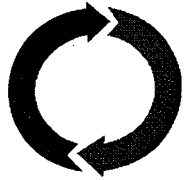


CRRA
REGULAR BOARD MEETING
June 27, 2013



**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: June 21, 2013
RE: Notice of Regular Meeting

There will be a regular meeting of the Connecticut Resources Recovery Authority Board of Directors on Thursday, June 27, 2013, at 9:30 a.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
Regular Board of Directors Meeting

Agenda
June 18, 2013
9:30 AM

I. Pledge of Allegiance

II. Public Portion

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

III. Minutes

1. Board Action will be sought for Approval of the Special April 8, 2013, Board Meeting Minutes (Attachment 1).
2. Board Action will be sought for Approval of the Special May 9, 2013, Board Meeting Minutes (Attachment 2).
3. Board Action will be sought for Approval of the Regular May 30, 2013, Board Meeting Minutes (Attachment 3).

V. Board Committee Reports

A. Finance Committee Reports

1. Board Action will be sought for the Resolution Regarding Worker's Compensation Insurance (Attachment 4).
2. Board Action will be sought Regarding Landfill Division Budgets (Attachment 5).

B. Policies & Procurement Reports

1. Board Action will be sought for the Resolution Regarding Purchase of Jet Fuel for the South Meadows Jet Turbine Facility. (Attachment 6).
2. Board Action will be sought for the Resolution Regarding the Southeast Project Special Committee Report (Attachment 7).

VI. Chairman and President's Reports

VII. 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.

C. Legal

1. Board Action will be sought Regarding FY'14 Projected Day Pitney Legal Expenditures (Attachment 8).

TAB 1

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND FORTIETH -THIRD

APRIL 8, 2013

A special meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Mon. April 8, 2013, in the Board Room at 211 Murphy Rd. Hartford, CT 06103. Those present were:

Directors: Chairman Don Stein
Vice-Chairman Barlow
John Adams
Joel Freedman
Timothy Griswold
Andy Nunn (present until 10:50 a.m.)
Scott Shanley
Bob Painter, CSWS Project Ad Hoc
Steve Edwards, Southwest Project Ad-Hoc (present by telephone)
Mark Tillinger, Southwest Project Ad-Hoc

Present from CRRA in Hartford:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer (present by telephone)
Peter Egan, Director of Environmental Affairs and Operations
Laurie Hunt, Director of Legal Service
Moira Benacquista, HR Specialist/Board Administrator

Others present: Peter Boucher, Esq., Halloran & Sage, John Pizzimenti, USA Hauling, Jim Sandler, Esq. Sandler & Mara.

Chairman Stein called the meeting to order at 9:35 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 POSSIBLE SOUTH MEADOWS POWER PURCHASE

Chairman Stein said the intent of this meeting is to get a sense or consensus from the Board on whether to return to State to offer support for this legislation. He said any agreements for a specific dollar amount or specific review terms require a formal resolution. Chairman Stein said he feels the State would object to shipping waste out and it is CRRA's responsibility to work to keep a model which

prevents that from happening, to function economically, support review of its finances, and to possibly give up responsibilities of landfills as part of restructuring by the State. He said the Board would discuss communications from Luke A. Bronin, Esq., Governor Malloy's Chief Legal Counsel, concerning the possible South Meadows Power Purchase.

Chairman Stein said he, Vice-Chairman Barlow and Director Freedman had met with Commissioner Macky McCleary of the Connecticut Department of Energy and Environmental Protection (hereinafter referred to as "CT DEEP") and Liz Donohue, Governor Malloy's Director of Policy to get clarity on these issues.

Chairman Stein said the Governor's office and CT DEEP want to come to Legislative agreement with the CRRA Board so they can move forward with planned legislation to see the waste to energy model sustained. He said that legislation addresses the power purchase, the price of the power to be purchased, the transfer of the landfill responsibility, and timing. Chairman Stein said the Governor's office would like to see a forensic audit undertaken to review CRRA's cost structure, organizational structure, revenues, revenue streams, reserve accounts and the landfill assets and liabilities the State would be adopting if it assumes responsibility of the landfills.

Chairman Stein said the State would be looking for support in the Legislature process from CRRA, its' Board members, and the municipalities. He said the State is envisioning a three month independent audit for a cost of roughly \$500,000. Chairman Stein said those costs cannot be determined further until a scope is determined. He said the State would have the CRRA Board provide support for its plans. Chairman Stein said the meeting addressed how critical the next fiscal year is for the State.

Director Tillinger asked who would be paying for the audit. Chairman Stein replied CRRA. Director Adams asked what the length of time to complete such an audit would be. Director Freedman said it depends on whether an RFP needs to be issued. He said the State would need to research whether they have an existing vendor which may be used at which point the audit should take about 90 days. Director Adams asked if CRRA can use an existing vendor through the State. Vice-Chairman Barlow said he had been told the State would be looking into that. Chairman Stein said before CRRA covers those costs a firm agreement concerning the scope and estimate of costs would need to be in place.

Director Griswold asked if the assumption of the \$30 million reserve and landfill closure liability was part of the analysis by the State. Chairman Stein said it is all part of the Legislative process. He said the legislation is tied into the landfill responsibility. Chairman Stein said if the CRRA Board, management and municipalities support the landfill package the purchase of power will have a much better chance of passing.

Chairman Stein said the State has discussed the possible purchase with the Attorney General, who has given the impression he feels this approach is acceptable. Director Shanley said he may not have voted for the budget if he had been aware of these additional requirements and conditions. He said he is not sure what is happening in these meetings but he can say since his appointment he has not seen the Board acting in a defensive fashion and was accepting of the possibility that CRRA was no longer a viable business model.

Chairman Stein said he is concerned that the letter indicates the State has no interest in supporting a broken business model. Director Shanley said having reserves is important for good business managers. He said he supports audits and asked if the Board will play a role in this process or if the State is usually making determinations concerning CRRA budgets and responsibilities.

Chairman Stein said in his opinion there is full recognition from the State that the CRRA Board has an obligation and responsibility to manage its budget and the affairs of the organization as well as make future business decisions. He said he did not get the sense that the State would be managing CRRA's affairs. Director Shanley said he would like to see some budget numbers that say if CRRA ends up at 5.5 cents a gigawatt hour what would happen. Mr. Kirk said the budget has 6.5 cents in it however the 5.5 cents is marginally different than the forecasting. He explained the full generation was expected to generate \$4 million per 1 cent a kilowatt hour and this proposed purchase is half of that purchase or \$2 million less.

Director Griswold said the additional requests from the State involve jumping through a lot of hoops with no certain goal. He said he is very pessimistic that this offer will help CRRA at this point.

Director Painter said CRRA has struggled for over a year to find a solution to its current financial situation. He said he is very appreciative of the additional work done by many of the Board members to work with the Governor's office and the CT DEEP. Director Painter said the implication of this letter is that the Governor's office knows CRRA is in trouble however it requires a more thorough review before providing assistance despite months of earlier reviews. He said he does not feel comfortable with the unnecessary costs and steps the State is suggesting CRRA undertake.

Director Nunn said his impression from this letter is that the Governor is punting at this point. He said if the Governor's office wanted to get this done there would be more support and that this letter is fraught with a lot of ambiguity.

Chairman Stein said he believes the Governor's office intends to pursue the Legislative solution but can't provide surety concerning the Legislators' office. He said they are looking for CRRA's willingness to participate in the review and Legislative activities. He said if the review and audit may be beneficial to CRRA and at this point it would be very difficult for CRRA to indicate it is not participating.

Director Tillinger said he agrees with the prior comments. He said well over a year ago the CRRA Board began addressing issues concerning its ability to sustain the current business model. Director Tillinger said the Board agreed that assistance from the State was required for the current trash to energy scenario to exist. He said the Board had addressed the possibility of shifting the model to a transfer station as part of its fiduciary responsibility without asking for help.

Director Tillinger said he would not agree to pay for the costs required by the State's checklist however he would support the State's examination of CRRA's finances. He said there is ongoing challenge relative to the perspectives of the Legislature and member towns that CRRA is not taking appropriate steps relative to management and cost. Director Tillinger said he believes the Board needs to step up in a proactive and positive way to address this issue.

Director Freedman agreed. He said CRRA's reputation should be addressed. Director Freedman said CRRA is less than 90 days before the fiscal year and is still making decisions. He said State government works in crisis mode.

Director Painter asked Director Freedman if Mr. Bronin's statement "we have the sense that there may be unnecessary costs at CRRA" is because he has not had the time to fully understand CRRA's finances. Director Freedman said he can't speak for Mr. Bronin; however Bronin has only been in his current position for 45 days or so. He said the Governor's office recognizes that CRRA is audited by an independent auditor every year. Director Freedman said the Governor's office is potentially taking on millions of dollars in liabilities for the landfill and likely wants to be sure before doing so that there are sufficient assets.

Director Griswold noted CRRA has received fiscal awards for the past several years. He said the CRRA books are open and the CRRA management team are at the disposal of the Governor's office for any questions what more could be learned from additional audits?

Director Freedman said the Governor's concern may be related to the public relations challenges which CRRA is facing. He said he can understand the request for an audit.

Chairman Stein said CRRA's reputation with the towns historically has not been positive which affects the Legislative branch and needs to be addressed. He said the audit may be part of the process of providing more due diligence and transparency for the benefit of the public.

Director Adams asked if this legislation is passed the last day of the session if CRRA has the timing and mechanisms to pass that bi-lateral transfer to the state. Mr. Kirk said if the details are worked out prior to it becoming law that is possible. He said in FY'14 the Board adopted a two year plan to cut back on capital to add money to subsidize operations. Mr. Kirk explained without another subsidy or revenue enhancement South Meadows is non-viable. He said management suggested Class II A Recs for further support and noted that CRRA is not viable with this plan after two years. Director Adams said that needs to be part of the request.

Director Painter asked if the CT DEEP has an understanding of what the impact would be on CRRA if recycling increases and solid waste goes down. Vice-Chairman Barlow said based on the meeting he believes they do.

Mr. Kirk said some significant hurdles concerning the transfer of the landfill liabilities and assets have developed. He said there are statutory and contractual challenges which are being reviewed by CRRA's counsel. Mr. Kirk said in particular the rights of the towns, in particular the Wallingford towns and potentially South west towns are complicated and he has reservations concerning the transfer.

Director Freedman asked if management has conveyed all of these issues to the Attorney General's office and the Governor's office. Mr. Boucher replied no. He said the landfills are the subject of many different contracts and commitments made by CRRA. He said there is at least one issue which deals with the question of whether outstanding obligations may be frustrated by the transfer.

Mr. Egan said CRRA staff has met twice with the CT DEEP, including its' in house counsel Dean Applefield, Esq. who he believes is communicating with the Attorney General's office. He said management has informed the CT DEEP of some of the possible transfer issues including the operating permits, and taking over the landfill operations and associated contracts and liabilities.

Director Freedman asked that once established, the legal issues be shared with the parties involved at the Governor's office and the CT DEEP.

After substantial discussion the Board agreed Chairman Stein would draft a letter summarizing the meeting discussion and indicating the Board supports an operational review with some reservations concerning costs. He said the letter would reiterate time is of the essence and that CRRA is willing to work through the Legislative process with the Executive branch.

EXECUTIVE SESSION

Chairman Stein requested a motion to enter into Executive Session to discuss pending claims and litigation, trade secrets, personal matters, security matters, pending RFP's, and feasibility estimates and evaluations. The motion, made by Director Griswold and seconded by Director Tillinger was approved unanimously. Chairman Stein asked the following people join the Directors in the Executive Session:

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

The Executive Session began at 11:18 a.m. and concluded at 11:40 p.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 Damer, Director Edwards, Director Freedman, Director Griswold, Director Painter, Director Shanley and Director Tillinger voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Dave Damer	X		
Joel Freedman	X		
Timothy Griswold	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southwest	X		
Mark Tillinger, Southwest	X		

ADJOURNMENT

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

There being no other business to discuss, the meeting adjourned at 11:40 a.m.

Respectfully Submitted,



Moira Kenney
HR Specialist/Board Administrator

TAB 2

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND FORTY-THIRD

MAY 9, 2013

A special telephonic meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Tues. May 9, 2013, in the Board Room at 211 Murphy Rd. Hartford, CT 06103.

Directors: Chairman Don Stein
Vice-Chairman Barlow
Ryan Bingham (present by telephone)
John Adams (present by telephone)
David Damer (present by telephone until 10:30 a.m.)
Joel Freedman
Timothy Griswold
James Hayden (present by telephone)
Andrew Nunn (present by telephone)
Scott Shanley
Bob Painter, CSWS Project Ad-Hoc

Present from CRRA in Hartford:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Peter Egan, Director of Environmental Affairs and Operations
Jeff Duvall, Manager of Budgets and Forecasting
Moira Kenney, HR Specialist/Board Administrator

Others present: Ed Spinella, Esq.

Chairman Stein called the meeting to order at 10:08 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, trade secrets, personal matters, security matters, pending RFP's, and feasibility estimates and

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

Tom Kirk
 Jim Bolduc
 Peter Egan

The Executive Session began at 10:08 a.m. and concluded at 10:35 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 Bingham, Director Damer, Director Freedman, Director Griswold, Director Hayden, Director Nunn, Director Shanley and Director Painter voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ryan Bingham	X		
Dave Damer	X		
Joel Freedman	X		
Timothy Griswold	X		
James Hayden	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		

RESOLUTION REGARDING APPROVAL OF ADDITIONAL PROJECTED LEGAL EXPENSES

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

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

WHEREAS, the Board of Directors has previously authorized certain amounts for payment of fiscal year 2013 projected legal fees; and

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

NOW THEREFORE, it is RESOLVED: That the following additional amount be authorized for projected legal fees and costs to be incurred during fiscal year 2013:

Firm:

Amount:

McCarter & English

\$45,000

Vice-Chairman Barlow asked if this matter needed to be approved by the Policies & Procurement Committee before going to the Board. Mr. Kirk replied no. He said this can be directly addressed by the Board.

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

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ryan Bingham	X		
Joel Freedman	X		
Timothy Griswold	X		
James Hayden			X
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hocs			
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 Griswold and was approved unanimously.

There being no other business to discuss, the meeting adjourned at 10:35 a.m.

Respectfully Submitted,



Moira Kenney
HR Specialist/Board Administrator

TAB 3

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND FORTY-FOURTH

MAY 30, 2013

A regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thurs. May 30, 2013, in the Board Room at 100 Constitution Plaza, Hartford, CT 06103.

Directors: Chairman Don Stein
Vice-Chairman Barlow
Ryan Bingham (present by telephone)
John Adams
Joel Freedman
James Hayden
Joe MacDougald
Scott Shanley
Bob Painter
Steve Edwards

Present from CRRA in Hartford:

Tom Kirk, President
David Bodendorf, Senior Environmental Engineer
Jeffery Duvall, Director of Budgets and Forecasting
Peter Egan, Director of Environmental Affairs and Operations
Thomas Gaffey, Director of Enforcement and Recycling
Roger Guzowski, Contracts and Procurement Manager
Laurie Hunt, Director of Legal Services
Paul Nonnenmacher, Director of Public Affairs
Chris Shepard, Senior Environmental Engineer
Moira Kenney, HR Specialist/Board Administrator

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

Chairman Stein called the meeting to order at 10:08 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. New Board members Director Hayden and Director MacDougald introduced themselves to the Board.

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

APPROVAL OF THE MINUTES OF THE REGULAR APRIL 29, 2013, BOARD MEETING MINUTES

Chairman Stein requested a motion to approve the minutes of the regular Apr. 29, 2013, Board Meeting. Director Adams made the motion which was seconded by Vice-Chairman Barlow.

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

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

RESOLUTION REGARDING MID-CT AUDIT

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

RESOLVED, That the Board hereby accepts the Mid-Connecticut Audit for the period ended November 15, 2012, substantially as discussed and presented at this meeting.

Director Freedman, Committee Chairman of the Finance Committee, said CRRA’s auditors Bollam Sheedy & Torani (hereinafter referred to as “BST”) provided a presentation on the recent audit, an interim audit which covered the time period July 1, 2012, through Nov. 15, 2013. Director Freedman said that it was his understanding that a full final audit will also be done. He noted that the auditors raised no issues concerning the audit and will not be providing a management letter as a result.

Chairman Stein said there were no findings by the auditors. Director Shanley said BST was very comfortable with the closure of the Mid-Conn Project and the reassignment of Mid-Conn assets. He said it is clear that BST worked closely with management. Director Shanley said BST issued an unrestricted opinion which indicates they have no problems or issues to report.

Director Adams asked if there will be an audit at the end of June 2013. Director Freedman said there will be a general audit at the end of the fiscal year which will include this interim audit. Director Painter asked if the management discussion will be included in the general audit. Mr. Kirk replied yes.

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

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

RESOLUTION REGARDING REVISIONS TO FY'14 PROPERTY DIVISIONS AND CSWS OPERATING AND CAPITAL BUDGET RESOLUTIONS

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

WHEREAS, This Board of Directors (the "Board") adopted the CSWS Fiscal Year 2014 budget on February 28, 2013, which budget anticipated that the State of Connecticut would purchase one-half of the Fiscal Year 14 electric output of the South Meadows Resource Recovery Facility (the "RRF") at a rate of approximately \$0.065 per kilowatt hour, pursuant to a bilateral agreement which was subsequently determined by the State to require legislative approval, and that the remaining electric output would be sold in the real time market at approximately \$0.046 per kilowatt hour, and subsequently adopted the Property Division Fiscal Year 14 budget on April 29, 2013, using the same assumptions; and

WHEREAS, In the event that the State does not purchase one-half of the RRF electric output commencing July 1, 2013 at the budgeted rate in Fiscal Year 14, the previously approved Fiscal Year 2014 CSWS budget will be out of balance; and

WHEREAS, The Board has the ability to redirect spending of the Property Division and the CSWS budgets, taking into consideration potential additional revenues unknown at the time the budgets were adopted, as well as potential additional expenditures which may be necessary as a result of 2013 legislative mandates; and

WHEREAS, The Board now considers it prudent to review the budgets and to develop a contingency plan in the event that additional cash is required to balance the CSWS budget;

NOW THEREFORE, it is

RESOLVED: That the proposed Fiscal Year 2014 Property Division and CSWS budgets be revised in the form presented and discussed at this meeting; and

FURTHER RESOLVED: That relocation expenses of \$800,000 in the Property Division be eliminated and be transferred to the CSWS's operating account; and

FURTHER RESOLVED: That the President contribute CSWS excess revenues anticipated to be \$1,200,000 from the Fiscal Year 2013 CSWS operating funds into the CSWS Capital Expenditure Reserve and reduce the Fiscal Year 2014 contribution by \$2,200,000 reducing the reserve's ending balance; and

FURTHER RESOLVED: That the President is authorized to restore the contribution to the CSWS Capital Expenditure Reserve should the CSWS Fiscal Year 2014 actual revenues surpass the actual expenses; and

FURTHER RESOLVED: That the payment schedule for an annual Payment in Lieu of Taxes ("PILOT") to be negotiated with the City of Hartford by the President, as authorized by this Board at its February 28, 2013 meeting, shall anticipate semi-annual installments of PILOT, payment of the first installment to be in July and payment of the second installment to be after December contingent upon determination by the Board of the adequacy of CRRA's then-current cash position; no payment shall be made until the Board has approved a final agreement with the City.

Director Freedman said this resolution was sent to the Finance Committee for further review at the last Board meeting. He said the \$3.8 million gap in the CSWS budget was created by the likely failure of the anticipated bi-lateral agreement. Director Freedman said based on management's recommendation in an effort to close that gap, \$800,000 will be taken from the previously budgeted relocation expense and there will be a reduction to the capital expenditure reserve of \$1 million (for a total overall reduction of \$2.2 million from that reserve). He said in addition management anticipates an estimated potential increase in revenues from waste tip fees of \$772,000.

Director Freedman said the last resolve addresses the continued discussion on the Hartford PILOT payment. He said discussions concerning an agreement with the City of Hartford are still ongoing. Director Painter said the \$2.2 million expected PILOT payment from CRRA is in the Hartford budget. He said Mayor Segarra informed him he is assuming that those discussions are viable. Director Freedman said there is still no agreement in place.

Director Shanley said the Finance Committee had reaffirmed that if there is an agreement in place, half of the \$2.2 million will be paid in the beginning of the fiscal year and then an assessment of CRRA's financial position will be done some time in December to determine whether CRRA is in a position to make the second payment. Ms. Hunt said several drafts of the agreement have been developed but are currently sitting as CRRA undertakes financial issues.

Vice-Chairman Barlow asked why eliminating the recycling rebate is being considered as a cost savings measure as that would allow member towns to exit their contracts. Mr. Kirk said management is not advocating for that option available to the Board and this worksheet is essentially a list of all possible options and not specific recommendations.

Vice-Chairman Barlow said the 5% administration and the COLA are soft areas while some of the other options are hard fixed costs which management can't change. Mr. Kirk said he would agree that the 5% administration costs are soft areas, but disagrees regarding the COLA. Director Shanley said it also depends on how big a portion of those costs are attributable to the CSWS budget. He said the possible \$500,000 in financial audit costs is a huge number and noted that CRRA pays under \$100,000 for its annual audit.

Director Hayden asked how much is left in the unallocated capital reserve after this action is taken. Mr. Kirk said about \$1 million. Director MacDougald asked for some context as to what that balance means versus anticipated expenditures. Mr. Kirk said a typical annual capital budget would be in the range of about \$11 million. He said the budget for this year is about \$8 million and the major reduction is due to a turbine outage postponement and a renovation which is done by requirements every five to six years. Mr. Kirk said management has pushed that renovation back an additional year. He said it is not a capital expense CRRA would undertake if it was not going to continue to run the plant. Mr. Kirk said there were also reductions in the WPF and PBF, primarily capital investments in pressure parts, boiler tubes, and conveyor systems.

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

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

RESOLUTION REGARDING THREE YEAR ENGINEERING SERVICES AGREEMENT

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

RESOLVED: That the President is hereby authorized to enter into contracts with the following firms and individuals for Consulting, Engineering and Land Surveying Services, substantially as discussed and presented at this meeting:

General Engineering Services

Diversified Technology Consultants
Enercon Services, Inc.
Fuss & O'Neil
HDR Engineering, Inc.
TRC Environmental Corp.
URS Corporation AES

Environmental Consulting and Engineering Services

ARCADIS, US, Inc.
Blue River Engineering LLC
Burns & MacDonnell
HRP Associates, Inc.
Kleinschmidt Associates
Leggette, Brashears & Graham, Inc.
M. I. Holzman & Associates
TRC Environmental Corporation
URS Corporation AES
Zuvic, Carr Associates, Inc.

Resource Recovery and Recycling Consulting and Engineering Services

ARCADIS, US, Inc
CalRecovery, Inc.
Dvirka & Bartilucci Consulting Engineers
Grillo Engineering Co.
HDR Engineering, Inc.
Project Management Associates
van Zelm, Heywood & Shadford, Inc.

Landfill Consulting and Engineering Services

ARCADIS, US, Inc.
Fuss & O'Neil, Inc.
Hatch Mott MacDonald
Langan Engineering & Environmental Services
Lockwood, Kessler & Bartlett, Inc.
SCS Engineers, PC
TRC Environmental Corporation

Land Surveying Services

Design Professionals
LRC Engineering & Surveying, LLC

Solid Waste Consulting Services

Alternative Resources, Inc.
Dvirka & Bartilucci
Gershman, Brickner, & Bratton, Inc.
HDR Engineering, Inc.
Project Management Associates

Electric Marketing, Procurement and Consulting Services

Burns & McDonnell
Power Advisory LLC

Mr. Egan said this matter involves executing three year service agreements with private sector engineering, environmental consulting and other vendors. He said CRRA is required to go out and solicit for professional and technical services once every three years for several department consultants. Mr. Egan said the current three year agreements expire June 30, 2013.

Mr. Egan said CRRA publically solicited for outside companies several months ago. He said this resolution creates a stable of companies which CRRA can choose from and use as necessary. Mr. Egan said task specific work is contracted through a request for services. He said any costs over \$50,000 come first to the Board for approval. Mr. Egan said these contracts have no dollar value associated with them.

Mr. Egan said there is a number of firms for recommendation however CRRA may not do business with all of them and there are no guarantees that work will be provided. He said some of the firms being added to CRRA's stable have specific expertise in certain matters and some are for general environmental and engineering support.

Director Freedman asked how the vendors bill CRRA. Mr. Egan replied that in the bids CRRA requires that the vendors provide specific time and material rates, hourly billing rates for its employees, and materials rates. He explained if CRRA wants to undertake a specific activity management negotiates an estimated cost in the cost for services which is included in the request for service. Chairman Stein noted there is a right to terminate at CRRA's discretion all of these contracts at no penalty.

Vice-Chairman Barlow asked if there is an option to extend the existing three year agreements. Mr. Egan replied no. He explained in the event that a firm was working on a project and did not bid in for the next three year term and is needed for the project a separate extension would need to be worked out.

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

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

RESOLUTION REGARDING THREE YEAR ENVIRONMENTAL MONITORING AGREEMENTS

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

RESOLVED: That the President of CRRA be authorized to enter into an agreement for Environmental Monitoring, Laboratory Analysis and Reporting Services, substantially as presented at this meeting, as follows:

Vendor	Amount	Facility
GZA GeoEnvironmental, Inc.	\$ 260,070	Hartford Landfill

Director Adams said this resolution was reviewed at the Policies & Procurement Committee meeting and recommended for Board approval. Mr. Egan said this resolution is for one contractor at the

Hartford Landfill. He said the other three contracts do not require Board approval and noted they were included in the write-up for informational purposes. Mr. Egan said these contracts provide CRRA with an option to terminate in thirty days if need be.

Mr. Shepard said every three years CRRA goes out through public solicitation for professional services to conduct environmental monitoring required by various permits at the CRRA landfill. He said each of the various landfills contains a separate scope of work. Mr. Shepard said interested firms were invited to submit bids for environmental monitoring at any one or at all four of the landfills in February. He said package deals for multiple landfills are unusual due to the volume of work required and close deadlines associated with submittal of monitoring reports.

Mr. Shepard said a pre-bid conference was held in order to allow the vendors to review the documents such as the reports for the current programs. He said management reviewed the general scope and conducted a question and answer period. Mr. Egan said following that pre-bid walks at the four landfills were provided as part of the solicitation and were attended by all of the bidders.

Mr. Shepard said management first evaluated the bids based on price and then in further detail based on past work and references. Chairman Stein asked if the low bidder was not chosen in some cases based on the other qualifying criteria. Mr. Shepard replied yes. He said for example the lowest priced response for the Shelton landfill was Sound Environmental Solutions. He said however in the past they had alerted management that they were winding down their business and requested that CRRA terminate its contract after two years. He said CRRA had to find another contractor for the remaining year. Mr. Shepard said ultimately Sound Environmental Solutions elected to stay in business and re-bid this year. He said as a result of the difficulties caused by their earlier actions management does not recommend utilizing their services and is recommending Facility Support Services.

Mr. Shepard said Facilities Support Services was the next lowest bidder and noted that management is satisfied with their capabilities and abilities. He said Facilities Support Services was the low bidder for monitoring the Wallingford landfill however as they are a new vendor for CRRA and a small firm management wants to avoid utilizing them for too many jobs and is recommending using Sovereign Consulting Inc. for the Wallingford landfill.

Mr. Shepard said that GZA Geo Environmental, Inc. was the low bidder for monitoring of the Hartford Landfill and is currently doing the environmental monitoring at the Shelton landfill and has been doing a good job. He said in addition GZA was the monitor at the Hartford landfill three years prior to that and has experience with the site and scope, and management is very comfortable with them.

Director MacDougald asked if there is ever a reason to bid these out collectively or in groups. Mr. Shepard said it is done every three years and there have been occasions in the past where two landfills were awarded to the same qualified and experienced bidder who was also the lowest bid. Mr. Guzowski said the current bid encompasses all four landfills at once. He said it was bid this way with the understanding that CRRA may not award more than one landfill to each firm. Director MacDougald asked if vendors could have responded with a multiple landfill price. Mr. Guzowski replied yes.

Director Edwards asked if the CT DEEP takes over the landfill will these contracts be re-bid or be rolled into their assumption of liability. Chairman Stein said that level of detail has not been

established. Mr. Kirk said no commitment has been made but CRRA has made plans to continue to manage landfills as necessary as a contractor, additional CRRA can assign these contracts to another entity if need be and the vendor agrees to the assignment. Chairman Stein said these contracts contain a thirty day termination notice provision.

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

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

RESOLUTION REGARDING AGREEMENTS FOR O&M OF THE SHELTON AND ELLINGTON LANDFILL GAS SYSTEM

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

RESOLVED: That the President is hereby authorized to enter into a contract with SCS Field Services to provide operation and maintenance services for the Shelton Landfill Gas Collection and Control System; and

FURTHER RESOLVED: That the President is hereby authorized to enter into a contract with SCS Field Services to provide operation and maintenance services for the Ellington Landfill Gas Collection and Control System, substantially as discussed and presented at this meeting.

Director Adams said the Policies and Procurement Committee had asked if there was a termination provision. Mr. Egan replied yes, the contract can be terminated with a ten day notice provision. He said this agreement is for a five year term, because it is strictly an operations and maintenance contract.

Mr. Bodendorf said these two contracts are for the operation and maintenance of the gas systems at the Shelton and Ellington Landfills. He said the systems are operated under air permits issued by the CT DEEP. Mr. Bodendorf said the solicitations for these services were advertised widely and pre-bid

mandatory walks were also undertaken at each site. He said three vendors attended the pre-bid walk expressing interest and ultimately only one bid was submitted, by the current contractor.

Mr. Bodendorf said the current contractor has established an office in Connecticut primarily to manage these two sites. He said the contracts require emergency response time for the Shelton landfill in 4-8 hours and 24 hour response time for the Ellington landfill. Mr. Bodendorf said the current contractor has done a very good job in responding to emergencies and management is very comfortable with their services and pricing. He said the Shelton landfill has an automatic monitoring system connected to an alarm system which the vendor has consistently responded to promptly.

Director Shanley asked if the process was competitive the last time this service was bid out. Mr. Bodendorf replied that he believed three bid responses were received. He said it is likely only one bid response was received this time as the learning curve for other firms was too steep. Mr. Bodendorf said the training for the required and specialized services would be extensive.

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

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

RESOLUTION REGARDING AN AGREEMENT FOR CLOSURE OF THE HARTFORD LANDFILL

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

RESOLVED: That the President is hereby authorized to execute an agreement with E.T. & L. Corporation to install a landfill cap over approximately 35 acres of the MSW Area of the Hartford Landfill and install a one megawatt solar electricity generating facility on the landfill cap, substantially as presented and discussed at this meeting.

Chairman Stein said a revised resolution was distributed by hand and is up for approval.

Director Adams said that the Policies & Procurement Committee recommended this resolution. Mr. Bodendorf said management began looking into solar cap options for the final 35 acres of the landfill in the winter of 2011. He said the City of Hartford had a working group which was looking into post-closure uses for the landfill and one of the recommendations from that group was for a solar electrical generation facility. Mr. Bodendorf said as a result management worked on marrying a new exposed membrane technology with a solar EGF.

Mr. Bodendorf said management looked into a thermal plastic polyurethane (a roofing membrane) produced by a company which eventually went bankrupt. He said management was not sure if a vendor would be available to use this product but felt it was important to include this product in the RFP primarily to encourage other vendors to provide competitive bids.

Mr. Bodendorf said both products were included in the solicitation and a mandatory pre-bid site walk was attended by roughly 20 companies. He said ultimately five bid responses were received, however only one vendor proposed using the TPO with a solar membrane. Mr. Bodendorf said because a warrantee was not available for that product management avoided using it.

Mr. Bodendorf said the recommended vendor, E.T. & L. Corporation, was also the vendor selected for the first closure project at Hartford. He said that project went very well despite some material issues. Mr. Bodendorf said E.T. & L. Corporation was the lowest bidder for both options. He said the TPO product is a single membrane which needs to be replaced in kind when it fails which is a lengthy and expensive process. Mr. Bodendorf said the closure turf material is tougher and has a protective synthetic turf material layer over the membrane itself which is then enclosed with sand. He said the element which causes degradation to these membranes is ultra violet radiation. He said although the TPO material is \$800,000 more expensive than the other option its resistance to degradation and accessibility resulted in management recommending its use for the project.

Mr. Bodendorf said CRRA was successful in its efforts to bid into the ZREC process and was awarded a contract for a one megawatt facility. He said he estimates that this project will be complete by this time next year and the solar component should be installed by Oct. 1, 2013.

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

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

RESOLUTION REGARDING COOPERATIVE SERVICES AGREEMENT BETWEEN CRRA AND THE USDA ANIMAL AND PLANT HEALTH INSPECTION SERVICES/WILDLIFE SERVICES FOR BIRD CONTROL

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

RESOLVED: That the President is hereby authorized to execute an agreement with the United States Department of Agriculture Animal and Plant Health Inspection Services, for the control of nuisance birds at the South Meadows Waste Processing Facility, substantially as presented and discussed at this meeting.

Mr. Kirk said this was not bid out as it is a special capabilities contract. He said CRRA has used this contractor for many years for vector control. He said these are government employees specifically skilled and qualified to control the potentially dangerous vectors, an issue of particular importance due to the proximity of the landfill to the airport.

Mr. Kirk said the USDA is very effective and CRRA is very happy with their performance. He said this contract has been renewed each year for the last eight – nine years. Mr. Kirk said this service is only utilized at the WPF.

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

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

RESOLUTION REGARDING THE STANDARD FORM MUNICIPAL SOLID WASTE DELIVERY AGREEMENT FOR THE CONNECTICUT SOLID WASTE SYSTEM

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

RESOLVED: The President is authorized to enter into revenue contracts with commercial haulers for the delivery of Acceptable Solid Waste and Acceptable Recyclables to the Connecticut Solid Waste System, substantially as presented and discussed at this meeting.

Director Adams said this resolution was originally brought before the Policies & Procurement Committee as a two year agreement however based on the Committee’s comments and discussion it was modified to a one year agreement for presentation to the full Board. He said other than that change the Committee endorsed the agreement.

Mr. Kirk said this resolution is very straightforward. He said CRRA’s commercial customers bring a substantial amount of waste to the plant and this agreement allows for them to have continued access to the plant and specifies routine things such as insurance coverage and bonds. Mr. Kirk said this contract is for one year. He said the terms are identical to past agreements.

Vice-Chairman Barlow said he had asked for a one year agreement because if the mission of CRRA changes from providing state wide services at some point in time there should be a differential for the private commercial waste which has come in from non-member towns. He said right now in his opinion those communities which have signed on with other municipal collection have shirked their responsibilities with respect to commercial and private accounts. Vice-Chairman Barlow said CRRA would certainly benefit from having the waste however in the future if CRRA is a transfer station and there is no value in that additional fuel in terms of generating revenues he would like to see the differential charged to those non-member municipalities.

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

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

ADDITION TO THE AGENDA OF A DISCUSSION ITEM CONCERNING PENDING LEGISLATION

Chairman Stein requested a motion to add a discussion item to the agenda concerning pending legislation. The motion was made by Director Painter and seconded by Vice-Chairman Barlow.

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

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

DISCUSSION ITEM CONCERNING PENDING LEGISLATION

The Board undertook a substantial discussion concerning pending legislation which may affect CRRA.

Director Adams asked if there is a set date as to when a termination notice would have to be provided to NAES. Mr. Kirk said there is a twelve month notice however management is assuming any

change in activities would occur on a fiscal year as CRRA provides services to towns on a fiscal year basis. Director Freedman asked what the penalty for liquidating the contract would cost. Mr. Kirk said the management fee through the end of the contract would still be required. He said CRRA is one and a half years into a five year contract.

Chairman Stein asked that the Finance Committee review possible ways to pay for these activities. He asked the Policies & Procurement Committee to undertake a similar review in terms of scoping the third study as to how CRRA should resolve the long term CRRA mission. Vice-Chairman Barlow added that a timeline of the studies should also be provided.

Chairman Stein said that he would like to recommend that Director MacDougald join the Policies & Procurement Committee. Chairman Stein said in addition he would like Director Adams to take over as Chairman of the Policies & Procurement Committee.

RESOLUTION REGARDING FY'14 PROJECTED LEGAL EXPENDITURES

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

WHEREAS, CRRA has negotiated three-year Legal Services Agreements with various law firms for the provision of legal services from July 1, 2011 through June 30, 2014; and

WHEREAS, CRRA now seeks Board authorization for projected legal expenditures during the final year of the term of said Agreements;

NOW THEREFORE, it is

RESOLVED: That the following amounts be authorized for projected legal fees to be incurred during fiscal year 2014:

<u>Firm:</u>	<u>Amount:</u>
Brown Rudnick	85,000
Cohn Birnbaum & Shea	55,000
Day Pitney	45,000
Halloran & Sage	1,530,000
Kainen, Escalera & McHale	360,000
McCarter & English	80,000
McElroy, Deutsch, Mulvaney & Carpenter	70,000

Pullman & Comley	30,000
Willinger, Willinger & Bucci	10,000

Further RESOLVED: That the President be authorized to expend up to \$10,000 from the Landfill Development Fund Reserve for payment of legal fees incurred in fiscal year 2014 in connection with the Authority's suspension of its efforts to develop a new ash landfill in the State of Connecticut;

Further RESOLVED: That the President be authorized to expend up to \$70,000 from the Post Litigation Reserve for payment of legal expenses incurred in fiscal year 2014 in connection with the Enron Global litigation continuing under the aegis of the Attorney General; and

Further RESOLVED: That the President be authorized to expend up to \$10,000 from the Wallingford Project Closure Reserve for payment of legal fees incurred in fiscal year 2014 in connection with continuing Wallingford Project obligations; and

Further RESOLVED: That the President be authorized to expend up to \$145,000 from the Mid-Connecticut Project Closure Reserve for payment of legal fees incurred in fiscal year 2014 in connection with continuing Mid-Connecticut Project obligations; and

Further RESOLVED: That the President be authorized to expend up to \$65,000 from the Hartford Landfill Closure Reserve for payment of legal fees incurred in fiscal year 2014 in connection with closure of the Hartford Landfill; and

Further RESOLVED: That the President be authorized to expend up to \$1,250,000 from the Mid-Connecticut Litigation Reserve for payment of Mid-Connecticut Project litigation-related legal fees and expenses incurred in fiscal year 2014.

Mr. Kirk said this is CRRA's annual projection of legal expenses. He said based on comments from the Policies & Procurement Committee a column was added showing a brief discussion on the items. Mr. Kirk said these are projected numbers only.

Director Freedman said out of the current fiscal year's budget only about 25% of those funds have been utilized. Ms. Hunt explained that is because as in past years management has anticipated the arbitration with MDC to take place and it has continually been pushed back.

Ms. Hunt said about two thirds of the total anticipated spending comes from reserves and more than half of that is for Mid-Conn litigation.

Director MacDougal noted that he would abstain from the vote as he had a prior relationship with Day Pitney.

VOTE ON THE AMENDED RESOLUTION REGARDING FY'14 PROJECTED LEGAL EXPENDITURES

Director Shanley said that he would make a friendly amendment to the agenda in which Day Pitney was removed from the list. The maker of the original motion, Director Adams, and the seconder of the original motion, Vice-Chairman Barlow agreed to withdraw the motion and accept that change as a friendly amendment to the resolution. The following amended resolution was approved:

WHEREAS, CRRA has negotiated three-year Legal Services Agreements with various law firms for the provision of legal services from July 1, 2011 through June 30, 2014; and

WHEREAS, CRRA now seeks Board authorization for projected legal expenditures during the final year of the term of said Agreements;

NOW THEREFORE, it is

RESOLVED: That the following amounts be authorized for projected legal fees to be incurred during fiscal year 2014:

<u>Firm:</u>	<u>Amount:</u>
Brown Rudnick	85,000
Cohn Birnbaum & Shea	55,000
Halloran & Sage	1,530,000
Kainen, Escalera & McHale	360,000
McCarter & English	80,000
McElroy, Deutsch, Mulvaney & Carpenter	70,000
Pullman & Comley	30,000
Willinger, Willinger & Bucci	10,000

Further RESOLVED: That the President be authorized to expend up to \$10,000 from the Landfill Development Fund Reserve for payment of legal fees incurred in fiscal year 2014 in connection with the Authority's suspension of its efforts to develop a new ash landfill in the State of Connecticut;

Further RESOLVED: That the President be authorized to expend up to \$70,000 from the Post Litigation Reserve for payment of legal expenses incurred in fiscal year 2014 in connection with the Enron Global litigation continuing under the aegis of the Attorney General; and

Further RESOLVED: That the President be authorized to expend up to \$10,000 from the Wallingford Project Closure Reserve for payment of legal fees incurred in fiscal year 2014 in connection with continuing Wallingford Project obligations; and

Further RESOLVED: That the President be authorized to expend up to \$145,000 from the Mid-Connecticut Project Closure Reserve for payment of legal fees incurred in fiscal year 2014 in connection with continuing Mid-Connecticut Project obligations; and

Further RESOLVED: That the President be authorized to expend up to \$65,000 from the Hartford Landfill Closure Reserve for payment of legal fees incurred in fiscal year 2014 in connection with closure of the Hartford Landfill; and

Further RESOLVED: That the President be authorized to expend up to \$1,250,000 from the Mid-Connecticut Litigation Reserve for payment of Mid-Connecticut Project litigation-related legal fees and expenses incurred in fiscal year 2014.

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

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

PRESIDENT’S REPORT

Mr. Kirk said all CRRRA facilities continue to operate without environmental, public safety or health impacts throughout the reporting period. He referred the Board to the variance project and noted the Mid-Conn Project is trending towards a \$3.7 million surplus. Mr. Kirk said the end of Project financial audit is complete.

Mr. Kirk said the recycling variance is unfavorable as were the PBF and landfill costs. He said the CSWS variance report shows that the Project is on track budget wise with favorable administrative spending, operational expenses, and waste transport, due primarily to the closure of the Ellington transfer station.

Mr. Kirk said the PBF variance is unfavorable due to some unexpected maintenance expenses and revenue is unfavorable due to lower volumes of town deliveries.

Mr. Kirk said the Southeast is projecting an immaterial deficit, unfavorable unscheduled outages and ash costs which are typically resolved at the end of fiscal year. He said South recycling deliveries and operations are on track and on budget as the project winds up at the end of June.

Mr. Kirk said the Authority budget has about a \$430,000 favorable surplus. He said the Property Division has about a \$1.6 million favorable surplus about half of which is timing related.

Mr. Kirk said operation wise all facilities are struggling with fuel due to the poor economy and diversions. He said spot prices continue to command a good price. Mr. Kirk addressed some comments made at the Finance Committee by representatives of AFSME who had represented MDC workers at the facility prior to NAES taking over the contract. He said in contrast to comments that the WPF is struggling it has actually broken all-time records in production in the past year, broken its own record three times in this fiscal year, and it is operating at a cost just under \$3 million lower through the year under the prior contractor and that is just on the WPF side.

Director Edwards asked what the safety record is. Mr. Egan said safety continues to be excellent. Mr. Kirk said he can provide the safety report.

Mr. Kirk said concerning tonnage received trends and town deliveries of waste and recyclables are available on a town by town basis and show no significant changes. Mr. Kirk said a very low electric contract continues to impact CRRA's ability to assure tipping fees for FY'14 and FY'15 and CRRA continues to work with the CT DEEP and Executive agencies to develop the necessary documents for the expected transfer of landfill and authority and liability moving forward.

EXECUTIVE SESSION

Chairman Stein requested a motion to enter into Executive Session to discuss pending claims and litigation, specifically concerning pending resolution over a dispute with a former contractor at the Mid-Conn Project, (Covanta), the Kowalski litigation issue, and MDC arbitration.

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

Tom Kirk
Peter Egan
Laurie Hunt

The Executive Session began at 12:07 p.m. and concluded at 1:20 p.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 Bingham, Director Damer, Director Edwards, Director Freedman, Director Hayden, Director Painter and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ryan Bingham	X		
Dave Damer	X		
Joel Freedman	X		
Timothy Griswold	X		
James Hayden	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS			
Steve Edwards, Southwest	X		

ADJOURNMENT

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

There being no other business to discuss, the meeting adjourned at 1:21 p.m.

Respectfully Submitted,



Moira Kenney
HR Specialist/Board Administrator

TAB 4

RECOMMENDED PROPOSED RESOLUTION FOR THE CRRA BOARD OF DIRECTORS

**RESOLUTION REGARDING THE PURCHASE OF WORKERS
COMPENSATION/EMPLOYERS LIABILITY INSURANCE FOR THE
PERIOD 7/1/13 – 7/1/14**

RESOLVED: That CRRA purchase Workers Compensation/Employers Liability insurance with a statutory limit and \$1,000,000 limit for Employers Liability, for a premium of \$63,167 from Connecticut Interlocal Risk Management Agency (CIRMA) for the term 7/1/13 – 7/1/14, as discussed at this meeting.

Connecticut Resources Recovery Authority
Workers Compensation/Employers Liability Insurance
5/20/13

I. Current Policy

- Workers Compensation/Employers Liability Policy Expires 7/1/13
- Statutory limit on Workers Compensation/ \$1 million limit on Employers Liability
- The premium was \$60,159
- Insurer – Connecticut Interlocal Risk Management Agency (CIRMA)

II. Renewal Policy

- In addition to the incumbent insurer, Aon contacted eleven (11) other insurance companies (see attached Quote Disclosure Report);
- Seven (7) insurers declined because of the class of our business; one (1) had underwriting concerns and three (3) did not respond;
- CIRMA provided the only quote - \$63,167
- CRRA has had a very long and beneficial relationship with CIRMA as our workers compensation insurer;
- CIRMA continues to offer workers compensation insurance to CRRA when no other insurers are willing to take on CRRA's exposures;
- CIRMA provides safety and loss control services, free seminars on many work-related issues and covers CRRA's unique employee categories.
- In April of 2013, CRRA received notice of a Members' Equity Distribution from CIRMA in the amount of \$3,164 for policy year 2011-2012 (see attached letter).

III. Management Summary & Recommendation

- Workers Compensation insurance is designed to provide compensation for all work-related injuries and diseases. Employers Liability insurance, which is Part II of the policy, applies to bodily injury by accident or bodily injury by disease. This part will pay all sums we become legally obligated to pay as damages and defense of lawsuits made against us by third parties (e.g., spouses, children siblings of injured employees) as they relate to employment. The Part II has a limit of \$1,000,000 each accident/disease.
- Management, in consultation with our broker, recommends purchasing the Workers Compensation/Employers Liability insurance from the current carrier, CIRMA, for the period 7/1/13 – 7/1/14 for an annual premium of \$63,167;
- This premium is 5% (\$3,008) above the expiring premium as a result of corrections to some employee classifications;
- This premium is well below the FY14 budget of \$82,909.



**CONNECTICUT
INTERLOCAL
RISK
MANAGEMENT
AGENCY**

900 Chapel Street, 9th Floor
New Haven, CT 06510-2807
Telephone: 203-946-3700
Fax: 203-773-6971
www.CIRMA.org

CIRMA Board of Directors

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Chairman
Town Manager, Coventry
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- Robert M. Congdon**
First Selectman, Preston
- John DeStefano, Jr.**
Mayor, New Haven
- Matthew B. Galligan**
Town Manager, South Windsor
- Barbara Gilbert**
Town Manager, Rocky Hill
- Mary Glassman**
First Selectwoman, Simsbury
- Barbara Henry**
First Selectman, Roxbury
- Scott Jackson**
Mayor, Hamden
- Cynthia Mangini**
Council Member, Enfield
- Denise Menard**
First Selectman, East Windsor
- Richard Moccia**
Mayor, Norwalk
- Joyce Okunuk**
First Selectman, Lebanon
- Elizabeth C. Paterson**
Mayor, Mansfield
- Leo Paul**
First Selectman, Litchfield
- Lisa Pellegrini**
First Selectman, Somers
- Herbert C. Rosenthal**
Selectman, Newtown
- Mark Walter**
First Selectman, East Haddam
- Steven Werbner**
Town Manager of Tolland
- Bruce A. Wollschlager**
President &
Chief Executive Officer

A Service Program of



THE VOICE OF LOCAL GOVERNMENT

April 23, 2013

Mr. Thomas Kirk
President
CT Resource Recovery Authority
100 Constitution Plaza
Hartford, CT 06103-7722

RE: Members' Equity Distribution

Dear Mr. Kirk:

It is our pleasure to announce on April 16, 2013 the CIRMA Board of Directors declared a third distribution of Members' Equity in the amount of \$3,000,000 to be shared among eligible members on a pro-rata basis, against eligible contributions received during the 2011-12 policy year. The CT Resource Recovery Authority eligible contribution is the premiums received during the 2011-12 policy period, including payroll audits, retrospective adjustments, and premium-bearing endorsements.

The 2011-12 Equity Distribution for the CT Resource Recovery Authority is \$3,164, bringing the three year Members' Equity Distribution total to \$9,411. We are very pleased to be able to continue to share CIRMA's financial success with our eligible members.

This year's Equity Distribution is payable to you on July 22, 2013. Eligibility requires a member to have continuous participation in any program that generated eligible contributions for the member throughout the following periods:

- a) fiscal year of review 2011-2012;
- b) fiscal year of declaration 2012-2013; and
- c) fiscal year of distribution 2013-2014.

If you do not renew for the 2013-14 policy year with the CIRMA program(s) that generated your eligible contributions in 2011-12, you are no longer an eligible member and you will not receive a distribution as defined above. If any member is no longer eligible to receive all or part of their declared distribution, these designated funds will be returned to CIRMA's Members' Equity.

CIRMA's Equity Distribution program is just one of the many ways CIRMA brings value to our members. Our stable rates, expert claims management services, data analytics, and risk management programs enable public entities such as yours to reduce their losses and stabilize their rates, this year, and many years to come.

We look forward to delivering your Equity Distribution in July!

Best Regards,

Bruce A. Wollschlager
President and
Chief Executive Officer

David Demchak
Senior Vice President

Steve Bixler
Vice President Underwriting

Bruce Clinger
Vice President Claims

cc: Ms. Lynn Martin, Risk Manager ✓

RECEIVED

APR 26 2013

CRRA
RISK MANAGEMENT

TAB 5

CONNECTICUT RESOURCES RECOVERY AUTHORITY

**FISCAL YEAR 2014
LANDFILL DIVISION
PROPOSED OPERATING BUDGET**

June 20, 2013

**RESOLUTION REGARDING THE ADOPTION OF
THE FISCAL YEAR 2014 LANDFILL DIVISION
OPERATING BUDGET**

RESOLVED: That the fiscal year 2014 Landfill Division Operating budget totaling \$2,617,000 be adopted as presented at this meeting.

FURTHER RESOLVED: That the President is hereby authorized to approve the use of funds from the following Landfill Division Reserves, as appropriate, to pay for costs and fees incurred during fiscal year 2014 in accordance with the operating budget adopted pursuant hereto, as presented and discussed at this meeting, provided that all purchases of goods and services shall comply with the requirements of the Authority's Procurement Policy:

Shelton Landfill Post Closure Reserve
Waterbury Landfill Post Closure Reserve
Wallingford Landfill Post Closure Reserve
Hartford Landfill Post Closure Reserve
Ellington Landfill Post Closure Reserve

The Fiscal Year 2014
Landfill Division
Proposed Operating Budget

June 27, 2013

EXECUTIVE SUMMARY

Attached is the proposed Fiscal Year 2014 Landfill Division Operating Budget.

- The proposed FY14 budget is based on post closure plans approved by the Department of Energy and Environmental Protection (DEEP) to maintain and monitor the landfills thru the 30-year post closure period. The expenditures will be funded using Post Closure Reserve accounts, and any funds not expended will be retained in the respective restricted reserve accounts for future post closure expenditures.

RECOMMENDED DRAFT RESOLUTION FOR CRRA BOARD OF DIRECTORS

**RESOLUTION REGARDING THE ADOPTION OF
THE FISCAL YEAR 2014 LANDFILL DIVISION
OPERATING BUDGET**

RESOLVED: That the fiscal year 2014 Landfill Division Operating budget totaling \$2,617,000 be adopted as presented at this meeting.

FURTHER RESOLVED: That the President is hereby authorized to approve the use of funds from the following Landfill Division Reserves, as appropriate, to pay for costs and fees incurred during fiscal year 2014 in accordance with the operating budget adopted pursuant hereto, as presented and discussed at this meeting, provided that all purchases of goods and services shall comply with the requirements of the Authority's Procurement Policy:

Shelton Landfill Post Closure Reserve
Waterbury Landfill Post Closure Reserve
Wallingford Landfill Post Closure Reserve
Hartford Landfill Post Closure Reserve
Ellington Landfill Post Closure Reserve

CRRA - LANDFILL DIVISION

REVENUE & EXPENDITURE SUMMARY

ACCOUNT	DESCRIPTION	ACTUAL FY12	ADOPTED FY13	PROPOSED FY14
REVENUES				
51-402-000-48401	Use of Ellington Landfill Postclosure Reserve (b)	(a)	\$ 185,000	\$ 416,000
51-403-000-48401	Use of Shelton Landfill Postclosure Reserve	\$ 440,769	\$ 883,000	\$ 727,000
51-404-000-48401	Use of Wallingford Landfill Postclosure Reserve	\$ 150,279	\$ 447,000	\$ 436,000
51-407-000-48401	Use of Hartford Landfill Postclosure Reserve (b)	(a)	\$ 508,500	\$ 972,000
51-408-000-48401	Use of Waterbury Landfill Postclosure Reserve	\$ 54,239	\$ 60,500	\$ 66,000
	Total Revenues	\$ 645,287	\$ 2,084,000	\$ 2,617,000
EXPENDITURES				
51-402-605-xxxx	Ellington Landfill Postclosure (b)	(a)	\$ 185,000	\$ 416,000
51-403-701-xxxx	Shelton Landfill Postclosure	\$ 440,769	\$ 883,000	\$ 727,000
51-404-801-xxxx	Wallingford Landfill Postclosure	\$ 150,279	\$ 447,000	\$ 436,000
51-407-604-xxxx	Hartford Landfill Postclosure (b)	(a)	\$ 508,500	\$ 972,000
51-408-702-xxxx	Waterbury Landfill Postclosure	\$ 54,239	\$ 60,500	\$ 66,000
	Total Expenditures	\$ 645,287	\$ 2,084,000	\$ 2,617,000

(a) Budgeted under the Mid-Connecticut Project in FY12.

(b) FY13 reflects budget and expenses for the period 11/16/12 - 06/30/13.

CRRA - LANDFILL DIVISION

EXPENDITURE DETAILS

ACCOUNT	DESCRIPTION	ACTUAL FY12	ADOPTED FY13	PROPOSED FY14
ELLINGTON LANDFILL POSTCLOSURE (a) (b)				
51-402-605-52407	Project Equipment Maintenance	(a) \$	8,000 \$	133,000
51-402-605-52415	Grounds Maintenance	(a) \$	24,000 \$	43,000
51-402-605-52502	Fees/Licenses/Permits	(a) \$	2,000 \$	-
51-402-605-xxxxx	Insurance Expenditures	(a) \$	24,000 \$	43,000
51-402-605-52709	Other Operating Charges	(a) \$	48,000 \$	74,000
51-402-605-52858	Engineering Consultants	(a) \$	16,000 \$	30,000
51-402-605-52901	Environmental Testing	(a) \$	23,000 \$	27,000
51-402-605-53304	Electricity	(a) \$	6,000 \$	16,000
51-402-605-55585	Financial Assurance Mechanism Fees	(a) \$	1,000 \$	1,000
51-402-605-57871	Indirect Salaries/Labor & Benefits	(a) \$	9,000 \$	7,000
51-402-605-xxxxx	Direct Salaries/Labor & Benefits - Administration	(a) \$	15,000 \$	24,000
51-402-605-xxxxx	Direct Salaries/Labor & Benefits - Operational	(a) \$	9,000 \$	18,000
Subtotal Ellington Landfill Postclosure		(a) \$	185,000 \$	416,000
SHELTON LANDFILL POSTCLOSURE				
51-403-701-52104	Telecommunications	\$ 3,357	\$ 3,000	\$ 3,000
51-403-701-52108	Printing Services	\$ -	\$ 22,000	\$ -
51-403-701-52355	Mileage Reimbursement	\$ 635	\$ -	\$ 1,000
51-403-701-52404	Building Operations	\$ 1,800	\$ 2,000	\$ 2,000
51-403-701-52407	Project Equipment Maintenance	\$ 28,445	\$ 35,000	\$ 35,000
51-403-701-52415	Grounds Maintenance	\$ 29,750	\$ 81,000	\$ 84,500
51-403-701-52502	Fees/Licenses/Permits	\$ 40,288	\$ 35,000	\$ 41,000
51-403-701-xxxxx	Insurance Expenditures	\$ 73,453	\$ 142,000	\$ 150,000
51-403-701-52701	Contract Operating Charges	\$ 123,131	\$ 137,000	\$ 137,000
51-403-701-52709	Other Operating Charges	\$ -	\$ 3,000	\$ 2,500
51-403-701-52856	Legal	\$ -	\$ 1,000	\$ 1,000
51-403-701-52858	Engineering Consultants	\$ 30	\$ 2,000	\$ 10,000
51-403-701-52901	Environmental Testing	\$ 45,029	\$ 127,000	\$ 48,000
51-403-701-53304	Electricity	\$ 9,843	\$ 27,000	\$ 11,000
51-403-701-53309	Other Utilities	\$ 2,321	\$ 2,000	\$ 3,000
51-403-701-55585	Financial Assurance Mechanism Fees	\$ 1,760	\$ 2,000	\$ 2,000
51-403-701-56605	Construction	\$ -	\$ 82,000	\$ 82,000
51-403-701-57871	Indirect Salaries/Labor & Benefits	\$ 9,985	\$ 30,000	\$ 4,000
51-403-701-xxxxx	Direct Salaries/Labor & Benefits - Administration	(c) \$	11,000 \$	15,000
51-403-701-xxxxx	Direct Salaries/Labor & Benefits - Operational	\$ 58,428	\$ 42,000	\$ 55,000
51-403-701-58001	Operational Contingency	\$ 12,516	\$ 97,000	\$ 40,000
Subtotal Shelton Landfill Postclosure		\$ 440,769	\$ 883,000	\$ 727,000

(a) Budgeted under the Mid-Connecticut Project in FY12.

(b) FY13 reflects budget and expenses for the period 11/16/12 - 06/30/13.

(c) Included in Direct Salaries/Labor & Benefits - Operational

CRRA - LANDFILL DIVISION

EXPENDITURE DETAILS

ACCOUNT	DESCRIPTION	ACTUAL FY12	ADOPTED FY13	PROPOSED FY14
WALLINGFORD LANDFILL POSTCLOSURE				
51-404-801-52355	Mileage Reimbursement	\$ 173	\$ -	\$ 500
51-404-801-52407	Project Equipment Maintenance	\$ -	\$ 20,000	\$ 20,000
51-404-801-52415	Grounds Maintenance	\$ 28,075	\$ 33,000	\$ 33,000
51-404-801-52502	Fees/Licenses/Permits	\$ 17,040	\$ 18,000	\$ 18,000
51-404-801-xxxxx	Insurance Expenditures	\$ 51,551	\$ 95,000	\$ 100,000
51-404-801-52856	Legal	\$ -	\$ 1,000	\$ 1,000
51-404-801-52858	Engineering Consultants	\$ 3,477	\$ 10,000	\$ 10,000
51-404-801-52901	Environmental Testing	\$ 28,915	\$ 70,000	\$ 30,000
51-404-801-55585	Financial Assurance Mechanism Fees	\$ 1,500	\$ 1,000	\$ 2,000
51-404-801-56605	Construction	\$ -	\$ 122,000	\$ 122,000
51-404-801-57871	Indirect Salaries/Labor & Benefits	\$ 4,764	\$ 9,000	\$ 1,500
51-404-801-xxxxx	Direct Salaries/Labor & Benefits - Administration	(c)	\$ 6,000	\$ 8,000
51-404-801-xxxxx	Direct Salaries/Labor & Benefits - Operational	\$ 14,784	\$ 16,000	\$ 22,000
51-404-801-58001	Operational Contingency	\$ -	\$ 46,000	\$ 68,000
Subtotal Wallingford Landfill Postclosure		\$ 150,279	\$ 447,000	\$ 436,000
HARTFORD LANDFILL POSTCLOSURE (a) (b)				
51-407-604-52104	Telecommunications	(a) \$	2,000	\$ 2,500
51-407-604-52115	Advertising/Legal Notices	(a) \$	500	\$ -
51-407-604-52404	Building Operations	(a) \$	4,000	\$ 4,600
51-407-604-52407	Project Equipment Maintenance	(a) \$	8,000	\$ 23,500
51-407-604-52415	Grounds Maintenance	(a) \$	10,000	\$ 57,000
51-407-604-52502	Fees/Licenses/Permits	(a) \$	17,000	\$ 28,200
51-407-604-xxxxx	Insurance Expenditures	(a) \$	34,000	\$ 105,000
51-407-604-52701	Contract Operating Charges	(a) \$	41,000	\$ 150,000
51-407-604-52709	Other Operating Charges	(a) \$	152,000	\$ 214,000
51-407-604-52858	Engineering Consultants	(a) \$	20,000	\$ 35,000
51-407-604-52901	Environmental Testing	(a) \$	69,000	\$ 97,000
51-407-604-53304	Electricity	(a) \$	16,000	\$ 21,200
51-407-604-53309	Other Utilities	(a) \$	1,000	\$ 2,000
51-407-604-57871	Indirect Salaries/Labor & Benefits	(a) \$	36,000	\$ 35,000
51-407-604-xxxxx	Direct Salaries/Labor & Benefits - Administration	(a) \$	16,000	\$ 27,000
51-407-604-xxxxx	Direct Salaries/Labor & Benefits - Operational	(a) \$	81,000	\$ 168,000
51-407-604-58001	Operational Contingency	(a) \$	1,000	\$ 2,000
Subtotal Hartford Landfill Postclosure		(a) \$	508,500	\$ 972,000

(a) Budgeted under the Mid-Connecticut Project in FY12.

(b) FY13 reflects budget and expenses for the period 11/16/12 - 06/30/13.

(c) Included in Direct Salaries/Labor & Benefits - Operational

CRRA - LANDFILL DIVISION

EXPENDITURE DETAILS

ACCOUNT	DESCRIPTION	ACTUAL FY12	ADOPTED FY13	PROPOSED FY14
WATERBURY LANDFILL POSTCLOSURE				
51-408-702-52355	Mileage Reimbursement	\$ 150	\$ -	\$ 500
51-408-702-52415	Grounds Maintenance	\$ 1,000	\$ 4,000	\$ 4,000
51-408-702-52502	Fees/Licenses/Permits	\$ 2,950	\$ 3,000	\$ 3,000
51-408-702-xxxxx	Insurance Expenditures	\$ 20,493	\$ 25,000	\$ 26,000
51-408-702-52856	Legal	\$ -	\$ 500	\$ 500
51-408-702-52858	Engineering Consultants	\$ 5,000	\$ -	\$ -
51-408-702-52901	Environmental Testing	\$ 4,968	\$ 7,000	\$ 15,000
51-408-702-55585	Financial Assurance Mechanism Fees	\$ 945	\$ 1,000	\$ 1,000
51-408-702-57871	Indirect Salaries/Labor & Benefits	\$ 4,013	\$ 5,000	\$ 1,000
51-408-702-xxxxx	Direct Salaries/Labor & Benefits - Administration	(c)	\$ 6,000	\$ 3,000
51-408-702-xxxxx	Direct Salaries/Labor & Benefits - Operational	\$ 14,720	\$ 9,000	\$ 12,000
Subtotal Waterbury Landfill Postclosure		\$ 54,239	\$ 60,500	\$ 66,000

(c) Included in Direct Salaries/Labor & Benefits - Operational

TAB 6

**RESOLUTION REGARDING THE PURCHASE OF JET FUEL
FOR THE SOUTH MEADOWS JET TURBINE FACILITY**

RESOLVED: That the President is hereby authorized to execute a purchase order with Santa Buckley Energy, Inc. for purchase of Ultra Low Sulfur No. 1 Diesel Fuel to support operation of the South Meadows Jet Turbine Facility, substantially as presented and discussed at this meeting.

Connecticut Resources Recovery Authority
Contract Summary for Purchase of Ultra-Low Sulfur No. 1 Diesel Fuel
for the South Meadows Jet Turbine Facility

Presented to the CRRA Board on: June 27, 2013

Vendor/Contractor(s): Santa Buckley Energy, Inc.

Effective Date: Upon Issuance of Purchase Order

Contract Type/Subject Matter: Pursuant to CT Department of Administrative Services Contract

Facility(ies) Affected: South Meadows Jet Turbine Facility

Original Contract: Department of Administrative Services
Contract No. 12PSX0029

Term: CRRA Fiscal Year 2014

Contract Dollar Value: Not to exceed \$1,243,000. (As budgeted in the Property Division Budget.)

Amendment(s): Not applicable

Term Extensions: Not applicable

Scope of Services: Purchase of Ultra Low Sulfur No. 1 Diesel Fuel (i.e., Jet Fuel) for the South Meadows Jet Turbine Facility. The President is authorized to purchase Jet Fuel during FY2014, as necessary, in order to ensure that an adequate volume of jet fuel is available to support operation of CRRA's Jet Turbine Facility.

Other Pertinent Provisions: The price of the fuel fluctuates daily. On the day that CRRA purchases fuel, CRRA will receive a firm price quote from Santa Buckley Energy, Inc. for a specific volume of fuel, which firm price is a function of a daily NYMEX fuel price, in accordance with the CT DAS contract.

Connecticut Resources Recovery Authority Mid-Connecticut Project

Purchase of Ultra-Low Sulfur No. 1 Diesel Fuel to support Operation of the South Meadows Jet Turbine Facility

June 27, 2013

Executive Summary

This is to request that the Board of Directors authorize the President to purchase Jet Fuel for the CRRRA South Meadows Jet Turbine Facility, on an as needed basis, in order to ensure that there is a sufficient volume of Jet Fuel at the facility to support the operation. The President will be authorized to purchase up to \$1,243,000 of fuel, if necessary, during fiscal year 2014.

Discussion

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

1. The energy generating facility ("EGF"), that converts steam produced with refuse derived fuel at the PBF into electricity; and,
2. A jet turbine peaking power plant, commonly referred to as the South Meadows Jet Turbine Facility ("JTF"), with approximately 160 MW of capacity, which up to that time was part of CL&P's electricity generating system.

The JTF consists of four Pratt & Whitney Twin-Pac generating sets ("Twin-Pacs"). Each of the four Twin-Pac units is nominally capable of generating 40 MW of power and is comprised of two Pratt & Whitney FT4A-9 combustion gas turbine engines. The units serve the ISO-New England System as "peaking capacity" and typically are called to run only approximately 20 hours per year. Also, each Twin-Pac is capable of black-start operation, meaning they can start up without any outside power support, and can then be used to re-start other New England based generating assets in the event of a system black-out or similar upset condition.

Until June 1, 2012 the JTF was operated and maintained by Northeast Generation Services Company pursuant to an agreement effective May 30, 2000, which terminated on May 31, 2012.

CRRA contracted with NAES Corporation (“NAES”) to operate and maintain the JTF beginning June 1, 2012. Under the agreement with NAES, CRRA is responsible for paying the cost of jet fuel, and it was initially contemplated by the parties that NAES would procure jet fuel for the facility as part of its O&M responsibilities, and pass this cost through to CRRA in accordance with the JTF O&M agreement.

Accordingly, upon taking over operation of the JTF in June 2012, NAES solicited the marketplace to identify a preferred vendor and fuel price so that they could arrange for purchase and delivery of fuel.

NAES received several quotations, with the low quote coming from Santa Buckley Energy, Inc. (“SBE”). NAES was advised by SBE that NAES would be charged federal and state excise taxes on purchase of the fuel. CRRA management contacted SBE directly and confirmed that SBE is required to charge state and federal excise tax to NAES in the event that NAES purchased the fuel directly, whereas if CRRA purchased the fuel directly CRRA would not be charged the federal and state excise tax due to its status as a public organization; together, these two taxes amount to approximately \$0.70 per gallon.

Consequently, it is significantly more cost effective for CRRA to purchase the fuel directly, rather than have NAES purchase the fuel and pass the cost through to CRRA. CRRA can purchase fuel directly from SBE pursuant to a CT Department of Administrative Services contract, and did so on several occasions during FY2013.

Because the fuel supply needs to be replenished as soon as possible following operation of the JTF to ensure an adequate supply in the event the units are subsequently called on for blackstart capability, and because there are considerable tax savings if CRRA purchases the fuel directly, it is prudent for CRRA management to have the authority to purchase fuel directly from SBE.

Because the value of jet fuel purchases will exceed \$50,000 during the fiscal year, which requires Board of Director approval, CRRA management is seeking Board authorization to purchase fuel from Santa Buckley Energy, Inc. during FY2014. In this case, purchases would be on an “as needed” basis, would be pursuant to a DAS contract, and would not exceed the amount budgeted for FY2014.

Financial Summary

CRRA has budgeted \$1,243,000 for purchase of Jet Fuel in FY2014 in the Property Division Budget.

TAB 7

RESOLUTION REGARDING THE SOUTHEAST PROJECT SPECIAL COMMITTEE REPORT

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

WHEREAS, the CRRA Board of Directors created this Special Committee by resolution on April 26, 2012, and

WHEREAS, the Southeast Project Special Committee began its study of future waste disposal options at its first meeting on June 7, 2012, and

WHEREAS, the Southeast Project Special Committee has prepared the required report, now therefore

BE IT RESOLVED, that the CRRA Board of Directors accepts the Report of the Southeast Project Special Committee and thanks the Special Committee for its work.

Southeast Project Special Committee Report

June 27, 2013

Basis for the Report

The Southeast Project Special Committee (“Committee”) was created by a resolution adopted by the CRRRA Board of Directors on April 26, 2012. The Committee was created pursuant to CGS Section 22a-268f, which reads:

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

Special Committee Members

On April 11, 2012, SCRARRA designated the following officials (or their designees) to represent them on the Special Committee:

- John Phetteplace – SCRARRA Board Representative - Stonington
SCRARRA Board Chairman
Director Solid Waste, Stonington
- Gary Schneider – SCRARRA Board Representative – Groton
SCRARRA Board Secretary
Director Public Works – Town of Groton
- Joe Lozier – SCRARRA Board Representative – Ledyard
SCRARRA Board Treasurer
Private Citizen (Past Mayor) – Ledyard
- Nick Mullane – SCRARRA Board Representative – North Stonington
SCRARRA Board Vice President
First Selectman – North Stonington
- Bill Watkins – SCRARRA Board Member – New London
SCRARRA Board Second Vice President
Solid Waste & Recycling Manager – City of New London

CRRA representatives designated to serve on the Committee by the Board of Directors at its April 26, 2012 meeting were:

- Tom Kirk, President;
- Jim Bolduc, Chief Financial Officer;
- Peter Egan, Director of Operations & Environmental Affairs;
- Laurie Hunt, Director of Legal Services; and
- Virginia Raymond, Operations Manager.

The Special Committee held its first meeting June 7, 2012, met periodically over the course of 2012 and early 2013, and completed its work at its April 24, 2013 meeting. The attached report is the work product of the Southeast Project Special Committee and is provided to the CRRA Board of Directors pursuant to the above referenced statute.

REPORT
OF THE
SOUTHEAST PROJECT SPECIAL COMMITTEE
TO THE
CONNECTICUT RESOURCES RECOVERY AUTHORITY
BOARD OF DIRECTORS

**Options for Disposing of Solid Waste after the Expiration of the Southeast
Project Municipal Service Agreements**

Dated: June 27, 2013

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Section 3 SOUTHEAST PROJECT SPECIAL COMMITTEE.....	2
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Section 1 EXECUTIVE SUMMARY

The current municipal solid waste disposal agreements between the municipalities of East Lyme, Griswold, Groton, Ledyard, Montville, New London, North Stonington, Norwich, Sprague, Stonington and Waterford (the “Member Municipalities”, each a “Member Municipality”) and the Town of Preston, and the Southeast Connecticut Regional Resources Recovery Authority shall terminate upon the payment of the last installment of the Bonds issued by the Connecticut Resources Recovery Authority to pay the cost of the Southeast Resources Recovery Facility located in Preston, Connecticut. The last installment on such indebtedness will be paid on or about November 15, 2015.

Pursuant to Connecticut General Statute Section 22a-268f, CRRA’s Board of Directors must establish a special committee to study and present to CRRA’s Board of Directors options for the disposal of the solid waste generated by the communities having long term contracts with a resources recovery project for which the bonds are being retired. CRRA’s Board of Directors established the special committee on April 26, 2012. This document is the work product of the special committee and is provided to the CRRA Board of Directors pursuant to the above referenced statute.

Section 2 SOUTHEAST PROJECT OVERVIEW

The Connecticut Resources Recovery Authority (“CRRA”) is a public instrumentality of the State of Connecticut (the “State”) that is responsible for implementing solid waste disposal, recycling and resources recovery systems, facilities and services. CRRA was established in 1973 pursuant to Connecticut General Statute (“CGS”) Chapter 446e of the CGS. The Southeastern Connecticut Regional Resources Recovery Authority (“SCRRA”) was formed in 1985 pursuant to Chapter 103b of CGS (Municipal Resources Recovery Authorities) and through the adoption of a joint resolution of the Member Municipalities. CRRA and SCRRA established a regional system (the “System” or “Southeast Project) of solid waste management, disposal and resources recovery facilities to serve municipalities in the southeastern area of the State. SCRRA is governed by a Board of Directors which consists of representatives of each of the eleven original Member Municipalities which executed service contracts with SCRRA, and the Town of Preston. Voting is weighted according to the population of each municipality as of the last census. SCRRA maintains its offices at the Southeast Resource Recovery Facility, 132 Military Highway, Preston, Connecticut, where the Executive Director and a small operations staff provide day-to-day management and oversight of the system.

SCRRA entered into substantially similar long term Municipal Services Agreement contracts (the “MSAs”, each a “MSA”) with the Member Municipalities. The Town of Preston (“Preston”) utilizes the services of the System pursuant to a contract on a basis similar to that of the Member Municipalities except that Preston has no minimum commitment (no full faith and credit pledge) and receives certain host community benefits. Facilities included as part of the System are the Southeast Resources Recovery Facility (“Facility”), the Facility site, and an ash landfill located in the Town of Montville. Over the years SCRRA has also implemented a number of value added services that are offered to the Member Municipalities and Preston without additional

charge (the cost of the services are built into the municipal solid waste disposal fee). The Montville Landfill was closed to the receipt of ash residue in 1997; however, SCRRA is responsible for the 30-year post closure maintenance and monitoring costs for the landfill and CRRA maintains a post-closure reserve fund on SCRRA's behalf to meet this financial obligation. All of the Member Municipalities' and the Town of Preston's long term waste disposal agreements with SCRRA had an original expiration date of November 15, 2015, the date upon which the bonds used to finance the construction of the Facility will be paid in full. Also expiring on November 15, 2015 is the Bridge and Management Agreement between CRRA and SCRRA and dated December 1, 1987. By an Amendment to the MSA's, SCRRA and the Member Municipalities have extended the MSA's between SCRRA and each Member Municipality to expire on February 17, 2017. This extension period representing the "Shortened Service Period" as discussed hereinafter.

SCRRA owns 33-acres +/- of land located in Preston, Connecticut. The Facility is situated on an approximately twelve-acre parcel of the site and was designed and constructed by American REF-FUEL Company of Southeastern Connecticut ("REF-FUEL"). CRRA served as the conduit financier on behalf of SCRRA for the waste-to-energy facility bonds. CRRA and REF-FUEL entered into a Service Agreement dated as of December 1, 1987 for a term ending November 11, 2015 obligating REF-FUEL to operate and maintain the Facility. In 2005 Covanta Energy, Inc. ("Covanta") purchased REF-FUEL, which included REF-FUEL's rights to the Facility. Since that time, Covanta has exercised the rights and performed the obligations of REF-FUEL pursuant to the agreements involving the Facility that REF-FUEL was a party to at the time of the purchase. The Facility is owned by CRRA and leased to Covanta under a Lease Agreement between CRRA and Covanta and dated December 1, 1988. The Facility site is owned by SCRRA and leased by SCRRA to Covanta for an initial term ending November 11, 2015 pursuant to a Site Lease Agreement dated as of December 1, 1988. Covanta has an option to renew the Site Lease Agreement prior to the end of its initial term. Upon payment of the Bonds, Covanta may assume ownership of the Facility for the price of \$1.00.

The Facility utilizes a mass-burn technology. Components of the Facility include two identical and independently operated furnace/boiler units and a turbine-generator nominally rated at 16 megawatts. The Facility has a permitted processing capacity of approximately 689 tons of Municipal Solid Waste ("MSW") per day, 251,485 tons per year. The Facility passed its acceptance test on February 17, 1992. The Member Municipalities' annual "put-or-pay" commitment to the Facility is 127,922 tons of MSW per year, or approximately 51 percent of the Facility's permitted capacity. Historically, the Member Municipalities and Preston have delivered to the Facility approximately 140,000 tons of MSW per year. The balance of the Facility capacity is filled through waste disposal contracts Covanta has with other entities (merchant contracts) and the spot market.

Section 3 SOUTHEAST PROJECT SPECIAL COMMITTEE

The Southeast Project Special Committee ("Committee") was created by a resolution adopted by the CRRA Board of Directors on April 26, 2012. The Committee was created pursuant to CGS Section 22a-268f, which reads:

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

On April 11, 2012, SCRRA designated the following officials (or their designees) to represent them on the Committee:

- John Phetteplace – SCRRA Board Representative - Stonington
SCRRA Board Chairman
Director Solid Waste, Stonington
- Gary Schneider – SCRRA Board Representative – Groton
SCRRA Board Secretary
Director Public Works – Town of Groton
- Joe Lozier – SCRRA Board Representative – Ledyard
SCRRA Board Treasurer
Private Citizen (Past Mayor) – Ledyard
- Nick Mullane – SCRRA Board Representative – North Stonington
SCRRA Board Vice President
First Selectman – North Stonington
- Bill Watkins – SCRRA Board Member – New London
SCRRA Board Second Vice President
Solid Waste & Recycling Manager – City of New London

SCRRA representatives designated to serve on the Committee by the Board of Directors at its April 26, 2012 meeting were:

- Tom Kirk, President;
- Jim Bolduc, Chief Financial Officer;
- Peter Egan, Director of Operations & Environmental Affairs;
- Laurie Hunt, Director of Legal Services; and
- Virginia Raymond, Operations Manager.

The Committee held its first meeting on June 7, 2012.

During the course of its work, the Committee reviewed, discussed and/or took into consideration:

- Key provisions of the existing Project contracts and their bearing on the Participating Municipalities options moving forward;
- Alternative in-state and out-of-state disposal options;
- Alternative waste disposal technologies;
- Future of SCRRRA as a waste authority and the value added services offered by SCRRRA to the Member Municipalities; and
- The broader solid waste disposal situation in the State and the northeast region of the United States and its implications for the Facility and the Member Municipalities.

Section 4 KEY PROVISIONS OF THE EXISTING PROJECT CONTRACTS

Shortened Service Period

As stated previously in this report, the Facility was built and originally operated by REF-FUEL pursuant to the Service Agreement between REF-FUEL and CRRA and dated December 1, 1987. The amount of money in Service Fees REF-FUEL would be paid for the operation and maintenance of the Facility was based upon a Facility Date of Acceptance of November 11, 1990. Pursuant to Section 6.07 of the Service Agreement, if this Date of Acceptance did not occur as planned, then REF-FUEL's Service Fee would be increased for the "Shortened Service Period". The "Shortened Service Period" means the time elapsed after November 11, 1990 until the actual Date of Acceptance. The actual Date of Acceptance occurred on February 17, 1992; fifteen months and 6 days (the "Shortened Service Period") after the contemplated November 11, 1990 Date of Acceptance. The Committee estimates the increase in Services Fees that will have to be paid to Covanta as a result of the delay in the Date of Acceptance to be in the \$17 to \$20 million range. Payment of the increased Service Fee would occur during the last fifteen months and six days of the Service Agreement. However, the entire Section 6.07 of the Service Agreement does not apply if the Member Municipalities, i.e. East Lyme, Griswold, Groton, Ledyard, Montville, New London, North Stonington, Norwich, Sprague, Stonington and Waterford, extend their MSAs for a period equal to the Shortened Service Period: until February 17, 2017. The MSA's of all Member Municipalities have been extended through and to February 17, 2017.

Covanta Option to Extend/SCRRRA Option to Purchase Facility/Remaining Useful Life of the Facility

Pursuant to the Service Agreement, Covanta has the option to provide notice to the CRRA/SCRRRA of its intent to operate the Facility beyond the initial term of the Service Agreement. The Facility began commercial operations February 17, 1992 and will have been in continuous service for nearly 24 years when the initial term of the Service Agreement expires in November 2015 unless extended by the Shortened Service Agreement. The useful life of the Facility is expected to be in excess of 40 years with proper maintenance; 16 years (2031) following the expiration of the current MSAs and the Service Agreement. Because of this, coupled with the favorable prices paid for the electric output of the Facility (as discussed in the following section, Electric Sales Contract), it is very likely that Covanta will elect to continue

operation of the Facility after the initial term as well as after the first extension period if exercised by SCRRRA. If Covanta elects to continue operation of the Facility, such notice must be formally given by November 11, 2013. If Covanta gives notice to extend, SCRRRA has the option to extend the Service Agreement for an additional two, five (5) year terms.

In the event Covanta were to elect to not continue operating the Facility beyond the initial term of the Service Agreement (November 11, 2015), or beyond the first extension period if so elected by SCRRRA (November 11, 2020), SCRRRA has the option to purchase the Facility at "Fair Market Value". SCRRRA also has the option to purchase the Facility at the end of the second extension period (November 11, 2025) regardless of whether Covanta desires to continue operating the Facility beyond that point, provided that SCRRRA exercises both extension options. It should be noted that by 2025 the Facility will be approaching the end of its useful life, which is estimated to be about the year 2031.

Since SCRRRA has recently exercised its option to extend for the Shortened Service Period, the above-referenced dates are correspondingly extended to the length of time equal to the Shortened Service Period, i.e. 15 months and 6 days.

Covanta has not provided SCRRRA with formal notification of its intent to continue operating the Facility beyond the initial term, however Covanta has presented to SCRRRA a preliminary proposal for such an extension and SCRRRA is amenable to having contract discussions with Covanta sooner rather than later as there appear to be a number of open issues related to the end of term provisions of the Service Agreement which need to be fully vetted.

Electric Sales Contract

The Electrical Energy Purchase Agreement ("EEPA") expires on February 17, 2017, which is slightly more than 15 months after the MSAs, Bridge and Management Agreement and Service Agreement expire, and coincides with the term of the Shortened Service Period. Because SCRRRA, CRRA and Covanta function individually and collectively as the Seller under the EEPA, their rights and obligations continue beyond the base terms of the MSAs, the Service Agreement and the Bridge and Management Agreement.

The energy rates paid by the Connecticut Light and Power Company ("CL&P") during the remaining term of the EEPA are extremely favorable. Based on historical sales to CL&P of approximately 130,000 megawatt hours (MWh) per year, the total energy revenues over the last six plus years of the EEPA will range from nearly \$29,000,000 in FY2011 (approximately \$0.2241 per kWh) to approximately \$39,000,000 in FY2016 (\$0.2980 per kWh). The wholesale market as of May, 2013 is approximately \$0.0450 to \$0.050 per kWh. Under the Service Agreement SCRRRA receives approximately 65 percent of the total energy revenues and Covanta receives approximately 35 percent.

Section 5 ALTERNATIVE IN-STATE AND OUT-OF-STATE DISPOSAL OPTIONS

As stated previously, Covanta has presented to SCRRRA a preliminary proposal for post-2015 waste disposal services at the Facility and SCRRRA is amenable to entering into contract discussions with Covanta. In the event the Member Municipalities believe contract discussions will not result in favorable terms for the group, the Member Municipalities do have the option of disposing of their waste at an alternative facility(ies) provided it can site a transfer station for the purposes of aggregating its waste for more economical transport to an alternative disposal facility. SCRRRA owns 33-acres +/- of land located in Preston, Connecticut. The Facility occupies approximately twelve of the 33 acres thus leaving 21 +/- acres of land on which a transfer station could be constructed and operated. Part of the remaining 21 acres has frontage on the rail line operated by the Providence and Worcester Railway, and therefore rail siding could potentially be constructed to transport waste. The 21 acres is subject to the Town of Preston's Planning and Zoning review and approval regulations and, of course, the siting of a transfer station in the State must receive Department of Energy and Environmental Protection approval.

Additionally, there is a Mass Burn Facility located in Lisbon, Connecticut which is operated by the Eastern Connecticut Regional Resources Recovery Authority and Wheelabrator Connecticut (known as the Wheelabrator Lisbon Project). The Facility has the capacity to store approximately three days of acceptable waste based upon the processing capacity of 500 tons per day.

In 2011, CRRA conducted a general assessment of the solid waste disposal market for the Northeastern United States (primarily privately owned and operated landfills and waste-to-energy facilities) and where CRRA was successful in obtaining some preliminary contract pricing or recent contract pricing, the combined transportation and disposal pricing was consistently in the mid \$60s to mid \$70s range with several instances where preliminary contract pricing fell outside that range.

Section 6 ALTERNATIVE WASTE DISPOSAL TECHNOLOGIES

Frequently referred to as “new and emerging” technologies, CRRA has been following the development of such technologies since 2004 to identify technologies that have the capability of reliably and cost effectively processing municipal solid waste.¹ CRRA's most recent

¹In 2004 the New York City Department of Sanitation issued a report entitled ***Evaluation of New and Emerging Solid Waste Management Technologies***. This report was the first comprehensive assessment of the many companies and technologies in the marketplace offering “new technologies” for the management of various waste materials including municipal solid waste. The report identified 43 companies that were in various stages of developing, marketing and/or operating new technologies. CRRA found this report to be an extremely useful summary of the then current state of the new and emerging technologies marketplace. As a result, in 2005 CRRA commissioned Alternative Resources, Inc. (“ARI”), the authors of the New York City report, to perform a further

commissioned evaluation of these new processes was conducted in March of 2010. The report summarizes many new technologies that are under development or are already in use in limited scale in other countries. The technologies evaluated can be grouped into the following categories:

- **Thermal (Gasification or Advanced Combustion)**
 - Use or produce heat to change the composition of MSW
 - Products include synthesis gas, vitrified ash or char
 - Includes Gasification, Pyrolysis, Plasma; Advanced Mass Burn

- **Digestion (Aerobic and Anaerobic)**
 - Decomposes organic fraction of MSW using microbes
 - Anaerobic digestion produces biogas and compost
 - Aerobic produces compost only

- **Hydrolysis**
 - Chemical reaction in which water (typically with an acid) reacts with another substance to form a new substance) (e.g.: extracts cellulose from MSW to form sugar; sugar in turn fermented to form ethanol)

- **Chemical Processing**
 - Depolymerization – converts organic fraction into fuel, such as oil

- **Mechanical Processing for Gasification, Combustion or Fiber Recovery**
 - Recovers materials for gasification or combustion

The evaluation focused on those technologies considered to be commercially viable. CRRA considered a technology to be commercially viable if it:

- is currently or may be in commercial use so as to be able to replace an existing waste-to-energy facility (commercial use is defined as currently in regular use to process MSW on a contract basis);
- is capable, with no or reasonable scale-up, of processing large volumes of mixed, unsorted MSW (400,000 to 850,000 tons per year);

evaluation of the new technologies for the five Participating Municipalities comprising the Wallingford Resource Recovery Project who were in the process of evaluating their “end-of-project” options just as SCRRA is doing now. CRRA had the report updated again in 2010 for the Mid-Connecticut Project as part of the Mid-Connecticut Project’s “end-of-project” options evaluation.

- requires either no or minimal change to MSW collection practices currently in use in Connecticut;
- provides for separation of materials for recycling and/or beneficial use of MSW; and
- has a potential disposal fee for receipt and processing of waste of \$80 per ton or less in 2012 dollars, considering all development, financing, design, construction and operating costs, less revenues from sale of energy and products.

Technologies considered to have commercial viability are:

- **Thermal Processing (gasification)** is currently in commercial operation for MSW in countries such as Japan, Indonesia, Germany and Italy, but not in the United States. These technologies use or produce heat to change the composition of MSW, producing synthesis gas, vitrified ash or char. Several types of gasification technologies are in commercial operation, including fluid-bed gasification, high-temperature gasification, plasma gasification and pyrolysis. These gasification technologies have not been commercially applied within the United States. Technology transfer to the United States, would need to be addressed in considering commercial application for this technology.
- **Thermal Processing (advanced combustion)** technologies are currently in commercial operation for mixed MSW in countries such as the Netherlands and Germany. These technologies have not been commercially applied in the United States, but technology transfer to the United States should not be a significant issue since the technology is an advanced form of traditional waste-to-energy presently in extensive use in the United States.
- **Advanced Mechanical Processing with Gasification or Combustion** is in commercial operation in Germany, Italy and Belgium for MSW. This process has not yet been commercially applied in the United States. Accordingly, technology transfer is possible, but it would need to be examined in context of commercial operation potential at the Mid-Connecticut Project (e.g., potential differences in MSW composition, waste management practices, end-product markets and regulatory requirements).

The report concludes that unless the replacement facility was eligible for and received economic incentives, such as federal or State funding, renewable energy credits or greenhouse gas emissions credits or some combination thereof, the disposal fee required to service the debt and to maintain and operate a facility would likely be “above market” (above the cost of other disposal options available).

The report also points out that any replacement facility, utilizing either traditional or new and emerging technology, would require five to seven years to develop and bring to commercial operation. Therefore the earliest that a new plant of any type could be brought on-line to serve the Member Municipalities of SCRRA is somewhere within the 2017 to 2019 timeframe *assuming a 2013 start date*. This would require continued use of the Southeast Facility or finding alternative options for transfer and disposal of waste on an interim basis.

In addition to the issues surrounding the long lead time needed to permit, site and construct a replacement facility, is the financing of a new facility. Little has changed with regard to the lending community's financing requirements from what they were in the 1980s and early 1990s when the current waste-to-energy plants operating in Connecticut were financed i.e. the lending community will require long term put-or-pay waste delivery contracts, flow control, full faith and credit provisions, etc. so that payment of the bonds or loans is assured. If such contractual provisions are a prerequisite to the financing of a replacement facility, then it is the opinion of the Committee that it is unlikely that such a plant can be built.

While there are many challenges associated with constructing a new technology facility, because of the potential promise of energy and environmental benefits, it is the Committee's opinion that the State should consider a State-funded "demonstration" project, developing a smaller sized facility that could be expanded over time if the initial demonstration facility was successful.

Section 7 ESTABLISHMENT OF RESTRICTED RESERVE FUNDS AND DISTRIBUTION OF EXCESS FUNDS

Continued Operation of SCRRRA and Value Added Services and Programs

Since its formation in 1985, SCRRRA has developed a number of value added services and programs that enable the Member Municipalities and Preston to aggregate certain difficult to manage waste streams for the environmentally sound processing, recycling and/or disposal of the materials. The ability to manage and aggregate these waste streams through SCRRRA makes it possible for many of the SCRRRA member communities to benefit from services and programs that they might not otherwise have the personnel to consistently support or afford on an individual community basis. Over the years the Member Municipalities have come to rely on these services to effectively manage these waste streams, and their continued funding via a restricted reserve would ensure Member Municipality access to these programs for years into the future. These SCRRRA value added programs and services include:

- Tub grinding of wood waste;
- Household hazardous waste collection and disposal;
- Freon collection and disposal;
- Fluorescent bulb collection and disposal;
- Collection and recycling and/or disposal of oil, oil filters and antifreeze (municipalities earn a small revenue from this program);
- Collection and recycling and/or disposal of propane tanks (municipalities earn a small revenue from this program);
- Car and truck tire collection and disposal;
- Coordination of electronics recycling;
- Educational outreach;
- Sale of compost bins at cost; and the
- Financing to support various Member Municipality recycling projects.

As discussed in Section 4 of this report, the Southeast Project has benefited from an extremely favorable electric sales contract. SCRRA is currently discussing the best future use of a reserve for the benefit of the Member Municipalities' recycling and solid waste operations. Under discussion is the establishment of restricted reserve accounts so that some portion of the excess Project revenues could be used to fund future activities or purposes including a tip fee stabilization reserve.

Section 8 MOVING FORWARD

The Connecticut Department of Energy and Environmental Protection (DEEP) has established a Regional Leaders Roundtable comprised of both public and private solid waste management professionals to assist it in framing the future of solid waste management in Connecticut. SCRRA is a participating member of the Roundtable and it welcomes the opportunity to help shape the future of waste management in Connecticut by sharing with policy makers its experiences and knowhow. Over the years SCRRA has established a solid waste management program that goes well beyond the mere disposal of waste to a program that includes a number of ancillary waste management services which the Member Municipalities have come to rely upon. SCRRA believes that its success is attributable largely to its focused regional approach to the management of solid waste.

SCRRA was established by a consortium of municipalities that voluntarily joined together for the *sole purpose* of developing a reliable, environmentally sound, and affordable system of solid waste management. This singularity of purpose distinguishes the SCRRA from many other regional planning groups (for example Connecticut's 14 Regional Planning Organizations). Many regional planning organizations take on a lengthy list of issues and projects. Unfortunately too large an agenda dilutes an organization's focus and resources resulting too often in half completed or abandoned projects. By remaining focused and committed to its sole purpose, SCRRA has successfully achieved its objectives and is both strategically and financially well positioned to continue serving the Member Municipalities for many years to come. Further, by committing to remain together as a regional waste management group, SCRRA will have much more authority and bargaining strength when negotiating with public or private entities for future waste services than it would otherwise have as single communities negotiating for the same services.

In conclusion, SCRRA and its Member Municipalities would like to thank CRRA, its senior management, staff and Board of Directors, for its support and insights over the years. By any standard it has been an effective collaboration.

GLOSSARY

Bridge and Management Agreement: CRRRA and SCRRRA entered into a Bridge and Management Agreement dated as of December 1, 1987 pursuant to which SCRRRA is obligated to deliver or cause to be delivered to the Facility all Acceptable Waste generated within the boundaries of the Participating Municipalities and other municipality with which SCRRRA enters into contracts for the acceptance and disposal of Acceptable Waste. The Bridge and Management Agreement also gives SCRRRA the right and, in some cases, the responsibility to perform certain obligations of CRRRA under the Service Agreement with Covanta. These rights include the option to extend the term of the Service Agreement and the option to purchase the Facility under certain circumstances.

Covanta Southeastern Connecticut Company (“Covanta”): Covanta Southeastern Connecticut Company was established for the sole purpose of operating the Facility.

Electrical Energy Purchase Agreement: Covanta has agreed to sell all of the electricity produced at the Facility to the Connecticut Light and Power Company (“CL&P”) pursuant to the Electrical Energy Purchase Agreement among CL&P, Company, SCRRRA and CRRRA at the prices set forth in the agreement. The agreement terminates February 17, 2017.

Facility Lease Agreement: Under the Lease Agreement, to the extent not available from other sources, therefor, Covanta is obligated to pay Lease Rentals in an amount equal to the principal of, Sinking Fund Installments for, premium, if any, and interest on the Bonds and all amounts required to restore the Special Capital Reserve Fund. The agreement allows Covanta to take ownership of the Facility for \$1.00 at the time that the bonds are paid which will be November 15, 2015.

Facility Site Lease Agreement: Under this agreement, SCRRRA leased to Covanta the site on which the Facility was constructed. The initial term of the site lease expires on November 11, 2015 but may be extended for up to six consecutive five-year periods at the option of Covanta. If all six extension options were to be exercised by Covanta, the site lease would run until November 11, 2045.

Municipal Service Agreements (“MSA”): SCRRRA entered into substantially similar agreements with each of the Member Municipalities under which the Member Municipalities have agreed to cause to be delivered to the System all or any portion of the Solid Waste generated within its boundaries. Each Member Municipality has agreed to make Service Payments required under its MSA to SCRRRA for the term of its MSA. Each Member Municipality has pledged its full faith and credit to the payment of such Service Payments. The MSA’s have been extended to February 17, 2017. In addition, the municipality of Preston has entered into a contract for disposal services at the Facility on a basis similar to that of the Member Municipalities except that Preston has no minimum commitment and receives certain host community benefits.

SCRRRA Pledge and Security Agreement: Pursuant to this agreement, SCRRRA will, among other things, grant a security interest to the Trustee in all right, title and interest of SCRRRA in and to the Services Agreement, the Site Lease Agreement and the Bridge and Management Agreement, except to the extent any of the foregoing have been previously assigned.

Service Agreement: CRRA entered into a Service Agreement with REF-FUEL (now Covanta) on December 1, 1987. Under the agreement, REF-FUEL was responsible for designing and constructing the Facility and for its long-term operation and maintenance. It is in this agreement that the various options for extending and purchasing the Facility are stipulated.

Shortened Service Period: Means the time elapse after November 11, 1990 until the Date of Acceptance...” The actual date of acceptance was February 17, 1992. The Shortened Service Period therefore equals 15 months and 6 days. Pursuant to Section 9.13 of the Service Agreement, CRRA/SCRRRA has an absolute right to renew or extend the Agreement for a term equal to the Shortened Service Period.

TAB 8

**BOARD RESOLUTION REGARDING FY 2014
PROJECTED LEGAL EXPENDITURES**

WHEREAS, CRRA has negotiated three-year Legal Services Agreements with various law firms for the provision of legal services from July 1, 2011 through June 30, 2014; and

WHEREAS, CRRA now seeks Board authorization for projected legal expenditures during the final year of the term of said Agreements;

NOW THEREFORE, it is

RESOLVED: That the following amount be authorized for projected legal fees to be incurred during fiscal year 2014:

<u>Firm:</u>	<u>Amount:</u>
Day Pitney	45,000

Connecticut Resources Recovery Authority

AUTHORIZATION TO PAY FY 2014 PROJECTED LEGAL EXPENDITURES

June 27, 2013

Executive Summary

This is to request Board authorization of the payment of FY 2014 projected legal expenditures for Day Pitney up to the amount set forth in the attached resolution.

Discussion

The funds requested to be authorized are included in the FY 14 Board-approved CSWS legal budget. We anticipate engaging Day Pitney in FY 14 for cooling water discharge and other environmental compliance and permitting matters.