

**CONNECTICUT RESOURCES RECOVERY AUTHORITY**  
**FINANCE COMMITTEE MEETING MINUTES**

**December 11, 2003**

The Connecticut Resources Recovery Authority Finance Committee meeting was held on Thursday, December 11, 2003 at 211 Murphy Road, Hartford, CT. Those present were:

Members: Andrew Sullivan, Chairman of the Finance Committee (arrived at 9:55 a.m.)  
Michael Pace, Board Chairman  
Benson "Bud" Cohn  
The Honorable Mark Lauretti, Mayor, City of Shelton  
Raymond O'Brien

Staff: Tom Kirk, President  
Jim Bolduc, Chief Financial Officer  
Bettina Bronisz, Assistant Treasurer & Director of Finance  
Rob Constable, Budget Analyst  
Nhan Vo-Le, Director of Accounting

Also Present: John Mengacci, Office of Policy & Management  
John Stafstrom, Esq., Pullman & Comley

Finance Committee Vice-Chairman O'Brien called the meeting to order at 9:38 a.m. The Pledge of Allegiance was recited.

I. REVIEW AND APPROVE NOVEMBER 14, 2003 FINANCE COMMITTEE MINUTES

Director O'Brien moved to accept the minutes of November 14, 2003, which was seconded by Chairman Pace. Committee members noted that the word "year" should be inserted in Section VI with regard to "three year contract" and the word "recommend" in Section VII should be replaced with the word "table." The minutes, as amended, were passed with the abstention of Chairman Pace.

II. REVIEW AND RECOMMEND FOR BOARD APPROVAL CRRA'S PORTION OF THE SOUTHEAST PROJECT OPERATING & CAPITAL BUDGET FOR FY 2005

Mr. Bolduc clarified that the Authority Board will only approve the Authority's portion of the Southeast project budget relative to the Authority's allocation. Mr. Bolduc also reported that the Southeast project Board of Directors had met the previous day and had voted for a tip fee of \$60 per ton for fiscal year 2005. Mr. Constable discussed budget items in more detail, noting NOx credit availability and the SNCR (Selective Non-Catalytic Reduction) system installation costs relative to the 2005 proposed budget. General discussion ensued regarding environmental and policy issues. In addition, discussion ensued regarding increased plant capacity/processing as a result of operating permit changes (ferrous waste) and the above-normal amount of moisture in the solid waste. Director O'Brien requested that data on Ash Residue and Electrical Generation per ton be added to the monthly variance analysis for each project. In addition, Director

O'Brien requested a footnote to the service fee calculation page shown in the budget comparing the cost of the NOx credits versus the cost to install the SNCR.

Director O'Brien made a motion to recommend the resolution for Board approval, provided that the resolution is amended to show the Authority's portion of the budget on a dollar and percentage amount. Chairman Pace seconded the motion. In addition, Director O'Brien made a second motion for a second resolution that the Board should encourage the Southeast project to move quickly to install a SNCR system. Chairman Pace seconded the motion for discussion. Following discussion, Director O'Brien withdrew the second motion, which was seconded by Chairman Pace. In lieu of a resolution, Authority management will send a letter to the Southeast project Executive Director with the position of the withdrawn resolution.

III. REVIEW FINANCIAL MITIGATION PLAN FOR FY 2005

Mr. Bolduc distributed the draft Financial Mitigation Plan First Supplement for the Finance Committee.

IV. REVIEW AND RECOMMEND FOR BOARD APPROVAL THE RESOLUTION TO AUTHORIZE THE APPLICATION TO THE STATE OF CONNECTICUT CONCERNING THE ISSUANCE OF SUBORDINATE INDEBTEDNESS UNDER THE GENERAL BOND RESOLUTION IN THE FORM OF A \$93 MILLION LOAN FOR THE BENEFIT OF THE MID-CONNECTICUT PROJECT

Mr. Bolduc distributed the draft Resolution to Authorize the Application to the State of Connecticut Concerning the Issuance of Subordinate Indebtedness under the General Bond Resolution in the Form of a \$93 Million Loan for the Benefit of the Mid-Connecticut Project. Mr. Bolduc discussed the Financial Mitigation Plan filing as predicate to the State Loan approval for fiscal year 2005, which is predicate to the Mid-Connecticut 2005 Budget approval. Attorney Stafstrom informed the Committee that the application of any unused State Loan authorization in fiscal year 2004 would require legislative approval. Director Cohn desired that the resolution reflect the actual amount the Authority anticipates to borrow during fiscal year 2005. The Committee agreed to recess this portion of the meeting in order to review the Financial Mitigation Plan First Supplement until Monday, December 15 at 10:00 a.m. Discussion ensued regarding the level of tip fee in the Financial Mitigation Plan First Supplement for fiscal year 2005. Chairman Pace suggested the tip fee be \$68.50, with a maximum of \$70.00 for purposes of the Financial Mitigation Plan First supplemental filing. General discussion ensued regarding the amount to borrow from the State, waste flow transport fees and enforcement issues.

V. INFORMATIONAL

Mr. Bolduc reviewed the Variance Report, noting the 4 + 8 projections. Director O'Brien requested that the charts include a projection through the end of the year with an open circle to delineate it from the actual year-to-date figures. Director O'Brien made a motion to accept the Finance Committee meeting dates for calendar year 2004 as presented, which was seconded by Chairman Pace and passed unanimously. Mr. Bolduc noted the first quarter 2004 GAAP financial statements. The Committee asked Ms. Vo-Le if there was anything to note. Ms. Vo-Le reported that the financial statements were in order.

Director O'Brien made a motion to move into Executive Session to discuss the negotiations of certain contracts and litigation. The motion was seconded by Director Cohn and passed unanimously. President Kirk was asked to stay in Executive Session. The Committee went into Executive Session at 11:58 a.m.. No votes were taken during Executive Session.

The Committee recessed at 12:30 p.m. until a Monday, December 15, 2003 conference call to conclude the business on the agenda.

The Committee meeting resumed on Monday, December 15, 2003 with a conference call. Those present on the call were:

Members: Andrew Sullivan, Chairman of the Finance Committee  
Michael Pace, Board Chairman  
Benson "Bud" Cohn  
The Honorable Mark Lauretti, Mayor, City of Shelton  
Ted Martland  
Raymond O'Brien (called in at 10:35 a.m.)

Staff Present: Jim Bolduc, Chief Financial Officer  
Bettina Bronisz, Assistant Treasurer & Director of Finance  
Rob Constable, Budget Analyst

Also Present: John Stafstrom, Esq., Pullman & Comley

Chairman Sullivan called the meeting to order at 10:07 a.m., noting the purpose of the meeting was to review and comment on the draft Financial Mitigation Plan First Supplement and revised Board resolution. Attorney Stafstrom noted that the resolution now referenced the amount expected to be loaned during fiscal year 2005. Mr. Bolduc discussed the Financial Mitigation Plan First Supplement, focusing on the section regarding the plan to extend solid waste disposal contracts with the Mid-Connecticut municipalities. Chairman Pace expressed his desire that the Mid-Connecticut fiscal year 2005 tip fee be less than the \$70 per ton shown in the Supplement. Director O'Brien moved the resolution requesting a fiscal year 2005 State Loan borrowing of \$20 million, which was seconded by Director Lauretti and passed unanimously.

The next Finance Committee meeting will be held on Thursday, January 15, 2004 at 9:30 a.m. at 211 Murphy Road, Hartford, Connecticut.

The meeting was adjourned at 10:55 a.m.

Respectfully submitted,

Bettina M. Bronisz  
Assistant Treasurer & Director of Finance