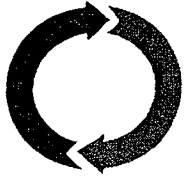


CRRA
BOARD MEETING
Sept. 24, 2009



**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: Sept. 17, 2009
RE: Notice of Meeting

There will be a regular meeting of the Connecticut Resources Recovery Authority Board of Directors on Thursday, Sept. 24, 2009 at 9:30 a.m. The meeting will be held in the 1410 Honeyspot Road ext. Board room, Second Floor, Stratford, CT. The meeting will also be available to the public via teleconference in the Board Room of 100 Constitution Plaza, Hartford, Connecticut.

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

Connecticut Resources Recovery Authority
Board of Directors Meeting

Agenda

Sept. 24, 2009

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. Brief Tour of the Garbage Museum Courtesy of the CRRA Educators (Subject to Postponement if Necessary)

IV. Minutes

1. Board Action will be sought for the approval of the July 23, 2009, Regular Board Meeting Minutes (Attachment 1).

1.a Action Items

2. Board Action will be sought for the approval of the July 30, 2009, Special Telephonic Board Meeting Minutes (Attachment 2).
3. Board Action will be sought for the approval of the August 27, 2009, Special Board Meeting Minutes (Attachment 3).

V. Board Committee Reports

A. Finance Committee Reports

1. Board Action will be sought Regarding the FY'09 Year End Audit (Attachment 4).
2. Board Action will be sought regarding the Casualty Proposals (Attachment 5).
3. Board Action will be sought for the Resolution Regarding the Reclassification of the Stratford Recycling Capital Reserve (Attachment 6).
4. Board Action will be sought for the Resolution Regarding the Funding of the Shelton Landfill Post Closure Reserve (Attachment 7).

B. Policies & Procurement Committee

1. Board Action will be sought for the Resolution Regarding the Purchase of a Rubber-Tired Wheel Loader for the Mid-Connecticut Resource Recovery Facility (Attachment 8).
2. Board Action will be sought for the Resolution Regarding the Purchase of a New Jet Fuel Tank for the Jet Turbine Facility (Attachment 9).
3. Board Action will be sought for the Resolution Regarding Delivery of Cover Soils to the Hartford Landfill (Attachment 10).
4. Board Action will be sought for the Resolution Regarding the Municipal Government Liaison Services (Attachment 11).
5. Board Action will be sought for the Resolution Regarding CRRA's Education Policy (Attachment 12).
6. Board Action will be sought for the Resolution Regarding Adopting an Amendment to Section 5.11 of the Procurement Policy (Attachment 13).
7. Board Action will be sought for the Resolution Regarding Establishing a Special Committee to Study Options for Municipal Solid Waste Disposal Following the Expiration of the Mid-Connecticut Project (Attachment 14).
8. Board Action will be sought for the Resolution Regarding the Purchase of New Boiler Pressure Parts for the Mid-Connecticut Power Block Facility (Attachment 15).
9. Board Action will be sought for the Resolution Regarding a Mid-Connecticut Solid Waste Transportation and Disposal Agreement (Attachment 16).

VI. Chairman and President's Reports

VII. Executive Session

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

1. Board Action will be sought for the Resolution Regarding Additional Projected Legal Expenditures (Attachment 17).

TAB 1

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND FIFTY-FIFTH JULY 23, 2009

A Regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, July 23, 2009, at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Chairman Michael Pace

Directors: David Damer
 Michael Jarjura
 Timothy Griswold
 Mark Lauretti (present beginning 10:35 a.m.)
 James Miron
 Linda Savitsky
 Steve Edwards, Bridgeport Project Ad-Hoc
 Warren Howe, Wallingford Project Ad-Hoc

Present from CRRRA management:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Peter Egan, Director of Environmental Affairs
Thomas Gaffey, Director of Recycling and Enforcement
Laurie Hunt, Director of Legal Services
Paul Nonnenmacher, Director of Public Affairs
Mike Tracey, Director of Operations
Marianne Carcio, Executive Assistant
Moira Kenney, Secretary to the Board/Paralegal

Also present were: Peter Graczykowski of the Town of Vernon, Bob Gross, resident of the Town of Wallingford, Susan Hemenway of BRRFOC, Mike Paine, Paine's Inc., John Pizzimenti of USA Hauling, Jim Sandler of Sandler and Mara, Cheryl Thibeault of Covanta

Chairman Pace called the meeting to order at 10:05 a.m. and noted that there was a quorum.

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. Paine said that his family owns Paine's Rubbish & Recycling and that he is also representing the Connecticut Chapter of Waste Haulers of the National Solid Waste Association. He said that he is present to address the change in the delivery standards for single-stream recycling. Mr. Paine said the haulers are concerned that they will now be required to bring commercial, institutional and industrial recycling to CRRA. He asked for an acknowledgment from the CRRA Board that haulers do not have to bring commercial recycling to CRRA, as many haulers have contracts where they are required to deliver to specific vendors.

Chairman Pace said that it is his understanding that the change in delivery standards is to enable CRRA to receive and that it is not mandatory for the haulers to deliver commercial recycling to CRRA. Mr. Kirk said that was correct. Vice-Chairman O'Brien suggested that this item be clarified for the benefit of the haulers.

Mr. Gross said that he had several questions for the CRRA Board. He said there have been several incidents concerning strong smells coming from the Wallingford plant. He asked the CRRA Board if it could assist with controlling this issue. Mr. Gross said that he did call the EPA but the EPA was unable to go out there as it was a Sunday violation. He explained the plant's doors were open and the pits were being cleaned out which created a noxious smell. He said there was also a second incident.

Ms. Thibeault said that Covanta is aware of one of the complaints. She said due to waste volumes being low Covanta has requested spot waste on several occasions and has had to dig out the pits as a result. She said unfortunately the bottom of the pit does contain the worst offending smells. Ms. Thibeault said that the employees have been keeping the doors closed and that Covanta has educated its employees to be very sensitive concerning these issues. Ms. Thibeault said that Mr. Gross can call at any time as there is control room operator and shift supervisor on at all times.

Mr. Gross asked whether the turbines are going to be replaced. Mr. Tracey said that they are not scheduled to be replaced but retrofitted. Ms. Thibeault said that the retrofit is scheduled to take place in May. She said diagnostics are currently being performed and a vendor is performing a detailed analysis which Covanta is waiting for.

Mr. Gross asked whether there has been a resolution between the State of Connecticut and Covanta concerning its emissions violation. Mr. Egan said that the answer is not yet and that Covanta has the lead on negotiating the final terms of the consent order with the Connecticut Department of Environmental Protection (hereinafter referred to as the "DEP").

Mr. Gross asked whether the emission testing has taken place for this year. Mr. Egan said that the answer is yes and all tests indicate that the plant is compliant. Ms. Thibeault said that Covanta held discussions with the CT DEP the day before today's meeting. She said that due to staff shortages and other issues the CT DEP has expressed apologies for the delay and indicated that a final meeting would be held concerning the emission violation matter in the following weeks.

APPROVAL OF THE MINUTES OF THE MAY 28, 2009, REGULAR BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the May 28, 2009, regular Board Meeting. Vice-Chairman O'Brien made a motion to approve the minutes, which was seconded by Director Savitsky.

Vice-Chairman O'Brien noted that the revisions conformed to the recording of the May 28, 2009, meeting.

The minutes were approved as amended and discussed by roll call. Director Griswold abstained as he was not present at the meeting.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Dave Damer	X		
Timothy Griswold			X
James Miron	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Steve Edwards, Bridgeport	X		
Warren C, Howe, Jr., Wallingford	X		

APPROVAL OF THE MINUTES OF THE JUNE 18, 2009, REGULAR BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the June 18, 2009, regular board Meeting. Director Savitsky made a motion to approve the minutes, which was seconded by Vice-Chairman O'Brien.

The minutes were approved by roll call. Vice-Chairman O'Brien abstained as he was not present at the meeting.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Dave Damer	X		
Timothy Griswold	X		
James Miron	X		
Raymond O'Brien			X
Linda Savitsky	X		
Ad-Hocs			
Steve Edwards, Bridgeport	X		
Warren C, Howe, Jr., Wallingford	X		

FINANCE COMMITTEE UPDATE

Director Savitsky said she would like to report that the Finance Committee met and discussed the funding of the Shelton landfill and the proposed recycling rebate at length.

RESOLUTION REGARDING APPROVAL REGARDING FUNDING OF THE SHELTON LANDFILL POST CLOSURE RESERVE

Chairman Pace requested a motion to approve the above referenced motion. Director Savitsky made the motion, which was seconded by Vice-Chairman O'Brien.

WHEREAS, On July 1, 2009, the Connecticut Department of Environmental Protection (CT DEP) issued a tentative determination and a draft permit for a stewardship permit for the Shelton landfill which required a 15% contingency be added for the entire landfill due to the pressure of a hazardous waste cell located within the Shelton landfill; and

WHEREAS, CRRA reviewed the assumptions for the reserve earnings rate and the annual inflation rate and adjusted these rates to account for present economic conditions;

NOW, THEREFORE, it is

RESOLVED: that to meet the additional funding requirements, \$1,300,000 be transferred from the Bridgeport Project Operating Account to the Shelton Landfill Post Closure Reserve STIF.

Director Edwards asked that this item be tabled. He explained he was not able to meet with the SWEROC group in order to receive its members' opinions and feedback on the item before it is voted on by the CRRA Board.

Vice-Chairman O'Brien asked for confirmation from management that delaying this item until September will not compromise CRRA's efforts with the Connecticut Department of Environmental Protection (hereinafter referred to as the "CT DEP".) Mr. Egan replied that it will not create any issues

with the CT DEP. Mr. Kirk said that Mr. Bolduc will reserve for this amount which will not further delay the close-out of the project or the final reconciliation of the project.

MOTION TO TABLE

Chairman Pace requested a motion to table the resolution regarding funding of the Shelton Landfill post-closure reserve.

The motion to table was made by Vice-Chairman O'Brien and seconded by Director Savitsky.

The motion to table was approved unanimously by roll call.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Dave Damer	X		
Timothy Griswold	X		
James Miron	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Steve Edwards, Bridgeport	X		
Warren C, Howe, Jr., Wallingford	X		

RESOLUTION REGARDING THE FUNDING OF THE BRIDGEPORT POST PROJECT RESERVE AND BRIDGEPORT RISK RESERVE

Chairman Pace requested a motion to approve the above referenced motion. Vice-Chairman O'Brien made the motion, which was seconded by Director Damer.

WHEREAS, On March 26, 2009, the Connecticut Resources Recovery Authority's (the "Authority") Board of Directors ("Board") adopted a resolution authorizing the establishment of a Post Project Reserve and a Risk Reserve relating specifically to the former Bridgeport Project; and

WHEREAS, upon its review, the Authority has determined the initial funding amounts for these reserves.

NOW, THEREFORE, it is

RESOLVED: that two separate and distinct Short Term Investment Funds ("STIF") administered by the Office of the Connecticut State Treasurer be established for these two reserves; and

RESOLVED: That \$725,000 be transferred from Bridgeport project subaccount STIF account to the following STIF accounts:

\$625,000 to the Bridgeport Post Project Reserve STIF account

\$100,000 to the Bridgeport Risk Reserve STIF account

Mr. Bolduc said that management in the process of closing the various accounts to come up with a final balance sheet for the Bridgeport Project in order to perform a disbursement of any excess cash. He explained there are several items that first need to be dealt with. He referred the Board to a table in the write-up which illustrates the Bridgeport Post-Project Reserve and the Bridgeport Risk Project Reserve. Mr. Bolduc explained these tables illustrate the remaining items that require action before Carlin Charron & Rosen's (hereinafter referred to as "CCR") final review on July 31, 2009.

Mr. Bolduc said the Bridgeport Post Project Reserve is for items that are in progress or will be in progress shortly. He said the second reserve, the Bridgeport Risk Project Reserve is for items that are longer in duration and do not follow a timetable. He explained the second reserve involves litigation and may not be resolved for years. He said that in addition the executive summary plan discusses how these items will be reviewed on a quarterly basis going forward. Mr. Bolduc said as items are taken care of additional disbursements will be made.

Mr. Bolduc said that concerning the Waterbury Landfill sale potential, there are several related items that must be resolved by management before the land can be sold. He explained dollars have been set aside to resolve those issues.

Mr. Bolduc said that the write-up contains notes which discuss that there are two towns which have outstanding receivables of a sizable amount. He said as the project is closed out a bad debt reserve for 100% of those amounts will be set up. Mr. Bolduc said the debt should not impact the remaining towns. He explained there should be a \$1 million to \$2 million in excess reimbursement and because these two towns will owe the project money the Bridgeport and East Haven debt will be roughly a wash. Mr. Bolduc said that this does make the issue a little more complicated. Mr. Bolduc said that there is also an outstanding payable (although Bridgeport has yet to bill CRRA) for which management will reserve \$145,000.

Mr. Bolduc said another item to note concerns the Bridgeport project. He said there is a Stratford recycling capital reserve with approximately \$650,000. He said those dollars came from settlements with Stamford, Greenwich and East Haven and were set aside for the IPC and that unfortunately how those disbursements will be made was never determined in the documents or by the attorneys. Mr. Bolduc said at this point how to make that distribution can't be made until further accounting and legal review.

Vice-Chairman O'Brien said that because the audit is due to take place at the end of the month to facilitate the audit being able to do a final, would it be appropriate to set up three STIF funds and designate \$2.085 million to be distributed to the STIF funds with the third STIF fund receiving the full amount which is on the agenda concerning the Shelton landfill. He said that this way CCR can do their final audit and the money is all accounted for.

Mr. Bolduc said that CCR is doing a review and not issuing an opinion. He said the resolution does call for establishing separate STIF accounts and the residual amount will stay in the Bridgeport operating STIF account. He said this resolution separates that one STIF account into three.

Vice-Chairman O'Brien asked what CCR is doing. Mr. Bolduc said that it is doing an agreed upon procedures review. Vice-Chairman O'Brien said that he believes distributions from the Board should be made on the basis of an audit.

Director Savitsky said that it can't be an audit as CRRA has hired new auditors. She said that when new auditors close out the year this project will be part of that audit. Director Savitsky said assuming that BST stays on a second year the final close out of the Bridgeport Project will occur through the 6/30/10 audit. Director Savitsky said that CCR is performing a review with a discreet set of tasks. She said this is where it starts to get confusing when more than one auditor is involved. Director Savitsky asked if this review would be the final thing CCR is doing for CRRA. Mr. Bolduc replied that is correct.

Mr. Bolduc said that due to the timing of the project there was not a separate audit because only a segment is being closed. He said the supplemental package contains the separate review which is similar to an audit with the exception of the auditor's opinion.

Vice-Chairman O'Brien said that the CRRA audit is due to the State September 30, 2009, which means it will need to come to the Finance Committee well before that. He asked if that will include the Bridgeport Project. Mr. Bolduc said that is correct. Vice-Chairman O'Brien asked how BST is going to include the Bridgeport project if CRRA does not have these funds accounted for.

Mr. Bolduc said that finishing the review will flow to the audit. Vice-Chairman O'Brien asked if the new auditors will use the CCR review as part of their audit. Mr. Bolduc said that they will use the CRRA books that reflect these entries and these adjustments. Vice-Chairman O'Brien asked then why we are having CCR do anything.

Mr. Bolduc said that the review needs to be done to try and accelerate the distribution. He said as items are deferred it gets more complicated to close out.

Director Savitsky said that she believes there is redundancy here. She said if CRRA is not at a point where they are sure what CCR is doing there needs to be a date certain when they are done so that CRRA is not paying for a redundancy. She said that the reason CCR was brought in to do a review is because CRRA did not have an auditor at that time. She suggested that because there are going to be redundant costs that there be a drop dead day and if the review isn't done its done. Director Savitsky said that new auditor will fold in the same numbers and use the same diligence with reviews and analysis.

Vice-Chairman O'Brien asked Mr. Bolduc if he feels there is value to having CCR continue perform this review. Mr. Bolduc said that he believes that closure is needed for this project. He said if it isn't done now a substantial effort to educate the new auditors is necessary and that a delay of the initial distribution to the project member towns may take place.

Director Edwards said that in reality the project will not be wrapped up in August. He said he would be surprised if the quarterly updates end before July of 2010, therefore, the new auditors will be dealing with it either way.

Director Lauretti said that he agrees with Director Edwards if there's a redundancy there's no need paying twice. He suggested that if CCR is not charging CRRA additional fees for the audit, then it wouldn't hurt to have two sets of eyes look at the project. Mr. Kirk reminded him that the Towns' want their funds as quickly as possible.

Director Edwards said that he would defer to the Finance Committee.

Chairman Pace referenced the resolution on the table and said that the Finance Committee can have its own discussion with the auditors later.

Director Savitsky said that whether CCR continues or not these reserves need to be established.

Director Griswold asked how the \$625,000 amount was determined. Director Savitsky said that the number was rounded at the request of Vice-Chairman O'Brien. Director Savitsky said that at the Finance meeting the original number was reduced from \$667,000 to \$625,000 and \$60,000 was pulled out and the final number was rounded to \$607,000. Mr. Bolduc said that \$118,000 of that figure was not identified as it pertains to legal costs. Director Savitsky asked that the record show that the sum total of the individual parts does not agree with the number and is a combination of rounding and the legal costs.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
David Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
Mark Lauretti	X		
Theodore Martland	X		
Linda Savitsky	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Warren C, Howe, Jr., Wallingford			
Geno Zandri			

RESOLUTION REGARDING THE ADOPTION OF THE FISCAL YEAR 2010 GARBAGE MUSEUM OPERATING BUDGET

Chairman Pace requested a motion to approve the above referenced motion. Vice-Chairman O'Brien made the motion, which was seconded by Director Miron.

WHEREAS: The Garbage Museum has collected a total of \$99,000.00 from admission fees and museum tours, donations and grants, and fundraising activities; and

WHEREAS: The Garbage Museum will receive a fund transfer of \$100,000.00 from Southwestern Connecticut Regional Recycling Operating Committee (SWEROC) as approved at their July 8, 2009 meeting; therefore be it

RESOLVED: That the fiscal year 2010 Garbage Museum Operating budget totaling \$199,000.00 be adopted as presented at this meeting.

Director Edwards said that this budget includes means to keep the Garbage Museum open for hopefully another year. He credited the efforts of Mr. Nonnenmacher and Mr. Kirk and said that this is a smaller budget than in the past and that the SWEROC project is pleased to be able to keep the doors open using these efforts and concessions.

Director Damer asked whether the \$99,000 has been collected or is anticipated for collections. Mr. Nonnenmacher explained the answer is both. He said the museum began collecting fees last September knowing that there would be a change to funding. He said that the fee structure did not anticipate the economy change or the plunge in the commodities market.

Mr. Nonnenmacher said the SWEROC Board allowed the museum to accrue the fees as a reserve for FY'10 and that close to \$60,000 in contributions was collected. He said the Museum expects another \$40,000 to \$50,000 through fees in the upcoming year and along with the \$100,000 SWEROC provision that the museum will be able to stay open this coming fiscal year. Mr. Nonnenmacher thanked the Board for assisting with a salary provision.

Mr. Nonnenmacher said that the Museum staying open will provide for the sourcing of additional funds and also provide potential donors the security of an ongoing operation.

Mr. Kirk noted that management plans to have the September Board meeting in Stratford.

Director Savitsky asked that a monthly report on the museums numbers be provided for the Board. She said that keeping the museum open needs to be looked at as part of the core message of CRRRA. Director Edwards said that SWEROC has made the same requests and that any reports provided to them should also go to the Board.

Director Miron asked if there is a Committee that looks at the ability of the museum to perform concerning public relations efforts as well as an educational component. Chairman Pace said that the Policies and Procurement Committee will be taking a look at these factors. Mr. Nonnenmacher said that additional information will be added to the informational section of the Board package which currently contains numbers and attendance reports from the museums.

Mr. Nonnenmacher thanked the Accounting and Finance department for setting up accounts to assist with fundraising and reserving funds to keep the Museum open.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
David Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
Mark Lauretti	X		
Theodore Martland	X		
Linda Savitsky	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Warren C, Howe, Jr., Wallingford			
Geno Zandri			

RESOLUTION REGARDING DISTRIBUTION OF RECYCLING REBATES TO MID-CONNECTICUT PROJECT MEMBER MUNICIPALITIES

Chairman Pace requested a motion to approve the above referenced motion. Vice-Chairman O'Brien made the motion, which was seconded by Director Damer.

WHEREAS, The Authority 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 Authority spent \$3 million to install single-stream sorting equipment its Mid-Connecticut Project Regional Recycling Center with the expectation that single-stream recycling would increase recycling in its member cities and towns; and

WHEREAS, Mid-Connecticut Project cities and towns delivered more than 79,000 tons of recyclables in FY 2009; and

WHEREAS, While recycling tonnages decreased from year to year in the remainder of the state, the Mid-Connecticut Project cities and towns delivered approximately 81,000 tons of recyclables in FY 2009, an increase of about 2%; and

WHEREAS, The Board of Directors adopted the FY 2009 Mid-Connecticut Budget that included a \$10.00 per ton rebate provision for member municipalities based on the amount of acceptable recyclable tons annually delivered; and

WHEREAS, Despite the unfavorable commodity market conditions, the Mid-Connecticut Project Regional Recycling Center operations generated sufficient revenues in excess of expenses to rebate \$5.00 per ton delivered by the municipalities; now therefore be it

RESOLVED: That the Board of Directors approves the use of approximately \$405,000.00 to provide a \$5.00 per ton rebate to the municipalities based on their pro-rata share of acceptable recycling tonnage delivered to the Mid-Connecticut Regional Recycling Center system.

Director Savitsky said that the third whereas in the write-up should be 2009 and not 2008. Vice-Chairman O'Brien noted that his motion includes that amendment.

Director Savitsky said that this item was discussed in depth at the Finance Committee meeting. She said that if these monies are distributed in July or August it is not inconceivable that those municipalities may book this as 2009 revenue. She said that if this occurs the public-relations impact would be lessened. Director Savitsky said that she is prepared to table this motion until September.

Vice-Chairman O'Brien said that he supports this resolution and that it is up to the towns to book for these funds as they see fit. He said he also believes it should be done now because this resolution is not for public-relations impact but because this is the right thing to do. Vice-Chairman O'Brien said that this rebate was provided as an incentive to return recyclables. He said in return solid-waste costs are reduced for the towns and that a portion of the money earned is returned to the towns as a reward.

Chairman Pace said that he was in support of this resolution. He said that as public official he can vouch that towns will be appreciative of any additional funds. He noted it is not the \$10.00 of last year but it is still more of a rebate than management had expected.

Director Savitsky said that there were not firm numbers for June at the Finance meeting which is cause for concern. Director Laretti asked when that issue would be wrapped up. Mr. Bolduc said that those numbers will be wrapped up in August.

Mr. Bolduc said that the dollars are not certified until the auditors come through, however the tonnage numbers are in and have been used to establish these numbers. Vice-Chairman O'Brien said that Mr. Duvall has also verified both the tonnage and the dollars with the plant operator.

Mr. Kirk said that MSW tonnage is down substantially due to economic activity. He said recycling tonnage is up slightly and the percentage increase works out to about a 7.8% increase which offers proof positive of the benefit of single-stream recycling which was embraced by the haulers. He said it is notable to see a 7.8% increase in recycling at a time when trash tonnage reports have dropped by more than 10%.

The motion previously made and seconded was approved by roll call. Director Savitsky voted no.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
David Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
Mark Lauretti	X		
Theodore Martland	X		
Linda Savitsky		X	
Ad-Hocs			
Steve Edwards, Bridgeport			
Warren C, Howe, Jr., Wallingford			
Geno Zandri			

POLICIES & PROCUREMENT COMMITTEE

RESOLUTION REGARDING BOARD APPROVAL RESOLUTION REGARDING EMERGENCY PROCUREMENTS FOR WASTE EXPORTS

Chairman Pace requested a motion to approve the above referenced motion. Vice-Chairman O'Brien made the motion, which was seconded by Director Lauretti.

RESOLVED: That the CRRA Board of Directors ratifies the Emergency procurement as substantially presented and discussed at this meeting.

Chairman Pace said that the definition of emergency was discussed in depth at that Policies & Procurement meeting. He said it is important to note that the haulers don't like long lines and it costs CRRA substantial dollars.

Vice-Chairman O'Brien noted that he was making the motion noting that unless there is reasonable belief by the Directors that this does not qualify as an emergency the Board has little discretion in this matter.

The motion was approved unanimously by roll call.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
David Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
Mark Lauretti	X		
Theodore Martland	X		
Linda Savitsky	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Warren C, Howe, Jr., Wallingford			
Geno Zandri			

ITEMS 2-5

Ms. Hunt explained that any contract with a payment of over \$50,000 in a 12 month period requires two thirds of the full Board (eight votes) which is currently not available at this meeting.

Chairman Pace noted that he had heard a replacement for former Director Cooper had been nominated and that he will follow up on the appointment and meet with the new Director when appropriate.

RESOLUTION REGARDING THE ADOPTION OF THE REVISED MID-CONNECTICUT PERMITTING, DISPOSAL AND BILLING PROCEDURES

Ms. Hunt said that any policy that effects CRRA’s interaction with the public needs 30 days notice and eight votes. Chairman Pace explained this matter to Mr. Paine.

Director Damer said that on page A-3 under the definition for glass, food and beverage containers there is a comma missing.

Chairman Pace asked that it be made clear for the record that the revisions to the billing procedures are not an attempt by CRRA to enforce flow control for commercial recyclables. Mr. Kirk said that is correct. Mr. Gaffey said that state statues do not allow for this authority within CRRA.

CHAIRMAN’S REPORT

Director Griswold said that the Mid-Connecticut Advisory Committee (hereinafter referred to as “MAC”) meeting had been attended by many of the member towns. He said the MAC was successful in passing modified bylaws that stipulated that 25% of the member towns (or 18 towns) are necessary for a quorum to be present.

Director Griswold said that there was discussion which determined a delegate may represent more than one town if he or she possesses prior written notice. He said Steve Wawruck of Windsor

Locks was nominated as Vice-Chairman. He said that a Chairman will be elected at the next meeting. Chairman Pace said it is important to keep all 70 towns aware of the importance of their participation.

Director Griswold said that there was a healthy discussion on MSW trends, recycling and single-stream recycling. His said the group was updated on the boilers and the \$6.00 credit per town. Director Griswold said that Mayor Currey had suggested that while there is no action required by member towns to receive the credit that perhaps an affirmation from the towns should be taken. Mr. Bolduc said that 18 towns have elected to defer and provided indication of this preference.

Director Griswold said that Mr. Kirk had addressed the issue of leakage of tonnage from the system which affects the fees directly and results in 40-50 thousand diverted tons a year. He said there was discussion on the Franklin ash landfill and the potential \$9.00 per ton savings that may result. Director Griswold said that there was also discussion on post-2012. Chairman Pace said that he will send a communication to Mayor McCoy of Vernon stating that he will be happy to educate him on the particulars of the statutes, contract and whether departing towns from the Mid-Connecticut Project would be compensated from the Franklin reserves.

Chairman Pace said during a meeting between the Executive Committee and the MDC representatives an agreement was made concerning the exchange of information between actuaries. He said a second follow-up meeting is planned to discuss the issue of the dollar value, if any, owed to MDC by CRRA concerning post-retirement benefits.

Chairman Pace said that the August retreat for the CRRA Board is tentatively planned for August 27, 2009. Director Savitsky suggested that the annual retreat be placed on the typical Board meeting schedule for the future.

PRESIDENT'S REPORT

Mr. Kirk said that the recycling rate for the Mid-Connecticut Project rose 7.8% and there was not a similar rise in the Southwest Project which he believes is due to a lack of single stream recycling.

Mr. Kirk said that concerning tonnage the effects of the economy continue to be apparent in diversions due to unprecedented discounts at private facilities during the summer months. Mr. Kirk said these discounts have exacerbated the diversion problem.

Mr. Kirk said Wheelabrator is continuing to accept CRRA controlled waste. He said that discussion continues with Wheelabrator and that CRRA does not intend to pay for any shortfall as long as Wheelabrator continues to accept flow-controlled waste.

Mr. Kirk said that at the Mid-Connecticut Project power side unscheduled outages due to pressure-part failures continue to be a problem. He said that management is creating a plan to address the availability issue in cooperation with CRRA's contractor Covanta. Mr. Kirk said it will likely require justifiable capital spending to fortify the pressure parts inside the boiler. He said management believes this is the best option for CRRA to increase the availability and reliability at the facility.

Mr. Kirk said a recent inspection of a 5.5-million storage fuel tank at the Mid-Connecticut facility has indicated an area of concern. He said that management anticipates a repair will be required and there is no cheap way to do so. Mr. Kirk said although there are significant reserves for jet repairs

management will fully explore the issues as repair costs will be expected to be a minimum of \$1 million.

Chairman Pace asked why there is so much oil on site if the jets burn 4,000 gallons an hour. Mr. Kirk said that they run 168 hours a year. Chairman Pace asked why CRRA pays to store all that fuel. Mr. Kirk said that CRRA's contractor pays for the storage and that when the jets are running there are not enough trucks in the state to keep it fueled. Mr. Kirk said that management believes that the amount of fuel necessary to keep the jets available is 800,000 gallons. The Board discussed options for the fuel tank repair and/ or replacement.

Director Savitsky asked why the larger cities have such lower recycling tonnage in terms of their population. Mr. Gaffey said the challenge with big cities is multi-family housing where the owner and/ or managers are not typically in synch with the cities' mission of recycling and are not properly making provisions for recycling containers for the residents of those apartments to appropriately recycle.

Mr. Gaffey said that the City of Hartford has a program under way to get those property managers on board. He said that in the Southwest region Mayor Finch is planning for conservation corps to go door to door, a program that Mr. Nonnenmacher and the educators are assisting with. Mr. Gaffey said in Milford a letter is being sent from the Department of Public Works to all condos and apartment owners alerting them that their haulers have to be permitted with the City and also that there is a requirement that their recyclables have to go to the Stratford recycling facility.

Mr. Kirk said that single-stream recycling is the best way to get to those multi-family homes as one container can provide for the entire building. He said the faster CRRA can implement single stream in Stratford the better. Director Edwards noted that Bridgeport nearly doubled its recycling.

Mr. Nonnenmacher said that the program in the City of Hartford involved educating residents' on the implementation of single stream in about 4,000 homes. He said that recyclables year to year are up about 40-50% and that the City of Torrington rolled out single stream in June and recyclables between May and June more than doubled. Mr. Nonnenmacher said that the combination of single stream along with public awareness and education builds momentum and does work.

Director Griswold said that he had recently attended a trade conference concerning the energy block grant. He said he believes if the towns want to buy the carts for single stream that those funds can be used for that purpose and that every town gets at least \$25,000.

LEGISLATIVE UPDATE

Chairman Pace said that Mr. Bzydra's report was well written and self explanatory. The Board agreed.

RECESS

The Board took a brief recess between 11:10 a.m. and 11:42 a.m.

EXECUTIVE SESSION

Chairman Pace requested a motion to enter into Executive Session to discuss pending litigation. The motion made by Vice-Chairman O'Brien and seconded by Director Savitsky was approved unanimously by roll call. Chairman Pace requested that the following people remain for the Executive Session, in addition to the Board members:

Tom Kirk
Jim Bolduc
Laurie Hunt, Esq.

The Executive Session began at 11:42 a.m. and concluded at 12:57 p.m. Chairman Pace noted that no votes were taken in Executive Session.

The meeting was reconvened at 12:57 p.m., the door to the Board room was opened, and the Board secretary and all members of the public (of which there were none) were invited back in for the continuation of public session.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
David Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
Michael Jarjura	X		
Mark Lauretti	X		
Theodore Martland	X		
Linda Savitsky	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Warren C, Howe, Jr., Wallingford			
Geno Zandri			

ADJOURNMENT

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

The meeting was adjourned at 12:58 p.m.

Respectfully submitted,



Moira Kenney
Secretary to the Board/Paralegal

TAB 2

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND FIFTY-SIXTH JULY 30, 2009

A Special Telephonic Meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, July 30, 2009, at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Chairman Michael Pace (present by telephone)

Directors: Alan Desmarais
 Michael Jarjura (present by telephone)
 Timothy Griswold (present by telephone)
 Mark Lauretti (present by telephone beginning 11:10 a.m.)
 Ted Martland (present by telephone)
 Nicholas Mullane
 Ray O'Brien
 Linda Savitsky

Present from CRRA management:

Jim Bolduc, Chief Financial Officer
Peter Egan, Director of Environmental Affairs
Laurie Hunt, Director of Legal Services
Richard Kowalski, Operations Engineer
Moira Kenney, Secretary to the Board/Paralegal

Also Present: Richard Goldstein of Pepe & Hazard

Chairman Pace requested that Vice-Chairman chair the meeting. Vice-Chairman O'Brien called the meeting to order at 10:05 a.m. and noted that there was a quorum.

PLEDGE OF ALLEGIANCE

Vice-Chairman O'Brien requested that everyone stand for the Pledge of Allegiance, whereupon the Pledge of Allegiance was recited.

PUBLIC PORTION

Vice-Chairman O'Brien 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.

No members of the public were present.

**RESOLUTION REGARDING APPROVAL OF AN AGREEMENT FOR DOZER
COMPACTION SERVICES**

Vice-Chairman O'Brien requested a motion to approve the above referenced motion. Director Martland made the motion, which was seconded by Chairman Pace.

RESOLVED: That the President, in accordance with the Connecticut Resources Recovery Authority's Procurement Policies and Procedures, is hereby authorized to execute an agreement with Tabacco and Son Builders, Inc for dozer compaction services at the Mid-Connecticut Waste Processing Facility, substantially as presented and discussed at this meeting.

Vice-Chairman O'Brien said that this item is well documented and clearly explained.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Alan Desmarais	X		
Timothy Griswold	X		
Michael Jarjura	X		
Theodore Martland	X		
Nicholas Mullane	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			

**RESOLUTION REGARDING THE ADOPTION OF THE REVISED MID-CONNECTICUT
PROJECT PERMITTING, DISPOSAL AND BILLING PROCEDURES**

Vice-Chairman O'Brien requested a motion to approve the above referenced motion. Director Jarjura made the motion, which was seconded by Chairman Pace.

RESOLVED: That the Board of Directors hereby adopts the revisions to the Mid-Connecticut "Permitting, Disposal and Billing Procedures" that adds procedures for single stream recycling, that add procedures for white metals, scrap/light weight metals and mattresses, box springs, sofas and couches, that updated the billing procedures to reflect current practices and that make other editorial and minor changes, substantially as discussed and presented at this meeting.

Ms. Hunt said that she was able to confirm that the changes suggested by Mr. Paine had been made to the procedures. She said that to the end of the definition of acceptable recyclables on page one a sentence was added which reads, "Nothing herein shall be construed as requiring the shipment of solid waste generated by and collected from commercial, institutional, industrial, and other

establishments located within the corporate limits of any participating municipality for processing by and disposal at the recycling facilities.” She explained that CRRA has the ability to take those materials but the haulers are not required to bring them.

Chairman Pace asked whether that satisfies the concerns of Mr. Paine and the haulers. Ms. Hunt said she had explained the change to Mr. Paine. She said the additional sentence was being inserted so that language will not be misinterpreted.

Director Savitsky asked if this will affect CRRA’s goal to increase the level of recycling in the State of Connecticut. She said the statement does not apply to commercial properties where it has always been a significant challenge to increase recycling. Director Savitsky said it is her concern that CRRA is inadvertently taking action which may hurt recycling efforts.

Vice-Chairman O’Brien said he had raised the suggestion to incorporate language concerning flow control because CRRA does not have the authority to require solid-waste delivery from commercial establishments. He said the only way that can presently be accomplished is through a flow-control ordinance, enacted by the municipalities, which does in fact require municipalities to order that recyclables collected in their towns to be delivered to CRRA.

Ms. Hunt said as the statute currently reads the towns do not have the ability to flow control commercial recyclables. Director Jarjura said the legislature would address the issue further if it becomes an issue in the future.

Vice-Chairman O’Brien said he thought the towns could do this provided it was delivered to a publicly-owned facility. Ms. Hunt said that is true of other solid waste and not true of commercial recyclables.

Ms. Hunt said the Board of Directors can make changes to the internal policy if necessary.

Chairman Pace said this subject will be a discussion item at the August Board meeting. He said it is CRRA’s role to collect recyclables for CRRA, however the bigger role for CRRA is to try to reach the recyclable figures contained in the CT DEP’s solid waste management plan.

Vice-Chairman O’Brien asked whether the effective date for the policy is still August 1, 2009. Ms. Hunt replied that was correct. Director Savitsky asked whether making changes will have an impact on the effective date of the policy. Mr. Hunt replied the answer is no.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Alan Desmarais	X		
Timothy Griswold	X		
Michael Jarjura	X		
Theodore Martland	X		
Nicholas Mullane	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			

RESOLUTION REGARDING ENGINEERING AND ENVIRONMENTAL CONSULTING SERVICES TO SUPPORT DEVELOPMENT OF AN ASH RESIDUE LANDFILL

Vice-Chairman O'Brien requested a motion to approve the above referenced motion. Director Martland made the motion, which was seconded by Chairman Pace.

RESOLVED: That the President is hereby authorized to enter into a Request for Services with TRC Environmental Corporation to provide engineering and environmental consulting support services associated with development of an ash residue landfill, substantially as discussed and presented at this meeting, and

FURTHER RESOLVED: That the President is hereby authorized to expend funds from the Landfill Development Reserve Account for such engineering and environmental consulting services, in accordance with CRRA's Procurement Policies & Procedures.

Director Savitsky said she was under the impression that Director Damer requested more information on this matter be provided before it was brought to the full Board for approval. Chairman Pace said that he believed that Mr. Kirk had provided Director Damer with the information he requested after the meeting.

Director Martland asked whether the legislature had tried to overturn the Governor's veto on the bill concerning the Franklin landfill. Director Savitsky replied no.

Vice-Chairman O'Brien said CRRA needs to move forward concerning this issue. He said the work can be stopped at any time, and has already been stopped once when SB 3 was going through. He said he believes management needs to keep moving ahead to answer and respond to questions posed by the CRRA Board and those contained in the Governor's veto message.

Vice-Chairman O'Brien said he believes the cost impact of not moving ahead is far greater than the cost impact of stopping and starting again. He urged the Board to move forward on both this item and the next item on the agenda.

Chairman Pace said that dollars needed here are for moving forward and that if something comes up the work can be stopped. He said he thinks CRRA needs to move forward.

Director Martland asked whether the DEP can do anything without CRRA's data. Mr. Egan said that the DEP can not take any official action until CRRA submits the permit application package. He said the activities performed in the last 12 months are designed to generate the necessary research data.

Chairman Pace asked Mr. Egan to explain the steps which will be taken in the next three to six months.

Mr. Egan said that in the last year a variety of activities have been performed in order to investigate the site to determine whether there are any significant issues that would prevent a landfill from being developed there. Mr. Egan said the four main issues were traffic; threatened and endangered species; any historical or anthropological historical activities on the site which CRRA activities would disrupt; and, lastly, if the aquifer under the site is of the size that would yield a potential significant future water supply (in which case the government would not allow a landfill to be sited).

Mr. Egan said that management has looked at all four issues over the past year, most recently the aquifer. He said that none of the potential problems poses an issue that would stop a landfill from being sited at this location. He said there are no significant traffic issues. Mr. Egan said that three species, two plants and a reptile, were looked for on-site and that one of the plants and the reptile were found on-site but not in an area that would cause concern or stop the development of the landfill.

Mr. Egan said data concerning the archeological search identified some artifacts and evidence of historical items but not in the area where the landfill would be located. He said that investigations are needed but based on initial screenings it will not be an issue to prevent the landfill siting.

Mr. Egan said that a very large pump test project was just completed the following week. He said management worked with the CT DEP over the winter and was delayed for a few months based on comments from the CT DEP to make the investigation even more conservative than initially planned. He explained that a second pump test well was installed. Mr. Egan said that in summary management has determined this is a fairly confined small aquifer and that significant pumping almost immediately affects Cold Brook.

Mr. Egan said that the Cold Brook is located on the Western side of the Site. Mr. Egan said that because the pumping affects the Cole Brook the CT DEP and the department of public health would not permit a supply well to be situated in this area. Mr. Egan said that it is a class A stream which is groundwater fed and contains a threatened species. He said any impacts of pumping wells on this stream would not be allowed.

Mr. Egan stated that in summary this aquifer in the area where landfill development is planned could not serve as an aquifer for a significant water supply. He said that management has answered the four key questions and is now at the point where the investigation can be completed and a final permit application can be developed. Mr. Egan said the current resolution on the table details approximately \$1 million worth of engineering and site investigation which can be completed by the close of the calendar year with dedicated work by both CRRA and its consulting contractor. He said the activities are outlined and in particular further anthropological investigation is needed and bedrock

monitoring wells must be installed, and sampling of the sediment on the bottom of the Shetucket River must be conducted. Mr. Egan said that in addition the engineering design for the landfill must be created. He said that the three dimensional subsurface water quality model must be completed, populated and calibrated with the actual field data generated from the site in order to model the leachate discharge to the Shetucket River.

Mr. Egan said the engineers who understand the site at this point are comfortable that the Shetucket has adequate volume to provide assimilation abilities to assimilate a leachate plume. He said these activities will take place over the next five months in order to assemble a final permit application to be submitted to the DEP.

Director Jarjura said he believes it is key that management present the final permit application before the General Assembly goes back into session January and February because this way a formal application will be in with the regulatory agency which plays in to what the Governor was asking for.

Chairman Pace asked Mr. Egan approximately how much money has been used for the investigative process this far. Mr. Egan replied the engineering portion has cost about \$1.1 million, legal about \$220,000 and public communications a little less then \$100,000. He said that in total approximately \$1.5 million has been expended.

Chairman Pace asked if it would cost around \$1 million to submit the permit to the DEP. Mr. Egan said this was correct.

Director Desmarais said it is important to address the elephant in the room. He said the legislature said "don't put it there" and that the Governor, who rejected the bill due to bad policy, said "I don't think it should go there". He said there is a town which, as an advisory, had a vote which said "don't put it there." He said he believes that CRRA has to address publicly why it is moving forward with this.

Director Jarjura said CRRA is moving forward because it is unlikely there is any other suitable location in the State of Connecticut. He said he believes if the policy makers really think about it, without the Franklin landfill all municipalities will experience about a \$10.00-per-ton tipping fee increase over time. He said he believes the application needs to be sent in and then the regulatory bodies can be in place for the presentation of the argument.

Chairman Pace said the key thing which was said by Governor Rell is that the politics should not override what is already part of the legislative and regulatory process of the DEP's review. He said that is what CRRA is doing, following through on the obligation it has and bringing all that material to the DEP for hearings and an eventual decision. Chairman Pace said it becomes the right of the DEP to go through the protective process to review the data and to then make a final decision based on its policies and procedures.

Vice-Chairman O'Brien said that reading the plain English of the Governor's message he would disagree with Director Desmarais. He said she did not say "it shouldn't go there," she said she "questioned whether or not a new landfill is needed." He said that CRRA needs to address those concerns. Vice-Chairman O'Brien said that one of those concerns is the Putnam landfill.

Chairman Pace said what CRRA is doing is meeting its obligation by bringing materials through application to the DEP. He said CRRA has to show need and the non-environmental impact.

Chairman Pace said CRRA has also publicly stated it will offer the Town of Franklin the option of hiring its own independent engineer which CRRA will pay for.

Director Jarjura said this step provides CRRA with enough data to submit the application to DEP and then go through the regulatory process. Ms. Hunt said this action can be terminated at any time the Board requests or if there is any indication that this should not go forward.

The motion previously made and seconded was approved by roll call. Director Savitsky voted “no.”

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
David Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
Michael Jarjura	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Raymond O'Brien	X		
Linda Savitsky		X	
Ad-Hocs			

RESOLUTION REGARDING PROJECTED LEGAL EXPENDITURES

Vice-Chairman O'Brien requested a motion to approve the above referenced motion. Director Martland made the motion, which was seconded by Director Jarjura.

WHEREAS, CRRA 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 2010 projected legal fees; and

WHEREAS, CRRA expects to incur greater than authorized legal expenses in connection with its development of a new ash landfill;

NOW THEREFORE, it is RESOLVED: That the following additional amount be authorized for projected legal fees and costs to be incurred during fiscal year 2010:

Firm:

Amount:

Brown Rudnick

\$300,000

Further RESOLVED: That the President be authorized to expend up to \$300,000 from the Landfill Development Reserve Account for payment for legal fees incurred in fiscal year 2010 in connection with the Authority's development of a new ash landfill in the State of Connecticut.

Director Savitsky asked why Brown Rudnick's services were needed if this is currently an engineering issue. Mr. Egan said, concurrently, CRRA is continuing to negotiate with the property owners and is close to completing a land evaluation and making a subsequent offer.

Mr. Egan said CRRA's legal counsel will also provide support for the DEP application as it will go to a public hearing. He said that Brown Rudnick will support CRRA and TRC in ensuring the permit is assembled correctly.

Director Savitsky said CRRA is not doing that step now. Mr. Egan said CRRA will be assembling the permit application over the course of the next five months and preparing a number of permit applications for submittal to the DEP. He explained the CT DEP will then review those permit applications and if the commissioner of the DEP issues a tentative determination in favor of this there will be a public hearing which consists of a series of meetings. Mr. Egan said legal counsel is necessary for these meetings and, accordingly, must be involved in permit application assembly, to ensure that the permit applications that CRRA submits are complete, accurate and defensible.

Director Desmarais said that it sounds like that except for working with the current owners of the land the current stage of the process which management is involved in has a minor use of legal counsel which will not increase until the permit application point. He said that like Director Savitsky pointed out where CRRA goes with this matter requires continued communication with the public. Director Desmarais said how this is addressed in public is important so that CRRA does not appear arrogant. He said that he agreed with Chairman Pace's statements thus far.

Chairman Pace said in response to how CRRA will appear to the public the answer is no. He explained CRRA has done everything it can and the record shows that CRRA is everything but arrogant. Chairman Pace asked Mr. Egan if CRRA continues to make outreaches to the town government.

Mr. Egan said that was correct. Director Martland said that he interrupted Director Desmarais's comment as CRRA needs to continue that outreach. Chairman Pace said that he agreed but wanted to state for the record that CRRA makes every effort to make outreaches.

Director Desmarais said he agrees with Chairman Pace, but the perception that CRRA does behave as such is still out there. He asked how CRRA can address the perception that may present if it moves forward using an argument that this is its legal obligation. Director Desmarais said he would like to talk more about how CRRA will communicate to the public when taking action and how it is going to move forward. He said by approving the engineering portion but not the legal allows for pause, Director Desmarais said CRRA can continue on with the application and figure out how to communicate it.

Chairman Pace said Director Desmarais's comments will be taken into consideration when CRRA moves forward. He said without the legal piece it is basically another way of killing the project.

Vice-Chairman O'Brien asked if a lower number than the one proposed could be accepted and if management could return to the Board at a later date for the remainder of the funds. Mr. Egan said that would not be a problem at all. He explained Director Damer had asked him how far the \$350,000 would take CRRA in this process. Mr. Egan said the \$350,000 is an estimated range from Brown Rudnick (from which Mr. Egan selected the lower end). He said the number includes expected work with the Connecticut Siting Council, and takes management through the entire process including the public hearings later in 2010.

Vice-Chairman O'Brien asked Mr. Egan to come up with a number which would take CRRA through the complete permit application including the other element which Mr. Egan had mentioned. Mr. Egan said that he was certain that \$150,000 would be adequate to get CRRA through the next five months. He said it may be lower than that and he is offering a conservative number.

Director Savitsky asked whether there are any monies left that have yet to be expended on the original expenditure or authorization that was made to Brown Rudnick. Ms. Hunt said that was correct and that nowhere near the approved amount was spent. Director Savitsky asked why management needs a motion when there is open money. Ms. Hunt said that is because CRRA does not carry over the money from one fiscal year to the next. Mr. Bolduc said that CRRA operates on a cash basis. Director Desmarais said this is not on the reserve. Director Savitsky said from a government accounting perspective management still has the authorization.

Ms. Hunt said legal expenses are handled in a different manner than anything else. She explained approval is given for each form over \$50,000 and in each 12 month period a new approval is given in the fiscal year. Ms. Hunt said in May new approvals were granted.

Director Savitsky asked that the Policies & Procurement Committee look at this procedure as it flies in the face of governmental accounting.

AMENDMENT TO THE MOTION REGARDING PROJECTED LEGAL EXPENDITURES

Director Martland offered an amendment to the motion to reduce the authorized amount for projected legal fees and costs to be incurred during fiscal year 2010 for Brown Rudnick to \$150,000.

Chairman Pace seconded the motion to amend the legal fees and costs for Brown Rudnick to \$150,000.

Director Desmarais asked that the topic of communication be included on the agenda of the August Board meeting. Chairman Pace agreed and asked management to see that this topic be addressed. Director Desmarais asked that the motion be tabled until the September Board meeting.

Vice-Chairman O'Brien said that could be done however, he feels that it will hurt the project.

Director Mullane asked whether the item could be revisited at that time after this resolution is authorized and in the meantime provide a summary of what has been authorized and what has been paid so the Board knows what the cost has been. He said if the Board has made an authorization of

significant funds and hasn't paid it then CRRA is performing at a good level. He said \$150,000 as a minimum is reasonable.

Vice-Chairman O'Brien said he thinks that can be done and asked that both firms provide an up-to-date tally of expenses for both engineering and accounting before the September meeting. He said it is appropriate to revisit these issues.

Director Mullane said it should be revisited and not tabled because it doesn't make sense to stop progress on the project.

Vice-Chairman O'Brien said expenditures can be stopped at any time by the Board if necessary.

Director Mullane asked how often the firm reports the monthly financial activities. Ms. Hunt said the legal expenses are reported monthly. He said perhaps the firm can develop a schedule of the scope of work that is being performed and what the schedule cost will be over a specific amount of time.

Director Savitsky asked how many votes are necessary to pass the amendment. Ms. Hunt explained the amendment requires a majority vote but to actually pass the vote requires eight votes.

Chairman Pace said CRRA is making a strong business decision and that everything else including communication is peripheral. He said this is a business decision for this company and the State of Connecticut. He said he understands that eight votes are necessary, however, the collective wisdom of the Board has to outweigh some of the peripheral discussion which is happening. He said the concept of the eight votes is to achieve solidarity and not to have one vote stop the process.

Vice-Chairman O'Brien said he agrees with Chairman Pace and also agrees that communication is an integral part of this whole process and has been addressed as such all along.

Chairman Pace said that he agrees with Director Desmarais and that further communication efforts can start immediately with Mr. Paul Nonnenmacher, Director of Public Affairs.

Director Mullane said that as a new member of the Board he can state that the Board is in a necessary business and although it may be unpleasant at times the Board has the job. He said the Board has to continue to remind people that not everyone CRRA is required to control, cooperate and or interface with may not be cooperative and at times constructive in this task. Director Mullane said the CRRA Board has to remind the public that its responsibilities are a necessary evil which has to be done in the most cost efficient manner and it is their responsibility to go through what is presently taking place in regards to due process and exhaust all of the research necessary to provide and answer to the public. He said the public may not like the answer, but there may not be another answer available. Director Mullane said there may be many improvements if there is more cooperation from those who contribute from the product to the stream. He said he supports the resolution on the table.

Director Desmarais said he is going to vote "no" on the amendment, which will not make a difference on the amendment. He said he is also going to vote "no" on the original resolution. Director Desmarais said he is for the landfill but management needs to go forward with communication. He said he knows how important communication is and unless there is a plan to go forward with communications CRRA will look like the bad guy and kill this landfill.

Director Lauretti asked what the communication is that Director Desmarais is referring to. He replied the communication is how CRRA gets the word out about what it is doing and how it hopes to accomplish it. Director Desmarais asked why CRRA is flying in the face of everything that people have said. He said it is the right business decision but if the right business decision is perceived wrongly than the landfill is dead. He said management needs to do a job selling why the landfill is the right thing and why it is moving forward.

Director Martland asked Director Desmarais if Mr. Nonnenmacher can be directed to come up with a plan for his requests.

Chairman Pace asked whether management has a public relations company on retainer. Ms. Hunt replied that is correct. He asked that immediately following this meeting that Mr. Nonnenmacher call Director Desmarais and Vice-Chairman O'Brien and Director Savitsky to provide input to add to the communications efforts by CRRA. Chairman Pace also asked Mr. Egan to call the Franklin selectmen in advance and let them know of the votes taken in the meeting. He said with these actions CRRA will have the contractual obligation in place to begin public relations immediately and if need be he is willing to travel directly to Franklin to speak with its public officials.

Vice-Chairman O'Brien asked that the vote be called on the amendment.

The amendment to the motion previously made and seconded was approved by roll call. Director Savitsky, Director Jarjura, and Director Desmarais voted no.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Alan Desmarais		X	
Timothy Griswold	X		
Michael Jarjura		X	
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Raymond O'Brien			
Linda Savitsky		X	
Ad-Hocs			

CONTINUED DISCUSSION ON THE AMENDED MOTION REGARDING PROJECTED LEGAL EXPENDITURES

Director Savitsky said a group had been put together to discuss communications. Director Desmarais said communication is not going to be rectified by having Pita Communications put together a glossy package. She said there are much bigger communication problems. Director Savitsky

said the way she counts the votes this is going to fail. She said the Board can let it fail or table it until the September meeting to have a much more robust conversation that was requested at the last Board meeting. Director Savitsky said that defeating the motion sends one kind of message and tabling it sends another kind of message. She said CRRA is not being coherent about what it needs to do and what the real issues are, which are bigger than what she thinks is being presented here and are much more systemic and invariably may lead to litigation.

Mr. Egan said that with respect to Director Savitsky's comments management has been working very diligently to communicate for the last year and in particular for the last few months while this matter has been at the legislature through CRRA's legislative liaison and directly to the Town of Franklin. He said CRRA has been preparing a report concerning the pump test which is a significant question which all stakeholders have been asking about in the last four months. He said there will likely be a press conference when this report is released in two or three weeks.

Mr. Egan said he is getting the sense that there is a perception that management has done nothing, which is not accurate. Director Savitsky said that is not what they are saying. Mr. Egan said that secondly, with the approval of the engineer and the siting investigations and the permit assembly, one of his next phone calls will be to the CT DEP to set up a meeting where the various programs are brought in which will work with CRRA to assemble the permit applications. He said management will go in with TRC and it is important that management has legal counsel at these meetings as discussion concerning the permit application takes place. Mr. Egan said it is important that management prepare correctly with attorneys as the permit application is assembled from the start because this will be a contested matter in a public hearing. He said he would like to set up meetings in August and requested that some funds be available for legal counsel immediately.

Chairman Pace asked whether there are any legal funds that can be expended without the passage of this motion. Mr. Egan said the answer is no because the money comes from a reserve which requires Board approval. Director Savitsky said there is an authorization from the prior year. Mr. Bolduc clarified the process. He explained that there is a Board-designated reserve but that the only way money can come out of the reserves is when the Board authorizes that money.

Chairman Pace said if he had interpreted this then Mr. Egan's hands are tied from moving forward. Mr. Egan said this is accurate to an extent. He explained he is not inclined to set up meetings at the DEP without the ability to bring an attorney to support the permitting effort. He said doing so is not a good way to operate.

Chairman Pace asked Mr. Egan what the risk of moving forward without legal advice is. Mr. Egan said the risk is that management would assemble a permit application without having an attorney prepare the strategy on successfully advocating and negotiating the permit through the process.

Director Desmarais asked Mr. Egan how responsive the DEP has been in setting up meetings. Mr. Egan said the DEP has been fairly responsive, and he would expect that a meeting could be set up within three weeks. Director Savitsky asked whether CRRA has been affected by the many early retirements at DEP. Mr. Egan replied not that he has seen.

Vice-Chairman O'Brien said he would not support a motion to table. He said the Board has already made the major appropriation to get the engineering portion done. Vice-Chairman O'Brien said, secondly, a major compromise in the amount of the resolution for legal services has been accomplished and, thirdly, he has heard the Chairman of the Board (in whom he has a great amount of

faith) state that communications will get done. He said, to borrow Director Savitsky's phrase, that if three steps back need to be taken then they will be to vote it down.

MOTION TO TABLE THE RESOLUTION REGARDING PROJECTED LEGAL EXPENDITURES

Director Savitsky made a motion to table the above referenced item. Director Desmarais seconded the motion to table.

The motion to table did not pass. Director Savitsky and Director Desmarais voted yes. Chairman Pace, Vice-Chairman O'Brien, Director Griswold, Director Jarjura, Director Lauretti, Director Martland and Director Mullane voted no.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman		X	
Alan Desmarais	X		
Timothy Griswold		X	
Michael Jarjura		X	
Mark Lauretti		X	
Theodore Martland		X	
Nicholas Mullane		X	
Raymond O'Brien		X	
Linda Savitsky	X		
Ad-Hocs			

VOTE ON THE AMENDED ORIGINAL RESOLUTION REGARDING PROJECTED LEGAL EXPENDITURES

Vice-Chairman O'Brien requested a motion to approve the above referenced motion. Director Martland made the motion, which was seconded by Director Jarjura.

WHEREAS, CRRA 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 2010 projected legal fees; and

WHEREAS, CRRA expects to incur greater than authorized legal expenses in connection with its development of a new ash landfill;

NOW THEREFORE, it is RESOLVED: That the following additional amount be authorized for projected legal fees and costs to be incurred during fiscal year 2010:

<u>Firm:</u>	<u>Amount:</u>
Brown Rudnick	\$150,000

Further RESOLVED: That the President be authorized to expend up to \$300,000 from the Landfill Development Reserve Account for payment for legal fees incurred in fiscal year 2010 in connection with the Authority's development of a new ash landfill in the State of Connecticut.

Director Jarjura asked the other Board members how they could have just approved the engineering portion of this resolution and then not provide management the tools needed to go forward. He said this is a disturbing reflection on the Board. Director Jarjura told Director Desmarais that one day in the future someone will realize there is a big problem in Connecticut in terms of dealing with the ash. He said the disposal will cost municipalities tons of money to dispose of, a cost no one has had to face as of yet due to the efforts and action of the CRRA Board. Director Jarjura said when that hits the fan those municipalities will look around and say what was being done to prepare. He said that he wants to be able to say that he was part of an effort to prepare to deal with this problem and to be able to say that everything that could be done was done. Director Jarjura said he thinks it is a big mistake to not go forward.

Director Desmarais said he agrees with Director Jarjura 100 percent. He said it is the CRRA Board's job to convince people there is a problem, which is his point. He said he can watch CRRA going forward and leave that part to the end and look like bad guys again. He said this project will fail because CRRA looks like bad guys. Director Desmarais said he wants that landfill, we need that landfill, which he understands.

Director Jarjura said if it fails because of the legislature or the Governor the burden will be on that person to explain it to the public eventually why it is going to cost so much more during tight budgets to deal with solid waste. Director Desmarais said they will blame CRRA. Director Jarjura said they will not because the CRRA will have a very dramatic paper record of its efforts.

Director Mullane said one of the other things that he is concerned about concerning the waste stream of the State of Connecticut is that we need to be self-sustaining. He said we cannot depend on shipping out-of-state or elsewhere. He said CRRA has to convince the public that Connecticut has to be self-sustaining.

Director Griswold said it would be nice if the DEP would be on CRRA's side and would come out publicly to support Franklin. He said that the DEP procedure requires that CRRA must submit the application followed by a review and a decision. Director Griswold said if CRRA does not go the full mile to deliver a complete application for the DEP's deliberation then CRRA would be derelict in its duty. He said it is unfortunate that CRRA does not receive support from other areas but he believes that CRRA has to do all it can to get this to the finish line and then leave it to the DEP to deliberate.

Vice-Chairman O'Brien said he does not disagree with anything Director Desmarais is saying except for the part that concerns waiting. He said CRRA needs to do everything the Chairman asked for but to do what Director Desmarais wants done requires more information and waiting. Vice-

Chairman O'Brien said that public relations part does no good if there are still outstanding tasks which need to be accomplished.

Director Desmarais said he agrees with those comments which are why the engineering portion has been approved.

The motion previously made and seconded did not pass Director Savitsky and Director Desmarais voted "no". Chairman Pace, Vice-Chairman O'Brien, Director Griswold, Director Jarjura, Director Lauretti, Director Martland and Director Mullane voted "yes" in favor of the resolution.

Vice-Chairman O'Brien requested the resolution return for consideration by the full Board in September. He thanked Senator McKinney for appointing Director Mullane to the Board and said that he is already contributing.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Alan Desmarais		X	
Timothy Griswold	X		
Michael Jarjura	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Nicholas Mullane	X		
Linda Savitsky		X	
Ad-Hocs			

RESOLUTION REGARDING THE AUTHORIZATION OF A CHANGE ORDER FOR THE SITE IMPROVEMENTS ASSOCIATED WITH AREA 3 REMEDIATION AT THE SOUTH MEADOWS STATIONS SITE

Vice-Chairman O'Brien requested a motion to approve the above referenced motion. Director Martland made the motion, which was seconded by Director Jarjura.

RESOLVED: That the President is hereby authorized to execute a change order to the Exit Strategy TM Contract between CRRA and TRC Companies, Inc. for activities involving site improvements associated with remediation of Area 3 at the South Meadows Station site, substantially as presented and discussed at this meeting.

Vice-Chairman O'Brien said this is a continuation of work. Chairman Pace asked Mr. Egan whether this resolution completes the change orders. Mr. Egan said he expects this is the last significant change order. He said TRC is 90 percent of the way through the remediation. He said TRC is going to undertake a remediation activity and under the contract there are certain activities it is not

responsible for, however, these activities are proper and necessary to maintain the site and these funds (which are budgeted for) are to accomplish those activities.

The motion was approved unanimously by roll call.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Alan Desmarais	X		
Timothy Griswold	X		
Michael Jarjura	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Nicholas Mullane	X		
Linda Savitsky	X		
Ad-Hocs			

EXECUTIVE SESSION

Vice-Chairman O'Brien requested a motion to enter into Executive Session to discuss pending litigation. The motion made by Director Savitsky and seconded by Director Desmarais was approved unanimously by roll call. Vice-Chairman O'Brien requested that the following people remain for the Executive Session, in addition to the Board members:

- Jim Bolduc
- Laurie Hunt, Esq.

The Executive Session began at 11:47 a.m. and concluded at 12:34 p.m. Vice-Chairman O'Brien noted that no votes were taken in Executive Session.

The meeting was reconvened at 12:34 p.m., the door to the Board room was opened, and the Board secretary and all members of the public (of which there were none) were invited back in for the continuation of public session.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
David Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
Mark Lauretti	X		
Theodore Martland	X		
Linda Savitsky	X		
Ad-Hocs			
Steve Edwards, Bridgeport			
Warren C, Howe, Jr., Wallingford			
Geno Zandri			

ADJOURNMENT

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

The meeting was adjourned at 12:34 p.m.

Respectfully submitted,



Moira Kenney
Secretary to the Board/Paralegal

TAB 3

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND FIFTY-SEVENTH

AUGUST 27, 2009

A Special meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, August 27, 2009, at the Old Saybrook Pavilion. Those present were:

Chairman Michael Pace

Directors: David Damer
Alan Desmaris
Tim Griswold
Theodore Martland
Nicholas H. Mullane
Ray O'Brien

Present from the CRRA staff:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Peter Egan, Director of Environmental Affairs & Development
Ron Gingerich, Development Environmental Compliance & IT Manager
Laurie Hunt, Director of Legal Services
Mike Tracey, Director of Operations
Moira Kenney, Secretary to the Board/Paralegal

Also present was: John Pizzimenti of USA Hauling & Recycling

Chairman Pace called the meeting to order at 9:00 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.

With no comments from the public, Chairman Pace stated that the regular meeting would commence.

Chairman Pace welcomed Director Mullane to the CRRA Board of Directors.

Chairman Pace said that there is an article in *the Hartford Courant* which details that two of the top Constitutional Law officers in Connecticut do not support the Franklin Ash landfill. Chairman Pace said that he had held a discussion with the Attorney General, Mr. Blumenthal concerning his comments. Chairman Pace explained that Mr. Blumenthal had explained to him that he will be taking an oppositional stance concerning the Franklin landfill. Chairman Pace said that he had replied that CRRA is under an obligation to look for a site, and that Franklin was the best site as determined by an analysis of the Connecticut Department of Environmental Protection (hereinafter referred to as the "CT DEP") criteria.

Chairman Pace said he reminded Mr. Blumenthal that CRRA puts substantial efforts and funds into furthering recycling efforts. He said that he informed Mr. Blumenthal that CRRA is looking for other alternatives for the Franklin site. Chairman Pace said that he had informed Mr. Blumenthal of the situation with Wheelabrator and that his response was to explain he had introduced legislation last session that would have controlled part of the industry. Chairman Pace said that it was Mr. Blumenthal's understanding that perhaps Wheelabrator had been successful in lobbying against that legislation.

Chairman Pace said that during a discussion with the First Selectman of Franklin he had made it clear that CRRA would never eminent domain the landfill. Chairman Pace said that he believes the First Selectman respects CRRA's position.

Chairman Pace asked the Board to look at a flyer which he had received. He explained that several other Board members have also received a copy of the flyer with their respective photographs featured. Chairman Pace said that a gentleman had stopped at his house on Sunday evening to ask him questions concerning the Franklin landfill. Chairman Pace said that he responded with courtesy and tried to explain CRRA's position. He said that the man agreed with several of the Chairman's explanations, including that the engineering is state of the art, and said however that his group is not in support of the landfill.

Chairman Pace said that the man informed him after handing him the flyer that he had stopped at Chairman Pace's home prior to distributing the flyers around the neighborhood, which was not true. Chairman Pace said that the man had mentioned Senator Edith Prague. Chairman Pace said that he responded by saying the flyer looked to be from an organization which was attempting to put political pressure locally on an elected official for something that relates to another position and that he took exception to this.

Chairman Pace said that he also informed the man that the information on the flyer was not accurate. Chairman Pace said that he had also explained to the man that the home phone number listed on the flyer for Michael Pace was actually that of his son's telephone number. He said that his son let the gentleman know that he had better not be receiving any of these phone calls at his home as they may disturb his family, especially his eight month old baby. Chairman Pace said the man said his group was unaware of this error and said that the flyer will be corrected before it was passed out. The man later returned to Chairman Pace's home and said that he had called people to fix the flyer and refused to identify himself when Chairman Pace asked him who he was and what group he was part of.

Chairman Pace said that during the man's second visit his daughter in-law informed the man that any phone calls will be upsetting the family, a sentiment that Chairman Pace echoed. Chairman Pace

said that despite the man's statement that the phone number issue would be resolved twenty-four hours later his daughter-in law received a call in her home in which the caller said "tell your husband if he knows what's good for him, he'll stay out of Franklin".

Chairman Pace explained that the police were then called and are now investigating the call and threat to Chairman Pace. He said that Safety Commissioner Danaher called Chairman Pace directly expressing concern. Chairman Pace said that he is tired of his family being threatened and harassed and that he is looking for the CRRA Board's approval that management use CRRA's attorneys to look into the harassment of the public officials of the CRRA Board. He said that he wants the person who made that call identified and prosecuted and that he is curious what Senator Prague's role is with the group which created and distributed the misinformational flyers.

Vice-Chairman O'Brien said that he approves of management using the resources available to them to follow up on this harassment and agrees with Chairman Pace's position. He said he had received phone calls from neighbors concerning the flyer. Vice-Chairman O'Brien said that the three people who stopped by his door would not identify themselves but did give him a flyer. He said that he was targeted because he was a "councilman".

Director Mullane said that he received a flyer via fax.

EXECUTIVE SESSION

Chairman Pace requested a motion to enter into Executive Session to discuss pending claims and litigation; real estate acquisition; appraisals, engineering or feasibility estimates and evaluations; trade secrets; attorney client communications; RFP responses; and personnel matters with appropriate staff. The motion made by Vice-Chairman O'Brien and seconded by Director Martland 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
Peter Egan
Ron Gingerich
Laurie Hunt
Mike Tracey

The Executive Session began at 9:33 a.m. and concluded at 12:07 p.m. Chairman Pace noted that no votes were taken in Executive Session.

The meeting was reconvened at 12:17 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.

RECESS

The Board recessed from 12:17 p.m. until 1:50 p.m. for lunch.

EXECUTIVE SESSION

Chairman Pace requested a motion to enter into Executive Session to discuss pending claims and litigation; real estate acquisition; appraisals, engineering or feasibility estimates and evaluations; trade secrets; attorney client communications; RFP responses; and personnel matters with appropriate staff. The motion made by Vice-Chairman O'Brien and seconded by Director Martland 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
Peter Egan
Ron Gingerich
Laurie Hunt
Mike Tracey

The Executive Session began at 1:50 p.m. and concluded at 2:40 p.m. Chairman Pace noted that no votes were taken in Executive Session.

The meeting was reconvened at 2:40 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.

PUBLIC SESSION

RESOLUTION REGARDING ADDITIONAL LEGAL EXPENDITURES

Vice-Chairman O'Brien requested a motion to approve the above referenced motion. Director Desmarais made the motion, which was seconded by Director Mullane.

Vice-Chairman O'Brien noted that there are two corrections to the resolution. He said that the amount has been reduced from \$300,000 to \$20,000 and that in the further resolve the amount expended has also been reduced from \$300,000 to \$25,000 as well.

Vice-Chairman O'Brien noted that a further correction has been made to replace the phrase "its development" in the last whereas with, the "suspension of its efforts to develop a new ash landfill." He also noted that the in the further resolved the phrase "development of a new ash landfill in the State of Connecticut" has been changed to "suspension of its efforts to develop a new ash landfill in the State of Connecticut".

Director Desmarais and Director Mullane accepted those changes as friendly amendments.

WHEREAS, CRRA 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 2010 projected legal fees; and

WHEREAS, CRRA expects to incur greater than authorized legal expenses in connection with the suspension of its efforts to develop a new ash landfill;

NOW THEREFORE, it is RESOLVED: That the following additional amount be authorized for projected legal fees and costs to be incurred during fiscal year 2010:

<u>Firm:</u>	<u>Amount:</u>
Brown Rudnick	\$25,000

Further RESOLVED: That the President be authorized to expend up to \$25,000 from the Landfill Development Reserve Account for payment for legal fees incurred in fiscal year 2010 in connection with the Authority’s suspension of its efforts to develop a new ash landfill in the State of Connecticut.

The motion as amended and discussed was approved unanimously by roll call.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Dave Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
Theodore Martland	X		
Nicholas Mullane	X		
Raymond O'Brien	X		
Ad-Hocs			

RESOLUTION REGARDING ASH LANDFILL.

Chairman Pace requested a motion to approve the above referenced motion. Vice-Chairman O'Brien made the motion, which was seconded by Director Damer.

Ms. Hunt read the resolution aloud for the record.

WHEREAS, the Connecticut Resources Recovery Authority is charged with the provision of solid waste management and disposal services for the benefit of the people and municipalities of the State of Connecticut; and

WHEREAS, as a necessary component of its obligation to provide such services, CRRA is given the responsibility and authority necessary to develop, own and operate ash landfills required for the disposal of the residual ash from the operation of its resource recovery facilities; and

WHEREAS, the Hartford Landfill, the last publicly owned and operated ash landfill in Connecticut, served for many years as the depository for ash from CRRA operations, until, in the interests of environmental justice, CRRA closed it in December 2008; and

WHEREAS, in pursuit of its statutory mission to provide publicly-owned disposal options, CRRA reviewed and analyzed every potential site in Connecticut, including those identified by the DEP as potential ash residue disposal sites, and ultimately determined property in Franklin abutting the Shetucket River (one of the sites identified by DEP) to be the most suitable site meeting DEP criteria for the development of a new ash landfill; and

WHEREAS, for the past 18 months, CRRA and its environmental consultants and engineers have conducted numerous studies and compiled extensive data on the Franklin site, all confirming its suitability for use as an ash landfill; and

WHEREAS, the State Legislature last spring passed a bill which, had it become law, would have prohibited the Authority from acquiring land in Franklin on which to site and develop a new ash landfill, and the Governor subsequently issued a statement in opposition to the development of the Franklin site – the best available site in Connecticut meeting DEP criteria for use as an ash landfill; and

WHEREAS, CRRA construes such votes and statements by State leaders rejecting the determined site to strongly urge CRRA to desist from the development of new ash landfills in Connecticut and pursue other environmentally sound alternative means of ash disposal, despite the fact that, without publically-owned competition, such alternatives will be substantially more expensive;

NOW THEREFORE, IT IS HEREBY

RESOLVED: That, based on its understanding of the directives received from State leaders, CRRA will suspend its efforts to develop an ash landfill in the State of Connecticut indefinitely; and

FURTHER RESOLVED: That CRRA will immediately focus on consideration of other environmentally sound options for long-term disposal of ash residue from its resource recovery facilities, including disposal at other in-state and out-of-state landfills and other options that the CRRA finds beneficial.

Chairman Pace said this resolution concerns some historical events which took place up until yesterday. He said the resolution also contains some discussion that this Board will focus direction on alternative options within the State of Connecticut.

Vice-Chairman O'Brien stated for the record that this resolution flows from the CRRA Board members and others considering input from legislative leaders, the Governor's office and others regarding the Franklin landfill.

Vice-Chairman O'Brien said that the CRRA Board would like to get clarification from the legislative executive leaders with regards to what its responsibilities are concerning the landfill.

Chairman Pace said that the Board will seek to send a letter of clarification and inquiry to legislative leaders for future actions concerning CRRA's responsibilities and to see if there are any other legislative changes that may be made in the near future.

The motion was approved unanimously by roll call.

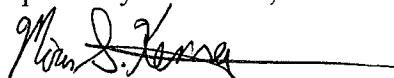
Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Dave Damer	X		
Alan Desmarais	X		
Timothy Griswold	X		
Theodore Martland	X		
Nicholas Mullane	X		
Raymond O'Brien	X		
Ad-Hocs			

ADJOURNMENT

Chairman Pace requested a motion to adjourn the meeting. The motion to adjourn made by Director Martland and seconded by Director Desmarais was approved unanimously.

There being no other business to discuss, the meeting was adjourned at 2:50 p.m.

Respectfully submitted,



Moira Kenney
Secretary to the Board/Paralegal

TAB 4

**RESOLUTION REGARDING THE ANNUAL FINANCIAL
REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Resolved: That the Board hereby accepts the Annual Financial Report for the Fiscal Year Ended June 30, 2009, substantially as discussed and presented at this meeting.

CONNECTICUT RESOURCES

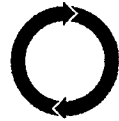
RECOVERY AUTHORITY

DRAFT

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2009

FOR DISCUSSION ONLY



ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED
JUNE 30, 2009

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DRAFT

INDEPENDENT AUDITOR'S REPORT

Board of Directors of the
Connecticut Resources Recovery Authority
Hartford, Connecticut

We have audited the accompanying balance sheet of the Connecticut Resources Recovery Authority (Authority), a component unit of the State of Connecticut, as of June 30, 2009, and the related statements of revenues, expenses, and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Authority for the year ended June 30, 2008, were audited by other auditors whose report, dated September 25, 2008, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2009, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the Connecticut Resources Recovery Authority (the "Authority") activities and financial performance provides an introduction to the audited financial statements for the fiscal years ended June 30, 2009 and 2008. Following the MD&A are the basic financial statements of the Authority together with the notes thereto, which are essential to a full understanding of the data contained in the financial statements.

FINANCIAL POSITION SUMMARY

The Authority's fiscal year 2009 total assets decreased by \$26.3 million or 7.3% from fiscal year 2008 and total liabilities decreased by \$3.4 million or 3.1%. Total assets exceeded total liabilities by \$226.7 million as of June 30, 2009 as compared to \$249.5 million as of June 30, 2008 or a net decrease of \$22.8 million.

The fiscal year 2008 total assets decreased by \$36.8 million or 9.3% from fiscal year 2007 and total liabilities decreased by \$47.5 million or 30.1%. Total assets exceeded total liabilities by \$249.5 million as of June 30, 2008 as compared to \$238.7 million as of June 30, 2007, or a net increase of \$10.7 million.

BALANCE SHEETS

As of June 30,
(In Thousands)

	2009	2008	2007
ASSETS			
Current unrestricted assets	\$ 123,081	\$ 133,044	\$ 124,788
Current restricted assets	28,639	37,409	60,290
Total current assets	<u>151,720</u>	<u>170,453</u>	<u>185,078</u>
Non-current assets:			
Restricted cash and cash equivalents	33,390	36,472	49,642
Restricted investments	817	809	779
Capital assets, net	144,559	148,216	156,334
Development and bond issuance costs, net	3,190	3,978	4,921
Total non-current assets	<u>181,956</u>	<u>189,475</u>	<u>211,676</u>
TOTAL ASSETS	<u><u>\$ 333,676</u></u>	<u><u>\$ 359,928</u></u>	<u><u>\$ 396,754</u></u>
LIABILITIES			
Current liabilities	\$ 37,659	\$ 40,607	\$ 72,270
Long-term liabilities	69,356	69,849	85,713
TOTAL LIABILITIES	<u>107,015</u>	<u>110,456</u>	<u>157,983</u>
NET ASSETS			
Invested in capital assets, net of related debt	133,360	135,575	142,050
Restricted	36,646	45,876	43,324
Unrestricted	56,655	68,021	53,397
Total net assets	<u>226,661</u>	<u>249,472</u>	<u>238,771</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 333,676</u></u>	<u><u>\$ 359,928</u></u>	<u><u>\$ 396,754</u></u>



- related settlements, to provide for costs of paying expert witnesses and other legal fees relating to the Enron-related lawsuits; and
- An increase in the Shelton Landfill Postclosure account due to a \$3.0 million State grant-in-aid received from the Connecticut Department of Environmental Protection (“CTDEP”) in November 2007 as reimbursement for costs previously incurred by the Authority in the closure of the Shelton Landfill; and
 - Interest earned on current unrestricted cash and cash equivalents of \$4.3 million; and
 - A \$458,000 transfer of funds from the Mid-Connecticut project current restricted assets as a result of a capital repair and replacement contract expiration; offset by:
 - Payments of \$9.3 million for equipment purchases and plant improvements at the Mid-Connecticut Waste Processing Facility and Power Block Facility, closure costs at the Hartford landfill, and landfill development costs; and
 - Decreased operating cash balance of \$3.2 million at the Mid-Connecticut project primarily due to decrease in the transfer of funds from the Mid-Connecticut restricted Revenue Fund as a result of timing; and
 - Decreased accounts receivable, net of \$6.2 million is a combination of decreased miscellaneous receivable and service payments receivable at the Bridgeport, Mid-Connecticut and Wallingford projects. The decrease at the Bridgeport project is due to a decrease in miscellaneous receivable as a result of the State grant-in-aid received in November 2007. The decrease in service payments receivable at the Bridgeport, Mid-Connecticut and Wallingford projects is primarily as a result of decreased member and contract deliveries; and
 - Decreased prepaid expenses and other current assets of \$2.7 million primarily due to:
 - Other current assets decreased by \$2.5 million due to payment to a private landowner in July 2007 pertaining to a settlement agreement at the Mid-Connecticut project.

Current restricted assets decreased by \$8.8 million or 23.4% from fiscal year 2008, which decreased by \$22.9 million or 38.0% from fiscal year 2007. The fiscal year 2009 decrease is primarily due to:

- Revenue Fund balances at two projects decreased by a total of \$7.8 million; the Mid-Connecticut project (\$5.7 million) and the Wallingford project (\$2.1 million). The decrease at the Mid-Connecticut project is mainly due to the timely transfers of funds to the Mid-Connecticut unrestricted assets for operating activities. The decrease at the Wallingford project is due to decreases in electricity generation and contract rates; and
- The \$1.2 million transfer of funds to the Bridgeport project current unrestricted assets as the result of the bonds maturities in January 2009; offset by:
- Interest earned on current restricted assets of \$0.7 million.



- Payments of \$1.1 million for turbine repairs and miscellaneous improvements at the Energy Generating Facility; and
- \$0.7 million in transfers of the amount in excess of reserve requirements and debt service; offset by:
- \$1.6 million in interest earned on non-current restricted cash and cash equivalents; and
- Decreased capital assets, net of \$8.1 million due to \$17.2 million in depreciation expense offset by \$9.1 million in plant improvements, equipment purchases, construction in progress and deferred acquisition costs; and
- Decreased development and bond issuance costs, net of \$0.9 million due to amortization expense.

LIABILITIES

Current liabilities decreased by \$2.9 million or 7.3% compared to fiscal year 2008, which decreased by \$31.7 million or 43.8% compared to fiscal year 2007. The fiscal year 2009 decrease from 2008 is primarily due to:

- A decrease in net current portion of closure and postclosure care of landfills of \$1.1 million as a result of lower costs anticipated to be incurred at the Hartford and Waterbury landfills within the next twelve months; and
- A decrease in accounts payable and accrued expenses of \$3.0 million due to lower accrued expenses balance at the Bridgeport project due to the closure of the Bridgeport project on December 31, 2008, partially offset by higher accrued expenses balance at the Southeast project; offset by:
- An increase in current portion of bonds payable, net of \$1.1 million as a result of the resumption of principal payments for the Mid-Connecticut 1996 Series A Bonds scheduled in November 2009; partially offset by the three bond issues maturing during fiscal year 2009: Bridgeport Project Refinancing Bonds 1999 Series A, Bridgeport Refinancing Bonds 2000 Series A, and Wallingford Project Refinancing Bonds 1998 Series A.

The fiscal year 2008 decrease from 2007 was primarily due to:

- Decreased accounts payable and accrued expenses of \$30.5 million as a result of payment of accruals related to a ruling in the New Hartford suit and settlement costs at the Mid-Connecticut project and lower accrued expenses, partially offset by higher accounts payable; and
- Decreased current portion of State loans payable of \$2.6 million due to the repayment of the outstanding State loans principal balance; offset by:
- A \$1.6 million increase in net current portion of closure and postclosure care of landfills as a result of higher costs anticipated to be incurred at the Hartford landfill within the next twelve months.

Long-term liabilities decreased by \$490,000 or 0.7% compared to fiscal year 2008, which decreased by \$15.9 million or 18.5% compared to fiscal year 2007. The fiscal year 2009 decrease is primarily due to:



SUMMARY OF OPERATIONS AND CHANGES IN NET ASSETS

Net Assets may serve over time as a useful indicator of the Authority's financial position.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Fiscal Years Ended June 30,
(In Thousands)

	2009	2008	2007
Operating revenues	\$ 171,703	\$ 189,988	\$ 194,057
Operating expenses	183,553	170,954	202,625
Income (loss) before depreciation and amortization and other non-operating revenues and (expenses)	(11,850)	19,034	(8,568)
Depreciation and amortization	17,398	18,184	18,189
Income (loss) before other non-operating revenues and (expenses), net	(29,248)	850	(26,757)
Non-operating revenues, net	6,437	9,851	14,242
Income (loss) before special item	(22,811)	10,701	(12,515)
Special item:			
Defeasance of debt	-	-	(1,148)
Change in net assets	(22,811)	10,701	(13,663)
Total net assets, beginning of year	249,472	238,771	252,434
Total net assets, end of year	\$ 226,661	\$ 249,472	\$ 238,771

Operating revenues decreased by \$18.3 million or 9.6% during fiscal year 2009 from fiscal year 2008 and decreased by \$4.1 million or 2.1% during fiscal year 2008 from fiscal year 2007. The fiscal year 2009 decrease is primarily due to a \$15.7 million decrease in member and contract deliveries, a \$2.2 million decrease in ash disposal reimbursement, and a \$511,000 decrease in other operating revenues.

The fiscal year 2008 decrease is primarily due to a \$6.0 million decrease in member and contract deliveries and a \$1.3 million decrease in other operating revenues, partially offset by a \$3.1 million increase in energy sales.

Operating expenses increased by \$12.6 million or 7.4% during fiscal year 2009 primarily due to a \$26.7 million distribution to the Wallingford Project member towns a \$13.9 million decrease in solid waste operations and a \$2.7 million decrease in maintenance and utilities, and offset by a \$5.4 million increase in landfill closure and postclosure costs.

Operating expenses decreased by \$31.7 million or 15.6% during fiscal year 2008 primarily due to a \$29.5 million decrease in landfill closure and postclosure costs as a result of a settlement agreement executed in fiscal year 2007 in association with the Hartford landfill and the impact of increased projected costs at all five landfills, decreased other costs of \$3.3 million offset by a \$1.5 million increase in maintenance and utilities.



SUMMARY OF OPERATING AND NON-OPERATING REVENUES
Fiscal Years Ended June 30,
(In Thousands)

	2009	2008	2009 Increase/ (Decrease) from 2008	2009 Percent Increase/ (Decrease)	2007	2008 Increase/ (Decrease) from 2007	2008 Percent Increase/ (Decrease)
Operating Revenues:							
Member service charges	\$ 77,236	\$ 86,455	\$ (9,219)	(10.7%)	\$ 91,848	\$ (5,393)	(5.9%)
Other service charges	26,838	33,308	(6,470)	(19.4%)	33,917	(609)	(1.8%)
Energy sales	54,568	54,460	108	0.2%	51,400	3,060	6.0%
Ash disposal reimbursement	2,511	4,704	(2,193)	(46.6%)	4,485	219	4.9%
Other operating revenues	10,550	11,061	(511)	(4.6%)	12,407	(1,346)	(10.8%)
Total Operating Revenues	171,703	189,988	(18,285)	(9.6%)	194,057	(4,069)	(2.1%)
Non-Operating Revenues:							
Litigation-related settlements	4,250	4,745	(495)	(10.4%)	40,225	(35,480)	(88.2%)
Investment income	2,818	7,208	(4,390)	(60.9%)	9,821	(2,613)	(26.6%)
Other income	3,871	292	3,579	1225.7%	4,073	(3,781)	(92.8%)
Total Non-Operating Revenues	10,939	12,245	(1,306)	(10.7%)	54,119	(41,874)	(77.4%)
TOTAL	\$ 182,642	\$ 202,233	\$ (19,591)	(9.7%)	\$ 248,176	\$ (45,943)	(18.5%)

Overall, fiscal year 2009 total revenues decreased by \$19.6 million or 9.7% from fiscal year 2008. Fiscal year 2008 total revenues decreased by \$45.9 million or 18.5% from fiscal year 2007. The following discusses the major changes in operating and non-operating revenues of the Authority:

- Member service charges decreased by \$9.2 million in fiscal year 2009 and decreased by \$5.4 million in fiscal year 2008. The fiscal year 2009 decrease is primarily due to the closure of the Bridgeport project as of December 31, 2008, lower member deliveries at the Mid-Connecticut and Southeast projects, partially offset by increased waste deliveries at the SouthWest Division as a result of the commencement of operations at the Wheelabrator's Bridgeport facility. The fiscal year 2008 decrease reflects decreased member deliveries at all four operating projects.
- Other service charges to both contract towns and spot waste haulers decreased by \$6.5 million in fiscal year 2009 and decreased by \$0.6 million in fiscal year 2008. The fiscal year 2009 decrease is primarily due to the closure of the Bridgeport Project as of December 31, 2008 and lower contract deliveries at the Southeast project, which is partially offset by increased contract deliveries at the Mid-Connecticut project and increased spot waste deliveries at the Southeast project. The fiscal year 2008 decrease is due to the impact of higher waste diverted to other projects from the Mid-Connecticut project as a result of major unplanned outages at the Power Block Facility, which is partially offset by higher than expected spot waste deliveries at the Bridgeport project.
- Energy sales increased slightly by \$108,000 during fiscal year 2009 and increased by \$3.1 million during fiscal year 2008. The fiscal years 2009 and 2008 increase is due to increased contract electricity rates received for the first 250 million kilowatts generated at



A summary of operating expenses and non-operating expenses and the amount and percentage of change in relation to the immediate prior two fiscal years is as follows:

SUMMARY OF OPERATING, NON-OPERATING EXPENSES AND SPECIAL ITEM
Fiscal Years Ended June 30,
(In Thousands)

	2009	2008	2009 Increase/ (Decrease) from 2008	2009 Percent Increase/ (Decrease)	2007	2008 Increase/ (Decrease) from 2007	2008 Percent Increase/ (Decrease)
Operating Expenses:							
Solid waste operations	\$ 134,944	\$ 151,887	\$ (16,943)	(11.2%)	\$ 152,243	\$ (356)	-0.2%
Maintenance and utilities	1,168	3,862	(2,694)	(69.8%)	2,401	1,461	60.8%
Landfill closure and postclosure	10,507	5,114	5,393	105.5%	34,639	(29,525)	-85.2%
Legal services - external	2,920	2,804	116	4.1%	6,095	(3,291)	-54.0%
Operational & Environ. services	3,307	3,118	189	6.1%	3,315	(197)	-5.9%
General & Administrative services	2,093	2,158	(65)	(3.0%)	1,936	222	11.5%
Billing, Accounting & Finance services	1,462	1,527	(65)	(4.3%)	1,513	14	0.9%
Education & Communications services	477	484	(7)	(1.4%)	483	1	0.2%
Distribution to member towns	26,675	-	26,675	0.0%	-	-	0.0%
Total Operating Expenses	183,553	170,954	12,599	7.4%	202,625	(31,671)	-15.6%
Depreciation and amortization	17,398	18,184	(786)	(4.3%)	18,189	(5)	0.0%
Non-Operating Expenses:							
Litigation-related judgment	-	-	-	0.0%	35,800	(35,800)	-100.0%
Litigation-related settlement	-	-	-	0.0%	1,150	(1,150)	-100.0%
Interest expense	1,284	1,863	(579)	(31.1%)	2,693	(830)	-30.8%
Other expenses	3,218	531	2,687	506.0%	234	297	126.9%
Total Non-Operating Expenses	4,502	2,394	2,108	88.1%	39,877	(37,483)	-94.0%
Special Item:							
Defeasance of debt	-	-	-	0.0%	1,148	(1,148)	-100.0%
TOTAL	\$ 205,453	\$ 191,532	\$ 13,921	7.3%	\$ 261,839	\$ (70,307)	-26.9%

The Authority's total expenses increased by \$14.0 million or 7.3% between fiscal years 2009 and 2008. Fiscal year 2008 total expenses decreased by \$70.3 million or 26.9% from fiscal year 2007. Notable differences between the fiscal years include:

- Solid waste operations decreased by \$16.9 million from fiscal year 2009 to 2008 primarily due to:
 - Operating expense at the Bridgeport project decreased due to the closure of the project as of December 31, 2008; and
 - Operating expense at the Wallingford project decreased due to lower operating contract charges; partially offset by:
 - Operating expense at the Mid-Connecticut project increased due to an increase in ash disposal costs associated with the closing of the Hartford landfill including waste transportation; and



- Litigation-related judgment: There was no such expense incurred during both fiscal years 2009 and 2008. Litigation-related judgment of \$35.8 million during fiscal year 2007 represents the ruling in the New Hartford suit.
- Litigation-related settlement: There was no such expense incurred during both fiscal years 2009 and 2008. Litigation-related settlement incurred during fiscal year 2007 represents settlement costs at the Mid-Connecticut project.
- Interest expense decreased by \$0.6 million during fiscal year 2009 and decreased by \$0.8 million during fiscal year 2008 due to decreases in the principal amount of bonds.
- Other expenses during fiscal year 2009 of \$3.2 million include the \$2.4 million loss on the write-off of the Bridgeport assets, costs associated with the purchase option for the Wallingford plant, plus trustee fees and letter of credit fees. Other expenses during fiscal year 2008 of \$531,000 represent trustee fees, letter of credit fees and other miscellaneous expenses.
- Defeasance of debt occurred during fiscal year 2007 and is discussed on page 10 of this MD&A.

CAPITAL ASSETS

The Authority's investment in capital assets for its activities as of June 30, 2009 and 2008 totaled \$144.6 million and \$148.2 million, respectively (net of accumulated depreciation). This investment in capital assets includes buildings and improvements, equipment, gas and steam turbines, land, landfills, roadways, rolling stock and vehicles. The total fiscal year 2009 and 2008 decrease in the Authority's investment in capital assets was 2.5% and 5.2%, respectively. The decrease is due to depreciation expense offset by plant improvements, equipment purchases, construction in progress and deferred acquisition costs.

Major capital asset events during the current and immediate prior two fiscal years included building and plant improvements, conveyor rebuilds, equipment and vehicle purchases, jets repairs and overhaul, land purchase, landfill development costs, overhaul of turbines #5 and #6, upgrade of the automation system.



LANDFILL ACTIVITY

New Ash Landfill Initiative

In 2004, the Authority embarked on a comprehensive landfill siting investigation for a new ash residue and/or bulky waste landfill. As an outcome of this search, a site in Franklin, Connecticut has been identified as the primary site to be investigated to confirm that it is technically and environmentally amenable to permitting and constructing a landfill. Although the actual “footprint” of the contemplated landfill will be approximately 100 acres, the area being investigated is approximately 450 acres.

The Authority publically announced the site in March 2008, and began field investigations in April 2008. Field investigations have occurred since that time and will continue through fall 2009. Field investigations include ecological studies (wetlands, threatened and endangered species, habitat assessment, etc.), subsurface geological and hydrogeological investigations, traffic analyses, surveying, hydrological studies of adjacent waterbodies, and cultural/archaeological investigations. The Authority held three public informational meetings in April and May 2008 to communicate its landfill siting initiative to the local community, as well as to answer questions and hear concerns from the local community. The Authority has continued to communicate with Franklin residents periodically with newsletters and through print media. During its 2009 session the Connecticut State Legislature passed a bill that prevented the Authority from acquiring certain properties necessary to develop the Franklin site; if the bill became law it would have removed this site from further consideration as an ash landfill. The Governor vetoed the legislation and the legislature chose to not attempt to override the veto. Consequently, in August 2009, the Authority publically announced that based on its understanding of the directives received from State leaders it will suspend its efforts to develop an ash landfill in the State of Connecticut. The Authority will focus on consideration of other environmentally sound options for long-term disposal of ash residue from its resource recovery facilities, including disposal at other in-state and out-of-state landfills.

Hartford Landfill

The Authority submitted a solid waste permit modification application to CTDEP in July 2006, associated with the Hartford landfill, to 1) revise the closure plan, prescribing a state-of-the-art synthetic cap; 2) revise the grading plan for a section of the east side of the landfill; 3) set a date certain for final delivery of waste of no later than December 31, 2008; and 4) discuss possible passive recreational future uses for the landfill and engage a landscape architect to provide a rendering of these possible activities. A favorable ruling on this permit modification was issued by CTDEP on March 29, 2007. The Authority accepted the last shipment of solid waste on December 31, 2008. (In anticipation of the cessation of waste deliveries at the end of 2008, the Authority solicited bids for transportation and disposal of ash residue and unburned process residuals generated at its Mid-Connecticut Resources Recovery Facility. The Authority awarded contracts to Wheelabrator Technologies and Waste Management of Massachusetts, Inc. to manage these wastestreams beginning January 1, 2009. A new ash landfill in Connecticut would mitigate some of these costs.)



The Authority will submit a closure construction certification report in August 2009, and expects to receive a notice for CTDEP certifying compliant closure of the landfill sometime in Fall 2009.

Shelton and Wallingford Landfills

These two landfills are both closed and are being compliantly managed in accordance with CTDEP's regulations governing post-closure management of solid waste landfills and the specific environmental permits that govern post-closure requirements at these landfills. In January 2009, CTDEP advised the Authority that it was finally in a position to issue Stewardship permits to the Shelton and Wallingford landfills. (A Stewardship Permit is the state equivalent of a Resource Conservation and Recovery Act Part B Post-Closure permit under EPA's hazardous waste program). The Authority had submitted post-closure permit applications to the U.S. Environmental Protection Agency ("USEPA") under the federal hazardous waste program in December 1991 for both landfills (CTDEP did not have authority from USEPA to run this program at the time). Both of these permits were issued on September 16, 2009. Both landfills are subject to this permit program because both have metal hydroxide waste (hazardous waste) disposal areas. In general, these Stewardship permits will incorporate and subsume permit conditions and regulatory requirements currently found in the solid waste and groundwater discharge permits for the landfills, in addition to the requirements specified in the hazardous waste regulations. One change that CTDEP is requiring as part of issuance of these permits is that the Authority adds a 15% contingency to the post-closure cost estimate for each landfill (15% above the Authority's estimate).

METROPOLITAN DISTRICT COMMISSION

The Metropolitan District Commission, which operates the Mid-Connecticut Project's Waste Processing Facility, has made claims that CRRA is responsible for MDC's "Contract Separation Costs" related to MDC employees employed at the Mid-Connecticut Project. The Authority believes that it is not responsible for any costs incurred by MDC after the expiration of the agreement between the parties. To date, MDC has not taken any action to formally pursue this claim.

NEW HARTFORD SUIT

In December 2003, the Towns of New Hartford and Barkhamstead filed suit against the Authority, former board members and delegates, the Authority's former President, and others, seeking alleged damages resulting from the failed Enron transaction as well as equitable relief. In addition to vigorously contesting these claims on its own behalf, the Authority is defending and indemnifying its former President and board members. On August 10, 2005, the Motions to Dismiss all of the non-Authority defendants were granted; on August 30, 2005, plaintiffs filed an appeal, which is still pending. On March 21, 2006, the court granted the plaintiffs' motion for Class Certification. Trial began on November 13, 2006 and the parties rested on January 11, 2007. On June 19, 2007, the court issued its decision, imposing a constructive trust on the sum of \$35,873,732.25 (received by the Authority from various parties in settlement of various Enron-related lawsuits and held by the Treasurer of the State of Connecticut in the Short-Term Investment Fund account) and ordering that amount to be forwarded to the plaintiffs, in care of their attorneys, immediately. On December 7, 2007, the Court ordered the State Treasurer to



AUTHORITY RATES AND CHARGES

During the months of January and February each year, as required under the various project bond resolutions, the Authority’s Board of Directors approves the succeeding fiscal year tipping fees for all of the projects except the Southeast project, which is subject to approval by the Southeastern Connecticut Regional Resources Recovery Authority. The following table presents a history of the tipping fees for each of the four projects:

TIP FEE HISTORY BY PROJECT					
(Dollars charged per ton of solid waste delivered)					
Fiscal Year	Mid-Connecticut^{1,2}	Bridgeport^{3,4}		Wallingford	Southeast
2000	\$49.00	\$60.00	\$10.00	\$57.00	\$59.00
2001	50.00	60.00	7.00	56.00	58.00
2002	51.00	60.00	7.00	55.00	57.00
2003	57.00	62.00	7.00	55.00	57.00
2004	63.75	63.00	8.00	55.00	60.00
2005	70.00	64.50	8.00	56.00	60.00
2006	70.00	66.00	8.00	57.00	60.00
2007	69.00	70.00	8.00	58.00	60.00
2008	69.00 / 61.25	76.00	5.00	59.00	60.00
2009	72.00 / 62.00	80.00	18.50	60.00	60.00

LONG-TERM DEBT ISSUANCE, ADMINISTRATION AND CREDIT RATINGS

As detailed in the table on page 22, as of the fiscal year ended June 30, 2009 the Authority had \$104.2 million of outstanding debt. Of this amount, \$43.5 million comprises debt issued by the Authority as a conduit issuer for the Southeast project in connection with the Covanta Southeastern Connecticut Company and is not carried on the Authority’s books. In addition, \$40.4 million of the outstanding bonds pertaining to the Southeast project do not appear on the books of the Authority as these bonds were issued to fund construction of waste processing facilities operated by independent contractors who have commitments to repay the debt that is not allocable to Authority purposes.

With the exception of the Southeast project conduit bonds, the other bonds issued by the Authority are secured by credit enhancement in the form of municipal bond insurance and by the Special Capital Reserve Fund (“SCRF”) of the State of Connecticut. The SCRF is a contingent liability of the State of Connecticut available to replenish any debt service reserve fund draws on bonds that have the SCRF designation. The funds used to replenish a debt service reserve draw are provided by the State’s General Fund and are deemed appropriated by the Connecticut legislature.

¹ On October 25, 2007, per court order, the Authority reduced the Mid-Connecticut Project tip fee for municipalities for the remainder of fiscal year 2008. The hauler’s rate remained at \$69/ton for the entire year.

² The Mid-Connecticut Project tip fee was reduced to \$62.00 per ton for the period January 1 – June 30, 2009.

³ The Bridgeport Project charges a split rate; the first rate is for actual tons delivered and the second rate is based on the minimum commitment tonnage.

⁴ Contracts with the towns within the Bridgeport Project terminated on December 31, 2008. Many former Bridgeport Project towns entered into contracts with the Authority for disposal at the Bridgeport facility at a rate of \$63.00 per ton for the period January 1 – June 30, 2009.



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**BALANCE SHEETS (Continued)
AS OF JUNE 30, 2009 AND 2008
(Dollars in Thousands)**

**EXHIBIT I
Page 2 of 2**

	<u>2009</u>	<u>2008</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of:		
Bonds payable, net	\$ 4,039	\$ 2,912
Closure and postclosure care of landfills	11,104	12,216
Accounts payable	4,867	6,938
Accrued expenses and other current liabilities	<u>17,649</u>	<u>18,541</u>
Total Current Liabilities	<u>37,659</u>	<u>40,607</u>
LONG-TERM LIABILITIES		
Bonds payable, net	15,944	19,956
Closure and postclosure care of landfills	52,285	48,602
Other liabilities	<u>1,127</u>	<u>1,291</u>
Total Long-Term Liabilities	<u>69,356</u>	<u>69,849</u>
TOTAL LIABILITIES	<u>107,015</u>	<u>110,456</u>
NET ASSETS		
Invested in capital assets, net of related debt	<u>133,360</u>	<u>135,575</u>
Restricted for:		
Tip fee stabilization	16,154	15,915
Energy generating facility	7,566	9,971
Debt service reserve funds	4,037	5,265
Operating and maintenance	1,764	1,735
Equipment replacement	1,764	1,735
Debt service funds	1,525	886
Select Energy escrow	1,000	1,000
Shelton landfill future use	870	857
DEP trust - landfills	817	809
Montville landfill postclosure	719	478
Recycling education fund	201	514
Rebate fund	178	305
Other restricted net assets	51	97
Revenue fund	-	6,309
Total Restricted	<u>36,646</u>	<u>45,876</u>
Unrestricted	<u>56,655</u>	<u>68,021</u>
Total Net Assets	<u>226,661</u>	<u>249,472</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 333,676</u>	<u>\$ 359,928</u>



**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008
(Dollars in Thousands)**

EXHIBIT III

	<u>2009</u>	<u>2008</u>
Cash Flows From Operating Activities		
Payments received from providing services	\$ 177,862	\$ 196,297
Proceeds from settlements	4,675	4,745
Payments to suppliers for goods and services	(146,079)	(153,650)
Payment of litigation-related judgment	-	(35,874)
Payments to employees for services	(4,522)	(4,301)
Distribution to member towns	<u>(26,675)</u>	<u>-</u>
Net Cash Provided by Operating Activities	<u>5,261</u>	<u>7,217</u>
Cash Flows From Investing Activities		
Interest on investments	2,968	7,457
Purchases of investments	<u>(9)</u>	<u>(29)</u>
Net Cash Provided by Investing Activities	<u>2,959</u>	<u>7,428</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds from sales of equipment	174	7
Payments for landfill closure and postclosure care liabilities	(7,936)	(5,661)
Acquisition and construction of capital assets	(15,575)	(9,266)
Interest paid on long-term debt	(1,216)	(1,853)
Principal paid on long-term debt	<u>(3,003)</u>	<u>(16,515)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(27,556)</u>	<u>(33,288)</u>
Cash Flows From Non-Capital Financing Activities		
Other interest and fees	<u>(528)</u>	<u>(163)</u>
Net Cash Used in Non-Capital Financing Activities	<u>(528)</u>	<u>(163)</u>
Net decrease in cash and cash equivalents	(19,864)	(18,806)
Cash and cash equivalents, beginning of year	<u>179,609</u>	<u>198,415</u>
Cash and cash equivalents, end of year	<u>\$ 159,745</u>	<u>\$ 179,609</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By Operating Activities:		
Operating (loss) income	\$ (29,248)	\$ 850
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation of capital assets	16,611	17,239
Amortization of development and bond issuance costs	787	945
Provision for closure and postclosure care of landfills	10,507	5,114
Other income	3,622	67
Litigation-related settlements	4,250	4,745
(Increase) decrease in:		
Accounts receivable, net	2,487	6,248
Inventory	(18)	(261)
Prepaid expenses and other current assets	(661)	2,745
Increase (decrease) in:		
Accounts payable, accrued expenses and other liabilities	<u>(3,076)</u>	<u>(30,475)</u>
Net Cash Provided by Operating Activities	<u>\$ 5,261</u>	<u>\$ 7,217</u>

The accompanying notes are an integral part of these financial statements



operate the peaking jet turbines and with Covanta Mid-Conn, Inc. to operate the steam turbines.

Bridgeport Project

The Project consists of a 2,250 ton per day mass burn Resources Recovery Facility located in Bridgeport, Connecticut, eight transfer stations, the Shelton Landfill, the Waterbury Landfill and a Regional Recycling Center located in Stratford, Connecticut. The Project provides solid waste disposal and recycling services to 20 Connecticut municipalities in Fairfield and New Haven Counties through service contract arrangements. The Authority holds title to all facilities of the Project. The Resources Recovery Facility is leased to a private vendor under a long-term sales-type arrangement which ended on December 31, 2008 and the facility ownership was quick-claimed to owner trustee on the same date. The vendor is obligated to pay for the costs of the facility including debt service (other than the portion allocable to Project purposes for which the Project is responsible). The Project derives its revenues from service fees charged to member municipalities and other system users. The Project pays the vendor a contractually determined service fee. Electric energy revenues and certain other service charges are accrued by the vendor.

The Authority's contract with the Project's municipalities ended on December 31, 2008, as did the Authority's agreement with the Project's operator. As a result, the Project is no longer accepting solid waste and has effectively ceased operations. On January 1, 2009, the Authority transferred seven Project transfer stations, which is included in the capital assets in the accompanying balance sheet, to their host towns. In addition, certain other capital assets included in the accompanying balance sheet will be transferred to the Authority and be used for payment of the Project's current and projected liabilities and future obligations for postclosure care of the Project's landfills. The Authority has executed a new five and a half year service agreement with an operator, to commence on January 1, 2009, for the disposal of approximately 265,000 tons of municipal solid

waste ("MSW") annually from 12 of the Project's municipalities. These Project municipalities have signed service agreements with the Authority's new SouthWest Project for waste deliveries beginning on January 1, 2009.

SouthWest Division

The Authority's contracts with the towns that delivered solid waste to the former Bridgeport Project terminated on December 31, 2008 and the towns were free to execute new solid waste disposal services agreements with other providers elsewhere. The Authority had proposed a new solid waste agreement to commence on January 1, 2009 and 12 of the former Bridgeport Project towns accepted the Authority's terms and entered into a new five and a half year (with one year extension) solid waste disposal contracts with the Authority for disposal at the Wheelabrator facility located in Bridgeport. These 12 towns are collectively referred to as the SouthWest Division towns. The Bridgeport Facility formerly operated under an operating agreement and site lease agreement between the Authority and Wheelabrator Bridgeport, both of which expired December 31, 2008. Subsequently, on December 31, 2008, the Authority and Wheelabrator Bridgeport entered into a First Amendment and Renewal of Site Lease whereby Wheelabrator Bridgeport purchased the Authority's nominal interest in the Facility and will make annual lease payment to the Authority.

Property Division

Following the termination of the Bridgeport Project on December 31, 2008 and the simultaneous maturity of the Authority's bonds that had been issued to finance the construction of the Bridgeport Project, the Authority was the owner and holder of several funds and assets. These include numerous landfill post closure reserves related to the former Bridgeport Project, the Shelton transfer station and the Garbage Museum (located in Stratford). As these assets are no longer project-specific, the Authority has created the Property Division to reflect their status. In addition, other landfill post closure reserves related to the Wallingford



interest earned on the investment of unexpended bond proceeds.

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the disposal of solid waste. The principal operating revenues of the Authority are charges to customers for user services and sales of electricity. Operating expenses include the cost of solid waste operations, maintenance and utilities, closure and post-closure care of landfills, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The financial statements are presented in accordance with Alternative #1 under Governmental Accounting Standards Board ("GASB") Statement No. 20, whereby the Authority follows (1) all GASB pronouncements and (2) Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, except those which conflict with a GASB pronouncement.

The Authority has elected not to comply with authoritative pronouncements applicable to non-governmental entities (i.e., Financial Accounting Standards Board (FASB) statements), issued after November 30, 1989.

C. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheets and the reported amounts of revenues and expenses during the reporting period. Such estimates are subsequently revised as deemed necessary when additional information becomes available. Actual results could differ from those estimates.

E. Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, all unrestricted and restricted highly liquid investments with maturities of three months or less when purchased are considered to be cash equivalents.

F. Accounts Receivable, net

Accounts receivable are shown net of an allowance for the estimated portion that is not expected to be collected. The Authority performs ongoing credit evaluations and generally requires a guarantee of payment form of collateral. The Authority has established an allowance for the estimated portion that is not expected to be collected of \$808,000 and \$165,000 at June 30, 2009 and 2008, respectively.

G. Inventory

The Authority's spare parts inventory is stated at the lower of cost or market using the weighted-average cost method. The Authority's coal inventory is stated at the lower of cost or market using the FIFO method.

Inventories at June 30, 2009 and 2008 are summarized as follows:

Inventories	2009 (\$000)	2008 (\$000)
Spare Parts	\$ 3,504	\$ 3,455
Coal	<u>124</u>	<u>155</u>
Total	<u>\$ 3,628</u>	<u>\$ 3,610</u>

H. Investments

Investments are stated at fair value. Gains or losses on sales of investments are determined using the specific identification method.

Interest on investments is recorded as revenue in the year the interest is earned, unless capitalized as an offset to capitalized interest expense on assets acquired with tax-exempt debt.



K. Capital Assets

Capital assets with a useful life in excess of one year are capitalized at historical cost. Depreciation of exhaustible capital assets is charged as an expense against operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of landfills are based on the estimated years of available disposal capacity. The estimated useful lives of other capital assets are as follows:

Capital Assets	Years
Resources Recovery Buildings	30
Other Buildings	20
Resources Recovery Equipment	30
Gas and Steam Turbines	10-20
Recycling Equipment	10
Rolling Stock and Automobiles	5
Office and Other Equipment	3-5
Roadways	20

The Authority’s capitalization threshold for property, plant, and equipment and for office furniture and equipment is \$5,000 and \$1,000, respectively. Improvements, renewals and significant repairs that extend the useful life of a capital asset are capitalized; other repairs and maintenance costs are expensed as incurred. When capital assets are retired or otherwise disposed of, the related asset and accumulated depreciation is written off and any related gains or losses are recorded.

L. Deferred Acquisition Costs

Deferred acquisition costs include legal fees and permitting and engineering costs associated with the licensing and development (siting) of additional landfills, and certain costs incurred to

ready additional landfill areas for use. These costs are deferred as they will be recoverable through future revenue or benefit future operations. If licensure or recoverability becomes doubtful, these costs are then charged to operations. Deferred acquisition costs of \$1,567,000 and \$559,000 as of June 30, 2009 and 2008, respectively, are classified as nondepreciable capital assets in the accompanying balance sheets.

M. Accrued Compensation

The Authority’s liability for vested accumulated unpaid vacation and other employee benefit amounts is included in accrued expenses and other current liabilities in the accompanying balance sheets.

N. Net Assets

Invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets.

Unrestricted net assets may be divided into designated and undesignated portions. Designated net assets represent the Authority’s self-imposed limitations on the use of otherwise unrestricted net assets. Unrestricted net assets have been designated by the Board of Directors of the Authority for various purposes and such designations totaled \$34.6 million and \$37.2 million as of June 30, 2009 and 2008, respectively. Designated net assets at June 30, 2009 and 2008 are summarized as follows:



All of the Authority's deposits were in qualified public institutions as defined by State statute. Under this statute, any bank holding public deposits must at all times maintain, segregated from other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

Investments in the Short-Term Investment Fund ("STIF") and Money Market Funds as of June 30, 2009 and 2008 are included in cash and cash equivalents in the accompanying balance sheets. For purposes of disclosure under GASB Statement No. 40, such amounts are considered investments and are included in the investment disclosures that follow.

B. Investments

Interest Rate Risk

As of June 30, 2009, the Authority's investments consisted of the following debt securities:

Investment Type	Fair Value (\$000)	Investment Maturities (In Years)			
		Less than 1	1 to 5	6 to 10	More than 10
STIF	\$154,207	\$154,207	\$ -	\$ -	\$ -
U.S. Treasuries	817	817	-	-	-
Money Market Funds	2,999	2,999	-	-	-
Total	\$158,023	\$158,023	\$ -	\$ -	\$ -

As of June 30, 2008, the Authority's investments consisted of the following debt securities:

Investment Type	Fair Value (\$000)	Investment Maturities (In Years)			
		Less than 1	1 to 5	6 to 10	More than 10
STIF	\$175,598	\$175,598	\$ -	\$ -	\$ -
U.S. Treasuries	809	809	-	-	-
Money Market Funds	2,243	2,243	-	-	-
Total	\$178,650	\$178,650	\$ -	\$ -	\$ -

STIF is an investment pool of short-term money market instruments that may include adjustable-rate federal agency and foreign government securities whose interest rates vary directly with short-term money market indices and are generally reset daily, monthly, quarterly and semi-annually. The adjustable-rate securities have similar exposures to credit and legal risks as fixed-rate securities from the same issuers. The fair value of the position in the pool is the same as the value of the pool shares. As of June 30, 2009 and 2008, STIF had a weighted average maturity of nine days and 19 days, respectively. The U.S. Treasury Securities are U.S. Treasury Bills that had 90 day maturities as of both June 30, 2009 and 2008. The Money Market Funds invest exclusively in short-term U.S. Treasury obligations and repurchase agreements secured by U.S. Treasury obligations. This fund complies with Securities and Exchange Commission regulations regarding money market fund maturities, which requires that the weighted average maturity be 90 days or less. As of June 30, 2009 and 2008, the weighted average maturity of these funds was 46 days and 19 days, respectively.

The Authority's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Authority is limited to investment maturities as required by specific bond resolutions or as needed for immediate use or disbursement. Those funds not included in the foregoing may be invested in longer-term securities as authorized in the Authority's investment policy. The primary objectives of the Authority's investment policy are the preservation of principal and the maintenance of liquidity.



3. CAPITAL ASSETS

The following is a summary of changes in capital assets for the years ended June 30, 2008 and 2009:

	Balance at June 30, 2007 (\$000)	Additions (\$000)	Transfers (\$000)	Sales and Disposals (\$000)	Balance at June 30, 2008 (\$000)	Additions (\$000)	Transfers (\$000)	Sales and Disposals (\$000)	Balance at June 30, 2009 (\$000)
Nondepreciable assets:									
Land	\$ 27,774	\$ 1,305	\$ -	\$ -	\$ 29,079	\$ -	\$ -	\$ (899)	\$ 28,180
Construction-in-progress	357	163	(193)	-	327	11,236	\$ (2,233)	\$ -	9,330
Deferred acquisition costs	-	559	-	-	559	1,007	\$ -	\$ -	1,566
Total nondepreciable assets	\$ 28,131	\$ 2,027	\$ (193)	\$ -	\$ 29,965	\$ 12,243	\$ (2,233)	\$ (899)	\$ 39,076
Depreciable assets:									
Plant	\$ 189,329	\$ 1,509	\$ -	\$ (283)	\$ 190,555	383	\$ -	\$ (10,149)	\$ 180,789
Equipment	206,778	5,842	193	(444)	212,369	3,025	\$ 2,069	\$ (2,266)	215,197
Total at cost	396,107	7,351	193	(727)	402,924	3,408	2,069	(12,415)	395,986
Less accumulated depreciation for:									
Plant	(132,106)	(7,374)	-	218	(139,262)	(6,370)	\$ -	\$ 8,760	(136,872)
Equipment	(135,798)	(9,865)	-	252	(145,411)	(10,245)	\$ -	\$ 2,025	(153,631)
Total accumulated depreciation	(267,904)	(17,239)	-	470	(284,673)	(16,615)	-	10,785	(290,503)
Total depreciable assets, net	\$ 128,203	\$ (9,888)	\$ 193	\$ (257)	\$ 118,251	\$ (13,207)	\$ 2,069	\$ (1,630)	\$ 105,483

Interest is capitalized on assets acquired with debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of borrowing until completion of the projects with interest earned on invested debt proceeds over the same period. During fiscal 2009 and 2008 there was no capitalized interest as there was no new external borrowing.

4. LONG-TERM DEBT

A. Bonds Payable

The principal long-term obligations of the Authority are special obligation revenue bonds issued to finance the design, development and construction of resources recovery and recycling facilities and landfills throughout the State. These bonds are paid solely from the revenues generated from the operations of the projects and other receipts, accounts and monies pledged in the respective bond indentures.

The following is a summary of changes in bonds payable for the years ended June 30, 2008 and 2009:

Bonds Payable	Balance at July 1, 2007 (\$000)	Increases (\$000)	Decreases (\$000)	Balance at June 30, 2008 (\$000)	Increases (\$000)	Decreases (\$000)	Balance at June 30, 2009 (\$000)	Amounts Due Within One Year (\$000)
Bonds payable - principal	\$ 26,541	\$ -	\$ (3,195)	\$ 23,346	\$ -	\$ (3,003)	\$ 20,343	\$ 4,143
Unamortized amounts:								
Premiums	418	-	(88)	330	-	(77)	254	66
Deferred amount on refunding	(1,027)	-	219	(808)	-	195	(614)	(170)
Total bonds payable	\$ 25,932	\$ -	\$ (3,064)	\$ 22,868	\$ -	\$ (2,885)	\$ 19,983	\$ 4,039



5. LONG-TERM LIABILITIES FOR CLOSURE AND POSTCLOSURE CARE OF LANDFILLS

Federal, State and local regulations require the Authority to place final cover on its landfills when it stops accepting waste (including ash) and to perform certain maintenance and monitoring functions for periods which may extend to thirty years after closure.

GASB Statement No. 18 "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs", applies to closure and post-closure care costs that are paid near or after the date a landfill stops accepting waste. In accordance with GASB Statement No. 18, the Authority estimates its liability for these closure

and post-closure care costs and records any increases or decreases to the liability as an operating expense. For landfills presently open, such estimate is based on landfill capacity used as of the balance sheet date. The liability for these costs is reduced when the costs are actually paid, which is generally after the landfill is closed.

Actual costs may be higher due to inflation or changes in permitted capacity, technology or regulation. The closure and post-closure care liabilities including the amounts paid and accrued for fiscal 2008 and 2009 for the landfills, are presented in the following table:

Project/Landfill	Liability at July 1, 2007 (\$000)	Expense (\$000)	Paid (\$000)	Liability at June 30, 2008 (\$000)	Expense (\$000)	Paid (\$000)	Transfer in / (out) (\$000)	Liability at June 30, 2009 (\$000)	Amounts Due Within One Year (\$000)
Mid-Connecticut:									
Hartford	\$ 40,501	\$ 2,558	\$ (4,794)	\$ 38,265	\$ 6,481	\$ (6,633)	\$ -	\$ 38,113	\$ 9,855
Ellington	3,443	564	(202)	3,805	584	(173)	-	4,216	242
Bridgeport:									
Shelton	11,352	(210)	(473)	10,669	-	(223)	(10,446)	-	-
Waterbury	893	1,445	-	2,338	-	(559)	(1,779)	-	-
Property Division:									
Shelton	-	-	-	-	3,047	(191)	10,446	13,302	690
Waterbury	-	-	-	-	(771)	(1)	1,779	1,007	29
Wallingford:	5,176	757	(192)	5,741	1,166	(156)	-	6,751	288
Total	\$ 61,365	\$ 5,114	\$ (5,661)	\$ 60,818	\$ 10,507	\$ (7,936)	\$ -	\$ 63,389	\$ 11,104

The Connecticut Department of Environmental Protection ("CTDEP") requires that certain financial assurance mechanisms be maintained by the Authority to ensure payment of closure and post-closure costs related to certain landfills. Additionally, CTDEP requires that the Authority budget for anticipated closure costs for Mid-Connecticut's Hartford Landfill.

The Authority has placed funds in trust accounts for financial assurance purposes. The Mid-Connecticut-Ellington Landfill account is valued at \$490,000 and \$485,000 at June 30,

2009 and 2008, respectively. The Bridgeport-Waterbury Landfill account is valued at \$174,000 and \$172,000 at June 30, 2009 and 2008, respectively. The Wallingford Landfill account is valued at \$153,000 and \$152,000 at June 30, 2009 and 2008, respectively. These trust accounts are reflected as restricted assets in the accompanying balance sheets.

At June 30, 2009, a letter of credit for \$305,000 was outstanding for financial assurance of the Bridgeport-Shelton Landfill. No funds were drawn on this letter during fiscal year 2009.



have metal hydroxide waste (hazardous waste) disposal areas. In general, these Stewardship permits will incorporate and subsume permit conditions and regulatory requirements currently found in the solid waste and groundwater discharge permits for the landfills, in addition to the requirements specified in the hazardous waste regulations. One change that CTDEP is requiring as part of issuance of these permits is that the Authority adds a 15% contingency to the post-closure cost estimate for each landfill (15% above the Authority's estimate).

Please see Note 12 for permit modification associated with the Hartford Landfill.

6. MAJOR CUSTOMERS

Energy sales to CL&P and Constellation totaled 16.6% and 11.6% of the Authority's operating revenues for the fiscal year ended June 30, 2009. Energy sales to CL&P and Constellation totaled 14.7% and 10.60% of the Authority's operating revenues for the fiscal year ended June 30, 2008.

Service charge revenues from All Waste, Inc. totaled 6% of the Authority's operating revenues for each of the fiscal years ended June 30, 2009 and 2008.

7. RETIREMENT PLAN

The Authority is the Administrator of its 401(k) Employee Savings Plan. This defined contribution retirement plan covers all eligible employees. To be eligible, the employee must be 18 years of age and have been an employee for six months.

Under the Amended and Restated 401(k) Employee Savings Plan, effective July 1, 2000, Authority contributions are five percent of payroll plus a dollar for dollar match of employees' contributions up to five percent. Authority contributions for the years ended June 30, 2009 and 2008 amounted to \$431,000 and \$428,000, respectively. Employees contributed \$425,000 to the plan in fiscal year 2009 and \$387,000 in fiscal year 2008.

During fiscal year 2008, the Authority adopted the State of Connecticut's defined contribution 457(b) Plan, which allows its employees to participate in the State of Connecticut's deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the exclusive benefit of the plan participants and their beneficiaries. The Authority holds no fiduciary responsibility for the plan; rather, fiduciary responsibility rests with the State Comptroller's office.

8. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority endeavors to purchase commercial insurance for all insurable risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. In fiscal year 2007, the Authority increased its overall property insurance limit to reflect an increase in overall property values. This provides 100% of the replacement cost value for the Mid-Connecticut Power Block Facility and Energy Generating Facility, plus business interruption and extra expense values for the Mid-Connecticut project. This is the Authority's highest valued single facility. The limit applies on a blanket basis for property damage to all locations.

The Authority is a member of the Connecticut Interlocal Risk Management Agency's ("CIRMA") Workers' Compensation Pool, a risk sharing pool, which was begun on July 1, 1980. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is a guaranteed cost program. The premium for each



the payment of debt is not guaranteed by the Authority or the State. Therefore, the Authority does not record the assets and liabilities related to these bond issues on its financial statements. The principal amounts of these bond issues outstanding at June 30, 2009 (excluding portions allocable to Authority purposes) are as follows:

Project	Amount (\$000)
Southeast -	
1992 Series A - Corp. Credit	\$ 30,000
1998 Series A - Project	40,352
2001 Series A - Covanta Southeastern Connecticut Company - I	6,750
2001 Series A - Covanta Southeastern Connecticut Company - II	<u>6,750</u>
Total	<u>\$ 83,852</u>

The Southeast 1998 Series A Project bond issue is secured by a special capital reserve fund. The contractor/operator is responsible for accounting and administration of this special capital reserve fund. The State is contingently liable for any deficiencies in the special capital reserve fund for this bond issue.

11. SEGMENT INFORMATION

The Authority has four projects that operate resources recovery and recycling facilities and landfills throughout the State and are required to be self-supporting through user service fees and sales of electricity. The Authority has issued various revenue bonds to provide financing for the design, development and construction of these resources recovery and recycling facilities and landfills throughout the State. These bonds are paid solely from the revenues generated from the operations of the projects and other receipts, accounts and monies pledged in the respective bond indentures. Financial segment information is presented below as of and for the years ended June 30, 2009 and 2008, respectively.

Connecticut Resources Recovery Authority



Fiscal Year 2008	Mid-Connecticut (\$000)	Bridgeport (\$000)	Wallingford (\$000)	Southeast (\$000)
Condensed Balance Sheets				
Assets:				
Current unrestricted assets	\$ 66,059	\$ 17,673	\$ 38,424	\$ 10,022
Current restricted assets	28,204	4,133	2,488	2,562
Total current assets	<u>94,263</u>	<u>21,806</u>	<u>40,912</u>	<u>12,584</u>
Non-current assets:				
Restricted cash and cash equivalents	19,480	-	15,915	1,077
Restricted investments	485	172	152	-
Capital assets, net	126,792	18,284	2,374	-
Other assets, net	69	31	293	3,585
Total non-current assets	<u>146,826</u>	<u>18,487</u>	<u>18,734</u>	<u>4,662</u>
Total assets	<u>\$ 241,089</u>	<u>\$ 40,293</u>	<u>\$ 59,646</u>	<u>\$ 17,246</u>
Liabilities:				
Current liabilities	\$ 22,207	\$ 9,912	\$ 3,668	\$ 4,101
Long-term liabilities	46,565	11,727	5,525	6,032
Total liabilities	<u>68,772</u>	<u>21,639</u>	<u>9,193</u>	<u>10,133</u>
Net Assets:				
Invested in capital assets, net of related debt	115,611	16,824	2,375	-
Restricted	25,879	2,979	16,273	723
Unrestricted	30,827	(1,149)	31,805	6,390
Total net assets	<u>172,317</u>	<u>18,654</u>	<u>50,453</u>	<u>7,113</u>
Total liabilities and net assets	<u>\$ 241,089</u>	<u>\$ 40,293</u>	<u>\$ 59,646</u>	<u>\$ 17,246</u>
Condensed Statements of Revenues, Expenses, and Changes in Net Assets				
Operating revenues	\$ 89,411	\$ 56,416	\$ 20,054	\$ 24,107
Operating expenses	73,461	56,722	17,320	23,451
Depreciation and amortization expense	16,365	867	323	448
Operating (loss) income	<u>(415)</u>	<u>(1,173)</u>	<u>2,411</u>	<u>208</u>
Non-operating revenues (expenses):				
Litigation-related settlements	4,745	-	-	-
Investment income	3,891	605	2,048	626
Other income (expenses), net	(332)	(59)	(133)	-
Interest expense	<u>(1,280)</u>	<u>(127)</u>	<u>(42)</u>	<u>(414)</u>
Net non-operating revenues (expense)	<u>7,024</u>	<u>419</u>	<u>1,873</u>	<u>212</u>
Change in net assets	6,609	(754)	4,284	420
Total net assets, July 1, 2007	165,708	19,408	46,169	6,693
Total net assets, June 30, 2008	<u>\$ 172,317</u>	<u>\$ 18,654</u>	<u>\$ 50,453</u>	<u>\$ 7,113</u>
Condensed Statements of Cash Flows				
Net cash provided by (used in):				
Operating activities	\$ (4,443)	\$ 6,162	\$ 4,483	\$ 979
Investing activities	3,947	603	2,113	727
Capital and related financing activities	(28,307)	(3,159)	(951)	(871)
Non-capital financing activities	<u>(11)</u>	<u>(19)</u>	<u>(133)</u>	<u>-</u>
Net (decrease) increase	<u>(28,814)</u>	<u>3,587</u>	<u>5,512</u>	<u>835</u>
Cash and cash equivalents, July 1, 2007	128,387	12,762	49,551	6,453
Cash and cash equivalents, June 30, 2008	<u>\$ 99,573</u>	<u>\$ 16,349</u>	<u>\$ 55,063</u>	<u>\$ 7,288</u>



expenses from its fiscal year 2008 budget, and reduce its Mid-Connecticut Project tip fee accordingly; on November 21, the Authority appealed. Oral argument in connection with the appeals pending before the Connecticut Supreme Court was heard in October 2008. On May 8, 2009, the Supreme Court confirmed the lower court's rulings, and in June 2009, the remaining funds in STIF were transferred to plaintiffs' counsel.

On April 21, 2008, Plaintiffs filed a Motion to Enforce Judgment and Enjoin the Authority from Subverting Judgment, seeking an order enjoining implementation of the Authority's fiscal year 2009 Mid-Connecticut Project budget. On April 30, 2008, the Authority filed a Complaint in Superior Court in Hartford seeking a Declaratory Judgment that the adoption of its fiscal year 2009 budget was a proper exercise of the statutory discretion, exercised in good faith, of the Authority's Board of Directors. On June 12, 2008, the Declaratory Judgment action was transferred to the trial judge in the New Hartford matter. On June 13, 2008, Plaintiffs filed a Motion to Consolidate the Authority's Declaratory Judgment action with Plaintiffs' request for an order enjoining implementation of the fiscal year 2009 Mid-Connecticut Project budget. On August 11, 2008, the trial judge granted Plaintiffs' Motion to Consolidate with regard to the requested temporary injunction, but denied it with regard to the requested permanent injunction. An evidentiary hearing was begun in the fall of 2008, and was scheduled to resume on August 24, 2009, but the parties resolved their outstanding disputes, and on August 21, 2009, both Plaintiffs' Motion to Enforce Judgment and Defendants' Complaint seeking a Declaratory Judgment were withdrawn.

The Authority submitted a solid waste permit modification application to CTDEP in July 2006, associated with the Hartford landfill, to 1) revise the closure plan, prescribing a state-of-the-art synthetic cap; 2) revise the grading plan for a section of the east side of the landfill; 3) set a date certain for final delivery of waste of no later than December 31, 2008; and 4) discuss possible passive recreational future uses for the

landfill and engage a landscape architect to provide a rendering of these possible activities. A favorable ruling on this permit modification was issued by CTDEP on March 29, 2007. The Authority accepted the last shipment of solid waste on December 31, 2008. (In anticipation of the cessation of waste deliveries at the end of 2008, the Authority solicited bids for transportation and disposal of ash residue and unburned process residuals generated at its Mid-Connecticut Resources Recovery Facility. The Authority awarded contracts to Wheelabrator Technologies and Waste Management of Massachusetts, Inc. to manage these wastestreams beginning January 1, 2009. A new ash landfill in Connecticut would mitigate some of these costs.)

During fiscal year 2008, a site in Franklin, Connecticut has been identified as the primary site to be investigated to confirm that it is technically and environmentally amenable to permitting and constructing a landfill. Although the actual "footprint" of the contemplated landfill will be approximately 125 acres, the area being investigated is approximately 450 acres. The Authority publically announced the site in March 2008, and began field investigations in April 2008. Field investigations have occurred since that time and will continue through fall 2009. Field investigations include ecological studies (wetlands, threatened and endangered species, habitat assessment, etc.), subsurface geological and hydrogeological investigations, traffic analyses, surveying, hydrological studies of adjacent waterbodies, and cultural/archaeological investigations. The Authority held three public informational meetings in April and May 2008 to communicate its landfill siting initiative to the local community, as well as to answer questions and hear concerns from the local community. The Authority has continued to communicate with Franklin residents periodically with newsletters and through print media. During its 2009 session the Connecticut State Legislature passed a bill that prevented the Authority from acquiring certain properties necessary to develop the Franklin site; if the bill became law it would have removed this site from further consideration



of a mediated global settlement, the settlement share allocated to the Authority was \$268,372.63. Pursuant to a Settlement Agreement dated March 21, 2000 between the Authority and its insurance carrier, the insurer agreed to pay 63.4 percent of the Authority's obligation, leaving the Authority to pay 36.6 percent (\$98,224.39). In January 2009, the Authority paid its allocation amount into a settlement escrow. A Consent Decree resolving the settling parties' primary liabilities to the government plaintiffs was approved and entered by the Court on June 16, 2009. The settlement is also conditioned on the defendants' payment of ADR Process fees and Liaison Counsel fee assessments. One of the settling parties is pursuing a contribution action against several non-settling entities. The Authority may be subject to demands for discovery, and possibly, to third-party claims alleging liability.

On January 21, 2009, a Complaint was filed in Connecticut Superior Court, alleging injuries suffered by a Milford resident at the Milford Transfer Station as a result of the Authority's negligent and careless acts and/or omissions, and seeking monetary damages for such injuries as well as expenses for medical care and a new motor vehicle to accommodate Plaintiff's physical injuries, and a loss of earnings and earning capacity, and further alleging a loss of care and consortium by the resident's spouse and seeking monetary damages. The claim has been tendered to the Authority's insurer, which is defending, subject to a \$50,000 deductible.

In February 2008, a Complaint was filed in Connecticut Superior Court alleging injuries suffered by an employee of Enviro Express, the operator of the Norwalk Transfer Station, as a result of the Authority's negligent and careless acts and/or omissions, and seeking damages, including medical expenses and lost wages. The claim has been tendered to the insurer of Enviro Express, which is defending the Authority pursuant to a reservation of rights.

Other Issues and Unasserted Claims and Assessments:

The Metropolitan District Commission, which operates the Mid-Connecticut Project's Waste Processing Facility, has made claims that CRRA is responsible for MDC's "Contract Separation Costs" related to MDC employees employed at the Mid-Connecticut Project. The Authority believes that it is not responsible for any costs incurred by MDC after the expiration of the agreement between the parties. To date, MDC has not taken any action to formally pursue this claim.

One of the companies under contract for closure-related activities at the Mid-Connecticut Project's Hartford Landfill sent the Authority two requests, dated June 16, 2009 and June 17, 2009, respectively, for additional compensation. The Authority does not believe that the claims have merit. To date, no formal action has been taken.

In addition to the Dainty Rubbish litigation, the Authority is in discussions with four other waste hauling companies in response to the diversion of waste from the Authority's Mid-Connecticut Project. Should the ongoing discussions fail to produce a satisfactory resolution, the Authority plans to file suit seeking damages for breach of contract and other causes of action.

The Authority is subject to numerous federal, state and local environmental and other regulatory laws and regulations and management believes it is in substantial compliance with all such governmental laws and regulations.

**14. ACCOUNTING PRONOUNCEMENT:
GASB STATEMENT NO. 49,
ACCOUNTING AND FINANCIAL
REPORTING FOR POLLUTION
REMEDATION OBLIGATIONS**

GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations, is effective for financial statements for periods beginning after December 15, 2007. During fiscal year 2009, the Authority has

Supplementary Information



Connecticut Resources Recovery Authority

COMBINING SCHEDULE OF BALANCE SHEETS (Continued) AS OF JUNE 30, 2009 (Dollars in Thousands)

EXHIBIT A
Page 2 of 2

	General Fund	Mid-Connecticut Project	Bridgeport Project	Property Division	South West Division	Wallingford Project	Southeast Project	Eliminations	Total
LIABILITIES AND NET ASSETS									
CURRENT LIABILITIES									
Current portion of:									
Bonds payable, net	\$ -	\$ 3,503	\$ -	\$ -	\$ -	\$ -	\$ 536	\$ -	\$ 4,039
Closure and postclosure care of landfills	-	10,097	-	719	-	288	-	-	11,104
Accounts payable	100	4,391	29	67	-	67	213	-	4,867
Accrued expenses and other current liabilities	698	7,860	659	174	1,260	1,678	5,320	-	17,649
Due to other funds	296	-	-	-	-	-	-	(296)	-
Total Current Liabilities	1,094	25,851	688	960	1,260	2,033	6,069	(296)	37,659
LONG-TERM LIABILITIES									
Bonds payable, net	-	11,739	-	-	-	-	4,205	-	15,944
Closure and postclosure care of landfills	-	32,232	-	13,590	-	6,463	-	-	52,285
Other liabilities	-	-	-	-	-	-	1,127	-	1,127
Total Long-Term Liabilities	-	43,971	-	13,590	-	6,463	5,332	-	69,356
TOTAL LIABILITIES	1,094	69,822	688	14,550	1,260	8,496	11,401	(296)	107,915
NET ASSETS									
Invested in capital assets, net of related debt	640	115,156	11	15,375	-	2,178	-	-	133,360
Restricted:									
Tip fee stabilization	-	-	-	-	-	16,154	-	-	16,154
Energy generating facility	-	7,566	-	-	-	-	-	-	7,566
Debt service reserve funds	-	3,979	-	-	-	-	58	-	4,037
Operating and maintenance	-	1,764	-	-	-	-	-	-	1,764
Equipment replacement	-	1,764	-	-	-	-	-	-	1,764
Debt service funds	-	1,525	-	-	-	-	-	-	1,525
Select Energy escrow	-	1,000	-	-	-	-	-	-	1,000
Shelton landfill future use	-	-	-	870	-	-	-	-	870
DEP trust - landfills	-	490	174	-	-	153	-	-	817
Montville landfill postclosure	-	-	-	-	-	-	719	-	719
Recycling education fund	-	201	-	-	-	-	-	-	201
Rebate fund	-	-	-	-	-	-	178	-	178
Other restricted net assets	-	51	-	-	-	-	-	-	51
Total Restricted	-	18,340	174	870	-	16,307	955	-	36,646
Unrestricted	364	40,699	4,748	(1,572)	151	7,481	4,784	-	56,655
Total Net Assets	1,004	174,195	4,933	14,673	151	25,966	5,739	-	226,661
TOTAL LIABILITIES AND NET ASSETS	\$ 2,098	\$ 244,017	\$ 5,621	\$ 29,223	\$ 1,411	\$ 34,462	\$ 17,140	\$ (296)	\$ 333,676



Connecticut Resources Recovery Authority

**COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009
(Dollars in Thousands)**

**EXHIBIT C
Page 1 of 2**

	General Fund	Mid-Connecticut Project	Bridgeport Project	Property Division	SouthWest Division	Wallingford Project	Southeast Project	Eliminations	Total
Cash Flows From Operating Activities									
Payments received from providing services	\$ 210	\$ 93,411	\$ 36,634	\$ 1,215	\$ 5,246	\$ 17,252	\$ 24,044	\$ (150)	\$ 177,862
Proceeds from settlements	-	4,675	-	-	-	-	-	-	4,675
Payments received from other funds	-	216	-	-	-	-	-	(216)	-
Payments to suppliers for goods and services	(3)	(70,687)	(31,195)	(953)	(5,216)	(14,468)	(23,707)	150	(146,079)
Payments to employees for services	-	(3,650)	(370)	(54)	(7)	(361)	(80)	-	(4,522)
Distribution to member towns	-	-	-	-	-	(26,675)	-	-	(26,675)
Payments to other funds	(216)	-	-	-	-	-	-	216	-
Net Cash (Used in) Provided by Operating Activities	(9)	23,965	5,069	208	23	(24,252)	257	-	5,261
Cash Flows From Investing Activities									
Interest on investments	7	1,597	214	60	2	745	343	-	2,968
Purchases of investments	-	(5)	(2)	-	-	(2)	-	-	(9)
Net Cash Provided by Investing Activities	7	1,592	212	60	2	743	343	-	2,959
Cash Flows From Capital and Related Financing Activities									
Proceeds from sales of equipment	-	174	-	-	-	-	-	-	174
Payments for landfill closure and postclosure care liabilities	-	(6,806)	(782)	(192)	-	(156)	-	-	(7,936)
Acquisition and construction of capital assets	-	(15,462)	(113)	-	-	-	-	-	(15,575)
Interest paid on long-term debt	-	(832)	(86)	-	-	(15)	(283)	-	(1,216)
Principal paid on long-term debt	-	-	(1,705)	-	-	(712)	(586)	-	(3,003)
Net Cash Used in Capital and Related Financing Activities	-	(22,926)	(2,686)	(192)	-	(883)	(869)	-	(27,556)
Cash Flows From Non-Capital Financing Activities									
Other interest and fees	-	(10)	(18)	-	-	(500)	-	-	(528)
Cash inflow/(outflow)	-	-	(13,627)	13,627	-	-	-	-	-
Net Cash Used in Non-Capital Financing Activities	-	(10)	(13,645)	13,627	-	(500)	-	-	(528)



Connecticut Resources Recovery Authority

COMBINING SCHEDULE OF NET ASSETS

AS OF JUNE 30, 2009

(Dollars in Thousands)

EXHIBIT D
Page 1 of 2

	General Fund	Mid-Connecticut Project	Bridgeport Project	Property Division	South West Division	Wallingford Project	Southeast Project	Total
Net assets invested in capital assets, net of related debt	\$ 640	\$ 115,156	\$ 11	\$ 15,375	\$ -	\$ 2,178	\$ -	\$ 133,360
Restricted net assets:								
Current restricted cash and cash equivalents:								
Revenue fund	-	18,319	-	-	-	-	1,053	19,372
Debt service funds	-	5,132	-	-	-	-	384	5,516
Select Energy escrow	-	1,000	-	-	-	-	-	1,000
Shelton landfill future use	-	-	-	870	-	-	-	870
Montville landfill postclosure	-	-	-	-	-	-	886	886
Recycling education fund	-	441	-	-	-	-	-	441
Customer guarantee of payment	-	212	-	-	-	61	-	273
Town of Ellington trust - pooled funds	-	48	-	-	-	-	-	48
Total current restricted cash and cash equivalents	-	25,152	-	870	-	61	2,323	28,406
Non-current restricted cash and cash equivalents and investments:								
Tip fee stabilization	-	-	-	-	-	16,154	-	16,154
Energy generating facility	-	7,565	-	-	-	-	-	7,565
Debt service reserve funds	-	5,075	-	-	-	-	890	5,965
Equipment replacement	-	1,764	-	-	-	-	-	1,764
Operating and maintenance	-	1,764	-	-	-	-	-	1,764
DEP trust - landfills	-	490	174	-	-	153	-	817
Rebate fund	-	-	-	-	-	-	178	178
Total non-current restricted cash and cash equivalents and investments	-	16,658	174	-	-	16,307	1,068	34,207
Less liabilities to be paid with current restricted assets:								
Bonds payable, net including accrued interest	-	3,607	-	-	-	-	384	3,991
Other liabilities	-	18,527	-	-	-	61	1,220	19,808
Total liabilities to be paid with current restricted assets	-	22,134	-	-	-	61	1,604	23,799
Less liabilities to be paid with non-current restricted assets:								
Bonds payable, net	-	1,096	-	-	-	-	832	1,928
Other liabilities	-	240	-	-	-	-	-	240
Total liabilities to be paid with non-current restricted assets	-	1,336	-	-	-	-	832	2,168
Total restricted net assets	-	18,340	174	870	-	16,307	955	36,646

TAB 5

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

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 10/1/09 – 10/1/10 for a premium of \$243,931, as discussed at this meeting; and

FURTHER RESOLVED: That CRRA's \$25 million Umbrella Liability insurance be purchased from **ACE American Insurance Company** for a premium of \$185,621 for the period 10/1/09 – 10/1/10, 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 10/1/09 – 10/1/10 for a premium of \$343,366;

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 fifteen (15) passenger vehicles and light trucks with a \$1,000 deductible, for the period 10/1/09 – 10/1/10 for a premium of \$54,010.

The aggregate casualty premium is \$826,928, including all insurance outlined above for the period 10/1/09 – 10/1/10 (CRRA's annualized budget for these policies was \$870,837). This represents a favorable variance of 5% (\$43,909) to budget.

The proposed premiums represent a total reduction of \$26,672 (3.1%) compared to last year's annual premiums.

Executive Summary
Connecticut Resources Recovery Authority
Casualty Insurance Program Renewal
September 24, 2009

Background

CRRA's current casualty insurance program, consisting of Commercial General Liability, Automobile Liability, Excess Liability and Pollution Legal Liability policies, expires on October 1, 2009 and needs to be renewed. (Exhibit I summarizes the coverage under these policies.)

New Program Marketing and Results

CRRA began this marketing phase with our broker, Aon Risk Services (Aon) in May of this year. (Exhibit II identifies the numerous markets approached by Aon).

General Liability/Excess Liability/Pollution Legal Liability

Quotations on the existing program structure with a total of \$25 million in Excess limits as well as \$20 million in Pollution Legal Liability limits were sought from all markets. Aon pursued multi-year policies with all insurance companies.

All declined to provide coverage, except as follows:

General Liability

Our current insurance company, ACE (Rated A+), submitted a quote for the \$1 million General Liability program with a deductible of \$25,000 for a premium of \$243,931. No other quotes were received. This premium is 2.7% (or \$6,964) lower than last year.

ACE also provided an option for a higher deductible of \$50,000 which lowers the premium to \$229,576 (8.4% or \$21,319 lower than last year).

ACE will not write a multi-year policy for General Liability.

Liberty Mutual (Rated A), who had for the past several years, offered competitive quotes, this year said that their new model would not permit them to write our account. It turns out we were prudent not to select Liberty last year even though they had a slightly lower premium than ACE, as we would not have had the long term relationship we are developing with ACE.

Umbrella/Excess Liability

ACE offered an umbrella limit of \$25 million for a premium of \$185,621. This premium is \$11,239 (5.7%) lower than last year.

One of our current excess insurance companies, Everest National Insurance (Rated A+), offered quotes on both the first excess of \$10 million and the second excess of \$15 million for premiums of \$120,360 and \$76,500, respectively. These are exactly the same premiums as last year.

Multi-year policies are not available for Excess.

All other markets declined to provide coverage including The Hartford, St. Paul Travelers, Catlin US Insurance Group, XL, Crum & Forster, One Beacon, Liberty Mutual and Chubb & Son, Inc., either because they could not provide a competitive premium or they did not like CRRA's exposures.

Pollution Legal Liability

As you know, this insurance is always difficult to place because of CRRA's many potential environmental exposures. However, in addition to our current insurer, ACE, offering multiple options, Zurich (Rating A+) also provided options for Pollution Legal Liability coverage:

ACE POLICY LIMIT, RETENTION, TERM AND PREMIUM OPTIONS:

RETENTION OPTIONS (per pollution condition)	LIMIT OPTIONS (per / aggregate)			
	\$20,000,000 / \$20,000,000		\$20,000,000 / \$30,000,000	\$20,000,000 / \$40,000,000
	One (1) Year Term	Two (2) Year Term	Two (2) Year Term	Two (2) Year Term
\$500,000 SIR	\$363,952	N/A	N/A	N/A
\$1,000,000 SIR	\$343,366	\$600,891 (a)	\$721,068 (b)	\$882,017 (b)

ZURICH POLICY LIMIT, RETENTION, TERM AND PREMIUM OPTIONS:

RETENTION OPTIONS (per pollution condition)	LIMIT OPTIONS (per / aggregate)		
	\$20,000,000 / \$20,000,000		\$20,000,000 / \$30,000,000
	One (1) Year Term	Two (2) Year Term	Two (2) Year Term
\$500,000 SIR	N/A	N/A	N/A
\$1,000,000 SIR	\$336,139	N/A	\$573,505 (b)

- (a) All coverage would be the same as the one-year policy, except the aggregate limit is shared over the two-year term and would remain at \$20 million. So, for instance, if CRRA experienced a claim in year one which diminished the policy by \$10 million, and another claim in year two which totaled \$15 million, there would not be enough to cover the entire 2nd year claim. CRRA would be out-of-pocket for \$5 million of claim in the second year.
- (b) Because the aggregate is shared over the two-year period as described above, Aon requested and ACE and Zurich provided these higher aggregates as additional two-year options.

Automobile Liability

CRRA sought coverage on thirty-eight (38) units. Comprehensive and collision coverage is only on the newer fifteen (15) passenger vehicles and light trucks and liability coverage is on the entire fleet of 38 units. This is the same number of units as last year, but there are three (3) more new vehicles requiring comprehensive and collision coverage; last year there were twelve (12).

ACE provided a quote for \$1 million of coverage for a premium of \$54,010. This year's premium is 1.8% lower than last year's \$65,517.

All other markets, including The Hartford, St. Paul Travelers, Catlin US Insurance Group, XL, Crum & Forster, One Beacon, Liberty Mutual and Chubb & Son, Inc, declined to provide quotes either because they could not offer a competitive premium or they did not like the nature of CRRA's business.

Terrorism (TRIA) coverage is not available on Commercial Auto Liability insurance.

Multi-year policies are not available for Automobile Liability.

The chart below provides a comparison of the expiring premiums and the quotes received (highlighted column is recommended):

CRRR Casualty Insurance: 10/1/09-10/1/10
Breakdown of Expiring Premiums vs. Recommended Renewal Premiums

Line of Coverage	Expiring Premium ACE, Everest & AWAC	Renewal Premium Quotes - ACE	Renewal Premium Quotes - ACE	Renewal Premium Quotes - ACE, Zurich	Renewal Premium Quotes - ACE, Zurich
	2008-2009	Option #1 2009-2010	Option #2 2009-2010	Option #3 2009-2010	Option #4 2009-2010
General liability	\$1m - \$250,895 ACE (includes TRIA) \$25,000 Deductible	\$1m - \$243,931 ACE (includes TRIA) \$25,000 Deductible	\$1m - \$229,576 ACE (includes TRIA) \$50,000 Deductible	\$1m - \$243,931 ACE (includes TRIA) \$25,000 Deductible	\$1m - \$229,576 ACE (includes TRIA) \$50,000 Deductible
Automobile liability	\$65,517 - ACE (comp & collision on 12 vehicles with \$1000 deductible on all units)	\$54,010 - ACE (comp & collision on 15 vehicles with \$1000 deductible on all units)	\$54,010 ACE (comp & collision on 15 vehicles with \$1000, deductibles on all units)	\$54,010 - ACE (comp & collision on 15 vehicles with \$1000 deductible on all units)	\$54,010 - ACE (comp & collision on 15 vehicles with \$1000 deductible on all units)
Umbrella/Excess liability (Sits over all but Pollution)	\$10m - Everest \$120,360 & \$15m - AWAC \$76,500 = Total \$196,860 (Includes TRIA)	\$25m - ACE Total \$185,621 (Includes TRIA)	\$25m - ACE Total \$185,621 (Includes TRIA)	\$25m - ACE Total \$185,621 (Includes TRIA)	\$25m - ACE Total \$185,621 (Includes TRIA)
Pollution Legal liability	ACE (1 Year Policy) \$20m Ea/\$20m Aggregate \$340,328 (TRIA Included)	ACE (1 Year Policy) \$20m Ea/\$20m Aggregate/\$1M SIR - \$343,366 (TRIA Included)	ACE (1 Year Policy) \$20m Ea/\$20m Aggregate/\$1M SIR - \$343,366 (TRIA Included)	Zurich (1 Yr Policy) \$20m Ea/\$20m Aggregate/\$1M SIR - \$336,139 (TRIA Included)	Zurich (1 Yr Policy) \$20m Ea/\$20m Aggregate/\$1M SIR - \$335,000 (TRIA Included)
Overall Cost of Program Total	\$25m GL Excess & Auto = \$513,272 \$20m Pollution = \$340,328 Total Cost - \$853,600 (Overall 2.4% Decrease from prior year)	\$25m GL, Umbrella & Auto = \$483,562 \$20m Pollution = \$343,366 Total Cost - \$826,928 (Overall 3.1% Decrease from last year)	\$25m GL, Excess & Auto = \$469,207 \$20m Pollution = \$343,366 Total Cost - \$812,573 (Overall 4.8% Decrease from last year)	\$25m GL, Excess & Auto = \$483,562 \$20m Pollution = \$336,139 Total Cost - \$819,701 (Overall 3.9% Decrease from last year)	\$25m GL, Excess & Auto = \$469,207 \$20m Pollution = \$336,139 Total Cost - \$805,346 (Overall 5.6% Decrease from last year)

Recommendation Rationale

General Liability

The premium reduction of \$14,355 for the higher General Liability deductible of \$50,000 is not justified as CRRA would be responsible for an additional \$25,000 per claim if we were to select this option. Fortunately, most of the claims we have in the general liability category have been minor enough that they did not reach the deductible. However, within the last year we have two (2) unresolved claims, both of which exceed the deductible.

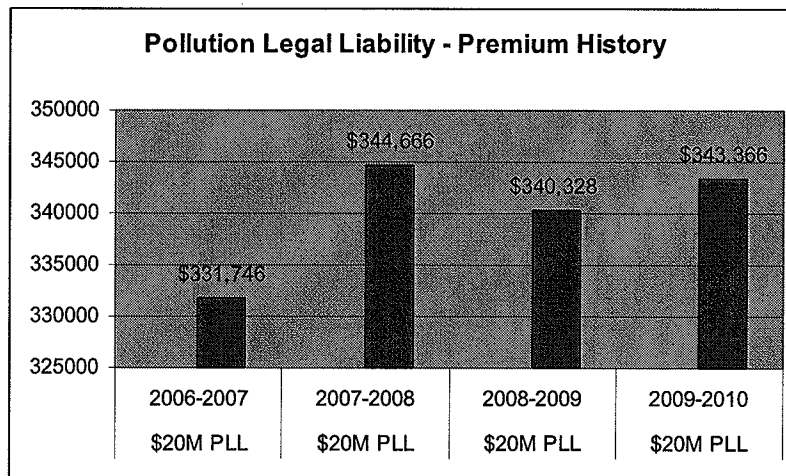
Pollution Legal Liability

None of the two-year policy premiums could be accommodated by the 2010 budget. Higher limits of \$20/\$30 million and \$20/\$40 million allow CRRA to pay half the premium this year and half next year; however, these policies share the limit, as explained earlier.

If we selected a two-year policy offered by ACE, the advantage would be that we would be assured of the insurance costs next year and we could divide the premium over two years, bringing the \$721,068 overall premium for \$20/\$30 million to \$360,534 per year; or \$441,008.50 each year for the \$20/\$40 million.

This would make the \$20/\$30 option \$17,168 (5%) more annually than the \$20/\$20 option, and the \$20/\$40 option \$97,642.50 (22%) more than the \$20/\$20 option.

We chose to recommend the one-year, \$20/\$20 Million Pollution Legal Liability option with ACE because this policy accommodates the budget, is an enhanced level of coverage and represents a very minor premium increase over last year's policy (\$3,038). Premium history demonstrates that over the past four (4) years when CRRA purchased the \$20/\$20 million limit, there has been only a slight variation in premium costs.



Zurich did not meet our quote deadline and when they did submit it the information was incomplete. In addition, the coverage they propose is not as comprehensive as that offered by ACE, e.g., Zurich excludes all known contaminants while ACE identifies the same three known contaminants that it excluded last year; Zurich excludes all underground storage tanks and ACE covers underground storage tanks that have been identified as closed in compliance with regulations.

RECOMMENDATIONS

In consultation with our broker Aon, management recommends that the Finance Committee accept the following quotes offered by ACE Insurance Company for the period 10/1/09 – 10/1/10:

**\$243,931 for \$1 million of Commercial General Liability
ACE (Best Rating A+ (Superior))**

**\$185,621 for \$25 million of Umbrella Liability
ACE (Best A+ (Superior))**

**\$343,366 for \$20 million of Pollution Legal Liability
ACE (Best Rating A+ (Superior))**

**\$54,010 for \$1 million of Commercial Automobile Liability –
ACE (Best Rating A+ (Superior))**

TRIA (certified acts of terrorism) coverage is on all appropriate policies.

Total casualty premium - \$826,928 vs. annualized budget amount of \$870,837 (see Premium to Budget Comparison, Exhibit III).

Description of Coverage

Commercial General Liability Insurance

\$1,000,000 – Commercial General Liability

Covers damages to third parties for bodily injury or property damage within policy terms and conditions (e.g., a workman drops a tool and dents somebody's automobile; someone slips and falls at one of our facilities). Limits are \$1 million each occurrence, \$2 million general aggregate per location.

\$25,000,000 – Umbrella/Excess Liability

Covers all of the losses within policy terms and conditions that exceed the underlying layer of \$1 million General Liability, \$1 million Auto Liability and \$1 million Employers Liability.

Pollution Legal Liability

\$20,000,000 – Pollution Legal Liability

Covers losses arising from pollution conditions to third parties within policy terms and conditions for onsite bodily injury and property damage, third party claims for off-site clean up resulting from new conditions, third party claims for off site bodily injury and property damage, coverage for scheduled non owned disposal locations and pollution conditions resulting from transported cargo. On site clean up of new conditions only from spills associated with the jet fuel tank at Mid-CT facility. Limits are \$20 million each occurrence, \$20 million in the aggregate.

Automobile Liability Insurance

Covers damages to third parties for bodily injury or property damage from the use of a CRRA owned auto within policy terms and conditions. The policy also covers the physical damage of CRRA owned units. CRRA is responsible for insuring 38 power units and 1 transporter plate - tractors/ trailers, light trucks and passenger vehicles used in connection with administration and operation of our facilities. Comprehensive and collision coverage is only on fifteen (15) passenger vehicles and light trucks with a \$1,000 deductible. Limits are \$1 million each occurrence with no aggregate.

Connecticut Resources Recovery Authority						
Quote Disclosure Report						
Casualty Program						
Line of Business	Program	Carrier	Carrier Response	Carrier Declination Reason	Premium	Quoted ARS Commission if applicable Intermediary Commission
Policy Term: October 1, 2009 to October 1, 2010						
Business Auto Coverage	\$25 M	ACE USA	Quoted		\$54,010.00	0.00%
Umbrella		ACE USA	Quoted		\$185,621.00	
Excess Liability Coverage	GL, Auto, Excess	Catlin US Ins Group	Declined	Unable to compete with current structure		Aon Re London 7-10%
Excess Liability Coverage	\$15M 2nd Excess	Everest National Insurance Co	Quoted		\$76,500.00	AmWINS Brokerage 10%
Excess Liability Coverage	\$10M 1st Excess	Everest National Insurance Co	Quoted		\$120,360.00	AmWINS Brokerage 10%
General Liability Coverage	General Liability \$25k Ded	ACE USA	Quoted		\$229,576.00	0.00%
General Liability Coverage	General Liability \$50k Ded	ACE USA	Quoted		\$243,931.00	0.00%

Connecticut Resources Recovery Authority
Quote Disclosure Report
Casualty Program

Line of Business	Program	Carrier	Carrier Response	Carrier Declination Reason	Premium	Quoted ARS Commission if applicable	Intermediary Commission
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Policy Term: October 1, 2009 to October 1, 2010

General Liability Coverage	GL, Auto, Excess	Chubb & Son Inc	Declined	Will not write waste hauling business			
General Liability Coverage	GL, Auto, Excess	Crum & Forster Insurance Co.	Declined	Will not write waste hauling business			
General Liability Coverage	GL, Auto, Excess	Hartford	Declined	Not writing waste hauling business			
General Liability Coverage	GL, Auto, Excess	Liberty Mutual Group	Declined	Will not write waste hauling business			
General Liability Coverage	GL, Auto, Excess	One Beacon	Not interested in quoting	Does not fit their business			
General Liability Coverage	GL, Auto, Excess	St. Paul Travelers Group	Declined	Not writing waste hauling business			

Connecticut Resources Recovery Authority

Quote Disclosure Report

Casualty Program

Line of Business	Program	Carrier	Carrier Response	Carrier Declination Reason	Premium	Quoted Commission	Intermediary Commission
Policy Term: October 1, 2009 to October 1, 2010							
General Liability Coverage	GL, Auto, Excess	XL Insurance America Inc	Declined	Minimum Premium \$750,000			
Pollution Legal Liability	\$20M/\$20M 1M 2 years	ACE USA	Quoted		\$600,891.00	0.00%	
Pollution Legal Liability	\$20M/\$20M 500k 1 year	ACE USA	Quoted		\$363,952.00	0.00%	
Pollution Legal Liability	\$20M/\$20M \$1M 1 year	ACE USA	Quoted		\$343,366.00	0.00%	
Pollution Legal Liability	\$20M/\$30M \$1M 2 years	ACE USA	Quoted		\$721,068.00	0.00%	
Pollution Legal Liability	\$20M/\$40M \$1M 2 years	ACE USA	Quoted		\$822,017.00	0.00%	
Pollution Legal Liability	\$20M/\$20M \$1M 1 year	Chubb Europe	Declined	Exposures			

Connecticut Resources Recovery Authority
Quote Disclosure Report
Casualty Program

Line of Business	Program	Carrier	Carrier Response	Carrier Declination Reason	Premium	Quoted ARS Commission if applicable	Intermediary Commission
Policy Term: October 1, 2009 to October 1, 2010							
Pollution Legal Liability	\$20M/\$20M \$1M 1 year	Liberty Mutual Group	Declined	Exposures			
Pollution Legal Liability	\$20M/\$20M \$1M 1 year	XL Bermuda	Declined	Exposures			
Pollution Legal Liability	\$20M/\$20M \$1M 1 year	Zurich	Quoted		\$336,139.00	0.00%	
Pollution Legal Liability	\$20M/\$30M \$1M 2 years	Zurich	Quoted		\$573,505.00	0.00%	

Presentation Date: September 3, 2009

PREMIUM TO BUDGET COMPARISON

Insurance Type	2007-2008	FY2009	FY2010	Annualized Budget	Proposed Premium 10/1/09-10/1/10	Variance to Budget
	10/1/07-10/1/08 Premium	10/1/08-6/30/09 Actual	7/1/09-6/30/10 Budget			
General Liability	\$250,895	\$188,172	\$65,859	\$254,031	\$243,931	\$10,100
Umbrella Liability	\$196,860	\$155,025	\$51,675	\$206,700	\$185,621	\$21,079
Pollution Legal Liab.	\$340,328	\$255,249	\$89,337	\$344,586	\$343,366	\$1,220
Automobile Liability	\$65,517	\$49,140	\$16,380	\$65,520	\$54,010	\$11,510
TOTALS				<u>\$870,837</u>	<u>\$826,928</u>	<u>\$43,909</u>

TAB 6

RECOMMENDED PROPOSED RESOLUTION FOR CRRA BOARD OF DIRECTORS

**RESOLUTION REGARDING THE TRANSFER AND
RECLASSIFICATION OF STRATFORD RECYCLING CAPITAL
RESERVE FROM BRIDGEPORT PROJECT TO PROPERTY
DIVISION**

WHEREAS, the Connecticut Resources Recovery Authority's (the "Authority") Board of Directors (the "Board") adopted a resolution in October 2005 that established a Recycling Reserve within the Bridgeport Project; and

WHEREAS, the Bridgeport Project officially ended on December 31, 2008; and

WHEREAS, the Recycling component of the former Bridgeport Project survives the Bridgeport Project under the auspices of the Authority and by the operation of FCR; and

WHEREAS, the Authority seeks to make final distribution of Bridgeport Project-related funds to the towns that were member of the former Bridgeport Project; and

WHEREAS, on July 23, 2009, the Board reviewed and approved the consolidation of various activities and assets and accounts relating to the Bridgeport Project in order to set funds aside prior to the final distribution of Bridgeport Project-related funds to the towns that were members of the former Bridgeport Project; and

WHEREAS, the remaining assets and accounts that are necessary for the continual of other activities of the former Bridgeport Project including, but not limited to, landfill closure and recycling will be reclassified into the Property Division in order to avoid comingling with other Bridgeport Project funds.

NOW, THEREFORE, it is

RESOLVED: that the full amount in the Bridgeport Project Recycling Reserve be transferred to the Property Division and renamed the Stratford Capital Recycling Reserve, pending final disposition from legal.

TAB 7

RESOLUTION REGARDING FUNDING OF SHELTON LANDFILL POST CLOSURE RESERVE

WHEREAS, On July 1, 2009 the Connecticut Department of Environmental Protection (CTDEP) issued a tentative determination and a draft permit for a stewardship permit for the Shelton landfill which required a 15% contingency be added for the entire landfill due to the presence of a hazardous waste cell located within the Shelton landfill; and

WHEREAS, CRRA reviewed the assumptions for the reserve earnings rate and the annual inflation rate and adjusted these rates to account for present economic conditions; and

WHEREAS, Certain work pertaining to the Shelton landfill estimated at \$60,000 was scheduled to be completed in Fiscal Year 2009 and will now be completed in Fiscal Year 2010;

NOW, THEREFORE, it is

RESOLVED: that to meet the additional funding requirements, \$1,360,000 be transferred from the Bridgeport Project Account to the Shelton Landfill Post Closure Reserve STIF.

Jeffrey Duvall

From: Peter Egan
Sent: Monday, September 14, 2009 10:12 AM
To: Jim Bolduc
Cc: Jeffrey Duvall; Ron Gingerich; Christopher Shepard
Subject: Shelton Landfill Post-Closure Estimate Revision due to new Stewardship Permit

Jim,

In January 2009, CTDEP advised CRRA that CTDEP was finally prepared to move ahead and issue a Stewardship Permit to CRRA for the Shelton Landfill. The Shelton Landfill is subject to the Stewardship Permit program because of the presence of the 1.7-acre Metal Hydroxide Cell (an area which contains hazardous waste). A Stewardship Permit is Connecticut's state equivalent of a RCRA Part B Post-Closure permit under the federal EPA hazardous waste program.)

CRRA had originally submitted a RCRA Part B post-closure permit application to USEPA under the federal hazardous waste program in December 1991 for the Metal Hydroxide Cell. No action was ever taken by USEPA on that permit application. (In 1991 CTDEP did not have authority from USEPA to operate that part of the RCRA hazardous waste program that governed landfills so CRRA was required to submit the application to the federal government. In 2004 USEPA finally delegated authority to CTDEP to issue corrective action/post-closure permits for hazardous waste landfills, and DEP then developed the Stewardship Permit Program.)

A Stewardship Permit is a site-wide permit and will apply to the entire Landfill, not just the Metal Hydroxide Cell. In general, the Stewardship Permit will incorporate and subsume permit conditions and regulatory requirements currently found in the solid waste and groundwater discharge permits for the Landfill, in addition to the requirements specified in the hazardous waste regulations.

One area in which the Stewardship Permit will differ from the current permits and regulatory programs is that CTDEP will require in the Stewardship Permit that CRRA add a 15% contingency for potential corrective action activities to the post-closure maintenance and monitoring cost estimate for the Landfill (i.e., 15% above what CRRA estimates to be the cost of post-closure maintenance and monitoring.). During our meetings with DEP regarding development of the permit CRRA questioned and challenged DEP as to why an additional 15% need be added to our PC Cost Estimate. Our position was that our estimate is adequate, conservative and reasonable. DEP's response was that the 15% contingency requirement is a DEP policy, based on a policy directive from USEPA, is a condition that is inserted in all Stewardship permits, and is not subject to negotiation.

In spring 2009 CRRA assembled and submitted a Stewardship Permit Application to CTDEP. DEP has indicated that they expect to issue the Stewardship Permit by September 30, 2009.

Peter W. Egan
Director of Environmental Affairs & Development
Connecticut Resources Recovery Authority
100 Constitution Plaza, 6th Floor
Hartford, CT 06103
Phone: 860-757-7725
Fax: 860-727-4141
pegan@crra.org

 Please consider the environment before printing this e-mail.

9/14/2009

SHELTON LANDFILL POSTCLOSURE RESERVE

UPDATED

6/30/2009

Reserve Earnings Rate Assumption: 3.92%
 Annual Inflation Rate Assumption: 2.81%
 1.11%

Fiscal Year	Post Year	Reserve Opening Balance	Reserve Contributions	Estimated Reserve Interest	Estimated Current Costs	Inflation Adjusted Costs	Reserve Closing Balance
08	7	\$ 6,902,547	\$ 3,815,000 (a)	\$ 384,295	\$ -	\$ -	\$ 11,101,842
09	0	\$ 11,101,525	\$ 300,000 (b)	\$ 435,180	\$ -	\$ -	\$ 11,836,705
10	1	\$ 11,836,705	\$ 1,300,000	\$ 463,999	\$ 746,250	\$ 767,220	\$ 12,833,484
11	2	\$ 12,833,484	\$ -	\$ 503,073	\$ 826,350	\$ 873,443	\$ 12,463,113
12	3	\$ 12,463,113	\$ -	\$ 488,554	\$ 885,550	\$ 962,319	\$ 11,989,348
13	4	\$ 11,989,348	\$ -	\$ 469,982	\$ 673,550	\$ 752,508	\$ 11,706,822
14	5	\$ 11,706,822	\$ -	\$ 458,907	\$ 693,550	\$ 796,626	\$ 11,369,103
15	6	\$ 11,369,103	\$ -	\$ 445,669	\$ 1,204,050	\$ 1,421,859	\$ 10,392,913
16	7	\$ 10,392,913	\$ -	\$ 407,402	\$ 688,550	\$ 835,955	\$ 9,964,360
17	8	\$ 9,964,360	\$ -	\$ 390,603	\$ 612,400	\$ 764,395	\$ 9,590,567
18	9	\$ 9,590,567	\$ -	\$ 375,950	\$ 612,400	\$ 785,875	\$ 9,180,643
19	10	\$ 9,180,643	\$ -	\$ 359,881	\$ 625,400	\$ 825,109	\$ 8,715,415
20	11	\$ 8,715,415	\$ -	\$ 341,644	\$ 600,900	\$ 815,063	\$ 8,241,996
21	12	\$ 8,241,996	\$ -	\$ 323,086	\$ 600,400	\$ 837,269	\$ 7,727,813
22	13	\$ 7,727,813	\$ -	\$ 302,930	\$ 600,400	\$ 860,796	\$ 7,169,947
23	14	\$ 7,169,947	\$ -	\$ 281,062	\$ 600,400	\$ 884,985	\$ 6,566,025
24	15	\$ 6,566,025	\$ -	\$ 257,388	\$ 620,400	\$ 940,161	\$ 5,883,252
25	16	\$ 5,883,252	\$ -	\$ 230,623	\$ 600,900	\$ 936,199	\$ 5,177,677
26	17	\$ 5,177,677	\$ -	\$ 202,965	\$ 615,400	\$ 985,731	\$ 4,394,910
27	18	\$ 4,394,910	\$ -	\$ 172,280	\$ 600,400	\$ 988,729	\$ 3,578,462
28	19	\$ 3,578,462	\$ -	\$ 140,276	\$ 598,688	\$ 1,013,613	\$ 2,705,124
29	20	\$ 2,705,124	\$ -	\$ 106,041	\$ 580,500	\$ 1,010,437	\$ 1,800,728
30	21	\$ 1,800,728	\$ -	\$ 70,589	\$ 571,000	\$ 1,021,830	\$ 849,486
31	22	\$ 849,486	\$ -	\$ 33,300	\$ 427,875	\$ 787,218	\$ 95,569
			\$ 5,415,000	\$ 7,645,680	\$ 14,585,313	\$ 19,867,342	

(a) Includes \$3.0 million received in November 2007 from Bond Commission and \$815k returned

(b) Funds to be transferred from the Shelton Landfill Future Use Reserve

TAB 8

**RESOLUTION REGARDING THE PURCHASE OF A
RUBBER-TIRED WHEEL LOADER
FOR THE
MID CONNECTICUT RESOURCE RECOVERY FACILITY**

RESOLVED: That the President is hereby authorized to execute an agreement for the purchase of a Rubber-Tired Wheel Loader from Tyler Equipment Corporation to be used at the Mid-Connecticut Resource Recovery Facility substantially as presented and discussed at this meeting.

Connecticut Resources Recovery Authority
Purchase of a
Rubber-Tired Wheel Loader
For the
Mid-Connecticut Resource Recovery Facility

Presented to the CRRA Board on:	September 24, 2009
Vendor/ Contractor(s):	Tyler Equipment Corporation
Effective date:	Upon Execution
Term:	180 days from Notice to Proceed
Contract Type/Subject matter:	Equipment Supply
Facility (ies) Affected:	Mid-CT Resource Recovery Facility
Original Contract:	N/A
Contract Dollar Value:	\$213,860.00
Amendment(s):	N/A
Term Extensions:	N/A
Scope of Services:	Provide one new Volvo L90 Rubber-Tired Wheel Loader; agreement includes 3 year preventative maintenance service
Bid Security:	Bid Bond
Budget Status:	Loader purchase was included in the FY2010 Mid-Connecticut budget
Other Pertinent Provisions:	None

Connecticut Resources Recovery Authority Mid-Connecticut Project

Purchase of a Rubber-Tired Wheel Loader For the Mid-Connecticut Resource Recovery Facility

September 24, 2009

Executive Summary

This is to request approval of the CRRA Board of Directors for the President to enter in an agreement with Tyler Equipment Corporation for the purchase and 3 year preventative maintenance of a Volvo L90 Rubber Tired Wheel Loader to be used at the Mid-Connecticut Resource Recovery Facility (“RRF”).

Discussion

The Metropolitan District (“MDC”) operates and maintains a fleet of seven rubber-tired loaders for use in processing waste at the Waste Processing Facility (“WPF”). The particular loader that is the subject of this proposed purchase is used for the loading of ash at the Power Block Facility. The loader currently in operation for this function requires major maintenance and reconditioning work estimated at approximately \$165,000, whereas a new loader can be purchased at a bid price of \$184,419. In addition, 3 years of preventative maintenance was included within the bid at a cost of \$29,441. The reconditioning of the existing loader would not be guaranteed by the manufacturer, whereas a new loader would be under warranty. Therefore, purchasing a new unit is the more prudent alternative as the cost of a new machine is just slightly higher than the cost of a non-guaranteed rebuild. Further, additional savings could be realized due to the improved operational and fuel efficiencies of a new loader.

Financial Summary

The purchase of a rubber-tired wheel loader was solicited through a public procurement process. CRRA published a “Notice to Contractors – Invitation to Bid” in the Sunday, July 26, 2009 editions (or as soon thereafter as possible) of the Hartford Courant, Manchester Journal Inquirer, Waterbury Republican-American, Northeast Minority News and LaVoz Hispania de Connecticut. In addition, the Invitation to Bid was posted on the Connecticut Department of

Administrative Services web site. Sealed public bids were received through August 26, 2009. The bid specifications included both environmental emissions requirements and fire suppression systems.

Bids were received from three vendors as follows:

Vendor	Model	Compliant with Bid Specification	Quoted Price
Tyler Equipment Corporation	Volvo L90	Yes	\$213,860
WI Clark Co.	John Deere 624	No	\$224,970
H.O. Penn Machinery Co.	Caterpillar 938H	No	\$238,375

WI Clark Co. did not meet the bid specifications in regards to the drive train, braking and electrical system requirements. H.O. Penn Machinery Co. did not meet the bid specifications in regards to the performance, engine, braking and steering requirements.

In addition to the specification requirement of a one year warranty, Tyler Equipment has offered a three year warranty for the purchase of this machine.

CRRA staff has met with representatives from Tyler Equipment Corporation, examined its qualifications and is satisfied that this contractor is fully qualified to provide this type of equipment. CRRA staff is recommending the selection Tyler Equipment Corporation, the low bidder for the project.

The Purchase of one (1) new Volvo L90 Rubber Tired Loader from Tyler Equipment Corp will be funded from the Rolling Stock Reserve as adopted for in the fiscal year 2010 Mid-Connecticut budget.

TAB 9

RESOLUTION REGARDING THE PURCHASE OF A NEW JET FUEL TANK FOR THE JET TURBINE FACILITY

RESOLVED: That the President is hereby authorized to execute an agreement with Northeast Generation Services Company, Inc. to purchase a new Jet Fuel Tank for the Mid-Connecticut Jet Turbine Facility, substantially as presented and discussed at this meeting. The funds for this expenditure will be withdrawn from the Jets/Energy Generating Facility reserve account.

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

**Purchase of a New Jet Fuel Tank for the Mid-Connecticut Jet Turbine Facility
Agreement**

Presented to the CRRA Board on: September 24, 2009

Vendor/ Contractor(s): Northeast Generation Services Company, Inc.

Effective date: Upon Execution

Contract Type/Subject matter: Installation of new equipment

Facility (ies) Affected: Mid-CT Jet Turbine Facility

Original Contract: NA

Term: 240 days from Notice to Proceed

Contract Dollar Value: \$1,200,000.00 (estimate)

Amendment(s): NA

Term Extensions: N/A

Scope of Services: Purchase of a new Jet Fuel Tank for the Mid-Connecticut Jet Turbine Facility.

Security: Existing Contract #014158

Budget status: The project will be funded from the Jet/Energy Generating Facility reserve which was unplanned for in the FY2010 Mid-Connecticut budget.

Other Pertinent Provisions: None

Connecticut Resources Recovery Authority Mid-Connecticut Project-Purchase a New Jet Fuel Tank for the Jet Turbine Facility

September 24, 2009

Executive Summary

This is to request approval of the CRRRA Board of Directors for the President to purchase and install a new Jet Fuel Tank at the Mid-Connecticut Jet Turbine Facility ("JTF") that is operated and maintained by Northeast Generation Services ("NGS") and Select Energy, Inc.

Discussion

During the recent external inspection (performed every 5 years and an internal inspection is performed every 10 years) of the JTF fuel tank performed by a qualified contractor on June 23, 2009 for NGS, it was identified that the chime area is corroded back to the bottom-to-shell tank wall weld. The last external inspection, performed in 2004 did not reveal this chime corrosion.

The chime area is essentially an extension of the floor bottom past the outer shell tank wall where both the floor and shell wall meet and are seam welded (seam weld is inside and outside the tank shell wall). The chime area extends past the outside shell wall roughly about an inch and half to two inches. The corroded part of the chime is approximately 8 feet long on the perimeter of the tank. The June 23, 2009 external inspection found no substantive structural findings. Based on the chime corrosion it was determined by CRRRA and NGS to perform an internal robotic inspection of the jet fuel tank.

The internal robotic inspection of the jet fuel tank was performed during the week of August 17th, 2009. The inspection included an external (under tank bottom inspection of the affected chime area, a dye penetrant (PT)) inspection of the welds in the affected area and a robotic internal inspection with special attention to the affected area.

Preliminary Summary and Recommendation of Inspections:

Based on the finding from the inspections, it appears that the Jet Fuel Tank is not in imminent danger of failure, but the tank has experienced significant corrosion and is reaching the end of its service life.

Given the difficulty in predicting exact corrosion rates and given the age of the tank, it is the inspection company's (Intank Services, Inc.) recommendation that the tank be

removed from service and inspected and repaired within 2 years from this date (removed from service no later than August 2011).

The tank should also be monitored on a frequent basis for signs of leaking or other distress. It is also recommended that the amount of oil stored in the tank be kept to a minimum until the tank can be removed from service (recommendations CRRA and NGS have implemented).

Based on these findings CRRA decided to explore more immediate tank repair or replacement options. These options are listed below. Options are only budgetary values based on verbal discussions with vendors and contractors.

- Existing Jet Fuel Tank Specifications: Year Built- 1945
Construction- Butt Welded steel plates construction.
Diameter- 140 feet
Height- 48 feet
Design Capacity: 5,527,400 gallons
Administrative Capacity: 3,470,000 gallons
Present Operating Quantity: 1,200,000 gallons

- Option #1: Drain and repair the existing tank by moving existing fuel quantity to off-site storage and then reintroduce after repairs and repaint tank.

COST: \$1,111,000

- Option #2: Replace the tank using land located next to the existing tank. Do not drain the existing tank, move jet fuel over to new, smaller tank (800,000 gallons) after construction. New tank would have its own new containment (steel or concrete walls) instead of existing earthen berm dikes.

COST: \$950,000

Tank Sizing: the smaller tank size was calculated on the maximum burn rate of 4000 gallons of jet fuel per hour (peak load) per unit during a Black Start event (48 hours). That equates to 4000 gallons X 4 units X 48 hours = 768,000 gallons.

- Option #3: Use the existing tank as secondary containment for a new tank (800,000 gallons). Build a new tank inside the old larger tank.

COST: \$1,656,000

CRRRA and NGS both agree that option #2 is the most viable and cost effective solution. Benefits for this option are as follows:

- Provides the minimal interruption to JTF operations and potential revenue loss.
- Makes the existing secondary containment area available for development or alternate use. Present containment area includes wetland areas and encumbers a large area; approximately 13 acres of the facility.
- Removes the Environmental Protection Agency (EPA)'s Facility Response Plan due to the reduced tank volume of 800,000 gallons.
- Eliminates temporary storage issues and risks associated with it.
- Preservation of the \$790,000.00 annual Black Start Credit payment received from Select Energy Inc.

Moving forward now rather than later to replace the existing Jet Fuel Tank mitigates possible environmental and public relations issues if a leak does develop under the two year time frame. This situation will also be a factor in facility insurance costs as well as affecting possible new power and operations and maintenance agreements for continued JTF operations post 2012.

Financial Summary

CRRRA's estimated cost based on NGS's inquiries into purchasing and installing a new Jet Fuel Tank is \$1,200,000.00. NGS's management fee is \$84,000.00 or 7% of the purchase price of a new Jet Fuel tank which is \$1,116,000.00 (\$950,000.00 estimated costs plus \$166,000.00 contingency). NGS is presently developing bid specifications and will obtain bids for the fabrication and installation of the new tank.

The Jet/Energy Generating Facility reserve currently has sufficient funds to accomplish this expenditure and all other planned expenditures for FY10. CRRRA management has reviewed the five year capital plan for Jet/Energy Generating Facility reserve and has made the appropriate revisions to accommodate this expenditure.

The project will be funded from the Jet/Energy Generating Facility reserve which was unplanned for in the FY2010 Mid-Connecticut budget.

TAB 10

**RESOLUTION REGARDING DELIVERY OF COVER SOILS
TO THE HARTFORD LANDFILL**

RESOLVED: That the President is hereby authorized to enter into a contract with Pace Construction Corporation for delivery of soil to be used as cover material at the Hartford Landfill, and as approved by the Connecticut Department of Environmental Protection, substantially as discussed and presented at this meeting.

Connecticut Resources Recovery Authority

Contract Summary for Contract entitled

Special Waste Cover Soils Letter Agreement

Presented to the CRRA Board on:	September 24, 2009
Vendor/ Contractor(s):	Pace Construction Corporation
Effective date:	June 23, 2009
Contract Type/Subject matter:	Letter Agreement. Delivery of DEP approved soil to the Hartford Landfill to be used as cover material.
Facility (ies) Affected:	Hartford Landfill
Original Contract:	This is the original contract
Term:	Through December 31, 2009
Contract Dollar Value:	\$56,000 (1,120 tons at \$50.00 per ton). This is a REVENUE Contract.
Amendment(s):	None
Term Extensions:	Not applicable
Scope of Services:	Delivery of DEP approved soil to the Hartford Landfill to be used as cover material. Soil generated by S.P. Realty LLC in New Britain, CT.
Other Pertinent Provisions:	None

Connecticut Resources Recovery Authority Hartford Landfill Delivery of Cover Soil

September 24, 2009

Executive Summary

CRRA has contracted with Pace Construction Corporation to deliver approximately 1,120 tons of DEP approved soil generated in New Britain, Connecticut to the Hartford Landfill for use as cover material.

In accordance with Section 5.11 (Market Driven Purchases and Sales) of CRRA's Procurement Policies and Procedures, this is to report to the CRRA Board of Directors that CRRA has entered into this market driven transaction, and to seek Board approval of the transaction.

Discussion

Although the Hartford landfill ceased accepting solid waste on December 31, 2008 and no longer needs soil for daily cover, CRRA continues to need soil to support landfill closure activities, and is still permitted to accept DEP approved soil to shape and grade the landfill surface in preparation for final closure.

Based on CRRA's need for DEP approved soils to support landfill closure activities, and in accordance with Section 5.11 (Market Driven Purchases and Sales) of CRRA's Procurement Policies and Procedures, CRRA management periodically identifies prospective sources of non-virgin soils, acceptable to DEP, that can be used as cover and contouring materials for the landfill closure, and for which a delivery charge can be assessed to the generator or deliverer of the soil. CRRA then negotiates a delivery price for the soil with the company that generates or otherwise is managing such soil. CRRA staff have established a list of approximately 20 companies (e.g., construction contractors, environmental remediation companies, environmental consultants) and periodically contact companies to determine if they have quantities of such soil for shipment to the landfill. CRRA also regularly receives inquiries from firms that have potential sources of cover soil. CRRA has also communicated its need for these cover materials from time-to-time through such organizations as the Environmental Professionals of Connecticut (EPOC), and the Connecticut Department of Environmental Protection.

Based on quantity, soil composition, the estimated delivery time frame, receipt of CTDEP approval of the soil for use as cover material, and the Mid-Connecticut Project Permitting, Disposal and Billing Procedures, CRRA staff negotiate a delivery price with the generator or their representative.

The soil associated with this contract has a different, more stringent regulatory classification than does most of the DEP approved soil that CRRA management contracts for delivery to the landfill for use in closure and cover applications. This more rigorous regulatory status results in fewer disposal options for the generators of such soil (i.e., there are fewer landfills and soil roasting facilities permitted to accept this material in the central New England area), and consequently CRRA can command a higher price for such soil compared to the price CRRA and can charge for other DEP approved soils.

In June 2008 and February 2009 CRRA negotiated a price of \$35.00/ton for two separate soil streams with a chemical and physical makeup, and regulatory status similar to this soil. This \$35.00/ton price was based on CRRA's understanding of where the disposal market price for similar materials was at that time. When CRRA received the inquiry regarding acceptance and the Hartford landfill of the soil associated with this contract a few months later, CRRA staff contacted individuals with knowledge of the market prices for this material and determined that the price may be higher than \$35.00/ton. Based on this market information CRRA staff negotiated a price of \$50.00 per ton for 1,120 tons with Pace Construction Corporation for soil generated at 60 & 80 Production Court, New Britain, CT.

CRRA staff believes that this price represents a satisfactory market price for such soil that is to be used as cover material, and that acceptance of this soil is in the best interest of the member communities of the CRRA Mid-Connecticut Project.

Financial Summary

This will provide up to \$56,000 in revenues to the Mid-Connecticut project (1,120 tons at \$50.00 per ton).

TAB 11

RECOMMENDED DRAFT RESOLUTION FOR CRRA BOARD OF DIRECTORS

**RESOLUTION REGARDING MUNICIPAL GOVERNMENT LIAISON SERVICES
AGREEMENT**

RESOLVED: That the President of CRRA is hereby authorized to execute the Municipal Government Liaison Services Agreement with Brown Rudnick LLP, substantially as presented and discussed at this meeting.

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

MUNICIPAL GOVERNMENT LIAISON SERVICES AGREEMENT

Presented to the CRRA Board on:	September 24, 2009
Vendor/Contractor:	Brown Rudnick LLP
Effective Date:	October 1, 2009
Term:	October 1, 2009, through September 30, 2010, with options to extend for two periods of one year each at CRRA's discretion
Contract Type/Subject Matter:	Agreement to provide municipal government liaison and other related services
Facilities Affected:	All
Original Contract:	This is the original contract although the vendor has had previous contracts for these services resulting from previous solicitations with the first contract beginning June 1, 2006
Amendments:	Not applicable
Contract Dollar Value:	\$84,000
Scope of Services:	Strategic counsel, advice, government relations and other related activities which will strengthen CRRA's relationships with the cities and towns it serves
Other Pertinent Provisions:	None

Connecticut Resources Recovery Authority

Municipal Government Liaison Services Agreement with Brown Rudnick LLP

September 24, 2009

Executive Summary

This is to request approval of the CRRA Board of Directors for the President to enter into an agreement with Brown Rudnick LLP to provide municipal government liaison and related services for CRRA and its solid waste projects. The term of the agreement is for one year beginning October 1, 2009, with options to extend for two periods of one year each at CRRA's discretion.

Discussion

CRRA's experience has been that contracting with firms to help CRRA's ongoing efforts to maintain a good relationship with the cities and towns it serves pays dividends. These services were key to a number of CRRA's recent successes, including the retrofitting of the Hartford recycling center and closure of the Hartford landfill (including negotiations on responsibility for post-closure monitoring and maintenance).

Since June 2006 (as a result of previous solicitations for such services), CRRA has retained Attorney Thomas D. Ritter of Brown Rudnick LLP to provide these services, and he provided valuable assistance in both those successes. Management believes it is in CRRA's best interests to have these services available as it undertakes a series of new initiatives that are crucial to the future of CRRA and its stakeholders beyond the end of the Mid-Connecticut Project in 2012, as well as implementation of the state Solid Waste Management Plan. These issues, initiatives and activities include (but are not limited to):

- Negotiation of post-2012 host community benefits with the City of Hartford.
- Advice for CRRA activities related to securing remaining \$10 million of Hartford landfill closure funds from the State Bond Commission.
- Interfacing with Hartford-area municipalities involved in the creation of the Central Connecticut Solid Waste Authority.
- Interfacing and communicating with the Executive Branch, especially the Office of Policy & Management and the Department of Public Utility Control.
- Interfacing with municipal CEOs and communications surrounding rollout of new Municipal Service Agreements.
- Negotiation of new Host Community Agreement with Town of Essex.
- Investigation and development of post-2012 facilities and services, including (but not limited to)
 - Diversion project,
 - Composting project,

- Electronics recycling system,
- Additional single-stream recycling infrastructure
- New transfer station(s), and
- Bail-and-rail operation.

On July 13, 2009, CRRA issued a Request for Qualifications (RFQ) to attract firms interested in providing these services. The RFQ was posted on CRRA's Web site and advertised in the following daily newspapers: *Connecticut Post*, *Hartford Courant*, *New Haven Register*, *The (New London) Day* and *Waterbury Republican-American*. The RFQ was also advertised in *LaVoz Hispania de Connecticut* and the *Northeast Minority News*. Finally, the RFQ was posted on the Department of Administrative Services Web site. Statements of Qualifications were due August 12, 2009.

Three firms – Pepe & Hazard LLP, Brown Rudnick LLP and CME Associates Inc. – responded to the RFQ and submitted Statements of Qualifications ("SOQs"). After review of the SOQs, CRRA decided to interview Brown Rudnick. Two other firms had submitted Notices of Interest but did not submit SOQs.

Based on the results produced by Attorney Ritter, the SOQ submitted by Brown Rudnick and the interview with Brown Rudnick, management recommends entering in to this agreement, which will have the effect of continuing the arrangement with Brown Rudnick LLP.

CRRA is statutorily prohibited from hiring a contract lobbyist to represent CRRA before the General Assembly. This prohibition was clearly explained in the RFQ and during the interview with each firm.

Financial Summary

The proposed Brown Rudnick LLP contract is a retainer arrangement at the same terms as previous agreements.

TAB 12

RECOMMENDED DRAFT RESOLUTION FOR CRRA BOARD OF DIRECTORS

RESOLUTION REGARDING EDUCATION POLICY

WHEREAS the state Solid Waste Management Plan's goal is to dramatically increase recycling; and

WHEREAS the Solid Waste Management Plan stresses that education is critical to reaching that goal; and

WHEREAS the Connecticut Resources Recovery Authority's education programs offered through the Trash Museum in Hartford and the Garbage Museum in Stratford have, since 1993, been proven to increase awareness of and participation in recycling by encouraging children to involve their entire families in recycling; therefore be it

RESOLVED: That the Board declares that recycling education is a part of its core mission and hereby adopts the Connecticut Resources Recovery Authority Education Policy substantially as presented and discussed at this meeting.

**Connecticut Resources Recovery Authority
Education Policy**

September 24, 2009

Executive Summary

This is to request that the CRRA Board of Directors adopt a policy regarding CRRA's educational activities and programs.

Discussion

State statutes charge CRRA with implementing the state Solid Waste Management Plan (SWMP). The most recent amendment to the SWMP calls for Connecticut to recycle 58 percent of its solid waste by 2024, compared to the present rate of about 30 percent, and specifically emphasizes education as the primary means of reaching that 58-percent level. Page 4-21 of the SWMP reads

"Making everyone aware of his or her role in recycling is critical for the system to function at its optimum. What can and should be recycled and how to do so requires outreach that delivers consistent, repetitive messages that are audience appropriate. Focusing on our youth pays off both in the present, as they teach their parents, and the future."

The SWMP uses some form of the word "education" no less than 300 times. Objective 5 of the SWMP is entitled "Education and Outreach:"

"Significantly increase awareness and understanding of waste management needs, impacts and the critical social, economic, and environmental issues facing Connecticut, and build support for programs to engage citizens in actions needed to maximize waste reduction and recycling and minimize the need for additional disposal capacity."

Since 1992, CRRA has been the state's leading provider of those educational programs through the Trash Museum in Hartford and the Garbage Museum in Stratford, with upwards of 60,000 people participating in its programs each year. Not only do they play a vital role in helping the state reach its recycling goals, they also position CRRA as an innovator in the promotion of recycling.

These programs have been funded through the budgets of individual projects – the Trash Museum through the Mid-Connecticut Project budget and the Garbage Museum through the Bridgeport Project solid waste and the Southwest Connecticut Regional Recycling Operating Committee (SWEROC) budgets. CRRA has provided these services to all, regardless of project affiliation.

However, the Bridgeport Project has been dissolved and SWEROC's operating revenues are no longer sufficient to provide funds for these programs, while the Mid-Connecticut Project will expire in 39 months. Cognizant of these factors, some Directors have suggested funding CRRA's educational programs from the CRRA General Fund Budget to ensure their continuation.

The draft Education Policy submitted for consideration today explains the SWMP's recycling goal, summarizes some of the SWMP's extensive references to the need for education and states that since CRRA is charged with implementing the SWMP CRRA shall fund its education programs out of its General Fund Budget.

DRAFT

CRRA Education Policy



CONNECTICUT RESOURCES RECOVERY AUTHORITY EDUCATION POLICY

BOARD OF DIRECTORS POLICY AND PROCEDURE No. BOD **XXX**

The Connecticut Resources Recovery Authority was created in 1973 for the purpose of carrying out the provisions of the state Solid Waste Management Plan ("SWMP"). Since CRRA was created, the state solid waste management system has evolved from one that simply disposed of its trash in landfills to one that regarded wastes as commodities, with some being converted to electricity in trash-to-energy plants and others being converted to new materials through recycling; the latest amendment to the SWMP, dated December 2006, calls for Connecticut to recycle 58 percent of its solid waste by 2024.

The SWMP holds that education is critical to reaching that goal. The SWMP uses some form of the word "education" no less than 300 times. Page 4-21 of the SWMP reads

"Making everyone aware of his or her role in recycling is critical for the system to function at its optimum. What can and should be recycled and how to do so requires outreach that delivers consistent, repetitive messages that are audience appropriate. Focusing on our youth pays off both in the present, as they teach their parents, and the future."

Objective 5 of the SWMP is entitled "Education and Outreach:"

"Significantly increase awareness and understanding of waste management needs, impacts and the critical social, economic, and environmental issues facing Connecticut, and build support for programs to engage citizens in actions needed to maximize waste reduction and recycling and minimize the need for additional disposal capacity."

Clearly, education is one of the cornerstones of the state Solid Waste Management Plan, and since CRRA was created to implement that plan, education is therefore part of CRRA's core mission.

CRRA has been providing these services, through the Mid-Connecticut Project Visitors Center & Trash Museum in Hartford ("the Trash Museum") and The Children's Garbage Museum in Stratford ("the Garbage Museum") since 1992, to the people of Connecticut (as well as visitors from all 50 United States and countries around the world) without regard to whether participants in either Museum's education programs live in a city or town served by a CRRA solid waste project.

DRAFT

CRRA Education Policy

CRRA has long been recognized as a leader and an innovator in recycling and solid-waste management education. In 2002, the Trash Museum and the Garbage Museum received the Beth Brown Boettner Award for Outstanding Public Education by the National Recycling Coalition.

The Garbage Museum and the Trash Museum have been featured in the media in Connecticut and throughout the world, generating significant amounts of good will for CRRA and enhancing CRRA's reputation as an innovator and leader in recycling and environmentally-responsible solid waste management. The Museums' programs are well-received by both children and adults and reinforce CRRA's position as Connecticut's recycling leader.

The Garbage Museum's and the Trash Museum's programs are aligned with state and national science education standards and are focused on what they refer to as "the five Rs" of solid waste management: reduce, reuse, recycle, recover and rethink. These "five Rs" closely resemble Goal 1 of the SWMP:

"Significantly reduce the amount of Connecticut generated solid waste requiring disposal through increased source reduction, reuse, recycling, and composting."

CRRA recognizes all these factors in its most recent Strategic Goals, promulgated in January 2008. Goal 7 reads:

*"**Recycling/Education:** Provide leadership, direction and investment for the municipalities, businesses and residents of Connecticut in assisting them to achieve the recycling goals set forth in the DEP's solid waste plans recycling goals."*

Therefore, it shall be the policy of the Connecticut Resources Recovery Authority to include in its annual Authority General Fund and Capital Improvement Budget (per Article 7, Section 702, Amended and Restated Bylaws of the Connecticut Resources Recovery Authority, Revised October 25, 2007) sufficient funds to pay for the activities, programs and operations of the Trash Museum, the Garbage Museum and any other educational programs the CRRA Board of Directors believes will help Connecticut reach its recycling and waste diversion goals as specified in the Solid Waste Management Plan. It shall also be the policy of the Connecticut Resources Recovery Authority to include these activities and programs in CRRA's Annual Plan of Operations (as described in Section 22a-264 of the Connecticut General Statutes).

ORIGINAL

Prepared by: Paul Nonnenmacher
Director of Public Affairs

Approved by: Board of Directors

Effective Date: Month day, year

TAB 13

CONNECTICUT RESOURCES RECOVERY AUTHORITY

AMENDMENT TO SECTION 5.11 OF THE PROCUREMENT POLICIES AND PROCEDURES

September 24, 2009

Executive Summary

This is to request that the Board of Directors adopt a change to Section 5.11, Market Driven Purchases and Sales, of the Procurement Policy. The proposed change would give CRRA the flexibility and the facility to access a variety of disposal options when export is required, and therefore help keep costs down by allowing CRRA to take advantage of low spot disposal prices when and where available.

Discussion:

From time to time, for a variety of reasons, one of CRRA's waste processing facilities is unable to process all tons scheduled to be delivered, and therefore, CRRA must quickly make arrangements to export such tons to another processing facility or to a landfill. When such need arose due to an unplanned boiler outage during the spring of 2009, CRRA procured the transport and disposal services necessary to divert the waste in the most cost-effective manner as an "emergency situation" under CRRA's Procurement Policy. The Board of Directors ratified the procurement pursuant to Section 5.10 of the Policy, but expressed some concern over whether the use of emergency procurement procedures was appropriate in diversion circumstances. The Board requested that this Committee and CRRA management review its procedures and develop a competitive process for procurement of cost-effective export services.

CRRA suggests the following steps to achieve the Board's request.

1. Adoption of a revision to Section 5.11 of the Procurement Policy to include export and diversion services as "Market Driven" purchases (draft attached).
2. Board approval of a form contract for export and diversion services.
3. Statewide solicitation of service providers.
4. CRRA development and Board approval of an "on-call" list.
5. Execution of agreements with approved contractors.
5. Following the use of any such export and diversion services, report to the Board and obtain Board approval if such approval is necessary, in accordance with Section 5.11.

As contemplated, the contract for the provision of export and diversion services will not include a price for such services. Instead, it will provide that, when CRRA needs export services, CRRA personnel will contact haulers from the on-call list. Haulers who are available would commit to export some or all of the specified tons at a quoted price to a designated disposal site. CRRA would then select one or more haulers based on availability and competitive pricing, enabling CRRA to take advantage of low spot disposal prices.

Under the proposed revised procedure, bidders proposing to provide services would specify one or more potential disposal sites, and would be limited by their contracts to such named sites. CRRA currently carries Pollution Legal Liability coverage for 12 non-owned disposal sites. If desirable additional disposal sites are proposed, CRRA would audit the facilities, and, if acceptable to both CRRA and its underwriters, would add coverage for disposal at such sites to its insurance.

RESOLUTION OF THE CONNECTICUT RESOURCES RECOVERY AUTHORITY ADOPTING AN AMENDMENT TO SECTION 5.11 OF THE PROCUREMENT POLICY

RESOLVED: That the Board of Directors hereby adopts the following revision to the Authority's Procurement Policy, amending and restating in its entirety Section 5.11 of the Policy, Market Driven Purchases and Sales:

5.11 Market Driven Purchases and Sales

Recognizing CRRRA operates in an industry that has market driven goods and services, CRRRA needs to purchase and sell certain goods or services in a short time-period in order to optimize prices and/or revenue to CRRRA. Examples of such market driven goods and services include, but are not limited to, the following: the acquisition of cover soil for landfills; the sale of glass, plastic, paper, cardboard, newspaper, and metals; and the procurement of waste export and diversion services from time to time due to excess deliveries and/or unscheduled outages. CRRRA may utilize an expedited purchase or sale procedure for market driven goods and services but CRRRA must strive to get the most price quotes as are practicable without jeopardizing the prices or revenue to CRRRA. Recognizing the intent of these Policies And Procedures is to have a Competitive Process for all goods and services, this section should be limited in its use and used only when absolutely necessary. When CRRRA determines such a market driven purchase or sale is necessary, CRRRA shall utilize the provisions of this section but report to the Board the market driven transaction as soon as is practicable and obtain Board approval if such approval is necessary.

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TAB 14

**RESOLUTION ESTABLISHING A SPECIAL COMMITTEE TO STUDY
OPTIONS FOR MUNICIPAL SOLID WASTE DISPOSAL FOLLOWING THE
EXPIRATION OF THE MID-CONNECTICUT PROJECT**

RESOLVED: That a Special Committee is hereby formed and charged to study options for the disposal of solid waste from the Mid-Connecticut Project municipalities post Project, and report thereon to this Board; and

FURTHER RESOLVED: That the Special Committee consist of the five representatives of the Mid-Connecticut Project contracting municipalities designated by the Mid-Connecticut Project Municipal Advisory Committee (MAC representatives from Windsor Locks, Canton, Hartford, East Hartford, and Barkhamsted), and the Authority's President; Director of Operations; Environmental Affairs & Development Director; Development, Environmental Compliance & IT Manager; and Senior Operations Analyst.

Connecticut Resources Recovery Authority

Special Committee

September 24, 2009

Executive Summary

This is to request that the CRRA Board of Directors form a special committee to study post-project disposal options for the Mid-Connecticut Project municipalities.

Discussion

Section 22a-268f of the Connecticut General Statutes (copy appended) mandates that the CRRA Board establish a special committee three years prior to the last maturity date of any outstanding bond issuance of any waste management project, to consist of five representatives of the Authority and not more than five representatives of the contracting municipalities. The committee is directed to study and present post-Project options for the disposal of solid waste from the Project municipalities to the CRRA Board.

The Mid-Connecticut Advisory Committee has nominated the five members of the Policy Board to represent the towns in this matter:

We are now requesting that the Board form the subject Special Committee in accordance with statute, and recommending the appointment of five Authority employees to represent the Authority.

Sec. 22a-268f. Special committees to study options for municipal solid waste disposal. Not later than three years before the last maturity date of any outstanding bond issuance for a waste management project, as defined in section 22a-260, administered by the Connecticut Resources Recovery Authority, the board of directors of the authority shall establish a special committee for such project consisting of five representatives of the authority and not more than five representatives jointly designated by the municipalities having a contract with the authority for such project. At least two years before such last maturity date, such special committee shall study and present to said board of directors options for disposing of solid waste from such municipalities after the expiration of such contract. Such options shall include, but shall not be limited to, private sector management of such solid waste disposal.

TAB 15

**RESOLUTION REGARDING THE PURCHASE OF NEW BOILER
PRESSURE PARTS FOR THE MID-CONNECTICUT POWER
BLOCK FACILITY**

RESOLVED: That the President is hereby authorized to execute an agreement with Covanta Energy, Inc. to purchase new Boiler Pressure Parts for the Mid-Connecticut Power Block Facility, substantially as presented and discussed at this meeting.

FURTHER RESOLVED: \$1,235,000 for this project will be transferred from the Jets/ Energy Generating Facility Reserve to the Facility Modification Reserve and allocated from that account.

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

**Purchase of New Boiler Pressure Parts for the Mid Connecticut Power Block
Facility**

Presented to the CRRRA Board on:	September 24, 2009
Vendor/ Contractor(s):	Covanta Mid-Conn., Inc.
Effective date:	Upon Execution
Contract Type/Subject matter:	Installation of new equipment
Facility (ies) Affected:	Mid-CT Power Block Facility
Original Contract:	NA
Term:	210 days from Notice to Proceed
Contract Dollar Value:	\$1,235,000.00
Amendment(s):	NA
Term Extensions:	N/A
Scope of Services:	Purchase of a new Boiler Pressure Parts for the Mid-Connecticut Power Block Facility.
Budget Status:	The funds for this project will be transferred from the Jets/Energy Generating Facility Reserve to the Facility Modification Reserve and allocated from that account.
Other Pertinent Provisions:	None

actual cladded water wall tube materials and paying for a portion of the labor for installation at a price of \$1,000,000 and Covanta paying for a portion of the labor to remove the old and install the new cladded water wall panels at a price of \$300,000.

Option #2:

This option includes the work scope identified in option #1 plus the replacement of the lower (below 20 feet) rear waterwall on Boiler # 11. CRRA and Covanta would again share the cost and perform this work during the scheduled winter outages in 2010. The cost sharing will have CRRA buying the actual cladded water wall tube materials and pay for a portion of the labor to install them at a price of \$1,235,000 and Covanta paying for a portion of the labor to remove the old and install the new cladded water wall panels at an estimated quoted price of \$500,000.

Financial Summary

In order to determine the financial impact to CRRA, a net-present-value analysis was completed on both of the proposed options. As shown in Table 1, CRRA achieves a positive return on the capital investment during year 2 for both options. Option 2 is the recommended choice due to the higher overall NPV. Therefore, CRRA management is recommending the expenditure of \$1,235,000 for the replacement of side water wall tubes for boilers 11, 12 and 13 and the replacement of rear water wall tubes for boiler 11.

This project was unplanned for in FY10. The funds for this project will be transferred from the Jets/Energy Generating Facility Reserve to the Facility Modification Reserve and allocated from that account.

The Jet/Energy Generating Facility reserve currently has sufficient funds to accomplish this expenditure and all other planned expenditures for FY10. CRRA management has reviewed the five year capital plan for Jet/Energy Generating Facility reserve and has made the appropriate revisions to accommodate this expenditure.

**Connecticut Resources Recovery Authority
Mid-Connecticut Project
Purchase New Boiler Pressure Parts for the Power
Block Facility**

September 24, 2009

Executive Summary

This is to request approval of the CRRRA Board of Directors for the President to authorize the purchase of New Boiler Pressure Parts at the Mid-Connecticut Power Block Facility ("PBF") that is operated and maintained by Covanta Mid-Conn., Inc. ("Covanta").

Discussion

Over the last number of years the PBF's performance has not met CRRRA's expectations. The Kwh/ton of Municipal Solid Waste (MSW) processed at the Mid-Conn. Facility has been as low as 481 during FY2008 to as high as 529 in FY2004. FY2009 performance indicators reflect improved results (tons processed up 9.0%, steam production up 7.6% and net power generation higher by 10.9%) over FY2008 results. CRRRA's position is that the boilers are under-performing.

CRRRA and Covanta have met numerous times to discuss the PBF's performance. Improved performance is based on maintaining boiler availability of 89-90% and when operating, ensuring that the PBF's boilers are operating at their maximum continuous rating (MCR). CRRRA and Covanta have worked together to determine what immediate actions can be taken that will make a direct impact to boiler availability and MCR.

Discussions and analysis determined that the lower right and left furnace side water wall tubes (tubes located directly above the combustion grate and extending 20 feet higher) are responsible for more than 100 tube leaks out of 226 leaks or 44% in FY2008 and over 60% in FY2009. All furnace water wall tubes as high as 70 feet above the furnace grate inside the boilers are carbon steel tubes that have Inconel 625 cladding to reduce corrosion. Due to the Inconel cladding these water wall tubes are expensive to buy and maintain.

CRRRA and Covanta have collectively developed two options that could be implemented to address the boiler water wall issues. The options are as follows:

Option #1:

The lower right and left furnace side water wall tubes for boilers 11, 12 and 13 will be replaced. CRRRA and Covanta have agreed to share the cost of this work during the scheduled winter outages in 2010. The cost sharing will have CRRRA purchasing the

TABLE #1

MID-CT POWER BLOCK BOILER MAINTENANCE

Scenario #1

CRRR NPV ANALYSIS: based on cutting unscheduled boiler downtime by 15 "boiler" days per year

* Work includes the Sidewalls for all 3 Boilers (both parts and labor)

	Initial Investment	Year 1	Year 2	Year 3	Year 4	Year 5	Total	NPV
Waterwall Work * \$	(1,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,000,000)	\$ (1,000,000)
Avoided Cost of Diversions ~ Diversion Cost less: marginal cost of not processing waste		\$ 380,109	\$ 380,109	\$ 380,109	\$ 380,109	\$ 380,109	\$ 1,900,546	\$ 1,791,629
Additional Revenue Share Paid to Covanta		\$ (22,161)	\$ (22,161)	\$ (22,161)	\$ (22,161)	\$ (22,161)	\$ (110,806)	\$ (104,456)
CRRR Additional Electric Revenue Earned \$	-	\$ 378,913	\$ 378,913	\$ 378,913	\$ 378,913	\$ 378,913	\$ 1,894,563	\$ 1,785,989
Annual Net Revenue \$	(1,000,000)	\$ 736,861	\$ 736,861	\$ 736,861	\$ 736,861	\$ 736,861	\$ 2,684,303	\$ 2,473,162
Annual NPV \$	(1,000,000)	\$ 722,412	\$ 708,247	\$ 694,360	\$ 680,745	\$ 667,397	\$ 2,473,162	
Cumulative NPV \$	(1,000,000)	\$ (277,588)	\$ 430,660	\$ 1,125,020	\$ 1,805,765	\$ 2,473,162		

break-even pt.

Scenario #2

CRRR NPV ANALYSIS: based on cutting unscheduled boiler downtime by 20 "boiler" days per year

* Work includes the Sidewalls for all 3 Boilers and the Rearwalls on Boiler 11 (both parts and labor)

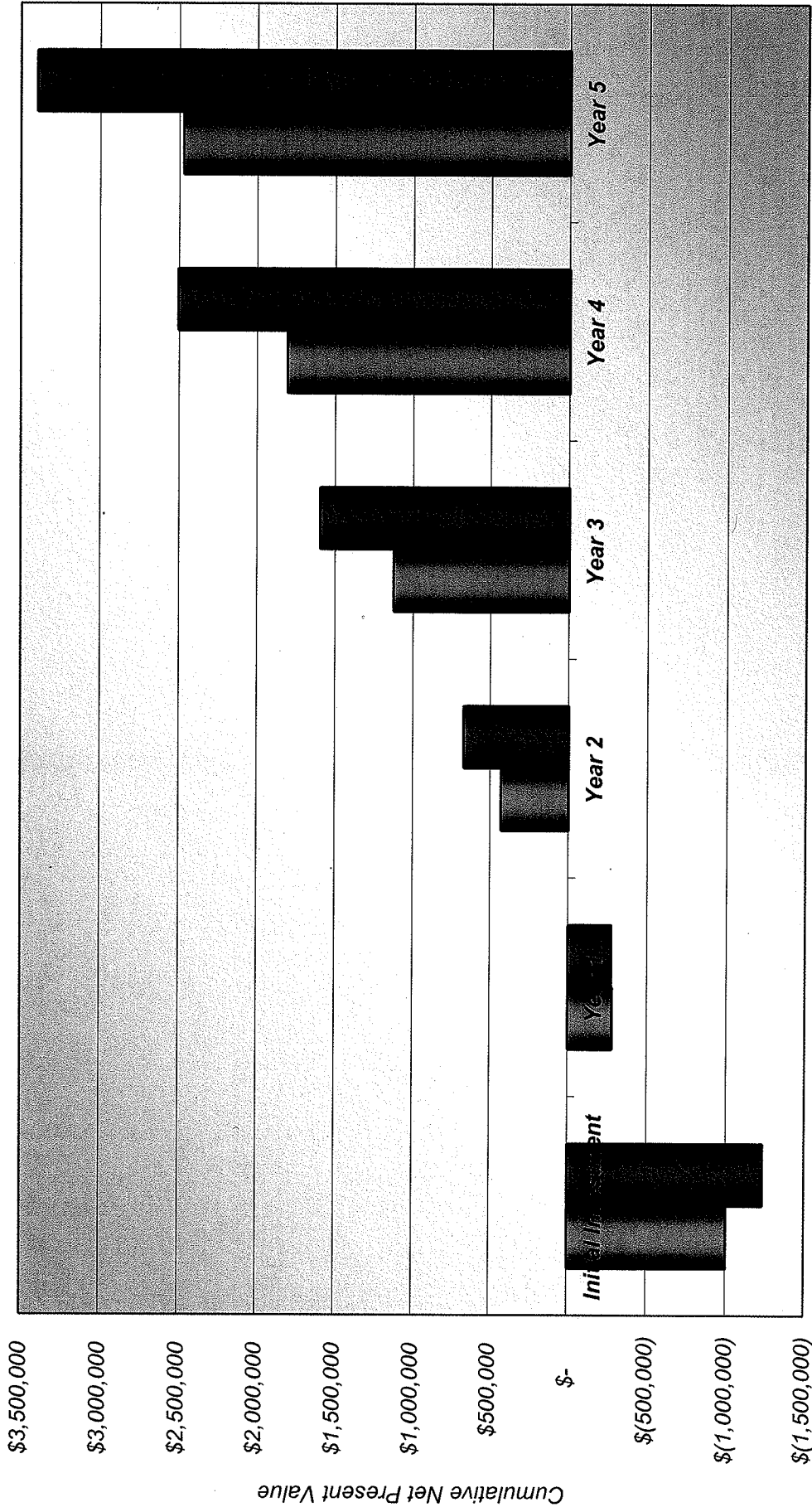
	Initial Investment	Year 1	Year 2	Year 3	Year 4	Year 5	Total	NPV
Waterwall & Rearwall Work * \$	(1,235,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,235,000)	\$ (1,235,000)
Avoided Cost of Diversions ~ Diversion Cost less: marginal cost of not processing waste		\$ 506,812	\$ 506,812	\$ 506,812	\$ 506,812	\$ 506,812	\$ 2,534,061	\$ 2,388,839
Additional Revenue Share Paid to Covanta		\$ (29,548)	\$ (29,548)	\$ (29,548)	\$ (29,548)	\$ (29,548)	\$ (147,741)	\$ (139,274)
CRRR Additional Electric Revenue Earned \$	-	\$ 505,217	\$ 505,217	\$ 505,217	\$ 505,217	\$ 505,217	\$ 2,526,084	\$ 2,381,319
Annual Net Revenue \$	(1,235,000)	\$ 982,481	\$ 982,481	\$ 982,481	\$ 982,481	\$ 982,481	\$ 3,677,404	\$ 3,395,883
Annual NPV \$	(1,235,000)	\$ 963,216	\$ 944,330	\$ 925,814	\$ 907,660	\$ 889,863	\$ 3,395,883	
Cumulative NPV \$	(1,235,000)	\$ (271,784)	\$ 672,546	\$ 1,598,360	\$ 2,506,020	\$ 3,395,883		

break-even pt.

MID-CT POWER BLOCK BOILER MAINTENANCE NPV SCENARIOS

Waterwalls NPV (Blue Bars)

WaterWalls and RearWalls NPV (Red Bars)



TAB 16

**Resolution Regarding the Standard Form Solid Waste Transportation
and Disposal Agreement for the Mid-Connecticut Project**

RESOLVED: That the President is authorized to execute agreements for the Transportation and Disposal of Municipal Solid Waste from the CRRA Mid-Connecticut Project using the standard form hauler agreement substantially as presented and discussed at this meeting.

Connecticut Resources Recovery Authority
Contract Summary for Standard Form Transportation and Disposal
Agreement Mid-Connecticut Project

Presented to the Board:	September 24, 2009
Customers:	Approximately 4 commercial haulers
Effective date:	December 1, 2009
Facility:	Mid-CT Waste Project
Original Contract:	Not applicable
Term:	December 1, 2009 – June 30, 2011 (Fiscal Years 2010, 2011, 2012)
Contract Dollar Value:	Based on Current Market Rate
Scope of Services:	Transportation and Disposal of Municipal Solid Waste from the Mid Connecticut Project and its transfer stations
Service Fee Structure:	Hauler shall provide in writing to CRRA a per ton market price and duration of price offering.
T&D Service Requirements:	Hauler agrees to provide transportation and disposal services within 48 hours following approval of the hauler fees by CRRA.
Budget Status:	Transportation and Disposal Services included in the FY 2010 Mid Connecticut Budget.

**Connecticut Resources Recovery Authority
Mid Connecticut Project**

**Standard Form
Municipal Solid Waste Transportation and Disposal Agreement**

September 24, 2009

Background:

From time to time for a variety of reasons, the CRRA Mid-Connecticut Waste Processing Facility is unable to process all tons scheduled to be delivered, and therefore, CRRA must make arrangements to export such tons to another processing facility or landfill. CRRA presently has a Municipal Solid Waste Transportation and Disposal Agreement with one (1) private sector hauler for the transportation and disposal of municipal solid waste from the Mid-Connecticut Project including its four transfer stations on an as-needed basis. This agreement covers a five-year period which went into effect January 1, 2009 at a specified rate plus escalation. Therefore, and in order to receive the latest current market rates, CRRA desires to put in place additional hauler agreements for transportation and disposal of municipal solid waste at the best available price.

Discussion:

The proposed standard form hauler agreement ("New Agreement") is similar to the current Agreement with the exception of term and market pricing. The term of the New Agreement is for a period commencing on December 1, 2009 and expiring on June 30, 2011. The Hauler is required to provide CRRA with a listing of the disposal sites to which Mid-Connecticut waste may be delivered and associated transportation costs. The transportation and disposal requirements are a commitment by the Hauler to transport and dispose of municipal solid waste as directed by CRRA from either the Mid-Connecticut Waste Processing Facility or its four transfer stations. After the execution of the agreement and on an as-needed basis without any guarantee of MSW tonnage, CRRA shall contact the Hauler via telephone, facsimile, and/or e-mail to inquire about Hauler's then current per ton market disposal price for Hauler's performance of work under the agreement. Hauler shall provide to CRRA in writing it's per ton disposal price and duration of its foregoing price offering.

**MID-CONNECTICUT SOLID WASTE TRANSPORTATION
AND DISPOSAL AGREEMENT**

This **MID-CONNECTICUT SOLID WASTE TRANSPORTATION AND DISPOSAL AGREEMENT** (the "Agreement") is made and entered into as of this ___ day of _____, 2009 (the "Commencement Date"), by and between the **CONNECTICUT RESOURCES RECOVERY AUTHORITY**, a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut, having its principal offices at 100 Constitution Plaza, 6th Floor, Hartford, Connecticut 06103-1722 (hereinafter "CRRA") and _____, a _____, having its principal offices at _____ (hereinafter "Hauler").

PRELIMINARY STATEMENT

WHEREAS CRRA is the lessee of a certain parcel of real property located at Town Dump Road, Essex, Connecticut on which CRRA operates a transfer station (the "Essex Transfer Station"). CRRA is the owner of a certain parcel of real property located at Vista Drive, Torrington, Connecticut on which CRRA operates a transfer station (the "Torrington Transfer Station"). CRRA is the owner of a certain parcel of real property located at Route 140 Sadds Mill Road, Ellington, Connecticut on which CRRA operates a transfer station (the "Ellington Transfer Station"). CRRA is the owner of a certain parcel of real property located at Echo Lake Road, Watertown, Connecticut on which CRRA operates a transfer station (the "Watertown Transfer Station"). CRRA owns a certain piece or parcel of real property located on Reserve Road in Hartford, Connecticut upon which property CRRA owns and operates a certain solid waste resources recovery facility (the "Hartford Facility"), and the Hartford Facility together with the Essex Transfer Station, Torrington Transfer Station, Ellington Transfer Station and Watertown Transfer Station are hereinafter collectively referred to as the "Mid-Connecticut Facilities."

WHEREAS CRRA now desires to enter into this Agreement in order to have Hauler transport and dispose certain MSW from the Mid-Connecticut Facilities to certain Disposal Sites identified in Paragraph 4 herein.

NOW, THEREFORE, in consideration of the mutual covenants, promises and representations contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CRRA and Hauler hereby agree as follows.

1. For the purposes of this Agreement, the term "Solid Waste" shall mean unwanted and discarded solid material consistent with the meaning of that term pursuant to Section 22a-260(7) of the Connecticut General Statutes, excluding semi-solid, liquid material collected and treated in a municipal sewerage system; and the term "MSW" shall mean Solid Waste generated by and collected from residential, commercial, institutional, industrial and other establishments located within the corporate limits of any Municipality, and deemed acceptable by CRRA in accordance with all applicable federal, state and local laws as well as CRRA's Mid-Connecticut Project Permitting, Disposal and Billing Procedures (the "Mid-Connecticut

Procedures”) for processing by and disposal at the Facility, but excluding any Solid Waste that is or may in the future be required by law or regulation to be recycled.

CRRA collects certain MSW for disposal at the Mid-Connecticut Facilities. At certain times during the term of this Agreement, CRRA may need to have excess MSW removed from its Mid-Connecticut Facilities and Hauler shall be responsible for removing the MSW in trucks from the Mid-Connecticut Facilities and transporting it to the Disposal Sites identified in Paragraph 4 herein. Hauler shall be responsible for furnishing all labor, materials, supplies, tools, equipment, trucks, and other facilities and necessary appurtenances or property for or incidental to the performance and completion of said transportation and disposal of the MSW to the Disposal Sites (the “Work”). Trucks for the transport of MSW shall be supplied by Hauler and meet the permit requirements of CRRA and any other governmental regulatory bodies. The trucks shall be 100 cubic yard transfer trailers with open top loading. MSW loads shall be covered during transport to Disposal Sites to avoid spillage. All trucks will be inspected periodically by Hauler to assure compliance with these requirements. Hauler shall be responsible for any fines, penalties, enforcement actions and associated costs of such action and all costs associated with clean-up or correction of spills resulting from the transportation of the MSW in Hauler’s hauling vehicles.

2. CRRA or its agents shall be responsible for assuring that Hauler’s trucks are properly loaded at the Mid-Connecticut Facilities and that the Hauler’s trucks have proper access to the Mid-Connecticut Facilities. Hauler recognizes that there will be some delays in the loading of its trucks associated with the normal business operations of the Mid-Connecticut Facilities.
3. All Work shall be performed and completed by Hauler in a good workmanlike manner consistent with: (i) any and all instructions, guidance and directions provided by CRRA to Hauler; (ii) the highest industry standards applicable to Hauler and its performance of the Work hereunder; (iii) performance that minimizes negative impact on the daily operation and functions of CRRA at its Mid-Connecticut Facilities; (iv) any of the terms of, where applicable, CRRA’s Mid-Connecticut Procedures, and (v) all Laws and Regulations related to Hauler’s performance of the Work (hereinafter collectively referred to as the “Standards”).
4. [Disposal locations to be inserted from the terms of Hauler’s bid submission and after CRRA’s approval of said disposal location(s)] In its performance of the Work, Hauler shall be authorized to transport the MSW to only the following sites: (1) the _____ located in _____; (2) the _____ located in _____; (3) _____ located in _____; or (4) any other disposal site or facility approved in writing by CRRA prior to any disposal by Hauler at said site or facility (the “Disposal Sites”). All such Disposal Sites must be currently permitted disposal facilities operating in accordance with, and pursuant to, all applicable governmental regulations, statutes, permitting requirements, and any other such requirement. Prior to its transportation and disposal of any MSW, Hauler shall provide CRRA with written evidence of its authorization to dispose MSW at the Disposal Sites that is deemed satisfactory to CRRA at its sole and absolute discretion. At CRRA’s discretion, Hauler shall coordinate and obtain the permission of the owner/operator of the Disposal Sites to allow CRRA, or its agents, to inspect the Disposal Sites at any time during the term of this Agreement.

5. The term of this Agreement shall commence on _____, 2009 (the "Commencement Date") and shall terminate on June 30, 2011, unless otherwise terminated or extended in accordance with the terms and conditions hereof. At its sole and absolute discretion, CRRA may extend the term of this Agreement an additional one year from _____, 200__, through _____, 200__. This Agreement shall become effective on the Commencement Date, subject to the approval of CRRA's Board of Directors. CRRA and Hauler hereby acknowledge and agree that time is of the essence with respect to Hauler's performance and completion of the Work hereunder. Accordingly, Hauler shall perform and complete any Work hereunder during the term of this Agreement in accordance with the needs of CRRA to operate its Mid-Connecticut Facilities properly and efficiently.
6. In accordance with the terms of this Agreement, CRRA shall pay Hauler for each ton of MSW removed and transported from the Mid-Connecticut Facilities and disposed at the Disposal Sites during the term of this Agreement. Hauler's total compensation for its MSW removal, transportation, and disposal costs under this Agreement shall be determined as follows: (a) in accordance with the per ton removal and transportation price quotes provided to CRRA by Hauler in its bid submission, Hauler shall be compensated for its removal and transportation costs by the per ton removal and transportation prices to each Disposal Site identified in Paragraph 4 herein and detailed in **Exhibit A**; and (b) from time to time during the term of this Agreement, CRRA shall be authorized to solicit price quotations from Hauler seeking Hauler's then market cost for its per ton MSW disposal costs and, if CRRA agrees to accept said foregoing disposal price quotation, Hauler shall receive said compensation for Hauler's disposal costs [See Paragraph 7 below]. Hauler's foregoing total MSW per ton compensation shall be subject to a semi-annual fuel price adjustment based upon a certain consumer price index; see **Exhibit B** for a description of said fuel price adjustment formula. Payments under this Agreement shall be based upon the scale weight data generated by CRRA's scales. This shall be the total compensation to Hauler for its performance of the Work hereunder. For each ton of MSW removed, transported, and disposed at a Disposal Site by Hauler, Hauler shall provide CRRA with a bill of lading from said receiving Disposal Site.
7. After the execution of this Agreement and on an as needed basis without any guarantee of MSW tonnage, CRRA shall contact Hauler via telephone, facsimile, and/or e-mail to inquire about Hauler's then current per ton market price for Hauler's MSW disposal costs under this Agreement; Hauler shall, within two (2) hours, provide CRRA in writing its foregoing per ton price and duration of its foregoing price offering. On or before the tenth (10th) day of each month in which Hauler provided CRRA with Work, Hauler shall issue to CRRA an itemized invoice for the charges due Hauler for all MSW loaded, transported and disposed of by Hauler hereunder in the immediately preceding month, which invoice shall include, at a minimum, the following information: (i) billing period; (ii) for each load of MSW transported: the date of transportation, truck number, tonnage amount, the weight ticket number issued by the Mid-Connecticut Facility for such load, a copy of the weight ticket issued by the Mid-Connecticut Facility and/or Disposal Site(s) for such load; and (iii) the amount(s) of the applicable per Ton Service Fees due. The MSW tonnage set forth on all invoices to be prepared and submitted by Hauler hereunder shall be based upon weight tickets issued by the applicable Mid-Connecticut Facility operator, or the operator of another scale approved by CRRA. Except as otherwise set forth herein, all of Hauler's invoices submitted under this Agreement shall be paid by CRRA

not later than forty-five (45) days from the date of CRRA's receipt thereof. In the event CRRA disputes all or any portion of any invoice, CRRA may withhold payment of the disputed amount. Invoices shall be payable at the address specified for Hauler herein or at such other address as Hauler may specify.

8. CRRA may terminate this Agreement at any time by giving Hauler ten (10) days written notice of such termination. Upon receipt of such written notice from CRRA, Hauler shall immediately cease the Work, unless otherwise directed in writing by CRRA. Hauler shall also, prior to the termination date, remove all of its personnel and equipment from the Mid-Connecticut Facilities and restore the Mid-Connecticut Facilities, or any improvements located thereon, disturbed or damaged by Hauler or any of its directors, officers, employees, agents, subcontractors or materialmen to the same condition existing immediately prior to such disturbance or damage.
9. Hauler shall procure and maintain, at its own cost and expense, throughout the term of this Agreement and any extension thereof, the following insurance, including any required endorsements thereto and amendments thereof:
 - (a) Commercial general liability (CGL) insurance alone or in combination with Commercial Umbrella insurance with a limit of not less than five million (\$5,000,000.00) dollars per occurrence and aggregated covering liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insurance contract (including the tort liability of another assumed in a business contract).
 - (b) Business automobile liability insurance alone or in combination with Commercial Umbrella insurance covering any auto (including owned, hired, and non-owned autos), with a limit of not less than five million (\$5,000,000.00) dollars per accident, and including pollution liability coverage equivalent to that provided under the ISO pollution liability broadened coverage for covered autos endorsement (CA 99 48), and the Motor Carrier Act endorsement (MCS 90) shall be attached.
 - (c) Contractor's pollution liability (CPL) insurance with a limit of not less than five million (\$5,000,000.00) dollars. CPL coverage to include endorsement for transportation coverage, as well as disposal locations to which MSW is taken as "non-owned disposal sites" (also known as NODS coverage). Provide such endorsements as evidence this coverage has been procured.
 - (d) Workers' compensation with statutory limits and Employers' Liability insurance limits of not less than one million (\$1,000,000.00) dollars each accident for bodily injury by accident or one million (\$1,000,000.00) dollars for each employee for bodily injury by disease.

All policies for each insurance required hereunder shall: (i) name CRRA as an additional insured (this requirement shall not apply to workers' compensation/employers' liability); (ii) include a standard severability of interest clause; (iii) provide for not less than thirty

(30) days' prior written notice to CRRA by registered or certified mail of any cancellation, restrictive amendment, non-renewal or change in coverage; (iv) hold CRRA free and harmless from all subrogation rights of the insurer; and (v) provide that such required insurance hereunder is primary insurance and that any other similar insurance that CRRA may have shall be deemed in excess of such primary insurance.

All policies for each insurance required hereunder shall be issued by insurance companies that are either licensed by the State of Connecticut and have a Best's Key Rating of A-VII or better, or are otherwise deemed acceptable by CRRA in its sole discretion.

Hauler shall either have its subcontractors covered under the insurance required hereunder, or require such subcontractors to procure and maintain the insurance that Hauler is required to procure and maintain under this Agreement.

None of the provisions contained herein shall be construed or deemed to limit Hauler's obligations under this agreement to pay damages or other costs and expenses.

CRRA shall not, because of accepting, rejecting, approving, or receiving any certificate of insurance required hereunder, incur any liability for: (i) the existence, non-existence, form or legal sufficiency of the insurance described on such certificate, (ii) the solvency of any insurer, or (iii) the payment of losses.

10. Hauler shall at all times defend, indemnify and hold harmless CRRA and its directors, officers, agents and employees from and against any and all claims, damages, losses, judgments, workers' compensation payments and expenses (including, but not limited, to attorneys' fees) arising out of injuries to the person (including death), damage to property or any other damages alleged to have been sustained by: (a) CRRA or any of its directors, officers, employees, agents or other Haulers, (b) Hauler or any of its directors, officers, employees, agents, subcontractors or materialmen, or (c) any other person, to the extent any such injuries, damage or damages are caused or alleged to have been caused, in whole or in part, by the acts, omissions or negligence of Hauler or any of its directors, officers, employees, agents, subcontractors or materialmen. Hauler further undertakes to reimburse CRRA for damage to property of CRRA caused by Hauler or any of its directors, officers, employees, agents, subcontractors or materialmen, or by faulty, defective or unsuitable material or equipment used by it or any of them. Hauler's obligations under this Paragraph 10 shall survive the termination or expiration of this Agreement. The existence of insurance shall in no way limit the scope of this indemnification.
11. Pursuant to Section 22a-270 of the *Connecticut General Statutes* (as the same may be amended or superceded from time to time), CRRA is exempt from all State of Connecticut taxes and assessments ("Connecticut Taxes"), and the payment thereof. Without limiting the generality of the preceding sentence, the sale of any services or tangible personal property to be incorporated into or otherwise consumed in the operation of a CRRA Project is exempt from Connecticut Taxes, including without limitation Connecticut sales and use taxes, wherever purchased. Accordingly, Hauler shall not include in the fees, and Hauler shall not charge or

pass through any Connecticut Taxes to CRRA, including that portion of any combined tax or assessment representing any Connecticut Taxes, regardless of whether Hauler has incurred any Connecticut State Taxes in its performance of the Agreement.

CRRA expresses no opinion as to the eligibility for any tax exemption, or refund or other reimbursement, including without limitation any Connecticut Taxes, with respect to tangible personal property purchased at any location for use in the performance of Work contemplated by this Agreement.

Hauler should consult with its tax advisor and/or its attorney, and the Connecticut Department of Revenue Services ("DRS") and any other applicable tax authority, with regard to such tax authorities' policies, procedures, recordkeeping and filing requirements for reimbursement of any taxes, including without limitation Connecticut Taxes, paid in the performance of Work contemplated by this Agreement, and whether or not there is a mechanism available to Hauler for the reimbursement of taxes, including without limitation Connecticut Taxes, paid on fuel purchased for use in the performance of the Work contemplated by this Agreement.

Hauler and CRRA agree that Hauler is and shall act as an independent contractor.

12. This Agreement constitutes the entire agreement and understanding between the parties hereto and concerning the subject matter hereof and supersedes any and all previous agreements, written or oral, between the parties hereto and concerning the subject matter hereof.
13. This agreement shall be governed by and construed in accordance with the laws of the State of Connecticut as such laws are applied to contracts between Connecticut residents entered into and to be performed entirely in Connecticut.
14. This Agreement may not be amended, modified, or supplemented except by a writing signed by the parties hereto that specifically refers to this Agreement. Any oral representations or letters by the parties or accommodations shall not create a pattern or practice or course of dealing contrary to the written terms of this agreement unless this Agreement is formally amended, modified, or supplemented.
15. This Agreement may not be assigned in whole or in part by the Hauler except upon the express written consent of the CRRA or such assignment shall be void.
16. Hauler agrees to the following:
 - (a) Hauler agrees and warrants that, in the performance of the Work for CRRA, Hauler will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, sexual orientation, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by Hauler that such disability prevents performance of the Work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut; and the Hauler further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed,

age, marital status, national origin, ancestry, sex, sexual orientation, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by Hauler that such disability prevents performance of the Work involved;

- (b) Hauler agrees, in all solicitations or advertisements for employees placed by or on behalf of Hauler, to state that it is an “affirmative action-equal opportunity employer” in accordance with regulations adopted by the Connecticut Commission on Human Rights and Opportunities (The “Commission”);
 - (c) Hauler agrees to provide each labor union or representative of workers with which Hauler has a collective bargaining agreement or other contract or understanding and each vendor with which Hauler has a contract or understanding, a notice to be provided by the Commission, advising the labor union, workers’ representative and vendor of Hauler’s commitments under Sections 4a-60 and 4a-60a of the *Connecticut General Statutes* and to post copies of the notice in conspicuous places available to employees and applicants for employment;
 - (d) Hauler agrees to comply with each applicable provision of Sections 4a-60, 4a-60a, 46a-68e, and 46a-68f, inclusive, of the *Connecticut General Statutes* and with each regulation or relevant order issued by the Commission pursuant to Sections 46a-56, 46a-68e, and 46a-68f of the *Connecticut General Statutes*; and
 - (e) Hauler agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts concerning the employment practices and procedures of Hauler as related to the applicable provisions of Sections 4a-60, 4a-60a and 46a-56 of the *Connecticut General Statutes*.
 - (f) If this Agreement is a public works contract, Hauler agrees and warrants that it will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials in such public works project.
17. For all State of Connecticut/CRRRA contracts as defined in P.A. 07-1 having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of \$100,000 or more, the authorized signatory to this Agreement expressly acknowledges receipt of the State Elections Enforcement Commission’s notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice. See **Exhibit C** [SEEC Form 11].
18. Simultaneously with its execution of this Agreement, Hauler executed a document entitled Certification Concerning Nondiscrimination and said document is attached hereto and made a part of this Agreement as **Exhibit D**.
19. Simultaneously with its execution of this Agreement, Hauler executed a document entitled Contractor’s Certification Concerning Gifts and said document is attached hereto and made a part of this Agreement as **Exhibit E**.

20. Simultaneously with his execution of this Agreement, the President of CRRA executed a document entitled President's Certification Concerning Gifts and said document is attached hereto and made a part of this Agreement as **Exhibit F**.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of the date and year first written above.

CONNECTICUT RESOURCES
RECOVERY AUTHORITY

By: _____
Thomas D. Kirk
Its President
Duly Authorized

HAULER

By: _____
Its
Duly Authorized

Exhibit A

Per Ton MSW Removal And Transportation Compensation

<u>Disposal Location</u>	<u>Price per ton</u>

Exhibit B

Semi-Annual Fuel Price Adjustment Formula

The fuel price will be adjusted semi-annually based on the following formula to reflect (100%) of the semiannual change in the Northeast Urban Automotive Diesel Fuel (Series ID Number APU010074717) as published monthly by the U.S. Department of Labor, Bureau of Labor Statistics.

FORMULA:

Adjusted Fuel Price = Bid Fuel Price x (CPI Current Fuel Price / CPI Fuel Base Price)

HYPOTHETICAL EXAMPLE:

Contract Date = January 1, 2010
Bid Fuel Price = \$2.90
CPI Rate for January 2010 = 2.955
CPI Rate for July 2010 = 3.235
Fuel Price = 2.90 x (3.235 / 2.955)
Adjusted Fuel Price = \$3.175

TAB 17

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 2010 projected legal fees; and

WHEREAS, CRRRA expects to incur greater than authorized legal expenses for General Counsel services;

NOW THEREFORE, it is RESOLVED: That the following additional amount be authorized for projected legal fees and costs to be incurred during fiscal year 2010:

Firm:

Amount:

Halloran & Sage

\$885,000

CONNECTICUT RESOURCES RECOVERY AUTHORITY

Request regarding Authorization for Payment of Projected Additional Legal Expenses

September 24, 2009

Executive Summary

This is to request Board authorization for payment of additional projected fiscal '10 legal expenses.

Discussion:

At its June 2009 regular meeting, the Board of Directors expressed concern regarding the amount of the fees projected by CRRA to be incurred during FY 2010 for services rendered by its General Counsel, Halloran & Sage. The board therefore authorized one-quarter of the projected total, and requested management to discuss with Halloran & Sage options for reducing costs.

The President and the Director of Legal Services met with Attorneys Boucher and Farley, and discussed several options. Halloran & Sage subsequently proposed to reduce its current rates (\$275/hour for partners, \$190/hour for associates) to the level of its FY07 rates (\$265/hour for partners, \$187/hour for associates); to meet with CRRA upon request to provide input and advice on an informal (and therefore lower cost) basis; and a hybrid rate for CRRA's hauler litigation (i.e., suit against Dainty Rubbish and other suits CRRA may institute during FY10 for diversion of waste under contract to CRRA) consisting of a reduced hourly rate and a success-based fee.

We are now seeking board authorization to incur additional legal expenses on the terms set forth above for the remainder of FY10.