

**Finance Committee
April 17, 2008 Regular Meeting**

Draft Minutes

Members Present: Raymond O'Brien, Committee Vice-Chairman
Mark Laretti
Ted Martland

CRRA Staff Present: Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Bettina Bronisz, Assistant Treasurer & Director of Finance
Moira Kenney, Secretary to the Board/Paralegal

Vice-Chairman O'Brien called the meeting to order at 9:45 a.m. and noted that there was a quorum.

Vice-Chairman O'Brien requested that everyone stand for the Pledge of Allegiance whereupon the Pledge was recited.

1. Approval of Minutes of the March 20, 2008, Finance Committee Meeting

Vice-Chairman O'Brien requested a motion to accept the minutes of the March 20, 2008, Finance Committee meeting. The motion was made by Director Martland and seconded by Director Laretti. The motion previously made and seconded was approved unanimously by roll call.

2. Review and Recommend for Board Approval Wallingford Project Purchase Option

Vice-Chairman O'Brien requested a motion regarding the above-captioned matter. Director Martland made the following motion:

WHEREAS: The Authority, upon request of the Wallingford Policy Board, is reviewing all potential waste disposal options on behalf of the Wallingford Project member towns; and

WHEREAS: One of the options under review is the potential purchase of the resource recovery facility in Wallingford; and

WHEREAS: This purchase option review requires that funds be disbursed from the Wallingford Future Use Fund to enable the commencement of various tasks required for the review analysis; and

WHEREAS: The Wallingford Policy Board approved such expenditures at their April 8, 2008 meeting.

THEREFORE BE IT RESOLVED: That the Authority Board of Directors authorizes the President to expend funds related to the studies and activities necessary to ascertain the feasibility of CRRA exercising the Option to Purchase the Wallingford Resources Recovery Facility pursuant to Section 3.02 (d) of the Amended and Restated Waste Disposal Services Contract dated as of February 1, 1990 between CRRA and Wallingford Resource Recovery Associates, L.P., substantially in accordance with the budget as presented and discussed at this meeting.

Director Lauretti seconded the motion.

Vice-Chairman O'Brien stated the resolution was approved by the Wallingford Policy Board on April 8, 2008. Vice-Chairman O'Brien asked Mr. Bolduc if the Wallingford Policy Board had also approved the accompanying table. Mr. Bolduc responded that this was correct. Vice-Chairman O'Brien stated the resolution was requested by the Wallingford Ad-Hoc, Warren C. Howe, Jr.

Director Martland asked if CRRA purchased the plant whether they would have to pay the full price. Mr. Bolduc stated that CRRA would have to pay the market price. He explained CRRA had done one appraisal on the plant. Mr. Bolduc explained if CRRA makes a bid which indicates their interest in the property that over the next 12 months management would execute agreements to finance and buy the property. He explained once CRRA indicated their interest in the property the entity is legally responsible for purchasing the property. Mr. Bolduc said in order to establish a comfort level for the Board that a second fair market evaluation will be performed on the property.

Mr. Bolduc explained the methodology used to establish the property value is detailed in the documents which may offer CRRA additional protection from legal complications. He said the individuals who have performed the first evaluation were asked to provide any potential areas of difficulty to management for greater review. Mr. Bolduc explained the appraisals were necessary in order to approach banking and financial institutions to determine if funding and backing can be provided.

Director Lauretti asked if a preliminary offer for the property is currently on the table. Mr. Bolduc stated there was currently no offer on the table because CRRA is currently still embroiled in discussions with Covanta (who has a final offer on the table.) Mr. Bolduc said that the Wallingford Policy Board, Board Chairman Michael Pace, and to the new Wallingford Ad-Hoc member of the CRRA Board have taken strong positions regarding their preference that CRRA purchase the facility. Mr. Bolduc explained the preference that CRRA purchase the property preferred the Wallingford facility be owned by the public. He explained an attractive offer from Covanta would further complicate the decision but so far they have indicated they would prefer public ownership.

Director Lauretti asked where ownership would rest if CRRA was to purchase the facility. Mr. Kirk said the option to buy is exclusive to CRRA, so it would be owned and operated by CRRA unless management decided otherwise. He stated there is nothing prohibiting CRRA from selling, giving or renting the plant to the towns individually, but the option to buy is exclusive to CRRA.

Director Lauretti asked how the purchase would be financed. Mr. Bolduc said management was currently seeking approval from the committee to start executing the documents necessary for official statement filing before going to the marketplace to issue bonds.

Director Lauretti asked if the bonds would be secured by the member towns. Mr. Bolduc stated the topic requires further investigation before such a statement is made. He said the Special Capital Reserve Fund and/or multiple levels of interest coverage may provide the security. Mr. Bolduc said management has conferred with their bond counsel legal services providers John Stafstrom and Frank Robinson, as well as CRRA's economic advisor, Gina McCarthy. He explained deals which have occurred in other states are being examined for relevant similarities and differences. Mr. Bolduc said that over the next few months management intends to return to the Finance Committee to review the strategic financial plan detailing how such a purchase would be financed. He explained financing for the new ash landfill will also be explained concurrently.

Vice-Chairman O'Brien stated the Grillo report would also play a key element in providing an estimate (in addition to the purchase price) as to what kind of capital spending CRRA would be facing to undertake this project.

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

3. Recess

Vice-Chairman O'Brien requested a motion to recess the meeting. The motion made by Director Martland and seconded by Director Lauretti was passed unanimously.

The meeting was recessed at 9:55 a.m. and resumed at 10:00 a.m.

4. Executive Session

Vice-Chairman O'Brien requested a motion to enter into Executive Session to discuss pending litigation. The motion was made by Director Martland and seconded by Director Lauretti. The motion previously made and seconded was approved unanimously by roll call. Vice-Chairman O'Brien 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 10:40 a.m.

The meeting reconvened at 10:40 a.m. and Vice-Chairman O'Brien noted that no votes were taken during Executive Session.

5. Adjournment

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

The meeting was adjourned at 10:40 a.m.

Respectfully submitted,

Moira Kenney
Secretary to the Board/Paralegal