

**Finance Committee  
Sept. 17, 2009, Regular Meeting**

**Draft Minutes**

Members Present: Linda Savitsky, Committee Chairperson  
Vice-Chairman O'Brien  
Mark Lauretti (present by telephone until 10:20 a.m. until arrival in person)  
Ted Martland (present by telephone beginning 10:35 a.m.)

CRRA Staff Present: Tom Kirk, President  
Jim Bolduc, Chief Financial Officer  
Bettina Bronisz, Director of Finance  
Jeff Duvall, Manager of Budgets and Forecasting  
Peter Egan, Director of Environmental Affairs  
Lynn Martin, Risk Manager  
Nhan Vo-Le, Director of Accounting  
Moira Kenney, Secretary to the Board/Paralegal

Also present: Gerald R. McStravick, Lisa M. Janney, Jean M. Cofield, and Jennifer Hook of Aon Risk Services and Will Reynolds and Anton Mirtshev of Bollam, Sheedy, Torani & Company

Committee Chairperson Savitsky called the meeting to order at 9:00 a.m. and noted that there was a quorum.

**1. Resolution Regarding the Purchase of Commercial General Liability, Excess Liability, Pollution Legal Liability and Commercial Automobile Liability Insurance**

Chairperson Savitsky requested a motion on the above-captioned matter. Vice Chairman O'Brien made the following motion:

**RESOLVED:** That CRRA's Commercial General Liability insurance be purchased from **ACE American Insurance Company** with a \$1,000,000 limit, \$25,000 deductible for the period 10/1/09 – 10/1/10 for a premium of \$243,931, as discussed at this meeting; and

**FURTHER RESOLVED:** That CRRA's \$25 million Umbrella Liability insurance be purchased from **ACE American Insurance Company** for a premium of \$185,621 for the period 10/1/09 – 10/1/10, as discussed at this meeting; and

**FURTHER RESOLVED:** That CRRA's Pollution Legal Liability insurance be purchased from **ACE American Insurance Company** with a \$20 million limit, \$1 million retention for the period 10/1/09 – 10/1/10 for a premium of \$343,366;

**FURTHER RESOLVED:** That CRRA's Commercial Automobile Liability insurance be purchased from **ACE American Insurance Company** with a \$1 million limit, liability coverage on all and comprehensive and collision on fifteen (15) passenger vehicles and light trucks with a \$1,000 deductible, for the period 10/1/09 – 10/1/10 for a premium of \$54,010.

The motion was seconded by Director Lauretti.

Vice-Chairman O'Brien noted a revised resolution was handed out due to the inclusion of a last minute quote from ACE. He noted that the resolution being moved is the revised version.

Ms. Martin introduced the members of the Aon team.

Mr. McStravick said the property market was relatively stable from 2006 up until 2008 when there were approximately thirty-five (35) catastrophic losses costing well over \$25 million. He said the rates then started to increase in early 2009. Every carrier, he said, goes through what is called "reinsurance" to try and hand off some of the risk to others to get it off their books. He noted that the reinsurance carriers have increased their rates by about 10%.

Mr. McStravick said that in early 2009 there were many new players added to the property market resulting in about a 5-10% increase in capacity. He said fortunately the hurricane season has been very mild this year so, providing there are no hurricanes, Aon forecasts a stable to slight increase in the property market going forward.

Vice-Chairman O'Brien asked Mr. McStravick if an increase in market means that the price is increasing or opportunity. Mr. McStravick said that capacity refers to more players in the market therefore making it more competitive and that an increase in market means the market is more competitive. He said however, he believes the casualty market right now is stable (meaning stable in pricing) and if there are no further natural catastrophes or terrorist attacks that by 2010 the market may become softer with possible decreases.

Mr. McStravick said that concerning public officials insurance in some areas the market has made a significant increase or decrease and that market is turning very hard. He said what has deterred insurance carriers from increases generally is the amount of other new carriers that have entered the market, providing more competition.

Mr. Kirk asked if lawsuits have an affect on public officials insurance. Mr. McStravick said that public companies can not be placed in the same category as financial enterprises and his team does not believe there is an adverse affect on the public companies. Mr. Kirk asked where the Director and Officers' market is going. Mr. McStravick said that he believes the Director and Officers' market is increasing, and although the market may be hardening slightly he does not believe there will be more than a 10% increase, if that. He said that CRRA has not had any losses and that he does not believe there will be a significant increase in the public officials insurance.

Ms. Janney said that specifically for CRRA the market is harder as there are not as many players interested in CRRA's business. She said that overall if there is an extreme loss anywhere in the market for Director and Officers or Public Officials' insurance then everyone in that pool

may see increases. She said that CRRA's general liability carriers and pollution markets are very limited. Vice-Chairman O'Brien asked if that means that CRRA does not gain any benefits from the increase in the markets.

Ms. Janney said that there is competition concerning the pollution which has not been seen in many years. She said that this year Liberty (who had quoted closely to ACE last year) is not writing CRRA's type of business.

Mr. McStravick said that he had been giving an overview of the general market and the market in CRRA's area is stable to better.

Chairperson Savitsky asked if CIRMA had been approached for coverage. Ms. Martin said that they had been approached and is not interested in CRRA's type of business. Chairperson Savitsky asked if other businesses with a similar line of exposures to CRRA are experiencing the same situation as CRRA. Ms. Janney said yes.

Vice-Chairman O'Brien asked that the support portion of the resolution where Liberty Mutual is discussed be changed to say "it was prudent" rather than "wise".

Ms. Janney said that overall CRRA's savings are about 3%. She said that the general liability quote is almost a 3% savings at \$243,000. She said that the coverage remains the same, \$1 million with a \$2 million aggregate per location (an improvement achieved the prior year by Aon). She said the policy includes terrorism and there is a \$25,000 deductible.

Ms. Janney said that the auto is down to about \$54,000 from last year.

Ms. Janney said that the pollution has a \$20 million limit in excess of one million SIR. She said that overall there is a 3% savings in pollution and more coverage.

Ms. Janney said that the excess layer with Everest came in with a flat premium at \$196,000. She said a revised quote was received from ACE last night although they had not initially been interested in providing a umbrella quote this year. She said that Aon was recommending a move to ACE for the \$25 million umbrella program for an additional savings of \$10,000.

Chairperson Savitsky asked if there are any gaps. Ms. Janney said no.

Ms. Janney summarized Aon's quote disclosure report. She said that she wanted to point out that the two Everest quotes are through a market that CRRA needs to approach utilizing a wholesaler or "intermediary". She explained it is a requirement of the carrier, that the intermediary would be paid the 10% fee, and that Aon does not earn any commission as they are on a flat fee.

Ms. Martin said for the benefit of full disclosure Everest is not being recommended.

Chairperson Savitsky asked if going through a wholesale broker is becoming more or less a trend. Ms. Janney said that for CRRA it is becoming less of a trend. She explained that all of the markets that Aon had approached, including Zurich, are all admitted carriers.

Chairperson Savitsky asked if Everest will turn around and drop their price after learning that ACE offered a lower price. Chairperson Savitsky asked if there is a possibility of a bidding war. Ms. Janney said that there is a standard rule in marketing that a best price is given upfront. She said in certain situations at the direction of the client Aon can return for what is referred to as a “last look” for final pricing. Ms. Janney said that was not done here. She explained that ACE offered a low quote because they want CRRA’s business. She explained they were informed that they were not even in the ball park two years ago with their prior quotes and responded with a low bid this year in an effort to obtain CRRA’s business.

Chairperson Savitsky asked that the minutes reflect that to the best of management’s knowledge no outside party had obtained the quoted insurance coverage rates in advance in an effort to “out bid” those companies which responded.

Ms. Cofield said that on the general liability ACE gave options for a \$25,000 deductible and a \$50,000 deductible. She explained if CRRA was to take the \$50,000 deductible there would be a premium savings of about \$21,000. Ms. Martin said that management is recommending the \$25,000 deductible. She explained if CRRA selected the \$50,000 deductible and got a claim it would be subjected to an additional \$25,000 out of pocket (which would result in expenses being higher than the savings in premiums).

Vice-Chairman O’Brien asked if that is for a single claim. Ms. Martin said it was one for one \$25,000 claim.

Ms. Cofield pointed out that in 2006 and 2007 policy periods ACE’s premium for umbrella coverage was \$351,000, which is why they lost to Everest. She said that two years have passed and this is new business for ACE, which is why they came in with a fresh approach and reduced offer.

Mr. McStravick said that Aon has a market security group out of Chicago which diligently follows the financials of every insurance market. He said that Aon will not place insurance for a client unless they are A rated or better. He said this review is done on a daily basis and updates are provided to clients. Chairperson Savitsky said that there are multiple sets of eyes watching this market. Mr. McStravick said that there have been numerous webcasts with the CEO’s of companies associated with any incidents as well.

Ms. Hook addressed pollution legal liability insurance. She said that this year she sent CRRA’s submission to five insurance companies which are all very strong financial companies; XL, Liberty, Chubb, Zurich and ACE, the incumbent. She said that she received declinations from XL, Liberty and Chub and obtained a quote from the incumbent and Zurich. Ms. Hook said that Zurich’s quote provided a pricing reference which made Ace provide some more coverage in an effort to keep CRRA’s business.

She said that in her opinion Zurich’s program is inferior which justifies the price difference from the recommended incumbent. She said that the table in the write up with the \$1 million SIR, one year term option for a \$20 million limit, represents the expiring program. She said that the pricing from ACE is the \$343,366 which represents a small increase of about \$3,000. Ms. Hook said that Ace also offered a two year term with options for limits of \$20-20,

\$20-30, and \$20-40. Ms. Hook explained in her opinion because she did not see an economy of scale with those additional limits it is not worth the change.

Ms. Hook said that Zurich provided two premium options; one compares to the expiring option which is \$7,000 less than ACE's. She said that their two year pricing is very attractive; however, both options provide what Ms. Hook believes to be inferior coverage. Ms. Hook said that previously ACE had been excluding clean-up coverage for the waste to energy plants. She explained because Zurich offered the coverage ACE said it would offer it as well in order to keep CRRA's business. Ms. Hook said that in addition Zurich was imposing a \$2 million SIR on what they were offering for waste to energy coverage whereas ACE's SIR is staying at the million level which Ms. Hook is happy with.

Ms. Hook said that Zurich's deficiencies are in a disclosure which they are unwilling to change which would exclude all known containments at all locations. She said that ACE all along has only had three exclusions, two for Hartford and one for Ellington and is staying there which is significant.

Ms. Hook said that one other difference between Zurich and ACE concerns the jet-fuel tank at the Mid-Connecticut plant and some corrosion which was spotted. She said that Zurich is not comfortable with that and wants additional information; they may still exclude it. She said however ACE has no problem with the tank. Ms. Hook said that Aon is recommending that CRRA stay with ACE and although there is a slight increase in price there is also an enhancement in coverage.

Mr. Kirk asked if the fact that the tank corrosion is a pre-existing tank condition is an affirmative defense if the insurance company is to come back later and say this is a pre-existing condition. Ms. Hook said that the coverage that CRRA is getting with ACE is sudden accidental coverage and has to be reported within a short period of time. Vice-Chairman O'Brien said that he is expecting that the Board meeting agenda for September will contain a resolution for replacement of the jet fuel tank. Mr. Kirk said that he is correct.

Vice-Chairman O'Brien said that he would send a copy of the resolution (if it is passed) to CRRA's carrier so that a defense is set up. Ms. Martin pointed out that the tank situation has been identified and accepted by the carrier, but that she would send the resolution regarding the replacement to the insurer once it is acted upon.

Vice-Chairman O'Brien requested that the summary of the resolution be changed to say "5% favorable variance" instead of "surplus" and that it also be changed from "it is a savings of 3.1%" to it is a "total reduction compared to last year's annual premiums".

Director Lauretti agreed to the changes as the seconder of the motion.

Chairperson Savitsky noted that during the course of the discussion that the Committee discussed the two year option but for reasons identified in the minutes the Committee agreed to Aon's recommendation.

Vice-Chairman O'Brien thanked the Aon team and Ms. Martin for their hard work.

The motion previously made and seconded was approved as amended and discussed.

**2. Review and Recommend for Board Approval and Endorsement FY '09 Audit Financial Statement**

Chairperson Savitsky requested a motion regarding the above-captioned item. Vice-Chairman O'Brien made the following motion:

**RESOLVED:** That the Board hereby accepts the Annual Financial Report for the fiscal Year Ended June 30, 2009, substantially as discussed and presented at this meeting.

Director Lauretti seconded the motion.

Chairperson Savitsky noted that the Finance Committee also functions as the Audit Committee. She said that she had met the day prior with management and members of Bollam, Sheedy, Torani & Company (hereinafter referred to as "BST") to discuss the audit.

Mr. Bolduc noted that the BST partner assigned to the account would be present but unfortunately he had come down with pneumonia and Mr. Reynolds was present in his place.

Mr. Reynolds said that the Committee was aware it was the first year of BST's engagement. He said that BST started the audit later than usual on top of the fact that first years are typically challenging. He said despite this, from their perspective as a first year audit it went well.

Mr. Mirtshev asked the Committee to refer to the June 30, 2009, open items. He said that there is currently an MDC contract payable and typically there is an annual reconciliation which has not been received although there is one for 2007 and 2008. He said BST is lacking those reconciliations and can not do anything as far as accruing additional liabilities. Mr. Reynolds said that management has made their assessment and the auditors believe it is correct in terms of material based on the information available.

Vice-Chairman O'Brien asked who is responsible for providing the reconciliation. Mr. Bolduc replied that responsibility is MDC's. Vice-Chairman O'Brien asked if CRRA has paid MDC what they have asked for. Mr. Bolduc answered that CRRA has paid everything but approximately \$2.5 million claim for accelerated pension costs. He said that the \$2.5 million is wrapped up in the issue CRRA is still dealing with.

Mr. Reynolds said that the auditors believe management's assumptions based on the underlying information they have is correct.

Mr. Mirtshev said the management representation letter will be signed at the September 24, 2009, Board meeting and the audited opinion will be dated with the same date.

Chairperson Savitsky said that the auditors and the entire document will come back to the full Board the following week. Mr. Bolduc said that the additional information (including the bond compliance letter) will be exchanged with BST along with the management representative letter. He explained in exchange the auditor opinion letter will be provided. Chairperson Savitsky

explained in October the Finance Committee will meet with BST to review the audit without members of CRRA management present.

Mr. Mirtschev said that under the open items portion of the audit there are still some outstanding attorney letters which need to be addressed and that all legal fees need to be appropriately accrued for.

Mr. Mirtschev said that BST is working with Ms. Vo-Le to complete some outstanding audit documentation. Mr. Bolduc said that these items are more of a housecleaning issue than anything else and that there is nothing material outstanding only documentation that needs to be finished. Chairperson Savitsky said that in her opinion CRRA will be on time with all audit requirements. Mr. Reynolds agreed.

Mr. Mirtschev said that another open item contains cosmetic changes to the footnotes. Mr. Reynolds said that there may be some numbers moving that will not affect the bottom line. Mr. Bolduc said that the net loss is being driven by the \$26 million Wallingford rebate which is accounted for as an expense.

Mr. Mirtschev said that the \$26 million will be brought up into the operating section. Vice-Chairman O'Brien asked that the language in the write-up which says "was authorized by the Board" be changed to say "that the rebate was approved not only by the Board but also the Wallingford Policy Board". Mr. Reynolds said that CRRA's MD&A and financial statements are very comprehensive.

Mr. Mirtschev said that there was a reclassification of \$14.9 million from the Southeast Project solid waste expense to the energy share revenue amount. He explained that in 2008 that figure was netted, however BST and management agree that it is better to show both revenues and offsetting expenses as separate line items, a methodology which will be used going forward.

Chairperson Savitsky said that the Wallingford "rebate" will be renamed "a distribution to member towns from the Wallingford Project".

Mr. Mirtschev said there are some Enron litigation settlements which are extensively disclosed in the footnotes. Chairperson Savitsky asked when the final Enron case was withdrawn. Mr. Bolduc said that this footnote will most likely need to be carried until the following year. He said further global settlements as an issue will need to be discussed.

Vice-Chairman O'Brien asked that the new item contain a statement that the Hartford landfill is closed. He asked that the auditor's agenda be appended to the minutes, a copy of which is attached as "Exhibit A".

Mr. Reynolds said that there will be other reports issued later. He said that BST conducted the audit and the financial statement prepared by management has also been audited. Mr. Reynolds said that the first three paragraphs of the opinion contain the standard opinion which states that BST conducted an audit of CRRA's financial statements which are CRRA's responsibilities. He said that last year's audit was done by other auditors and the second paragraph says that the audit was done within the accepted auditing standards of the United States and Government Auditing Standard which is to provide "reasonable" assurance of whether

the audits are free of material misstatements. He said the audit examined on a test basis evidence supporting the amounts and disclosures of the financial statement including the accounting principles used by management as well as evaluating the overall financial statement presentation.

Mr. Reynolds said that this is an unqualified opinion and in BST's opinion the audit presents fairly and that all material respects the financial position and results of operation. He said there were two additional paragraphs which were required by accounting principles which discuss that BST has issued another report detailing compliance and internal control matters. Mr. Reynolds said BST does not express an opinion on the supplemental information.

Mr. Reynolds said that the BST opinion goes on page one. He explained the MD&A on page two is long and impressive and meets the goal of providing the reader an understanding of the content regardless of their background.

Mr. Bolduc said that this is still a working draft and that two items are going to be changed.

Mr. Bolduc said that under operating expenses other costs were once called "program administration" which is a misnomer. He explained because it included total CRRA internal costs as well as external legal costs as a result those costs can be misconstrued as \$10 million in administrative costs, which is incorrect. Mr. Bolduc explained management has been working to break that number down with separate captions although the total will not change.

Mr. Bolduc said that the other item is a corporate wide loss which is not an accurate picture because reflected in that number is \$26 million that was distributed back to Wallingford. He said it is treated in this presentation as a below the operating income loss but it has been concluded to be an above the line operating expense as a distribution to member towns by management. The Committee discussed this decision at length.

Mr. Reynolds said that the balance sheet does not contain anything significant. Mr. Mirtshev noted cash has decreased as a result of the distribution to the member towns. Mr. Reynolds said that many net assets have been restricted for a variety of reasons.

Mr. Reynolds said that the statement of revenues expense and changes shows various revenue operating expenses and other costs will be broken out. He said that statement of cash flow shows that there was approximately \$5 million offset by capital and related financing activities.

Chairperson Savitsky said that the financial statement is put together by management and is extremely comprehensive.

Vice-Chairman O'Brien asked that a statement be included that the Hartford Landfill was closed for operations on December 31, 2008, and that CRRA is now shipping ash to Putnam, CT. He asked that the phrase "surrendered seven project transfer stations" be changed to "transferred". Vice-Chairman O'Brien asked that the statement on page 17 which says the "authority is continuing and in negotiations" be removed. He asked that the statement "consideration of other environmentally sound" be added after "as the Board voted".

Mr. Bolduc said that the Property Division is being set up to track all of the landfill closures. He said it also draws the distinction that there is no ongoing Bridgeport Project.

Chairperson Savitsky asked Mr. Reynolds if the auditors test the effective life dates by engineers. Mr. Reynolds said that engineering's assumptions involve testing the credentials of the engineer. He said that costs can be tested and that auditors are not engineers. He suggested perhaps that an external professional take a look at those reports. Chairperson Savitsky asked Mr. Egan if the CT DEP tests any of these reports.

Mr. Egan said that these costs are estimated by CRRA staff. He said that the CT DEP accepts CRRA's numbers. Mr. Egan said that the Shelton post-closure cost estimate was reviewed by a third party engineer on behalf of the SWAB group. He said that HDR found CRRA's cost estimates acceptable. Mr. Egan said these costs are based on CRRA's experience running the landfills and the current costs. Mr. Egan said that the landfills are all filled and going through official post-closure or closure activities.

Mr. Reynolds said that the contingency note should be read as it may change from year to year. He said there is a new government accounting standard Board pronouncement which discusses reporting pollution remediation obligations. He said BST and management have determined this will not be an issue because all CRRA's obligations are known and documented and well recorded within the financial statements.

Vice-Chairman O'Brien asked if that reflects the additional requirement the CT DEP has placed on CRRA. Mr. Reynolds said no because the subsequent information is up to the date of the opinion.

Mr. Egan said concerning the CT DEP requirement that the addition of 15% to the Shelton landfill projects is not subject to GASB 49. Mr. Mirtschev said it will be done in fiscal year ending June 30, 2010. Mr. Egan said that technically it doesn't occur until this fiscal year.

Mr. Reynolds said the supplemental schedules contain valuable information for this organization.

The motion previously made and seconded to accept the FY'09 audit was accepted as amended and discussed unanimously by roll call by the Finance Committee also as it functions as the Audit Review Committee.

### **3. Review of Additional Reports**

Mr. Reynolds said that the Connecticut State single audit report is a report which is required for CRRA which somewhat mirrors that of the Federal single audit report which states that CRRA did not expend more than \$500,000 of Federal funds (which did not apply here.)

Mr. Reynolds said that the funds involved included a \$3 million grant in aid for the Hartford Landfill closure. Mr. Reynolds said that in accordance with the Government Auditing Services, BST is required to issue certain other reports which as they are listed here do not need to be issued separately. He said that basically internal control or financial reporting and compliance as well as compliance as it relates to the urban act program requires that BST report

in this document any material weakness or significant deficiencies or weaknesses in internal reporting and control and any compliance findings (of which there were none.)

Mr. Reynolds said that BST is also required to provide a document titled Accountant Certification which says BST became aware of no events of default in relation to the bond and that the bond covenant has been met. He said that confirmation from the bond counsels have not been received. Mr. Bolduc said that will be ready for the Board meeting.

#### **4. Approval of Minutes of the July 16, 2009, Finance Committee Meeting**

Committee Chairperson Savitsky requested a motion to accept the minutes of the July 16, 2009, Finance Committee meeting. The motion was made by Vice-Chairman O'Brien and seconded by Committee Chairperson Savitsky.

Vice-Chairman O'Brien said that the first whereas on page one contains a typo. He said the word pressure should be presence. He asked how the meeting of the eighteen CEO's went. Director Lauretti explained that it had been delayed due to conflicting schedules and will be held soon.

The minutes were approved as amended and discussed by roll call.

#### **5. Review and Recommend for Board Approval Reclassification of the Stratford Recycling Capital Reserve**

Chairperson Savitsky requested a motion regarding the above-captioned item. Vice-Chairman O'Brien made the following motion:

**WHEREAS**, the Connecticut Resources Recovery Authority's (the "Authority") Board of Directors (the "Board") adopted a resolution in October 2005 that established a Recycling Reserve within the Bridgeport Project; and

**WHEREAS**, the Bridgeport Project officially ended on December 31, 2008; and

**WHEREAS**, the Recycling component of the former Bridgeport Project survives the Bridgeport Project under the auspices of the Authority and by the operation of FCR; and

**WHEREAS**, the Authority seeks to make final distribution of Bridgeport Project-related funds to the towns that were member of the former Bridgeport Project; and

**WHEREAS**, on July 23, 2009, the Board reviewed and approved the consolidation of various activities and assets and accounts relating to the Bridgeport Project in order to set funds aside prior to the final distribution of Bridgeport Project-related funds to the towns that were members of the former Bridgeport Project; and

**WHEREAS**, the remaining assets and accounts that are necessary for the continual of other activities of the former Bridgeport Project including, but not limited to, landfill closure and recycling will be reclassified into the Property Division in order to avoid comingling with other Bridgeport Project funds.

**NOW, THEREFORE**, it is

**RESOLVED:** that the full amount in the Bridgeport Project Recycling Reserve be transferred to the Property Division and renamed the Stratford Capital Recycling Reserve, pending final disposition from legal.

Director Lauretti the motion.

Mr. Bolduc said that because these are unrestricted and Board designated reserves resolutions are needed to take action. He explained as CRRA cleans up the remaining items on the Bridgeport balance sheet certain items have to come to the Board. Mr. Bolduc said that there is a reserve for the Stratford recycling capital reserve which he spent a substantial time discussing with the Committee. He said that a footnote noted the funds had been under some question of ownership. He said that the reserve needs to be moved to the property division item as the Bridgeport Project no longer exists until the legal decision on the ownership of the funds will be determined.

Vice-Chairman O'Brien asked if the parties concerned are aware of this move. Mr. Bolduc replied yes.

Director Lauretti said that it was important that communication to the CEO's takes place effectively. He said he would try and set up a meeting to discuss this item. He suggested a short letter of communication with a break down of actions and costs relating to this item be provided for the CEO's letting them know that a meeting with discussion on the topic will also be taking place.

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

**6. Review and Recommend for Board Approval Funding of the Shelton Landfill Post Closure Reserve**

Chairperson Savitsky requested a motion regarding the above-captioned item. Vice-Chairman O'Brien made the following motion:

**WHEREAS**, On July 1, 2009 the Connecticut Department of Environmental Protection (CT DEP) issued a tentative determination and a draft permit for a stewardship permit for the Shelton Landfill which required a 15% contingency be added for the entire landfill due to the presence of a hazardous waste cell located within the Shelton landfill; and

**WHEREAS**, CRRA reviewed the assumptions for the reserve earning rate and the annual inflation rate and adjusted these rates to account for present economic conditions;

**NOW, THEREFORE**, it is

**RESOLVED:** That to meet the additional funding requirements, \$1,360,000 be transferred from the Bridgeport Project Operating Account to the Shelton Landfill Post Closure Reserve STIF.

Director Martland seconded the motion.

Mr. Bolduc explained this item was tabled the previous month as management had waited to see if there would be any potential bending by the CT DEP. He explained that the requirement to place additional funds in the post-closure reserve relates to a small hazardous waste cell within the Shelton landfill. Mr. Bolduc said that \$1.3 million is required to fully fund that aspect in compliance with the CT DEP letter. Mr. Bolduc said this is another item that management would like to close up in relation to the Bridgeport Project.

Director Martland asked how the hazardous area will be segregated from the proposed landfill closure projects. Mr. Egan said that future construction will be done away from the cell and/or fencing and barriers will be put into place.

Mr. Egan said that his discussion with Shelton will relate to the Wallingford Project as well, as it will also have to add money to its funds. He said that the CT DEP issued the final stewardship permit for Shelton and Wallingford and that CRRA has never had to have the CT DEP approve post-closure cost estimates before. Mr. Egan said that under this permit a post-closure cost estimate will be submitted for approval, a process for which he does not expect any issues. Mr. Egan said that he has been asking the CT DEP to do this for almost six years and that at one point they did not have the necessary authority.

Vice-Chairman O'Brien said that he understood a 15% contingency is required based on whatever post-closure costs CRRA agrees on. Mr. Egan said that this is correct.

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

## **7. Informational**

Committee Chairperson Savitsky noted that the Informational section of the package was thoroughly reviewed by the Committee.

Mr. Bolduc said the following month a recommended distribution for the Bridgeport Project will take place. He said the next month the annual reserve review will take place which is a prelude to the budget process in November which will contain the General and Southeast budgets. Mr. Bolduc said that the big budget process will contain the Mid-Conn budget and will be coming to the Committee in February.

## **8. Executive Session**

Committee Chairperson Savitsky requested a motion to enter into Executive Session to discuss pending litigation. The motion was made by Vice-Chairman O'Brien and seconded by Director Lauretti. 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 11:39 a.m. and concluded at 11:45 a.m.

The meeting was reconvened at 11:45 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 11:45 a.m.

Respectfully submitted,

Moira Kenney  
Secretary to the Board/Paralegal