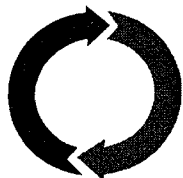


**CRRA
BOARD MEETING
Oct. 28, 2010**



**CONNECTICUT
RESOURCES
RECOVERY
AUTHORITY**

**100 Constitution Plaza • Hartford • Connecticut • 06103 • Telephone (860)757-7700
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MEMORANDUM

TO: CRRA Board of Directors
FROM: Moira Benacquista, Secretary to the Board/Paralegal
DATE: Oct. 22, 2010
RE: Notice of Regular Meeting

There will be a regular meeting of the Connecticut Resources Recovery Authority Board of Directors on Thursday, Oct. 28, 2010, at 9:30 a.m. The meeting will be held 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
Oct. 28, 2010
9:30 AM

I. Pledge of Allegiance

II. Public Portion

A ½ hour public portion will be held and the Board will accept written testimony and allow individuals to speak for a limit of three minutes. The regular meeting will commence if there is no public input.

III. Minutes

1. Board Action will be sought for the approval of the Sept. 30, 2010, Board Meeting Minutes (Attachment 1).

1.a Action Items

IV. Board Committee Reports

A. Finance Committee Reports

1. Board Action will be sought Regarding Reserve Analysis (Attachment 2).

V. Board Committee Reports

B. Policies & Procurement Committee Reports

1. Board Action will be sought for the Resolution Regarding a Contract for Soil Delivery to the Hartford Landfill (Attachment 3).
2. Notification – CRRRA Management intends to exercise an option to extend contracts for operation of the Mid-Connecticut Transfer Stations (Attachment 4).

VI. Chairman and President's Reports

C. Mid-Connecticut Project Special Committee Report

1. Board Action will be sought Regarding the Report of the Mid-Connecticut Special Project Committee (Attachment 5).

VII. Executive Session

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

TAB 1

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND EIGHTY-FIRST

SEPTEMBER 30, 2010

A regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, Sept. 30, 2010, in the Board Room at CRRA Headquarters, 100 Constitution Plaza, Hartford, Connecticut. Those present in Hartford were:

Directors: Chairman Pace
 Vice-Chairman Jarjura (present beginning 10:26 a.m.)
 David B. Damer
 Timothy Griswold
 Dot Kelly (present by telephone until arriving in person at 9:57 a.m.)
 Mark Lauretti (present beginning at 10:36 a.m.)
 Theodore Martland
 Nicholas Mullane
 Ron Van Winkle
 Mark Tillinger, Bridgeport Project Ad-Hoc
 Warren Howe, Wallingford Project Ad-Hoc

Present from CRRA:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Peter Egan, Director of Environmental Affairs & Development
Bettina Ferguson, Director of Finance
Laurie Hunt, Director of Legal Services
Lynn Martin, Risk Manager
Paul Nonnenmacher, Director of Public Affairs
Richard Quelle, Senior Engineer
Christopher Shepard, Environmental Engineer
Nhan Vo-Le, Director of Accounting Services
Moira Benacquista, Board Secretary/Paralegal

Also present were: Rick McCarthy of Environmental Capital, LLC; John Pizzimenti of USA Hauling & Recycling; Jeff Roude of Bollam, Sheedy, Torani & Company; Jim Sandler, Esq., of Sandler & Mara; John Stafstrom, Esq., of Pullman & Comley; Jerry Tyminski of SCARRRA and Cheryl Thibeault of Covanta.

Chairman Pace called the meeting to order at 9:38 a.m. and said that a quorum was present.

PLEDGE OF ALLEGIANCE

Chairman Pace requested that everyone stand for the Pledge of Allegiance, whereupon the Pledge of Allegiance was recited.

PUBLIC PORTION

Chairman Pace said the agenda allowed for a public portion in which the Board would accept written testimony and allow individuals to speak for a limit of three minutes.

Mr. Pizzimenti said at several of the Special Committee meetings he had requested a copy of the draft of the Special Committee Report. He said Mr. Nonnenmacher and he had communicated in e-mails in which Mr. Nonnenmacher correctly said nothing in the Freedom of Information act (hereinafter referred to as "FOIA") should disclose preliminary drafts which clearly outweigh the public interests and disclosure. He said Mr. Nonnenmacher also talked about trade secrets. Mr. Pizzimenti said the meetings have been held in public and all discussions at those meetings have also been held in public. He said he and other members of the public which have attended the meetings are well aware of changes made to the draft but do not have a full copy of that draft in hand.

Mr. Pizzimenti said because the meetings have been public he does not agree that he would have to pursue a Freedom of Information Act complaint to obtain that document. He said at this time he would also like a copy of the consultant's report on capital improvements. He said he was not sure if it out yet but he believes that would be public also.

Chairman Pace asked Mr. Pizzimenti if his requests are for his own purpose or for that of another entity. Mr. Pizzimenti replied that he would like a copy of the report to see how the process works and where it is going. He said he is sure his company is interested in it as well.

Chairman Pace said his request will be reviewed and referred to counsel. Mr. Kirk said the document will be public soon and is certainly available. Mr. Kirk said the capital report is still in progress and will most likely be available in several months.

Chairman Pace asked Ms. Hunt if there are other FOIA requests which have been made to CRRA. Mr. Egan said in the past few days someone had requested Franklin Landfill documents. Chairman Pace said he wished to revisit the Franklin landfill issue when the Wheelabrator agenda item is reached.

Chairman Pace said CRRA has made FOIA requests of MDC and others. He asked Ms. Hunt if those requests have been met. Ms. Hunt replied no. Chairman Pace asked why this was the case and asked management to take the necessary steps to address this issue.

APPROVAL OF THE MINUTES OF THE AUGUST 19, 2010, REGULAR BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the Aug. 19, 2010, Regular Board Meeting. Director Mullane made a motion to approve the minutes, which was seconded by Director Damer.

The motion to approve the Aug. 19, 2010, minutes as amended was approved by roll call. Chairman Pace, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Mullane, and Director Tillinger voted yes. Director Howe and Director Van Winkle abstained.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle			X
Ad-Hocs			
Mark Tillinger, Bridgeport	X		
Warren Howe, Jr, Wallingford			X

RESOLUTION REGARDING THE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director Martland:

RESOLVED: That the Board hereby approves and endorses the Annual Financial report for the Fiscal Year Ended June 30, 2010, substantially as discussed and presented at this meeting.

Director Van Winkle seconded the motion.

Director Martland said this item was discussed at the Committee level. He noted Jeff Roude will present the financial report to the full Board.

Mr. Roude said he would be reviewing the highlights of the financial statement which he had presented and was approved at the Finance Committee meeting. He said the report was an unqualified opinion which means it was a clean audit. Mr. Roude said only one journal entry was proposed and incorporated into the books for the \$5.2 million grant from the State regarding reimbursement for previously spent monies relating to the Hartford landfill. He said a single audit required by the State of Connecticut will also be issued regarding that issue. Mr. Roude said that report has also been approved and was an unqualified opinion which will be issued next week.

Mr. Roude reviewed several highlights in the notes of the statement. He began with note twelve which discussed significant events. Mr. Roude said note twelve discuss the Enron related reimbursement. He said CRRA estimates an additional \$8.35 million will be added to the profit and loss statement of CRRA through December of 2012 as a result of CRRA's settlement with the waste haulers of the Mid-Connecticut Project.

Mr. Roude said the contingency addresses a number of lawsuits. He said some of those highlights are the arbitration proceeding with MDC. He said at this point the arbitration is in the preliminary stages and estimates for potential exposure cannot be provided as of yet. Mr. Roude said many settlements have been reached concerning the other lawsuits, many of which will drop off the financial statement the following year as a settlement has been reached.

Mr. Roude said also under subsequent events CRRA plans to refund some bonds in the second quarter of the 2011 fiscal year. He said the bonds will be swapped out at a lower interest rate and maintain the bond maturity of November 2015. He said the exchange will lower the interest rate and save SCRRRA approximately \$2 million.

Mr. Roude said note fifteen concerns some current accounting pronouncements which the auditors are required to comment on. He said the first concerns land and real estate held for investments (which CRRA does not have) which is stated. Mr. Roude said the second accounting pronouncement concerns derivatives (which CRRA has not entered into) which is stated. He said the final accounting pronouncement concerns intangible assets. He said CRRA has two easements on two pieces of property in Ellington and in Shelton which were deemed immaterial in an internal investigation and were not booked in the financial statements.

Mr. Roude said note sixteen concerns fund balance reporting which is an announcement which will take place in next year's financial statement which will change the wording and is mainly cosmetic.

Chairman Pace asked Mr. Roude to comment on FY09 when CRRA assets decreased by \$26 million or 7% overall. He said CRRA's assets offset its total liabilities by \$226 million. Mr. Roude said the actual unrestricted cash decreased by almost \$19 million with \$13.2 going to the Hartford landfill and \$5 million to offset tip fees.

Director Martland requested the member towns be informed of CRRA's clean audit. Chairman Pace agreed that the favorable audit results will be shared. Chairman Pace said CRRA is nearing the end of a laundry list of suits concerning Enron. He said there are no new items from post Enron including the MDC arbitration.

Director Griswold asked if the audit looked at the reserves in terms of adequacy. Mr. Roude replied yes. He said a study is done and updated every year which reviews the reserves to make sure they are adequate. Mr. Bolduc said the October Finance Committee meeting is also used to address the reserves and ensure their adequacy.

Director Damer pointed out a few editorial changes which were required. He asked what the effective date of finalizing the agreements with the towns is now that there have been some changes. Mr. Kirk said there have been changes based on comments from member towns and the Municipal Advisory Committee has agreed July 1, 2011 is the new date for consideration of the proposed MSA's.

Mr. Bolduc said the audit went smoothly and all parties involved worked well to complete the audit. He said the FY09 State auditor's report was favorable and had only one small comment which was to institute spot audits on a quarterly basis on various inventories which CRRA has already begun implementing. Director Martland asked that this information also be shared with the towns.

Ms. Vo-Le thanked the accounting staff, billing staff, and management for their support and efforts through the audit. Chairman Pace thanked Ms. Vo-Le for her efforts and the accounting department's exemplary work.

The motion to approve the resolution was approved by roll call. Chairman Pace, Director Damer, Director Griswold, Director Kelly, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

RESOLUTION REGARDING AUTHORIZING THE ISSUANCE OF REFUNDING BONDS FOR THE SOUTHEAST PROJECT

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director Martland:

WHEREAS, the Connecticut Resources Recovery Authority (the “Authority”), in furtherance of the Southeastern Connecticut Regional Resources Recovery System (the “System”) has authorized the issuance of bonds to finance costs of the System pursuant to an Indenture of Mortgage and Trust, dated as of December 1, 1988 (as amended and supplemented to the date hereof, the “Indenture”); and

WHEREAS, the Authority has previously issued under the Indenture, among other bonds, its \$87,650,000 aggregate principal amount of Resource Recovery Revenue Bonds (American REF-FUEL Company of Southeastern Connecticut Project – 1998 Series A) (the “Prior Bonds”); and

WHEREAS, the Indenture authorizes the Authority, subject to the conditions set forth therein, to issue additional bonds under the Indenture to refund bonds previously issued and outstanding under the Indenture; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority and the System to refund and defease the entire outstanding balance of the Prior Bonds, currently \$39,855,000; and

WHEREAS, in furtherance of such refunding, the Authority has prepared or caused to be prepared the documentation to implement the refunding through the issuance of additional bonds under the Indenture (the “Refunding Bonds”), including, among other documents, (i) a 2010 Series A Supplemental Indenture of Mortgage and Trust, between the trustee under the Indenture (the “Trustee”) and the Authority (the “2010 Series A Supplemental Indenture”), (ii) Amendment No. 4 to Lease Agreement, between Covanta Southeastern Connecticut Company (the “Company”) and the Authority (“Amendment No. 4 to Lease Agreement”), (iii) Amendment No. 4 to Lessee Guaranty and Security Agreement, from the Company to the Trustee (“Amendment No. 4 to Lessee Guaranty and Security Agreement”), (iv) Amendment No. 3 to SCRRRA Pledge and Security Agreement, from the Southeastern Connecticut Regional

Resources Recovery Authority (“SCRRRA”) to the Trustee (“Amendment No. 3 to SCRRRA Pledge and Security Agreement”); (v) Amendment No. 3 to Open-End Mortgage and Security Agreement, from the Company to the Trustee (“Amendment No. 3 to Mortgage”), (vi) Continuing Disclosure Agreement, among the Authority, SCRRRA, and the Trustee (the “Continuing Disclosure Agreement”), (vii) a Bond Purchase Agreement relating to the delivery of and payment for the Refunding Bonds, between Citigroup Global Markets Inc., as representative of the underwriters, the Authority, SCRRRA and the Company (the “Bond Purchase Agreement”), (viii) an Official Statement relating to the offering and sale of the Refunding Bonds (in preliminary form, the “Preliminary Official Statement” and in final form, the “Official Statement”), (ix) a Tax Regulatory Agreement Among the Authority, the Company and the Trustee (the “Tax Regulatory Agreement”) and (x) an Escrow Agreement between the Authority and the Trustee providing for the defeasance of the Prior Bonds (the “Escrow Agreement”); and

WHEREAS, the Authority, the Company and Covanta ARC, LLC (the “Parent”), in connection with the issuance of the Refunding Bonds, have agreed that the Parent shall have the right, but not the obligation, to terminate the existing Equity Contribution Agreement (which supports the Parent’s obligations under the Company Support Agreement and Parent Undertaking, as defined below) at any time while the Refunding Bonds are outstanding if, and only if, at or prior to such termination, the Parent delivers a direct pay, irrevocable letter of credit to the Authority and/or the Trustee that (i) is in an amount at least equal to the outstanding principal and interest due on the Refunding Bonds (subject to reduction as principal and interest on the Refunding Bonds are paid), (ii) will remain effective until the Refunding Bonds are no longer outstanding, (iii) is issued by a commercial bank with at least \$10,000,000,000 of combined capital and surplus and a credit rating from Standard & Poor’s of at least A+, and (iv) provides the Authority and/or the Trustee the right to draw on such letter of credit upon any debt service shortfalls on the Refunding Bonds (the “Qualified Letter of Credit”); and

WHEREAS, in connection with the issuance of the Refunding Bonds, the Authority will request the Company to enter into (i) a new Company Support Agreement, among the Company and the Parent (the “Company Support Agreement”) to replace the existing company support agreement relating to the Prior Bonds, and (ii) a new Parent Undertaking, among the Company and the Parent (the “Parent Undertaking”) to replace the existing parent undertaking relating to the Prior Bonds; and

NOW THEREFORE, it is

RESOLVED: That the Authority hereby determines that the issuance, sale and delivery of the Refunding Bonds, as hereinafter described, for the purposes herein described, is in the best interests of the Authority and the System; and

FURTHER RESOLVED: That in order to accomplish the purposes of the Connecticut Solid Waste Management Services Act, constituting Public Act No. 73-459 of the General Assembly of the State of Connecticut, codified as Chapter 446e, as amended and supplemented to the date hereof (the “Act”), the issuance and sale of Refunding Bonds is hereby authorized in an aggregate principal amount not to exceed \$40,000,000, subject to the provisions of the Indenture and the 2010 Series A Supplemental Indenture, and subject to approval of the Treasurer of the State of Connecticut; and

FURTHER RESOLVED: That the Authority adopts the attached Findings of Self-Sufficiency for the System pursuant to Connecticut General Statutes Section 22a-272, so as to enable the establishment of a special capital reserve fund for the Refunding Bonds, as provided for by such statute, which will be pledged as security for the Refunding Bonds; and

FURTHER RESOLVED: That any of the Chairman, the President or the Chief Financial Officer of the Authority, or any person acting in any of the foregoing capacities, are each hereby authorized to seek approval from the Treasurer of the State of Connecticut with respect to the issuance of the Refunding Bonds and the establishment of a special capital reserve fund for the Refunding Bonds; and

FURTHER RESOLVED: That at least two of the following Authority officials, the Chairman, the President and the Chief Financial Officer of the Authority, or anyone acting in any of the foregoing capacities, are hereby delegated the power of this Board to determine the principal amounts of each maturity of the Refunding Bonds, the aggregate principal amount of the Refunding Bonds provided such amount does not exceed \$40,000,000, the interest rates for each maturity for the Refunding Bonds, the maturities of the Refunding Bonds, the sinking fund installments, if any, of the Refunding Bonds, and all other terms and particulars of the Refunding Bonds, including, but not limited to any bond insurance, other credit enhancement, and redemption schedules; and

FURTHER RESOLVED: That the Refunding Bonds shall be sold on a negotiated basis pursuant to the Bond Purchase Agreement at the prices and upon the terms set forth in the Bond Purchase Agreement; and

FURTHER RESOLVED: That any of the Chairman, the President or the Chief Financial Officer of the Authority, or any person acting in any of the foregoing capacities, are each hereby authorized to execute on behalf of the Authority (i) the 2010 Series A Supplemental Indenture, (ii) Amendment No. 4 to Lease Agreement, (iii) the Official Statement, (iv) the Bond Purchase Agreement, (v) Continuing Disclosure Agreement, (vi) the Escrow Agreement and (vii) the Tax Regulatory Agreement, similar in form and containing comparable terms and conditions as discussed at this meeting, but with such changes and additions as are, in the opinion of the person executing such agreement (upon the advice of bond counsel to the Authority), necessary or desirable in order to complete and execute the same, and the approval of this Board with respect to each such agreement shall conclusively be determined by the signature of any one of such persons thereon; and

FURTHER RESOLVED: That any of the Chairman, the President or the Chief Financial Officer of the Authority, or any person acting in any of the foregoing capacities, are each hereby authorized to consent on behalf of the Authority, to the extent required by any agreement, to (i) the Company Support Agreement, (ii) the Parent Undertaking, (iii) the issuance of the Qualified Letter of Credit, (iv) Amendment No. 3 to SCRRRA Pledge and Security Agreement, (v) Amendment No. 4 to Lessee Guaranty and Security Agreement, and (vi) Amendment No. 3 to Mortgage, similar in form and containing comparable terms and conditions as discussed at this meeting, but with such changes and additions as are, in the opinion of the person executing such document (upon the advice of bond counsel to the Authority), necessary or desirable in order to complete and consent to the same, and the approval of this Board with respect to each such

document shall conclusively be determined by the signature of any one of such persons thereon; and

FURTHER RESOLVED: That there is hereby approved the distribution of the Preliminary Official Statement and the Official Statement for the Refunding Bonds and that any of the Chairman, the President or the Chief Financial Officer of the Authority, or any person acting in any of the foregoing capacities, are each hereby authorized to execute on behalf of the Authority such Preliminary Official Statement and the Official Statement for the Refunding Bonds, similar in form and containing comparable terms and conditions as discussed at this meeting, but with such changes and additions as are, in the opinion of the person executing such document (upon the advice of bond counsel to the Authority), necessary or desirable in order to complete and execute the same, and the approval of this Board with respect to each such document shall conclusively be determined by the signature of any one of such persons thereon; and

FURTHER RESOLVED: That proceeds of the Refunding Bonds, together with funds of or available to the Authority and other amounts available under the Indenture shall be deposited with the Trustee pursuant to the Escrow Agreement and applied to refund the entire outstanding balance of the Prior Bonds; and

FURTHER RESOLVED: To the extent needed, that the Authority shall direct the Trustee to seek such consent of the holders of the bonds issued and outstanding under the Indenture as is required under the Indenture for those matters authorized under this Resolution that may require bondholder consent (as determined by the Chairman, the President or the Chief Financial Officer of the Authority or any person acting in any of the foregoing capacities, upon the advice of bond counsel to the Authority); and

FURTHER RESOLVED: That any of the Chairman, the President or the Chief Financial Officer of the Authority, or any person acting in any of the foregoing capacities, are each hereby authorized to take all such further actions and execute and deliver such further documents, certificates, schedules and agreements on behalf of the Authority to accomplish the issuance, sale and delivery of the Refunding Bonds and the redemption of the Prior Bonds as contemplated hereby, and as otherwise may be necessary and appropriate under the terms and conditions of all the aforesaid documents.

Director Damer seconded the motion.

Director Martland said the Southeast Project is planning on refunding the existing bonds and noted for the record that the Southeast Project was able to achieve what the CRRA Board had attempted to do at the Mid-Connecticut Project by balancing its tip fees to obtain tip fee stability over the years with financial strength gained from uneven revenue flows.

Mr. Bolduc introduced CRRA's financial advisor Rick McCarthy, of Environmental Capital and John Stafstrom, Esq. of Pullman & Comley and noted Jerry Tyminski and Bettina Ferguson were also present. He said this process began in the spring when management recognized an opportunity to take the remaining \$40 million in existing SCRRA bonds and refinance those bonds from about 5% to 2% for a significant financial savings.

Mr. Bolduc said this project goes back to Duke Energy and BFI which were the original parties which were eventually bought out by American Re-Fuel which was then acquired by Covanta. He said in the process the original financing was backed by the Treasurer's office under Special Capital Reserve Fund (hereinafter referred to as "SCRFF") which means that the State puts its guarantee on the bonds which are essentially stepped up to the State's rating. Mr. Bolduc said this is significant as it results in a lower interest rate as well enhancing the ability to market the bonds.

Mr. Bolduc said management met with the Treasurer's office for two reasons. He said under CRRA statutes the Treasurer has to approve the bonds and secondly management was seeking their assignment of SCRFF designation on the bonds. Mr. Bolduc said a self-sufficiency certificate is required to be approved by the Board in order to gain official confirmation of the verbal approval the Treasurer's office has already provided.

Director Mullane disclosed that he was a member of the Southeastern Connecticut Resource Recovery Authority. He said he does attend the SCRRA meetings and has been involved in the unanimous decision to forward this item to the CRRA Board. Mr. Mullane said he sees no reason to exclude himself in the discussion and he does not feel it is a violation of ethics or a conflict of interest.

Mr. McCarthy proceeded to summarize the findings of self-sufficiency. He said four findings are required however, in summary what the Board is required to find is that the Project will pay for itself. Mr. McCarthy said the past history of the Project is first reviewed and in this case there is eighteen years of success. He said in particular the last five fiscal years indicate strong debt service coverage.

Mr. McCarthy said the next step after reviewing the past is to look to the future, or a projection based on reasonable assumptions. He said the projection shows the debt service coverage for the next five years is expected to be even stronger than in the past. He said this is due to the fact that SCRRA is putting a substantial amount of equity to reduce the principal amount of the bonds and also interest will be saved resulting in a combined effect which will increase the coverage. He said in addition the favorable power sales agreement will continue to make revenues increase.

Mr. McCarthy said management has spelled out chief assumptions which were made such as; waste levels will stay the same, and the project will produce roughly the same amount of electricity with increasing electric prices.

Director Kelly asked Mr. McCarthy to address the paying down of the bonds by the Project. Mr. McCarthy said there is \$4.5 million in reserves that the SCRRA Board has authorized be put into this financing. He said the forecast is for almost \$2.5 million in net present savings.

Director Tillinger asked if management had looked at possible negative scenarios in these projections. Mr. McCarthy replied that these projections are conservative and are so strong that creating a bad scenario would be very difficult with five to seven times coverage. Director Tillinger asked if he was correct in stating this is a very conservative scenario with upside on top of this possible and a downside scenario may not exist. Mr. McCarthy agreed. Mr. Stafstrom added that many of these projections are based on arrangements which are locked into place and the tipping fees are based on municipal service agreements which run through the term of the bonds with the electric contract running through the term of the bonds. He said even if there was some kind of a problem with the purchase of the electricity (which is highly unlikely) if the electric power was sold on the open market it would probably be sufficient to support this.

Director Griswold asked why the balance is listed at \$39,855 in the resolution if there is a \$4.5 million pay down figure. He said the later whereas states it is to refund the bonds, not to exceed \$40 million. Director Griswold asked why that figure wouldn't be reduced by \$4.5 million. Mr. McCarthy replied it is prudent to authorize as many bonds as could conceivably be issued under a worst case scenario to avoid returning for further approval. He said as time has passed and one further principal payment will be made before the bonds are issued the current projection is \$26 million for bonds.

Mr. Tyminski said on page twelve of the write-up on the favorable energy prices which drive this contract the blended rate shows the price rising by about a penny a kilowatt every year from now until the end of the contract. He said the energy contract can be extended out to 2017 and the Project will get about \$800,000 a year in additional energy revenue.

Mr. Tyminski said the SCRRRA Board passed the resolution to go forward with the bond refinancing in September. He said because of the energy contract, the Project expects to use its significant reserves to offset the tip fee when the power contract expires. Mr. Tyminski said \$4.5 million is being used to pay back the principal and the savings will accrue back to the Project which will be returned to the reserves so the twelve SCRRRA towns will have funds to do some planning after the power contract expires. He explained years ago the Project had some of the worst tip fees the State had ever seen and still enforced put or pay contracts on minimum commitment billing.

Mr. McCarthy said finding number three illustrates the dependability of the SCRRRA municipalities. Mr. McCarthy said prior to the Project's inception contracts were put into place to provide repayment of the bonds even if the Project did not work as it was supposed to. He said the ratings for the individual towns are highly rated. Mr. McCarthy said CL&P has investment grade ratings which are also listed. He said lastly Covanta is good at their job and has incentive to keep the project up. He said there is another contract called the equity contribution agreement which requires the parent companies to support up to a \$100 million in the obligations of Covanta ARC and if any of the owners of Covanta ARC are not investment grade, letters of credit totaling that \$100 million are required. He said the \$100 million is spread over a number of companies. Mr. McCarthy said as part of the refunding Covanta will be permitted to eliminate the equity contribution agreement however in its place a letter of credit to the holders of the bonds will be required from a bank with at least an A+ rating and with at least \$10 billion in equity to guarantee the payment of the bonds.

Mr. McCarthy said the Treasurer's office asked management what would happen if the Project had physical issues. He explained the documents require that Covanta maintains sufficient insurance coverage in the remote chance that ever occurs. He said the last finding is that the project has what is required in the debt service reserve fund. He explained this information is presented for the Board to endorse the finding that the Project will have sufficient revenue to cover the Project costs between now and when the bonds are paid off which is roughly five years total with a debt service reserve fund to cover the last year.

Chairman Pace asked what the total net savings will be. Mr. Bolduc replied roughly \$2-\$2.5 million plus returning to the Project the \$4.5 million equity contribution. Ms. Ferguson added that letters from the Citigroup and Environmental Capital are provided as additional support so that the findings the Board is required to make are found to be satisfactory.

Mr. Stafstrom reviewed highlights from the resolution with the Board. He explained the Board is being asked to approve the refunding of the original bonds which currently total almost \$40 million,

and approve the findings of self-sufficiency in order to access the SCRF. Mr. Stafstrom said the Treasurers' office was pleased with the recent presentation by management and CRRA's economic advisors and attorneys and provided verbal assurance that they will approve the bond issue and also place the SCRF on the bond.

Director Griswold asked if there is any direct or indirect liability to CRRA through this transaction. Mr. Stafstrom said as the issuer of the bond it is CRRA's responsibility to see that the bonds are issued correctly. He said economically with the existing protections in place he would say the answer is no. Director Griswold asked if there are any fees which go from SCRRA to CRRA. Mr. Bolduc said there are administrative fees CRRA charges to SCRRA on an annual basis. He said the cost for underwriting bonds and lawyers will be wrapped into the issuance cost for the debt as this is part of the service CRRA charges to SCRRA. Ms. Ferguson clarified all fees will be paid from bond proceeds.

The motion to approve the resolution was approved by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

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

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director Martland:

RESOLVED: That CRRA's Commercial General Liability insurance be purchased from ACE American Insurance Company with a \$1,000,000 limit, \$25,000 deductible for the period 10/1/10 – 10/1/11 for a premium of \$215,172 as discussed at this meeting; and

FURTHER RESOLVED: That CRRA's \$25 million Umbrella Liability insurance be purchased from ACE American Insurance Company for a premium of \$158,552 for the period 10/1/10 – 10/1/11, as discussed at this meeting; and

FURTHER RESOLVED: That CRRA's Pollution Legal Liability insurance be purchased from ACE American Insurance Company with a \$20 million limit, \$250,000 self-insured retention for the period 10/1/10 – 10/1/11 for a premium of \$242,348;

FURTHER RESOLVED: That CRRA's Commercial Automobile Liability insurance be purchased from ACE American Insurance Company with a \$1 million limit, liability coverage on all and comprehensive and collision on eighteen (18) passenger vehicles and light trucks with a \$1,000 deductible, for the period 10/1/10 – 10/1/11 for a premium of \$54,911.

Director Van Winkle seconded the motion.

Ms. Martin said it was a very soft market. She said management is very pleased with the marketing as there was some competition this year which drove prices down. Ms. Martin said Aon Risk Service contacted fourteen market participants and received several responses two of which are presented. She said Ironshore is a combined policy where the limit is shared between pollution and general liability. Ms. Martin said the limit is higher but it is a shared policy. She said based on costs and policy improvements from ACE management is recommending the incumbent ACE for a total premium of \$667,983 which also represents a much lower self-insured retention on the pollution portion which went from \$1 million down to \$250,000 per claim.

Chairman Pace said there are four different sections of insurance through ACE. He asked what the total overall savings are. Ms. Martin said over last year's policy each policy portrays a savings, general liability saves \$41,000, umbrella saves \$37,000, pollution \$119,000 and auto \$3,000. Chairman Pace asked if the rates are based on the market place in general. Ms. Martin said they are based on CRRA's experiences which are controlled by the market. She said CRRA has not had terrible claims which are in CRRA's favor however, the market controls the pricing.

Director Kelly asked if the change in ownership in Wallingford has any material impact on insurance. Ms. Martin replied not really at this point. She said CRRA is still covering legacy insurance in the pollution range just in case for the next five years or so. She said there is maybe a \$20,000 difference because CRRA does not have ownership of the facility.

Director Griswold said the general liability is \$1 million and the umbrella is \$25,000. He said in the scope of things \$1 million seems low; however he assumes the umbrella picks that up. Ms. Martin said that was correct. She said it is typical of how general liability is sold, \$1 million per occurrence with the \$25 million on top of that.

Director Damer said in the third resolve of the resolution the \$250,000 is not identified as a deductible. Ms. Martin said he is correct and the resolution should state \$250,000 self-insurance retention.

Director Martland said consideration of the upcoming budget may have to be done carefully as he had heard recently on public radio that insurance costs are expected to increase. Mr. Bolduc said management will be approaching the Board soon with health insurance considerations which is likely where increases in costs will be seen.

The motion to approve the resolution with the change suggested by Director Damer was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

RESOLUTION REGARDING A REQUEST FOR SERVICES FOR DEVELOPMENT OF EDUCATIONAL COMPUTER TOOLS FOR USE IN EDUCATIONAL PROGRAMS BY THE CONNECTICUT ENERGY EFFICIENCY FUND AND THE US INSTITUTE OF MUSEUM & LIBRARY SERVICES

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director Damer:

RESOLVED: That the President is hereby authorized to approve a Request for Services with the Pita Group LLC for services associated with the development of educational computer tools for use in educational programs funded by the Connecticut Energy Efficiency Fund and the U.S. Institute of Museum & Library Services.

Director Mullane seconded the motion.

Director Damer said the Policies & Procurement Committee held a substantial and in-depth discussion concerning the items which are being brought to the Board under the Policies & Procurement Committee report. Director Kelly added that these items were passed unanimously by the Committee.

Mr. Kirk said the education program is valuable and well received by CRRA customers. He said CRRA customers have expressed satisfaction and appreciation for the education programs but are hesitant to fund those costs out of the tip fee. He said the Bridgeport Project charged management with funding the education programs through donations and philanthropy combined with user fees. Mr. Kirk said management is still struggling with this but is making progress.

Mr. Kirk said one of the projects Mr. Nonnenmacher and the education team have embarked on is outreach to organizations and donors which may help with funding. He said as the write-up notes donors do not want to pay money for operating costs, they prefer something tangible that they can see

and label, a challenge management works with. Mr. Kirk said this resolution details a fund type with a matching expenditure where \$39,000 is expected to be returned to CRRA.

Director Griswold asked if the recycling meter can be adopted for member town's schools. Mr. Nonnenmacher said the idea behind both of these tools is to provide a linkage from the museums to the schools participating in the programs. He said the meters will calculate the energy savings schools are creating through recycling which they will be able to track.

Mr. Nonnenmacher said management expects this will also make the museum more attractive to schools which may not have participated in museum programs in the past. He said the grant program is to provide those education programs to schools.

Director Kelly said she had attended the Connecticut Department of Environmental Protection (hereinafter referred to as "CT DEP") meeting earlier that week along with Mr. Egan and Mr. Bodendorf. She said she spoke with Diane Duva concerning recycling which is being pushed heavily by the CT DEP. Director Kelly asked Ms. Duva what the CT DEP does to support these efforts and was told that they look to CRRA. She said she is very much in favor of the recycle meter as it has broad applicability which many people would want to tap into.

Chairman Pace asked what the timeline for development of this meter is. Mr. Nonnenmacher said this meter will be developed and implemented between now and late winter early spring 2011.

The motion to approve the resolution was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

RESOLUTION REGARDING CONSTRUCTION OF A NEW JET FUEL TANK AT THE SOUTH MEADOWS SITE

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director Damer:

RESOLVED: That the President is hereby authorized to enter into a contract with TMC Services, Inc. to construct a new jet-fuel storage tank at the South Meadows Jet Turbine Facility, substantially as discussed and presented at this meeting.

Director Mullane seconded the motion.

Director Damer said this resolution has been before the Board several times in different stages of development. He said the Board is aware the existing tank has problems and is expected to be removed sometime in 2011. Director Damer said the Board had previously approved up to \$1.6 million however when doing the detailed engineering and sub-surface engineering the sub-surface conditions were discovered to require more substantial tank foundations. He said this resolution also incorporates the cost of cleaning and removal of the existing tank.

Chairman Pace asked if delivery as needed is an option or does CRRA require the storage tank. Director Damer said this question was discussed at length at the Committee level. He said it was determined that there are not enough trucks to provide delivery on an "as needed" basis. He said the other option discussed by the Committee was the possibility of using gas fuel in the future.

Director Damer said even if the tank was powered by gas the requirements of the tanks are such that dual fuel capability is optional. He said the tank is still useful in terms of being deconstructed and reconstructed elsewhere even if the jets are sold.

Chairman Pace noted TMC is separate from TRC.

Director Griswold asked if the ground beneath the tank is unstable. Mr. Egan replied the existing 5.5 million gallon tank sits where it is and a new tank has to be installed at an alternative location because there cannot be an interrupted fuel supply. He said the tank must be placed in a new area which is why the rammed aggregate pier is needed.

Director Martland asked what the soil characteristics are. Director Damer said this is based on very specific borings for the site in question whereas before assumptions were made on what management thought could be designed. He said this resolution provides for the actual borings and the bearing structure of the soils directly under where the tanks are located.

Chairman Pace asked if management is comfortable with the contingency. Mr. Egan replied yes. He said management is comfortable with this number and the next item on the agenda is for engineering support.

Mr. Kirk said the variance from the original estimate is primarily due to assumptions made on the sub-surface conditions which after the expense of boring were proven to be incorrect. He said secondly the Connecticut Siting Council requires dual capability should the tank be converted to gas and requires deconstruction and removal of the 5.5 million gallon tank. Mr. Kirk said although management had anticipated and planned on doing that it will not be a substantial cost because the steel recycled from the deconstruction typically pays for most of the deconstruction.

The motion to approve the resolution was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillingier, Bridgeport			
Warren Howe, Jr, Wallingford			

RESOLUTION REGARDING QA/QC CONTRACT FOR CONSTRUCTION OVERSIGHT ASSOCIATED WITH CONSTRUCTION OF A NEW JET FUEL TANK

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director Damer:

RESOLVED: That the President is hereby authorized to enter into a Request for Services with TRC Environmental Corporation to provide construction engineering and inspection services associated with construction of a new jet-fuel storage tank for the Jet Turbine Facility at the South Meadows Site, substantially as discussed and presented at this meeting.

Director Mullane seconded the motion.

Director Damer said this resolution is straight forward and executes a request for services with TRC Environmental for services associated with construction of the new tank. He said TRC has the most information regarding the tank especially concerning the sub-surface conditions on the site. He said this is under the three year engineering services agreement.

Mr. Egan said TRC is intimately familiar with this site. He noted that TRC discounted their standard billing rates by 5% for this job.

Director Griswold asked what the reserve balance is. Mr. Bolduc replied the balance as of August 10, 2010, is about \$7.1 million. Director Griswold asked if the \$2 million comes out of that reserve. Mr. Bolduc responded yes.

The motion to approve the resolution was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

RESOLUTION REGARDING INSTALLATION OF AN OVERFIRE AIR SYSTEM ON UNIT #11 AT THE SOUTH MEADOWS RRF

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director Damer:

RESOLVED: That the President is hereby authorized to direct Covanta Mid-Conn, Inc. to install a new overfire air system manufactured by Jansen Combustion and Boiler Technologies, Inc. on Unit 11 at the Mid-Connecticut Power Block Facility, substantially as presented and discussed at this meeting.

Director Mullane seconded the motion.

Chairman Pace asked for an explanation of an over-fire air system. Director Damer explained it is part of the combustion system in the boiler. He said the main burners fire a combination of air and fuel into the boiler and the over-fire system takes a portion of that air and puts it into a different level of the boiler for a better mixture and combustion.

Director Damer said these boilers, this one in particular have had some issues with how the combustion is occurring. He said there has been pluggage of certain screen tubes and corrosion of other tubes. He said Jansen has done a lot of engineering work to try and determine the proper distribution of air flow in the boilers to help with the ongoing operating concerns.

Chairman Pace asked if Covanta will oversee this process. Mr. Egan said that Jansen is a stand alone company which has the proprietary technology. He said Covanta in their role as the operator will contract directly with Jansen. Mr. Egan said that CRRA and Covanta funded the initial study together. Mr. Egan said Covanta will contract with Jansen and concurrently with a yet to be determined company to erect and install the system which Jansen manufacturers.

Director Damer said the payback on this installation is calculated at about five months. He said although the installation is costly the additional revenues which will result from higher capacity factors

on the unit will allow for more tonnage to come through the unit and more electricity to be produced as a result.

Chairman Pace asked if an outage will occur. Director Damer replied yes. He said the outage will occur during the regularly scheduled outage for service. Director Damer asked if this will extend that outage. Mr. Quelle responded no. He said the outage is regularly scheduled for ten-twelve days and this system will be installed in seven days.

Director Damer said the Committee had asked substantial questions on whether additional licensing would be required. He explained the Committee was assured that is not a factor.

Director Mullane said along with better performance this will also improve maintenance capabilities and decrease costs there as well.

Director Kelly asked if the arrangement that this will be contracted through Covanta is typical. Chairman Pace said that Covanta operates the back end. Mr. Egan said work on the power block facility is undertaken and managed by Covanta as the operator. He said if it is an activity which is not Covanta's responsibility contractually (which this is an example of) the cost is passed back through to CRRA which is the contractual arrangement CRRA has with Covanta. He said occasionally CRRA can contract directly with an outside vendor to do some activities at the power block facility however; typically it is preferable to run it through the operator as they are more familiar with the facility and CRRA's role is one of oversight.

Director Tillinger asked if there is a direct cost pass through or if Covanta keeps a management fee which CRRA pays for. Mr. Kirk said there is no mark-up on the contract.

The motion to approve the resolution was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

RESOLUTION REGARDING THE INSTALLATION OF TWO BEDROCK GROUNDWATER MONITORING WELLS AT SHELTON LANDFILL

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director Damer:

RESOLVED: That the Board of Directors authorizes the President to execute a Request for Services with GZA GeoEnvironmental, Inc. to install two bedrock groundwater monitoring wells at the Shelton Landfill, substantially as presented and discussed at this meeting.

Director Mullane seconded the motion.

Director Damer said this resolution concerns bedrock monitoring wells at the Shelton landfill. He said GZA was installing the two groundwater monitoring wells under an original contract which was less than \$50,000 as required by CRRA's stewardship permit from the CT DEP. Director Damer said one well was put in no problem however with the second reinforced concrete at the drilling site created difficulty as the well casing would collapse and as a result the well was unable to be drilled.

Director Damer explained GZA had to go to a different style of well drilling in order to get the necessary depth. He said this was required to be drilled by Sept. 15, 2010, per the permit. Director Damer said because of the required type of drilling the total contract value is now \$59,821 and requires Board approval.

The motion to approve the resolution was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

RESOLUTION REGARDING GREENHOUSE GAS MONITORS AT THE CRRA MID-CT RESOURCE FACILITY

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director Damer:

RESOLVED: That the President is hereby authorized to direct the Power Block Facility operating contractor, Covanta Mid-Conn, Inc. to install greenhouse gas monitoring equipment on each of the three municipal waste combustor units, substantially as discussed and presented at this meeting.

Director Jarjura seconded the motion.

Director Damer said this item is required as part of CRRA’s permit with the CT DEP which issued an order for these monitors to be installed. He said Covanta will be doing the contracting however CRRA will be paying the cost. Director Damer said the resolution contains an excellent cost break down of the installation capital costs and the ongoing operations and maintenance costs. He said CRRA is looking at \$287,004 for installation and annual costs of a little more than \$18,000 a year from the operating budget.

Mr. Egan said one of the cost estimates of \$50,000 is for the CEMS. He said yesterday management received a firm estimate of \$39,000 which changes the contract dollar value from \$287,004 down to \$276, 004. Mr. Egan said this is CRRA’s cost and is essentially in the contract with the operator.

Chairman Pace asked for the record that the figure be changed to \$276,004.

The motion to approve the resolution was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

RESOLUTION REGARDING EXTENSION OF THE ASH T&D CONTRACT WITH WHEELABRATOR LANDFILL

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Director Damer

RESOLVED: That the President is hereby authorized to execute an extension of the agreement with Wheelabrator Technologies, Inc. to provide transportation and disposal services for ash residue from the Mid-Connecticut Resource Recovery Facility, substantially as presented and discussed at this meeting; and

FURTHER RESOLVED: That the President is hereby authorized to execute an extension of the agreement with Wheelabrator Technologies Inc. to provide disposal services for ash residue from the Preston Resource Recovery Facility, substantially as presented and discussed at this meeting.

Director Martland seconded the motion.

Director Damer said this resolution concerns a reduction in the current contract prices with Wheelabrator for substantial savings over the next year for continued disposal of ash at the Putnam landfill. Director Martland asked if Wheelabrator owns both the ash landfills. Director Damer replied that he believed so.

Mr. Egan explained CRRA has a contract with Wheelabrator to move ash from the Hartford and Preston facility to the landfill in Putnam Connecticut. He said the contract has a three year base term ending in 2011 which CRRA is almost through. Mr. Egan said there are five one year extensions for the Hartford facility and six one year extensions for the Preston facility.

Mr. Egan said after discussions Wheelabrator proposed at the end of the three year based term (which is contract year number four on the table) that the contract price for Hartford's transportation disposal costs rise from \$66.23 to \$67.22 and Preston from \$46.87 to \$47.57 using the CPI in the contract today. He explained Hartford contracts for transportation and disposal which is \$66.23 for the last contract year which is a six month term. Mr. Egan said Preston pays only for disposal under the current contract at \$46.87.

Mr. Egan said management recommends exercising all of the option years which Wheelabrator proposed and in return will receive a reduction in disposal and transportation pricing for Hartford and disposal pricing for Preston. He said under Wheelabrator's proposal the costs for Hartford and Preston would drop.

Mr. Egan said management believes this is a favorable proposal and would recommend exercising all five years in the case of Hartford and in the case of Preston an option for three and half years through the end of the initial term of the Project.

Chairman Pace asked if this proposal would be lower in pricing for CRRA than where it would be with the current agreement at the end of the three year base term. Mr. Egan replied yes. Chairman Pace said even if CRRA was to develop an alternative ash disposal site it would not be completed in this span of time.

Mr. Egan said there is a provision in the contract which allows CRRA to terminate the contract if CRRA does site its own ash residue landfill in Connecticut, identifies a technology which allows for the beneficial recycling of ash, or loses control of the ash for some reason.

Director Kelly said at the Policies & Procurement Committee meeting there was substantial discussion concerning the Committee's desire to look into the beneficial reuse of incinerator ash. The Board agreed that this is a topic of interest for everyone present. Director Kelly said she had broached the subject at a recent CT DEP meeting. She said how the regulator perceives the re-use of ash is a key question in terms of the technical aspect involving what is in the ash and what may leach out.

Chairman Pace said the Board has identified some practices which are used in other countries such as utilizing the ash for road base. Director Kelly said it was brought to her attention that Connecticut coal ash re-use has been approved which made her wonder if that had an impact on the land. She said this is a good movement in the right direction concerning re-use of the coal ash. Director Martland said years ago the coal ash was used under foundations in the construction of schools.

Director Damer said the legislature passed a bill this past session that required the CT DEP in conjunction with the Connecticut Academy of Science and Engineering to develop a study on ash residue to find out if there is a way to do general permits versus individual permits.

The motion to approve the resolution was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

PRESIDENT'S REPORT

Mr. Kirk said the year-end results for the Projects are contained in the supplemental portion of the package. He said 789,000 tons were processed at Mid-Connecticut, with 805,000 tons delivered and 15,000 tons diverted away. He said that is a low number which is beneficial to the Project as the cost of diverting to the Project is higher. He said management has done a good job with the logistical issues and peak shaving of delivery versus capacity.

Mr. Kirk said production was unfavorable primarily due to plant unavailability issues. He said the development and installation of the over-fire air system discussed during this meeting as well as other work done in the past two year on pressure parts will provide some benefits. He reminded the Board that for eight years the plant was not maintained as it should have been because funds were not available due to the Enron problem. Mr. Kirk said there will be challenges going forward in terms of capital funding and spending however management is constantly ensuring the integrity of the boiler and the plant with the small amount of capital available.

Mr. Kirk said the State Auditors public reports provided CRRA with a clean audit.

Mr. Kirk said August results for the new fiscal year are improved versus last year's processed tons and steam generation. He said waste deliveries are down slightly by about 1% and recyclables are up double digits.

Mr. Kirk said the deadline for RFQ/ RFP submittals for those interested in operating the WPF, PGF and PDF starting January 2012 came and went and multiple bids were received details of which are confidential until evaluations are completed.

Mr. Kirk said the MSA review and comment outreach this summer was very successful and concluded with three separate workshops which were well attended by the Towns. He said extensive insight was provided by the Towns and positive feedback from the Towns has been received. Mr. Kirk said final deadline for Tier 1 is July 1, 2010, a substantial relaxation of the initial dates of October 31, 2010, Dec. 1, 2010, and Jan 1, 2010, as it is very important to identify how many tons there are in order to conclude negotiations with operators and the electric generation contract because without fuel, power cannot be guaranteed. Mr. Kirk said it was clear the Towns could not perform due diligence, evaluate their opportunities and get the MSA through their Legislative bodies by Jan. 1, 2011.

Mr. Kirk said the Board was asked to make assumptions about how many tons will eventually be signed up with the Towns. He said based on this management is comfortable proceeding with negotiations, contracting with operators, proceeding with planned consideration of new energy contracts and other items putting together the Future Conn project in the absence of signed contracts. He said the Towns recognize the importance of having that information to CRRA and are comfortable with the July 2011 deadline.

Mr. Kirk said CRRA is still involved with arbitration with its contractor MDC. He said there is an appeal of a Superior Court ruling by CRRA about the non-independent nature of the arbitrator. He said CRRA is pursuing that appeal as management believes the party appointed arbitrator should be independent. Mr. Kirk said the risk of that issue is not currently being considered in financial planning but may be in the future. Management is confident arbitration will result in a manageable outcome.

Mr. Kirk said the SouthWest Division (SWEROC operating Committee) has elected to discontinue processing at the Stratford facility as a result of the loss of several towns' participation including Greenwich which contributed 10,000 tons. Mr. Kirk said at 25,000 total tons renovating the plant to a single stream facility is not possible. He said the plan is to have CRRA make small modifications to the Mid-Conn facility to allow for the transfer of single stream items from Stratford to the Hartford facility a cost of about \$20.00 a ton or less. Mr. Kirk said if 25,000 tons are attracted management believes it can offer zero cost recycling. He said at zero cost recycling and single stream, management believes it can expand the list of customers and increase per unit per customer production

of recycling to get to a total recycling commodity number which may justify construction of a facility. He said the magic number is about 45,000 tons to pay for capital and provide zero cost recycling, a goal which management feels is reasonable over-time.

CHAIRMAN'S REPORT

Chairman Pace said in his Town of Old Saybrook a member of the Board of Selectman made an inquiry about Chairman Pace acting as the Chair of the CRRA Board while acting as First Selectman of Old Saybrook. He said he asked an attorney from CRRA, Mr. Farley, Esq., to represent the position of Chair to the CRRA Board and had Mr. Goldstein, Esq., represent his office of First Selectman for the town of Old Saybrook, CT.

Chairman Pace asked Ms. Hunt to include documents related to this matter as part of the Chairman's report to be submitted in the entire package. He asked that part of the package also include an article from a reporter.

Chairman Pace said he has an attorney looking into this matter. He said moving forward the Old Saybrook ethics Board will consider the documents, he believes they are getting an outside independent decision on this matter. He said he thinks this is exactly what it looks like the effort to embarrass, ridicule, or intimidate which is not taken lightly by this Elected Official or by this Appointed Official.

Chairman Pace noted he has been appointed by two Governors's several times, by three or four legislative groups, both Democrats and Republicans and does not believe he has ever gotten a negative vote.

Chairman Pace noted during this time he never neglected his obligations as First Selectman of Old Saybrook.

Mr. Kirk said he was present at this meeting with the Chairman. He said it is clear to him this was not an item of concern regarding ethics. He said in 2005 Director Cooper, Director Francis, and Vice-Chairman Jarjura were proactive about pursuing an understanding of the dual nature of their appointments as both municipal official and Director as the statutes require at least four, and in this case six members, to be both Elected Officials of Towns with CRRA contracts as well as Directors. He said this is clearly the intent of the Legislature and is clear in the statutes. He said in addition the Attorney General weighed in with a letter stating the dual nature of the appointment of the elected official was the intent of the legislature with the purpose and intent that the towns would be well treated and well represented at CRRA. He said this information was provided to the town of Old Saybrook by CRRA's attorney Mr. Farley, Esq.

Vice-Chairman Jarjura said unfortunately public service has become a thankless profession for those involved in elected office and in many respects has become a nasty way of doing business. He said he has served ten years in the General Assembly and ten years as Mayor of Waterbury. He said his first CRRA meeting involved the Enron settlement and discussion about whether or not that would be parleyed into the open market. Vice-Chairman Jarjura said the Board was able to up the settlement by almost \$30 million. He said Chairman Pace and the Board inherited a mess of monumental proportions. Vice-Chairman Jarjura said as a representative of one of the largest tonnage users in the system he would like to make a motion to send to Chairman Pace's town council, on behalf of the Board, a commendation of thanks and gratitude for his service as Chairman for his service and troubles. He said

frankly CRRA would not be where it is without Chairman Pace, or saving the Towns money over the years, like the rebate which came at a crucial time for Waterbury and other towns during economic crisis.

Vice-Chairman Jarjura made a motion that an item be added to the agenda from the Board that they support and stand fully behind Chairman Pace and thank him for his service. He said it is unfortunate that politicians and politics want to try and discredit a man of great character.

Chairman Pace stepped down from the Board as Chair for Vice-Chairman Jarjura's motion.

Director Mullane said he has been First Selectman of North Stonington for twenty five years, served on the Board Finance prior to that, and has also served in other positions in the Town. He said the environment is terrible. He said so much useful talent and energy is spent in areas similar to this that the balance of what can get done requires enormous amounts of time to get anything accomplished. Director Mullane said government today is challenging and is chasing away a lot of talent which could really contribute to an efficient creditable and well-adjusted economic government. Director Mullane said as a short term member of CRRA he can say this is a corporation with talented and expert management, good people, good communication and serves as an example of what should be happening in government all of which he is pleased to be a part of. He said the political things disrupt the communities and spread to the State and State associations and is disheartening.

Director Martland said he has worked on Boards for over forty years on everything from church to Town Boards. He said this is the best run Board which he has been associated and the most democratic.

ADDITION OF AN ITEM TO THE AGENDA

Vice-Chairman Jarjura made a motion to add an item to the agenda concerning sending a letter on behalf of the full Board to the Town of Old Saybrook.

Director Mullane seconded the motion.

The motion to add the above referenced item to the agenda was approved by roll call. Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Howe, Director Kelly, Director Lauretti, Director Martland, Director Mullane, Director Tillinger, and Director Van Winkle voted yes. Chairman Pace abstained.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman			X
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport	X		
Warren Howe, Jr, Wallingford	X		

RESOLUTION REGARDING A LETTER TO THE OLD SAYBROOK ETHICS COMMISSION ON BEHALF OF THE CRRA BOARD IN APPRECIATION OF CHAIRMAN PACE'S SERVICE

Vice-Chairman Jarjura made a motion to send a letter on behalf of the CRRA Board to the Old Saybrook Ethics' Commission in appreciation of Chairman Pace's service.

Director Mullane seconded the motion.

The motion was approved by roll call. Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes. Chairman Pace abstained.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman			X
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

EXECUTIVE SESSION

Chairman Pace requested a motion to enter into Executive Session to discuss pending litigation, real estate acquisition, pending RFP's, and personnel matters with appropriate staff. The motion made by Director Damer and seconded by Director Martland was approved unanimously by roll call. Chairman Pace requested that the following people be invited to the Executive Session in addition to the Directors:

- Tom Kirk
- Jim Bolduc
- Peter Egan
- Laurie Hunt, Esq.
- Eric Womack

A ten minute recess was taken before Executive session began.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport	X		
Warren Howe, Jr, Wallingford	X		

The Executive Session began at 12:07 p.m. and concluded at 12:58 p.m. Chairman Pace noted that no votes were taken in Executive Session.

The meeting was reconvened at 12:58 p.m., the door was opened, and the Board secretary and all members of the public (of which there were none) were invited back in for the continuation of public session.

RESOLUTION REGARDING ADDITIONAL PROJECTED LEGAL EXPENDITURES

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Vice-Chairman Jarjura:

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

WHEREAS, the Board of Directors has previously authorized certain amounts for payment of fiscal year 2011 projected legal fees; and

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

NOW THEREFORE, it is RESOLVED: That the following additional amount be authorized for projected legal fees and costs to be incurred during fiscal year 2011:

<u>Firm:</u>	<u>Amount:</u>
Halloran & Sage	\$350,000

Director Martland seconded the motion.

The motion to approve the resolution was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

ADDITION OF A RESOLUTION REGARDING WORKFORCE RETENTION TO THE AGENDA

Chairman Pace requested a motion regarding to add a motion to the agenda concerning workforce retention. The motion was made by Vice-Chairman Jarjura.

Director Martland seconded the motion.

The motion to add the above referenced item to the agenda was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Lauretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillinger, Bridgeport			
Warren Howe, Jr, Wallingford			

RESOLUTION REGARDING WORKFORCE RETENTION

Chairman Pace requested a motion regarding the above-captioned matter. The following motion was made by Vice-Chairman Jarjura:

WHEREAS, the Connecticut Resources Recovery Authority (the “Authority”) desires to retain its very capable work forces to continue to provide effective service to its member Towns; and

WHEREAS, The Authority recognizes that it is important to have in place a level of commitment to its employees that alleviates to some degree any immediate concerns regarding their employment and to mitigate the impact to CRRA it might experience from a loss of personnel during the forthcoming mission-critical transition period and beyond.

NOW THEREFORE, it is RESOLVED: That CRRA shall institute a six-month working notice period for fulltime CRRA employees and a three month working notice period for part-time employees who are terminated by CRRA without cause attributable to the employee, including as result of position elimination, reorganization, restructuring, reduction in force; or other related circumstances.

Director Damer seconded the motion.

Chairman Pace said this resolution provides part-time employees of CRRA three months’ notice and full time employees of CRRA six months’ notice if there should ever be a need for downsizing or elimination, for which the Board has no such plans at present.

The motion to approve the resolution was approved unanimously by roll call. Chairman Pace, Vice-Chairman Jarjura, Director Damer, Director Griswold, Director Kelly, Director Lauretti, Director Martland, Director Mullane, and Director Van Winkle voted yes.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Michael Jarjura, Vice-Chairman	X		
David Damer	X		
Timothy Griswold	X		
Dot Kelly	X		
Mark Laretti	X		
Theodore Martland	X		
Nicholas Mullane	X		
Ron Van Winkle	X		
Ad-Hocs			
Mark Tillingier, Bridgeport			
Warren Howe, Jr, Wallingford			

ADJOURNMENT

Chairman Pace requested a motion to adjourn the meeting. The motion to adjourn was made by Vice-Chairman Jarjura and seconded by Director Kelly was approved unanimously.

There being no other business to discuss, the meeting was adjourned at 1:00 p.m.

Respectfully submitted,



Moira Benacquista
Secretary to the Board/Paralegal

TAB 2

RESOLUTION REGARDING CERTAIN PROJECT RESERVES

WHEREAS, the FY 10 Mid-Connecticut actual revenues exceed the actual expenses resulting in a surplus of \$5,778,936 which, as stated in the MSA, is to be used in the FY 2012 budget to offset expenses; and

WHEREAS, the Authority has recorded the postclosure liabilities on its financial statements for the Shelton, Wallingford and Waterbury landfills and has reserved sufficient funds; and

WHEREAS, the Authority plans to consolidate all of its landfill post-closure reserves from closed Projects into a distinct Division; and

WHEREAS: the Authority has recorded the postclosure liabilities on its financial statements for the Hartford Landfill and has estimated its closure liabilities for the Hartford Landfill and has determined that an additional \$1,000,000 contribution is needed to meet the postclosure liabilities and that the Hartford Landfill Closure Reserve is overfunded by an estimated \$1,000,000; and

WHEREAS, the Authority has several reserves that need to be closed and dissolved due to their depletion schedule; and

WHEREAS: the Authority plans to consolidate its non-landfill operating reserves from closed Projects into the Property Division; and

WHEREAS: the Mid-Connecticut Project is entering its last 12 month Fiscal Year and the Authority is executing the planned reduction of the Mid-Connecticut Project's Renewal & Replacement Fund, Operating & Maintenance Fund, General Fund, and Debt Service Stabilization Reserve; and

WHEREAS: the Authority has performed capital planning needs for the purchase of "rolling stock" and Facility maintenance for the Mid-Connecticut Project and has determined that the Facility Modification Reserve is under funded and the Rolling stock Reserve has excess funds of \$1,440,000; and

WHEREAS: the Authority has performed an annual review of the Mid-Connecticut Project's Risk Fund Reserve and Post Litigation Reserve and based on favorable insurance bids and a reduction in the projected litigation funds needed to complete ongoing settlement negotiations, these reserves can be reduced by \$1,475,000 and \$480,000 respectively; and

WHEREAS: the Authority has performed a Wallingford end of Project review and has determined that the Wallingford Project's Risk Fund Reserve is under funded by \$116,000; and

WHEREAS: the Mid-Connecticut Project's energy revenues are used to offset the Project's cost of services and the Energy Purchase Agreement that represents these revenues is expiring in FY2012 and the Authority has available a \$1,000,000 escrow account to support the FY 2012 revenue stream.

NOW, THEREFORE, BE IT:

RESOLVED: That the Mid-Connecticut FY 2010 surplus of \$5,778,936 be used to develop the FY 2012 operating budget; and

RESOLVED: that a Landfill Division be created and the funds from the Wallingford, Shelton, and Waterbury Post-Closure Reserves and the funds from the Wallingford, Shelton and Waterbury Landfill Trusts and the funds from the Shelton Landfill Future Use be transferred from their respective Project/Divisions to the Landfill Division at the end of Fiscal Year 11; and

FURTHER RESOLVED: that \$1,000,000 be transferred from the Hartford Landfill Closure Reserve to the Hartford Landfill Postclosure Reserve; and

FURTHER RESOLVED: that any residual funds remaining after all guarantee of payments have been refunded from the Wallingford Project's Guarantee of Payment Reserve be transferred to the Wallingford Project's Operating Account and that the Wallingford Project's Future Use/Planning Reserve, Tip Fee Stabilization Reserve, and Customer Guarantee of Payment Reserve be closed and dissolved once their respective balances reach zero and that the Mid-Connecticut Project's various Municipality Retained Subsidy Fund and the Bridgeport Project's Risk Fund and be closed and dissolved now; and

FURTHER RESOLVED: that the Bridgeport Project's Waterbury Closure Reserve be closed and dissolved and its funds be transferred to its Post Project Reserve; and

FURTHER RESOLVED: that the Bridgeport Project's Post Project Reserve and the Wallingford Project's Risk Fund, Wallingford Escrow reserve, and Project Closure reserves have their reserve names changed to denote their original Project and these reserves be transferred from their respective Projects to the Property Division; and

FURTHER RESOLVED: that the Mid-Connecticut Project's Debt Service Stabilization Reserve be closed and dissolved and any residual funds be used to offset Fiscal Year 2012 debt payments; and

FURTHER RESOLVED: that the Mid-Connecticut Project's General Fund be closed and all fund transferred to the Debt Service Reserve Fund; and

FURTHER RESOLVED: that any funds in excess of \$1,500,000 in the Mid-Connecticut Project's Renewal & Replacement Fund and \$1,500,000 in the Mid-Connecticut Project's Operating & Maintenance Fund be transferred to the Facility Modification Reserve; and

FURTHER RESOLVED: that \$1,440,000 be transferred from the Rolling stock Reserve to the Facility Modification Reserve, and

FURTHER RESOLVED: that \$480,000 of the Post Litigation Fund and \$1,475,000 of the Risk Fund be used in Fiscal Year 2012 cost of operation; and

FURTHER RESOLVED: that the \$1,000,000 in Select Energy Escrow Account be used to offset Fiscal Year 2012 cost of operation, when the funds become available, and that the Hartford Landfill Post Closure Reserve be used as a temporary advance and be replenish by the Select Energy Escrow Account revenues once they become available; and

FURTHER RESOLVED: that \$116,000 be transferred from the Wallingford Project operating account to the Wallingford Project Risk Fund Reserve.

Connecticut Resources Recovery Authority

Reserve Analysis

October 28, 2010

Each year management reviews the Authority's restricted and unrestricted reserves. The purpose of this review is to determine if additional funds will be required to be deposited in the upcoming budget process or if certain reserves can be reduced, dissolved and/or funds re-designated.

The following are Management's recommendations based upon this year's review:

- That a Landfill Division be created and all Landfill Post Closure Reserves from Closed Projects be transferred to the Landfill Division.
- That the Mid-Connecticut Project Fiscal Year 2010 surplus be used to develop the Fiscal Year 2012 operating budget in accordance with the MSAs.
- That \$1,000,000 be transferred from the Hartford Landfill Closure Reserve to fund the Hartford Landfill Post Closure Reserve.
- That all reserves recommended for closure be closed and dissolved.
- That the Wallingford and Bridgeport Project Reserves retained to handle ongoing Project closure activities be transfer to the Property Division.
- That funds from the Mid-Connecticut Project's Renewal & Replacement Fund, Operating & Maintenance Fund, General Fund, Debt Service Stabilization Reserve, Risk Fund Reserve, Post Litigation Reserve, and Select Energy Escrow Account be used to offset the Mid-Connecticut Project's Fiscal Year 2012 cost of operation.
- That \$1,440,000 from the Mid-Connecticut Project's Rolling Stock Reserve be transferred to the Mid-Connecticut Project's Facility Modification Reserve.
- That \$116,000 From the Wallingford Project's operation account be transferred to the Wallingford Project's Risk Fund Reserve.

Copies of the individual Reserve summaries are attached for your review.

Connecticut Resources Recovery Authority Reserves

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Connecticut Resources Recovery Authority

October 28, 2010

Reserve: SHELTON LANDFILL POSTCLOSURE

Account #: 35-000-000-10301

Designation: Board Designated

Project: Property Division

Purpose: To cover the costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate in real dollars to monitor and maintain the landfill is \$11,243,763 which includes estimated costs for environmental insurance premiums. These estimates do not include any funds for future changes in law.

Fund Source: Past funding has come from the Bridgeport Project operating budgets.

Fund Amount as Of June 30, 2010: \$6,653,203

Term: Thirty years after the landfill is certified closed. Ash area certified close April 2001 and MSW area certified closed October 1997. Postclosure ends in fiscal year 2030.

Supporting Documentation:

The Board approved a resolution on June 17, 1999 to transfer \$2,734,000 from prior year surpluses to the post-closure reserve. In addition, the Board through adoption of the annual budget has been authorizing annual contributions into this reserve.

Recommendation:

The Authority has recorded the postclosure liability on its financial statements. Continue to perform a full analysis of the account on an ongoing basis. Transfer these funds from Property Division to the Landfill Division.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: WATERBURY POSTCLOSURE

Account #: 35-000-000-10307

Designation: Board Designated

Project: Property Division

Purpose: To cover the costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate in real dollars to monitor and maintain the landfill is \$988,280, which includes estimated costs for environmental insurance premiums. These estimates do not include any funds for future changes in law.

Fund Source: Past funding has come from the Bridgeport Project operating budgets.

Fund Amount as of June 30, 2010: \$1,305,316

Term: Thirty years after the landfill is certified closed. Circa 2038.

Supporting Documentation:

The Board approved the following resolution at their April 2005 meeting.

...“ **RESOLVED:** That a reserve be established to cover postclosure costs for the Waterbury Landfill for the Bridgeport Project.”

Recommendation:

The Authority has recorded the postclosure liability on its financial statements. Continue to perform an annual analysis of the account on an ongoing basis. Transfer these funds from Property Division to the Landfill Division.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: DEP TRUST-SHELTON LANDFILL

Account #: 35-000-000-13204

Designation: Restricted - DEP

Project: Property Division

Purpose: To cover a portion of the costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill

Fund Basis: Staff provides Management with an annual review of all expenses associated with maintaining and monitoring each of its landfills. Management reviews and approves adequately reserve funding and provides funding assurance estimates to the Connecticut Department of Environmental Protection ("CTDEP") for its review and approval. The CTDEP required additional financial assurances for this landfill and the Authority chose to deposit a portion of the post-closure funds into this trust to fill CTDEP requirements.

Fund Source: Shelton Landfill Postclosure Reserve.

Fund Amount as Of June 30, 2010: \$5,671,840

Term: Thirty years after the landfill is certified closed. Ash area certified close April 2001 and MSW area certified closed October 1997. Postclosure ends in fiscal year 2030.

Supporting Documentation:

The Authority reviews and provides representation of financial assurance for each of its landfill's post-closure liabilities to the Connecticut Department of Environmental Protection. Due to certain Permit renewal restrictions, the Authority was required to provide enhanced financial assurance. The Board approved the following resolution at their May 27, 2010 meeting to transfer \$5,671,840 from in the Shelton Landfill Post-Closure STIF Reserve.

"**WHEREAS**, due to change in the Permit for the Shelton Landfill, a new financial assurance mechanism must be in place by June 1, 2010; and...

...**WHEREAS**, the Connecticut Department of Environmental Protection requires that funding equal to the post-closure cost estimated through the end of fiscal year 2020 be placed in a Post-Closure Trust Fund. ...

...**RESOLVED**: That \$5,671,840 funds in the Shelton Landfill Post-Closure STIF Reserve be transferred to U.S. Bank for deposit in a trust fund used to demonstrate financial assurance: ..."

Recommendation:

Annually review fund necessity and adequacy of financial assurance at the October reserve review. Transfer these funds from Property Division to the Landfill Division.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: SHELTON LANDFILL FUTURE USE

Account #: 35-000-000-12206

Designation: Restricted-DEP

Project: Property Division

Purpose: To set aside funds to pay for expenditures associated with the two DEP Consent Orders including costs relating to future use options of the landfill.

Fund Basis: Amount based upon a DEP Consent Orders (\$330k) plus a preliminary estimate of the cost to implement the future use options at the landfill (\$530k) as required by the permit.

Fund Source: Past funding has come from Bridgeport Project operating budgets.

Fund Amount as Of June 30, 2010: \$872,193

Term: Upon completion of the work.

Supporting Documentation:

The following is the resolution approved by the Board January 16, 2003 and the January 2003 minutes:

WHEREAS: CRRA desires to create a divisible reserve account within the Bridgeport Project for the Shelton Landfill for future use expenditures of the Shelton Landfill ("Shelton Landfill Future Use Reserve");

WHEREAS: CRRA desires to fund the Shelton Landfill Future Use Reserve with \$630,000 from the Fiscal Year 2003 Operating Budget of the Bridgeport Project;

RESOLVED: That the CRRA Finance Department is authorized to create a Shelton Landfill Future Use Reserve and fund it with \$630,000.00 from the FY03 Operating Budget of the Bridgeport Project.

Chairman Pace requested a motion on the reference topic. Director O'Brien made the following motion:

WHEREAS: CRRA desires to create a divisible reserve account within the Bridgeport Project for the Shelton Landfill for future use expenditures of the Shelton Landfill ("Shelton Landfill Future Use Reserve");

WHEREAS: CRRA desires to fund the Shelton Landfill Future Use Reserve with \$630,000 from the Fiscal Year 2003 Operating Budget of the Bridgeport Project;

RESOLVED: That the CRRA Finance Department is authorized to create a Shelton Landfill Future Use Reserve and fund it with \$630,000.00 from the FY03 Operating Budget of the Bridgeport Project.

Recommendation:

Continue to maintain until final ecological risk assessment has been completed circa 2015. Transfer these funds from Property Division to the Landfill Division.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: WATERBURY LANDFILL TRUST

Account #: 34-000-000-13202

Designation: Restricted - DEP

Project: Property Division

Purpose: To provide a performance bond or surety to guarantee closure of the landfill as required by the solid waste permit.

Fund Basis: Estimated cost for closure.

Fund Source: No supporting records found.

Fund Amount as Of June 30, 2010: \$174,311

Term: Upon closure of the landfill or approval from DEP that another funding source could be utilized.

Supporting Documentation:

The following is language from the regulations.

“...an owner or operator of a facility with a hazardous waste disposal unit must establish financial assurance for post-closure care of the disposal unit...”

Recommendation:

The Authority has recorded the postclosure liability on its financial statements and includes these funds as part of the post-closure funding resources. Transfer these funds from Property Division to the Landfill Division.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: STRATFORD RECYCLING CAPITAL

Account #: 35-000-000-10229

Designation: Board Designated

Project: Property Division

Purpose: To cover potential futures costs associated with the replacement or repair of capital equipment and/or buildings for the Stratford intermediate processing center.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: This reserve is to be funded from the settlements reached with the Town of East Haven (net lump sum payment of \$14,634) and City of Stamford (net payment of \$122,000 paid equally over a thirty-six month period) relating to their non-delivery of recyclables. Initial funding will commence in fiscal year 2006.

Fund Amount as of June 30, 2010: \$708,663

Term: The reserve will be maintained until all capital projects have been completed or it is no longer required.

Supporting Documentation:

The Board approved the following resolution at their October 2005 meeting.

“FURTHER RESOLVED: that a Recycling Reserve be created for the Bridgeport Project to cover capital repairs and/or replacements costs for the Stratford intermediate processing center and that the initial funding of this reserve come from the settlement funds to be received from the Town of East Haven and City of Stamford.”

Recommendation:

SWEROC and the Authority are currently determining the plan for a continued CRRA recycling presents in the southwest region and SWEROC's role in any future activities. A decision is expected before the end of the calendar year.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: WATERBURY CLOSURE

Account #: 34-000-000-10302

Designation: Board Designated

Project: Bridgeport

Purpose: To pay for anticipated expenditures associated with the closure of the landfill.

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded.

Fund Source: Past funding has come from operating budgets.

Fund Amount as Of June 30, 2010: \$672,195

Term: Upon DEP certification of the closure work. Circa 2009.

Supporting Documentation:

The minutes indicate that this reserve was first established in July 1991. The Board has been approving contributions to this reserve as part of the annual budget process. The Board adopted the following resolution at their October 2003 meeting.

“...**FURTHER RESOLVED:** That the Waterbury Landfill Closure/Postclosure Reserve be renamed the Waterbury Closure Reserve.”

Recommendation:

The Authority has recorded the postclosure liability on its financial statements and have started funding landfill activities from Waterbury Landfill Postclosure Reserve. The Authority has reconciled the Waterbury Landfill closure account and Management recommends that this reserve be dissolved and the remaining funds be transfer to the Post Project Reserve.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: POST PROJECT

Account #: 34-000-000-10260

Designation: Board Designated

Purpose: To cover costs associated with the expiration of the project including but not limited to; cost of accounts payable and accounts receivable, accounting functions associated with project closure, and administrative expense associated with ongoing project closure meeting.

Fund Basis: The basis was determined as a conservative estimate of the Authority's total expense to close this Project.

Fund Source: Contributions from the operating fund FY 09 surplus.

Fund Amount as of June 30, 2010: \$825,156.00

Term: The reserve will be maintained until all liabilities for this Project have been remunerated. Any residual funds will be return to the Project.

Supporting Documentation:

The Board adopted the following language at their March 26, 2009

“Now, Therefore it is **RESOLVED**, a Post Project Reserve be established to retain necessary funds to meet residual Bridgeport Project Expenses...”

The Board adopted the following language at their July 23, 2009

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

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

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

Recommendation:

Change the reserve account title to Bridgeport Post Project and in FY 2012 transfer this reserve to the Property Division. Maintain and review on a quarterly basis until all liabilities associated with the Bridgeport Project have been closed. Any remaining funds will be distributed back to the Project.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: RISK FUND

Account #: 34-000-000-10261

Designation: Board Designated

Project: Bridgeport

Purpose: To cover costs associated with the potential risks of the Bridgeport Project after the close of the Project.

Fund Basis: The basis was determined as a conservative estimate of the Project's potential risk expense after closure of this Project.

Fund Source: Contributions from the operating fund FY 09 surplus.

Fund Amount as of June 30, 2010: \$0.00

Term: The reserve will be maintained until all liabilities for this Project have been remunerated. Any residual funds will be return to the Project.

Supporting Documentation:

The Board adopted the following language at their March 26, 2009

“Further **RESOLVED**, a Risk Fund Reserve be established to retain anticipated funds needed to cover outstanding post Bridgeport Project risk associated with claims and litigation...”

The Board adopted the following language at their July 23, 2009

“...**Resolved:** That \$725,000 be transferred from the Bridgeport project subaccount STIF account to the following STIF accounts:
\$625,000 to the Bridgeport Post Project Reserve STIF account
\$100,000 to the Bridgeport Risk Reserve STIF account”

Recommendation:

Dissolve the account since on April 29, 2010 the Board voted to close this account and transfer all funds in to the Bridgeport Post Project STIF account.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: DEBT SERVICE RESERVE FUND

Account #: 41-000-000-13133

Designation: Restricted - Trustee

Project: Mid-Connecticut

Purpose: To provide debt service payment security to 1996 Series bondholders.

Fund Basis: Maximum Annual Debt Service amount in any calendar year, adjusted annually by the Trustee.

Fund Source: 1985 Series Bonds (the amounts in the current DSRF were originally funded by the 1985 Series Bonds. The 1996 Series Bonds refunded the 1985 Series Bonds.)

Fund Amount as of June 30, 2010: \$4,364,206

Term: Upon final payment of bonds.

Supporting Documentation:

Language from the Mid-Connecticut Bond Resolution adopted March 13, 1985.

Section 5.2 of the Bond Resolution states that the Authority shall establish and create certain funds and accounts which include a Special Capital Reserve Fund, which is the same as the Debt Service Reserve Fund.

“Section 5.10 *Special Capital Reserve Fund* (A) Upon the delivery of any Bonds, the Authority shall pay to the Trustee from the proceeds of such Bonds or otherwise, the sum of money, if any, necessary to increase the amount in the Special Capital Reserve Fund to the Special Capital Reserve Fund Requirement.”

Recommendation:

Continue to maintain as required by the indenture. Funds will be used in to pay the last year of debt FY 2012 and FY 13.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: DEBT SERVICE FUND

Account #: 41-000-000-13130

Designation: Restricted - Trustee

Project: Mid-Connecticut

Purpose: To provide debt service (principal and interest) payments to 1996 Series bondholders.

Fund Basis: One-sixth of the next ensuing interest payment due and one-twelfth of the next ensuing principal payment due.

Fund Source: Monthly transfers from the Mid-Connecticut Revenue Fund.

Fund Amount as of June 30, 2010: \$5,320,528

Term: Upon final payment of bonds.

Supporting Documentation:

Language from the Mid-Connecticut Bond Resolution adopted March 13, 1985.

Section 5.2 of the Bond Resolution states that the Authority shall establish and create certain funds and accounts which include a Debt Service Fund.

The Debt Service Fund is sub-divided into two Accounts: the Interest Account and the Principal Installment Account

“Section 5.9 *Debt Service Fund*. (A) The Trustee shall pay out of the Interest Account of the Debt Service Fund to the respective Paying Agents for any of the Bonds (i) on the day preceding each Interest Payment Date, the amount required for the payment of interest on the Bonds due on such Interest Payment Date and (ii) on the day preceding the redemption date, the amount required for the payment of accrued interest on Bonds redeemed unless the payment of such accrued interest shall be otherwise provided for, and such amounts shall be applied by the Payment Agents to such payment. The Trustee shall also pay out of the Interest Account the accrued interest included in the purchase price of the Bonds purchased for retirement.

“(B) The Trustee shall pay out of the Principal Installment Account to the respective Payment Agents, on the day preceding each Principal Installment Date for any of the Bonds, the amounts required for the payment of principal due on such Principal Installment Date and such amounts shall be applied by the Paying Agents to such payments.”

Recommendation:

Continue to utilize the account until final annual debt payment on bonds.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: REVENUE FUND

Account #: 41-000-000-13101

Designation: Restricted - Trustee

Project: Mid-Connecticut

Purpose: To receive all revenues associated with the Mid-Connecticut Project including the FY 09 and FY 10 surpluses and to make disbursements, to the funds and accounts established under the Mid-Connecticut Bond Resolution.

Fund Basis: None

Fund Source: Tip fees, energy revenues and other miscellaneous income.

Fund Amount as of June 30, 2010: \$19,106,333

Term: Upon final payment of bonds.

Supporting Documentation:

Language from the Mid-Connecticut Bond Resolution adopted March 13, 1985.

Section 5.2 of the Bond Resolution states that the Authority shall establish and create certain funds and accounts which include a Revenue Fund.

“Section 5.4 *Revenue Fund*. All Revenues received shall, upon receipt, be deposited with the Trustee unless required more frequently and credited to the Revenue Fund. Prior to the Commercial Operation Date at least monthly and thereafter unless required more frequently as soon as practicable after the end of each Billing Period and in any case no later than forty-five (45) days after the end of such Billing Period, the Trustee shall withdraw from the Revenue Fund and transfer to the Person, Funds and Accounts as set forth” ...in the Section and in the priority as indicated in the Section.

Recommendation:

Continue to review during annual reserve analysis cycle and reallocate funds per budget and Municipal Service Agreements (e.g. Use of surplus)

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: GENERAL FUND

Account #: 41-000-000-13152

Designation: Restricted - Trustee

Project: Mid-Connecticut

Purpose: To hold any funds not needed in another fund or account established by the Mid-Connecticut Bond Resolution.

Fund Basis: None

Fund Source: Initial funding came from the proceeds from the sale of the Enron claims. Current balance includes amounts not utilized in July 2006 bond defeasance.

Fund Amount as of June 30, 2010: \$695,341

Term: Upon final payment of the bonds.

Supporting Documentation:

Language from the Mid-Connecticut Bond Resolution adopted March 13, 1985.

Section 5.2 of the Bond Resolution states that the Authority shall establish and create certain funds and accounts which include a General Fund.

“Section 5.13 *General Fund*. So long as (i) there shall not be any deficiency in any other Fund or Account under this Resolution, (ii) there shall not exist an Event of Default, and (iii) the amount in the General Fund is not otherwise required to be retained by the Authority for use with respect to the Mid-Connecticut System, any balance in the General Fund shall, upon direction of an Authorized Officer of the Authority, be paid to the State in amounts sufficient to repay the State for amounts theretofore paid by the State into the Special Capital Reserve Fund, and any remaining balance may, upon direction of an Authorized Officer of the Authority, be transferred to any other Fund established hereunder or to the Redemption Fund for the purchase or redemption of Bonds.”

Recommendation:

Transfer the funds to Debt Service Reserve Fund to offset FY 2012 expenses related to debt service payments.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: RENEWAL & REPLACEMENT FUND

Account #: 41-000-000-13106

Designation: Restricted - Trustee

Project: Mid-Connecticut

Purpose: To provide funds for improvements, constructions, reconstructions, major repairs, renewals, replacements or maintenance items not recurring annually or at shorter intervals and for costs of equipment.

Fund Basis: Minimum funding requirement is \$1,500,000 as defined in the Mid-Connecticut Bond Resolution.

Fund Source: Series 1985 Bonds

Fund Amount as of June 30, 2010: \$1,769,933

Term: Upon final payment of bonds.

Supporting Documentation:

Language from the Mid-Connecticut Bond Resolution adopted March 13, 1985.

Section 5.2 of the Bond Resolution states that the Authority shall establish and create certain funds and accounts which include a Renewal and Replacement Fund.

“Renewal and Replacement Fund Requirement” means \$1,500,000 or such greater amount as the Consulting Engineer shall determine is required on an annual basis.

“Section 5.7 Renewal and Replacement Fund. (1) The Trustee shall withdraw from the Renewal and Replacement Fund amounts requisitioned by the Authority for, and apply the same to, the reasonable and necessary expenses of the Authority with respect to the Mid-Connecticut System, for improvement, constructions, reconstructions, major repairs, renewals, replacement or maintenance items of a type not recurring annually or at shorter intervals and for costs of equipment.”

“(2) If on any date all withdrawals or payment from the Renewal and Replacement Fund required by any other provision of this Resolution with respect to the same and every prior date shall have sooner been made and the amount in the Renewal and Replacement Fund exceeds the Renewal and Replacement Fund Requirement, the Trustee shall withdraw from the Renewal and Replacement Fund the amount of such excess and pay the moneys as withdrawn into the Revenue Fund as Revenues.”

Recommendation:

Transfer the funds in excess of \$1.5 million to the Facility Modification Reserve to support maintenance of the Facility.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: OPERATING & MAINTENANCE FUND

Account #: 41-000-000-13105

Designation: Restricted - Trustee

Project: Mid-Connecticut

Purpose: To provide amounts required for operating expenses to the extent the Mid-Connecticut Operating Fund does not have sufficient funds.

Fund Basis: Minimum funding requirement is \$1,500,000 as defined in the Mid-Connecticut Bond Resolution.

Fund Source: Series 1985 Bonds.

Fund Amount as of June 30, 2010: \$1,766,935

Term: Upon final payment of bonds.

Supporting Documentation:

Language from the Mid-Connecticut Bond Resolution adopted March 13, 1985.

Section 5.2 of the Bond Resolution states that the Authority shall establish and create certain funds and accounts which include an Operation and Maintenance Fund.

“Operation and Maintenance Fund Requirement” means \$1,500,000 or such greater amount as the Authority and the Consulting Engineer shall agree is prudent to maintain as a reserve for the operation of the Mid-Connecticut System.

“Section 5.6 Operation and Maintenance Fund. (1) The Trustee shall withdraw from the Operation and Maintenance Fund and deposit in the Operating Fund amounts required for Operating Expense to the extent that the Operating Fund is insufficient for such purpose at that time and will not be available from funds in the Revenue Fund at the end of the next Billing Period.

“(2) If on any date all withdrawals or payment from the Operation and Maintenance Fund required by any other provision of this Resolution with respect to the same and every prior date shall have sooner been made and the amount in the Operation and Maintenance Fund exceeds the Operation and Maintenance Fund Requirement, the Trustee shall withdraw from the Operation and Maintenance Fund the amount of such excess and pay the moneys as withdrawn into the Revenue Fund as Revenues.”

Recommendation:

Transfer the funds in excess of \$1.5 million to the Facility Modification Reserve to support maintenance of the Facility.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: CUSTOMER GUARANTEE OF PAYMENT

Account #: 41-000-000-12112

Designation: Restricted

Project: Mid-Connecticut

Purpose: To deposit the cash guaranty of payments ("GOP") received by the Authority by some of its customers.

Fund Basis: Varies by customer based upon their delivery trends.

Fund Source: Authority customers

Fund Amount as of June 30, 2010: \$293,456

Term: Various

Supporting Documentation:

Permitting, Disposal and Billing Procedures all for cash GOP's.

Recommendation:

Continue to maintain the reserve as long as customers have cash GOP's.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: SELECT ENERGY ESCROW

Account #: 41-000-000-13104

Designation: Restricted - Trustee

Project: Mid-Connecticut

Purpose: To be in compliance with the Jets power purchase and sales agreement and escrow agreement between CRRA and Select Energy.

Fund Basis: Amount established pursuant to the escrow agreement.

Fund Source: Funding came from the transfer of funds from the Power Block Facility Maintenance Fund (\$500k), the Transfer Station Maintenance Fund (\$466k) and the operating account (\$34k).

Fund Amount as Of June 30, 2010: \$1,000,000

Term: Until expiration of the power purchase and sales agreement.

Supporting Documentation:

The Board approved the following resolution at their June 2003 meeting.

“...Whereas: it is a precondition to the execution of an Energy Purchase Agreement (the “EPA”) between Connecticut Resources Recovery Authority (“CRRA”) and Select Energy, Inc., that an escrow fund in the amount of ONE MILLION DOLLARS (\$1,000,000.00; the “Escrow Fund”) be established; and ...”

Recommendation:

As allowed by the Agreement, close this reserve in June 2012. CRRA will use \$1,000,000 from Mid-Connecticut reserves to offset the FY 2012 cost of operation. Once the Select Energy Escrow funds become available in June 2012, CRRA will replenish the \$1,000,000 removed from the other Mid-Connecticut reserves.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: JETS / ENERGY GENERATING FACILITY

Account #: 41-000-000-12201

Designation: Restricted

Project: Mid-Connecticut

Purpose: To cover the future Energy Generating Facility (EGF) operating costs.

Fund Basis: The initial reserve estimate projected anticipated electricity revenues from the Jets less operating and maintenance costs of the Jets and Energy Generating Facility (EGF) to determine what level of reserves was required to cover future costs of the EGF through the term of the existing project.

Fund Source: Initial funding of \$20M was received as part of the CL&P and Enron Power Marketing, Inc agreement.

Fund Amount as Of June 30, 2010: \$7,118,430

Term: Upon final payment of bonds.

Supporting Documentation:

In addition to the letter to State Street Bank and Trust dated December 28, 2000, the Board minutes and resolutions from the November and December 2000 Board meetings imply that the intent of the prior Board was to set aside these funds to cover future costs of the EGF through the end of the Project. Furthermore, although there is no specific resolution in regards to this reserve, it is management's opinion that this reserve was set-aside for the specific purpose stated above to satisfy the Trustee.

On July 5, 2006 the Authority received an analysis from R.W. Beck that states the \$20 million was no longer necessary to be maintained in this account, but rather only \$10,888,000.

In Fiscal Year 2010, the Authority's engineers finalized the EGF/Jets capital plan for the remainder the Project and determined that this reserve will be sufficiently funded after the Fiscal Year 2011 contribution \$1,700,000.

Recommendation:

Management has determined that this reserve will be sufficiently funded for the remainder of the Project.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: RECYCLING EDUCATION

Account #: 41-000-000-12203

Designation: Restricted

Project: Mid-Connecticut

Purpose: To reimburse the City of Hartford for expenses incurred solely for its recycling education program.

Fund Basis: Per the host community agreement the Authority shall contribute \$50,000 annually in addition to the \$100,000 annually per the PILOT agreement.

Fund Source: Past funding has come from the operating budget.

Fund Amount as Of June 30, 2010: \$213,090

Term: The requirement to fund this reserve will terminate upon the final maturity of all bonds and satisfaction of all obligations with respect thereto, which term shall be consistent with the provisions as to expiration contained in the Municipal Solid Waste Management Service Contract by and between the CRRA and the City, dated June 30, 1982, or any amendment thereto.

Supporting Documentation:

The following language is from the Agreement for Payments In Lieu Of Taxes and the Host Community Agreement between CRRA and the City of Hartford, respectively.

Commencing July 1, 1990 and for each year that the Authority owns and operates the Recycling Center the Authority hereby agrees to maintain an account and provide funding for the same in an amount not to exceed One Hundred Thousand (\$100,000.00) Dollars per year, which funds may be used by the City solely for the benefit of its recycling education program. Any funds remaining in the account at the end of each fiscal year shall be rolled over and added to the One Hundred Thousand (\$100,000.00) Dollars that the Authority is required to provide for the next succeeding year.

“CRRA will make a recycling payment of \$150,000 per year (\$50,000 of which is in addition to the current annual payment into such fund of \$100,000) into the Recycling Account...”

Recommendation:

Continue to maintain reserve as required by PILOT agreement.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: TOWN OF ELLINGTON TRANSFER STATION TRUST

Account #: 41-000-000-13211

Designation: Restricted

Project: Mid-Connecticut

Purpose: To be in compliance with the Certificate of Special Permit granted by the Ellington Planning and Zoning Commission.

Fund Basis: Established pursuant to the Certificate of Special Permit.

Fund Source: No supporting documents found.

Approximate Fund Amount as Of June 30, 2010: \$48,000

Term: Upon termination of the permit.

Supporting Documentation:

The following is language from the Certificate of Special Permit.

...Connecticut Resource Recovery Authority shall maintain a minimum balance of \$10,000 in a passbook account to be held by the Town of Ellington. This account shall be drawn upon to off set the expense of solid waste litter pickup in the event that the landfill operator fails to meet acceptable standards..."

Recommendation:

Certificate only requires that the fund have a balance of \$10k. At its October 29, 2009 meeting, the Board approved use of \$37,622 to offset FY 11 expenses. Management recommends continuing to review this account annually.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: ELLINGTON LANDFILL TRUST

Account #: 41-000-000-13201

Designation: Restricted - DEP

Project: Mid-Connecticut

Purpose: To maintain financial assurance for postclosure care, thirty years of monitoring and maintenance, as required by 40 CFR 265.145 and Section 22a-449 (c) -30 CT HWMR.

Fund Basis: Estimated amount of postclosure costs for monitoring and maintenance. Funds are located in Treasury Bills.

Fund Source: No supporting documents found.

Fund Amount as Of June 30, 2010: \$490,300

Term: After thirty years of postclosure or until DEP and the Town agree that the postclosure account for the Ellington landfill can be used in replace of this trust.

Supporting Documentation:

The following is language from the regulations.

“...an owner or operator of a facility with a hazardous waste disposal unit must establish financial assurance for post-closure care of the disposal unit...”

Recommendation:

The Authority has recorded the postclosure liability on its financial statements and includes these funds as part of the post-closure funding resources. Continue to perform an annual analysis of the account on an ongoing basis.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: MUNICIPALITY RETAINED SUBSIDY FUND

Account #: 41-000-000-xxxx (Varies by Town)

Designation: Restricted by Municipality

Project: Mid-Connecticut

Purpose: To hold subsidy funds from individual participating municipalities from the Fiscal Year 2010 tip fees. The ending balance of these funds were applied to subsequent year's tip fee payment for each participating municipality.

Fund Basis: To offset operating expenses

Fund Source: Mid-Connecticut Debt Stabilization Fund.

Fund Amount as of June 30, 2010: \$576,166

Term: Upon depletion of funds in FY 2011.

Supporting Documentation:

The Board approved the following resolution at their June 2009 meeting:

“Resolved: that the Debt Service Stabilization Fund shall be used to provide a subsidy in the amount of \$6.00 per ton to all Mid-CT member solid waste customers for FY 10, effective July 1, 2009

Further Resolved: That at the request of any municipality, said municipality's subsidy shall not be credited against such municipality's FY 10 monthly invoices, but shall rather be retained by the Authority, and deposited in a restricted account; and

Further Resolved: That any funds so deposited shall be identified as allocable to such requesting municipality and shall be held for the benefit of such municipality only and shall be protected from any other use; and

Further Resolved: That such retained funds shall be used as a subsidy against each such requesting municipality's FY 11 monthly invoices.”

Recommendation:

That these reserves be dissolved since all funds were distributed in July 2010.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: POST LITIGATION

Account #: 41-000-000-10233

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To provide costs of paying expert witnesses and other legal fees relating to the Enron-related lawsuits.

Fund Basis: None.

Fund Source: Enron-related litigation settlements net of amounts to be determined by court order.

Fund Amount as of June 30, 2010: \$604,329

Term: Upon resolution of pending litigation.

Supporting Documentation:

Board resolution adopted October 25, 2007.

“...WHEREAS, the Authority has recovered funds from the global litigation matters, which can be reserved to provide for the circumstance that the Authority shall be required by a final, non-appealable order of a court of competent jurisdiction to pay additional amounts as interest on the New Hartford judgment and for associated legal expenses for which other funds may not be available; and”

“...FURTHER RESOLVED: That there is hereby created a Post Litigation Reserve, which is to be funded from the global bank settlements and such funds shall be conserved for the circumstance that the Authority shall be required by a final, non-appealable order of a court of competent jurisdiction to pay additional amounts as interest on the Escrowed Funds and for up to \$800,000 of associated legal expenses for which other funds may not be available; and”

Recommendation:

Current review indicates continued open litigation based on General Counsel recommendation; Management recommends continue to maintain sufficient funds. Based on internal calculations, this reserve can be reduced to \$125,000 and the remaining funds of \$480,000 be used to offset the FY 2012 cost of operation.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: ELLINGTON LANDFILL POSTCLOSURE

Account #: 41-000-000-10305

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To cover the GASB 18 costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate includes estimated costs for environmental insurance premiums. These estimates do not include any funds for future changes in law.

Fund Source: Past and future funding comes from operating budgets.

Fund Amount as Of June 30, 2010: \$3,572,778

Term: Thirty years after the landfill is certified closed. Certified closed in October 1998, postclosure ends fiscal year 2029.

Supporting Documentation:

The Board approved the following resolution at their October 2003 meeting.

“...**FURTHER RESOLVED:** That the Ellington Landfill Closure/Postclosure Reserve be renamed the Ellington Postclosure Reserve.”

Recommendation:

The Authority has recorded the postclosure liability on its financial statements. Continue to perform an annual review for adequacy.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: HARTFORD LANDFILL CLOSURE

Account #: 41-000-000-10303

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To cover the anticipated expenditures associated with the closure of the Bulky Waste and Ash Residue areas of the Hartford Landfill.

Fund Basis: The basis is reviewed annually by internal staff. Per the existing agreement with the City of Hartford the Authority is responsible to pay all closure costs.

Fund Source: Initial funding came from a prior Hartford Landfill Closure/Postclosure Reserve. Additional funding came from the operating budget any additional funding, if needed, is to come from future operating budgets.

Fund Amount as Of June 30, 2010: \$12,613,816

Term: Upon certified closure of the landfill.

Supporting Documentation:

The Board approved the following resolution at their October 2003 meeting.

“...**FURTHER RESOLVED:** That the Hartford Landfill Closure/Postclosure Reserve be split into two separate reserves (balance as of August 31, 2003 was \$7,109,905.17) and that \$500,000 of these funds be designated for the Hartford Postclosure Reserve and the remaining fund balance be designated for the Hartford Landfill Closure Reserve....”

Recommendation:

The Authority has recorded the closure liability on its financial statements; therefore a Board designated unrestricted reserve is not required. An annual analysis has determined that based on current projections this account can be reduced by \$1,000,000. Management recommends transferring the \$1,000,000 into the Hartford Landfill Postclosure Reserve to fund the Postclosure account activities. Managements will also continue to perform an analysis of the account including funding requirements during the annual budget process.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: HARTFORD LANDFILL POSTCLOSURE

Account #: 41-000-000-10304

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To cover the GASB 18 costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate includes estimated costs for insurance premiums and administrative costs. These estimates do not include any funds for future changes in law.

Fund Source: Initial funding of \$500,000 came from a previous reserve called the Hartford Landfill Closure / Postclosure Reserve. Additional funding is to come from operating budgets.

Fund Amount as Of June 30, 2010: \$16,922,418

Term: Thirty years after the landfill is certified closed. Certified closed in CIRCA 2011.

Supporting Documentation:

The Board approved the following resolution at their October 2003 meeting.

“...**FURTHER RESOLVED:** That the Hartford Landfill Closure/Postclosure Reserve be split into two separate reserves (balance as of August 31, 2003 was \$7,109,905.17) and that \$500,000 of these funds be designated for the Hartford Postclosure Reserve and the remaining fund balance be designated for the Hartford Landfill Closure Reserve....”

Recommendation:

The Authority has recorded the postclosure liability on its financial statements and has determined that an additional \$1,000,000 contribution is needed to ensure funds are available to monitor and maintain the Landfill during the 30 year postclosure period. Management recommends this contribution be transferred from the Hartford Landfill Closure Reserve. Continue to perform an analysis of the account including funding requirements during the annual budget process.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: RISK FUND

Account #: 41-000-000-10221

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To protect the project against catastrophic losses and litigation.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: Past funding has come from operating budgets.

Fund Amounts as Of June 30, 2010: \$7,190,791

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board approved the Policy Establishing the Risk Financing Plan, which included the Risk Fund on September 18, 1990. On December 19, 1996 the Board approved a modification to the CRRA Risk Fund Policy. The resolutions and minutes are extensive.

Recommendation:

Reevaluate the risk assessments and update during the annual budget process. Based on calculations, Management recommends that this reserve be reduced to \$5,715,000 and the remaining funds of \$1,475,000 be used to offset the FY 2012 cost of operation.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: DEBT SERVICE STABILIZATION

Account #: 41-000-000-10231

Designation: Board Designated

Project: Mid-Connecticut

Purpose: This reserve is to provide a source of funds which will be used to ameliorate future debt service.

Fund Basis: The basis will be reviewed annually during the budget cycle by evaluating various projection scenarios through the term of the existing project.

Fund Source: During fiscal year 2006, \$14,663,000 was deposited into the reserve. The Board authorized an additional \$1.4 million from the fiscal year 2005 surplus to be deposited into this reserve. An additional \$4.3 million was deposited into this account in fiscal year 2007 and \$16,400,000 was withdrawn for Series 96A as approved by the Board on May 25, 2006. During fiscal year 2010, the Board approved the use of this reserve to reduce tips fees by \$6.00/ton

Fund Amount as of June 30, 2010: \$811,936

Term: Upon final payment of bonds or when the Board dissolves the reserve.

Supporting Documentation:

The Board approved the following resolution at their April 2005 meeting.

RESOLVED: That a Debt Service Stabilization Reserve be created for the Mid-Connecticut Project for the purpose of paying future debt service during a period when the project will experience a revenue shortfall due to the loss Enron energy revenues.

FURTHER RESOLVED: That the initial funding for this reserve be through the fiscal year 2006 operating budget.

The Board approved the following resolution at their October 2005 meeting.

"FURTHER RESOLVED: that \$1,457,028 from the Mid-Connecticut Project fiscal year 2005 project surplus be deposited into the Debt Service Stabilization Reserve in the Mid-Connecticut Project."

The Board approved the following resolution at their May 25, 2006 meeting

"...WHEREAS, the Authority has identified approximately \$35,000,000 in uncommitted funds available for any lawful purpose (collectively, "Uncommitted Funds"), such funds include (i) approximately \$16,000,000 credited to the Mid-Connecticut Debt Services Stabilization Fund..."

The Board approved the following resolution at their June 18, 2009 meeting

“...WHEREAS, the Authority has funds reserved in the Debt Service Stabilization Fund expressly to mitigate projected tip fee increases in fiscal years 2011 and 2012 (“FY11” and “FY12”); and

WHEREAS, the balance in the Debt Service Stabilization Fund as of April 30, 2009 is \$4,829,602; ...

...RESOLVED: That a Debt Service Stabilization Fund shall be used to provide a subsidy in the amount of \$6.00 per ton to all Mid-CT member solid waste customers for FY10, effective July 1, 2009; ...”

Recommendation:

Management recommends using the remaining funds in the FY 2012 Budget to offset the cost of operation and dissolving this account once funds are depleted.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: FACILITY MODIFICATION

Account #: 41-000-000-10223

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To cover capital expenditures associated with the Mid-Connecticut Project facilities.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: Past funding has come from operating budgets.

Fund Amount as Of June 30, 2010: \$3,197,791

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board approved a resolution on June 18, 1991 to transfer \$8,624,000 from prior year operating budget surpluses for WPF improvements. The Board adopted resolutions to designate Mid-Connecticut retained earnings to the WPF Modification reserve in the amounts of \$4,490,000 and \$3,925,000 on June 17, 1999 and May 18, 2000 respectively.

The Board approved the following resolution at their October 2005 meeting.

“FURTHER RESOLVED: that the Waste Processing Facility Modification Reserve for the Mid-Connecticut Project be renamed the Facility Modification Reserve.”

Recommendation:

Management has reviewed the capital plan through the end of the Project and is recommending several fund transfers between Mid-Connecticut Project Reserves to ensure that funds are available when needed. This reserve will be reviewed again as part of the FY 2012 budget process.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: ROLLING STOCK

Account #: 41-000-000-10224

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To cover costs associated with the purchase of new and/or rebuilds of equipment such as tractors, trailers, loaders, containers, sweepers, etc.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: Past funding has come from operating budgets and retained earnings.

Fund Amount as Of June 30, 2010: \$2,591,249

Term: When Board dissolves the reserve.

Supporting Documentation:

On June 17, 1999 the Board approved a resolution to transfer \$680,000 from prior year operating budget surpluses to this reserve.

Recommendation:

Management has determined that this reserve is sufficiently funded for the remainder of the Project. Transfer the fund excess of \$1,440,000 to the Facility Modification Reserve to support maintenance of the Facility. This reserve will be reviewed again as part of the FY 2012 budget process.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: SOUTH MEADOWS SITE REMEDIATION

Account #: 41-000-000-10228

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To pay for change orders not covered in the original scope of services for the South Meadows site remediation project.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: The initial funding of an estimated \$245,000 for this reserve came from a credit received from the contractor due to a reduction in the original scope of work.

Fund Amount as of June 30, 2010: \$87,758

Term: Upon completion of the work or when the Board dissolves the reserve.

Supporting Documentation:

The Board approved the following resolution at their April 2005 meeting.

“RESOLVED: That a reserve be established to cover costs not included in the original scope of the South Meadows property remediation project for the Jets/Energy Generating Facility.”

Recommendation:

Fund to be used until remediation is complete circa 2012.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: LANDFILL DEVELOPMENT FUND

Account #: 41-000-000-10308

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To cover ash landfill development expenditures.

Fund Basis: Based upon preliminary estimate for development costs.

Fund Source: Initial funding came from \$1.4 million of the fiscal year 2005 project surplus. Additional funding came from the FY07 operating budget and from the dilution and fund transfer of the Ash Disposal Fund in the amount of \$2,150,002 as approved at the October 23, 2009 Board of Directors meeting.

Fund Amount as Of June 30, 2010: \$3,112,789

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board approved the following resolution at their October 2005 meeting.

“...**FURTHER RESOLVED:** that a Landfill Development Fund be created for the Mid-Connecticut Project to pay for ash landfill development costs and that \$1,400,000 from the fiscal year 2005 project surplus be transferred into the reserve.”

Recommendation:

\$2,800,000 of this fund is being used in FY 11. The remaining funds are being used for residual work and payment for the Franklin development.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: DEBT SERVICE RESERVE FUND

Account #: 11-000-000-13134

Designation: Restricted - Trustee

Project: Southeast

Purpose: To provide debt service payment security to bondholders.

Fund Basis: Maximum Annual Debt Service amount in any calendar year, adjusted annually by the Trustee.

Fund Source: 1998 Series Bonds

Fund Amount as of June 30, 2010: \$884,949

Term: Upon final payment of bonds.

Supporting Documentation:

Section 5.1 (A) (3) of the Indenture of Mortgage and Trust dated as of December 1, 1988 as supplemented.

Recommendation:

The Authority will commence to draw upon in the final year of debt service.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: DEBT SERVICE FUND

Account #: 11-000-000-13136 & 11-000-000-13137

Designation: Restricted - Trustee

Project: Southeast

Purpose: To provide debt service payments (principal and interest) to bondholders.

Fund Basis: One-sixth of the next ensuing interest payment amount due and one-twelfth of the next ensuing principal payment amount due.

Fund Source: Monthly transfers from the Revenue Fund.

Fund Amount as of June 30, 2010: \$399,442

Term: Upon final payment of bonds.

Supporting Documentation:

Section 5.1 (A) (2) of the Indenture of Mortgage and Trust dated as of December 1, 1988, as supplemented.

Recommendation:

Funding source will change from the Revenue Fund to the Debt Service Reserve Fund in the final bond year.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: REVENUE FUND

Account #: 11-000-000-13101

Designation: Restricted - Trustee

Project: Southeast

Purpose: To accept all payments related to the Southeast project.

Fund Basis: None

Fund Source: Tip fees, energy revenues and other miscellaneous income.

Fund Amount as of June 30, 2010: \$1,450,000

Term: Upon final payment of bonds.

Supporting Documentation:

Section 5.1 (A) (8) of the Indenture of Mortgage and Trust dated as of December 1, 1988, as supplemented.

Recommendation:

Continue to utilize the account until final payment of bonds.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: REBATE FUND

Account #: 11-000-000-13141

Designation: Restricted - Trustee

Project: Southeast

Purpose: To pay the Internal Revenue Service in the event any funds relating to the bonds earn more than the arbitrage yield.

Fund Basis: As required by the Indenture

Fund Source: 1998 Series A Bonds

Fund Amount as of June 30, 2010: \$179,127

Term: Upon final payment of bonds.

Supporting Documentation:

The following is language from Section 3.2 of the 1998 Series A Supplemental Indenture of Mortgage and Trust dated March 1, 1998

“There is hereby created and established a Rebate Fund. The Rebate Fund shall be held in trust solely for the purpose of making rebate payments, if any, to the federal government and shall not be held in trust for or pledged as security for payments required to be made to the Holders of the Bonds.”

The following is language from Section 3.4 of the 1998 Series A Supplemental Indenture of Mortgage and Trust dated March 1, 1998

“(A) There shall be deposited in the Rebate Fund such amounts as (i) the Authority may pay to the Trustee for deposit therein pursuant to the Indenture or any Tax Regulatory Agreement or (ii) the Lessee may pay to the Trustee for deposit therein pursuant to the Lease Agreement or any Tax Regulatory Agreement (or cause an Parent to pay or cause to be paid to the Trustee for deposit there pursuant to the Company Support Agreement).”

Recommendation:

Continue to have outside arbitrage consultant review on an annual cycle. Upon final bond payment the account will be closed.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: MONTVILLE POST-CLOSURE

Account #: 11-000-000-12301

Designation: Restricted

Project: Southeast

Purpose: To cover the costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

Fund Basis: Updated annually during the budget process by the Southeastern Connecticut Regional Resources Recovery Authority ("SCRRA").

Fund Source: Initial funding came from a payment of \$2 million from the Mohegan Properties, LLC pursuant to Section 4.5.4 of the Ground Lease between Southeastern Connecticut Resources Regional Recovery Authority and Mohegan Properties. In fiscal year 2005, SCRRA withdrew approximately \$1.5 million from the reserve to redeem the 1989 Series Bonds. Future funding will come from operating budgets.

Fund Amount as Of June 30, 2010: \$1,129,269

Term: Thirty years after the landfill is certified closed.

Supporting Documentation:

The Board approved the following resolution on October 21, 1999:

Chairman Ellef requested a motion on the reference topic. Director Winkler made the following motion:

RESOLVED: That \$2,000,000 received by the Authority from Mohegan Properties, LLC, pursuant to Section 4.5.4 of the Ground Lease Between Southeastern Connecticut Resources Regional Recovery Authority and Mohegan Properties, LLC (the "Ground Lease") is deposited into the Montville Landfill Postclosure Reserve as required by the Ground Lease.

FURTHER RESOLVED: That \$990,000 of existing funds in the Montville Landfill Postclosure Reserve by de-designated for application to other project purposes.

Recommendation:

Continue to maintain the reserve as required by SCRRA.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: RISK FUND

Account #: 11-000-000-10221

Designation: Board Designated

Project: Southeast

Purpose: To protect the project against catastrophic losses.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: Past funding has come from operating budgets.

Fund Amounts as Of June 30, 2010: \$252,450

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board approved the Policy Establishing the Risk Financing Plan, which included the Risk Fund on September 18, 1990. On December 19, 1996 the Board approved a modification to the CRRA Risk Fund Policy. The resolutions and minutes are extensive.

Recommendation:

Reevaluate the risk assessments and update during the annual budget process.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: CUSTOMER GUARANTEE OF PAYMENT

Account #: 71-000-000-12112

Designation: Restricted

Project: Wallingford

Purpose: To deposit the cash guaranty of payments (“GOP”) received by the Authority by some of its customers.

Fund Basis: Varies by customer based upon their delivery trends.

Fund Source: Authority customers

Fund Amount as of June 30, 2010: \$57,848

Term: Various

Supporting Documentation:

Permitting, Disposal and Billing Procedures all for cash GOP’s.

Recommendation:

That this reserve be closed and dissolved once all GOP funds have been returned to their respective haulers and any residual amount transferred to the Wallingford Project Operating Account.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: TIP FEE STABILIZATION

Account #: 71-000-000-12205

Designation: Restricted

Project: Wallingford

Purpose: Fund established per the municipal solid waste agreements with the towns for the purpose of paying all or a portion of system costs for any contract year.

Fund Basis: The municipal service contracts stipulate that any surpluses or deficits are to be deposited or withdrawn from this reserve.

Fund Source: Per the agreement all surpluses or deficits are to flow through this reserve. These deposits and withdrawals require approval from the Wallingford Policy Board.

Fund Amount as Of June 30, 2010: \$14,453,867

Term: Upon termination of the municipal solid waste agreements.

Supporting Documentation:

Below is the contract language in Section 6.03 in reference to this Reserve, otherwise known as the Municipal Disposal Fee Stabilization Fund. The entire section pertaining to this Fund is available in the reserve folder.

At least one hundred fifty (150) days prior to the beginning of each Contract Year, the Municipal Disposal Fee will be calculated as follows:

System Cost and System Revenue for each Contract Years shall be estimated. The estimated System Cost shall be (i) increased by that amount, if any, which the Policy Board and the Authority determine is to be deposited in the Municipal Disposal Fee Stabilization Fund, or (ii) decreased by that amount, if any, which the Policy Board and the Authority determine is to be withdrawn from the Municipal Disposal Fee Stabilization Fund and applied against System Costs.

Recommendation:

Management has compiled a comprehensive Project closure task list and the appropriate funds to complete that list. Management recommends that the necessary funds to complete the closure list be reserved using the funds from the Wallingford accounts and remaining funds be distributed to the Wallingford municipalities. This account be closed and dissolved once funds have been distributed.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: WALLINGFORD LANDFILL TRUST

Account #: 71-000-000-13203

Designation: Restricted - DEP

Project: Wallingford

Purpose: To maintain financial assurance for postclosure care, thirty years of monitoring and maintenance, as required by 40 CFR 265.145 and Section 22a-449 (c) -30 CT HWMR.

Fund Basis: Estimated thirty years of monitoring and maintenance costs.

Fund Source: No supporting documents found.

Fund Amount as Of June 30, 2010: \$153,309

Term: Upon completion of thirty years of postclosure monitoring and maintenance.

Supporting Documentation:

The following is language from the regulations.

“...an owner or operator of a facility with a hazardous waste disposal unit must establish financial assurance for post-closure care of the disposal unit...”

Recommendation:

The Authority has recorded the postclosure liability on its financial statements and includes these funds as part of the post-closure funding resources, Transfer these funds from Property Division to the Landfill Division.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: WALLINGFORD POST-CLOSURE

Account #: 71-000-000-10306

Designation: Board Designated

Project: Wallingford

Purpose: To cover the costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate includes estimated costs for environmental insurance premiums. These estimates do not include any funds for future changes in law.

Fund Source: Past contributions have been through the annual operating budget.

Fund Amount as Of June 30, 2010: \$7,529,533

Term: Thirty years after the landfill is certified closed. The landfill was certified closed in February 2005 and the postclosure ends in fiscal year 2035.

Supporting Documentation:

Below is Section 5.12 of the Amended and Restated Municipal Solid Waste Delivery And Disposal Contract between CRRA and the Town of Wallingford in reference to this Reserve. The entire section of the contract pertaining to this reserve is available in the reserve folder.

The Authority, with the approval of the Policy Board, shall establish a fund intended to meet any and all costs and expenses related to the Facility, the Site and/or the Residue Disposal Site(s), including but not limited to environmental clean-up costs and post-closure monitoring costs, which may result from the use of the Facility, The Site and/or the Residue Disposal Site(s) pursuant to this Agreement but which are not quantified or do not arise until after this Agreement otherwise ends.

In addition, the following language is from Section 6.12 of the Lease Agreement between CRRA and the Town of Wallingford.

The Authority shall provide all post-closure maintenance and monitoring of the Demised Property required by then applicable DEP regulations. The provisions of this Section 6.12 shall survive the term of this lease.

Recommendation:

The Authority has recorded the postclosure liability on its financial statements. Continue to perform an annual analysis of the account on an ongoing basis, and transfer these funds from Property Division to the Landfill Division after July 1, 2011.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: RISK FUND

Account #: 71-000-000-10221

Designation: Board Designated

Project: Wallingford

Purpose: To protect the project against catastrophic losses.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: All documentation found indicates that funding of this reserve has occurred through the operating budget.

Fund Amounts as Of June 30, 2010: \$549,087

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board approved the Policy Establishing the Risk Financing Plan, which included the Risk Fund on September 18, 1990. On December 19, 1996 the Board approved a modification to the CRRA Risk Fund Policy. The resolutions and minutes are voluminous. Complete minutes are available in the reserve backup file.

Recommendation:

Change the reserve account title to Wallingford Risk Fund and in FY 2012 transfer this reserve from the Wallingford Project to the Property Division. A Project end review was completed in July and the fund level will be increased to \$665,000. Maintain and review on a semi-annual basis until all risks associated with the Wallingford Project have been closed. Any remaining funds will be distributed back to the Project's municipalities.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: PROJECT CLOSURE

Account #: 71-000-000-85170

Designation: Board Designated

Project: Wallingford

Purpose: To cover costs associated with the expiration of the project including but not limited to; cost of accounts payable and accounts receivable, accounting functions associated with project closure, wrap up and distribution meetings, and ongoing project closure meeting.

Fund Basis: The basis was determined as a conservative estimate of the Authority's total expense to close this Project.

Fund Source: Contributions are from the Future Use Reserve.

Fund Amount as of June 30, 2010: \$821,404

Term: The reserve will be maintained until all liabilities for this Project have been remunerated. Any residual funds will be return to the Project.

Supporting Documentation:

The Board and the Wallingford Policy Board adopted the following language at their respective January 2009 meetings.

"FURTHER RESOLVED: That the Board approve the establishment of a Project Closure Reserve to cover costs associated with project closure: and

"FURTHER RESOLVED: That the Board approve the transfer of \$820k from the Future Use Reserve to the newly established Project Closure Reserve. Any residual funds will be distributed back to the project.

Recommendation:

Change the reserve account title to Wallingford Project Closure and in FY 2012 transfer this reserve from the Wallingford Project to the Property Division Maintain until all liabilities associated with the Wallingford Project has been closed. Review account on a semi-annual basis and distribute excess funds back to the Project's municipalities accordingly.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: FUTURE USE/PLANNING

Account #: 71-000-000-10230

Designation: Board Designated

Project: Wallingford

Purpose: To cover costs associated with the expiration of the project of the existing project, extension costs associated with the existing project or costs associated with developing a new strategy for the member towns post current project.

Fund Basis: The basis was contingent upon the completion of the future option study.

Fund Source: Contributions have been through the annual operating budget.

Fund Amount as of June 30, 2010: \$1,531,716

Term: The reserve will be maintained until it is fully funded to meet the obligations of the project, to terminate the existing project or extend the existing project.

Supporting Documentation:

The Board and the Wallingford Policy Board adopted the following language at their respective April 2005 meetings.

“RESOLVED: That a Future Use/Planning Reserve be established for the Wallingford Project for the purpose of funding termination costs associated with the existing project, funding extension costs associated with the existing project or funding costs associated with developing a new strategy for the member towns upon termination of the existing project.

Recommendation:

Management has compiled a comprehensive Project closure task list and the appropriate funds to complete that list. Management recommends that the necessary funds to complete the closure list be reserved using the funds from the Wallingford accounts and remaining funds be distributed to the Wallingford municipalities. This account be closed and dissolved once funds have been distributed.

Connecticut Resources Recovery Authority

October 28, 2010

Reserve: WALLINGFORD ESCROW

Account #: 71-000-000-13104

Designation: Restricted

Project: Wallingford

Purpose: To cover potential costs associated with the remediation of the real property that consists of the site where the Resource Recovery Facility is located.

Fund Basis: The basis is the established of an Escrow Account pursuant to the Release and Settlement Agreement date June 23, 2010 between CRRA and Covanta Projects of Wallingford, LP, which is associated with the applicability of the Connecticut Transfer Act to the conveyance of the Wallingford Resources Recovery Facility from CRRA to Covanta Projects of Wallingford, LP

Fund Source: The Wallingford Risk Fund.

Fund Amount as of June 30, 2010: \$500,000

Term: The reserve will be maintained until one of the following events occurs: all funds in this reserve are depleted, the Connecticut Department of Environmental Protection determines that the requirements of the Connecticut Transfer Act or until 5 years have passed from the date Covanta (the Operator) has submitted all required documentation to DEP stating that final remediation of the land that comprises the Resource Recovery Facility site has been completed.

Supporting Documentation:

The Board adopted the following language at their June 24, 2010 meetings.

“RESOLVED: That \$500,000 of funds in the Wallingford Risk Fund be transferred to U.S. Bank for deposit in an Escrow Account, which Escrow Account will be established pursuant to the Release and Settlement Agreement date June 23, 2010 between CRRA and Covanta Projects of Wallingford, LP, and which is associated with the applicability of the Connecticut Transfer Act to the conveyance of the Wallingford Resources Recovery Facility from CRRA to Covanta Projects of Wallingford, LP. In accordance with the Release and Settlement Agreement, the Escrow Account will be maintained until the Connecticut Department of Environmental Protection determines that the requirements of the Connecticut Transfer Act, as they relate to the conveyance of the Wallingford Resources Recovery Facility, have been satisfied, which period is estimated to be approximately five years.

Recommendation:

In FY 2012 transfer this reserve from the Wallingford Project to the Property Division and continue to perform an annual review and update of the status of this reserve at the October Board of Director’s meetings.

TAB 3

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

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

Connecticut Resources Recovery Authority

Contract Summary for Contract Entitled

Special Waste Cover Soils Letter Agreement

Presented to the CRRA Board on:	October 28, 2010
Vendor/ Contractor(s):	Manafort Brothers Inc.
Effective date:	September 28, 2010
Contract Type/Subject matter:	Letter Agreement. Delivery of DEP approved soil to the Hartford Landfill to be used as cover material.
Facility (ies) Affected:	Hartford Landfill
Original Contract:	This is the original contract
Term:	Through June 30, 2011
Contract Dollar Value:	\$1,500,000 (up to 100,000 tons at \$15/ton). This is a REVENUE Contract.
Amendment(s):	None
Term Extensions:	Not applicable
Scope of Services:	Delivery of DEP approved soil to the Hartford Landfill to be used as contouring and cover material. Generator – MDC.
Other Pertinent Provisions:	None

Connecticut Resources Recovery Authority Hartford Landfill Delivery of Cover Soil

October 28, 2010

Executive Summary

CRRA has contracted with Manafort Brothers, Inc. to deliver up to 100,000 tons of DEP approved soil generated in Hartford, Connecticut to the Hartford Landfill for use as contouring and cover material.

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

Discussion

Although the Hartford landfill ceased accepting solid waste on December 31, 2008 and no longer needs soil for daily cover, CRRA continues to need upwards of 120,000 tons of soil to support landfill closure activities, and is still permitted to accept DEP approved soil to shape and grade the landfill surface in preparation for final closure.

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

In order to reach out to more potential soil suppliers, in July 2010, staff advertised an "Expression of Interest for Soils" in the following publications throughout Connecticut:

Connecticut Post
Hartford Courant
Manchester Journal Inquirer
New Haven Register

Waterbury Republican-American
LaVoz Hispania de Connecticut
Northeast Minority News

Additionally, the Expression of Interest for Soils was submitted for posting on the DAS website and the Environmental Professionals of Connecticut website, as well as CRRA's website.

Since that time, staff has received over 35 inquiries from owners, contractors, and consultants with potential sources of soil. Based on quantity, soil composition, the estimated delivery time frame, receipt of CTDEP approval of the soil for use as cover material, and the Mid-Connecticut Project Permitting, Disposal and Billing Procedures, CRRA staff make a determination whether or not the soil would be of use, and if so, negotiate a tip fee for soil delivered to the landfill with the generator or their representative.

Of the more than 35 inquiries, CRRA received two from contractors (Red Technologies, LLC and Manafort Brothers, Inc.) with substantial quantities of soil that was acceptable for use as contouring material. CRRA first negotiated a price of \$9/ton and contracted with Red Technologies for up to 40,000 tons of soil. Ultimately, Red Technologies did not deliver any soil to CRRA because it found a lower price at a different disposal facility. CRRA was then able to negotiate a price of \$15/ton and contracted with Manafort Brothers, Inc. and these soil deliveries began on October 4, 2010.

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

Financial Summary

This will provide up to \$1,500,000 in revenues to the Mid-Connecticut project (100,000 tons at \$15.00 per ton).

TAB 4

**WASTE TRANSPORTATION AND TRANSFER STATION OPERATION AND
MAINTENANCE SERVICES AGREEMENTS
MID-CONNECTICUT PROJECT**

INTENTION TO EXERCISE ONE-YEAR OPTION TO EXTEND

October 28, 2010

EXECUTIVE SUMMARY

The current base agreements with Copes Rubbish Removal, Inc., and CWPM, LLC for the operation and maintenance and transportation of waste received at the Mid-Connecticut Project Transfer Stations expire on June 30, 2011. The current agreements provide for two divisible one-year extension periods exercisable at CRRA's discretion. In accordance with the practice instituted by the P&P Committee at its June 8, 2006 meeting (see enclosed Memo), CRRA management is advising the Board of its intention to exercise the first one-year extension period of July 1, 2011 through June 30, 2012 with Copes Rubbish Removal, Inc., and CWPM, LLC, under the same terms and conditions of the base agreements.

DISCUSSION

On November 7, 2005, CRRA issued a Request for Proposals (RFP) for the operation and maintenance and waste transportation services associated with the Ellington, Essex, Torrington and Watertown transfer stations that support the Mid-Connecticut Resource Recovery Facility. The RFP required that the winning proposer(s) lease and/or own the tractor/trailers needed to transport waste from the transfer stations to the WPF. Any future agreement(s) for services would contain the same rolling stock requirement.

In order to provide winning proposers a minimum six-months lead time to assess their rolling stock needs to perform the services, including the purchase of additional equipment if needed, CRRA would need to issue a new RFP soon so that new agreement(s) could be in place by January 1, 2011 (Effective Date of the agreement). The Commencement Date for the provision of services would be July 1, 2011. However, because of the current transition to the post-2012 operation and maintenance of the Mid-Connecticut system, CRRA cannot accurately prepare a new RFP because we do not now know how much waste will be committed to the system in FY13 and beyond. While CRRA has executed new waste delivery agreements with private waste hauling companies with a term through June 30, 2015, CRRA will not have signed commitments (new municipal service agreements) with many municipalities until mid-summer of 2011 and perhaps beyond. Because CRRA cannot provide potential proposers adequate transfer station waste flow information, proposers cannot determine their rolling stock needs and therefore, cannot establish or commit to per ton hauling prices in a bid submittal or contract.

Further, were CRRA to issue a new RFB for these services at this time, CRRA does not anticipate that the rates (particularly for the transportation services) bid would be demonstratively different than the rates currently in place. The most risky aspect of these service contracts is the volatility associated with diesel fuel prices. However, CRRA

recognized the potential for such volatility and included in the current agreements a provision whereby fuel adjustments are performed bi-annually (in July and January). This provision provides some price protection for both the contractor and CRRA. When fuel prices rise, the contractor receives an increase in its specified transportation rates, when fuel prices decline, CRRA receives a reduction in the transportation rates it is charged by the contractor.

Accordingly, CRRA management intends to exercise the first one-year extension period with Copes Rubbish Removal, Inc., and with CWPM LLC.

Connecticut Resources Recovery Authority

Contract Summary for Contract entitled

Waste Transportation and Transfer Station Operation & Maintenance Services at the Mid-Connecticut Project Transfer Stations

Presented to CRRA Board on: October 28, 2010

Vendors/Contractors: Copes Rubbish Removal, Inc., for the Torrington Transfer Station and CWPM, LLC, for the Ellington, Essex and Watertown Transfer Stations

Commencement Date: July 1, 2006

Contract Type: Waste transportation and transfer station operation and maintenance services.

Facilities: Mid-Connecticut Project Ellington, Essex, Torrington and Watertown Transfer Stations.

Term: Base agreement July 1, 2006 - June 30, 2011.

Extensions: Two divisible one year extensions exercisable at CRRA's sole and absolute discretion: July 1, 2011 - June 30, 2012 and July 1, 2012 - June 30, 2013.

Scope of Services: Contractor(s) shall furnish all labor, vehicles, equipment, parts, materials, maintenance, supervision and all other items and activities necessary to transport the Acceptable Solid Waste, Acceptable Recyclables, Non-Processible Waste, and Unacceptable Waste delivered to the transfer stations and to operate and maintain the transfer stations.

Escalation/Fuel: Annual Fixed O&M Fee: adjusted annually to reflect seventy-five percent (75%) of the annual changes in the Consumer Price Index for All Urban Consumers (Cross Classification of Region and Population Size Class, Northeast/Size Class C Index, All Items) as published by the U.S. Department of Labor, Bureau of Labor Statistics; and

Transportation Fees: the non-fuel portion of the Transportation Fee (eighty-five percent (85%) of the Transportation Fee) shall be adjusted annually using the same index used for the Annual Fixed O&M Fee described above. The remaining fifteen percent (15%) of the Transportation Fee shall be adjusted semiannually (July 1 and January 1) of each Contract Year to reflect one hundred percent (100%) of the change in the Northeast Urban Automotive Diesel Fuel Index as published monthly by the U.S. Department of Labor, Bureau of Labor Statistics from those in effect July 2006.

Estimated Budget For Extension Period:

A comparison of the last two years of the base contract (FY2010 and FY2011) with the first option year (FY2012) is tabulated below.

	Ellington		Essex		Torrington		Watertown	
	O&M	Transp.	O&M	Transp.	O&M	Transp.	O&M	Transp.
FY10 Actual	360,643	406,351	573,296	1,250,622	545,335	801,584	472,124	1,928,350
FY11 Adopted	396,000	403,800	606,000	1,300,500	576,000	857,400	497,000	1,816,100
FY12 Projected	415,800	423,990	636,300	1,365,525	604,800	900,218	521,850	1,906,905

For budgeting purposes FY12 projected total of \$6,775,388 is the FY11 adopted total escalated by 5%. Sufficient money will be included in the FY12 budget to cover the costs associated with these services.

MEMO

To: Tom Kirk
From: Laurie Hunt
Re: Exercise of Options to Extend

At the April 2006 Board Meeting, in discussion of a new contract for the Operation and Maintenance of the Hartford Landfill Groundwater Flow Control System – which contract, as stated in the Contract Summary in the board package, is for a term of fiscal years 2006 (partial) through 2009, and includes two one-year extension periods at CRRA's option – Director O'Brien requested verification that CRRA is allowed to award a five-year contract. In response to that request, attached please find CGS Sections 22a-268, which authorizes CRRA to enter into long term contracts, with the proviso that any contract over 5 years in duration (which the aforementioned contract would be if both options to extend were exercised) must be approved by a 2/3 vote of the authority's full board of directors. Also attached is CGS Section 22a-268a, which requires that CRRA adopt written procedures for, among other things, procurement of goods and services, which must include a requirement that the authority solicit proposals for professional services at least once every three years, and Section 5.3 of CRRA's Procurement Policy, which implements the cited statutory requirement.

CRRA's policy specifies that the Authority shall issue a Request for Qualifications at least once every three years for all required Professional or Technical Services. "Professional or Technical Services" as defined in the policy "...include, but are not limited to, legal, accounting, insurance, surety bonding, executive recruitment, auditing, architectural, engineering, public relations, financial advisory, management consulting, underwriting, system management, facilities management, telecommunications, security and lease services." In CRRA's understanding of this definition, the subject contract services do not fall within its parameters. The services to be provided under the contract are not the type of services itemized by either the statute or CRRA's policy, but rather are O&M services appropriate to the RFP rather than RFQ process. (Note that these services were in fact solicited pursuant to an RFP.) Based on the foregoing, and the fact that the contract was approved by more than 2/3 of the full board, CRRA does not believe that it is required either by statute or by the terms of CRRA's policy to obtain further approval prior to the exercise of either option to extend.

This matter was discussed by the P&P Committee at its June 2006 meeting. The Committee considers it prudent that, when management determines that it is in the best interests of CRRA to exercise a contract option to extend, the Board should be made aware of the matter prior to such exercise. Management will propose a methodology for the tracking of such contract options to extend for consideration by the P&P Committee.

Solid Waste Management Act

Sec. 22a-268. (Formerly Sec. 19-524aa). Powers to contract with private sector. The authority shall utilize private industry, by contract, to carry out the business, design, operating, management, marketing, planning and research and development functions of the authority, unless the authority determines that it is in the public interest to adopt another course of action. **The authority is hereby empowered to enter into long-term contracts with private persons for the performance of any such functions of the authority which, in the opinion of the authority, can desirably and conveniently be carried out by a private person under contract** provided any such contract shall contain such terms and conditions as will enable the authority to retain overall supervision and control of the business, design, operating, management, transportation, marketing, planning and research and development functions to be carried out or to be performed by such private persons pursuant to such contract. Such contracts shall be entered into either on a competitive negotiation or competitive bidding basis, and the authority in its discretion may select the type of contract it deems most prudent to utilize, pursuant to the contracting procedures adopted under section 22a-268a and considering the scope of work, the management complexities associated therewith, the extent of current and future technological development requirements and the best interests of the state. Whenever a long-term contract is entered into on other than a competitive bidding basis, the criteria and procedures therefor shall conform to applicable provisions of subdivision (16) of subsection (a) and subsections (b) and (c) of section 22a-266, **provided however, that any contract for a period of over five years in duration, or any contract for which the annual consideration is greater than fifty thousand dollars shall be approved by a two-thirds vote of the authority's full board of directors.** The terms and conditions of such contracts shall be determined by the authority, as shall the fees or other similar compensation to be paid to such persons for such contracts. The contracts entered into by the authority shall not be subject to the approval of any other state department, office or agency. However, copies of all contracts of the authority shall be maintained by the authority as public records, subject to the proprietary rights of any party to the contract. Nothing of the aforesaid shall be deemed to restrict the discretion of the authority to utilize its own staff and work force for the performance of any of its assigned responsibilities and functions whenever, in the discretion of the authority, it becomes necessary, convenient or desirable to do so. Any litigation with respect to any terms, conditions or provisions of any contract of the authority, or the performance or nonperformance of same by either party, shall be tried before a judge of the Superior Court of Connecticut.

Solid Waste Management Act

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.

CRRA's Procurement Policy

5.3 Professional or Technical Services

5.3.1 Definition

Professional or Technical Services include, but are not limited to, legal, accounting, insurance, surety bonding, executive recruitment, auditing, architectural, engineering, public relations, financial advisory, management consulting, underwriting, system management, facilities management, telecommunications, security and lease services.

5.3.2 Board Approval

All Contracts, including, but not limited to, Agreements and RFSs, for such services in excess of \$50,000 per year shall be approved by a two-thirds (2/3) vote of CRRA's full Board of Directors. Contracts for such services may not be split in amount or duration in order to evade the intent of the Act.

5.3.3 Competitive Process

Such services shall be procured through a Competitive Process as referred to in Section 4.5.1 of these Policies And Procedures.

5.3.4 Submission of Rates

As part of the Request for Qualifications and RFS process, such service providers shall commit to provide services at specified rates for the duration of the qualification period or any particular Agreement awarded.

5.3.5 Solicitation Frequency

Notwithstanding anything to the contrary set forth in this Section 5.3, CRRA shall solicit proposals at least once every three (3) years for each such professional services which it uses.

TAB 5

**RESOLUTION ACCEPTING THE REPORT OF THE MID-CONNECTICUT
PROJECT SPECIAL COMMITTEE TO THE CONNECTICUT RESOURCES
RECOVERY AUTHORITY BOARD OF DIRECTORS**

WHEREAS, Section 22a-268f of the Connecticut General Statutes requires the Connecticut Resources Recovery Board of Directors to establish a special committee to study options for disposing of solid waste from Mid-Connecticut Project municipalities after the expiration of the Mid-Connecticut Project contracts and

WHEREAS, the CRRA Board of Directors created this Special Committee by resolution on October 29, 2009, and

WHEREAS, the Mid-Connecticut Project Special Committee began its study of future waste disposal options at its first meeting on December 10, 2009, and

WHEREAS, the Mid-Connecticut Project Special Committee was required by statute to deliver its report to the CRRA Board by November 15, 2010, and

WHEREAS, the Mid-Connecticut Project Special Committee prepared the required report and, at its meeting of October 27, 2010, voted to approve said report and transmit it to the CRRA Board of Directors, now therefore

BE IT RESOLVED that the CRRA Board of Directors accepts the Report of the Mid-Connecticut Project Special Committee to the Connecticut Resources Recovery Authority Board of Directors and thanks the Special Committee for its work.

Connecticut Resources Recovery Authority

Resolution Accepting the Report of the Mid-Connecticut Project Special Committee to the Connecticut Resources Recovery Authority Board of Directors

October 28, 2010

EXECUTIVE SUMMARY

On October 29, 2009, the CRRA Board of Directors adopted a resolution creating the Mid-Connecticut Project Special Committee. The Special Committee was created pursuant to Connecticut General Statutes Section 22a-268f, which reads:

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

By ballot in October 2009, the 70 Mid-Connecticut Project cities and towns elected as their representatives on the Special Committee the following chief executive officers (or their designees): Barkhamsted First Selectman Donald S. Stein, Canton First Selectman Richard J. Barlow, East Hartford Mayor Melody A. Currey, Hartford Mayor Eddie A. Perez (who designated Chief of Staff Susan M. McMullen as his proxy) and Windsor Locks First Selectman Steven N. Wawruck Jr. Mr. Perez resigned as mayor in June and Ms. McMullen resigned from the City of Hartford shortly thereafter, but new Mayor Pedro E. Segarra never designated someone to fill Hartford's seat on the Special Committee.

CRRA Chairman Michael A. Pace appointed Director Alan J. Desmarais, Director David B. Damer, Director Timothy C. Griswold, President Thomas D. Kirk and Director of Environmental Affairs & Development Peter W. Egan to represent the Authority. When Mr. Desmarais resigned from the CRRA Board in May, Chairman Pace appointed himself to that seat.

The Special Committee held its first meeting on December 10, 2009. All records of the Special Committee are available on CRRA's website at http://www.crra.org/pages/mid-conn_special_committee.htm.

During the course of its work, the Special Committee examined

- the condition of the Mid-Connecticut Project facilities, specifically its trash-to-energy plant;
- new technologies for solid waste disposal that are being developed; and
- the broader solid waste disposal situation and its implications for Mid-Connecticut Project cities and towns.

Because Sec. 22a-268f specifies “municipal solid waste” as the Special Committee’s focus, this report does not discuss options for recycling. The above-referenced statute is silent on the question of whether the Special Committee should recommend any particular option or options to the cities and towns. However, at its meeting of June 23, 2010, the Committee’s consensus was that its report should only draw conclusions where the Committee had sufficient information to do so. It has long been the Authority’s position that cities and towns should investigate their options themselves to determine which best suits their needs.

The above-referenced statute requires the Special Committee to prepare a report discussing options that may be available to Mid-Connecticut Project cities and towns following the expiration of their municipal service agreements with CRRA in November 2012, and to submit said report to the CRRA Board of Directors two years before Mid-Connecticut Project bonds mature. Project bonds mature November 15, 2012; therefore this report must be presented to the CRRA Board of Directors by November 15, 2010.

This is to request the Board accept the Report of the Special Committee, fulfilling its statutory obligation.