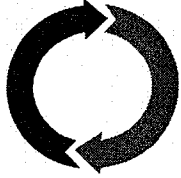


**CRRA
BOARD MEETING
October 23, 2008**



**CONNECTICUT
RESOURCES
RECOVERY
AUTHORITY**

**100 Constitution Plaza • Hartford • Connecticut • 06103 • Telephone (860)757-7700
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MEMORANDUM

TO: CRRA Board of Directors
FROM: Moira Kenney, Secretary to the Board/Paralegal
DATE: October 17, 2008
RE: Notice of Meeting

There will be a regular meeting of the Connecticut Resources Recovery Authority Board of Directors on Thursday, October 23, 2008 at 9:30 a.m. The meeting will be held in the Board Room of 100 Constitution Plaza, Hartford, Connecticut. The meeting will also be available to the public via video conference at the 1410 Honeyspot Road ext. Board room, Second Floor, Stratford, CT.

Please notify this office of your attendance at (860) 757-7787 at your earliest convenience.

Connecticut Resources Recovery Authority
Board of Directors Meeting

Agenda
October 23, 2008
9:30 AM

I. Pledge of Allegiance

II. Public Portion

A ½ hour public portion will be held and the Board will accept written testimony and allow individuals to speak for a limit of three minutes. The regular meeting will commence if there is no public input.

III. Minutes

1. Board Action will be sought for the approval of the Sept. 25, 2008, Regular Board Meeting Minutes (Attachment 1).

1.a Action Items

IV. Finance

1. Finance Committee Update
2. Board Action will be sought regarding 3 Year Contract for Insurance Broker/Consultant (Attachment 2).
3. Board Action will be sought regarding Reserve Analysis (Attachment 3).
4. Board Action will be sought for approval of the form of the new agreement for Solid Waste Management Services (MSA) between CRRA and the Wallingford Project Participating Municipalities (Attachment 4).
5. Board Action will be sought for Resolution Regarding Reduction of Mid-Connecticut Tip Fees (Attachment 5).

V. Chairman's, President's and Committee Reports

- A. Chairman's Report
- B. President's Report
- C. Organizational Synergy & Human Resources Committee
 1. Board Action will be sought for approval of Healthcare Insurance Opt-Out Program (Attachment 6).
 2. Discussion and Possible Board Action Regarding Management Retention.

D. Policies & Procurement Committee

1. Board Action will be sought for the Resolution Regarding Cooperative Service Agreement with United States Department of Agriculture for the Control of Birds (Attachment 7).
2. Board Action will be sought for the Resolution Regarding Retrofit of Diesel Equipment – City of Hartford, Solid Waste Hauling Vehicles (Attachment 8).
3. Board Action will be sought for the Resolution Regarding Conversion of Two Secondary Shredder Motors at the Mid-CT WPF (Attachment 9).
4. Board Action will be sought for the Resolution Regarding Replacement of Primary Air Compressors at the Mid-CT WPF (Attachment 10).
5. Board Action will be sought for the Resolution Regarding the Upgrade of the Automation System at the Mid-CT Power Block Facility (Attachment 11).
6. Board Action will be sought for the Resolution Regarding the Purchase of a New Articulating Boom “High Lift” for the Mid-CT WPF (Attachment 12).
7. Board Action will be sought for the Resolution Regarding Purchase of a Mobile Shredder for the Mid-CT WPF (Attachment 13).
8. Discussion Status of Mid-Ct Capital Improvement Projects (Attachment 14).
9. Board Action will be sought for the Resolution Regarding a Standard Form Hauler Agreement for Delivery of New Haven Waste (Attachment 15).
10. Board Action will be sought for the Resolution Regarding Amended and Restated Solid Waste Disposal Agreement between the Authority and Wheelabrator Bridgeport, L.P. (Attachment 16).
11. Board Action will be sought for the Resolution Regarding Solid Waste Management Services Agreements for the Delivery and Disposal of Waste by Municipalities to the Bridgeport Facility (Attachment 17).
12. Board Action will be sought for the Resolution Regarding Authorization for Payments of Projected Additional Legal Expenses (Attachment 18).

VI. Executive Session

An Executive Session will be held to discuss pending litigation, real estate acquisition, pending RFP's, and personnel matters with appropriate staff.

TAB 1

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND FORTIETH

SEPTEMBER 25, 2008

A Regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, September 25, 2008, at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Chairman Michael Pace

Directors: Mark Cooper
 David B. Damer
 Alan Desmaris
 Michael Jarjura, (Present beginning 10:59 a.m.)
 Mark Lauretti, (Present by telephone beginning 9:48 a.m. until 1:10 p.m.)
 Theodore Martland
 Raymond O'Brien
 Linda Savitsky, (Present beginning 9:56 a.m.)
 Steve Edwards, Bridgeport Project Ad-Hoc
 Tim Griswold, Mid-Connecticut Project Ad-Hoc
 Geno Zandri, Wallingford Project Ad-Hoc

Present from CRRA Management:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Michael Bzdyra, Government Relations Liaison
Jeffrey Duvall, Manager of Budgets and Forecasting
Peter Egan, Director of Environmental Affairs & Development
Thomas Gaffey, Recycling Director
Laurie Hunt, Director of Legal Services
Lynn Martin, Risk Manager
Paul Nonnenmacher, Director of Public Affairs
Mike Tracey, Director of Operations
Nhan Vo-Le, Director of Accounting Services
Lisa Bremmer, Executive Assistant
Moirra Kenney, Secretary to the Board/Paralegal

Also present were: Jay Aronson of Consensus Government; Richard J. Barlow, First Selectman of Canton, CT; Bob Gross of Wallingford, CT; John Pizzimenti of USA Hauling & Recycling; Vicki Kotlynar of Covanta; Jerry Tyminski of SCRRA; Brian Motola, George Fetko, and Peter Griffin of the Town of Vernon; and Scott Trenholm and Mike VanDeventer of Carlin, Charron & Rosen, LLP

Chairman Pace called the meeting to order at 9:38 a.m. and said that a quorum was present.

PLEDGE OF ALLEGIANCE

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

PUBLIC PORTION

Chairman Pace said that the agenda allowed for a public portion in which the Board would accept written testimony and allow individuals to speak for a limit of three minutes.

Mr. Bob Gross of Wallingford said that he had a question regarding the Barbarino property which was purchased by CRRA in 2001. He asked if any soil samples had been done on that property. Mr. Egan said before CRRA purchased the property a phase one environmental assessment was done on the property. He explained a small area of soil directly adjacent to Oliver Creek Road which was petroleum contaminated was removed. Mr. Egan said that information was contained in the public file.

Mr. Gross asked if other than that soil if the property is relatively clean. Mr. Egan said it was not a Superfund site, he said the property was purchased because the leachate plume that migrates from the landfill proper has moved under that property on its' way to the Quinnipiac River. Mr. Gross asked where the funds to purchase the property came from, and what the purchase price was. Mr. Egan said that the funds for purchasing the project came out of CRRA's Wallingford Project and that he would need to check the records before quoting a price.

Mr. Gross asked if the funds in the Wallingford Project were made up of tipping fees from the project. Mr. Egan said this was correct. Mr. Gross asked if there was any other cleanup of the property performed. Mr. Egan replied that several old cars were removed, an old trailer park was demolished, and that some above ground fuel oil tanks associated with the trailer park were removed. He explained that the stained soil was also removed under the oversight of the Connecticut Department of Environmental Protection (hereinafter referred to as "CT DEP").

Mr. Gross asked if CRRA has plans for the property such as building a transfer station. Chairman Pace said that those facts were yet to be determined. Mr. Gross said that CRRA had petitioned the state for a possible transfer station on that property. Chairman Pace said that an answer has not been provided by the CT DEP regarding that request.

Mr. Gross asked how CRRA acquired the property and not the town of Wallingford. Mr. Egan said that CRRA holds the permits for the landfills which include the groundwater discharge permit. He explained the trailer park and water well on the property are the responsibility of CRRA in order to comply with the requirement that the permit holder of the landfill control the zone influence and the leachate plume and also because the solid waste disposal facility is in a retro corrective action program.

Mr. Gross asked when the public would be seeing the handouts which were distributed to the press in Cheshire, CT, at the Wallingford Plant. Mr. Tracey said that some of the material distributed at the workshop was confidential pending contract negotiations. Mr. Kirk said the data requested is expected to become public when the towns are finished reviewing the MSAs (municipal service agreements).

Mr. Gross said there was an issue at the Wallingford Plant with a strong smell. He explained he spoke with Covanta and requested the issue be resolved as a large funeral in proximity to the plant was due to take place. Mr. Gross said that Covanta had assured him that double deodorizers would be put on but that at 5:30-6 p.m. they were off. He explained the incident took place the previous Thursday and that there were smells on Sunday as well. Mr. Gross said that Covanta had informed him that they were not running the deodorizers on the weekend.

Mr. Kirk informed Mr. Gross that he would look into the issue. He explained this was the third complaint he had in the past three months.

APPROVAL OF THE MINUTES OF THE JULY 24, 2008, REGULAR BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the July 24, 2008, Regular Board Meeting. Director O'Brien made a motion to approve the minutes, which was seconded by Director Martland. The minutes were approved as presented by roll call.

Director Damer and Director Desmarais abstained as they were not present at the meeting.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer			X
Alan Desmarais			X
Theodore Martland	X		
Raymond O'Brien	X		
Ad-Hocs			
Stephen Edwards, Bridgeport	X		
Timothy Griswold, Mid-Connecticut	X		
Geno Zandri, Jr., Wallingford	X		

Mr. Kirk welcomed Director Damer and Director Desmarais to the CRRA Board of Directors. He explained Director Desmarais brings a unique perspective as he has worked as an employee of CRRA in the past. He said that Director Desmarais is currently the Finance Director of Manchester, CT.

Mr. Kirk said that Director Damer is a retired environmental engineer who spent most of his career with United Illuminating. Mr. Kirk said that Director Damer brings a wealth of knowledge and expertise on environmental engineering and is active on several boards.

APPROVAL OF THE MINUTES OF THE AUGUST 21, 2008, SPECIAL BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the August 21, 2008, Special Board Meeting. Director O'Brien made a motion to approve the minutes, which was seconded by Director Martland. The minutes were approved as presented by roll call.

Director Damer and Director Desmarais abstained as they were not present at the meeting.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer			X
Alan Desmarais			X
Theodore Martland	X		
Raymond O'Brien	X		
Ad-Hocs			
Stephen Edwards, Bridgeport	X		
Tim Griswold, Mid-Connecticut	X		
Geno Zandri, Jr., Wallingford	X		

PRESIDENT'S REPORT

Mr. Kirk said a few of the Mid-Connecticut Project towns have expressed an interest in how CRRA is managing and administrating the disposal agreements and recycling issues. Mr. Kirk said communicating with the 70 towns has always been challenging. He said attendance at meetings and workshops concerning the Mid-Conn towns have always been poor. Mr. Kirk explained that Mid-Conn towns and CRRA Board of Directors suggested the creation of an advisory committee, similar to other advisory committees which participate in the other CRRA projects.

Mr. Kirk said that Chairman Pace sent a letter to the member towns inviting them to take part in the advisory committee. He explained it was the Chairman's intention to receive feedback from the Board members regarding that invitation.

Mr. Kirk said that management had recently discovered that a Mid-Conn Advisory Committee had existed in the late 80's-mid 90's. He explained the Advisory Committee had ceased holding meetings in about 1995. He said that investigations into their mechanics would be done in more detail by management.

Mr. Kirk said that management was strongly supportive of the formation of a new Advisory Committee. Director O'Brien said that a suggestion had been made to set a date for a prospective

meeting in order to give the towns the opportunity to participate. Director Desmarais suggested an informal outreach be done. Mr. Kirk agreed and said that phone calls from the Board of Directors would provide the opportunity to draw interest from the Mid-Conn towns.

Chairman Pace said that a uniform letter should be sent out to all project member towns stating CRRA's intent to formulate a Mid-Conn Advisory Committee. Director Damer said that more research should be done on the earlier format of the Advisory Committee. He asked if any of the project member towns had expressed interest in participating.

Director Savitsky said that the communication to the Mid-Conn towns is a necessary and important step for CRRA. Director Martland said that the position of Selectman is a two year position which may mean more assertiveness is necessary on CRRA's part in reaching out.

First Selectman of Canton, CT, Richard Barlow said that he felt the advisory committee is an important thing to do. He said an ongoing dialog will provide better terms of communication.

Director Desmarais said management should find out if the original advisory group was a function of the original financing documents or if it was created as an ad-hoc and was statutory. Mr. Kirk explained there is a statutory opportunity for advisory committees with all of the projects. He said there is a statutory requirement for a post-project planning committee.

The Board discussed the methodology for reaching the Mid-Conn towns and forming an Advisory Committee at length.

ADDITION TO THE AGENDA

Chairman Pace requested a motion to add an item to the agenda. Director O'Brien made the motion which was seconded by Director Savitsky.

The motion previously made and seconded was approved unanimously by roll call.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport	X		
Tim Griswold, Mid-Connecticut	X		
Geno Zandri, Jr., Wallingford	X		

APPROVAL OF ADDITIONAL AGENDA ITEM

Chairman Pace requested a motion to approve the above-captioned item. Director O'Brien made the following motion which was seconded by Director Savitsky.

RESOLVED: That the Board hereby authorizes the creation of an Advisory Committee consisting of the Chief Elected Official or their designees of the member towns and further authorizes the Chairman of the CRRA Board to revise and distribute the letter which follows Tab 5 to the mayors and first selectmen and/or town managers of the Mid-Connecticut Project member towns.

The motion was seconded by Director Martland.

The motion previously made and seconded was approved unanimously by roll call.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut	X		
Geno Zandri, Jr., Wallingford			

PRESIDENT'S REPORT CONTINUED

Mr. Kirk said that with regards to the New Hartford case that the Supreme Court will hear oral arguments on October 16, 2008. Mr. Kirk said the appeal case in chief contains four subparts; if the Board was authorized to raise tipping fees in response to the loss of \$220 million, if the Board was authorized to create an expenditure account (and if CRRA was unjustly enriched), if the towns were entitled to a constructive trust on the Murtha and Hawkins settlements, and if the class action was created correctly.

Mr. Kirk said the second issue concerned the FY'08 budget and whether the judge was correct in questioning the Board's decision to lower the tip fee. He explained this also concerned whether the

lawyers should have been awarded fees due to the fact that the \$14.8 million monetary benefit would have accrued to the class had the judge not intervened. He said the third issue was the contempt and the gag order which stopped the Board from communicating with the towns. He explained CRRA's allegation is that the gag order violated due process and the first amendment that elected public officials can be gagged contrary to their duty as public officials by the court.

Mr. Kirk said that regarding the pre-judgment attachment CRRA's complaint is that it is illegal to attack a property owned by any political subdivision as it has never been done before and there is no legal basis.

Mr. Kirk said that recent communication with MDC has resulted in MDC's comfort with management's finalization of a procedure for emergency contingent costs. He said that MDC has agreed to pursue two outstanding issues concerning the alleged liability post-2012 of MDC costs. He explained one issue is the size of the liability and the second is who is responsible for those costs.

Mr. Kirk said CRRA's position is at the end of the contract that CRRA is no longer responsible, which MDC disagrees with. Mr. Kirk said the two issues will be resolved separately with an attempt to minimize costs. He explained Jim Bolduc will be working with a group to identify and mitigate costs and Laurie Hunt will be heading up a group to work with MDC to resolve the liability issue from a legal standpoint.

Director O'Brien asked if the procedure for emergency contingent costs involves the difficulties management has had with recent emergency repairs. Mr. Tracey replied that MDC has recognized management's concerns regarding this matter and they are working towards rectifying the issue.

Mr. Kirk said regarding the Wallingford Project the MSAs for consideration by the towns have been distributed and are being actively discussed and reviewed. He said that town meetings have been scheduled for those considerations. Mr. Kirk said the purchase option belongs to CRRA.

Mr. Kirk said the PILOT (payment in lieu of taxes) agreement is an issue that will need to be resolved among the towns. He said that CRRA's position is to pay the property tax value, however any additional premium is something that the towns have to agree on among themselves. Mr. Kirk said that towns have been notified that in order to access their reserve funds that research must be done on how to access those funds by the town or they must withdraw the money themselves. He said that CRRA can do the research if so requested by the towns.

Director O'Brien said that he believes CRRA should facilitate in the Wallingford negotiations. Chairman Pace said he agreed but the towns have a responsibility. Mr. Kirk said that management had facilitated meetings and participated where appropriate.

Mr. Kirk said regarding the Bridgeport Project that MSAs has been created that are acceptable to the towns and CRRA. He said Wheelabrator and CRRA have provided for SWDA which is near complete and ready for signature.

Director Edwards informed Director Laretti that the project was still waiting to set up a CEO meeting. He said the advisory Board is now turning the process over to the CEO's for final say. Director

Lauretti said that the CEO's are working on reviewing the agreement and that he will be setting up the meeting.

Mr. Kirk said the early termination/exit could not be accomplished and SWEROC will stay in place as constructed. He explained a single-stream facility in Stratford will be attempted with the existing tons.

Director O'Brien said that he was pleased with management's efforts concerning the Bridgeport Project.

FINANCE COMMITTEE UPDATE

Director Savitsky said that the Finance Committee will have a very full agenda for the next few months.

RESOLUTION REGARDING THE PURCHASE OF COMMERCIAL GENERAL LIABILITY, EXCESS LIABILITY, POLLUTION LEGAL LIABILITY AND COMMERCIAL AUTOMOBILE LIABILITY INSURANCE

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director Savitsky:

RESOLVED: That CRRA's Commercial General Liability insurance be purchased from ACE American Insurance Company with a \$1,000,000 limit, \$25,000 deductible for the period 10/1/08 – 10/1/09 for a premium of \$250,895, as discussed at this meeting; and

FURTHER RESOLVED: That CRRA's \$25 million Excess Liability insurance be purchased as follows: \$10 million from Everest National Insurance Company for a premium of \$120,360 and \$15 million from Allied World Assurance Company for a premium of \$76,500 for the period 10/1/08 – 10/1/09, as discussed at this meeting; and

FURTHER RESOLVED: That CRRA's Pollution Legal Liability insurance be purchased from ACE American Insurance Company with a \$20 million limit, \$1 million retention for the period 10/1/08 – 10/1/09 for a premium of \$340,328;

FURTHER RESOLVED: That CRRA's Commercial Automobile Liability insurance be purchased from ACE American Insurance Company with a \$1 million limit, liability coverage on all and comprehensive and collision on twelve (12) passenger vehicles and light trucks with a \$1,000 deductible, for the period 10/1/08 – 10/1/09 for a premium of \$65,517.

Director O'Brien seconded the motion.

Ms. Martin said the results of the marketing efforts by Aon were contained in the Board package. She explained that Aon spread a wide net in their attempt to get businesses interested in CRRA's program. Ms. Martin explained Aon was only successful in getting one competitive bid from Liberty on the general liability and the auto. She said management and Aon recommend ACE for the general

liability and the auto liability. She explained the recommendation is based on ACE's stepping up to cover CRRA in the past and their excellent services. She said the premium difference is insignificant.

Ms. Martin said that last years' excess carriers quoted this year with the same premiums that they quoted last year. She said that ACE is the only insurer who offered a quote for CRRA's pollution legal liability insurance. Ms. Martin said that overall the program is the same as last year, with the exception of the deductible for general liability which is \$25,000 less than the prior year. She explained there was a 2.4% savings on the premium overall.

Director Savitsky said that there was a thorough vetting and lengthy conversation between the Finance Committee members and the Aon team regarding the insurance. Mr. Bolduc said that CRRA continues to struggle with placing its' pollution liability insurance. He said having a good broker to canvass the market is important to assist with these difficulties. Mr. Bolduc said the issue will continue to be a challenge. He said the only alternative to finding coverage is the possibility of self-insurance.

Director O'Brien said that the complexity of the insurance coverage has increased. He said Aon's results validate the Board's decision to use Aon for their services.

Director Savitsky said there is a RFP out on the street because CRRA's contract with Aon is expiring.

Director Desmarais asked if Ms. Martin could take the quotation away from "agent" and put in "consultant". Director O'Brien accepted that change. Director Desmarais asked if the renewing premium is the budget. Chairman Pace replied that was correct and that CRRA was 2% below.

The motion previously made and seconded was approved unanimously by roll call.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut	X		
Geno Zandri, Jr., Wallingford			

RESOLUTION REGARDING THE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director Savitsky:

RESOLVED: That the Board hereby approves and endorses the Annual Financial report for the Fiscal Year Ended June 30, 2008, substantially as discussed and presented at this meeting.

Director O'Brien seconded the motion.

Mr. Bolduc said that the annual audit was completed for FY'08. He explained updates to the contingency section have been distributed to the Board members.

Mr. Bolduc said at an upcoming Board meeting the auditors will present the management letter. He explained an executive session without the presence of management will take place between the auditors and the Finance Committee. Mr. Bolduc said the CAFR (Consolidated Annual Financial Report) will also be started which will incorporate the audit for year-end. Mr. Bolduc introduced Scott Trenholm of Carlin, Charron & Rosen (hereinafter referred to as "CCR").

Mr. Trenholm said the communication letter and the audit had been reviewed by the Finance Committee at length. He then reviewed CRRA's responsibilities concerning the financial statements and CCR's responsibilities as an independent auditing firm. Mr. Trenholm explained that management is responsible for the preparation of the financial statements and also for taking ownership and responsibility of those statements. He explained CCR's responsibility is to perform the audit utilizing auditing procedures in accordance with U.S. auditing standards and upon completion to render opinions.

Mr. Trenholm said the opinion is unqualified as it has been in the past few years. He reviewed several items of importance from the audit with the Board.

Mr. Trenholm said that concerning management's significant accounting policies that CCR has reviewed the policies and found them to be both reasonable and appropriate in accordance with Generally Accepted Accounting Processes. He explained that during the year there were no new accounting policies that the Authority was required to adopt and there were no changes in existing policies.

Mr. Trenholm explained the auditing process involves many judgment calls from management and proceeded to review those significant items. He explained the first such item is the determination of closure and post-closure care of landfills liability. Mr. Trenholm said particular attention and time is paid to ensuring management's estimate is reasonable.

Mr. Trenholm said that a few other areas where management uses judgment and estimation are the determination of evaluation allowance for accounts receivable. He explained to do so historical information, credit information, and other information is used.

Mr. Trenholm said that another area where management uses judgment and estimation is in the determination of depreciation and amortization expense on the property and equipment. He explained management does this by estimating the life of the equipment.

Mr. Trenholm said the final area where management uses judgment and estimation is for loss contingencies. He explained determinations are made on existing litigation as to whether it is appropriate to record a loss contingency.

Mr. Trenholm stated in summation that CCR had determined that the amounts that have been recorded and the disclosures by management have been reasonable.

Mr. Trenholm noted that in the course of performing the audit CCR encountered no difficulties in completing their work and there were no disagreements with management concerning performing the audit.

Chairman Pace stated for the record that the updated handout distributed to the Board concerns the legal letters and litigation and has no bearing on the figures recorded in the financial statements. Mr. Trenholm stated that this is correct.

Ms. Vo-Le informed the Board that this was the last audit to be performed by CCR. She expressed her and Mr. Bolduc's appreciation for CCR's excellent work and thanked her staff as well and management for their support.

Director Savitsky said that per the statute a new auditing firm must be used after a six-year period and that CRRA will be going out to bid sometime after the new year. She said a majority of municipalities do not produce their own statements and that having an audit performed and completed so early is an accomplishment. She extended thanks to CCR, Mr. Bolduc, Ms. Vo-Le, and their staff.

Director Desmarais asked if management had done any recent reviews of possible STIF (State Treasurer's Investment Fund) exposure. Mr. Bolduc responded that management has been monitoring STIF closely for the past six months and has been in frequent communication with the Treasurer's Office.

Mr. Bolduc explained that one potential situation was resolved due to an acquisition by Citicorp. He explained the second situation was a deal struck between the fund and Goldman Sachs. Mr. Bolduc said there is still some exposure but there is a \$53 million reserve for the entire STIF account. He said the interest rate has been very good and management's concern is based on the possible changes of governance in the Treasurer's Office which may be undertaken in order to ensure this fund becomes more restrictive in the future.

Director Desmarais asked if there had been any recent matters of concern raised by the Treasury. Mr. Bolduc responded that the answer was no but he would continue his communication with the Treasury.

The motion previously made and seconded by Director Miron was approved unanimously by roll call.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut			
Geno Zandri, Jr., Wallingford			

RESOLUTION REGARDING THE RATIFICATION OF EMERGENCY PROCUREMENT CONTRACTS

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director O'Brien:

RESOLVED: That the Authority Board of Directors ratifies the emergency purchases as substantially presented and discussed at this meeting.

Director Martland seconded the motion for discussion.

Mr. Tracey said that there were two emergency ratifications before the Board. He explained the first is for a 1250 HP secondary shredder motor that was upgraded approximately a year ago. Mr. Tracey said the machine is still under a two-year warranty and had developed several problems that management had directed MDC to execute and repair. He explained that due to MDC's procurement procedures they weren't able to effect the arrangements and that as a result CRRA had to undertake the repair process.

Chairman Pace asked why the repairs couldn't be directed under warranty. Mr. Tracey said it was determined that the work was covered under the existing warranty.

Mr. Tracey said the second item for emergency repair is the electromagnetic drum. He explained the drum was in need of a two-phased repair consisting of the fabrication of a shell for the drum which the MDC was able to perform. Mr. Tracey explained MDC was not able to perform the assembly of the device itself due to a sole source situation.

Chairman Pace asked if either of the repairs had not been done under the emergency status what the impact would have been. Mr. Tracey said processing numbers would have dropped, and the electromagnetic drum would have caused a loss of ferrous processing capabilities.

Chairman O'Brien asked that the documentation for why the emergency procurement was necessary be provided along with the purchasing procedure.

The motion previously made and seconded was approved unanimously by roll call.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut	X		
Geno Zandri, Jr., Wallingford			

RESOLUTION REGARDING THE ADOPTION OF THE POLICY AND PROCEDURE FOR THE DISTRIBUTION OF RECYCLING REBATES TO MEMBER MUNICIPALITIES

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director O'Brien:

WHEREAS: CRRA has encouraged member municipalities to recycle to the maximum extent possible by not charging a tipping fee for the acceptance of recyclables at the Authority's regional recycling facilities since commencing operations and;

WHEREAS: The Board of Directors has adopted budgets that include funds to be rebated to member municipalities based on the amount of acceptable recyclable tons annually delivered and;

WHEREAS: Monetary rebates reward member municipalities for the delivery of acceptable recyclables and provide further economic incentive to maximize their local recycling programs and;

WHEREAS: CRRA has invested in the installation of state-of-the-art, single stream, processing technology at the Mid-Connecticut facility to increase citizen participation and recycling rates in pursuit of accomplishing the new statewide recycling goal and is planning to do the same at the Stratford facility therefore;

RESOLVED: That the Board of Directors hereby adopts the Procedures for the Distribution of Recycling Rebates to member municipalities and the President is hereby authorized to issue rebate checks to said member municipalities substantially as presented at this meeting.

Director Savitsky seconded the motion.

Chairman Pace excused himself from the discussion and subsequent vote.

Mr. Gaffey said that this motion had been discussed thoroughly at the P&P Committee meeting. He explained the policy allows for the distribution of rebates. He said the procedure that accompanies this resolution allows for the sole exception of towns to allow for their residents to donate their deposit containers to charities at their local transfer station.

Mr. Gaffey said the procedure allows for the exception on or prior to the adoption of this charity. He explained any of the towns from the prior fiscal year can still receive a check. Mr. Kirk said the agreement from FCR is not without cost to CRRA as aluminum recycled at our facility sells for \$1,700 a ton. He said management is pleased that FCR is cooperating in this public policy.

Mr. Gaffey said towns which have allowed for the donations have been told to bring all acceptable recyclables to the plant. He explained if they are not currently doing this they will not be able to do so on a foregoing basis. Director Savitsky clarified that the policy has a controlled number of participants. Mr. Gaffey said this was correct and that fourteen towns were participating.

Director Edwards asked if the participating towns were only part of the Mid-Conn Project. Mr. Gaffey said this was correct. He explained management anticipates having a rebate for the Stratford towns starting January 1, 2009.

The motion previously made and seconded was approved unanimously by roll call.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman			X
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Michael Jarjura	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut			
Geno Zandri, Jr., Wallingford			

RESOLUTION REGARDING TRANSPORTATION AND DISPOSAL OF PROCESS RESIDUE, NON-PROCESSIBLE WASTE AND BYPASS WASTE FOR THE MID-CONNECTICUT PROJECT

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director O'Brien:

RESOLVED: That the President is hereby authorized to enter into an agreement with Waste Management of Massachusetts, Inc., to provide transportation and disposal services for process residue, non-processible waste and bypass waste for the Mid-Connecticut Project, substantially as presented and discussed at this meeting.

Director Martland seconded the motion.

Mr. Egan said the resolution involves the Mid-Conn facility. He explained the Hartford landfill is closing December 31, 2008. Mr. Egan said the Board had before it a recommendation to execute a contract with Waste Management of Massachusetts, Inc. for the transportation and disposal of approximately 110,000 tons per year of the front end process residue generated from the waste processing facility along with 10,000 tons per year of the large bulky waste non-processible items that are picked out of the trash at the Waste Processing Facility in Hartford. He explained that included in the bid was also pricing to export bypass waste when there is more garbage than the waste-to-energy facility can handle out of the Mid-Conn system.

Mr. Egan said that the write-up includes a term sheet. He explained there was a typo within the term sheet under contract dollar value. He explained the first year incorrectly says \$72.15 a ton and that \$70.15 a ton is the correct price. Mr. Egan explained the contract was for six and a half years and includes a provision to exit the contract after three years with a 12-month advance notice. He explained

that such an exit provision was included given the potential of technology to burn 110,000 tons of the process residue.

Mr. Egan said the contract commits 110,000 tons or whatever amount is generated of process residue to Waste Management but does not commit any of the 10,000 tons per year of the large non-processible items, or any of the bypass waste. He said the fuel surcharge used in the analysis included in the Board package assumes a diesel price of \$4.65 a gallon. The contract includes a performance guarantee, and an indemnification for environmental liability. Mr. Egan said the company has about \$13 billion in revenue with a market cap of about \$15 million.

Chairman Pace asked Mr. Egan to define the large non-processible items that are pulled out. Mr. Egan said these items include chairs, couches, carpet and other large items that the current shredding technology cannot manage equaling roughly 8,000-10,000 tons a year.

Chairman Pace asked if there is any way to volume-reduce the couches. Mr. Egan said there is a bulky waste shredder which can assist and that proposal will be brought before the Board for approval later in the year. Mr. Tracey said the proposal will be brought before the Policies & Procurement Committee the following month. He explained bids for that project had recently been submitted and were being reviewed by management.

Mr. Egan said the bid was very favorable relative to the budget and the contrast is shown in the term sheet. He explained management expects to spend \$4.2 million of the budgeted \$5.2 million for non-processible and process residue. Chairman Pace asked that the Board take note of the estimate for the net cost of operations.

Director Savitsky said that the Finance Committee is pleased with the results of this bid, however regarding the overall budget, there should be no rushing to judgment as communicating this information should be a cautious process. She explained CRRA is only two and a half months into the fiscal year and there are still many actions that could affect the budget.

Director O'Brien asked that the record reflect the volumes of each type of waste. Mr. Egan said the process residue is approximately 110,000 tons per year. He said the non-processible waste is approximately 10,000 tons per year and approximately 15,000 tons per year of bypass waste.

Director Desmarais asked what the possible impact of technology may be on the amount of process residue on the third year of the contract. Mr. Egan said a decision must be made after 24 months as there is a one-time chance to exit the contract. Mr. Kirk said the soonest this technology could impact the contract is two years and the soonest CRRA could take advantage of this technology is three years.

Mr. Tracey said the technology has several unknowns including possible effects on the boilers and/or a request from Covanta on a possible reimbursement. Chairman Pace asked Mr. Tracey why Covanta would receive a reimbursement. Mr. Tracey explained past changes in operations have involved an award for reimbursement as provided for in the agreement from Covanta.

The Board discussed the possibilities of this new technology at length.

Mr. Kirk pointed out that the low bidder concerning this bid is far below the other bids. He explained this does not indicate the market rate for garbage has changed. He explained competing figures are \$80-\$85 which indicate that the market has not collapsed. Mr. Kirk said management was fortunate to get a good price, a trend which is similar in the price obtained for ash. Mr. Kirk said management believes the numbers favorable to the budget are a result of the economy. He explained western regional landfills are seeing less garbage and want to keep their flows up in order to achieve their discounts. He said diesel fuel prices have not dropped substantially and it is important for the Board to be aware that, despite the favorable prices, that CRRA owning its own ash landfill is still a far better option. Mr. Kirk said that regarding shredding bulky waste, management will find options for customers in the future.

Director O'Brien said the other four bids would have added \$1 million to \$1 ½ million to costs for process residue which would have been slim savings based on what was budgeted. He explained these figures validate the budget recommendations provided to the Board by management.

The motion previously made and seconded was approved unanimously by roll call.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Michael Jarjura	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut	X		
Geno Zandri, Jr., Wallingford			

RESOLUTION REGARDING ASH RESIDUE TRANSPORTATION AND DISPOSAL SERVICES FOR THE MID-CONNECTICUT RESOURCE RECOVERY FACILITY, ASH RESIDUE TRANSPORTATION AND DISPOSAL SERVICES FOR THE WALLINGFORD RESOURCE RECOVERY FACILITY AND ASH RESIDUE DISPOSAL SERVICES FOR THE PRESTON RESOURCE RECOVERY FACILITY

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director O'Brien:

RESOLVED: That the President is hereby authorized to execute an agreement with Wheelabrator Technologies Inc. to provide transportation and disposal services for ash residue from the Mid-Connecticut Resource Recovery Facility, substantially as presented and discussed at this meeting;

FURTHER RESOLVED: That the President is hereby authorized to execute an agreement with Covanta Mid-Connecticut, Inc. to provide transportation and disposal services for ash residue from the Wallingford Resource Recovery Facility, substantially as presented and discussed at this meeting; and

FURTHER RESOLVED: That the President is hereby authorized to execute an agreement with Wheelabrator Technologies Inc. to provide disposal services for ash residue from the Preston Resource Recovery Facility, substantially as presented and discussed at this meeting.

Director Savitsky seconded the motion.

Mr. Egan said this resolution involves ash residue and involves the Southeast, Wallingford, and Mid-Conn Projects. He explained the bid went out on the street earlier this calendar year to identify outlets for ash residue from these facilities. Mr. Egan said the contract for the Wallingford and Preston Connecticut facility for ash disposal expires in December 31, 2008. He said their ash has been going to the Wheelabrator landfill in Putman, CT. Mr. Egan said Hartford's ash has been going to the North Meadows landfill which is closing at this end of this year.

Mr. Egan said the bid received half a dozen responses which were then put through a qualification and pricing process which was discussed in the write-up. Mr. Egan pointed out the Mid-Conn Resource Recovery Facility generates about 170,000 tons a year and the base contract is for three years with five one-year extensions. Mr. Egan said the base was restricted for three years as management was considering the possibility of CRRRA having their landfill operational by 2011. He explained if this was not the case there are extensions available.

Mr. Egan said the Wallingford waste-to-energy facility has a one-and-a-half-year base term because the project ends after one and a half years.

Mr. Egan said the Preston facility is also a three-year base term with six one-year extensions. He explained SCRRRA had asked that management negotiate six one-year extensions to allow for a co-terminus term with the RRF service agreement with Covanta.

Mr. Egan said that the Preston bid was for disposal only and the Mid-Conn and Wallingford bids are for disposal and transportation of the ash. He explained the disposal price recommended for Preston is \$41.00 per ton, which is higher than several other disposal prices. This is because the other landfills that bid are further away, but when the transportation component is added, the Wheelabrator option becomes the least cost option. He explained management recommends the Wheelabrator Putnam option.

Mr. Tyminski said that Mr. Egan had summed up the Preston bid correctly. He said essentially the difference between Wheelabrator and Peabody is about \$550,000.

Mr. Egan said these contracts commit the ash to the vendors. He said that in the case of Preston there are two components to the ash amounts. Mr. Egan explained one is the SCRRRA component and the second is the Covanta spot component. Mr. Egan explained in Preston what is committed to Wheelabrator is the SCRRRA component which is approximately 55,000 tons a year. He said that Wheelabrator will accept the Covanta spot component of about 17,000-18,000 tons a year at this price if Covanta chooses to use the Wheelabrator Putnam disposal option. He said the contract with Covanta in the Southeast project requires landfill capacity for all the ash generated from the project, and Covanta has the option to take their component wherever they want.

The motion previously made and seconded was approved unanimously by roll call.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Michael Jarjura	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut			
Geno Zandri, Jr., Wallingford			

RESOLUTION REGARDING ASSIGNMENT OF LEGAL SERVICES AGREEMENT

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director O'Brien:

WHEREAS, Tyler Cooper & Alcorn, LLP, entered into a three-year Legal Services Agreement with the Authority dated July 1, 2008; and

WHEREAS, Tyler Cooper has now announced that it is closing, and that the majority of the attorneys in its Hartford office have joined the law firm of Hinckley, Allen & Snyder LLP effective September 15, 2008; and

WHEREAS, pursuant to Section 7.5 of its Legal Services Agreement, Tyler Cooper has requested CRRRA's consent to the assignment of all its right title, and interest in and to the Legal Service Agreement to Hinckley, Allen & Snyder.

NOW THEREFORE, it is

RESOLVED: That the Authority hereby consents to the assignment by Tyler Cooper & Alcorn, LLP to Hinckley, Allen & Synder, LLP of all of its rights, title and interest in and to the Legal Services Agreement and authorizes the President to execute all documentation reasonably necessary in connection therewith.

Director Desmarais seconded the motion.

Ms. Hunt said that Tyler Cooper & Alcorn had been assigned to three-year legal service agreements for solid waste counsel, municipal counsel and litigation. She explained Tyler Cooper is closing. Ms. Hunt explained that with the exception of a name change the office and its staff are staying almost exactly the same.

Ms. Hunt explained the resolution has been authorized by Policies & Procurement to proceed during the interim period. Mr. Kirk said administratively the firm is not in CRRA's bullpen and this resolution will allow for the name change to be accepted administratively.

Director O'Brien said that this is the first year CRRA has used Tyler Cooper & Alcorn but that he has worked with member attorney Bob Metzler for a number of years through the Housatonic Resource Recovery Authority. He said he believes the action management is recommending is appropriate.

The motion previously made and seconded was approved unanimously by roll call.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Michael Jarjura	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut			
Geno Zandri, Jr., Wallingford			

EXECUTIVE SESSION

Chairman Pace 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 Savitsky was approved unanimously by roll call. Chairman Pace requested that the following people be invited to the Executive Session in addition to the Directors:

- Tom Kirk
- Jim Bolduc
- Jeff Duvall
- Peter Egan
- Laurie Hunt, Esq.
- Paul Nonnenmacher

The Executive Session began at 11:40 a.m. and concluded at 1:15 p.m. Chairman Pace noted that no votes were taken in Executive Session.

The meeting was reconvened at 1:15 p.m., the door was opened, and the Board secretary and all members of the public were invited back in for the continuation of public session.

ADDITION TO THE AGENDA

Chairman Pace requested a motion to add an item to the agenda. Director Cooper made the motion to add an agenda item which was seconded by Director Desmarais.

The motion previously made and seconded was approved unanimously by roll call.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Michael Jarjura	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport	X		
Tim Griswold, Mid-Connecticut	X		
Geno Zandri, Jr., Wallingford	X		

APPROVAL OF ADDITIONAL AGENDA ITEM

Chairman Pace requested a motion to add an item to the agenda. Director Cooper made the following motion:

RESOLVED: That the Authority approach the new Mid-Connecticut Project Advisory Committee to present proposals for use of the FY'08 audited Mid-Connecticut positive results of operation, consistent with the existing MSAs and bond indentures and to obtain feedback from the members for consideration by the Authority's Board.

The motion was seconded by Director O'Brien.

Chairman Pace said that he is taking into consideration that the advisory committee is being developed. Director Savitsky said that the Finance Committee saw the first draft of the audit at its last meeting. She said it is prudent to look at some form of disposition in accordance with the Bond Indentures and the MSAs and urged the President to establish the advisory committee as quickly as possible in order to garner optimum participation.

Director Desmarais agreed and said the Board had taken action of the audit as soon as possible.

The motion previously made and seconded was approved unanimously by roll call.

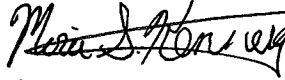
Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Michael Jarjura	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport	X		
Tim Griswold, Mid-Connecticut	X		
Geno Zandri, Jr., Wallingford	X		

ADJOURNMENT

Chairman Pace requested a motion to adjourn the meeting. The motion to adjourn made by Director Savitsky and seconded by Director O'Brien was approved unanimously.

There being no other business to discuss, the meeting was adjourned at 1:18 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Moira Kenney", written over a horizontal line.

Moira Kenney
Secretary to the Board/Paralegal

TAB 2

**RESOLUTION REGARDING INSURANCE CONSULTING AND
BROKER SERVICES AGREEMENT**

RESOLVED: That the President of CRRA is hereby authorized to execute the Insurance Consulting and Broker Services Agreement with Aon Risk Services for the period January 1, 2009 through January 1, 2012 for a total fixed fee of \$495,000 as presented and discussed at this meeting.

**Connecticut Resources Recovery Authority
Insurance Consultant and Broker Selection
October 15, 2008**

On July 28, 2008, CRRA issued a Request for Proposals (RFP) for Consulting and Broker Services. Proposals were received on September 2, 2008.

After evaluating the proposals in response to the RFP and interviewing the firms, the Selection Committee's analysis is that Aon Risk Services (Aon) is the preferred Proposer.

Approval of the Finance Committee and recommendation for approval by the Board of Directors is requested at its meeting on October 23, 2008.

INTRODUCTION

Before discussing this procurement process and its results, it is important to review the necessity of retaining a broker/consultant. Virtually all of the lines and limits of insurance that CRRA requires are not available in the direct-buy market; therefore a broker is required. It is also important to understand that brokers not only place insurance, but can provide a wide array of consulting and advisory services:

1. Risk Management

CRRA's broker/consultants have been used as an extension of CRRA's risk management staff by providing brokers who specialize in our industry as well as claims and loss control consultants who bring years of experience to bear on our behalf. Services CRRA has looked to its broker to perform include:

- advice and consultation on contract issues (risk transfer, hold harmless, indemnification);
- professional advice and documentation regarding loss control standards, industry practices, acceptable alternatives and negotiation strategies;
- claim handling advocacy; and
- advice on trends in risk management.

2. Administrative/Brokerage Services

An important part of the brokerage service is helping to manage the day-to day operations of our insurance programs. This may mean finding solutions for unusual situations, answering questions about coverage, or answering other special requests made by CRRA. It is difficult to define the specific ways that these abilities may manifest themselves because every situation is unique. In general, our broker's job is to do whatever is needed to assure that CRRA's programs are managed efficiently, kept up-to-date with changing exposures, and continually adjusted to respond to our business needs. Among the variety of tasks our brokers are asked to handle are:

- Adjusting Coverage to Respond to Changing Needs
- Policy Review
- Preparation of Schedules of Insurance
- Preparation of Certificates of Insurance/Auto ID Cards
- Premium Invoicing/Allocation/Audit

Other aspects of the administrative/brokerage services are Casualty Claims Management Program Development/Administration and Property Claims/Loss Control:

The casualty claims consultants work with us to develop and operate a claim management program. These efforts take a proactive approach to claims, encompassing a number of pre-claim and post-claim services:

- in-depth analysis of current programs to identify areas in need of enhancement
- development or review of CRRA's claim handling requirements/capabilities
- coordinating carrier claim and information services
- assistance with selection of third party administrators (TPA) for our self-insurance retention (SIR) – This service is not currently required but has been provided in the past)
- assistance with pursuing rights after insurer's disclaimer or reservation of rights (requires familiarity with latest policy wordings and judicial interpretations)
- aggressively monitoring claims to assure quick and proper resolution helping coordinate the handling of multi-carrier claims (e.g., automobile, property, etc) and promoting defense sharing agreements

Property claims consultants work with CRRA to ensure that our property claims are handled promptly and efficiently and that we obtain the maximum recovery possible under our property program. They actively participate in all pre-loss and post-loss activities, from the initial incident to the conclusion of the claim. They coordinate with their in-house Loss Control Consultants to see that loss-control activities and expenditures are appropriate to the type of losses that CRRA faces. In other words, they help us learn from one loss to help prevent the next one.

The following are property claim services our brokers normally perform for us:

- Maintaining claims files
- Providing on-site inspection support when necessary
- Ensuring prompt settlements
- Assisting in claims preparation
- Reviewing claim submissions
- Negotiating settlements
- Maintaining historical database

3. Reserve Analysis

An evaluation of insurer reserves is necessary for optimal cash flow and to accurately assess premium costs. If a carrier's reserves are set too high, they can tie up funds. Reserve analysts carefully review open cases to assure that an appropriate reserve has been set. These analysts keep abreast of changes in the law and are knowledgeable about the ultimate value of every conceivable type of casualty claim. The reserve analysts look for possible application of hold harmless agreements of suppliers or contractors, lease agreements, and contracts. These activities result in assurance that future premiums are not inflated due to poor claim reserving practices. Good insurer reserves also contribute to the financial health and stability of the insurance company which benefits entities who purchase insurance from the company, and that is why it is important to have this expertise provided by our consultant/broker.

PROCUREMENT PROCESS

Nine (9) responses to our RFP were received – Aon Risk Services (Aon), Marsh USA, Inc. (Marsh), Shimkus, Murphy & Lemkuil, Inc., Beecher Carlson Insurance Services, KEH/LH Brenner, Inc., Wochovia Insurance Services, Inc. (Wochovia), R. C. Knox & Company, Arthur J. Gallagher (Gallagher), Hilb Rogal & Hobbs of CT, LLC (HRH). (The RFP issued in 2005 for these services generated submission of three (3) proposals – Marsh, S. D. Segur and Aon).

Grading and Scoring

The responses were reviewed and scored based upon responsiveness and experience/qualifications of the firms. Reviewers were the Chief Financial Officer, the Development, Environmental Compliance and IT Manager, the Human Resources Manager and Risk Manager (the "Selection Committee"). Each of the specific categories was rated scores were weighted. The evaluation sheet is attached.

Pricing

Our current broker/consultant, Aon, was chosen through a competitive process conducted in 2005. The three-year agreement with CRRA's insurance broker expires as of December 31, 2008. The cost of the expiring three-year fixed fee agreement was \$450,000.

The pricing provided by the proposers was required by the RFP to be at an annual fixed fee. Some of the responders did not adhere to this requirement. Pricing information for each of the proposers is indicated below:

Proposer	Year #1	Year #2	Year #3	Total Contract
Aon Risk Services	\$165,000	\$165,000	\$165,000	\$495,000
Shimkus, Murphy	\$120,000	\$130,000	\$140,000	\$390,000
Beecher Carlson	\$100,000	\$100,000	\$100,000	\$300,000
Marsh USA, Inc.	\$132,500	\$132,500	\$132,500	\$397,500
KEH/LH Brenner	\$200,000	\$220,000	\$240,000	\$660,000
Wachovia	\$115,000	\$115,000 *	\$115,000 *	\$345,000
R. C. Knox	\$110,000	\$107,000	\$115,000	\$332,000
Arthur J. Gallagher	\$104,000	\$106,000	\$110,000	\$320,000
Hilb Rogal & Hobbs	\$110,000 **	\$110,000	\$110,000	\$330,000

*depending on risk profile, +/- 20%

** 10% risk first year

There are significant cost differentials among the proposers but in this period of bank failures, credit issues and financial market uncertainty the Committee believes it needs to give more weight to factors other than price. For instance, it is important to note that Hilb Rogal & Hobbs is in the process of being acquired by another large broker (Willis), which did not respond to CRRA's RFP. During mergers and acquisitions the attention of the participants may become distracted and/or not completely focused on the needs of clients. While Wachovia and Gallagher submitted very strong proposals, considering the banking climate today and some comments received during reference

reviews, we do not believe selection of either of these vendors is in CRRA's best interest. In addition, Wachovia's takeover by another entity has been in the media recently. Marsh's proposal is price-competitive; however, it is the consensus of the Selection Committee that in today's insurance market and in view of CRRA's unique and varied exposures, Aon's depth of expertise, commitment to CRRA and performance, experience in the resources recovery industry, and market clout are extremely important strengths. Also, Marsh was CRRA's broker for many years prior to Aon. When the RFP was issued that resulted in the selection of Aon, Marsh quoted extremely high and in discussions indicated that their corporate direction was no longer to serve companies in the size range of CRRA.

Aon has proven that it, as a large firm, has the ability to place hundreds of millions of dollars in premium on an annual basis. The leverage created by Aon's volume of business musters a tremendous amount of influence with insurance markets. This helps assure that CRRA obtains broad terms and conditions at the most competitive prices available, and, equally importantly, assists us in the resolution of difficult claims.

Aon's environmental resources have proven to be the most compelling argument for selecting Aon as our environmental exposures are potentially among our most expensive and difficult to cover. When our primary, long-term insurer, abandoned the relationship with CRRA, Aon was able to secure reliable environmental coverage from another outstanding insurance market such that there was no interruption in this important insurance. Aon has heavily invested in the establishment of one of the largest practice groups focusing solely on the management of environmental liabilities. This practice group is made up of thirty professionals located across the country. For each account a team is developed to deal with a blend of financial, legal and risk management principles related to environmental issues. The account team is headed by a project manager who works with marketing consultants, environmental consultants, environmental attorneys and claims attorneys. The Selection Committee believes this kind of dedicated and unique approach to CRRA's environmental exposures is valuable and cost-effective in the long term.

In this climate of bank failures, scarce credit, bankruptcies another important area in which Aon's expertise is evident is in its Financial Security Unit. To make sure Aon understands the financial integrity and stability of the companies underwriting risks of their client, the Financial Security Unit of Aon in Chicago reviews data and materials and monitors the financial condition of insurers. With this information Aon can assure that they always recommend placements with carriers financially able to fulfill their underwriting commitments.

Another important area in which Aon's structure seems superior to other proposers is that of Public Officials insurance placement and claim handling. The company created Aon Financial Services Group (FSG), made up of over 200 individuals specifically to serve directors and officers and financial products needs of their clients.

The FSG group is dedicated to the creation and management of Directors and Officers Liability, Errors & Omissions/Professional Liability, Employment Practices Liability, Commercial Crime, Fiduciary Liability and other specialty products for their clients. This group brings a vast pool of experience, which includes underwriting, claims adjusting, legal and insurance defense, finance, risk management and accounting.

The recommended selection of Aon represents a 10% increase over the previous 3-year contract, January 2006-January 2009, which was \$150,000 per year, \$450,000.

The amount budgeted for broker/consulting services, January 2009 through January 2012, was \$180,000 per year, \$540,000, the selection of Aon represents an 8% savings over the budgeted amount.

**REQUEST FOR PROPOSALS - INSURANCE CONSULTING AND BROKER SERVICES
TECHNICAL REVIEW**

EVALUATION ITEM	WEIGHTING VALUE	Aon Risk Services Northeast Inc.		Shimkus, Murphy & Lemkuil, Inc.		Beecher Carlson Insurance Services		Marsh USA, Inc.		KEH/LH Brenner, Inc.		Wachovia Insurance Services, Inc.		R. C Knox & Company		Arthur J. Gallagher RM Services, Inc.		Hilb Rogal & Hobbs of CT, LLC	
		RATING	SCORE	RATING	SCORE	RATING	SCORE	RATING	SCORE	RATING	SCORE	RATING	SCORE	RATING	SCORE	RATING	SCORE	RATING	SCORE
1 Knowledge, capability & experience of proposer	0.200	9.3	1.85	1.8	0.35	8	1.60	9.8	1.95	3.5	0.70	9.3	1.85	2.8	0.55	9.3	1.85	8.8	1.75
2 Recommendation of professional references	0.200	9.8	1.96	0.00	0.00	0.00	0.00	9.5	1.90	0.00	0.00	8.5	1.70	0.00	0.00	8.8	1.76		0.00
3 Knowledge & experience of staff	0.200	9.8	1.95	1.8	0.35	8.3	1.65	8.5	1.70	3.5	0.70	8	1.60	2.5	0.50	8.8	1.75	8.3	1.65
4 Proposed services to be provided	0.150	9.3	1.39	1.5	0.23	8.3	1.24	9.3	1.39	3.3	0.49	9.3	1.39	4.3	0.64	9.5	1.43	9.3	1.39
5 Compensation	0.150	5.3	0.79	6	0.90	9.3	1.39	6.3	0.94	1.8	0.26	6.5	0.98	7.3	1.09	8.5	1.28	8.8	1.31
6 Completeness of the bid.	0.050	10	0.50	4	0.20	9	0.45	10	0.50	10	0.50	10	0.50	6	0.30	10	0.50	10	0.50
7 Affirmative Action, Small Business Contractors and Occupational H&S.	0.050	6	0.30	6	0.30	3	0.15	5	0.25	5	0.25	3	0.15	0	0.00	3	0.15	3	0.15
TOTAL	1.000		8.74		2.33		6.48		8.63		2.90		8.16		3.08		8.71		6.75

BID EVALUATION SCALE

RATING NUMBER	RATING DESCRIPTION
10	Excellent
8	Very Good
6	Good
4	Acceptable

TAB 3

Connecticut Resources Recovery Authority

Reserve Analysis

October 23, 2008

Each year the Authority's management reviews its restricted and unrestricted reserves. The purpose of this review is to determine if additional funds will be required to be deposited in the upcoming budget process or if certain reserves can be dissolved and/or funds re-designated.

The following are management recommendations based upon this years review.

- Last year, as a result of the Board's direction, separate Short Term Investment Fund (STIF) accounts were established for each of the Ellington, Hartford, Shelton, Wallingford and Waterbury landfills to receive and hold their respective postclosure funds. After further review of the financial statements and discussions with the Authority's auditors, it was determined that the Board should designate two reserve accounts for each landfill designated for GASB 18 and non-GASB18 expense. GASB 18 expenses are the direct costs associated with the operation of a landfill. These expenses include all construction, maintenance, permits, and specific pollution liability insurances. Non-GASB 18 expenses are the indirect cost associated with the operation of a landfill. These costs include, but are not limited to, general liability insurance, indirect field services, contract management oversight, and related overhead expenses. Therefore, management recommends that the postclosure reserves for the Ellington, Hartford, Shelton, Wallingford and Waterbury Landfills be split into two accounts; the current stiff accounts will retain the GASB18 funds and a new account will be developed to retain the non-GASB 18 funds.
- Reserve funds for the development of a new ash landfill have been established and as of June 30, 2008 have \$2,203,000. Current cost projections for this project are projected to be \$4,400,000. Management recommends that the additional funding needed to complete the ash landfill research and development come from the Ash Disposal Reserve with a balance of \$2,150,002 as of June 30, 2008 and that Ash Disposal Reserve be closed.
- Establish a restricted reserve to retain the Mid-Connecticut Project Fiscal Year 2008 surplus funds.
- The funds from the Mid-Connecticut Project Recycling Reserve have been depleted during the retro-fit to single stream. Under the existing contract with the recycling facility operator, CRRA has limited capital exposure so management recommends closing this account and funding future large capital liabilities from the Facility Modification Reserve.

Copies of the Individual Reserve Summaries and a table showing the designation of the reserves are attached for your review.

RESOLUTION REGARDING CERTAIN PROJECT RESERVES

WHEREAS, The Authority has recorded the postclosure liabilities on its financial statements for the Ellington, Hartford, Shelton, Wallingford and Waterbury landfills in individual Short Term Investment Fund (STIF) negating the need for the Board to designate a reserve for this purpose; and

WHEREAS, the Authority has established a Landfill Development Fund to explore and develop a new state of the art ash landfill; and

WHEREAS, a restricted reserve is necessary to retain Fiscal Year 2008 surpluses for the Mid-Connecticut Project which will be used in the in accordance with the Municipal Services Agreements; and

WHEREAS: The Authority has performed an analysis of its Mid-Connecticut Project recycling reserves and has determined no additional changes are necessary at this time; now therefore it be closed and that the Facility Modification Reserve be used for future major capital expenditure: now therefore be it

RESOLVED: That individual Short Term Investment Fund (STIF) accounts be established for non-GASB 18 postclosure funds related to the Ellington, Hartford, Shelton, Wallingford and Waterbury landfills; and

FURTHER RESOLVED: That the non-GASB 18 funds from the existing Ellington, Hartford, Shelton, Wallingford and Waterbury landfill Board designated postclosure reserves be transferred into their new respective non-GASB 18 postclosure STIF accounts; and

FURTHER RESOLVED: That the Mid-Connecticut Project recycling reserves be closed and that the Facility Modification Reserve be used for future major capital expenditure; and

FURTHER RESOLVED: a restricted reserve be established to retain Fiscal Year 2008 surpluses for the Mid-Connecticut Project which will be used in the in accordance with the Municipal Services Agreements; and

FURTHER RESOLVED: That the Mid-Connecticut Project Ash Disposal Reserve be dissolved and all of the funds be deposited into the Landfill Development Fund STIF account.

Connecticut Resources Recovery Authority Reserves

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Connecticut Resources Recovery Authority

October 23, 2008

Reserve: MERCURY PUBLIC AWARENESS.

Account #: 01-000-000-12114

Designation: Restricted

Project: General

Purpose: To develop and implement a public education or media campaign designed to: 1) improve consumer awareness of mercury-containing products and the risks posed by mercury-containing products and to encourage consumers to choose alternatives, where feasible; 2) improve consumer awareness of recycling opportunities for mercury batteries, fluorescent bulbs and other mercury containing products; and 3) eliminate sources of mercury in municipal solid waste bound for combustion in waste incinerators.

Fund Basis: Established by DEP Consent Order SW-400. Funds are located in a Bank of America checking account.

Fund Source: Being reviewed.

Fund Amount as Of June 30, 2008: \$21,687

Term: When the fund balance is zero.

Supporting Documentation:

The following is language from the DEP Consent order dated February 19, 1998.

...**Supplemental Environmental Projects.** Respondent shall undertake the following supplemental environmental project: Within thirty (30) days from the date of issuance of this consent order, Respondent shall establish and fund in the amount of three hundred fifty thousand dollars (\$350,000) an account to be known as the "mercury public awareness account"....

Recommendation:

Continue to maintain the reserve as required and use where applicable.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: BENEFIT FUND

Account #: 01-000-000-10222

Designation: Board Designated

Project: General

Purpose: To provide funding for various means of controlling the costs of health insurance premiums, including, but not limited to, funding of rate increases, and funding of premium payments.

Fund Basis: Basis to be reviewed annually.

Fund Source: Transferred previous balance from the Health Fund plus deposited \$180,746 in March 2004 from the Anthem stock proceeds.

Fund Amount as Of June 30, 2008: \$217,110

Supporting Documentation:

Approved by the Board on April 20, 1995. The following are the minutes from the April 1995 Board meeting:

Director Phillips said enclosed in the Board's package is a report that CRRA is receiving a reserve fund from Blue Cross and Blue Shield amounting to \$179,000. He said the Finance Committee approved a resolution which is attached to the package establishing a health fund which would be used primarily as a wellness program for employees. He said the Personnel Committee reviewed this matter this morning.

The motion was made by Director Phillips to approve the resolution establishing a health fund attached to the minutes as Exhibit A. Vice Chairman Selden seconded the motion and it was unanimously voted.

Director Berliner asked if the \$179,000 is meant to be strictly for wellness. Director Phillips said only \$20,000. Director Berliner asked if you could use this to underwrite any yearly increases with Blue Cross Blue Shield. Director Phillips said it could be. Director Berliner said it should not be "could be" but it "should be" since CRRA is not self-insured so to set this money aside in order to do that we need to underwrite future year increases as they come. Chairman Fay said staff wants to report the money in this reserve and will come back later to the Board with the disposition of the money and recommendation on how it should be spent. Director Berliner said that it is nice that CRRA had good years but we all know there are great variations and there will be some bad years. Chairman Fay said absolutely. Mr. Guidone said that is the primary purpose for creating the fund, to put those dollars aside, and to commit some to a wellness program, but the main purpose would be to avoid future spikes or address future spike issues.

The Health Fund was renamed the Benefit Fund by the Board of Directors in October 2003.

Recommendation:

Continue to maintain reserve and review annually.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: DEBT SERVICE RESERVE FUND

Account #: 34-000-000-13144

Designation: Restricted - Trustee

Project: Bridgeport

Purpose: To secure debt service payments for bondholders.

Fund Basis: 10% of original par value.

Fund Source: 2000 Series Bonds and interest earnings from the Collection & Paying Agency Account.

Fund Amount as of June 30, 2008: \$941,573

Term: Upon final payment of bonds.

Supporting Documentation:

Section 5.1 of the Fourth Supplement Indenture of Mortgage and Trust dated June 1, 1999 states that the Authority shall establish and create certain funds and accounts including the Debt Service Reserve Fund.

Recommendation:

The Authority will draw upon in fiscal year 2009 in accordance with Section 3.3A of the Supplement Bond Indenture, which instructs that amounts in the Debt Service Reserve Fund can be applied toward the final year of debt service.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: DEBT SERVICE FUND

Account #: 34-000-000-13143

Designation: Restricted - Trustee

Project: Bridgeport

Purpose: To pay debt service (principal and interest) to the bondholders.

Fund Basis: One-sixth of the next ensuing interest payment due and one-twelfth of the next ensuing principal payment due.

Fund Source: Monthly transfers from the Collection & Paying Agency Account.

Fund Amount as of June 30, 2008: \$614,250

Term: When funds are drawn from the Debt Service Reserve fund to pay debt service in the final year of the bond or upon final payment of bonds.

Supporting Documentation:

Section 5.1 of the Fourth Supplement Indenture of Mortgage and Trust dated June 1, 1999 states that the Authority shall establish and create certain funds and accounts including the Debt Service Fund.

Recommendation:

Funding source will change from the Collection & Paying Agency Account to the Debt Service Reserve Fund in the final bond year.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: REBATE ACCOUNT

Account #: 34-000-000-13149

Designation: Restricted - Trustee

Project: Bridgeport

Purpose: To pay Internal Revenue Service in the event any funds related to the bonds earn more than the arbitrage yield.

Fund Basis: As required by Indenture.

Fund Source: Interest earnings in Debt Service Reserve Fund that would result in positive arbitrage.

Fund Amount as of June 30, 2008: \$4,001

Term: Upon final payment of bonds.

Supporting Documentation:

Section 3.1 of the Supplement Indenture of Trust dated August 1, 2000.

Recommendation:

Upon final bond payment the account will be reviewed, by outside arbitrage consultant, to determine if a rebate liability exists and then closed.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: COLLECTION & PAYING AGENCY ACCOUNT

Account #: 34-000-000-13108

Designation: Restricted - Trustee

Project: Bridgeport

Purpose: To accept all payments related to the Bridgeport project.

Fund Basis: None

Fund Source: Tip fees, recycling revenues and other miscellaneous fees.

Fund Amount as of June 30, 2008: \$39,628

Term: Upon final payment of bonds.

Supporting Documentation:

Section 4 of the Collection and Paying Agency Agreement between the Authority and Bridgeport Resco (Wheelabrator Bridgeport) dated June 1, 1987.

Recommendation:

Continue to utilize account until final bond payment and/or receivables have been collected.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: CUSTOMER GUARANTEE OF PAYMENT

Account #: 34-000-000-12112

Designation: Restricted

Project: Bridgeport

Purpose: To deposit the cash guaranty of payments ("GOP") received by the Authority by some of its customers.

Fund Basis: Varies by customer based upon their delivery trends.

Fund Source: Authority customers

Fund Amount as of June 30, 2008: \$18,058

Term: Various

Supporting Documentation:

Permitting, Disposal and Billing Procedures all for cash GOP's.

Recommendation:

Continue to maintain the account as long as customers have cash GOP's.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: WATERBURY LANDFILL TRUST

Account #: 34-000-000-13202

Designation: Restricted - Trustee

Project: Bridgeport

Purpose: To provide a performance bond or surety to guarantee closure of the landfill as required by the solid waste permit.

Fund Basis: Estimated cost for closure.

Fund Source: No supporting records found.

Fund Amount as Of June 30, 2008: \$172,455

Term: Upon closure of the landfill or approval from DEP that another funding source could be utilized.

Supporting Documentation:

The following is language from the regulations.

“...an owner or operator of a facility with a hazardous waste disposal unit must establish financial assurance for post-closure care of the disposal unit...”

Recommendation:

Since the project has already funded a closure reserve for the Waterbury landfill management will approach DEP to determine if this reserve can be eliminated.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: SHELTON LANDFILL FUTURE USE

Account #: 34-000-000-12206

Designation: Restricted

Project: Bridgeport / CRRA

Purpose: To set aside funds to pay for expenditures associated with the two DEP Consent Orders including costs relating to future use options of the landfill.

Fund Basis: Amount based upon a DEP Consent Orders (\$330k) plus a preliminary estimate of the cost to implement the future use options at the landfill (\$530k) as required by the permit.

Fund Source: Past funding has come from operating budgets.

Fund Amount as Of June 30, 2008: \$856,759

Term: Upon completion of the work.

Supporting Documentation:

The following is the resolution approved by the Board January 16, 2003 and the January 2003 minutes:

WHEREAS: CRRA desires to create a divisible reserve account within the Bridgeport Project for the Shelton Landfill for future use expenditures of the Shelton Landfill ("Shelton Landfill Future Use Reserve");

WHEREAS: CRRA desires to fund the Shelton Landfill Future Use Reserve with \$630,000 from the Fiscal Year 2003 Operating Budget of the Bridgeport Project;

RESOLVED: That the CRRA Finance Department is authorized to create a Shelton Landfill Future Use Reserve and fund it with \$630,000.00 from the FY03 Operating Budget of the Bridgeport Project.

Chairman Pace requested a motion on the reference topic. Director O'Brien made the following motion:

WHEREAS: CRRA desires to create a divisible reserve account within the Bridgeport Project for the Shelton Landfill for future use expenditures of the Shelton Landfill ("Shelton Landfill Future Use Reserve");

WHEREAS: CRRA desires to fund the Shelton Landfill Future Use Reserve with \$630,000 from the Fiscal Year 2003 Operating Budget of the Bridgeport Project;

RESOLVED: That the CRRA Finance Department is authorized to create a Shelton Landfill Future Use Reserve and fund it with \$630,000.00 from the FY03 Operating Budget of the Bridgeport Project.

Recommendation:

Perform a full analysis of the reserve on an ongoing annual basis.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: WATERBURY POSTCLOSURE

Account #: 34-000-000-10307

Designation: Board Designated

Project: Bridgeport

Purpose: To cover the GASB 18 costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate in real dollars to monitor and maintain the landfill is \$988,280, which includes estimated costs for environmental insurance premiums. These estimates do not include any funds for future changes in law.

Fund Source: Past funding has come from operating budgets.

Fund Amount as of June 30, 2008: \$740,476

Term: Thirty years after the landfill is certified closed. Circa 2038.

Supporting Documentation:

The Board approved the following resolution at their April 2005 meeting.

...“ **RESOLVED:** That a reserve be established to cover postclosure costs for the Waterbury Landfill for the Bridgeport Project.”

Recommendation:

The Authority has recorded the postclosure liability on its financial statements. Continue to perform a full analysis of the account on an ongoing basis.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: WATERBURY NON-GASB 18 POSTCLOSURE

Account #: 34-000-000-xxxxx

Designation: Board Designated

Project: Bridgeport

Purpose: To cover the non- GASB 18 costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate in real dollars to monitor and maintain the landfill is \$691,100, which includes estimated costs for insurance premiums and administrative costs. These estimates do not include any funds for future changes in law.

Fund Source: Waterbury Postclosure Reserve.

Fund Amount as of June 30, 2008: \$0.00

Term: Thirty years after the landfill is certified closed. Circa 2038.

Supporting Documentation:

The Board approved the following resolution at their April 2005 meeting.

...“**RESOLVED:** That a reserve be established to cover postclosure costs for the Waterbury Landfill for the Bridgeport Project.”

Recommendation:

The Authority has recorded the postclosure liability on its financial statements. Continue to perform a full analysis of the account on an ongoing basis.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: SHELTON LANDFILL POSTCLOSURE

Account #: 34-000-000-10301

Designation: Board Designated

Project: Bridgeport

Purpose: To cover the GASB 18 costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate in real dollars to monitor and maintain the landfill is \$11,243,763 which includes estimated costs for environmental insurance premiums. These estimates do not include any funds for future changes in law.

Fund Source: Past funding has come from operating budgets.

Fund Amount as Of June 30, 2008: \$11,101,525

Term: Thirty years after the landfill is certified closed. Ash area certified close April 2001 and MSW area certified closed October 1997. Postclosure ends in fiscal year 2030.

Supporting Documentation:

The Board minutes suggest that the Board approved the creation of the Shelton Landfill reserve. The Board approved a resolution on June 17, 1999 to transfer \$2,734,000 from prior year surpluses to the post-closure reserve. In addition, the Board through adoption of the annual budget has been authorizing annual contributions into this reserve.

Recommendation:

The Authority has recorded the postclosure liability on its financial statements. Continue to perform a full analysis of the account on an ongoing basis.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: SHELTON LANDFILL NON-GASB 18 POSTCLOSURE

Account #: 34-000-000-xxxxx

Designation: Board Designated

Project: Bridgeport

Purpose: To cover the non-GASB 18 costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate in real dollars to monitor and maintain the landfill is \$4,472,175 which includes estimated costs for insurance premiums and administrative costs. These estimates do not include any funds for future changes in law.

Fund Source: Shelton Landfill Postclosure Reserve.

Fund Amount as Of June 30, 2008: \$0.00

Term: Thirty years after the landfill is certified closed. Ash area certified close April 2001 and MSW area certified closed October 1997. Postclosure ends in fiscal year 2030.

Supporting Documentation:

The Board minutes suggest that the Board approved the creation of the Shelton Landfill reserve. The Board approved a resolution on June 17, 1999 to transfer \$2,734,000 from prior year surpluses to the post-closure reserve. In addition, the Board through adoption of the annual budget has been authorizing annual contributions into this reserve.

Recommendation:

The Authority has recorded the postclosure liability on its financial statements. Continue to perform a full analysis of the account on an ongoing basis.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: WATERBURY CLOSURE

Account #: 34-000-000-10302

Designation: Board Designated

Project: Bridgeport

Purpose: To pay for anticipated expenditures associated with the closure of the landfill.

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate in real dollars to close the landfill is \$497,500.

Fund Source: Past funding has come from operating budgets.

Fund Amount as Of June 30, 2008: \$536,675

Term: Upon DEP certification of the closure work. Circa 2009.

Supporting Documentation:

The minutes indicate that this reserve was first established in July 1991. The Board has been approving contributions to this reserve as part of the annual budget process. The Board adopted the following resolution at their October 2003 meeting.

“...**FURTHER RESOLVED:** That the Waterbury Landfill Closure/Postclosure Reserve be renamed the Waterbury Closure Reserve.”

Recommendation:

The Authority has recorded the postclosure liability on its financial statements. Once landfill is closed, reconcile any remaining funds

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: RECYCLING CAPITAL

Account #: 34-000-000-10229

Designation: Board Designated

Project: Bridgeport Project per the request of the Southwestern Connecticut Regional Recycling Operating Committee ("SWEROC")

Purpose: To cover potential futures costs associated with the replacement or repair of capital equipment and/or buildings for the Stratford intermediate processing center.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: This reserve is to be funded from the settlements reached with the Town of East Haven (net lump sum payment of \$14,634) and City of Stamford (net payment of \$122,000 paid equally over a thirty-six month period) relating to their non-delivery of recyclables. Initial funding will commence in fiscal year 2006.

Fund Amount as of June 30, 2008: \$300,283

Term: The reserve will be maintained until all capital projects have been completed or it is no longer required.

Supporting Documentation:

The Board approved the following resolution at their October 2005 meeting.

"FURTHER RESOLVED: that a Recycling Reserve be created for the Bridgeport Project to cover capital repairs and/or replacements costs for the Stratford intermediate processing center and that the initial funding of this reserve come from the settlement funds to be received from the Town of East Haven and City of Stamford."

Recommendation:

Perform a full analysis of the reserve on an annual basis. If SWEROC dose not continue past 6/30/2009, reconcile final balance for disposition.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: DEBT SERVICE RESERVE FUND

Account #: 41-000-000-13133

Designation: Restricted - Trustee

Project: Mid-Connecticut

Purpose: To provide debt service payment security to 1996 Series bondholders.

Fund Basis: Maximum Annual Debt Service amount in any calendar year, adjusted annually by the Trustee.

Fund Source: 1985 Series Bonds (the amounts in the current DSRF were originally funded by the 1985 Series Bonds. The 1996 Series Bonds refunded the 1985 Series Bonds.)

Fund Amount as of June 30, 2008: \$4,432,607

Term: Upon final payment of bonds.

Supporting Documentation:

Language from the Mid-Connecticut Bond Resolution adopted March 13, 1985.

Section 5.2 of the Bond Resolution states that the Authority shall establish and create certain funds and accounts which include a Special Capital Reserve Fund, which is the same as the Debt Service Reserve Fund.

“Section 5.10 *Special Capital Reserve Fund* (A) Upon the delivery of any Bonds, the Authority shall pay to the Trustee from the proceeds of such Bonds or otherwise, the sum of money, if any, necessary to increase the amount in the Special Capital Reserve Fund to the Special Capital Reserve Fund Requirement.”

Recommendation:

Continue to maintain as required by the indenture.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: DEBT SERVICE FUND

Account #: 41-000-000-13130

Designation: Restricted - Trustee

Project: Mid-Connecticut

Purpose: To provide debt service (principal and interest) payments to 1996 Series bondholders.

Fund Basis: One-sixth of the next ensuing interest payment due and one-twelfth of the next ensuing principal payment due.

Fund Source: Monthly transfers from the Mid-Connecticut Revenue Fund.

Fund Amount as of June 30, 2008: \$139,960

Term: Upon final payment of bonds.

Supporting Documentation:

Language from the Mid-Connecticut Bond Resolution adopted March 13, 1985.

Section 5.2 of the Bond Resolution states that the Authority shall establish and create certain funds and accounts which include a Debt Service Fund.

The Debt Service Fund is sub-divided into two Accounts: the Interest Account and the Principal Installment Account

“Section 5.9 *Debt Service Fund*. (A) The Trustee shall pay out of the Interest Account of the Debt Service Fund to the respective Paying Agents for any of the Bonds (i) on the day preceding each Interest Payment Date, the amount required for the payment of interest on the Bonds due on such Interest Payment Date and (ii) on the day preceding the redemption date, the amount required for the payment of accrued interest on Bonds redeemed unless the payment of such accrued interest shall be otherwise provided for, and such amounts shall be applied by the Payment Agents to such payment. The Trustee shall also pay out of the Interest Account the accrued interest included in the purchase price of the Bonds purchased for retirement.

“(B) The Trustee shall pay out of the Principal Installment Account to the respective Payment Agents, on the day preceding each Principal Installment Date for any of the Bonds, the amounts required for the payment of principal due on such Principal Installment Date and such amounts shall be applied by the Paying Agents to such payments.”

Recommendation:

Continue to utilize the account until final payment of bonds.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: REVENUE FUND

Account #: 41-00-000-13101

Designation: Restricted - Trustee

Project: Mid-Connecticut

Purpose: To receive all revenues associated with the Mid-Connecticut Project and to make disbursements, to the funds and accounts established under the Mid-Connecticut Bond Resolution.

Fund Basis: None

Fund Source: Tip fees, energy revenues and other miscellaneous income.

Fund Amount as of June 30, 2008: \$28,188,906

Term: Upon final payment of bonds.

Supporting Documentation:

Language from the Mid-Connecticut Bond Resolution adopted March 13, 1985.

Section 5.2 of the Bond Resolution states that the Authority shall establish and create certain funds and accounts which include a Revenue Fund.

“Section 5.4 *Revenue Fund*. All Revenues received shall, upon receipt, be deposited with the Trustee unless required more frequently and credited to the Revenue Fund. Prior to the Commercial Operation Date at least monthly and thereafter unless required more frequently as soon a practicable after the end of each Billing Period and in any case no later than forty-five (45) days after the end of such Billing Period, the Trustee shall withdraw from the Revenue Fund and transfer to the Person, Funds and Accounts as set forth”...in the Section and in the priority as indicated in the Section.

Recommendation:

Continue to review during annual reserve analysis cycle and reallocate funds per budget and Municipal Service Agreements (e.g. Use of surplus)

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: GENERAL FUND

Account #: 41-000-000-13152

Designation: Restricted - Trustee

Project: Mid-Connecticut

Purpose: To hold any funds not needed in another fund or account established by the Mid-Connecticut Bond Resolution.

Fund Basis: None

Fund Source: Initial funding came from the proceeds from the sale of the Enron claims. Current balance includes amounts not utilized in July 2006 bond defeasance.

Fund Amount as of June 30, 2008: \$681,658

Term: Upon final payment of the bonds.

Supporting Documentation:

Language from the Mid-Connecticut Bond Resolution adopted March 13, 1985.

Section 5.2 of the Bond Resolution states that the Authority shall establish and create certain funds and accounts which include a General Fund.

“Section 5.13 *General Fund*. So long as (i) there shall not be any deficiency in any other Fund or Account under this Resolution, (ii) there shall not exist an Event of Default, and (iii) the amount in the General Fund is not otherwise required to be retained by the Authority for use with respect to the Mid-Connecticut System, any balance in the General Fund shall, upon direction of an Authorized Officer of the Authority, be paid to the State in amounts sufficient to repay the State for amounts theretofore paid by the State into the Special Capital Reserve Fund, and any remaining balance may, upon direction of an Authorized Officer of the Authority, be transferred to any other Fund established hereunder or to the Redemption Fund for the purchase or redemption of Bonds.”

Recommendation:

Funds needed to replenish the fiscal year 2007 surplus funds used during the July 2007 defeasance and continue to maintain as required by indenture.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: RENEWAL & REPLACEMENT FUND

Account #: 41-000-000-13106

Designation: Restricted - Trustee

Project: Mid-Connecticut

Purpose: To provide funds for improvements, constructions, reconstructions, major repairs, renewals, replacements or maintenance items not recurring annually or at shorter intervals and for costs of equipment.

Fund Basis: Minimum funding requirement is \$1,500,000 as defined in the Mid-Connecticut Bond Resolution.

Fund Source: Series 1985 Bonds

Fund Amount as of June 30, 2008: \$1,735,105

Term: Upon final payment of bonds.

Supporting Documentation:

Language from the Mid-Connecticut Bond Resolution adopted March 13, 1985.

Section 5.2 of the Bond Resolution states that the Authority shall establish and create certain funds and accounts which include a Renewal and Replacement Fund.

“Renewal and Replacement Fund Requirement” means \$1,500,000 or such greater amount as the Consulting Engineer shall determine is required on an annual basis.

“Section 5.7 Renewal and Replacement Fund. (1) The Trustee shall withdraw from the Renewal and Replacement Fund amounts requisitioned by the Authority for, and apply the same to, the reasonable and necessary expenses of the Authority with respect to the Mid-Connecticut System, for improvement, constructions, reconstructions, major repairs, renewals, replacement or maintenance items of a type not recurring annually or at shorter intervals and for costs of equipment.”

“(2) If on any date all withdrawals or payment from the Renewal and Replacement Fund required by any other provision of this Resolution with respect to the same and every prior date shall have sooner been made and the amount in the Renewal and Replacement Fund exceeds the Renewal and Replacement Fund Requirement, the Trustee shall withdraw from the Renewal and Replacement Fund the amount of such excess and pay the moneys as withdrawn into the Revenue Fund as Revenues.”

Recommendation:

Funds needed to replenish the fiscal year 2007 surplus funds used during the July 2007 defeasance and continue to maintain as required by indenture.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: OPERATING & MAINTENANCE FUND

Account #: 41-000-000-13105

Designation: Restricted - Trustee

Project: Mid-Connecticut

Purpose: To provide amounts required for operating expenses to the extent the Mid-Connecticut Operating Fund does not have sufficient funds.

Fund Basis: Minimum funding requirement is \$1,500,000 as defined in the Mid-Connecticut Bond Resolution.

Fund Source: Series 1985 Bonds.

Fund Amount as of June 30, 2008: \$1,735,107

Term: Upon final payment of bonds.

Supporting Documentation:

Language from the Mid-Connecticut Bond Resolution adopted March 13, 1985.

Section 5.2 of the Bond Resolution states that the Authority shall establish and create certain funds and accounts which include an Operation and Maintenance Fund.

“Operation and Maintenance Fund Requirement” means \$1,500,000 or such greater amount as the Authority and the Consulting Engineer shall agree is prudent to maintain as a reserve for the operation of the Mid-Connecticut System.

“Section 5.6 Operation and Maintenance Fund. (1) The Trustee shall withdraw from the Operation and Maintenance Fund and deposit in the Operating Fund amounts required for Operating Expense to the extent that the Operating Fund is insufficient for such purpose at that time and will not be available from funds in the Revenue Fund at the end of the next Billing Period.

“(2) If on any date all withdrawals or payment from the Operation and Maintenance Fund required by any other provision of this Resolution with respect to the same and every prior date shall have sooner been made and the amount in the Operation and Maintenance Fund exceeds the Operation and Maintenance Fund Requirement, the Trustee shall withdraw from the Operation and Maintenance Fund the amount of such excess and pay the moneys as withdrawn into the Revenue Fund as Revenues.”

Recommendation:

Funds needed to replenish the fiscal year 2007 surplus funds used during the July 2007 defeasance and continue to maintain as required by indenture.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: CUSTOMER GUARANTEE OF PAYMENT

Account #: 41-000-000-12112

Designation: Restricted

Project: Mid-Connecticut

Purpose: To deposit the cash guaranty of payments ("GOP") received by the Authority by some of its customers.

Fund Basis: Varies by customer based upon their delivery trends.

Fund Source: Authority customers

Fund Amount as of June 30, 2008: \$228,674

Term: Various

Supporting Documentation:

Permitting, Disposal and Billing Procedures all for cash GOP's.

Recommendation:

Continue to maintain the reserve as long as customers have cash GOP's.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: SELECT ENERGY ESCROW

Account #: 41-000-000-13104

Designation: Restricted - Trustee

Project: Mid-Connecticut

Purpose: To be in compliance with the Jets power purchase and sales agreement and escrow agreement between CRRA and Select Energy.

Fund Basis: Amount established pursuant to the escrow agreement.

Fund Source: Funding came from the transfer of funds from the Power Block Facility Maintenance Fund (\$500k), the Transfer Station Maintenance Fund (\$466k) and the operating account (\$34k).

Fund Amount as Of June 30, 2008: \$1,000,000

Term: Until expiration of the power purchase and sales agreement.

Supporting Documentation:

The Board approved the following resolution at their June 2003 meeting.

“...**Whereas:** it is a precondition to the execution of an Energy Purchase Agreement (the “EPA”) between Connecticut Resources Recovery Authority (“CRRA”) and Select Energy, Inc., that an escrow fund in the amount of ONE MILLION DOLLARS (\$1,000,000.00; the “Escrow Fund”) be established; and ...”

Recommendation:

Under review to close account.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: JETS / ENERGY GENERATING FACILITY

Account #: 41-000-000-12201

Designation: Restricted

Project: Mid-Connecticut

Purpose: To cover the future Energy Generating Facility (EGF) operating costs.

Fund Basis: The initial reserve estimate projected anticipated electricity revenues from the Jets less operating and maintenance costs of the Jets and Energy Generating Facility (EGF) to determine what level of reserves was required to cover future costs of the EGF through the term of the existing project.

Fund Source: Initial funding of \$20M was received as part of the CL&P and Enron Power Marketing, Inc agreement.

Fund Amount as Of June 30, 2008: \$10,894,996

Term: Upon final payment of bonds.

Supporting Documentation:

In addition to the letter to State Street Bank and Trust dated December 28, 2000, the Board minutes and resolutions from the November and December 2000 Board meetings imply that the intent of the prior Board was to set aside these funds to cover future costs of the EGF. Furthermore, although there is no specific resolution in regards to this reserve, it is management's opinion that this reserve was set-aside for the specific purpose stated above to satisfy the Trustee. On July 5, 2006 the Authority received an analysis from R.W. Beck that states the \$20 million was no longer necessary to be maintained in this account, but rather only \$10,888,000.

Recommendation:

Perform a full analysis of the reserve during the annual budget process.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: RECYCLING EDUCATION

Account #: 41-000-000-12203

Designation: Restricted

Project: Mid-Connecticut

Purpose: To reimburse the City of Hartford for expenses incurred solely for its recycling education program.

Fund Basis: Per the host community agreement the Authority shall contribute \$50,000 annually in addition to the \$100,000 annually per the PILOT agreement.

Fund Source: Past funding has come from the operating budget.

Fund Amount as Of June 30, 2008: \$514,439

Term: The requirement to fund this reserve will terminate upon the final maturity of all bonds and satisfaction of all obligations with respect thereto, which term shall be consistent with the provisions as to expiration contained in the Municipal Solid Waste Management Service Contract by and between the CRRA and the City, dated June 30, 1982, or any amendment thereto.

Supporting Documentation:

The following language is from the Agreement for Payments In Lieu Of Taxes and the Host Community Agreement between CRRA and the City of Hartford, respectively.

Commencing July 1, 1990 and for each year that the Authority owns and operates the Recycling Center the Authority hereby agrees to maintain an account and provide funding for the same in an amount not to exceed One Hundred Thousand (\$100,000.00) Dollars per year, which funds may be used by the City solely for the benefit of its recycling education program. Any funds remaining in the account at the end of each fiscal year shall be rolled over and added to the One Hundred Thousand (\$100,000.00) Dollars that the Authority is required to provide for the next succeeding year.

“CRRA will make a recycling payment of \$150,000 per year (\$50,000 of which is in addition to the current annual payment into such fund of \$100,000) into the Recycling Account...”

Recommendation:

Continue to maintain reserve as required by contract.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: TOWN OF ELLINGTON TRANSFER STATION TRUST

Account #: 41-000-000-13211

Designation: Restricted

Project: Mid-Connecticut

Purpose: To be in compliance with the Certificate of Special Permit granted by the Ellington Planning and Zoning Commission.

Fund Basis: Established pursuant to the Certificate of Special Permit.

Fund Source: No supporting documents found.

Fund Amount as Of June 30, 2008: \$47,622

Term: Upon termination of the permit.

Supporting Documentation:

The following is language from the Certificate of Special Permit.

...Connecticut Resource Recovery Authority shall maintain a minimum balance of \$10,000 in a passbook account to be held by the Town of Ellington. This account shall be drawn upon to off set the expense of solid waste litter pickup in the event that the landfill operator fails to meet acceptable standards..."

Recommendation:

Management is awaiting response from the town to determine if this account is still required.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: ELLINGTON LANDFILL TRUST

Account #: 41-000-000-13201

Designation: Restricted - Trustee

Project: Mid-Connecticut

Purpose: To maintain financial assurance for postclosure care, thirty years of monitoring and maintenance, as required by 40 CFR 265.145 and Section 22a-449 (c) -30 CT HWMR.

Fund Basis: Estimated amount of postclosure costs for monitoring and maintenance. Funds are located in Treasury Bills.

Fund Source: No supporting documents found.

Fund Amount as Of June 30, 2008: \$485,082

Term: After thirty years of postclosure or until DEP and the Town agree that the postclosure account for the Ellington landfill can be used in replace of this trust.

Supporting Documentation:

The following is language from the regulations.

“...an owner or operator of a facility with a hazardous waste disposal unit must establish financial assurance for post-closure care of the disposal unit...”

Recommendation:

Since the project has already funding a postclosure reserve for the Ellington landfill management will approach DEP and the Town to determine if this reserve can be eliminated.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: PRIOR YEAR SURPLUS-FY 2007

Account #: 41-000-000-xxxx

Designation: Restricted

Project: Mid-Connecticut

Purpose: To hold surplus funds from previous year-ending balance to be applied to subsequent year's budget assumptions.

Fund Basis: Prior fiscal year ending surplus balance.

Fund Source: Mid-Connecticut Revenue Fund (held at Trustee). Revenue Fund to provide \$5,547,290 of the fund amount. \$4,000,000 was withdrawn from the Revenue Fund in the July 2006 and applied to the bond defeasance. This amount will be replenished with funds from the following accounts: Operating & Maintenance Fund, Renewal & Replacement Fund and General Fund, which total \$4,023,176 as of 6/30/07. These funds will become available when all the bonds are redeemed or mature.

Fund Amount as of June 30, 2008: \$9,570,466 (equals fiscal year 2008 surplus - see fund source above)

Term: Upon expiration of FY 2009.

Supporting Documentation:

The following is language from the Article IV Section 401 of the Municipal Service Agreement.

“Service Payments as so determined shall remain in effect for each Contract Year; provided, however, that if the annual Aggregate Service Payments are less than or greater than the Net Cost of Operation for such Contract Year, then the Authority shall determine such difference and include such difference in the Annual Budget For the next succeeding Contract Year.”

Recommendation:

To utilize account until funds have been depleted. All funds will be used in Fiscal Year 2009.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: PRIOR YEAR SURPLUS-FY 2008

Account #: 41-000-000-XXXX

Designation: Restricted

Project: Mid-Connecticut

Purpose: To hold surplus funds from Fiscal Year 2008-ending balance to be applied to subsequent year's budget assumptions.

Fund Basis: Prior fiscal year ending surplus balance.

Fund Source: Mid-Connecticut Revenue Fund (held at Trustee).

Fund Amount as of June 30, 2008: \$12,957,563

Term: Upon expiration of FY 2010.

Supporting Documentation:

The following is language from the Article IV Section 401 of the Municipal Service Agreement.

“Service Payments as so determined shall remain in effect for each Contract Year; provided, however, that if the annual Aggregate Service Payments are less than or greater than the Net Cost of Operation for such Contract Year, then the Authority shall determine such difference and include such difference in the Annual Budget For the next succeeding Contract Year.”

Recommendation:

To utilize account until funds have been depleted.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: POST LITIGATION

Account #: 41-000-000-10233

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To provide costs of paying expert witnesses and other legal fees relating to the Enron-related lawsuits.

Fund Basis: None.

Fund Source: Enron-related litigation settlements net of amounts to be determined by court order.

Fund Amount as of June 30, 2008: \$1,993,809

Term: Upon resolution of pending litigation.

Supporting Documentation:

Board resolution adopted October 25, 2008.

“...WHEREAS, the Authority has recovered funds from the global litigation matters, which can be reserved to provide for the circumstance that the Authority shall be required by a final, non-appealable order of a court of competent jurisdiction to pay additional amounts as interest on the New Hartford judgment and for associated legal expenses for which other funds may not be available; and”

“...FURTHER RESOLVED: That there is hereby created a Post Litigation Reserve, which is to be funded from the global bank settlements and such funds shall be conserved for the circumstance that the Authority shall be required by a final, non-appealable order of a court of competent jurisdiction to pay additional amounts as interest on the Escrowed Funds and for up to \$800,000 of associated legal expenses for which other funds may not be available; and”

Recommendation:

Current review indicates continued open litigation based on General Counsel recommendation; continue to maintain.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: ASH DISPOSAL

Account #: 41-000-000-10232

Designation: Board Designated

Project: Mid-Connecticut

Purpose: Fund established to mitigate pending future tip fee increases from the impact of the Hartford Landfill closure resulting in significant increases in tip fees starting in fiscal year 2009 for the cost of transportation and disposal of ash to out-of-state facilities.

Fund Basis: The fund basis will be reviewed as part of the FY 2010 budget process.

Fund Source: The initial funding of the reserve will come from the fiscal year 2008 operating budget.

Fund Amount as Of June 30, 2008: \$2,150,002

Term: Upon the determination by the Board that the reserve is no longer required.

Recommendation:

Transfer funds to the Ash Landfill Development Fund account # 41-000-000-10308.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: HARTFORD LANDFILL POSTCLOSURE

Account #: 41-000-000-10304

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To cover the GASB 18 costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate in real dollars to monitor and maintain the landfill is \$17,017,183 which includes estimated costs for insurance premiums and administrative costs. These estimates do not include any funds for future changes in law.

Fund Source: Initial funding of \$500,000 came from a previous reserve called the Hartford Landfill Closure / Postclosure Reserve. Additional funding is to come from operating budgets.

Fund Amount as Of June 30, 2008: \$8,742,116

Term: Thirty years after the landfill is certified closed. Certified closed in CIRCA 2011.

Supporting Documentation:

The Board approved the following resolution at their October 2003 meeting.

“...**FURTHER RESOLVED:** That the Hartford Landfill Closure/Postclosure Reserve be split into two separate reserves (balance as of August 31, 2003 was \$7,109,905.17) and that \$500,000 of these funds be designated for the Hartford Postclosure Reserve and the remaining fund balance be designated for the Hartford Landfill Closure Reserve....”

Recommendation:

The Authority has recorded the postclosure liability on its financial statements. A separate Short Term Investment Fund (STIF) was established to segregate funds that will fund the liability. Continue to perform a full analysis of the account including funding requirements during the annual budget process.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: HARTFORD LANDFILL NON-GASB 18 POSTCLOSURE

Account #: 41-000-000-xxxxx

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To cover the non-GASB 18 costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate in real dollars to monitor and maintain the landfill is \$4,996,755 which includes estimated costs for insurance premiums and administrative costs. These estimates do not include any funds for future changes in law.

Fund Source: Initial funding of \$500,000 came from a previous reserve called the Hartford Landfill Closure / Postclosure Reserve. Additional funding is to come from operating budgets.

Fund Amount as Of June 30, 2008: \$0.00

Term: Thirty years after the landfill is certified closed. Certified closed in CIRCA 2011.

Supporting Documentation:

The Board approved the following resolution at their October 2003 meeting.

“...**FURTHER RESOLVED:** That the Hartford Landfill Closure/Postclosure Reserve be split into two separate reserves (balance as of August 31, 2003 was \$7,109,905.17) and that \$500,000 of these funds be designated for the Hartford Postclosure Reserve and the remaining fund balance be designated for the Hartford Landfill Closure Reserve....”

Recommendation:

The Authority has recorded the postclosure liability on its financial statements. A separate Short Term Investment Fund (STIF) was established to segregate funds that will fund the liability. Continue to perform a full analysis of the account including funding requirements during the annual budget process.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: ELLINGTON LANDFILL POSTCLOSURE

Account #: 41-000-000-10305

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To cover the GASB 18 costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate in real dollars to monitor and maintain the landfill is \$3,556,213 which includes estimated costs for environmental insurance premiums. These estimates do not include any funds for future changes in law.

Fund Source: Past and future funding comes from operating budgets.

Fund Amount as Of June 30, 2008: \$2,352,104

Term: Thirty years after the landfill is certified closed. Certified closed in October 1998, postclosure ends fiscal year 2029.

Supporting Documentation:

The Board approved the following resolution at their October 2003 meeting.

“...**FURTHER RESOLVED:** That the Ellington Landfill Closure/Postclosure Reserve be renamed the Ellington Postclosure Reserve.”

Recommendation:

The Authority has recorded the postclosure liability on its financial statements. A separate Short Term Investment Fund (STIF) was established to segregate funds that will fund the liability. Continue to perform a full analysis of the account including funding requirements during the annual budget process.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: ELLINGTON LANDFILL NON-GASB 18 POSTCLOSURE

Account #: 41-000-000-xxxxx

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To cover the non-GASB 18 costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate in real dollars to monitor and maintain the landfill is \$1,212,975 which includes estimated costs for insurance premiums and administrative costs. These estimates do not include any funds for future changes in law.

Fund Source: Past and future funding comes from operating budgets.

Fund Amount as Of June 30, 2008: \$0.00

Term: Thirty years after the landfill is certified closed. Certified closed in October 1998, postclosure ends fiscal year 2029.

Supporting Documentation:

The Board approved the following resolution at their October 2003 meeting.

“...**FURTHER RESOLVED:** That the Ellington Landfill Closure/Postclosure Reserve be renamed the Ellington Postclosure Reserve.”

Recommendation:

The Authority has recorded the postclosure liability on its financial statements. A separate Short Term Investment Fund (STIF) was established to segregate funds that will fund the liability. Continue to perform a full analysis of the account including funding requirements during the annual budget process.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: HARTFORD LANDFILL CLOSURE

Account #: 41-000-000-10303

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To cover the anticipated expenditures associated with the closure of the Bulky Waste and Ash Residue areas of the Hartford Landfill.

Fund Basis: The basis is reviewed annually by internal staff. Per the existing agreement with the City of Hartford the Authority is responsible to pay all closure costs. The current estimated cost in real dollars is \$27,200,000.

Fund Source: Initial funding came from a prior Hartford Landfill Closure/Postclosure Reserve. Additional funding is to come from future operating budgets.

Fund Amount as Of June 30, 2008: \$12,029,177

Term: Upon certified closure of the landfill.

Supporting Documentation:

The Board approved the following resolution at their October 2003 meeting.

“...**FURTHER RESOLVED:** That the Hartford Landfill Closure/Postclosure Reserve be split into two separate reserves (balance as of August 31, 2003 was \$7,109,905.17) and that \$500,000 of these funds be designated for the Hartford Postclosure Reserve and the remaining fund balance be designated for the Hartford Landfill Closure Reserve....”

Recommendation:

The Authority has recorded the closure liability on its financial statements; therefore a Board designated unrestricted reserve is not required. However, a separate Short Term Investment Fund (STIF) should be established to segregate funds that will fund the liability. Transfer these funds into a STIF account designated for this same purpose. Continue to perform a full analysis of the account including funding requirements during the annual budget process.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: RISK FUND

Account #: 41-000-000-10221

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To protect the project against catastrophic losses and litigation.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: Past funding has come from operating budgets.

Fund Amounts as Of June 30, 2008: \$6,584,826

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board approved the Policy Establishing the Risk Financing Plan, which included the Risk Fund on September 18, 1990. On December 19, 1996 the Board approved a modification to the CRRA Risk Fund Policy. The resolutions and minutes are extensive.

Recommendation:

Reevaluate the risk assessments and update during the annual budget process.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: DEBT SERVICE STABILIZATION

Account #: 41-000-000-10231

Designation: Board Designated

Project: Mid-Connecticut

Purpose: This reserve is to provide a source of funds which will be used to ameliorate future debt service.

Fund Basis: The basis will be reviewed annually during the budget cycle by evaluating various projection scenarios through the term of the existing project.

Fund Source: During fiscal year 2006, \$14,663,000 was deposited into the reserve. The Board authorized an additional \$1.4 million from the fiscal year 2005 surplus to be deposited into this reserve. An additional \$4.3 million was deposited into this account in fiscal year 2007 and \$16,400,000 was withdrawn for Series 96A as approved by the Board on May 25, 2006.

Fund Amount as of June 30, 2008: \$4,763,136

Term: Upon final payment of bonds or when the Board dissolves the reserve.

Supporting Documentation:

The Board approved the following resolution at their April 2005 meeting.

RESOLVED: That a Debt Service Stabilization Reserve be created for the Mid-Connecticut Project for the purpose of paying future debt service during a period when the project will experience a revenue shortfall due to the loss Enron energy revenues.

FURTHER RESOLVED: That the initial funding for this reserve be through the fiscal year 2006 operating budget.

The Board approved the following resolution at their October 2005 meeting.

"FURTHER RESOLVED: that \$1,457,028 from the Mid-Connecticut Project fiscal year 2005 project surplus be deposited into the Debt Service Stabilization Reserve in the Mid-Connecticut Project."

The Board approved the following resolution at their May 25, 2006 meeting

"...WHEREAS, the Authority has identified approximately \$35,000,000 in uncommitted funds available for any lawful purpose (collectively, "Uncommitted Funds"), such funds include (i) approximately \$16,000,000 credited to the Mid-Connecticut Debt Services Stabilization Fund..."

Recommendation:

To review as part of the FY 2010 budget process.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: FACILITY MODIFICATION

Account #: 41-000-000-10223

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To cover capital expenditures associated with the Mid-Connecticut Project facilities.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: Past funding has come from operating budgets.

Fund Amount as Of June 30, 2008: \$3,973,864

Term: When Board dissolves the reserve.

Supporting Documentation:

Minutes found suggest the Board approved this reserve in the past. The Board approved a resolution on June 18, 1991 to transfer \$8,624,000 from prior year operating budget surpluses for WPF improvements. The Board adopted resolutions to designate Mid-Connecticut retained earnings to the WPF Modification reserve in the amounts of \$4,490,000 and \$3,925,000 on June 17, 1999 and May 18, 2000 respectively.

The Board approved the following resolution at their October 2005 meeting.

“FURTHER RESOLVED: that the Waste Processing Facility Modification Reserve for the Mid-Connecticut Project be renamed the Facility Modification Reserve.”

Recommendation:

Management has hired R. W. Beck to perform a full analysis of this reserve in fiscal year 2009 prior to the FY 2010 budgeting process.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: ROLLING STOCK

Account #: 41-000-000-10224

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To cover costs associated with the purchase of new and/or rebuilds of equipment such as tractors, trailers, loaders, containers, sweepers, etc.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: Past funding has come from operating budgets and retained earnings.

Fund Amount as Of June 30, 2008: \$2,678,212

Term: When Board dissolves the reserve.

Supporting Documentation:

Minutes found suggest the Board approved this reserve in the past. On June 17, 1999 the Board approved a resolution to transfer \$680,000 from prior year operating budget surpluses to this reserve.

Recommendation:

Management has hired R. W, Beck perform a full analysis of this reserve in fiscal year 2009 prior to the FY 2010 budgeting process.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: RECYCLING

Account #: 41-000-000-10225

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To reserve funds necessary for future capital repairs and/or replacements or any other recycling activities the Authority may pursue.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: On June 30, 2003, the entire balance of \$1,739,925 from the Regional Recycling Center Paper Equipment Reserve was transferred into this reserve. In the first quarter of FY 2009 the entire balance was used to retrofit the recycling center to install single stream recycling.

Fund Amount as Of June 30, 2008: \$1,816,934

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board approved the following resolution at their July 2003 meeting.

“RESOLVED: that the Regional Recycling Center Paper Equipment Replacement Reserve for the Mid-Connecticut Project be reclassified from Restricted to Board Designated (balance as of May 31, 2003 was \$1,729,509).

FURTHER RESOLVED: That the Regional Recycling Center Paper Equipment Replacement Reserve be renamed Recycling Reserve.

FURTHER RESOLVED: That the Regional Recycling Center Paper Equipment Replacement Reserve be dissolved.”

The Board approved the following resolution at their April 24, 2008 meeting.

“RESOLVED: that the President is hereby authorized to execute a third amendment to the agreement with Casella Waste Systems, Inc. and FCR, Inc. for the design, upgrade, retrofit and operation/maintenance services for the Regional Recycling Center to install the necessary equipment to accommodate single stream recyclables delivered from the Mid-Connecticut Project municipalities substantially as presented at this meeting.

Recommendation:

In first quarter of FY 2009 funds were dedicated to install new single stream processing equipment. Once all transaction for the retro fit to single stream recycling is completed, close the account and use the Facility Modification Reserve for any future major repairs.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: SOUTH MEADOWS SITE REMEDIATION

Account #: 41-000-000-10228

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To pay for change orders not covered in the original scope of services for the South Meadows site remediation project.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: The initial funding of an estimated \$245,000 for this reserve came from a credit received from the contractor due to a reduction in the original scope of work.

Fund Amount as of June 30, 2008: \$142,976

Term: Upon completion of the work or when the Board dissolves the reserve.

Supporting Documentation:

The Board approved the following resolution at their April 2005 meeting.

“RESOLVED: That a reserve be established to cover costs not included in the original scope of the South Meadows property remediation project for the Jets/Energy Generating Facility.”

Recommendation:

Perform a full analysis of the reserve during the annual budget process.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: LANDFILL DEVELOPMENT FUND

Account #: 41-000-000-10308

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To cover ash landfill development expenditures.

Fund Basis: Based upon preliminary estimate for development costs.

Fund Source: Initial funding came from \$1.4 million of the fiscal year 2005 project surplus. Additional funding came from the FY07 operating budget.

Fund Amount as Of June 30, 2008: \$2,203,084

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board approved the following resolution at their October 2005 meeting.

“...**FURTHER RESOLVED:** that a Landfill Development Fund be created for the Mid-Connecticut Project to pay for ash landfill development costs and that \$1,400,000 from the fiscal year 2005 project surplus be transferred into the reserve.”

Recommendation:

Transfer funds from the Ash Disposal Reserve account # 41-000-000-10232 to provide funding at the beginning of FY 2010. In addition perform a full analysis of the reserve during the FY 2010 budget process.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: DEBT SERVICE RESERVE FUND

Account #: 11-000-000-13134

Designation: Restricted - Trustee

Project: Southeast

Purpose: To provide debt service payment security to bondholders.

Fund Basis: Maximum Annual Debt Service amount in any calendar year, adjusted annually by the Trustee.

Fund Source: 1998 Series Bonds

Fund Amount as of June 30, 2008: \$901,095

Term: Upon final payment of bonds.

Supporting Documentation:

Section 5.1 (A) (3) of the Indenture of Mortgage and Trust dated as of December 1, 1988 as supplemented.

Recommendation:

The Authority will commence to draw upon in the final year of debt service.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: DEBT SERVICE FUND

Account #: 11-000-000-13136 & 11-000-000-13137

Designation: Restricted - Trustee

Project: Southeast

Purpose: To provide debt service payments (principal and interest) to bondholders.

Fund Basis: One-sixth of the next ensuing interest payment amount due and one-twelfth of the next ensuing principal payment amount due.

Fund Source: Monthly transfers from the Revenue Fund.

Fund Amount as of June 30, 2008: \$380,015

Term: Upon final payment of bonds.

Supporting Documentation:

Section 5.1 (A) (2) of the Indenture of Mortgage and Trust dated as of December 1, 1988, as supplemented.

Recommendation:

Funding source will change from the Revenue Fund to the Debt Service Reserve Fund in the final bond year.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: REVENUE FUND

Account #: 11-000-000-13101

Designation: Restricted - Trustee

Project: Southeast

Purpose: To accept all payments related to the Southeast project.

Fund Basis: None

Fund Source: Tip fees, energy revenues and other miscellaneous income.

Fund Amount as of June 30, 2008: \$1,301,406

Term: Upon final payment of bonds.

Supporting Documentation:

Section 5.1 (A) (8) of the Indenture of Mortgage and Trust dated as of December 1, 1988, as supplemented.

Recommendation:

Continue to utilize the account until final payment of bonds.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: REBATE FUND

Account #: 11-000-000-13141

Designation: Restricted - Trustee

Project: Southeast

Purpose: To pay the Internal Revenue Service in the event any funds relating to the bonds earn more than the arbitrage yield.

Fund Basis: As required by the Indenture

Fund Source: 1998 Series A Bonds

Fund Amount as of June 30, 2008: \$175,602

Term: Upon final payment of bonds.

Supporting Documentation:

The following is language from Section 3.2 of the 1998 Series A Supplemental Indenture of Mortgage and Trust dated March 1, 1998

“There is hereby created and established a Rebate Fund. The Rebate Fund shall be held in trust solely for the purpose of making rebate payments, if any, to the federal government and shall not be held in trust for or pledged as security for payments required to be made to the Holders of the Bonds.”

The following is language from Section 3.4 of the 1998 Series A Supplemental Indenture of Mortgage and Trust dated March 1, 1998

“(A) There shall be deposited in the Rebate Fund such amounts as (i) the Authority may pay to the Trustee for deposit therein pursuant to the Indenture or any Tax Regulatory Agreement or (ii) the Lessee may pay to the Trustee for deposit therein pursuant to the Lease Agreement or any Tax Regulatory Agreement (or cause an Parent to pay or cause to be paid to the Trustee for deposit there pursuant to the Company Support Agreement).”

Recommendation:

Continue to have outside arbitrage consultant review on an annual cycle. Upon final bond payment the account will be closed.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: MONTVILLE POST-CLOSURE

Account #: 11-000-000-12301

Designation: Restricted

Project: Southeast

Purpose: To cover the costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

Fund Basis: Updated annually during the budget process by the Southeastern Connecticut Regional Resources Recovery Authority ("SCRRRA").

Fund Source: Initial funding came from a payment of \$2 million from the Mohegan Properties, LLC pursuant to Section 4.5.4 of the Ground Lease between Southeastern Connecticut Resources Regional Recovery Authority and Mohegan Properties. In fiscal year 2005, SCRRRA withdrew approximately \$1.5 million from the reserve to redeem the 1989 Series Bonds. Future funding will come from operating budgets.

Fund Amount as Of June 30, 2008: \$717,901

Term: Thirty years after the landfill is certified closed.

Supporting Documentation:

The Board approved the following resolution on October 21, 1999:

Chairman Ellef requested a motion on the reference topic. Director Winkler made the following motion:

RESOLVED: That \$2,000,000 received by the Authority from Mohegan Properties, LLC, pursuant to Section 4.5.4 of the Ground Lease Between Southeastern Connecticut Resources Regional Recovery Authority and Mohegan Properties, LLC (the "Ground Lease") is deposited into the Montville Landfill Postclosure Reserve as required by the Ground Lease.

FURTHER RESOLVED: That \$990,000 of existing funds in the Montville Landfill Postclosure Reserve by de-designated for application to other project purposes.

Recommendation:

Continue to maintain the reserve as required by SCRRRA.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: RISK FUND

Account #: 11-000-000-10221

Designation: Board Designated

Project: Southeast

Purpose: To protect the project against catastrophic losses.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: Past funding has come from operating budgets.

Fund Amounts as Of June 30, 2008: \$251,972

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board approved the Policy Establishing the Risk Financing Plan, which included the Risk Fund on September 18, 1990. On December 19, 1996 the Board approved a modification to the CRRA Risk Fund Policy. The resolutions and minutes are extensive.

Recommendation:

Reevaluate the risk assessments and update during the annual budget process for each project.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: DEBT SERVICE RESERVE FUND

Account #: 71-000-000-13135

Designation: Restricted - Trustee

Project: Wallingford

Purpose: To secure bond debt service payment for bondholders.

Fund Basis: 10% of original issue par value.

Fund Source: 1998 Bond Series

Fund Amount as of June 30, 2008: \$248,444

Term: Upon final payment of bonds.

Supporting Documentation:

Section 5.1 (A) (3) of the Indenture of Trust dated December 1, 1985.

Recommendation:

The Authority will draw upon in fiscal year 2009 to pay towards the final year of debt service.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: DEBT SERVICE FUND

Account #: 71-000-000-13136 & 71-000-000-13137

Designation: Restricted - Trustee

Project: Wallingford

Purpose: To provide debt service (principal and interest) payments to bondholders.

Fund Basis: One-sixth of the next ensuing interest payment amount due and one-twelfth of the next ensuing principal payment due.

Fund Source: Monthly transfers from the Wallingford Revenue Fund.

Fund Amount as of June 30, 2008: \$487,040

Term: Upon final payment of bonds.

Supporting Documentation:

Section 5.1 (A) (2) of the Indenture of Trust dated December 1, 1985. Composed of Debt Service Interest Fund and Debt Service Principal Funds.

Recommendation:

Funding source will change from the Revenue Fund to the Debt Service Reserve Fund in the final bond year.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: REVENUE FUND

Account #: 71-000-000-13101

Designation: Restricted - Trustee

Project: Wallingford

Purpose: To accept all payments related to the Wallingford project.

Fund Basis: None

Fund Source: Tip fees, energy revenues and other miscellaneous income.

Fund Amount as of June 30, 2008: \$1,381,859

Term: Upon final payment of bonds.

Supporting Documentation:

Section 5.1 (A) (5) of the Indenture of Trust dated December 1, 1985.

Recommendation:

Continue to utilize the account until final payment of bonds.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: REBATE FUND

Account #: 71-000-000-13141

Designation: Restricted - Trustee

Project: Wallingford

Purpose: To pay the Internal Revenue Service in the event any funds related to the bonds earn more than the arbitrage yield.

Fund Basis: As required by the Indenture.

Fund Source: 1998 Series A, B & C Bonds

Fund Amount as of June 30, 2008: \$125,649

Term: Upon final payment of bonds.

Supporting Documentation:

Section 3.3 of the Fourth Supplement to the Amended and Restated Indenture of Mortgage and Trust dated September 1, 1998.

Recommendation:

Upon final bond payment the account will be reviewed by an outside arbitrage consultant to determine if a rebate liability exists and then closed.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: CUSTOMER GUARANTEE OF PAYMENT

Account #: 71-000-000-12112

Designation: Restricted

Project: Wallingford

Purpose: To deposit the cash guaranty of payments ("GOP") received by the Authority by some of its customers.

Fund Basis: Varies by customer based upon their delivery trends.

Fund Source: Authority customers

Fund Amount as of June 30, 2008: \$56,283

Term: Various

Supporting Documentation:

Permitting, Disposal and Billing Procedures all for cash GOP's.

Recommendation:

Continue to maintain the reserve as long as customers have cash GOP's.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: TIP FEE STABILIZATION

Account #: 71-000-000-12205

Designation: Restricted

Project: Wallingford

Purpose: Fund established per the municipal solid waste agreements with the towns for the purpose of paying all or a portion of system costs for any contract year.

Fund Basis: The municipal service contracts stipulate that any surpluses or deficits are to be deposited or withdrawn from this reserve.

Fund Source: Per the agreement all surpluses or deficits are to flow through this reserve. These deposits and withdrawals require approval from the Wallingford Policy Board.

Fund Amount as Of June 30, 2008: \$15,915,350

Term: Upon termination of the municipal solid waste agreements.

Supporting Documentation:

Below is the contract language in Section 6.03 in reference to this Reserve, otherwise known as the Municipal Disposal Fee Stabilization Fund. The entire section pertaining to this Fund is available in the reserve folder.

At least one hundred fifty (150) days prior to the beginning of each Contract Year, the Municipal Disposal Fee will be calculated as follows:

System Cost and System Revenue for each Contract Years shall be estimated. The estimated System Cost shall be (i) increased by that amount, if any, which the Policy Board and the Authority determine is to be deposited in the Municipal Disposal Fee Stabilization Fund, or (ii) decreased by that amount, if any, which the Policy Board and the Authority determine is to be withdrawn from the Municipal Disposal Fee Stabilization Fund and applied against System Costs.

Recommendation:

Continue to maintain reserve as required by contract and perform a full analysis of the reserve during the annual budget process. Utilize necessary funds for FY 2010 as a result of reduction in electric purchase agreement terms.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: WALLINGFORD LANDFILL TRUST

Account #: 71-000-000-13203

Designation: Restricted - Trustee

Project: Wallingford

Purpose: To maintain financial assurance for postclosure care, thirty years of monitoring and maintenance, as required by 40 CFR 265.145 and Section 22a-449 (c) -30 CT HWMR.

Fund Basis: Estimated thirty years of monitoring and maintenance costs.

Fund Source: No supporting documents found.

Fund Amount as Of June 30, 2008: \$151,676

Term: Upon completion of thirty years of postclosure monitoring and maintenance.

Supporting Documentation:

The following is language from the regulations.

“...an owner or operator of a facility with a hazardous waste disposal unit must establish financial assurance for post-closure care of the disposal unit...”

Recommendation:

Continue to maintain account until the DEP issues a final hazardous waste postclosure permit for the entire landfill which would then allow for this account to be closed, since a postclosure account has already been funded for the Wallingford landfill.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: WALLINGFORD POST-CLOSURE

Account #: 71-000-000-10306

Designation: Board Designated

Project: Wallingford

Purpose: To cover the GASB 18 costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate in real dollars to monitor and maintain the landfill is \$5,984,018 which includes estimated costs for environmental insurance premiums. These estimates do not include any funds for future changes in law.

Fund Source: Past contributions have been through the annual operating budget.

Fund Amount as Of June 30, 2008: \$7,410,303

Term: Thirty years after the landfill is certified closed. The landfill was certified closed in February 2005 and the postclosure ends in fiscal year 2035.

Supporting Documentation:

Below is Section 5.12 of the Amended and Restated Municipal Solid Waste Delivery And Disposal Contract between CRRA and the Town of Wallingford in reference to this Reserve. The entire section of the contract pertaining to this reserve is available in the reserve folder.

The Authority, with the approval of the Policy Board, shall establish a fund intended to meet any and all costs and expenses related to the Facility, the Site and/or the Residue Disposal Site(s), including but not limited to environmental clean-up costs and post-closure monitoring costs, which may result from the use of the Facility, The Site and/or the Residue Disposal Site(s) pursuant to this Agreement but which are not quantified or do not arise until after this Agreement otherwise ends.

In addition, the following language is from Section 6.12 of the Lease Agreement between CRRA and the Town of Wallingford.

The Authority shall provide all post-closure maintenance and monitoring of the Demised Property required by then applicable DEP regulations. The provisions of this Section 6.12 shall survive the term of this lease.

Recommendation:

The Authority has recorded the postclosure liability on its financial statements. Continue to perform a full analysis of the account on an ongoing basis.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: WALLINGFORD NON-GASB 18 POST-CLOSURE

Account #: 71-000-000-XXXXX

Designation: Board Designated

Project: Wallingford

Purpose: To cover the non-GASB 18 costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate in real dollars to monitor and maintain the landfill is \$2,113,372 which includes estimated costs for environmental insurance premiums. These estimates do not include any funds for future changes in law.

Fund Source: Past contributions have been through the annual operating budget.

Fund Amount as Of June 30, 2008: \$0.00

Term: Thirty years after the landfill is certified closed. The landfill was certified closed in February 2005 and the postclosure ends in fiscal year 2035.

Supporting Documentation:

Below is Section 5.12 of the Amended and Restated Municipal Solid Waste Delivery And Disposal Contract between CRRA and the Town of Wallingford in reference to this Reserve. The entire section of the contract pertaining to this reserve is available in the reserve folder.

The Authority, with the approval of the Policy Board, shall establish a fund intended to meet any and all costs and expenses related to the Facility, the Site and/or the Residue Disposal Site(s), including but not limited to environmental clean-up costs and post-closure monitoring costs, which may result from the use of the Facility, The Site and/or the Residue Disposal Site(s) pursuant to this Agreement but which are not quantified or do not arise until after this Agreement otherwise ends.

In addition, the following language is from Section 6.12 of the Lease Agreement between CRRA and the Town of Wallingford.

The Authority shall provide all post-closure maintenance and monitoring of the Demised Property required by then applicable DEP regulations. The provisions of this Section 6.12 shall survive the term of this lease.

Recommendation:

The Authority has recorded the postclosure liability on its financial statements. Continue to perform a full analysis of the account on an ongoing basis.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: RISK FUND

Account #: 71-000-000-10221

Designation: Board Designated

Project: Wallingford

Purpose: To protect the project against catastrophic losses.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: All documentation found indicates that funding of this reserve has occurred through the operating budget.

Fund Amounts as Of June 30, 2008: \$1,047,107

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board approved the Policy Establishing the Risk Financing Plan, which included the Risk Fund on September 18, 1990. On December 19, 1996 the Board approved a modification to the CRRA Risk Fund Policy. The resolutions and minutes are voluminous. Complete minutes are available in the reserve backup file.

Recommendation:

Reevaluate the risk assessments and update during the annual budget process for each project.

Connecticut Resources Recovery Authority

October 23, 2008

Reserve: FUTURE USE/PLANNING

Account #: 71-000-000-10230

Designation: Board Designated

Project: Wallingford

Purpose: To cover costs associated with the termination of the existing project, extension costs associated with the existing project or costs associated with developing a new strategy for the member towns post current project.

Fund Basis: The basis is contingent upon the completion of the future option study. The process is still on-going.

Fund Source: Contributions have been through the annual operating budget.

Fund Amount as of June 30, 2008: \$9,996,165

Term: The reserve will be maintained until it is fully funded to meet the obligations of the project, to terminate the existing project or extend the existing project.

Supporting Documentation:

The Board and the Wallingford Policy Board adopted the following language at their respective April 2005 meetings.

“RESOLVED: That a Future Use/Planning Reserve be established for the Wallingford Project for the purpose of funding termination costs associated with the existing project, funding extension costs associated with the existing project or funding costs associated with developing a new strategy for the member towns upon termination of the existing project.

Recommendation:

Continue to maintain the reserve until final decision on the future of waste disposal for the Wallingford project has been completed at which time the reserve will be reevaluated.

TAB 4

RESOLUTION TO AUTHORIZE THE EXECUTION OF MUNICIPAL SERVICE AGREEMENTS WITH THE TOWNS OF CHESHIRE, HAMDEN, MERIDEN, NORTH HAVEN, AND WALLINGFORD

WHEREAS, The Connecticut Resources Recovery Authority ("CRRA") is the owner of that certain parcel of real property located at 530 South Cherry Street, Wallingford, Connecticut (the "Real Property"); and

WHEREAS, since approximately 1990, CRRA has operated a waste-to-energy facility (the "Facility") on the Real Property and has provided solid waste disposal services (the "Services") to the municipalities of Cheshire, Hamden, Meriden, North Haven and Wallingford, Connecticut (the "Participating Municipalities") pursuant to certain municipal service agreements (the "Current MSA's"); and

WHEREAS, the Current MSAs shall expire on or about June 30, 2010; and

WHEREAS, the Facility is operated by Covanta pursuant to, among other things, a waste disposal services contract (the "Services Contract"); and

WHEREAS, the Services Contract provides that CRRA may purchase the Facility from Covanta at fair market value upon expiration of the Current MSAs; and

WHEREAS, the Services Contract requires that CRRA give notice of its intent to exercise the purchase option on or before December 30, 2008; and

WHEREAS, in order to obtain financing, through the issuance of bonds, to effect the purchase of the Facility, it is desirable that CRRA execute new municipal service agreements (the "New MSAs") with some or all of the Participating Municipalities; and

WHEREAS, the Participating Municipalities wish to continue receiving the Services on and after July 1, 2010 from CRRA, and CRRA wishes to continue providing the Services to the Participating Municipalities subject to CRRA exercise of its purchase option of the Facility; and

WHEREAS, CRRA and the Participating Municipalities have engaged in negotiations over the last several months regarding the terms and conditions of new municipal service agreements (the "New MSAs") pursuant to which CRRA will continue to provide the Services pursuant to the terms and conditions set forth in the New MSAs; and

WHEREAS, in addition to the New MSAs, it is contemplated that CRRA and the Participating Municipalities will enter into a host community benefit agreement pursuant to which Wallingford will receive certain payments from the other Participating Municipalities in addition to the PILOT as additional consideration for its continued hosting of the Facility over the term of the New MSAs; and

WHEREAS, the Board of Directors have reviewed the New MSAs and determined that it is in the best interests of CRRA to enter into the New MSAs in order to secure financing for the purchase of the Facility from Covanta;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of CRRA:

1. That the New MSAs are hereby approved for execution substantially as presented and discussed at this meeting.

2. That Thomas D. Kirk, President of CRRA, is authorized to execute the New MSAs in the name of CRRA and to take any and all actions which he deems reasonable, necessary, or appropriate to effect execution of the New MSAs (and any such action already taken is hereby ratified and approved); including, without limitation, further negotiation and/or revision of the New MSAs; provided, however, that material revisions to the terms or conditions of the New MSAs will require additional approval by the Board of Directors.

3. That Thomas D. Kirk, President of CRRA, is hereby authorized to do whatever else he deems reasonable to effectuate the purpose and intent of the foregoing resolutions.

4. This resolution shall take effect immediately.

CONNECTICUT RESOURCES RECOVERY AUTHORITY

Agreement for Solid Waste Disposal Services between the CRRA and the Towns of Cheshire, Hamden, North Haven, and Wallingford and the City of Meriden

Presented to CRRA Board: October 23, 2008

Contract Type: Municipal Service Agreement for solid waste disposal services

Parties: CRRA and the Towns of Cheshire, Hamden, North Haven, and Wallingford and the City of Meriden

Facility: Wallingford Resources Recovery Facility

Term: The new MSAs shall commence on July 1, 2010 and continue for a term of twenty years

Key Provisions: The Participating Municipalities shall be obligated to deliver all of their Acceptable Solid Waste (as defined in the New MSAs) to the Facility and CRRA shall be obligated to receive and dispose of such Acceptable Solid Waste.

The Participating Municipalities shall be obligated to enact flow control ordinances to ensure delivery of all of their Acceptable Solid Waste to the Facility.

Several reserve funds will be created and funded from existing Wallingford Project non-dedicated funds, including a Working Capital Fund, a Balancing Fund, a Risk Fund, and a Decommissioning Fund (all as defined in the New MSAs).

The Wallingford Policy Board shall continue to exist and shall have the rights and duties set forth in the New MSAs, including determining the manner in which funds in the Municipal Fund (as defined in the New MSAs) are to be expended.

The Participating Municipalities will pledge their full faith and credit regarding their obligations under the New MSAs.

The Participating Municipalities will be obligated to cover CRRA's "Net Cost of Operation" (as defined in the New MSAs).

Additional reserves may be created after consultation with the Policy Board.

The New MSAs include payments in lieu of taxes ("PILOT") to Wallingford equal, in the first Contract Year (as defined in the New MSAs) to the amount of *ad valorem* real and personal property taxes which would otherwise have been due and payable to Wallingford but for CRRA's tax exemption contained in Connecticut General Statutes section 22a-270. The PILOT escalates annually the annual change in the Consumer Price Index (as defined in the New MSAs).

The Participating Municipalities shall have the option to purchase the Facility (but not the Real Property) at the conclusion of the New MSAs, for \$1.00. This option is exercisable by any one or more of the Participating Municipalities.

The New MSAs include a modified "put or pay" requirement; whereby, in the event of a deficit, the deficit will first be paid from the Balancing Fund. CRRA will then bill the Participating Municipalities their pro-rata share of the deficit to replenish the Balancing Fund.

In the event of a projected tonnage deficit, CRRA is obligated to notify the Policy Board of such projected deficit and CRRA shall undertake commercially reasonable efforts to mitigate such projected deficit generally through the spot market.

In the event CRRA does not exercise its purchase of the Facility the executed New MSAs shall be void and without further force and effect.

CONNECTICUT RESOURCES RECOVERY AUTHORITY

Agreement for Solid Waste Disposal Services between the CRRA and the Towns of Cheshire, Hamden, North Haven, and Wallingford and the City of Meriden

Executive Summary

This is to request CRRA Board of Directors approval of the form of the new MSA for solid waste disposal services between CRRA and the Towns of Cheshire, Hamden, North Haven, and Wallingford and the City of Meriden (the "Participating Municipalities") to secure financing for the purchase of the Wallingford Resources Recovery Facility (the "Project" or "Facility") in the event CRRA exercises its option to purchase the Facility pursuant to Section 3.02 (d) of the *Amended and Restated Waste Disposal Services Contract* as amended (the "Operator Agreement") between CRRA and Covanta Projects of Wallingford, L.P. (the "Company") and dated February 1, 1990.

In order to demonstrate to the Board, the Underwriter, and the State Treasurer that a purchase is financeable, CRRA intends to provide, among other items, signed MSAs evidencing the Participating Municipalities' full faith and credit to pay the Net Cost of Operation of the Facility inclusive of all debt service. Therefore, CRRA management is seeking Board approval of the form of the new MSA in order to distribute to the Participating Municipalities execution copies of the documents for their consideration.

Discussion

The Wallingford Project ("Project" or "Facility") as currently structured will expire June 30, 2010. Over the course of the past several years, CRRA has been working with the Wallingford Project Policy Board to identify and evaluate waste disposal management options that may be available to the Participating Municipalities post 2010. The *Amended and Restated Waste Disposal Services Contract* provided the basis from which the post 2010 planning process would begin. Subject to certain conditions regarding the operability of the Facility and associated costs, Article Three of the Operator Agreement provides three options for the continued operation of the Facility upon the expiration of the current project. The three options are:

- Company exercises its option to extend the Project: As early as March, 2006 Company indicated to CRRA that it did not intend to exercise its option to extend the Project because it was operating the Facility at a loss. Company in fact did not exercise its option and the option expired on September 30, 2007.
- CRRA exercises its option to extend the Project: If CRRA were to exercise its option to extend we would have had to adjust the service fees paid to Company to reflect 125% of Company's actual cost to operate the Facility. Based on CRRA's analysis of the Company costs to operate the Facility, CRRA determined continued operation of the Facility under this scenario does not make economic

sense and therefore did not exercise its option. The option expired on December 31, 2007.

- CRRA exercises its option to purchase the Facility from the Company at fair market value: CRRA continues its evaluation of this option and is expected to make a final determination regarding its viability by December 30, 2008, the date on which the option expires. If CRRA does not exercise its purchase option, Company has the right to purchase the Facility for \$1.00 and operate it as a merchant Facility pursuant to Section 8.3 of the Amended and Restated Lease Agreement between CRRA and the Company and dated September 1, 1998.

TAB 5

RESOLUTION REGARDING THE REDUCTION OF THE FY 2009 MID-CONNECTICUT PROJECT MUNICIPAL SOLID WASTE DISPOSAL FEE FOR PROJECT MUNICIPALITIES

WHEREAS CRRA's mission is to act in the best interests of the towns that it serves and;

WHEREAS CRRA manages its finances conservatively and prudently and;

WHEREAS CRRA is always looking to reduce its net cost of operations and;

WHEREAS CRRA is always seeking new ways to increase revenues without increasing disposal fees and;

WHEREAS the Mid-Connecticut Project finished the fiscal year ended June 30, 2008, with a surplus of approximately \$13 million and;

WHEREAS the Mid-Connecticut Project is required to satisfy the debt service coverage ratio as stipulated by the bond resolution and;

WHEREAS it is fiscally prudent to reserve sufficient surplus for known future expenses such as debt service, closure of the Hartford landfill and maintenance of to the trash-to-energy system and;

WHEREAS municipal solid waste deliveries to the Mid-Connecticut Project are running below budgeted levels, which could result in a revenue shortfall of approximately \$2 million in the current fiscal year and;

WHEREAS reserving these funds would still leave approximately \$4 million and;

WHEREAS the newly-constituted Mid-Connecticut Project Municipal Advisory Committee has recommended using that undesignated cash to lower the current disposal fee and;

WHEREAS the CRRA Board of Directors is giving all due consideration to this valuable input from the Municipal Advisory Committee, which consists of the chief executives of all Mid-Connecticut Project cities and towns, therefore

RESOLVED: that the CRRA Board of Directors reduces the FY 2009 Mid-Connecticut Project municipal solid waste disposal fee for its participating towns by _____, effective January 1, 2009.

MID-CONNECTICUT PROJECT
Mid-Connecticut Project Town Municipal Solid Waste Tonnage

**FY 09 Budgeted Tonnage For
Towns Billed Directly**

Total	373,500
July	31,125
August	31,125
September	31,125
October	31,125
November	31,125
December	31,125
January	31,125
February	31,125
March	31,125
April	31,125
May	31,125
June	31,125
Jan-June	186,750
Tip Fee Reduction^(a)	\$21.42
Existing Tip Fee	\$72.00
Amended Tip Fee	\$50.58
Rounded	\$51.00

^(a) Represents a reduction per ton for a \$4.0 million surplus application over a six month period.

Tonnage data represents only Acceptable MSW delivered into the CRRA system.

CRRA - MID-CONNECTICUT PROJECT

FY08 SURPLUS REVIEW

FY	Revenue	Expense	Surplus	Explanation
2008	\$ 93,271,568	\$ 80,314,005	\$ 12,957,563	<p>The surplus was due to the following:</p> <ul style="list-style-type: none"> • favorable metal and recycling sales market by \$1.9M; • increase of \$2.0M in electricity revenue due to higher than budgeted electricity rate; • savings of \$1.7m from waste transportation and disposal fees due to lower than expected waste deliveries which contributed to lower than budgeted export fees; • decrease in excess revenue share by \$2.1M due to unplanned PBF outages ; • decrease in WPF contract operating costs by \$2.9M due to lower than budgeted waste processing resulting from the unplanned PBF outages; and • administration costs were lower by \$1.9M due to lower than budgeted legal fees, salaries and overhead costs .

RECOMMENDED USE OF FY08 SURPLUS (A) (B)

\$ 13,000,000	Total FY08 Surplus
\$ (6,000,000)	Bond Indenture Restriction
\$ 7,000,000	Net Available
\$ (1,000,000)	To restore Facility Modification Reserve reduced in FY09 Budget Process
<u>\$ 6,000,000</u>	Remaining Surplus availability for FY09 Revenue Reduction

- (A) Section 7.16 of Mid-Connecticut Bond Indenture requires a 1.0 times coverage revenue to expenses. To remain within compliance, the maximum revenue reduction available is budgeted in FY09 \$6,992,000.
- (B) Town waiver required to effectuate utilization of funds outside of the FY2010 budget process.

TAB 6

**RESOLUTION REGARDING ORGANIZATIONAL SYNERGY & HUMAN
RESOURCES COMMITTEE RECOMMENDATION TO THE BOARD OF
DIRECTORS REGARDING ADDITION AND ADOPTION OF AN EMPLOYEE
OPT-OUT PLAN FOR HEATH INSURANCE**

RESOLVED: That the Employee Opt-Out Plan for health insurance is approved as presented by the Organizational Synergy & Human Resources Committee.

**Connecticut Resources Recovery Authority
Adoption of an Employee Opt-Out of Health Insurance Plan**

October 16, 2008

Executive Summary

CRRA, in an effort to reduce the cost of supplying employee health insurance, will implement a Health Insurance Opt-Out Program for the calendar year 2009. CRRA's insurance broker R.C.Knox's municipal clients offer such plans which typically provide cash incentives of \$25.00-\$50.00 per pay period to opt-out of a health insurance plan. CRRA's plan will pay a 15% cash incentive between \$33.44-\$95.30 per pay period (See Health Insurance Opt-Out Scenario Spreadsheets Attached for ConnectiCare plans POS 20-30 and POS 15-25).

These arrangements, known as opt-out plans, are usually aimed at employees with working spouses who have group-health coverage through their employer, or they may have a pension plan with retiree medical coverage. The employer benefits by avoiding the cost of duplicative coverage while the employee receives the cash. To qualify, an employee will have to show proof of insurance in another health plan.



Interoffice Memo

TO: Organizational Synergy & Human Resources Committee

FROM: Chris Hyfield, Human Resources Manager

DATE: October 16, 2008

SUBJECT: Health Insurance Opt-Out Program

CRRA, in an effort to reduce the cost of supplying employee health insurance will implement a Health Insurance Opt-Out Program for the calendar year 2009. CRRA's insurance broker R.C.Knox's municipal clients offer such plans which typically provide cash incentives of \$25.00-\$50.00 per pay period (\$650.00-\$1,300.00 annually) to opt-out of a health insurance plan (please see attached spreadsheet Healthcare Opt-Out for potential savings to CRRA).

The CRRA will offer its employees a 15 % cash incentive to waive health care coverage. These arrangements, known as opt-out plans, are usually aimed at employees with working spouses who have group-health coverage through another employer, or they may have a pension plan with retiree medical coverage. The employer benefits by avoiding the cost of duplicative coverage while the employee receives the cash.

CRRA will have to maintain 75% employee enrollment in the plan to avoid having the carrier drop the plan. As of today, we have seven employees that chose to opt-out. To put the plan in jeopardy, we would need an additional seven, which is unlikely.

For ease of administration of this plan, CRRA will provide an employee with a cash incentive paid bi-weekly.

Health Insurance Opt Out Scenarios

Monthly POS 20-30 Base Plan Premiums

Rates	Monthly POS 20-30 Base Plan Premiums
Single	\$482.99
2-Party	\$1,014.28
EE+2	\$1,376.52
Family	\$1,376.52

Bi-Weekly Employee Opt Out Pay Incentive

Rates	Bi-Weekly Employee Opt Out Pay Incentive	Annual Cost to CRRA	Annual Premiums to CRRA
Single	\$222.92	\$33.44	\$5,796
2-Party	\$468.13	\$70.22	\$12,171
EE+2	\$635.32	\$95.30	\$16,518
Family	\$635.32	\$95.30	\$16,518

Exempt Employee Savings to CRRA for Opt Out Plan

\$4,926.50
\$10,345.66
\$14,040.50
\$14,040.50

****NOTE: CRRA pays 15% of the premium savings back to the employee based on level of coverage for opting out of the ConnectCare health plan. Must provide proof of coverage elsewhere to qualify for opt out.**

TAB 7

**RESOLUTION REGARDING COOPERATIVE SERVICES
AGREEMENT BETWEEN CONNECTICUT RESOURCES RECOVERY
AUTHORITY AND UNITED STATES DEPARTMENT OF
AGRICULTURE ANIMAL AND PLANT HEALTH INSPECTION
SERVICE WILDLIFE SERVICES**

RESOLVED: That the President is hereby authorized to execute an agreement with the United States Department of Agriculture Animal and Plant Health Inspection Service Wildlife Services, for the control of nuisance birds at the Hartford Landfill and Mid-Connecticut Project Waste Processing Facility, substantially as presented and discussed at this meeting.

**Connecticut Resources Recovery Authority
Contract Summary for Contract
Entitled**

**COOPERATIVE SERVICES AGREEMENT BETWEEN CONNECTICUT RESOURCES
RECOVERY AUTHORITY AND UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE WILDLIFE SERVICES**

Presented to the CRRA Board on: October 23, 2008

Vendor/ Contractor: United States Department of Agriculture,
Animal & Plant Health Inspection Service,
Wildlife Services

Effective date: November 1, 2008

Contract Type/Subject matter: Service Agreement for bird control at Hartford Landfill
and the South Meadows Waste Processing Facility.

Facility (ies) Affected: Hartford Landfill, South Meadows Waste Processing
Facility.

Original Contract: This is effectively a renewal of an annual contract

Term: November 1, 2008 through March 31, 2009

Contract Dollar Value: \$25,000

Amendment(s): NA

Term Extensions: N/A

Scope of Services: Provide integrated bird control services at the Hartford
Landfill and Waste Processing Facility to reduce
conflicts with nuisance birds.

Other Pertinent Provisions: USDA is engaged as a contractor with *special capability*
pursuant to section 3.1.2.5 of CRRA's Procurement
Policies & Procedures; accordingly, this contract is
awarded as an exception to the competitive process.

CRRA may terminate the agreement by providing
USDA thirty (30) days written notice. There is no
penalty for early termination of the agreement.

Connecticut Resources Recovery Authority Mid-Connecticut Project - Hartford Landfill

Cooperative Service Agreement with United States Department of Agriculture for the Control of Birds

October 23, 2008

Executive Summary

This is to request that the CRRA Board of Directors authorize the President to enter into an agreement with the United States Department of Agriculture (USDA), Animal and Plant Health Inspection Service (APHIS), Wildlife Services (WS) to perform work at the Hartford Landfill and Mid Connecticut Project Maxim Road Facilities to control nuisance birds.

Discussion

As the permittee of the Hartford Landfill, CRRA has a regulatory obligation to control vectors, including birds. Historically, the Hartford Landfill has from time-to-time experienced excessive bird activity. Despite attempts in past years by CRRA's landfill operator to control bird activity using various means, including pyrotechnics, nuisance bird activity has been a recurring issue.

In the spring of 2004, CRRA's Environmental Division made inquiries to solid waste management facility operators in other states and to regulatory agencies with the intent of identifying additional options for controlling birds at its solid waste facilities. CRRA's search revealed that the USDA is equipped to provide support in management of nuisance birds. Consequently, CRRA entered into a Pilot Agreement with the USDA from April 1 through June 30, 2004 to provide services for the control of nuisance birds. Based on the success of that Pilot Program, CRRA staff requested and received approval from CRRA's Board of Directors to contract with USDA to provide bird control services for fiscal years 2005, 2006, 2007, and 2008. The approach used in controlling birds has involved several methods, including the use of firearms, various forms of pyrotechnics, visual deterrents, and traps. Although in the USDA arsenal, toxicants have not been used to date.

Based on reports provided by USDA and observations made by USDA and CRRA personnel, the work performed by USDA has been effective in reducing the number of nuisance birds at the landfill.

The Hartford landfill will stop receiving waste on December 31, 2008. In order to continue to operate the landfill with minimum impact from nuisance birds during FY2009, CRRA management recommends contracting with the USDA during the final two months of waste receipt activities, and for the first three months following cessation of waste deliveries, for a total of five months during FY 2009: November 1, 2008 through March 31, 2009. Because bird activity has been minimal during the summer months during the past several years, CRRA directed USDA to suspend activities beginning July 1, 2008; this contract will provide for resumption of services beginning November 1, 2008, when nuisance bird activity is expected to increase. Bird activity during July through September 2008 has been minimal.

CRRA will continue to measure the performance of the contractor both qualitatively and quantitatively. USDA will provide periodic reports providing estimated bird population at the facility and the number of birds taken (removed). CRRA staff will regularly conduct visual inspections of the landfill to qualitatively measure general bird activity. Inspection of the daily cover to determine the degree of disruption by birds (scratching through in search of organic matter) also provides a measure of bird activity at the landfill. USDA will produce an annual report on its FY 2009 activities.

Although most of the activities conducted by USDA personnel under this contract have to date been undertaken at the Hartford Landfill, USDA personnel have periodically visited the Waste Processing Facility (WPF) at CRRA's South Meadows campus. This contract provides CRRA the flexibility to employ USDA in this regard.

A copy of the USDA's Annual Report of Bird Harassment Activities for the period April 2007 through March 2008 is included in the supplemental board package.

CRRA management does not intend to engage USDA for bird harassment activities at the Hartford landfill after the term of this contract, as the landfill will be closed and no longer accepting waste. The Hartford landfill will have adequate interim cover material in place by late summer 2009, serving to discourage any nuisance birds that return to the landfill in fall 2009 in search of a food source. CRRA management and USDA will discuss a contract for nuisance bird harassment activities at the WPF when this contract ends; a contract exclusively for activities at the WPF after March 2009 will be presented to the board of directors at a later date.

Financial Summary

The term of the proposed contract is November 1, 2008 through March 31, 2009. The total not-to-exceed cost of the contract is \$25,000, which includes the cost of personnel, vehicles, supplies and administration.

These nuisance bird management activities were contemplated at the time the FY 2009 budget was developed, and sufficient funds are available in the FY 2009 Hartford Landfill and WPF operating budgets for this expense.

TAB 8

**RESOLUTION REGARDING EXPENDITURE FOR RETROFIT
OF CITY OF HARTFORD REFUSE-COLLECTION AND
RECYCLING DIESEL TRUCKS**

RESOLVED: That the President of CRRA be authorized to expend \$200,000 to retrofit 11 City of Hartford Department of Public Works diesel refuse-collection and recycling trucks as required by the Host Community Agreement contained in the Settlement Agreement with the City of Hartford and the modification of the Solid Waste Permit to Operate the Hartford Landfill, substantially as presented and discussed at this meeting.

Connecticut Resources Recovery Authority Mid-Connecticut Project

Retrofit of City of Hartford Refuse-Collection and Recycling Diesel Trucks

October 23, 2008

Executive Summary

On February 1, 2007, CRRA signed a Settlement Agreement with the City of Hartford. This Agreement requires CRRA and the City of Hartford to cooperate in obtaining state funding for a portion of the costs of Closure and Post-Closure Care and Monitoring and in obtaining a modification of the Solid Waste Permit to Operate the Hartford Landfill. Included in the Settlement Agreement and in the modification of the Solid Waste Permit to Operate is a Host Community Agreement. In the Host Community Agreement, CRRA agrees to pay up to \$200,000 for the retrofit of the City of Hartford Department of Public Works refuse-collection and recycling trucks.

The City of Hartford Department of Public Works (DPW) owns and operates over thirty refuse-collection and recycling trucks. Technology exists to significantly reduce the air emissions from these vehicles. CRRA can install diesel particulate filters (DPFs) supplied by the original equipment manufacturer (OEM) that can significantly reduce the emissions of carbon monoxide, volatile organic compounds and particulates. The installation of these DPFs involves significant modifications to the exhaust system of the vehicles and the cost for each installation has been quoted on a "not to exceed" basis as \$17,972.

This is to request that the CRRA Board of Directors approve the expenditure of \$200,000, to cover the installation of DPFs on eleven of the City of Hartford DPW refuse-collection and recycling trucks for the period from November 1, 2008 through March 29, 2009.

Discussion

The City of Hartford DPW owns numerous refuse-collection and recycling trucks. These trucks operate throughout the city and their exhaust is emitted in close proximity to the citizens who live in Hartford's neighborhoods. CRRA is required, by the terms of the Settlement Agreement with the City of Hartford and the modified Solid Waste Permit for closure of the Hartford Landfill, to spend \$200,000 retrofitting its diesel refuse-collection and recycling trucks to lower air emissions in the city.

CRRA staff has worked with the City of Hartford DPW, the Connecticut Coalition for Environmental Justice (CCEJ), the Connecticut Department of Environmental Protection (CT DEP) and diesel engine experts from H. O. Penn and Caterpillar to examine the diesel refuse-collection and recycling fleet. Trucks that would be retired from service within two or three years were not considered for retrofits as the benefits to air quality would be short-lived. A

number of relatively new recycling trucks were ruled out due to the anticipated shift to single-stream recycling. The remaining eleven trucks were grouped by engine type and data was gathered on each group's operating hours and engine temperature profile. Based on this data, in consultation with the OEM, a Fleet Management Plan has been drafted, based on the cost-effectiveness of adding pollution control equipment to each piece. The US EPA has verified and recognizes emission reductions of 89% for particulate matter, 90% for carbon monoxide and 93% for hydrocarbons (volatile organic compounds) from the installation of DPFs. These filters, given proper maintenance, are expected to have the same useful life as the trucks on which they are installed.

The table below presents the details of the Fleet Management Plan for the City of Hartford Department of Public Works.

Fleet Management Plan
City of Hartford - Department of Public Works

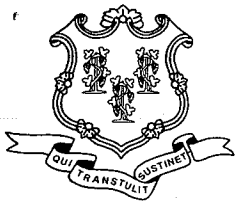
	Make	Type	Unit No.	Model Year	Emissions Reductions (tons/year)			Estimated Cost
					CO	HC(VOC)	PM	
1	Peterbilt	Front Load	212	2005	0.039	0.006	0.006	\$17,972
2	Peterbilt	Rear Load	200	2005	0.032	0.007	0.006	\$17,972
3	Peterbilt	Rear Load	201	2005	0.032	0.007	0.006	\$17,972
4	Peterbilt	Rear Load	209	2005	0.032	0.007	0.006	\$17,972
5	Peterbilt	Rear Load	216	2005	0.032	0.007	0.006	\$17,972
6	Peterbilt	Rear Load	220	2005	0.032	0.007	0.006	\$17,972
7	Peterbilt	Rear Load	205	2006	0.031	0.004	0.006	\$17,972
8	Peterbilt	Rear Load	283	2005	0.036	0.005	0.007	\$17,972
9	Volvo	Automated	280	2002	0.036	0.005	0.007	\$17,972
10	Volvo	Automated	281	2002	0.036	0.005	0.007	\$17,972
11	Volvo	Automated	282	2002	0.036	0.005	0.007	\$17,972
					0.4	0.1	0.1	\$197,692

The group (CRRA, CCEJ, City of Hartford DPW, the diesel experts) has present the Fleet Management Plan to Connecticut DEP Commissioner Gina McCarthy. Attached is her letter approving the plan.

The City of Hartford DPW will maintain the DPFs, which require periodic cleaning. The DPFs will be installed by H. O. Penn, the vendor that DEP and DAS selected, and should be completed by March 29, 2009.

Financial Summary

The "not-to-exceed" cost of each DPF installation is \$17,692. The final cost of the eleven retrofits will not exceed \$197,692. There are adequate funds in the Mid-Connecticut budget for this expense.



STATE OF CONNECTICUT
DEPARTMENT OF ENVIRONMENTAL PROTECTION



RECEIVED

OCT 16 2008

October 10, 2008

CRRA
ENVIRONMENTAL

Mr. Peter W. Egan
Director of Environmental Affairs & Development
CRRA
100 Constitution Plaza, 6th Floor
Hartford, Connecticut 06103-7722

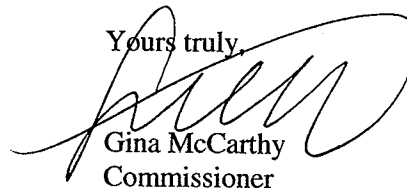
Dear Mr. Egan:

The Department of Environmental Protection (DEP) has reviewed the Connecticut Resources Recovery Authority (CRRA) City of Hartford Fleet Management Plan dated October 1, 2008 as required by CRRA's permit and the Host Community agreement. We appreciate CRRA's concerted efforts to engage stakeholders in the development of this plan including the city of Hartford and the Connecticut Coalition of Environmental Justice.

The City of Hartford Fleet Management plan includes the installation of diesel particulate filters (DPFs) on eleven diesel-powered vehicles which will significantly reduce carbon monoxide, hydrocarbons and particulate matter (PM) emissions. This retrofit project will result in recognizable diesel emission reductions in refuse collection sites throughout the city of Hartford for numerous years. Annual emission reductions have been estimated as follows: carbon monoxide 0.4 tons per year (tpy); hydrocarbons 0.1 tpy; and particulate matter 0.1 tpy.

DEP approves implementation of the Fleet Management Plan as conforming to the requirements of Solid Waste Permit No. 0640824-M, issued on March 29, 2007. Upon successful implementation of the diesel retrofit of city-owned refuse hauling vehicles, we request a confirmation letter from CRRA indicative of the completion of condition 22.b of the referenced solid waste permit.

Yours truly,



Gina McCarthy
Commissioner

GM/TB

Enclosure

cc: Amey Marrella, Deputy Commissioner

Robert Isner, Director of Enforcement & Engineering Division, Bureau of Materials Management and Compliance Assurance

(Printed on Recycled Paper)

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TAB 9

**RESOLUTION REGARDING CONVERSION OF TWO
SECONDARY SHREDDER MOTORS RATED TO 1250HP
AT THE MID-CONNECTICUT WASTE PROCESSING
FACILITY**

RESOLVED: That the President is hereby authorized to execute an agreement with American Rotor Corporation to provide two converted secondary shredder motors rated to 1250 horsepower to be located at the Mid-Connecticut Waste Processing Facility, substantially as presented and discussed at this meeting.

Connecticut Resources Recovery Authority

Contract Summary for Contract Entitled

Conversion of Two Secondary Shredder Motors Rated to 1250 Horsepower Agreement

Presented to the CRRA Board on:	October 23, 2008
Vendor/ Contractor(s):	American Rotor Corporation
Effective date:	Upon Execution
Contract Type/Subject matter:	Equipment Supply
Facility (ies) Affected:	Mid-CT Waste Processing Facility
Original Contract:	NA
Term:	180 days from Notice to Proceed
Contract Dollar Value:	\$163,700.00
Amendment(s):	NA
Term Extensions:	N/A
Scope of Services:	Conversion of two (2) spare secondary shredder motors to 1250 HP for the Waste Processing Facility.
Budget Status	Project was included in the 2009 Mid-Connecticut Facility Modification Reserve
Other Pertinent Provisions:	None

Connecticut Resources Recovery Authority Mid-Connecticut Project-Waste Processing Facility Conversion of Two Secondary Shredder Motors to 1250HP

October 23, 2008

Executive Summary

This is to request approval of the CRRA Board of Directors for the President to enter into an agreement with American Rotor Corporation, to convert two spare 1000 horsepower secondary shredder motors to a rating of 1250 horsepower at the Mid-Connecticut Waste Processing Facility.

Discussion

Operating in each of the Waste Processing Facility's (WPF) two separate processing lines are two Williams Patent Crusher Company 680 hammer mills (secondary shredders) with 1000 horsepower (HP) motors. The secondary shredders are high maintenance items due to their function of breaking down the refuse in the processing lines. The 1000 HP motors that drive the secondary shredders have incurred a multitude of failures over the past eighteen years of service. The failures range from bearing failures, rotor bar cracks, stator winding failures and damage from external fires. Over the past two years it has become increasingly more difficult to make cost effective repairs to the existing 1000 HP motors due to rotor core issues. The WPF has three remaining spare 1000 HP motors that need to be converted to 1250 HP units.

In February and April 2008, the WPF received the first two 1250 HP converted secondary shredder motors. Both of the new 1250 HP motors are operating in the two processing lines at the WPF which have resulted in record breaking processing rates in ten of the last twelve months (see attached graph). Each processing line can now achieve at or above design processing rates of 85-90 tons per available hour. Achieving these processing rates has allowed operations at the WPF to stay at or under the designed processing day of sixteen hours thus providing the maintenance shift the highly valuable remaining eight hours. This significant increase in efficiency of the WPF's processing rate has resulted in all of the other processing upgrades to be completed in a timely manor. WPF capital upgrade projects completed as planned and on schedule do not have a negative impact on Power Block Facility operations or cause excessive delivery lines that result in hauler complaints.

The WPF has three remaining spare 1000 HP motors in addition to the previously converted two 1250 HP units. Presently, CRRA operations only desires to convert two of

the 1000 HP motors to 1250 HP motors, the remaining 1000 HP motor will be a fall back spare.

CRRA operations developed the following scope of work for the conversion of two (2) existing 1000 HP spare secondary shredder motors to 1250 HP motors:

Furnish all materials, labor, equipment and incidentals thereto for items listed below (note: items below would be doubled for 2 motors) for a conversion of an original 1000 HP Siemens-Allis Inc. motor to a 1250 HP motor:

- 1.) Each motor will be rated for the following:
 - Horsepower: 1250
 - RPM: 900
 - Duty: Shredder or mill duty
 - Frame size: 3740
 - Enclosure Type: ANODS or equal (drip proof enclosure)
 - Service Factor: 1.00 or higher
 - Voltage: 4160
 - Insulation: Class H
 - Starting Torque: 200%
 - Pull out Torque: 250%
 - Full Load Torque: 6039 lbs.ft. or higher
- 2.) Each motor will contain the following items:
 - Bearings: Spherical roller bearings made by SKF :(bearing size # 22232) located at both the drive and non-drive sides. Drive and non-drive side shaft outer diameter dimension will be no less than 6 inches
 - Class H windings with vacuum pressure impregnation (VPI)
 - 500 watt space heaters
 - One earth ground brush
 - Six 100 ohm platinum stator winding with Resistance Temperature Detectors (RTDs)
 - Two 100 ohm platinum stick RTDs located on the drive and non-drive bearings
 - Two insulated bearing head assemblies
 - 4000 series shaft stock material
- 3.) Prior to CRRA's acceptance of the two motors, the following tests will be performed on each motor:
 - Core loss test - provide CRRA a report
 - Locked rotor torque test- provide CRRA a report
 - Rotor assemble to be inspected, re-brazed if required, machined and balanced- provide CRRA a balancing report
 - Dynamometer load test on motor for two (2) hours at full load- provide CRRA a report
- 4.) Provide CRRA a motor manual for each motor.
Provide CRRA a two (2) year warranty per EASA standards that starts from the date CRRA receives both motors at the WPF.

The 1250 HP motors will be supplied with a drip proof enclosure as this is the only motor that will fit within the existing motor frame mount. A drip proof enclosure is the preferred option for this application as it utilizes purified air. Other options that were considered were a totally enclosed fan cooled motor which are not made to our sizing specifications. Given the requirements at the WPF a totally enclosed fan cooled motor of this capacity is not a standard item and would have to be custom made for this application; in addition the frame mounting and shaft adapters would also need a retrofit. A custom made totally enclosed fan cooled motor would require: a 50% larger motor size (1500 HP) to achieve the same operating parameters, a frame that is twice the size, a larger shaft due to the larger motor size and would cost approximately twice as much a drip proof motor. Having considered these facts, the most cost effective option is the rebuilding of our current motors.

Financial Summary

The conversion of two Secondary Shredder Motors to 1250 HP was solicited through a public procurement process. Sealed public bids were received until September 26, 2008. CRRA published an Invitation to Bid in the Hartford Courant, the New Haven Register, the Journal Inquirer, the Waterbury Republican-American, the Connecticut Post, LaVOS Hispana de Connecticut and the Northeast Minority News.

Bids were received from two qualified bidders, and are tabulated below.

Vendor	Quoted Function	Quoted Price:
American Rotor Corporation	Convert (2) spare 1000 HP Siemens-Allis motors to 1250 HP motors.	\$163,700.00
Leppert-Nutmeg Incorporated	Convert (2) spare 1000 HP Siemens-Allis motors to 1250 HP motors.	\$287,594.00

CRRA staff is recommending the selection of American Rotor Corporation. American Rotor Corporation has previously provided CRRA the two (2) converted 1000 HP secondary shredder motors to 1250 HP motors to CRRA's satisfaction. CRRA staff has discussed the project with American Rotor Corporation and is satisfied that they can complete the work as specified in the contract documents.

Per discussions with American Rotor Corporation, and our previous positive experience with them, CRRA management is satisfied that this contractor is fully qualified to undertake this type and size of project.

CRRA's cost for this project will be \$163,700.00

The project will be funded from the Facility Modification Reserve as planned for in the fiscal year 2009 Mid-Connecticut capital improvement budgets.

TAB 10

**RESOLUTION REGARDING THE REPLACEMENT OF THE
PRIMARY AIR COMPRESSORS AT THE MID-CONNECTICUT
WASTE PROCESSING FACILITY**

RESOLVED: That the President is hereby authorized to execute an agreement with Air Compressor Engineering to replace the primary air compressors at the Mid-Connecticut Waste Processing Facility, substantially as presented and discussed at this meeting.

Connecticut Resources Recovery Authority

Contract Summary for Contract Entitled

Refurbishment of Primary Air Compressors at the Mid-Connecticut Waste Processing Facility Agreement

Presented to the CRRA Board on:	October 23, 2008
Vendor/ Contractor(s):	Air Compressor Engineering
Effective date:	Upon Execution
Term:	120 days from Notice to Proceed
Contract Type/Subject matter:	Equipment Supply and Install
Facility (ies) Affected:	Mid-CT Waste Processing Facility
Original Contract:	NA
Contract Dollar Value:	\$275,889.00
Amendment(s):	NA
Term Extensions:	N/A
Scope of Services:	Replacement of Primary Air Compressors at the Mid-Connecticut Waste Processing Facility.
Security:	Bid Security and Performance Bonds
Budget Status:	Project was included in the 2009 Mid-Connecticut Capital Improvement Budget
Other Pertinent Provisions:	None

Connecticut Resources Recovery Authority Mid-Connecticut Project-Replacement of Primary Air Compressors at the Waste Processing Facility

October 23, 2008

Executive Summary

This is to request approval of the CRRA Board of Directors for the President to enter into an agreement with Air Compressor Engineering for the Replacement of the Primary Air Compressors at the Mid-Connecticut Waste Processing Facility (“WPF”).

Discussion

The WPF has three air compressors, two that are identical to each other and one that is designated for adding air when the two main air compressors cannot achieve required load. In addition to the air compressors, the air compressor system is comprised of a desiccant dryer system (system that removes moisture from the air), oil water separator (system that removes oil from the air) and an air reservoir (a storage tank). The components that make up the air compressor system supply air to the entire facility and include the following: the maintenance shop, bag houses, plant supply air and general air for blowing waste off of all equipment.

The air compressor system was identified by CRRA operations as requiring replacement. The current air compressor system is undersized by approximately 30% for the current plant needs. The system is original plant equipment and in the last fiscal year has required more than \$55,000 in maintenance and repairs. These costs will be avoided with the implementation of the new system. An additional benefit of this replacement is an estimated 40% power savings which will result in a \$25,000 per year electrical energy savings. Completing this replacement will yield a significant cost savings and increase the air supply to the required level for the facility.

The Scope of Work for the project is as follows:

- Supply and install two new 100hp rotary variable feed drive air compressors (two upgraded air compressors will replace the current three undersized compressors).
- Supply and install all supplementary equipment: one refrigerant air dryer, one high efficiency air filter and one oil condensate separator.
- Installation to include removal of all current equipment and removal of all existent unnecessary air piping and wiring. Installation will include all plumbing and electrical wiring necessary.
- Demo all existing compressor related duct work and install new duct work.

- Provide two temporary trailer mounted air supply units. Vendor shall supply all required supplies and connections shall be made as to not interrupt air supply at WPF.
- Install and supply one 9' x 10' un-insulated manual overhead door. Installation to include cutting, trimming, and installation of all materials including siding.
- Remove existing doorway. Enlarge and install new 6' x 8' doorway. Cut and install new lintels in masonry.
- Contractor to verify dimensions on the supplied drawings by field measurement prior to installing new system.

Financial Summary

The replacement of the primary air compressors was solicited through a public procurement process. Sealed public bids were received until September 29, 2008. CRRA published an invitation to bid in the Hartford Courant, the New Haven Register, the Journal Inquirer, the Connecticut Post and LaVOS Hispana. In addition, the invitation to bid was posted on the Connecticut Department of Administrative Services and the Bid Net web sites.

Bids were received from three qualified bidders, and are tabulated below.

Vendor	Quoted Function	Quoted Price:
Scales Industrial Technologies, Inc	Supply and partial installation	\$232,055.00
Air Compressor Engineering	Supply and full installation	\$275,889.00
Managed Air Systems, LLC	Supply and full installation	\$298,390.00

CRRA has chosen not to consider the low bidder, Scales Industrial Technologies Inc., as their bid was not compliant with the project specifications. Specifically, the bid presented by Scales Industrial Technologies Inc. did not include removal of the existing ductwork which has an estimated project value of \$47,000. Additionally, the compressors proposed do not meet the following bid specification metrics; compressor pressure, motor specifications and control systems. These exclusion and shortcomings are outlined by Scales Industrial Technologies Inc within their bid package. Based on these shortcomings and incomplete project scope, CRRA management recommends against consideration of this proposal.

CRRA management is recommending the selection of Air Compressor Engineering. Per discussions with Air Compressor Engineering and having reviewed their references, CRRA management is satisfied that this contractor is fully qualified to undertake this type and size of project. Air Compressor Engineering's bid fully satisfies the bid requirements.

CRRA's cost for this project will be \$275,889.00.

The project will be funded from the Facility Modification Reserve as planned for in the fiscal year 2009 Mid-Connecticut capital improvement budget.

TAB 11

**RESOLUTION REGARDING THE UPGRADE OF THE
AUTOMATION SYSTEM AT THE MID-CONNECTICUT
POWER PROCESSING FACILITY**

RESOLVED: That the President is hereby authorized to execute an agreement with I & C Systems Engineering to upgrade the automation system located at the Mid-Connecticut Power Block Facility, substantially as presented and discussed at this meeting.

Connecticut Resources Recovery Authority

Contract Summary for Contract Entitled

Upgrade of the Automation System in the Mid-Connecticut Power Block Facility Agreement

Presented to the CRRA Board on:	October 23, 2008
Vendor/ Contractor(s):	I & C Systems Engineering
Effective date:	Upon Execution
Contract Type/Subject matter:	Equipment Supply and Install
Facility (ies) Affected:	Mid-CT Power Block Facility
Original Contract:	NA
Term:	180 days from Notice to Proceed
Contract Dollar Value:	\$1,623,096.00
Amendment(s):	NA
Term Extensions:	N/A
Scope of Services:	Complete the Upgrade of the Automation System at the Mid-Connecticut Power Block Facility.
Project Security	Bid, Payment and Performance Bond
Budget Status:	Project was included in the 2009 Mid-Connecticut Capital Improvement Budget
Other Pertinent Provisions:	None

Connecticut Resources Recovery Authority Mid-Connecticut Project-Upgrade of the Automation System at the Power Block Facility

October 23, 2008

Executive Summary

This is to request approval of the CRRRA Board of Directors for the President to enter into an agreement with I & C Systems Engineering to upgrade the Automation System at the Mid-Connecticut Power Block Facility.

Discussion

The controls for boilers 11, 12 and 13 at the Power Block Facility ("PBF") which comprise the automation system for the PBF are obsolete. The main control system is a Taylor MOD300 Distributive Control System ("DCS"). The balance of plant discrete controls are done with an Allen Bradley PLC2 control system. Both of these systems do not support processor redundancy. The balance of plant PLC2 system does not communicate with the Taylor MOD 300. A Genesis system has been installed to communicate with the balance of plant PLC2s. The Genesis system communicates with the remote PLC2 processors via Allen Bradley Data Highway. The Genesis system provides balance of plant operating status to the boiler control room operator. The Allen Bradley PLC2 systems are: fuel conveying, bottom ash handling, burner ignition control, coal handling, fly ash handling, dust collection, scrubber systems, boiler water demineralization and bag-house control.

This work is required to be performed prior to 2012 as the automation equipment and system at the PBF is outdated and replacement parts are not supported and are difficult to procure. It is required that the Taylor MOD 300 DCS be replaced with an Allen Bradley Control Logix based control system, as recommended in "Covanta Mid-Conn DCS Evaluation" (Magnus PCS, LLC; December 2007). The implementation of this project will replace an outdated control system and allow for control and monitoring of all system components (ex: boilers and plant systems).

The base scope of work for the automation system upgrade at the PBF consists of the following:

- (a) The current automation system is comprised of Taylor MOD 300 distributed control system and Allen Bradley PLC2 programmable logic controllers. The Allen Bradley PLC2 controllers are configured with a combination of local and remote I/O chassis. The automation equipment at the PBF is outdated and replacement parts are not supported and difficult to procure. It is required that

the Taylor MOD 300 distributed control system be replaced with an Allen Bradley Control Logix based control system. The majority of the Allen Bradley PLC2 controllers will be replaced with Allen Bradley Control Logix processors. The existing Allen Bradley 1771 I/O will be reused.

- (b) A large portion of the main control console and two auxiliary control consoles located in the main control room will be replaced by computer based operator interfaces. The operator interfaces will be running the latest version of Allen Bradley Factory Talk View SE. The View SE system will have redundant HMI servers and redundant data servers. The 9 client machines will be equipped with dual LCD displays.
- (c) The existing PLC2 programs will be converted and re-programmed for the Control Logix platform. Rockwell Software RSLogix5000 version 17 will be used to program the new Control Logix processors.

The optional scopes of work for the automation system upgrade at the PBF consist of the following:

Option 1 – Connect status indications for 3 auger hydraulic skids to new Control Logix I/O located in the cable spreading room (Section 4.17.1 of Plans and Technical Specifications)

Option 2 – Connect the status indications for the three Submerged Scraper Conveyor skids to new Control Logix I/O located in the cable spreading room (Section 4.17.2 of Plans and Technical Specifications)

Option 3 – Replace the three Allen Bradley SLC 100 plc's in the Rotary Atomizer skids for each boiler with Allen Bradley Micrologix 1100 plc's (Section 4.17.3 of Plans and Technical Specifications)

Option 4 – Replace the PLC2 processor for the Demineralization Panel Controls with a new Control Logix chassis (Section 4.17.4 of Plans and Technical Specifications)

Financial Summary

The upgrade of the Automation System at the PBF was solicited through a public procurement process. Sealed public bids were received until October 1st, 2008. CRRA published an Invitation to Bid in the following newspapers: Hartford Courant, the New Haven Register, the Journal Inquirer, the Waterbury Republican-American, the Connecticut Post and the Northeast Minority News.

Bids were received from three qualified bidders and are tabulated below.

Vendor	Quoted Function	Quoted Price
I & C Systems Engineering	Complete base work scope (install time of 5 months) and four options	\$1,623,096
Superior Controls, Inc.	Complete base work scope (install time of 5 months) and four options	\$2,970,060
M.C.Dean, Inc.	Complete base work scope (install time of 5 months) and four options	\$3,214,640

CRRA management is recommending the selection of I & C Systems Engineering. In the summer of 2008, I & C Systems Engineering satisfactorily completed the upgrade and conversion of the WPF's automation system. Specific benefits realized from this upgrade include, but are not limited, to the following; 1) system notification of equipment issues that cause downtime, 2) real time data tracking enables the facility operator to monitor all operating parameters for the processing equipment, 3) established a set of data benchmarks for the system; establishing these benchmarks allows for the estimate of equipment service life, predictability of future failures and qualitative suggestions for future facility upgrades or modifications. This new system allows the operator to implement the necessary preventative maintenance programs to maintain optimum equipment performance. The anticipated benefits of the project have been achieved.

It is the position of CRRA operations that the discrepancy in bid pricing was due to the lack of complete understanding of the project by the 2nd and 3rd bidder. I & C Systems Engineering was the only bidder to perform a detailed multi-day site review of the project. Per discussions with I & C Systems Engineering, and our previous positive experience with them, CRRA management is satisfied that this contractor is fully qualified to undertake this type and size of project.

CRRA's cost for this project will be \$1,623,096.00.

The project will be funded from the Facility Modification Reserve as planned for in the fiscal year 2009 Mid-Connecticut capital improvement budgets.

TAB 12

**RESOLUTION REGARDING THE PURCHASE OF A
NEW, ARTICULATING BOOM “HIGH LIFT” FOR
THE
MID-CONNECTICUT WASTE PROCESSING
FACILITY**

RESOLVED: That the President is hereby authorized to issue a purchase order to United Rentals of Connecticut pursuant to a Connecticut Department of Administrative Services (DAS) agreement for the purchase of a new, 60-foot, articulating boom “high lift” to be used at the Mid-Connecticut Waste Processing Facility, substantially as presented and discussed at this meeting.

Connecticut Resources Recovery Authority

Contract Summary for Contract Entitled Purchase of a New, 60-Foot, Articulating Boom "High Lift" Mid-Connecticut Waste Processing Facility

Presented to the CRRA Board on:	October 23, 2008
Vendor/Contractor(s):	United Rentals CT. Inc.
Effective Date:	Upon Issuance of Purchase Order
Contract Type/Subject Matter:	Purchase Order/Bill of Sale
Facility(ies) Affected:	Mid-Connecticut Waste Processing Facility
Original Contract:	DAS Procurement
Term:	Not applicable
Contract Dollar Value:	\$78,750.00
Amendment(s):	Not applicable
Term Extensions:	Not applicable
Scope of Services:	Provide New JLG 600AJ High Lift
Budget Status:	Unit was included in the FY 2009 Rolling Stock Reserve
Other Pertinent Provisions:	None

Connecticut Resources Recovery Authority Mid-Connecticut Project

Purchase of a New, 60-Foot, Articulating Boom "High Lift" Mid-CT Waste Processing Facility

October 23, 2008

Executive Summary

This is to request approval by the Board of Directors for the purchase of a new, 60-foot, articulating boom "high lift" (Model JLG 600AJ) for use at the Mid-Connecticut Waste Processing Facility ("WPF"). A 60-foot "high lift" is required to provide access to critical areas of the WPF for operational and maintenance purposes. Purchasing such a unit is the most cost-effective way of meeting this access requirement.

Discussion

There are areas of the WPF that must be accessed for operational and maintenance purposes that cannot be reached by ramps or platforms. These areas include, but are not limited to, fire suppression systems, shredder motors, rotors, bag house ducts, internal low roof areas, lighting, conveyors and electrical wiring and conduits. To access these areas, the Metropolitan District ("MDC") has operated and maintained a Genie 45-foot, articulating boom "high lift" that was purchased from United Rentals through a previous CRRA bid process. The average use of the "high lift" is 20 hours per week.

Over the past ten years, the amount of MSW received and processed at the WPF has increased. With this increase in waste receipts and increased emphasis on maintenance and processing availability, the current 45-foot "high lift" is being used much more frequently than in the past. Currently, it is needed on a daily basis. However, as a result of processing equipment changes and upgrades, the current 45-foot "high lift" is no longer capable of providing access to all of the areas of the WPF where access is required. When the current "high lift" is down for an extended period of time and/or when a 60-foot "high lift" is required, CRRA utilizes a rental unit. The cost to CRRA to rent a unit, particularly a 60-foot "high lift," is \$450 per day which has resulted in rental charges of up to \$32,000 per year.

CRRA staff has determined that the WPF requires a 60-foot, articulating boom "high lift" and one that is more reliable than the current 45-foot "high lift." Such a unit would provide access to the areas of the WPF that can currently be accessed only with a rental unit and would be available on a daily basis.

Financial Summary

CRRA staff explored two options for acquisition of a 60-foot “high lift:” (1) purchase of a used/reconditioned “high lift” and (2) purchase of a new 60-foot “high lift.”

CRRA staff solicited verbal quotes for a used/reconditioned “high lift.” The best quote CRRA was able to obtain was for a used, 2000 model “high lift” with 2,900 hours of use at a delivered price of \$42,500. This price included only a thirty (30) day warranty for parts and labor. The unit had been subjected to heavy use, which was reflected in the price. CRRA was not able to locate any available reconditioned units. As reliability was one of CRRA’s criteria for the replacement “high lift,” CRRA staff determined that this unit was not acceptable.

Section 3.1.2.2 of CRRA’s Procurement Policies and Procedures provides an exception to the requirement for a competitive procurement process for a procurement that is under a Connecticut Department of Administrative Services (“DAS”) agreement. CRRA staff identified a DAS contract for new, 60-foot, articulating boom “high lifts” that met CRRA’s specifications. The following table lists the terms and pricing for the DAS specified unit. The base price includes a one year warranty for both parts and labor.

Company Name	Specifications Met	Base Bid	Delivery In Days	Extended Warranty Option	High Lift Type
United Rentals (North America)	Yes	\$78,750	30-60	NA	JLG 600AJ

CRRA management is recommending the purchase of a new 60-foot, articulating boom “high lift,” from United Rentals utilizing the Connecticut DAS agreement that meets CRRA’s specifications. CRRA has previously purchased “high lift” equipment from United Rentals and has found their service to be satisfactory. The payback period for this unit is approximately 2.5 years as a comparison to the current annual rental expenditures of \$32,000.

The purchase of a new, 60-foot, articulating boom “high lift” will be funded from the Rolling Stock Reserve as planned for in the fiscal year 2009 Mid-Connecticut capital improvement budget.

TAB 13

**RESOLUTION REGARDING PURCHASE OF A
MOBILE SHREDDER TO PROCESS NON-
PROCESSIBLE WASTE AT THE MID-
CONNECTICUT WASTE PROCESSING FACILITY**

RESOLVED: That the President is hereby authorized to execute an agreement with Simplicity Engineering (NE) Inc. for the purchase of a mobile shredder to be used at the Mid-Connecticut Waste Processing Facility, substantially as presented and discussed at this meeting.

Connecticut Resources Recovery Authority

Contract Summary for Contract Entitled Purchase of a Mobile Shredder to Process Non-Processible Waste at the Mid-CT Waste Processing Facility

Presented to the CRRA Board on:	October 23, 2008
Vendor/ Contractor(s):	Simplicity Engineering (NE) Inc.
Effective date:	Upon Contract Execution
Contract Type/Subject matter:	Public Bid/Equipment Purchase
Facility (ies) Affected:	Mid-CT Waste Processing Facility
Original Contract:	Not Applicable
Term:	98 days from Notice to Proceed until delivery
Contract Dollar Value:	\$738,510.00
Amendment(s):	Not Applicable
Term Extensions:	Not Applicable
Scope of Services:	Mobile Shredder Purchase
Bid Security	Not Applicable
Security	Performance Bond / Performance Letter of Credit
Budget Status	Mobile Shredder was included in the 2009 Mid-Connecticut Capital Improvement Budget
Other Pertinent Provisions:	None

Connecticut Resources Recovery Authority Mid-Connecticut Project

Purchase of a Mobile Shredder to Process Non-Processible Waste at the Mid-CT Waste Processing Facility

October 23, 2008

Executive Summary

This is to request approval of the CRRA Board of Directors for the President to enter into an agreement with Simplicity Engineering (NE) Inc. (Simplicity) for the purchase of a Komptech Terminator 6000S mobile shredder to process non-processible waste (NPW) at the Mid-Connecticut Waste Processing Facility (WPF).

Discussion

Following closure of the Hartford Landfill on December 31, 2008, the implementation of a NPW shredding program at the WPF will allow CRRA to both avoid NPW transportation and disposal costs at a non-Project landfill, and provide continued NPW disposal options to those Mid-Connecticut municipalities that currently rely on the Hartford Landfill for disposal of their NPW. NPW is waste that cannot currently be processed at the WPF due to its physical characteristics, such as large size and/or heavy weight. Examples of NPW include, but are not limited to: household furniture, mattresses, appliances, carpets, rugs, tires and any other "acceptable waste" deemed by CRRA to be NPW. In addition to the benefits noted above, implementation of an NPW shredding program will also enhance revenues by allowing approximately 16,000 tons of NPW generated annually by Project municipalities to be processed into refuse-derived fuel (RDF) for generation of electricity at the Mid-CT Power Block Facility.

During the course of each operating day at the WPF, an average of 25 to 30 tons of Non-Processible Waste (NPW) is removed from incoming loads of municipal solid waste (MSW). The WPF operator removes identified NPW from the waste stream by use of the picking stations. Currently, approximately 8,000 tons per year of NPW is removed from MSW during processing and transported to the Hartford Landfill for disposal. In addition to the NPW that is removed at the WPF, a number of Mid-Connecticut Project municipalities currently deliver a total of approximately 8,000 tons per year of NPW directly to the Hartford Landfill for disposal.

With the Hartford Landfill scheduled to close on December 31, 2008, CRRA needs to ensure that there is future disposal capacity for NPW generated both by the WPF and by the Project member communities that ship NPW directly to the Hartford Landfill. Options for ensuring this future NPW

disposal capacity include purchasing a new shredder capable of shredding the NPW so that it can be further processed in the existing WPF processing lines, or shipping the NPW to a non-project landfill for disposal. CRRA publicly solicited bids for both of these options.

CRRA commissioned Malcolm Pirnie, Inc. (Pirnie), a consulting engineering firm, to examine the feasibility of implementing a NPW shredding program at the WPF. Personnel from CRRA, Pirnie and MDC worked collaboratively in evaluating the current waste processing operations and identifying potential NPW handling options. The feasibility study assembled by Pirnie included the following information:

- NPW characterization and generation rates;
- various shredder equipment options (mobile versus permanently installed);
- permitting requirements associated with the various shredder options
 - environmental
 - operational
 - construction
- estimated costs associated with the purchase, operation and maintenance of a mobile shredder
- estimated construction costs for building modifications associated with potential permanent installation locations.

Based on the current annual NPW generation rate of 16,000 tons (sum of NPW removed from incoming loads at the WPF plus NPW shipped directly to the Hartford Landfill), it was determined that a sufficiently-sized mobile shredder could meet CRRA's current needs without adversely impacting WPF operations. Given an average loading of 50 to 60 tons per day and an estimated throughput of 50 tons per hour, the shredder would be required to operate for an average of 1 to 1.5 hours per day over the course of the year. Due to fluctuations in daily waste deliveries, a maximum daily loading of 275 tons of NPW on any given day is possible. Given the estimated throughput of 50 tons per hour, it is estimated that the shredder would operate for no more than 5.5 hours per day on days when the maximum daily tonnages are processed. Since the maximum estimated operating time for the mobile shredder is less than one operational shift at the WPF, processing of NPW in the mobile shredder on the WPF Tipping Floor can be accomplished during the second or third shift, after the daily MSW deliveries have ceased. This consideration is important because it means that the NPW can be processed without impacting hauler deliveries. When the shredder is not in use, it would be staged in either the southeast corner or the northeast corner of the WPF Maneuvering Hall in order to minimize interference with traffic flow patterns while haulers are delivering MSW.

Under the proposed NPW shredding program, shredded NPW would be mixed with the MSW on the WPF Tipping Floor and fed onto the processing lines for further processing into refuse-derived fuel (RDF). It is expected that processing the NPW in the WPF processing lines will generate the same percentages of RDF (84%) and process residue (14%) as are generated from municipal solid waste, and that the percentage of ferrous material recovered from NPW for recycling (2%) will be slightly greater than that recovered from typical municipal solid waste (1%). Given these parameters, it is estimated that the shredded NPW will generate an additional 13,440 tons per year of RDF for incineration, an additional 320 tons per year of ferrous for recycling, and an additional 2,240 tons per year of process residue requiring disposal at a non-Project landfill.

CRRA has received written approval from the Connecticut Department of Environmental Protection (DEP) to operate the mobile shredder in the manner described above (see attached DEP correspondence). It should be noted that operation of a mobile shredder as described above would not require any building modifications. If NPW quantities increase significantly in the future and the operational hours of the shredder begin to exceed one shift, then permanent installation of the shredder at a location not on the Tipping Floor would likely be necessary. Such a permanent installation would require building modifications and modifications to the solid waste permit issued by the DEP. Pirnie's feasibility study evaluated building modification and environmental permit modifications, including estimated construction costs which would be required to permanently stage the mobile shredder in one of two potential locations.

In conclusion, purchase of a mobile shredder to implement a NPW shredding program at the WPF will allow CRRA to continue to provide necessary NPW disposal services to those municipalities currently served by the Mid-Connecticut Project. Given the current NPW generation rates, operation of the mobile shredder will enhance CRRA's ability to process incoming waste without undertaking any construction projects, and without disrupting waste deliveries or WPF operations.

Financial Summary

Procurement Summary

CRRA issued a public Request for Bid (RFB) and made the RFB package documents available beginning on Monday, August 18, 2008. CRRA advertised the project for public bid in the Hartford Courant, Manchester Journal Inquirer, Waterbury Republican-American, Connecticut Post, New Haven Register, and Northeast Minority News. The bid was also posted on the State of Connecticut DAS website, as well as on the CRRA web site (<http://www.crra.org>) under "Business Opportunities".

"Notice of Interest" forms were submitted to CRRA by four prospective bidders. Sealed bids were received from two bidders by the stated submission deadline of 3:00 p.m. on September 18, 2008. The bidders and their total lump sum bid prices are tabulated as follows:

Bidder	Total Lump Sum Bid Price
Simplicity Engineering (NE) Inc.	\$ 738,510.00
SSI Shredding Systems, Inc.	\$ 990,000.00

CRRA staff reviewed each bid for administrative completeness and the bid pricing of each of the bid items. Based on this review, CRRA did not note any anomalies in the bid submission or bid prices of any of the bidders.

CRRA staff contacted the references provided by the low bidder, Simplicity Engineering (NE) Inc. (Simplicity), in its bid. Based upon the review of Simplicity's qualifications and discussions with Simplicity's references, CRRA management and staff are satisfied that this vendor will provide the equipment as specified in the contract documents.

Cost Analysis

Table 1 provides an annualized cost analysis that summarizes the avoided costs, revenues, and costs associated with implementation of the NPW shredding program. Avoided costs and revenues associated with this shredder procurement and operation are estimated to be \$1,625,783:

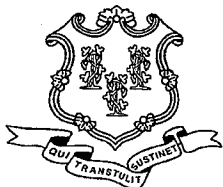
- Avoided cost of transportation and disposal of WPF NPW at a Non-Project Landfill
 - \$683,920 (based on 8,000 tons @ \$85.49/ton)
- Additional electricity revenue due to increased RDF production
 - \$227,082 (based on 6,881,280 KWH @ \$0.033/KWH)
- Additional revenue from increase in recyclable ferrous material
 - \$34,781 (based on 320 tons @ \$108.69/ton)
- Tip fee revenue for Hartford Landfill NPW to be delivered directly to WPF
 - \$680,000 (based on 8,000 tons @ \$85.00/ton)

As indicated in Table 1, cost components associated with this shredder procurement and operation are estimated to be \$816,460:

- Annual operation and maintenance costs (i.e., operator, preventative maintenance, replacement parts, fuel)
 - \$201,900
- Marginal cost of processing NPW (processable waste fee paid to City of Hartford, plus transportation and disposal of increased ash residue and process residue tonnages)
 - \$614,560 (assumes processing 16,000 tons of NPW @ \$38.41/ton)

Based on the revenues and costs summarized above and in Table 1, the payback period for the \$738,510 capital expenditure to purchase the mobile shredder would be 0.91 years (approximately 11 months). Further, a Net Present Value analysis shows that the value of this program over a 5 year period is \$2,966,463 (see attached chart and graph).

The capital cost associated with purchasing this mobile shredder will be \$738,510. The project will be funded from the Facility Modification Reserve as planned for in the fiscal year 2009 Mid-Connecticut capital improvement budget.



STATE OF CONNECTICUT
DEPARTMENT OF ENVIRONMENTAL PROTECTION



RECEIVED

August 28, 2008

SEP 02 2008

Mr. Peter W. Egan
Director - Environmental Affairs & Development
Connecticut Resources Recovery Authority (CRRA)
100 Constitution Plaza, Hartford, CT 06103

CRRA
ENVIRONMENTAL

Re: Mid-CT Resource Recovery Facility (RRF), Hartford, CT.
Upgrades proposed for the existing waste processing facility (WPF) equipment

Dear Mr. Egan:

Staff of the Waste Engineering and Enforcement Division of the Bureau of Materials Management and Compliance Assurance from the Department of Environmental Protection ("Department") has reviewed the documents submitted on July 8, 2008 for Department's review and approval. The submission consists of a letter dated July 3, 2008 from CRRA and a June 27, 2008 "technical memo" prepared by Malcom Pirnie, Inc. accompanied by various equipment specifications; a Site Plan drawing showing possible new operational and storage areas on the tipping floor (TF).

The submittals explain in detail: (a) the need to add a mobile low-speed high-torque shredder to grind "non-processible waste" (NPW) suitable for incineration (furniture; sofas; mattresses; rugs), but which, due to their size, cannot be processed by the existing "refuse derived fuel" (RDF) processing systems pertaining to the "waste processing facility" (WPF) component of the RRF; and (b) the resulting benefit of handling such oversized MSW waste in an efficient and environmentally safe manner designed to avoid further disposal at the Hartford landfill.

We recognize that the proposed upgrade is a critical factor in CRRA's ability to handle oversized MSW generated at the Mid-CT RRF following the end of solid waste disposal activities at the Hartford landfill later this year. Subsequently, pursuant to condition No. 9 of Permit to Operate No. 0640353 - PO issued on September 10, 1999 **your request is approved**, provided that CRRA:

- a. Will ensure that the installation and use of the shredder will not have an unfavorable impact on the normal operation of the facility which shall be maintained in continuous compliance with all operational conditions, including, but not limited to, the processing and storage limits noted in the permit.
- b. Upon completion of the proposed improvement, will notify the Department about the starting date of shredding activities and submit an appropriate P.E. certified "as-built" drawings showing the location of the shredder on the tipping floor.

If you have questions regarding this letter, do not hesitate to contact Calin Tanovici of my staff at (860) 424-3315.

Sincerely,

Robert C. Isner
Director - Waste Engineering and Enforcement Division
Bureau of Materials Management and Compliance Assurance

RCI:ct

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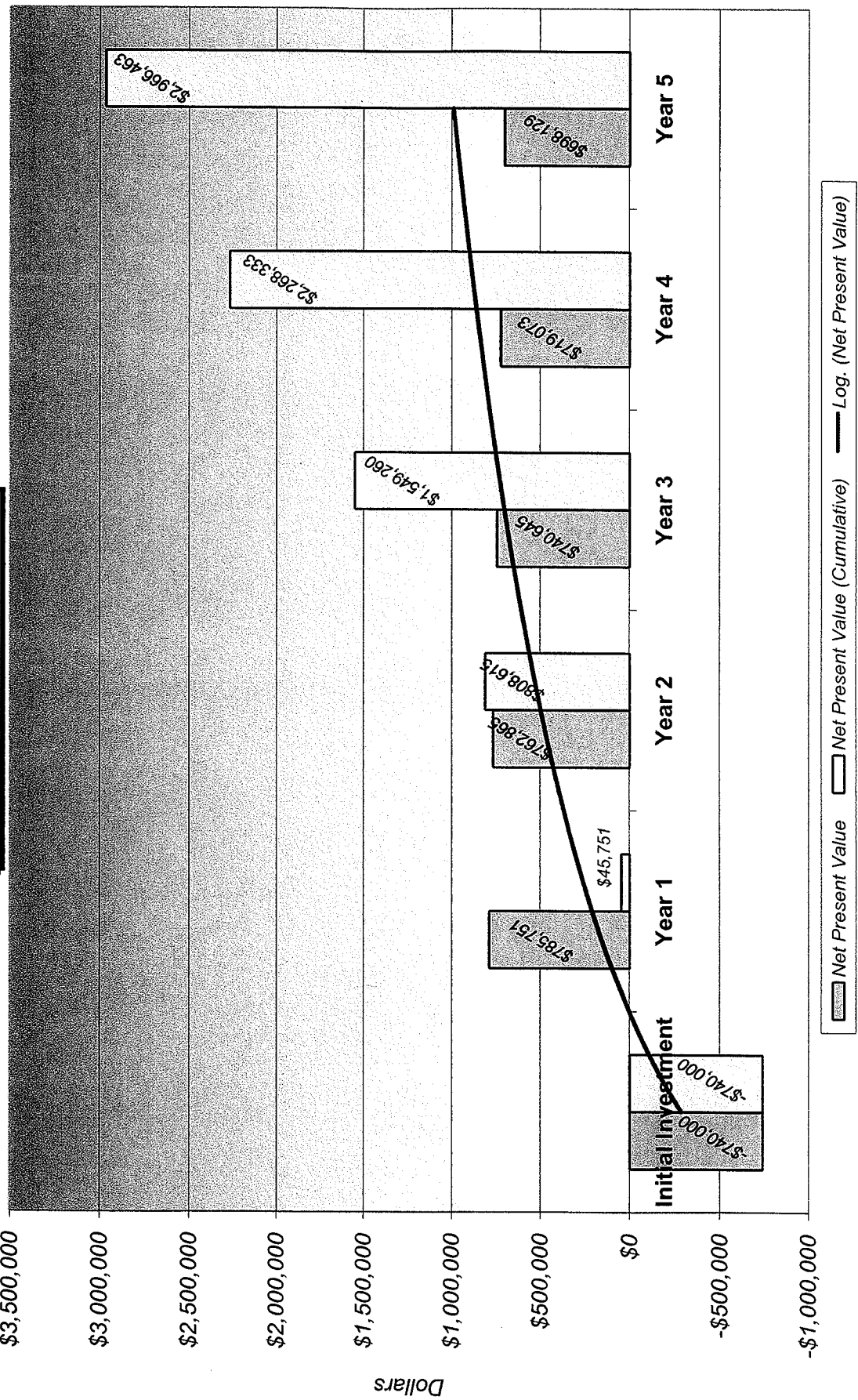
**TABLE 1
MID-CT PROJECT
MOBILE SHREDDER COST-BENEFIT ANALYSIS**

Input Data	
Shredder Capital Cost	\$740,000.00
Estimated Annual Shredder O&M Fees	\$201,900.00
Annual Non-Processible Waste (NPW) Deliveries to WPF (Tons - Based on FY09 Budget)	8,000
Annual NPW Deliveries to Hartford Landfill (Tons - Based on FY09 Budget)	8,000
Total NPW (Tons)	16,000
Marginal Cost per Ton of Processing NPW (<i>Ash T&D, Process Residue T&D and Hartford Processible Waste Fee</i>)	\$38.41
FY09 NPW Tip Fee at Hartford Landfill (per Ton)	\$ 85.00
Assumed Component Percentages (by Weight) of Processed NPW	
Refuse-Derived Fuel (RDF)	84%
Process Residue	14%
Ferrous Materials	2%
BASELINE - Budgeted Expense for NPW Transportation and Disposal	
Annual NPW Deliveries to WPF (Tons - Based on FY09 Budget)	8,000
Annual NPW Transportation and Disposal (T&D) Cost per Ton	\$85.49
Total Annual Expense Under Baseline Conditions	\$683,920.00
NPW SHREDDER PROGRAM - Revenues and Expenses	
Annual NPW Deliveries to WPF (Tons - Based on FY09 Budget)	8,000
Annual NPW Deliveries to Hartford Landfill (Tons - Based on FY09 Budget)	8,000
Total NPW to be Processed Annually (Tons)	16,000
Additional RDF to be Produced Annually by Processing NPW (Tons)	13,440
Increase in Annual Electric Revenue (<i>Based on Additional RDF Produced</i>)	\$227,082.24
Increase in Annual Ferrous Materials Revenue (<i>Based on Increased Ferrous Recovery</i>)	\$34,780.80
Tip Fee Revenue for 8,000 Tons of NPW Delivered to WPF (<i>Based on Annual Budgeted NPW Deliveries to Hartford Landfill @ \$85.00/Ton</i>)	\$680,000.00
Total Annual Revenue for NPW Shredder Program	\$941,863.04
Total Avoided Cost and Revenue	\$1,625,783.04
Annual Marginal Cost of Processing 16,000 Tons of NPW (<i>Ash T&D, Process Residue T&D and Hartford Processible Waste Fee</i>)	\$614,560.00
Estimated Annual NPW Shredder O&M Fees	\$201,900.00
Total Annual Expenses for NPW Shredder Program	\$816,460.00
Net Annual Revenue (Annual Revenue - Annual Expenses)	\$125,403.04
PAYBACK TERM FOR PURCHASE OF NPW SHREDDER	
Annual NPW T&D Avoided Cost	\$683,920.00
Net Annual Revenue of Shredder Program	\$125,403.04
Total Avoided Cost Plus Net Annual Revenue	\$809,323.04
Capital Cost of Shredder	\$740,000.00
Payback term (years)	0.91

CRRRA
NET PRESENT VALUE CALCULATION
SHREDDER PROJECT

Year Number	EXPENSES		REVENUE				Cash Flow	Cumulative Cash Flow	Net Present Value	Net Present Value (Cumulative)
	Capital Cost	O&M / Marginal	Total Expenses	Avoided Cost	Tip Fees	Electric				
Year 0	\$740,000.00	\$0.00	\$740,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$740,000.00	-\$740,000.00
Year 1	\$0.00	\$816,460.00	\$816,460.00	\$683,920.00	\$680,000.00	\$227,082.24	\$34,780.80	\$1,625,783.04	\$809,323.04	\$785,750.52
Year 2	\$0.00	\$816,460.00	\$816,460.00	\$683,920.00	\$680,000.00	\$227,082.24	\$34,780.80	\$1,625,783.04	\$809,323.04	\$762,864.59
Year 3	\$0.00	\$816,460.00	\$816,460.00	\$683,920.00	\$680,000.00	\$227,082.24	\$34,780.80	\$1,625,783.04	\$809,323.04	\$1,549,260.34
Year 4	\$0.00	\$816,460.00	\$816,460.00	\$683,920.00	\$680,000.00	\$227,082.24	\$34,780.80	\$1,625,783.04	\$809,323.04	\$2,268,333.38
Year 5	\$0.00	\$816,460.00	\$816,460.00	\$683,920.00	\$680,000.00	\$227,082.24	\$34,780.80	\$1,625,783.04	\$809,323.04	\$2,966,462.54
NPV = \$2,966,462.54										
Net Present Value (Quick Calculation)										
Investment	\$740,000.00									
Rate of Return	3%									
Number of Years	5									
Cash Outflows per year	\$816,460.00									
Yearly Revenue	\$1,625,783.04									
Yearly Cash Flow	\$809,323.04									
NPV =	\$2,966,462.54									


Shredder Net Present Value



TAB 14

Memorandum

To: CRRA Board of Directors

From: Michael Tracey, Director of Operations 

CC: Tom Kirk, President

Date: October 14, 2008

Re: Status of FY09 Mid CT Capital Improvement Budget

Per the request of the Policy and Procurement Committee I am providing the Board of Directors with the current status of the FY09 Mid CT Capital Improvement Projects. To date we have contracted for approximately 48% of the Capital Improvement Budget.

I would be available to discuss this at your convenience.

MID-CONNECTICUT CAPITAL PROJECT TRACKING

Project	Board Approval	Status	Budget	Contracted Amount	Difference	Variance
All Capital Projects (Operations)			\$ 19,674,634	\$ 9,480,637	\$ 10,193,997	\$ (850,637)
WPF Projects			\$ 5,507,000	\$ 2,608,649	\$ 2,898,351	\$ (583,649)
MDC-Projects			\$ 1,313,000	\$ -	\$ 1,313,000	\$ -
CV - 104 & 204 Bearing lube cooling system	N/A	out for bid	\$ 80,000		\$ 80,000	\$ -
Replace VS Drives	N/A	awaiting bid award notice	\$ 85,000		\$ 85,000	\$ -
Fire system upgrades	N/A	in process	\$ 600,000		\$ 600,000	\$ -
Egress - Floor Painting	N/A	being evaluated by MDC	\$ 140,000		\$ 140,000	\$ -
WPF Building Exterior Power Washing	N/A	to be completed in spring	\$ 100,000		\$ 100,000	\$ -
WPF Emergency Lighting Installations	N/A	out for bid	\$ 140,000		\$ 140,000	\$ -
MDC Applied Overhead Costs	N/A		\$ 168,000	\$ -	\$ 168,000	\$ -
CRRA-Projects						
Waste Processing Facility			\$ 4,194,000	\$ 2,608,649	\$ 1,585,351	\$ (583,649)
Bulky Waste Shredder	10/23/08	Awaiting Board Approval	\$ 500,000	\$ 764,000	\$ (264,000)	\$ (264,000)
CV - 123 & 223 conveyor mods	01/22/08		\$ 200,000		\$ 200,000	\$ -
CV - 126 & 226 conveyor mods	07/24/08	Approved	\$ 200,000	\$ 524,282	\$ (324,282)	\$ (324,282)
CV - 131 & 231 upgrade two (2) 1000hp motors	10/23/08	Awaiting Board Approval	\$ 200,000	\$ 163,700	\$ 36,300	\$ 36,300
CV - 131 & 231 replace 250hp fan motor	02/26/08	Evaluation in Process	\$ 40,000		\$ 40,000	\$ -
CV - 134 & 234 upgrade motor to 250hp	02/26/08	Evaluation in Process	\$ 40,000		\$ 40,000	\$ -
CV - Replace / Rebuild 101/201	01/22/08		\$ 350,000		\$ 350,000	\$ -
CV - Replace / Rebuild 103	01/22/08		\$ 250,000		\$ 250,000	\$ -
CV - Replace / Rebuild 203	01/22/08		\$ 250,000		\$ 250,000	\$ -
Miscellaneous Site Repairs/Paving		Ongoing	\$ 30,000		\$ 30,000	\$ -
Overhead Door Repairs	01/22/08	Combined Bid (1)	\$ 20,000		\$ 20,000	\$ -
Platform & Guarding	06/26/08	Approved	\$ 170,000	\$ 133,850	\$ 36,150	\$ 36,150
RDF Pit-water Intrusion repair		Completed FY08	\$ 75,000	\$ -	\$ 75,000	\$ 75,000
Refurbishment of Maxim Rd Railroad Crossing			\$ 40,000		\$ 40,000	\$ -
Replace / Rebuild Picking Station 11G	03/26/08		\$ 28,000		\$ 28,000	\$ -
Replace / Rebuild Picking Station 21G	03/26/08		\$ 28,000		\$ 28,000	\$ -
Replace / Rebuild Picking Station 145G	03/26/08		\$ 28,000		\$ 28,000	\$ -
Replace System Compressor (2)	10/23/08	Awaiting Board Approval	\$ 120,000	\$ 275,889	\$ (155,889)	\$ (155,889)
Resurface MSW Feed Areas		Ongoing - Repairs to MSW floor (FY to date)	\$ 75,000	\$ 29,884	\$ 45,116	\$ 45,116
RLUP Steel Door	01/22/08	Combined Bid (1)	\$ 50,000		\$ 50,000	\$ -
Trommel doors/thrust rings	07/24/08	Approved	\$ 200,000	\$ 148,000	\$ 52,000	\$ 52,000
Upgrade/Replace Control Room PLC/SCADA		Completed	\$ 85,000	\$ 24,044	\$ 60,956	\$ 60,956
WPF Control Room/AC Replacement	07/24/08	Approved	\$ 400,000	\$ 545,000	\$ (145,000)	\$ (145,000)
-Engineering			\$ 22,154		\$ 22,154	\$ -
-Constuction			\$ 522,846		\$ 522,846	\$ -
WPF Replace Maintenance Shop Heater	01/22/08		\$ 70,000		\$ 70,000	\$ -
WPF Replace/Widen Exit Door	01/22/08	Combined Bid (1)	\$ 100,000		\$ 100,000	\$ -
WPF Maintenance Shop Upgrade	01/22/08		\$ 100,000		\$ 100,000	\$ -
Rolling Stock			\$ 826,000	\$ 78,750	\$ 747,250	\$ (18,750)
Cat Dozer - Upgrades	03/26/08		\$ 175,000		\$ 175,000	\$ -
Bobcat Skid Loader (used) - Recycling	DAS		\$ 65,000		\$ 65,000	\$ -
Ford F150	DAS		\$ 26,000		\$ 26,000	\$ -

Project	Board Approval	Status	Budget	Contracted Amount	Difference	Variance
Hi-Lift	10/23/08	Awaiting Board Approval	\$ 60,000	\$ 78,750	\$ (18,750)	\$ (18,750)
Yard Horse - WPF	01/22/08		\$ 35,000		\$ 35,000	\$ -
Caterpillar 966 (4051) Burnt / Rebuilt	02/26/08		\$ 80,000		\$ 80,000	\$ -
Caterpillar 966 (4052) CAT II Cert	11/20/08		\$ 385,000		\$ 385,000	\$ -
Power Block Facility			\$ 5,202,634	\$ 3,793,238	\$ 1,409,396	\$ (748,238)
Ash Loadout Building Modification	06/26/08	Approved	\$ 1,820,000	\$ 2,117,634	\$ (297,634)	\$ (297,634)
-Engineering			\$ 48,634		\$ 48,634	\$ -
-Construction			\$ 2,069,000		\$ 2,069,000	\$ -
Upgrade PBF Control Room PLC's	10/23/08	Awaiting Board Approval	\$ 1,200,000	\$ 1,623,096	\$ (423,096)	\$ (423,096)
Miscellaneous (Truckwash, Interfacility Gate)		Work in Process-MDC	\$ 40,000		\$ 40,000	\$ -
Paving		Gate 20 main entrance	\$ 25,000	\$ 52,508	\$ (27,508)	\$ (27,508)
Recycling			\$ 3,620,000	\$ 3,000,000	\$ 620,000	\$ 500,000
Paving			\$ 10,000		\$ 10,000	\$ -
Roof Repairs			\$ 110,000		\$ 110,000	\$ -
Single Stream Upgrade	04/24/08	Completed	\$ 3,500,000	\$ 3,000,000	\$ 500,000	\$ 500,000
Ellington Transfer Station			\$ 21,000	\$ -	\$ 21,000	\$ -
Building Repairs			\$ 5,000		\$ 5,000	\$ -
Miscellaneous			\$ 3,000		\$ 3,000	\$ -
Paving / Curbing			\$ 5,000		\$ 5,000	\$ -
Scale Repairs			\$ 8,000		\$ 8,000	\$ -
Essex Transfer Station			\$ 48,000	\$ -	\$ 48,000	\$ -
Building Repairs			\$ 8,000		\$ 8,000	\$ -
Miscellaneous			\$ 20,000		\$ 20,000	\$ -
Paving / Curbing			\$ 10,000		\$ 10,000	\$ -
Push Wall Repairs			\$ 5,000		\$ 5,000	\$ -
Scalehouse Repairs			\$ 5,000		\$ 5,000	\$ -
Torrington Transfer Station			\$ 70,000	\$ -	\$ 70,000	\$ -
Miscellaneous			\$ 20,000		\$ 20,000	\$ -
Railroad Crossing			\$ 50,000		\$ 50,000	\$ -
-Engineering					\$ -	\$ -
-Construction					\$ -	\$ -
Watertown Transfer Station			\$ 60,000	\$ -	\$ 60,000	\$ -
Miscellaneous			\$ 10,000		\$ 10,000	\$ -
Rock Slope Stabilization			\$ 50,000		\$ 50,000	\$ -
Energy Generating Facility			\$ 2,260,000	\$ -	\$ 2,260,000	\$ -
Batteries		Pass Through Via Covanta	\$ 10,000		\$ 10,000	\$ -
-Construction			\$ 5,000			
-Equipment			\$ 5,000			
Cooling System / Piping		Pass Through Via Covanta	\$ 130,000		\$ 130,000	\$ -
-Engineering			\$ 10,000			
-Construction			\$ 60,000			
-Equipment			\$ 60,000			
Cooling Tower Installation		Pass Through Via Covanta	\$ 1,000,000		\$ 1,000,000	\$ -
-Engineering			\$ 100,000			
-Construction			\$ 900,000			
Environmental-CEMS/Testing/Lamps		Pass Through Via Covanta	\$ 40,000		\$ 40,000	\$ -
-Engineering			\$ 15,000			
-Equipment			\$ 25,000			
Generator Batteries		Pass Through Via Covanta	\$ 30,000		\$ 30,000	\$ -
-Construction			\$ 15,000			

Project	Board Approval	Status	Budget	Contracted Amount	Difference	Variance
-Equipment			\$ 15,000			
Major Repair and Overhaul (turbine)		Pass Through Via Covanta	\$ 100,000		\$ 100,000	\$ -
Roadways/Yard			\$ 25,000		\$ 25,000	\$ -
-Construction			\$ 10,000			
-Equipment			\$ 15,000			
Transformers		Pass Through Via Covanta	\$ 40,000		\$ 40,000	\$ -
-Construction			\$ 10,000			
-Equipment			\$ 30,000			
Turbine Crane Work		Pass Through Via Covanta	\$ 25,000		\$ 25,000	\$ -
-Engineering			\$ 10,000			
-Equipment			\$ 15,000			
Turbine Generator #6 - Major (non-scope)		Pass Through Via Covanta	\$ 100,000		\$ 100,000	\$ -
-Construction			\$ 50,000			
-Equipment			\$ 50,000			
Upgrade all Boiler SO2 Analyzers		Pass Through Via Covanta	\$ 100,000		\$ 100,000	\$ -
-Construction			\$ 25,000			
-Equipment			\$ 75,000			
Upgrade all Boiler Nox Analyzers		Pass Through Via Covanta	\$ 100,000		\$ 100,000	\$ -
-Construction			\$ 25,000			
-Equipment			\$ 75,000			
Upgrade all Boiler CO2 Analyzers		Pass Through Via Covanta	\$ 100,000		\$ 100,000	\$ -
-Construction			\$ 25,000			
-Equipment			\$ 75,000			
Upgrade TG #6 Lube Oil System		Pass Through Via Covanta	\$ 300,000		\$ 300,000	\$ -
-Engineering			\$ 10,000			
-Construction			\$ 140,000			
-Equipment			\$ 150,000			
Upgrade TG #6 Lube Oil System w/CCW Type		Pass Through Via Covanta	\$ 160,000		\$ 160,000	\$ -
-Engineering			\$ 10,000			
-Construction			\$ 75,000			
-Equipment			\$ 75,000			
Jets			\$ 2,060,000	\$ -	\$ 2,060,000	\$ -
One Unscheduled Failure		<i>In Process at RW Beck</i>	\$ 300,000		\$ 300,000	\$ -
Rebuild One Engine			\$ 700,000		\$ 700,000	\$ -
Rebuild One Free Turbine			\$ 150,000		\$ 150,000	\$ -
Replace Fuel Controllers			\$ 360,000		\$ 360,000	\$ -
Replace old PLC System			\$ 200,000		\$ 200,000	\$ -
Replace Protective Relays			\$ 150,000		\$ 150,000	\$ -
Replace Vibration Detection System			\$ 100,000		\$ 100,000	\$ -
Spare Parts Replenishment			\$ 100,000		\$ 100,000	\$ -
FY08 Work			\$ 40,000	\$ -	\$ 40,000	\$ -
Knee Wall Repair			\$ 40,000		\$ 40,000	\$ -

TAB 15

**RESOLUTION REGARDING THE STANDARD FORM
MUNICIPAL SOLID WASTE DELIVERY AGREEMENT
FOR THE MID CONNECTICUT PROJECT**

RESOLVED: That the President is authorized to execute an Agreement with CWPM, LLC for delivery of Acceptable Waste from the City of New Haven to CRRRA's Mid-Connecticut Project substantially as presented and discussed at this meeting.

FURTHER RESOLVED: That said Agreement includes a guaranteed minimum commitment of 40,000 tons per year for five years with an additional 40,000 tons allowed and;

FURTHER RESOLVED: beginning on January 1, 2009 said Agreement includes a municipal solid waste tip fee of \$51.00 per ton that escalates every year during the five-year term to a \$57.00 per ton tip fee in year five and;

FURTHER RESOLVED: That said Agreement also allows for an additional five-year extension at terms that are mutually agreeable to both parties.

Connecticut Resources Recovery Authority

Contract Summary for Standard Form Hauler Agreements/ Mid-Connecticut Project entitled:

Agreement between CWPM, LLC and CRRA

Presented to the CRRA Board on:	October 23, 2008
Vendor:	CWPM, LLC
Contract Type:	Municipal Solid Waste Delivery Agreement
Facility:	Mid-CT Project
Put or Pay Contract Value:	\$10,780,000 for 40,000 tpy for 5-year term
Additional Contract Value:	\$10,780,000 for additional 40,000 tpy
Total Contract Value:	\$21,560,000
Term:	January 1, 2009 – December 31, 2013
Term Extensions:	optional 5-year extension if mutually agreed
Budgeted Tonnage:	830,000 (FY 09, Member Waste)
Service Fee Structure:	\$51.00/ton CY 09 \$52.50/ton CY 10 \$54.00/ton CY 11 \$55.00/ton CY 12 \$57.00/ton CY 13
Delivery Requirement:	Hauler agrees to deliver a minimum of 40,000 tons of Acceptable Waste that Hauler collects from the City of New Haven with an additional 40,000 tons allowed.
Delivery Standard:	Acceptable Solid Waste in accordance with Mid CT Permitting, Disposal & Billing Procedures.
Credit Security:	Guaranty of payment in a form of letter of credit, surety bond or cashier check in the amount equal to 2 months of waste charges.

**Connecticut Resources Recovery Authority
Mid-Connecticut Project**

**Standard Hauler Agreement with CWPM, LLC, to Deliver
Municipal Solid Waste to the Mid-Connecticut Project For
Calendar Year 2009**

October 23, 2008

EXECUTIVE SUMMARY

CRRA has offered a Standard Hauler Agreement to CWPM, LLC, based on their successful bid to transport and dispose of 100,000 tons of municipal solid waste from the City of New Haven. CRRA has offered capacity at the Mid-Connecticut Project to CWPM, LLC to dispose of 80,000 tons of the New Haven waste for a five-year period beginning January 1, 2009. CWPM has agreed to a 40,000 ton per year minimum commitment with an additional 40,000 tons allowed to be delivered each year. An additional five-year term may be allowed based on mutual agreement of the parties.

CWPM, LLC has agreed to a disposal fee of \$51.00 per ton escalating to \$52.50 in the 2nd year, \$54.00 in the 3rd year; \$55.00 in the 4th year; and \$57.00 in the 5th year. Based on delivery of 40,000 tons, the value of the proposed contract to the Mid-Connecticut Project over the five-year term is as follows:

- Gross disposal revenues from 40,000 tons per year minimum commitment equals \$10,780,000
- Net value of the 40,000 tons per year minimum commitment is \$3,098,000.
(Net value is based on gross disposal revenue less marginal costs.)
- Gross disposal revenues of minimum commitment plus additional 40,000 tons equals \$21,560,000
- Net value of the full 80,000 tons is \$6,196,000

This contract is structured as a minimum put-or-pay on the delivery of the first 40,000 tons with an additional delivery of up to 40,000 tons allowed. However, during times of unscheduled boiler outages or other serious plant disruptions, CRRA will be allowed to curtail waste deliveries from CWPM/New Haven with appropriate advance notice provided to CWPM. Additional tons beyond the 80,000 tons may be allowed at CRRA's sole discretion.

Also, consistent with similar agreements, CWPM, LLC has agreed to similar terms and conditions as contained in other Mid-Connecticut Solid Waste Delivery Agreements including supplying the necessary security, guarantee of payment, compliance with the Mid-CT Permitting, Disposal and Billing Procedures, and technical content.

BACKGROUND ANALYSIS

From FY03 to FY08, the Mid-Connecticut plant was off approximately 14% or 120,000 tons in MSW receipts. This trend has continued into FY09 and management sought to determine what portion of the shortfall can be attributed to the effects of a slowing economy vs. what portion is due to diversion activities. To calculate impact of the slow economy, the best proxy is CRRA's Wallingford plant because it has the lowest tip fee of all plants located within the state. Therefore, diversions are less likely to occur at Wallingford and a percentage decline in incoming MSW tonnage is a good gauge of economic impact.

Utilizing CRRA's Wallingford facility as a proxy, management's analysis shows that the economic downturn has caused an approximate 7% reduction in waste deliveries. The Mid-CT facility has experienced an additional 6.7% reduction in waste deliveries due to haulers diverting to other in-state and out-of-state, non-CRRA facilities. Therefore, approximately one-half of the decline, or about 60,000 tons, can be attributed to diversion.

Mid-CT member towns that have delivered 10% or more less waste from FY 07 to FY 08 have a high probability of haulers diverting waste. That probability grows to near certainty as the year-to-year delivery percent decreases climb well above the 10% level in some member towns. The negative net effect of those diversions is less member tip fee revenue at \$72.00 per ton that can only be replaced by Spot Market deliveries which have averaged between \$40 -\$45.00 per ton during the past year. The slowing economy should keep spot market waste prices at or below current spot market rates.

The Mid-CT Project is budgeted to accept 830,000 tons of municipal solid waste from member towns and an additional 17,000 tons of contract or spot waste during FY 09. Based on current delivery trends, Mid-CT is projected to receive approximately 760,000 member tons during FY 09. That decline is attributable to the economy and haulers diverting waste to non-CRRA facilities. Therefore, CRRA will need to attract additional contract and spot waste to achieve the budgeted waste delivery numbers. The Mid-CT Project is permitted to receive 888,000 tons.

This proposed agreement with CWPM, LLC guarantees a minimum of 40,000 tons per year for five years at a tip fee that far exceeds the average spot market price of \$40 per ton for the past year and results in additional electric sales revenue.

CWPM/NEW HAVEN TRANSPORTATION & DISPOSAL FEES

	Disposal Fee	Trans & O & M	Overhead	NH Tip Fee
1st Year:	\$51.00	\$26.45	\$10.05	\$87.50
2nd Year:	\$52.50	\$27.66	\$10.05 + esc	\$90.21+
3rd Year:	\$54.00	\$28.87	\$10.05 + esc	\$92.92+
4th Year:	\$55.00	\$30.60	\$10.05 + esc	\$95.65+
5th year:	\$57.00	\$31.33	\$10.05 + esc	\$98.38+

(Please see Table 1.)

The New Haven Solid Waste & Recycling Authority's first year tip fee is greater than the Mid-CT member rate for equivalent services. CWPM is contracted for Disposal, Transportation and Operation & Maintenance of the City's transfer station. **(Please see Table 2 for the New Haven Authority's resolution establishing the first year rate.)**

FINANCIAL SUMMARY

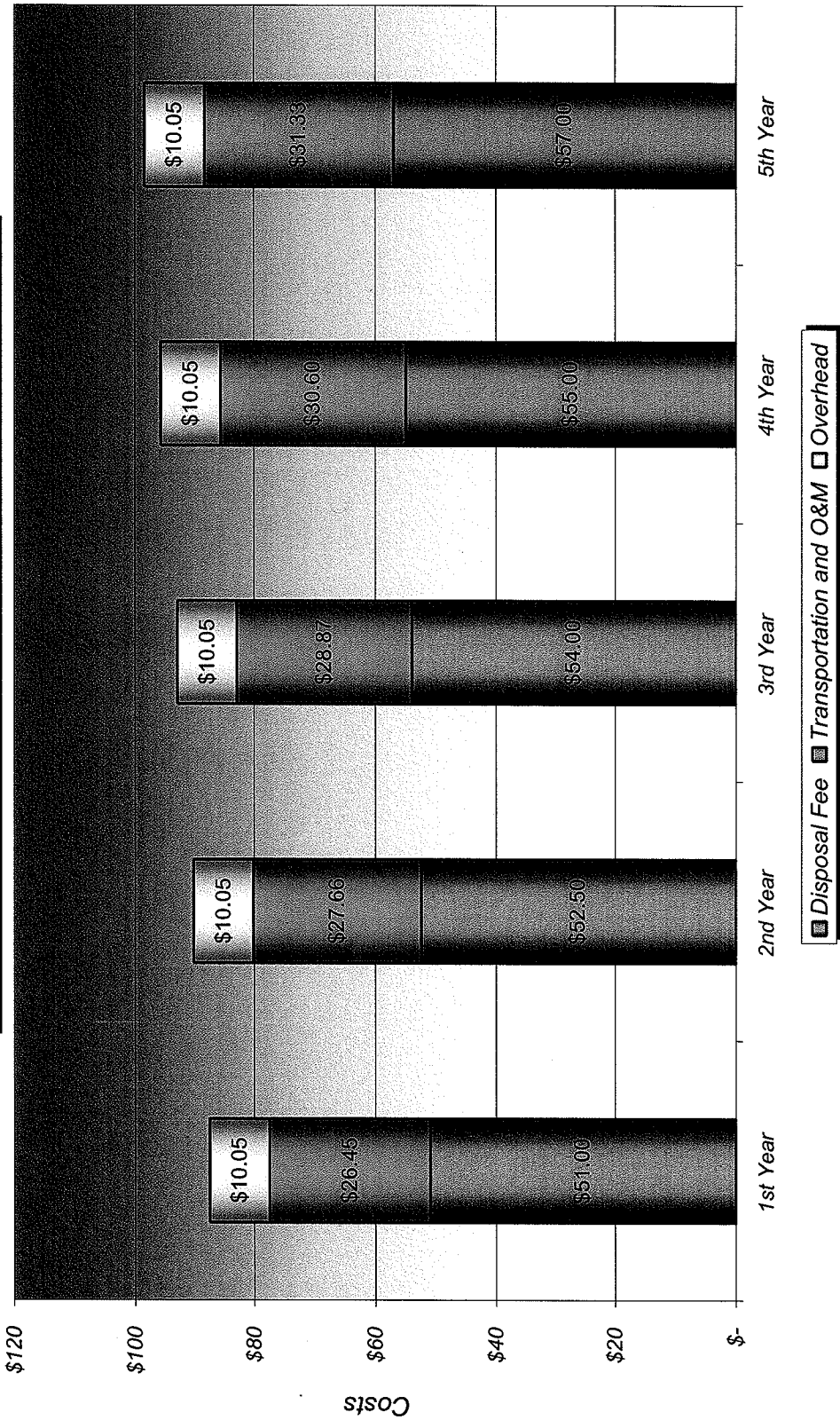
Based on the current waste delivery trends, the FY 2009 budget for the Mid-CT Project would be positively impacted with the approval of this contract. While the preferred alternative is the return of all member waste at the \$72.00 per ton rate, the likelihood of that scenario is highly improbable. That leaves the project with two choices: fill the plant at spot market rates or contract substantial waste at a higher price per ton with a longer term commitment.

This proposed Agreement has a guaranteed net value of \$3,098,000 to the CRRA Mid-CT Project with the potential of an additional \$3,098,000. **(Please see Table 3 for annual financial breakdown.)**

Therefore, CRRA management is recommending this Standard Hauler Agreement with CWPM, LLC.

TABLE 1

NEW HAVEN SOLID WASTE AND RECYCLING AUTHORITY
5-Year Escalated Tip Fee



New Haven Tip Fee

Year 1	\$87.50
Year 2	\$90.21
Year 3	\$92.92
Year 4	\$95.65
Year 5	\$98.38

TABLE 2

NEW HAVEN SOLID WASTE AND RECYCLING AUTHORITY

RESOLUTION ADOPTED AT THE SPECIAL MEETING OF

THE BOARD OF DIRECTORS

October 15, 2008

Approval of User Fees

RESOLVED: In accordance with Section 7-273bb(a)(9) of the Connecticut General Statutes, the following 2009 User Fees, to be effective as of January 1, 2009 through June 30, 2009, are hereby adopted and approved, and that the proper officers of the Authority are hereby authorized, empowered and directed to publish the 2009 User Fees in a newspaper of general circulation in the City of New Haven on or before November 1, 2008, and do and perform such additional acts as may be necessary or required to carry out the purposes of the foregoing.

<u>Waste Type</u>	<u>2009 User Fees</u>
Residential MSW – Mixed ¹	\$87.50
Commercial MSW – Mixed ¹	\$87.50
Commercial C&D ²	\$85.50
Commercial Yard Waste	\$45.00

- 1) Municipal Solid Waste (MSW), bulky waste and mixed waste loads.
- 2) Construction and Demolition Debris (C&D).

TABLE 3**VALUE OF CWPM STANDARD HAULER AGREEMENT**

	Contract Tip Fee Per Ton	Minimum Commitment	Additional	Total
Year 1		40,000	40,000	80,000
Gross	\$51.00	\$2,040,000	\$2,040,000	\$4,080,000
Net	\$12.59	\$503,600	\$503,600	\$1,007,200
Year 2		40,000	40,000	80,000
Gross	\$52.50	\$2,100,000	\$2,100,000	\$4,200,000
Net	\$14.09	\$563,600	\$563,600	\$1,127,200
Year 3		40,000	40,000	80,000
Gross	\$54.00	\$2,160,000	\$2,160,000	\$4,320,000
Net	\$15.59	\$623,600	\$623,600	\$1,247,200
Year 4		40,000	40,000	80,000
Gross	\$55.00	\$2,200,000	\$2,200,000	\$4,400,000
Net	\$16.59	\$663,600	\$663,600	\$1,327,200
Year 5		40,000	40,000	80,000
Gross	\$57.00	\$2,280,000	\$2,280,000	\$4,560,000
Net	\$18.59	\$743,600	\$743,600	\$1,487,200
Total		200,000	200,000	400,000
Gross	\$53.90	\$10,780,000	\$10,780,000	\$21,560,000
Net	\$15.49	\$3,098,000	\$3,098,000	\$6,196,000

TAB 16

RESOLUTION REGARDING

Execution of Amended and Restated Solid Waste Disposal Agreement between the Authority and Wheelabrator Bridgeport, L.P. and ancillary documents

RESOLVED: That the President is hereby authorized to execute the Amended and Restated Solid Waste Disposal Agreement with Wheelabrator Bridgeport, L.P., for disposal capacity at the Bridgeport resource recovery facility, substantially as discussed and presented at this meeting, together with an Amendment to the Site Lease between the parties and any documents necessary to release any mortgages and transfer any interest of the Authority in the facility to the Owner Trustee, and to provide any necessary directions or instructions in connection with the exercise by the Owner Trustee of its purchase option.

**Connecticut Resources Recovery Authority
Contract entitled**

**Amended and Restated Solid Waste Disposal Agreement Between the
Connecticut Resources Recovery Authority and Wheelabrator Bridgeport,
L.P.**

Presented to the CRRA Board:	October 23, 2008
Vendor/Contractor(s):	Wheelabrator Bridgeport, L. P.
Effective Date:	January 1, 2009
Contract Type/Subject matter:	Agreement for Solid Waste Disposal Services
Facility(ies) Affected:	Bridgeport Project
Original Contract:	Solid Waste Disposal Agreement dated November 15, 1985
Term:	Five and one-half year base period (January 1, 2009 through June 30, 2014).
Term Extensions:	Option to extend for three (3) additional 5 year periods.
Contract Dollar Value:	<ul style="list-style-type: none"> ▪ The cost of disposal is a fixed per ton fee, subject to escalation at 75% of CPI (with energy backed out), and a fuel surcharge adjustment on ash transportation. ▪ The disposal fee for the first year is \$61.00 per ton. ▪ Equates to \$16,165,000 for the first year of the contract, assuming CRRA delivers 265,000 tons.
Budget:	To be established with Participating Municipalities
Amendment(s):	This is an amended and restated Agreement
Scope of Services:	Disposal of Municipal Solid Waste at the Bridgeport RRF.
Other Pertinent Provisions:	<p>"Most Favored Nation" Provision. Effective only if CRRA executes MSAs with Participating Municipalities whereby a minimum of 265,000 tons per year is committed.</p>

Connecticut Resources Recovery Authority

Amended and Restated Solid Waste Disposal Agreement between the Authority and Wheelabrator Bridgeport, L.P.

October 23, 2008

Executive Summary

The initial term of the Solid Waste Disposal Agreement between the Authority and Wheelabrator Bridgeport (the "SWDA") will expire on December 31, 2008. The SWDA contemplates up to four five-year renewals by mutual agreement of the parties based upon good faith negotiations.

Upon such expiration, and coincident with payment in full of the bonds, the Owner Trustee has the option to purchase the Bridgeport Facility for \$1.00, and has notified the Authority that it intends to exercise that option. The Authority will continue to own the underlying real property, and Wheelabrator Bridgeport will continue to lease it, pursuant to an Amendment to the Site Lease between the parties.

This is to request that the Board of Directors authorize the President to enter into an Amended and Restated Solid Waste Disposal Agreement for disposal capacity at the Bridgeport facility for a five and one-half year term, together with ancillary documentation reasonably necessary to release any mortgages, transfer the interest of the Authority to the Owner Trustee, and renew the Site Lease for a term coterminous with the renewed SWDA.

Discussion

The Amended and Restated SWDA provides for the disposal of solid waste by municipalities at the Bridgeport facility in an aggregate committed amount of 265,000 tons, subject to adjustment on or before January 1, 2009 to a maximum of 325,000 tons, based on executed Municipal Services Agreements. The Authority currently anticipates that the municipalities of Bethany, Bridgeport, Easton, Fairfield, Milford, Monroe, Orange, Shelton, Stratford, Trumbull, Westport and Woodbridge will commit to the renewed arrangement; a couple of other towns are also considering participation.

Salient points of the new agreement with Wheelabrator include the following:

The cost of disposal is a fixed per ton fee, subject to escalation at 75% of CPI (with energy backed out) and an energy adjustment. The disposal fee for the first year of the new term is \$61.00 per ton.

Wheelabrator is no longer providing transportation or transfer station operations.

Wheelabrator is responsible for providing ash disposal.

Wheelabrator is responsible for Bridgeport PILOT payments.

The term of the agreement is 5.5 years, with an option for three additional five year renewals, based upon mutual agreement of the parties.

Waste Management, Inc., guarantees all of the obligations of Wheelabrator under the SWDA.

In the event that Wheelabrator offers a disposal arrangement (*other than a Spot Waste contract*) to a Connecticut municipality during the term of the new SWDA, and the CRRA municipalities believe it is a more favorable arrangement than the SWDA, the municipalities have the option to substitute the terms of the more favorable arrangement.

It is a condition of the new SWDA that the Authority have executed MSAs with Participating Municipalities committing, in the aggregate, not less than 265,000 tons per year.

TAB 17

RESOLUTION REGARDING

**Execution of MUNICIPAL SOLID WASTE MANAGEMENT SERVICES
AGREEMENTS FOR THE DELIVERY AND DISPOSAL OF WASTE BY
MUNICIPALITIES TO THE BRIDGEPORT FACILITY**

RESOLVED: That the President is hereby authorized to execute Municipal Solid Waste Management Services Agreements for the delivery and disposal of Waste by municipalities to the Bridgeport Facility, substantially as discussed and presented at this meeting.

Connecticut Resources Recovery Authority

**Contract entitled
MUNICIPAL SOLID WASTE MANAGEMENT SERVICES AGREEMENT
BETWEEN CONNECTICUT RESOURCES RECOVERY AUTHORITY AND
[MUNICIPALITY NAME], A MUNICIPALITY OF THE STATE OF
CONNECTICUT FOR THE DELIVERY AND DISPOSAL OF WASTE**

Presented to the CRRA Board:	October 23, 2008
Vendor/Contractor(s):	Various Municipalities in Southwestern Connecticut
Effective Date:	January 1, 2009
Contract Type/Subject matter:	Renewal of Municipal Solid Waste Management Services Agreement. This is a revenue contract.
Facility(ies) Affected:	Bridgeport Project
Original Contract:	Municipal Service Agreements originally executed at the inception of the Bridgeport Project, on or about calendar year 1985
Term:	Five and one-half year base period (January 1, 2009 through June 30, 2014).
Term Extensions:	Option to extend if the SWDA is extended.
Contract Dollar Value:	<ul style="list-style-type: none">▪ Fixed per ton tip fee, subject to escalation at 75% of CPI (with energy backed out), and a fuel surcharge adjustment on ash transportation.▪ The tip fee for the first year is \$63.00 per ton (includes CRRA administrative fee of \$2.00 per ton), plus SWC administrative fee.▪ Equates to \$16,695,000 for the first year of the contract, assuming Municipalities deliver 265,000 tons.

Contract Dollar Value:	<ul style="list-style-type: none"> ▪ Fixed per ton tip fee, subject to escalation at 75% of CPI (with energy backed out), and a fuel surcharge adjustment on ash transportation. ▪ The tip fee for the first year is \$63.00 per ton (includes CRRRA administrative fee of \$2.00 per ton), plus SWC administrative fee. ▪ Equates to \$16,695,000 for the first year of the contract, assuming Municipalities deliver 265,000 tons.
Budget:	This is a revenue contract. CRRRA administrative fee is \$2.00 per ton for first year; \$530,000 assuming deliveries of 265,000 tons
Amendment(s):	This is a renewal of the existing MSAs
Scope of Services:	Disposal of Municipal Solid Waste at the Bridgeport RRF.
Other Pertinent Provisions:	Effective only if 265,000 tons per year, in aggregate, is committed by the Municipalities.

Connecticut Resources Recovery Authority

MUNICIPAL SOLID WASTE MANAGEMENT SERVICES AGREEMENT FOR THE DELIVERY AND DISPOSAL OF WASTE BY MUNICIPALITIES TO THE BRIDGEPORT FACILITY

October 23, 2008

Executive Summary

The initial term of the Bridgeport Project Municipal Solid Waste Management Services Agreements (the "MSAs") will expire on December 31, 2008. The MSAs contemplate that, in the event that the Solid Waste Disposal Agreement ("SWDA") with Wheelabrator is extended, the MSAs may be extended to be coterminous therewith.

This is to request that the Board of Directors authorize the President to enter into new MSAs with municipalities that choose to continue to dispose of their municipal solid waste at the Bridgeport facility for a five and one-half year term.

Discussion

The new MSAs provide for disposal of solid waste at the Bridgeport facility for a five and one-half year term at a per ton price consisting of the following elements: the tip fee established by the Amended and Restated SWDA (initially \$61/ton), escalating as set forth in the SWDA with a CPI factor and an energy adjustment; a fee (initially \$2.00/ton) for Authority performance of certain specified billing and administrative matters, escalating with CPI; and a per ton administrative fee for the new Greater Bridgeport Regional Solid Waste Committee ("SWC"), as set by SWC from time to time. Additionally, the municipalities will be responsible for payment of other, unanticipated Authority costs of operation – in most cases, apart from defense of lawsuits or costs associated with indebtedness, only if such costs are incurred with the approval of SWC.

Other important terms of the new MSAs include:

The MSA obligates each municipality to deliver a committed number of tons. If the participating municipalities together deliver less than 90% of the overall amount of committed tons, they will be obligated to share the costs of the shortfall. Unless SWC decides on a different basis, the shortfall will be shared pro rata among the municipalities that are short (taking into account that other municipalities may have overdelivered, and that the Authority may have found other tons to deliver).

If the participating municipalities are more than 10% over the amount of committed tons, they will be obligated to share the costs of disposal of the excess. Unless SWC decides on a different basis, the excess will be shared pro rata among the municipalities that are over (taking into account that other municipalities may have underdelivered).

The MSA does not cover pickup, transportation or transfer station operations, all of which remain the responsibility of the municipality.

It does not cover recyclables.

Wheelabrator has the right to enforce certain obligations of the Municipality under the MSA, if and to the extent the Authority fails to do so and such failure continues for 30 days after written notice thereof from Wheelabrator

The effectiveness of each MSA is subject to execution of other MSAs, committing in the aggregate, at least 265,000 tons to be delivered to the Facility, and to the effectiveness of the SWDA.

TAB 18

BOARD RESOLUTION REGARDING ADDITIONAL PROJECTED LEGAL EXPENDITURES

WHEREAS, CRRRA 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 2009 projected legal fees; and

WHEREAS, CRRRA expects to incur greater than anticipated legal expenses in connection with Mid-Connecticut Project matters;

NOW THEREFORE, it is RESOLVED: That the following additional amount be authorized for payment of legal fees and costs to be incurred through June 30, 2009:

<u>Firm:</u>	<u>Amount:</u>
Pepe & Hazard	\$125,000

CONNECTICUT RESOURCES RECOVERY AUTHORITY

Request regarding Authorization for Payment of Projected Additional Legal Expenses

October 23, 2008

Executive Summary

This is to request Board authorization for payment of additional projected fiscal '09 legal expenses.

Discussion:

CRRA's insurer, AIG, has previously disclaimed any obligation to pay legal fees in connection with Plaintiff's application in the matter of *New Hartford v. CRRA* for an injunction against implementation of CRRA's FY 08 budget, or for CRRA's appeal of the gag orders and contempt citation. AIG has now also disclaimed any obligation to pay legal fees in connection with Plaintiff's application in the matter of *New Hartford v. CRRA* for an injunction against implementation of CRRA's FY 09 budget.

In February, when budgeting for legal expenses for Mid Connecticut Project matters in FY 09, we anticipated that oral argument in the *New Hartford* appeals would be scheduled in the late spring of 2008, and the matter would be virtually complete during FY 08; only minimal legal expenditures for the appeals were therefore included in the budget. Furthermore, the level of challenge to, and trial court review of, the FY 09 Mid Connecticut budget were unknown, nor did we then contemplate the Action for Declaratory Judgment that the Authority ultimately filed in late April in response to the plaintiffs' budget challenge.

We are therefore seeking board authorization to incur additional legal expenses for these matters.