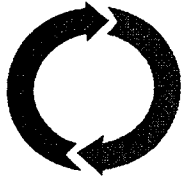


**CRRA  
BOARD MEETING  
Feb. 23, 2012**



**CONNECTICUT  
RESOURCES  
RECOVERY  
AUTHORITY**

**100 Constitution Plaza • Hartford • Connecticut • 06103 • Telephone (860)757-7700  
Fax (860)757-7745**

## **MEMORANDUM**

**TO:** CRRA Board of Directors  
**FROM:** Moira Benacquista, Secretary to the Board/Paralegal  
**DATE:** Feb. 17, 2012  
**RE:** Notice of Regular Board Meeting

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There will be a Regular Board Meeting of the Connecticut Resources Recovery Authority Board of Directors on Thursday, Feb. 23, 2012, at 9:30 a.m. The meeting will be held in the Board Room at CRRA Headquarters, 100 Constitution Plaza, Hartford, CT 06103.

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

Connecticut Resources Recovery Authority  
Regular Board of Directors Meeting

**Agenda**  
Feb. 23, 2012  
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 Special Jan. 19, 2012, Board Meeting Minutes (Attachment 1).
2. Board Action will be sought for the Approval of the Regular Jan. 26, 2012, Board Meeting Minutes (Attachment 2).

IV. Board Committee Reports

A. Finance Committee Reports

1. Board Action will be sought Regarding Approval of the Property Division Budget (Attachment 3).
2. Board Action will be sought Regarding Approval of the Mid Conn Budget (Attachment 4).

B. Policies & Procurement Committee

1. Board Action will be sought Regarding the Resolution for an O&M Contract for Operation and Maintenance of the South Meadows Jet Turbine Facility (Attachment 5).
2. Board Action will be sought Regarding an Amendment to the Resolution Regarding the Purchase of Two Secondary Shredder Motors (Attachment 6).

V. Chairman and President's Reports

VI. Executive Session

An Executive Session will be held to discuss pending litigation, trade secrets, personnel matters, security matters, pending RFP's, and feasibility estimates and evaluations.

# TAB 1

**CONNECTICUT RESOURCES RECOVERY AUTHORITY**

**FOUR HUNDRED AND TWENTY-EIGHTH      JANUARY 19, 2012**

A special telephonic meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thurs. Jan. 19, 2012, in the Board Room at CRRA Headquarters, 100 Constitution Plaza, Hartford, Connecticut. Those present by telephone were:

Directors: Louis J. Auletta, Jr.  
Ryan Bingham  
David Damer  
Timothy Griswold  
Dot Kelly  
Theodore Martland  
Andrew Nunn  
Scott Slifka  
Donald Stein  
Robert Painter, Mid-Connecticut Project Ad-Hoc  
Mark Tillinger, Bridgeport Project Ad-Hoc

Present from CRRA in Hartford:

Tom Kirk, President  
Jim Bolduc, Chief Financial Officer  
Peter Egan, Director of Environmental Affairs and Development  
Laurie Hunt, Director of Legal Service  
Paul Nonnenmacher, Director of Public Affairs  
Virginia Raymond, Senior Operations Analyst  
Moira Benacquista, Board Secretary/Paralegal

Also Present: Alan Curto, Esq. of Halloran & Sage and John Dalton of Power Advisory, LLC.

Director Damer called the meeting to order at 3:10 p.m. and said a quorum was present.

**VOTE TO MAKE DIRECTOR DAMER TEMPORARY CHAIR**

Director Stein made a motion to elect Director Damer as temporary Chairman of the CRRA Board meeting. Director Martland seconded the motion.

The motion previously made and seconded was approved unanimously by roll call. Director Damer, Director Auletta, Director Kelly, Director Martland, Director Nunn, Director Slifka, Director Stein, and Director Tillinger voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
David Damer	X		
Louis Auletta, Jr.	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Scott Slifka	X		
Don Stein	X		
<b>Ad-Hocs</b>			
Mark Tillinger, Bridgeport	X		

### **EXECUTIVE SESSION**

Director Damer requested a motion to enter into Executive Session to discuss trade secrets, pending RFPs, and feasibility estimates and evaluations with appropriate staff. The motion, made by Director Stein and seconded by Director Kelly was approved unanimously. Director Damer asked the following people to join the Directors in the Executive Session:

Tom Kirk  
Jim Bolduc  
Peter Egan  
Laurie Hunt  
Virginia Raymond  
Alan Curto, Esq.  
John Dalton

The motion to move into Executive Session was approved unanimously by roll call. Director Damer, Director Auletta, Director Bingham, Director Kelly, Director Martland, Director Nunn, Director Slifka, and Director Stein voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
David Damer	X		
Louis Auletta, Jr.	X		
Ryan Bingham	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Scott Slifka	X		
Don Stein	X		
<b>Ad-Hocs</b>			
Mark Tillinger, Bridgeport			

The Executive Session began at 3:15 p.m. and concluded at 3:50 p.m. Director Damer noted that no votes were taken in Executive Session.

The meeting was reconvened at 3:50 p.m., the door to the Board room was opened, and the Board secretary and all members of the public (of which there were none) were invited back in for the continuation of public session.

**RESOLUTION REGARDING THE MID-CONNECTICUT RESOURCES RECOVERY FACILITY POWER PURCHASE AGREEMENT**

Director Damer requested a motion on the above referenced item, which was read onto the record by Mr. Kirk. The motion to approve was made by Director Martland and seconded by Director Stein.

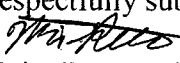
**RESOLVED:** That the President is hereby authorized to enter into the Mid-Connecticut Resources Recovery Facility Power Purchase Agreement with the Constellation Energy Commodities Group, Inc., for the purchase of net electric power output of the Mid-Connecticut Resources Recovery Facility for a term of one (1) year and one (1) month commencing June 1, 2012, and terminating June 30, 2013, substantially as presented and discussed at this meeting.

The motion previously made and seconded was approved unanimously by roll call. Director Damer, Director Auletta, Director Bingham, Director Griswold, Director Kelly, Director Martland, Director Nunn, Director Painter, Director Slifka, and Director Stein voted yes.

Directors	Aye	Nay	Abstain
David Damer	X		
Louis Auletta, Jr.	X		
Ryan Bingham	X		
Timothy Griswold	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Scott Slifka	X		
Don Stein	X		
<b>Ad-Hocs</b>			
Bob Painter, Mid-Ct	X		

**ADJOURNMENT**

Director Damer requested a motion to adjourn the meeting. The motion to adjourn was made by Director Stein and seconded by Director Kelly. The meeting was adjourned at 3:55 p.m.

Respectfully submitted,  
  
 Moira Benacquista  
 Secretary to the Board/Paralegal

## TAB 2



**CONNECTICUT RESOURCES RECOVERY AUTHORITY**

**FOUR HUNDRED AND TWENTY-NINE**

**JAN. 26, 2012**

A regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday Jan. 26, 2012, in the Board Room at 100 Constitution Plaza, Hartford, CT 06103. Those present were:

Directors: Acting Chairman David Damer  
Louis J. Auletta, Jr.  
Ryan Bingham (present by telephone)  
Timothy Griswold (present by telephone beginning 10:20 a.m.)  
Dot Kelly (present by telephone)  
Neil O'Leary  
Theodore Martland  
Andrew Nunn  
Scott Slifka (present by telephone)  
Donald Stein  
Steve Edwards, Bridgeport Project Ad-Hoc  
Mark Tillinger, Bridgeport Project Ad-Hoc  
Steven Wawruck, Mid-Connecticut Project Ad-Hoc

Present from CRRA in Hartford:

Tom Kirk, President  
Jim Bolduc, Chief Financial Officer  
Dave Bodendorf, Senior Environmental Engineer  
Jeff Duvall, Director of Budgets and Forecasting  
Peter Egan, Director of Environmental Affairs and Operations  
Laurie Hunt, Director of Legal Service  
Paul Nonnenmacher, Director of Public Affairs  
Jim Perras, Government Relations Liaison  
Maira Benacquista, Board Secretary/Paralegal  
Marianne Carcio, Executive Assistant

Others present: Dick Barlow, First Selectman of Canton, CT; John Pizzimenti, USA Hauling; Cheryl Thibeault, Covanta; Melissa Yeich, OPM.

Director Damer called the meeting to order at 9:35 a.m. and said a quorum was present.

**VOTE TO MAKE CHAIRMAN DAMER TEMPORARY CHAIR OF THE CRRA BOARD**

Director Stein made a motion to elect Director Damer as temporary Chairman of the CRRA Board meetings. Director Auletta seconded the motion.

The motion previously made and seconded was approved by roll call. Director Auletta, Director Bingham, Chairman Damer, Director Edwards, Director Kelly, Director Martland, Director Nunn, Director O’Leary, Director Slifka, Director Stein, Director Tillinger and Director Wawruck voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Louis J. Auletta	X		
Ryan Bingham	X		
David Damer	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Neil O’Leary	X		
Scott Slifka	X		
Donald Stein	X		
<b>Ad-Hocs</b>			
Steve Edwards, Bridgeport	X		
Mark Tillinger, Bridgeport	X		
Steve Wawruck, Mid-Ct	X		

**PUBLIC PORTION**

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

The Board members and management introduced themselves to Director’s O’Leary and Nunn, both of whom had recently joined the Board.

As there were no members of the public present wishing to speak, Chairman Damer proceeded with the meeting agenda.

**APPROVAL OF THE MINUTES OF THE SPECIAL DEC. 9, 2011, REGULAR BOARD MEETING**

Chairman Damer requested a motion to approve the minutes of the Dec. 9, 2011, Regular Board Meeting. Director Martland made a motion to approve the minutes, which was seconded by Director Stein.

The motion previously made and seconded was approved by roll call. Director Auletta, Director Bingham, Chairman Damer, Director Kelly, Director Martland, Director Slifka, and Director Stein voted yes. Director O’Leary and Director Nunn abstained.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Louis J. Auletta	X		
Ryan Bingham	X		
David Damer	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn			X
Neil O'Leary			X
Scott Slifka	X		
Donald Stein	X		
<b>Ad-Hocs</b>			
Steve Edwards, Bridgeport			
Mark Tillinger, Bridgeport			
Steve Wawruck, Mid-Ct			

**APPROVAL OF THE MINUTES OF THE REGULAR DEC. 22, 2011, BOARD MEETING**

Chairman Damer requested a motion to approve the minutes of the Dec. 22, 2011, Regular Board Meeting. Director Stein made a motion to approve the minutes, which was seconded by Director Martland.

The motion previously made and seconded was approved as amended and discussed by roll call. Director Auletta, Director Bingham, Chairman Damer, Director Edwards, Director Kelly, Director Martland, Director Slifka, Director Stein, Director Tillinger and Director Wawruck voted yes. Director O'Leary and Director Nunn abstained.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Louis J. Auletta	X		
Ryan Bingham	X		
David Damer	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn			X
Neil O'Leary			X
Scott Slifka	X		
Donald Stein	X		
<b>Ad-Hocs</b>			
Steve Edwards, Bridgeport	X		
Mark Tillinger, Bridgeport	X		
Steve Wawruck, Mid-Ct	X		

**FINANCE COMMITTEE**

**RESOLUTION REGARDING ADOPTION OF THE SOUTHWEST DIVISION BUDGET**

Chairman Damer requested a motion on the above referenced item. The motion was made by Director Martland and seconded by Director Auletta.

**RESOLVED:** That the estimated Fiscal Year 2013 SouthWest Division operating budget be adopted substantially in the form as presented and discussed at this meeting; and

**FURTHER RESOLVED:** That an estimated municipal solid waste tip fee of \$66.41 per ton be adopted for contracted member waste; and

**FURTHER RESOLVED:** That the actual municipal solid waste tip fee per ton will be calculated using the actual annual change in the Consumer Price Index ("CPI") as reported in June 2012, which will be released prior to the commencement of the Fiscal Year 2013 billing for contracted member waste as prescribed in the Southwest Division's Municipal Solid Waste Management Services Agreements.

Mr. Bolduc said the SouthWest Division is the division created to service what was formerly the Bridgeport Project. He said the SouthWest Division consists of the towns which contract to bring their MSW through CRRA to the Bridgeport facility (which is now owned by Wheelabrator). He explained CRRA negotiated a contract with Wheelabrator to move up to 261,000 tons a year to that facility. Mr. Bolduc said although there are penalty provisions for delivering beneath that threshold management has been able to work out an arrangement with Wheelabrator in order to avoid those penalties.

Mr. Bolduc said there are two components to the budget. He said the first is the contract with Wheelabrator, which is set at a fixed fee which escalates at 75% of a specified CPI which management estimates will be 2.62% at the end of June 30, 2012. Mr. Bolduc said management will adjust for the actual CPI which is published by the Federal Government at the end of June. He said the SouthWest Division also pays CRRA a fixed administration fee which moves with the CPI as well.

Director Edwards said the Southwestern Connecticut Regional Recycling Operating Committee (hereinafter referred to as "SWEROC") met the previous week. He said CRRA management presented this number to SWEROC, which is tied into contracts. Director Edwards said this is the one CRRA contract he is aware of in which a fixed fee is used. He said SWEROC signed up for a \$2.00 per ton administrative fee with adjustments for CPI. Director Edwards asked whether the number used in administering the director labor and overhead is \$542,000 for FY'12. Mr. Bolduc replied yes. Director Edwards asked whether the fixed fee of \$2.00 a ton is working for CRRA and if CRRA is able to track on those costs closely. Mr. Bolduc said in a fixed fee contract there is a risk of having too much or not enough funding. He said the overall CRRA Authority budget this year is running around \$251,000 favorable. Mr. Bolduc said the SouthWest budget for the year to date is \$161,000 out of a total of \$1.5 million year to date.

Director Edwards asked whether the Mid-Connecticut MSA discussions covered the possibility of a fixed cost per ton. Mr. Bolduc said it was his understanding that the Mid-Conn towns requested a net cost of operations. Director Edwards said Wheelabrator negotiated for an adjustment for ash disposal for fuel costs. He said so far SWEROC has received a credit back. Director Edwards asked whether SWEROC is running close to that amount this year. Mr. Duvall replied yes.

Director Stein asked how long this contract is for. Mr. Kirk replied the end of FY'13. Director Stein asked whether CRRA is making or losing money on this contract. Mr. Bolduc said as of right now the Authority expenses are under budget.

Director Stein asked whether CRRA is making a profit. Mr. Bolduc replied that the Authority budget is currently running at a surplus so it could be assumed that some of the surplus would result from the SouthWest budget.

Director Edwards said the revenue coming in will be the same, the 261,000 tons will not be delivered to Wheelabrator, that figure being closer to 224,000 tons. He said the Wheelabrator contract operating costs will go down as they have not been penalizing SWEROC for under-delivering the minimum. Director Edwards said the revenue side is fixed. He said initially a year and a half ago CRRA was billing on the actual 224,000 tons and not the 261,000 tonnage and not recognizing the shortfall, which was corrected mid-stream last year. Director Edwards said CRRA will be receiving all of its contracted money as it is billing each month for 1/12<sup>th</sup> of SWEROC's commitment. He said it is his understanding that because Wheelabrator is allowing leakage from the system in return Wheelabrator is not enforcing the requirement for a tonnage minimum.

Director Stein asked if the direct labor, overhead and operational can vary. Mr. Bolduc said that will not vary because it is a fixed contract. He explained if there is a surplus it will be reflected in the Authority budget and be re-distributed amongst the other projects and divisions.

Mr. Kirk said there is a fixed-fee with the twelve towns, and management monitors and tracks the costs of administering its contracts. He said if there is a surplus it is enjoyed by CRRA, and any deficit is paid by CRRA. Director Stein said his question was how CRRA will make out against a fixed contract with fixed revenue. Mr. Bolduc said that is individually tracked. He said the Authority budget shows year to date a \$250,000 surplus overall. Director Stein questioned why management does not know how that surplus accrues against this specific contract.

Director Edwards asked whether CRRA keeps time sheets for work spent on the SWEROC project. Mr. Bolduc replied yes. Director Stein asked why management does not know where that is coming from project wise. Mr. Bolduc said that since this is the only fixed cost contract the accounting system is not designed to follow it.

Mr. Kirk said the information is there as the time is tracked and the overhead is allocated by a formula. Mr. Bolduc said it can certainly be provided, however, it will be a significant cost of time and funds in order to do so. Director Edwards said after its contracts expire, SWEROC will want to know how CRRA establishes a price per ton when negotiating. Mr. Bolduc said management would ask what services the SWEROC members would want to be provided and would make an estimate of those costs. Chairman Damer asked whether management would want to know how it performed against that \$2.00 a ton even if the services offered to SWEROC don't change. Mr. Bolduc said he would price those costs out at that time and provide it to the Board.

Director Tillinger said the chart of accounts is not currently structured that way. He said management could certainly make those changes. Director Tillinger said Mr. Bolduc's assumption is that overall the Authority budget is running a surplus. He said he believes what Mr. Bolduc is saying,

which he agrees with, is that the surplus is driven in part by this as an assumption. Director Tillinger said as the contract negotiation phase is reached it does seem like there should be analysis done of contract economics on the current contract, which would provide information on CRRA's position. He said that would be a discreet activity which is done at that time. Director Stein said although it hasn't been structured to do that, going forward management cannot create a price structure if it doesn't know what has been spent on that particular aspect of the business.

Director Kelly suggested that the Finance Committee look into this issue in more detail, especially considering another fixed price will be requested by the SouthWest Towns in the future. Chairman Damer suggested perhaps management track just the labor portion. Mr. Kirk agreed. He said the other portion, the indirect/overhead, is formula driven. He said one of the reasons management is not breaking out these costs as a profit center is due to the costs associated with providing that information and there was intense pressure from the SouthWest towns to keep those costs as minimal as possible.

The motion previously made and seconded was approved by roll call. Director Auletta, Director Bingham, Chairman Damer, Director Edwards, Director Kelly, Director Martland, Director Nunn, Director O'Leary, Director Slifka, Director Stein, and Director Tillinger voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Louis J. Auletta	X		
Ryan Bingham	X		
David Damer	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Neil O'Leary	X		
Scott Slifka	X		
Donald Stein	X		
<b>Ad-Hocs</b>			
Steve Edwards, Bridgeport	X		
Mark Tillinger, Bridgeport	X		
Steve Wawruck, Mid-Ct			

**POLICIES & PROCUREMENT COMMITTEE**

**RESOLUTION REGARDING THE AUTHORIZATION OF ON-CALL OPERATION AND MAINTENANCE WORK AGREEMENT AND REQUEST FOR WORK FOR CRRA HARTFORD LANDFILL**

Chairman Damer requested a motion on the above referenced item. The motion was made by Director Stein and seconded by Director Nunn.

**RESOLVED:** That the President is hereby authorized to execute an agreement with Botticello, Inc. to provide labor and equipment for CRRA Hartford Landfill operation and maintenance activities as presented and discussed at this meeting.

**FURTHER RESOLVED:** That the President is hereby authorized to execute a Request for Work with Botticello, Inc. for the operation and maintenance of the CRRA Hartford Landfill as presented and discussed at this meeting.

Chairman Damer said the Policies & Procurement Committee discussed this resolution at length at its prior meeting. He said the Committee was favorably impressed with the bids which were received and the analysis which was done by management.

Mr. Bodendorf said CRRA went out to bid in November and conducted a mandatory pre-bid meeting at which seven different companies were represented. He said four of those companies submitted bids to CRRA. Mr. Bodendorf said CRRA analyzed the bids administratively and technically. He said it is management's recommendation to continue to contract with the existing operator of the facility. Mr. Bodendorf said it was not the low bidder by about \$8,000; however management felt the low bidder did not have sufficient experience with landfill work.

Mr. Bodendorf said the type of activities which will be done under this contract involves a lot of work on very steep landfill slopes. He said the incumbent operator has many years of experience working on landfills and operated its own landfill for many years. Mr. Bodendorf said the incumbent has been at CRRA's site for three years and the low bidder simply does not have the necessary amount of experience. Mr. Bodendorf said an inexperienced contractor can roll pieces of equipment, injure people, and damage infrastructure at the landfill.

The motion previously made and seconded was approved by roll call. Director Auletta, Director Bingham, Chairman Damer, Director Kelly, Director Martland, Director Nunn, Director O'Leary, Director Slifka, Director Stein, and Director Wawruck voted yes.

Directors	Aye	Nay	Abstain
Louis J. Auletta	X		
Ryan Bingham	X		
David Damer	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Neil O'Leary	X		
Scott Slifka	X		
Donald Stein	X		
<b>Ad-Hocs</b>			
Steve Edwards, Bridgeport			
Mark Tillinger, Bridgeport			
Steve Wawruck, Mid-Ct	X		

**PRESIDENTS' REPORT**

Mr. Kirk said the CRRA facilities operated without environmental safety or public health problems or issues throughout the reporting period. He said the CRRA budget is running at a very modest surplus about 6% below the budgeted level. Mr. Kirk said the Mid-Connecticut Project facility is about \$350,000 unfavorable, a very recent change of about \$600,000 - \$700,000 which is directly attributable to the lower than anticipated and lower than budgeted power price. Mr. Kirk said the power price that CRRA was receiving expires in May which means one month of the new substantially lower revenue number is factored in.

Mr. Kirk said the SouthEast Project remains favorable with about \$1.2 million in projected revenue. He said the SouthWest Division has about a \$250,000 projected surplus, mostly due to the now expired FCR contract and prior operations.

Mr. Kirk said Mid-Conn continues to post improved boiler availability due to capacity utilization which is directly a result of the facility modification plan. He said that several years ago there were many unscheduled outages primarily due to pressure part failure, which is now less of a problem. He said there are now more routine acceptable levels of boiler unavailability. Mr. Kirk said CRRA's long term facility modification plans are to update all three boilers. He said there is a reoccurring issue which CRRA has been dealing with for a number of years, a vacuum leak in turbine No. 5. Mr. Kirk said the turbine units are older and maintenance is a challenge. He said there is a small vacuum leak at the back end stages which is problematic primarily for an efficiency reason. Mr. Kirk said CRRA has reached the conclusion that CRRA needs to approach this issue with a vacuum pump installation, a separate independent approach to taking non-condensed gases through a vacuum pump as opposed to finding the ultimate source of this leak, as it is too costly. Mr. Kirk said there is some continuing cost to running the electric side of this vacuum pump which is overwhelmed by the costs savings expected from removing the effect of the vacuum leak from the rear end of the turbine.

Mr. Kirk said there are reduced tonnage deliveries across all projects due to the depressed economy and diversion. He said he believes the bottom of the delivery slump may have been reached and will hopefully start to increase in time.

Mr. Kirk said as of Dec. 31, 2011, CRRA has 37 towns which have turned in signed MSA contracts. He said a number of towns have gone through the review process and are expected to turn in contracts soon. Mr. Kirk said the expected tonnage projected is for 741,000 tons, including a modest 37,000 tons of spot waste which will primarily be seasonal. Mr. Kirk said with this projected tonnage CRRA will be slightly oversubscribed but not to a point which concerns management. He said there are some assumptions which were made which are still up in the air, those most significant being the town of West Hartford. Mr. Kirk said although West Hartford had initially indicated interest in CRRA that may have changed, which would leave about a 20,000 ton impact to the system. He said CRRA has the spot-market waste available to handle that if West Hartford ultimately goes elsewhere.

Mr. Kirk said the Connecticut Department of Environmental Energy & Protection (hereinafter referred to as "CT DEEP") is in the process of issuing some export permits which CRRA is intervening in.

Mr. Kirk said CRRA received some very disappointing news in its bid for a renewal power contract, which came in at 3.5 cents per kilowatt hour, substantially lower than management had



recently anticipated and drastically lower than what was used to establish CRRA's pro-forma a year ago. He said the contracts with the member towns for future services still apply and the opt-out price will be honored. Mr. Kirk said it is disappointing to have such a substantial impact to revenues. He said the Board will be asked to establish a tip fee before the end of February which will be provided to the towns for their general fund development by the end of February.

Mr. Kirk said the most recent Mid-Connecticut Project Advisory Committee (hereinafter referred to as "MAC") meeting discussed three issues which Mr. Kirk would like to address with the Board. He said the first issue was host community benefits, and at the CRRA Board's request, the MAC Committee examined a potential host community policy which the CRRA Board could use to establish a host community benefit primarily for the South Meadows facility as there is already a policy for host community benefits at the transfer stations. Mr. Kirk said it was the MAC Committee's recommendation to phase in a market based assessment of a host fee for the Mid-CT facility. Mr. Kirk said he reviewed the disappointing power pricing and its potential long term impact on the project with the MAC Committee. He said the MAC Committee unanimously recommended CRRA's proposal for publically owned trash-to-energy facilities to be classified as generators of Class 1 renewable power. Mr. Kirk said the support of the MAC Committee for this matter during the upcoming legislative session is important.

Director Edwards asked whether that designation would be for all waste to energy plants. Mr. Kirk said it is management's recommendation that the benefit is enjoyed by the garbage generator, to provide the Class 1 benefit to publicly-owned facilities or in some other manner to be sure that the benefit is shared with the generator. He said at this point in time there is a concern that the benefit not just be shareholders. Mr. Kirk said management hopes the private sector operators would be supportive even if the Class 1 designation did not include an exclusion or was restricted to public sector facilities.

Chairman Damer asked whether management has estimated what this will do to the market value of Class I renewables. Mr. Kirk said Class 1 power is typically generated in Maine, Vermont and New Hampshire and is predominately solar and wind based and only about 4% of the generation of Class I renewables is in Connecticut. He said there is an imbalance as Connecticut consumes 20% of the Class 1 renewables. Mr. Kirk said if trash-to-energy is included in the pool of Class 1 renewables available it would be a very modest dilution which would immediately be overcome by the increase in demand as each year until 2020 the amount of Class 1 renewable power state suppliers must purchase increases by 1.5%. He said energy provider's portfolios today must include 8% Class 1 renewables, 3% Class 2 and 4% Class 3. He said in 2020 the requirements for Class 2 and Class 3 will be 4% each, but Class 1 will have grown to 20%. Mr. Kirk said that Class 1 supply will be insufficient to meet demands as Class 1 pricing will increase right up to the ceiling of \$55 a megawatt-hour set by the penalty price for not purchasing sufficient renewables.

Mr. Kirk said CRRA's proposal is to recognize the importance of the Mid-Conn facility and other waste to energy facilities as renewable assets for two reasons. He said the alternative to waste to energy is a gross violation of the State Solid Waste Management Plan, and secondly it is a necessary component of meeting the renewable portfolio standard requirements.

Mr. Kirk said the third issue discussed with the MAC Committee was municipal participation on the CRRA Board. He said the MAC Committee and CRRA Board have struggled to find a consensus for potential changes to the CRRA Board which will likely increase the size of the Board and municipal

participation. Mr. Kirk said based on prior work the MAC Committee has developed potential legislation which the Committee has asked Mr. Kirk to bring to the CRRA Board for consideration so that a single collaborative draft document can be presented to the Legislature.

Chairman Damer asked whether management had a sense of what legislative committee this legislation would eventually be brought to. Mr. Kirk said that the Government Administration & Elections Committee (hereinafter referred to as "GAE") would be approached. Mr. Perras said it would be very easy to present GAE with a concept which could be raised as a proposed bill and at that point work with GAE to develop specific language which can be raised into a Committee bill.

Mr. Kirk said last year a working group was created to discuss this issue. After some discussion it was decided that Directors Griswold, Kelly, and Stein, would represent the CRRA Board with MAC members to develop this legislation. Mr. Nonnenmacher said those Mac representatives would be; Curtis Rand, first selectman of Salisbury; Larry deBear of Rocky Hill; Jeff Bridges of Wethersfield and Laura Francis of Durham. Chairman Damer suggested providing the two proposals to the working group and the CRRA Board for review. He said a Special Board meeting will likely be needed to vote on this issue. Mr. Nonnenmacher said the MAC Committee would want the same privilege, and he could certainly arrange an electronic vote.

Mr. Kirk provided an update on the Mid-Conn Project transition progress at the request of Director Martland. He said historically the 25 plus year contract with the operator of the Mid-Conn facility waste processing facility side expired Dec. 30, 2011. Mr. Kirk said on Dec. 31, 2011, after a two year market based solicitation and selection process CRRA decided on and hired a new operator, NAES, Corporation (hereinafter referred to as "NAES").

Mr. Kirk said there were concerns over transition due to the long period of time the former operator, MDC, was in place. He said fortunately, after a rough start, the transition created only minimal and modest issues. Mr. Kirk said he is appreciative of MDC's cooperation in the end.

Mr. Egan said NAES took over the operation of the waste processing facility on Sat. Dec. 31, 2011, and began processing that day. He said overall things are going well after an expected learning curve. Mr. Egan said 19 MDC employees who had worked at the WPF came over to take jobs from NAES along with another two retired employees for a total of 21 former MDC employees.

Mr. Egan said NAES has a total of 58 employees. Director Edwards asked how that compares with what MDC had on board. Mr. Egan replied MDC had budgeted for about 82 employees but typically ran about a dozen short of that. He said the rest of the employees are individuals who are very happy to be working for NAES. Mr. Egan said training began in mid-December and NAES was in Hartford for several weeks training the new hires. He said in addition the CT DEEP came in on Jan. 12, 2012, and provided NAES with its solid waste facility operators' training as required by the CT DEEP.

Mr. Egan said it is management's goal to process 90 tons an hour on each of the two processing lines. He said NAES started in the 70's and is headed toward the low 80's and management expects in another month NAES will be at management's goal. Mr. Egan said the waste continues to be processed through the facility, but; it is just taking a few more hours to do so. He explained this is a function of the learning curve.

Mr. Egan said NAES immediately began processing at night and doing maintenance during the day. He said the advantage of this is that CRRA sells electricity to the grid and receives a higher price for the on-peak period from 7 a.m. to 11 p.m. Mr. Egan said another advantage is that it is more efficient and effective to perform maintenance as NAES can bring in consultants during regular working hours.

Mr. Egan said NAES's purchasing program is in place and it is now purchasing what is necessary to run the facility. He said the CT DEEP conducted a surprise inspection to determine compliance with the solid waste permit and associated regulations on Jan. 18, 2012. He said there were no issues identified, which is encouraging to management.

Director Kelly commended management on its efforts during the transition. Mr. Kirk noted as part of the second transition the second half of the plant (the EPF/PBF) will be transferring to NAES from CRRA's long time contractor Covanta. He said CRRA expects the transition to go smoothly as Covanta is a professional and skilled operator and management expects to retain many of those employees as well.

**RESOLUTION RECOGNIZING MICHAEL J. JARJURA FOR HIS SERVICE TO THE CONNECTICUT RESOURCES RECOVERY AUTHORITY**

Chairman Damer requested a motion on the above referenced item. The motion was made by Director Martland and seconded by Director Nunn.

**WHEREAS**, in 2002 the Connecticut Resources Recovery Authority was crippled by its involvement with Enron Corporation, endangering its ability to provide vital services to the people of Connecticut; and

**WHEREAS**, the General Assembly reconstituted the Connecticut Resources Recovery Authority to include more municipal representation on its Board of Directors; and

**WHEREAS**, on August 3, 2006, Michael J. Jarjura, Mayor of the City of Waterbury, was appointed to the CRRA Board of Directors as an official of a municipality whose population is greater than 50,000 as specified in Connecticut General Statutes Section 22a-261(c); and

**WHEREAS**, Michael Jarjura has faithfully and conscientiously carried out his responsibility to CRRA and, by extension, to the people of the State of Connecticut; and

**WHEREAS**, on March 25, 2010, Michael Jarjura was appointed Vice-Chairman of CRRA; and

**WHEREAS**, on November 8, 2011, Michael Jarjura lost in his bid for a sixth term as Mayor of Waterbury, bringing to an end his tenure on the CRRA Board of Directors; now

**BE IT RESOLVED** that the Connecticut Resources Recovery Authority congratulates Michael J. Jarjura for his years of dedicated service to the City of Waterbury and the State of Connecticut and expresses its gratitude for his role in CRRA's success; and

**BE IT FURTHER RESOLVED** that the Connecticut Resources Recovery Authority wishes Michael J. Jarjura success in his future endeavors.

Mr. Kirk thanked Vice-Chairman Jarjura for his years of service. Chairman Damer said Vice-Chairman Jarjura was a valuable asset to the CRRRA Board for many years. The Board heartily agreed.

The motion previously made and seconded was approved by roll call. Director Auletta, Director Bingham, Chairman Damer, Director Edwards, Director Kelly, Director Martland, Director Nunn, Director O’Leary, Director Slifka, Director Stein, Director Tillinger and Director Wawruck voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Louis J. Auletta	X		
Ryan Bingham	X		
David Damer	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Neil O’Leary	X		
Scott Slifka	X		
Donald Stein	X		
<b>Ad-Hocs</b>			
Steve Edwards, Bridgeport	X		
Mark Tillinger, Bridgeport	X		
Steve Wawruck, Mid-Ct	X		

**EXECUTIVE SESSION**

Chairman Damer requested a motion to enter into Executive Session to discuss pending litigation, trade secrets, personnel matters, security matters, pending RFP’s, and feasibility estimates and evaluations with appropriate staff. The motion, made by Director Martland and seconded by Director Stein, was approved unanimously. Director Damer asked the following people join the Directors in the Executive Session:

- Tom Kirk
- Jim Bolduc
- Peter Egan
- Laurie Hunt

The motion previously made and seconded was approved by roll call. Director Auletta, Director Bingham, Chairman Damer, Director Kelly, Director Martland, Director Nunn, Director O’Leary, Director Slifka, Director Stein, and Director Wawruck voted yes.

Directors	Aye	Nay	Abstain
Louis J. Auletta	X		
Ryan Bingham	X		
David Damer	X		
Dot Kelly	X		
Ted Martland	X		
Andrew Nunn	X		
Neil O'Leary	X		
Scott Slifka	X		
Donald Stein	X		
<b>Ad-Hocs</b>			
Steve Edwards, Bridgeport			
Mark Tillinger, Bridgeport			
Steve Wawruck, Mid-Ct	X		

The Executive Session began at 11:02 a.m. and concluded at 12:04 p.m. Chairman Damer noted that no votes were taken in Executive Session.

The meeting was reconvened at 12:04 p.m., the door to the Board room was opened, and the Board secretary and all members of the public (of which there were none) were invited back in for the continuation of public session.

**ADJOURNMENT**

Chairman Damer requested a motion to adjourn the meeting. The motion to adjourn was made by Director Stein and seconded by Director Kelly and was approved unanimously.

There being no other business to discuss, the meeting adjourned at 12:05 p.m.

Respectfully Submitted,



Moira Benacquista  
Board Secretary/Paralegal

# TAB 3

**RESOLUTION REGARDING THE ADOPTION OF  
THE FISCAL YEAR 2013 PROPERTY DIVISION  
OPERATING BUDGET**

**RESOLVED:** That the fiscal year 2013 Property Division Operating budget totaling \$5,711,000.00 be adopted as presented at this meeting; and

**FURTHER RESOLVED:** that starting November 16, 2012, \$1,672,000 be transferred in equal monthly allotments to the Connecticut Solid Waste System's operating budget; and

**FURTHER RESOLVED:** that a Property Division Operating Fund be established at the Short Term Investment Fund of the State of Connecticut ("STIF") to fund solid waste activities and that the full amount associated with the Property Division in the current operating account be transferred into this new account.

## PROPERTY DIVISION

### REVENUE & EXPENDITURE SUMMARY

ACCOUNT	DESCRIPTION	ACTUAL FY11	ADOPTED FY12	PROPOSED FY13	
35-001-000-40101	South Central Facility Capacity	\$ 467,591	\$ 1,400,000	\$ 1,444,000	
35-001-000-43104	Jets Energy	(a)	(a)	\$ 3,838,000	(d)
35-001-000-46107	Interest Income	(a)	(a)	\$ 3,000	(d)
35-001-000-45101	Lease Income	\$ 399,000	\$ 413,000	\$ 426,000	
	<b>Total Revenues</b>	\$ 866,591	\$ 1,813,000	\$ 5,711,000	

### EXPENDITURE

ACCOUNT	DESCRIPTION	ACTUAL FY11	ADOPTED FY12	PROPOSED FY13	
35-001-501-xxxxx	Miscellaneous Reimbursement	\$ 421	\$ -	\$ 1,000	
35-001-501-52856	Legal	\$ 5,509	\$ 45,000	\$ 10,000	
35-001-501-xxxxx	Insurance Expenditures	\$ 5,000	\$ 9,000	\$ 5,000	
35-001-501-52899	Other Consulting Services	\$ 3,000	\$ 80,000	\$ 20,000	
35-001-501-57871	Indirect Labor & Overhead - Administration	(b)	\$ 235,000	\$ 235,000	
35-001-501-xxxxx	Direct Salaries/Labor & Benefits - Administration	(b)	\$ 27,000	\$ 30,000	
35-001-501-xxxxx	Direct Salaries/Labor & Benefits - Operational	\$ 162,878	\$ 17,000	\$ 19,000	
35-001-951-xxxxx	Jets Operating Charges	(a)	(a)	\$ 2,187,000	(d)
35-001-951-xxxxx	Transferred to the CSWS	\$ -	\$ -	\$ 1,672,000	
35-001-623-52701	South Central Facility Operating Charges	\$ 386,869	\$ 1,400,000	\$ 1,425,000	
35-001-xxx-xxxxx	Real Property (c)	\$ -	\$ -	\$ 107,000	
	<b>Total Expenditures</b>	\$ 563,677	\$ 1,813,000	\$ 5,711,000	
	<b>Balance</b>	\$ 302,914	\$ -	\$ -	

(a) Previously reflected in the Mid-Connecticut Project.

(b) Included in the Operational Expenses.

(c) Funds required for maintenance of 1410 Honeyspot Road (12 months) and 171 Murphy Road (for the period 11/16/12 - 06/30/13 or 7.5 months).

(d) For the period 11/16/12 - 06/30/13 or 7.5 months.



# PROPERTY DIVISION

## JETS FACILITY

### ASSUMPTIONS

ACCOUNT	DESCRIPTION	ACTUAL FY11	ADOPTED FY12	PROPOSED FY13 (d)
	FUEL USAGE			
	K1 Fuel Price (per gallon)	(a)	(a)	\$ 4.00
	Gallons/Hr./Unit	(a)	(a)	4,200
	Annual Run Hours	(a)	(a)	19
	Number of Units	(a)	(a)	4

### REVENUES

ACCOUNT	DESCRIPTION	ACTUAL FY11	ADOPTED FY12	PROPOSED FY13 (d)
35-001-000-43104	Capacity	(a)	(a)	\$ 3,275,000
35-001-000-43104	Variable	(a)	(a)	\$ 57,000
35-001-000-43104	Backstop	(a)	(a)	\$ 8,000
35-001-000-43104	Black Start Credit	(a)	(a)	\$ 498,000
	Subtotal Energy	(a)	(a)	\$ 3,838,000

### EXPENDITURE DETAILS

ACCOUNT	DESCRIPTION	ACTUAL FY11	ADOPTED FY12	PROPOSED FY13 (d)
35-001-951-52502	Fees/Licenses/Permits	(a)	(a)	\$ 19,000
35-001-951-52507	Jets PILOT	(a)	(a)	\$ 162,000
35-001-951-52701	Jets Operating Charges	(a)	(a)	\$ 157,000
35-001-951-xxxxx	Fuel	(a)	(a)	\$ 1,277,000
35-001-951-52856	Legal	(a)	(a)	\$ 10,000
35-001-951-52858	Engineering Consulting Services	(a)	(a)	\$ 37,000
35-001-951-xxxxx	Insurance Expenditures	(a)	(a)	\$ 50,000
35-001-951-53304	Electricity	(a)	(a)	\$ 99,000
35-001-951-xxxxx	Energy Manager	(a)	(a)	\$ 18,000
35-001-951-xxxxx	Contribution to Jets Capital Reserve	(a)	(a)	\$ 250,000
35-001-951-57871	Indirect Labor & Overhead - Administration	(a)	(a)	\$ 30,000
35-001-951-xxxxx	Direct Salaries/Labor & Benefits - Administration	(a)	(a)	\$ 34,000
35-001-951-xxxxx	Direct Salaries/Labor & Benefits - Operational	(a)	(a)	\$ 44,000
	Subtotal Jets	(a)	(a)	\$ 2,187,000

(a) Previously reflected in the Mid-Connecticut Project.

(d) For the period 11/16/12 - 06/30/13 or 7.5 months.

# TAB 4

**RESOLUTION REGARDING THE APPROVAL OF  
THE FISCAL YEAR 2013 MID-CONNECTICUT PROJECT AND  
CONNECTICUT SOLID WASTE SYSTEM OPERATING AND CAPITAL  
BUDGETS AND TIP FEES**

WHEREAS, the Connecticut Resources Recovery Authority (the "Authority") is required by the Municipal Service Agreement (the "MSA") with the Mid-Connecticut Project and Connecticut Solid Waste System, as referenced in the new MSAs, towns to submit the next succeeding fiscal year budget on a timely basis (i.e., 120 days before the beginning of the next fiscal year); and

WHEREAS, the Mid-Connecticut Project's Fiscal Year 2013 will be for the distinct period of July 1, 2012 through November 15, 2012 and the associated debt will be retired on November 15, 2012; and

WHEREAS, the Connecticut Solid Waste System Fiscal Year 2013 will be for the distinct period of November 16, 2012 through June 30, 2013; and

WHEREAS, current and projected electric rates and market conditions raise concerns regarding the economic performance of the South Meadows Resource Recovery Facility ("RRF") after Fiscal Year 2013; and

WHEREAS, the Authority has instituted expense reduction initiatives to primarily mitigate the impact of the lower electric revenues; and

WHEREAS, CRRA has contractual commitments to serve municipal and private customers in Fiscal Year 2014 and beyond; and

WHEREAS, CRRA could potentially meet those extended contractual commitments at a more competitive tip fee through operation of its existing four transfer stations and conversion of its South Meadows property from an RRF to a transfer station, and disposal of Municipal Solid Waste ("MSW") at other locations in or out of state ; and

WHEREAS, conversion to a transfer station at South Meadows would require significant lead time in order to accommodate permit amendments, bid necessary contracts, order major capital components, and undertake construction of necessary facility modifications;

NOW THEREFORE, it is

**RESOLVED:** That the proposed Fiscal Year 2013 Mid-Connecticut Project and Connecticut Solid Waste System budgets be adopted in the form presented and discussed at this meeting; and

**FURTHER RESOLVED:** That the following tip fees be adopted for the Fiscal Year 2013 operating budgets; and

07/01/2012- 11/16/2012-  
11/15/2012 06/30/2013

<b>WASTE STREAM</b>	<b>MC</b>	<b>CSWS</b>
Disposal Tip Fee (per ton)	\$69.00	\$63.00
Tier 1 Long Term/ Tier 3 Tip Fee (per ton)	N/A	\$61.00
Tier 2 Tip Fee (per ton)	N/A	\$65.00
Spot Waste Tip Fee (per ton)	Market Rate	Market Rate
Municipal Bulky Waste (per ton)	\$85.00	\$85.00
Ferrous Residue Tip Fee (per ton)	Market Rate	Market Rate
DEP Certified Soils/Cover Material Tip Fee (per ton)	Market Rate	Market Rate
Mattress/Box Springs Surcharge Tip Fee (per unit)	\$30.00	\$30.00
Recycling; Single or Dual Stream Tip Fee (per ton)	\$0.00	\$0.00

MC- Mid-Connecticut Project  
CSWS-Connecticut Solid Waste System

**FURTHER RESOLVED:** That the President is hereby authorized to approve the use of funds from the necessary funds and reserves to pay for costs and fees incurred during Fiscal Year 2013 in accordance with the operating and capital budgets adopted pursuant hereto, as presented and discussed at this meeting, provided that all purchases of goods and services shall comply with the requirements of the Authority's Procurement Policies and Procedures; and

**FURTHER RESOLVED:** That, while budgeting for RRF capital improvements as usual in Fiscal Year 2013, CRRA will limit actual investment in the Facility to those items necessary for short-term efficient operation until a long term economic plan is clarified; and

**FURTHER RESOLVED:** That CRRA, while continuing to pursue all economic solutions necessary for continued operation of the RRF, simultaneously develop a plan and a budget for conversion of the South Meadows site to a transfer station, for presentation to this Board by its June meeting; and

**FURTHER RESOLVED:** That a Connecticut Solid Waste System Operating Fund (the "CSWS") be established at the Short Term Investment Fund of the State of Connecticut ("STIF") to fund solid waste activities after November 16, 2012; and

**FURTHER RESOLVED:** That after the November 15, 2012 final bond payment, an Authority Fund be established and funded at STIF for prior period expense accruals for ongoing CRRA liabilities not included in other STIF accounts; and

**FURTHER RESOLVED:** That management continue to pursue other revenue sources and expense reduction initiatives.

**RESOLUTION REGARDING THE APPROVAL OF  
THE FISCAL YEAR 2013 MID-CONNECTICUT PROJECT AND  
CONNECTICUT SOLID WASTE SYSTEM OPERATING AND CAPITAL  
BUDGETS AND TIP FEES**

*February 23, 2012*

**EXECUTIVE SUMMARY**

The Fiscal Year 2013 budget presentation has been bifurcated into a first and second period. The first period starts July 1, 2012 and ends November 15, 2012. This period is the remaining contractual obligations associated with the Mid-Connecticut Project bond and the concurring Municipal Service Agreements (“MSA’s”). The second period starts on November 16, 2012 and ends June 30, 2013. This period is the commencement of the terms and conditions associated with the new Connecticut Solid Waste System’s (“CSWS”) MSAs. Although presented together, each period’s budget represents a distinct business asset and liability structure. These Fiscal Year 2013 Budgets start with the major proposition that with the exception of reasonable funds for a capital maintenance program, equipment resources, and cash for working capital, remaining funds at November 15, 2012 will be used for any liabilities that arose up to this period. Similar to other Projects, once liabilities have been completely extinguished any residual funds will be available for distribution.

Prior to Fiscal Year 2012, one of the Mid-Connecticut Project’s major operating net cost drivers had remained largely unchanged, i.e. long-term contracts. In Fiscal Year 2011, the Authority’s Board of Directors (“BOD”) voted to replace the then current South Meadows Resource Recovery Facility (“RRF”) entities responsible for the operation and maintenance (“O&M”) of the Power Block Facility (“PBF”), Energy Generation Facility (“EGF”), and Waste Processing Facility (“WPF”) to a single entity that would be responsible for the O&M of the entire RRF. This decision was based on the results of an extensive bid process that resulted in the selection of the NAES Corporation (“NAES”) (formerly North American Electric Services) as the preferred bidder, and NAES and CRRA entered into an O&M contract on December 16, 2010.

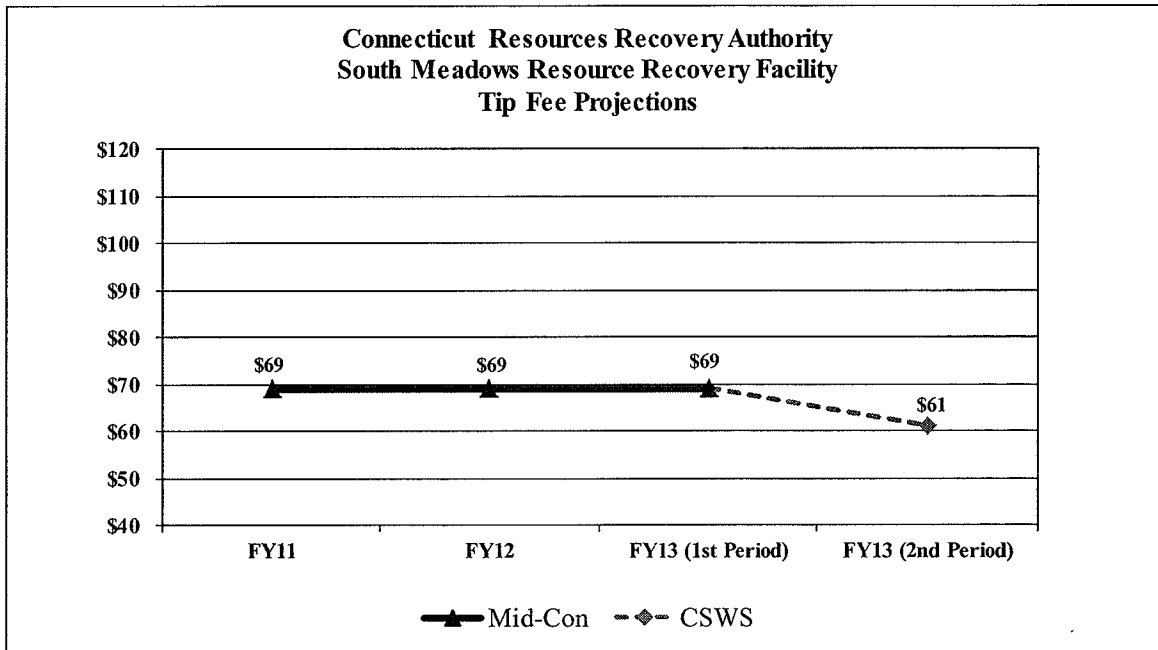
The WPF was transitioned to NAES on December 31, 2011 and the PBF and EGF will be transitioned to NAES on June 1, 2012. The Fiscal Year 2013 RRF O&M budgets reflect an estimated collective savings of \$8,700,000 as compared to the actual O&M expenditures for Fiscal Year 2011. In addition to these O&M reductions, the Authority is working with NAES to explore potential opportunities for further expenditure reductions and revenue enhancements.

Besides tip fee revenue, the sale of the RRF’s generated power, which is based on wholesale pricing, is the largest revenue source in the calculation of the net cost of operation. Natural gas prices are a primary driver of the New England electric wholesale pricing. Their recent significant decline has resulted in a dramatic loss in anticipated revenues as demonstrated in CRRA’s January 19<sup>th</sup> electric output auction. The auction resulted in an average price of \$0.03509/kwh (13 month, averaging peak and off peak monthly pricing). The last Electric

Purchasing Agreement bid returned an average price of \$0.075/kwh over a five year period ending in Fiscal Year 2012. Mid CT's two turbines are expected to net 415 Gwh (million kwh) of marketable energy in Fiscal Year 2013 yielding a revenue impact of \$4.15 million per 1 cent change in power price.

The Fiscal Year 2013 budgets reflect several cost reduction initiatives to mitigate the effects of the current energy markets which include deferring a portion of the RRF capital plan, reductions in building operations and maintenance for all of the properties associated with the CSWS, and reductions in recycling education related expenditures. In addition to the expenditure reductions, the budgets also reflect a transfer of funds from the Property Division. The Authority is exploring options to stabilize the net cost of operations, should the energy wholesale market continue to remain at historical lows.

## CRRA - MID-CONNECTICUT PROJECT & CONNECTICUT SOLID WASTE SYSTEM



### Key Tip Fee Assumptions

- 1 Assumes contracted tonnage deliveries of 274,000 in FY 13 (1st Period); and 389,000<sup>(a)</sup> FY 13 (2nd Period).
- 2 Reflects the burning of processed residue after November 16, 2012.
- 3 Reflects FY 11 surplus of \$2.389M applied to the FY 2013 (1st Period) tip fee calculation.
- 4 Reflect a PILOT payment to the City of Hartford of \$4.904M in FY 12; \$1.854M in FY 13 (1st Period); and \$2.616M in FY 13 (2nd Period which is an annual PILOT of \$4.22M).
- 5 Reflects \$3.0M use of O&M and R&R accounts to replenish the Hartford Landfill Post Closure Reserve's FY 12 \$3.0M borrowing to fund the Facility Modification Reserve.
- 6 Reflects on capital expenditure reserve contributions in FY 13 (2nd Period) budget.
- 7 Legal expenses include contribution of \$1.2M in FY 13 to the Litigation Reserve and \$800k in operating expenses in FY12; \$825k in operating expenses in FY 13 (1st Period); and \$791k in operating expenses in FY 13 (2nd Period).
- 8 Reflects the use of the RESWI Reserve of \$500k in FY 13 (1st Period).
- 9 FY 11 total estimated KWH sales of 417M kilowatts annually, based on 642 kwh/ton of RDF processed.
- 10 FY 12 total estimated KWH sales of 402M kilowatts annually, based on 597 kwh/ton of RDF processed.
- 11 FY 13 (1st Period) total estimated KWH sales of 163M kilowatts annually, based on 652 kwh/ton of RDF processed.
- 12 FY 13 (2nd Period) total estimated KWH sales of 267M kilowatts annually, based on 619 kwh/ton of RDF processed.
- 13 Reflects electricity purchase agreement average rate @ \$0.0351 per kwh starting June 1, 2012.
- 14 Capacity Payments of \$502k are applied to FY13 (1st Period) and \$826K to FY13 (2nd Period)
- 15 Rec II Payments of \$106k are applied to FY13 (1st Period) and \$174k are applied to FY 13 (2nd Period)
- 16 Use of Bond Proceeds (Debt Service Reserve Funds) in FY12 and FY 13.
- 17 WPF expenses reflect NAES estimated operations expenses from January 1, 2012 through June 30, 2012
- 18 PBF/EGF expenses reflect NAES estimated operations expenses from June 1, 2012 through June 30, 2012
- 19 WPF/PBF/EGF expenses reflect NAES estimated operations expenses after July 1, 2012
- 20 Excludes MDC claimed expiration costs.
- 21 Contributions of \$750k in FY 12 and \$1.475M in FY 13 (1st Period) for the Post Project Reserve.
- 22 Assumes recycling deliveries at minimum required tonnage to meet all contractual delivery thresholds with FCR (the operator). (Assumes no penalty shortfall payments if 72,000 tons delivered)
- 23 Assumes \$10/ton recycling delivery credit for FY 13 (1st Period),
- 24 Assumes no recycling delivery credit for FY 13 (2nd Period).
- 25 Includes the cost to operate and maintain the Trash Museum.
- 26 Reflects the use of \$1.0M from the CRRA/Select Escrow Account in FY 13 (1st Period).

(a) Tonnage amount is shown in contract MSW aggregate. The Tier 1 tonnage amount is a portion of this amount.

(b) Preliminary-subject to reduction based on final FY13 (2nd period) budget adoption and related business assumptions.

**CRRA - MID-CONNECTICUT PROJECT & CONNECTICUT SOLID WASTE SYSTEM**

DETAILS		ACTUAL FY11	ADOPTED FY12	1st PERIOD 07/01/12 - 11/15/12	2nd PERIOD 11/16/12 - 06/30/13	TOTAL PROPOSED FY13
<b>TIP FEES</b>						
MSW	Member/Contract (A)	\$ 69.00	\$ 69.00	\$ 69.00	n/a	n/a
	Tier 1 Short-term	\$ -	\$ -	\$ -	\$ 63.00	n/a
	Tier 1 Long-term / Tier 3	\$ -	\$ -	\$ -	\$ 61.00	n/a
	Tier 2	\$ -	\$ -	\$ -	\$ 65.00	n/a
	CWPM Contract (Jul-Dec) (B)	\$ 52.50	\$ 54.00	\$ 45.00	\$ 45.00	\$ 45.00
	CWPM Contract (Jan-Jun) (B)	\$ 54.00	\$ 55.50	\$ -	\$ 45.00	\$ 45.00
	Municipal Bulky Waste	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00
	Spot (C)	Market Rate	Market Rate	Market Rate	Market Rate	Market Rate
Landfill	DEP Certified Soils /Cover Material (C)	Market Rate	Market Rate	Market Rate	Market Rate	Market Rate
Other	Mattresses/Box Spring Surcharge (per unit) (D)	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
	Ferrous Residue (Inbound) (C)	Market Rate	Market Rate	Market Rate	Market Rate	Market Rate
<b>ASSUMPTIONS</b>						
<b>POWER</b>	kwh/ton of RDF Produced	587	597	652	640	645
	Total kwh Sold	388,456,936	402,000,000	163,000,000	267,000,000	430,000,000
	Average Rate Per kwh <=250GW (E)	\$ 0.0590	\$ 0.0718	n/a	n/a	n/a
	Average Rate Per kwh >250GW (E)	\$ 0.0339	\$ 0.0330	n/a	n/a	n/a
	Average Rate Per kwh	n/a	n/a	\$ 0.0351	\$ 0.0351	\$ 0.0351
	Capacity	\$ -	\$ -	\$ 502,000	\$ 826,000	\$ 1,328,000
	Rec II	\$ -	\$ -	\$ 106,000	\$ 174,000	\$ 280,000
<b>DELIVERIES</b>						
MSW	Member	727,031	734,300	275,000	389,000	664,000
	CWPM Contract	37,227	40,000	15,000	25,000	40,000
	Municipal Bulky Waste	3,212	7,400	1,000	2,000	3,000
	Spot	28,341	25,600	11,000	24,000	35,000
	<i>Total</i>	<u>795,811</u>	<u>807,300</u>	<u>302,000</u>	<u>440,000</u>	<u>742,000</u>
Other (Spot)	Ferrous Residue (Inbound)	7,525	9,000	3,400	5,100	8,500
	Recycling Residue	5,710	4,200	2,210	4,290	6,500
	<i>Total</i>	<u>13,236</u>	<u>13,200</u>	<u>5,610</u>	<u>9,390</u>	<u>15,000</u>
Landfill	DEP Certified Soils /Cover Material	36,369	15,000	5,000	-	5,000
	<i>Total</i>	<u>36,369</u>	<u>15,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Mattresses/Box Spring	Mattress/Box Spring (per unit)	8,309	5,200	1,140	1,860	3,000
	<i>Total</i>	<u>8,309</u>	<u>5,200</u>	<u>1,140</u>	<u>1,860</u>	<u>3,000</u>
Recyclables	Dual Stream Acceptable Recyclables	8,215	1,700	600	900	1,500
	Single Stream Acceptable Recyclables	83,393	82,300	31,300	43,000	74,300
	<i>Total</i>	<u>91,608</u>	<u>84,000</u>	<u>31,900</u>	<u>43,900</u>	<u>75,800</u>

n/a = Not Applicable

(A) Rates set during the annual budget process; reflects transportation and disposal costs.

(B) Rates specified by contract; does not include transportation and transfer station operating and maintenance costs of approximately \$29.00 per ton.

(C) Rates based on market condition.

(D) Rates set during the annual budget process; reflects processing and disposal costs.

(E) Rates specified by contract.



# CRRA - MID-CONNECTICUT PROJECT & CONNECTICUT SOLID WASTE SYSTEM

## ASSUMPTIONS

DETAILS		ACTUAL FY11	ADOPTED FY12	1st PERIOD 07/01/12 - 11/15/12	2nd PERIOD 11/16/12 - 06/30/13	TOTAL PROPOSED FY13
<b>RECYCLING OPERATIONS</b>						
Revenues	Containers (Add'l Revenue Share)		\$ 17.00	\$ 21.00	\$ 21.00	\$ 21.00
	Fiber (Add'l Revenue Share)		\$ 5.00	\$ 6.00	\$ 6.00	\$ 6.00
	Single Stream Acceptable Recyclables		\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00
	Dual Stream Acceptable Recyclables		\$ 15.05	\$ 15.05	\$ 15.05	\$ 15.05
Operations	Residue Rate- Containers & Fiber		5.00%	5.00%	5.00%	5.00%
<b>FACILITY OPERATIONS</b>						
Tons Processed	Total MSW Processed	786,139	799,300	297,000	429,000	726,000
	RDF Produced	661,227	673,000	250,000	417,000	667,000
Residue Rates	Ash Rate (Per Ton of RDF)	22.3%	23.0%	23.0%	26.1%	25.0%
	Ash Rate (Per Ton of MSW)	18.7%	20.1%	19.5%	25.4%	23.0%
	Process Residue Rate (Per Ton of MSW)	13.1%	13.0%	13.0%	0.0%	4.9%
	Ferrous Metals Rate (Outbound) (Per Ton of MSW)	2.8%	3.0%	3.0%	3.0%	3.0%
	Ferrous Residue Rate (Inbound) (Per Ton of MSW)	1.0%	1.1%	1.1%	1.1%	1.0%
	Non-processible Waste - Out-of-State	1.0%	0.9%	1.0%	1.0%	1.0%
Fees	Pebble Lime (per ton)	\$ 148.20	\$ 149.31	(F)	(F)	(F)
	Urea (per gallon)	\$ 1.89	\$ 1.50	(F)	(F)	(F)
	Ferrous Residue Removal (per ton credit)	\$ 40.00	\$ 40.00	\$ 75.00	\$ 75.00	\$ 75.00
Other	Pebble Lime (Lbs/Ton of RDF Burned)	17	17	(F)	(F)	(F)
	Urea (Gallons)	111,355	150,000	(F)	(F)	(F)
	Ferrous Metals (Outbound)	22,126	24,000	9,000	13,000	22,000
<b>MUNICIPAL PAYMENTS</b>						
Fees	Canton (per ton)	\$ 4.42	\$ 4.42	\$ 4.42	n/a	\$ 4.42
	East Granby (per ton)	\$ 8.38	\$ 8.38	\$ 8.38	n/a	\$ 8.38
	Granby (per ton)	\$ 7.90	\$ 7.90	\$ 7.90	n/a	\$ 7.90
	Simsbury (per ton)	\$ 8.13	\$ 8.13	\$ 8.13	n/a	\$ 8.13
	Essex Surcharge (Recycling) (per MSW ton)	\$ 1.10	\$ 1.00	\$ 1.10	\$ 1.10	\$ 1.10
	Ellington TS Host Benefit (per ton)	\$ 0.53	\$ 0.54	\$ 0.55	\$ 0.55	\$ 0.55
	Essex TS Host Benefit (per ton)	\$ 0.53	\$ 0.54	\$ 0.55	\$ 0.55	\$ 0.55
	Torrington TS Host Benefit (per ton)	\$ 0.53	\$ 0.54	\$ 0.55	\$ 0.55	\$ 0.55
	Watertown TS Host Benefit (per ton)	\$ 0.53	\$ 0.54	\$ 0.55	\$ 0.55	\$ 0.55
	Waterbury LF Residential Drop Off (per load)	\$ 245.00	\$ 245.00	\$ 245.00	\$ 245.00	\$ 245.00
	Hartford PILOT - Processible Waste Fee (per ton)	\$ 10.34	\$ 10.51	\$ 10.78	(G)	\$ 10.78
Deliveries (Tons/Loads)	Canton (MSW tons)	4,918	5,100	1,900	n/a	1,900
	East Granby (MSW tons)	3,388	4,100	1,600	n/a	1,600
	Granby (TS Subsidy)	5,218	4,800	2,000	n/a	2,000
	Simsbury (TS Subsidy)	14,871	15,500	5,700	n/a	5,700
	Essex Surcharge (MSW)	53,646	60,000	22,800	37,200	60,000
	Ellington TS Host Benefit	32,098	30,000	11,400	18,600	30,000
	Essex TS Host Benefit	65,431	60,000	22,800	37,200	60,000
	Torrington TS Host Benefit	50,640	65,000	24,700	40,300	65,000
	Watertown TS Host Benefit	135,249	130,000	49,400	80,600	130,000
	Waterbury LF Residential Drop Off (load)	267	600	228	372	600

n/a = Not Applicable  
(F) Included in NAES O&M fees.  
(G) Method to be re-established.

# CRRA - MID-CONNECTICUT PROJECT & CONNECTICUT SOLID WASTE SYSTEM

## ASSUMPTIONS

	DETAILS	ACTUAL FY11	ADOPTED FY12	1st PERIOD 07/01/12 - 11/15/12	2nd PERIOD 11/16/12 - 06/30/13	TOTAL PROPOSED FY13
<b>WASTE TRANSPORT</b>						
Fees	Ellington (per ton)	\$ 9.60	\$ 9.86	\$ 10.38	\$ 10.38	\$ 10.38
	Essex (per ton)	\$ 16.88	\$ 17.32	\$ 18.25	\$ 18.25	\$ 18.25
	Torrington (per ton)	\$ 12.84	\$ 14.61	\$ 13.88	\$ 13.88	\$ 13.88
	Watertown (per ton)	\$ 13.61	\$ 15.49	\$ 14.71	\$ 14.71	\$ 14.71
	Guilford / Madison (per ton)	\$ 2.75	\$ 2.75	\$ 2.82	n/a	\$ 2.82
	Sharon/Salisbury (per ton)		\$ 12.75	\$ 13.24	n/a	\$ 13.24
	Southbury (per ton)	\$ 5.43	\$ 5.62	\$ 5.76	n/a	\$ 5.76
	RRDD#1 MSW (per load)	\$ 88.80	\$ 95.00	\$ 94.70	n/a	\$ 94.70
	Wheelabrator BP Fee (per ton)	\$ 68.61	\$ -	\$ -	\$ -	\$ -
	Wheelabrator Lisbon Fee (per ton)	\$ 66.00	\$ -	\$ -	\$ -	\$ -
	Southeast Project Diversion Fee (per ton)	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00
	South Central Diversion Fee (per ton)	\$59.00 - \$69.00	\$ 70.00	\$ 71.00	\$ 71.00	\$ 71.00
	Exports Out-of-State Fee (per ton)	\$64.25 - \$73.80	\$ 78.29	\$ 80.65	\$ 80.65	\$ 80.65
	Ash to Other (per ton T&D)	\$61.25 - \$63.65	\$ 62.70	\$ 60.03	\$ 60.03	\$ 60.03
	Process Residue to Other (per ton T&D)	\$72.21 - \$73.88	\$ 75.28	\$ 77.54	\$ 77.54	\$ 77.54
	Non-processible Waste to Other (per ton T&D)	\$88.03 - \$89.40	\$ 91.27	\$ 94.01	\$ 94.01	\$ 94.01
Hauled Tons	Ellington (MSW)	31,451	48,000	18,000	30,000	48,000
	Essex (MSW & Recyclables)	70,386	69,000	26,000	43,000	69,000
	Torrington (MSW & Recyclables)	57,922	61,000	23,000	38,000	61,000
	Watertown (MSW & Recyclables)	144,689	143,000	58,000	96,000	154,000
	Guilford / Madison (MSW)	2,358	2,700	1,000	n/a	1,000
	Sharon/Salisbury (MSW)	3,075	3,300	1,300	n/a	1,300
	Southbury (MSW)	6,277	6,500	2,500	n/a	2,500
	RRDD#1 (MSW)	2,624	2,800	1,100	n/a	1,100
MSW Byproduct	Ash to Other	147,248	161,000	58,000	109,000	167,000
	Process Residue to Other	102,726	105,000	39,000	n/a	39,000
	Non-processible Waste to Other	7,586	7,000	1,500	1,000	2,500
MSW Bypass	Wheelabrator BP Diversions	5,159	-	-	-	-
	Wheelabrator Lisbon Diversions	2,681	-	-	-	-
	Southeast Project Diversions	-	1,796	-	-	-
	South Central Diversions	7,323	5,200	-	-	-
	Exports Out-of-State	3,422	1,004	5,000	11,000	16,000
	<i>Subtotal</i>	18,584	8,000	5,000	11,000	16,000
<b>MISCELLANEOUS</b>						
	Inflation Estimate	2.00% *	2.00%	2.50%	2.50%	2.50%
	Interest Rate	0.50% *	1.00%	0.50%	0.50%	0.50%

n/a = Not Applicable

\* fiscal year average

**CRRA - MID-CONNECTICUT PROJECT & CONNECTICUT SOLID WASTE SYSTEM**

**REVENUE & EXPENDITURE SUMMARY**

**REVENUES**

Account	Description	ACTUAL FY11	ADOPTED FY12	1st PERIOD 07/01/12 - 11/15/12	2nd PERIOD 11/16/12 - 06/30/13	TOTAL PROPOSED FY13
41-001-000-xxxx	Service Charges Solid Waste -Member & Contract	\$ 52,114,581	\$ 52,857,000	\$ 19,650,000	\$ 25,256,000	\$ 44,906,000
41-001-000-40103	Service Charges Solid Waste - Spot	\$ 1,731,856	\$ 1,384,000	\$ 576,000	\$ 1,164,000	\$ 1,740,000
41-001-000-41103	DEP Certified Soils/Cover Material	\$ 605,480	\$ 150,000	\$ 75,000	\$ -	\$ 75,000
41-001-000-41104	Metal Sales	\$ 1,967,592	\$ 960,000	\$ 675,000	\$ 975,000	\$ 1,650,000
41-001-000-41106	Municipal Bulky Waste & Mattresses/Box Spring	\$ 592,743	\$ 785,000	\$ 119,000	\$ 226,000	\$ 345,000
41-001-000-xxxx	Recycling Facility	\$ 2,905,782	\$ 1,982,000	\$ 813,000	\$ 1,119,000	\$ 1,932,000
41-001-000-xxxx	Trash Museum	\$ 54,268	\$ 3,000	\$ 6,000	\$ 44,000	\$ 50,000
41-001-000-xxxx	Electricity	\$ 22,900,426	\$ 23,852,000	\$ 6,328,000	\$ 10,369,000	\$ 16,697,000
41-001-000-45150	Miscellaneous Income	\$ 180,934	\$ 187,000	\$ 42,000	\$ 154,000	\$ 196,000
41-001-000-46101	Interest Income	\$ 110,166	\$ 270,000	\$ 59,000	\$ 96,000	\$ 155,000
41-001-000-xxxx	Transfer from Property Division	\$ -	\$ -	\$ -	\$ 1,672,000	\$ 1,672,000
41-001-000-48201	Use of Prior Year Surplus (A)	\$ 7,795,824	\$ 5,778,946	\$ 2,388,954	\$ -	\$ 2,388,954
41-001-000-48401	Use of Board Designated Reserves/Trustee Funds	\$ 3,305,000	\$ 10,120,000	\$ 1,500,000	\$ -	\$ 1,500,000
41-001-000-xxxx	Jets Income	\$ 6,378,960	\$ 6,175,000	\$ 2,375,000	(B)	\$ 2,375,000
41-001-000-48202	Use of Debt Service Reserve Fund (DSRF)	\$ -	\$ 2,723,000	\$ 1,636,000	\$ -	\$ 1,636,000
<b>Total Revenues</b>		\$ 100,697,880	\$ 107,226,946	\$ 36,242,954	\$ 41,075,000	\$ 77,317,954

**EXPENDITURES**

Account	Description	ACTUAL FY11	ADOPTED FY12	1st PERIOD 07/01/12 - 11/15/12	2nd PERIOD 11/16/12 - 06/30/13	TOTAL PROPOSED FY13
41-001-501-57871	Administrative Expenses	\$ 3,495,668	\$ 4,330,000	\$ 1,621,000	\$ 2,664,000	\$ 4,285,000
41-001-xxx-xxxx	Operational Expenses	\$ 12,425,992	\$ 14,003,746	\$ 5,634,954	\$ 2,868,000	\$ 8,502,954
41-001-xxx-xxxx	Taxes, Municipal Subsidies, and Pilots	\$ 6,068,001	\$ 6,523,000	\$ 2,481,000	\$ 3,452,000	\$ 5,933,000
41-001-502-xxxx	Debt Service	\$ 4,361,155	\$ 4,423,000	\$ 1,698,000	\$ 12,000	\$ 1,710,000
41-001-xxx-xxxx	Operational Transition Costs	\$ -	\$ 3,670,000	\$ -	\$ -	\$ -
41-001-505-xxxx	Waste Transport	\$ 23,045,317	\$ 24,071,000	\$ 8,964,000	\$ 10,620,000	\$ 19,584,000
41-001-000-xxxx	Recycling Facility	\$ 437,136	\$ 1,607,500	\$ 753,000	\$ 398,000	\$ 1,151,000
41-001-000-xxxx	Trash Museum	\$ 259,822	\$ 381,500	\$ 220,000	\$ 267,000	\$ 487,000
41-001-601-xxxx	Waste Processing Facility	\$ 17,998,945	\$ 16,729,200	\$ 5,099,000	\$ 8,289,000	\$ 13,388,000
41-001-602-xxxx	Power Block Facility	\$ 25,066,456	\$ 25,727,000	\$ 6,554,000	\$ 10,885,000	\$ 17,439,000
41-001-603-xxxx	Facility Contractor	\$ -	\$ -	\$ 403,000	\$ 657,000	\$ 1,060,000
41-001-604-xxxx	Landfill - Hartford	\$ 954,425	\$ 1,248,000	\$ 612,000	(C)	\$ 612,000
41-001-605-xxxx	Landfill - Ellington	\$ 131,165	\$ 231,000	\$ 92,000	(C)	\$ 92,000
41-001-xxx-xxxx	Transfer Stations	\$ 2,133,343	\$ 2,242,000	\$ 916,000	\$ 1,388,000	\$ 2,304,000
41-001-620-xxxx	171 Murphy Road	\$ 34,916	\$ 50,000	\$ 12,000	(B)	\$ 12,000
41-001-xxx-xxxx	Jets (D)	\$ 1,896,584	\$ 1,990,000	\$ 1,183,000	\$ -	\$ 1,183,000
41-001-xxx-xxxx	Undefined Labor & Other Expenditure Reductions	\$ -	\$ -	\$ -	\$ (425,000)	\$ (425,000)
<b>Total Expenditures</b>		\$ 98,308,926	\$ 107,226,946	\$ 36,242,954	\$ 41,075,000	\$ 77,317,954
<b>Balance</b>		\$ 2,388,954	\$ -	\$ -	\$ -	\$ -

(A) Reflects the use of FY11 surplus on the 1st Period (07/01/12 - 11/15/12) of FY13.

(B) Budgeted under the Property Division beginning in the 2nd Period (11/16/12 - 06/30/12) of FY13.

(C) Budgeted under the Landfill Division beginning in the 2nd Period (11/16/12 - 06/30/12) of FY13.

(D) Post 11/15/12. Jets reflected in the Property Division beginning in the 2nd Period (11/16/11-06/30/12) of FY13.

**CRRA - MID-CONNECTICUT PROJECT & CONNECTICUT SOLID WASTE SYSTEM**

<b>EXPENDITURE DETAILS</b>		<b>ACTUAL</b>	<b>ADOPTED</b>	<b>1st PERIOD</b>	<b>2nd PERIOD</b>	<b>TOTAL</b>
<b>Account</b>	<b>Description</b>	<b>FY11</b>	<b>FY12</b>	<b>07/01/12 - 11/15/12</b>	<b>11/16/12 - 06/30/13</b>	<b>PROPOSED FY13</b>
<b>ADMINISTRATIVE EXPENSES</b>						
41-001-501-57871	Indirect Labor & Overhead - Administration	\$ 3,034,163	\$ 3,408,000	\$ 1,285,000	\$ 2,114,000	\$ 3,399,000
41-001-501-xxxx	Direct Salaries/Labor & Benefits - Administration	\$ 461,505	\$ 922,000	\$ 336,000	\$ 550,000	\$ 886,000
	Subtotal Administrative Expenses	\$ 3,495,668	\$ 4,330,000	\$ 1,621,000	\$ 2,664,000	\$ 4,285,000
<b>OPERATIONAL EXPENSES</b>						
<b><u>DIRECT SALARIES / LABOR &amp; BENEFITS - OPERATIONAL</u></b>						
41-001-501-xxxx	Direct Salaries/Labor & Benefits - Operational	\$ 1,983,721	\$ 1,922,000	\$ 647,000	\$ 1,056,000	\$ 1,703,000
<b><u>ASSET PROTECTION &amp; STATUTORY COMPLIANCE</u></b>						
41-001-501-52115	Advertising/Legal Notices/Recycling Events Promotion	\$ 8,703	\$ 40,000	\$ 15,000	\$ 25,000	\$ 40,000
41-001-501-52502	Fees/Licenses/Permits	\$ 520	\$ 500	\$ 200	\$ 400	\$ 600
41-001-501-52505	Claims/Losses	\$ 850	\$ 50,000	\$ 19,000	\$ 31,000	\$ 50,000
41-001-501-52602	Bad Debt Expense	\$ 3,661	\$ 500	\$ 200	\$ 300	\$ 500
41-001-501-52675	Contribution to Risk Fund	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -
41-001-501-52680	Contribution to Litigation Reserve	\$ -	\$ 1,950,000	\$ 1,200,000	\$ -	\$ 1,200,000
41-001-501-52856	Legal	\$ 1,421,973	\$ 800,000	\$ 825,000	\$ 791,000	\$ 1,616,000
41-001-501-52863	Operational Auditing	\$ 22,288	\$ 10,000	\$ 10,000	\$ 10,000	\$ 20,000
41-001-xxx-xxxx	Insurance Expenditures	\$ 963,396	\$ 1,238,000	\$ 499,000	\$ 814,000	\$ 1,313,000
	Subtotal Asset Protection & Statutory Compliance	\$ 5,421,391	\$ 4,089,000	\$ 2,568,000	\$ 1,672,000	\$ 4,240,000
<b><u>ENGINEERING, TECHNOLOGY, AND EQUIPMENT/FACILITY EXPENSES</u></b>						
41-001-501-52899	Engineering & Technology Consulting Services	\$ 277,946	\$ 130,000	\$ 19,000	\$ 31,000	\$ 50,000
41-001-501-54482	Computer Hardware	\$ 4,381	\$ 24,000	\$ 3,000	\$ 5,000	\$ 8,000
41-001-501-54483	Computer Software	\$ -	\$ 3,000	\$ 1,000	\$ 1,000	\$ 2,000
41-001-505-52658	Contribution to Rolling Stock Reserve	\$ -	\$ 920,000	\$ -	\$ -	\$ -
41-001-601-52668	Contribution to Facility Modification Reserve	\$ 4,637,004	\$ 6,000,000	\$ 800,000	\$ -	\$ 800,000
41-001-501-58001	Operational Contingency	\$ -	\$ 11,746	\$ 43,554	\$ 36,000	\$ 79,554
	Subtotal Engineering, Technology, and Equipment/Facility Expenses	\$ 4,919,331	\$ 7,088,746	\$ 867,000	\$ 73,000	\$ 940,000
<b><u>OTHER OPERATING EXPENSES</u></b>						
41-001-501-52101	Postage & Delivery Fees	\$ 4,717	\$ 5,000	\$ 2,000	\$ 3,000	\$ 5,000
41-001-501-52108	Printing Services	\$ 5,601	\$ 5,000	\$ 2,000	\$ 4,000	\$ 6,000
41-001-501-52118	Communications Services	\$ 1,284	\$ 50,000	\$ 19,000	\$ 10,000	\$ 29,000
41-001-501-52202	Office Supplies	\$ 5,066	\$ 5,000	\$ 2,000	\$ 3,000	\$ 5,000
41-001-501-52302	Miscellaneous Services	\$ 965	\$ 4,000	\$ 2,000	\$ 3,000	\$ 5,000
41-001-501-xxxx	Meetings & Training	\$ 4,970	\$ 5,000	\$ 3,000	\$ 3,000	\$ 6,000
41-001-501-52615	Temporary Agency Services	\$ 64,940	\$ 30,000	\$ 19,000	\$ 31,000	\$ 50,000
41-001-501-52678	Contribution to Post Project Closure Reserve	\$ -	\$ 750,000	\$ 1,475,000	\$ -	\$ 1,475,000
41-001-501-52859	Financial Services	\$ 14,006	\$ 50,000	\$ 29,000	\$ 10,000	\$ 39,000
	Subtotal Other Operating Expenditures	\$ 101,549	\$ 904,000	\$ 1,553,000	\$ 67,000	\$ 1,620,000
	<b>Subtotal Operational Expenses</b>	<b>\$ 12,425,992</b>	<b>\$ 14,003,746</b>	<b>\$ 5,634,954</b>	<b>\$ 2,868,000</b>	<b>\$ 8,503,000</b>

**CRRA - MID-CONNECTICUT PROJECT & CONNECTICUT SOLID WASTE SYSTEM**

<b>EXPENDITURE DETAILS</b>				<b>1st PERIOD</b>	<b>2nd PERIOD</b>	<b>TOTAL</b>
<b>Account</b>	<b>Description</b>	<b>ACTUAL</b>	<b>ADOPTED</b>	<b>07/01/12 -</b>	<b>11/16/12 -</b>	<b>PROPOSED</b>
		<b>FY11</b>	<b>FY12</b>	<b>11/15/12</b>	<b>06/30/13</b>	<b>FY13</b>
<b><u>TAXES, MUNICIPAL SUBSIDIES, &amp; PILOTS</u></b>						
41-001-601-52507	WPF Pilot	\$ 2,780,387	\$ 3,072,000	\$ 1,167,000	\$ 1,639,000	\$ 2,806,000
41-001-603-52507	EGF Pilot	\$ 1,777,964	\$ 1,832,000	\$ 696,000	\$ 977,000	\$ 1,673,000
41-001-xxx-52508	Transfer Station Pilots	\$ 114,738	\$ 213,000	\$ 85,000	\$ 137,000	\$ 222,000
41-001-605-52504	Ellington Landfill Assessment / Taxes	\$ 1,348	\$ 2,000	\$ 1,000	\$ -	\$ 1,000
41-001-505-52508	Municipal Subsidies	\$ 365,362	\$ 368,000	\$ 139,000	\$ 91,000	\$ 230,000
41-001-602-52506	Solid Waste Assessment (Dioxin Tax)	\$ 975,752	\$ 981,000	\$ 372,000	\$ 608,000	\$ 980,000
41-001-620-52507	171 Murphy Road Pilot	\$ 52,450	\$ 55,000	\$ 21,000	\$ -	\$ 21,000
	<b>Subtotal Taxes, Municipal Subsidies, &amp; Pilots</b>	<b>\$ 6,068,001</b>	<b>\$ 6,523,000</b>	<b>\$ 2,481,000</b>	<b>\$ 3,452,000</b>	<b>\$ 5,933,000</b>
<b><u>DEBT SERVICE</u></b>						
41-001-502-52856	Legal	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ 50,000
41-001-502-52859	Financial Services	\$ 1,000	\$ 1,800	\$ 2,000	\$ 2,000	\$ 4,000
41-001-502-55525	Interest - 96 Series	\$ 517,630	\$ 308,200	\$ 85,000	\$ -	\$ 85,000
41-001-502-55560	Principal Repayment	\$ 3,840,000	\$ 4,053,000	\$ 1,551,000	\$ -	\$ 1,551,000
41-001-502-55585	Bank/Trustee Fees	\$ 2,525	\$ 10,000	\$ 10,000	\$ 10,000	\$ 20,000
	<b>Subtotal Debt Service</b>	<b>\$ 4,361,155</b>	<b>\$ 4,423,000</b>	<b>\$ 1,698,000</b>	<b>\$ 12,000</b>	<b>\$ 1,710,000</b>
<b><u>OPERATIONAL TRANSITION COSTS</u></b>						
41-001-xxx-xxxxx	Contribution to Transition Fund	\$ -	\$ 3,670,000	\$ -	\$ -	\$ -
	<b>Subtotal to Project Transition Costs</b>	<b>\$ -</b>	<b>\$ 3,670,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>WASTE TRANSPORT</u></b>						
41-001-505-52701	Contract Operating Charges	\$ 4,535,985	\$ 4,882,000	\$ 1,914,000	\$ 3,096,000	\$ 5,010,000
41-001-505-52710	Disposal Fees - Solid Waste (Bypass) (E)	\$ 1,177,677	\$ 551,000	\$ 403,000	\$ 887,000	\$ 1,290,000
41-001-505-52711	Ash Disposal (F)	\$ 9,150,234	\$ 10,095,000	\$ 3,482,000	\$ 6,543,000	\$ 10,025,000
41-001-505-52716	Non-Processible and Process Residue Disposal Fees (G)	\$ 8,181,421	\$ 8,543,000	\$ 3,165,000	\$ 94,000	\$ 3,259,000
	<b>Subtotal Waste Transport</b>	<b>\$ 23,045,317</b>	<b>\$ 24,071,000</b>	<b>\$ 8,964,000</b>	<b>\$ 10,620,000</b>	<b>\$ 19,584,000</b>

(E) Reflects transportation and disposal of bypass waste to out-of-state landfill and other in-state locations (e.g., Preston)

(F) Reflects transportation and disposal of ash to alternative landfill after 12/31/08.

(G) Reflects transportation and disposal of non-processible waste and process residue to alternative landfill after 12/31/08.

**CRRA - MID-CONNECTICUT PROJECT & CONNECTICUT SOLID WASTE SYSTEM**

**211 MURPHY ROAD**

Account	Description	ACTUAL FY11	ADOPTED FY12	1st PERIOD 07/01/12 - 11/15/12	2nd PERIOD 11/16/12 - 06/30/13	TOTAL PROPOSED FY13
<b>RECYCLING FACILITY</b>						
<b>REVENUE</b>						
41-001-000-42101	Recycling Sales	\$ 2,905,782	\$ 1,982,000	\$ 813,000	\$ 1,119,000	\$ 1,932,000
<b>Total Revenue</b>		<b>\$ 2,905,782</b>	<b>\$ 1,982,000</b>	<b>\$ 813,000</b>	<b>\$ 1,119,000</b>	<b>\$ 1,932,000</b>
<b>EXPENDITURES</b>						
41-001-506-52115	Advertising/Legal Notices/Recycling Events Promotion	\$ 18,335	\$ 25,000	\$ 10,000	\$ 15,000	\$ 25,000
41-001-506-52679	Contribution to the RESWI Fund	\$ -	\$ 500,000	\$ -	\$ -	\$ -
41-001-506-52118	Communications Services	\$ 110,460	\$ 100,000	\$ 38,000	\$ 62,000	\$ 100,000
41-001-506-xxxx	Meetings & Training	\$ -	\$ 1,000	\$ 400	\$ 600	\$ 1,000
41-001-506-xxxx	Transportation from Transfer Station	(H)	(H)	(H)	(H)	(H)
41-001-506-52404	Building Operations	\$ 27,622	\$ 185,000	\$ 44,000	\$ 21,000	\$ 65,000
41-001-506-52407	Project Equipment Maintenance	\$ 19,093	\$ 35,500	\$ 14,000	\$ 23,000	\$ 37,000
41-001-506-52415	Grounds Maintenance	\$ 29,568	\$ 48,000	\$ 12,000	\$ 10,000	\$ 22,000
41-001-506-52502	Fees/Licenses/Permits	\$ 4,280	\$ 3,500	\$ 1,500	\$ 2,500	\$ 4,000
41-001-506-52617	Municipal Events	\$ 24,515	\$ 80,000	\$ 4,000	\$ 6,000	\$ 10,000
41-001-506-52620	Recycling Delivery Credit	\$ (260,718)	\$ -	\$ 319,000	\$ -	\$ 319,000
41-001-506-52659	Recycling Education Reserve (PILOT)	\$ 150,000	\$ 150,000	\$ 150,000	\$ -	\$ 150,000
41-001-506-52701	Contract Operating Charges	\$ 4,313	\$ -	\$ -	\$ -	\$ -
41-001-506-52858	Engineering Consultants	\$ 5,070	\$ 50,000	\$ 3,000	\$ 4,000	\$ 7,000
41-001-506-52901	Environmental Testing	\$ (370)	\$ 10,500	\$ 4,000	\$ 7,000	\$ 11,000
41-001-506-53304	Electricity	\$ 49,736	\$ 64,000	\$ 18,000	\$ 28,000	\$ 46,000
41-001-506-53309	Other Utilities	\$ 10,019	\$ 34,000	\$ 9,000	\$ 15,000	\$ 24,000
41-001-506-xxxx	Direct Salaries/Labor & Benefits - Administration	\$ -	\$ 69,000	\$ 27,000	\$ 43,000	\$ 70,000
41-001-506-xxxx	Direct Salaries/Labor & Benefits - Operational	\$ 245,213	\$ 252,000	\$ 99,000	\$ 161,000	\$ 260,000
<b>Total Expenditures</b>		<b>\$ 437,136</b>	<b>\$ 1,607,500</b>	<b>\$ 753,000</b>	<b>\$ 398,000</b>	<b>\$ 1,151,000</b>
<b>TRASH MUSEUM</b>						
<b>REVENUE</b>						
41-001-000-45150	Sales, Tours & Other Programs	\$ 54,268	\$ 3,000	\$ 6,000	\$ 44,000	\$ 50,000
<b>Total Revenue</b>		<b>\$ 54,268</b>	<b>\$ 3,000</b>	<b>\$ 6,000</b>	<b>\$ 44,000</b>	<b>\$ 50,000</b>
<b>EXPENDITURES</b>						
41-001-621-52118	Communications Services	\$ 18,982	\$ 50,000	\$ 29,000	\$ 15,000	\$ 44,000
41-001-621-52202	Office Supplies	\$ 1,000	\$ 1,000	\$ 400	\$ 600	\$ 1,000
41-001-621-52203	Educational Supplies	\$ 10,828	\$ 10,000	\$ 6,000	\$ 9,000	\$ 15,000
41-001-621-52404	Building Operations (I)	\$ -	\$ -	\$ 24,000	\$ 21,000	\$ 45,000
41-001-621-52415	Grounds Maintenance (I)	\$ -	\$ -	\$ 7,000	\$ 5,000	\$ 12,000
41-001-621-52858	Engineering (I)	\$ -	\$ -	\$ 1,000	\$ 2,000	\$ 3,000
41-001-621-53304	Electricity (I)	\$ -	\$ -	\$ 9,000	\$ 15,000	\$ 24,000
41-001-621-53309	Other Utilities (I)	\$ -	\$ -	\$ 5,000	\$ 8,000	\$ 13,000
41-001-621-52303	Subscriptions/Publications/Ref. Material	\$ 143	\$ 500	\$ 200	\$ 300	\$ 500
41-001-621-52304	Dues-Professional Organizations	\$ -	\$ 500	\$ 200	\$ 300	\$ 500
41-001-621-xxxx	Meetings & Training	\$ 2,905	\$ 3,500	\$ 1,200	\$ 2,300	\$ 3,500
41-001-621-52418	Education Exhibits Maintenance	\$ 33,901	\$ 50,000	\$ 30,000	\$ 15,000	\$ 45,000
41-001-621-52899	Other Consulting Services	\$ 1,300	\$ -	\$ -	\$ -	\$ -
41-001-621-55585	Bank/Trustee Fees	\$ 918	\$ -	\$ 500	\$ 500	\$ 1,000
41-001-621-xxxx	Direct Salaries/Labor & Benefits - Administration	\$ -	\$ 81,000	\$ 21,000	\$ 35,000	\$ 56,000
41-001-621-xxxx	Direct Salaries/Labor & Benefits - Operational	\$ 189,845	\$ 185,000	\$ 85,000	\$ 138,000	\$ 223,000
<b>Total Expenditures</b>		<b>\$ 259,822</b>	<b>\$ 381,500</b>	<b>\$ 220,000</b>	<b>\$ 267,000</b>	<b>\$ 487,000</b>

(H) Included in MSW Waste Transport.

(I) FY11 and FY12 expenses are reflected under the Recycling Operations.

**CRRA - MID-CONNECTICUT PROJECT & CONNECTICUT SOLID WASTE SYSTEM**

**EXPENDITURE DETAILS**

Account	Description	ACTUAL FY11	ADOPTED FY12	1st PERIOD 07/01/12 - 11/15/12	2nd PERIOD 11/16/12 - 06/30/13	TOTAL PROPOSED FY13
<b>WASTE PROCESSING FACILITY (WPF)</b>						
41-001-601-xxxx	Scale house Expenses	\$ 10,537	\$ 28,000	\$ 8,000	\$ 13,000	\$ 21,000
41-001-601-52407	Project Equipment Maintenance	\$ 14,516	\$ 71,000	\$ 10,000	\$ 17,000	\$ 27,000
41-001-601-52502	Fees/Licenses/Permits	\$ 6,275	\$ 6,000	\$ 5,000	\$ 1,000	\$ 6,000
41-001-602-52612	Fuel (J)	\$ -	\$ -	\$ 190,000	\$ 310,000	\$ 500,000
41-001-601-52618	Odor Control System (MCAPS) Fuel	\$ 666	\$ 15,000	(K)	(K)	(K)
41-001-601-52701	Contract Operating Charges- MDC (07/01/11 - 12/30/11)	\$ 17,587,063	\$ 8,844,150	(L)	(L)	(L)
41-001-601-xxxxx	Contract Operating Charges- NAES (M)	\$ -	\$ 7,345,050	\$ 4,804,000	\$ 7,839,000	\$ 12,643,000
41-001-601-xxxxx	Contract Operating Charges (O&M Fees)	\$ 17,587,063	\$ 16,189,200	\$ 4,804,000	\$ 7,839,000	\$ 12,643,000
41-001-601-52709	Other Operating Charges	\$ 147,224	\$ 153,000	\$ 33,000	\$ 30,000	\$ 63,000
41-001-601-52713	Odor Control System (MCAPS) Charges	\$ 165,398	\$ 160,000	(K)	(K)	(K)
41-001-601-52640	Insurance Reimbursement	\$ -	\$ -	\$ 27,000	\$ 43,000	\$ 70,000
41-001-601-52858	Engineering Consultants	\$ 67,266	\$ 50,000	\$ 20,000	\$ 32,000	\$ 52,000
41-001-601-52901	Environmental Testing	\$ -	\$ 57,000	\$ 2,000	\$ 4,000	\$ 6,000
<b>Subtotal Waste Processing Facility</b>		\$ 17,998,945	\$ 16,729,200	\$ 5,099,000	\$ 8,289,000	\$ 13,388,000
<b>POWER BLOCK FACILITY (PBF)</b>						
41-001-602-52502	Fees/Licenses/Permits	\$ 376,936	\$ 373,000	\$ 31,000	\$ 329,000	\$ 360,000
41-001-602-52611	Revenue Sharing Expense - Covanta	\$ 2,793,728	\$ 2,715,000	(L)	(L)	(L)
41-001-602-52614	Lime	\$ 1,162,096	\$ 1,120,000	(K)	(K)	(K)
41-001-602-52616	SNCR (Urea)	\$ 129,270	\$ 225,000	(K)	(K)	(K)
41-001-602-52702	Contract Ops Charge - Equipment - Covanta (N)	\$ 3,821,950	\$ 4,236,000	\$ -	\$ -	\$ -
41-001-602-52703	Contract Ops Charge - Management Fee - Covanta (O)	\$ 1,533,085	\$ 1,463,000	\$ -	\$ -	\$ -
41-001-602-52709	Contract Ops Charge - Personnel - Covanta (O)	\$ 6,391,730	\$ 6,000,000	\$ -	\$ -	\$ -
41-001-602-52714	Other Contract Operating Charges - Pass Through - Covanta (N)	\$ 954,374	\$ 750,000	\$ -	\$ -	\$ -
41-001-602-xxxxx	Contract Operating Charges- NAES (P)	\$ -	\$ 658,000	\$ 6,096,000	\$ 9,946,000	\$ 16,042,000
41-001-602-52858	Engineering Consultants	\$ 23,613	\$ 165,000	\$ 6,000	\$ 10,000	\$ 16,000
41-001-602-52901	Environmental Testing	\$ 85,502	\$ 161,000	\$ 44,000	\$ 72,000	\$ 116,000
41-001-602-52640	Insurance Reimbursement	\$ -	\$ -	\$ 27,000	\$ 43,000	\$ 70,000
41-001-602-52910	Continuous Emission Monitoring	\$ 231,776	\$ 160,000	(K)	(K)	(K)
41-001-602-53304	Electricity	\$ 177,864	\$ 250,000	\$ 76,000	\$ 124,000	\$ 200,000
41-001-952-52404	Building Operations	\$ 2,610	\$ 17,000	\$ 6,000	\$ 11,000	\$ 17,000
41-001-952-xxxxx	Insurance Expenditures	\$ 149,131	\$ 184,000	\$ 70,000	\$ 114,000	\$ 184,000
41-001-952-52671	Contribution to EGF Reserve	\$ 1,700,000	\$ 2,200,000	\$ -	\$ -	\$ -
41-001-952-52701	EGF Contract Operating Charges (Covanta C1 Budget)	\$ 4,042,312	\$ 3,751,000	(L)	(L)	(L)
41-001-952-54491	EGF Contract Capital Expenditures (Covanta C2 Budget)	\$ 1,156,310	\$ 775,000	(L)	(L)	(L)
41-001-952-52858	EGF Engineering Consultants	\$ 52,108	\$ 160,000	\$ 60,000	\$ 10,000	\$ 70,000
41-001-952-53309	Other Utilities	\$ 282,061	\$ 364,000	\$ 138,000	\$ 226,000	\$ 364,000
<b>Subtotal Power Block Facility</b>		\$ 25,066,456	\$ 25,727,000	\$ 6,554,000	\$ 10,885,000	\$ 17,439,000
<b>FACILITY CONTRACTOR</b>						
41-001-xxx-52703	Management Fee	(Q)	(Q)	\$ 312,000	\$ 508,000	\$ 820,000
41-001-xxx-xxxxx	Home Office Support	(Q)	(Q)	\$ 91,000	\$ 149,000	\$ 240,000
<b>Subtotal Facility Contractor</b>		\$ -	\$ -	\$ 403,000	\$ 657,000	\$ 1,060,000

- (J) FY11 and FY12 were included in the MDC O&M fees. The MDC contract expired on 12/30/11.
- (K) Included in NAES O&M fees.
- (L) Contract expires May 31, 2012. Future expenditures are part of the NAES operating charges.
- (M) NAES contract commenced on 12/31/11. FY12 Adopted budget reflects NAES O&M fees for the period 12/31/11-06/30/12.
- (N) Expired contract; FY12 Adopted budget reflects expenses for 12 months (07/01/11 - 06/30/12).
- (O) Expired contract; FY12 Adopted budget reflects expenses for 11 months (07/01/11 - 05/31/12).
- (P) New contract; FY12 Adopted budget reflects expenses for one month (Jun 2012)
- (Q) Reflected in the WPF.

**CRRA - MID-CONNECTICUT PROJECT & CONNECTICUT SOLID WASTE SYSTEM**

**EXPENDITURE DETAILS**

Account	Description	ACTUAL		ADOPTED		1st PERIOD		2nd PERIOD		TOTAL
		FY11	FY12	FY12	FY12	07/01/12 - 11/15/12	11/16/12 - 06/30/13	PROPOSED	FY13	
<b><u>HARTFORD LANDFILL</u></b>										
41-001-604-52104	Telecommunications	\$ 2,341	\$ 3,500	\$ 3,500	\$ 1,800	(C)	\$ 1,800			\$ 1,800
41-001-604-52115	Advertising/Legal Notices	\$ -	\$ 500	\$ 500	\$ 200	(C)	\$ 200			\$ 200
41-001-604-52404	Building Operations	\$ 5,705	\$ 5,500	\$ 5,500	\$ 2,200	(C)	\$ 2,200			\$ 2,200
41-001-604-52407	Project Equipment Maintenance	\$ 6,829	\$ 37,500	\$ 37,500	\$ 68,000	(C)	\$ 68,000			\$ 68,000
41-001-604-52415	Ground Maintenance	\$ 24,361	\$ 68,000	\$ 68,000	\$ 54,000	(C)	\$ 54,000			\$ 54,000
41-001-604-52502	Fees/Licenses/Permits	\$ 23,313	\$ 28,500	\$ 28,500	\$ 11,000	(C)	\$ 11,000			\$ 11,000
41-001-604-xxxxx	Insurance Expenditures	\$ 47,987	\$ 94,000	\$ 94,000	\$ 47,000	(C)	\$ 47,000			\$ 47,000
41-001-604-52701	Contract Operating Charges	\$ 464,465	\$ 532,250	\$ 532,250	\$ 250,000	(C)	\$ 250,000			\$ 250,000
41-001-604-52709	Other Operating Charges	\$ 198,749	\$ 260,750	\$ 260,750	\$ 94,000	(C)	\$ 94,000			\$ 94,000
41-001-604-52858	Engineering Consultants	\$ 68,583	\$ 66,000	\$ 66,000	\$ 31,000	(C)	\$ 31,000			\$ 31,000
41-001-604-52901	Environmental Testing	\$ 89,225	\$ 120,500	\$ 120,500	\$ 42,000	(C)	\$ 42,000			\$ 42,000
41-001-604-53304	Electricity	\$ 22,067	\$ 30,000	\$ 30,000	\$ 10,000	(C)	\$ 10,000			\$ 10,000
41-001-604-53309	Other Utilities	\$ 800	\$ -	\$ -	\$ 400	(C)	\$ 400			\$ 400
41-001-604-58001	Operational Contingency	\$ -	\$ 1,000	\$ 1,000	\$ 400	(C)	\$ 400			\$ 400
	<b>Subtotal Hartford Landfill</b>	\$ 954,425	\$ 1,248,000	\$ 1,248,000	\$ 612,000	\$ -	\$ -			\$ 612,000
<b><u>ELLINGTON LANDFILL</u></b>										
41-001-605-52404	Building Operations	\$ (1,328)	\$ -	\$ -	\$ -	(C)	\$ -			\$ -
41-001-605-52407	Project Equipment Maintenance	\$ -	\$ 13,000	\$ 13,000	\$ 5,000	(C)	\$ 5,000			\$ 5,000
41-001-605-52415	Ground Maintenance	\$ 20,978	\$ 43,000	\$ 43,000	\$ 14,000	(C)	\$ 14,000			\$ 14,000
41-001-605-xxxxx	Fees	\$ 1,760	\$ 2,000	\$ 2,000	\$ 2,000	(C)	\$ 2,000			\$ 2,000
41-001-605-xxxxx	Insurance Expenditures	\$ 20,550	\$ 38,000	\$ 38,000	\$ 14,000	(C)	\$ 14,000			\$ 14,000
41-001-605-52709	Other Operating Charges	\$ 59,020	\$ 76,000	\$ 76,000	\$ 29,000	(C)	\$ 29,000			\$ 29,000
41-001-605-52858	Engineering Consultants	\$ 465	\$ 13,000	\$ 13,000	\$ 10,000	(C)	\$ 10,000			\$ 10,000
41-001-605-52901	Environmental Testing	\$ 21,049	\$ 33,000	\$ 33,000	\$ 14,000	(C)	\$ 14,000			\$ 14,000
41-001-605-53304	Electricity	\$ 8,671	\$ 13,000	\$ 13,000	\$ 4,000	(C)	\$ 4,000			\$ 4,000
	<b>Subtotal Ellington Landfill</b>	\$ 131,165	\$ 231,000	\$ 231,000	\$ 92,000	\$ -	\$ -			\$ 94,000
<b><u>TRANSFER STATION - ELLINGTON</u></b>										
41-001-610-xxxxx	Scale house Expenses	\$ 12,253	\$ 16,500	\$ 16,500	\$ 7,000	\$ 10,000	\$ 17,000			\$ 17,000
41-001-610-52407	Project Equipment Maintenance	\$ 14,764	\$ 12,000	\$ 12,000	\$ 6,000	\$ 11,000	\$ 17,000			\$ 17,000
41-001-610-52502	Fees/Licenses/Permits	\$ 3,660	\$ 3,000	\$ 3,000	\$ 1,000	\$ 2,000	\$ 3,000			\$ 3,000
41-001-610-52701	Contract Operating Charges	\$ 363,892	\$ 372,000	\$ 372,000	\$ 146,000	\$ 237,000	\$ 383,000			\$ 383,000
41-001-610-52858	Engineering Consultants	\$ 1,955	\$ 12,000	\$ 12,000	\$ 5,000	\$ -	\$ 5,000			\$ 5,000
41-001-610-52901	Environmental Testing	\$ -	\$ 3,500	\$ 3,500	\$ -	\$ -	\$ -			\$ -
	<b>Subtotal Ellington TS</b>	\$ 396,524	\$ 419,000	\$ 419,000	\$ 165,000	\$ 260,000	\$ 425,000			\$ 425,000
<b><u>TRANSFER STATION - ESSEX</u></b>										
41-001-611-xxxxx	Scale house Expenses	\$ 6,200	\$ 11,000	\$ 11,000	\$ 4,000	\$ 7,000	\$ 11,000			\$ 11,000
41-001-611-52407	Project Equipment Maintenance	\$ 7,964	\$ 11,500	\$ 11,500	\$ 5,000	\$ 7,000	\$ 12,000			\$ 12,000
41-001-611-52502	Fees/Licenses/Permits	\$ 3,250	\$ 3,000	\$ 3,000	\$ 1,000	\$ 2,000	\$ 3,000			\$ 3,000
41-001-611-52701	Contract Operating Charges	\$ 580,597	\$ 590,500	\$ 590,500	\$ 234,000	\$ 381,000	\$ 615,000			\$ 615,000
41-001-611-52858	Engineering Consultants	\$ 1,955	\$ 12,000	\$ 12,000	\$ 3,000	\$ 5,000	\$ 8,000			\$ 8,000
41-001-611-52901	Environmental Testing	\$ 1,387	\$ 6,000	\$ 6,000	\$ 2,000	\$ 4,000	\$ 6,000			\$ 6,000
41-001-611-57822	CREPA Reimbursements	\$ 58,000	\$ 58,000	\$ 58,000	\$ 58,000	\$ -	\$ 58,000			\$ 58,000
	<b>Subtotal Essex TS</b>	\$ 659,353	\$ 692,000	\$ 692,000	\$ 307,000	\$ 406,000	\$ 713,000			\$ 713,000

(C) budgeted under the Landfill Division beginning on the 2nd Period (11/16/12 - 06/30/12) of FY13.



**CRRA - MID-CONNECTICUT PROJECT & CONNECTICUT SOLID WASTE SYSTEM**

**EXPENDITURE DETAILS**

Account	Description	ACTUAL FY11	ADOPTED FY12	1st PERIOD 07/01/12 - 11/15/12	2nd PERIOD 11/16/12 - 06/30/13	TOTAL PROPOSED FY13
<b>TRANSFER STATION - TORRINGTON</b>						
41-001-612-xxxxx	Scale house Expenses	\$ 6,552	\$ 11,500	\$ 4,000	\$ 7,000	\$ 11,000
41-001-612-52407	Project Equipment Maintenance	\$ 7,964	\$ 11,500	\$ 5,000	\$ 7,000	\$ 12,000
41-001-612-52502	Fees/Licenses/Permits	\$ 3,250	\$ 3,000	\$ 1,000	\$ 2,000	\$ 3,000
41-001-612-52701	Contract Operating Charges	\$ 557,280	\$ 562,000	\$ 222,000	\$ 363,000	\$ 585,000
41-001-612-52858	Engineering Consultants	\$ 2,435	\$ 12,000	\$ 3,000	\$ 5,000	\$ 8,000
41-001-612-52901	Environmental Testing	\$ 1,113	\$ 5,000	\$ 2,000	\$ 3,000	\$ 5,000
	<b>Subtotal Torrington TS</b>	<b>\$ 578,594</b>	<b>\$ 605,000</b>	<b>\$ 237,000</b>	<b>\$ 387,000</b>	<b>\$ 624,000</b>
<b>TRANSFER STATION - WATERTOWN</b>						
41-001-613-xxxxx	Scale house Expenses	\$ 7,028	\$ 9,500	\$ 4,000	\$ 7,000	\$ 11,000
41-001-613-52407	Project Equipment Maintenance	\$ 7,964	\$ 11,500	\$ 5,000	\$ 7,000	\$ 12,000
41-001-613-52502	Fees/Licenses/Permits	\$ 3,250	\$ 3,000	\$ 1,500	\$ 2,000	\$ 3,500
41-001-613-52701	Contract Operating Charges	\$ 478,113	\$ 486,500	\$ 192,000	\$ 312,000	\$ 504,000
41-001-613-52858	Engineering Consultants	\$ 2,015	\$ 12,000	\$ 3,000	\$ 5,000	\$ 8,000
41-001-613-52901	Environmental Testing	\$ 502	\$ 3,500	\$ 1,500	\$ 2,000	\$ 3,500
	<b>Subtotal Watertown TS</b>	<b>\$ 498,872</b>	<b>\$ 526,000</b>	<b>\$ 207,000</b>	<b>\$ 335,000</b>	<b>\$ 542,000</b>
<b>171 MURPHY ROAD</b>						
41-001-620-52104	Telecommunications	\$ 717	\$ 1,000	\$ 400	(B) \$	\$ 400
41-001-620-52404	Building Operations	\$ 22,241	\$ 26,000	\$ 6,000	(B) \$	\$ 6,000
41-001-620-52415	Ground Maintenance	\$ -	\$ 2,000	\$ 800	(B) \$	\$ 800
41-001-620-xxxxx	Utilities	\$ 11,958	\$ 21,000	\$ 4,800	(B) \$	\$ 4,800
	<b>Subtotal 171 Murphy Road</b>	<b>\$ 34,916</b>	<b>\$ 50,000</b>	<b>\$ 12,000</b>	<b>\$ -</b>	<b>\$ 12,000</b>

(B) budgeted under the Property Division beginning on the 2nd Period (11/16/12 - 06/30/12) of FY13.

**CRRA - MID-CONNECTICUT PROJECT & CONNECTICUT SOLID WASTE SYSTEM**

**REVENUE AND EXPENDITURE SUMMARY**

**REVENUES**

Account	Description	ACTUAL FY11	ADOPTED FY12	1st PERIOD	2nd PERIOD	TOTAL
				07/01/12 - 11/15/12	11/16/12 - 06/30/13	PROPOSED FY13
<b>ENERGY</b>						
41-001-000-43104	Capacity	\$ 6,322,304	\$ 5,190,000	\$ 2,007,000	(B)	\$ 2,007,000
41-001-000-43104	Variable	Incl. Above	\$ 102,000	\$ 35,000	(B)	\$ 35,000
41-001-000-43104	Backstop	Incl. Above	\$ 13,000	\$ 5,000	(B)	\$ 5,000
41-001-000-43104	Black Start Credit	Incl. Above	\$ 794,000	\$ 306,000	(B)	\$ 306,000
	Subtotal Energy	\$ 6,322,304	\$ 6,099,000	\$ 2,353,000	\$ -	\$ 2,353,000
<b>OTHER</b>						
41-001-000-46107	Interest Income	\$ 17,306	\$ 33,000	\$ 7,000	(B)	\$ 7,000
41-001-000-45151	Rental Income - Jets/EGF	\$ 39,350	\$ 43,000	\$ 15,000	(B)	\$ 15,000
	Subtotal Other	\$ 56,656	\$ 76,000	\$ 22,000	\$ -	\$ 22,000
	Total Revenues	\$ 6,378,960	\$ 6,175,000	\$ 2,375,000	\$ -	\$ 2,375,000

**EXPENDITURES**

Account	Description	ACTUAL FY11	ADOPTED FY12	1st PERIOD	2nd PERIOD	TOTAL
				07/01/12 - 11/15/12	11/16/12 - 06/30/13	PROPOSED FY13
41-001-901-xxxx	Jets Operational Expenses	\$ 140,515	\$ 325,000	\$ 228,000	(B)	\$ 228,000
41-001-951-xxxx	Jets	\$ 1,756,069	\$ 1,665,000	\$ 955,000	(B)	\$ 955,000
	Total Expenditures	\$ 1,896,584	\$ 1,990,000	\$ 1,183,000	\$ -	\$ 1,183,000
	Balance	\$ 4,482,376	\$ 4,185,000	\$ 1,192,000	\$ -	\$ 1,192,000

(B) budgeted under the Property Division beginning on the 2nd Period (11/16/12 - 06/30/12) of FY13.

**CRRA - MID-CONNECTICUT PROJECT & CONNECTICUT SOLID WASTE SYSTEM**

**EXPENDITURE DETAILS**

Account	Description	ACTUAL FY11	ADOPTED FY12	1st PERIOD 07/01/12 - 11/15/12	2nd PERIOD 11/16/12 - 06/30/13	TOTAL PROPOSED FY13
<b>JETS OPERATIONAL EXPENSES</b>						
41-001-901-52856	Legal	\$ 6,180	\$ 75,000	\$ 75,000	(B)	\$ 75,000
41-001-901-xxxx	Insurance Expenditures	\$ 22,593	\$ 24,000	\$ 24,000	(B)	\$ 24,000
41-001-901-52899	Engineering & Technology Consulting Services	\$ -	\$ 100,000	\$ 40,000	(B)	\$ 40,000
41-001-901-57871	Indirect Labor & Overhead - Administration			\$ 18,000	(B)	\$ 18,000
41-001-901-xxxx	Direct Salaries/Labor & Benefits - Administration	\$ 32,126	\$ 55,000	\$ 24,000	(B)	\$ 24,000
41-001-901-xxxx	Direct Salaries/Labor & Benefits - Operational	\$ 79,616	\$ 71,000	\$ 47,000	(B)	\$ 47,000
	<b>Subtotal Jets Operational Expenses</b>	\$ 140,515	\$ 325,000	\$ 228,000	\$ -	\$ 228,000
<b>JETS</b>						
41-001-951-52502	Fees/Licenses/Permits	\$ 17,510	\$ 30,000	\$ 30,000	(B)	\$ 30,000
41-001-951-52507	Pilot	\$ 252,951	\$ 261,000	\$ 271,000	(B)	\$ 271,000
41-001-951-xxxx	Insurance Expenditures	\$ 60,992	\$ 71,000	\$ 27,000	(B)	\$ 27,000
41-001-951-52701	Contract Operating Charges	\$ 1,275,783	\$ 1,083,000	\$ 154,000	(B)	\$ 154,000
41-001-951-52612	Fuel	\$ -	\$ -	\$ 302,000	(B)	\$ 302,000
41-001-951-52858	Engineering Consultants	\$ 4,185	\$ 60,000	\$ 23,000	(B)	\$ 23,000
35-001-951-xxxx	Energy Manager	\$ -	\$ -	\$ 87,000	(B)	\$ 87,000
41-001-951-53304	Electricity	\$ 127,349	\$ 160,000	\$ 61,000	(B)	\$ 61,000
41-001-951-56605	Construction	\$ 17,300	\$ -	\$ -	(B)	\$ -
	<b>Subtotal Jets</b>	\$ 1,756,069	\$ 1,665,000	\$ 955,000	\$ -	\$ 955,000

(B) budgeted under the Property Division beginning on the 2nd Period (11/16/12 - 06/30/12) of FY13.

# TAB 5

**RESOLUTION REGARDING AN AGREEMENT FOR THE  
OPERATION AND MAINTENANCE OF THE  
MID-CONNECTICUT JET TURBINE FACILITY**

**RESOLVED:** That the President is hereby authorized to execute an agreement with NAES Corporation for the Operation and Maintenance of the Mid-Connecticut Jet Turbine Facility, substantially as presented and discussed at this meeting.

**Agreement Summary**  
**Operation and Maintenance of the Mid-Connecticut Jet Turbine Facility**

Presented to the CRRRA Board	February 23, 2012
Facility	Mid-Connecticut Jet Turbine Facility
Recommended Contractor	NAES Corporation
Commencement Date	June 1, 2012
Base Term	Four (4) years and one (1) month commencing May 31, 2012 and terminating June 30, 2016
Term Extensions	Ten (10) one-year periods at CRRRA's sole discretion.
CRRRA Termination Rights	In addition to standard provisions related to termination for uncured Operator events of default, CRRRA may terminate the Agreement in the event the JTF Trading Agreement & Order No. 8302 is not renewed or extended.
Contract Type/Subject Matter	JTF operation and maintenance
Contract Dollar Value	Annual O&M Fee of \$75,000 escalated annually (escalation capped at 2.5% per Contract Year).  Operator incentive based compensation not to exceed \$25,000 escalated annually (escalation capped at 2.5% per contract year). Incentive based compensation is tied to specific performance goals established each Contract Year.
Scope of Services	Perform the services required to transition O&M from the current operator to the new Operator; perform the O&M services for the Facility.
Budget Status	For the period of July, 1 – November 15, 2012 money for the O&M of the JTF will be appropriated in the Mid-Connecticut budget. After the period ending November 15, 2012, money will be appropriated in the Property Division budget for the O&M of the JTF.

**Connecticut Resources Recovery Authority  
Mid-Connecticut Project**

**Agreement for Operation and Maintenance of the Mid-  
Connecticut Jet Turbine Facility**

*February 23, 2012*

**EXECUTIVE SUMMARY**

The current agreement for the O&M of the Jet Turbine Facility ends May 31, 2012. On November 7, 2011, CRRA issued a Request for Proposals for Operation and Maintenance of the Mid-Connecticut Jet Turbine Facility (the “RFP”), with a response deadline date of December 14, 2011.

Based upon CRRA’s review of the proposals received as summarized in this document, the discussion and information received during interviews with proposers, and the clarifying information received thereafter, CRRA management recommends the Agreement for Operation and Maintenance of the Jet Turbine Facility be awarded to NAES Corporation (“NAES”). The selection of NAES as the operator provides CRRA an opportunity to realize measurable savings due to the ability to integrate operation and maintenance of the JTF with CRRA’s other assets at the property (the WPF/PBF/EGF).

The proposal review also indicates that selection of NAES offers a savings in both the:

- one-time transition costs (including associated capital expenditures) needed to launch the new O&M contractor; and
- recurring annual O&M costs.

Further, in the event it is determined CRRA must comply with the new NERC critical cyber asset reliability standards it is now apparent that placement of all monitoring and related functions at the same site will provide significant annual savings on a going forward basis, and this approach is only available with NAES at this time.

## **DISCUSSION**

In 2001, CRRA purchased from Northeast Utilities (“NU”) the land assets of the Mid-Connecticut Resources Recovery Facility site. Located at the site was CRRA’s waste processing facility and power block facility that were developed by CRRA in the 1980’s to process municipal solid waste and produce steam for sale to Connecticut Light and Power Company (“CL&P”). Importantly, also located at the site and part of CRRA’s acquisition were the following:

- The energy generating facility (“EGF”) that converts steam produced with refuse-derived-fuel at the power block facility (“PBF”) into electricity; and,
- A jet turbine peaking power plant with approximately 160 MW of capacity, which up to that time was part of CL&P’s electricity generating system.

This Agreement concerns the 160 MW Jet Turbine Facility (“JTF”). The JTF went into commercial operation in the early 1970’s. The JTF is a peaking power plant meaning that it only runs when there is especially high demand for electricity. The JTF consists of four Pratt & Whitney Twin-Pac generating sets (“Twin-Pacs”). Each of the four Twin-Pac units (each a “Unit”) is nominally capable of generating 40 MW and comprised of two Pratt & Whitney FT4-9 combustion gas turbine engines. Also, each Twin-Pac is capable of black-start operation, meaning they can start up without any outside power support, and can then be used to re-start other generating assets in the event of a regional system black-out or similar upset condition. The units typically are called to run approximately 30 hours/year.

The JTF has been operated and maintained by Northeast Generation Services Company (“NGS”) pursuant to an agreement that was entered into and dated as of May 30, 2000 and which ends May 31, 2012. CRRA is separately contracting for the sale of the energy products from the JTF.

CRRA performed the following activities in procuring a new operating contract for the JTF:

- Issued Request for Proposals;
- Proposals received and initial review conducted;
- Interviews conducted with procurement participants;
- Post-submittal and meeting follow up questions posed by CRRA to procurement participants;
- Comparison of cost proposals received from proposers and request for additional clarification; and
- Recommendation of Contractor.

### **Procurement Process - Request for Proposals (“RFP”)**

On November 7, 2011, CRRA issued a RFP for Operation and Maintenance of the Mid-Connecticut Jet Turbine Facility, with a submittal deadline date of December 14, 2011. The RFP required interested parties to submit a Notice of Interest Form not later than November 23, 2011. The following parties indicated their interest in the procurement;



- Wood Group;
- NAES Corporation;
- NRG Energy Services;
- PurEnergy; and
- Turbo Services Inc.

A site visit with interested parties was conducted on November 22, 2011.

Three addendums were issued by CRRA, each responding to questions raised by the interested parties in writing and during the site visit.

Three proposals were received on December 14, 2011 as follows:

- a. NAES Corporation;
- b. NRG Energy Services LLC (“NES”); and
- c. PurEnergy Operating Services LLC.

### **Proposal Review Process**

CRRA staff designated by CRRA’s President to evaluate the proposals was Peter Egan, Director of Operations and Environmental Affairs; Virginia Raymond, Senior Operations Analyst; and Richard Quelle, Senior Engineer. Roger Guzowski, CRRA’s Contracts and Procurement Manager managed the procurement process.

Based upon staff’s initial review of the proposals received, a letter containing questions was delivered to each of the three respondents on December 29, 2011. The letter requested responses in writing not later than January 11, 2012 and noted that CRRA would then seek to schedule a meeting or conference call with each. A meeting was subsequently held with each party at CRRA’s offices to discuss their proposals, approach to the project, and the issues CRRA had raised with each. Following these meetings, further clarifications and submittals were received by CRRA from the Proposers.

### **Price/Cost Evaluation**

**Overview:** For the evaluation of prices submitted, CRRA devised its RFP to obtain two pricing components:

- Component 1 reflects the estimated cost for transition phase services. These costs are one-time expenses incurred prior to the contractor performing routine O&M services;
- Component 2 reflects the on-going annual costs for the O&M services, including labor, company and staff incentive compensation, company management fee, and home office support activities.

## Component 1 – Transition Costs (a “One-Time” Expense)

Following is a summary of Cost Component 1 (Transition) proposals:

### Est. Cost of Transition Services

<u>NAES #1</u>	<u>NAES #2</u>	<u>NAES #3</u>	<u>NES</u>	<u>PurEnergy</u>
\$59,813	\$63,222	\$327,970	\$547,496	\$490,800

NAES offered three approaches with each approach having different costs associated with it. Each approach is driven by how the JTF is activated once ISO-New England (“ISO-NE”) issues a command to start the units. Under #1 and #2, the control room operator would react to the ISO-NE signal by either dispatching an operator to start the units, or hitting a hard-wired “start-button”. Under Option 3, NAES proposed to set up the RTU (the RTU is a remote monitoring system) to automatically start the units. The Option 3 proposed by NAES further assumed this option would trigger the need to comply with certain additional regulations and associated costs to insure the security of the start system as a “critical cyber asset” as defined by the NERC Bulk Electric Reliability Standards. No other proposer assumed this level of cyber security in their initial submittal, which prompted CRRA to ask follow up questions of each proposer. It is this critical cyber asset security factor alone that accounts for the difference in cost between the pricing for NAES #3 and its other offers.

Under both the NES and PurEnergy offers, the personnel monitoring the ISO-NE signal could trigger the JTF activation, or it could be done automatically. However, only NAES says it included in its “automatic” option 3 the cost of services associated with the likely capture of that approach with the more complicated and still evolving standards associated with providing a secure communications system for remote start of the units (the “NERC critical cyber asset security requirements”).

The pricing demonstrates that NAES has provided the lowest cost for the transition phase, without regard to which of the three start-approaches is selected. Importantly, however, it appears that the second NAES option, with the on-site PBF control-room operator activating the start-up of the units with a hard-wire connection to the JTF is both desirable and workable as an approach. Consequently, NAES offers CRRA a very cost-effective transition phase arrangement.

## Component 2 – Annual Costs (Recurring)

Proposers were also asked to provide CRRA information regarding their approach to staffing and annual cost of their services. This included:

- Number of positions and direct labor expenses;
- Cost of labor taxes and employee benefits;
- Overtime costs and burden rate;
- Home office expenses;

- Annual incentive payments to workers and to the company based upon performance metrics to be specified in the agreement; and
- Annual company fees for managing the O&M of the JTF.

The following table provides a summary of the annual costs obtained from the proposers in their submittals and subsequent clarifications regarding their cost proposals;

**Annual Costs Per Proposals**

	<u>NAES #1</u>	<u>NAES #2</u>	<u>NAES #3</u>	<u>NES</u>	<u>PurEnergy</u>
Home Office O&M Support:	\$16,920	\$ 16,920	\$ 160,000	\$In Incentive	\$ 121,100
Labor Wages, Overtime, Incent., Benefits & Taxes:	\$135,949	\$ 135,949	\$ 135,949	\$ 269,420	\$ 197,782
Operator Annual Fee:	\$75,000	\$ 75,000	\$ 200,000	\$In Incentive	\$ 135,000
Company Incentive Based Compensation:	\$25,000	\$ 25,000	\$ 25,000	\$ 260,000	\$ 30,000
Identified Third Party Costs:	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$30,000-44,000</u>
Total:	\$ 252,869	\$ 252,869	\$ 520,949	\$ 529,420	\$513,782-\$527,782

**Comparison of Two Lowest-Cost Submittals**

Given the differences in assumptions made by the submitters and written clarifications obtained from the two lowest cost proposers, CRRA developed the following adjusted cost comparisons:

- **Comparison With An Environmental Compliance Pricing Component** includes the environmental services that NAES had not included in its original proposal but initially offered to provide at stipulated rates. PurEnergy included baseline environmental support services in their original submittal. CRRA asked NAES to quote the same scope as PurEnergy defined.

**Comparison A: NAES Option #2 + Environmental Scope vs. PurEnergy**

	<u>NAES #2</u>	<u>PurEnergy</u>
Transition Phase (One-Time):	\$63,222	\$490,800
-----		
Total Annual Cost from Proposal:	\$252,869	\$513,882-\$527,882
Added Environmental:	<u>\$65,075</u>	<u>\$ Included</u>
Adjusted Comparison-Annual Costs:	\$317,944	\$513,782-\$527,782

This comparison uses the operating configuration CRRA would prefer from the three options offered by NAES.

- **Comparison B With Critical Cyber Asset Pricing Component** considers the impact on these two proposer’s costs should the JTF be captured by the more extensive critical cyber asset reliability standards. NAES had included this in their original proposal as Option #3. During the proposal evaluation stage, CRRA obtained a supplemental cost evaluation from PurEnergy to address this contingency. In this review, to make the comparison based upon the same relative scope of work, the environmental component has also been included in NAES’ costs.

**Comparison B: Added Cyber Security Upgrade and Services**

	<u>NAES #3</u>	<u>PurEnergy</u>
Transition Phase:	\$ 327,970	\$ 490,800
Added Capital Cost:	\$ -	\$461,500-\$714,600
Total One-Time Costs:	\$ 327,970	\$952,300-\$1,205,400
<hr/>		
Total Annual Cost from Proposal:	\$ 520,949	\$513,782-\$527,782
Added Cyber Security Component:	\$ -	\$100,250-\$179,500
Added Environmental:	\$ 65,075	\$ Included
Adjusted Comparison Annual Costs:	\$ 586,024	\$614,032-\$707,282

The costs derived in this Comparison “B”, relative to those above in “A”, highlight the impact upon JTF costs if it is determined that CRRA must comply with the NERC critical cyber asset reliability standards. There is somewhat less impact where CRRA’s on-site PBF operator (NAES) has on-site control over the RTU and the units because all of the compliance requirements are focused on just one property; the South Meadows site. Conversely, as PurEnergy’s pricing highlights, having a contractor remotely monitor and manage the RTU off-site adds considerable costs to the operation of the facility because not only will the JTF site need to comply with the critical cyber asset standards, but in all likelihood so too will the off-site location and the additional costs to secure the off-site location would be a pass-through to CRRA. The difference in Comparison B costs between PurEnergy and NAES is attributed largely to the RTU, both to establish monitoring functions and then to provide corresponding cyber security.

[Note: As noted above, a review of the NES proposal indicates they did not include an allowance for environmental support services in their proposal cost estimates. Similarly, in response to questions CRRA asked NES about cyber security compliance, the company indicated more study would be needed to define a scope to meet that event, a not unreasonable position. NES’ transition and operating costs were highest of the three in their initial submittals.]

**Conclusion – Cost Evaluation**

CRRA finds the expected cost of service under the NAES Option #2 approach to provide the lowest expected costs and prove feasible at this time. If the additional cyber security reliability standards are imposed at some future time upon the JTF, NAES, under Option #3, would prove the most cost-effective choice among the Proposers.

The offer of PurEnergy is ranked second after considering their transition costs (less than NES) plus the inclusion of the environmental support services in their submittal.

As a result, CRRA ranks the parties in cost as follows with 1 representing lowest cost:

<u>Proposer</u>	<u>Cost Ranking</u>
NAES	1
PurEnergy	2
NES	3

### **Knowledge, Capabilities, Experience**

For its evaluation of the “knowledge, capabilities and experience” criterion, CRRA evaluated the knowledge, capabilities and experience of the bidders, as detailed in their submittals, in the following areas:

- The operation of power generation facilities similar in scale and complexity to the JTF;
- Prior experience with similar jet turbine installations and Pratt & Whitney units in particular;
- Experience in operating facilities in the New England ISO region and with compliance with ISO-NE’s rules and procedures; and
- The adequacy of its operating resources and management structure.

#### **NAES Corporation**

NAES is a current CRRA contractor, having recently taken responsibility for operation and maintenance of the Mid-Connecticut waste processing facility and currently preparing to operate the power block and energy generating facility in the near future.

Since its founding in 1980, NAES has operated over 176 power plants totaling 49,450 MW of capacity. Of those plants, 31 totaling over 4,710 MW of capacity have been owned by municipal/public entities. The others have been owned by utilities and other business entities. Operating power generation facilities for others is NAES primary business. NAES is currently the operator of over 100 power generation facilities.

NAES provided CRRA with a summary of its gas turbine experience, which extended approximately 9 pages in table form. The list included over 300 individual gas turbine units with output of approximately 47,000 MW. Included on the list were ten different facilities with a total of 25 P&W Twin-Pac units. Six of the installations are in California, and one each in Illinois, Virginia, West Virginia and LaDorada Columbia.

Of its total experience, NAES indicates it currently operates P&W units at four installations, with a combined 17 units, all of which appear to be FT-8’s, in either P&W Twin-Pac or Swiftpac configuration.

NAES identified eleven different facilities, some with multiple units, that are in the ISO-NE region and where the company either has interfaced with ISO-NE in the past or is preparing to do so as the units come on-line. These units reflect a total of over 6,000 MW of capacity.

NAES has significant breadth of operating resources and management structure. NAES Power Contractors (NAES PC) is a wholly owned subsidiary of NAES and is a full service maintenance and construction provider for power generating equipment and facilities. NAES PC has 27 years of experience in performing plant maintenance, modifications, and repair for virtually every component of power facilities. In addition to its ability to provide maintenance services, NAES' provides a hands-on home office support staff that manages the day-to-day support and oversight of its services including the development and updating of customized facility-specific operational programs, procedures and manuals for all aspects of plant operations including preventive maintenance, training, health and safety, environmental and NERC bulk electric reliability standards compliance, recruitment, purchasing and more.

#### **NRG Energy Services LLC**

NES provides services to NRG (its parent company) and also to a range of other customers including power companies, government and other institutions. NRG owns and operates 115 gas turbines throughout the US, including simple cycle, combined cycle and black start capable units (38 are Aero Derivative-type and 77 are frame units.) NRG's gas turbines are in CA, CT, DE, IL, LA, MD, NV, NY and TX.

NRG is an S&P 500 index and Fortune 300 company. The power plants it owns have nearly 26,000 MW of capacity. In addition, it serves approximately 1.9 Million residential, business, commercial, and industrial customers.

NES indicates it operates and maintains 24 P&W units in the Northeast with 10 in CT, one of which is black-start. NES also says it has experience with five OEMs, including Alstom, GE, P&W, Siemens and Westinghouse.

NES also interfaces daily with ISO-NE and CONVEX on a range of issues and has completed ISO-NE communication set-ups with RTU's at seven different facilities, two of which were new installations completed in the last year.

NES also confirms experience with applicable regulatory entities, including the CT DEEP, EPA, and NERC.

#### **PurEnergy Operating Services LLC**

PurEnergy is an operating company reporting the following current projects:

- a. A 65 MW Frame 6b combined cycle plant in Hartford (CDECCA), running in peaking mode;

- b. A 67 MW combined cycle peaking plant in Pawtucket RI;
- c. A 168 MW “three on one” designed Frame 6b facility located in Pittsfield MA running in peaking mode;
- d. Eight GE10 (10 MW) gas turbines in Colton CA running in peaking mode;
- e. Two Frame 6b (30 MW) dual fuel plants in Forked River NJ running in peaking mode;
- f. Two biomass facilities, one in Niagara Falls (circulating fluidized bed) and a biomass generating plant in San Joaquin County California.

PurEnergy currently operates four facilities within the ISO-NE region, and its staff is therefore experienced with related rules and procedures.

The following table summarizes the rankings of the proposers with respect to the knowledge, capabilities and experience criterion with 1 being the highest ranking (entities possessing the most experience). Although the ranking illustrates differences between the proposers, the review team judged all three of the companies as capable to perform the O&M services associated with the JTF.

Item	NAES	NES	PurEnergy
Operation of Power Generation Facilities with scale and complexity of the JTF	1	2	3
Prior experience with Jet Turbine Facilities and P&W Units	1	1	3
Operation of Power Generating Plants in ISO-NE and Knowledge of Rules and Procedures	1	1	1
Adequacy of Operating Resources and Management Structure	1	1	3

## **FINANCIAL SUMMARY**

For the period of July, 1 – November 15, 2012 money for the O&M of the JTF will be appropriated in the Mid-Connecticut budget. After the period ending November 15, 2012, money will be appropriated in the Property Division budget for the O&M of the JTF.

**TAB 6**



**RESOLUTION REGARDING THE PURCHASE OF ONE  
NEW SECONDARY SHREDDER 1250 HP MOTOR FOR  
THE MID-CONNECTICUT WASTE PROCESSING  
FACILITY**

**WHEREAS**, at its December 2011 meeting CRRA's Board of Directors authorized the President to execute an agreement with Associated Electro-Mechanics, Inc. to purchase two 1250 HP secondary shredder motors, one of which is intended to serve as a spare motor; and

WHEREAS, the referenced agreement has not yet been executed; and

**WHEREAS**: CRRA management now recommends that purchase of a new 1250 HP secondary shredder motor to serve as a spare be postponed at this time;

**NOW THEREFORE**, it is

**RESOLVED**: That the above-referenced authorization is hereby rescinded; and

**FURTHER RESOLVED**: That the President is hereby authorized to execute an agreement with Associated Electro-Mechanics, Inc. to purchase one new 1250 horsepower secondary shredder motor to be located at the Mid-Connecticut Waste Processing Facility, substantially as presented and discussed at this meeting.

# Connecticut Resources Recovery Authority

## Contract Summary for Contract Entitled

### Agreement to Purchase One New Secondary Shredder Motor Rated to 1250 Horsepower

Presented to the CRRA Board on:	February 23, 2012
Vendor/ Contractor(s):	Associated Electro-Mechanics, Inc.
Effective date:	Upon Execution
Contract Type/Subject matter:	Equipment Supply
Facility (ies) Affected:	Mid-CT Waste Processing Facility
Original Contract:	NA
Term:	Upon acceptance of motor; approximately 240 days from Notice to Proceed
Contract Dollar Value:	\$249,742.00
Amendment(s):	NA
Term Extensions:	N/A
Scope of Services:	Purchase of one new secondary shredder 1250 HP motor for the Waste Processing Facility.
Budget Status	This purchase will be funded from the Mid-Connecticut Facility Modification Reserve in FY 2012. Purchase of this motor was contemplated in the FY 2012 capital budget; there are sufficient funds in this reserve for this purchase.
Other Pertinent Provisions:	None

**Connecticut Resources Recovery Authority  
Mid-Connecticut Project-Waste Processing Facility  
Purchase of One New Secondary Shredder 1250HP  
Motor**

*February 23, 2012*

**Discussion**

This is to request approval of the CRRRA Board of Directors for the President to enter into an agreement with Associated Electro-Mechanics, Inc. (AEM), to purchase one newly designed 1250 horsepower secondary shredder motor for use at the Mid-Connecticut Waste Processing Facility.

At its December 2011 meeting the Board of Directors authorized purchase of two newly designed 1250 horsepower secondary shredder motors; one of the two motors was to serve as a spare. A detailed discussion of this procurement initiative was presented to the board at that meeting, and is not repeated herein. CRRRA management is recommending that the purchase of one motor to serve as a spare be postponed at this time, and that CRRRA proceed with purchase of only one new 1250 HP secondary shredder motor at this time.

**Financial Summary**

CRRRA's cost for this project includes the cost of the one new WEG 1250 HP motor at a cost of \$234,742.00, plus \$15,000.00 for dynamometer testing and installation of the motor, for a total of \$249,742.00.

The purchase will be funded from the Mid-Connecticut Project Facility Modification Reserve. This purchase was contemplated in the FY2012 capital budget, and there are sufficient funds for this expenditure in the Facility Modification Reserve.