

**Executive Committee Meeting
July 21, 2005**

Minutes

Members Present: Michael Pace, Committee Chair
Stephen Cassano
Benson Cohn
Andrew Sullivan

Staff Present: Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Peter Egan, Director of Environmental Affairs & Development
Floyd Gent, Director of Operations
Laurie Hunt, Director of Legal Services
Donna Tracy, Executive Assistant
Kristen Greig, Secretary to the Board/Paralegal

Chairman Pace called the meeting to order at 10:45 a.m.

1. Approval of Minutes of the May 9, 2005 Steering Committee Meeting

Chairman Pace requested a motion to accept the minutes of the May 9, 2005 Steering Committee meeting. The motion was made by Director Cassano and seconded by Director Cohn.

The minutes were approved unanimously.

2. Review of the Period from July 1, 2004 through June 30, 2005 and Discussion Regarding Business Plan for the Next 12 Months

Mr. Kirk handed out an outline of items in review of the past year and future issues.

Chairman Pace stated that part of the Committee's responsibility was to guide the Board and said that it was important for the Board to review the last year and develop a plan for where they would like management to bring CRRA in the next six to twelve months.

Mr. Kirk stated that the management team met to compile an informal list of issues and items that are not necessarily resolved, but are matters that management spent significant time and effort on over the last year. Mr. Kirk said that management also developed a list of matters that will require their attention in the upcoming months. Mr.

Kirk noted that the development process for the list was very informal and said that management was interested in the Committee's direction on where management should be spending their time. Mr. Kirk said that management, as a group, is struggling to accomplish everything that they recognize needs to be done with the resources available to them. Mr. Kirk emphasized that he is not requesting any changes in resources, but merely looking for the Committee's direction in prioritizing.

Mr. Kirk directed the Committee to the outline and gave a brief review of the items in the outline. Mr. Kirk noted that the MDC issue was very important for CRRA and said that there would be further discussion in the Executive Session regarding the status of the final settlement negotiations. Mr. Kirk stated that there was still the potential for \$2 - \$3 million in savings per year for the Mid-Connecticut Project. Mr. Kirk said that the landfill development project was another large project and noted that management is spending a significant amount of time moving that forward. Mr. Kirk said that management was currently identifying sites and drafting contracts that would lock in on the purchase price. Mr. Kirk noted that a possible roadblock in acquiring the real estate for the landfill was the recent suspension of the use of eminent domain. Director Cohn stated that he did not think that there had been legislative action on the eminent domain issue; only a public policy statement had been made. Chairman Pace confirmed that there had been a statement by the leadership recommending that any eminent domain actions be postponed until it could be considered by the legislature. Mr. Kirk said that CRRA has a compelling argument that CRRA uses of eminent domain would certainly meet the definition of public purpose, but said he would rather not argue that case in the present atmosphere. Mr. Kirk said that CRRA's intent is to proceed with a friendly purchase and noted that CRRA has no reason to believe that it would be anything other than that. Director Cassano pointed out that the eminent domain issue will likely have been addressed by the time CRRA finds out if a friendly purchase will not be possible.

Mr. Kirk informed the Committee that CRRA met with the DEP's consultant, R.W. Beck, regarding the Solid Waste Management Plan and said that he was encouraged with the progress. Mr. Kirk said that R.W. Beck recognizes that CRRA is a key stakeholder and is deferring to CRRA on many important issues for which CRRA has involvement. Mr. Kirk further stated that the three major players, CRRA, DEP, and R.W. Beck, all agree that the implementation of the Solid Waste Management Plan is a CRRA function.

Mr. Kirk stated that the Wallingford Landfill's activities are close to being completed and the Ellington Landfill still has real estate issues with the underground ground water plume. Mr. Kirk said that CRRA might be in the position where the organization has to acquire that property and informed the Committee that CRRA continues to negotiate with the owners of the land. Chairman Pace asked if there was money put aside for that purpose. Mr. Egan responded in the affirmative.

Mr. Kirk reviewed the permit activities, the agreement with Windsor and Bloomfield regarding deliveries to their landfill, and the energy purchase agreement that

took place throughout the year. Mr. Kirk also gave a brief overview of the recycling enforcement activities and the legal activities that occurred throughout the year.

Mr. Kirk informed the Committee that, on the financial side, the audits were clean. Mr. Kirk stated that the Southeast and Mid-Connecticut bond calls were completed successfully.

Mr. Kirk said that, overall, the organization has been very busy and very successful, especially considering the \$111 million from the Enron settlement and sale. Mr. Kirk said that he thinks that the best measure of success is that the Mid-Connecticut Project, and by extension, CRRA as an organization, went from being on very thin ice to a viable entity.

Chairman Pace asked the Committee if there were any other items that the Board has asked for, other than the business model, that needed to be addressed. With no additions from the Committee, Chairman Pace asked where the rail studies, recycling and volume reduction should be in the plan. Mr. Kirk responded that those items are strategic in nature and fall under the strategic planning process as items that were started and will be given additional consideration. Mr. Kirk said that could be addressed with a strategic plan update to the Steering Committee, that plan which will be linked closely to the Solid Waste Management Plan presently under development by the Connecticut DEP.

Chairman Pace informed the Committee that he and some members of management met with the *Hartford Courant* in response to one of their editorials to let them know that just because CRRA is silent, does not mean that they are inactive. Chairman Pace stated that the discussion included information on how CRRA was moving forward, not just a review of what has been accomplished.

Director Cassano noted that the decision to close the Hartford Landfill should be included as a significant measure of success for the CRRA. The Committee and management agreed. Director Sullivan stated that could be linked to the landfill site development because the decision to close the Hartford Landfill was the initiating factor for siting a new landfill.

Chairman Pace stated that there were substantial improvements that came out of the Organizational Synergy and Human Resources Committee and the Policies and Procurement Committees over the last year. Director Cassano noted that the changes made the organization stronger and more efficient and all of the accomplishments of the last year were significant in demonstrating the organization's substantial re-invention to the legislature.

Chairman Pace suggested that in the legal area, our past year included the New Hartford suit as a significant event and potential impact on the future success of the Mid-Connecticut project.

Mr. Kirk said, regarding upcoming issues, that one of the major matters to be dealt with in the next year is how CRRA will best serve the needs of the cities of the Bridgeport Project and southwestern Connecticut post 2008. Mr. Kirk said the most important aspect of this matter is the negotiation of an extension with Wheelabrator under the existing contract. Mr. Kirk thoroughly reviewed some of the terms of the existing agreement and some of the options available to CRRA under that agreement. Mr. Kirk stated that CRRA will also be developing alternatives outside of the Wheelabrator plant for the Bridgeport Project towns to consider. Director Cassano asked if SWEROC was working with CRRA on this matter. Mr. Kirk responded in the affirmative. There was a brief discussion on legislative matters and how they might impact the future of the Bridgeport Project.

Chairman Pace asked if volume reduction at the Mid-Connecticut Project was possible with a mass burn plant. Mr. Kirk responded in the affirmative and added that an expansion feasibility study was recently completed. Mr. Kirk said that the study concluded that a mass burn unit could be added to Mid-Connecticut, which would take care of the growth in waste and solve the process residue disposal issue. Mr. Gent added that bulky waste that is typically sent to the Hartford Landfill is material that could also be burned in a mass burn unit.

Chairman Pace noted that there had been discussions regarding the potential reuse of the South Meadows land. Chairman Pace asked if the land would be for CRRA's purposes or if it could be used for other economic development purposes. Mr. Kirk responded that the land would be reserved for CRRA use until CRRA dismissed any potential use for the land. Mr. Kirk gave the example that CRRA has a layout for a rail yard, but if the use of rail was completely dismissed, and the land was not needed for any other waste disposal purpose, then CRRA would consider disposition for other development.

Chairman Pace asked if there were potential alternative uses of the Wallingford facility. Mr. Gent responded that economic factors eliminate many of the alternatives for the facility, such as a mass burn facility for wood. Chairman Pace asked if Wallingford could possibly serve as a mass burn facility for bulky items and wood products to eliminate bulky waste at the Mid-Connecticut Project. Mr. Kirk said that could be considered an alternative, but he felt that a reduction facility at that site is a more likely possibility. Mr. Kirk said that, even though the initial economic evaluations show that the reuse of the Wallingford facility would not be economical because of the lack of an electric contract, management feels that the site is in such an ideal geographical location that they expect it will continue to meet the needs of the towns as some sort of solid waste facility. Mr. Kirk noted that the details regarding the extension of the contract had to be worked out prior to making any determinations as to how the facility would be used.

Mr. Kirk reviewed other upcoming matters to be addressed including going to bid for the transportation contract, various Hartford Landfill closure issues, and the potential of a new operator at the Hartford Landfill. Director Sullivan asked if CRRA anticipated

receiving more than one bid on the transportation contract. Mr. Kirk responded that there were not many organizations that could handle the size of the contract, which was why CRRA intends on breaking the work up into more than one contract to attract other bidders.

Director Cohn asked to return to the bidding options for the transportation contract. Director Cohn suggested that there may be a way to structure the bid to make it possible for smaller haulers to bid a rate and capacity. Director Cohn stated that doing so may be a bit of a complication for management, but it will likely entice lower bids and more competition. Mr. Kirk said that it is very difficult for contractors to access the hardware they need for this contract and said that CRRA may want to consider doing longer term contracts, say five-years, to allow the contractors time to pay off their notes. Additionally CRRA could consider owning some equipment. Mr. Gent added that the bid would be structured with a number of options to provide flexibility and allow smaller contractors to bid. There was a thorough discussion on possible options to be considered when structuring the bid. Mr. Kirk stated that recommended options could be developed and presented to either the Policies & Procurement Committee or the Executive Committee. Director Cassano said that a follow-up with the Executive Committee would be his preference.

Director Sullivan noted that there were a significant amount of matters to be addressed in the next year. Director Sullivan suggested prioritizing the matters to determine which items were most critical. The Committee agreed and Chairman Pace suggested creating a timeline so it was clear what had to be accomplished in what order. Mr. Gent stated that many of the items discussed all had to be addressed in the next year. Director Sullivan said that, if that was the case, CRRA may want to consider engaging outside assistance so key management can still be able to look at the big picture. Mr. Kirk said that there is a fine line between the benefit of bringing someone in on a temporary basis and the burden of getting that person up to speed on the issues. Mr. Kirk stated that it is certainly an option that would be considered. Director Cassano noted that there are professionals out there that are qualified to step in, even if on a contractor basis. Mr. Kirk agreed that there are people that could fill that capacity.

Chairman Pace said that he would like to inform the Board of the progress and plans discussed at this meeting as they are developed. Mr. Kirk agreed and said that management would compile that information and provide it to the Committee as it is developed, in particular as the Solid Waste Management Plan begins to take shape.

Executive Session

Chairman Pace requested a motion to go into executive session to discuss pending litigation, real estate acquisition, trade secrets/feasibility analysis and personnel matters. The motion made by Director Sullivan and seconded by Director Cassano was approved unanimously. Chairman Pace requested that the following people remain during executive session, in addition to the Committee members:

Tom Kirk
Jim Bolduc
Peter Egan
Floyd Gent
Laurie Hunt

The executive session commenced at 11:52 a.m. and concluded at 1:15 p.m. Chairman Pace noted that no votes were taken in executive session.

Adjournment

Chairman Pace requested a motion to adjourn. The motion to adjourn made by Director Cassano and seconded by Director Cohn was approved unanimously. The meeting was adjourned at 1:15 p.m.

Respectfully submitted,

Kristen B. Greig
Secretary to the Board/Paralegal