

Finance Committee
Dec. 11, 2008, Telephonic Regular Meeting

Draft Minutes

Members Present: Michael Pace, Board Chairman
Linda Savitsky, Committee Chairperson
Raymond O'Brien, Committee Vice-Chairman
Mark Lauretti (present beginning 12:10 p.m.)
Theodore Martland

CRRA Management Present:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Bettina Bronisz, Assistant Treasurer & Director of Finance
Jeffrey Duvall, Manager of Budgets and Forecasting
Nhan Vo-Le, Director of Accounting Services
Moira Kenney, Secretary to the Board/Paralegal

Committee Chairperson Savitsky called the meeting to order at 9:43 a.m. and noted that there was a quorum.

Committee Chairperson Savitsky requested that everyone stand for the Pledge of Allegiance whereupon the Pledge was recited.

1. Informational

Mr. Bolduc reviewed the summary of the Constellation Energy proposed merger which was included in the informational section of the Finance Package. He explained that Constellation Energy is the company which purchases the electrical out-put from the Mid-Ct Project plant under a five year agreement. Mr. Bolduc said that there was a provision in the agreement for Constellation to provide the Authority with a letter of credit if their ratings fell.

Mr. Bolduc explained Constellation Energy is currently in merger discussions with Mid-American Energy. Mr. Bolduc explained there is not an issue with Constellation however management wants to make the Committee aware that Electricite de France has since put in a roughly 100% premium higher offer to purchase Constellation's nuclear power units and their response to the offer is currently unknown.

Director Martland stated that both companies interested in Constellation Energy are excellent. Chairman Pace asked if the \$10 million letter of credit is still valid. Mr. Bolduc said that this is correct and that CRRA is covered.

Committee Chairperson Savitsky asked that due to the magnitude of the contract that management provide monthly updates to the Finance Committee regarding this contract.

2. Approval of Minutes of the Nov. 13, 2008, Special Finance Committee Meeting

Committee Chairperson Savitsky requested a motion to accept the minutes of the October 3, 2008, Special Finance Committee meeting. The motion was made by Vice-Chairman O'Brien and seconded by Committee Chairperson Savitsky.

The minutes were approved as amended by roll call.

3. Informational Continued

Vice-Chairman O'Brien asked that the revenue numbers for recyclables be provided to the full Board as they are an instrumental factor in the 2010 budget. Mr. Kirk said that those figures will be made available. Chairman Pace asked if the contract has a guaranteed price. Mr. Kirk said that was correct and that the Mid-Conn Project has a guaranteed contract.

The Committee discussed the effect of the decrease in recycling prices to CRRRA at length.

Mr. Bolduc reviewed a summary of the audit and fees with the Committee. He said Carlin Charron and Rosen (hereinafter referred to as "CCR") had requested some adjustments to their fees. Mr. Bolduc explained that management had worked with CCR to find an equitable solution to making these adjustments at the Finance Committee's request. Mr. Bolduc said that negotiations resulted in an overall savings of about 50 percent of the cost after adjustments to the spare parts inventory and the implementation of standards. The Committee consensus was to defer moving ahead with the void check audit.

Mr. Bolduc said that the Southeast budget has been approved by the SCRRRA Board. He said the other two audits concern the closure of the Bridgeport Project and is reflected in the cash requirements for Bridgeport. He explained the final audit will be done the following April in order to ensure there is enough time to receive all bills.

Chairman Pace asked for clarification on the consulting services and "timing issues". Mr. Bolduc said that the figures are currently a best guess of timing and permanent reductions.

4. Executive Session

Committee Chairperson Savitsky requested a motion to enter into Executive Session to discuss pending litigation, real estate acquisition matters, and RFP responses. The motion was made by Vice-Chairman O'Brien and seconded by Director Martland. The motion previously made and seconded was approved unanimously by roll call. Committee Chairperson Savitsky requested that the following people remain for the Executive Session, in addition to the Committee members:

Tom Kirk

Jim Bolduc

The Executive Session commenced at 10:00 a.m. and concluded at 10:46 a.m. Committee Chairperson Savitsky noted that no votes were taken.

The meeting was reconvened at 10:46 a.m., the door was opened, and the Board secretary and all members of the public were invited back in for the continuation of public session.

ADJOURNMENT

Committee Chairperson Savitsky requested a motion to adjourn the meeting. The motion made by Vice-Chairman O'Brien and seconded by Director Martland was passed unanimously.

The meeting was adjourned at 10:47 a.m.

Respectfully submitted,

Moira Kenney
Secretary to the Board/Paralegal