for Board action in November.

POLICIES & PROCUREMENT COMMITTEE

Director Martland distributed copies of the Cell Phone and Pager Usage Policy and the Draft CRRA Procurement Policies and Procedures to the Board for their review. Director Martland said that the Board could not vote on them until the October Board meeting.

FINANCE COMMITTEE

Director Sullivan said that the Committee had a meaningful two-hour meeting with Richard Gray and Richard Orr, two of the three members of the Cibes Commission. He said that there were discussions regarding the state debt cap and issues with governance.

Director Sullivan introduced the two leaders from CRRA's new Bond Counsel Group, Mr. Frank Robinson of Sidley Austin and Mr. John Strafstrom of Pullman Comley.

AJOURNMENT

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

There being no other business to discuss, the meeting was adjourned at 2:16 p.m.

Respectfully submitted,

Angelica Mattschi
Corporate Secretary to the Board

CONNECTICUT RESOURCES RECOVERY AUTHORITY

EXECUTIVE SESSION

SEPTEMBER 19, 2002

An Executive Session was called for the purposes of discussing legal and personnel matters, was convened at 9:16 a.m.

DIRECTORS

Chairman Pace
Director Cohn (present by phone)
Director Martland
Director Rifkin
Director Cassano
Director Francis
Director Sullivan
Director Cooper
Director Mengacci (absent for some)
Director Lauretti
Director O'Brien

STAFF

Ann Stravalle-Schmidt

HORTON

Larry Brown

No votes were taken in Executive Session.

The Executive Session adjourned at 12:49 p.m.