

**Steering Committee Meeting
April 26, 2004**

Draft Minutes

Members Present: Michael Pace, Committee Chair
Stephen Cassano
Benson Cohn
Andrew Sullivan (arrived at 9:52 a.m.)

Staff Present: Tom Kirk, President
Floyd Gent, Operations Director
Paul Nonnenmacher, Communications Coordinator
Angelica Mattschei, Corporate Secretary
Kristen Greig, Legal Temp

Chairman Pace called the meeting to order at 9:33 a.m.

1. Approval of the Minutes of the June 12, 2003 Committee Meeting

Chairman Pace requested a motion on the referenced topic. The motion made by Director Cassano and seconded by Director Cohn was approved. Director Cassano abstained from the vote, as he was not present at the meeting.

2. Approval of the Minutes of the August 7, 2003 Committee Meeting

Chairman Pace requested a motion on the referenced topic. The motion made by Director Cassano and seconded by Director Cohn was approved unanimously.

3. Approval of the Minutes of the August 8, 2003 Committee Meeting

Chairman Pace requested a motion on the referenced topic. The motion made by Director Cassano and seconded by Director Cohn was approved unanimously.

4. Other Business

Chairman Pace requested additions to the agenda.

Letter to Representative Jim O'Rourke

Chairman Pace presented a letter to Representative Jim O'Rourke before the Committee regarding the transparency of CRRA. Chairman Pace explained that Representative O'Rourke was unable to find information he was looking for on the CRRA website regarding contracts between the Authority and attorneys. Mr. Kirk replied that the matter was quickly looked into and the information was, in fact, missing. Mr. Kirk said that the information was overlooked due to staff turnover and apologized for the oversight. Mr. Kirk stated that the omission had been rectified and that there were controls in place to ensure there would be no further omissions. Mr. Kirk noted that CRRA had gone beyond the statutory requirements in posting legal service agreements and stated that it is CRRA's business philosophy to post all information that is not confidential on the website. Mr. Kirk also stated that CRRA was in the process of making its website more "user-friendly" to facilitate searches. Chairman Pace asked whether Mr. O'Rourke was satisfied with CRRA's response. Mr. Kirk responded that he was and that Mr. O'Rourke had also expressed his satisfaction regarding CRRA's encouraging signs of transparency.

Audit from Robert G. Jaekle and Kevin P. Johnson, Auditors of Public Accounts

Chairman Pace presented copies of the audit for the fiscal years ended June 30, 2001 and 2002. Mr. Kirk noted that the report by Robert G. Jaekle and Kevin P. Johnston contained eight recommendations. Director Cassano asked if there were any major findings. Mr. Kirk responded that most of the recommendations were administrative and that they would all be addressed and implemented, unless there were valid reasons not to.

Chairman Pace asked if CRRA was given the opportunity to give input when the audit was in draft form. Mr. Kirk responded that CRRA had received a draft of the above-referenced audit for review. Mr. Kirk stated that CRRA was given the opportunity to respond in case there were any explanations or documentation that might eliminate items. Mr. Kirk stated that it was a very thorough audit and that CRRA had no corrections. Chairman Pace emphasized the importance of responding to the recommendations.

Code of Ethics Regarding Gifts to Board Members

Chairman Pace stated that he wanted to keep the Board aware of the Code of Ethics regarding the acceptance of gifts and recommended that the issue be brought to the table at the next Board meeting. Chairman Pace also emphasized the fact that the Board worked solely on a volunteer basis. Mr. Nonnenmacher suggested that it would be beneficial to have an attorney from the Ethics Commission be present at a subsequent meeting to give a brief outline of the Code. Director Cassano recommended that the

presentation be given either before or after a regularly scheduled Board meeting. Mr. Nonnenmacher said he would make arrangements for that to take place.

Vacancies

Chairman Pace requested an update regarding attempts to fill vacancies on the Board.

Mr. Kirk stated that there is a candidate for the vacant position to be appointed by the Governor. Mr. Kirk explained that Ms. Edna Kararian had a background in gas utilities and energy issues, which would satisfy the statutory requirement of the position. Mr. Kirk said she was currently working as a consultant and had been highly recommended. Mr. Kirk also said that Ms. Korarian expressed an interest in volunteering for the Board. Mr. Kirk recommended that, unless the Board recommended otherwise, her name be forwarded to the Governor so that her appointment could also be considered by the legislature.

Chairman Pace asked the Committee whether Director Knopp was interested in being reappointed since his term would end on June 30, 2004. Director Cassano responded that Director Knopp had mentioned that he is not interested in reappointment. Mr. Kirk stated that, if that were the case, there would be a vacancy for a Municipal Official of a municipality having a population of more than 50,000. Mr. Kirk named a potential candidate in Tom Hamilton, Finance Director of Norwalk. Mr. Kirk noted that Mr. Hamilton had some familiarity with CRRA because of his membership in the SWAB board and that his appointment would keep a large city in the Bridgeport project involved.

Mr. Kirk stated that, should Mr. Tom Hamilton's appointment not work out, Mayor John Fabrizi of Bridgeport should be considered. Mr. Kirk said that Mayor Fabrizi had expressed some interest in becoming an Ad Hoc member and would likely be interested in becoming a Director. Chairman Pace asked why the Board would not look to Bridgeport for representation as a first choice. Mr. Kirk stated that while he would like the representation from Bridgeport, he was concerned about Mayor Fabrizi's availability for meetings. Director Cassano noted that Mayor Fabrizi would be an excellent member and Chairman Pace stated that the Board would definitely welcome Bridgeport. Mr. Kirk stated that Mark Anastasi, Bridgeport City Attorney, would also be an excellent addition, but he was not sure Attorney Anastasi's position in Bridgeport would satisfy the Municipal Official requirement. Mr. Kirk added that Attorney Anastasi's involvement with CRRA as a former Board member would also make him an unlikely candidate.

Chairman Pace expressed concern for the need to have quorum. Mr. Kirk concurred stating that the Board currently needed seven members for issues requiring a 2/3 vote and eight members would be required when the vacant Director position was filled. Mr. Kirk stated that relief was on the way and that fewer meetings or telephone meetings might be a possibility to relieve overextended Directors.

Chairman Pace asked if anyone on the Board was in danger of automatic resignation due to lack of attendance at meetings. Mr. Kirk responded that everyone had been attending meetings, at least by phone. Mr. Kirk noted the remarkable commitment made by the Board members, especially when considering the amount of time involved.

Op. Ed. Piece

Chairman Pace requested an update on the article written by Chairman Pace and Directors Cassano and Sullivan regarding the MDC issue. Mr. Nonnenmacher replied that the article was scheduled to run in the Hartford Courant on Tuesday.

Memo to Mid-Connecticut Project Towns Regarding MDC

Mr. Kirk stated that the memo was e-mailed or faxed to all towns within the Mid-Connecticut Project. Mr. Kirk also said that hard copies were sent in the mail. Mr. Kirk stated that he had received several phone calls responding to the memo. Mr. Kirk noted that most towns wished CRRA luck and expressed their gratitude for pursuing the matter. Newington, in particular, was concerned about the costs of the New Hartford litigation and the potential arbitration with MDC. The Town of Newington requested that CRRA provide costs associated with the arbitration since 2002 so that it may challenge the MDC board to stop excessive spending on attorney fees.

The discussion turned to the increases some MDC towns were facing. Director Cassano stated that towns that were unhappy with the increases should invite the MDC board to their Council sessions so that MDC would have accountability to the public.

Discussion Regarding MDC

Chairman Pace questioned the Committee regarding what they thought the MDC board's level of understanding is with regard to the arbitration between it and CRRA. Chairman Pace noted that, in reading the minutes of their meeting, it did not appear that all members of the board were in sync. Director Cohn stated that there were some similarities to the old CRRA where there was a small group in control.

Chairman Pace stated that the Steering Committee and the Board were under the obligation to operate in a transparent manner. Chairman Pace stated that just as the culture at CRRA was forced to change for public accountability, any organization that might be considering a hostile take-over should be looked at under the same microscope. Chairman Pace stated that the CRRA Board had a responsibility to bring out the corporate culture and details of how their operations work in case the legislature should decide to take action in the future. Chairman Pace said that the legislature, as well as the public, would have all of the necessary information. Chairman Pace stated that the Board

would need to decide what information would be needed from the MDC. Chairman Pace stated that because there had been mention of MDC's ability to take over certain services with a savings, due diligence regarding MDC's operations is necessary so that CRRA can have a clear picture of the costs of their operation.

Director Cohn noted that there might be an issue with MDC's ability to expand into the various municipalities in the Mid-Connecticut Project due to geographical mandates. Director Cohn also mentioned that MDC might not have the authority to deal in solid waste. Mr. Kirk said that he believed MDC's charter was changed in the 80's to include solid waste. Director Cohn asked what would happen to the liabilities. Director Cohn stated that if MDC were interested in taking over the assets of the Mid-Connecticut Project, they would also have to take over its liabilities.

Director Cassano asked how, hypothetically, CRRA's statutory cap on the number of employees it could hire would affect its ability to work with the union. Mr. Kirk said that proposed legislation (Bill 540) is the solution to that issue. In response to Director Cassano's question, Mr. Kirk also stated that it was determined that CRRA could hire a "straw contractor" which would hire the union workers as an agent for the CRRA. Mr. Kirk indicated that perhaps Covanta could act as the "straw contractor." Director Cassano stated that such an arrangement could be a major step in proving to the union that this was not a union fight. Director Cohn asked whether there would be a problem with other non-union Covanta operations if Covanta were acting in that capacity. Mr. Gent responded that Covanta would have to answer that, but he believed if they were presented the opportunity, they would take advantage of it and possibly set it up as a special purpose company to deal with that issue.

Director Cassano suggested that CRRA also consider a partnership with the City of Hartford. Director Cassano stated that CRRA could avoid any potential problems Covanta might have with hiring union personnel, while at the same time, relieve some of Hartford's frustrations with MDC. Mr. Kirk said that if CRRA were to enter into such an agreement with a municipality, CRRA would be interested in maintaining a supervisory role of the personnel to avoid similar frustrations as are being experienced with MDC.

Chairman Pace asked the Committee whether they thought that if MDC's management wanted to come up with savings, they could do so. Mr. Kirk stated that there were three major issues to be considered in cost reduction. The first was overhead and indirect costs. The second was incentive and management practices. Mr. Kirk stated that there had been no incentive for MDC to minimize costs because CRRA reimbursed all overhead and indirect costs. Mr. Kirk said the third consideration was the difference in the wages and benefits of the union personnel, particularly the benefits.

Director Sullivan said that MDC has made a formal demand for approximately \$3,000,000 in late invoiced medical insurance payments and employee dispute issues. Mr. Kirk stated that CRRA noticed that it was not billed as much as anticipated in 2001 and 2002, but the excess was applied to lowering tipping fees. Director Sullivan said that the issue had been previously addressed and that it was agreed that the amount would be

paid over time to mitigate the expense, which is why it was not shown as a liability to date. Director Sullivan stated that since MDC had made formal demand, the liability must now be looked into. Chairman Pace admitted that the old CRRA had its faults, but stated that if MDC was looking to do a hostile take-over, he had a real concern about CRRA being taken over by a company that missed \$3,000,000 off their books. Director Cassano recommended that the matter be added to the items to be resolved in arbitration. Mr. Kirk concurred and said that would be addressed.

Hartford Courant Editorial

Chairman Pace presented the editorial by Mr. Stan Simpson entitled “Trash Eyesore Solution Needed” which was printed in the Hartford Courant on April 24, 2004. Chairman Pace stated that the article was fair and accurate regarding the landfill. Chairman Pace said that the article could be used for incentive to talk to the DEP about the Solid Waste Management Plan.

Report to the Connecticut General Assembly

Chairman Pace stated that the Steering Committee was coming upon the two-year anniversary of its appointment and that the second report to the General Assembly will soon be due. Chairman Pace requested that the Committee take a look at their objectives and wrap up any issues that had not been resolved so they may be addressed before the report is completed. Director Cohn said he was going to provide any updated policies. Director Cassano suggested that the report include information about the relocation of the office. Chairman Pace stated that the personnel changes should also be included. Chairman Pace would like the report to reflect the actions taken by the current Board so that the legislature can make accurate assessments of the Board as reappointment time approaches.

Chairman Cassano asked if there was anything else coming out of the legislature that had not been anticipated. Mr. Kirk said that there were no bills that were not expected. Mr. Kirk stated that the danger was in the “late night” amendments that were tagged on. Mr. Nonnenmacher said that issue had been addressed by informing the legislative staff that we are looking out for such amendments. Chairman Pace noted, for the record, that he was willing to put in a lot of time and effort for the sake of the public. Chairman Pace said, however, that if he felt there was any nonsense going on regarding the legislature and “late night amendments”, he would have no part of it. Chairman Pace stated that if someone were to use political influence to damage CRRA, it would be their prerogative. Chairman Pace stated that he would not, however, play games, and that he would go to the public and tell them why.

Executive Session

Chairman Pace requested a motion to go into executive session to discuss strategic and legal planning. The motion made by Director Sullivan and seconded by Director Cohn was approved unanimously. Chairman Pace requested that Messrs. Kirk, Gent and Nonnenmacher remain during executive session.

The executive session commenced at 10:43 a.m. and concluded at 11:21 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 was approved unanimously.

Respectfully submitted,

Kristen Greig