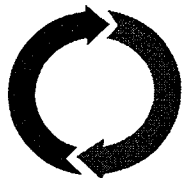


CRRA
SPECIAL BOARD MEETING
Nov. 21, 2013



**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 Kenney, HR Specialist/Board Administrator
DATE: Nov. 15, 2013
RE: Notice of Special Board Meeting

There will be a Special Board Meeting of the Connecticut Resources Recovery Authority Board of Directors on Thursday Nov. 21, 2013, at 1:30 p.m. The meeting will be held in the Board Room at 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
Special Board of Directors Meeting

Agenda
Nov. 21, 2013
1:30 PM

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 Approval of the Regular Oct. 31, 2013, Board Meeting Minutes (Attachment 1).

IV. Policies & Procurement Committee Reports

1. Board Action will be sought for the Resolution Regarding Power Products Consulting Services (Attachment 2).

V. Finance Committee Reports

1. Board Action will be sought for the Resolution Regarding the Southeast Budget (Attachment 3).
2. Board Action will be sought for the Resolution Regarding the Authority Budget (Attachment 4).

VI. Other

1. Board Action will be sought for the Resolution Regarding the Transition Plan (Attachment 5).

VII. Chairman and President's Reports

IX. 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 FIFTIETH

OCT. 31, 2013

A regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thurs. Oct. 31, 2013, in the Board Room at 100 Constitution Plaza, Hartford, CT 06103.

Directors: Chairman Don Stein
Vice-Chairman Barlow
John Adams
Ralph Eno
Joel Freedman
James Hayden
Joe MacDougald
Andrew Nunn (present by telephone)
Scott Shanley
Bob Painter, CSWS Project Ad-Hoc
Steve Edwards, Southwest Project

Present from CRRA in Hartford:

Tom Kirk, President
Mark Daley, Chief Financial Officer
Jim Bolduc, Strategic Financial Advisor
Jeffery Duvall, Director of Budgets and Forecasting
Peter Egan, Director of Environmental Affairs and Operations
Laurie Hunt, Director of Legal Services
Paul Nonnenmacher, Director of Public Affairs
Nhan Vo-Le, Director of Accounting
Marianne Carcio, Executive Assistant
Moira Kenney, HR Specialist/Board Administrator

Others present: John Pizzimenti, USA Hauling; Jim Sandler, Esq., Sandler & Mara; Abe Scarr, Connecticut PIRG.

Chairman Stein called the meeting to order at 9:30 a.m. and said a quorum was present.

PUBLIC PORTION

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

As there were no members of the public which wished to comment Chairman Stein proceeded with the agenda.

APPROVAL OF THE MINUTES OF THE SPECIAL JULY 18, 2013, BOARD MEETING MINUTES

Chairman Stein requested a motion to approve the minutes of the Special July 18, 2013, Board Meeting. Director Adams made the motion which was seconded by Director Shanley.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director MacDougald, Director Nunn, Director Painter, and Director Shanley voted yes. Director Edwards abstained.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
James Hayden	X		
Joe MacDougald	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southwest			X

APPROVAL OF THE MINUTES OF THE REGULAR SEPT. 26, 2013, BOARD MEETING MINUTES

Chairman Stein requested a motion to approve the minutes of the Regular Sept. 26, 2013, Board Meeting. Director Adams made the motion which was seconded by Director Shanley.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Edwards, Director Eno, Director Freedman, Director Hayden, Director MacDougald, Director Nunn, Director Painter, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
James Hayden	X		
Joe MacDougald	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southwest	X		

RESOLUTION REGARDING REMOVAL OF SEDIMENT FROM THE COAL POND AT CRRA’S SOUTH MEADOWS SITE

Chairman Stein requested a motion to approve the above referenced item. Director Adams made the motion which was seconded by Director MacDougald.

WHEREAS: CRRA intends to issue a purchase order to NAES Corporation to remove accumulated sediment from the coal pond at CRRA’s South Meadows site; and

WHEREAS: Funds necessary to pay expenses associated with the removal of accumulated sediment from the coal pond at the CRRA South Meadows site have been accrued in the Mid-Connecticut Operating Account; be it

RESOLVED: that payment of this expense shall be funded from the Mid-Connecticut Operating Account, substantially as presented and discussed at this meeting.

Mr. Egan said there is an area at the South Meadows facility which has historically been used to store coal and was constructed to do so in the 80’s. He said the facility has not burned coal since 2004 and there is a small amount of coal left in the pond. He said Board approval is required to move the sediment which has accumulated in the pond over the years in order to allow the pond to continue to function as a source of processed water for the facility. Mr. Egan said this pond is lined with a plastic liner to prevent migration of the water and serves as a place to collect storm water and other water from facility activities including water from the area in which ash is loaded.

Mr. Egan said that water is used as process water for waste to energy plants specifically to slake lime (take dry lime and turn it into a slurry) which is then injected into the control equipment in the facility to control acid gasses. He said CRRA needs sufficient volume in this pond to hold water and over the last decade sediment has slowly filled in the pond and needs to be removed.

Mr. Egan said the sediment is substantially ash residue which comes from the ash load out building and the plan is to dredge the pond, de-water it and convey it across the roadway into the ash

load out building where it will be transported off site. He said the sediments which have accumulated have substantially accumulated during the Mid-Conn Project. Mr. Egan said when the project was closed management set aside funds to pay for this activity.

He said this resolution authorizes management to use the funds from the Mid-CT operating account to conduct this activity. Mr. Egan said those funds need to be moved from that account into the CSWS account and then on to NAES so they can contract out this activity. He said typically this is a maintenance activity which would be included in the budget and would be undertaken by NAES.

Director Shanley asked what the disposal costs for this activity are. Mr. Egan said the disposal costs are around \$60 a ton for transportation and disposal.

Chairman Stein asked if there are any environmental concerns. Mr. Kirk said protocol was developed by management and appropriate testing of residue was utilized at the pond (which came up clean). Director Painter asked if management is able to determine if the liner is intact. Mr. Egan replied yes, and that there are four groundwater monitoring wells around this area.

Director Shanley asked why the disposal process costs' were determined to be a Mid-Conn cost while the transportation and disposal of the ash are not. Mr. Egan said the Board could determine those costs should come out of the Mid-Conn operating account as well. He said management did not contemplate that in this memo. Mr. Egan said the Policies and Procurement Committee could certainly consider this matter further.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director MacDougald, Director Nunn, Director Painter, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
James Hayden	X		
Joe MacDougald	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southwest			

RESOLUTION REGARDING RESERVE ANALYSIS

Chairman Stein requested a motion to approve the above referenced item. Director Freedman made the motion which was seconded by Director Shanley.

WHEREAS: the activities associated with the Mid-Connecticut Project's Transition Funds reserve have been completed and the remaining funds can be used for other Mid-Connecticut Project liabilities;

NOW THEREFORE, BE IT:

RESOLVED: That the funds in the Mid-Connecticut Transition Funds be transferred to the Mid-Connecticut Post Project Closure reserve and the Mid-Connecticut Transition Funds reserve be dissolved and the corresponding Treasurer's Short Term Investment Fund ("STIF") account be closed.

Director Freedman said the annual reserve analysis is brought to the Finance Committee each year in October. He said the Committee discussed this matter at length.

Mr. Daley said the reserve analysis is a living document as it reflects the actions of previous Board in the establishment and movement of funds between various reserves. He said the analysis is a comparison of June 30, 2013, back to June 30, 2012. Mr. Daley said as of the current year CRRA has 33 reserve accounts with funding in comparison to 42 accounts the same time last year. He said the 9 account which were closed were from the Mid-Conn Project closure in accordance with previous direction from the Board.

Mr. Daley said the recommendation is to maintain status quo with the one exception of the movement of funding from the Mid-Conn transition fund to the Mid-Conn Project closure fund as the transition fund has fulfilled its purpose. He said the Finance Committee requested more specifications as to the nature of the funded liabilities in these reserves which management has provided in the documents before the Board.

Chairman Stein asked if the plan is for the \$35 million in the landfill reserve will be transferred to the State. Mr. Daley said the recommendation is for all of the accounts within the landfill division to maintain and continue the activities currently funded under them until the liabilities and funds are transferred.

Director Freedman asked what the approximate balance of the landfill reserve current is as well as the projection several months from now. Mr. Egan said as of January 1, 2014, there will be a \$1 million reduction and as of June 30, 2014, approximately \$2 million less as a function of expenses.

Mr. Kirk said the summary sheets are new this year and were provided as a benefit for the Board as the claims and liabilities of each reserve are listed.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director MacDougald, Director Nunn, Director Painter, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
James Hayden	X		
Joe MacDougald	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southwest			

RESOLUTION REGARDING FUNDING AND ALLOCATION OF SECTION 7 AUDIT COST

Chairman Stein requested a motion to approve the above referenced item. Director Freedman made the motion which was seconded by Director Hayden.

WHEREAS, The State of Connecticut (the “State”) passed Section 7 of Public Act 13-285 which states that the Connecticut Resources Recovery Authority (the “Authority”) shall pay the total cost of various audits, provided such payments shall not exceed \$500,000; and

WHEREAS, This Board of Directors (the “Board”) adopted the Fiscal Year 2014 Budgets which did not anticipate that the State would require the Authority to pay up to \$500,000 in additional audit(s) expenses; and

WHEREAS, The Department of Energy and Environmental Protection (“DEEP”) awarded a contract in the amount of \$460,000 to perform these additional audit(s); and

WHEREAS, The Board now considers it prudent to revise the Connecticut Solid Waste System (“CSWS”) Operating Budget, the Southeast Project Operating Budget, Property Division Operating Budget, and Landfill Division Operating Budget and to revise the funds retained in the Mid-Connecticut Post-Project Closure Reserve, the Bridgeport Post-Project Reserve, and the Wallingford Project Closure Reserve to incorporate these additional audit(s) expenses; and

WHEREAS, The funding from each operating account and reserve will be based on the five year historical pro-rata average contribution to the Authority Budget for the most recent audited five year period (Fiscal Year 2009 through Fiscal Year 2013);

NOW THEREFORE, it is

RESOLVED: That the approved Fiscal Year 2014 CSWS, Southeast Project, Property Division, and Landfill Division Operating budgets be revised in the form presented and discussed at this meeting; and

FURTHER RESOLVED: That the Mid-Connecticut Post-Project Closure Reserve, the Bridgeport Post-Project Reserve, and the Wallingford Project Closure Reserve expenses be revised; and

FURTHER RESOLVED: That for the purpose of paying the State mandated expenses the current contracted amount of \$460,000 be allocated to the following operating budgets and reserves in the respective percentages and amounts; and

Description	Avg. 5 year % Allocation	Rounded (ooo)
Mid-Connecticut Post Project Closure Reserve	76.58%	\$ 352,000
CSWS Division Operating Account	6.69%	\$ 31,000
Wallingford Project Closure Reserve	5.82%	\$ 27,000
Property Division Operating Account	3.33%	\$ 15,000
Bridgeport Post Project Reserve	3.32%	\$ 15,000
Southeast Project Operating Account	2.35%	\$ 11,000
Landfill Division Operating Reserves	1.91%	\$ 9,000
Total	100.00%	\$ 460,000

FURTHER RESOLVED: That any additional authorized expense related to such DEEP additional audits be allocated to the above stated operating budgets and reserves in such respective percentages subject to the statutory not to exceed amount of \$500,000.

Director Freedman said the Board had first discussed this issue in July. Mr. Daley was asked to revisit the issue at the last Finance Committee meeting as CRRA is expecting an invoice shortly from the State. Director Freedman said management has further refined the formula used to determine the allocations.

Mr. Daley said when this item was first brought forward the proposed method to allocate cost for the audits to the projects and divisions was done over a five year average using the same method the Authority uses for allocating its budget to the projects and divisions. He said at that time the average was from FY'12 and back and did not include the CSWS. Mr. Daley said the new analysis starts with FY'13 and will also capture the CSWS portion, reducing the costs previously allocated to the other projects and divisions.

~~Mr. Daley said in July CRRA was presuming the full \$500,000 would be required however the current assumption of \$460,000 of contracted cost to Cohn Reznick is being used. He said the Finance Committee provided a provision for management to pay up to a further \$40,000 (up to the original \$500,000) if further tasks are assigned.~~

Director Freedman asked if funding for the transition plan will be paid differently. Mr. Daley said that was correct.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director MacDougald, Director Nunn, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
James Hayden	X		
Joe MacDougald	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS			
Steve Edwards, Southwest			

PRESIDENTS' REPORT

Mr. Kirk said all CRRA facilities operated without environmental, safety or public health impacts through the reporting period. He said the financial results are in the supplemental package. Mr. Kirk said it is early in the fiscal year and the unaudited data is for a month's time only making it difficult to draw conclusions. He said in terms of revenues, town receipts and hauler receipts, CRRA is still showing favorable variances and unfavorable spot receipts.

Mr. Kirk said CRRA has recently shown unfavorable power revenues from reduced budget generation rates associated with poor performance of unit 11 prior to the major outage.

Mr. Kirk said the Southeast region has a modest favorable budget performance and unfavorable ash results because of the end of the contract year. He explained ash costs for the contractors' tonnage are backed out at the end of the year which will ultimately result in favorable rates overall. Mr. Kirk said the Southeast Region recycling, deliveries and operations are on budget and the SWEROC Board has the capability to use the prior years' surplus.

Mr. Kirk said the Authority budget has a small unfavorable surplus due to higher than expected CSWS expenses however the Authority is still on track for a modest surplus. He said the property budget has favorable revenues with some unfavorable expenses associated with repairs to the jets which are essentially timing issues.

Mr. Kirk said the capital reserve schedule and reserve payment tracking schedule are contained in the supplemental package along with the operations and tonnage reports. He said all the facilities continue to deal with historical fuel shortages related to the economy. Mr. Kirk said the supplemental package contains the legal summary and tonnage receipts by town and there are no notable changes from managements' expectations.

Mr. Kirk said slightly lower than expected electric contract prices have impacted budget planning. He said many of the issues are weather related and better prices are expected in the winter and in the gradually improving market.

Mr. Kirk said management is moving ahead with doing the preliminary work associated with a short term partial contract for a firm sale for a portion of its power should a contract be advisable in the future. He said the futures market would lock in at a price higher than CRRA's budget.

EXECUTIVE SESSION

Chairman Stein requested a motion to enter into Executive Session to discuss pending litigation, concerning the Kowalski matter and the pending MDC Arbitration and trade secrets.

The motion, made by Vice-Chairman Barlow and seconded by Director Adams was approved unanimously. Chairman Stein asked the following people join the Directors in the Executive Session.

- Tom Kirk
- Mark Daley
- Peter Egan
- Laurie Hunt

The Executive Session ended at 1:05 p.m. No votes were taken.

The motion previously made and seconded to go into Executive Session was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Edwards, Director Eno, Director Freedman, Director Hayden, Director MacDougald, Director Nunn, Director Painter and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
James Hayden	X		
Joe MacDougald	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southwest	X		

MOTION TO ADD TWO ITEMS TO THE AGENDA

Chairman Stein requested a motion to add two items to the agenda concerning a PILOT agreement with the City of Hartford and authorization to settle with the Kowalski group.

The motion to add these items to the agenda was made by Director Adams and seconded by Director MacDougald.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director MacDougald, Director Nunn, Director Painter, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
James Hayden	X		
Joe MacDougald	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southwest			

RESOLUTION REGARDING PILOT AGREEMENT WITH THE CITY OF HARTFORD

Chairman Stein requested a motion on the above referenced item. The motion to approve was made by Director MacDougald and seconded by Director Adams.

RESOLVED: That the President is hereby authorized to execute an Agreement for Payments in Lieu of Taxes with the City of Hartford for a term commencing upon execution thereof by both parties and ending on June 30, 2018, substantially as presented and discussed at this meeting; and

FURTHER RESOLVED: That the resolution adopted by this Board at its May 30, 2013, meeting authorizing the President to negotiate a payment schedule of a new PILOT Agreement with the City of Hartford is hereby amended such that the anticipated payment date of the first installment of PILOT shall be within thirty (30) business days of execution by both parties.

Director MacDougald said this is a PILOT payment similar to those done in the past and represents CRRA’s continued work with the City of Hartford. He said it allows for negotiations pertaining to future years in accordance with CRRA’s available finances. Director Shanley said this resolution is also in line with CRRA’s current budget for this fiscal year.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director MacDougald, Director Nunn, Director Painter, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
James Hayden	X		
Joe MacDougald	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southwest			

RESOLUTION REGARDING AUTHORIZATION TO SETTLE WITH THE KOWALSKI GROUP

Chairman Stein requested a motion on the above referenced item. The motion to approve was made by Vice-Chairman Barlow and seconded by Director MacDougald.

WHEREAS, The Kowalski Group was under contract to CRRA from 1998 to 2002, and invoiced CRRA for certain expenses incurred during that period; and

WHEREAS, CRRA paid the said invoices, but subsequently disputed some of the charges; and

WHEREAS, in April 2002, The Kowalski Group deposited \$22,100.87 in escrow with CRRA's counsel, pending resolution of the disputed expense reimbursements; and

WHEREAS, counsel for the Kowalski Group has indicated that The Kowalski Group is willing to settle the dispute, and intends to demand that CRRA arbitrate the matter in default of such settlement; and

WHEREAS, CRRA believes that the cost of such arbitration to CRRA will greatly exceed any potential benefit to CRRA;

NOW, THEREFORE, it is hereby

RESOLVED: That the President is authorized to proceed to settle with The Kowalski Group, LLS, substantially on the terms presented and discussed at this meeting, and to execute all documents, release all escrowed funds, and do all other things reasonably necessary to accomplish the proposed settlement.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director MacDougald, Director Nunn, Director Painter, and Director Shanley voted yes.

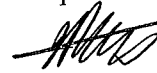
Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
James Hayden	X		
Joe MacDougald	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southwest			

ADJOURNMENT

Chairman Stein requested a motion to adjourn the meeting. The motion to adjourn was made by Vice-Chairman Barlow and seconded by Director Shanley and was approved unanimously.

There being no other business to discuss, the meeting adjourned at 1:04 p.m.

Respectfully Submitted



Moira Kenney
HR Specialist/Board Administrator

TAB 2

RESOLUTION REGARDING POWER PRODUCTS CONSULTING SERVICES

WHEREAS, La Capra Associates, Inc. has extensive analytical resources and knowledge of and experience in the ISO New England market in which CRRA's electric power generation assets participate; and

WHEREAS, La Capra Associates, Inc. has through its previous work performed for CRRA developed and has in place various modeling tools specific to CRRA's generation assets;

NOW THEREFORE, it is

RESOLVED: That the President of CRRA is authorized to enter into an agreement with La Capra Associates Inc. for Power Products Consulting Services, substantially as presented and discussed at this meeting.

Connecticut Resources Recovery Authority

Contract Summary for Power Products Consulting Services

Presented to Board	November 21, 2013
Facility	CSWS Resources Recovery Facility and Jet Turbine Facility
Contractor	La Capra Associates, Inc.
Base Term	January 1, 2014 – June 30, 2016
Term Extensions	None
CRRA Termination Rights	The Agreement may be terminated by CRRA upon at least thirty (30) days advance written notice.
Contract Type/Subject Matter	Power products consulting services.
Contract Dollar Value	\$15,000 in FY2014. Funding amounts for these services for FY15 and FY16 will be included in the respective fiscal year budgets.
Scope of Services	Assist CRRA in formulating power products budget forecasts for the sale of electricity and capacity and assist CRRA in formulating strategies for the management of the power products and markets associated with CRRA's South Meadows waste-to-energy facility and Jet Turbine Facility.
Other Pertinent Information	This contract is for a vendor determined to have Special Capability pursuant to section 3.1.2.5 of CRRA's Procurement Policies and Procedures, accordingly this contract would be entered into as an exception to the competitive process. For FY15 and FY16, and pursuant to 3.1.2.5 of the Procurement Procedures, board approval will be obtained if the expenditure is greater than \$10,000 per year.
Budget Status	Will be funded from CSWS operating budget (for matters regarding the resource recovery facility) and from the Property Division budget (for matters related to the Jet Turbine Facility).

Connecticut Resources Recovery Authority

Power Products Management Consulting Services South Meadows Waste to Energy and Jet Turbine Facilities

November 21, 2013

Executive Summary

This is to request that the Board of Directors authorize the President to enter into an agreement with La Capra, Associates, Inc. ("La Capra"), to assist CRRA in the strategic management of the power products associated with CRRA's South Meadows waste-to-energy facility and South Meadows Jet Turbine Facility (the "Facility") pursuant to section 3.1.2.5 of CRRA's Procurement Policies & Procedures governing contractors with special capabilities.

Discussion

Prior to FY14 CRRA conducted auctions to sell the net electric output of the CSWS South Meadows Resources Recovery Facility (the "Facility") in the ISO New England ("ISO") wholesale market. At its November 2012 meeting the Board of Directors resolved to forego an auction for Fiscal Year 2014 and instead sell the electricity into the ISO Day-Ahead market in order to provide CRRA the flexibility to enter into negotiations to sell some or all of the Facility's power to the State of Connecticut and/or an aggregator of electricity serving municipalities. At its February 28, 2013 meeting the Board approved retaining the services of La Capra to support CRRA's efforts in negotiating a bilateral agreement with the State and/or electricity aggregator. La Capra was recommended to CRRA by CRRA's outside legal counsel specializing in energy matters. The term of the agreement was for approximately ten (10) months commencing March 8, 2013 and terminating December 31, 2013. Pursuant to section 3.1.2.5 of CRRA's Procurement Policies and Procedures governing contractors with special capabilities Senior Management wishes to enter into a new agreement with La Capra for a term commencing January 1, 2014 and terminating June 30, 2016. The term would be coterminous with CRRA's other three-year engineering and consulting services agreements.

When it became apparent that an electricity contract with the State would not be forthcoming, CRRA used the services of La Capra to forecast the revenue CRRA could reasonably expect to receive through participation in the ISO New England ("ISO") Day-Ahead market. This forecast was needed in order to revise the FY14 budget that had already been approved by the Board but reflected the contemplated \$0.06/kWh CRRA had thought it would receive under a State contract. Subsequent to this assignment,

CRRA used La Capra's services to obtain a preliminary assessment of CRRA's market exposure related to CRRA's participation in the ISO Forward Capacity Market ("FCM"). La Capra has expert understanding of the FCM and how it functions. Having ready access to this expertise would be of particular value to CRRA in the event CRRA were placed in the position of having to shed our current FCM Capacity Obligations (shed obligations through a bilateral agreement(s) with a third party(ies) and/or through the delisting of some or all of our generation assets from the FCM).

Financial Summary

Costs associated with the agreement will be funded from either the CSWS operating budget (for matters related to the resource recovery facility) or the Property Division budget (for matters related to the Jet Turbine Facility). Note that each task will be discussed in advance and a not to exceed estimate will be approved by CRRA prior to the commencement of any work assignment. Each task estimate of cost will be based on the hourly rates, by staff position, provided by La Capra and made a part of the base agreement.

TAB 3

**REGARDING THE ADOPTION OF
THE FISCAL YEAR 2015
SOUTHEAST PROJECT OPERATING BUDGET**

RESOLVED: That the fiscal year 2015 Connecticut Resources Recovery Authority Southeast Project Operating Budget be adopted subject to the Southeastern Connecticut Regional Resource Recovery Authority's ("SCRRRA") approval of this budget and as substantially presented and discussed at this meeting.

The Fiscal Year 2015
Southeast Project
Proposed Operating Budget

November 21, 2013

Attached is the proposed fiscal year 2015 Southeast Project operating budget.

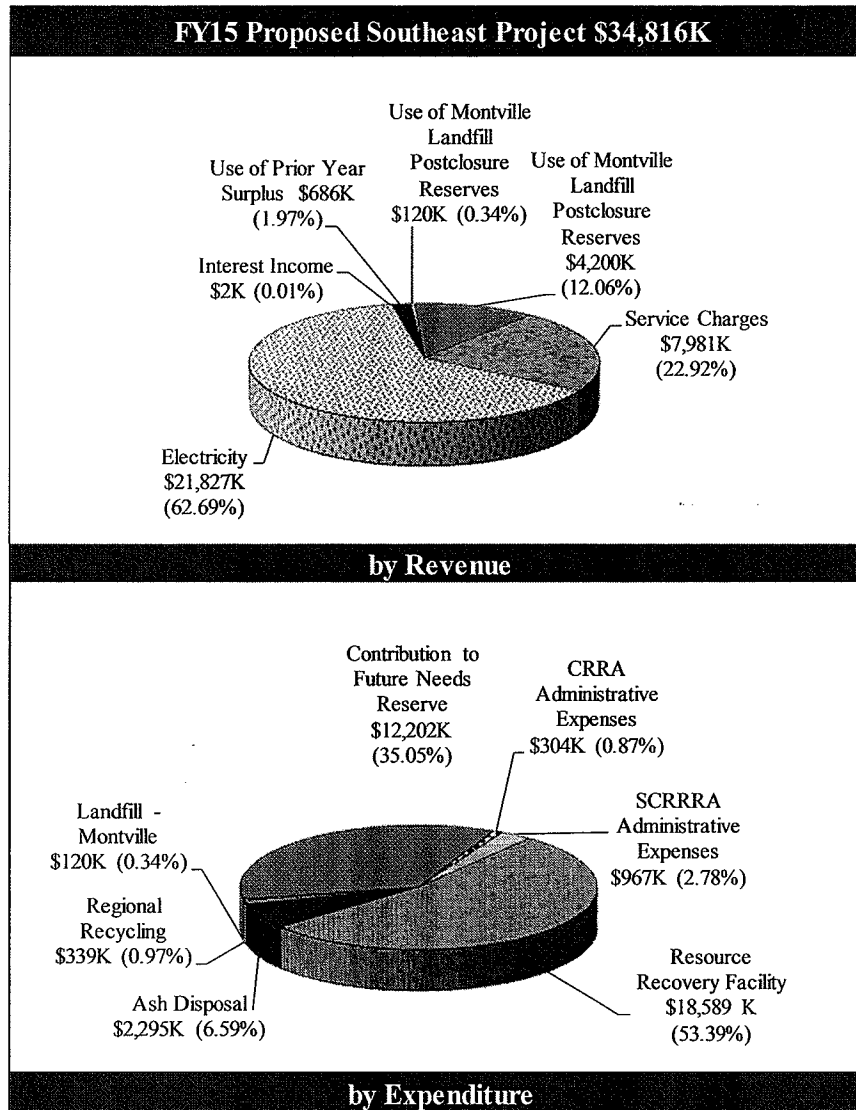
The CRRRA Board approves the Administrative Expenses excluding SCRARRA's administrative budget. For FY15, the proposed CRRRA administrative budget totals \$304k or 1.33% of the entire Southeast Project's operating budget.

Over the last several years, the projections provided to the CRRRA Board and the SCRARRA Board have illustrated that the Southeast Project generates additional funds as a result of the increasing electricity contract rates.

The fiscal year 2015 proposed budget reflects the continuation of surplus due to increasing contract electricity rates and the use of the Debt Service Reserve Fund (DSRF) as the final bond year approaches. Hence, the proposed fiscal year 2015 budget includes a contribution of approximately \$12.2M to the project's Future Needs Reserve account. The SCRARRA Board continues to review its options with regard to these and future surpluses.

EXECUTIVE SUMMARY

- The fiscal year 2015 proposed operating budget reflects an increase of approximately \$4,802K or 16% from fiscal year 2014 adopted budget.



- The fiscal year 2015 proposed revenues reflect an increase from fiscal year 2014 adopted budget primarily due to the use of the Debt Service Reserve Fund (DSRF) and higher electricity revenue share, offset by anticipated decrease in service charges and lower prior year surplus.
- The fiscal year 2015 proposed expenditures reflect an increase from fiscal year 2014 adopted budget primarily due to higher contribution to Future Needs Reserve account arising from the use of the Debt Service Reserve Fund and increasing electricity contract rates.

OPERATING BUDGET

The table below shows the budget changes by revenue category.

Revenues *	Adopted	Proposed	Increase/Decrease	
	FY14	FY15	\$	%
Service Charges	\$ 8,155	\$ 7,981	\$ (174)	-2.13%
Electricity	\$ 20,759	\$ 21,827	\$ 1,068	5.14%
Interest Income	\$ 3	\$ 2	\$ (1)	-33.33%
Use of Prior Year Surplus	\$ 982	\$ 686	\$ (296)	-30.16%
Use of Montville Landfill Postclosure Reserves	\$ 115	\$ 120	\$ 5	4.35%
Use of Debt Service Reserve Fund	\$ -	\$ 4,200	\$ 4,200	n/a
TOTAL	\$ 30,014	\$ 34,816	\$ 4,802	16.00%

* Dollars in Thousands

SERVICE CHARGES (Decrease of \$174k or 2.13%)

Revenues are from member and contract deliveries.

- Member Deliveries

The fiscal year 2015 proposed municipal solid waste tip fee of \$58 per ton is based on a projected delivery of approximately 138K tons. The fiscal year 2015 proposed tip fee revenue is lower than fiscal year 2014 adopted budget due to anticipated decrease in member deliveries by 3,400 tons or approximately 2.5%

- Contract Deliveries

CRRA currently has a contract with the town of Preston for waste deliveries. The town of Preston pays the member rate per their agreement.

ELECTRICITY (Increase of \$1,068K or 5.14%)

The fiscal year 2015 proposed electricity revenue share is higher than fiscal year 2014 due to higher kwh rate. The electricity contract rate for fiscal year 2015 is \$0.2716 per kwh as compared to \$0.2569 in fiscal year 2014.

USE OF PRIOR YEAR SURPLUS

Reflects the use of FY13 operating surplus.

USE OF MONTVILLE LANDFILL POSTCLOSURE RESERVES

These funds are drawn from the Montville Landfill Post-Closure Reserve account to pay for the operating maintenance costs associated with the 30-year care of the landfill. This is a restricted reserve under SCRRRA's oversight.

The fiscal year 2015 proposed costs are projected to be slightly higher than in fiscal year 2014.

USE OF DEBT SERVICE RESERVE FUND (DSRF)

The DSRF refers to Series 2010A bonds. The final bond year starts in July 2015. The US Bank or the Trustee will allow the DSRF for Series 2010A to be applied to monthly debt service payments upon written request by the Authority. The Bonds will mature in November 2015.

The table below shows the budget changes by expense category.

Expenditures *	Adopted	Proposed	Increase/Decrease	
	FY14	FY15	\$	%
CRRA Administrative Expenses	\$ 300	\$ 304	\$ 4	1.33%
SCRRA Administrative Expenses	\$ 826	\$ 967	\$ 141	17.07%
Resource Recovery Facility	\$ 18,796	\$ 18,589	\$ (207)	-1.10%
Ash Disposal	\$ 2,260	\$ 2,295	\$ 35	1.55%
Regional Recycling	\$ 492	\$ 339	\$ (153)	-31.10%
Landfill - Montville	\$ 465	\$ 120	\$ (345)	-74.19%
Contribution to Future Needs Reserve	\$ 6,876	\$ 12,202	\$ 5,326	77.47%
TOTAL	\$ 30,014	\$ 34,816	\$ 4,802	16.00%

* Dollars in Thousands

CRRA ADMINISTRATIVE EXPENSES (Increase of \$4K or 1.33%)

Administrative Expenses include labor and overhead allocation, legal costs, and other miscellaneous administrative costs.

The fiscal year 2015 proposed administrative expenses are higher than fiscal year 2014 adopted budget due to an increase in labor and overhead allocation.

SCRRA ADMINISTRATIVE EXPENSES (Increase of \$141K or 17.07%)

Administrative Expenses include labor and overhead costs.

The fiscal year 2015 proposed administrative expenses are higher than fiscal year 2014 adopted budget due to increases in salaries and benefits, professional services, and insurance premiums.

RESOURCE RECOVERY FACILITY (Decrease of \$207K or 1.10%)

Resource Recovery Facility expenditures include PILOT payments, insurance premiums, and plant processing costs, offset by the electricity revenue share.

The contract operating charges include both amounts paid to the plant operator to operate, maintain, and process wastes at the plant.

ASH DISPOSAL (Increase of \$35K or 1.55%)

Ash Disposal expenditure reflects only the cost for ash disposal to Putnam.

The fiscal year 2015 proposed disposal fee is based on a blended contract rate of \$43.47 per ton.

REGIONAL RECYCLING (Decrease of \$153K or 31.10%)

Regional Recycling expenditures include labor and overhead costs to cover for household hazardous waste collection, freon removal, fluorescent bulb disposal, and tire and trash disposal. The fiscal year 2015 proposed recycling expenses are lower than fiscal year 2014 adopted budget primarily due to a decrease in trash disposal costs.

LANDFILL-MONTVILLE (Decrease of \$345K or 74.19%)

Montville Landfill expenditures include costs for the 30-year post-closure monitoring of the landfill. The fiscal year 2015 proposed budget is lower than fiscal year 2014 adopted budget primarily due to deletion of contribution to the Montville Landfill Post-Closure Reserve account.

CONTRIBUTION TO FUTURE NEEDS RESERVE (Increase of \$5,326K or 77.47%)

The fiscal year 2015 proposed contribution is increased due to the impact of continuous increase in electricity contract rates and the use of the Debt Service Reserve Fund (DSRF).

CRRA / SCRRRA - SOUTHEAST PROJECT

MEMBER TIP FEE

	ACTUAL FY13	ADOPTED FY14	PROPOSED FY15
Member Tip Fee MSW	\$ 60.00	\$ 58.00	\$ 58.00

BUDGET ASSUMPTIONS

ASSUMPTION	ACTUAL FY13	ADOPTED FY14	PROPOSED FY15
Average Contract Tip Fee MSW	\$ 60.00	\$ 58.00	\$ 58.00
CRRA Diversion Rate (<= 178k tons)	\$ 60.00	\$ 58.00	\$ 58.00
Operator Average Price/Ton	\$ 37.58	\$ 37.50	\$ 41.36
DELIVERIES AND PROCESSING			
Member Waste	135,025	139,000	135,600
Contract Waste	1,912	1,600	2,000
Total Authority Deliveries	136,937	140,600	137,600
Total Operator Deliveries	118,641	126,400	125,400
Municipal Solid Waste Deliveries	255,578	267,000	263,000
Waste Processed	256,812	267,000	263,000
POWER PRODUCTION			
kwh/Ton	485	500	500
Electric Power Produced (kWh)	124,619,405	133,500,000	131,500,000
Average Price/Kwh Sold	\$ 0.2435	\$ 0.2569	\$ 0.2716
ASH DISPOSAL			
Total Ash Generated	52,790	76,095	76,430
Authority Ash	52,790	52,790	52,790
Actual Ash Residue Rate	20.56%	28.50%	29.06%
Ash Disposal Cost/Ton	\$ 42.19	\$ 42.82	\$ 43.47
Ash Transport Cost (Credit)	\$ 6.62	\$ 6.62	\$ 6.84

PRIMARY CONTRACT EXPIRATIONS

CONTRACT	
Municipal Service Agreements with Towns	November 2015
Resources Recovery Facility Operating Contract	November 2015
Energy Purchase Agreement	February 2017
Ash Disposal Agreement	December 2016

CRRA / SCRRRA - SOUTHEAST PROJECT

REVENUE AND EXPENDITURE SUMMARY

REVENUES

ACCOUNT	DESCRIPTION	ACTUAL FY13	ADOPTED FY14	PROPOSED FY15
11-001-000-40101	Service Charges Solid Waste - Members	\$ 8,492,966	\$ 8,062,000	\$ 7,864,800
11-001-000-40102	Service Charges Solid Waste - Contracts	\$ 114,700	\$ 92,800	\$ 116,000
11-001-000-43101	Electricity	\$ 19,550,374	\$ 20,759,000	\$ 21,827,000
11-001-000-46101	Interest Income	\$ 2,268	\$ 3,000	\$ 2,000
11-001-000-48201	Use of Prior Year Surplus (a)	\$ -	\$ 982,439	\$ 686,103
11-405-910-48601	Use of Montville Landfill Postclosure Reserves	\$ 117,024	\$ 115,000	\$ 120,000
11-001-000-48203	Use of Debt Service Reserve Fund		\$ -	\$ 4,200,000
Total Revenues		\$ 28,277,332	\$ 30,014,239	\$ 34,815,903

EXPENDITURES

ACCOUNT	DESCRIPTION	ACTUAL FY13	ADOPTED FY14	PROPOSED FY15
11-001-501-xxxxx	CRRA Administrative Expenses	\$ 207,363	\$ 300,000	\$ 304,000
11-001-501-xxxxx	SCRRRA Administrative Expenses	\$ 764,004	\$ 826,000	\$ 967,000
11-001-503-xxxxx	Resource Recovery Facility	\$ 18,342,772	\$ 18,795,500	\$ 18,588,800
11-001-504-xxxxx	Ash Disposal	\$ 3,193,497	\$ 2,260,000	\$ 2,295,000
11-001-506-xxxxx	Regional Recycling	\$ 532,500	\$ 492,000	\$ 339,000
11-001-910-xxxxx	Landfill - Montville	\$ 505,089	\$ 465,000	\$ 120,000
11-001-501-52644	Contribution to Future Needs Reserve	\$ 4,046,004	\$ 6,875,739	\$ 12,202,103
Total Expenditures		\$ 27,591,229	\$ 30,014,239	\$ 34,815,903
Balance		\$ 686,103	\$ -	\$ -

(a) As required by contract.

CRRA / SCRRRA - SOUTHEAST PROJECT

EXPENDITURE DETAIL

ACCOUNT	DESCRIPTION	ACTUAL FY13	ADOPTED FY14	PROPOSED FY15
CRRA ADMINISTRATIVE EXPENSES				
11-001-501-52355	Mileage Reimbursement	\$ 701	\$ 1,000	\$ 1,000
11-001-501-52856	Legal	\$ 6,526	\$ 50,000	\$ 50,000
11-001-501-52863	Auditor	\$ -	\$ 20,000	\$ -
11-001-501-52875	Insurance, Consulting, Brokerage Serv	\$ 3,269	\$ 4,000	\$ 4,000
11-001-501-57872	Direct and Indirect Labor & Overhead - Operational	\$ 196,867	\$ 225,000	\$ 249,000
Subtotal CRRA Administrative Expenses		\$ 207,363	\$ 300,000	\$ 304,000
SCRRRA ADMINISTRATIVE EXPENSES				
		\$ 764,004	\$ 826,000	\$ 967,000
RESOURCE RECOVERY FACILITY				
11-001-503-52507	Payments in Lieu of Taxes	\$ 845,734	\$ 883,000	\$ 924,000
11-001-503-52640	Insurance Premiums	\$ 50,614	\$ 41,000	\$ 42,000
11-001-503-52701	Contract Operating Charges	\$ 17,446,424	\$ 17,871,500	\$ 17,622,800
Subtotal Resource Recovery Facility		\$ 18,342,772	\$ 18,795,500	\$ 18,588,800
ASH DISPOSAL				
11-001-504-52711	Disposal Fees-Ash	\$ 3,193,497	\$ 2,260,000	\$ 2,295,000
Subtotal Ash Disposal		\$ 3,193,497	\$ 2,260,000	\$ 2,295,000
REGIONAL RECYCLING				
11-001-506-52701	Contract Operating Charges	\$ 532,500	\$ 492,000	\$ 339,000
Subtotal Regional Recycling		\$ 532,500	\$ 492,000	\$ 339,000
LANDFILL - MONTVILLE				
11-405-910-52645	Postclosure Expense (Contract Operating Charges)	\$ 117,024	\$ 115,000	\$ 120,000
11-001-910-52650	Postclosure Reserve Contribution	\$ 345,496	\$ 350,000	\$ -
11-001-910-52709	Other Operating Charges (Mortgage)	\$ 42,569	\$ -	\$ -
Subtotal Landfill - Montville		\$ 505,089	\$ 465,000	\$ 120,000

CRRA / SCRRRA - SOUTHEAST PROJECT

Exhibit A - Service Fee to Facility Operator

DESCRIPTION	ACTUAL FY13	ADOPTED FY14	PROPOSED FY15
Debt Service (DS)			
Project Bond DS (100%)	\$ 6,494,211	\$ 6,482,000	\$ 5,895,800
Interest Earnings on Project Bonds	\$ (16,210)	\$ -	\$ -
Trustee Fees on Project Bonds	\$ 22,000	\$ 23,000	\$ 23,000
Subtotal	\$ 6,500,002	\$ 6,505,000	\$ 5,918,800
Base Operating Charge (BOC)	\$ 11,204,469	\$ 11,367,000	\$ 11,570,000
Pass Through (PT)			
Water	\$ 478,108	\$ 510,000	\$ 600,000
Electricity	\$ 238,010	\$ 175,000	\$ 176,000
Administration (Billing & Clerical)	\$ 13,000	\$ 13,000	\$ 13,000
Residue Transportation	\$ 349,508	\$ 349,000	\$ 361,000
Discriminatory Taxes	\$ 410,417	\$ 403,000	\$ 405,000
Insurance	\$ 54,715	\$ 60,000	\$ 65,000
Ferrous Recovery	\$ 5,937	\$ 715,000	\$ 915,000
Mercury Control	\$ 56,553	\$ 100,000	\$ 71,000
Convex UCC - QEI	\$ 4,728	\$ 5,500	\$ 5,000
SNCR O&M	\$ 138,252	\$ 120,000	\$ 104,000
Other (lime, interconnect maint.)	\$ 125,561	\$ 110,000	\$ 130,000
Subtotal	\$ 1,874,788	\$ 2,560,500	\$ 2,845,000
Other Adjustments			
Energy Share (ES)	\$ (17,688,345)	\$ (20,759,000)	\$ (21,827,000)
Energy Makeup Allowance (EMU)	\$ -	\$ -	\$ -
Curtailement Sales	\$ (61,956)	\$ (43,000)	\$ (48,000)
Federal Tax Law Surcharge (FTLS)	\$ 1,117,517	\$ 1,134,000	\$ 1,154,000
Landfill Costs (TG - 195,520) (LC)	\$ (148,473)	\$ (1,149,000)	\$ (1,180,000)
Other Waste Share (OWS)	\$ (1,068,877)	\$ (1,361,000)	\$ (1,493,000)
(\$30 * OEF * (CRRAW > TG))	\$ -	\$ -	\$ -
Prorated Acceptable Waste Surcharge	\$ (845,000)	\$ (1,142,000)	\$ (1,114,000)
Subtotal	\$ (18,695,134)	\$ (23,320,000)	\$ (24,538,000)
SERVICE FEE =	\$ 884,125	\$ (2,887,500)	\$ (4,204,200)

CRRA / SCRRRA - SOUTHEAST PROJECT

Exhibit B - SCRRRA Administrative Budget

DESCRIPTION	ACTUAL FY13	ADOPTED FY14	PROPOSED FY15
Salaries & Benefits	\$ 358,108	\$ 300,000	\$ 400,000
Professional Services			
Attorney Fees	\$ 86,268	\$ 70,000	\$ 89,000
CPA Audit	\$ 72,975	\$ 20,500	\$ 20,500
Lobbyist	\$ 39,452	\$ 20,000	\$ 41,000
Subtotal	\$ 198,696	\$ 110,500	\$ 150,500
Office Administration Expense			
Office Supplies	\$ 5,603	\$ 4,000	\$ 6,000
Ledyard Building Lease	\$ 12,000	\$ 12,000	\$ 16,800
Copier - Maintenance & Supplies	\$ 302	\$ 3,500	\$ 500
Postage	\$ 2,557	\$ 3,000	\$ 3,000
Telephone	\$ 3,860	\$ 8,500	\$ 2,000
Utilities	\$ 3,452	\$ -	\$ 4,000
Internet Service	\$ 5,708	\$ 500	\$ 1,500
Computer Maintenance	\$ 2,415	\$ 2,500	\$ 3,000
Grounds Repair & Maintenance	\$ 1,970	\$ 2,500	\$ 2,000
Subtotal	\$ 37,868	\$ 36,500	\$ 38,800
Insurance Expense			
General Liability	\$ 5,270	\$ 20,000	\$ 25,000
Commercial Auto	\$ -	\$ 5,000	\$ 10,000
Commercial Property	\$ 4,521	\$ 20,000	\$ 10,000
Commercial Umbrella	\$ 9,858	\$ 10,000	\$ 20,000
Worker's Compensation	\$ 8,232	\$ 1,500	\$ 10,000
Subtotal	\$ 27,881	\$ 56,500	\$ 75,000
Other Administration Expense			
Meetings & Refreshments	\$ 4,241	\$ -	\$ 3,600
Dues & Subscriptions	\$ 100	\$ -	\$ 100
Training	\$ 265	\$ -	\$ 500
Scholarships	\$ 5,029	\$ -	\$ 5,000
Bank & Payroll Service Charges	\$ 1,953	\$ 4,000	\$ 1,500
Travel	\$ 7,632	\$ 10,000	\$ 9,000
Subtotal	\$ 19,220	\$ 14,000	\$ 19,700
Equipment			
Computers/Software	\$ -	\$ 2,500	\$ 5,000
Computers/Hardware	\$ -	\$ 2,500	\$ 5,000
Other Office Equipment	\$ -	\$ 3,500	\$ 2,000
Subtotal	\$ -	\$ 8,500	\$ 12,000
Others			
Transportation Subsidy	\$ 259,271	\$ 280,000	\$ 270,000
Miscellaneous	\$ 1,068	\$ 20,000	\$ 1,000
Subtotal	\$ 260,339	\$ 300,000	\$ 271,000
SCRRRA Administrative Budget	\$ 902,112	\$ 826,000	\$ 967,000
Net SCRRRA Administrative Budget	\$ 902,112	\$ 826,000	\$ 967,000
Contribution to Future Use Reserve	\$ 4,046,004	\$ 6,875,739	\$ 12,202,103

CRRRA / SCRRRA - SOUTHEAST PROJECT

Exhibit C - SCRRRA Recycling Budget

DESCRIPTION	ACTUAL FY13	ADOPTED FY14	PROPOSED FY15
Salaries & Benefits	\$ 91,631	\$ 107,000	\$ 93,000
Operating Expenses			
Compost Bins	\$ 4,387	\$ 15,000	\$ 5,000
HHW Collection	\$ 161,473	\$ 175,000	\$ 166,000
Freon Removal	\$ 17,719	\$ 35,000	\$ 18,000
Fluorescent Bulb Disposal	\$ 4,814	\$ 7,000	\$ 5,000
Trash Disposal	\$ 6,699	\$ 100,000	\$ 7,000
Publicity	\$ 31,143	\$ 40,000	\$ 32,000
Telephone	\$ 3,979	\$ 3,000	\$ 4,000
Travel	\$ 4,449	incl in Admin	\$ 6,000
Miscellaneous	\$ 1,182	\$ 10,000	\$ 3,000
SCRRRA Recycling Budget	\$ 235,843	\$ 385,000	\$ 246,000
Net SCRRRA Administrative Budget	\$ 327,474	\$ 492,000	\$ 339,000

Exhibit D - SCRRRA Landfill Budget (Postclosure)

DESCRIPTION	ACTUAL FY13	ADOPTED FY14	PROPOSED FY15
Contract Operating Charges	\$ 117,024	\$ 115,000	\$ 120,000
Mortgage	\$ 42,569	\$ -	\$ -
Postclosure Reserve Contribution	\$ 345,496	\$ 350,000	\$ -
Subtotal	\$ 505,089	\$ 465,000	\$ 120,000

TAB 4

**REGARDING THE ADOPTION OF
THE FISCAL YEAR 2015
AUTHORITY OPERATING BUDGET**

RESOLVED: That the fiscal year 2015 Authority Operating Budget be adopted substantially in the form as presented and discussed at this meeting.

- The fiscal year 2015 proposed Personnel Services is lower than fiscal year 2014 adopted budget by approximately \$82K or 3.69% primarily due to reduction in payroll.

Personnel Services (in \$000s)	Adopted		Proposed		Increase/Decrease	
	FY14	FY15	FY14	FY15	\$	%
Payroll/ Related Matters	\$ 1,564,000	\$ 1,454,000	\$ 1,564,000	\$ 1,454,000	\$ (110,000)	-7.03%
Overtime Payroll	\$ 33,000	\$ 33,000	\$ 33,000	\$ 33,000	\$ -	0.00%
Medicare Tax	\$ 22,000	\$ 21,000	\$ 22,000	\$ 21,000	\$ (1,000)	-4.55%
Social Security	\$ 83,000	\$ 81,000	\$ 83,000	\$ 81,000	\$ (2,000)	-2.41%
CT Unemployment Comp	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ -	0.00%
401-K Contribution	\$ 153,000	\$ 147,000	\$ 153,000	\$ 147,000	\$ (6,000)	-3.92%
Employee Benefits	\$ 260,000	\$ 301,000	\$ 260,000	\$ 301,000	\$ 41,000	15.77%
Benefits Administration	\$ 58,000	\$ 58,000	\$ 58,000	\$ 58,000	\$ -	0.00%
Other Benefits	\$ 25,500	\$ 22,000	\$ 25,500	\$ 22,000	\$ (3,500)	-13.73%
TOTAL	\$ 2,206,500	\$ 2,125,000	\$ 2,206,500	\$ 2,125,000	\$ (81,500)	-3.69%

- The fiscal year 2015 proposed Non-Personnel Services is higher than fiscal year 2014 adopted budget by approximately \$72K or 4.33% due to increases in communications services, office temporary services, computer hardware, and other equipment, offset by a decrease in general consulting services.

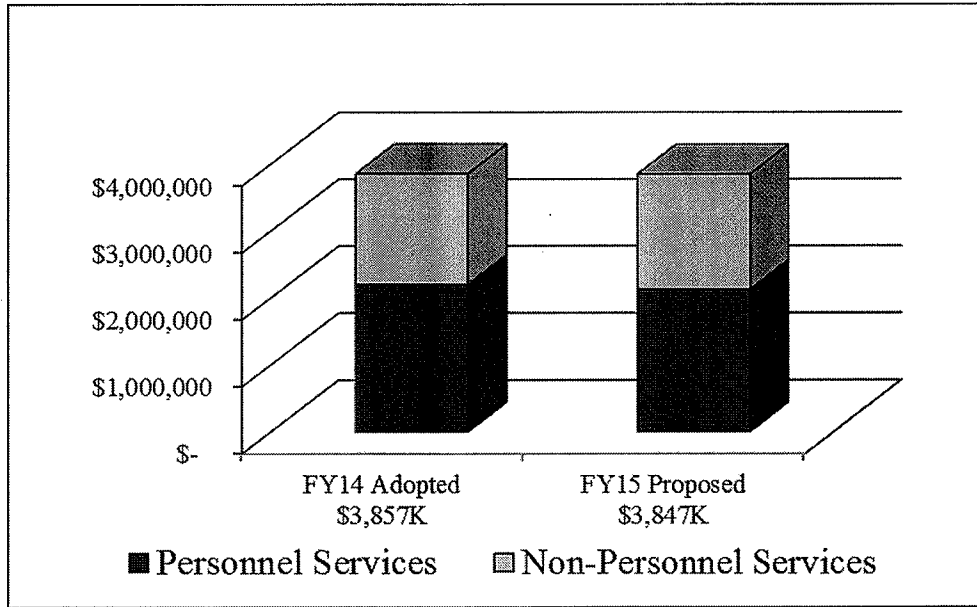
Proposed Fiscal Year 2015 The Authority Operating Budget

November 21, 2013

EXECUTIVE SUMMARY

- The fiscal year 2015 proposed operating budget totals \$3,847K, reflecting a decrease of \$10K or 0.26% from fiscal year 2014 adopted budget primarily due to a decrease in Personnel Services.

Expenditures	Adopted	Proposed	Increase / Decrease	
	FY14	FY15	\$	%
Personnel Services	\$2,206,500	\$2,125,000	\$ (81,500)	-3.69%
Non-Personnel Services	\$1,650,500	\$1,722,000	\$ 71,500	4.33%
TOTAL	\$3,857,000	\$3,847,000	\$ (10,000)	-0.26%



THE AUTHORITY OPERATING BUDGET

EXPENDITURE ALLOCATION

Account	Description	ACTUAL FY13	ADOPTED FY14	PROPOSED FY15	FY13 ACTUAL vs FY15 PROPOSED (A) Increase/Decrease	FY14 ADOPTED vs FY15 PROPOSED Increase/Decrease
01-001-501-xxxxx	Personnel Services	\$ 2,744,315	\$ 2,206,500	\$ 2,125,000	\$ (619,315) -22.57%	\$ (81,500) -3.69%
01-001-501-xxxxx	Non-Personnel Services	\$ 1,437,139	\$ 1,650,500	\$ 1,722,000	\$ 284,861 19.82%	\$ 71,500 4.33%
	Total Expenditures	\$ 4,181,454	\$ 3,857,000	\$ 3,847,000	\$ (334,454) -8.00%	\$ (10,000) -0.26%

REVENUE REQUIREMENTS ALLOCATION

Account	Description	ACTUAL FY13	ADOPTED FY14	PROPOSED FY15	FY13 ACTUAL vs FY15 PROPOSED (A) Increase/Decrease	FY14 ADOPTED vs FY15 PROPOSED Increase/Decrease
01-001-000-xxxxx	Mid-Connecticut (B)	\$ 1,066,041	\$ 264,000	\$ 123,000	\$ (943,041) -88.46%	\$ (141,000) -53.41%
01-001-000-48104	Southeast Project	\$ 125,245	\$ 132,000	\$ 143,000	\$ 17,755 14.18%	\$ 11,000 8.33%
01-001-000-48106	Southwest Division	\$ 561,000	\$ 574,000	(C)	n/a 100.00%	n/a 100.00%
01-001-000-48108	Recycling (South Unit)	\$ 115,414	n/a	(D)	n/a 100.00%	n/a 100.00%
01-001-000-48109	Landfill Division	\$ 338,191	\$ 396,000	(E)	n/a 100.00%	n/a 100.00%
01-001-000-48110	Property Division	\$ 400,742	\$ 354,000	\$ 615,000	\$ 214,258 53.47%	\$ 261,000 73.73%
01-001-000-48112	CSWS (F)	\$ 1,572,067	\$ 2,136,000	\$ 2,965,000	\$ 1,392,933 88.61%	\$ 829,000 38.81%
01-001-000-xxxxx	Interest & Other Income	\$ 2,754	\$ 1,000	\$ 1,000	\$ (1,754) -63.69%	\$ - 0.00%
	Total Allocations	\$ 4,181,454	\$ 3,857,000	\$ 3,847,000	\$ (334,454) -8.00%	\$ (10,000) -0.26%
	Balance	\$ -	\$ -	\$ -	\$ -	\$ -

(A) The comparison of FY 2015 proposed budget values to FY 2013 actual expenditures provides a benchmark upon which budget requests may be evaluated. It should be noted, however, that cyclical equipment expenditures being budgeted in FY 2015, anomalies within Utilities and Maintenance and other accounts, and the recent restructuring of funds and accounts associated with the closure of the Mid Connecticut Project contribute to the overall increase in The Authority Budget for Non-Personnel Services and should be considered as part of this evaluation.

(B) Project ended on 11/15/12.

(C) Project to end on 06/30/14.

(D) Project ended on 06/30/13.

(E) Project to turnover to CT DEEP.

(F) System commenced in FY13 on 11/16/12.

n/a = Not Applicable

THE AUTHORITY OPERATING BUDGET

EXPENDITURE DETAILS

Account	Description	ACTUAL FY13	ADOPTED FY14	PROPOSED FY15	FY13 ACTUAL vs FY15 PROPOSED (A)		FY14 ADOPTED vs FY15 PROPOSED	
					Increase/Decrease	%	Increase/Decrease	%
PERSONNEL SERVICES								
01-001-501-51110	Payroll/ Related Matters	\$ 1,861,873	\$ 1,564,000	\$ 1,454,000	\$ (407,873)	-21.91%	\$ (110,000)	-7.03%
01-001-501-51120	Overtime Payroll	\$ 57,786	\$ 33,000	\$ 33,000	\$ (24,786)	-42.89%	\$ -	0.00%
01-001-501-51220	Medicare Tax	\$ 25,426	\$ 22,000	\$ 21,000	\$ (4,426)	-17.41%	\$ (1,000)	-4.55%
01-001-501-51221	Social Security	\$ 93,614	\$ 83,000	\$ 81,000	\$ (12,614)	-13.47%	\$ (2,000)	-2.41%
01-001-501-51222	CT Unemployment Comp	\$ 18,492	\$ 8,000	\$ 8,000	\$ (10,492)	-56.74%	\$ -	0.00%
01-001-501-51223	401-K Contribution	\$ 172,203	\$ 153,000	\$ 147,000	\$ (25,203)	-14.64%	\$ (6,000)	-3.92%
01-001-501-51227	Employee Benefits	\$ 426,463	\$ 260,000	\$ 301,000	\$ (125,463)	-29.42%	\$ 41,000	15.77%
01-001-501-51235	Benefits Administration	\$ 62,490	\$ 58,000	\$ 58,000	\$ (4,490)	-7.19%	\$ -	0.00%
01-001-501-51250	Other Benefits	\$ 25,969	\$ 25,500	\$ 22,000	\$ (3,969)	-15.28%	\$ (3,500)	-13.73%
Subtotal Personnel Services		\$ 2,744,315	\$ 2,206,500	\$ 2,125,000	\$ (619,315)	-22.57%	\$ (81,500)	-3.69%

NON-PERSONNEL SERVICES

01-001-501-52101	Postage and Delivery Fees	\$ 10,201	\$ 21,000	\$ 22,000	\$ 11,799	115.66%	\$ 1,000	4.76%
01-001-501-52104	Telecommunications	\$ 68,474	\$ 72,000	\$ 72,000	\$ 3,526	5.15%	\$ -	0.00%
01-001-501-52106	Copier	\$ 10,994	\$ 12,000	\$ 12,000	\$ 1,006	9.15%	\$ -	0.00%
01-001-501-52108	Printing Services	\$ 3,932	\$ 7,000	\$ 7,000	\$ 3,068	78.03%	\$ -	0.00%
01-001-501-52115	Advertising - Legal Notices/Recruitment	\$ 8,562	\$ 15,000	\$ 16,000	\$ 7,438	86.87%	\$ 1,000	6.67%
01-001-501-52118	Communications Services	\$ 55,234	\$ 45,000	\$ 67,000	\$ 11,766	21.30%	\$ 22,000	48.89%
01-001-501-52202	Office Supplies	\$ 21,797	\$ 25,000	\$ 25,000	\$ 3,203	14.69%	\$ -	0.00%
01-001-501-52211	Protect Clothing/Safety Equipment (F)	\$ 1,585	n/a	n/a	n/a	100.00%	n/a	100.00%
01-001-501-52302	Miscellaneous Services	\$ 6,535	\$ 13,000	\$ 13,000	\$ 6,465	98.93%	\$ -	0.00%

(A) The comparison of FY 2015 proposed budget values to FY 2013 actual expenditures provides a benchmark upon which budget requests may be evaluated. It should be noted, however, that cyclical equipment expenditures being budgeted in FY 2015, anomalies within Utilities and Maintenance and other accounts, and the recent restructuring of funds and accounts associated with the closure of the Mid Connecticut Project contribute to the overall increase in The Authority Budget for Non-Personnel Services and should be considered as part of this evaluation.

(F) Charged directly to the CSWS.

n/a = Not Applicable

THE AUTHORITY OPERATING BUDGET

EXPENDITURE DETAILS

Account	Description	ACTUAL		ADOPTED		PROPOSED		FY13 ACTUAL vs FY15		FY14 ADOPTED vs FY15	
		FY13	FY14	FY14	FY15	PROPOSED (A)	Increase/Decrease	PROPOSED	Increase/Decrease		
01-001-501-52303	Subscript/Publ/Ref. Material	\$ 21,775	\$ 24,000	\$ 24,000	\$ 23,000	\$ 1,225	5.63%	\$ (1,000)	-4.17%		
01-001-501-52304	Dues-Professional Organizations	\$ 6,535	\$ 7,000	\$ 7,000	\$ 6,000	\$ (535)	-8.19%	\$ (1,000)	-14.29%		
01-001-501-52305	Business Meetings and Travel	\$ 6,955	\$ 7,000	\$ 7,000	\$ 10,000	\$ 3,045	43.78%	\$ 3,000	42.86%		
01-001-501-52306	Training	\$ 3,200	\$ 15,000	\$ 15,000	\$ 13,000	\$ 9,800	306.25%	\$ (2,000)	-13.33%		
01-001-501-52310	Payroll Software Services	\$ 12,330	\$ 15,000	\$ 15,000	\$ 15,000	\$ 2,670	21.65%	\$ -	0.00%		
01-001-501-52315	Record Retention Services	\$ 11,936	\$ 14,500	\$ 14,500	\$ 15,000	\$ 3,064	25.67%	\$ 500	3.45%		
01-001-501-52355	Mileage Reimbursement	\$ 5,309	\$ 4,500	\$ 4,500	\$ 5,500	\$ 191	3.60%	\$ 1,000	22.22%		
01-001-501-52401	Vehicle Repair/Maintenance	\$ 231	\$ 3,500	\$ 3,500	\$ 4,500	\$ 4,269	1848.05%	\$ 1,000	28.57%		
01-001-501-52403	Office Equipment Service	\$ 2,637	\$ 3,000	\$ 3,000	\$ 3,000	\$ 363	13.77%	\$ -	0.00%		
01-001-501-52404	Building Operations	\$ 9,269	\$ 10,000	\$ 10,000	\$ 11,000	\$ 1,731	18.68%	\$ 1,000	10.00%		
01-001-501-52505	Insurance Claims/Losses	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	100.00%	\$ -	0.00%		
01-001-501-52604	Rent	\$ 72,730	\$ 110,000	\$ 110,000	\$ 115,000	\$ 42,270	58.12%	\$ 5,000	4.55%		
01-001-501-52612	Fuel for Vehicles	\$ 8,880	\$ 7,500	\$ 7,500	\$ 9,000	\$ 120	1.35%	\$ 1,500	20.00%		
01-001-501-52615	Temporary Agency Services	\$ 111,146	\$ 60,000	\$ 60,000	\$ 75,000	\$ (36,146)	-32.52%	\$ 15,000	25.00%		
01-001-501-52640	Insurance Premiums	\$ 105,849	\$ 85,000	\$ 85,000	\$ 85,000	\$ (20,849)	-19.70%	\$ -	0.00%		
01-001-501-52853	Information Technology Consultant	\$ 47,296	\$ 55,000	\$ 55,000	\$ 55,000	\$ 7,704	16.29%	\$ -	0.00%		
01-001-501-52854	Information Technology Maintenance	\$ 66,133	\$ 75,000	\$ 75,000	\$ 71,000	\$ 4,867	7.36%	\$ (4,000)	-5.33%		
01-001-501-52856	Legal Fees	\$ 356,378	\$ 384,000	\$ 384,000	\$ 400,000	\$ 43,622	12.24%	\$ 16,000	4.17%		
01-001-501-52863	Auditor	\$ 70,200	\$ 76,000	\$ 76,000	\$ 73,500	\$ 3,300	4.70%	\$ (2,500)	-3.29%		
01-001-501-52875	Insurance Consulting/Brokerage Services	\$ 6,230	\$ 9,000	\$ 9,000	\$ 8,000	\$ 1,770	28.41%	\$ (1,000)	-11.11%		
01-001-501-52899	Engineering, Technology & General Consulting Services	\$ 122,028	\$ 123,500	\$ 123,500	\$ 85,000	\$ (37,028)	-30.34%	\$ (38,500)	-31.17%		
01-001-501-53309	Utilities & Maintenance	\$ 178,064	\$ 275,000	\$ 275,000	\$ 287,500	\$ 109,436	61.46%	\$ 12,500	4.55%		
01-001-501-54482	Computer Hardware	\$ 2,618	\$ 28,000	\$ 28,000	\$ 55,000	\$ 52,382	2000.84%	\$ 27,000	96.43%		
01-001-501-54483	Computer Software	\$ 928	\$ 10,000	\$ 10,000	\$ 10,000	\$ 9,072	977.59%	\$ -	0.00%		
01-001-501-54491	Other Equipment	\$ -	\$ 10,350	\$ 10,350	\$ 30,000	\$ 30,000	100.00%	\$ 19,650	189.86%		
01-001-501-55585	Trustee / Bank Fees	\$ 20,942	\$ 22,000	\$ 22,000	\$ 20,000	\$ (942)	-4.50%	\$ (2,000)	-9.09%		
01-001-501-58001	Operational Contingency	\$ 226	\$ 3,650	\$ 3,650	\$ -	\$ (226)	-100.00%	\$ (3,650)	-100.00%		
	Subtotal Non-Personnel Services	\$ 1,437,139	\$ 1,650,500	\$ 1,650,500	\$ 1,722,000	\$ 284,861	19.82%	\$ 71,500	4.33%		

(A) The comparison of FY 2015 proposed budget values to FY 2013 actual expenditures provides a benchmark upon which budget requests may be evaluated. It should be noted, however, that cyclical equipment expenditures being budgeted in FY 2015, anomalies within Utilities and Maintenance and other accounts, and the recent restructuring of funds and accounts associated with the closure of the Mid Connecticut Project contribute to the overall increase in The Authority Budget for Non-Personnel Services and should be considered as part of this evaluation.

TAB 5

**RESOLUTION REGARDING THE TRANSITION PLAN
REQUIRED PURSUANT TO PUBLIC ACT 13-285**

WHEREAS, Public Act 13-285 directed the Authority to develop a transition plan for the achievement of a sustainable business model and the improvement of the Authority's long-term financial stability, or the conduct of the Authority's dissolution and the disposal of its assets; and

WHEREAS, this Board has considered the consequences of the dissolution of the Authority and the closure of the Mid-Connecticut Facility to the State of Connecticut, its municipalities and residents, and believes that the environmental and economic impacts of such closure would be adverse to the interests of all stakeholders; and

WHEREAS, this Board has reviewed and discussed in detail the options available for the Authority's continued operation at acceptable tip fee levels, and believes that such continued operation is achievable in the near term.; and

WHEREAS, on a longer term basis the direction of state policy regarding waste to energy facilities and the state solid waste management plan will need to identify the future role of the Authority; and

WHEREAS, the Authority, under the auspices of this Board and with the assistance of its consultants, attorneys, and advisors, has developed the attached Transition Plan, addressing those matters specified in P.A. 13-285 and the basis for the Board's conclusions set forth above;

NOW THEREFORE, it is

RESOLVED: That this Board hereby endorses the Authority's Transition Plan, and directs the President to promptly transmit copies to the Governor and the joint standing committees of the General Assembly having cognizance of matters relating to energy and the environment.