

CONNECTICUT RESOURCES RECOVERY AUTHORITY

SUBMISSION PURSUANT TO C.G.S 22a-268d(b)

QUARTERLY UPDATE FOR THE PERIOD ENDING JUNE 30, 2004

Submitted to:

Treasurer,
Office of the Treasurer
State of Connecticut

Secretary,
Office of Policy and Management
State of Connecticut

Joint Standing Committee of the General Assembly on Finance, Revenue and Bonding
State of Connecticut

July 22, 2004



100 CONSTITUTION PLAZA • HARTFORD • CONNECTICUT • 06103 • TELEPHONE (860) 757-7700
FAX (860) 757-7743

July 22, 2004

The Honorable Denise L. Nappier
Treasurer
State of Connecticut
55 Elm Street
Hartford, CT 06106

Secretary Marc S. Ryan
Office of Policy and Management
State of Connecticut
450 Capital Avenue, MS55SEC
Hartford, CT 06106

Joint Standing Committee on Finance, Revenue and Bonding
Connecticut General Assembly
State of Connecticut
Legislative Office Building
Hartford, CT 06106

Re: Notice Pursuant to C.G.S. 22a-268d(b), as amended
QUARTERLY UPDATE FOR THE PERIOD ENDING 6/30/04

Dear Madame Treasurer, Secretary Ryan and Joint Standing Committee Chairs:

This Notice is provided to satisfy the requirement of Section 22a-268d(b), of the Connecticut General Statutes, as amended (the "Statute"), that the Connecticut Resources Recovery Authority (the "Authority") submit a supplemental financial mitigation plan to the State Treasurer (the "Treasurer"), the Secretary of the Office of Policy and Management ("OPM") and the Joint Standing Committee of the General Assembly on Finance, Revenue and Bonding ("Joint Standing Committee") to access funding authorized pursuant to the Statute.

On May 5, 2003, the Authority submitted its Financial Mitigation Plan for the Fiscal Year 2004 (the "Plan"). In accordance with such submission, both the Treasurer and OPM approved a loan agreement entered into between the State and the Authority permitting the Authority to borrow up to \$22 million for the period ending June 30, 2004.

On August 16, 2003, Public Act 03-5 amended the Statute. The amended Statute requires the Authority to submit quarterly reports detailing the status of the Plan, and/or supplements to the original Plan, to the Treasurer, the Secretary of OPM and also to the Joint Standing Committee of the General Assembly on Finance, Revenue and Bonding. Under the terms of the Statute, such quarterly report "...shall include information detailing the efforts that the authority has

made to reduce the amount necessary to borrow from the state, including, but not limited to, the reduction of general administration and costs, renegotiation of vendor contracts, efforts to increase the price paid for the sale of steam or electricity, efforts to assess the viability of the sale of hard assets of the project and an analysis of the staffing levels, performance and qualifications of staff and members of the board of directors. In addition, the authority shall provide the State Treasurer and the Secretary with its proposed budget for the ensuing fiscal year, a three year financial plan, a cash flow analysis showing the need for the current and projected future borrowings, and the most recent certified audit of the authority, on an annual basis.”

This Statute further requires that the “...Authority shall enter into discussions with municipalities that have entered into solid waste disposal services contracts with the Mid-Connecticut project to determine the interest of said municipalities in extending these contracts beyond the fiscal year ending June 30, 2012. The Connecticut Resources Recovery Authority shall include the status of these discussions in the quarterly reports required under subsection (b) of this section.”

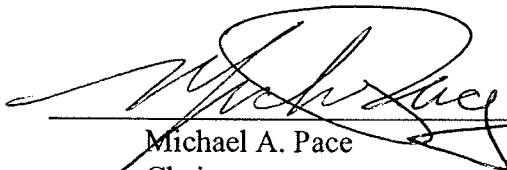
Consequently, on December 18, 2003, the Authority submitted its First Financial Mitigation Plan and Quarterly Report for the period ending December 31, 2003 to the Treasurer, OPM and the Joint Standing Committee. In addition, the Authority requested a loan authorization for fiscal year 2005. In accordance with such submission, both the Treasurer and OPM approved a loan agreement entered into between the State and the Authority permitting the Authority to borrow up to \$20 million during its fiscal year 2005, ending June 30, 2005.

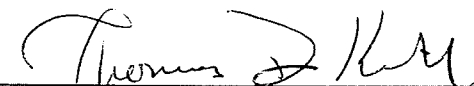
In accordance with all of the above requirements, the enclosed document constitutes the Authority’s submission of its Quarterly Update for the period ending June 30, 2004.

*Madame Treasurer
Secretary Ryan
Joint Standing Committee Chairs
July 22, 2004
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Dated: July 22, 2004

Respectfully Submitted On Behalf
of the Connecticut Resources Recovery Authority

By: 
Michael A. Pace
Chairman

By: 
Thomas D. Kirk
President

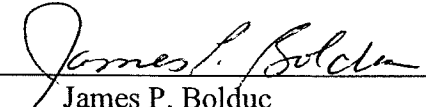
By: 
James P. Bolduc
Chief Financial Officer

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PLAN TO MINIMIZE TIPPING FEES FOR MID-CONNECTICUT MUNICIPALITIES

Quarterly Report 6/30/04:

On May 20, 2004, the Authority's Board of Directors approved a three-year Municipal Solid Waste Delivery Agreement to be executed with commercial haulers for the delivery of acceptable waste to the Mid-Connecticut Project. By June 30th, 52 haulers had executed such agreements. Since a significant amount of acceptable waste from member towns is collected and transported by commercial haulers, such waste is contractually secured for the next three years. Additionally, the three-year agreements versus the historical annual hauler agreements reduce the Authority's Administrative costs.

As discussed in the Quarterly Report of 3/31/04 (below), H.B. 5587 was approved by a voice vote of the Environmental Committee but died on the House Calendar. This bill would have created a task force to study beneficial ash residue and the State's ash disposal capacity, which would have aided the Authority with its long-range planning and budgeting for future tip fees.

As discussed in the Quarterly Report of 3/31/04 (below), S.B. 540 was unanimously approved by the Environmental Committee but died when, minutes before the close of the legislative session, the Senate returned it to the Environmental Committee. This bill would have replaced the current formula with regard to outside consultants and the number of Authority employees, which would have aided the Authority with cost containment measures.

Quarterly Report 3/31/04:

The Authority has requested legislation that would create a task force to study beneficial ash residue and the State's ash disposal capacity. The legislation, H.B. 5587, was approved by a voice vote of the Environmental Committee and, as of March 31, 2004, awaits action by the House.

The Authority has requested legislation that would provide flexibility in using employees or consultants to meet workforce needs. The legislation, S.B. 540, would replace the current complicated formula in Section 22a-265a and replace it with a simpler ratio of payroll to consultant expenditures. The bill was unanimously approved by the Environment Committee and, as of March 31, 2004, awaits action by the Senate.

On February 19, 2004, the Authority's Board of Directors approved a Municipal Solid Waste tip fee of \$70.00 per ton at the Mid-Connecticut facility. The municipalities were subsequently notified (See Schedule A for a copy of the letter).

The Authority continues its efforts to reduce operating expenditures. Major reductions have been achieved in Insurance costs. Operating cost reductions at the Mid-Connecticut facility and associated operations are being negotiated to the Authority's contract with the Metropolitan District Commission ("MDC"). The Authority believes significant annual cost savings are possible.

Quarterly Report 12/31/03:

Since the Steering Committee issued its report in December 2002 and the Authority submitted its Financial Mitigation Plan in May of 2003, a number of administrative, financial, operational and procedural changes have been implemented at the Authority and efforts on others have begun. Central to these initiatives has been the orderly transition by the new senior management to a renewed focus by the Authority on the solid waste business in Connecticut. The challenge of overcoming the significant loss of approximately \$26 million (\$30/ton) in annual cash revenue to the Mid-Connecticut project cannot be accomplished in one year or through a singular solution. It will be overcome through a series of actions over an extended time horizon.

This year, the Authority successfully undertook numerous steps to mitigate the impact of substantially increasing the tip fees in the near term, while at the same time being mindful of its obligations under the Mid-Connecticut bond resolution to avoid a default situation. The major components of these efforts are as follows:

1. Negotiations with CL&P culminated in the receipt of \$9.5 million in past due funds related to outstanding billings for electric sales.
2. The FY04 tip fee was increased to \$63.75/ton from \$57.00/ton recognizing that market conditions allowed for a more competitive situation.
3. The Authority has set as a goal to establish tip fees in line with market rates to avoid potential issues regarding flow control.
4. The Board approved the Financial Mitigation Plan and a Master Loan Agreement with the State of Connecticut was negotiated for \$22.0 million available through June 30, 2004. These funds are required to be repaid by June 30, 2012. Current projections are to utilize less than the \$22.0 million thereby mitigating the impact on future tip fees.
5. An energy agreement for the first 250 gigawatt hours of production from the South Meadows facility was bid successfully with the result being incremental revenues of \$4.2 million over the two-year contract term.
6. Implemented cost containment efforts to identify both minor and major cost drivers and begin the process of renegotiations. The Authority forecasts that successful renegotiations with one vendor alone could save approximately \$1.5 million per year.
7. Miscellaneous revenue streams were sought out in the form of landfill cover and generated approximately \$123,000 in fiscal year 2003.

8. Certain legal contracts for Enron litigation were renegotiated from an hourly charge to a success contingency basis.
9. Pursued legislation to access escheat funds of approximately \$16 million associated with uncollected bottle and can redemption.

The next phase of the mitigation plan will continue to focus on a mixture of both near term and longer term needs through the end of the current solid waste disposal contracts with member and contract municipalities, which expire in 2012. The actions will vary but the central theme of an ongoing business model post 2012 will be paramount in overcoming the sizable financial impact. Looking ahead, the Authority will be focusing its efforts as follows:

1. Continuance of vendor contract negotiations and/or renegotiation to improve costs and/or improve efficiency.
2. Filing with the State of Connecticut for access to FY05 portion of the \$93.0 million in loans as authorized in the legislation (Public Act 03-5).
3. Continuance of one-on-one meetings with officials of member and contract towns to discuss the extension of their solid waste contracts and also to provide information on the future of solid waste disposal options in the State and region.
4. Implementation of a reorganization plan to focus on greater internal effectiveness and efficiency.
5. Commence the process of developing a business model for the post 2012 period with the eventual renegotiation of contract extensions with member and contract towns as well as new towns.
6. Identify, develop and implement cost-effective solutions for the disposal of residue and ash.
7. Evaluate the financial option for refinancing beyond 2012 that would provide necessary cash flows at terms that incorporate longer maturities than currently available, which should lessen the impact on tip fees and support contract extension with the municipalities.
8. Maintain least cost strategies in administrative costs.
9. Pursue the recovery of settlement funds arising from Enron-related litigation.
10. Continue efforts to access escheat funds associated with uncollected bottle and can redemption.

The ultimate success of the efforts to mitigate the impact on tip fees rests in the ability to successfully extend the operations of the Authority beyond 2012, renegotiation of member and contract town agreements, and most importantly to restructure the outstanding Mid-Connecticut bonded debt over a longer time horizon.

SCHEDULE A

SAMPLE COPY OF MID-CONN TIP FEE LETTER TO TOWNS

RE: FISCAL YEAR 2005 TIP FEE



100 CONSTITUTION PLAZA - 17th FLOOR • HARTFORD • CONNECTICUT • 06103-1722 • TELEPHONE (860) 757-7700
FAX (860) 757-7743

February 27, 2004

Philip K. Schenck, Jr.
Town Manager
60 West Main Street
Avon, CT 06001-3743

Re: Mid-Connecticut Project Fiscal Year 2005 Operating Budget and Tip Fees

Dear Town Manager Schenck:

On February 19, 2004 the Connecticut Resources Recovery Authority ("CRRA") Board of Directors voted to adopt the fiscal year 2005 Mid-Connecticut Project Operating Budget which includes a tip fee of Seventy dollars (\$70.00) per ton for Municipal Solid Waste ("MSW"). The attached table shows the other tip fees adopted by the Board at the meeting. A copy of the adopted Mid-Connecticut Project Operating Budget is also attached.

The CRRA Board is acutely sensitive to our member towns' fiscal situations. The CRRA Board voted to increase the tip fee only after a careful and thorough review of the Mid-Connecticut Project's financial situation. The FY2005 increase in tip fees should be considered in context of the unique challenges of mitigating the Enron debacle and its \$26 million annual revenue shortfall for the Project. With this in mind, the increase, though significant, provides for sufficient operating revenue, compliance with the terms of our bond indenture, and minimizes costly additional debt. Additionally, this increase establishes an MSW tip fee for the Mid-Connecticut Project that is comparable to regional market tip fees, thereby eliminating the economic incentives for moving waste into or out of the Project in violation of Project agreements. Most importantly, the FY2005 tip fee is a critical step in the implementation of the CRRA financial mitigation plan that will provide member towns with stable, predictable and affordable tip fees for decades to come. Future tip fee increases, predicated upon the receipt of reasonable legal settlements, debt refinancing, and project extensions by member towns are projected to track inflation. This is a remarkable achievement given the massive \$220 million loss suffered by the Mid-Connecticut Project member towns in the Enron debacle.

A key component of the decision to limit tip fee increases in this fiscal year was the commitment by the CRRA to aggressively pursue cost control initiatives. Our most important initiative is the reduction of operating costs by aggressively managing and administering our vendor agreements. Our FY2005 budget provides for savings associated with reduced waste transfer, and waste processing preparation through either a new modified agreement with our present contractor, the Metropolitan District Commission, or introduction of a new contractor(s) where possible.

February 27, 2004

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The Board also examined other potential cost savings and revenue enhancing opportunities. Of particular note was the consideration of a \$30 per ton tip fee for recycling, and other tip fee increases for disposal of mattresses, non-processible waste and bulky waste that would encourage conservation of the remaining capacity in the Hartford Landfill. The recycling tip fee was determined to be a valid and reasonable potential revenue stream and competitive to other private and public recycling facilities in the region. The tip fee would reduce the present MSW subsidy to the recycling program. However, the tip fee was maintained at \$0 per ton for all recyclables in order to avoid any potential discouragement of recycling and impact on recycling rates. Mattresses, bulky waste and non-processible waste tip fees were set to minimize cost and inconvenience to the member towns while maximizing the life of the Hartford landfill.

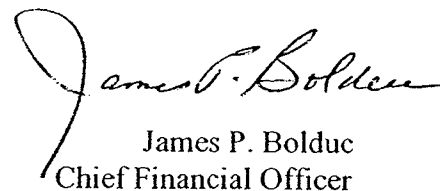
We recognize that increasing tip fees under any circumstances creates a burden on the member towns and their residents and businesses. However, we believe the steps being undertaken are clearly in the best interest of our member towns and their citizens and are an important step in establishing long-term stability and affordability of waste disposal for the member towns.

Please feel free to contact us with any thoughts or questions after you have had an opportunity to review the enclosed.

Sincerely,



Thomas D. Kirk
President CEO



James P. Bolduc
Chief Financial Officer

Encl.

FISCAL 2005 MID-CONNECTICUT FEE SCHEDULE

Per Ton Fees

<u>Waste Stream</u>	<u>FY04</u>	<u>FY05</u>	<u>Increase</u>
Municipal Solid Waste (MSW)	\$63.75	\$70.00	\$6.25
Metals	\$75.00	\$75.00	---
Bulky Waste – Municipal ⁽¹⁾	\$74.00	\$85.00	\$11.00
Bulky Waste – Commercial ⁽¹⁾	\$85.00	\$96.00	\$11.00
White Goods (Metals)	\$74.00	\$74.00	---
DEP Certified Soils	\$95.00	\$95.00	---
Non-processible Waste Fee ⁽¹⁾	\$74.00	\$85.00	\$11.00
Non-Municipal Mattress Surcharge	\$74.00	\$15/unit	⁽²⁾

⁽¹⁾ CRRA management will issue a Request for Proposal to seek an alternative economical disposal site(s) for our customers in lieu of delivering waste to the Hartford Landfill

⁽²⁾ Mattresses can consume 40 times more capacity than MSW in a landfill; therefore the FY2005 fee for non-municipal mattress is based on a per unit fee

AUTHORITY EFFORTS TO REDUCE ADMINISTRATIVE COSTS

Quarterly Report 6/30/04:

In June, the Authority completed its move of the corporate headquarters from the 17th and 18th floors down to the 5th and 6th floors of 100 Constitution Plaza, which has been projected to save the Authority \$850,000 through 2012.

Also in June, the Authority filled the newly-created position of Purchasing Manager, which will increase the Authority's cost control procedures by streamlining the purchasing process, thereby eliminating administrative duplication on a variety of levels and maintaining centralized control.

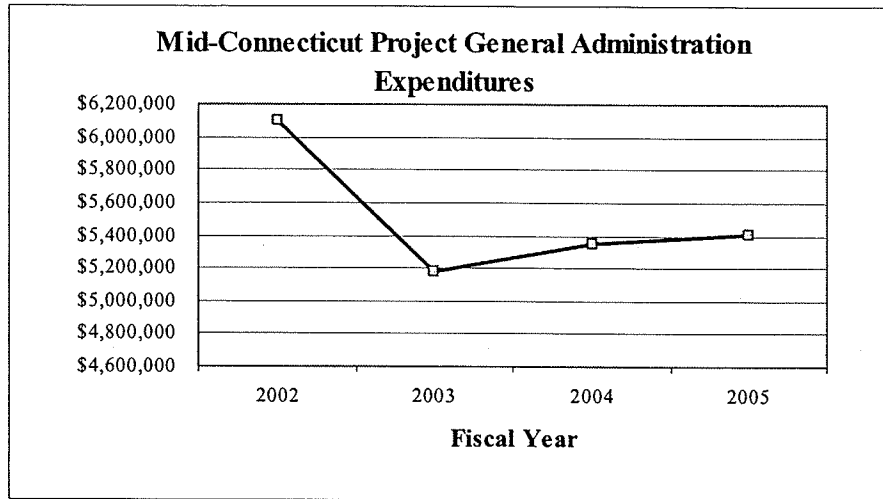
Quarterly Report 3/31/04:

The Authority continues its efforts to evaluate and reduce operating costs. Major initiatives in the cost of insurance were successfully achieved in the first quarter resulting in an annualized premium reduction of approximately \$204,000 or 16%.

The Authority has continued its efforts through mediation to renegotiate its contract with the MDC. Unfortunately, the process has not resulted near the terms or cost structure that the Authority finds reasonable and acceptable. Therefore, the next course of action will be to resolve the issue(s) through arbitration.

Quarterly Report 12/31/03:

In response to the Cibes Advisory Panel Report (March 2002) and the Authority Steering Committee Report (December 2002), the Authority has been successful in reducing administrative costs at the Mid-Connecticut facility. As the chart below illustrates, the Authority has decreased expenditures by 15.2% at the Mid-Connecticut project. The Authority has finished its most stringent cost-cutting measures and currently is maintaining its level of expenditures, factoring in inflationary increases, as necessary. Future efforts will focus on least cost strategies and continuance of vendor contract negotiations and/or renegotiations.



Note: For every \$100,000 change in expenditures, Mid-Connecticut project tip fees are adjusted by approximately \$0.10 per ton.

AUTHORITY EFFORTS TO RENEGOTIATE VENDOR CONTRACTS

Quarterly Report 6/30/04:

During this quarter, the Authority ended its mediation efforts with the MDC. The MDC was replaced with CWPM as the operator of the Essex Transfer Station along with transportation of waste from the Essex Transfer Station, which has been projected to save the Authority approximately \$1.051 million for fiscal year 2005.

Also during this quarter, the MDC was notified that on July 23, 2004 they would be replaced as the operator of the Ellington Transfer Station, along with the transportation of waste from the Ellington Transfer Station, which has been projected to save the Authority approximately \$598,000 for fiscal year 2005.

Quarterly Report 3/31/04:

The Authority continues to work with the Metropolitan District Commission ("MDC") to improve efficiencies and reduce costs in connection with the Mid-Connecticut Project. As of March 31, the Authority and MDC were in mediation discussions.

With regard to contaminated soils sales, the Authority generated approximately \$300,000 during calendar year 2003 and approximately \$60,000 during the first two months of calendar year 2004.

Quarterly Report 12/31/03:

The Authority is continuing to investigate renegotiating vendor contracts to improve cashflow. The following provides a status report as to the progress the Authority has made pertaining to these efforts:

1. The agreement between the Authority and CWPM (a Connecticut-based waste hauler) has been amended to include lease payments due for Authority vehicles used by CWPM. This equates to approximately \$50,000 in new revenues per year through 2006. This agreement also includes language whereby the Authority will receive a lump sum payment of \$149,000 at the end of the term should CWPM exercise their right to purchase the vehicles.
2. The Authority has continued to work with the Metropolitan District Commission ("MDC") to improve efficiencies and reduce costs in connection with the Mid-Connecticut Project. These efforts have included the participation in mediation. To date, the Authority remains hopeful that a solution will be achieved, which will be competitive with the market in regards to cost, quality, and performance.

3. The Authority, with the Attorney General's support, was able to renegotiate with the law firms involved in the Enron litigation to allow certain legal costs to be billed on a contingency basis.
4. As projected, the Authority has realized net savings in excess of \$200,000 annually for the operations and maintenance of the Mid-Connecticut Air Processing System ("MCAPS") and approximately another \$100,000 on fuel savings due to efficient usage of the MCAPS.
5. An assessment of the safety and efficiency impact of splitting the Energy Generating Facility ("EGF") and the Power Block Facility ("PBF") between two contracts revealed that it would not be feasible to have two separate contractors operating the facilities.
6. Contract discussions have been initiated with Covanta, which would result in the Mid-Connecticut Project processing the process residue in the boilers rather than landfilling this material.
7. The Authority has initiated discussions with Wheelabrator Putnam pertaining to the disposal of ash. The Mid-Connecticut Project will see an increase in future tip fees as a result of the Hartford Landfill closure. The Authority is proactively seeking alternative solutions to minimize future tip fee increases from this latter event.
8. The Authority has generated revenue for the Mid-Connecticut project through capture of contaminated soils for use as daily cover at the Hartford Landfill. Instead of purchasing soil for use as daily cover, the Authority has charged for acceptance of contaminated soil that the Department of Environmental Protection ("DEP") has approved for use as daily cover. The Authority signed a contract in May 2003 for delivery of soil, which generated revenue of approximately \$45,000. The Authority signed three contracts in July 2003 for delivery of soil that is anticipated to generate revenue of approximately \$304,000.
9. The Authority has renegotiated its lease agreement, which will involve the Authority moving its headquarters and renting less space at lower costs. The projected lease-to-lease savings to the Authority on a net present value basis, over the period to 2012, is approximately \$850,000.
10. The Authority continues to rigorously review all contracts as they terminate for suitability and value. Through this process a number of contracts have been discontinued or rebid.

AUTHORITY EFFORTS TO INCREASE ELECTRICITY AND STEAM REVENUES**Quarterly Report 6/30/04:**

The Authority continues to negotiate an extension of the Energy Purchase Agreement for the sale of the first 250,000 megawatts of electricity produced at the Mid-Connecticut facility for fiscal year 2006 and 2007.

Quarterly Report 3/31/04:

The Authority is currently negotiating an extension of the Energy Purchase Agreement for the sale of the first 250,000 megawatts of electricity produced at the Mid-Connecticut facility.

Quarterly Report 12/31/03:

The Authority has made significant progress in the sale of electricity generated at the Mid-Connecticut project. The following provides a status report on this progress as of the date of this report:

1. On November 6, 2002, the Authority received its Electric Supplier license from the Department of Public Utility Control ("DPUC"). However, the decision required a second DPUC approval for any retail sales from the South Meadows facility. This restriction is currently under appeal in Superior Court.
2. On June 2, 2003, the Authority was accepted by the Federal Energy Regulatory Commission ("FERC") as a member of NEPOOL (the New England Power Pool), which provides the opportunity for the Authority to sell power directly to the grid, effective July 1, 2003.
3. On June 30, 2003, the Authority entered into a new two-year Energy Purchase Agreement with Select Energy for the sale of the first 250,000 megawatt hours of electricity produced at the Mid-Connecticut plant. The price received is variable, based on off-peak and on-peak hours. The total revenue increase to be realized over the prior Enron electricity contract is approximately \$4.2 million for the two-year contract term.

AUTHORITY EFFORTS TO ASSESS VIABILITY OF THE SALE OF HARD ASSETS**Quarterly Report 6/30/04:**

The Authority continues to negotiate an extension of the Jet Turbine agreements to be co-terminus with the Energy Generating Facility (“EGF”) Agreement (June 2012).

Quarterly Report 3/31/04:

The Authority is negotiating an extension of the Jet Turbine agreements to be co-terminus with the Energy Generating Facility (“EGF”) Agreement (June 2012).

Quarterly Report 12/31/03:

The Authority continues to review the sale of hard assets. Below is a status of on-going investigation into this review.

1. Sale of the Jet Turbines: The Authority is reviewing its options with respect to the long-term disposition of the peaking jet turbines. The contracts with Select Energy for the output of the units and with Northeast Generating System for the operation and maintenance of the units terminate in 2010, with provisions to terminate as early as May 2005. A sale of the units in 2005 is one option being considered. In early 2004, the Authority will prepare an analysis including long-term projections as they relate to the continued operations of the Jet Turbines. Recently, the Authority was able to negotiate for additional Black Start revenues, which resulted in additional revenues in excess of \$600,000 annually.
2. Collins Building, Hartford: In November 2003, the Authority entered into renegotiations of its administrative lease agreement. As part of the evaluation for this renegotiation, the Authority had an appraisal completed on the Collins Building. The building was appraised at \$690,000. The Authority is currently evaluating its future option(s) in regard to this asset.
3. Portions of the South Meadows property (a total of approximately 90 acres) may be available for the Authority to sell. Site remediation, being performed as required by the property transfer act, is approximately 17% complete. Significant activities that have taken place include the decontamination and demolition of the mercury boiler building and the removal of approximately 7,000 tons of contaminated soil from the site.
4. The Authority is currently evaluating the development of other parcels within the South Meadows site and is developing a strategic plan for the property.

5. Gas Rights at the Ellington Landfill: Conversations were held with development companies regarding gas rights at the Ellington Landfill. Due to the age, gas flow rates, and methane concentration at the landfill there was little interest from the developers to pursue this further.
6. Miscellaneous Equipment: The Authority auctioned off some of its vehicles resulting in additional revenues of \$55,300.

ANALYSIS OF STAFFING LEVELS, PERFORMANCE & QUALIFICATIONS OF STAFF**Quarterly Report 6/30/04:****Staffing:**

CRRA recently filled Board approved positions of Purchasing Manager, Administrative Assistant Finance, Administrative Assistant Operations, and two Enforcement/Scale Operations Specialists. Current vacancies consist of an Enforcement/Scale Operations Specialist, a Director of Legal Services, an Accounting Assistant and an Operations Manager Customer Care.

Current staffing levels are as follows:

	Full Time	Part Time	Total	% of Total
Administration	2		2	3.8%
Environmental	11		11	20.8
Finance & Accounting	14		14	26.4
Legal Services	3		3	5.7
Operations	13	2	15	28.3
Public Affairs	1	5	6	11.3
Recycling	2		2	3.8
Total	46	7	53	100.0%

Workforce Qualifications:

The employee's educational qualifications are as follows:

EDUCATION LEVEL	Number of Employees	% of Total
High School Diploma	10	18.9
Completed Some College	4	7.5
Associate's Degree	4	7.5
Bachelor's Degree	27	50.9
Master's Degree	8	15.1
TOTALS	53	100

Workforce Performance

Human Resources initiatives for CRRA this year included development and implementation of a compensation plan and a performance management system, which will aid the organization in a competitive labor marketplace. The compensation and management plans will help employees to realize a sense of commitment to CRRA with an effort to help the organization exceed its goals. The goal of the plan is a system that focuses attention on important actions and outcomes, and recognizes and rewards desired employee behavior and results. An additional goal of the aforementioned programs is to

ensure that the programs are fair, consistent, competitive, and easy to understand as well as clearly communicated to our employees.

The performance management plan includes qualitative and quantitative measurements of employee performance. The president and his management team identified measurable competencies and a way to measure those competencies. As required by law, these performance evaluations are maintained in a confidential personnel file.

Quarterly Report 3/31/04:

The following table represents filled positions at the Authority:

	Full Time	Part Time	Total	% of Total
Administration	2	--	2	4.0%
Environmental	11	--	11	22.0
Finance & Accounting	13	--	13	26.0
Legal Services	3	--	3	6.0
Operations	11	2	13	26.0
Public Affairs	1	5	6	12.0
Recycling	2	--	2	4.0
Total	43	7	50	100.0%

EDUCATION LEVEL	Number of Employees	% of Total
High School Diploma	9	18.0%
Completed Some College	3	6.0
Associate's Degree	4	8.0
Bachelor's Degree	26	52.0
Master's Degree	8	16.0
Total	50	100.0%

Quarterly Report 12/31/03:

Staffing:

Over the past two years the Authority has undergone significant changes and is in a rebuilding phase. We filled the key positions of Chief Executive Officer and Chief Financial Officer as well as vital leadership and staff positions, such as Operations Division Head, Communications Coordinator, Human Resources Administrator, and Director of Accounting. Current vacancies consist of Enforcement/Scale Operations Specialists and a number of previously established positions. Current staffing levels are as follows:

	Full Time	Part Time	Total	% of Total
Administration	2	--	2	4.3%
Environmental	11	--	11	23.4
Finance & Accounting	13	--	13	27.6
Legal Services	3	--	3	6.4
Operations	8	2	10	21.2
Public Affairs	1	5	6	12.8
Recycling	2	--	2	4.3
Total	40	7	47	100.0%

Workforce Performance

Human Resources initiatives for the Authority this year include development of a compensation plan coupled with a performance management plan to aid the organization in a competitive labor marketplace. The compensation and management plans will help employees to realize a sense of commitment to the Authority with an effort to help the organization meet its goals. The goal of the plans is a system that focuses attention on important actions and outcomes, and recognizes and rewards desired employee behavior and results. An additional goal of the plans is to ensure that the plan is fair, consistent, competitive, and easy to understand as well as clearly communicated to our employees.

The performance management plan will include qualitative and quantitative measurements of employee performance. The President and his management team will identify measurable competencies and a way to measure those competencies.

Workforce Qualifications

The Authority's employee's educational qualifications are as follows:

EDUCATION LEVEL	Number of Employees	% of Total
High School Diploma	6	12.8%
Completed Some College	3	6.4
Associate's Degree	4	8.5
Bachelor's Degree	26	55.3
Master's Degree	8	17.0
Total	47	100.0%

SUMMARY OF BOARD OF DIRECTORS' QUALIFICATIONS AND ANALYSIS

Quarterly Report 6/30/04:

The current Ad Hoc members are: the Honorable Timothy Griswold, First Selectman of Old-Lyme (Mid-Connecticut Project) and Sherwood Lovejoy, Public Works Director – Town of Monroe (Bridgeport Project). The Wallingford and Southeast Projects do not currently have Ad Hoc representation.

The following is the attendance of the Board members at Board meetings for the 12-month period ending June 30, 2004.

Board Member	Qualification	Appointed By	Total Board Meetings	Participation	% of Total	Committee Representation
M. Pace, Chair	First Selectman, Old Saybrook	Governor	15	15	100%	(A)
S. Cassano	Mayor, Manchester	Senate Pro Tempore	15	13	87%	SC, HR (Chair)
B. Cohn	Retired, State of Connecticut	Governor	15	10	67%	SC, PP (Chair), FC
M. Cooper	First Selectman, Southbury	Senate Minority Leader	15	13	87%	HR, PP
J. Francis	Finance Director, West Hartford	Senate Pro Tempore	15	13	87%	HR, FC
A. Knopp	Mayor, Norwalk	Speaker of the House	15	10	67%	
M. Lauretti	Mayor, Shelton	House Minority Leader	15	13	87%	FC
T. Martland	Martland Management, Inc.	Senate Minority Leader	15	12	80%	FC, PP
R. O'Brien	Retired, Kimberly Clark Corporation	House Minority Leader	15	15	100%	FC, PP
A. Sullivan, Jr., CPA	Tax Consultant Retired, KPMG	Speaker of the House	15	11	73%	SC, FC (Chair)
Average Participation			150	125	83.5%	

Key:

- (A) The Authority Chair is also the Chair of the Steering Committee and is an Ad Hoc member of all standing committees.
- SC Steering Committee Member
- FC Finance Committee Member
- HR Organizational Synergy & Human Resources Committee Member
- PP Policies & Procurement Committee Member

Quarterly Report 3/31/04:

During January 2004, the Honorable Arthur Lathrop resigned as an ad hoc member (representing the Southeast Project) of the Board of Directors.

During February 2004, Director Francis moved from the Policy and Procurement Sub-Committee and joined the Finance Committee Sub-Committee.

During March 2004, Jeff Hedberg resigned as an ad hoc member (representing the Mid-Connecticut Project) of the Board of Directors.

The following is the attendance of the Board members at Board meetings for the 12-month period ending March 31, 2004:

Board Member	Qualification	Appointed by	Total Board Meetings	Participation	% of Total	Committee Representation
M. Pace, Chair	First Selectman, Old Saybrook	Governor	15	14	93%	(B)
R.C. Blake, Esq.	Former Head of Prosecutorial Division – DPUC	Governor	(A)	(A)	(A)	(A)
S. Cassano	Mayor, Manchester	Senate Pro Tempore	15	11	73	SC, HR (Chair)
B. Cohn	Retired, State of Connecticut	Governor	15	11	73	SC, PP (Chair), FC
M. Cooper	First Selectman, Southbury	Senate Minority Leader	15	12	80	HR
J. Francis	Finance Director, West Hartford	Senate Pro Tempore	15	12	80	HR, PP
A. Knopp	Mayor, Norwalk	Speaker of the House	15	10	67	PP
M. Lauretti	Mayor, Shelton	House Minority Leader	15	13	87	FC
T. Martland	Martland Management, Inc.	Senate Minority Leader	15	13	87	FC, PP
R. O'Brien	Retired	House Minority Leader	15	15	100	FC, PP
A. Sullivan, Jr., CPA	Tax Consultant Retired, KPMG	Speaker of the House	15	12	80	SC, FC (Chair)
Average	--	--	150	123	82%	--

Key:

SC Steering Committee Member

FC Finance Committee Member

HR Human Resources Committee Member

PP Policy & Procurement Committee Member

(A) Subsequent to June 2003, R. Blake discontinued his representation on the Authority Board.

(B) The Authority Chair is also the Chair of the Steering Committee and is an Ad Hoc member of all standing

Quarterly Report 12/31/03:

The reconstituted Board of Directors of the Authority was appointed in accordance with the revised and amended Statutes: three members by the Governor of the State, and two members appointed by each of the President Pro-Tempore of the Senate, the Speaker of the House of Representatives, the Minority Leader of the Senate and the Minority Leader of the House of Representatives. Directors were selected based on criteria including: municipal officials representing member towns with populations greater and less than 50,000; and public members with experience in finance, business or industry, the environmental field and the energy field. In addition there are four appointed Ad Hoc members, each representing one of the Authority's four projects. The current Ad Hoc members are: the Honorable Timothy Griswold, First Selectman of Old Lyme (Mid-Connecticut project); Jeffrey Hedberg of Newington (Mid-Connecticut project); the Honorable Arthur Lathrop, Mayor of Norwich (Southeast Project); and Sherwood Lovejoy, Public Works Director - Town of Monroe (Bridgeport project). The Wallingford project does not currently have Ad Hoc representation.

Board Member	Qualification	Appointed by	Total Board Meetings	Participation	% of Total	Committee Representation
M. Pace, Chair	First Selectman, Old Saybrook	Governor	20	19	95	(B)
R.C. Blake, Esq.	Former Head of Prosecutorial Division – DPUC	Governor	(A)	(A)	(A)	(A)
S. Cassano	Mayor, Manchester	Senate Pro Tempore	20	15	75	SC, HR (Chair)
B. Cohn	Retired, State of Connecticut	Governor	20	16	80	SC, PP (Chair), FC
M. Cooper	First Selectman, Southbury	Senate Minority Leader	20	17	85	HR
J. Francis	Finance Director, West Hartford	Senate Pro Tempore	20	18	90	HR, PP
A. Knopp	Mayor, Norwalk	Speaker of the House	20	12	60	PP
M. Lauretti	Mayor, Shelton	House Minority Leader	20	18	90	FC
T. Martland	Martland Management, Inc.	Senate Minority Leader	20	16	80	FC, PP
R. O'Brien	Retired	House Minority Leader	20	19	95	FC, PP
A. Sullivan, Jr., CPA	Tax Consultant Retired, KPMG	Speaker of the House	20	15	75	SC, FC (Chair)
Average	--	--	200	165	82.5%	--

Key:

SC Steering Committee Member

FC Finance Committee Member

HR Human Resources Committee Member

PP Policy & Procurement Committee Member

(A) Subsequent to June 2003, R. Blake discontinued his representation on the Authority Board.

(B) The Authority Chair is also the Chair of the Steering Committee and is an Ad Hoc member of all standing committees.

PLAN TO EXTEND SOLID WASTE DISPOSAL CONTRACTS WITH MID-CONNECTICUT PROJECT MUNICIPALITIES

Quarterly Report 6/30/04:

The Authority's Board of Directors held a special meeting on June 3, 2004 to discuss matters involving the Hartford Landfill. At this meeting, the Board voted to discontinue all activities associated with determining the technical viability of vertical expansion of the Hartford Landfill. Although there would be financial benefit to the Mid-Connecticut Project if the Hartford Landfill were to be expanded, the expansion would at best provide only a short-term interim solution to the solid waste capacity assurance within the project. Accordingly, and because there was no support within the City of Hartford for the initiative, the Board felt that resources should instead be focused on long term solid waste management solutions.

In May, the Authority entered into a contract with an environmental engineering company to conduct a comprehensive landfill siting analysis. This study will identify potential sites within the State of Connecticut that are technically and environmentally amenable to permitting and constructing an ash residue and/or bulky waste landfill. A siting study is expected to be completed in fall 2004.

Also during this quarter, the Authority continued its negotiations with the town of Windsor regarding an agreement whereby the Mid-Connecticut Project would receive authority to ship municipal solid waste to the Windsor Landfill. Windsor's Town Council voted in favor of execution of the contract at its meeting on June 21, 2004. The Authority's Board of Directors will vote on the contract at its July 2004 meeting.

The Authority had meetings this quarter with the following municipalities and/or organizations to discuss the Authority's situation and future outlook:

- Northwest Connecticut Council of Governments
- Hartford Environmental Justice Network
- Watertown Rotary
- MDC Towns (Bloomfield, East Hartford, Hartford, Newington, Rocky Hill, Wethersfield, West Hartford, Windsor)
- City of Shelton
- Town of Windsor

As mentioned heretofore in Exhibit A, H.B. 5587 was approved by a voice vote of the Environmental Committee but died on the House Calendar. This bill would have created a task force to study beneficial ash residue and the State's ash disposal capacity, which would have aided the Authority with its long-range planning and budgeting for future tip fees.

The following is an update to the proposed schedule to extend solid waste disposal contracts with the participating Mid-Connecticut municipalities. It updates the schedule presented in the Financial Mitigation Quarterly Report of 3/1/04.

<u>Process for Positioning the Authority to Commence Contract Renegotiations</u>	<u>Projected Time Frame Updated 6/31/04</u>
1. Rebuild relationships with municipalities, operators, haulers and public officials through a series of meetings, communications and discussions	Ongoing
2. Stabilize the financial situation for the Mid-Connecticut project	Ongoing
3. Finalize the Authority's strategic plan	2004
4. Develop operational and action plans to implement the strategic plan and monitor results	2004
5. Develop municipal flow control options for member communities	2004
6. Begin development efforts and long term planning for Mid-Connecticut project residue and ash disposal	2004
7. Support the Department of Environmental Protection in revising the State Solid Waste Management Plan, so that it prescribes an appropriate solid waste management program for the future.	2004
8. Develop a viable business model that will provide competitive tip fees.	2004 - 05
9. Outline the Authority's role in the future of the Bridgeport Project	2004 - 05
10. Commencement of contract renegotiations with existing Mid-Connecticut municipalities and other non-member Connecticut municipalities	2005 and beyond

Quarterly Report 3/31/04:

As mentioned heretofore in Exhibit A, the Authority has proposed legislation that would create a task force to study beneficial ash residue and the State's ash disposal capacity. The legislation, H.B. 5587, was approved by a voice vote of the Environmental Committee and, as of March 31, 2004, awaits action by the House.

The Board and senior management commenced its efforts to develop a strategic plan at a meeting on December 19, 2003.

On February 5, 2004, the Authority held its inaugural Annual Meeting. Representatives of more than 30 municipalities attended, and the meeting was videotaped and broadcast by CT-Network.

During the first quarter of calendar 2004, the Authority also had meetings with the following organizations to discuss the Authority's situation and future outlook:

- Connecticut Council of Small Towns
- Litchfield Hills Council of Elected Officials (Norfolk, Colebrook, Hartland, Goshen, Winchester, Barkhamsted, New Hartford, Torrington, Harwinton, Litchfield, Morris).

The following is an update to the proposed schedule to extend solid waste disposal contract with the participating Mid-Connecticut municipalities. It updates the early schedule presented in the Financial Mitigation Quarterly Report of 12/31/03.

<u>Process for Positioning the Authority to Commence Contract Renegotiations</u>	<u>Projected Time Frame Updated 3/31/04</u>
1. Rebuild relationships with municipalities, operators, haulers and public officials through a series of meetings, communications and discussions	Ongoing
2. Stabilize the financial situation for the Mid-Connecticut project	Ongoing
3. Finalize the Authority’s strategic plan	2004
4. Develop operational and action plans to implement the strategic plan and monitor results	2004
5. Develop municipal flow control options for member communities	2004
6. Begin development efforts and long term planning for Mid-Connecticut project residue and ash disposal	2004
7. Support the Department of Environmental Protection in revising the State Solid Waste Management Plan, so that it prescribes an appropriate solid waste management program for the future.	2004
8. Develop a viable business model that will provide competitive tip fees.	2004 - 05
9. Outline the Authority’s role in the future of the Bridgeport Project	2004 - 05
10. Commencement of contract renegotiations with existing Mid-Connecticut municipalities and other non-member Connecticut municipalities	2005 and beyond

Quarterly Report 12/31/03:

The importance of the Authority entering extension discussions with the municipalities that have existing solid waste disposal service contracts is well understood and appreciated by the Authority. More importantly, the overshadowing question concerning the State of Connecticut views on solid waste disposal has not been forthcoming. While the Authority’s financial mitigation plan is focused on June 2012, when contracts for the Mid-Connecticut Project expire,

a pivotal point for the Authority will probably come much earlier, in 2008, when the Bridgeport Project is reconstituted and the Authority's role is re-defined. To begin extensive discussions with the Mid-Connecticut member and contract municipalities will require that the Authority strengthen its current financial position and be able to offer all its municipal members credible service opportunities in the future.

The Authority's Board of Directors and senior management are keenly aware of the daunting task of regaining credibility. They are working diligently towards the goal of positioning the Authority to negotiate extended agreements with the member and contract municipalities.

To reach this goal key steps have been identified and work has begun. The initial steps are singularly focused on defining the Authority's future business model and how the Authority can best serve the State's municipal solid waste needs. The following is a summary of the process.

Process for Positioning the Authority to
Commence Contract Renegotiations

Projected Time Frame

1. Rebuild relationships with municipalities, operators, haulers and public officials through a series of meetings, communications and discussions (see attached Schedule H)	Ongoing
2. Stabilize the financial situation for the Mid-Connecticut project	Ongoing
3. Commence strategic plan development with Board of Directors and Senior Management	12/19/2003
4. Finalize the Authority's strategic plan process	mid-2004
5. Develop operational and action plans to implement the strategic plan and monitor results	mid-2004
6. Develop municipal flow control options for member communities	mid-2004
7. Develop and long term plans for Mid-Connecticut project residue and ash disposal	2004 - 05
8. Support the Department of Environmental Protection in revising the State Solid Waste Management Plan, so that it prescribes an appropriate solid waste management program for the future.	2004 - 05
9. Develop a viable business model that will provide competitive tip fees.	2004 - 05
10. Outline the Authority's role in the future of the Bridgeport Project	2004 - 05
11. Commencement of contract renegotiations with existing Mid-Connecticut municipalities and other non-member Connecticut municipalities	2005 and beyond

We have begun the process. To date we have:

- Held numerous meetings and discussions with member municipalities, regional government organizations and legislative leaders (see attached Schedule H)
- Engaged Engineering and Economic Advisory Services to assist in the strategic planning process through a Request for Qualifications process.
- Completed a comprehensive Solid Waste Market Survey
- Commenced the Strategic Planning process with the Board and Senior Management

SCHEDULE H

Municipal meetings held during 2003

In September 2003, Authority management began an ongoing series of meetings with its member/shareholder cities and towns. Since then, meetings have been held with the following municipalities:

- Darien
- Greenwich
- Torrington
- Watertown
- Windsor
- Fairfield
- Naugatuck
- Trumbull
- West Hartford
- Glastonbury
- South Windsor
- Waterbury
- Wethersfield

Regional Authority meetings held during 2003

CRRA has also made presentations to these regional governmental organizations:

- Litchfield Hills Council of Elected Officials (Norfolk, Colebrook, Hartland, Goshen, Winchester, Barkhamsted, New Hartford, Torrington, Harwinton, Litchfield, Morris)
- Capitol Region Council of Governments (Hartford, East Hartford, West Hartford, Granby, Suffield, Enfield, Somers, Ellington, East Windsor, Windsor Locks, East Granby, Canton, Simsbury, Bloomfield, Windsor, South Windsor, Vernon, Tolland, Bolton, Manchester, Avon, Farmington, Newington, Wethersfield, Rocky Hill, Glastonbury, Marlborough, Hebron, Andover)
- Lower Connecticut Valley Selectmen's Association/Connecticut River Estuary Regional Planning Agency (Killingworth, Chester, Lyme, Old Lyme, Old Saybrook, Essex, Deep River, Westbrook, Clinton)
- Northwestern Connecticut Council of Governments (Salisbury, North Canaan, Canaan, Sharon, Cornwall, Kent, Warren, Washington, Roxbury)

**MID-CONNECTICUT BUDGET FOR FISCAL YEAR 2005 ADOPTED 2/19/04
AND THREE YEAR FINANCIAL PLAN**

SUMMARY OF KEY FACTORS AND ASSUMPTIONS

Quarterly Report 6/30/04

- 1. At the February 2004 Board of Directors meeting, the Mid-Connecticut budget was approved and a Fiscal Year 2005 tip fee of \$70 was adopted. The projections provided in the Financial Mitigation Plan for the Quarter Ending December 31, 2003 have been updated to include the adopted budget. The projections for FY06 and FY07 have been updated to reflect the adoption of the FY05 budget.**
- 2. 100% of payment of interest from day one on State Loan.**
- 3. Equal payments of principal from day of borrowing until 2012 maturity on State Loan.**
- 4. Interest rate of 4.0% assumed as average over life of the State Loan.**
- 5. Tip Fees are set to bring revenue into equilibrium with expenses. Any deficiencies are offset by utilization of the State Loan and/or other supplemental sources.**
- 6. Tonnage delivered to facility is equal to maximum capacity of plant (800,000 annual tons).**
- 7. Assumes 100% of municipal commitments continue to be applied to project.**

MID-CONNECTICUT PROJECT

**Adopted FY05 Operating Budget and Three Year
Financial Plan**

July 22, 2004

MID-CONNECTICUT PROJECT THREE YEAR PROJECTIONS

REVENUE AND EXPENDITURE SUMMARY

REVENUES

Account	Description	ACTUAL FY03	ADOPTED FY04	ADOPTED FY05	PROJECTED FY06	PROJECTED FY07
41-001-000-40101	Service Charges Solid Waste-Members	\$37,703,214	\$41,284,364	\$45,109,000	\$46,118,000	\$47,085,000
41-001-000-40102	Service Charges Solid Waste-Contracts	\$13,893,153	\$15,487,824	\$16,923,000	\$16,809,000	\$17,162,000
41-001-000-40103	Service Charges Solid Waste-Spot	\$846,314	\$272,500	\$108,000	\$108,000	\$108,000
41-001-000-41101	Bulky Waste - Municipal	\$936,716	\$1,813,000	\$680,000	\$0	\$0
41-001-000-41102	Bulky Waste - Commercial	\$72,600	\$85,000	\$43,000	\$0	\$0
41-001-000-41103	DEP Certified Materials	\$129,903	\$229,750	\$300,000	\$0	\$0
41-001-000-41104	Metal Sales	\$29,406	\$0	\$0	\$0	\$0
41-001-000-42101	Recycling Sales	\$1,479,756	\$1,467,600	\$1,407,000	\$1,407,000	\$1,407,000
41-001-000-42103	Metals Service Charge	\$10,346	\$5,230	\$5,000	\$0	\$0
41-001-000-43101	Electricity	\$15,549,275	\$14,462,500	\$15,290,000	\$15,221,000	\$15,221,000
41-001-000-45150	Miscellaneous Income	\$577,858	\$536,386	\$445,000	\$322,300	\$326,700
41-001-000-46101	Interest Income	\$908,910	\$354,600	\$1,000,000	\$1,000,000	\$1,000,000
41-001-000-xxxx	Supplemental Sources	\$17,572,107	\$18,421,399	\$17,009,000	\$20,830,290	\$21,738,300
41-001-000-xxxx	Jets / EGF	\$6,369,376	\$6,067,737	\$6,673,000	\$6,727,200	\$6,750,200
Total Revenues		\$96,078,934	\$100,487,890	\$104,992,000	\$108,542,790	\$110,798,200

EXPENDITURES

Account	Description	ACTUAL FY03	ADOPTED FY04	ADOPTED FY05	PROJECTED FY06	PROJECTED FY07
41-001-501-xxxx	General Administration	\$5,174,781	\$5,351,482	\$6,449,000	\$5,220,000	\$5,326,000
41-001-502-xxxx	Debt Service/Administration	\$26,090,416	\$26,893,541	\$29,163,000	\$32,487,500	\$36,040,000
41-001-505-xxxx	Waste Transport	\$12,794,229	\$13,901,762	\$11,064,000	\$11,243,000	\$11,447,000
41-001-506-xxxx	Regional Recycling	\$2,116,492	\$2,798,781	\$3,038,000	\$3,100,700	\$3,166,700
41-001-601-xxxx	Waste Processing Facility	\$19,695,090	\$20,316,311	\$21,312,000	\$20,509,000	\$18,540,100
41-001-602-xxxx	Power Block Facility	\$16,510,327	\$16,775,052	\$17,899,000	\$21,236,000	\$21,587,000
41-001-603-xxxx	Energy Generating Facility	\$1,425,818	\$1,461,706	\$1,500,000	\$1,537,000	\$1,575,000
41-001-604-xxxx	Landfill - Hartford	\$3,445,561	\$4,241,332	\$5,351,000	\$3,966,000	\$3,799,500
41-001-605-xxxx	Landfill - Ellington	\$168,310	\$397,281	\$410,000	\$405,900	\$410,400
41-001-61x-xxxx	Transfer Stations	\$2,246,686	\$2,242,348	\$2,086,000	\$2,062,490	\$2,107,300
41-001-620-xxxx	171 Murphy Road	\$41,851	\$40,556	\$47,000	\$48,000	\$49,000
41-001-xxx-xxxx	Jets / EGF	\$5,119,234	\$6,067,737	\$6,673,000	\$6,727,200	\$6,750,200
Total Expenditures		\$94,828,795	\$100,487,889	\$104,992,000	\$108,542,790	\$110,798,200
Balance		\$1,250,139	\$0	\$0	\$0	\$0

MID-CONNECTICUT PROJECT THREE YEAR PROJECTIONS

EXPENDITURE DETAIL

Account	Description	ACTUAL FY03	ADOPTED FY04	ADOPTED FY05	PROJECTED FY06	PROJECTED FY07
GENERAL ADMINISTRATION						
41-001-501-52101	Postage & Delivery Fees	\$7,231	\$12,000	\$12,000	\$12,000	\$12,000
41-001-501-52104	Telephone & Pagers	\$20,236	\$14,000	\$25,000	\$26,000	\$27,000
41-001-501-52111	Outside Copying	\$7,198	\$10,000	\$10,000	\$10,000	\$10,000
41-001-501-52115	Advertising	\$18,297	\$20,000	\$25,000	\$26,000	\$27,000
41-001-501-52201	Office Equipment	\$850	\$500	\$500	\$1,000	\$1,000
41-001-501-52202	Office Supplies	\$3,882	\$10,000	\$5,000	\$5,000	\$5,000
41-001-501-52211	Protect Clothing/Safety Equip.	\$334	\$3,000	\$8,000	\$8,000	\$8,000
41-001-501-52302	Miscellaneous Services	\$17,439	\$5,000	\$6,000	\$6,000	\$6,000
41-001-501-52305	Business Meetings and Travel	\$1,552	\$1,000	\$1,500	\$2,000	\$2,000
41-001-501-52355	Mileage Reimbursement	\$3,824	\$5,000	\$5,000	\$5,000	\$5,000
41-001-501-52401	Vehicle Repair / Maintenance	\$787	\$6,000	\$6,000	\$6,000	\$6,000
41-001-501-52403	Office Equipment Service	\$14,471	\$15,000	\$15,500	\$16,000	\$16,000
41-001-501-52404	Building Operations	\$40,659	\$71,960	\$75,000	\$77,000	\$79,000
41-001-501-52415	Grounds Maintenance	\$43,111	\$26,500	\$31,000	\$32,000	\$33,000
41-001-501-52502	Fees/Licenses/Permits	\$180	\$500	\$1,000	\$1,000	\$1,000
41-001-501-52505	Claims/Losses	\$13,921	\$8,500	\$10,000	\$10,000	\$10,000
41-001-501-52602	Bad Debt Expense	\$1,000	\$10,000	\$10,000	\$10,000	\$10,000
41-001-501-52612	Fuel	\$294	\$4,000	\$4,000	\$4,000	\$4,000
41-001-501-52856	Legal	\$2,290,716	\$1,500,000	\$2,000,000	\$750,000	\$750,000
41-001-501-52859	Financial	\$0	\$65,000	\$67,000	\$69,000	\$71,000
41-001-501-52863	Auditor	\$1,815	\$30,000	\$40,000	\$41,000	\$42,000
41-001-501-52875	Insurance, Consulting, Brokerage Serv	\$62,583	\$86,500	\$69,000	\$71,000	\$73,000
41-001-501-52899	Other Consulting Services	\$28,665	\$150,000	\$155,000	\$150,000	\$150,000
41-001-501-53301	Gas	\$6,479	\$7,850	\$8,000	\$8,000	\$8,000
41-001-501-53304	Electricity	\$55,679	\$55,000	\$58,000	\$59,000	\$60,000
41-001-501-54482	Computer Hardware	\$4,389	\$10,000	\$14,000	\$5,000	\$5,000
41-001-501-54483	Computer Software	\$719	\$4,000	\$5,000	\$1,000	\$1,000
41-001-501-52853	Information Technology	\$0	\$80,000	\$65,500	\$0	\$0
41-001-501-57840	Allocation - Salaries	\$1,381,034	\$1,731,582	\$2,077,500	\$2,129,000	\$2,182,000
41-001-501-57850	Allocation - Overhead	\$1,147,436	\$1,408,590	\$1,639,500	\$1,680,000	\$1,722,000
	Subtotal	\$5,174,781	\$5,351,482	\$6,449,000	\$5,220,000	\$5,326,000
			3.4%	20.5%	-19.1%	2.0%

MID-CONNECTICUT PROJECT THREE YEAR PROJECTIONS

EXPENDITURE DETAIL

Account	Description	ACTUAL FY03	ADOPTED FY04	ADOPTED FY05	PROJECTED FY06	PROJECTED FY07
DEBT SERVICE/ADMINISTRATION						
41-001-502-55525	Interest - 96 Series	\$10,464,441	\$9,704,513	\$8,837,000	\$7,879,000	\$6,867,000
41-001-502-55526	Interest - 97 Series	\$199,180	\$157,406	\$114,000	\$68,000	\$19,000
41-001-502-55536	Interest - 01 Series	\$686,623	\$686,623	\$687,000	\$687,000	\$682,000
41-001-502-55560	Principal Repayment	\$14,725,000	\$15,470,000	\$16,334,000	\$17,374,000	\$17,859,000
41-001-502-55585	Trustee Fees	\$15,075	\$15,000	\$17,000	\$17,000	\$17,000
41-001-502-xxxxx	Loan Repayment - Principle	\$97	\$717,000	\$2,387,800	\$5,107,000	\$8,652,600
41-001-502-xxxxx	Loan Repayment - Interest	\$0	\$143,000	\$786,200	\$1,355,500	\$1,943,400
	Subtotal	\$26,090,416	\$26,893,541	\$29,163,000	\$32,487,500	\$36,040,000
			3.1%	8.4%		
WASTE TRANSPORT						
41-001-505-52409	Other Repairs & Maintenance	\$0	\$2,000	\$2,000	\$2,000	\$2,000
41-001-505-52509	Transfer / Transport Subsidy	\$253,706	\$229,794	\$219,000	\$219,000	\$219,000
41-001-505-52658	Rolling Stock Reserve	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000
41-001-505-52701	Contract Operating Charges	\$5,824,860	\$5,401,100	\$5,292,000	\$4,718,000	\$4,820,000
41-001-505-xxxxx	Ash Loading	\$0	\$159,013	\$0	\$0	\$0
41-001-505-52706	Ash Hauling	\$445,346	\$426,855	\$467,000	\$481,000	\$505,000
41-001-505-xxxxx	Ash Disposal	\$0	\$0	\$0	\$0	\$0
41-001-505-52707	Contract Hauling - Other	\$89,046	\$23,000	\$100,000	\$104,000	\$108,000
41-001-505-52899	Other Consulting Services	\$45,038	\$60,000	\$40,000	\$40,000	\$40,000
	Subtotal	\$7,407,996	\$7,051,762	\$12,162,000	\$11,032,000	\$11,264,000
41-001-505-52710	Disposal Fees - Solid Waste (Bypass)	\$5,386,233	\$6,850,000	\$4,194,000	\$4,929,000	\$5,003,000
	Subtotal - Waste Transport	\$12,794,229	\$13,901,762	\$11,064,000	\$11,243,000	\$11,447,000
			8.7%	-20.4%	1.6%	1.8%
REGIONAL RECYCLING						
41-001-506-52118	Marketing & Public Relations	\$75	\$40,000	\$10,000	\$10,000	\$10,000
41-001-506-52202	Office Supplies	\$3,294	\$10,000	\$5,000	\$5,000	\$5,000
41-001-506-52302	Miscellaneous Services	\$190	\$2,000	\$2,000	\$2,000	\$2,000
41-001-506-52303	Subscriptions/Publications/Ref. Material	\$160	\$200	\$200	\$200	\$200
41-001-506-52305	Bus. Meetings & Travel	\$42	\$0	\$0	\$0	\$0
41-001-506-52355	Mileage Reimbursement	\$76	\$0	\$0	\$0	\$0
41-001-506-52404	Building Operations	\$2,190	\$25,000	\$15,000	\$15,000	\$15,000
41-001-506-52407	Project Equipment Maintenance	\$23,601	\$38,000	\$40,000	\$41,000	\$42,000
41-001-506-52418	Education Exhibits Maintenance	\$0	\$35,000	\$35,000	\$36,000	\$37,000
41-001-506-52502	Fees/Licenses/Permits	\$9,330	\$13,000	\$10,000	\$10,000	\$10,000
41-001-506-52652	Equipment Replacement Reserve	\$125,000	\$125,000	\$51,000	\$51,000	\$51,000
41-001-506-xxxxx	Recycling Education Reserve (PILOT)	\$0	\$0	\$100,000	\$100,000	\$100,000
41-001-506-52701	Contract Operating Charges	\$708,257	\$1,076,044	\$656,000	\$668,000	\$681,000
41-001-506-52709	Other Operating Charges	\$5,039	\$50,000	\$50,000	\$51,000	\$52,000
41-001-506-52810	Contract Services	\$21,770	\$50,000	\$40,000	\$41,000	\$42,000
41-001-506-52858	Engineering	\$31,269	\$100,000	\$70,000	\$72,000	\$74,000
41-001-506-52901	Environmental Testing	\$336	\$6,500	\$6,800	\$7,000	\$7,000
41-001-506-54482	Computer Hardware	\$0	\$1,000	\$2,000	\$500	\$500
41-001-506-56605	Construction	\$5,738	\$25,000	\$0	\$0	\$0
41-001-506-xxxxx	Recycling Reserve	\$0	\$0	\$100,000	\$100,000	\$100,000
41-001-508-xxxxx	Sweroc Education and Other Programs	\$195,268	\$168,386	\$173,000	\$177,000	\$181,000
41-001-506-57840	Allocation - Salaries	\$537,725	\$669,722	\$925,000	\$948,000	\$972,000
41-001-506-57850	Allocation - Overhead	\$447,132	\$532,315	\$747,000	\$766,000	\$785,000
	Subtotal	\$2,116,492	\$2,798,781	\$3,038,000	\$3,100,700	\$3,166,700
			32.2%	8.5%	2.1%	2.1%

MID-CONNECTICUT PROJECT THREE YEAR PROJECTIONS

EXPENDITURE DETAIL

Account	Description	ACTUAL FY03	ADOPTED FY04	ADOPTED FY05	PROJECTED FY06	PROJECTED FY07
WASTE PROCESSING FACILITY						
41-001-601-52404	Building Operations	\$15,793	\$10,000	\$25,000	\$26,000	\$27,000
41-001-601-52407	Project Equipment Maintenance	\$5,870	\$5,000	\$10,000	\$10,000	\$10,000
41-001-601-52502	Fees/Licenses/Permits	\$13,083	\$0	\$0	\$0	\$0
41-001-601-52507	Payments in Lieu of Taxes	\$2,890,921	\$2,471,211	\$2,833,000	\$2,799,000	\$2,869,000
41-001-601-52604	Rental / Lease	\$0	\$15,000	\$0	\$0	\$0
41-001-601-52640	Insurance Premium	\$1,185,601	\$1,567,600	\$2,315,000	\$2,431,000	\$2,553,000
41-001-601-52668	WPF Modification Reserve	\$500,000	\$500,000	\$1,000,000	\$1,000,000	\$1,000,000
41-001-601-52701	Contract Operating Charges	\$13,515,646	\$13,723,800	\$13,986,000	\$13,136,000	\$10,964,000
41-001-601-52709	Ferrous Metals Removal	\$113,147	\$178,200	\$184,000	\$181,000	\$181,000
41-001-601-52709	Dozing Costs	\$0	\$290,000	\$207,000	\$212,000	\$217,000
41-001-601-52709	Other Operating Charges (Subtotal)	\$113,147	\$468,200	\$391,000	\$393,000	\$398,000
41-001-601-52858	Engineering	\$165,851	\$57,000	\$190,000	\$150,000	\$150,000
41-001-601-52899	Other Consulting Services	\$3,686	\$15,000	\$0	\$0	\$0
41-001-601-52901	Environmental Testing	\$7,562	\$25,000	\$25,000	\$26,000	\$27,000
41-001-601-53304	Electricity	\$207,592	\$300	\$1,000	\$1,000	\$1,000
41-001-601-54482	Computer Hardware	\$0	\$1,000	\$4,000	\$1,000	\$1,000
41-001-601-56605	Construction	\$566,262	\$750,000	\$0	\$0	\$0
Mid-Connecticut Air Processing System (MCAPS)						
41-001-601-52616	Fuel	\$304,264	\$509,400	\$375,000	\$375,000	\$375,000
41-001-601-52713	Operating & Maintenance Costs	\$199,812	\$0	\$0	\$0	\$0
41-001-601-52713	Odor - Maintenance Costs	\$0	\$91,000	\$76,000	\$78,000	\$80,000
41-001-601-52713	Odor - Filter Maintenance	\$0	\$106,800	\$81,000	\$83,000	\$85,100
	Subtotal (MCAPS)	\$504,076	\$707,200	\$532,000	\$536,000	\$540,100
	Subtotal	\$19,695,090	\$20,316,311	\$21,312,000	\$20,509,000	\$18,540,100
			3.2%	4.9%	-3.8%	-9.6%
POWER BLOCK FACILITY						
41-001-602-52502	Fees/Licenses/Permits	\$205,522	\$126,000	\$324,000	\$324,000	\$324,000
41-001-602-52506	Solid Waste Tax (Dioxin Tax)	\$730,463	\$693,416	\$1,068,000	\$1,050,000	\$1,050,000
41-001-602-52611	Revenue Sharing Expense (5.05)	\$3,863,516	\$3,724,713	\$3,826,000	\$3,864,000	\$3,903,000
41-001-602-52613	Coal	\$154,003	\$154,750	\$0	\$159,000	\$163,000
41-001-602-52614	Lime	\$755,445	\$747,502	\$831,000	\$838,000	\$858,000
41-001-602-52616	SNCR (Urea)	\$165,925	\$208,000	\$234,000	\$239,000	\$244,000
41-001-602-52702	Contract Ops Charge - Equipment (5.02)	\$3,584,677	\$3,753,030	\$3,892,000	\$3,988,000	\$4,087,000
41-001-602-52703	Contract Ops Charge - Management Fee (5.03)	\$1,414,259	\$1,505,439	\$1,543,000	\$4,582,000	\$4,621,000
41-001-602-52709	Contract Ops Charge - Personnel (5.01)	\$5,310,858	\$5,132,202	\$5,261,000	\$5,392,000	\$5,527,000
41-001-602-52858	Engineering	\$25,957	\$65,000	\$175,000	\$75,000	\$75,000
41-001-602-52899	Other Consulting Services	\$0	\$5,000	\$5,000	\$5,000	\$5,000
41-001-602-52901	Environmental Testing	\$119,926	\$170,000	\$170,000	\$180,000	\$190,000
41-001-602-52910	Continuous Emission Monitoring	\$118,001	\$175,000	\$200,000	\$200,000	\$200,000
41-001-602-53305	Electricity	\$0	\$250,000	\$275,000	\$275,000	\$275,000
41-001-602-56605	Construction	\$61,775	\$65,000	\$95,000	\$65,000	\$65,000
	Subtotal	\$16,510,327	\$16,775,052	\$17,899,000	\$21,236,000	\$21,587,000
			1.6%	6.7%	18.6%	1.7%
ENERGY GENERATING FACILITY						
41-001-603-52504	Assessment / Taxes	\$0	\$1,455,206	\$0	\$0	\$0
41-001-603-52507	Payments In Lieu of Taxes	\$1,425,818	\$0	\$1,492,000	\$1,529,000	\$1,567,000
41-001-603-53304	Electricity	\$0	\$6,500	\$8,000	\$8,000	\$8,000
	Subtotal	\$1,425,818	\$1,461,706	\$1,500,000	\$1,537,000	\$1,575,000
			2.5%	2.6%	2.5%	2.5%

MID-CONNECTICUT PROJECT THREE YEAR PROJECTIONS

EXPENDITURE DETAIL

Account	Description	ACTUAL FY03	ADOPTED FY04	ADOPTED FY05	PROJECTED FY06	PROJECTED FY07
HARTFORD LANDFILL						
41-001-604-52104	Telephone & Pagers	\$3,218	\$3,750	\$4,000	\$4,000	\$4,000
41-001-604-52404	Building Operations	\$10,119	\$13,000	\$15,000	\$15,000	\$15,000
41-001-604-52407	Project Equipment Maintenance	\$60,741	\$67,200	\$214,500	\$220,000	\$226,000
41-001-604-52415	Grounds Maintenance	\$169,060	\$242,500	\$334,000	\$342,000	\$351,000
41-001-604-52502	Fees/Licenses/Permits	\$15,388	\$14,500	\$22,000	\$22,000	\$22,000
41-001-604-52507	Payments in Lieu of Taxes	\$93,128	\$179,914	\$61,000	\$0	\$0
41-001-604-52604	Rental / Lease	\$525,000	\$525,000	\$525,000	\$262,000	\$262,000
41-001-604-52650	Post Closure Reserve	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000
41-001-604-52701	Contract Operating Charges	\$1,390,958	\$1,482,250	\$1,448,500	\$742,000	\$761,000
41-001-604-52709	Other Operating Charges	\$297,963	\$408,290	\$426,000	\$437,000	\$448,000
41-001-604-52858	Engineering	\$141,367	\$207,000	\$246,000	\$126,000	\$64,500
41-001-604-52901	Environmental Testing	\$116,210	\$106,528	\$139,000	\$142,000	\$146,000
41-001-604-53304	Electricity	\$232	\$13,900	\$17,000	\$9,000	\$5,000
41-001-604-54482	Computer Hardware	\$0	\$1,000	\$4,000	\$0	\$0
41-001-604-56605	Construction	\$147,177	\$500,000	\$400,000	\$150,000	\$0
41-001-601-xxxxx	Landfill Closure Reserve	\$0	\$0	\$1,000,000	\$1,000,000	\$1,000,000
41-001-604-58001	Contingency	\$0	\$1,500	\$20,000	\$20,000	\$20,000
	Subtotal	\$3,445,561	\$4,241,332	\$5,351,000	\$3,966,000	\$3,799,500
			23.1%	26.2%	-25.9%	-4.2%
ELLINGTON LANDFILL						
41-001-605-52407	Project Equipment Maintenance	\$959	\$4,000	\$10,000	\$4,000	\$4,000
41-001-605-52415	Grounds Maintenance	\$21,140	\$37,500	\$60,000	\$62,000	\$64,000
41-001-605-52502	Fees/Licenses/Permits	\$0	\$250	\$1,000	\$1,000	\$1,000
41-001-605-52650	Post Closure Reserve	\$50,000	\$175,000	\$175,000	\$175,000	\$175,000
41-001-605-52709	Other Operating Charges	\$52,262	\$117,281	\$80,000	\$82,400	\$84,900
41-001-605-52858	Engineering	\$1,843	\$12,000	\$20,000	\$20,000	\$20,000
41-001-605-52901	Environmental Testing	\$20,564	\$33,250	\$40,000	\$37,500	\$37,500
41-001-605-53304	Electricity	\$21,542	\$18,000	\$24,000	\$24,000	\$24,000
	Subtotal	\$168,310	\$397,281	\$410,000	\$405,900	\$410,400
			136.0%	3.2%	-1.0%	1.1%

MID-CONNECTICUT PROJECT THREE YEAR PROJECTIONS

EXPENDITURE DETAIL

Account	Description	ACTUAL FY03	ADOPTED FY04	ADOPTED FY05	PROJECTED FY06	PROJECTED FY07
TRANSFER STATION - ELLINGTON						
41-001-610-52104	Telephone & Pagers	\$1,181	\$1,000	\$1,500	\$1,500	\$1,500
41-001-610-52302	Miscellaneous Services	\$0	\$500	\$0	\$0	\$0
41-001-610-52404	Building Operations	\$9,522	\$12,000	\$16,000	\$15,100	\$15,100
41-001-610-52502	Fees/Licenses/Permits	\$1,500	\$1,500	\$3,000	\$3,000	\$3,000
41-001-610-52508	Municipal Subsidy	\$6,505	\$6,188	\$7,000	\$7,000	\$7,000
41-001-610-52701	Contract Operating Charges	\$456,875	\$434,600	\$394,000	\$376,130	\$385,500
41-001-610-52858	Engineering	\$263	\$0	\$0	\$0	\$0
41-001-610-52901	Environmental Testing	\$625	\$1,200	\$1,500	\$1,200	\$1,200
41-001-610-53304	Electricity	\$0	\$1,800	\$2,000	\$2,000	\$2,000
41-001-610-54482	Computer Hardware	\$0	\$1,000	\$2,000	\$500	\$500
41-001-610-56605	Construction	\$33,720	\$16,000	\$15,000	\$16,000	\$16,000
	Subtotal	\$510,191	\$475,788 -6.7%	\$442,000 -7.1%	\$422,430 -4.4%	\$431,800 2.2%
TRANSFER STATION - ESSEX						
41-001-611-52404	Building Operations	\$25,940	\$30,000	\$30,500	\$30,100	\$30,100
41-001-611-52502	Fees/Licenses/Permits	\$1,500	\$1,500	\$3,000	\$3,000	\$3,000
41-001-611-52701	Contract Operating Charges	\$633,928	\$607,900	\$572,000	\$447,770	\$459,000
41-001-611-52858	Engineering	\$263	\$0	\$0	\$0	\$0
41-001-611-52901	Environmental Testing	\$1,472	\$3,500	\$3,500	\$3,500	\$3,500
41-001-611-54482	Computer Hardware	\$0	\$1,000	\$2,000	\$500	\$500
41-001-611-56605	Construction	\$27,791	\$16,000	\$10,000	\$16,000	\$16,000
41-001-611-57820	Local Administration	\$58,000	\$58,000	\$58,000	\$58,000	\$58,000
	Subtotal	\$748,894	\$717,900 -4.1%	\$679,000 -5.4%	\$558,870 -17.7%	\$570,100 2.0%
TRANSFER STATION - TORRINGTON						
41-001-612-52404	Building Operations	\$19,913	\$35,000	\$30,500	\$30,100	\$30,100
41-001-612-52502	Fees/Licenses/Permits	\$1,500	\$1,500	\$3,000	\$3,000	\$3,000
41-001-612-52701	Contract Operating Charges	\$444,559	\$455,829	\$424,500	\$483,590	\$495,700
41-001-612-52858	Engineering	\$263	\$0	\$0	\$0	\$0
41-001-612-52901	Environmental Testing	\$502	\$2,000	\$2,000	\$2,000	\$2,000
41-001-612-54482	Computer Hardware	\$0	\$1,000	\$2,000	\$500	\$500
41-001-612-56605	Construction	\$7,012	\$3,000	\$9,000	\$5,000	\$5,000
	Subtotal	\$473,849	\$498,329 5.2%	\$471,000 -5.5%	\$524,190 11.3%	\$536,300 2.3%

MID-CONNECTICUT PROJECT THREE YEAR PROJECTIONS

EXPENDITURE DETAIL

Account	Description	ACTUAL FY03	ADOPTED FY04	ADOPTED FY05	PROJECTED FY06	PROJECTED FY07
<u>TRANSFER STATION - WATERTOWN</u>						
41-001-613-52404	Building Operations	\$12,955	\$14,000	\$20,500	\$20,100	\$20,100
41-001-613-52502	Fees/Licenses/Permits	\$1,500	\$1,500	\$3,000	\$2,300	\$2,300
41-001-613-52508	Municipal Subsidy	\$26,288	\$22,500	\$29,000	\$29,000	\$29,000
41-001-613-52701	Contract Operating Charges	\$445,554	\$455,831	\$424,500	\$483,600	\$495,700
41-001-613-52709	Other Operating	\$3,728	\$0	\$0	\$0	\$0
41-001-613-52858	Engineering	\$263	\$0	\$0	\$0	\$0
41-001-613-52901	Environmental Testing	\$502	\$1,500	\$2,000	\$1,500	\$1,500
41-001-613-54482	Computer Hardware	\$0	\$1,000	\$2,000	\$500	\$500
41-001-613-56605	Construction	\$22,962	\$54,000	\$13,000	\$20,000	\$20,000
	Subtotal	\$513,752	\$550,331	\$494,000	\$557,000	\$569,100
			7.1%	-10.2%	12.8%	2.2%
<u>171 MURPHY ROAD</u>						
41-001-620-52404	Building Operations	\$12,767	\$10,000	\$15,000	\$15,000	\$15,000
41-001-620-52507	Payments in Lieu of Taxes	\$29,084	\$30,556	\$32,000	\$33,000	\$34,000
	Subtotal	\$41,851	\$40,556	\$47,000	\$48,000	\$49,000
			-3.1%	15.9%	2.1%	2.1%
<u>Jets / EGF</u>						
02-001-501-xxxxx	General Administration	\$108,631	\$281,691	\$1,021,000	\$889,200	\$772,200
02-001-951-xxxxx	Jets	\$3,574,643	\$1,687,961	\$1,960,000	\$2,055,000	\$2,101,000
02-001-952-xxxxx	Energy Generating Facility	\$1,435,960	\$4,098,085	\$3,692,000	\$3,783,000	\$3,877,000
		\$5,119,234	\$6,067,737	\$6,673,000	\$6,727,200	\$6,750,200
			18.5%	10.0%	0.8%	0.3%

MID-CONNECTICUT PROJECT THREE YEAR PROJECTIONS

EXPANDED ASSUMPTIONS		ACTUAL FY03	ADOPTED FY04	ADOPTED FY05	PROJECTED FY06	PROJECTED FY07
TIP FEES						
MSW	Member (1)	\$57.00	\$63.75	\$70.00	\$71.50	\$73.00
	Contract (1)	\$57.00	\$63.75	\$70.00	\$71.50	\$73.00
	Spot (2)	\$55.00	\$63.75	\$70.00	\$71.50	\$73.00
Landfill	Metals (1)	\$75.00	\$75.00	\$75.00	\$0.00	\$0.00
	Bulky Waste (C&D) - Municipal (1)	\$74.00	\$74.00	\$85.00	\$0.00	\$0.00
	Bulky Waste (C&D) - Commercial (1)	\$85.00	\$85.00	\$96.00	\$0.00	\$0.00
	White Goods (Metals) (1)	\$74.00	\$74.00	\$74.00	\$0.00	\$0.00
	DEP Certified Soils (1)	\$95.00	\$95.00	\$95.00	\$0.00	\$0.00
	Nonprocessible Fee - Direct (1)	\$74.00	\$74.00	\$85.00	\$0.00	\$0.00
	Non-Municipal Mattress Surcharge (Per Unit) (1)	n/a	n/a	\$15.00	\$0.00	\$0.00
	Cover Material - Charged (Negotiated) (3)	n/a	\$5 - \$25	\$0 - \$25	\$0.00	\$0.00
Other	Ferrous Residue (Spot) (4)	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
	Woodchips (Spot) (2)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	RDF (Spot) (2)	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
	Recycling Residue (Spot) (2)	\$62.00	\$68.75	\$70.00	\$71.50	\$73.00
Recyclables	Member - Container (1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Member - Paper (1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
POWER						
	kwh/ton of MSW Processed	535	562	539	543	543
	Total kwh Sold	438,789,530	445,000,000	440,000,000	438,000,000	438,000,000
	Average Rate Per kwh (4)	\$0.03149	\$0.03250	\$0.03475	\$0.03475	\$0.03475
DELIVERIES (Tons)						
MSW	Member	655,254	640,000	640,000	645,000	645,000
	Contract	237,096	240,000	240,000	235,000	235,000
	Spot	12,439	0	0	0	0
	<i>Subtotal</i>	<u>904,789</u>	<u>880,000</u>	<u>880,000</u>	<u>880,000</u>	<u>880,000</u>
Landfill	Metals	87	50	50	0	0
	Bulky Waste (C&D) - Municipal	12,652	24,500	8,000	0	0
	Bulky Waste (C&D) - Commercial	878	1,000	450	0	0
	White Goods (Metals)	52	20	20	0	0
	DEP Certified Soils	6	50	5	0	0
	Nonprocessible Waste - Direct	8,491	9,000	5,000	0	0
	Cover Material - Charged	8,955	15,000	30,000	0	0
	<i>Subtotal</i>	<u>31,121</u>	<u>49,620</u>	<u>43,525</u>	<u>0</u>	<u>0</u>
Other (Spot)	Ferrous Residue	9,499	10,000	9,000	9,000	9,000
	Wood chips	2,530	1,000	0	0	0
	RDF (Imported)	2,960	1,000	0	0	0
	Recycling Residue	2,473	2,000	0	0	0
	<i>Subtotal</i>	<u>17,463</u>	<u>14,000</u>	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>
Recyclables	Containers	22,537	22,000	22,000	22,000	22,000
	Paper (total)	56,939	60,000	56,000	56,000	56,000
	<i>Subtotal</i>	<u>79,476</u>	<u>82,000</u>	<u>78,000</u>	<u>78,000</u>	<u>78,000</u>
RECYCLING OPERATIONS						
Revenues	Containers (Split 50% w/contractor)	\$45.45	\$40.00	\$41.00	\$41.00	\$41.00
	Paper Contract	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
Expenditures	Container Processing Fee	\$21.10	\$21.64	\$22.18	\$22.73	\$23.30
	Paper Processing Fee	\$4.00	\$10.00	\$4.00	\$4.00	\$4.00
Operations	Residue Rate- Containers	8.19%	7.00%	7.00%	7.00%	7.00%
	Residue Rate- Paper	5.00%	2.00%	2.00%	2.00%	2.00%

(1) Rates set during the annual budget process

(2) Rates received through an annual bid process

(3) Included in DEP Certified Materials revenue account

(4) Rates specified by contract

MID-CONNECTICUT PROJECT THREE YEAR PROJECTIONS

EXPANDED ASSUMPTIONS, CONTINUED		ACTUAL FY03	ADOPTED FY04	ADOPTED FY05	PROJECTED FY06	PROJECTED FY07
FACILITY OPERATIONS						
Tons Processed		820,602	792,000	817,000	806,500	806,500
	Days Per Year	365	n/a	366	365	365
	Availability	89.86%	n/a	90.00%	90.0%	90.0%
	RDF Burned per Boiler Day	734	n/a	720	710	710
	RDF Produced	727,401	693,416	712,000	700,000	700,000
Residue Rates						
	Ash Rate (Per Ton of RDF)	24.1%	24.0%	24.0%	24.0%	24.0%
	Process Residue Rate (Per Ton of MSW)	9.0%	9.0%	10.0%	10.0%	10.0%
	Ferrous Metals Rate (Outbound) (Per Ton of MSW)	3.0%	3.0%	3.0%	3.0%	3.0%
	Ferrous Residue Rate (Inbound) (Per Ton of MSW)	1.2%	1.3%	1.3%	1.3%	1.3%
	Nonprocessible Waste - From WPF (Per Ton of MSW)	1.2%	2.0%	1.2%	1.5%	1.5%
Fees						
	Coal Price (per ton)	\$61.90	\$61.90	\$61.90	\$63.45	\$65.04
	Ash Loading (per ton)	n/a	\$0.96	\$0.75	\$0.75	\$0.75
	Lime (per ton)	\$98.42	\$98.00	\$101.50	\$104.04	\$106.64
	Urea (per gallon)	\$0.85	\$0.80	\$0.90	\$0.92	\$0.94
	Ferrous Residue	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50
Other						
	Lime (Lbs/Ton of RDF Burned)	22.3	22.0	18.0	18.0	18.0
	Lime (Lbs/Ton of RDF Burned) - Dolomitic System	n/a	n/a	5.0	5.0	5.0
	Coal Purchase (Tons)	2,813	2,500	0	2,500	2,500
	Coal Use (Tons)	2,491	2,500	2,500	2,500	2,500
	Urea (gallons per year)	270,845	260,000	260,000	260,000	260,000
WASTE TRANSPORT						
Fees						
	Ellington	n/a	n/a	\$8.57	\$8.82	\$9.04
	Essex	n/a	n/a	\$11.16	\$11.49	\$11.78
	Torrington	\$12.18	\$12.55	\$12.93	\$13.31	\$13.64
	Watertown	\$11.60	\$11.95	\$12.30	\$12.67	\$12.99
	Southeast Project Diversion Fee (per ton)	\$59.00	\$60.00	\$61.00	\$61.00	\$76.00
	Bridgeport Project Diversion Fee (per ton)	\$58.00	\$61.00	\$63.00	\$64.00	\$65.00
	Wallingford Project Diversion Fee (per ton)	\$55.00	\$55.00	\$55.00	\$55.00	\$55.00
	Bristol Project Diversion Fee (per ton)	\$50.00	n/a	n/a	n/a	n/a
	Exports Fee (average per ton)	\$68.00	\$69.00	\$72.00	\$73.00	\$74.00
	Process Residue Hauling (per ton)	n/a	n/a	\$5.21	\$0.00	\$0.00
	Non-Processible/Bulky (per load)	n/a	n/a	\$240.40	\$247.61	\$253.80
	Ash Hauling (per ton)	\$2.55	\$2.57	\$2.68	\$2.81	\$2.95
Hauled Tons						
	Ellington (MSW Only)	66,294	70,000	67,000	67,000	67,000
	Essex (MSW & Recyclables)	81,734	78,000	82,000	82,000	82,000
	Torrington (MSW & Recyclables)	77,773	78,000	69,300	69,300	69,300
	Watertown (MSW & Recyclables)	124,901	112,000	125,000	125,000	125,000
Hartford Landfill						
	Ash	175,020	166,320	174,300	171,200	171,200
	Process Residue	73,542	71,280	81,700	80,700	80,700
	Ferrous Metals	24,609	23,760	24,500	24,200	24,200
	Nonprocessible Waste - from WPF	10,039	15,840	9,800	12,100	12,100
MSW Bypass						
	Transfer to Southeast	12,647	12,000	0	0	0
	Transfer to Bridgeport	32,411	10,000	38,000	48,500	48,500
	Transfer to Wallingford	159	0	0	0	0
	Transfer to Bristol	961	0	0	0	0
	Export Out-of-State	40,005	80,000	25,000	25,000	25,000
	<i>Subtotal</i>	86,183	102,000	63,000	73,500	73,500

MID-CONNECTICUT PROJECT THREE YEAR PROJECTIONS

EXPANDED ASSUMPTIONS, CONTINUED		ACTUAL FY03	ADOPTED FY04	ADOPTED FY05	PROJECTED FY06	PROJECTED FY07
MUNICIPAL PAYMENTS						
Fees	Canton (\$/ Ton)	\$4.42	\$4.42	\$4.42	\$4.42	\$4.42
	East Granby (\$ / Ton)	\$8.38	\$8.38	\$8.38	\$8.38	\$8.38
	Ellington Surcharge (E. Windsor to Ellington TS) (\$/Ton)	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25
	Essex Surcharge (Recycling) (\$ / MSW Ton)	n/a	n/a	\$1.50	\$1.55	\$1.60
	Granby (\$/Ton)	\$7.90	\$7.90	\$7.90	\$7.90	\$7.90
	Guildford / Madison (\$/Ton)	\$2.75	n/a	\$2.75	\$2.75	\$2.75
	Hartford PILOT - Bulky Waste (per ton)	\$6.88	\$7.06	\$7.23	\$7.41	\$7.60
	Hartford PILOT - Processible Waste Fee	\$8.26	\$8.47	\$8.68	\$8.90	\$9.12
	Simsbury (\$/Ton)	\$8.13	\$8.13	\$8.13	\$8.13	\$8.13
	RRDD#1 Recyclables (\$/Load)	\$60.00	\$60.00	n/a	n/a	n/a
	RRDD#1 MSW (\$/Load)	n/a	n/a	\$75.00	\$75.00	\$75.00
	Sharon/Salisbury (\$/Ton)	n/a	n/a	\$10.50	\$10.50	\$10.50
	Watertown (City of Waterbury to Watertown TS) (\$/Ton)	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50
	Watertown (Settlement - Residential Drop Off) (Fixed)	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
	Waterbury Residential Drop Off (\$/Ton)	\$23.00	\$24.00	\$25.00	\$26.00	\$27.00
Deliveries (Tons)	Canton	5,827	5,500	5,500	5,500	5,500
	East Granby	3,490	3,500	3,500	3,500	3,500
	Ellington Surcharge (E. Windsor to Ellington TS)	2,879	2,750	3,000	3,000	3,000
	Essex Surcharge (MSW)	n/a	n/a	38,665	37,420	36,250
	Granby (TS Subsidy)	5,903	5,700	5,700	5,700	5,700
	Guildford / Madison (\$/Ton)	5,304	n/a	5,300	5,300	5,300
	Simsbury (TS Subsidy)	15,704	14,800	14,800	14,800	14,800
	RRDD#1 Recyclables	897	900	n/a	n/a	n/a
	RRDD#1 MSW	3,742	n/a	4,000	4,000	4,000
	Sharon/Salisbury (Transportation Offset)	4,622	n/a	4,700	4,700	4,700
	Watertown (City of Waterbury to Watertown TS)	35,642	45,000	40,000	40,000	40,000
	Waterbury Residential Drop Off	3,836	n/a	4,000	4,000	4,000
MISCELLANEOUS						
Inflation Estimate		2.10%	2.50%	2.50%	2.50%	2.50%