

RESOLUTION AUTHORIZING PROJECT FINANCE BANKING SERVICES

RESOLVED: That the Authority retain Citigroup Global Markets to provide financing for the acquisition, upgrade and related expenses of the Wallingford project. Such financing may include tax-exempt or taxable, fixed rate or variable rate, long-term or short-term bonds, depending on market conditions at the time of financing. It is anticipated that such a financing will be on a project basis, but may include the ability to convert to a statewide system in the future.

FURTHER RESOLVED: That the components of the underwriter's total fee not exceed the following: Takedown: 0.625% of the principal amount of bonds issued; Expenses: 0.02% of the principal amount of the bonds issued; Management compensation (as senior manager) \$150,000 (for only a Wallingford project acquisition bond financing); Underwriter's Counsel fee will be a pass-through cost to the Authority as determined at the time that Underwriter's Counsel is hired; Remarketing fees, if any, 8 basis points per annum.

Project Finance Banking Services

Qualifications and Selection - 2008

The Authority desires to retain a qualified firm to provide Project Finance Banking Services in connection with the acquisition of the Wallingford Project. Management completed a Request for Proposals (“RFP”) as discussed below.

The Authority’s RFP advertisement appeared in *The Bond Buyer* from May 13 through June 11, 2008 stating that RFPs were available on the Authority’s website. The Authority also mailed the RFP to 15 firms known to be active in the solid waste finance field on May 13th. A Mandatory Conference Call for prospective proposers was held on May 20th, with 20 firms participating. Proposals were due on June 11th. The Authority received eight proposals and invited three firms for oral interviews on June 19th.

Finance Committee Recommendation: To retain Citigroup Global Markets to conduct the financing for the Wallingford Project acquisition based on the following:

- One of the world’s largest financial institutions with substantial stability to assist the Authority over an extended period of time.
- Primary bankers have extensive experience in resource recovery bond financing.
- Provided one of the most knowledgeable and informed discussion of how to structure and market the Wallingford Project Bonds. Also provided suggestions to transition from project financing to system financing in the future.
- Provided the best analysis of how the various project agreements (MSAs, Operating Agreement, Electric Sales Agreement, Ash Disposal Agreement, etc.) must be structured and how they work together.
- Ability to underwrite substantial amounts of tax-exempt bonds sold by Connecticut issuers – very familiar with the pricing of Connecticut tax-exempt bonds.