

**CONNECTICUT RESOURCES RECOVERY AUTHORITY**

**THREE HUNDRED EIGHTY-FOURTH MEETING**

**JANUARY 27, 2005**

A Regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, January 27, 2005 at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Chairman Michael Pace

Directors: Stephen Cassano, Vice-Chairman (Present by telephone from 9:50 a.m. until 10:57 a.m.)  
Mark Cooper  
Edna Karanian  
Mark Lauretti  
Theodore Martland  
Raymond O'Brien  
Veronica Airey-Wilson (Ad-Hoc for Mid-Connecticut Project)  
Timothy Griswold (Ad-Hoc for Mid-Connecticut Project)

Present from the CRRA staff:

Tom Kirk, President  
Jim Bolduc, Chief Financial Officer  
Rob Constable, Controller  
Peter Egan, Director of Environmental Affairs & Development  
Floyd Gent, Director of Operations  
Laurie Hunt, Director of Legal Services  
Sotoria Montanari, Education Supervisor  
Paul Nonnenmacher, Director of Public Affairs  
Donna Tracy, Executive Assistant  
Kristen Greig, Secretary to the Board/Paralegal

Chairman Pace called the meeting to order at 9:40 a.m. and noted 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.

**APPROVAL OF THE MINUTES OF THE NOVEMBER 18, 2004 REGULAR BOARD MEETING**

Chairman Pace requested a motion to approve the minutes of the November 18, 2004 Regular Board Meeting. The motion was made by Director O'Brien and seconded by Director Cooper.

The motion previously made and seconded was approved unanimously.

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Mark Cooper	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
<b>Non Eligible Voters</b>			
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

**APPROVAL OF THE MINUTES OF THE NOVEMBER 23, 2004 SPECIAL BOARD MEETING**

Director O'Brien requested a motion to approve the minutes of the November 23, 2004 Special Board Meeting. The motion was made by Director Cooper and seconded by Director Martland.

Attorney Hunt noted that the resolution was amended to give the President authority to waive the resolution's requirement that AIG pay disputed expenses before the settlement with prior approval of the Chairman of the Board or the Chairman of the Finance Committee. The resolution was also amended to give the President authorization to negotiate CRRA's claim for legal expenses against AIG with prior approval of the Chairman of the Board or the Chairman of the Finance Committee.

The minutes as amended were approved unanimously.

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Mark Cooper	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
<b>Non Eligible Voters</b>			
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

**APPROVAL OF THE MINUTES OF THE DECEMBER 16, 2004 REGULAR BOARD MEETING**

Chairman Pace requested a motion to approve the minutes of the December 16, 2004 Regular Board Meeting. The motion was made by Director O'Brien and seconded by Director Cooper.

The motion previously made and seconded was approved unanimously.

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Mark Cooper	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
<b>Non Eligible Voters</b>			
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

**RESOLUTION REGARDING THE ADOPTION OF THE WALLINGFORD PROJECT FISCAL YEAR 2006 OPERATING AND CAPITAL BUDGETS AND TIP FEES**

Chairman Pace requested a motion regarding the referenced item. Director O'Brien made the following motion:

**RESOLVED:** That the fiscal year 2006 Wallingford Project Operating budget in the amount of \$22,708,000 and the Capital Budget in the amount of \$651,000 be adopted as substantially presented and discussed at this meeting.

**FURTHER RESOLVED:** That the member tip fees for municipal solid waste be set at \$57.00 per ton and a tip fee of \$68.00 per ton be set for non-contracted waste for fiscal year 2006.

Director Cooper seconded the motion.

Director O'Brien noted that the Finance Committee was recommending that the Board adopt the Wallingford Project budgets. Chairman Pace pointed out that the Finance Committee was well-represented at the current Board meeting although the full Board was not present at the meeting. Chairman Pace stated that Directors with thorough knowledge of the budget were present.

Mr. Bolduc stated that the Wallingford Policy Board reviewed the budget in detail. Mr. Bolduc explained that the Wallingford Project was well-endowed in terms of finance as a result of its exceptional electric purchase agreement. When the electric rates returned to market rates, the Wallingford Project would be required to increase their tip fees dramatically or to utilize some of the surplus currently being generated. Mr. Bolduc referred to the Board to a chart on page 8 that had been presented to the Wallingford Policy Board which detailed the surplus projections.

Mr. Bolduc stated that the tip fee would be \$57.00 which was a \$1.00 increase per ton from FY05. In comparison, Mr. Bolduc listed the tip fees for the other Projects: Mid-Connecticut was expected to be \$70 per ton, the Bridgeport Project was \$74.00 per ton and the Southeast Project was \$60.00 per ton.

Mr. Bolduc added that CRRA was in the process of identifying the different Projects' post-closure liabilities and evaluating what reserves would be necessary. Mr. Bolduc stated that information would be brought to the CRRA Board as well as the Boards governing the various projects.

Director O'Brien asked for confirmation that the Wallingford Policy Board reviewed and approved the budget. Mr. Bolduc confirmed and stated that minutes from the meeting were available as supporting documentation.

The motion previously made and seconded was approved unanimously.

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	<b>X</b>		
Mark Cooper	<b>X</b>		
Edna Karanian	<b>X</b>		
Mark Lauretti	<b>X</b>		
Theodore Martland	<b>X</b>		
Raymond O'Brien	<b>X</b>		
<b>Non Eligible Voters</b>			
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

**RESOLUTION REGARDING THE ADOPTION OF THE BRIDGEPORT PROJECT FISCAL YEAR 2006 OPERATING AND CAPITAL BUDGETS AND TIP FEES**

Chairman Pace requested a motion regarding the referenced item. Director O'Brien made the following motion:

**RESOLVED:** That the fiscal year 2006 Bridgeport Project Operating Budget in the

amount of \$53,504,000 and the Capital Budget in the amount of \$319,000 be adopted substantially in the form as presented and discussed at this meeting.

**FURTHER RESOLVED:** That the fiscal year 2006 member tipping fees for the market component be set at \$68.00 per ton and the minimum commitment component be set at \$8.00 per ton for an all-inclusive fee not to exceed \$76.00, unless the Authority receives and approves an executed agreement from the City of Stamford by January 27, 2005 in which event the member tipping fees for the market component be set at \$66.00 per ton and the minimum commitment component be set at \$8.00 per ton for an all-inclusive fee not to exceed \$74.00.

Director Cooper seconded the motion.

Chairman Pace stated that this resolution was thoroughly reviewed by the Finance Committee, many of whom were present at the current meeting.

Director O'Brien pointed out that there was an item on the agenda regarding a settlement affecting the Bridgeport Project and asked why those funds were not reflected in the budget. Mr. Kirk responded that the settlement funds would be paid out of reserves, but the reserves would be reimbursed. Mr. Kirk explained that CRRA was able to negotiate a substantial reduction in the settlement by paying the settlement in cash by July 1, 2005 rather than over the three years remaining in the contract.

Mr. Kirk requested that the Board consider a slight change to the resolution to reflect a change to the January 27, 2005 date provided in the resolution. Mr. Kirk explained that management was expecting to have the final agreement with Stamford executed in February.

Mr. Kirk stated that CRRA had a responsibility to provide the towns with a tip fee by January 31<sup>st</sup> and said that CRRA was prohibited from raising the tip fee once the towns were notified. Mr. Kirk noted that CRRA was not prohibited from lowering the tip fee after that date. With that in mind, that the tip fee would be set at \$68.00 with the anticipation of lowering the tip fee when the agreement with Stamford was signed.

Director Laretti asked what issues were left to be resolved regarding the agreement. Mr. Gent responded that Stamford proposed a boiler plate contract to which CRRA had several comments. Mr. Gent stated that the two parties reached agreement on all comments at a meeting on January 14<sup>th</sup>. Mr. Gent stated that Stamford agreed to provide a contract with the agreed upon revisions. Since that verbal agreement, Stamford faced a legal emergency and other diversions and CRRA was still waiting to see the revised agreement. Mr. Gent noted that both parties were motivated to finalize the agreement. Mr. Gent proceeded to describe some of the issues that were resolved at the January 14<sup>th</sup> meeting with Stamford. Mr. Kirk and Mr. Gent both stated that they did not anticipate any problems finalizing the agreement because of the significant savings to Stamford.

After discussion, Director O'Brien made a motion to amend the resolution to read as follows:

**RESOLVED:** That the fiscal year 2006 Bridgeport Project Operating Budget in the amount of \$53,504,000 and the Capital Budget in the amount of \$319,000 be adopted substantially in the form as presented and discussed at this meeting.

**FURTHER RESOLVED:** That the fiscal year 2006 member tipping fees for the market component be set at \$68.00 per ton and the minimum commitment component be set at \$8.00 per ton for an all-inclusive fee not to exceed \$76.00.

**FURTHER RESOLVED:** That upon Authority approval of an executed agreement from the City of Stamford on or before March 24, 2005, the member tipping fees for the market component be set at \$66.00 per ton and the minimum commitment component be set at \$8.00 per ton for an all-inclusive fee not to exceed \$74.00 per ton.

The motion to amend the resolution was seconded by Director Martland.

Director Lauretti asked why the portion of the resolution referencing lowering the tip fee was necessary if CRRA already had the ability to lower the tip fee. Chairman Pace stated that it made it transparent that the agreement was not finalized. Mr. Kirk stated that the Bridgeport Project towns found comfort in that portion of the resolution because it gave the towns' leadership an idea of what the anticipated tip fee would be.

Director Lauretti stated that he voted against this resolution at the Finance Committee, but after further research, he had a better understanding of why the numbers presented were appropriate.

The motion to amend was approved unanimously.

The amended motion previously made and seconded was approved unanimously.

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Stephen Cassano	X		
Mark Cooper	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
<b>Non Eligible Voters</b>			
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

**RESOLUTION REGARDING AN AMENDMENT TO CONTRACT FOR THE OPERATION OF AN INTERMEDIATE PROCESSING CENTER TO SERVE THE MUNICIPALITIES OF THE SOUTHWEST CONNECTICUT REGIONAL RECYCLING OPERATING COMMITTEE ("SWEROC")**

Chairman Pace requested a motion regarding the referenced item. Director O'Brien made the following motion:

**RESOLVED:** That the President is authorized to enter into the Third Amendment to Contract for the Operation of an Intermediate Processing Center substantially in accordance with the terms and conditions presented at this meeting.

Director Lauretti seconded the motion.

Mr. Kirk stated that the resolution was for an amendment to an existing agreement with FCR, the recycling contractor at the Stratford facility. Mr. Kirk stated the resolution would formalize an agreement with FCR to allow commingling of mixed paper with ONP (old newspapers). Mr. Kirk explained that this was a very favorable development in the market and noted that CRRA earned between \$70 and \$80 per ton. Mr. Kirk added that the market was favorable enough that FCR was willing to allow municipalities to mix those two commodities through the end of their agreement with CRRA. It would also allow municipalities, who were not doing so, to insist that their citizens recycle mixed paper, which would result in an increase in recycling rates and revenue.

Director Griswold asked if this would create a problem if the municipalities did not allow commingling after the agreement ended. Mr. Kirk responded that the issue was discussed at length at the SWEROC meeting. Mr. Kirk stated that was a concern, but the advantages to being able to add mixed paper to the recyclable commodities at such a substantial price outweighed the risk.

Director Griswold asked if the price structure could change dramatically enough to make this action a disappointment to CRRA. Mr. Kirk stated that was possible, but the prices had been stable for the last few years because of the demand for fiber in the Asian market. Mr. Kirk added that if there were an economic slowdown in Asia, the price could change rather quickly. Mr. Kirk stated that the upside was that FCR was committed to accepting the commingled paper through the end of the agreement. Mr. Kirk stated that his bigger concern was educating consumers to recycle mixed paper after years of being told not to do so.

Director Lauretti asked if the municipalities would be announcing the change. Mr. Kirk stated that CRRA was preparing a flyer to be distributed to all of the curbside programs so municipalities could inform their citizens.

Director Griswold stated that promotional material would be helpful in all of the municipalities. Mr. Kirk stated the flyer would be created and provided to all of the towns for their distribution. Mr. Kirk stated that CRRA has stepped into the position of providing educational information to the towns and their citizens.

The motion previously made and seconded was approved unanimously.

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Stephen Cassano	X		
Mark Cooper	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
<b>Non Eligible Voters</b>			
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

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

Chairman Pace requested a motion regarding the referenced item. Director O'Brien made the following motion:

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

The motion was seconded by Director Cooper.

Mr. Kirk stated that this was a straightforward extension of an agreement with SWEROC for the operation of the museum and recycling information center. Mr. Kirk said a longer agreement available at the expiration of the extension.

Director Airey-Wilson asked if the Board would be given the opportunity to evaluate how well individuals were performing prior at the education centers to extending the contract. Chairman Pace stated that Mr. Nonnenmacher oversaw all of the education centers. Mr. Kirk stated that all of the educators were CRRA employees, who were part of the Performance Management Program. Mr. Kirk stated personnel assessments were done on an individual basis and the education center was assessed as an organization by SWEROC. Mr. Kirk added that CRRA met with SWEROC semi-monthly and offered to provide Performance Management reports for the employees of the education center.



Director O'Brien requested a periodic update on how well the facilities were being utilized. Mr. Kirk stated that a report detailing the number of visitors and what school districts and countries visitors were from was provided to the SWEROC board. Mr. Kirk said that report could be included in the supplemental package to the CRRA Board.

Mr. Nonnenmacher explained that the education centers book school field trips, scout groups, and other visitors at the education centers and noted that tours for the Stratford center were booked well into 2006. Mr. Nonnenmacher added that there were over 20,000 visitors from all over Connecticut and foreign countries at the Stratford center last year. Mr. Nonnenmacher pointed out that the centers provide tremendous public relations value to CRRA and noted that the education centers were a perfect vehicle to promote the commingling of mixed paper and newspaper. Ms. Montanari added that the educators were prepared to begin informing visitors that they could commingle mixed paper.

The motion previously made and seconded was approved unanimously.

<b>Eligible Voters</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Michael Pace, Chairman	X		
Stephen Cassano	X		
Mark Cooper	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
<b>Non Eligible Voters</b>			
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

### **RESOLUTION REGARDING APPOINTMENT OF BOARD COMMITTEES**

Chairman Pace requested a motion regarding the referenced item. Director O'Brien made the following motion:

**RESOLVED:** Pursuant to the Bylaws and CRRA's enabling statute, the Board hereby extends the following Committee to have such powers and responsibilities as the Board of Directors shall determine from time to time. Said Committee shall be established for a one (1) year period.

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

**FURTHER RESOLVED:** Pursuant to the Bylaws and CRRA's enabling statute, the Board hereby extends the following committees and members to have such powers and responsibilities as the Board of Directors shall determine from time to time. These Committees shall be established for a one (1) year period.

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

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

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

The motion was seconded by Director Cooper.

Mr. Kirk stated that Director O'Brien had been acting as Vice-Chairman of the Finance Committee but there was no formal documentation of his appointment. Chairman Pace stated that the resolution could be amended to correct that.

Director O'Brien noted that Director Cooper had been added to the Policies & Procurement Committee.

The resolution was amended to appoint Director O'Brien as Vice-Chairman of the Finance Committee and to add Mark Cooper to the Policies & Procurement Committee.

Chairman Pace invited Ad-Hocs to attend any Committee meeting, but pointed out that they were not appointed to Committees.

Chairman Pace noted that Vice-Chairman Cassano had expressed his approval of the Committee appointments prior to ending his telephonic participation.

The amended motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		

<b>Non Eligible Voters</b>			
Veronica Airey-Wilson, Ad Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

**The following agenda items required the affirmative vote of 2/3 of the Directors. With 2/3 of the Directors not in attendance, the following items were tabled to be addressed at the next regularly scheduled Board of Directors Meeting.**

1. Board Action will be sought regarding Settlement Agreement for the Bridgeport Project (Attachment 10).
2. Board Action will be sought for the approval of an Increase in Legal Expenditures (Attachment 6).
3. Board Action will be sought regarding Loose Residential Mixed Paper Purchase and Sale Agreement with Recycle America Alliance, L.L.C. (Attachment 7).
4. Board Action will be sought regarding an Extension of the Mid-Connecticut Project Loose Paper Transloading Agreement with Murphy Road Recycling and Murphy Road Realty (Attachment 8).
5. Board Action will be sought regarding an Agreement with FCR Redemption, Inc., the Mid-Connecticut Project's Container Processing Facility Operator (Attachment 9).
6. Board Action will be sought regarding an Agreement with Enviro Express, Inc. to Deliver City of Stamford Acceptable Solid Waste to CRRA's Bridgeport Project Resources Recovery Facility (Attachment 11).
7. Board Action will be sought regarding an Agreement with the City of Stamford to Deliver its Acceptable Solid Waste to CRRA's Bridgeport Project Resources Recovery Facility (Attachment 12).
8. Board Action will be sought regarding Waste Export and Diversion Hauling and Disposal Services for Mid-Connecticut and Wallingford Projects (Attachment 15).
9. Board Action will be sought regarding Spot Waste Delivery Services for the Mid-Connecticut and Wallingford Projects (Attachment 16).

## **CHAIRMAN'S REPORT**

Chairman Pace stated that the CRRA Board was comprised of dynamic individuals. Chairman Pace stated that the individuals on the Board were responsible for running towns, businesses, consulting and other professional endeavors. Chairman Pace said he has been amazed at the Board's dedication and noted that there have been very few instances when the Board was unable to vote on agenda items because there were not enough Directors present. Chairman Pace said that while telephonic meetings were conducted in an open and transparent manner, frequent telephone meetings could give critics of CRRA something to criticize. Chairman Pace added that he would like to see Directors in person at meetings. Chairman Pace stated that telephonic meetings were important on an emergency basis, but said he would like to limit the number of meetings held by telephone conference. Chairman Pace emphasized that he would like to see those who would criticize CRRA for utilizing telephone meetings hold the same standard to other organizations.

Director Martland asked if CRRA's legislative agenda included a bill for ash reuse. Mr. Kirk responded that CRRA did not submit a bill this year because CRRA wanted the DEP to address ash reuse as a component of the Solid Waste Management Plan. Mr. Kirk said that with the backing of the DEP, there would be a better chance of having ash reuse viewed favorably. Mr. Kirk noted, however, that there were individuals at DEP who were not in favor of ash reuse and there were also economic issues to overcome.

Chairman Pace informed the Board that the ruling from the arbitration with MDC was in CRRA's favor. Chairman Pace stated that the issues regarding indirect costs were still to be resolved. Chairman Pace said he met with the Chairman of MDC to "extend an olive branch." Chairman Pace requested that the MDC Chairman and his staff meet with CRRA to discuss the arbitration ruling and how to move forward.

Mr. Kirk invited the Directors to CRRA's 2<sup>nd</sup> Annual Meeting on February 1<sup>st</sup>. Mr. Kirk stated that there would be a celebration of CRRA's receipt of the \$111 million from Deutsche Bank and said the Board and management would be recognized for their work to secure the \$111 million. Mr. Kirk added that Attorney General Blumenthal confirmed that he would be in attendance.

## **ADJOURNMENT**

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

There being no other business to discuss, the meeting was adjourned at 10:45 a.m.

Respectfully submitted,

Kristen B. Greig  
Secretary to the Board/Paralegal