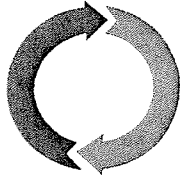


**CRRA
BOARD MEETING
NOVEMBER 18, 2004**



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: Kristen Greig, Secretary to the Board/Paralegal KG

DATE: November 12, 2004

RE: Notice of Meeting

There will be a regular meeting of the Connecticut Resources Recovery Authority Board of Directors held on Thursday, November 18, 2004 at 9:30 a.m. 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
November 18, 2004
9:30 AM

I. Pledge of Allegiance

II. Public Portion

A public portion from 9:30 to 10:00 will be held and the Board will accept written testimony and allow individuals to speak for a limit of three minutes. The regular meeting will commence if there is no public input.

III. Minutes

1. Board Action will be sought for the approval of the September 23, 2004 Regular Board Meeting Minutes (Attachment 1).
2. Board Action will be sought for the approval of the October 15, 2004 Special Board Meeting Minutes (Attachment 2).
3. Board Action will be sought for the approval of the October 21, 2004 Regular Board Meeting Minutes (Attachment 3).

IV. Finance

1. Board Action will be sought regarding Changes to Certain Project Reserve Accounts (Attachment 4).
2. Board Action will be sought for the Adoption of the Revised Issuance and Retirement of Bonds, Notes and other Obligations of the Authority Policy (Attachment 5).
3. Board Action will be sought regarding the Purchase of the Epicor E-Procurement Module (Attachment 6).
4. Board Action will be sought for the approval of the General Fund Operating & Capital Budget (Attachment 7).
5. Board Action will be sought for the approval of the Operating & Capital Budget related to the Southeast Project (Attachment 8).

V. Executive Session

An Executive Session will be held to discuss pending litigation, contract negotiations and personnel matters with appropriate staff.

VI. Project Reports

A. Mid-Connecticut

1. Board Action will be sought regarding Delivery of Cover Soils to the Hartford Landfill (Attachment 9).
2. Board Action will be sought regarding Agreement for the Operation of the Essex Transfer Station for Recyclable Materials between the Connecticut Resources Recovery Authority, the Connecticut River Estuary Regional Planning Agency ("CRERPA") and the municipalities (Attachment 10).
3. Board Action will be sought regarding the Installation of High-Speed Roll-Up Doors in the RDF Storage Area at the Waste Processing Facility (Attachment 11).

VII. Chairman's and Committee Reports

A. The Policy and Procurement Committee will report on its November 4, 2004 meeting.

1. Board Action will be sought regarding the Adoption of the Revised "Vehicle Usage Policy" (Attachment 12).

B. The Organizational Synergy & Human Resources Committee will report on its November 18, 2004 meeting.

1. Board Action will be sought regarding the Adoption of the Updated Hiring, Compensation, Promotion and Dismissal Policy (Attachment 13).
2. Board Action will be sought regarding the 2005 Renewal of the Health, Dental, Life and Disability Insurance (Attachment 14).

TAB 1

CONNECTICUT RESOURCES RECOVERY AUTHORITY

THREE HUNDRED SEVENTY-SEVENTH MEETING

SEPTEMBER 23, 2004

A Regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, September 23, 2004 at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Chairman Michael Pace

Directors: Stephen Cassano, Vice-Chairman
Benson Cohn
Mark Cooper
James Francis
Michael Jarjura (Present beginning at 11:15 a.m.)
Edna Karanian
Mark Lauretti
Theodore Martland
Raymond O'Brien
Andrew Sullivan
Timothy Griswold (Ad-Hoc for Mid-CT Project)
(Present until 11:50 a.m.)
Sherwood Lovejoy (Ad-Hoc for Bridgeport Project)

Present from the CRRRA staff:

Thomas Kirk, President
Jim Bolduc, Chief Financial Officer
Peter Egan, Director of Environmental Affairs & Development
Floyd Gent, Director of Operations
Laurie Hunt, Managing Director of Legal Affairs
Paul Nonnenmacher, Director of Public Affairs & Communications
Nhan Vo-Le, Director of Accounting Services (Present until 9:45 a.m.)
Agata Herasimowicz, Staff Accountant (Present until 9:45 a.m.)
Nancy Jacques, Accounting Assistant (Present until 9:45 a.m.)
John Jubb, Staff Accountant (Present until 9:45 a.m.)
Diane Le, Staff Accountant (Present until 9:45 a.m.)
Marion Miller, Accounting Assistant (Present until 9:45 a.m.)
Kristen Greig, Legal Temp

Also in attendance were: David Arruda of MDC, Peter Boucher of Halloran & Sage, LLP, Douglas Cohen of Brown Rudnick Berlack Israels LLP, Dominick M. DiGangi of MDC, Valentine Doyle of HEJN, Frank Marci of USA Hauling & Recycling, Joyce Tentor of HEJN & Scott Trenholm of Carlin, Charron & Rosen

Chairman Pace called the meeting to order at 9:30 a.m. and noted 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 the first item on 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.

Ms. Tentor introduced herself as a member of the Hartford Environmental Justice Network. Ms. Tentor stated that her group had some concerns regarding the transportation route used for the removal of contaminated soil from the power block area. Ms. Tentor stated that there had been tractor trailers wandering her neighborhood looking for a way to cross the interstate after missing a turn. Ms. Tentor said her group would not like to see contaminated soil traveling residential streets either here or at the final destination and asked for assurance that each driver would receive explicit directions to avoid doing so.

Chairman Pace responded that he felt this was an important issue. Mr. Kirk stated that TRC was the contractor, but the transportation was handled by a subcontractor. Mr. Kirk said that CRRA would contact TRC to ensure that their subcontractor was using the proper routes to avoid residential areas.

Ms. Tentor stated her group was also concerned with the decontamination of the vehicles and suggested that CRRA employees supervise that to make certain wash water was handled appropriately.

Chairman Pace suggested that Mr. Gent provide Ms. Tentor further answers to her questions while the Board was in Executive Session.

Ms. Tentor also stated that members of her group and the Commission for the Environment for the City of Hartford did a tour of the Hartford Landfill and were prohibited from taking photographs. Ms. Tentor said she was wondering why that was. Mr. Egan explained that he was the CRRA representative that led the tour and he had not been advised prior to the tour that they would be taking photographs. Mr. Egan stated that without the opportunity to confer with CRRA management and legal counsel, he made the decision not to allow pictures for that particular tour. Mr. Egan said the matter would be discussed in-house and he would be happy to provide another tour should management decide that was appropriate.

EMPLOYEE RECOGNITION

Director Sullivan stated that Ms. Vo-Le was awarded a certificate of achievement for financial reporting. Director Sullivan explained that Carlin, Charron & Rosen, CRRA's auditor, was very complimentary of the efforts that went into the financial reporting package, which made their job easier to accomplish.

Mr. Bolduc stated that Ms. Vo-Le and her staff kept CRRA on track through some particularly difficult times. Mr. Bolduc said Ms. Vo-Le was able to respond to multiple FOIA requests while putting together two annual reports. Mr. Bolduc said those accomplishments were a tribute to Ms. Vo-Le and her staff and expressed his appreciation for their efforts.

Chairman Pace stated that CRRA was setting an example for other quasi-public agencies and read a portion of the certificate to the Board. Chairman Pace congratulated the accounting department and Ms. Vo-Le.

Ms. Vo-Le introduced her staff and thanked them for their hard work. Ms. Vo-Le also thanked the Board for taking the time to review the audit and offering comments to make it better and thanked Mr. Bolduc and Mr. Kirk for their support.

Director O'Brien informed the Board that a Carlin, Charron & Rosen auditor stated it was rather atypical to be able to compile the financial report so quickly after the close of the fiscal year, which was a tribute to the accounting staff. Director Sullivan stated that the audit process was continuing in an efficient and very professional manner and added that the completion date of the audit spoke volumes about how far CRRA had come in their reporting and efficiency.

EXECUTIVE SESSION

Chairman Pace requested a motion to go into Executive Session. The motion made by Director O'Brien and seconded by Director Cooper was approved unanimously. Chairman Pace requested that the following people remain for the Executive Session:

Chairman Michael Pace
Vice Chairman Stephen Cassano
Benson Cohn
Mark Cooper
James Francis
Michael Jarjura
Edna Karanian
Mark Lauretti
Theodore Martland
Raymond O'Brien
Andrew Sullivan
Timothy Griswold
Sherwood Lovejoy

Tom Kirk
Jim Bolduc
Peter Egan
Laurie Hunt, Esq.

Peter Boucher of Halloran & Sage
Douglas Cohen of Brown Rudnick

The Executive Session began at 9:46 a.m. and concluded at 11:20 a.m. Chairman Pace noted that no votes were taken in Executive Session.

Chairman Pace requested a short recess.

Chairman Pace reconvened the Board meeting at 11:25 a.m.

Chairman Pace invited Ms. Tentor to follow-up on her earlier public comment. Ms. Tentor stated that her earlier remarks were directed toward the new remediation of the PCBs that was recently approved by the DEP. Ms. Tentor said her main concern was that CRRA stay ahead of the curve and monitor the subcontractors who would be responsible for transportation.

APPROVAL OF THE MINUTES OF THE JULY 22, 2004 REGULAR BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the July 22, 2004 Regular Board Meeting. The motion was made by Director O'Brien and seconded by Director Martland.

The motion previously made and seconded was approved. Director Karanian abstained from the vote as she was not present at the meeting.

| Eligible Voters | Aye | Nay | Abstain |
|---|------------|------------|----------------|
| Michael Pace, Chairman | X | | |
| Stephen Cassano | X | | |
| Benson Cohn | X | | |
| Mark Cooper | X | | |
| James Francis | X | | |
| Michael Jarjura | X | | |
| Edna Karanian | | | X |
| Mark Lauretti | X | | |
| Theodore Martland | X | | |
| Raymond O'Brien | X | | |
| Andrew Sullivan | X | | |
| | | | |
| Non Eligible Voters | | | |
| | | | |
| Timothy Griswold, Ad Hoc, Mid-Connecticut | | | |
| Sherwood Lovejoy, Ad Hoc, Bridgeport | | | |

APPROVAL OF THE MINUTES OF THE AUGUST 5, 2004 SPECIAL BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the August 5, 2004 Special Board meeting. The motion was made by Director O'Brien and seconded by Director Cooper.

The motion previously made and seconded was approved. Directors Cohn and Karanian

abstained from the vote as they were not present at the meeting.

| Eligible Voters | Aye | Nay | Abstain |
|---|------------|------------|----------------|
| Michael Pace, Chairman | X | | |
| Stephen Cassano | X | | |
| Benson Cohn | | | X |
| Mark Cooper | X | | |
| James Francis | X | | |
| Michael Jarjura | X | | |
| Edna Karanian | | | X |
| Mark Lauretti | X | | |
| Theodore Martland | X | | |
| Raymond O'Brien | X | | |
| Andrew Sullivan | X | | |
| | | | |
| Non Eligible Voters | | | |
| | | | |
| Timothy Griswold, Ad Hoc, Mid-Connecticut | | | |
| Sherwood Lovejoy, Ad Hoc, Bridgeport | | | |

APPROVAL OF THE MINUTES OF THE AUGUST 20, 2004 SPECIAL BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the August 20, 2004 Special Board meeting. The motion was made by Director O'Brien and seconded by Director Cooper.

The motion previously made and seconded was approved. Directors Cohn and Martland abstained from the vote as they were not present at the meeting.

| Eligible Voters | Aye | Nay | Abstain |
|----------------------------|------------|------------|----------------|
| Michael Pace, Chairman | X | | |
| Stephen Cassano | X | | |
| Benson Cohn | | | X |
| Mark Cooper | X | | |
| James Francis | X | | |
| Michael Jarjura | X | | |
| Edna Karanian | X | | |
| Mark Lauretti | X | | |
| Theodore Martland | | | X |
| Raymond O'Brien | X | | |
| Andrew Sullivan | X | | |
| | | | |
| Non Eligible Voters | | | |

| | | | |
|---|--|--|--|
| | | | |
| Timothy Griswold, Ad Hoc, Mid-Connecticut | | | |
| Sherwood Lovejoy, Ad Hoc, Bridgeport | | | |

RESOLUTION REGARDING FINANCE COMMITTEE RECOMMENDATION TO BOARD OF DIRECTORS REGARDING RENEWAL OF CASUALTY INSURANCE PROGRAM

Chairman Pace requested a motion regarding the referenced item. Director Sullivan made the following motion:

RESOLVED: That the Board of Directors authorizes the renewal of the \$1 million Commercial General Liability policy through American International Group (AIG) for a premium of \$177,000, and

FURTHER RESOLVED: That the Board of Directors authorizes the purchase of \$1 million of Automobile Liability insurance through AIG for a premium of \$100,329, and

FURTHER RESOLVED: That the Board of Directors authorizes the purchase of \$30 million Umbrella excess of \$1 million covering Commercial General Liability (CGL) and Auto Liability through American International Group (AIG) for a premium of \$326,250, and

FURTHER RESOLVED: That the Board of Directors authorizes the purchase of a \$30 million limit for Pollution Legal Liability insurance through AIG for a premium of \$375,000.

The aggregate premium is \$978,579.

Director O'Brien seconded the motion.

Director Sullivan stated that the matter was discussed in detail at the Finance Committee meeting. Director Sullivan said that there was a savings of \$1,273,000 compared to the budget due to increased competition in the marketplace. Director Sullivan explained that these were annual policies, so CRRA could not be certain they would continue to realize the benefits of that in the future.

Director Sullivan reviewed the increases in coverage compared to last year's policies and recommended that the Board approve the resolution.

The motion previously made and seconded was approved unanimously.

| | | | |
|-----------------|-----|-----|---------|
| Eligible Voters | Aye | Nay | Abstain |
|-----------------|-----|-----|---------|

| | | | |
|---|---|--|--|
| | | | |
| Michael Pace, Chairman | X | | |
| Stephen Cassano | X | | |
| Benson Cohn | X | | |
| Mark Cooper | X | | |
| James Francis | X | | |
| Michael Jarjura | X | | |
| Edna Karanian | X | | |
| Mark Lauretti | X | | |
| Theodore Martland | X | | |
| Raymond O'Brien | X | | |
| Andrew Sullivan | X | | |
| | | | |
| Non Eligible Voters | | | |
| | | | |
| Timothy Griswold, Ad Hoc, Mid-Connecticut | | | |
| Sherwood Lovejoy, Ad Hoc, Bridgeport | | | |

RESOLUTION REGARDING THE FISCAL YEAR 2004 FINANCIAL STATEMENT AND AUDIT REPORT

Chairman Pace requested a motion regarding the referenced item. Director Sullivan made the following motion:

RESOLVED: That the Board hereby approves and endorses the Fiscal Year 2004 Financial Statement and Audit Report, substantially as discussed and presented at this meeting.

Director O'Brien seconded the motion.

Director Sullivan stated that the draft audit was reviewed by the Finance Committee and noted that some changes in language were recommended. Director Sullivan recognized that the changes were incorporated in Management's Discussion and Analysis.

Mr. Trenholm gave a brief overview of the audit. Mr. Trenholm stated that the Financial Statements, Management's Discussion and Analysis, the footnotes to the Financial Statements, and the Supplemental Schedules were management's representation. Mr. Trenholm explained that Carlin, Charron & Rosen's responsibility was to express an opinion of the financial statements based on their audit. The unqualified clean opinion expressed by the auditor indicated that the financial statements properly reflected the results of the Authority's operations and its cash flows.

Mr. Trenholm noted that there were no disagreements regarding matters of accounting principles and how those accounting principles were adopted and implemented by management. Mr. Trenholm added that there were no significant adjustments during the course of the audit.

Chairman Pace noted that Mr. Tremholm's statements were key to what the Board had asked management to do and what management was doing. Chairman Pace said the fact that there were no significant adjustments affirmed that accounting practices and policies to ensure transparency were in place.

Mr. Trenholm asked the Board to turn to the second page of Exhibit D of the audit. Mr. Trenholm pointed out "Undesignated" deficits for the Mid-Connecticut and Bridgeport projects and stated that the auditors would like the Board to address the use of nonexistent Unrestricted net assets. Mr. Trenholm stated that the Board could either un-designate the designated net assets to cover the undesignated deficit or there needed to be a plan to generate revenue in excess of expenses that would turn undesignated deficits into net assets.

Mr. Bolduc stated that this issue had existed for many years and noted that Bridgeport was in the process of correcting the deficit. Mr. Bolduc said that management was looking into various options to correct the deficit for the Mid-Connecticut project.

Director Sullivan stated that once the Board approved the audit, it would be submitted to the State and the trustees on September 30.

The motion previously made and seconded was approved unanimously.

| Eligible Voters | Aye | Nay | Abstain |
|---|------------|------------|----------------|
| | | | |
| Michael Pace, Chairman | X | | |
| Stephen Cassano | X | | |
| Benson Cohn | X | | |
| Mark Cooper | X | | |
| James Francis | X | | |
| Michael Jarjura | X | | |
| Edna Karanian | X | | |
| Mark Lauretti | X | | |
| Theodore Martland | X | | |
| Raymond O'Brien | X | | |
| Andrew Sullivan | X | | |
| | | | |
| Non Eligible Voters | | | |
| | | | |
| Timothy Griswold, Ad Hoc, Mid-Connecticut | | | |
| Sherwood Lovejoy, Ad Hoc, Bridgeport | | | |

RESOLUTION REGARDING THE ADOPTION OF AN ISSUANCE AND RETIREMENT OF BONDS, NOTES AND OTHER OBLIGATIONS OF THE AUTHORITY PROCEDURE

RESOLUTION REGARDING THE ADOPTION OF AWARDED LOANS, GRANTS AND OTHER FINANCIAL ASSISTANCE PROCEDURES

Director Sullivan made a motion to table the above-referenced matters until legal notice could be given. The motion seconded by Director O'Brien was approved unanimously.

The matters were tabled to be addressed at the November meeting.

RESOLUTION REGARDING PROJECTED LEGAL EXPENDITURES

Chairman Pace requested a motion regarding the referenced item. Director Sullivan made the following motion:

WHEREAS: CRRA has entered into Legal Services Agreements with various law firms to perform legal services; and

WHEREAS: CRRA is projecting additional outside legal services for fiscal year 2005.

NOW THEREFORE, it is RESOLVED: that the following amounts be authorized for projected legal fees to be incurred through June 30, 2005:

| <u>Firm:</u> | | <u>Amount:</u> |
|----------------------------|----|----------------|
| Anderson Kill & Olick | \$ | 500,000 |
| Brown Rudnick | | 120,000 |
| Halloran & Sage | | 500,000 |
| Kainen & Escalera & McHale | | 75,000 |
| McCarter & English | | 400,000 |
| Pepe & Hazard | | 50,000 |
| Perakos Zitzer | | 75,000 |
| Pullman & Comley | | 100,000 |
| Sidley Austin Brown & Wood | | 100,000 |

Director O'Brien seconded the motion.

Director Sullivan explained that the above-referenced resolution was intended to inform the Board of what had been spent and to authorize expenditures through June 30, 2005.

The motion previously made and seconded was approved unanimously.

| Eligible Voters | Aye | Nay | Abstain |
|---|-----|-----|---------|
| Michael Pace, Chairman | X | | |
| Stephen Cassano | X | | |
| Benson Cohn | X | | |
| Mark Cooper | X | | |
| James Francis | X | | |
| Michael Jarjura | X | | |
| Edna Karanian | X | | |
| Mark Lauretti | X | | |
| Theodore Martland | X | | |
| Raymond O'Brien | X | | |
| Andrew Sullivan | X | | |
| | | | |
| Non Eligible Voters | | | |
| | | | |
| Timothy Griswold, Ad Hoc, Mid-Connecticut | | | |
| Sherwood Lovejoy, Ad Hoc, Bridgeport | | | |

RESOLUTION REGARDING EXPENDITURES FOR ODOR MONITORING SERVICES AT THE MID-CONNECTICUT WASTE PROCESSING FACILITY

Chairman Pace requested a motion regarding the referenced item. Director O'Brien made the following motion:

RESOLVED: That the President of CRRA be authorized to increase, to \$76,701.00, the existing Fiscal Year 2005 Request for Services with TRC Environmental Corporation for Odor Monitoring Support at the Mid-Connecticut Waste Processing Facility, substantially as presented and discussed at this meeting.

Vice-Chairman Cassano seconded the motion.

Mr. Kirk stated that the MCAPS air processing system had eliminated virtually all of the odors emanating from the Mid-Connecticut facility, but there were occasional incidences, especially when there were operational issues at the plant. Mr. Kirk stated that CRRA was working closely with MDC to eliminate those issues, but felt CRRA's desire to be a good neighbor called for odor monitoring controls on evenings and weekends.

Mr. Kirk explained that the odor monitoring service would patrol the plant during evening hours to double check that the operator was taking appropriate measures to control odors. Mr. Kirk said that CRRA was hoping to get to the point where this service was no longer needed, but until then it was necessary to do everything possible to eliminate the odors.

Chairman Pace stated that it was important to be a good neighbor and noted his concern that CRRA had to pay for this service because the operator was not taking the necessary actions

to eliminate the problem.

Vice-Chairman Cassano suggested that CRRA look into that doors that would close automatically. Mr. Gent responded that CRRA was looking into newly designed doors and evaluating the overall ventilation system. Mr. Gent also noted that the operator was not completely at fault because there were also some capital expenditures that CRRA might have to look into.

Mr. Gent stated that he had met with representatives from MDC and said they were also concerned about the matter. Mr. Gent noted that MDC was cooperative with CRRA regarding this issue.

Chairman Pace asked about other activities that could mitigate the odors. Mr. Kirk responded that the longer material was in the plant, the more likely it was to create odors. Mr. Gent noted that there was a limitation to the amount of time that material could stay in the MSW area. Mr. Gent stated that material was being processed by MDC in a prompt fashion.

Mr. Gent stated that excessive inventories of RDF and power block outages caused problems this summer. Mr. Gent noted that CRRA was working with Covanta on the power block issues and excessive RDF was sent elsewhere.

Mr. Francis asked if the contract value covered only this fiscal year. Mr. Egan responded in the affirmative and explained that the activity was a specific request for services for a twelve month period under a three-year engineering agreement. Mr. Egan noted that the three-year agreement had no monetary value.

Director Lauretti asked what the cost of the extra activity was. Mr. Egan responded that the additional inspections were \$22,315.

Director O'Brien pointed out that 21 events were costing \$22,000. Mr. Egan stated that each 8 hour day cost \$1,100. Director O'Brien asked if the \$20,000 cost for the hotline response was on an "as needed" basis. Mr. Egan stated that figure was an "as needed" estimate and explained that TRC would only respond when the hotline was called. Director O'Brien asked what TRC did when the hotline was called. Mr. Egan explained that TRC would first drive to the complainant's site and get information from the complainant. TRC would then drive around the complainant's area and follow a prescribed route to identify source of the odor and confirm that the odor was from CRRA activities. Director O'Brien asked if CRRA received a report from each incident. Mr. Egan responded in the affirmative.

Chairman Pace asked if there were occasions when the hotline was called and the odor was found to be from a source other than a CRRA facility. Mr. Egan responded affirmatively and stated that there had been several occasions when odors were identified to be from MDC's sewage treatment facility. Mr. Egan explained that odors could also be coming from other sources including dumpsters in the vicinity of the complainant.

Chairman Pace asked if the incidences where CRRA activities were not the source of the odors were reported to the Mayor or environmental groups. Mr. Egan responded that those complaints were reported to MDC. Mr. Kirk responded that CRRA management met with the Mayor of East Hartford and his interested constituents at the beginning of every summer and as needed throughout the summer. Mr. Kirk noted that prior to the installation of the MCAP system, CRRA received hundreds of complaints per year. CRRA received only 14 complaints this year of which Mr. Egan estimated 8-10 to be a result of CRRA activities. Mr. Kirk stated it was CRRA's responsibility to have zero tolerance for odor problems and recognized that by working with the contractor, this need should be eliminated next summer.

Director O'Brien questioned why it was necessary to pay \$137.50 per hour to see if something smelled. Mr. Kirk responded that the person who monitored the odors was a Certified Environmental Professional and acknowledged that it was an expensive service. Mr. Kirk explained that he would like to be able to tell Mayor Larson and the other neighbors that CRRA was doing everything it possibly could to eliminate the odor problem.

Chairman Pace asked management to look into other corrective actions in the future.

Director Karanian asked if MDC had a similar odor monitoring service. Mr. Kirk responded that he did not think so. Director Sullivan suggested that if the odor problems were also coming from the MDC facility, they should join CRRA in financing the efforts.

Mr. Kirk explained that it was CRRA's hope that between good operating practices and capital improvements, the issue would be resolved.

The motion previously made and seconded was approved unanimously.

| Eligible Voters | Aye | Nay | Abstain |
|--------------------------------------|------------|------------|----------------|
| | | | |
| Michael Pace, Chairman | X | | |
| Stephen Cassano | X | | |
| Benson Cohn | X | | |
| Mark Cooper | X | | |
| James Francis | X | | |
| Michael Jarjura | X | | |
| Edna Karanian | X | | |
| Mark Lauretti | X | | |
| Theodore Martland | X | | |
| Raymond O'Brien | X | | |
| Andrew Sullivan | X | | |
| | | | |
| Non Eligible Voters | | | |
| | | | |
| Sherwood Lovejoy, Ad Hoc, Bridgeport | | | |

RESOLUTION REGARDING ENVIRONMENTAL MONITORING AT THE ELLINGTON LANDFILL

Chairman Pace requested a motion regarding the referenced item. Director O'Brien made the following motion:

RESOLVED: That the President is hereby authorized to enter into a Request for Services with Fuss & O'Neill, Inc. to conduct environmental investigation activities on property adjacent to the Ellington Landfill, substantially as discussed and presented at this meeting.

Director Cooper seconded the motion.

The motion previously made and seconded was approved unanimously.

| Eligible Voters | Aye | Nay | Abstain |
|--------------------------------------|-----|-----|---------|
| Michael Pace, Chairman | X | | |
| Stephen Cassano | X | | |
| Benson Cohn | X | | |
| Mark Cooper | X | | |
| James Francis | X | | |
| Michael Jarjura | X | | |
| Edna Karanian | X | | |
| Mark Lauretti | X | | |
| Theodore Martland | X | | |
| Raymond O'Brien | X | | |
| Andrew Sullivan | X | | |
| | | | |
| Non Eligible Voters | | | |
| | | | |
| Sherwood Lovejoy, Ad Hoc, Bridgeport | | | |

RESOLUTION REGARDING DELIVERY OF COVER SOILS TO THE HARTFORD LANDFILL

Chairman Pace requested a motion regarding the referenced item. Director O'Brien made the following motion:

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

Director Cooper seconded the motion.

Mr. Kirk explained that CRRA was getting an excellent price on the soil, which was saving CRRA about \$1 million per year compared to having to purchase cover soil.

The motion previously made and seconded was approved unanimously.

| Eligible Voters | Aye | Nay | Abstain |
|--------------------------------------|-----|-----|---------|
| Michael Pace, Chairman | X | | |
| Stephen Cassano | X | | |
| Benson Cohn | X | | |
| Mark Cooper | X | | |
| James Francis | X | | |
| Michael Jarjura | X | | |
| Edna Karanian | X | | |
| Mark Lauretti | X | | |
| Theodore Martland | X | | |
| Raymond O'Brien | X | | |
| Andrew Sullivan | X | | |
| | | | |
| Non Eligible Voters | | | |
| | | | |
| Sherwood Lovejoy, Ad Hoc, Bridgeport | | | |

RESOLUTION REGARDING EMERGENCY REPAIRS TO THE MID-CONNECTICUT PROJECT RECYCLING SCALES

Chairman Pace requested a motion regarding the referenced item. Director O'Brien made the following motion:

RESOLVED: That the Board of Directors hereby ratifies the entrance into a contract for emergency repairs to the Mid-Connecticut Recycling Center scales in accordance with Connecticut Resources Recovery Authority's Procurement Policy.

Director Martland seconded the motion.

Director O'Brien suggested that the language "entrance into a contract" be amended. Chairman Pace stated the language would be changed to read "entry into a contract."

Mr. Kirk explained that CRRA's Procurement policy required that emergency purchases be ratified by the Board. Mr. Kirk explained that the scale was hit by lightning which required immediate attention.

Director O'Brien asked if the damage was covered by insurance. Mr. Bolduc said the damage was covered but the damages did not exceed the deductible.

The motion previously made and seconded was approved unanimously.

| Eligible Voters | Aye | Nay | Abstain |
|--------------------------------------|------------|------------|----------------|
| Michael Pace, Chairman | X | | |
| Stephen Cassano | X | | |
| Benson Cohn | X | | |
| Mark Cooper | X | | |
| James Francis | X | | |
| Michael Jarjura | X | | |
| Edna Karanian | X | | |
| Mark Lauretti | X | | |
| Theodore Martland | X | | |
| Raymond O'Brien | X | | |
| Andrew Sullivan | X | | |
| | | | |
| Non Eligible Voters | | | |
| | | | |
| Sherwood Lovejoy, Ad Hoc, Bridgeport | | | |

RESOLUTION REGARDING SOLID WASTE INDUSTRY SPECIALIST LEGAL SERVICES

Chairman Pace requested a motion regarding the referenced item. Director Cohn made the following motion:

RESOLVED: That the President is hereby authorized to enter into Legal Services Agreements for three-year terms with the law firms listed below for the provision of “on call” Solid Waste Industry Specialist Legal Services, substantially as discussed and presented at this meeting, and pending acceptable rates:

- McCarter & English, LLP
- Byrne & Storm, P.C.
- Dechert LLP

Director O'Brien seconded the motion.

Director Cohn explained that a Request for Qualifications was issued, which resulted in the listed firms being chosen for a panel. Chairman Pace noted that there were some firms that were new to CRRA. Director Cohn stated that the Policies and Procurement Committee wanted management to have options in case other firms had conflicts.

Chairman Pace asked how many firms were approved for Solid Waste Industry Specialist Legal Services. Director Cohn responded that there were only the three firms listed in the resolution and CRRA's General Counsel.

Director O'Brien stated that the Committee discussed issuing another RFQ in a year to get in sync with the other three-year Legal Service Agreements.

The motion previously made and seconded was approved unanimously.

| Eligible Voters | Aye | Nay | Abstain |
|--------------------------------------|------------|------------|----------------|
| Michael Pace, Chairman | X | | |
| Stephen Cassano | X | | |
| Benson Cohn | X | | |
| Mark Cooper | X | | |
| James Francis | X | | |
| Michael Jarjura | X | | |
| Edna Karanian | X | | |
| Mark Lauretti | X | | |
| Theodore Martland | X | | |
| Raymond O'Brien | X | | |
| Andrew Sullivan | X | | |
| | | | |
| Non Eligible Voters | | | |
| | | | |
| Sherwood Lovejoy, Ad Hoc, Bridgeport | | | |

CHAIRMAN'S AND COMMITTEE REPORTS

Policies & Procurement Committee

Director Cohn stated that the Policies & Procurement Committee interviewed and selected the firms for the Solid Waste Industry Specialist RFQ at its September 9th meeting. Director Cohn noted that the Procurement Policy required CRRA staff to submit a list of procurements that were exceptions to the competitive process and cumulative expenses over \$50,000. Director Cohn said those reports could be found in the Supplemental Board Package.

Organizational Synergy & Human Resources Committee

**RESOLUTION REGARDING HUMAN RESOURCES COMMITTEE
RECOMMENDATIONS TO BOARD OF DIRECTORS REGARDING CONTINUATION
OF HEALTH/DENTAL/LIFE/LONG-TERM & SHORT-TERM DISABILITY
INSURANCE PROGRAMS**

Chairman Pace requested a motion regarding the referenced item. Vice-Chairman Cassano made the following motion:

RESOLVED: That the Board of Directors authorizes the continuation of the health and dental insurance through Anthem for the period of July 1, 2004 through December 31, 2004 for an estimated premium of \$145,600, and

FURTHER RESOLVED: That the Board of Directors authorizes the continuation of life, long-term disability and short-term disability insurance through The Standard Insurance for the period of July 1, 2004 though December 31, 2004 for a premium of \$30,000.00

The aggregate premium is \$175,600.

Director O'Brien seconded the motion.

Vice-Chairman Cassano explained that the resolution was a six-month continuation of the policies at the existing costs.

The motion previously made and seconded was approved unanimously.

| Eligible Voters | Aye | Nay | Abstain |
|--------------------------------------|------------|------------|----------------|
| Michael Pace, Chairman | X | | |
| Stephen Cassano | X | | |
| Benson Cohn | X | | |
| Mark Cooper | X | | |
| James Francis | X | | |
| Michael Jarjura | X | | |
| Edna Karanian | X | | |
| Mark Lauretti | X | | |
| Theodore Martland | X | | |
| Raymond O'Brien | X | | |
| Andrew Sullivan | X | | |
| | | | |
| Non Eligible Voters | | | |
| | | | |
| Sherwood Lovejoy, Ad Hoc, Bridgeport | | | |

Vice-Chairman Cassano reported that the Committee was working on new policies including Workplace Violence, Progressive Discipline and an Employee Awards Policy for the Employee Handbook.

Chairman's Report

Chairman Pace stated that he had been working with management and CRRA's legal counsel regarding the sale of the bankruptcy claim.

Chairman Pace said that he asked the Organizational Synergy Committee to begin work on a new project which would be worked out in the next month or so.

Chairman Pace stated that there needed to be some follow-up on the business plan and the initiatives with DEP for policy review.

Vice-Chairman Cassano asked if a report had to be filed with the legislature this fall. Mr. Kirk responded that CRRA was required to file quarterly reports. Mr. Kirk stated that in addition to the required reports, CRRA was producing a video intended to educate stakeholders and legislators. Chairman Pace stated that since CRRA was not allowed to utilize lobbyists, information needed to be presented in a true, factual manner through print and other visual means.

Vice-Chairman Cassano observed that CRRA had set aside resources to identify a potential landfill while the State and MDC were also looking into other long-term disposal and energy options. Vice-Chairman Cassano suggested that CRRA lead the way in organizing discussions that would encourage each of these entities to work collectively with the DEP. Chairman Pace stated that CRRA had been taking the lead and asked DEP to develop policy as CRRA continued with its business plan.

Mr. Kirk stated that he met with Ms. Jane Stahl of the DEP and expressed CRRA's frustration that the DEP had not progressed in developing a solid-waste management plan. Mr. Kirk said that by creating that plan, the DEP would be validating steps that CRRA would want to take toward developing options for disposal. Mr. Kirk indicated that he was certain that any new solid waste management plan would include the need for additional ash disposal so it was CRRA's plan to move ahead with their plans. Mr. Kirk added that CRRA's legislative package would encourage the legislature to direct the DEP to complete that initiative this year.

Vice-Chairman Cassano stated that by joining forces with everyone responsible for the disposal of waste and the DEP, decisions could be made on what the State's needs were in terms of waste management. Chairman Pace stated that he would entertain support to make Vice-Chairman Cassano a sole-member Committee to work with Mr. Kirk to organize a meeting regarding this matter.

ADJOURNMENT

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

There being no other business to discuss, the meeting was adjourned at 12:19 p.m.

Respectfully submitted,

Kristen B. Greig

Kristen B. Greig
Legal Temp

TAB 2

CONNECTICUT RESOURCES RECOVERY AUTHORITY

THREE HUNDRED SEVENTY-EIGHTH MEETING

OCTOBER 15, 2004

A Special telephonic meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Friday, October 15, 2004 at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Chairman Michael Pace

Directors: James Francis
Edna Karanian
Mark Lauretti
Theodore Martland
Raymond O'Brien
Andrew Sullivan
Timothy Griswold (Ad-Hoc for Mid-CT Project)

Present from the CRRA staff:

Thomas Kirk, President
Jim Bolduc, Chief Financial Officer
Laurie Hunt, Managing Director of Legal Affairs
Kristen Greig, Secretary to the Board/Paralegal

Also in attendance were: Peter Boucher, Esq. of Halloran & Sage, LLP, Alan Curto, Esq. of Halloran & Sage, LLP, Paul Rachmuth, Esq. of Anderson, Kill & Olick, P.C.

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

EXECUTIVE SESSION

Chairman Pace requested a motion to go into Executive Session. The motion made by Director Martland and seconded by Director O'Brien was approved unanimously. Chairman Pace requested that the following people remain for the Executive Session:

| | |
|-------------------|---------------------|
| Michael Pace | Tom Kirk |
| James Francis | Jim Bolduc |
| Edna Karanian | Laurie Hunt, Esq. |
| Mark Lauretti | |
| Theodore Martland | Peter Boucher, Esq. |
| Raymond O'Brien | Alan Curto, Esq. |
| Andrew Sullivan | Paul Rachmuth, Esq. |
| Timothy Griswold | |

The Executive Session began at 10:11 a.m. and concluded at 10:22 a.m. Chairman Pace noted that no votes were taken in Executive Session.

Chairman Pace reconvened the Board meeting at 10:22 a.m.

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CONNECTICUT RESOURCES RECOVERY AUTHORITY TO AUTHORIZE A SETTLEMENT WITH THE CONNECTICUT LIGHT & POWER COMPANY

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

WHEREAS, the Connecticut Resources Recovery Authority (the "Authority") has been duly established and constituted as a body politic and corporate, constituting a public instrumentality and a political subdivision of the State of Connecticut, to carry out the purposes of Chapter 446e of the Connecticut General Statutes, Sections 22a-260 et seq., as amended; and

WHEREAS, on July 22, 2004 the Board of Director of the Authority approved a settlement (the "Enron Settlement") with Enron Corporation ("Enron") concerning the Authority's proofs of claim in the bankruptcy cases (the "Enron Litigation") filed by Enron and certain Enron affiliates in the United States Bankruptcy Court, Southern District of New York (the "Bankruptcy Court"), on or about December 2, 2001; and

WHEREAS, in order that the Enron Settlement may be submitted to the Bankruptcy Court for its approval; it is necessary that the Authority and the Connecticut Light and Power Company ("CL&P") reach agreement on certain issues (the "CRRA-CL&P Issues"); more particularly: (1) the withdrawal and amendment by CL&P of certain claims submitted by it in the Enron litigation; (2) the withdrawal with prejudice of certain litigation commenced by CRRA against CL&P; (3) the reimbursement by CRRA to CL&P for certain judgments (if any) against CL&P resulting from the CRRA/CL&P/Enron transactions dated on or about December 22, 2000 (collectively, the "Enron Transaction"); and (4) mutual releases by CRRA, CL&P and the Attorney General of the State of Connecticut (the "AG") concerning the Enron Transaction; and

WHEREAS, the Authority, CL&P and the AG have negotiated a settlement agreement resolving the CRRA-CL&P Issues (the CL&P Settlement Agreement"); and

WHEREAS, the Board of Directors of the Authority have reviewed the CL&P Settlement Agreement and determined that it is in the best interests of the Authority to enter into the CL&P Settlement Agreement, so as to permit the submittal of the Enron Settlement to the Bankruptcy Court;

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

Section 1. That the Board of Directors of the Authority hereby approves the CL&P Settlement Agreement substantially in accordance with the terms of such CL&P Settlement Agreement as presented to the Board of Directors of the Authority.

Section 2. That the President and the Chief Financial Officer of the Authority are hereby authorized to take all actions and to execute any and all agreements in connection with the CL&P Settlement Agreement.

Section 3. This resolution shall take effect immediately.

Director Martland seconded the motion.

Director O'Brien noted that the above-referenced matter was thoroughly discussed in Executive Session. Director O'Brien expressed appreciation for the work done by Attorney Boucher and his staff, Mr. Kirk and his staff, Attorney Rachmuth and the Attorney General.

Director Sullivan pointed out that all parties involved in the settlement agreement, including the DPUC, had been brought on board and CRRA believed this resolution would bring an end to this matter. Attorney Boucher confirmed that outreach was done to the DPUC, but noted that CRRA could not be assured that the DPUC would find the settlement satisfactory to its issues until after it was reviewed and acted upon.

Chairman Pace stated that the CRRA Board of Directors, management and their attorneys were working through CRRA's obligation to recover the funds and saw this settlement as an opportunity for other state agencies to assist in the recovery.

Chairman Pace noted that the resolution incorporated the language in the settlement agreement.

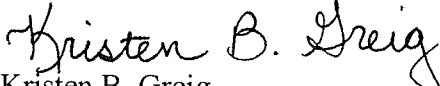
The motion previously made and seconded was approved unanimously.

ADJOURNMENT

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

There being no other business to discuss, the meeting was adjourned at 10:25 a.m.

Respectfully submitted,


Kristen B. Greig
Secretary to the Board/Paralegal

TAB 3

CONNECTICUT RESOURCES RECOVERY AUTHORITY

THREE HUNDRED SEVENTY-NINTH MEETING

October 21, 2004

A regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, October 21, 2004 at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

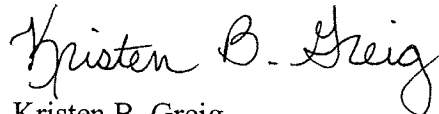
Chairman Michael Pace (by telephone)

Present from the CRRA staff:

Kristen Greig – Secretary to the Board/Paralegal

Chairman Pace called the meeting to order at 9:30 a.m. and noted that there was no quorum as required by the Bylaws under Section 504 in order to conduct a meeting. Therefore, no official business of the Authority could be conducted. Chairman Pace adjourned the meeting at 9:35 a.m. in accordance with the provisions of the Bylaws.

Respectfully submitted,



Kristen B. Greig
Secretary to the Board/Paralegal

TAB 4

RESOLUTION REGARDING CHANGES TO CERTAIN PROJECT RESERVE ACCOUNTS

RESOLVED: That the CRRA Board of Directors recognize that there are insufficient assets to continue the classification of the Mid-Connecticut Project Landfill Replacement Reserve portion of this fund as Board designated and due to this circumstance, the Mid-Connecticut Project portion of the unrestricted funds be dissolved.

Connecticut Resources Recovery Authority

Reserve Analysis

October 21, 2004

Each October CRRA performs an analysis of its reserve accounts. The purpose of this analysis is to ensure that the existing reserves still meet the objectives for which they were initially created and point out those reserves whose balances will be reviewed in the upcoming budget process. In addition to this analysis, CRRA is evaluating the designation of the reserves for the Bridgeport and Mid-Connecticut Projects in light of the auditor's finding pertaining to the unrestricted undesignated deficits as shown on the Combining Schedule of Net Assets as of June 30, 2004.

This analysis includes only those reserves held in the Short Term Investment Fund (STIF) and does not include the accounts held by the Trustee or any other bank accounts. These reserve funds are held in aggregate in the one CRRA STIF account. Although all transactions (deposits and withdrawals) flow through this one STIF account, accounting maintains records to track individual reserves for reporting purposes.

In the beginning of 2003 CRRA had thirty-two (32) reserves and over the past 18 months though Board action these have been reduced to twenty (21) reserves comprised of the following:

- Seven (7) Restricted reserves (Contracts, Arbitration Decision, Trustee, and DEP)
- Fourteen (14) Unrestricted Board Designated reserves (Resolution or Budget Process) (For Specific Purpose)

The Finance Committee voted to recommend the attached resolution be submitted to the CRRA Board of Directors for adoption at the October 2004 meeting. The following summarizes the changes in the resolution:

- That the Landfill Replacement Reserve for the Mid-Connecticut Project be dissolved and the original journal entry for \$1.8 million be reversed. Based upon prior staff notes it appears that the reserve was accrued for, but never funded.

Management plans to address the Bridgeport and Mid-Connecticut Project undesignated unrestricted deficit over the next several months prior to and during the annual budget process.



Connecticut Resources Recovery Authority

COMBINING SCHEDULE OF NET ASSETS AS OF JUNE 30, 2004 (In Thousands)

EXHIBIT D
Page 1 of 2

| | General Fund | Mid-Connecticut Project | Bridgeport Project | Wallingford Project | Southeast Project | Total 2004 |
|---|--------------|-------------------------|--------------------|---------------------|-------------------|------------------|
| Net assets invested in capital assets, net of related debt | - | \$ 13,030 | \$ 13,066 | - | - | \$ 26,096 |
| Restricted net assets: | | | | | | |
| Restricted cash and cash equivalents: | | | | | | |
| Debt service reserve funds | - | 26,786 | 1,508 | 1,313 | 1,274 | 30,881 |
| Energy generating facility | - | 20,000 | - | - | - | 20,000 |
| Debt service funds | - | 12,263 | 1,302 | 947 | 450 | 14,962 |
| Tip fee stabilization | - | - | - | 7,609 | - | 7,609 |
| Revenue fund | - | 3,527 | - | 1,394 | 1,201 | 6,122 |
| MDC arbitration escrow | - | 4,193 | - | - | - | 4,193 |
| Montville landfill postclosure | - | - | - | - | 2,032 | 2,032 |
| Operating and maintenance | - | 1,529 | - | - | - | 1,529 |
| Equipment replacement | - | 1,529 | - | - | - | 1,529 |
| Select energy escrow | - | 1,000 | - | - | - | 1,000 |
| DEP trust - landfills | - | 421 | 150 | 132 | - | 703 |
| RRC container equipment | - | 451 | - | - | - | 451 |
| Customer guarantee of payment | - | 216 | 18 | 42 | - | 276 |
| Rebate funds | - | 10 | 3 | 107 | 151 | 271 |
| Recycling education fund | - | 239 | - | - | - | 239 |
| Town of Ellington trust - pooled funds | - | 41 | - | - | - | 41 |
| Mercury public awareness | 20 | - | - | - | - | 20 |
| Authority project cost account | - | - | - | - | 18 | 18 |
| Earning fund | - | - | - | - | 5 | 5 |
| Total restricted cash and cash equivalents | 20 | \$ 72,205 | \$ 2,981 | \$ 11,544 | \$ 5,131 | \$ 91,881 |



Connecticut Resources Recovery Authority

COMBINING SCHEDULE OF NET ASSETS

AS OF JUNE 30, 2004

(In Thousands)

EXHIBIT D
Page 2 of 2

| | General Fund | Mid-Connecticut Project | Bridgeport Project | Wallingford Project | Southeast Project | Total 2004 |
|--|-----------------|----------------------------|-----------------------|------------------------|----------------------|-------------------|
| Less liabilities to be paid with restricted assets: | | | | | | |
| Bonds payable, net | \$ - | \$ 3,910 | \$ 252 | \$ 1,351 | \$ 555 | \$ 6,068 |
| State loan payable | - | 1,484 | - | - | - | 1,484 |
| Closure and postclosure care of landfills | - | 178 | 18 | 185 | - | 381 |
| Accounts payable and accrued expenses | - | 2,294 | - | 954 | 3,233 | 6,481 |
| Accrued MDC escrow | - | 4,024 | - | - | - | 4,024 |
| Total liabilities to be paid with restricted assets: | - | 11,890 | 270 | 2,490 | 3,788 | 18,438 |
| Bonds payable to be retired from non-current restricted assets | - | 6,763 | 247 | 1,212 | 1,196 | 9,418 |
| Total restricted net assets | 20 | 53,552 | 2,464 | 7,842 | 147 | 64,025 |
| Unrestricted net assets: | | | | | | |
| Designated for: | | | | | | |
| Postclosure care of landfills | - | 2,321 | 2,911 | 5,320 | - | 10,552 |
| Closure care of landfills | - | 6,674 | 202 | - | - | 6,876 |
| Future loss contingencies | - | 5,342 | - | 1,047 | 252 | 6,641 |
| Waste processing facility modifications | - | 3,890 | - | - | - | 3,890 |
| Rolling stock | - | 2,817 | - | - | - | 2,817 |
| Recycling | - | 1,860 | - | - | - | 1,860 |
| Landfill replacement | - | 1,800 | - | - | - | 1,800 |
| Future use | - | - | 569 | - | - | 569 |
| Benefit fund | 251 | - | - | - | - | 251 |
| Undesignated | - | (18,143) | (6,115) | 14,101 | 3,613 | (6,544) |
| Total unrestricted net assets | 251 | 6,561 | (2,433) | 20,468 | 3,865 | 28,712 |
| Total Net Assets | \$ 271 | \$ 73,143 | \$ 13,097 | \$ 28,310 | \$ 4,012 | \$ 118,833 |

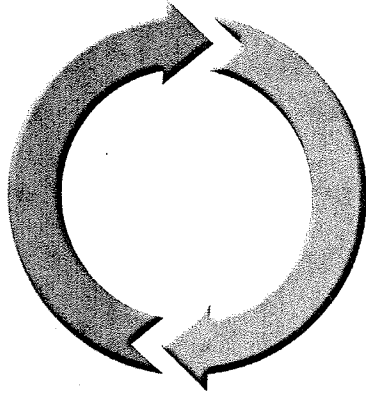
TAB 5

**RESOLUTION REGARDING THE ADOPTION OF AN ISSUANCE
AND RETIREMENT OF BONDS, NOTES AND OTHER
OBLIGATIONS OF THE AUTHORITY PROCEDURE**

RESOLVED: That the Issuance and Retirement of Bonds, Notes and Other Obligations of the Authority Procedure of the Connecticut Resources Recovery Authority be adopted substantially in the form as presented and discussed at this meeting.

22a-268a Section text
1 of 1 document(s) retrieved

Sec. 22a-268a. Written procedures. The board of directors of the Connecticut Resources Recovery Authority shall adopt written procedures, in accordance with the provisions of section 1-121, for: (1) Adopting an annual budget and plan of operations, including a requirement of board approval before the budget or plan may take effect; (2) hiring, dismissing, promoting and compensating employees of the authority, including an affirmative action policy and a requirement of board approval before a position may be created or a vacancy filled; (3) acquiring real and personal property and personal services, including a requirement of board approval for any such nonbudgeted expenditure in excess of five thousand dollars; (4) contracting for (A) the business, design, operating, management, construction, transportation, marketing, planning and research and development functions of the authority, (B) financial, legal, bond underwriting and other professional services, and (C) supplies, materials and equipment, including (i) notwithstanding any provision of this chapter, standards for determining when contracts described in this subdivision (4) shall be awarded on the basis of competitive bidding or competitive negotiation, an exemption for small purchases, and criteria for waiving competitive bidding or competitive negotiation, and (ii) a requirement that the authority solicit proposals at least once every three years for each such professional service which it uses; (5) issuing and retiring bonds, bond anticipation notes and other obligations of the authority; (6) awarding loans, grants and other financial assistance, including eligibility criteria, the application process and the role played by the authority's staff and board of directors; and (7) the use of surplus funds to the extent authorized under this chapter or other provisions of the general statutes.



CONNECTICUT
RESOURCES
RECOVERY
AUTHORITY

**ISSUANCE AND RETIREMENT OF
BONDS, NOTES AND OTHER
OBLIGATIONS OF THE AUTHORITY**

EFFECTIVE SEPTEMBER __, 2004

CONNECTICUT RESOURCES RECOVERY AUTHORITY
ISSUANCE AND RETIREMENT OF BONDS, NOTES AND OTHER
OBLIGATIONS OF THE AUTHORITY

BOARD OF DIRECTORS POLICY No. 015

I. Policy

To define the procedure on how to issue and retire bonds, notes and other obligations of the Connecticut Resources Recovery Authority (the "Authority") for the purposes defined of the Authority in the Solid Waste Management Services Act Chapter 446e of the Connecticut General Statutes (the "Act"). Any bonds or notes issued by the Authority shall be special obligations of the Authority payable out of any revenues or other receipts, funds or moneys of the Authority that are pledged for the purpose of the bonds or notes so issued. Bonds or notes may be further secured by the State of Connecticut's Special Capital Reserve Fund (as further described herein) or by other credit enhancements as are available to be purchased in the municipal marketplace.

Each project that the Authority owns or operates shall cause a Bond Resolution or Trust Indenture to be created upon the issuance of any series of bond or note indebtedness for such project. Such Bond Resolution shall be adopted or such Trust Indenture shall be executed between the Authority and the Bond Trustee (currently U.S. Bank). Any additional bonds or notes may be issued under a Supplemental Bond Resolution or Trust Indenture for the respective project.

Pursuant to Section 22a-268d of the Connecticut General Statutes, the Authority may borrow temporarily from the State for the purposes of supporting the repayment of debt issued by the Authority on behalf of the Mid-Connecticut Project. (See Section IV(A) herein regarding available loan amounts.)

II. Procedures Regarding Bonds

A. Issuance of Bonds

1. The Authority may issue bonds from time to time subject to the affirmative vote of a majority of the Directors and Ad Hoc Members eligible to vote (the "Directors"). The Authority's Chairman or its Finance Committee must recommend such bonds to the Directors upon advice of the President or Chief Financial Officer of the Authority, bond counsel or such other advisors as the Chairman or Finance Committee deems appropriate.

2. The issuance of all bonds of the Authority shall be, to the extent required by law, subject to the approval of Treasurer of the State of Connecticut (the "State Treasurer").
3. Bonds of the Authority may be issued in any form as authorized under the Act and as provided in the Board resolution authorizing the issuance of the bonds.
4. Bonds may have maturities not exceeding 40 (forty) years.
5. Upon approval by the Board of Directors, the Authority may enter into an underwriting agreement(s) with a nationally-recognized bond dealer(s) (Red Book listed), upon satisfaction of a Request for Proposal process to select such underwriter(s) for the purpose of a negotiated bond underwriting. Alternatively, the Authority may recommend a competitive bond sale or private placement of bonds to the Board of Directors should circumstances so warrant.
6. Proceeds of bond sales must be invested according to the Authority's current Investment Policy.
7. All bonds issued by the Authority will be in book-entry only form.
8. A fully executed original set of bond closing documents shall be maintained by the Authority at its offices for each bond issuance.

B. Debt Service Reserve Fund and Special Capital Reserve Fund (SCRF)

1. Bonds issued by the Authority may have a Debt Service Reserve Fund established consistent with standards in the municipal marketplace to ensure the highest possible bond rating and subject to the approval of nationally-recognized bond counsel.
2. Pursuant to Section 22a-272b of the Connecticut General Statutes, no bonds secured by a Special Capital Reserve Fund shall be issued by the Authority to pay project costs unless the Authority is of the opinion and determines that the revenues to be derived from the project shall be sufficient (1) to pay the principal of and interest on the bonds issued to finance the project, (2) to establish, increase and maintain any reserves deemed by the Authority to be advisable to secure the payment of the principal and interest on such bonds, (3) to pay the costs of maintaining the project in good repair and keeping it properly insured and (4) to pay such other costs of the project as may be required. In making such determination, the Authority may seek the advice of bond counsel retained by the Authority or such other advisors, as is deems appropriate.
3. Upon determination of project sufficiency, the Authority (or bond counsel) may apply to the State Treasurer for Special Capital Reserve Fund designation.

C. Retirement of Bonds

1. The Directors, with the advice of the President or the Chief Financial Officer of the Authority, bond counsel and such other advisors, may approve an early retirement or defeasance of Authority bonds, as they deem appropriate.

III. Procedures Regarding Notes

A. Issuance of Notes

1. From time to time the Authority may, upon an affirmative vote of a majority of the Directors and Ad Hoc Members eligible to vote, issue, renew or refinance short-term notes. Such notes shall be bid competitively unless the Directors determine that it is not in the best interest of the Authority to do so.
2. The issuance of all notes of the Authority shall be, to the extent required by law, subject to the approval of State Treasurer.
3. Notes issued by the Authority will usually mature within one year of issuance, however this requirement will not preclude renewing any notes for subsequent periods, so long as the term or renewal thereof shall not exceed a period equal to five years from the date of issuance of such note.
4. A fully executed original set of closing documents shall be maintained by the Authority at its offices for each note issuance.

IV. Procedures Regarding the Mid-Connecticut Project State Loan

A. History

Pursuant to Section 22a-268d of the Connecticut General Statutes, the Authority received authorization to borrow up to \$115 million in State Loans for the purposes of debt repayment on the Mid-Connecticut project bonds. The Statute allowed the Authority to borrow up to \$22 million for fiscal years ended June 30, 2003 and June 30, 2004. For subsequent fiscal years, the Authority may borrow up to \$93 million in accordance with the provisions of the aforementioned Statute.

B. Drawdowns Under the State Loan

1. The Authority may request an annual State Loan amount for the ensuing fiscal year, subject to the approval of two-thirds of the Authority's voting Board of Directors present at a duly called meeting. Pursuant to Section 22a-268d of the Connecticut General Statutes, the annual State Loan amount requires subsequent approval by the State Treasurer and the Secretary of the Office of Policy and Management. The Authority's Chairman or its Finance Committee must recommend a borrowing amount to the Directors upon advice of the President or

Chief Financial Officer of the Authority, bond counsel or such other advisors as the Chairman or Finance Committee deems appropriate.

2. Upon approval by the Directors, and prior to any such drawdown under the State Loan, the Authority will submit its financial mitigation plan, as required by Section 22a-268d of the Connecticut General Statutes, to the State Treasurer and the Secretary of the Office of Policy and Management.
3. Pursuant to and as set forth in Section 22a-268d(b) of the Connecticut General Statutes, the Authority must provide annual and quarterly reports to the State Treasurer, the Secretary of the Office of Policy and Management and the Joint Standing Committee of the General Assembly on Finance, Revenue and Bonding.
4. Upon approval of the State Loan by the State Treasurer and the Secretary of the Office of Policy and Management, the Authority will enter into a Master Loan Agreement between the State and the Authority.
5. Drawdowns under the State Loan shall occur monthly, if necessary, and will be by written requisition, submitted five business days prior to the date the Authority desires deposit of the same with the Bond Trustee, to the State Treasurer's Office, accompanied by two signatures of any of the following: The Chairman, Finance Committee Chairman, President or Chief Financial Officer.
6. Following the requisition, the State Treasurer's Office will wire funds directly to the Bond Trustee not less than two business days prior to the end of that calendar month for further credit to the Mid-Connecticut Project debt service accounts.

C. Pre-Payments and Retirement of the State Loan

1. The Directors, with the advice of the President or the Chief Financial Officer of the Authority, bond counsel and such other advisors, may pre-pay State Loan advances in whole or in part, at any time.
2. The Authority shall consult with the State Treasurer and the Secretary of the Office of Policy and Management regarding the utilization of proceeds received in connection with any claims or recoveries arising from the Enron litigation, as more fully detailed in the respective Master Loan Agreements. Such proceeds or recoveries may be used to prepay State Loan advances, mitigate the need for anticipated future advances under the State Loan and/or to mitigate the Mid-Connecticut Project service payments.

V. Miscellaneous

A. Approval of Procedural Deviation

Any deviation from the above procedures must be approved by a majority of the Authority's voting Board of Directors present at any meeting at which a quorum is in attendance.

B. History

Statutory References: C.G.S. Sections 1-121; 22a-261, as amended; 22a-265(15); 22a-268a; 22a-268d; 22a-269; and 22a-272

Date of Adoption by Board of Directors: November 20, 1990
Reviewed and Revised by the Finance Committee: September 16, 2004
Revised Version Adopted by the Board of Directors: September __, 2004

TAB 6

Resolution Regarding Finance Committee Recommendation to Board of Directors Regarding the Purchase of the Epicor E-Procurement Module

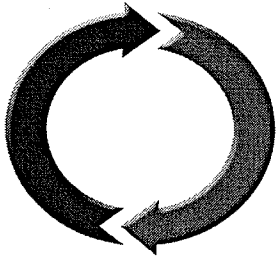
RESOLVED: That the Board of directors authorizes the purchase of the Epicor E-Procurement module at a cost not to exceed \$76,000.

Costs include:

- Procurement with 20 named users: \$35,000
- Annual maintenance (18% of software price): \$6,000
- Implementation and training costs: Implementation for our size company is estimated to be between \$25,000 and \$35,000 depending upon our specific requirements

Benefits include:

- Improve internal and external communications allowing for improved catalog management, workflow routing, and document exchanges.
- Routine purchases/contracts can be cataloged for easier requisitioning
- Better information and automation to improve out efficiencies
- Better integration of functions and planning; requisitioning through vouchering
- Standardize and monitor the procurement function
- Reporting capability will eliminate the need for individual department to create and maintain off line reports
- Automated approvals based on the characteristics of the request, using the current paper based system the order approval process is cumbersome and slow with few gauges for timely follow-through or accountability
- Integrated into financials; i.e. requisitioner will have current account budget information available at time of requisition
- Define departmental roles and assure cross checks are in place
- Greater efficiency in purchasing process, from requisition through approvals and payment
- Electronic history retained on all items
- Paperless, separate hard copies no longer needed by every department
- Document (contracts, spreadsheets, memo's) can be attached and viewed as needed through the entire process
- Process visible to CRRA employees; i.e. no need to call accounting for order details or copies



CONNECTICUT RESOURCES RECOVERY AUTHORITY

Implementation Program for E-Procurement

Executive Summary

- The need to electronically document the purchase history of a contract, service, or commodity.
- Centralize purchasing activities to assure standardization and adherence to procedures.
- Cost reductions on labor and expenses.
- Improve the efficiencies of the purchasing process.
- Epicor E-Procurement will seamlessly interface with the accounting software. Other programs will need additional software and/or hardware to become compatible or an entirely new accounting software package would be needed as well.

Discussion

E-Procurement will improve the internal and external communications allowing for improved catalog management, workflow routing, and document exchanges. Any supporting documents can electronically be attached to the requisition/purchase order allowing for instant retrieval by any authorized individual.

Better information and automation to improve out efficiencies. Routine purchases/contracts can be cataloged for easier requisitioning. There will no longer be a need to re-write requisitions on routine and repeat buys. Better integration of functions and planning; requisitioning through vouchering will allow for standardization and monitoring of the procurement function. Departmental roles will be better defined to assure cross checks are in place.

Integrated into financials; i.e. requisitioner will have current account budget information available at time of requisition.

Reporting capability will eliminate the need for individual department to create and maintain off line reports; e.g. Exceptions from the competitive process, Small Business Minority Report, Cumulative Expenditures over \$50,000. An electronic history is retained on all items. E Procurement is paperless, separate hard copies are

no longer needed by every department, reducing the time spent on printing, sorting, filing, etc.

Automated approvals based on the characteristics of the request. Exposure to the status is available to the user at any time throughout the purchasing process. Using the current paper based system the order approval process is cumbersome and slow with few gauges for timely follow-through or accountability.

Examples of other municipal organizations that have successfully implemented and currently use Epicor E-Procurement are: the California State Lottery, Central Park Conservancy (NYC) and the National Aquarium in Baltimore.

Recommendation

Based on our past experiences and the positive results we have seen from implementing a system such as E-procure, and the benefits outlined above, we recommend that CRRA move forward in adding the E-procure module.

TAB 7

**RESOLUTION REGARDING THE ADOPTION
OF THE FISCAL YEAR 2006
GENERAL FUND OPERATING AND CAPITAL BUDGET**

RESOLVED: That the fiscal year 2006 General Fund Operating and Capital Budget be adopted substantially in the form as presented and discussed at this meeting.

Fiscal Year 2006
General Fund
Operating & Capital Budgets

November 18, 2004

Attached is the proposed General Fund operating budget for fiscal year 2006 and capital budget, which includes a five year capital plan, for fiscal year 2006. The Finance Committee approved submitting the above resolution to the CRRA Board of Directors at their regularly scheduled meeting in November for adoption. The following is an executive summary of the attached budgets.

Executive Summary

The attached operating budget reflects a \$235,500 or 3.1% increase from the adopted FY05 General Fund Budget.

- I. Personnel Services (\$64,000 or \$1.1% Increase)
 - A. Payroll & Overtime (\$97,800 or 2.3% Increase)
 - 1. The FY05 budget was overstated due to a miscalculation in the payroll line, which resonated through the associated payroll-related taxes and deductions.
 - 2. Payroll includes base salary increase of 2%.
 - 3. Payroll includes potential performance increase of 4%. Performance based increases will be brought to the HR Committee for review.
 - 4. Personnel levels based upon current approved positions.
 - B. Payroll Related Items (\$33,800 or 2.2% Decrease)
 - 1. Payroll Related Taxes
 - Payroll Related Taxes - \$37,100 Decrease
 - Payroll Related Benefits - \$3,300 Increase
 - 2. Payroll related items impacted by miscalculation mentioned above.
 - 3. Connecticut Unemployment Compensation estimated rate decreased from 4% to 3.4%.
 - 4. Employee Benefits includes the anticipated rate for calendar year 2005 plus a 10% market increase for calendar year 2006.

5. Benefits Administration decreased due to a decrease in outside consulting costs (switched firms and reduced scope) and by performing some of the activities with in-house expertise.

II. Non-Personnel Services (\$60,000 or 3.9% Decrease)

1. Copier expenses exclude current lease costs, as management is budgeting for the purchase of new copiers.
2. As part of the upgrades to the scale-house, billing, and accounting systems, management believes that some of the preprinted forms can be created in the existing software thereby reducing Duplication and Printing costs.
3. Protective Clothing is associated with the new scale / enforcement staff.
4. Budget includes \$15k for employee computer related training, \$6k for HR employee related training and \$23k for specific individual advancement training to increase the Authority's in-house knowledge.
5. Vehicle Repair/Maintenance is increased as a result of the new scale/enforcement staff.
6. Rental/Lease reflects the newly negotiated lease contract rates.
7. Legal expenses include \$75,000 for future planning and/or new landfill site issues.
8. Other Consulting Services includes \$150,000 for landfill site support and \$75,000 for future planning consulting services.

III. Capital Outlay (\$112,000 or 114.3% Increase)

1. Includes \$80,000 for purchase of six (6) new copiers. Lease reduction budgeted in Copier.
2. Perform two server upgrades / replacements - \$20,000.
3. Various server and desktop software upgrades - \$35,000.
4. Includes the purchase of three vehicles to replace older vehicles currently being used by scale/enforcement staff.

IV. Debt Service / Administration (\$119,500 or 106.2% Increase)

1. Reflects the repayment of the original move costs (Allyn Street to 100 Constitution Plaza) and the latest move costs (17th - 18th floors to 5th - 6th floors).
2. Offsetting cost reduction (\$157k decrease) is reflected in Rental/Lease expense.

Risk Assessment

It is anticipated that there is minimal potential for unanticipated costs beyond budgeted levels.

General Fund Reserve Update

November 12, 2004

Each year management analyzes its reserves in October and during the budget cycle. Should a need to make any changes during this analysis become apparent, management would present a draft resolution to the Finance Committee for approval to submit to the Board of Directors for adoption. Currently, management does not have any changes to recommend to the General Fund reserves. The following table shows the reserves and balances as of September 31, 2004.

| Reserve Name | Type | Approved | Balance |
|---------------------|------------------|-----------------|----------------|
| Benefit Fund | Board Designated | April 1995 | \$249,897 |
| Capital Improvement | Board Designated | January 2004 | \$51,294 |
| Mercury Awareness | Restricted | Unknown | \$20,000 |

CONNECTICUT RESOURCES RECOVERY AUTHORITY

**PROPOSED
GENERAL FUND
OPERATING BUDGET
FISCAL YEAR 2006**

November 18, 2004

PROPOSED FY06 GENERAL FUND BUDGET

EXPENDITURE AND ALLOCATION SUMMARY

EXPENDITURES

| Account | Description | ACTUAL FY04 | ADOPTED FY05 | PROPOSED FY06 |
|------------------|---------------------------------|--------------------|--------------------|--------------------|
| 01-001-501-51xxx | Personnel Services | \$4,305,810 | \$5,806,000 | \$5,870,000 |
| | Non-Personnel Services | | | |
| | General | | | \$685,500 |
| | Communications | | | \$89,500 |
| | Environmental | | | \$10,000 |
| | Finance & Accounting | | | \$84,500 |
| | Information Technology | | | \$220,500 |
| | Legal | | | \$377,500 |
| | Operations | | | \$24,500 |
| 01-001-501-52xxx | Subtotal | \$1,319,251 | \$1,552,000 | \$1,492,000 |
| 01-001-501-54xxx | Capital Outlay | \$146,594 | \$98,000 | \$210,000 |
| 01-001-501-55xxx | Debt Service/Administration (1) | \$117,285 | \$112,500 | \$232,000 |
| | Total Expenditures | \$5,888,940 | \$7,568,500 | \$7,804,000 |

ALLOCATION

| Account | Description | ACTUAL FY04 | ADOPTED FY05 | PROPOSED FY06 |
|------------------|--------------------------|--------------------|--------------------|--------------------|
| 01-001-000-48101 | Mid-Connecticut | \$4,381,076 | \$5,518,500 | \$5,812,000 |
| 01-001-000-48102 | Bridgeport | \$861,432 | \$1,149,100 | \$1,141,000 |
| 01-001-000-48103 | Wallingford | \$468,759 | \$630,300 | \$621,000 |
| 01-001-000-48104 | Southeast | \$168,757 | \$262,000 | \$224,000 |
| 01-001-000-45150 | Miscellaneous Income | \$2 | \$0 | \$0 |
| 01-001-000-46101 | Interest Income | \$29,910 | \$8,600 | \$6,000 |
| | Total Allocations | \$5,909,936 | \$7,568,500 | \$7,804,000 |
| | Balance | \$20,996 | \$0 | \$0 |
| | | | 28.1% | 3.1% |

(1) FY05 based upon prior lease.

PROPOSED FY06 GENERAL FUND BUDGET

EXPENDITURES DETAIL

| Account | Description | ACTUAL FY04 | ADOPTED FY05 | PROPOSED FY06 |
|---------------------------|--------------------------------------|--------------------|-----------------------------|----------------------------|
| PERSONNEL SERVICES | | | | |
| 01-001-501-51110 | Payroll, Severance / Related Matters | \$3,263,089 | \$4,207,200 | \$4,305,000 |
| 01-001-501-51120 | Overtime Payroll | \$31,774 | \$45,000 | \$45,000 |
| 01-001-501-51220 | Medicare Tax | \$47,087 | \$60,400 | \$61,000 |
| 01-001-501-51221 | Social Security | \$187,011 | \$233,000 | \$220,000 |
| 01-001-501-51222 | CT Unemployment Comp | \$30,588 | \$56,700 | \$32,000 |
| 01-001-501-51223 | 401-K Contribution | \$274,651 | \$416,700 | \$419,000 |
| 01-001-501-51227 | Employee Benefits | \$471,633 | \$646,000 | \$705,000 |
| 01-001-501-51235 | Benefits Administration | \$7,777 | \$86,000 | \$28,000 |
| 01-001-501-51250 | Other Benefits | (\$7,800) | \$55,000 | \$55,000 |
| | Subtotal | \$4,305,810 | \$5,806,000 34.8% | \$5,870,000 1.1% |

PROPOSED FY06 GENERAL FUND BUDGET

EXPENDITURES DETAIL, CONTINUED

| Account | Description | ACTUAL FY04 | ADOPTED FY05 | PROPOSED FY06 |
|---|---------------------------------------|--------------------|-----------------------------|-----------------------------|
| NON-PERSONNEL SERVICES - GENERAL | | | | |
| 01-001-501-52101 | Postage and Delivery Fees | \$11,079 | \$25,000 | \$20,000 |
| 01-001-501-52104 | Telecommunications | \$72,071 | \$53,000 | \$67,000 |
| 01-001-501-52106 | Copier | \$30,293 | \$36,000 | \$10,000 |
| 01-001-501-52108 | Duplication and Printing | \$5,261 | \$20,000 | \$10,000 |
| 01-001-501-52111 | Outside Copying | \$0 | \$10,000 | \$5,000 |
| 01-001-501-52115 | Public Notices | \$21,380 | \$75,000 | \$20,000 |
| 01-001-514-52118 | Marketing & Public Relations | \$27,580 | \$75,000 | \$64,000 |
| 01-001-514-52119 | Public Education | \$10,803 | \$25,000 | \$25,000 |
| 01-001-501-52201 | Office Equipment | \$347 | \$0 | \$500 |
| 01-001-501-52202 | Office Supplies | \$14,316 | \$30,000 | \$30,000 |
| 01-001-511-52211 | Protect Clothing/Safety Equipment | \$1,540 | \$0 | \$13,000 |
| 01-001-501-52302 | Miscellaneous Services | \$137,819 | \$38,000 | \$30,000 |
| 01-001-501-52303 | Subscrip/Publ/Ref. Material | \$22,978 | \$25,000 | \$28,500 |
| 01-001-501-52304 | Dues-Professional Organizations | \$4,416 | \$5,000 | \$6,000 |
| 01-001-501-52305 | Business Meetings and Travel | \$18,726 | \$15,000 | \$15,000 |
| 01-001-501-52306 | Training | \$10,874 | \$10,000 | \$44,000 |
| 01-001-501-52355 | Mileage Reimbursement | \$2,900 | \$5,000 | \$3,000 |
| 01-001-501-52401 | Vehicle Repair/Maintenance | \$1,564 | \$7,500 | \$8,000 |
| 01-001-501-52403 | Office Equipment Service | \$2,563 | \$2,500 | \$3,000 |
| 01-001-511-52404 | Building Operations | \$5,569 | \$15,500 | \$9,000 |
| 01-001-501-52502 | Fees/Licenses/Permits | \$0 | \$16,500 | \$0 |
| 01-001-510-52505 | Claims/Losses | \$12,386 | \$0 | \$0 |
| 01-001-501-52604 | Rental/Lease | \$341,958 | \$360,000 | \$193,000 |
| 01-001-501-52612 | Fuel | \$1,374 | \$2,500 | \$2,000 |
| 01-001-501-52615 | Office Temporaries | \$71,789 | \$25,000 | \$25,000 |
| 01-001-510-52640 | Insurance Premiums | \$79,190 | \$143,500 | \$106,000 |
| 01-001-515-52853 | Information Technology - Consult | \$48,246 | \$76,000 | \$70,000 |
| 01-001-515-52854 | Information Technology - Maint | \$0 | \$56,500 | \$65,000 |
| 01-001-513-52856 | Legal | \$215,880 | \$280,000 | \$340,000 |
| 01-001-510-52863 | Auditor | \$50,455 | \$40,000 | \$50,000 |
| 01-001-510-52875 | Ins Consulting and Brokerage Services | \$8,719 | \$4,500 | \$5,000 |
| 01-001-501-52899 | Other Consulting Services | \$87,175 | \$75,000 | \$225,000 |
| | Subtotal | \$1,319,251 | \$1,552,000 17.6% | \$1,492,000 -3.9% |

PROPOSED FY06 GENERAL FUND BUDGET

EXPENDITURES DETAIL, BY DEPARTMENT (SUMMARIZED ABOVE)

| Account | Description | ACTUAL FY04 | ADOPTED FY05 | PROPOSED FY06 |
|--|---------------------------------|----------------|-----------------|------------------|
| NON-PERSONNEL SERVICES - COMMUNICATIONS | | | | |
| 01-001-514-52115 | Public Notices | | | \$0 |
| 01-001-514-52118 | Marketing & Public Relations | | | \$64,000 |
| 01-001-514-52119 | Public Education | | | \$25,000 |
| 01-001-514-52304 | Dues-Professional Organizations | | | \$0 |
| 01-001-514-52306 | Training | | | \$0 |
| 01-001-501-52355 | Mileage Reimbursement | | | \$500 |
| 01-001-514-52899 | Other Consulting Services | | | \$0 |
| | Subtotal | | | \$89,500 |
| NON-PERSONNEL SERVICES - ENVIRONMENTAL | | | | |
| 01-001-512-52115 | Public Notices | | | \$500 |
| 01-001-512-52303 | Subscrip/Publ/Ref. Material | | | \$2,000 |
| 01-001-512-52304 | Dues-Professional Organizations | | | \$2,000 |
| 01-001-512-52306 | Training | | | \$5,000 |
| 01-001-501-52355 | Mileage Reimbursement | | | \$500 |
| 01-001-512-52899 | Other Consulting Services | | | \$0 |
| | Subtotal | | | \$10,000 |
| NON-PERSONNEL SERVICES - FINANCE & ACCOUNTING | | | | |
| 01-001-510-52115 | Public Notices | | | \$500 |
| 01-001-510-52303 | Subscrip/Publ/Ref. Material | | | \$2,500 |
| 01-001-510-52304 | Dues-Professional Organizations | | | \$1,000 |
| 01-001-510-52306 | Training | | | \$5,000 |
| 01-001-501-52355 | Mileage Reimbursement | | | \$500 |
| 01-001-510-52899 | Other Consulting Services | | | \$75,000 |
| | Subtotal | | | \$84,500 |

PROPOSED FY06 GENERAL FUND BUDGET

EXPENDITURES DETAIL, BY DEPARTMENT (SUMMARIZED ABOVE)

| Account | Description | ACTUAL FY04 | ADOPTED FY05 | PROPOSED FY06 |
|--|-----------------------------------|----------------|-----------------|------------------|
| NON-PERSONNEL SERVICES - INFORMATION TECHNOLOGY | | | | |
| 01-001-515-52104 | Telecommunications | | | \$67,000 |
| 01-001-515-52106 | Copier | | | \$10,000 |
| 01-001-515-52115 | Public Notices | | | \$0 |
| 01-001-515-52303 | Subscrip/Publ/Ref. Material | | | \$0 |
| 01-001-515-52304 | Dues-Professional Organizations | | | \$0 |
| 01-001-515-52306 | Training | | | \$8,000 |
| 01-001-501-52355 | Mileage Reimbursement | | | \$500 |
| 01-001-515-52853 | Information Technology - Consult | | | \$70,000 |
| 01-001-515-52854 | Information Technology - Maint | | | \$65,000 |
| | Subtotal | | | \$220,500 |
| NON-PERSONNEL SERVICES - LEGAL | | | | |
| 01-001-513-52115 | Public Notices | | | \$8,000 |
| 01-001-513-52303 | Subscrip/Publ/Ref. Material | | | \$23,000 |
| 01-001-513-52304 | Dues-Professional Organizations | | | \$1,000 |
| 01-001-513-52306 | Training | | | \$5,000 |
| 01-001-501-52355 | Mileage Reimbursement | | | \$500 |
| 01-001-513-52856 | Legal | | | \$340,000 |
| 01-001-513-52899 | Other Consulting Services | | | \$0 |
| | Subtotal | | | \$377,500 |
| NON-PERSONNEL SERVICES - OPERATIONS | | | | |
| 01-001-511-52115 | Public Notices | | | \$1,000 |
| 01-001-511-52211 | Protect Clothing/Safety Equipment | | | \$13,000 |
| 01-001-511-52302 | Miscellaneous Services | | | \$2,000 |
| 01-001-511-52303 | Subscrip/Publ/Ref. Material | | | \$1,000 |
| 01-001-511-52304 | Dues-Professional Organizations | | | \$2,000 |
| 01-001-511-52306 | Training | | | \$5,000 |
| 01-001-501-52355 | Mileage Reimbursement | | | \$500 |
| 01-001-511-52899 | Other Consulting Services | | | \$0 |
| | Subtotal | | | \$24,500 |

PROPOSED FY06 GENERAL FUND BUDGET

EXPENDITURES DETAIL, CONTINUED

| Account | Description | ACTUAL FY04 | ADOPTED FY05 | PROPOSED FY06 |
|--------------------------------------|---------------------------|--------------------|--------------------|--------------------|
| CAPITAL OUTLAY | | | | |
| 01-001-501-54426 | Vehicles | \$0 | \$0 | \$43,000 |
| 01-001-501-54481 | Office Furniture | \$0 | \$0 | \$0 |
| 01-001-501-54482 | Computer Hardware | \$102,754 | \$53,000 | \$132,000 |
| 01-001-501-54483 | Computer Software | \$26,765 | \$45,000 | \$35,000 |
| 01-001-501-54491 | Other Equipment | \$17,075 | \$0 | \$0 |
| | Subtotal | \$146,594 | \$98,000 | \$210,000 |
| DEBT SERVICE / ADMINISTRATION | | | | |
| 01-001-501-xxxxx | Note Repayment (1) | \$108,745 | \$112,500 | \$105,500 |
| 01-001-501-xxxxx | Interest Loan | \$8,540 | \$0 | \$6,500 |
| 01-001-501-xxxxx | Note Repayment (2) | \$0 | \$0 | \$107,500 |
| 01-001-501-xxxxx | Interest Loan | \$0 | \$0 | \$12,500 |
| | Subtotal | \$117,285 | \$112,500 | \$232,000 |
| | Total Expenditures | \$5,888,940 | \$7,568,500 | \$8,198,500 |

(1) Loan for first office relocation (Allyn Street to 100 Constitution Plaza (17th&18th Floors).

(2) Loan for second office relocation from 17 & 18 floors to 5th & 6th floors at 100 Constitution Plaza.

CONNECTICUT RESOURCES RECOVERY AUTHORITY

**PROPOSED
GENERAL FUND
FIVE YEAR CAPITAL PLAN
FISCAL YEAR 2006**

November 18, 2004

Fiscal Year 2006 - 2010 Proposed General Fund Capital Improvement Budget

Connecticut Resources Recovery Authority Summary (\$000's)

| <u>Expenditures</u> | Adopted FY05 | Projected FY05 | Projected FY06 | Projected FY07 | Projected FY08 | Projected FY09 | Projected FY10 |
|---------------------------------|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Computer Hardware | \$53 | \$63 | \$132 | \$81 | \$180 | \$154 | \$91 |
| Computer Software | \$70 | \$80 | \$35 | \$45 | \$65 | \$73 | \$33 |
| Vehicles | \$0 | \$0 | \$43 | \$40 | \$40 | \$40 | \$40 |
| Total Expenditures | \$123 | \$143 | \$210 | \$166 | \$285 | \$267 | \$164 |
| Funding Source (1) | \$123 | \$143 | \$210 | \$166 | \$285 | \$267 | \$204 |
| Additional Funding Requirements | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$40 |

(1) Operating budget.

FY06 Capital Projects

Computer Hardware

Includes replacement of (2) Servers, switches and routers, a printer and (6) new copiers.

Computer Software

Includes various server and desktop software upgrades and internet monitoring software.

Vehicles

Assumes replacement of three vehicles.

Recommended Future Capital Projects

Computer Hardware

Future costs include replacement of PC's and servers.

Computer Software

Anticipates software upgrades from time to time.

Vehicles

Replace schedule of older vehicles over the next five years.

TAB 8

**RESOLUTION REGARDING THE ADOPTION OF THE
FISCAL YEAR 2006
CONNECTICUT RESOURCES RECOVERY AUTHORITY
SOUTHEAST PROJECT OPERATING AND CAPITAL BUDGETS**

RESOLVED: That the fiscal year 2006 Connecticut Resources Recovery Authority Operating and Capital Budgets related to the Southeast Project be adopted as substantially presented and discussed at this meeting.

Fiscal Year 2006 Southeast Project Operating & Capital Budget

November 12, 2004

Attached is the proposed fiscal year 2006 Southeast Project operating budget and capital budget, which includes a five-year capital plan and projected surpluses through FY15.

This budget includes comments from the Southeastern Connecticut Regional Resource Recovery Authority's ("SCRRA") Executive Committee. The CRRA Finance Committee approved the attached resolution be presented to the CRRA Board of Directors for adoption at their November meeting.

Executive Summary

This proposed operating budget reflects an \$110,415 or 15.1% increase from the adopted FY05 budget.

- A. Revenues (\$110k Decrease)
 - a. Service Charges Solid Waste – Contract (\$108k Decrease)
 - Killingly, Mansfield, and Salem tip fees set per contract ranging from \$66 to \$69 per ton
 - Deliveries based upon historical levels
 - b. Service Charges Solid Waste – Spot (No Change)
 - Assumes not spot deliveries from the Mid-Connecticut Project due to increased pricing and capacity
 - c. Interest Income (\$2k Increase)
 - Assumes interest earnings of 2.0%
 - Interest earnings may change based upon decision to retire bond

- B. Expenditures (\$446k Decrease)**
- a. General Administration (\$41k Decrease)
 - Anticipates reduction in Authority General Fund allocation based upon current historical trends.
 - b. Debt Service / Administration (\$17k Decrease)
 - Reflects Trustee Fees which are incorporated in contractor service charges.
 - c. Resources Recovery Facility (\$500k Decrease)
 - Average price per Kwh in FY06 is estimated at \$.1575 as compared to \$.1478 in FY05 (Energy Share benefit up \$800k).
 - Assumed higher processed tons due to a change in permit language pertaining to processing limits received in prior year.
 - d. Ash Disposal (\$112k Increase)
 - Increased ash disposal costs associated with increased processed tons assumption and escalated rates.

Risk Assessment

Management is not aware of any major risks at this time.

SOUTHEAST PROJECT - PROPOSED FY06 BUDGET ASSUMPTIONS

RATES

1. Member tip fee remains unchanged at \$60 per ton. Same rate since FY04.
2. Member and contract deliveries remain relatively flat.
3. Average blended rate for electricity estimated at \$.1575.
4. Inflation escalation estimated to be 2.5%.

REVENUES

1. Assumes no Service Charges Solid Waste - Spot from the Mid-Ct Project due to price and capacity.
2. Anticipates an interest earning rate of 2.5%.

EXPENDITURES

1. Local Administration costs in General Administration includes \$100k for MSW supply study.
2. Assumes current debt payments. Discussions currently on-going regarding redemption of 1989 Series Bonds which are callable at par.
3. Includes a budget line item for the contribution to working capital for \$279k.

CURRENT RISKS

1. Project needs to monitor working capital balance. The previous two years has resulted in the depletion of its working capital as the result of the installation of a mercury control system, a DeNox system and the increase in the Solid Waste Tax.

FUTURE RISKS

1. Current ash disposal contract to expire in 2008.
2. Continued growth of member waste will result in the need to export and/or divert at higher cost.
3. New regulations impacting plant operation and/or emissions.

SOUTHEAST PROJECT - PROPOSED FY06 BUDGET

BUDGET ASSUMPTIONS

| ASSUMPTION | ACTUAL FY04 | ADOPTED FY05 | PROPOSED FY06 | CRRA BUDGET |
|-----------------------------------|----------------|-----------------|------------------|----------------|
| Member Tip Fee MSW | \$60.00 | \$60.00 | \$60.00 | n/a |
| Average Contract Tip Fee MSW | \$43.18 | \$64.45 | \$65.44 | \$65.44 |
| CRRA Diversion Rate | \$60.00 | \$61.50 | \$64.50 | \$64.50 |
| Average Price/Ton Company | \$56.87 | \$58.00 | \$58.48 | \$58.48 |
| DELIVERIES AND PROCESSING | | | | |
| Member Waste | 176,724 | 189,800 | 189,500 | n/a |
| Contract Waste | 7,745 | 14,700 | 12,100 | 12,100 |
| CRRA Diversions | 8,333 | 0 | 0 | 0 |
| Total Authority Deliveries | 192,802 | 204,500 | 201,600 | 12,100 |
| Company/Spot/Merchant Waste | 64,430 | 48,500 | 55,400 | 48,500 |
| Municipal Solid Waste Deliveries | 257,232 | 253,000 | 257,000 | n/a |
| Waste Processed | 259,822 | 253,000 | 257,000 | 257,000 |
| POWER PRODUCTION | | | | |
| kwh/Ton | 522 | 540 | 540 | 540 |
| Electric Power Produced (kwh) | 135,686,663 | 132,673,316 | 134,833,316 | 134,833,316 |
| Average Price/Kwh Sold | \$0.1388 | \$0.1478 | \$0.1575 | \$0.1575 |
| ASH DISPOSAL | | | | |
| Total Ash Generated | 71,136 | 72,105 | 73,245 | 73,245 |
| Authority Ash | 52,790 | 55,215 | 54,432 | 54,432 |
| Actual Ash Residue Rate | 27.38% | 28.50% | 28.50% | 28.50% |
| Ash Disposal Cost/Ton | \$0.00 | \$37.59 | \$38.53 | \$38.53 |
| Ash Transport Cost | \$0.00 | \$5.25 | \$5.55 | \$5.55 |
| OPERATING FEES & OTHER | | | | |
| Operating Escalation Factor (OEF) | 1.620 | 1.660 | 1.754 | 1.754 |

PRIMARY CONTRACT EXPIRATIONS

| CONTRACT | EXPIRATION |
|--|---------------|
| Municipal Service Agreements with Towns | November 2015 |
| Energy Purchase Agreement (CL&P) | February 2017 |
| Debt Service Obligations | November 2015 |
| Resources Recovery Facility Operating Contract (American Ref-Fuel Compan | November 2015 |
| Ash Disposal Agreement (Wheelabrator Putnam) | December 2008 |

SOUTHEAST PROJECT - PROPOSED FY06 BUDGET

REVENUE AND EXPENDITURE SUMMARY

REVENUES

| ACCOUNT | DESCRIPTION | ACTUAL FY04 | ADOPTED FY05 | PROPOSED FY06 | CRRA BUDGET |
|------------------|--|---------------------|---------------------|---------------------|------------------|
| 11-001-000-40101 | Service Charges Solid Waste - Members | \$10,616,686 | \$11,652,000 | \$11,370,000 | n/a |
| 11-001-000-40102 | Service Charges Solid Waste - Contracts | \$725,578 | \$683,405 | \$792,000 | \$792,000 |
| 11-001-000-40103 | Service Charges Solid Waste - Spot | \$499,917 | \$0 | \$0 | \$0 |
| 11-001-000-46101 | Interest Income | \$29,851 | \$47,180 | \$49,000 | \$49,000 |
| 11-001-000-45150 | Miscellaneous Income | \$48,854 | \$0 | \$0 | \$0 |
| 11-001-000-48201 | Use of Undesignated / Unrestricted Funds | \$0 | \$0 | \$0 | \$0 |
| 11-405-000-48401 | Use of Postclosure Reserves* | \$157,785 | \$131,800 | \$114,000 | n/a |
| 11-001-000-xxxx | Use of Postclosure Reserves (Tip Fee)* | \$339,799 | \$0 | \$0 | n/a |
| | Total Revenues | \$12,418,470 | \$12,514,385 | \$12,325,000 | \$841,000 |

EXPENDITURES

| ACCOUNT | DESCRIPTION | ACTUAL FY04 | ADOPTED FY05 | PROPOSED FY06 | CRRA BUDGET |
|------------------|-------------------------------|---------------------|---------------------|---------------------|---------------------|
| 11-001-501-xxxxx | General Administration | \$749,751 | \$924,802 | \$1,074,000 | \$286,000 |
| 11-001-502-xxxxx | Debt Service / Administration | \$1,277,197 | \$1,294,900 | \$1,278,000 | \$1,278,000 |
| 11-001-503-xxxxx | Resources Recovery Facility | \$7,493,256 | \$7,179,825 | \$6,680,000 | \$6,680,000 |
| 11-001-504-xxxxx | Ash Disposal | \$2,633,266 | \$2,710,427 | \$2,822,000 | \$2,822,000 |
| 11-001-xxx-xxxxx | Waste Transport | \$0 | \$0 | \$0 | \$0 |
| 11-001-506-xxxxx | Recycling | \$191,137 | \$192,631 | \$284,000 | \$0 |
| 11-001-901-xxxxx | Landfill - Montville | \$228,951 | \$211,800 | \$187,000 | \$0 |
| | Total Expenditures | \$12,573,558 | \$12,514,385 | \$12,325,000 | \$11,066,000 |
| | Balance | (\$155,088) | \$0 | \$0 | n/a |

*Postclosure Reserve is restricted for SCRRRA use.

SOUTHEAST PROJECT - PROPOSED FY06 BUDGET

EXPENDITURE DETAIL

| ACCOUNT | DESCRIPTION | ACTUAL FY04 | ADOPTED FY05 | PROPOSED FY06 | CRRA BUDGET |
|--------------------------------------|---------------------------------|--------------------|--------------------|--------------------|--------------------|
| GENERAL ADMINISTRATION | | | | | |
| 11-001-501-52101 | Postage & Delivery Fees | \$16 | \$100 | \$0 | \$0 |
| 11-001-501-52104 | Telephone & Pagers | \$0 | \$100 | \$0 | \$0 |
| 11-001-501-52302 | Miscellaneous Services | \$82 | \$500 | \$0 | \$0 |
| 11-001-501-52303 | Subscriptions/Publications | \$0 | \$100 | \$0 | \$0 |
| 11-001-501-52305 | Business Meetings and Travel | \$22 | \$100 | \$0 | \$0 |
| 11-001-501-52355 | Mileage Reimbursement | \$442 | \$710 | \$1,000 | \$1,000 |
| 11-001-501-52856 | Legal | (\$3,955) | \$42,800 | \$40,000 | \$40,000 |
| 11-001-501-52863 | Auditor | \$13,164 | \$20,000 | \$20,000 | \$20,000 |
| 11-001-501-52875 | Insurance Broker | \$838 | \$800 | \$1,000 | \$1,000 |
| 11-001-501-52899 | Other Consulting Services | \$850 | \$0 | \$0 | \$0 |
| 11-001-501-57820 | Local Administration | \$569,535 | \$597,612 | \$788,000 | n/a |
| 11-001-501-57840 | Allocation - Salaries | \$95,918 | \$144,810 | \$125,000 | \$125,000 |
| 11-001-501-57850 | Allocation - Overhead | \$72,839 | \$117,170 | \$99,000 | \$99,000 |
| | Subtotal | \$749,751 | \$924,802 | \$1,074,000 | \$286,000 |
| DEBT SERVICE / ADMINISTRATION | | | | | |
| 11-001-502-55518 | Interest - 89 Series A | \$179,266 | \$163,530 | \$146,000 | \$146,000 |
| 11-001-502-55527 | Interest - 98 Series A | \$422,329 | \$396,600 | \$370,000 | \$370,000 |
| 11-001-502-xxxxx | Principal - 98 Series A | \$467,140 | \$492,270 | \$519,000 | \$519,000 |
| 11-001-502-xxxxx | Principal - 89 Series A | \$204,375 | \$222,500 | \$243,000 | \$243,000 |
| 11-001-502-55585 | Trustee Fees | \$295 | \$20,000 | \$0 | \$0 |
| | Subtotal | \$1,277,197 | \$1,294,900 | \$1,278,000 | \$1,278,000 |
| RESOURCES RECOVERY FACILITY | | | | | |
| 11-001-503-52507 | Payment in Lieu of Taxes | \$566,492 | \$591,820 | \$618,000 | \$618,000 |
| 11-001-503-52640 | Insurance Premiums | \$33,301 | \$87,875 | \$18,000 | \$18,000 |
| 11-001-503-52701 | Contract Operating Charges | \$6,893,463 | \$6,490,130 | \$5,765,000 | \$5,765,000 |
| 11-001-503-xxxxx | Contribution to Working Capital | \$0 | \$0 | \$279,000 | \$279,000 |
| 11-001-503-52858 | Engineering | \$0 | \$10,000 | \$0 | \$0 |
| | Subtotal | \$7,493,256 | \$7,179,825 | \$6,680,000 | \$6,680,000 |

SOUTHEAST PROJECT - PROPOSED FY06 BUDGET

EXPENDITURE DETAIL

| ACCOUNT | DESCRIPTION | ACTUAL FY04 | ADOPTED FY05 | PROPOSED FY06 | CRRA BUDGET |
|-----------------------------|-------------------------|----------------|-----------------|------------------|----------------|
| ASH DISPOSAL | | | | | |
| 11-001-504-52711 | Disposal Fees - Ash | \$2,633,266 | \$2,710,427 | \$2,822,000 | \$2,822,000 |
| | Subtotal | \$2,633,266 | \$2,710,427 | \$2,822,000 | \$2,822,000 |
| RECYCLING | | | | | |
| 11-001-506-52701 | Operating Charges | \$191,137 | \$192,631 | \$284,000 | n/a |
| 11-001-506-56605 | Capital Expenditures | \$0 | \$0 | \$0 | n/a |
| | Subtotal | \$191,137 | \$192,631 | \$284,000 | \$0 |
| LANDFILL - MONTVILLE | | | | | |
| 11-405-901-52645 | Postclosure Expense | \$71,166 | \$131,800 | \$114,000 | n/a |
| 11-001-901-52709 | Other Operating Charges | \$157,785 | \$80,000 | \$73,000 | n/a |
| 11-001-901-58001 | Contingency | \$0 | \$0 | \$0 | n/a |
| | Subtotal | \$228,951 | \$211,800 | \$187,000 | \$0 |

SOUTHEAST PROJECT - PROPOSED FY06 BUDGET

Exhibit A - Service Fee to American Ref-Fuel

| DESCRIPTION | ACTUAL FY04 | ADOPTED FY05 | PROPOSED FY06 | CRRA BUDGET |
|---|----------------|-----------------|------------------|----------------|
| Debt Service (DS) | | | | |
| Project Bond DS (88.872%) | \$7,100,719 | \$7,099,000 | \$7,095,000 | \$7,095,000 |
| Interest Earnings on Project Bonds | (\$114,603) | (\$309,000) | (\$258,000) | (\$258,000) |
| Trustee Fees on Project Bonds | \$23,733 | \$23,000 | \$23,000 | \$23,000 |
| Subtotal | \$7,009,849 | \$6,813,000 | \$6,860,000 | \$6,860,000 |
| Base Operating Charge (BOC) | \$8,673,480 | \$8,888,000 | \$9,391,000 | \$9,391,000 |
| Pass Through (PT) | | | | |
| Water | \$238,403 | \$242,000 | \$248,000 | \$248,000 |
| Electricity | \$213,596 | \$242,000 | \$242,000 | \$242,000 |
| Administration (Billing & Clerical) | \$13,000 | \$13,000 | \$13,000 | \$13,000 |
| NOx Credits (A) | \$0 | \$0 | \$0 | \$0 |
| Residue Transportation | \$272,050 | \$289,970 | \$302,000 | \$302,000 |
| Discriminatory Taxes | \$323,945 | \$382,180 | \$293,000 | \$293,000 |
| Insurance | \$181,789 | \$150,000 | \$200,000 | \$200,000 |
| Mercury Control | \$0 | \$52,540 | \$59,000 | \$59,000 |
| Carbon Monoxide (CO) Control | \$0 | \$0 | \$0 | \$0 |
| Convex UCC - QEI | See UCC | \$3,600 | \$4,000 | \$4,000 |
| SNCR O&M (B) | \$1 | \$101,000 | \$104,000 | \$104,000 |
| Other (lime, interconnect maint.) | \$27,284 | \$60,000 | \$30,000 | \$30,000 |
| Subtotal | \$1,270,069 | \$1,536,290 | \$1,495,000 | \$1,495,000 |
| Other Adjustments | | | | |
| Energy Share (ES) | (\$11,131,137) | (\$11,889,200) | (\$12,667,000) | (\$12,667,000) |
| Energy Makeup Allowance (EMU) | \$80,347 | \$81,950 | \$82,000 | \$82,000 |
| Curtailment Sales | \$41,382 | (\$48,840) | (\$57,000) | (\$57,000) |
| Uncontrollable Circumstance Costs (UCC) (B) | \$483,981 | \$226,000 | \$0 | \$0 |
| Federal Tax Law Surcharge (FTLS) | \$865,080 | \$886,440 | \$937,000 | \$937,000 |
| Landfill Costs (TG - 195,520) (LC) | (\$669,683) | (\$634,900) | (\$725,000) | (\$725,000) |
| Other Waste Share (OWS) | \$0 | \$0 | \$0 | \$0 |
| (\$30 * OEF * (CRRW > TG)) | \$903,921 | \$1,319,700 | \$1,242,000 | \$1,242,000 |
| Ferrous Recovery | (\$58,665) | \$0 | \$0 | \$0 |
| Prorated Acceptable Waste Surcharge | (\$773,278) | (\$688,310) | (\$793,000) | (\$793,000) |
| Subtotal | (\$10,258,052) | (\$10,747,160) | (\$11,981,000) | (\$11,981,000) |
| SERVICE FEE = | \$6,695,346 | \$6,490,130 | \$5,765,000 | \$5,765,000 |
| MONTHLY SERVICE FEE = | \$557,946 | \$540,844 | \$480,417 | \$480,417 |

SOUTHEAST PROJECT - PROPOSED FY06 BUDGET

Exhibit B - SCRRRA Administrative Budget

| DESCRIPTION | ACTUAL FY04 | ADOPTED FY05 | PROPOSED FY06 | CRRA BUDGET |
|---|------------------|------------------|------------------|----------------|
| Salaries | \$177,468 | \$186,437 | \$191,200 | n/a |
| Benefits and Taxes | Incl. Above | Incl. Above | Incl. Above | n/a |
| Expenses | | | | |
| Executive Director | \$768 | \$3,200 | \$3,500 | n/a |
| Professional Services | | | | |
| Attorney Fees | \$57,448 | \$32,000 | \$45,000 | n/a |
| CPA Audit | \$9,000 | \$7,500 | \$8,800 | n/a |
| Inspector (tipping floor) | \$0 | \$30,000 | \$30,000 | n/a |
| Outside Consulting (MSW Study) | \$0 | \$0 | \$100,000 | n/a |
| Contractual Services | | | | |
| Insurance | | | | |
| General Liability | \$10,470 | \$10,000 | \$12,000 | n/a |
| Commercial Property | \$15,295 | \$13,500 | \$16,500 | n/a |
| Commercial Umbrella | \$8,889 | \$7,500 | \$10,000 | n/a |
| Commercial Auto | \$49 | \$0 | \$0 | n/a |
| | <u>\$34,703</u> | <u>\$31,000</u> | <u>\$38,500</u> | <u>\$0</u> |
| Personnel Bond | \$181 | \$175 | \$200 | n/a |
| Worker's Compensation | \$1,300 | \$1,750 | \$2,500 | n/a |
| Postage Meter | \$877 | \$750 | \$1,000 | n/a |
| Postage Fees | \$1,283 | \$2,000 | \$2,000 | n/a |
| Computer Service | \$0 | \$2,500 | \$0 | n/a |
| Copy Machine | \$0 | \$0 | \$2,500 | n/a |
| Service | \$1,301 | \$1,300 | \$1,500 | n/a |
| Telephone | \$3,465 | \$5,500 | \$5,000 | n/a |
| Internet Service | \$1,101 | \$1,500 | \$1,200 | n/a |
| Bank & Payroll Service Charges | \$1,879 | \$1,250 | \$2,200 | n/a |
| Commodities | | | | |
| Office Supplies | \$3,324 | \$3,500 | \$3,500 | n/a |
| Storage | \$1,875 | \$2,500 | \$15,500 | n/a |
| Equipment | | | | |
| Computers/Software | \$3,357 | \$2,750 | \$3,600 | n/a |
| Computers/Hardware | \$4,799 | \$2,000 | \$3,000 | n/a |
| Office Equipment/Copier | \$0 | \$2,000 | \$3,000 | n/a |
| Contingencies | \$10,723 | \$20,000 | \$15,300 | n/a |
| Transportation Subsidy | \$267,724 | \$298,000 | \$309,000 | n/a |
| SCRRRA Administrative Budget | <u>\$582,576</u> | <u>\$637,612</u> | <u>\$788,000</u> | <u>\$0</u> |
| Use of Retained Earnings | (\$13,041) | (\$40,000) | | |
| Net SCRRRA Administrative Budget | <u>\$569,535</u> | <u>\$597,612</u> | <u>\$788,000</u> | <u>\$0</u> |

SOUTHEAST PROJECT - PROPOSED FY06 BUDGET

Exhibit C - SCRRRA Recycling Budget

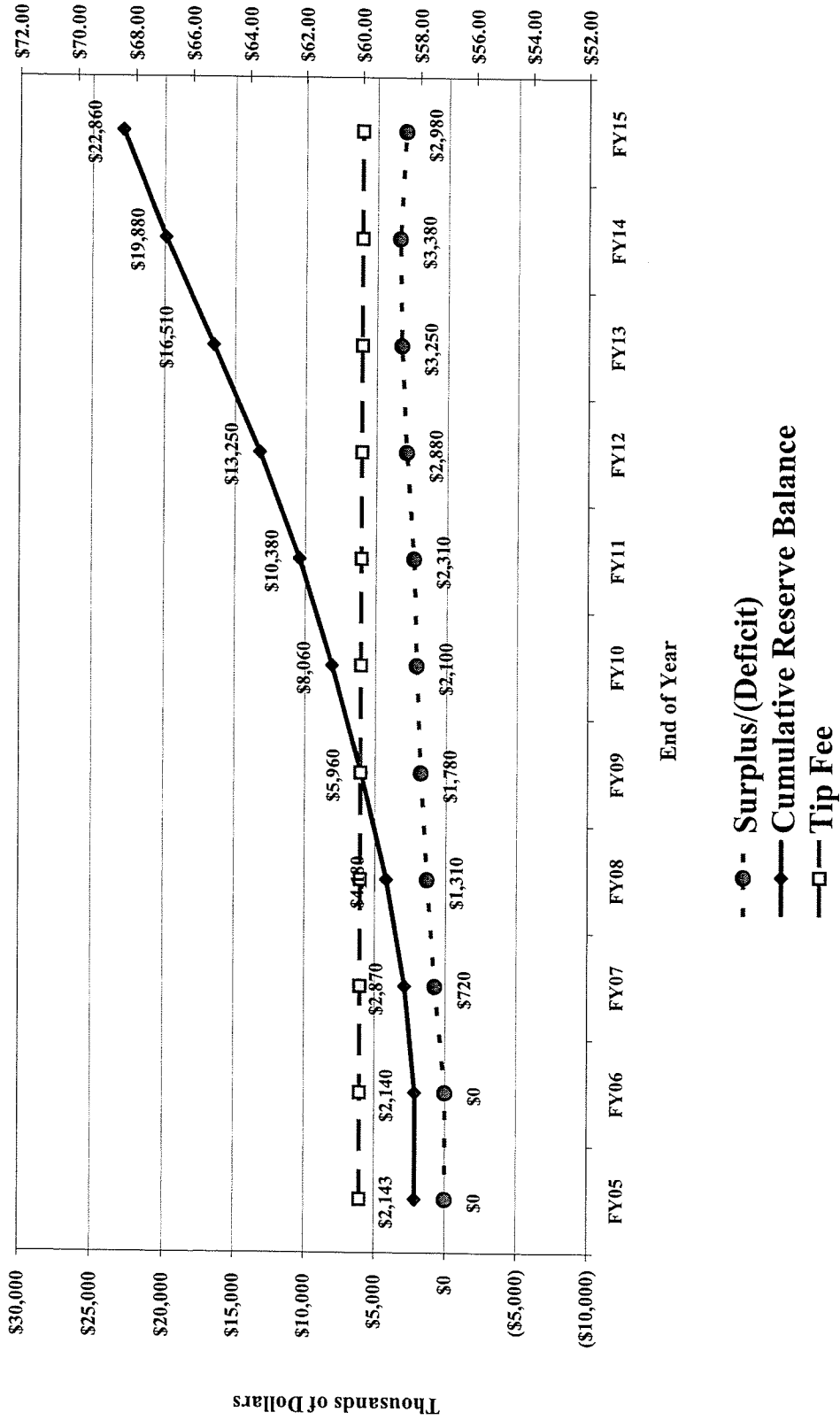
| DESCRIPTION | ACTUAL FY04 | ADOPTED FY05 | PROPOSED FY06 | CRRA BUDGET |
|---|------------------|-------------------|------------------|----------------|
| Salaries | \$76,195 | \$74,931 | \$80,600 | n/a |
| Benefits and Taxes | Incl. Above | Incl. Above | Incl. Above | n/a |
| Expenses | | | | |
| Recycling Coordinator | \$0 | \$3,500 | \$0 | n/a |
| Professional Services | | | | |
| Attorney Fees | \$116 | \$1,000 | \$500 | n/a |
| Contractual Services | | | | |
| Copy Machine | | | | |
| Service | \$742 | \$0 | \$0 | n/a |
| Telephone | \$1,886 | \$2,500 | \$2,500 | n/a |
| Internet Service | \$0 | \$750 | \$0 | n/a |
| Publicity | \$2,166 | \$2,000 | \$10,000 | n/a |
| HVAC | \$1,227 | \$1,000 | \$1,500 | n/a |
| Miscellaneous Supplies/Equipment | \$0 | \$0 | \$0 | n/a |
| Bank & Payroll Service Charges | \$671 | \$700 | \$750 | n/a |
| Office Supplies | \$0 | \$0 | \$750 | n/a |
| Maintenance and Testing | \$0 | \$0 | \$10,000 | n/a |
| Equipment | | | | |
| Office Equipment/Copier/Printer | \$0 | \$2,250 | \$3,000 | n/a |
| Other | | | | |
| Trash Disposal | \$43,826 | \$40,500 | \$43,500 | n/a |
| Trash Hauling | \$13,560 | \$12,500 | \$14,400 | n/a |
| America Recycles Day | \$0 | \$7,500 | \$7,500 | n/a |
| Earth Day | \$0 | \$4,000 | \$4,000 | n/a |
| HHW Publicity | \$0 | \$0 | \$5,000 | n/a |
| Electronics Recycling | \$45,261 | \$30,000 | \$45,000 | n/a |
| Electronics Recycling - Town Collection | \$0 | \$0 | \$50,000 | n/a |
| Electronics Publicity | \$2,376 | \$5,000 | \$3,000 | n/a |
| Capital Improvements | \$0 | \$0 | \$0 | n/a |
| Contingencies | \$8,696 | \$4,500 | \$2,000 | n/a |
| SCRRRA Recycling Budget | <u>\$196,723</u> | <u>\$192,631</u> | <u>\$284,000</u> | \$0 |
| Use of Retained Earnings | <u>(\$5,586)</u> | <u>(\$20,000)</u> | <u>\$0</u> | n/a |
| Net SCRRRA Administrative Budget | <u>\$191,137</u> | <u>\$172,631</u> | <u>\$284,000</u> | \$0 |

SOUTHEAST PROJECT - PROPOSED FY06 BUDGET

Exhibit D - SCRRRA Landfill Budget (Postclosure)

| DESCRIPTION | ACTUAL FY04 | ADOPTED FY05 | PROPOSED FY06 | CRRA BUDGET |
|----------------------------|------------------|------------------|------------------|----------------|
| Permit Fees/Licenses | \$0 | \$15,300 | \$0 | n/a |
| Contract Operating Charges | \$146,692 | \$111,500 | \$114,000 | n/a |
| Mortgage | \$71,550 | \$80,000 | \$73,000 | n/a |
| Contingency | \$0 | \$5,000 | \$0 | n/a |
| Subtotal | \$218,242 | \$211,800 | \$187,000 | \$0 |

Southeast Project - Projections
Surplus/(Deficit) and Reserve Balance Projections
\$60 Tip Fee FY05 through FY15



TAB 9

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

RESOLVED: That the President is hereby authorized to enter into a contract with TRC Environmental Corporation for delivery of contaminated soil to be used as daily cover 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: November 18, 2004

Vendor/ Contractor(s): TRC Environmental Corporation

Effective date: October 25, 2004

Contract Type/Subject matter: Letter Agreement. Delivery of DEP approved contaminated soil to the Hartford Landfill to be used as daily cover.

Facility (ies) Affected: Hartford Landfill

Original Contract: This is the original contract

Term: Until specified quantity is delivered

Contract Dollar Value: \$52,500 (3,500 tons at \$15.00 per ton)

Amendment(s): Not applicable

Term Extensions: Not applicable

Scope of Services: Delivery of DEP approved contaminated soil to the Hartford Landfill to be used as daily cover.

Other Pertinent Provisions: None

Connecticut Resources Recovery Authority Hartford Landfill Delivery of Cover Soil

November 18, 2004

Executive Summary

CRRA has contracted with TRC Environmental Companies (“TRC”) to deliver approximately 3,500 tons of contaminated soil, generated at CRRA’s South Meadows site in Hartford, CT, to the Hartford Landfill for use as daily cover.

In accordance with Section 5.11 (Market Driven Purchases and Sales) of CRRA’s Procurement Policies and Procedures, effective January 22, 2004, 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

The Solid Waste Operating Permit for the Hartford Landfill requires that all of the solid waste deposited at the landfill each day is to be covered with soil, or other approved material, at the end of the day. Historically, CRRA has purchased virgin soil to be used for this purpose.

Two years ago CRRA staff began an initiative to identify sources of contaminated soil that could be used to satisfy the requirement for the landfill’s daily cover needs, and for which a delivery charge could be assessed to the generator or deliverer of the soil. CRRA staff contacted environmental remediation companies, and environmental and engineering consulting firms, to determine if there were sources of this soil that would be amenable for use as daily cover. CRRA staff also contacted other landfills and soil treatment facilities to determine the disposal market price for this type of contaminated soil.

In consultation with the Policy and Procurement Committee, CRRA staff developed a procedure to be used in negotiating prices for receipt of daily cover soil at the Hartford Landfill. In summary, CRRA staff has developed a list of approximately 35 companies (consultants, remediation companies, etc.) that have advised CRRA that they have, or may have, sources of contaminated soil amenable for use as daily cover. CRRA staff periodically contact these companies to determine if they have quantities of soil for shipment to the landfill. CRRA also periodically receives inquiries from firms that have potential sources of cover soil.

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

Based on this procedure, CRRA staff negotiated a price of \$15.00 per ton for 3,500 tons of soil generated at the CRRA's South Meadows site in Hartford, Connecticut. TRC is conducting a remediation of the site in accordance with the Exit Strategy Contract between CRRA and TRC. (Although CRRA owns this site, all remediation costs, including transportation and disposal costs, for materials that are removed from the site pursuant to the Exit Strategy Contract, are the responsibility of TRC.)

Based on prices negotiated with other generators of contaminated soil during the past four months, and based on CRRA's quantity needs for daily cover material, CRRA staff believe that this price represents a satisfactory market price for contaminated soil that is to be used as daily cover, 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 \$52,500.00 in revenues to the Mid-Connecticut project (3,500 tons at \$15.00 per ton).

TAB 10

**RESOLUTION REGARDING AGREEMENT FOR THE
OPERATION OF THE ESSEX TRANSFER STATION FOR
RECYCLABLE MATERIALS BETWEEN THE CONNECTICUT
RESOURCES RECOVERY AUTHORITY, THE CONNECTICUT
RIVER ESTUARY REGIONAL PLANNING AGENCY (“CRERPA”),
AND THE MUNICIPALITIES**

RESOLVED: The President is authorized to enter into an agreement for the operation of the Essex Transfer Station for recyclable materials between the CRRA, Connecticut River Estuary Regional Planning Agency (“CRERPA”) and the CRERPA Towns, substantially as presented and discussed at this meeting.

Connecticut Resources Recovery Authority

Contract Summary for Agreement Entitled

Agreement for the Operation of the Essex Transfer Station for Recyclable Materials Between The Connecticut Resources Recovery Authority, The Connecticut River Estuary Regional Planning Agency, and the Municipalities

Presented to the CRRA Board on: November 18, 2004

Vendor/ Contractor(s): Connecticut River Estuary Regional Planning Agency and its municipalities

Effective date: September 2004 or Upon Execution

Contract Type/Subject matter: Operation of the Essex Transfer Station for Recyclable Materials

Facility (ies) Affected: Essex Transfer Station of the Mid-Ct Project

Term: September 2004 or Upon Execution to June 12, 2004

Tip Fee: Surcharge applied to MSW Tip Fee of the CRERPA towns to pay for pass through costs of \$30,000 Essex Host Community Benefit and \$28,000 cost of CRERPA Regional Recycling Coordinator. Surcharge calculated by dividing CRERPA towns' MSW tons by the \$58,000 cost. The FY05 tip fee is \$0.80 per ton.

Contract Dollar Value: \$58,000 per year (paid through MSW Tip Fee surcharge)

Amendment(s): Not applicable

Term Extensions: Not applicable

Scope of Services: This agreement continues an agreement which has been in place since 1993. The CRERPA towns deliver recyclables to the Essex Transfer Station. To pay for the Essex Host Community Benefit of \$30,000 and \$28,000 for a CRERPA Recycling Coordinator, the agreement authorizes CRRA to assess a MSW Tip Fee surcharge on the CRERPA towns.

Other Pertinent Provisions: CRERPA, through the Lower Connecticut Valley Selectman's Association, provides CRRA written notice annually the amounts of the Essex Host Community Benefit and the Recycling Coordinator costs.

**AGREEMENT FOR THE OPERATION OF THE ESSEX TRANSFER STATION
FOR RECYCLABLE MATERIALS BETWEEN THE CONNECTICUT
RESOURCES RECOVERY AUTHORITY, THE CONNECTICUT RIVER
ESTUARY REGIONAL PLANNING AGENCY, AND THE MUNICIPALITIES**

WITNESSETH:

WHEREAS, the State of Connecticut ("State") has determined that recycling of certain materials is more advantageous to the State and to the public than incineration and landfilling of such materials and the State has directed the Commissioner of Environmental Protection ("Commissioner") to include in the statewide solid waste management plan a strategy to recycle not less than twenty-five percent of the solid waste generated in the State after January 1, 1991;

WHEREAS, as a step toward establishing a regional recycling program in, conformance with State policy, the towns of Chester, Clinton, Deep River, Essex, Old Saybrook, Killingworth and Westbrook ("Municipalities") have entered into an association through the Connecticut River Estuary Regional Planning Agency ("the Agency") which Agency assists in administering their regional recycling program;

WHEREAS, the Municipalities have established and have operated, with the assistance of the Authority, a transfer station located in Essex, Connecticut (the "Essex Transfer Station") to which the Municipalities shall deliver all Acceptable Recyclables generated within their borders rather than each individual Municipality transporting their Acceptable Recyclables to an Intermediate Processing Center ("IPC");

WHEREAS, the Connecticut Resources Recovery Authority ("the Authority") has experience in developing and operating solid waste and recycling projects and is able and willing to assist the Agency by operating the Essex Transfer Station because the Essex Transfer Station is essential to providing municipal solid waste management services under the Municipal Service Agreements between the Municipalities and the Authority in that it will process waste generated by the Municipalities;

WHEREAS, the Agency and the Municipalities recognize the need to have the Authority assist them in the operation of the Essex Transfer Station as described herein;

WHEREAS, the Authority and the Agency intend that the cost of operating the Essex Transfer Station, including costs associated with the Regional Recycling Coordinator, will be collected by the Authority pursuant to the Municipal Service Agreements previously executed by the Municipalities and the Authority for the disposal of MSW, and the foregoing costs will be collected up to the limits established in this Agreement;

WHEREAS, the functions to be performed by the Agency, the Municipalities and by the Authority in achieving the successful operation of the Essex Transfer Station need to be defined and delineated; and

NOW THEREFORE, the Agency, the Municipalities, and the Authority (the "Parties") as of the ____ day of September, 2004, agree as follows:

1. **GENERAL RESPONSIBILITY.** The Agency shall set policies and be responsible for the development, operation and management of an efficient and economical regional solid waste recycling program for the Municipalities. In fulfilling this responsibility, the Agency shall utilize the services of the Authority in the manner specified herein, as well as when the Agency determines that the services which the Authority can provide will contribute to a more effective and efficient recycling program for the Municipalities.

2. **AGENCY RESPONSIBILITIES.** The Agency shall be responsible for and shall perform the following:

(A) The Agency shall assist in obtaining all permits necessary for the continued operation of the Essex Transfer station. If it is impossible to obtain the foregoing permits to operate the Essex Transfer Station because of no fault of the Agency or the Authority, then this Agreement shall terminate and neither party shall have any further rights or obligations hereunder.

(B) Operations:

(i) The Agency shall undertake such reasonable actions as the Authority may direct to ensure that the Municipalities deliver all of the Acceptable Recyclables (as described in **Exhibit A**) generated by residential sources within each Municipality to the Authority.

(ii) If any Municipality is not conforming to the policies and Procedures established for the use of the IPC and the Essex Transfer Station, the Authority shall notify the applicable Municipality and the Agency of such nonconformance. The Policies and Procedures for the IPC and the Essex Transfer Station are attached as **Exhibit A** and are a part of this Agreement.

(iii) The Agency shall be responsible for and shall take all necessary actions to obtain grants from the DEP and other sources to assist in the payment of operating expenses associated with the Essex Transfer Station, if such grants are available.

(iv) The Agency shall administer the regional education and promotional programs relating to recycling and use of the Essex Transfer Station for the purpose of obtaining the highest quality and quantity of Acceptable Recyclables from the Municipalities, as long as funding is available to the Agency for this purpose.

(v) The Municipalities shall be obligated to pay the Annual Operating Costs as described below and shall comply with all rules and regulations governing use of the Essex Transfer Station, as they may be amended from time to time.

3. **AUTHORITY RESPONSIBILITIES.** The Authority shall be responsible for and shall perform the following:

(A) As the owner of the Essex Transfer Station, the Authority shall procure insurance to insure the Essex Transfer Station.

(B) Operation of the Essex Transfer Station:

(i) The Authority shall operate the Essex Transfer Station in accordance with this Agreement.

(ii) If the Authority in its operation of the Essex Transfer Station discovers any Municipalities or other entity delivering materials for recycling to the Essex Transfer Station is not delivering materials conforming to the Policies and Procedures for the IPC and Facility Delivery Standards, the Authority shall promptly report such instances to the Agency and the applicable Municipality.

(iii) The Authority will transport Acceptable Recyclables delivered to the Essex Transfer Station from the Municipalities to an Intermediate Processing Center or to another facility, as the Authority deems appropriate.

(iv) If the Authority, through its operation of the Essex Transfer Station, and not the Agency or the Municipalities, shall cause any delivered Recyclable Materials to fail to conform to the Facility Delivery Standards, then neither the Agency nor the Municipalities, as the case may be, shall be responsible for such non-conformity.

(C) Billing and Payment of Recycling Coordinator Costs:

(i) The annual necessary and reasonable costs associated with employing a Regional Recycling Coordinator for the Municipalities, as determined by the Agency in accordance with its by-laws, shall be charged to the Municipalities by adding to the Service Payments charged to said Municipalities for the delivery of Municipal Solid Waste to the municipal solid waste Essex Transfer Station an amount sufficient to pay said costs, which shall constitute the "Coordinator Surcharge".

(ii) Each year the Authority, using the amount established by the Agency in accordance with Section 3(C)(i) above, shall set the Coordinator Surcharge by dividing such amount by the number of tons of municipal solid waste expected to be delivered to the Essex Transfer Station by the Municipalities in that year ("the Estimated Annual Tons").

(iii) If at the end of any contract year, the Coordinator Surcharge is insufficient to pay the annual necessary and reasonable costs associated with employing a Regional Recycling Coordinator, then the Coordinator Surcharge for the next contract year shall include an amount sufficient to reimburse the Authority for the uncollected

portion of the annual necessary and reasonable costs associated with employing a Regional Recycling Coordinator from the previous contract year.

(iv) If at the end of any contract year the Coordinator Surcharge collected during that year exceeds the annual necessary and reasonable costs associated with employing a Regional Recycling Coordinator, then the Coordinator Surcharge for the next contract year shall be reduced by an amount sufficient to compensate the Municipalities for such excess payment.

(v) The Authority will pay the full amount of the reasonable and necessary costs referred to in Section 3(C)(i) above to the Agency in advance quarterly on July 1, October 1, January 1, and March 1, except for the first and last payments which may be made on a different date and which may be pro-rated to reflect payment for a period beginning or ending on a different date.

(D) Billing and Payment of Excess or Future Capital Costs of Essex Transfer Station:

(i) Any reasonable and necessary capital expenditures for the recycling program at the Essex Transfer Station required during the term of this Agreement shall be charged to the Municipalities by adding to the Service Payments charged to said Municipalities for the delivery of municipal solid waste to the municipal solid waste Essex Transfer Station in an amount sufficient to pay said excess capital costs over the term of this Agreement (the "Capital Surcharge"). Written notice of any Capital Surcharge shall be provided to the Agency and the Municipalities by the Authority prior to the imposition of any Capital Surcharge(s).

(ii) Each year the Authority shall set the Capital Surcharge by dividing the amount of such capital costs by the number of tons of municipal solid waste expected to be delivered to the Essex Transfer Station by the Municipalities in that year (the "Estimated Annual Tons").

(iii) If at the end of any contract year, the Capital Surcharge is insufficient to pay the said excess or ineligible capital costs, then the Capital Surcharge for the next contract year shall include an amount sufficient to reimburse the Authority for the uncollected portion of the capital expenses that should have been collected during the previous contract year.

(iv) If at the end of any contract year the Capital Surcharge collected during that year exceeds the amount of the capital expenses that should have been collected in that contract year, then the Capital Surcharge for the next contract year shall be reduced by an amount sufficient to compensate the Municipalities for such excess payment.

(E) Billing and Payment of Host community Benefits:

(i) Each year the Municipalities shall establish the amount of a host community benefit that shall be paid to the Town of Essex. The amount will be established and agreed upon through the Lower Connecticut Valley Selectmen's Association or its successor. The Agency shall then communicate the amount of such host community benefit in writing to the Authority and the Authority shall be entitled to rely on the Agency communication with respect to this amount. This amount shall be charged to the Municipalities by adding to the Service Payments charged to said Municipalities for the delivery of Municipal Solid Waste to the municipal solid waste Essex Transfer Station an amount sufficient to pay said costs, which shall constitute the "Host Community Surcharge".

(ii) Each year the Authority, using the amount communicated by the Agency in accordance with Section 3(E)(i) above, shall set the Host Community Surcharge by dividing such amount by the number of tons of municipal solid waste expected to be delivered to the Essex Transfer Station by the Municipalities in that year (the "Estimated Annual Tons").

(iii) If at the end of any contract year, the Host Community Surcharge is insufficient to pay the actual amount of the host community benefits established for that year, then the Host Community Surcharge for the next contract year shall include an amount sufficient to reimburse the Authority for the uncollected portion of the host community benefits for the previous contract year.

(iv) If at the end of any contract year the Host Community Surcharge collected during that year exceeds the actual amount of the host community benefits established for that year, then the Host Community Surcharge for the next contract year shall be reduced by an amount sufficient to compensate the Municipalities for such excess payment.

(v) The Authority will pay the full amount of the host community benefits referred to in section 3(E)(i) above to the Agency annually in advance on July 1 of each contract year, except for the first and last payments which may be made on a different date and which may be pro-rated to reflect payment for a period beginning or ending on a different date.

4. MISCELLANEOUS:

(A) This Agreement shall commence on the date of execution by both parties and execution and delivery by all Municipalities of the letter contained in **Exhibit B** and shall terminate on **June 30, 2012**, except that the provisions of this Agreement relating to the collection of the Capital Surcharge and the Coordinator Surcharge shall survive termination to the extent required to permit collection of such Surcharges from Municipalities to reimburse the Authority for related payments made by the Authority in advance of collection of the Surcharges from said Municipalities.

(B) Nothing in this Agreement shall be construed to give the Regional Recycling Coordinator status or rights as a third party beneficiary. The Agency, in employing the Regional Recycling Coordinator, agrees to comply with the non-discrimination provisions of the Connecticut General Statutes.

(C) No municipality other than the Municipalities listed in this Agreement shall be permitted to deliver Acceptable Recyclables to the Essex Transfer Station without the prior consent of the Agency and until said municipality has executed and delivered the letter contained in **Exhibit B**. The Agency and the Authority may require reasonable contribution on the part of any new municipality, in addition to the Surcharges payable by all Municipalities under this Agreement, as a prerequisite to any new municipality delivering to the Essex Transfer Station. This contribution shall be first applied to reimburse the Municipalities and the Authority for capital costs exceeding the amount of grant funds used in the construction of the Essex Transfer Station, then to reimburse the Authority for Operating Costs not paid through the Operating Surcharge and to reduce the amount of Surcharges charged to the Municipalities.

(D) 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.

(E) The Municipalities and the Agency 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, fines, 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 other damages alleged to have been sustained by: (a) the Authority or any of its directors, officers, employees, agents or other contractors, (b) the Municipalities or the Agency or any of their 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 the Agency or the Municipalities or any of their directors, officers, employees, agents, subcontractors or materialmen. The Agency and the Municipalities further undertake to reimburse the Authority for damage to property of the Authority and fines and penalties assessed against the Authority caused by the Agency or the Municipalities or any of their directors, officers, employees, agents, subcontractors or materialmen, or by faulty, defective or unsuitable material or equipment used by them. The Agency's and the Municipalities' obligations under this subparagraph (F) shall survive the termination or expiration of this Agreement.

(F) To the extent permitted by law, the Authority shall at all times defend, indemnify and hold harmless the Municipalities and the Agency and its directors, officers, agents and employees from and against any and all claims, damages, losses, judgments, fines, 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 other damages alleged to have been sustained by: (a) the Municipalities and the Agency or any of its directors, officers, employees, agents or other contractors, (b) the Authority or any of their 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 the Authority or any of their directors, officers, employees, agents, subcontractors or materialmen. The Authority further undertakes to reimburse the Municipalities and the Agency for damage to property of the Municipalities and the Agency and fines and penalties assessed against the Municipalities and the Agency caused by the Authority or any of their directors, officers, employees, agents, subcontractors or materialmen, or by faulty, defective or unsuitable material or equipment used by them. The Authority's obligations under this subparagraph (G) shall survive the termination or expiration of this Agreement.

(G) Disputes arising under this Agreement shall be resolved in accordance with the provisions of Section 617 of the Municipal Solid Waste Management Services Contract between the Town of Essex and the Authority dated June 20, 1984.

(H) The Parties agree to the following: (1) Parties agree and warrant that in their performance under the Agreement the Parties 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 or physical disability, including, but not limited to, blindness, unless it is shown by the Parties 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. The Parties further agree 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, or physical disability, including, but not limited to, blindness, unless it is shown by the Parties that such disability prevents performance of the work involved; (2) Parties agree, in all solicitations or advertisements for employees placed by or on behalf of the Parties, 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"); (3) Parties agree to provide each labor union or representative of workers with which Parties have a collective bargaining agreement or other contract or understanding and each vendor with which the Parties have a contract or understanding, a notice to be provided by the Commission, advising the labor union, workers' representative and vendor of Parties' 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; (4) Parties agree 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 (5) Parties agree 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 the Parties as related to the applicable provisions of Sections 4a-60, 4a-60a and 46a-56 of the Connecticut General Statutes. If this Agreement is a public works contract, the Parties 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.

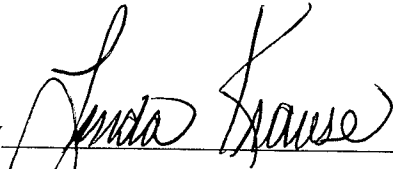
Unless specifically authorized in writing by the Secretary of the Office of Policy and Management of the State of Connecticut, on a case by case basis, the Parties shall have no right to use, and shall not use, the name of the State of Connecticut, its officials, agencies, or employees or the seal of the State of Connecticut or its agencies:

- (a) in any advertising, publicity, promotion; or
- (b) to express or to imply any endorsement of the Parties' products or services; or
- (c) to use the name of the State of Connecticut, its officials, agencies, or employees or the seal of the State of Connecticut or its agencies in any other manner (whether or not similar to uses prohibited by subparagraphs (a) and (b) above). In no event may the Parties use the State Seal in any way without the express written consent of the Secretary of State.

If any officer, employee or appointing authority of the Parties take or threaten to take any personnel action against any employee of the Parties in retaliation for such employee's disclosure of information to the Auditors of Public Accounts or the Attorney General under the provisions of Conn. Gen. Stat. sec. 4-61dd, the Parties shall be liable for a civil penalty of not more than five thousand dollars for each offense, up to a maximum of twenty per cent of the value of the contract. Each violation shall be a separate and distinct offense and in the case of a continuing violation each calendar day's continuance of the violation shall be deemed to be a separate and direct offense. The Parties shall post a notice in a conspicuous place which is readily available for viewing by employees of the provisions of Conn. Gen. Stat. sec. 4-61dd relating to large state contractors.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement by executing and delivering the letter contained in **Exhibit B** or by causing its name to be hereunto subscribed by its Chief Executive Officer and its official seal to be impressed hereon as of this 9 day of September, 2004.

CONNECTICUT RIVER ESTUARY
REGIONAL PLANNING AGENCY

By 
Its EXECUTIVE DIRECTOR
Duly Authorized

CONNECTICUT RESOURCES
RECOVERY AUTHORITY

By _____
Thomas D. Kirk
Its President
Duly Authorized

EXHIBIT A

**MID-CONNECTICUT PROJECT
PERMITTING, DISPOSAL AND BILLING
PROCEDURES**

Effective July 1, 2002

**CONNECTICUT RESOURCES RECOVERY AUTHORITY
MID-CONNECTICUT PROJECT
PERMITTING, DISPOSAL AND BILLING PROCEDURES**

ARTICLE I

GENERAL

Section 1.01 - Definitions. As used in these procedures, the following terms shall have the meanings as set forth below:

- (a) “Acceptable Recyclables” shall include the following types of Solid Waste generated by and collected from residential establishments located within the corporate limits of any Participating Municipality, and deemed acceptable by the Authority in accordance with all applicable federal, state and local laws as well as these procedures for processing by and disposal at the Recycling Facilities: (i) all acceptable materials listed on Appendix A attached hereto and made a part; and (ii) any other Solid Waste deemed by the Authority in its sole discretion to be Acceptable Recyclables.
- (b) “Acceptable Waste” shall include Solid Waste generated by and collected from residential, commercial, institutional, industrial and other establishments located within the corporate limits of any Participating Municipality, and deemed acceptable by the Authority in accordance with all applicable federal, state and local laws as well as these procedures for processing by and disposal at the Waste Facilities. Acceptable Waste shall include but is not limited to the following (i) scrap wood not exceeding six (6) feet in length or width or four (4) inches in thickness, (ii) single trees and large tree limbs not exceeding six (6) feet in length or four (4) inches in diameter and with branches cut to within six (6) inches of the trunk or limb, as the case may be; (iii) metal pipes, tracks and banding or cable and wire not exceeding three (3) feet in length and one and a half (1 1/2) inches in diameter; (iv) cleaned and emptied cans or drums not exceeding five (5) gallons in capacity and with covers removed; (v) automobile tires without rims exclusively from the residential Solid Waste stream and in limited quantities, if any, to be determined by the Authority on a day to-day basis; (vi) paper butts or rolls, plastic or leather strapping or similar materials not exceeding three (3) feet in length or three (3) inches in thickness and cut in half lengthwise; (vii) Non-processible Waste as defined herein; and (viii) any other Solid Waste deemed acceptable by the Authority in its sole discretion. Acceptable Waste shall not include any Recycling Residue (see Recycling Residue definition) and/or Special Waste unless such Special Waste is approved by CRRA in accordance with these procedures for disposal at any of the Waste Facilities, or any materials or waste that are or may in the future be required by law and/or regulation to be recycled.
- (c) “Account” shall mean a statement of transactions during a fiscal period arising from a formal business arrangement between the Authority and a person, firm or Participating Municipality providing for the use of the Facilities and the services in connection therewith.
- (d) “Authority” or “CRRA” shall mean the Connecticut Resources Recovery Authority, a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut.

- (e) “Bulky Waste” shall mean construction, demolition and/or land clearing debris.
- (f) “By-Pass Waste” shall include Acceptable Waste that is ordinarily processed at the Facility but is instead diverted by the Authority for disposal.
- (g) “Contaminated Soil” shall include soil derived from fuel tank excavation, sludge residue, steel casting sands, metal washdown residue, rust/scale materials, foundry residue, grinding sludge and any other material deemed by the Authority in its sole discretion to be Contaminated Soil.
- (h) “Facility” shall mean the Authority's Mid-Connecticut waste processing facility located at 300 Maxim Road in Hartford, Connecticut.
- (i) “Facilities” shall mean the Waste Facilities and the Recycling Facilities.
- (j) “Hazardous Waste” shall include any material or substance which is, by reason of its composition or its characteristics or its delivery to the Facility (a) defined as hazardous waste in the Solid Waste Disposal Act, 42 U.S.C. §6901 et seq., and any regulations, rules or policies promulgated thereunder, (b) defined as hazardous waste in Section 22a-115 of the Connecticut General Statutes, (c) defined as special nuclear material or by-product material in Section 11 of the Atomic Energy Act of 1954, 42 U.S.C. §2014, and any regulations, rules or policies promulgated thereunder, or (d) regulated under Section 6(e) of the Toxic Substances Control Act, 15 U.S.C. §2605(e), and any regulations, rules or policies promulgated thereunder, as any of the statutes referred to in clauses (a) through (d) above may be amended; provided, however, that Hazardous Waste shall not include such insignificant quantities of any of the wastes covered by clauses (a), (b) and (d) as are customarily found in normal household, commercial and industrial waste to the extent such insignificant quantities are permitted by law to be treated and disposed of at the Facility or a sanitary landfills, as applicable. “Hazardous Waste” shall also include such other waste as deemed by the Authority in its sole discretion to be “Hazardous Waste.”
- (k) “Landfill” shall mean any real property used by any Participating Municipality and the Authority for the disposal of Recycling Residue, By-Pass Waste, Non-Processible Waste, or residue from the processing and/or incineration of Acceptable Waste at the Waste Facilities.
- (l) “Mixed Load” shall mean Solid Waste from more than one Participating Municipality stored and carried in a single vehicle roll-off box or trailer and delivered to ally of the Facilities.
- (m) “Municipal Solid Waste Management Services Contract” or “MSA” shall mean the contract between the Authority and a Participating Municipality for the processing and disposal at the Facilities of all Acceptable Waste and/or Acceptable Recyclables generated by the Participating Municipality within its boundaries.

- (n) “Non-Processible Waste” shall include Acceptable Waste that cannot be processed at the Facility and is normally disposed of at a Landfill, provided that the individual items of such Acceptable Waste are 2,000 pounds or less in weight and physically of such size as to fit without compaction into an area having dimensions of three (3) feet by five (5) feet by five (5) feet, including but not limited to the following: (i) household furniture, chairs, tables, sofas, mattresses, appliances, carpets, sleeper sofas and rugs; (ii) individual items such as White Metals (as hereinafter defined) and blocks of metal that would in the Authority's sole discretion and determination cause damage to the Waste Facilities if processed and/or incinerated therein; (iii) Scrap/Light Weight Metals (as hereinafter defined); (iv) bathroom fixtures, such as toilets, bathtubs and sinks; (v) purged and emptied propane, butane and acetylene tanks with valves removed exclusively from the residential Solid Waste stream and in limited quantities, if any, to be determined by the Authority on a day-to-day basis; (vi) and Christmas trees; (vii) automobile tires with/without rims, and (viii) any other Acceptable Waste deemed by the Authority in its sole discretion to be Non-Processible Waste.
- (o) “Non-Project Recycling Facility” shall mean the land and appurtenances thereon and structures where recycling, as defined in Section 22a-207(7) of the Connecticut General Statutes, is conducted, including but not limited to an Intermediate Processing Facility, as defined in Section 22a-260(25) of the Connecticut General Statutes, and a Solid Waste Facility, as defined in Section 22a-207(4) of the Connecticut General Statutes, which provides for recycling in its plan of operations, but excluding the Recycling Facility and the Recycling Transfer Stations.
- (p) “Operator” or “Operators” shall mean the organization or personnel in such organization under contract with the Authority for the operation of any of the Facilities.
- (q) “Participating Municipality” shall mean any town, city, borough or other political subdivision of and within the State of Connecticut, having legal jurisdiction over solid waste management within its corporate limits, and which has executed a Municipal Solid Waste Management Services Contract or made special arrangements with the Authority for the processing and disposal of Acceptable Waste and/or Acceptable Recyclables at the Facilities.
- (r) “Permittee” shall mean those persons, corporations, firms, governmental agencies, quasi-governmental agencies or other entities owning, leasing or operating vehicles, roll-off boxes or trailers, or a Recycling Facility, who have completed and submitted a permit application to the Authority and have been issued a permit to use the Facilities.
- (s) “Permit Number” shall mean the number assigned to a waste vehicle, trailer, roll-off box, or a Non-Project Recycling Facility which has been approved by the Authority to use the Facilities.
- (t) “Private/Non-Commercial Hauler” shall mean a person or firm who does not derive income from the collection, transportation or disposal of waste.

- (u) “Project” shall mean the Facilities constituting the Mid-Connecticut Project.
- (v) “Project Manager” shall mean the Mid-Connecticut Project Manager or the manager’s designee.
- (w) “Recycling Facility” shall mean the Authority’s regional recycling center located at 123 and 211 Murphy Road in Hartford, Connecticut.
- (x) “Recycling Facilities” shall mean the Recycling Facility and all Recycling Transfer Stations of the Project.
- (y) “Recycling Residue” shall mean Solid Waste remaining after the Recycling Facility or any Non-Project Recycling Facility has processed Solid Waste.
- (z) “Recycling Transfer Station” shall mean any of the facilities, including all roads appurtenant thereto, owned and/or operated by the Authority for receiving Acceptable Recyclables from any Participating Municipality for transport to the Recycling Facility for processing.
- (aa) “Scrap/Light Weight Metals” shall mean but not limited to the following: scrap steel parts, aluminum sheets, pipes, desks, chairs, bicycle frames, lawn mowers with engines drained, file cabinets, springs, sheet metal, hot water heaters, cleaned and emptied fifty-five (55) gallon drums with the top and bottom covers removed, fencing, oil tanks and fuel tanks approved by the Authority for disposal and cleaned and rinsed in accordance with all applicable laws and regulations, and any other materials deemed by the Authority in its sole discretion to be Scrap/Light Weight Metals.
- (bb) “Solid Waste” shall mean unwanted and discarded solid materials, consistent with the meaning of that term pursuant to Section 22a-207(3) of the Connecticut General Statutes, excluding semi-solid, liquid materials collected and treated in a “water pollution abatement facility.”
- (cc) “Transfer Station” shall mean any of the facilities, including all roads appurtenant thereto, owned and/or operated by the Authority for receiving Acceptable Waste from any Participating Municipality for transport to a destination of ultimate disposal.
- (dd) “Special Waste” shall mean materials that are suitable for delivery, at CRRA’s sole and absolute discretion, but which may require special handling and/or special approval by CT DEP or another non-CRRA entity.
- (ee) “Unacceptable Recyclables” shall include (i) Unacceptable Waste; (ii) any Solid Waste that is deemed by the Authority in its sole discretion to be not in conformance with the requirements for Acceptable Recyclables as set forth in these procedures; and (iii) any other waste deemed by the Authority in its sole discretion to be Unacceptable Recyclables.

- (ff) “Unacceptable Waste” shall include (i) explosives, pathological or biological waste, hazardous chemicals or materials, paint and solvents, regulated medical wastes as defined in the EPA Standards for Tracking and Maintaining Medical Wastes, 40 C.F.R. Section 259.30 (1990), radioactive materials, oil and oil sludges, dust or powders, cesspool or other human waste, human or animal remains, motor vehicles, and auto parts, liquid waste (other than liquid Solid Waste derived from food or food by-products), and hazardous substances of any type or kind (including without limitation those substances regulated under 42 U.S.C. §6921-6925 and the regulations thereto adopted by the United States Environmental Protection Agency pursuant to the Resource Recovery Conservation and Recovery Act of 1976, 90 Stat. 2806 et. 42 U.S.C. §6901 et. seq.) other than such insignificant quantities of the foregoing as are customarily found in normal household and commercial waste and as are permitted by state and federal law; (ii) any item of waste that is either smoldering or on fire; (iii) waste quantities and concentrations which require special handling in their collection and/or processing such as bulk items, junked automobiles, large items of machinery and equipment and their component parts, batteries or waste oil; (iv) any other items of waste that would be likely to pose a threat to health or safety, or damage the processing equipment of the Facilities (except for ordinary wear and tear), or be in violation of any judicial decision, order, or action of any federal, state or local government or any agency thereof, or any other regulatory authority, or applicable law or regulation; (v) any Solid Waste that is deemed by the Authority in its sole discretion to be not in conformance with the requirements for Acceptable Waste or Non-Processible Waste as set forth in these procedures; and (vi) any other waste deemed by the Authority in its sole discretion for any reason to be Unacceptable Waste, including but not limited to waste generated by a source which is not authorized by CRRA to deliver waste to any of the Facilities.
- (gg) “Waste Facilities” shall mean the Facility and all Transfer Stations and Landfills of the Project.
- (hh) “Waste Hauler” shall mean a person or firm, including a “collector” as defined in Section 22a-220a(g) of the Connecticut General Statutes, whose main source of income is derived from the collection, transportation, and/or disposal of waste.
- (ii) “White Metals” shall mean large appliances or machinery, refrigerators, freezers, gas/electric stoves, dishwashers, clothes washers and dryers, microwaves, copiers, computers, vending machines, air conditioners, industrial equipment and venting hood fans, and any other materials deemed by the Authority in its sole discretion to be White Metals.

Section 1.02 - Preamble.

These procedures may be amended by the Authority from time to time. Anyone obtaining a new permit or renewal of an existing permit should contact the Authority's Billing Department at (860) 549-1751 in order to obtain a copy of the procedures in effect. Additional copies of these procedures may be obtained at the cost of reproduction and postage.

Section 1.03 - General Principles of Interpretation.

- (a) The captions contained in these procedures have been inserted for convenience only and shall not affect or be effective to interpret, change or restrict the express terms or provisions of these procedures.
- (b) The use of the masculine gender refers to the feminine and neuter genders and the use of the singular includes the plural, and vice versa, whenever the context of these procedures so requires.
- (c) The Authority reserves the right to amend these procedures and the definitions herein from time to time as it deems necessary in its sole discretion.
- (d) These procedures are intended to comply and be consistent with each Municipal Solid Waste Management Services Contract for the Project. In the event of any conflict between these procedures and any Municipal Solid Waste Management Services Contract for the Project, the latter shall control.

ARTICLE II

PERMITTING

Section 2.01 - Permit Application.

- (a) Any Waste Hauler, Private Non-Commercial Hauler, Participating Municipality or any other person or entity that desires to use the Facilities shall obtain a permit in accordance with these procedures before delivering Acceptable Waste, Special Waste and/or Acceptable Recyclables to the Facilities.
- (b) Each applicant for a permit shall complete a permit application and provide to the Authority all of the necessary information requested thereon, including, but not limited to: (i) the identification of each vehicle owned, leased or operated by the applicant or its agents and employees and to be used by the applicant for the delivery of Acceptable Waste and/or Acceptable Recyclables to the Facilities; (ii) all Participating Municipalities in which each such vehicle will collect Acceptable Waste and/or Acceptable Recyclables; and (iii) all certificates of insurance that the applicant is required to provide pursuant to Article III hereof. In connection with the foregoing, each applicant shall also execute and submit to the Authority all documents attached to the permit application, including but not limited to: (i) a Mid-Connecticut Solid Waste Delivery Agreement (if applicable); (ii) an Attestation Agreement; (iii) Indemnification Agreement; (iv) Credit Agreement; and (v) security deposit in the form and amount acceptable to the Authority.

Section 2.02 - Submission of Permit Application.

- (a) Upon applicant's completion of the permit application and execution of all documents attached thereto, the applicant shall submit such permit application and documents and pay the applicable permit fees to the Authority.
- (b) Pursuant to the submission of a Permit Application to the Authority, each applicant and Permittee hereby agrees to cooperate with the CRRA or the Authority's Designee in any matter affecting the orderly operation of the Facilities and to fully abide by and comply with these procedures. In addition to the foregoing, each applicant and Permittee acknowledges and agrees that any failure to cooperate with the CRRA or the Authority's Designee or to abide by or comply with these procedures shall result in fines and/or suspension or revocation of disposal privileges at the Facilities.

Section 2.03 - Guaranty of Payment.

Permittee shall submit, along with its permit application, a guaranty of payment satisfactory to the Authority in all respects and in the form of either a letter of credit, a Suretyship bond, a cashier's check or cash in an amount sufficient to cover two (2) months' of waste disposal charges as estimated by the Authority. Permittee shall amend its letter of credit or Suretyship bond or provide any additional cashier's checks to the Authority in order to increase the foregoing amount, if requested to do so by the Authority. Additionally, if Permittee submits to the Authority either a letter of credit or Suretyship bond, Permittee shall within sixty (60) days before the expiration of the same renew such letter of credit or Suretyship bond and furnish the renewed letter of credit or Suretyship bond to the Authority. If Permittee's letter of credit or Suretyship bond is canceled or terminated, Permittee shall immediately submit to the Authority a new letter of credit or Suretyship bond that complies with the requirements of this Section 2.03. If Permittee fails to comply with any of the requirements of this Section 2.03, or fails to maintain adequate security then the Authority may deny Permittee any further access to the Facilities and/or revoke or suspend its permit for the same.

Section 2.04 - Issuance and Renewal of Permit.

- (a) Provided that the applicant has submitted its permit application and all other documents required to be submitted hereunder to the Authority, applicant has paid to the Authority the applicable permit fees, and such Permit Application and documents are complete and satisfactory in all respects to the Authority, then the Authority may issue a permit to the applicant.
- (b) Upon the issuance of a permit:
 - (i) the Permittee shall be assigned an Account number;
 - (ii) all of the vehicles listed on the Permittee's permit application shall be assigned a decal with a Permit Number, which decal shall be prominently

and permanently affixed by the Permittee in a location clearly visible to the scalehouse operator and as designated by the Authority; and;

- (iii) each Permittee's Roll-off Boxes and Trailers shall be assigned a decal with a Permit Number, which decal shall be prominently and permanently affixed by the Permittee in a location clearly visible to the scalehouse operator and as designated by the Authority.
- (c) Permits issued during the fiscal year of July 1 through June 30 are effective and valid until the end of such year unless otherwise revoked by the Authority. Permits cannot be assigned or transferred. In order to effectively renew an existing permit, the Permittee shall complete and submit to the Authority a renewal permit application together with the pertinent renewal fee for the same within twenty (20) days before the end of each fiscal year. The renewal fees to be paid by each Permittee hereunder shall be determined by the Authority on an annual basis. Any Permittee who fails to perform its renewal obligations under this Section 2.04(c) shall be denied access to the Facilities by the Authority until such Permittee performs such renewal obligations.

Section 2.05 - Tare Weights.

Tare weights of all vehicles, trailers and roll-off boxes shall be established after delivery of the first load of Acceptable Waste and/or Acceptable Recyclables under a new permit at one of the Facilities. Tare Weights may be checked by the scalehouse operator at any time.

Section 2.06 - Miscellaneous.

- (a) In the event that a Permittee discontinues the use of any vehicle, roll-off box or trailer authorized under the Permittee's permit, or if the Permittee acquires any vehicle, roll-off box or trailer that is not authorized under the Permittee's permit, then the Permittee shall submit an amended permit application to the Authority pursuant and subject to the procedures set forth in this Article II. In the event that a Permittee fails to submit an amended permit application to the Authority as required, the Authority shall have the right to suspend, fine or revoke such Permittee's permit.
- (b) Permittee is responsible for all charges, costs expenses disposal fees and fines incurred under the permit.
- (c) Permittees is responsible for all costs, charges, expenses, disposal fees and fines incurred even if the permit is stolen or lost or discontinued, until Permittee informs CRRA of such.

ARTICLE III

INSURANCE

Section 3.01 – Insurance.

- (a) Each Permittee shall procure and maintain, at its own cost and expense, throughout the term of any permit issued to such Permittee, the following insurance, including any required endorsements thereto and amendments thereof:
- (i) Commercial general liability insurance alone or in combination with, commercial umbrella insurance with a limit of not less than one million (\$1,000,000.00) dollars each occurrence 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).
 - (ii) 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 one million (\$1,000,000.00) dollars each accident.
 - (iii) Workers' compensation insurance with statutory limits and employers' liability limits of not less than five hundred thousand (\$500,000.00) dollars each accident for bodily injury by accident and five hundred thousand (\$500,000.00) dollars for each employee for bodily injury by disease.
- (b) Each applicant or Permittee shall submit along with its permit or permit renewal application to the Authority an executed original certificate or certificates for each above required insurance certifying that such insurance is in full force and effect and setting forth the requisite information referenced in Section 3.01 (c) below. Additionally, each Permittee shall furnish to the Authority within thirty (30) days before the expiration date of the coverage of each above required insurance a certificate or certificates containing the information required in Section 3.01 (e) below and certifying that such insurance has been renewed and remains in full force and effect.
- (c) All policies for each insurance required above shall: (i) name the Authority as an additional insured (this requirement shall not apply to automobile liability or workers' compensation insurance); (ii) include a standard severability of interest clause; (iii) provide for not less than thirty (30) days' prior written notice to the Authority by registered or certified mail of any cancellation, restrictive amendment non-renewal or change in coverage; (iv) hold the Authority free and harmless from all subrogation rights of the insurer; and (v) provide that such required insurance hereunder is the primary insurance and that any other similar insurance that the Authority may have shall be deemed in excess of such primary insurance.

- (d) All policies for each insurance required above shall be issued by insurance companies that are either licensed by the State of Connecticut and have a Best's Key Rating Guide of A-VII or better, or otherwise deemed acceptable by the Authority in its sole discretion.
- (e) Subject to the terms and conditions of this Section 3.01, any applicant or Permittee may submit to the Authority documentation evidencing the existence of umbrella liability insurance coverage in order to satisfy the limits of coverage required hereunder for commercial general liability, business automobile liability insurance and employers' liability insurance.
- (f) If any Permittee fails to comply with any of the foregoing insurance procedures, then the Authority may in its sole discretion deny such Permittee any further access to the Facilities and/or suspend or revoke its permit for same.
- (g) No provision of this Section 3.01 shall be construed or deemed to limit any Permittee's obligations under these procedures to pay damages or other costs and expenses.
- (h) The Authority shall not, because of accepting, rejecting, approving, or receiving any certificates of insurance required hereunder, incur any liability for: (i) the existence, nonexistence, form or legal sufficiency of the insurance described on such certificates, (ii) the solvency of any insurer, or (iii) the payment of losses.
- (i) For purposes of this Article III, the terms applicant or Permittee shall include any subcontractor thereof.

Section 3.02 – Permittee shall at all times defend, indemnify and hold harmless CRRA, any Operator and their respective directors, officers, employees and agents on account of and from and against any and all liabilities, actions, claims, damages, losses, judgments, fines, workers' compensation payments, costs and expenses (including but not limited to attorneys' fees and court costs) arising out of injuries to the person (including death), damage to property or any other damages alleged to have been sustained by: (a) CRRA, any Operator, or any of their respective directors, officers, employees, agents or subcontractors or (b) Permittee or any of its directors, officers, employees, agents or subcontractors, or (c) any other person, to the extent any such injuries or damages are caused or alleged to have been caused, in whole or in part, by the acts, omissions and/ or negligence of Permittee or any of its directors, officers, employees, agents or subcontractors. Permittee further undertakes to reimburse CRRA for damage to property of CRRA caused by Permittee or any of its directors, officers, employees, agents or subcontractors. The existence of insurance shall in no way limit the scope of this indemnification. Permittee's obligations under this Section 3.02 shall survive the termination or expiration of Permittee's permits.

ARTICLE IV

OPERATING AND DISPOSAL PROCEDURES

Section 4.01 - Delivery of Acceptable Waste.

- (a) Each Permittee shall deliver Acceptable Waste only to those Waste Facilities designated by CRRA.
- (b) White Metals and Scrap/Light Weight Metals must each be delivered to the Waste Facilities designated by the CRRA in separate loads and not mixed in with each other or any other Acceptable Waste. In the event that any White Metals are delivered with any other Acceptable Waste, then the entire load of such mixed waste materials shall be deemed to be a White Metals load.
- (c) The Authority may accept Contaminated Soil for disposal at the Waste Facilities subject to any terms and conditions that CRRA may require.
- (d) The Authority may accept Recycling Residue from a Non-Project Recycling Facility for disposal at the Waste Facilities subject to any terms and conditions that CRRA may require.

Section 4.02 - Delivery of Acceptable Recyclables.

- (a) Recycling Facilities' Delivery Standards - Permittees shall comply with, and all Acceptable Recyclables delivered to the Recycling Facilities must meet, the standards and other terms and conditions set forth in Appendix A and such other standards as deemed by the Authority in its sole discretion.

Section 4.03 - Access to the Facility. Access to the Facility and the Hartford Landfill by vehicles delivering Acceptable Waste from outside the City of Hartford shall be by State Highway or Interstate Highway entrances to 1-91 and proceeding to 1-91 off-ramps closest to the destination. From the off-ramps, vehicles shall use Brainard and Maxim Roads to access the Facility. Murphy Road shall not be used for through-access to the Facilities. More restrictive criteria may be promulgated as required by local conditions and shall be strictly adhered to by all Permittees.

Section 4.04 - Access to the Recycling Facility. Access to the Recycling Facility by vehicles delivering Acceptable Recyclables from outside the City of Hartford shall be by State Highway or Interstate Highway entrances to 1-91 and proceeding to 1-91 off-ramps closest to the destination. From the off-ramps, vehicles shall use Brainard Road and the Murphy Road entrance located directly across from the off and on ramps for 1-91 North. More restrictive criteria may be promulgated as required by local conditions and shall be strictly adhered to be all Permittees.

Section 4.05 - Temporary Emergency Access to the Facilities. The CRRA, in its' sole discretion and subject to any conditions or restrictions that it deems appropriate, may on a case by-case basis allow a Permittee temporary emergency access to the Facilities for the purpose of delivering

Acceptable Waste and/or Acceptable Recyclables to the same with a vehicle, roll-off box or trailer that is not authorized pursuant to these procedures to do so; provided, that such Permittee notifies the CRRA at least twenty-four (24) hours in advance of Permittee's need for such temporary emergency access.

Section 4.06 - Hours for Delivery. The hours for delivery to the Facilities shall be as follows:

| <u>Location</u> | <u>Delivery Hours</u> | |
|---|------------------------|---|
| | <u>Monday – Friday</u> | <u>Saturday</u> |
| (a) The Facility (WPF) | 5:00 AM to 5:00 PM | 6:00 to 2:00 PM |
| (b) Transfer Stations: | | |
| (i) Essex, Torrington and Watertown | 6:00 AM to 2:30 PM | 6:00 AM to 2:30 PM |
| (ii) Ellington | 7:30 AM to 2:30 PM | Closed (If closed for a weekday holiday, Ellington will be open on following Saturday from 7:30 AM to 2:30 PM) |
| (c) Hartford Landfill | 6:30 AM to 3:00 PM | 6:00 AM to 1:00 PM |
| (d) Recycling Facility (residential program) | 7:00 AM to 3:45 PM | 7:00 AM to 1:45 PM |
| (e) Recycling Transfer Station (Essex, Torrington, Watertown) | 6:00 AM to 2:30 PM | 6:00 AM to 2:30 PM (only in the event that a weekday holiday occurs) |

The Authority may, with at least thirty (30) days prior written notice, change the hours of operation for any of the Facilities. Holiday and emergency closings and any schedule of make-up hours will be posted as needed at each of the Facilities.

Section 4.07 - Disposal Procedures.

- (a) The Project Manager may direct that Non-Processible Waste and/or Special Waste be delivered directly to either a Landfill or any other site if accepted by CRRA.
- (b) Only vehicles with mechanical or automatic unloading/dumping capability will be allowed access to the Facilities, unless otherwise approved (on a case-by-case basis) by the Project Manager. Only vehicles with back-up lights, audible warning signals, and proper functioning equipment in compliance with all applicable federal, state and local laws or regulations shall be allowed access to the Facilities.
- (c) The doors of all vehicles shall be clearly marked with the business name and address of the Permittee. Any vehicle that is not properly marked shall be denied access to the Facilities.
- (d) All vehicle traffic will be directed by the Operator.

- (e) All scales will be operated on a "first-come, first served" basis except that the Authority reserves the right to utilize front-of-line privileges for its own vehicles and for the vehicles of others who have executed a written agreement with the Authority for such privileges.
- (f) CRRA will accept residue from recycling facilities only at the WPF and if the following conditions are met. (see attached).
- (g) No vehicles shall approach any scale until directed by the Operator. Each vehicle shall have its driver side window completely rolled down from the time such vehicle drives onto the inbound scale until it has discharged its load and passed over or by the outbound scale.
- (h) The speed limit on all roadways of the Facilities is 15 m.p.h., unless otherwise posted.
- (i) When positioned on any scale, the vehicle driver shall inform the scale Operator of the Participating Municipality from which the load originated.
- (j) The inbound scale Operator will present a signed weight ticket to the driver. The driver is responsible for seeing to it that the information on the ticket is correct before signing.
- (k) When directed by the Operators, a driver shall proceed with caution to the tipping floor, bay or Landfill face and deposit loads. Drivers shall proceed promptly yet safely to deposit loads in order to minimize vehicle waiting time.
- (l) Unacceptable Waste shall not be delivered by any Permittee or vehicle to any of the Facilities. In the event that Unacceptable Waste is delivered to any of the Facilities, the Authority and its agents, employees or Operators reserve the right to reload the Unacceptable Waste back on to the offending vehicle. In connection therewith, the Authority may at its sole discretion, issue a verbal and written warning to the Permittee of the offending vehicle and/or charge such Permittee a reloading fee of five hundred (\$500.00) dollars. The Authority may impose a reloading charge of one thousand (\$1,000.00) dollars for each subsequent violation. The Authority may revoke the permit of any Permittee who fails to pay a reloading charge. In addition to the foregoing remedies for the delivery of Unacceptable Waste, the Authority may (i) detain the driver and the offending vehicle until representatives from DEP have inspected the Unacceptable Waste and made recommendations, and/or (ii) take whatever corrective action the Authority in its sole discretion deems necessary at the sole cost and expense of the Permittee whose vehicle delivered the Unacceptable Waste, including but not limited to excavating, loading, transporting and disposing of the Unacceptable Waste, revoking such Permittee's permit and imposing against such Permittee any fines or charges.
- (m) All trucks must remain tarped until they are in the disposal area and out of the operation's way.
- (n) No drainage of roll-off boxes is allowed on the premises of any Facilities.

- (o) Roll-off or compactor boxes shall not be turned around on site.
- (p) All vehicles and roll-off boxes/trailers shall be covered, not leaking, and maintained in a safe and sanitary condition.
- (q) Drivers must latch and unlatch packers in the disposal area.
- (r) Drivers who wish to hand clean their truck blades must do so in areas designated by the Operators.
- (s) Only trailers coming from a participating municipality's Transfer Station may be used to deliver Acceptable Waste to a Transfer Station.
- (t) A vehicle or roll-off box/trailer tare weight shall be established by stopping at the outbound scale prior to departure from the Facility or Landfill if required by the scale Operator. Vehicles shall be tared as required by the Operator. Any Permittee whose driver does not tare his vehicle or roll-off box/trailer or sign the weight ticket pursuant to the Operator's instructions shall be charged the disposal fee for the gross weight of the load delivered.
- (u) Upon the direction of the Operators, vehicle drivers shall discharge loads in a specially designated area to facilitate load verification.
- (v) Hand sorting, picking over or scavenging dumped waste is not permitted at any time.
- (w) All vehicles and personnel shall proceed at their own risk on the premises of all Facilities.
- (x) No loitering is permitted at any of the Facilities.
- (y) Smoking of tobacco products is prohibited at all Facilities except in designated smoking area(s). The possession and/or drinking of alcohol as well as the possession and/or use of drugs at any time while on the premises of any of the Facilities is strictly prohibited.
- (z) At all times while on Facilities' premises, the drivers shall comply with the Operator's instructions.
- (aa) CRRA reserves the right to inspect incoming hauler deliveries at its sole discretion.
- (bb) Other procedures for the Facilities may be promulgated over time by the Authority and when issued must be strictly obeyed.
- (cc) Anyone violating any provision of Sections 22a-220, 22a-220a(f) or 22a-250 of the Connecticut General Statutes or any other federal, state or local law or regulation shall be reported by the Authority to the appropriate authorities.

- (dd) Foul language and inappropriate behavior, including both but not limited to, spitting, swearing, lewd behavior and littering, are not permitted on site at any of the Facilities.
- (ee) The Authority reserves the right to charge a \$500.00 reloading fee to a Permittee who delivers Unacceptable Waste, Non-Processible Waste, Special Waste or any material which the Authority deems in its sole and absolute discretion to be rejected.

ARTICLE V

BILLING

Section 5.01 Payment of Invoices. Invoices shall be issued and payable as follows: The Authority shall issue an invoice to each Permittee on a monthly basis, and each Permittee shall pay such invoice within twenty (20) days from the date of such invoice or within the time specified in your specific contract with the Authority.

Section 5.02 - Liability for Payment of Invoices. Any Permittee who delivers Acceptable Waste, Special Waste and/or Acceptable Recyclables to any of the Facilities by means of any vehicle, roll-off box or trailer that is owned, leased or operated by either such Permittee or by any other Permittee, person or entity, shall be responsible for the payment of any invoice issued by the Authority in connection with such delivery of Acceptable Waste, Special Waste and/or Acceptable Recyclables and the subsequent disposal or processing thereof by the Authority.

Section 5.03 - Past Due Invoices. If a Permittee fails to pay in full any invoice issued by the Authority, pursuant to Section 5.01 (a), on or before the close of business of the twentieth (20th) day following the date of such invoice, or pursuant to contract terms, then such invoice shall be deemed past due and a delayed payment charge of one percent (1%) of the amount past due shall be imposed commencing on the thirtieth (30th) day following the invoice date and continuing on a monthly basis following such thirty (30) day period until such invoice is paid in full.

Section 5.04 - Miscellaneous. If any Permittee fails to pay any invoice under this Article V by the due date for such invoice, then the Authority may in its sole discretion deny such Permittee any further access to the Facilities and/or suspend or revoke its permit for the same until such Permittee pays in full to the Authority all past due invoices including any interest thereon. Additionally, the Authority may at its sole discretion pursue any remedies available to it at law or in equity, including but not limited to procuring the amounts owed from such Permittee's guaranty of payment, in order to collect such amounts. In connection therewith, the Permittee shall also be liable for all costs, expenses or attorneys' fees incurred by the Authority in collecting the amounts of past due invoices owed by such Permittee to the Authority, whether or not suit is initiated.

ARTICLE VI

SANCTIONS

Section 6.01 – Sanctions.

- (a) In addition to the other remedies available to the Authority hereunder, the Authority may at its sole discretion impose the following sanctions, as liquidated damages, against any Permittee who violates any provision of these procedures:
1. First Offense - Written warning to the Permittee and, if applicable, any other appropriate authority.
 2. Second Offense - A one thousand (\$1,000.00) dollar fine payable to the Authority on or before the date specified by the Authority and/or a denial of disposal privileges against the Permittee's vehicle involved in the violation for a period not to exceed two (2) weeks.
 3. Third Offense - A two thousand (\$2,000.00) dollar fine payable to the Authority on or before the date specified by the Authority and/or a denial of disposal privileges for a period not to exceed one (1) month. The Authority at its option may impose the denial of the disposal privileges against either the Permittee or the Permittee's vehicle involved in the violation.
 4. Subsequent Offenses - A five thousand (\$5,000.00) dollar fine payable to the Authority on or before a date specified by the Authority and/or a denial of the disposal privileges for a period not to exceed six (6) months. The Authority at its option may impose the denial of the disposal privileges against either the Permittee or the Permittee's vehicle involved in the violation.
- (b) In the event that an individual disrupts the operation of, or creates a disturbance or acts in an unsafe or unruly manner at any of the Facilities, then the CRRA may in its sole discretion prohibit such individual from entering the premises of all or any part of the Project for a period to be determined by the Project Manager.
- (c) The Authority may in its sole discretion reduce the sanctions authorized above if the Authority determines that the circumstances involving the offense warrant such reduction.
- (d) The Authority, upon the written request of a Permittee, may clear the record of such Permittee provided that such Permittee has not committed a violation within twelve (12) months of its last violation.
- (e) In addition to any other violations of these procedures, sanctions shall be imposed by the Authority for the following:

- 1) Any breach by Permittee of any of its obligations under these procedures or any agreement between Permittee and the Authority for the delivery of Acceptable Waste by Permittee to the Project.
 - 2) Delivery of waste from a municipality and representing that such waste is from another municipality.
 - 3) Delivery of a Mixed Load and representing that such Mixed Load originated from one (1) municipality.
- (f) If a Permittee does not commit a violation during the six (6) month period following the Permittee's most recent violation, then the Permittee's record may be considered clear and any subsequent violation after the six (6) month period may be considered the Permittee's first violation.

ARTICLE VII

LEGAL

Section 7.01.

- (a) It is intended that these procedures be consistent with the Municipal Solid Waste Management Services Contract and with the applicable provisions of law. If any inconsistency should nevertheless appear, the applicable provisions of the Municipal Solid Waste Management Services Contract or the laws of the State of Connecticut shall control.
- (b) These Procedures 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.

APPENDIX A

CONNECTICUT RESOURCES RECOVERY AUTHORITY Mid-Connecticut Regional Recycling Center (RRC)

Facility Delivery Standards

Location: Mid-CT Offices: 211 Murphy Road, Hartford, CT 06114

Paper Processing Facility
Capitol Recycling of CT (CROC)
123 Murphy Road
Hartford, Connecticut
Phone: (860) 249-2792

Container Processing Facility
FCR, Inc.
211 Murphy Road
Hartford, Connecticut
Phone: (860) 278-8629

Hours of Operation:

RRC: Monday - Friday, 7:00 a.m. to 3:45 p.m.

Transfer Stations: Monday - Friday 6:00 a.m. to 2:30 p.m.

Please note: For weeks during which a holiday is observed on a weekday, the facilities will be open on Saturday as follows:

RRC: 7:00 a.m.-1:45 p.m.

Transfer Stations: 6:00 a.m. - 2:30 p.m.

If the scale is closed during the week for a scheduled holiday (listed below), the scale will be open the following Saturday from 7:00 a.m. to 1:45 p.m. If the scale remains open during a municipal or state holiday, the scale will be open the following Saturday from 7:00 a.m. to 10:45 a.m.

Holidays: Mid-Connecticut Facilities are closed on the following holidays:

New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day.

Delivery Policy:

Loads of residential-generated recyclables are to be delivered in permitted vehicles containing only the following acceptable materials:

Paper Processing Facility:

- 1) Newspaper and Magazines commingled
- 2) Corrugated Cardboard only
- 3) Newspaper, Magazines and Corrugated Cardboard commingled

Container Processing Facility:

Commingled food and beverage containers including:

- | | |
|---|---------------------------------|
| 1) Clear glass | 2) Brown glass |
| 3) Green glass | 4) Metal cans |
| 5) Aluminum cans | 6) Aluminum foil |
| 7) PET (#1) plastic containers | 8) HDPE (#2) plastic containers |
| 9) Aseptic packaging (milk and juice cartons and juice boxes) | |

Acceptable Materials

Newspapers (including newspaper inserts) and **Magazines** (including catalogs) - no more than (2) months old; commingled; bundled in brown (kraft) paper grocery bag; must be clean and dry.

Corrugated Cardboard - with corrugated (alternating ridges and grooves) kraft (brown) paper middle only; uncoated; clean and dry; flattened, when flattened must be no larger than three (3) feet in width or height (oversized boxes must be cut -down to 3'(feet) by 3'(feet); bundles may be tied with string only.

Glass food and beverage containers only - clear, brown, and green bottles up to one (1) gallon in size; washed clean; caps lids, and corks removed, attached labels and neck rings are acceptable, **EXAMPLES:** SODA, LIQUOR, WINE, JUICE BOTTLES, JAM JARS, and MASON JARS.

Metal food and beverage containers only - washed clean: up to one (1) gallon in size; clean metal lids acceptable; No. 10 size cans acceptable. **EXAMPLES:** SOUP, VEGETABLE, JUICE, and other FOOD CANS, COOKIE TINS; DOG and CAT FOOD CANS.

Aluminum Used Beverage Cans - unflattened; washed clean; self-opening attached tabs acceptable. **EXAMPLES:** SODA and BEER CANS.

Aluminum Foil - washed clean; folded flat; free of other materials. **EXAMPLES:** ALUMINUM FOIL WRAP, TAKE-OUT ALUMINUM FOIL FOOD CONTAINERS.

PET (Polyethylene Terephthalate) Plastic Containers - code 41 -, up to three (3) liters in size; washed clean; attached labels acceptable. **EXAMPLES:** SODA, JUICE, COOKING OIL, MINERAL WATER, and DISH DETERGENT BOTTLES.

HDPE (High Density Polyethylene) Plastic Containers - code 42; washed clean; up to one (1) gallon in size; attached labels acceptable. **EXAMPLES:** MILK JUGS, SPRING WATER, LAUNDRY DETERGENT, BLEACH, and DISH DETERGENT BOTTLES.

Aseptic Packaging - Gable top plastic coated paper containers up to one (1) gallon in size; empty with straws and caps removed. **EXAMPLES:** MILK, JUICE CONTAINERS, SMALL SINGLE SERVE JUICE AND MILK BOXES.

Materials Not Accepted

| | | |
|------------------------|-------------------------------|--------------------------|
| Ceramic plates | Light bulbs | Spray cans |
| Ceramic cups | Mirror glass | Syringes |
| Tiles | Window glass | Hypodermic needles |
| Clay pots | Crystal | Motor oil bottles |
| Porelain | Heat-resistant ovenware | Junk mail |
| Pyrex | Drinking glasses | Books |
| Stones | Plates glass | Office paper |
| Gravel | Auto glass | Telephone books |
| Pots and pans | Leaded glass | Paint cans |
| Clothes hangers | Food contaminated pizza boxes | #3-#7 plastics |
| Cereal boxes | Beer cartons | Non-corrugated cardboard |
| Waxed corrugated | Asian corrugated | Notebooks |
| Anti-freeze containers | | |

Delivery Rules and Regulations

1. Only residentially-generated recyclables will be accepted for delivery to the Mid-Connecticut Regional Recycling Center (RRC) and all the Recycling Transfer stations. All recyclables delivered to the RRC and Recycling Transfer Stations must meet the Facility Delivery Standards as stated herein in order to be accepted for processing.
2. Loads in which containers are mixed with new paper magazines and/or corrugated cardboard are not accepted for processing by either processing facility and are not accepted at the transfer stations.
3. All vehicles delivering to the RRC and the Recycling Transfer Stations must have a valid Mid-Connecticut permit issued by CRRA. Permit stickers must be displayed on roll-off containers as well as the vehicles delivering them.
4. Rear loading vehicles delivering to the RRC whose first or only delivery is newspaper, magazines and/or corrugated cardboard must enter the facility at 211 Murphy Road (Entrance marked "A").
5. Rear loading vehicles delivering to the RRC whose first or only delivery is containers must enter the facility at 123 Murphy Road (Entrance marked "B").
6. Operators of rear-dumping vehicles will be required to sweep clean all materials from the empty compartment before proceeding to the next tipping area.
7. All deliveries are subject to inspection of the contents by CRRA or its agent prior to, during, and/or after unloading.

8. Haulers may not deliver loads containing recyclables that originate from more than one town. Loads from towns not participating in CRRA's recycling program will not be accepted unless CRRA has authorized such delivery.
9. Mechanical densifying of aluminum containers and plastic containers is prohibited (non-aluminum metal cans may be crushed or flattened).
10. Loads of commingled containers may contain any combination of acceptable container materials except loads containing solely mixed-color (any color combination) glass will not be accepted for delivery.
11. Loads of commingled containers may not be delivered in bags of any type. All commingled containers must be delivered in loose form to both the RRC and the recycling transfer stations.
12. Due to poor quality of pre-sorted bottles and cans previously delivered, CRRA does not encourage deliver of pre-sorted containers. Any town or hauler wishing to deliver presorted containers must first obtain written approval from CRRA.

Load Rejection Policy

- Loads will be rejected if they include unacceptable levels of contamination, if they are unprocessable, or they otherwise do not meet the Facility Delivery Standards as determined by CRRA or its agent.
- Loads may be rejected before or after unloading. If a delivery is rejected after unloading, it is subject to a \$200 handling charge. Loads which are rejected prior to unloading will not be subject to a handling charge unless CRRA or its agent determines that such charge is appropriate under the circumstances. Loads which are rejected prior to unloading will be considered as voided transactions and the tonnage will not accrue to the town of origin. CRRA reserves the right to charge additional fees, disposal fees, and or penalties above \$200.00 when circumstances warrant such.

Loads will be considered not to meet the Facility Delivery Standards if:

- they originate from more than one town.
- they include commercially generated recyclables which are not collected as part of a town's residential program.
- they originate from a town or towns that do not participate in the Mid-Connecticut Regional Recycling Program unless authorized by CRRA.
- they are found to be contaminated and/or unprocessable.

- CRRA has communicated in writing to the hauler that the load or loads cannot be delivered to the RRC without written approval of CRRA.

Loads will be considered contaminated if:

- a load of commingled containers contains more than 5% unacceptable containers or materials other than acceptable containers.

Loads will be considered unprocessable if:

- more than 10% of a load of newspaper i.e.: magazines and/or corrugated cardboard is wet except as a result of inclement weather.
- acceptance of the load would significantly disrupt the normal operations of the Facility.
- more than 25% of a load's glass containers are broken.
- more than 25% of aluminum cans are flattened or deformed.
- more than 25% of plastic containers are flattened or deformed.
- the condition of the load is such that a significant part (or the entire load) of the material would be unmarketable after processing or that by processing the material delivered in the load with the other accepted, processible material. Such other accepted, processible material would be rendered unprocessable and/or unmarketable by coming in contact with the material in the load.

Vehicle Standards

- CRRA reserves the right to restrict vehicle access to any and all Mid-Connecticut recycling facilities (including transfer stations).
- All vehicles tipping at the facilities shall be automatic self-dumping vehicles and shall have a minimum capacity of twelve (12) cubic yards.
- Refuse packer trucks may be used in the collection of containers only if the compaction mechanism for the vehicle has been disabled for maximum compaction (so as to minimize breakage). It is preferred that such a vehicle's use be dedicated for recyclable collection. CRRA and its agents will have the right to check vehicles to insure that the compaction mechanism has been disabled for maximum compaction when delivering recyclable containers.
- Refuse packer trucks with operable compaction units may be used in the collection of newspapers, magazines and/or corrugated cardboard. It is preferred that the vehicle's use be dedicated for recyclable paper collection, and that the vehicle be free of any liquid or other residues (clean) inside the compartment.

- Use of on-truck densifiers or other mechanical compaction to flatten containers is prohibited.

For further information, contact the CRRA Field Manager at 860-549-1751 Ext. 3006.
Monday – Friday, 8:30 a.m. 5:00 p.m.

APPENDIX B

Policy Guidelines for Accepting Residue From Recycling Facilities

CRRA Projects will accept residue from recycling facilities, as defined in (CGS 22a-207); that meet all of the following conditions:

- 1) The Recycling Facility must possess a valid DEP Permit to Operate a Recycling Facility. A DEP permitted Solid Waste Facility (other than Recycling Facility), which provides for recycling in its approved Plan of Operations may also be deemed eligible by CRRA project staff for this purpose. Operators must provide CRRA with a copy of the DEP Permit to Operate. CRRA will determine if haulers comply with eligibility criteria before acceptance of residue.
- 2) Residue will only be accepted in direct proportion to the solid waste received and processed by the Recycling Facility from Project participating municipalities, (i.e.) if a facility accepts 100 tons of solid waste and 10 tons of this if from project municipalities, CRRA will accept 10% of the total recycling residue.
- 3) A listing by municipality of the amount of solid waste received, the total amount of residue generated, the amount of residue apportioned to each municipality, the method used to calculate the amount apportioned to each municipality, and the location at which all residue was disposed shall be submitted to CRRA with each payment for the period covered by the payment.
- 4) Prior to delivering any residue to any of the facilities, Hauler and all the Authorized Companies shall obtain all permits that are required by the Procedures, and shall comply with all other pre-delivery requirements set forth therein and-in the applications (including instructions) for such permits. Hauler and such authorized company shall comply at all times with the Procedures, including any amendments made by CRRA thereto from time to time.
- 5) All vehicles delivering residue must possess a current, valid CRRA permit, including but not limited to the necessary payment guarantees, proof of insurance and indemnification agreements.
- 6) CRRA projects from time to time may allow the receipt and disposal of processible non-project residue on a spot basis.
- 7) CRRA reserves the right to inspect any facility, including records of solid waste and residue, from which residue disposal is requested and/or received.

EXHIBIT B

May ___, 2003

Ms. Linda Krause
Executive Director
Connecticut River Estuary
Regional Planning Agency
P.O. Box 778
Old Saybrook, CT 06475

Mr. Thomas D. Kirk
President
Connecticut Resources Recovery Authority
100 Constitution Plaza, 17th Floor
Hartford, CT 06106

Re: Agreement For The Operation Of The Essex Transfer Station For Recyclable Materials
Between The Connecticut Resources Recovery Authority And The Connecticut River
Estuary Regional Planning Agency And The Municipalities (the "Agreement")

Dear Ms. Krause and Mr. Kirk:

It is our understanding that the Connecticut River Estuary Regional Planning Agency ("CRERPA") and the Connecticut Resources Recovery Authority ("Authority") desire to enter into the above Agreement for the continued operation of the Essex Transfer Station for recyclables. In the Agreement, the Authority has the responsibility of billing and collecting sums for certain capital expenses and operating expenses, including expenses associated with the employment of a regional recycling coordinator. This letter is to indicate that, in consideration of the Authority entering into the Agreement and providing the services described in the Agreement, this municipality will pay its share of those expenses to the Authority, through the mechanism of a surcharge on the municipal solid waste tipping fee it now pays to the Authority, in accordance with the terms of the above Agreement.

Municipality: Town of _____

By _____

Its
Duly Authorized

CRERPA

THE AUTHORITY

By _____

By _____
Thomas D. Kirk

TAB 11

**RESOLUTION REGARDING AN AGREEMENT FOR THE
INSTALLATION OF HIGH SPEED ROLL-UP DOORS IN THE
RDF STORAGE AREA AT THE WASTE PROCESSING
FACILITY**

RESOLVED: That the President is hereby authorized to execute an agreement with Bode Equipment Company to install two Dynaco High Speed Roll-Up Doors in the east and west entrances to the RDF storage area located at the Mid-Connecticut Waste Processing Facility, substantially as presented and discussed at this meeting.

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

Agreement for the installation of Dynaco High Speed Roll-Up Doors in the RDF storage area.

| | |
|---------------------------------|---|
| Presented to the CRRA Board on: | November 18, 2004 |
| Vendor/ Contractor(s): | Bode Equipment Company |
| Effective date: | Upon Execution |
| Contract Type/Subject matter: | Non-competitive Process/ Vendor has patent |
| Facility (ies) Affected: | Mid-CT Waste Processing Facility |
| Original Contract: | NA |
| Term: | 60 days from Notice to Proceed |
| Contract Dollar Value: | \$62,063.00 |
| Amendment(s): | NA |
| Term Extensions: | N/A |
| Scope of Services: | Implement replacement of the east and west steel roll-up doors in RDF storage area of the Waste Processing Facility with new Dynaco High Speed Doors. |
| Other Pertinent Provisions: | None |

Connecticut Resources Recovery Authority Mid-Connecticut Project – Waste Processing Facility RDF Dynaco High Speed Roll-Up Doors

November 18, 2004

Executive Summary

This is to request approval of the CRRA Board of Directors for the President to enter into an agreement with Bode Equipment Co., to install two Dynaco High Speed Roll-Up Doors in the east and west RDF storage area entrances at the Mid-Connecticut Waste Processing Facility.

Discussion

The Refuse Derived Fuel (RDF) storage area receives and stores processed waste prior to transferring the material to the Power Block Facility. During the peak waste generation months (June, July and August), increased RDF inventories have led to increased odors with stronger concentrations of smell. The existing RDF storage area entrance doors are equipped with slow moving, heavy steel roll-up doors. The Metropolitan District (MDC) has in the past operated the RDF storage area with the east steel roll-up door opened about 3 feet and the west steel roll-up door completely open. The MDC's RDF storage area protocol has led to increased fugitive odors due to cross flow of air in and out of the hall. Presently, to reduce odorous air from leaving the RDF storage area, its east steel roll-up door is kept closed and the west steel roll-up door is left open continuously. The open west steel roll-up door acts as a conduit for fresh air to be introduced into the RDF storage area. The fresh air is drawn in from the negative air pressure that is developed by the Mid Conn. Air Processing System (MCAPS). Although, there are times during windy days that odors are pushed out of the open west steel roll-up door. There is also a need to move rolling stock in and out of these doors that can increase cross-drafts which lead to increased odors escaping.

In an effort to reduce fugitive odors from escaping from either door, the CRRA intends to keep both doors closed during all times of operation. Fresh air make-up into the RDF storage area from the open west steel roll-up door will be substituted by the pre-existing north wall vents. These vents had been covered over based on the present steel door operational configuration with the MCAPS. In order for the RDF storage doors to be continually closed during operation, the north wall vent covers will have to be removed and placed back in service. Increased door cycling will require a better performing door that is also less intensive and costly to maintain or repair.

CRRA investigated many options and uses of high-cycle doors and has determined that the Dynaco door is the superior product for this application. The following are specific highlights of the Dynaco High Speed Door:

- This door is very unique to the industry. Using the patented “zipper” design, this door uses a drive gear at the top of each guide assembly directly driving the curtain up and down.
- There are no pulleys, springs or cables inside the guides
- The bottom edge does not have any aluminum, sand or steel bottom beam. It is made completely of fabric. It has an integrated stop and reverse sensing device that allows the door to come down on an object, cause no harm/damage, reverse to the open position traveling at 48” per second.
- It does not need any roll wind bars for this door. Other manufacturers will use sewn in aluminum ribs or wind bars to provide stiffness to the curtain. In addition, roll wind bars take away 6” of the physical opening when used. Due to the special “zipper” design the door does not need aluminum stiffeners/ribs or roll wind bars. Therefore, full access to the opening can be achieved.
- **This is the only door of this design or type in the North American Market.**
- **The Dynaco High Speed Door can handle wind speeds up to 110 miles per hour.**
- The electrical panel comes fully equipped with specific diagnostic points indicating where a problem may lie. There is no guess work in troubleshooting electrical problems. The other manufacturers may use a PLC but will provide a wiring diagram that personnel must use to trace the problem.
- **The breakaway feature is very unique. There is no bottom beam and the zipper design is integrated into the curtain. Once struck by a vehicle or object, the curtain will “un-zip”. To get the door back into position, simply press the “reset” button. The door will retract all the way to the top, reset the zipper teeth and re-track itself.**

The Dynaco High Speed Door is far superior over a steel door because of its reliability, no parts to replace if it is hit (higher availability), reduced operating costs after installation. The Dynaco High Speed Door is initially more expensive than a steel door (approximate 25% higher). Dynaco High Speed Doors are instantly capable of being reset in their guides if pulled out of position. Generally, once a steel door is struck by a vehicle it becomes non-functioning and the damage can not be repaired without ordering new parts. Repair response on steel doors at the WPF has been averaging one to two months depending on contractor availability. Even though a traditional fabric type high cycle door has certain advantages over a steel door, it lacks the capability of resetting itself and it requires downtime until its fabric rails clips are re-installed back into its guides after being struck and pulled out of its guides. Given the expected increase in duty cycles, the potential savings in repair costs, and other inherent operating features, the Dynaco High Speed Door is the most cost effective solution over steel doors and the traditional fabric type doors.

The scope of the work for the project is as follows:

Furnish all materials, labor, equipment and incidentals thereto for the replacement of both the east and west steel roll up doors located at the RDF storage area of the Waste Processing Facility. The work to be performed includes, the removal of both the existing RDF storage area steel roll up doors, reconditioning the existing frames after removal and the installation of two new Dynaco High Speed Doors to the manufacturer's specifications. Also included, is all the necessary electrical work, and performance testing of the doors for final approval.

Financial Summary

The project was not solicited through a public procurement process because of Dynaco's unique patented "zipper" design. The New England Distributor for the Dynaco door is Bode Equipment Company. Bode Equipment Company has quoted the above scope of work including vision panel windows with (2) receivers and (4) remote controllers at a cost of \$62,063.00.

The project will be funded from the WPF Engineering budget (Account # 41-001-601-52858) as adopted for fiscal year 2005 Mid-Connecticut budget. The adopted WPF Engineering budget for fiscal year 2005 is \$190,000.00.

TAB 12

**RESOLUTION REGARDING THE ADOPTION OF THE
REVISED "VEHICLE USAGE POLICY"**

RESOLVED: That the Board of Directors hereby adopts the revised "Vehicle Usage Policy" substantially as discussed and presented at this meeting.

Connecticut Resources Recovery Authority

Revised Vehicle Usage Policy

November 18, 2004

This is to request that the Board of Directors approve revisions to the Vehicle Usage Policy. You will find attached to this memo a red-lined version of the policy showing the revisions.

The first revision is in Section 2.5, General Guidelines, and serves to clarify that CRRA's Facilities Manager is responsible for vehicle maintenance of pool vehicles, except in instances where vehicle maintenance responsibilities have been assigned to a contractor. For example, at this time MDC manages vehicle maintenance for a number of the vehicles stationed at Murphy Road that are used by CRRA's enforcement group.

The second revision is in Section 2.7, Other, and authorizes the President or the Director of Operations to remove decals from a vehicle for enforcement purposes. This revision will give CRRA enforcement personnel access to unmarked vehicles, enabling them to more effectively undertake surveillance activities. Such enforcement surveillance activities are conducted in order to enforce legal contracts involving waste flow control, ultimately serving to protect the member municipalities of each of CRRA's projects.

Neither of these revisions require that CRRA publish a notice in the Connecticut law Journal since they concern internal matters and do not affect procedures available to the public.



VEHICLE USAGE POLICY

BOARD OF DIRECTORS POLICY AND PROCEDURE No. BOD 033

1. POLICY

The Connecticut Resources Recovery Authority maintains a pool of vehicles to provide its employees business-related transportation. These vehicles may be used for business purposes only; no personal use of the vehicles is permitted (except in the case of 24-hour "on-call" assignments; see below).

2. PROCEDURE

2.1 Assignments of Vehicles

Vehicles may be assigned to individuals on the basis of their job duties, the frequency of their need for business transportation, and similar criteria as established by the Policies and Procurement Committee. The Committee may review and approve all vehicle assignments.

In appropriate instances, vehicles may be assigned on a 24-hour "On-Call" basis. These assignments shall be made on the basis of an employee's "on-call" status and their demonstrated record of calls outside of normal business hours.

Vehicles may be assigned to divisions as warranted.

All other vehicles shall be assigned to the headquarters Vehicle Pool.

2.2 Acceptable Uses of Pool Vehicles

Acceptable uses of pool vehicles are transportation of individuals to/from Authority-related business and facilities and other clearly business-related purposes as approved by the President or the employee's Division Head.

Deleted: 11/21/02

2.3 Acceptable Uses of "On-Call" Assigned Vehicles

The following are acceptable used on "On-Call" assigned vehicles:

- (1) Transportation between the employee's primary place of residence and the CRRA facility for which he/she has on-call responsibilities;
- (2) Emergency service and repair calls;
- (3) Transportation of individuals to/from Authority-related business and facilities;
- (4) Delivery and pick-up of equipment, supplies, mail, and packages;
- (5) Attendance at conferences, meetings and/or seminars;
- (6) Other clearly business-related purposes as approved by the President or the employee's Division Head; and,
- (7) Daily commuting (in this instance, commuting mileage shall be accounted for in accordance with IRS regulations).

2.4 Scheduling

The use of any division-assigned vehicle shall be scheduled through the Division Head.

The use of any pool vehicle must be scheduled through the Facilities Manager as far in advance as possible. When reserving use of a vehicle, the employee must identify the purpose of the trip, destination, a method of contact while on the trip, and the approximate times of departure and return. Keys shall be checked out from the Facilities Manager at the time of departure and returned upon return from the trip. Reservations may be pre-empted by higher priority requests.

2.5 General Guidelines

When driving a CRRA vehicle, the operator must have in his/her possession a valid driver's license.

The Facilities Manager shall be responsible for all vehicle maintenance, unless the responsibility for vehicle maintenance of a CRRA vehicle is assigned to a contractor pursuant to an approved agreement or contract.

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Each vehicle shall have assigned to it a unique oil company charge card. Such card shall be for purchase of vehicle-related products (e.g., gasoline, oil, washer fluid, wipers, etc.) only; no other goods or services may be purchased with the card.

Vehicles may not be used for personal business or errands.

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Only CRRA and MDC employees are permitted to drive an Authority vehicle.

2.6 Purchases and Disposal of Vehicles

All Vehicles shall be purchased and disposed of through a competitive process.

2.7 Other

This policy shall apply to all CRRA-owned vehicles, including those owned by CRRA but driven by MDC employees.

All CRRA vehicles shall be identified with appropriate decals. Decals may be removed for enforcement purposes if such removal is approved by the President or Director of Operations.

Approved By: Board of Directors

P&P Number: BOD 033

Effective Date: Insert Revised Date

Deleted: November 21, 2002

TAB 13

**RESOLUTION AUTHORIZING THE APPROVAL OF THE
CONNECTICUT RESOURCES RECOVERY AUTHORITY POLICY
REGARDING HIRING, COMPENSATION, PROMOTION AND
DISMISSAL PROCEDURES**

RESOLVED: That the Board hereby approves and endorses the revised Hiring, Compensation, Promotion and Dismissal Procedures substantially as presented and discussed at this meeting.



DRAFT REVISION

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HIRING, COMPENSATION, PROMOTION AND DISMISSAL PROCEDURES

BOARD OF DIRECTORS PROCEDURE 012

1. HIRING PROCEDURE

- A. The creation of all positions and the duties and compensation therefore are subject to the prior approval of the President for the Connecticut Resources Recovery Authority (the "Authority").
- B. When a vacancy exists in an Authority position and the President of the Authority (the "President") determines that such position should be filled, he shall proceed to fill the position according to this CRRA procedure.
- C. The filling of a position is subject to the prior approval of the President.
- D. The description and salary range of each position which has been approved for filling will be posted at each location owned or leased by the Authority at which Authority employees regularly work. Each position shall also be advertised in daily newspapers, the Internet and other publications and at locations deemed appropriate by the President or the Human Resources Manager ("HR Manager").
- E. Each respondent shall submit a resume and cover letter for employment which will be part of the personnel file for the applicant who is hired.
- F. All applications received by the date posted in the advertisement shall be reviewed by the CRRA HR Manager. Applications received after that date may, at the discretion of the HR Manager, also be considered.
- G. The hiring manager and the HR Manager shall make the final decision on which candidate to hire, with the President's approval.
- H. Resumes from interested applicants shall be kept on file for a minimum of two years, from the date of application.

Deleted: Board of Directors (the "Directors")

Deleted: present a recommendation to that effect to the Personnel Committee of the Directors for its review and recommendation to the Directors.

Deleted: Directors

Deleted: his designee.

Deleted: obtain, complete and sign an Authority application

Deleted: President or staff members designated by the President.

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2. PROCEDURES FOR COMPENSATION, PROMOTION AND DISMISSAL

The Authority's procedures for employee compensation, promotion and dismissal are set forth in the Authority's Employee Handbook (updated April 01, 2004) which procedures are fully incorporated herein by reference.

Deleted: Personnel Policy Manual

Deleted: October 30, 1989

3. MISCELLANEOUS

Any deviation from the above procedures must be approved by a majority of the voting members of the Directors present at a scheduled meeting.

Approved By: Board of Directors

P&P Number: BOD 012

Bylaw Reference: Article VI

Effective Date: 11/18/04

Statutory Reference: CGS 1-121, 22a-265(15) and 22a-268a

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TAB 14

**RESOLUTION REGARDING HUMAN RESOURCES COMMITTEE
RECOMMENDATIONS to BOARD of DIRECTORS REGARDING
RENEWAL of HEALTH/DENTAL/LIFE/LONG-TERM & SHORT-
TERM DISABILITY INSURANCE PROGRAMS**

RESOLVED: That the Board of Directors authorizes the renewal of the health, dental, life, long-term disability and short-term disability insurance through Anthem and The Standard Insurance for the period of January 1, 2005 through December 31, 2005 for an estimated premium not to exceed \$670,000.

Connecticut Resources Recovery Authority Health/Dental/Life/LTD/STD Insurance Program Renewal

November 18, 2004

Executive Summary

CRRA's insurance programs renew on an annual calendar-year basis. Based on a review conducted by our broker R. C. Knox & Co., it is recommended that the Authority's medical and disability insurance plans renew with its current carriers.

The CRRA medical and dental plans were marketed to Anthem, United Healthcare, Oxford, and HealthNet, Aetna and ConnectiCare, the latter of the two companies were not competitive and did not submit quotes. Based on cost and levels of coverage and program terms, Anthem offers the best overall plan. There were issues with the provider networks for the other carriers and several of the benefits were different than CRRA's current plan.

For the life and disability coverage the plan was marketed to seven carriers, The Standard, Guardian, MetLife, The Hartford, Prudential, Genworth, Highmark, and Principal. Genworth, Highmark, and Principal did not respond to R. C. Knox and the rest declined to quote, possibly due to the small number of lives to insure.

The Management recognizes the significant escalation in benefit costs and will be introducing in 2005 an employee contribution to offset the rising costs. A survey of peer organizations has been conducted and the Authority's intention is to phase in the level of employee contribution over five years to mitigate the impact.

| Recommendation | | | | |
|-----------------------|-------------------------|---------------------|-----------------|------------------|
| Product | Current Provider | Current Cost | Provider | Cost |
| *Medical/Dental | Anthem | \$550,000 | Anthem | \$625,000 |
| *Life & Disability | The Standard | \$36,000 | The Standard | \$45,000 |
| Total | | | | \$670,000 |

***Note: The dental plan is still being marketed and could result in an annual savings of \$8,000.00**

***Note: With the renewal of CRRA's Life and disability plans, The Standard will provide an Employee Assistance Plan free of charge.**

Note: The available budget for FY 05 and estimated for FY 06 for the period 1/1/2005-12/31/2005 is \$748,000

Recommendation

In consultation with our broker (R. C. Knox & Co.), Management recommends that the Human Resources Committee approve the renewal of health/dental/life/LTD and STD with its current carriers, Anthem and The Standard Insurance. The review conducted by R.C. Knox showed that although there were alternative carriers, their provider networks were less competitive and the administration cost to change carriers together with the impact of switching plans/doctors offset any potential savings. Management further recommends that the estimated-combined premium not to exceed \$670,000 be accepted for the period of January 1, 2005-December 31, 2005.