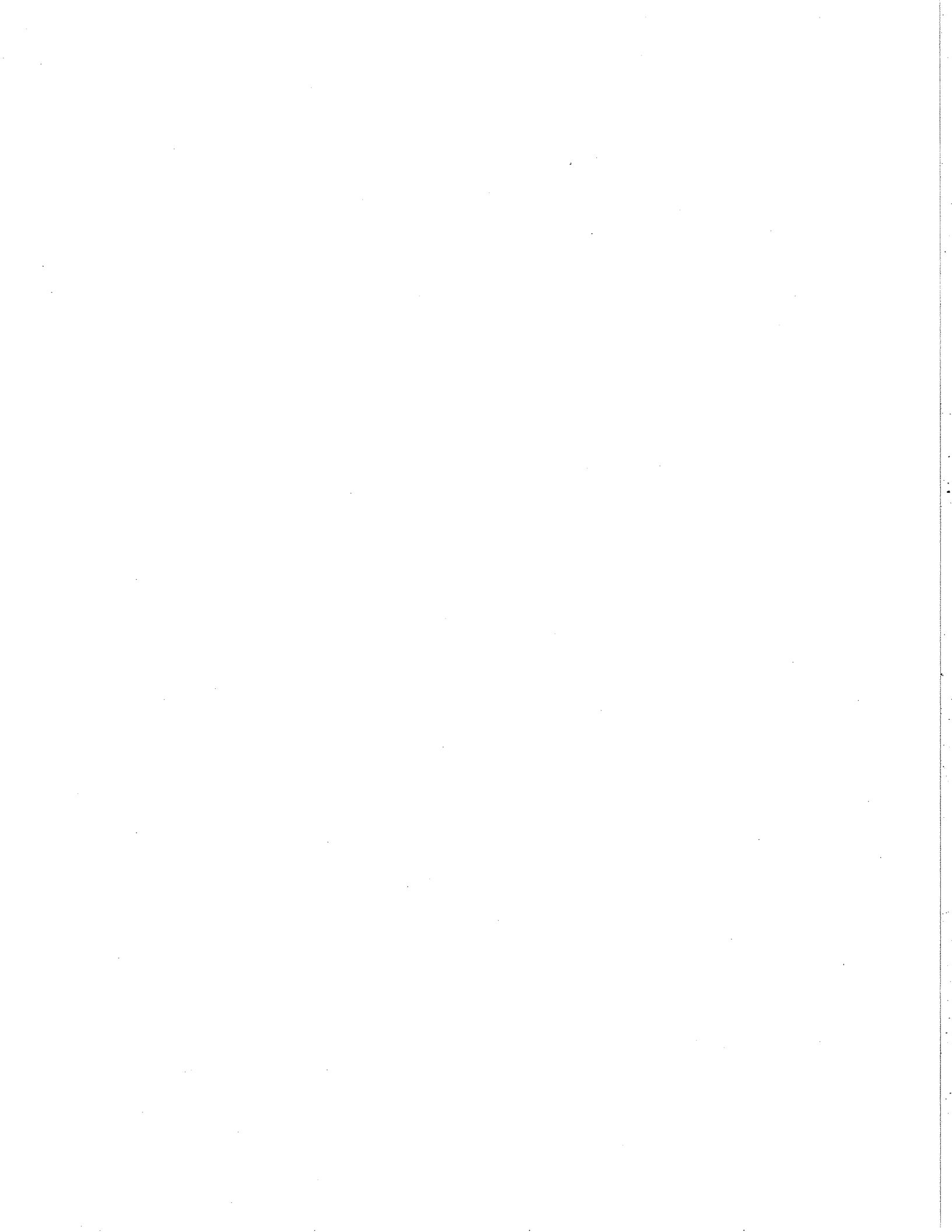


ADDITION TO MARCH 29, 2007
BOARD PACKAGE



Connecticut Resources Recovery Authority
Board of Directors Meeting
Addition to the Agenda
March 29, 2007
9:30 AM

The following items will be added to the agenda:

1. Board Action will be sought regarding Third Amendment to the Contract for the Operation of an Intermediate Processing Center (Attachment 1).
2. Board Action will be sought regarding the Consent to Assignment of Town of Wallingford Resident Drop-off Acceptable Waste Hauling Services Agreement (Attachment 2).
3. Board Action will be sought regarding the Consent to Assignment of the Bridgeport Solid Waste Delivery Agreement (Attachment 3).
4. Board Action will be sought Authorizing the Settlement of Litigation with Murtha Cullina LLP (Attachment 4).
5. Board Action will be sought Directing Management to Provide for Utilization of Settlement Funds upon Release by the Court (Attachment 5).
6. Board Action will be sought to Provide for Transfer of Court Attached Cash Funds to the State of Connecticut Short Term Investment Fund to Improve Interest Yield on Public Money (Attachment 6).

TAB 1

RESOLUTION REGARDING THIRD AMENDMENT
TO THE CONTRACT FOR THE OPERATION OF
AN INTERMEDIATE PROCESSING CENTER
TO SERVE THE MUNICIPALITIES OF THE
SOUTHWEST CONNECTICUT REGIONAL RECYCLING
OPERATING COMMITTEE

RESOLVED: That the President is hereby authorized to execute a third amendment to the CONTRACT FOR THE OPERATION OF AN INTERMEDIATE PROCESSING CENTER TO SERVE THE MUNICIPALITIES OF THE SOUTHWEST CONNECTICUT REGIONAL RECYCLING OPERATING COMMITTEE with FCR, INC. substantially as presented at this meeting.

Connecticut Resource Recovery Authority

Third Amendment To The Contract For The Operation Of An Intermediate Processing Center To Serve The Municipalities Of The Southwest Connecticut Regional Recycling Operating Committee

Presented to Board: March 29, 2007

Vendor/ Contractor: FCR Inc.

Effective Date: July 1, 2008

Contract Type: Third Amendment to Agreement Between FCR, SWEROC and CRRA

Facility: Stratford Intermediate Processing Center

Estimated Contract Value: FY 08 Recycling Revenue of \$2,001,000 and Rental Income of \$1,189,000 with Expenses of \$3,000,000 for Net Revenue of \$190,000:

Extension of Term: July 1, 2008 to June 30, 2009 CRRA can terminate with 30 days written notice.

Term Extensions: Two 5-year extensions (allowed under current Agreement)

Amendment(s): Amendment 1 December 16, 1991
Amendment 2 December 18, 1997

Scope of Services: To enable continued operation and maintenance of the Intermediate Processing Center after June 30, 2007 with the current vendor on a month-to-month basis for contingency purposes.

Other Pertinent Provisions: To clarify FCR's obligations leading up to termination of the current contract if a proposer other than FCR is selected as the new operator as a result of the current RFP process. FRC will be obligated to maintain the facility in good working order until they vacate and to fully cooperate with the new vendor to ensure a smooth and orderly transition.

Connecticut Resource Recovery Authority

Third Amendment To The Contract For The Operation Of An Intermediate Processing Center To Serve The Municipalities Of The Southwest Connecticut Regional Recycling Operating Committee

March 29, 2007

Discussion

CRRA issued an extensive Request For Proposals for Design, Upgrade, Retrofit, And Operation/Maintenance Services For The Stratford Intermediate Processing Center on January 31, 2007. The Proposals will be received on April 5, 2007. As a result of an extension of the proposal submittal date and the possibility that the preferred Proposal may contain building and/or process modifications necessitating a DEP permit modification and/or local planning and zoning approval, the preferred Proposer may not be able commence construction work and related services by July 1, 2008. Consequently, CRRA has determined that it would be in its and SWEROC's best interest to extend the current Agreement for a period not to exceed one year. The SWEROC Board approved such an extension at its meeting held on March 21, 2007. This extension mitigates the potential for interruption of service for the SWEROC member towns and CRRA's other customers.

In addition to mitigating interruption, this Amendment requires FCR to cooperate with the incoming Contractor insuring a smooth transition. CRRA, at its sole discretion, reserved the right to terminate the current Agreement in the final year with a 30 day written notice to FCR. In the event that no proposal is acceptable to CRRA and SWEROC, this Amendment retains the option to extend the current Contract for two divisible five-year periods as outlined in the current Agreement. This Amendment also requires FCR to notify CRRA by January 1, 2008 if they intend to purchase the existing equipment as the current Agreement allows.

TAB 2

**Resolution Regarding the Consent to Assignment of Town of the Wallingford Resident
Drop-off Acceptable Waste Hauling Services Agreement**

RESOLVED: That the President is authorized to execute a Consent to Assignment Agreement for the Acceptable Waste Transportation Service Agreement substantially as presented and discussed at this meeting.

**Connecticut Resources Recovery Authority
Contract Summary
Acceptable Waste Transportation Services Agreement
And the Consent to Assignment**

Presented to Board: March 29, 2007

ACCEPTABLE WASTE TRANSPORTATION SERVICE AGREEMENT

Parties: CRRA and Waste Management of Connecticut

Contract Type: Transportation of MSW from the Town of Wallingford's residential drop-off facility to the Wallingford resources recovery facility.

Facility: Wallingford Project

Dollar Value: FY07 approximately 1,290 loads @ \$48.93/load pull, or \$63,000

Base Term: July 1, 2005 – June 30, 2008

Term Extensions: Two (2) one (1) year extensions exercisable at CRRA's sole and absolute discretion.

Service Fee Structure: FY07: \$48.93/load pull
FY08: \$50.40/load pull
Optional period one (FY09) \$51.91
Optional period two (FY10) \$55.02

CONSENT TO ASSIGNMENT

Assignor: Waste Management of Connecticut

Assignee: All Waste Incorporated

Effective Date: On or about March 31, 2007

Conditions Precedent:

1. Performance Bond in the amount of \$50,000
2. Executed Consent by Waste Management and AllWaste

TAB 3

**RESOLUTION REGARDING THE CONSENT TO ASSIGNMENT OF THE
BRIDGEPORT SOLID WASTE DELIVERY AGREEMENT**

RESOLVED: That the President is authorized to execute a Consent to Assignment Agreement for the Bridgeport Solid Waste Delivery Agreement substantially as presented and discussed at this meeting.

**Connecticut Resources Recovery Authority
Contract Summary for
Bridgeport Solid Waste Delivery Agreement
and the Consent to Assignment**

Presented to Board: March 29, 2008

BRIDGEPORT SOLID WASTE DELIVERY AGREEMENT

Parties: CRRA and Waste Management of Connecticut, Inc.

Term: July 1, 2004 – December 31, 2008

Key Contract Provisions: Minimum put-or-pay deliveries of 125,000 tons per year.

Delivery cap of 150,000 tons per year.

Waste may originate from Bridgeport Project Member and Non-Member Municipalities provided the Non-Member municipalities' waste is not committed to one of the other CRRA projects (Mid-Connecticut, Wallingford and Southeast projects).

Waste Management may have use of the Bridgeport Project transfer stations.

Tip Fee: Contract Year 3 - \$64.72 (Actual)
Contract Year 4 - \$66.18 (Est.)
Contract Year 5 - \$67.67 (Est.)

Remaining Contract Value: Approximately \$15,000,000 based on an aggregates of 222,500 tons to be delivered through December 31, 2008

CONSENT TO ASSIGNMENT

Assignor: Waste Management of Connecticut, Inc.

Assignee: Murphy Road Recycling, LLC.

Effective Date: On or about March 31, 2007

Conditions Precedent:

1. Letter of Credit initially in the amount of \$15 Million
2. All amounts due from WM are paid in full as of the Effective Date
3. Executed Consent by WM and Murphy Road

TAB 4

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CONNECTICUT RESOURCES RECOVERY AUTHORITY
AUTHORIZING THE SETTLEMENT OF LITIGATION
WITH MURTHA CULLINA LLP**

WHEREAS, the Connecticut Resources Recovery Authority (the "Authority") has been duly established and constituted as a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut, to carry out the purposes of Chapter 446e of the Connecticut General Statutes, Sections 22a-257 *et seq.*, as amended (the "Enabling Legislation");

WHEREAS, the Attorney General of the State of Connecticut, on behalf of the State of Connecticut, under the duties and supervisory power granted under Connecticut General Statutes § 3-125, and on behalf of the State of Connecticut as attorney for CRRA under the supervisory power granted under Connecticut General Statutes § 22a-268c, commenced a lawsuit captioned *Connecticut Resources Recovery Authority v. Murtha Cullina, LLP, et al.*, Docket No. (X02) CV-02-0174569-S, pending in Connecticut Superior Court in the Complex Litigation Docket at Waterbury (the "Litigation"), alleging causes of action against Murtha Cullina LLP ("Murtha") for breach of contract and negligence relating to legal services Murtha provided to the Authority in connection with a transaction involving the Authority, Enron Power Marketing, Inc. ("EPMI"), EPMI's parent, Enron Corporation and Connecticut Light & Power Company relating to the Mid-Connecticut System, a Waste Processing Facility and Power Block Facility operated by the Authority (the "Mid-Connecticut Project");

WHEREAS, the Authority wishes to avoid the burden and expense of litigation in resolving the disputes between it and Murtha by settling all claims in the Litigation as to Murtha in accordance with the provisions of the attached Settlement Agreement;

WHEREAS, the Board of Directors of the Authority, having reviewed the attached Settlement Agreement, and on the advice of counsel, hereby recommends that settlement of the Litigation is in the best interests of the Authority;

WHEREAS, the Authority has full power and authority to enter into and perform its obligations under the Settlement Agreement in accordance with its terms; and

WHEREAS, the execution of the Settlement Agreement and the performance of the terms therein do not violate any of the provisions of the Enabling Legislation, any other statutes of the State of Connecticut, the Authority's Bylaws, or any governmental rule or regulation applicable to the Authority.

NOW THEREFORE BE IT:

RESOLVED, that the President of the Authority is hereby authorized and directed to execute, deliver, and perform on behalf of this Authority, the attached Settlement Agreement with Murtha.

TAB 5

**RESOLUTION TO DIRECT MANAGEMENT TO PROVIDE FOR
UTILIZATION OF SETTLEMENT FUNDS UPON RELEASE BY THE COURT**

WHEREAS, the CRRA recognizes its responsibility and mission to work in the best interests of the Member towns, and

WHEREAS, the CRRA Board of Directors, desires to continue, as with receipt of CRRA's prior Enron Legal settlements, the utilization of CRRA's Enron settlement funds for the benefit of Mid-Connecticut Project Member towns, and

WHEREAS, the CRRA acknowledges it's responsibility as a public organization subject to statutes requiring transparent, public and open discussion , deliberation and decision making, and

WHEREAS, the CRRA Board of Directors is respectful of the Court and acknowledges the Gag Order entered by the Court in New Hartford et al. v. CRRA in which said Court has directed the CRRA to refrain from discussing publicly, disposition of CRRA's Enron settlements and other funds pending court resolution, and

WHEREAS, the Court has attached and prevented through a pre-judgment remedy the use and or distribution of Enron settlement funds, and

WHEREAS, Enron settlement funds will not be available for the benefit of the member towns unless and until the court or another court of appropriate authority releases CRRA from the Gag Order and the court's attachment of the CRRA Enron settlement proceeds

BE IT RESOLVED THAT:

The Board of Directors directs CRRA Management to develop a plan for utilization of settlement funds from the Murtha Settlement which provides for benefit of the member towns and considers all possible uses that benefit the member towns including but not limited to: Cash distributions, tipping fee reductions, appropriate reserves for future known liabilities and operations. Said Plan is to provide for prompt benefit to the Midconn member towns immediately upon release of Enron settlement attachment. Said Plan is to be presented to the Board of Directors Finance Committee for review and recommendation to the Full Board. Following Board Approval, the Plan will be presented to Judge Eveleigh for review.

TAB 6

RESOLUTION TO PROVIDE FOR TRANSFER OF COURT ATTACHED CASH FUNDS TO THE STATE OF CONNECTICUT SHORT TERM INVESTMENT FUND TO IMPROVE INTEREST YIELD ON PUBLIC MONEY

WHEREAS, the CRRA recognizes its responsibility and mission to work in the best interests of the Member towns, and

WHEREAS, the CRRA Board of Directors, desires to maximize the benefit to the Mid-Connecticut Project Member towns of CRRA's Enron settlement funds, and

WHEREAS, the CRRA Board of Directors is respectful of the Court and acknowledges the Gag Order entered by the Court in New Hartford et al. v. CRRA in which said Court has directed the CRRA to refrain from discussing publicly, disposition of CRRA's Enron settlements and other funds pending court resolution, and

WHEREAS, the Court has attached and prevented through a pre-judgment remedy the use and or distribution of Enron settlement funds, and

WHEREAS, cash presently attached by order of the court total \$23,833,494 and is being sequestered in the Pepe and Hazard clients escrow fund at a undesirable interest rate, and

WHEREAS, the Office of the Treasurer of the State of Connecticut makes available to the CRRA the Connecticut Short Term Interest Fund (STIF) which is a secure depository for public funds and which generates interest at desirable rates, and

WHEREAS, the Public has lost interest revenue totaling \$175,000 since the attachment of the settlement funds, and

WHEREAS, the Public continues to lose approximately \$58,000 per month in interest while the Enron Settlement cash is prevented from being deposited in the State of Connecticut STIF fund:

BE IT RESOLVED: That the Attorneys for the CRRA immediately petition the court and as necessary appeals courts to insure the prompt transfer of the funds under court attachment to a CRRA State of Connecticut, Office of the Treasurer, Short Term Investment Fund Account (STIF).