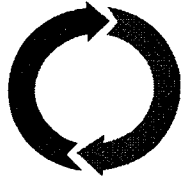


CRRA
REGULAR BOARD MEETING
Dec. 19, 2013



**CONNECTICUT
RESOURCES
RECOVERY
AUTHORITY**

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

MEMORANDUM

TO: CRRRA Board of Directors
FROM: Moira Kenney, HR Specialist/Board Administrator
DATE: Dec. 13, 2013
RE: Notice of Regular Board Meeting

There will be a Regular Board Meeting of the Connecticut Resources Recovery Authority Board of Directors on Thursday Dec. 19, 2013, at 9:30 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.

TAB 1

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND FIFTY-FIRST

NOV. 4 2013

A special meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Mon. Nov. 4, 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 MacDouglad (present by telephone)
Andrew Nunn (present by telephone)
Scott Shanley
Bob Painter, CSWS Project Ad-Hoc
Steve Edwards, Bridgeport Ad-Hoc

Present from CRRA in Hartford:

Tom Kirk, President
Mark Daley, Chief Financial Officer
Peter Egan, Director of Environmental Affairs and Operations
Laurie Hunt, Director of Legal Services
Moira Kenney, HR Specialist/Board Administrator

Others present: Jim Sandler, Esq., Sandler & Mara; Ed Spinella, Esq.

Chairman Stein called the meeting to order at 9:31 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 present wishing to speak, Chairman Stein proceeded with the meeting agenda.

EXECUTIVE SESSION

Chairman Stein requested a motion to enter into Executive Session to discuss pending claims and litigation. 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 began at 9:32 a.m. and concluded at 12: a.m. Chairman Stein noted that no votes were taken in Executive Session.

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			
Steve Edwards, Bridgeport	X		
Bob Painter, CSWS	X		

ADJOURNMENT

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

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

Respectfully Submitted,



Moira Kenney
 HR Specialist/Board Administrator

TAB 2

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND FIFTY-FIRST

NOV. 14, 2013

A special meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Mon. Nov. 14, 2013, in the Board Room at 100 Constitution Plaza, Hartford, CT 06103.

Directors: Chairman Don Stein
Vice-Chairman Barlow
John Adams
Joel Freedman
James Hayden
Joe MacDougald (present until 11:00 a.m.)
Andrew Nunn (present until 10:30 a.m.)
Scott Shanley
Bob Painter, CSWS Project Ad-Hoc (present by telephone)
Steve Edwards, Bridgeport Ad-Hoc

Present from CRRA in Hartford:

Tom Kirk, President
Mark Daley, Chief Financial Officer
Peter Egan, Director of Environmental Affairs and Operations
Laurie Hunt, Director of Legal Services
Moira Kenney, HR Specialist/Board Administrator

Others present: John Pizzimenti, USA Hauling, Jim Sandler, Esq., Sandler & Mara.

Chairman Stein called the meeting to order at 9:50 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 present wishing to speak, Chairman Stein proceeded with the meeting agenda.

DISCUSSION CONCERNING TRANSITION PLAN EXECUTIVE SUMMARY

Chairman Stein said the agenda calls for a review of the transition plan and possible action regarding options for fiscal sustainability.

Mr. Kirk said it is management's intent to send the Executive Summary and presentation to Deputy Commissioner Macky McCleary of the Connecticut Department of Energy and Environmental Protection (hereinafter referred to as the "CT DEEP") for distribution to his task force by Monday Nov. 18, 2013. He said management will present that task force with a power point presentation which will incorporate the Board's suggestions and edits.

Mr. Kirk said the comments focus on condensing the presentation. He provided the Board with an overview. Mr. Kirk said the presentation centers on the sustainability portion which focuses on identifying the options available to mitigate the budget shortfall which management judges to be \$3.5 million the first year and from \$2-\$4 million the following years.

Mr. Kirk said the most important fact to address within the Cohn Reznick report is the difference in forecast revenues between their estimate and CRRA's. He said the issue is based on two distinct line items; the price of power (which is assumed much more conservatively by CRRA) and the production of power by CRRA's South Meadows facility, which is also assumed conservatively by CRRA. Mr. Kirk said the price issue is because Cohn Reznick did not do a price estimate and instead utilized a very conservative 3.75 cents number which they escalated by 2% for FY15 and FY16. He explained that figure is extraordinarily low for today's number of generating and is well below what CRRA's consultants have identified as reasonable and prudent.

Mr. Kirk said there is also a significant discrepancy on production numbers. He said Cohn Reznick looked at some of CRRA's data but was not able to pursue and evaluate that date. He said they choose production numbers similar to FY'13 production, which CRRA does not believe is representative of historical and does not record the impact of the capital spending CRRA has been pursuing.

Mr. Kirk said management has data to show the impact of capital spending, particularly as it impacts unit 11. He said CRRA is at maximum continuous rating (hereinafter referred to as "MCR") for the first time since at least 2008 on unit 11. Mr. Kirk said there are three major components of the maintenance challenges in the boilers; pressure parts, infiltration, and combustion. He said after quite a bit of discussion with the Board management invested substantially to improve the MCR. Mr. Kirk said the over fire air modifications have been completed, the bulk of the water wall renovations have been completed, and CRRA is in the process of completing the super heaters. He said until all three pieces are completed availability issues will continue. He said unit 11 is the closest to completion and the current MCR is a testament to the benefits of the capital spending.

Mr. Kirk said with that context CRRA had a historically aggressive number of over 500,000 megawatt hours grossed annually. He said because that was so aggressive the budget and forecast pulled that back to a net number of \$417,000 megawatt hours produced. Mr. Kirk said that figure is still higher than FY'13, which is the number Cohn Reznick chose. He said management is confident that both production and price numbers were conservatively chosen which is supported by additional back-up concerning pricing by CRRA's consultants.

The Board undertook a substantial discussion concerning why Cohn Reznick utilized the numbers contained within the report and how to best present its finding and comments at the upcoming meeting with the CT DEEP.

PILOT UPDATE

Ms. Hunt said the PILOT agreement has been finalized with the City of Hartford and is waiting on Mr. Kirk's signature. Mr. Kirk received consensus from the Board to go ahead with the agreement for the first installment of the PILOT. He said it is very clear in the agreement that the CRRA Board will decide on any further payments.

ADJOURNMENT

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

There being no other business to discuss, the meeting adjourned at 11:30 a.m.

Respectfully Submitted,



Moira Kenney
HR Specialist/Board Administrator

TAB 3

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND FIFTIETH-SECOND

NOV. 21, 2013

A special meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thurs. Nov. 21, 2013, in the Board Room at 100 Constitution Plaza, Hartford, CT 06103.

Directors Present:

- Chairman Don Stein
- Vice-Chairman Barlow
- John Adams
- Ralph Eno
- Joel Freedman (present by telephone)
- James Hayden
- Joe MacDougald (present by telephone until 4:00 p.m.)
- Andrew Nunn (present until 5:20 p.m.)
- Scott Shanley (present until 5:01 p.m.)
- Steve Edwards, Southeast Project Ad-Hoc
- Bob Painter, CSWS Project Ad-Hoc

Present from CRRA in Hartford:

- Tom Kirk, President
- Mark Daley, Chief Financial Officer
- Jeff Duvall, Director of Budgets and Forecasting
- Peter Egan, Director of Environmental Affairs and Operations
- Laurie Hunt, Director of Legal Services
- Moira Kenney, HR Specialist/Board Administrator

Others present: Jay Aronson, Esq. Sandler & Mara; Blake Barczak, Aon Risk Services, Inc. of New York (present by telephone); John Pizzimenti, USA Hauling; Ann Catino, Esq. and John Farley, Esq., Halloran & Sage; Abe Scarr, Conn PIRG.

Chairman Stein called the meeting to order at 1:37 p.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 present wishing to speak, Chairman Stein proceeded with the meeting agenda.

EXECUTIVE SESSION

Chairman Stein requested a motion to enter into Executive Session to discuss pending litigation with legal counsel. The motion, made by Director Eno and seconded by Vice-Chairman Barlow was approved unanimously. Chairman Stein asked the following people join the Directors in the Executive Session:

- Tom Kirk
- Mark Daley
- Peter Egan
- Laurie Hunt
- Blake Barczak (present by telephone)
- Ann Catino, Esq.
- John Farley, Esq.

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		
Joel MacDougald	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southeast	X		

The Executive Session began at 1:37 p.m. and concluded at 4:05 p.m. Chairman Stein noted that no votes were taken in Executive Session. He said the Organizational Synergy and Human Resources Committee were asked to hold a special meeting to look into staffing and compensation levels. Chairman Stein said that Director Hayden was appointed Chairman of the Organizational Synergy and Human Resources Committee

APPROVAL OF THE MINUTES OF THE REGULAR OCT. 31, 2013, BOARD MEETING MINUTES

Chairman Stein requested a motion to approve the minutes of the regular Oct. 31, 2013, Board Meeting. Director Shanley made the motion which was seconded by Director Edwards.

The motion previously made and seconded to approve the minutes was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Edwards, Director Eno, Director Freedman, Director Hayden, Director Painter, 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		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southeast	X		

REVIEW AND APPROVE RESOLUTION REGARDING POWER PRODUCTS CONSULTING SERVICES

Chairman Stein requested a motion on the above referenced item, which was made by Director Adams and seconded by Vice-Chairman Barlow.

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.

Mr. Egan said this resolution is for a contract with La Capra Associates (hereinafter referred to as “LaCapra”). He said La Capra is currently under contract to provide power consulting services to CRRA. Mr. Egan said although there are two other firms in CRRA’s stable their skill sets do not fit CRRA’s needs for consulting services. He said CRRA requires La Capra’s specific resources and knowledge.

Mr. Egan said this resolution allows for CRRA to enter into an agreement with La Capra for two and a half years, an agreement which is coterminous with CRRA’s other three year consulting service agreements. He said if La Capra requires a payment of more than \$10,000 a year management will

return to the Board first for approval of that spending. Mr. Egan said at this point the only specific work expected by La Capra is for the refreshment of a power forecast in order to provide a specific number to be used in the FY'15 budget.

Director Freedman asked what other companies La Capra has done work for. Mr. Egan said he would need to look into that. Director Freedman said La Capra's projections differed substantially from that of Cohn Reznick. He said he would like their work experience and the accuracy of their projections over the last five years provided before approving this resolution.

MOTION TO TABLE THE RESOLUTION REGARDING POWER PRODUCTS CONSULTING SERVICES

Chairman Stein requested a motion to table the resolution regarding power products consulting services. The motion to table was made by Director Adams and seconded by Vice-Chairman Barlow.

The motion to table this item was passed unanimously by roll call. Chairman Stein, Vice Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, 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		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards			

MOTION TO TABLE THE RESOLUTION REGARDING THE AUTHORITY BUDGET

Chairman Stein requested a motion to table the Authority budget, which was made by Director Freedman and seconded by Director Adams.

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

Director Freedman said he would like this topic to be revisited at the Finance Committee meeting before being resubmitted for Board approval.

The motion to table this item was passed unanimously by roll call. Chairman Stein, Vice Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, 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		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southeast			

MOTION TO TABLE THE RESOLUTION REGARDING THE SOUTHEAST BUDGET

Chairman Stein requested a motion to table the Southeast budget, which was made by Director Freedman and seconded by Director Hayden.

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

Mr. Daley noted that tabling this item could cause delays for the Southeast Project (SCRRA). He said SCRRA is scheduled to take up their budget for approval in December, part of which is CRRA’s administrative piece.

Director Freedman withdrew his motion to table.

REVIEW AND APPROVE RESOLUTION REGARDING THE SOUTHEAST BUDGET

Chairman Stein requested a motion on the above referenced item, which was made by Director Freedman and seconded by Director Hayden.

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

Director Freedman said CRRA’s portion of this budget requiring approval is the \$304,000 administrative budget aspect which is the CRRA piece of the SCRRA budget.

Mr. Daley said the SCRRA budget is a product of CRRA. He said CRRA's Director of Budgets and Forecasts prepares the SCRRA budget. He said in addition CRRA manages the SCRRA funds, performs invoicing and handles some enforcement issues. Mr. Daley said the \$304,000 covers costs made up of two components, CRRA's personnel services and some direct expenses.

Mr. Daley said management recognizes SCRRA has its' own administrative employee in the cost allocations. He said a cap is also applied. Mr. Daley said one adjustment was made. He explained as SCRRA is in its last bonding year the debt service reserve was applied to this year's budget.

Director Shanley noted the SCRRA revenue for electricity is above 25 cents a kilowatt hour. He said it will be several years before the change in the electricity sales affects the project. Mr. Daley said an assessment of what the tip fee would be for SCRRA if they were relying on current electricity prices was undertaken by management and it was above \$135 a ton.

Vice-Chairman Barlow asked why the indirect and labor costs are increasing. Mr. Duvall said this is SCRRA's last year of bonding and as a result CRRA anticipates elevated work will be required to close out the bonds and to close its portion of the project. He said as in payroll SCRRA will only be charged what is actually allocated.

The motion previously made and seconded was passed unanimously by roll call. Chairman Stein, Vice Chairman Barlow, Director Adams, Director Edwards, Director Eno, Director Freedman, Director Hayden, 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		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS			
Steve Edwards, Southeast	X		

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

Chairman Stein requested a motion on the above referenced item, which was made by Director Eno and seconded by Director Painter.

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 specific in P.A. 13-285 and the basis for the Board's conclusions set forth above;

NOW THEREFORE, it is

RESOLVED: That this Board 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.

Mr. Kirk said in accordance with the Board's comments and a consultation with the Resources Recovery Task Force management has made a number of edits to the original transition plan and the executive summary. He said in addition a graph of a ten year forecast has been distributed and will be included in the executive summary which will summarize the recommended legislative initiatives.

The Board reviewed the plan and provided several changes and edits. After substantial discussion the Board suggested that the plan be revised to make it clear (using two columns) what areas management will be addressing in the plan, including the drawbacks to eliminating the recycling plan and the assumed electrical rate. Director Freedman asked that a customer survey for departing towns be implemented along with an effort to refocus on customer service.

The Board asked that several key points be addressed in the plan including: an explanation of what sustainability means, a statement that CRRA's plan is based on burning trash as directed under the State of Connecticut's Solid Waste Management Plan, and a request for a specific date as to when a decision will be made to determine what the successor of technology and/or strategy to implement these plans is.

Director Freedman made a motion that the resolution be amended to include the changes suggested and made by the Board.

VOTE ON RESOLUTION REGARDING THE TRANSITION PLAN REQUIRED PURSUANT TO PUBLIC ACT 13-285 AS AMENDED AND DISCUSSED

Chairman Stein requested a motion on the above referenced item as amended and discussed, which was made by Director Eno and seconded by Director Nunn.

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 Pan, addressing those matters specific in P.A. 13-285 and the basis for the Board's conclusions set forth above;

NOW THEREFORE, it is

RESOLVED: That this Board endorses the Authority's Transition Plan, substantially as presented and discussed 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.

The motion previously made and seconded to approve the resolution above as amended and discussed was passed unanimously by roll call. Chairman Stein, Vice Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director Nunn, and Director Painter 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		
Andrew Nunn	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southeast			

ADJOURNMENT

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

There being no other business to discuss, the meeting adjourned at 5:20 p.m.

Respectfully Submitted,



Moira Kenney

HR Specialist/Board Administrator

TAB 4

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	December 19, 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

December 19, 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. La Capra is a recognized and well-regarded full service independent energy consulting firm with 30 years' experience consulting for clients across North America. Its clients include power generators, utilities, regulators and environmental advocates. La Capra provides power market evaluation, analysis and forecasting for New England power market participants.

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. A letter outlining the methodology used by La Capra to forecast the power market, as well as the firm's experience is provided in the attached documents. La Capra's forecast analysis of future New England electric power prices is based on the current forward market, which reflects the prices of power and fuels, capacity constraints, congestion, development of planned new generation capacity and planned retirement of existing generation capacity, and recent bilateral sales.

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.



November 13, 2013

LETTER PROPOSAL
Sent via E-mail

Ms. Virginia Raymond
Connecticut Resource Recovery Authority
100 Constitution Plaza 6th Floor
Hartford, Connecticut 06103-7722

RE: Thoughts on the Price Forecast used in the Revenue Projections

Dear Ms. Raymond,

This letter is to supplement our discussions regarding the La Capra Associates choice in methodology used to estimate revenues for output from the waste-to-energy steam generation units at South Meadow. My understanding is that there has been some review of CRRA operations to establish an independent outlook for CRRA operational and financial performance. In this review, the assumption for future electric generation revenue was for fiscal year 2014 to have the same price for energy as CRRA had realized in the prior fiscal year. In the review fiscal year 2015 was assumed to escalate by 2% over 2014. My comments below were developed to communicate our rationale for using prices from the forwards markets for electricity in New England to provide a 'better' indication of future CRRA revenues.

FORECASTED ENERGY PRICES VERSUS HISTORICAL

La Capra Associates used rather standard and best practices to decide on the underlying electric energy prices necessary to forecast CRRA revenue from energy sales. La Capra Associates routinely advises clients on energy sales and purchasing decisions based upon the current electric market forwards. We routinely convert the monthly forwards for peak period energy and off-peak period energy to hourly prices using historical variations from average. We do not rely on historical price levels, but do utilize historical hourly price variations from average.

In our experience the assumption that future prices will mimic historical prices has proven to be an oversimplification resulting in significant forecasting error. The availability of forward market prices is based upon actual trades made between buyer and seller. The forward prices are a much better, although not perfect, predictor of future prices. Typically the forwards in New England electric energy market prices capture the market participants knowledge of changes in natural gas prices, announce development of new generation or the retirement of existing generation, the activities in New England regarding energy efficiency program spending, renewable energy generation, developments in natural gas pipelines whether that be increased capacity through additional compression, new construction or any growing constraints. The electric energy price forwards for New England are strongly correlated to the forwards for natural gas, since the generation in New England that sets market clearing prices for more than 80-90% of the time burn natural gas. The forwards represent market participants' view of how changes expected in the regional and national economy affect energy prices.

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The readily available forward prices can be easily incorporated into our revenue forecasting, including for CRRRA, and allow us to capture the known or expected changing conditions that impact energy markets in New England.

UNCERTAINTY IN PRICE FORECAST – A HIGHER UPSIDE POTENTIAL

It is also important to discuss the uncertainty surrounding the New England Energy prices. Simply put, there is more potential for significantly higher prices while the same potential for lower prices is a much smaller magnitude. The following factors could increase prices (over expectations) in New England for a portion of the year such as weeks or months. The price increases that have been seen in the past can easily be \$100-200/MWh as compared with an average annual price that has historically been in the \$35-50/MWh.

Factors that would spike or increase energy prices:

- Severe regional winter or summer weather. This is especially a large impact when a winter period experiences temperatures lower than the low temperatures of a normal winter.
- Winter natural gas pipeline deliverability constraints – ISO-NE has implemented a number of actions in order to minimize the probability that there will be a highly constrained natural gas supply for electric generation. We have yet to see if those actions will perform as expected. Our general understanding is that most market participants expect these actions to be successful.
- Unforeseen outages of one or more larger generating capacity, such as a nuclear plant.
- External factors can result in trading entity becoming fearful of natural gas or electric power supply. Examples of these would be US politics affecting the economy and financial markets, weather interruptions in natural gas supply regions, global unrest affecting world-wide oil and natural gas markets.

There are also factors that can drive energy prices lower in the region. In the past the factors that are described below will impact energy prices resulting in a drop in prices from expected or normal levels somewhere between \$5-20/MWh. This is much lower in magnitude than the markets reactions to the factors discussed above.

Factors that would dampen or decrease energy prices:

- Mild regional winter or summer weather. This tends to soften natural gas prices in the winter, and also reduces the use of less efficient generation in New England.
- A fall off from expectation of the economy growth in the region and nationally.
- More generation coming online such as renewable energy based generation.
- Greater success in reducing consumption through energy efficiency programs

Overall, I would summarize that La Capra Associates maintains that the use of forward market based energy prices not only improves the accuracy of a forecast but represents standard or best practices by consultants, utilities, generation owners and large energy consumers. We also would characterize that the uncertainty in our revenue forecast is such that the magnitude of which energy prices respond to upside risks is much greater than the way energy markets respond to downsize risks.

I hope you and your organization find this explanation and clarification useful. Should you need to discuss any of these factors please contact me at your convenience.

Sincerely,

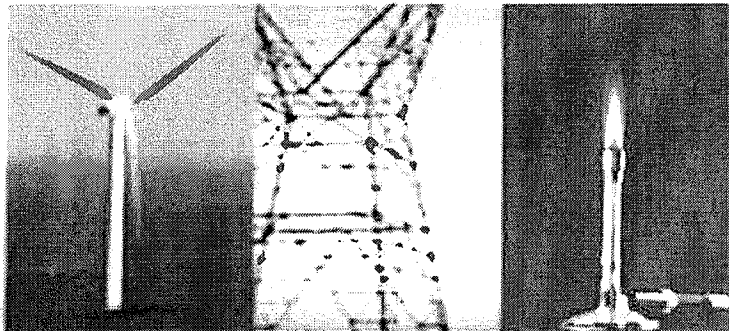


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La Capra Associates



ABOUT OUR ENERGY SERVICES CONSULTING FIRM



30 Years of Industry Expertise

La Capra Associates is an employee-owned consulting firm which has specialized in the electric and natural gas industries for 30 years. Our expertise includes power resources planning, market policy and analysis (wholesale, retail, and renewable), power procurement, economic/financial analysis of energy assets and contracts, and regulatory policy.

Our firm provides services to a broad range of organizations involved with energy markets, including regulatory agencies and consumer advocates, public policy and energy research organizations, public and private utilities, energy producers and traders, financial institutions and investors, and consumers.

Throughout our history, we have extended services at the forefront of change in the industry, including areas such as marginal cost pricing, integrated resource planning, competitive procurement of resources, and demand-side management. Our expertise in energy matters is interdisciplinary. We regularly provide services ranging from broad policy development, to analysis of rate applications, analysis of major investments, and short-term planning and operations.

Our work frequently leads to presentation of expert testimony or opinion before state or federal regulatory agencies, financial institutions, and corporate management and boards, and has consistently withstood detailed scrutiny.

For more information, contact:

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Areas of Specialization

- Integrated Resource Planning
- Generation Planning and Asset Valuation
- Power System Planning
- Transmission Planning
- Market Analytics
- Renewable Energy Planning
- Energy Efficiency Planning
- Procurement and Portfolio Management
- Regulated Rates, Cost of Service and Rate Design
- Competitive Bidding and Evaluation
- Utility Regulatory Policy
- Environmental Planning for Energy Systems
- Merger and Acquisition Analysis
- Retail Electric Markets Policy and Design
- Wholesale Electric Markets Policy and Design
- Utility Strategic Planning

Relevant Experience

POWER GENERATION

- Forecasts of Revenue Expectations for Generating Facilities (*Numerous clients*)
- Power Supply Advisory Services and Power Procurement (*Amtrak*)
- Valuation of Generation Assets Owned by Pennsylvania Utilities (*Office of the Consumer Advocate*)

TRANSMISSION & DISTRIBUTION

- Need Analysis for Transmission Line Siting Application (*Cape Wind Associates*)
- Detailed Economic Assessment of Non-Transmission Alternatives (*Vermont Electric Power Company*)
- Preparation of Gas Demand Forecast for Local Gas Distribution Company (*North Attleborough Gas Company*)

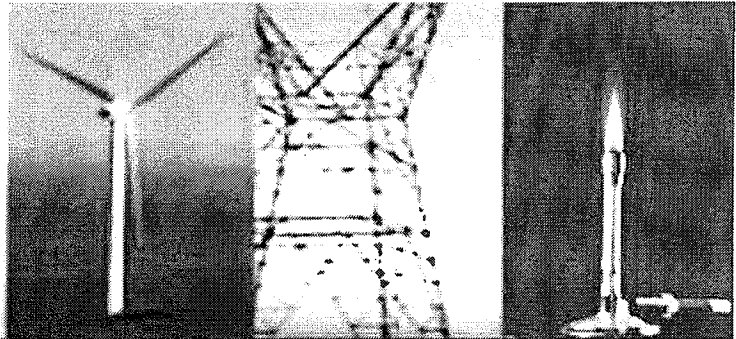
UTILITY RATES & REGULATORY

- Electric Cost Allocation and Ratemaking (*Various clients*)
- Regional Transmission Operators' Rates and Cost Allocation (*Wisconsin Citizens Utility Board*)

RENEWABLE ENERGY

- Market and Portfolio Analysis of Renewable Energy Projects (*Various clients*)
- Renewables Project Due Diligence for Financing (*MTC*)
- Wind Power Project Reviews; Utility IRP Review of Coal Project (*Oklahoma Industrial Energy Consumers*)

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For more information, contact:

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Areas of Specialization

- Energy Procurement
- Energy Contracts Assessment
- Renewable Projects & Markets
- Merger and Acquisition Analysis
- Asset Valuation Planning
- Market Price Forecasting
- Retail Rate Regulation
- Wholesale and Retail Portfolio Management
- Market Systems
- Electric Regulatory Policy
- Transmission Project Evaluation
- Integrated Resource Planning

Relevant Experience

POWER GENERATION

- Power Supply Advisory Services and Power Procurement (*Amtrak*)
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POWER SUPPLY, PROCUREMENT & PORTFOLIO MANAGEMENT

Power Supply Services

1. Wholesale and Retail Electric & Gas Supply Analysis

Our team of professionals has conducted technical, financial, and contractual review, and then successfully closed numerous wholesale and retail transactions. Our extensive experience with power market assessment and power transactions in the New England, New York and PJM electricity markets provides clients with both a broad market perspective and access to commercial experts practiced in managing energy portfolios and budgets.

CLIENTS INCLUDE

RETAIL: Amtrak • Massachusetts Water Resource Authority • Narragansett Bay Commission • Defense Contractor

WHOLESALE: Green Mountain Power Corporation • Vermont Electric Cooperative • Washington Electric Cooperative (VT) • Littleton Water & Light Department (NH)

2. Preparation and Execution of Competitive Transactions

We have considerable experience in power market transactions – wholesale and retail; and for a number of our clients, we manage their entire portfolio. Since 'wholesale drives retail,' we focus on evaluating conditions in the prevailing wholesale markets. We help our clients identify their power procurement goals, and their risk tolerances and preferences. The results have included successful vendor solicitations (RFPs/RFQs), enhanced price negotiations, and millions of dollars in power cost savings.

3. Project Evaluation

We have assisted various utilities and private and public sector clients in evaluating the inclusion of generation projects into their supply portfolio. We have conducted feasibility studies and due diligence on potential projects involving a number of technologies including wind, solar, biomass, landfill and farm methane, and combined heat and power.

4. Rates and Interconnection Negotiations

Our consultants are experienced in designing and negotiating special distribution and generation rates and contracts for unique end users. In addition to retail power supply rates and terms, we have experience designing, negotiating and evaluating specific non-generation and interconnection rates and services for our retail clients.

Procurement & Portfolio Management

Market View

- Historical statistics, trends, and analyses of forward and spot energy markets and drivers (e.g. natural gas).
- Customized monthly reports on market performance (e.g. short position, or load vs. control area loads or power prices).

Market Price Forecasts

- Using La Capra Northeast Market Model (AURORA platform) and Forward Price Curves.
- Energy: peak and off-peak by zone.
- Capacity: ICAP by zone or market.
- Ancillary services: reserves, regulation, etc.
- Renewable Energy Certificates: by technology and by state.

Active Procurement & Portfolio Management

- Load Forecasting: Forecast load requirements and resources output, and project energy position and product requirements.
- Dispatch Models: Create simulation models to forecast cost and budget variance, monitor performance.
- Procurement Strategy: Develop approaches to procuring power supply (from day-ahead to long-term).
- Wholesale Market Interface: Procure short-term energy, prepare and submit load and resource bids to the ISO.
- Procurement Process: Establish the processes and RFP documents or alternative procedures through which to acquire power supply.
- Contract Negotiations: Develop form of power purchase agreement(s) and negotiate details with suppliers.
- Risk Management: Assess and mitigate market risk of each portfolio.
- Monitoring & Evaluation: Assess portfolio performance and product alternatives.
- Budgeting: Prepare monthly, quarterly, seasonal and annual budgets for clients' internal use.

Billing & Settlement

- Review and verify billing and settlement statements from the ISO and wholesale suppliers for accuracy.

TAB 5

**RESOLUTION AUTHORIZING USE OF RESERVES TO PAY CERTAIN FY '14
LEGAL COSTS**

WHEREAS, CRRA obtained Board authorization to pay projected legal fees and expenses from appropriate budgets and reserves in May, 2013; and

WHEREAS, Public Act 13-247, approved in June, 2013, states that CRRA shall enter into a memorandum of understanding with DEEP for the assumption by DEEP of CRRA's post-closure obligations for the Hartford, Ellington, Wallingford, Shelton, and Waterbury landfills; and

WHEREAS, Public Act 13-184, also approved in June, 2013, requires the sum of up to \$ 35,000,000 to be transferred from CRRA and credited to the resources of the General Fund; and

WHEREAS, CRRA has engaged its outside counsels to provide legal advice and assistance with the drafting and negotiation of the required MOU and the related transfer of funds from CRRA's landfill post-closure reserves; and

WHEREAS, CRRA now seeks Board authorization to expend funds from one of its Board-designated landfill post-closure reserves to pay legal costs incurred in connection with this matter, and to re-allocate such costs proportionately among the appropriate post-closure reserves upon completion of these matters;

NOW THEREFORE, it is

RESOLVED: That the President is authorized to expend up to \$250,000 from the Hartford Landfill Post Closure Reserve for payment of legal costs incurred in fiscal year 2014 in connection with the mandated transfers of CRRA landfill obligations and reserved funds; and

FURTHER RESOLVED: That the Chief Financial Officer is authorized to re-allocate the total amount of such legal costs proportionately among the appropriate post-closure reserves following payment of all such costs.

CONNECTICUT RESOURCES RECOVERY AUTHORITY

Request regarding Authorization for Use of Reserve Funds for Payment of Projected Legal Expenses

December 19, 2013

Executive Summary

This is to request board authorization to use funds from the Hartford Landfill Post-Closure Reserve to pay certain projected fiscal '14 legal expenses.

Discussion:

At its May 2013 regular meeting, the Board of Directors approved payment of FY 14 legal fees and expenses from appropriate budgets and reserves. In June 2013, the State Legislature passed Public Act 13-247, directing CRRA to enter into a Memorandum of Understanding with DEEP for the assumption by DEEP of CRRA's obligations regarding its closed landfills, and Public Act 13-184, requiring the transfer of up to \$35 million from CRRA to the resources of the General Fund. These matters require the assistance of outside counsel and the determination of a funding source for the payment of resulting legal fees.

Management believes that these costs are most appropriately funded by CRRA's landfill post-closure reserves. Since all of the funds remaining in such reserves at the time of transfer are anticipated to be transferred to the State's General Fund, it does not appear to matter which specific reserve is used to pay the fees; following completion of this matter, the costs can be proportionately re-allocated among the appropriate reserve accounts.

We are now seeking board authorization to pay the projected legal costs from the Hartford Landfill Post-Closure Reserve, and to re-allocate such costs among the appropriate landfill post-closure reserves following payment.

TAB 6

**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.

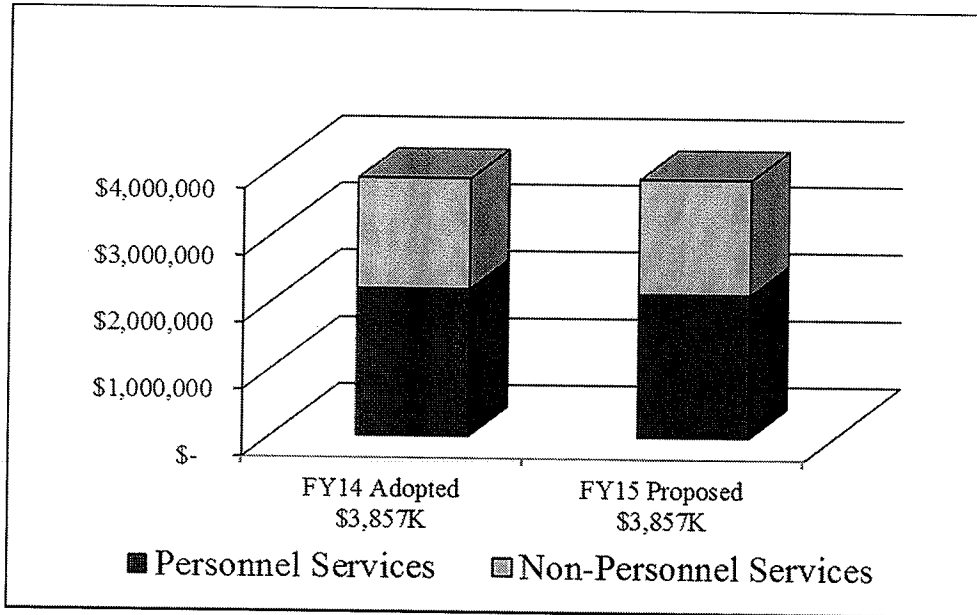
Proposed Fiscal Year 2015 The Authority Operating Budget

December 19, 2013

EXECUTIVE SUMMARY

- The fiscal year 2015 proposed operating budget totals \$3,857K, which remains equal to fiscal year 2014 adopted budget.

Expenditures	Adopted	Proposed	Increase / Decrease	
	FY14	FY15	\$	%
Personnel Services	\$2,206,500	\$2,138,000	\$ (68,500)	-3.10%
Non-Personnel Services	\$1,650,500	\$1,719,000	\$ 68,500	4.15%
TOTAL	\$3,857,000	\$3,857,000	\$ -	0.00%



- The fiscal year 2015 proposed Personnel Services is lower than fiscal year 2014 adopted budget by approximately \$69K or 3.10% primarily due to reduction in Payroll.

Personnel Services (in \$000s)	Adopted		Proposed		Increase/Decrease	
	FY14	FY15	\$	%		
Payroll/ Related Matters *	\$ 1,564,000	\$ 1,479,000	\$ (85,000)	-5.43%		
Overtime Payroll	\$ 33,000	\$ 33,000	\$ -	0.00%		
Medicare Tax	\$ 22,000	\$ 20,000	\$ (2,000)	-9.09%		
Social Security	\$ 83,000	\$ 78,000	\$ (5,000)	-6.02%		
CT Unemployment Comp	\$ 8,000	\$ 8,000	\$ -	0.00%		
401-K Contribution	\$ 153,000	\$ 141,000	\$ (12,000)	-7.84%		
Employee Benefits	\$ 260,000	\$ 299,000	\$ 39,000	15.00%		
Benefits Administration	\$ 58,000	\$ 58,000	\$ -	0.00%		
Other Benefits	\$ 25,500	\$ 22,000	\$ (3,500)	-13.73%		
TOTAL	\$ 2,206,500	\$ 2,138,000	\$ (68,500)	-3.10%		

* Includes Market Progression Adjustments

- The fiscal year 2015 proposed Non-Personnel Services is higher than fiscal year 2014 adopted budget by approximately \$69K or 4.15% due to increases in communications services, office temporary services, computer hardware, and other equipment, offset by a decrease in general consulting services.

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	\$ 2,138,000	\$ (606,315) -22.09%	\$ (68,500) -3.10%
01-001-501-xxxxx	Non-Personnel Services	\$ 1,437,139	\$ 1,650,500	\$ 1,719,000	\$ 281,861 19.61%	\$ 68,500 4.15%
	Total Expenditures	\$ 4,181,454	\$ 3,857,000	\$ 3,857,000	\$ (324,454) -7.76%	\$ - 0.00%

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	\$ 144,000	\$ 18,755 14.97%	\$ 12,000 9.09%
01-001-000-48106	Southwest Division	\$ 561,000	\$ 574,000	(C)	\$ (561,000) -100.00%	\$ (574,000) -100.00%
01-001-000-48108	Recycling (South Unit)	\$ 115,414	n/a	(D)	\$ (115,414) -100.00%	\$ - 100.00%
01-001-000-48109	Landfill Division	\$ 338,191	\$ 396,000	(E)	\$ (338,191) -100.00%	\$ (396,000) -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	\$ 2,974,000	\$ 1,401,933 89.18%	\$ 838,000 39.23%
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	\$ 3,857,000	\$ (324,454) -7.76%	\$ - 0.00%
	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) Increase/Decrease	FY14 ADOPTED vs. FY15 PROPOSED Increase/Decrease
PERSONNEL SERVICES						
01-001-501-51110	Payroll/ Related Matters	\$ 1,861,873	\$ 1,534,000	\$ 1,409,000	\$ (452,873)	\$ (125,000)
	Market Progression	Included Above	\$ 30,000	\$ 70,000	\$ 70,000	\$ 40,000
01-001-501-51120	Overtime Payroll	\$ 57,786	\$ 33,000	\$ 33,000	\$ (24,786)	\$ -
01-001-501-51220	Medicare Tax	\$ 25,426	\$ 22,000	\$ 20,000	\$ (5,426)	\$ (2,000)
01-001-501-51221	Social Security	\$ 93,614	\$ 83,000	\$ 78,000	\$ (15,614)	\$ (5,000)
01-001-501-51222	CT Unemployment Comp	\$ 18,492	\$ 8,000	\$ 8,000	\$ (10,492)	\$ -
01-001-501-51223	401-K Contribution	\$ 172,203	\$ 153,000	\$ 141,000	\$ (31,203)	\$ (12,000)
01-001-501-51227	Employee Benefits	\$ 426,463	\$ 260,000	\$ 299,000	\$ (127,463)	\$ 39,000
01-001-501-51235	Benefits Administration	\$ 62,490	\$ 58,000	\$ 58,000	\$ (4,490)	\$ -
01-001-501-51250	Other Benefits	\$ 25,969	\$ 25,500	\$ 22,000	\$ (3,969)	\$ (3,500)
		Subtotal Personnel Services	\$ 2,744,315	\$ 2,206,500	\$ (606,315)	\$ (68,500)
					-22.09%	-3.10%

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

(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 PROPOSED (A)		FY14 ADOPTED vs. FY15 PROPOSED	
		FY13	FY14	FY14	FY15	Increase/Decrease	Increase/Decrease	Increase/Decrease	Increase/Decrease		
01-001-501-52303	Subscrip/Publ/Ref. Material	\$ 21,775	\$ 24,000	\$ 24,000	\$ 23,000	\$ 1,225	\$ (1,000)	5.63%	\$ (1,000)	-4.17%	
01-001-501-52304	Dues-Professional Organizations	\$ 6,535	\$ 7,000	\$ 7,000	\$ 6,000	\$ (535)	\$ (1,000)	-8.19%	\$ (1,000)	-14.29%	
01-001-501-52305	Business Meetings and Travel	\$ 6,955	\$ 7,000	\$ 7,000	\$ 10,000	\$ 3,045	\$ 3,000	43.78%	\$ 3,000	42.86%	
01-001-501-52306	Training	\$ 3,200	\$ 15,000	\$ 15,000	\$ 13,000	\$ 9,800	\$ (2,000)	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	\$ 500	25.67%	\$ 500	3.45%	
01-001-501-52355	Mileage Reimbursement	\$ 5,309	\$ 4,500	\$ 4,500	\$ 5,500	\$ 191	\$ 1,000	3.60%	\$ 1,000	22.22%	
01-001-501-52401	Vehicle Repair/Maintenance	\$ 231	\$ 3,500	\$ 3,500	\$ 4,500	\$ 4,269	\$ 1,000	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	\$ 1,000	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	\$ 5,000	58.12%	\$ 5,000	4.55%	
01-001-501-52612	Fuel for Vehicles	\$ 8,880	\$ 7,500	\$ 7,500	\$ 9,000	\$ 120	\$ 1,500	1.35%	\$ 1,500	20.00%	
01-001-501-52615	Temporary Agency Services	\$ 111,146	\$ 60,000	\$ 60,000	\$ 75,000	\$ (36,146)	\$ 15,000	-32.52%	\$ 15,000	25.00%	
01-001-501-52615	Insurance Premiums	\$ 105,849	\$ 85,000	\$ 85,000	\$ 85,000	\$ (20,849)	\$ -	-19.70%	\$ -	0.00%	
01-001-501-52640	Information Technology Consultant	\$ 47,296	\$ 55,000	\$ 55,000	\$ 55,000	\$ 7,704	\$ -	16.29%	\$ -	0.00%	
01-001-501-52853	Information Technology Maintenance	\$ 66,133	\$ 75,000	\$ 75,000	\$ 71,000	\$ 4,867	\$ (4,000)	7.36%	\$ (4,000)	-5.33%	
01-001-501-52854	Legal Fees	\$ 356,378	\$ 384,000	\$ 384,000	\$ 400,000	\$ 43,622	\$ 16,000	12.24%	\$ 16,000	4.17%	
01-001-501-52856	Auditor	\$ 70,200	\$ 76,000	\$ 76,000	\$ 73,500	\$ 3,300	\$ (2,500)	4.70%	\$ (2,500)	-3.29%	
01-001-501-52863	Insurance Consulting/Brokerage Services	\$ 6,230	\$ 9,000	\$ 9,000	\$ 8,000	\$ 1,770	\$ (1,000)	28.41%	\$ (1,000)	-11.11%	
01-001-501-52875	Engineering, Technology & General Consulting Services	\$ 122,028	\$ 123,500	\$ 123,500	\$ 82,000	\$ (40,028)	\$ (41,500)	-32.80%	\$ (41,500)	-33.60%	
01-001-501-52899	Utilities & Maintenance	\$ 178,064	\$ 275,000	\$ 275,000	\$ 287,500	\$ 109,436	\$ 12,500	61.46%	\$ 12,500	4.55%	
01-001-501-53309	Computer Hardware	\$ 2,618	\$ 28,000	\$ 28,000	\$ 55,000	\$ 52,382	\$ 27,000	2000.84%	\$ 27,000	96.43%	
01-001-501-54482	Computer Software	\$ 928	\$ 10,000	\$ 10,000	\$ 10,000	\$ 9,072	\$ -	977.59%	\$ -	0.00%	
01-001-501-54483	Other Equipment	\$ -	\$ 10,350	\$ 10,350	\$ 30,000	\$ 30,000	\$ 19,650	100.00%	\$ 19,650	189.86%	
01-001-501-54491	Trustee / Bank Fees	\$ 20,942	\$ 22,000	\$ 22,000	\$ 20,000	\$ (942)	\$ (2,000)	-4.50%	\$ (2,000)	-9.09%	
01-001-501-55585	Operational Contingency	\$ 226	\$ 3,650	\$ 3,650	\$ -	\$ (226)	\$ (3,650)	-100.00%	\$ (3,650)	-100.00%	
01-001-501-58001		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Subtotal Non-Personnel Services	\$ 1,437,139	\$ 1,650,500	\$ 1,650,500	\$ 1,719,000	\$ 281,861	\$ 68,500	\$ 19.61%	\$ 68,500	\$ 4.15%	

(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 7

CONNECTICUT RESOURCES
RECOVERY AUTHORITY

Ten Year
Financial Plan

PLAN OBJECTIVES

- **Remain Financially Self Sufficient for at Least 10 Years**
- **Maintain and Enhance Net Cost Pricing Structure Required by Statute and Contract**
- **Establish Tip Fees at or Below Contractual Opt-Out Price**
- **Fully Fund the Major Maintenance Program Needed to Sustain Plant Operational Capacity**
- **Assess Financial Self Sufficiency on the Basis of Reasonable, Independent Electricity Sales Price Estimates**
- **Implement a Balanced Approach to Achieving Financial Self Sufficiency**

BALANCED APPROACH TO FINANCIAL SELF SUFFICIENCY

- **Cost Reduction & Containment**
 - Personnel Services (salary freeze)
 - Non Personnel Services (minimum \$200,000 reduction)
- **Revenue Enhancement**
 - Spot Waste
 - Contract Waste
 - Other Revenue
 - Contracted Increase in Tip Fee
- **Bonding Program**
- **Use of Reserve Funds**
- **Relief Valve (Tip Fee Stabilization Reserve)**

NET COST PRICING

REQUIRED BUDGET ESTIMATES:

- **Cost of Operation** – Cost to operate the CSWS including debt service, PILOT, prior year shortfalls and cost to process at Waste Facility other than CSWS
- **Net Cost of Operation**- Cost of Operation less Non-Disposal Fee Revenues and other receipts (other than Service Payments)
- **Aggregate Tons**- Total tons of Acceptable Solid Waste delivered to CSWS other than Contract Waste or Spot Waste
- **Non-Disposal Fee Revenue** – Includes sale of CSWS recovered products (including energy), Tier 2 Service Fees, Transfer Station User Surcharges and Fuel Charges, additional fees and CSWS receipts from other than:
 - Participating Municipalities
 - Waste Haulers
- **Reserve Transactions** – Any deposits or withdrawals from CSWS reserve funds
- **Service Payments** – Gross disposal fees paid by Participating Municipalities and Waste Haulers other than:
 - Contract Waste – delivered by persons other than Participating Municipalities and Waste Haulers from within the boundaries of Participating Municipalities by contract with CRR
 - Spot Waste – Not delivered pursuant to the MSA and not contract waste

NET COST PRICING

- **Base Disposal Fee – Uniform for all Participating Municipalities regardless of location**
- **Base Disposal Fee – Set such that Base:**
 - **Disposal Fee X Aggregate Tons = Net Cost of Operation**
 - **Constitute Service Payments**
- **Tier 1 Long Term Disposal Fee – Base Disposal Fee less \$2.00 Per Ton Service Discount**
 - **Additional Transfer Station Fuel Surcharge applies**
 - **Additional fees or surcharges for particular categories of Solid Waste apply**
 - **No charge for Acceptable Recyclables delivered to Designated Recycling Facility**

NET COST PRICING

- **Tier 2 Disposal Fee - Base Disposal Fee plus \$2.00 Per Ton Service Fee**
 - Additional Transfer Station Usage applies
 - Additional Transfer Station Fuel Surcharge applies
 - Additional fees or surcharges for particular categories of Solid Waste apply
 - No Opt Out Provision
- **Tier 3 Disposal Fee - Base Disposal Fee less \$2.00 Per Ton Service Discount**
 - Additional Transfer Station Fuel Surcharge applies
 - Additional fees or surcharges for particular categories of Solid Waste apply
 - No charge for Acceptable Recyclables delivered to Designated Recycling Facility
 - No Opt Out Provision
 - No Flow Control

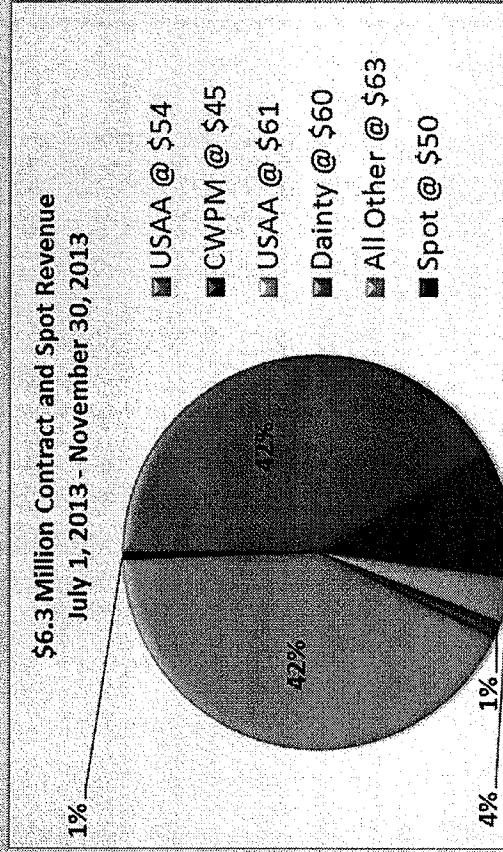
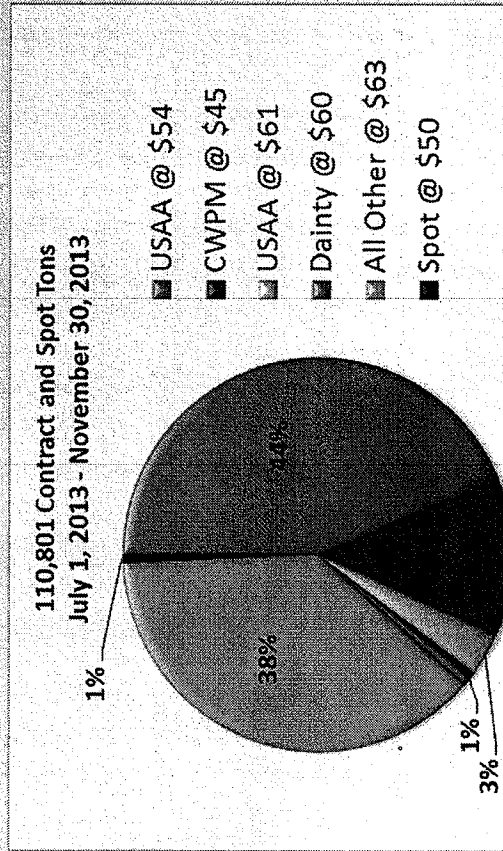
TIER 1 TIP FEE OPT-OUT PRICE

- FY 2013 - \$61.00 Per Ton
- FY 2014 - \$61.00 Per Ton
- FY 2015 - \$62.00 Per Ton
- FY 2016 through FY 2027- Prior year Opt Out adjusted by 75% of the change in CPI
- Commencing in FY 2014, the Opt Out Disposal Fee is increased by any Additional Opt Out Costs resulting from:
 - Change in Law - New or modified federal, state or local law, rule or regulation; court order or judgment; permit, license, consent, authorization or approvals.
 - Year over year increases to the PILOT

REVENUE ENHANCEMENT

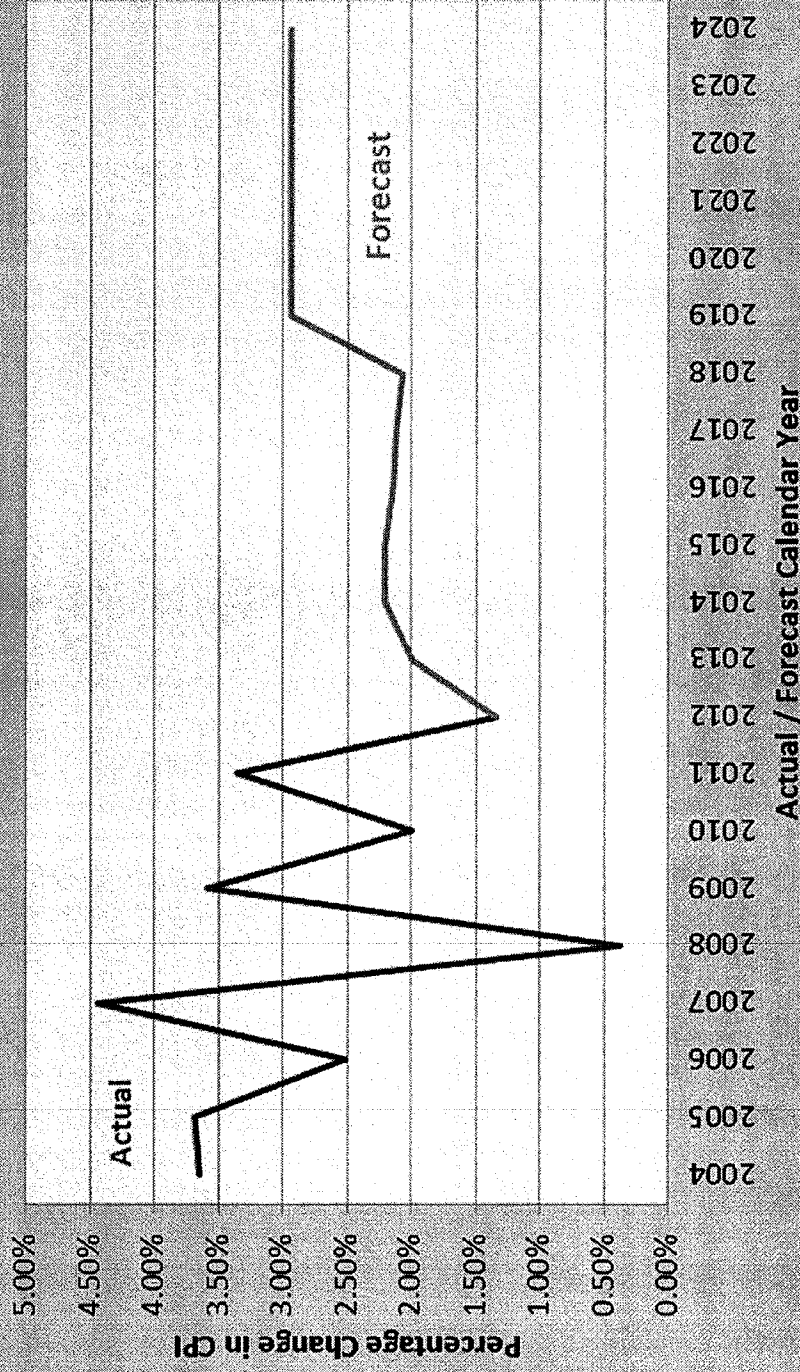
Spot waste forecast to increase from \$35 / ton FY 2014 to \$50 / ton FY 2015. Increase proportionate to tip fee thereafter to \$62 by FY 2024. Spot tonnage forecast to decrease from 91,000 to 61,000 in FY 2019. These 30,000 spot tons forecast to convert to Waste Hauler MSA.

Contract waste (CWPM) forecast constant at \$45 / ton through FY 2018 then increase by \$1 / ton each year to \$51 by FY 2024. Contract waste (others blended average) forecast to increase from \$56.72 in FY 2014 to 71.07 in FY 2024 proportionate to increase in tip fee. Tonnage forecast to



DISPOSAL FEE OPT-OUT PRICE INDEX

Actual and Forecast Disposal Fee Index



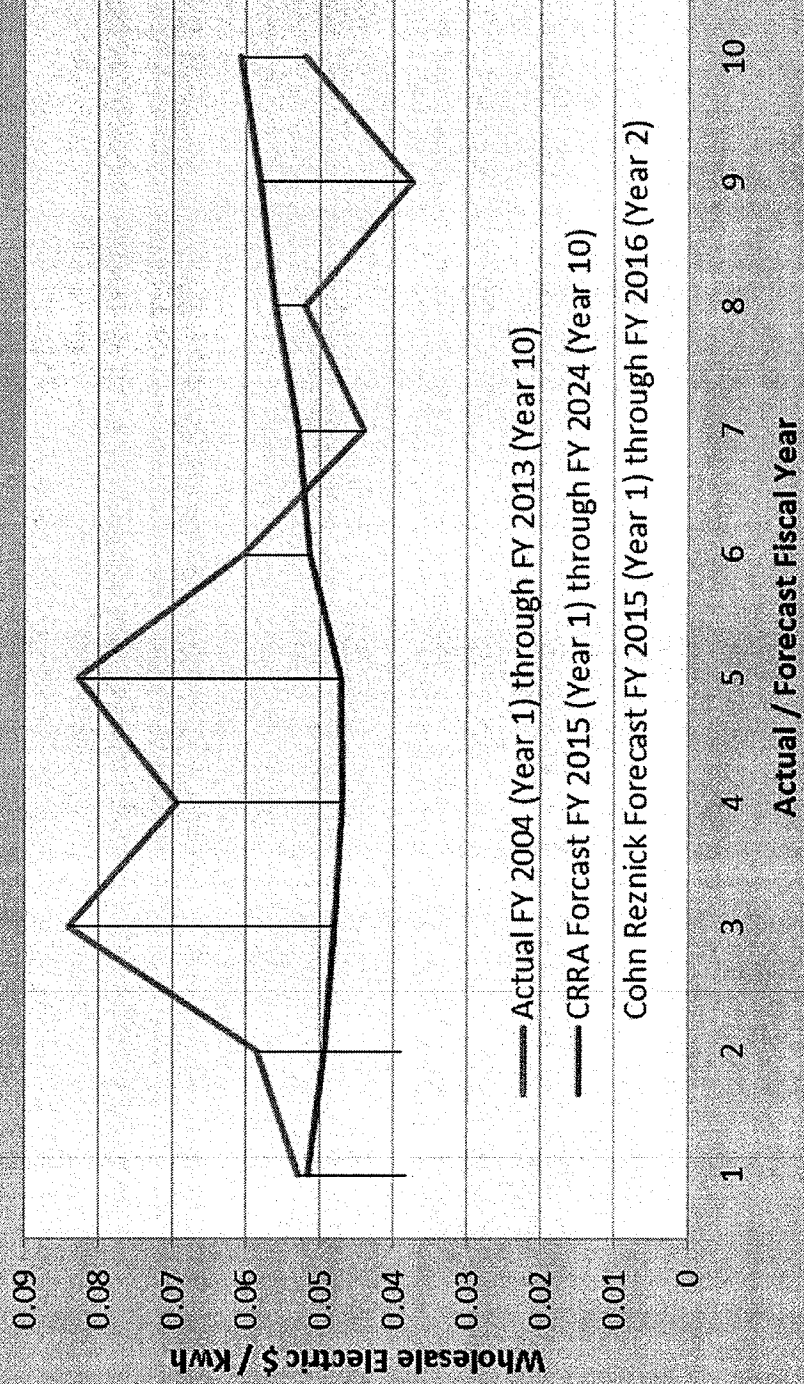
MAJOR MAINTENANCE PROGRAM

- **\$92.0 Million for Fiscal Years 2015 through 2024**
 - Power Block - \$ 73.5 Million
 - Waste Processing Facility - \$ 9.5 Million
 - Rolling Stock - \$ 6.5 Million
 - Transfer Stations - \$ 0.4 Million
 - Ending Maintenance Reserve - \$ 2.1 Million

- **Total Funding Sources for FY 2015 through FY 2024**
 - Annual Reserve Contributions - \$ 70.5 Million
 - Bond Proceeds - \$ 17.5 Million
 - Application of Other Reserves - \$ 3.0 Million
 - Beginning Maintenance Reserve - \$ 1.0 Million

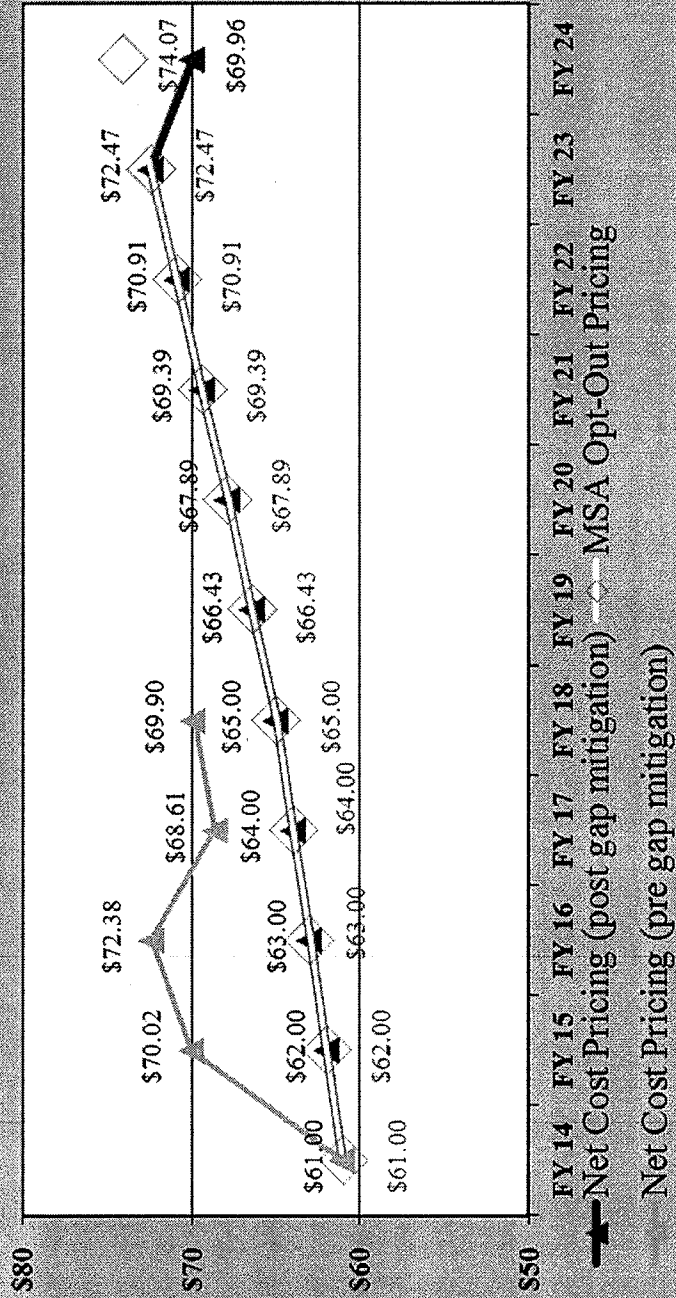
REASONABLE ELECTRICITY SALES PRICE ESTIMATES

Actual and Forecast Wholesale Electric Prices



SELF SUFFICIENT FORECAST

Connecticut Resources Recovery Authority South Meadows Resource Recovery Facility Tier 1 Long-Term Pricing (\$/ton)



FRAMEWORK FOR IMPLEMENTATION

	Contract	Initial Expiration
Spot Waste		No Contract
Hauler Contract (Other) USAA		Jun-14
Hauler Contract (Put or Pay) Various Haulers		Jun-14
Hauler Contract (Standard)		Jun-14
Essex Transfer Station (CWPM)		Jun-14
Watertown Transfer Station (CWPM)		Jun-14
Torrington Transfer Station (Copes)		Jun-14
Southwest Division		Jun-14
Hauler Contract (Other) CWPM		Dec-14
Hauler Contract (Put or Pay) Various Haulers		Jun-15
Hauler Contract (Standard) Various Haulers		Jun-15
Tier 2 MSA (South Windsor, Litchfield & Manchester)		Jun-15
Jets Operating Agreement (NAES)		Jun-16
Mid Conn RRF Operating Agreement (NAES)		Jun-16
Tier 1 Short Term MSA (12 Municipalities)		Jun-17

TAB 8

**RECOMMENDED RESOLUTION REGARDING
ORGANIZATIONAL SYNERGY & HUMAN RESOURCES
COMMITTEE RECOMMENDATION to the BOARD of DIRECTORS
REGARDING RENEWAL of HEALTH, DENTAL, VISION, LIFE and
DISABILITY INSURANCE PROGRAMS**

RESOLVED: That the Board of Directors authorizes the renewal of the employee health insurance benefit plans with ConnectiCare (medical), Ameritas (vision), MetLife (dental) and Lincoln Financial (life and disability), for the period of January 1, 2014 through December 31, 2014 for an estimated net combined premium of \$625,000.

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

December 19, 2013

Executive Summary

CRRA's insurance programs renew on a calendar-year basis. RC Knox, CRRA's benefits broker, negotiated rate increases with the current health plan providers ConnectiCare, MetLife, Ameritas and Lincoln Financial for the Authority's 2014 renewals. RC Knox's representative, Kurtis Dennison, achieved rate reductions for the medical plan by leveraging the Committee's decision to not market CRRA's medical coverage.

Mr. Dennison was able to reduce CRRA's renewal rate with ConnectiCare from 5% to 3.77% because of the good experience of the plan and our willingness to not market our medical coverage.

Mr. Dennison negotiated CRRA's dental renewal to a 3.67% rate increase over 2013 premiums with MetLife. This premium increase is the lowest the Authority has received in the past four years.

Ameritas has maintained a flat cost with CRRA for the past four years and the rate increase of 5.95% for 2014 is appropriate and acceptable given the previous years of no rate increases.

Lincoln Financial (life, STD/LTD, voluntary life and AD&D) is renewing CRRA's coverage premiums at zero increases for 2014.

As final employee elections may vary, the recommendation is based on a not to exceed of premium rounded to the nearest thousand.

Recommendation

Product	Provider	CY14 Premiums
Medical	ConnectiCare	\$ 602,000
Dental	MetLife	\$ 54,000
Vision	Ameritas	\$ 9,000
Life & Disability	Lincoln Financial	\$ 54,000
	<i>Employee Contributions</i>	<i>(\$ 94,000)</i>
CY14	Total	\$ 625,000

Recommendation

In consultation with our broker (R. C. Knox & Co.), Management and the Organizational Synergy & Human Resources Committee recommends that the Board of Directors approve renewals with ConnectiCare, MetLife, Ameritas, and Lincoln Financial for the employee benefit programs mentioned above. Management further recommends that the combined net premium of \$625,000, as adjusted for final employee plan selections, be accepted for the period of January 1, 2014 to December 31, 2014.