



Senate

General Assembly

File No. 463

January Session, 2011

Substitute Senate Bill No. 1170

Senate, April 7, 2011

The Committee on Energy and Technology reported through SEN. FONFARA of the 1st Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE MEMBERSHIP OF THE CONNECTICUT RESOURCES RECOVERY AUTHORITY'S BOARD OF DIRECTORS.

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 Section 22a-261 of the general statutes is repealed and the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 July 1, 2011*):

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 be
11 vested in and exercised by a board of directors, which shall consist of
12 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) [On and after] From June 1, 2002, to June 30, 2011, inclusive, the
41 powers of the authority shall be vested in and exercised by a board of
42 directors, which shall consist of eleven directors as follows: Three
43 appointed by the Governor, one of whom shall be a municipal official
44 of a municipality having a population of fifty thousand or less and one
45 of whom shall have extensive, high-level experience in the energy
46 field; two appointed by the president pro tempore of the Senate, one of
47 whom shall be a municipal official of a municipality having a

48 population of more than fifty thousand and one of whom shall have
49 extensive high-level experience in public or corporate finance or
50 business or industry; two appointed by the speaker of the House of
51 Representatives, one of whom shall be a municipal official of a
52 municipality having a population of more than fifty thousand and one
53 of whom shall have extensive high-level experience in public or
54 corporate finance or business or industry; two appointed by the
55 minority leader of the Senate, one of whom shall be a municipal official
56 of a municipality having a population of fifty thousand or less and one
57 of whom shall have extensive high-level experience in public or
58 corporate finance or business or industry; two appointed by the
59 minority leader of the House of Representatives, one of whom shall be
60 a municipal official of a municipality having a population of fifty
61 thousand or less and one of whom shall have extensive, high-level
62 experience in the environmental field. No director may be a member of
63 the General Assembly. Not more than two of the directors appointed
64 by the Governor shall be members of the same political party. The
65 appointed directors shall serve for terms of four years each, provided,
66 of the directors first appointed for terms beginning on June 1, 2002, (1)
67 two of the directors appointed by the Governor, one of the directors
68 appointed by the president pro tempore of the Senate, one of the
69 directors appointed by the speaker of the House of Representatives,
70 one of the directors appointed by the minority leader of the Senate and
71 one of the directors appointed by the minority leader of the House of
72 Representatives shall serve an initial term of two years and one month,
73 and (2) the other appointed directors shall serve an initial term of four
74 years and one month. The appointment of each director for a term
75 beginning on or after June 1, 2004, shall be made with the advice and
76 consent of both houses of the General Assembly. The Governor shall
77 designate one of the directors to serve as chairperson of the board,
78 with the advice and consent of both houses of the General Assembly.
79 The chairperson of the board shall serve at the pleasure of the
80 Governor. Any appointed director who fails to attend three
81 consecutive meetings of the board or who fails to attend fifty per cent
82 of all meetings of the board held during any calendar year shall be

83 deemed to have resigned from the board. Any vacancy occurring other
84 than by expiration of term shall be filled in the same manner as the
85 original appointment for the balance of the unexpired term. As used in
86 this subsection, "municipal official" means the first selectman, mayor,
87 city or town manager or chief financial officer of a municipality that
88 has entered into a solid waste disposal services contract with the
89 authority and pledged the municipality's full faith and credit for the
90 payment of obligations under such contract. Notwithstanding the
91 provisions of this subsection, the terms of all members on the board of
92 directors who are serving on June 30, 2011, shall expire on said date.

93 (d) On and after July 1, 2011, the powers of the authority shall be
94 vested in and exercised by a board of directors, which shall consist of
95 fifteen directors as follows: Five municipal officials, one each
96 appointed by the Governor, the president pro tempore of the Senate,
97 the speaker of the House of Representatives, the minority leader of the
98 Senate and the minority leader of the House of Representatives; three
99 representatives of municipalities having a population of thirty
100 thousand or more, each of whom shall be elected by the vote of all
101 municipalities having a contractual relationship with the authority;
102 and seven representatives of municipalities having a population of less
103 than thirty thousand, each of whom shall be elected by the vote of all
104 municipalities having a contractual relationship with the authority. No
105 more than six of the ten directors elected to the board may be from
106 municipalities served by the authority's Mid-Connecticut Project. The
107 appointed directors shall serve for terms of four years each, provided,
108 of the directors first appointed for terms beginning on July 1, 2011, the
109 directors appointed by the president pro tempore of the Senate and the
110 speaker of the House of Representatives shall serve an initial term of
111 two years and one month and the other appointed directors shall serve
112 an initial term of four years and one month. Five of the elected
113 directors shall serve an initial term of two years and five of the elected
114 directors shall serve an initial term of four years. No director shall
115 serve more than eight consecutive years. The board shall elect one of
116 the directors to serve as chairperson of the board for a term of two
117 years but not more than four consecutive years. Any director who fails

118 to attend three consecutive meetings of the board or who fails to attend
119 fifty per cent of all meetings of the board held during any calendar
120 year shall be deemed to have resigned from the board. Any vacancy
121 occurring other than by expiration of term shall be filled in the same
122 manner as the original appointment for the balance of the unexpired
123 term. As used in this subsection, "municipal official" means the first
124 selectman, mayor, city or town manager or chief financial officer of a
125 municipality that has entered into a solid waste disposal services
126 contract with the authority and pledged the municipality's full faith
127 and credit for the payment of obligations under such contract.

128 [(d)] (e) The chairperson shall, with the approval of the directors,
129 appoint a president of the authority who shall be an employee of the
130 authority and paid a salary prescribed by the directors. The president
131 shall supervise the administrative affairs and technical activities of the
132 authority in accordance with the directives of the board.

133 [(e)] (f) Each director shall be entitled to reimbursement for said
134 director's actual and necessary expenses incurred during the
135 performance of said director's official duties.

136 [(f)] (g) Directors may engage in private employment, or in a
137 profession or business, subject to any applicable laws, rules and
138 regulations of the state or federal government regarding official ethics
139 or conflict of interest.

140 [(g) Six] (h) Eight directors of the authority shall constitute a
141 quorum for the transaction of any business or the exercise of any
142 power of the authority, provided, two directors from municipal
143 government shall be present in order for a quorum to be in attendance.
144 For the transaction of any business or the exercise of any power of the
145 authority, and except as otherwise provided in this chapter, the
146 authority shall have power to act by a majority of the directors present
147 at any meeting at which a quorum is in attendance. If the legislative
148 body of a municipality that is the site of a facility passes a resolution
149 requesting the Governor to appoint a resident of such municipality to
150 be an ad hoc member, the Governor shall make such appointment

151 upon the next vacancy for the ad hoc members representing such
152 facility. The Governor shall appoint with the advice and consent of the
153 General Assembly ad hoc members to represent each facility operated
154 by the authority provided at least one-half of such members shall be
155 chief elected officials of municipalities, or their designees. Each such
156 facility shall be represented by two such members. The ad hoc
157 members shall be electors from a municipality or municipalities in the
158 area to be served by the facility and shall vote only on matters
159 concerning such facility. The terms of the ad hoc members shall be four
160 years.

161 [(h) There is established, effective June 1, 2002, a steering committee
162 of the board of directors, consisting of at least three but not more than
163 five directors, who shall be jointly appointed by the Governor, the
164 president pro tempore of the Senate and the speaker of the House of
165 Representatives. Said committee shall consist of at least one director
166 who is a municipal official, as defined in subsection (c) of this section.
167 The steering committee shall forthwith establish a financial
168 restructuring plan for the authority, subject to the approval of the
169 board of directors, and shall implement said plan. The financial
170 restructuring plan shall determine the financial condition of the
171 authority and provide for mitigation of the impact of the Connecticut
172 Resources Recovery Authority-Enron-Connecticut Light and Power
173 Company transaction on municipalities which have entered into solid
174 waste disposal services contracts with the authority. The steering
175 committee shall also review all aspects of the authority's finances and
176 administration, including but not limited to, tipping fees and
177 adjustments to such fees, the annual budget of the authority, any
178 budget transfers, any use of the authority's reserves, all contracts
179 entered into by or on behalf of the authority, including but not limited
180 to, an assessment of the alignment of interests between the authority
181 and the authority's contractors, all financings or restructuring of debts,
182 any sale or other disposition or valuation of assets of the authority,
183 including sales of electricity and steam, any joint ventures and
184 strategic partnerships, and the initiation and resolution of litigation,
185 arbitration and other disputes. The steering committee (1) shall have

186 access to all information, files and records maintained by the authority,
187 (2) may retain consultants and utilize other resources necessary to
188 carry out its responsibilities under this subsection, which have a total
189 cost of not more than five hundred thousand dollars, without the
190 approval of the board of directors, and may draw on accounts of the
191 authority for such costs, and (3) shall submit a report to the board of
192 directors and the General Assembly, in accordance with section 11-4a,
193 on its findings, progress and recommendations for future action by the
194 board of directors in carrying out the purposes of this subsection, not
195 later than December 31, 2002. Said report shall also include a report on
196 any loans made to the authority under section 22a-268d. The steering
197 committee shall terminate on December 31, 2002, unless extended by
198 the board.]

199 (i) The board may delegate to three or more directors such board
200 powers and duties as it may deem necessary and proper in conformity
201 with the provisions of this chapter and its bylaws. At least one of such
202 directors shall be a municipal official, as defined in subsection (c) of
203 this section, and at least one of such directors shall not be a state
204 employee.

205 (j) Appointed directors may not designate a representative to
206 perform in their absence their respective duties under this chapter.

207 (k) The term "director", as used in this section, shall include such
208 persons so designated as provided in this section and this designation
209 shall be deemed temporary only and shall not affect any applicable
210 civil service or retirement rights of any person so designated.

211 (l) The appointing authority for any director may remove such
212 director for inefficiency, neglect of duty or misconduct in office after
213 giving the director a copy of the charges against the director and an
214 opportunity to be heard, in person or by counsel, in the director's
215 defense, upon not less than ten days' notice. If any director shall be so
216 removed, the appointing authority for such director shall file in the
217 office of the Secretary of the State a complete statement of charges
218 made against such director and the appointing authority's findings on

219 such statement of charges, together with a complete record of the
220 proceedings.

221 (m) The authority shall continue as long as it has bonds or other
222 obligations outstanding and until its existence is terminated by law.
223 Upon the termination of the existence of the authority, all its rights and
224 properties shall pass to and be vested in the state of Connecticut.

225 (n) The directors, members and officers of the authority and any
226 person executing the bonds or notes of the authority shall not be liable
227 personally on such bonds or notes or be subject to any personal
228 liability or accountability by reason of the issuance thereof, nor shall
229 any director, member or officer of the authority be personally liable for
230 damage or injury, not wanton or wilful, caused in the performance of
231 such person's duties and within the scope of such person's
232 employment or appointment as such director, member or officer.

233 (o) Notwithstanding the provisions of any other law to the contrary,
234 it shall not constitute a conflict of interest for a trustee, director,
235 partner or officer of any person, firm or corporation, or any individual
236 having a financial interest in a person, firm or corporation, to serve as a
237 director of the authority, provided such trustee, director, partner,
238 officer or individual shall abstain from deliberation, action or vote by
239 the authority in specific respect to such person, firm or corporation.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2011	22a-261

Statement of Legislative Commissioners:

In the last sentence of section 1(c), "May 31, 2011," was changed to "June 30, 2011," for accuracy.

ET *Joint Favorable Subst.-LCO*

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.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

This bill, which makes several changes to the Connecticut Resources Recovery Authority (CRRA) Board of Directors, has no fiscal impact to the state or municipalities.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sSB 1170*****AN ACT CONCERNING THE MEMBERSHIP OF THE CONNECTICUT RESOURCES RECOVERY AUTHORITY'S BOARD OF DIRECTORS.*****SUMMARY:**

This bill makes several changes to the composition of the Connecticut Resource Recovery Authority's (CRRA) board of directors, including

1. increasing the board's membership from 11 to 15;
2. decreasing the number of legislative and gubernatorial appointments;
3. removing expertise requirements;
4. increasing municipal representation;
5. allowing municipalities to elect directors;
6. increasing representation for smaller towns;
7. requiring election of the board's chair;
8. imposing term limits; and
9. increasing the members needed for a quorum from six to eight, consistent with the increase in the board's size.

In addition, the bill dissolves the current board's authority on June 30, 2011 and ends the terms of any sitting directors on that date. It deletes an obsolete provision establishing a CRRA steering committee that the board dissolved in 2005. It retains provisions regarding ad hoc

members, conflicts of interest, civil immunity, expense reimbursement, and other operational matters.

CRRA is a quasi-public agency that designs, builds, and operates solid waste disposal, volume reduction, recycling, intermediate processing, and resource recovery facilities. Ninety-six Connecticut municipalities contract with CRRA to manage their solid waste and recyclables.

EFFECTIVE DATE: July 1, 2011

CURRENT LAW

Selection & Qualifications of Members

Under current law, the governor and legislative leadership choose all 11 directors for the CRRA board. The governor picks three, one of whom must be a municipal official from a town with a population of 50,000 or less; and one an energy expert. Each of the four legislative leaders picks two additional directors. Of these, two must be municipal officials from towns with populations of 50,000 or less; two must be municipal officials from towns with populations over 50,000; three must be experts in finance, business, or industry; and one must be an expert in environmental issues. The governor chooses the board's chair, who serves at the pleasure of the governor, from among the 11 directors.

The law defines a "municipal official" as the first selectman, mayor, city or town manager, or chief financial officer from a municipality that has contracted for solid waste disposal services with CRRA and pledged the municipality's full faith and credit under the contract.

Appointment & Terms

All 11 directors must be confirmed by both legislative chambers and none can be members of the General Assembly. Only two of the governor's three appointees can be from the same political party. Each director serves a four-year term, staggered so that half of them are subject to reappointment every two years. There are no term limits.

THE BILL***Selection & Qualifications of Members***

Under the bill, the governor and legislative leadership appoint five of the 15 directors. The governor and the four legislative leaders each select one director, who must be a municipal official (using current law's definition). The bill does not require any director to have any other particular expertise.

The bill requires that the remaining 10 directors be elected by a vote of all municipalities that contract with CRRA. It does not require that they be municipal officials, but three of them must represent towns with populations over 30,000, and seven must represent towns with populations of 30,000 or less. No more than six of the elected representatives can be from towns served by the Mid-Connecticut Project. Located in Hartford, the project is one of four CRRA operated resource recovery facilities that reclaim energy from municipal solid waste. It has contracts with 70 Connecticut municipalities.

The bill does not further specify how to administer the election of the municipal representatives.

Under the bill, the directors elect a member of the board to serve a two-year term as chairperson. No chairperson can serve for more than four consecutive years.

Appointment & Terms

The bill eliminates the (1) requirement that directors be confirmed by the legislature, (2) prohibition against General Assembly members serving on the board, and (3) prohibition against the governor's appointees being from the same political party (the governor only selects one director).

The bill prohibits any director from serving on the board for more than eight consecutive years.

Table 1 illustrates the changes to the board's composition under current law and the bill.

Table 1: Changes to the CRRA Board of Directors under the Bill

	<i>Current Law</i>	<i>The Bill</i>
Total Number of Members	11	15
Legislative and Gubernatorial Appointments	11 Legislative confirmation required.	5 No legislative confirmation required.
Expertise Requirement	3 experts in finance, business or industry; 1 energy expert; 1 environment expert.	None
Municipal Representation	5 municipal officials.	5 municipal officials; 10 municipal representatives.
Municipal Elections	No.	Yes: for 10 municipal representatives.
Town Size	2 members from towns with populations over 50,000; 3 members from towns with 50,000 or less.	3 members from towns with populations over 30,000; 7 members from towns with 30,000 or less.
Chair	Chosen by governor; serves at the pleasure of the governor.	Elected by the board; serves a two-year term with a four-year term limit as chair.
Term Limits	None.	Eight consecutive years.
Quorum	6	8

Staggered Terms

As under current law, the bill staggers the directors' terms. It requires the first municipal officials appointed by the president pro tempore and the speaker of the house to serve initial two-year and one-month terms. The three other appointed municipal officials serve initial four-year and one-month terms. The bill continues current four-year term length for all appointed directors after the initial terms expire.

The bill also staggers the terms of the 10 elected municipal representatives. It requires five of them to serve initial two-year terms, while the other five serve initial four-year terms. The bill does not specify which five will serve the initial two-year terms. It also does not

specify the elected directors' term length after the initial terms expire.

Attendance and Vacancy Policies

As under current law, the bill deems board members to have resigned if they do not attend (1) three consecutive board meetings or (2) at least half of all board meetings in a calendar year.

The bill also retains the current provision that vacancies occurring before a term expires be filled for the remainder of the term by the same appointing authority that filled the original position.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable

Yea 22 Nay 0 (03/22/2011)