

**Policies & Procurement Committee
March 16, 2006 Meeting**

Minutes

Members Present: Benson Cohn, Committee Chairman
Mark Cooper
Theodore Martland
Raymond O'Brien

CRRA Staff Present: Tom Kirk, President
Peter Egan, Director of Environmental Affairs & Development
Laurie Hunt, Director of Legal Services
Jim Ruel, Purchasing Manager
Donna Tracy, Executive Assistant
Kristen Greig, Secretary to the Board/Paralegal

Also Present: Richard Goldstein, Esq. of Pepe & Hazard (Present from 10:05 a.m. to 10:35 a.m.)

Chairman Cohn called the meeting to order at 9:30 a.m. and noted that there was a quorum.

Chairman Cohn requested that everyone stand for the Pledge of Allegiance whereupon the Pledge was recited.

1. APPROVAL OF MINUTES OF THE JANUARY 12, 2006 POLICIES & PROCUREMENT COMMITTEE MEETING

Chairman Cohn requested a motion to accept the minutes of the January 12, 2006 Policies & Procurement Committee meeting. The motion made by Director O'Brien was seconded by Director Cooper.

The minutes were approved. Director O'Brien abstained as he was not present at the meeting.

2. RATIFICATION OF ESTABLISHMENT OF THE SUB-COMMITTEE TO REVIEW ELLINGTON LANDFILL MATTERS

Chairman Cohn requested a motion regarding the above-captioned item. Director Cooper made the following motion:

RESOLVED: That the Policies & Procurement Committee ratifies the establishment of the sub-committee to review Ellington Landfill matters.

Director O'Brien seconded the motion.

Chairman Cohn appointed Mark Cooper, Theodore Martland, and Raymond O'Brien as members of the sub-committee.

The motion previously made and seconded was approved unanimously.

3. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING ADDITIONAL LEGAL EXPENDITURES**

Chairman Cohn requested a motion regarding the above-captioned item. Director O'Brien made the following motion:

WHEREAS, CRRA has entered into Legal Service Agreements with various law firms to perform legal services; and

WHEREAS, the Board of Directors has previously authorized certain amounts for payment of fiscal year 2006 projected legal fees; and

WHEREAS, CRRA has incurred greater than anticipated legal expenses in connection with its future planning efforts, insurance related matters, environmental issues, and Enron litigation;

NOW THEREFORE, it is RESOLVED: That the following additional amounts be authorized for payment of projected legal fees and costs to be incurred through June 30, 2006:

Firm:	Amount:
Halloran & Sage	\$650,000
Brown Rudnick Berlack & Israels	\$220,000
Pepe & Hazard	\$550,000

Vice-Chairman Martland seconded the motion.

Vice-Chairman Martland asked if CRRA's attorneys are monitoring the criminal trials related to Enron. Attorney Hunt responded in the affirmative and added that CRRA will be sharing the costs associated with obtaining copies of the transcripts. Director Martland noted that the bankruptcy claim with Enron was settled and asked why CRRA was still involved. Attorney Hunt stated that CRRA is still trying to obtain money from other Enron-related parties.

Director O'Brien asked where the funds would come from. Attorney Hunt responded that funds were set aside in the Mid-Connecticut Project Legal Risk Fund for the Brown Rudnick fees and costs and the rest of the funds would come from the fiscal year 2006 surplus. Director O'Brien stated that he thought the fiscal year 2006 surplus was assumed in the fiscal year 2007 to lower the tip fee. Mr. Kirk agreed and added that approximately 4 million of surplus was assumed in the Mid-Connecticut budget. Attorney Hunt noted that much of the work is related to the Bridgeport Project and would not affect the Mid-Connecticut budget.

Mr. Kirk explained that, in addition to some general matters, the majority of the work being done by Halloran & Sage is for the Bridgeport arbitration. Mr. Kirk added that Brown Rudnick's increase would cover legal costs associated with the ongoing Ellington landfill matter and Pepe & Hazard costs were expenses that would be reimbursed out of any future settlements or awards.

Director O'Brien asked if the Bridgeport project has enough money in the budget to pay for the Halloran & Sage costs related to the arbitration. Attorney Hunt responded in the affirmative. Director O'Brien asked if the SWAB Board has agreed to pay these expenses. Mr. Kirk stated that the SWAB Board is aware of the amount of money that has been incurred and the anticipated expenses over the next six months. Director O'Brien requested that management get confirmation from the SWAB Board that they are aware of and willing to accept responsibility for payment of the expenses being incurred in this fiscal year.

Director O'Brien asked how much of the \$650,000 increase was anticipated to be spent on the Bridgeport arbitration. Attorney Hunt responded that Halloran & Sage has given CRRA an estimated budget of \$500,000 for the arbitration. Attorney Hunt explained that the remaining \$150,000 would be allocated to General Counsel matters for the various projects and the general fund and insurance matters related to the RTC, New Hartford and Incredible Motels suits.

The motion previously made and seconded was approved unanimously.

4. EXECUTIVE SESSION

Chairman Cohn requested a motion to add pending litigation to the Executive Session agenda. The motion made by Vice-Chairman Martland and seconded by Director O'Brien was approved unanimously.

Chairman Cohn requested a motion to enter into Executive Session to discuss pending litigation with appropriate staff. The motion made by Director O'Brien and seconded by Director Cooper was approved unanimously. Chairman Cohn requested that the following people remain for the Executive Session, in addition to the Committee members:

Mr. Kirk
Attorney Hunt
Attorney Goldstein, Pepe & Hazard (Present beginning at 10:05 a.m.)

The Executive Session commenced at 9:45 a.m. and concluded at 10:35 a.m. Chairman Cohn noted that no votes were taken.

5. RESOLUTION REGARDING RENEGOTIATION OF PEPE & HAZARD CONTINGENCY AGREEMENT

Director O'Brien made the following motion:

RESOLVED: That the Policies & Procurement Committee endorses the tentative proposal presented to Pepe & Hazard for future costs related to the Hawkins Delafield & Wood suit.

The motion was seconded by Director Cooper.

Director O'Brien noted that this issue was thoroughly discussed in Executive Session.

The motion previously made and seconded was approved unanimously.

6. **DISCUSSION REGARDING PROCUREMENT OF OUT-OF-STATE LANDFILL CAPACITY**

Mr. Egan explained that CRRA will need landfill disposal capacity for process residue and non-processible waste from the Mid-Connecticut waste-to-energy facility when the Hartford Landfill is no longer available. Mr. Egan informed the Committee that CRRA would be looking out-of-state to find the necessary capacity.

Mr. Egan noted that CRRA's Procurement Policy requires that CRRA publicly solicit contracts with a value greater than \$50,000 per fiscal year. Mr. Egan explained that CRRA is planning to publicly solicit end disposal facilities to express an interest and then CRRA will negotiate prices to meet the public solicitation requirement. Mr. Egan explained that there were a number of variables involved which prevents CRRA from asking for a specific price for disposal.

Director O'Brien asked why CRRA is excluding in-state landfill capacity that might be available. Mr. Egan said that CRRA already has a contract with Windsor and noted that CRRA is going to try to move as much process residue to that landfill as they are prepared to accept. Mr. Egan explained that Windsor is the only other landfill in the State that can accept process residue.

To ensure that CRRA meets its public solicitation requirement, Mr. Egan stated that CRRA will publicly solicit any facility that wants the opportunity to sell capacity, but not ask for specific per ton prices. CRRA will determine if the landfill meets minimum environmental criteria and then the disposal price will be negotiated depending on how much air space is available and how many years are remaining in the life of the landfill, among other variables.

Mr. Egan stated that he wanted the Committee to be aware of this plan and to make certain the Committee does not see any issues with approaching the procurement in this manner. Chairman Cohn said that the plan seems consistent with the policy because there are substantial qualitative differences that prevent the capacity of one landfill from being a commodity that can be compared with the capacity of another landfill.

Director Martland asked if CRRA knows of any potential bidders. Mr. Egan responded that CRRA was introduced to several locations in the Northeast that were revealed in the rail study that was performed 4 or 5 years ago. Mr. Egan added that CRRA would also publish a public notice in several trade journals to ensure the availability of the bid is known at the disposal facility level. Mr. Egan said that CRRA does not want to involve brokers or any waste hauling companies, but to contract with the landfill directly so the insurance and indemnification language is not through a third party. Mr. Egan stated that CRRA will also be more likely to secure the best pricing working directly through the landfill. Mr. Egan said that the transportation would then be bid out separately depending on the location of the capacity.

7. **EXECUTIVE SESSION**

Chairman Cohn requested a motion to enter into Executive Session to discuss real estate acquisition with appropriate staff. The motion made by Director Cooper and seconded by Vice-Chairman Martland was approved unanimously. Chairman Cohn requested that the following people remain for the Executive Session, in addition to the Committee members:

Mr. Kirk
Mr. Egan
Attorney Hunt

The Executive Session commenced at 10:50 a.m. and concluded at 11:30 a.m.
Chairman Cohn noted that no votes were taken.

8. ADJOURNMENT

With no other business to discuss, Chairman Cohn requested a motion to adjourn the meeting. The motion made by Director O'Brien and seconded by Director Cooper was passed unanimously.

The meeting was adjourned at 11:30 a.m.

Respectfully submitted,

Kristen B. Greig
Secretary to the Board/Paralegal