

**Finance Committee  
Oct. 18, Regular Meeting  
Draft Minutes**

Members Present by telephone: Board Chairman Don Stein (present by telephone)  
Committee Chairman Timothy Griswold  
Joel Freedman  
Andrew Nunn (present by telephone)  
Scott Slifka (present by telephone)

CRRRA Staff Present: Tom Kirk, President  
Jim Bolduc, Chief Financial Officer  
Jeffrey Duvall, Director of Budgets and Forecasting  
Peter Egan, Director Of Operations and Environmental Affairs  
Nhan Vo-Le, Director of Accounting  
Moirra Benacquista, Secretary to the Board/Paralegal

Also Present: Jeff Roude and Paul Getts of Bollam Sheedy & Torani, Jim Sandler,  
Esq, Sandler & Mara, LLC.

Chairman Griswold called the meeting to order at 9:32 a.m. He said there were no members of the public who wished to comment and proceeded with the agenda.

**1. Approval of the Minutes of the Sept. 20, 2012, Finance Committee Meeting**

Chairman Griswold requested a motion to accept the minutes of the July 19, 2012, Finance Committee meeting. The motion to approve the minutes was made by Director Freedman and seconded by Director Nunn.

The motion to approve the minutes was approved by roll call. Director Slifka abstained as he was not present at the last meeting.

**EXECUTIVE SESSION**

Committee Chairman Griswold requested a motion to enter into Executive Session to discuss pending litigation, pending RFP responses, trade secrets, feasibility estimates and evaluations. The motion was made by Director Freedman and seconded by Director Nunn. The motion previously made and seconded was approved unanimously by roll call. Committee Chairman Griswold requested that the following people remain for the Executive Session, in addition to the Committee members:

Jeff Roude  
Paul Getts

The Executive Session commenced at 10:03 a.m. and concluded at 10:15 a.m.

The meeting was reconvened at 10:15 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.

**2. Review and Recommend for Board Approval – Reassigning Certain CRRA Net Assets**

Committee Chairman Griswold requested a motion regarding the above-captioned item. Director Freedman made the following motion which was seconded by Director Nunn.

**WHEREAS**, the Mid-Connecticut Project (the “Project”) will officially end on November 15, 2012; and

**WHEREAS**, the Connecticut Solid Waste System (the “CSWS”) will officially begin operations on November 16, 2012; and

**WHEREAS**, the Authority recognizes the need to distinguish between the revenues and expenses of the Project and CSWS for accounting purposes;

**NOW, THEREFORE**, it is

**RESOLVED**: that, as of November 16, 2012, the net assets currently classified as Project Net Assets, will be classified as CSWS Net Assets in accordance with the definition in the new CSWS Municipal Service Agreements (“MSA’s”)

**FURTHER RESOLVED**: that, as of November 16, 2012, the net assets listed on Attachment A hereto, will be included in the Landfill Division.

**FURTHER RESOLVED**: that, as of November 16, 2012, the net assets listed on Attachment B hereto, and those not part of CSWS and the Landfill Division will be included in the Property Division.

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

**3. Review and Recommend for Board Approval – FY13 CSWS Budget Modifications and Use of Hartford Landfill Post Closure Reserve**

Committee Chairman Griswold requested a motion regarding the above-captioned item. Director Freedman made the following motion which was seconded by Director Nunn.

**WHEREAS**, it is unlikely that CSWS will have sufficient and timely cash flow to meet its obligations; and

**WHEREAS**, the Connecticut Resources Recovery Authority (CRRA) operates a transfer station in the Town of Ellington to aggregate Municipal Solid Waste (“MSW”) for specific municipalities to deliver to the Authority’s South Meadows waste to energy facility; and

**WHEREAS**, CRRA’s long-term Municipal Solid Waste Agreements (“MSA”) with these specific municipalities expire on November 15, 2012; and

**WHEREAS**, several of the municipalities that currently use the transfer station in Ellington have not entered into new MSAs with CRRA, thereby reducing the quantity of MSW to a level not sufficient to continue to economically aggregate; and

**WHEREAS**, Connecticut General Statutes Section 22a-270 provides that the Authority shall be exempt from state and local taxes but may enter into agreements to make payment in lieu of taxes (“PILOT”); and

**WHEREAS**, the agreement between the City of Hartford and CRRA pursuant to which CRRA pays a PILOT to the City will expire November 15, 2012; and

**WHEREAS**, at its September 27, 2012 board meeting, this Board resolved to pay a PILOT to the City of Hartford in an amount to be determined on an annual basis as part of CRRA’s budgeting process; and

**WHEREAS**, CSWS’s Fiscal Year 2013 budget, established by this Board at its February 23, 2012 meeting, included a PILOT payment; and

**WHEREAS**, the CSWS initial revenues will potentially be received after its initial expenses creating the need for a line of credit; and

**WHEREAS**, CRRA’s reserve for the post-closure care and maintenance of the Hartford Landfill will be fully funded as of November 15, 2012, but most of the funds will not be needed for well into the future;

**NOW THEREFORE**, it is hereby

**RESOLVED:** That management is authorized to suspend operations at the transfer station in located in Ellington Connecticut effective January 2013; and

**FURTHER RESOLVED:** Subject to the execution of an agreement with the City of Hartford on the terms set forth in this Board’s September 27, 2012 resolution, CSWS will pay a PILOT to the City of Hartford [on or before January 31, 2013]; and

**FURTHER RESOLVED:** In the event that CSWS has insufficient cash on hand to meet its obligations, the President is authorized to move sufficient funds from CRRA’s Hartford Landfill Post-Closure Reserve into the CSWS Operating Account, and to use such funds to pay operating expenses; and

**FURTHER RESOLVED:** That the amount “borrowed” from the Hartford Landfill Post-Closure Reserve, with interest based on the Treasurer’s Short Term Investment Fund (“STIF”) thereon, be returned in the subsequent year by inclusion in the CSWS net cost of operations.

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

**4. Review and Recommend for Board Approval – Reserve Analysis**

Committee Chairman Griswold requested a motion regarding the above-captioned item. Director Freedman made the following motion which was seconded by Director Nunn.

**WHEREAS**, the Mid-Connecticut Project’s bonds will be paid off on November 15, 2012 and the bond Trustee holds several accounts and reserves related to these bonds; and

**WHEREAS**, the Authority has a Post Litigation Reserve related to continuing legal fees associated to Enron which will need to be maintained after November 16, 2012; and

**WHEREAS**, on November 16, 2012 the Connecticut Solid Waste System will begin operation and will have to establish operating and reserve accounts; and

**WHEREAS**, the Rolling Stock Reserve and the Facility Modification Reserve are reserves intended to fund normal capital expenditure to the facilities that makes up the South Meadows’s waste to energy system and the concurring recycling system; and

**WHEREAS**: on November 16, 2012 the Mid-Connect Project will end and in order to continue to fund Project expenditures the Project Closure Reserve was established and funded; and

**WHEREAS**, the Authority has established Mid-Connecticut Project reserves that will need to be closed and dissolved once their intended function is completed and the balance becomes zero; and

**WHEREAS**: the Authority has established reserves related to the Hartford Landfill closure and post-closure liabilities and wants to ensure post-closure activities are properly funded once the landfill is certified closed; and

**WHEREAS**: the Authority has established the Bridgeport Post Project Reserve and the Wallingford Project Closure Reserve to ensure funds were available to pay the Bridgeport and Wallingford Projects’ liabilities and now some of the funds are no longer needed; and now, therefore, be it:

**RESOLVED**: That once the Mid-Connecticut Project’s bond has been retired, any remaining funds after November 15, 2012 in the Trustee accounts and reserves be transferred to the Mid-Connecticut operating account and the Trustee accounts be closed the funds transferred from the Operating & Maintenance Fund and Renewal & Replacement Fund accounts be redirected to the Hartford Landfill Post-Closure Reserve per the February 24, 2011 Board of Directors’ resolution;

**FURTHER RESOLVED**: That the Post Litigation Reserve’s name be changed to the Enron Litigation Reserve and the Facility Modification Reserve’s name be changed to the CSWS Capital Expenditure Reserve and their net assets be transferred to the CSWS; and

**FURTHER RESOLVED:** That the any remaining funds in the Rolling Stock Reserve be transferred to the CSWS Capital Expenditure Reserve and the Rolling Stock Reserve be dissolved and its corresponding Treasurer's Short Term Investment Fund ("STIF") account be closed; and

**FURTHER RESOLVED:** That in accordance with the Mid-Connecticut Fiscal Year 2013 Budget in the caption "Use of Board Designated Reserve" when the Recycling, Education, and Solid Waste Initiatives Fund ("RESWI") is exhausted, the reserve be dissolved and the corresponding STIF account be closed; and

**FURTHER RESOLVED:** That the President is authorized to approve the use of funds from the Mid-Connecticut Project Closure Reserve to pay the Mid-Connecticut Project costs and fees incurred after November 15, 2012; and

**FURTHER RESOLVED:** That once the activities associated with the Mid-Connecticut Transition Funds Reserve are completed any remaining funds be transferred to the Mid-Connecticut Project Closure Reserve to off-set any residual Mid-Connecticut liabilities and the Mid-Connecticut Transition Fund be dissolved and its corresponding STIF account closed; and

**FURTHER RESOLVED:** That once the Mid-Connecticut Project Reserves are depleted that they be dissolved and their corresponding STIF account be closed; and

**FURTHER RESOLVED:** That once the Stratford Recycling Capital Reserve and the Commodity Revenue Share Reserve are distributed that they be dissolved and their corresponding STIF account be closed; and

**FURTHER RESOLVED:** That once all the closure activities at the Hartford Landfill are completed any remaining funds in the Hartford Landfill Closure Reserve be transferred to the Hartford Landfill Post-Closure Reserve, the Hartford Landfill Closure Reserve be dissolved and its corresponding STIF account be closed; and

**FURTHER RESOLVED:** That the funds in the Wallingford Project Risk Fund Reserve (approximately \$663,000) be distributed to municipalities that constituted the Wallingford Project in the same manner as the previous Project distributions and that the Wallingford Project Risk Fund Reserve be dissolved and the corresponding STIF account closed; and

**FURTHER RESOLVED:** That \$146,945 from the Bridgeport Post Project Reserve be distributed to municipalities that constituted the Bridgeport Project in the same manner as the previous Project distributions.

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

## **INFORMATIONAL SECTION**

Mr. Bolduc asked the Committee to refer to attachment one. He said attachment one is the Mid-Conn cash flow. He said management is doing cash flow projections for the end of Mid-Conn which involves some estimates. Mr. Bolduc said the ending cash basis is projected to be \$2.5 million with \$3.8

million in liabilities. He said the transition fund will contain about \$1 million which will be transferred into this account to provide funds for the needed liabilities.

Mr. Bolduc said the CSWS does not have any funds set aside but will gradually build up funds for the expected working costs for CSWS of about \$5 million a month.

### **EXECUTIVE SESSION**

Committee Chairman Griswold requested a motion to enter into Executive Session to discuss pending litigation, pending RFP responses, trade secrets, feasibility estimates and evaluations. The motion was made by Director Freedman and seconded by Director Nunn. The motion previously made and seconded was approved unanimously by roll call. Chairman Griswold requested that the following people remain for the Executive Session, in addition to the Committee members:

Tom Kirk  
Jim Bolduc  
Peter Egan

The Executive Session commenced at 11:25 a.m. and concluded at 12:05 a.m.

The meeting was reconvened at 12:05 a.m., the door was opened, and the Board secretary and all members of the public (of which there were none) were invited back in for the continuation of public session.

### **ADJOURNMENT**

Committee Chairman Griswold requested a motion to adjourn the meeting. The motion was made by Director Freedman and seconded by Director Nunn.

The meeting was adjourned at 12:05 a.m.

Respectfully submitted,

Moira Benacquista  
HR Specialist/Board Administered