



# Senate

General Assembly

**File No. 403**

February Session, 2010

Substitute Senate Bill No. 394

*Senate, April 8, 2010*

The Committee on Planning and Development reported through SEN. COLEMAN of the 2nd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING THE GOVERNANCE OF THE CONNECTICUT RESOURCES RECOVERY AUTHORITY.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 22a-261 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective May 1, 2010*):

3 (a) There is hereby established and created a body politic and  
4 corporate, constituting a public instrumentality and political  
5 subdivision of the state of Connecticut established and created for the  
6 performance of an essential public and governmental function, to be  
7 known as the Connecticut Resources Recovery Authority. The  
8 authority shall not be construed to be a department, institution or  
9 agency of the state.

10 [(b) On and before May 31, 2002, the powers of the authority shall  
11 be vested in and exercised by a board of directors, which shall consist  
12 of twelve directors: Four appointed by the Governor and two ex-officio

13 members, who shall have a vote including the Commissioner of  
14 Transportation and the Commissioner of Economic and Community  
15 Development; two appointed by the president pro tempore of the  
16 Senate, two by the speaker of the House, one by the minority leader of  
17 the Senate and one by the minority leader of the House of  
18 Representatives. Any such legislative appointee may be a member of  
19 the General Assembly. The directors appointed by the Governor under  
20 this subsection shall serve for terms of four years each, from January  
21 first next succeeding their appointment, provided, of the directors first  
22 appointed, two shall serve for terms of two years, and two for terms of  
23 four years, from January first next succeeding their appointment. Any  
24 vacancy occurring under this subsection other than by expiration of  
25 term shall be filled in the same manner as the original appointment for  
26 the balance of the unexpired term. Of the four members appointed by  
27 the Governor under this subsection, two shall be first selectmen,  
28 mayors or managers of Connecticut municipalities; one from a  
29 municipality with a population of less than fifty thousand, one from a  
30 municipality of over fifty thousand population; two shall be public  
31 members without official governmental office or status with extensive  
32 high-level experience in municipal or corporate finance or business or  
33 industry, provided not more than two of such appointees shall be  
34 members of the same political party. The chairman of the board under  
35 this subsection shall be appointed by the Governor, with the advice  
36 and consent of both houses of the General Assembly and shall serve at  
37 the pleasure of the Governor. Notwithstanding the provisions of this  
38 subsection, the terms of all members of the board of directors who are  
39 serving on May 31, 2002, shall expire on said date.]

40 [(c)] (b) On and after [June 1, 2002] May 1, 2010, the powers of the  
41 authority shall be vested in and exercised by a board of directors,  
42 which shall consist of [eleven] seventeen directors as follows: [Three]  
43 Five appointed by the Governor, one of whom shall be a municipal  
44 official of a municipality having a population of fifty thousand or less,  
45 [and] one of whom shall have extensive, high-level experience in the  
46 energy field and two of whom shall be chief elected officials of  
47 municipalities receiving solid waste management services from the

48 authority, or such officials' designees; [two] three appointed by the  
49 president pro tempore of the Senate, one of whom shall be a municipal  
50 official of a municipality having a population of more than fifty  
51 thousand, [and] one of whom shall have extensive high-level  
52 experience in public or corporate finance or business or industry and  
53 one of whom shall be a chief elected official of a municipality receiving  
54 solid waste management services from the authority, or such official's  
55 designee; [two] three appointed by the speaker of the House of  
56 Representatives, one of whom shall be a municipal official of a  
57 municipality having a population of more than fifty thousand, [and]  
58 one of whom shall have extensive high-level experience in public or  
59 corporate finance or business or industry and one of whom shall be the  
60 chief elected official of a municipality receiving solid waste  
61 management services from the authority, or such official's designee;  
62 [two] three appointed by the minority leader of the Senate, one of  
63 whom shall be a municipal official of a municipality having a  
64 population of fifty thousand or less, [and] one of whom shall have  
65 extensive high-level experience in public or corporate finance or  
66 business or industry and one of whom shall be the chief elected official  
67 of a municipality receiving solid waste management services from the  
68 authority, or such official's designee; [two] three appointed by the  
69 minority leader of the House of Representatives, one of whom shall be  
70 a municipal official of a municipality having a population of fifty  
71 thousand or less, [and] one of whom shall have extensive, high-level  
72 experience in the environmental field and one of whom shall be the  
73 chief elected official of a municipality receiving solid waste  
74 management services from the authority, or such official's designee.  
75 No director may be a member of the General Assembly. Not more than  
76 [two] three of the directors appointed by the Governor shall be  
77 members of the same political party. The appointed directors shall  
78 serve for terms of four years each, provided, of the directors first  
79 appointed for terms [beginning] that began on June 1, 2002, (1) two of  
80 the directors appointed by the Governor, one of the directors  
81 appointed by the president pro tempore of the Senate, one of the  
82 directors appointed by the speaker of the House of Representatives,

83 one of the directors appointed by the minority leader of the Senate and  
84 one of the directors appointed by the minority leader of the House of  
85 Representatives shall serve an initial term of two years and one month,  
86 and (2) the other appointed directors shall serve an initial term of four  
87 years and one month. The appointment of each director for a term  
88 beginning on or after June 1, 2004, shall be made with the advice and  
89 consent of both houses of the General Assembly. The Governor shall  
90 designate one of the directors to serve as chairperson of the board,  
91 with the advice and consent of both houses of the General Assembly.  
92 The chairperson of the board shall serve at the pleasure of the  
93 Governor. Any appointed director who fails to attend three  
94 consecutive meetings of the board or who fails to attend fifty per cent  
95 of all meetings of the board held during any calendar year shall be  
96 deemed to have resigned from the board. Any vacancy occurring other  
97 than by expiration of term shall be filled in the same manner as the  
98 original appointment for the balance of the unexpired term. As used in  
99 this subsection, "municipal official" means [the] a first selectman,  
100 mayor, city or town manager or chief financial officer of a municipality  
101 that has entered into a solid waste disposal services contract with the  
102 authority and pledged the municipality's full faith and credit for the  
103 payment of obligations under such contract.

104 [(d)] (c) The chairperson shall, with the approval of the directors,  
105 appoint a president of the authority who shall be an employee of the  
106 authority and paid a salary prescribed by the directors. The president  
107 shall supervise the administrative affairs and technical activities of the  
108 authority in accordance with the directives of the board.

109 [(e)] (d) Each director shall be entitled to reimbursement for said  
110 director's actual and necessary expenses incurred during the  
111 performance of said director's official duties.

112 [(f)] (e) Directors may engage in private employment, or in a  
113 profession or business, subject to any applicable laws, rules and  
114 regulations of the state or federal government regarding official ethics  
115 or conflict of interest.

116 [(g)] (f) [Six] Nine directors of the authority shall constitute a  
117 quorum for the transaction of any business or the exercise of any  
118 power of the authority, provided [, two] four directors from municipal  
119 government shall be present in order for a quorum to be in attendance.  
120 For the transaction of any business or the exercise of any power of the  
121 authority, and except as otherwise provided in this chapter, the  
122 authority shall have power to act by a majority of the directors present  
123 at any meeting at which a quorum is in attendance. If the legislative  
124 body of a municipality that is the site of a facility passes a resolution  
125 requesting the Governor to appoint a resident of such municipality to  
126 be an ad hoc member, the Governor shall make such appointment  
127 upon the next vacancy for the ad hoc members representing such  
128 facility. The Governor shall appoint with the advice and consent of the  
129 General Assembly ad hoc members to represent each facility operated  
130 by the authority provided at least one-half of such members shall be  
131 chief elected officials of municipalities, or their designees. Each such  
132 facility shall be represented by two such members. The ad hoc  
133 members shall be electors from a municipality or municipalities in the  
134 area to be served by the facility and shall vote only on matters  
135 concerning such facility. The terms of the ad hoc members shall be four  
136 years.

137 [(h) There is established, effective June 1, 2002, a steering committee  
138 of the board of directors, consisting of at least three but not more than  
139 five directors, who shall be jointly appointed by the Governor, the  
140 president pro tempore of the Senate and the speaker of the House of  
141 Representatives. Said committee shall consist of at least one director  
142 who is a municipal official, as defined in subsection (c) of this section.  
143 The steering committee shall forthwith establish a financial  
144 restructuring plan for the authority, subject to the approval of the  
145 board of directors, and shall implement said plan. The financial  
146 restructuring plan shall determine the financial condition of the  
147 authority and provide for mitigation of the impact of the Connecticut  
148 Resources Recovery Authority-Enron-Connecticut Light and Power  
149 Company transaction on municipalities which have entered into solid  
150 waste disposal services contracts with the authority. The steering

151 committee shall also review all aspects of the authority's finances and  
152 administration, including but not limited to, tipping fees and  
153 adjustments to such fees, the annual budget of the authority, any  
154 budget transfers, any use of the authority's reserves, all contracts  
155 entered into by or on behalf of the authority, including but not limited  
156 to, an assessment of the alignment of interests between the authority  
157 and the authority's contractors, all financings or restructuring of debts,  
158 any sale or other disposition or valuation of assets of the authority,  
159 including sales of electricity and steam, any joint ventures and  
160 strategic partnerships, and the initiation and resolution of litigation,  
161 arbitration and other disputes. The steering committee (1) shall have  
162 access to all information, files and records maintained by the authority,  
163 (2) may retain consultants and utilize other resources necessary to  
164 carry out its responsibilities under this subsection, which have a total  
165 cost of not more than five hundred thousand dollars, without the  
166 approval of the board of directors, and may draw on accounts of the  
167 authority for such costs, and (3) shall submit a report to the board of  
168 directors and the General Assembly, in accordance with section 11-4a,  
169 on its findings, progress and recommendations for future action by the  
170 board of directors in carrying out the purposes of this subsection, not  
171 later than December 31, 2002. Said report shall also include a report on  
172 any loans made to the authority under section 22a-268d. The steering  
173 committee shall terminate on December 31, 2002, unless extended by  
174 the board.]

175 [(i)] (g) The board may delegate to [three] five or more directors  
176 such board powers and duties as it may deem necessary and proper in  
177 conformity with the provisions of this chapter and its bylaws. At least  
178 [one] two of such directors shall be [a] municipal [official] officials, as  
179 defined in subsection [(c)] (b) of this section, and at least one of such  
180 directors shall not be a state employee.

181 [(j)] (h) [Appointed] Unless authorized pursuant to subsection (b) of  
182 this section, directors may not designate a representative to perform in  
183 their absence their respective duties under this chapter.

184 [(k)] (i) The term "director", as used in this section, shall include  
185 such persons so designated as provided in this section and this  
186 designation shall be deemed temporary only and shall not affect any  
187 applicable civil service or retirement rights of any person so  
188 designated.

189 [(l)] (j) The appointing authority for any director may remove such  
190 director for inefficiency, neglect of duty or misconduct in office after  
191 giving the director a copy of the charges against the director and an  
192 opportunity to be heard, in person or by counsel, in the director's  
193 defense, upon not less than ten days' notice. If any director shall be so  
194 removed, the appointing authority for such director shall file in the  
195 office of the Secretary of the State a complete statement of charges  
196 made against such director and the appointing authority's findings on  
197 such statement of charges, together with a complete record of the  
198 proceedings.

199 [(m)] (k) The authority shall continue as long as it has bonds or  
200 other obligations outstanding and until its existence is terminated by  
201 law. Upon the termination of the existence of the authority, all its  
202 rights and properties shall pass to and be vested in the state of  
203 Connecticut.

204 [(n)] (l) The directors, members and officers of the authority and any  
205 person executing the bonds or notes of the authority shall not be liable  
206 personally on such bonds or notes or be subject to any personal  
207 liability or accountability by reason of the issuance thereof, nor shall  
208 any director, member or officer of the authority be personally liable for  
209 damage or injury, not wanton or wilful, caused in the performance of  
210 such person's duties and within the scope of such person's  
211 employment or appointment as such director, member or officer.

212 [(o)] (m) Notwithstanding the provisions of any other law to the  
213 contrary, it shall not constitute a conflict of interest for a trustee,  
214 director, partner or officer of any person, firm or corporation, or any  
215 individual having a financial interest in a person, firm or corporation,  
216 to serve as a director of the authority, provided such trustee, director,

217 partner, officer or individual shall abstain from deliberation, action or  
218 vote by the authority in specific respect to such person, firm or  
219 corporation.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>May 1, 2010</i>	22a-261

**PD**      *Joint Favorable Subst.*

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The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:*** None

***Explanation***

The bill, which reconstitutes the board of the Connecticut Resources Recovery Authority (CRRRA), does not have a state or municipal fiscal impact.

***The Out Years***

***State Impact:*** None

***Municipal Impact:*** None

**OLR Bill Analysis****sSB 394*****AN ACT CONCERNING THE GOVERNANCE OF THE CONNECTICUT RESOURCES RECOVERY AUTHORITY.*****SUMMARY:**

This bill:

1. increases, from 11 to 17, the membership of the Connecticut Resources Recovery Authority's (CRRA) board of directors by adding two gubernatorial appointees and one appointee for each of the four top legislative leaders;
2. requires these appointing authorities to name a chief elected official of a CRRA member municipality as the new board members;
3. adjusts the number of directors required for a quorum and for delegating as a subgroup with powers and duties of the board; and
4. deletes obsolete provisions in the law governing the CRRA.

EFFECTIVE DATE: May 1, 2010

**BOARD MEMBERSHIP**

The bill adds six members to the CRRA's board of directors, each of whom must be the chief elected official of a municipality receiving solid waste management services from the authority or that person's designee. The bill's new members are the only directors who can designate a representative to serve. Under existing law unchanged by the bill, appointing authorities can name a "municipal official" to serve in other board positions, but this term includes the city or town manager or chief financial officer, in addition to the first selectman or

mayor (the chief elected official).

Under the bill, the governor has five appointments, up from three; and the Senate president pro tempore, House speaker, and House and Senate minority leaders each have three appointments, rather than two. Up to three, instead of two, gubernatorial appointees can be from the same political party.

Table 1 shows the appointing authorities and the qualifications required for members of the board under current law and the bill.

**Table 1: CRRRA Board of Directors**

<i>Appointing Authority</i>	<i>Current Law</i>	<i>The Bill</i>
Governor	Municipal official from a member town with a population < 50,000	
Governor	No specified criteria	
Governor	Public member with experience in energy field	
Governor	NA*	Chief elected official of a member town
Governor	NA	Chief elected official of a member town
Senate president pro tempore	Municipal official from a member town with a population > 50,000	
Senate president pro tempore	Public member with experience in finance, business, or industry	
Senate president	NA	Chief elected official

pro tempore		of a member town
House speaker	Municipal official from a member town with a population > 50,000	
House speaker	Public member with experience in finance, business, or industry	
House speaker	NA	Chief elected official of a member town
Senate minority leader	Municipal official from a member town with a population < 50,000	
Senate minority leader	Public member with experience in finance, business, or industry	
Senate minority leaders	NA	Chief elected official of a member town
House minority leader	Municipal official from a member town with a population < 50,000	
House minority leader	Public member with experience in environmental field	
House minority leader	NA	Chief elected official of a member town

\*NA means not applicable

The new members serve four-year terms, as do other members. The new members' terms begin as of the effective date of their appointment, while existing members' terms are staggered. All appointments, including the bill's, are subject to the advice and consent of both the House and the Senate.

#### **QUORUM AND DELEGATION**

The bill makes an adjustment, corresponding to the increased membership, to the number and type of members required for a quorum needed to take action. It increases, from six to nine, the

number of directors who must be present to transact business or exercise any of its authority; and increases, from two to four, the number of directors from municipal government who must be present for a quorum.

By law, the board may designate its powers and duties to a group of three or more directors, one of whom must be a municipal official. The bill increases both (1) the size of the delegated group to five or more and (2) the number who must be municipal officials to at least two. The bill deletes an obsolete provision that established a steering committee of between three and five directors that terminated on December 31, 2002 or when ended by the board, which happened in 2005.

## **BACKGROUND**

### ***Related Bill***

SB 267 (File 248) establishes a 14-member task force to study the need for changes to CRRA's role and purpose, including its structure. The task force must submit its findings and recommendations to the Environment Committee by January 1, 2011.

## **COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable Substitute

Yea 13    Nay 7    (03/22/2010)