CRRA
BOARD MEETING

SEPTEMBER 27, 2007

CONNECTICUT
RESOURCES
RECOVERY
AUTHORITY

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

TO: CRRA Board of Directors

FROM: Moira Kenney, Secretary to the Board/Paralegal

DATE: September 21, 2007

RE: Notice of Meeting

There will be a regular meeting of the Connecticut Resources Recovery Authority Board of Directors held on Thursday, September 27, 2007 at 9:30 a.m. The meeting will be held in the Board Room of 100 Constitution Plaza, Hartford, Connecticut.

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

Connecticut Resources Recovery Authority
Board of Directors Meeting
Agenda
September 27, 2007
9:30 AM

I. Pledge of Allegiance

II. Public Portion

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

III. Minutes

1. Board Action will be sought for the approval of the July 26, 2007 Regular Board Meeting Minutes (Attachment 1).

IV. Finance

1. Finance Committee Update
2. Board Action will be sought regarding Insurance Renewals (Attachment 2).
3. Board Action will be sought regarding the FY '07 Audit Financial Statement (Attachment 3).
4. Board Action will be sought regarding the Temporary Disposition of the Investment Income Earned on Escrow Moneys Held by the State Treasurer Pursuant to the Court Order in the Matter of the Towns of New Hartford and Barkhamsted Versus the authority and Other Available Funds (Attachment 4).

V. Chairman's, President's and Committee Reports

A. Chairman's Report

B. President's Report

C. Organizational Synergy & Human Resources Committee

D. Policies & Procurement Committee

1. Board Action will be sought regarding CRRA's Adherence to State Statutes Governing Equal Employment and Affirmative Action (Attachment 5).
2. Board Action will be sought regarding Solid Waste Consulting Services to Support Procurements of Transportation and Disposal Services for Ash Residue (Attachment 6).

3. Board Action will be sought regarding Contract with CT DEP for reimbursement of Costs Associated with Annual Stack Testing at Mid-CT for Calendar Years 2008 and 2009 (Attachment 7).

4. Board Action will be sought regarding the Upgrade of the Automation System at the Mid-Connecticut Waste Processing Facility (Attachment 8).

5. Board Action will be sought Regarding the replacement of Trommel Thrust Rings at the Mid-Connecticut Waste Processing Facility (Attachment 9).

6. Board Action will be sought regarding the Purchase of Two High Speed Roll Up Doors for the Mid-Connecticut Waste Processing Facility (Attachment 10)

7. Board Action will be sought regarding Municipal Government Advisor Services Agreement (Attachment 11).

8. Board Action will be sought regarding Request for Services for Junk Mail Recycling Marketing Campaign (Attachment 12).

9. Board Action will be sought regarding an Agreement for Metals recovery and Marketing Services with wTe recycling, Inc. (Attachment 13).

VI. Executive Session

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

TAB 1

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND TWENTY-FOURTH MEETING JULY 26, 2007

A Regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, July 26, 2007 at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Chairman Michael Pace

Directors: Mark Cooper
James Francis
Michael Jarjura (Present beginning at 10:40 a.m.)
Edna Karanian
Mark Lauretti
Theodore Martland
James Miron (Present by telephone beginning at 10:55 a.m.)
Raymond O'Brien
Jason Perillo, Ad Hoc – Bridgeport Project
Linda Savitsky (Present beginning at 9:47)
Timothy Griswold, Ad-Hoc – Mid-Connecticut Project

Present from the CRRA staff:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Michael Bzdyra, Government Relations Liaison
Robert Constable, Controller
Peter Egan, Director of Environmental Affairs
Floyd Gent, Director of Operations
Laurie Hunt, Director of Legal Services
Paul Nonnenmacher, Director of Public Affairs
David Bodendorf, Senior Environmental Engineer
Michael Tracey, Operations Manager, Construction Management
Kristen Greig, Secretary to the Board/Paralegal

Also present were: Moira Kenney, Susan Hemmingway of BRRROC, John Pizzimenti of USA Hauling & Recycling, Jerry Tyminski of SCRRRA

Chairman Pace called the meeting to order at 9:40 a.m. and stated that a quorum was present.

PLEDGE OF ALLEGIANCE

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

PUBLIC PORTION

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

With no comments from the public, Chairman Pace stated that the regular meeting would commence.

APPROVAL OF THE MINUTES OF THE JUNE 20, 2007 SPECIAL BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the June 20, 2007 Special Board Meeting. The motion made by Director O'Brien was seconded by Director Cooper. The motion previously made and seconded was approved unanimously.

Eligible Voters	**Aye**	**Nay**	**Abstain**
Michael Pace, Chairman	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
James Miron	X		
Raymond O'Brien	X		
Timothy Griswold, Ad-Hoc, Mid-CT	X		
Non-Eligible Voters			
Jason Perillo, Ad-Hoc, Bridgeport Project			

APPROVAL OF THE MINUTES OF THE JUNE 28, 2007 REGULAR BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the June 28, 2007 Regular Board Meeting. The motion made by Director O'Brien was seconded by Director Cooper. The motion previously made and seconded was approved by roll call. Director Martland and Director Miron abstained.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland			X
James Miron			X
Raymond O'Brien	X		
Non-Eligible Voters			
Timothy Griswold, Ad-Hoc, Mid-CT			
Jason Perillo, Ad-Hoc, Bridgeport Project			

ADDITION TO AGENDA

Chairman Pace requested a motion to add an item to the agenda regarding closure costs associated with the Shelton landfill. Director Francis made the motion which was seconded by Director O'Brien. The motion previously made and seconded was approved unanimously by roll call.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
James Miron	X		
Raymond O'Brien	X		
Jason Perillo, Ad-Hoc, Bridgeport Project	X		
Non-Eligible Voters			
Timothy Griswold, Ad-Hoc, Mid-CT			

RESOLUTION REGARDING THE CONTRACT WITH CT DEP FOR REIMBURSEMENTS OF CLOSING COSTS FOR THE SHELTON LANDFILL

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

RESOLVED: That the President is hereby authorized to enter into a contract with the Connecticut Department of Environmental Protection for reimbursement of costs associated with closure of the Shelton Landfill, substantially as discussed and presented at this meeting.

The motion was seconded by Director O'Brien.

Director Miron asked Chairman Pace if the settlement funds would go to the city of Shelton. Director Lauretti's response was that all funds are designated for the Project. The $3 million was state bond money which CRRA has been attempting to obtain for 6 years.

The motion previously made and seconded was approved unanimously by roll call.

Eligible Voters	**Aye**	**Nay**	**Abstain**
Michael Pace, Chairman	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
James Miron	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Jason Perillo, Ad-Hoc, Bridgeport Project	X		
Non-Eligible Voters			
Timothy Griswold, Ad-Hoc, Mid-CT			

FINANCE COMMITTEE UPDATE

The Board discussed the recycling revenue sharing program. Director Francis pointed out that currently the Mid-CT Project does not charge a fee for all recyclables returned, and will be offering $10 a ton for recyclables.

Director O'Brien felt these incentives may help prevent the skimming of high value recyclables. He also stated that because the program is one that involves profit sharing, skimming would mean less profit to go around in the future.

Director Karanian praised the group for their efforts on the roll out and educational process in developing the program.

Mr. Bdzyra agreed that the program was of interest to not only towns but also to legislators. Mr. Nonnenmacher is in agreement that the benefits of the Mid-Connecticut project need to be stressed within the scope of the public eye as well as that of the legislation.

Director Savitsky reminded members present that it is important to continue to go directly to municipalities to retain their cooperation.

At this point in the discussion Director Martland introduced a recycling idea inspired by his recent travels to Paris. The Chairman and other members agreed the idea of placing recycling receptacles in cities was of interest and discussion ensued. The Board considered approaching Hartford representatives to ask if the $100,000.00 CRRA already gives to the city for recycling efforts could be used to incorporate a pilot program regarding this idea which would also involve education.

Mr. Kirk informed Board members that an alternative to the proposed certificate concept will be developed to ensure adherence to the program.

RESOLUTION REGARDING WRITE-OFF OF A RECEIVABLE FOR THE BRIDGEPORT PROJECT

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

> **RESOLVED:** That management is authorized to write-off the uncontrolled receivable balances relating to the municipal share credit benefit inappropriately received by the towns in the amounts of $11,677.37, $124,041.48 and $30,710.77 for towns of Bethany, East Haven and Woodbridge, respectively.

Director Francis informed members present that towns participating in the Bridgeport Project had received funds mistakenly. Because the billing error was made on the part of CRRA, and in an effort to maintain diplomatic relations, the Board is asked to accept the proposed settlement. SWAB had already voted not to pursue collection of the full amounts due, which was met with some opposition.

Director Lauretti urged the board to accept the settlement to avoid the costly legal fees associated with obtaining the funds. Mr. Bolduc did however urge sensitivity in dealing with future altercations stressing that avoiding legal fees may not provide enough motivation to settle on future issues.

The motion previously made and seconded was approved unanimously by roll call.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
James Miron	X		

Raymond O'Brien	X		
Linda Savitsky	X		
Jason Perillo, Ad-Hoc, Bridgeport Project	X		
Non-Eligible Voters			
Timothy Griswold, Ad-Hoc, Mid-CT			

RESOLUTION SOUGHT REGARDING SPOT WASTE DELIVERY LETTER AGREEMENT BETWEEN BRRFOC AND CRRA

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

> **RESOLVED:** That the President is authorized to execute reciprocal Letter Agreements between BRRFOC and CRRA for the delivery of the spot waste substantially as presented and discussed at this meeting.

Chairman Pace asked that the minutes reflect Director Francis's concern that although projected revenue with the cost of diverting Bristol's waste to CRRA are included, there is no indication of the projected revenue and cost for CRRA to divert trash to Bristol.

Mr. Gent addressed the issue. Because CRRA is a much larger facility than Bristol they have not been able to divert trash to the Bristol facility. The contract is in existence merely to reflect the reciprocal nature between the two businesses and the cost has been predetermined if that opportunity arises in the future. A contract with the Windsor/Bloomfield landfill is in existence to compensate for Bristol's inability to accept trash from CRRA .

The motion previously made and seconded was approved unanimously by roll call.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
James Miron	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Timothy Griswold, Ad-Hoc, Mid-CT	X		
Non-Eligible Voters			
Jason Perillo, Ad-Hoc, Bridgeport Project			

CHAIRMAN'S, PRESIDENT'S AND COMMITTEE REPORTS

CHAIRMAN'S REPORT

Chairman Pace had nothing to report and asked Mr. Kirk for his report.

PRESIDENT'S REPORT

Mr. Kirk's report was restricted to discussion within Executive Session.

Director O'Brien asked Mr. Kirk if there were any updates on the payment of Watertown's renewal taxes, an issue Mr. Kirk asked Mr. Gent to address.

Mr. Gent informed members present that an agreement has been presented to only Watertown. However, Watertown wants to make sure the other host towns are in agreement before moving forward with this issue. CRRA is working with Watertown to set up a meeting with the host communities in Ellington, Essex, and Torrington with their CEO's and town managers. The meetings will discuss proposed agreements with all four towns with an emphasis on finding a solution that is agreeable to all parties.

Mr. Kirk informed members present that a current agreement with CRRA's brokerage house for benefits and administration will be extended for an additional 6 months to allow continuation of the present work slope, while management pursues an RFQ. He assured the Board that the continuation will be at no cost to CRRA per the brokerage arrangement. In the future CRRA will continue to attempt to keep any termination and renewal of contracts on the same dates to streamline the Request for Proposal process. In this particular case the timing will be changed so the brokerage house can continue with their work.

ORGANIZATIONAL SYNERGY & HUMAN RESOURCES COMMITTEE

Ms. Greig introduced her replacement, Moira Kenney, to the Board. Chairman Pace also informed the Board of three other employee departures, but assured members present that the resignations were all due to personal matters.

LEGISLATIVE REPORT

Mr. Bdzyra gave the Board a summary of the legislative session. Efforts to change quorum requirements were stalled in several committees. Through the efforts of management and member town persistence, CRRA obtained $15 million in state bond funds for closure costs for the Hartford Landfill in Governor Rell's proposed capitol budget. An electronic recycling bill was passed by the General Assembly and will go will into effect beginning 1/1/09. The bill requires manufacturers to be charged a fee to assist in recycling efforts. Potential effects on CRRA were discussed with an emphasis on attempting to provide a self sustaining and user friendly program that would adhere to the electronics recycling bill. Mr. Kirk mentioned that CRRA's relationship with the DEP is strong and the organization will assist in implementation.

Lastly Mr. Bdzyra informed members the bottle bill expansion ultimately failed but will likely be back next year.

POLICIES & PROCUREMENT COMMITTEE

RESOLUTION REGARDING COOPERATIVE SERVICES AGREEMENT BETWEEN CRRA AND THE DEPARTMENT OF AGRICULTURE ANIMAL AND PLANT HEALTH INSPECTION SERVICE WILDLIFE SERVICE

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

> **RESOLVED:** That the President is hereby authorized to execute an agreement with the United States Department of Agriculture Animal and Plant Health Inspection Service Wildlife Services, for the control of nuisance birds at the Hartford Landfill and Mid-Connecticut Project Waste Processing Facility, substantially as presented and discussed at this meeting.

The motion was seconded by Director Martland.

Director O'Brien noted that there was a discrepancy in dates on the contract summary. Mr. Egan stated that the term of the contract is from September 1, 2007, to June 30, 2008. The contract was praised by Director O'Brien for obtaining the desired results while still being cost effective.

The motion previously made and seconded was approved unanimously by roll call.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
James Miron	X		
Raymond O'Brien	X		
Timothy Griswold, Ad Hoc, Mid-CT	X		
Linda Savitsky	X		
Non Eligible Voters			
Jason Perillo, Ad Hoc, Bridgeport Project			

RESOLUTION REGARDING A PORTION OF THE MSW/INTERIM ASH DISPOSAL AREA OF THE HARTFORD LANDFILL

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

> **RESOLVED:** That the President is hereby authorized to execute an agreement with R. Bates & Sons, Inc. to install a landfill cap over approximately 45 acres of the MSW/Interim Ash Disposal Area of The Hartford Landfill, install a new onsite access road, and relocate a leachate force main and electric services, substantially as presented and discussed at this meeting.

The motion was seconded by Director Savitsky.

Mr. Kirk recommended that the Board accept the resolution based on CRRA's choice of the lowest bid and confidence with the price estimate.

Director Martland asked what happens to the run off rain water from the landfill. Mr. Bodendorf explained that ash is covered with a membrane as well as a plastic cover and then by 18 inches of material specifically designed to manage precipitation and prevent problems with plant roots. The run off water never comes in contact with the ash and is eventually diverted into catch basins and the storm sewer system.

Chairman Pace suggested that CRRA consider utilizing dredged silt from the lower Connecticut River valley area to be used to mix into the landfill material used to divert run off. This practice is used by other towns and may save money for the state if it is tied into the dredging.

According to Mr. Kirk the material requirements are strict; he will insure the contractor explores the possibility of using the material with due regard to budgetary costs.

The motion previously made and seconded was approved unanimously by roll call.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Timothy Griswold, Ad Hoc, Mid-CT	X		
Linda Savitsky	X		
Non Eligible Voters			

Jason Perillo, Ad Hoc, Bridgeport Project			

RESOLUTION REGARDING CONSTRUCTION QUALITY ASSURANCE SERVICES TO SUPPORT CLOSURE OF THE PORTION OF THE MSW/INTERIM ASH DISPOSAL AREA OF THE HARTFORD LANDFILL

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

> **RESOLVED:** The President is hereby authorized to enter into a contract with Fuss & O'Neil, Inc. to perform Construction Quality Assurance (CQA) services associated with the capping of a portion of the MSW/Interim Ash Disposal Area of CRRA Hartford Landfill, the installation of a new on-site access road, and the relocation of a leachate force main and electric service, substantially as discussed and presented at this meeting.

The motion was seconded by Director Jarjura.

Mr. Bodendorf performed an analysis of the two firms who submitted bids. Although Fuss & O'Neil is slightly more expensive than the competitors' bid they offer stronger qualifications and personnel for the project and were selected as CRAA's top choice. Mr. Bodendorf stated that he will be present at construction meetings to work with Fuss and O'Neil on the project.

The motion previously made and seconded was approved. Director Martland voted nay.

Eligible Voters	**Aye**	**Nay**	**Abstain**
Michael Pace, Chairman	X		
Mark Cooper	X		
James Francis	X		
Mike Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland		X	
Raymond O'Brien	X		
Timothy Griswold, Ad Hoc, Mid-CT	X		
Linda Savitsky	X		
Non Eligible Voters			
Jason Perillo, Ad Hoc, Bridgeport Project			

AUTHORIZATION FOR PAYMENT OF PROJECTED LEGAL EXPENDITURES

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

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 payments of fiscal year 2007 projected legal fees; and

WHEREAS, CRRA expects to incur greater than anticipated legal expenses in connection with Mid-Connecticut Project matters;

NOW THEREFORE, it is RESOLVED: That the following additional amount be authorized for payment of legal fees and costs to be incurred through June 30, 2007:

Firm:	Amount:
Pepe & Hazard	$100,000

The motion was seconded by Director Savitsky.

Attorney Hunt explained to Board members that before she can ask accounting to accrue the $100,000.00 she first needs the approval of the Board. The money would be used to pay an outstanding account with Pepe & Hazard in order to continue an ongoing litigation dispute with AIG.

The motion previously made and seconded was approved unanimously.

Eligible Voters	**Aye**	**Nay**	**Abstain**
Michael Pace, Chairman	X		
Mark Cooper	X		
James Francis	X		
Mike Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Timothy Griswold, Ad Hoc, Mid-CT	X		
Linda Savitsky	X		
Non Eligible Voters			
Jason Perillo, Ad Hoc, Bridgeport Project			

AUTHORIZATION FOR PAYMENT OF ADDITIONAL PROJECTED ADDITIONAL LEGAL EXPENSES

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

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 payments of fiscal year 2008 projected legal fees; and

WHEREAS, CRRA expects to incur greater than anticipated legal expenses in connection with Mid-Connecticut Project matters;

NOW THEREFORE, it is RESOLVED: That the following additional amount be authorized for payment of legal fees and costs to be incurred through June 30, 2008:

Firm:	Amount:
Pepe & Hazard	$400,000

The motion was seconded by Director Martland.

Director Francis requested a monthly update of actual expenditures. The motion was seconded by Director Cooper and a roll call was taken. Director Francis abstained, and the motion passed.

Director Savitsky made a motion to table this item until after executive session. The motion was seconded by Director O'Brien and approved unanimously.

EXECUTIVE SESSION

Chairman Pace requested a motion to enter into Executive Session to discuss pending litigation, real estate acquisition, and personnel matters with appropriate staff. The motion was made by Director O'Brien and seconded by Director Savitsky. The motion previously made and seconded was approved unanimously. Directors Cooper and Francis did not participate in the executive session due to conflicts of interests. Chairman Pace requested that the following people be invited to the Executive Session in addition to the Directors and Mid-Connecticut Ad-Hocs:

Tom Kirk
Jim Bolduc
Laurie Hunt, Esq.

The Executive Session began at 11:15 a.m. and concluded at 12:10 p.m. Chairman Pace noted that no votes were taken in Executive Session.

The meeting was reconvened at 12:10 p.m.

AUTHORIZATION FOR PAYMENT OF ADDITIONAL PROJECTED ADDITIONAL LEGAL EXPENSES CONTINUED

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

> **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 payments of fiscal year 2008 projected legal fees; and
>
> **WHEREAS, CRRA** expects to incur greater than anticipated legal expenses in connection with Mid-Connecticut Project matters;
>
> **NOW THEREFORE, it is RESOLVED:** That the following additional amount be authorized for payment of legal fees and costs to be incurred through June 30, 2008
>
> | Firm: | Amount: |
> |---|---|
> | Pepe & Hazard | $400,000 |

The motion was seconded by Director Martland.

The motion previously made and seconded was approved by roll call. Director Francis abstained.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
James Francis			X
Mike Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Timothy Griswold, Ad Hoc, Mid-CT	X		
Linda Savitsky	X		
Non Eligible Voters			
None			

ADJOURNMENT

Chairman Pace requested a motion to adjourn the meeting. The motion to adjourn was made by Director O'Brien and seconded by Director Savitsky and was approved unanimously.

There being no other business to discuss, the meeting was adjourned at 12:15 p.m.

Respectfully submitted,

Moira Kenney
Secretary to the Board/Paralegal

TAB 2

RESOLUTION OF CONNECTICUT RESOURCES RECOVERY AUTHORITY BOARD OF DIRECTORS REGARDING THE PURCHASE OF COMMERCIAL GENERAL LIABILITY, UMBRELLA LIABILITY, POLLUTION LEGAL LIABILITY AND COMMERCIAL AUTOMOBILE LIABILITY INSURANCE

RESOLVED: That CRRA's Commercial General Liability insurance be purchased from Ace (Illinois Union Insurance Company) with a $1,000,000 limit, $50,000 deductible for the period 10/1/07 – 10/1/08 for a premium of $258,898, as discussed at this meeting; and

FURTHER RESOLVED: That CRRA's $25 million Umbrella Excess liability insurance be purchased as follows: $10 million from Everest National Insurance Company for a premium of $129,948 and $15 million from Allied World Assurance Company for a premium of $76,500 for the period 10/1/07 – 10/1/08 as discussed at this meeting; and

FURTHER RESOLVED: That CRRA's Pollution Legal Liability insurance be purchased from Ace (Illinois Union Insurance Company) with a $20 million limit, $1 million retention for the period 10/1/07 – 10/1/08 for a premium of $344,666; and

FURTHER RESOLVED: That CRRA's Commercial Automobile Liability insurance be purchased from Ace American Insurance Company with a $1 million limit, comprehensive and collision only on eight vehicles with a $1,000 deductible, for the period 10/1/07 – 10/1/08 for a premium of $65,000.

The aggregate casualty premium is $875,012 including all of the insurance outlined above for the period 10/1/07 – 10/1/08 (CRRA's 2008 annualized budget for these policies was $1,104,554). The proposed premiums represent a savings of $194,509 (18%) over last year's premiums.

Executive Summary
Connecticut Resources Recovery Authority
Casualty Insurance Program Renewal

September 27, 2007

Background

CRRA's current casualty insurance program, consisting of Commercial General Liability, Automobile Liability, Umbrella Liability and Pollution Legal Liability policies, expires on October 1, 2007 and needs to be renewed. (Exhibit I summarizes the coverage under these policies.)

New Program Marketing and Results

CRRA began this marketing phase with our broker, Aon Risk Services (Aon) in May of this year. (Exhibit II identifies the numerous markets approached by Aon.)

General Liability/Excess Umbrella Liability/Pollution Legal Liability

Quotations on the existing program structure with a total of $25 million in Umbrella/Excess limits as well as $20 million in Pollution Legal Liability limits were sought from all markets.

ACE submitted a quote for the $1 million General Liability program - $258,898. ACE's maximum coverage quote for Umbrella is $25 million - $288,750. Both ACE's General Liability and Umbrella policies contain a requirement for a $50,000 deductible. ACE would not allow a higher deductible unless CRRA hired a firm (third party administrator TPA) to handle claims within that deductible. The TPA would need to be paid, reducing any possible minor premium savings gained with a higher deductible.

A new market expressed interest in providing CRRA's $1 million General Liability policy this year. Liberty Mutual provided a quote of $226,849 with a $50,000 deductible. In addition to the premium a $50,000 cash deposit for securitizing the deductible would also be required; therefore the total cash payment due would equal $276,849.

Because Liberty would not provide an Umbrella limit, Aon sought quotes from Excess Umbrella carriers through wholesalers to equal the $25 million limit offered by ACE. Quotes were received from Everest National Insurance for $10 million excess for $129,948 and for $15 million excess of that from Allied World Assurance Company (AWAC) for $76,500.

The Umbrella carriers also agreed to provide excess over ACE's General Liability quote for the same premiums as outlined above.

Zurich expressed interest in CRRA's program this year but only provided "indications" (not firm quotes) on our General Liability and Umbrella programs. Their indications for an overall $25 million program were significantly above the other quotes; General Liability -$350,000 - $400,000; Umbrella Liability - $450,000 - $500,000 and Auto Liability - $100,000. Zurich did not entertain providing Pollution Legal Liability coverage.

ACE provided quotes for Pollution Legal Liability coverage:

	LIMIT OPTIONS (per / aggregate)		
RETENTION OPTIONS (per pollution condition)	$15,000,000 / $15,000,000	$20,000,000 / $20,000,000	$25,000,000 / $25,000,000
$500,000 Self Insured Retention	$304,956	$383,597	$459,129
$1,000,000 Self Insured Retention	$270,071	$344,666	$416,350

ACE has agreed to add the newly acquired property formerly owned by the Thompson Family Land Trust. In addition, ACE has agreed to provide on-site remediation costs for Sudden and Accidental Coverage for the 5,540,000 gallon Jet Fuel above ground storage tank located at the Mid-CT Facility site.

No other insurer offered a Pollution Legal Liability policy.

Automobile Liability

CRRA sought coverage on 38 units. Comprehensive and collision coverage would only be on the newer eight (8) passenger vehicles and liability coverage would be on the entire fleet of 38 units.

ACE provided a quote for $1 million of coverage for a premium of $65,000. This premium represents a significant decrease over last year ($81,025) even though we have traded some older vehicles in for newer ones and these require comprehensive/collision coverage. Last year we had five (5) vehicles requiring this coverage; this year there are eight (8).

Liberty's quote for Auto Liability insurance was $64,710.

Zurich provided an "indication" for our Auto Liability program of $100,000.

The chart below provides a comparison of the expiring premiums and the quotes received (highlighted column is recommended):

CRRA Casualty Insurance: 10/1/07-10/1/08
Breakdown of Expiring Premiums vs. Recommended Renewal Premiums

Line of Coverage	Expiring Premium ACE 2006-2007	Renewal Premium Quote - ACE	Premium Quote Liberty, Everest & AWAC	Renewal Premium Quote – ACE, Everest & AWAC
General Liability	$1M - $305,000 (includes TRIA $15,000)	$1M - $258,898 (includes TRIA)	$1M - $226,849 plus $50,000 cash deposit * - Liberty (includes TRIA)	**$1M - $258,898 ACE (includes TRIA)**
Automobile Liability	$81,025 (comp & collision on 5 vehicles only)	$65,000 (comp & collision on 8 vehicles)	$64,710 (comp & collision on 8 vehicles)	**$65,000 - ACE (comp & collision on 8 Vehicles)**
Umbrella / Excess Liability (Sits over all but Pollution)	$25M - $351,750 Includes TRIA	$25M - $288,750 (Includes TRIA)	$10M – Everest $129,948 $15M – AWAC $76,500 = Total $206,448 (Includes TRIA)	**$10M – Everest $129,948 $15M – AWAC $76,500 = Total $206,448 (Includes TRIA)**
Pollution Legal Liability	$20M - $331,746 Includes TRIA	$20M - $344,666 TRIA Automatically included	ACE PLL - $20M $344,666 TRIA Automatically included	**ACE PLL - $20M $344,666 TRIA Automatically included**
Overall Cost of Program Total	$25M-GL&Auto - $737,775 $20M-PLL - $331,746 Total Cost – $1,069,521	$25M GL&Auto – $612,648 $20M – PLL - $344,666 Total Cost - $957,314	$25M GL & Auto - $498,007 plus $50,000 cash payment = $548,007 $20M PLL (ACE) $344,666 Total Cost - $892,673 *	**$25M GL & Auto – $530,346 $20M – PLL $344,666 Total Cost – $875,012**

**** WITHOUT CONSIDERATION OF THE $50,000 CASH PAYMENT TO LIBERTY, THE OVERALL PROGRAM WITH LIBERTY AS THE LEAD GENERAL LIABILITY PROVIDER IS $32,339 LESS EXPENSIVE THAN THE PROGRAM WITH ACE AS THE LEAD. HOWEVER, THE $50,000 IS REQUIRED AT INCEPTION OF THE POLICY AND WOULD REMAIN WITH LIBERTY TO PAY ANY CLAIM COSTS DURING THE POLICY PERIOD BEFORE REACHING THE DEDUCTIBLE. (general liability claim expenses over the last six years have averaged $47,685 annually).***

RECOMMENDATION

- **In consultation with our broker, Aon, management recommends that the Finance Committee accept the following quotes offered by ACE, Everest National Insurance Company (Everest) and Allied World Assurance Company (AWAC) for the period 10/1/07 – 10/1/08:**

  $ 258,898 for $1 million of Commercial General Liability - ACE
  $ 129,948 for $10 million Umbrella/Excess Liability – Everest National
  $ 76,500 for $15 million Umbrella/Excess Liability - AWAC
  $ 344,666 for $20 million of Pollution Legal Liability - ACE
  $ 65,000 for $1 million of Commercial Automobile Liability - ACE

  All policies except Auto include TRIA (certified acts of terrorism) coverage.

  There are no significant changes to the terms and conditions of the policies over those secured last year.

Even though the Liberty Commercial General Liability quote, discounting the $50,000 required payment, is lower than that offered by ACE, we recommend staying with ACE for the following reasons:

1. It is beneficial to develop and sustain relationships with insurers.
2. ACE was the only insurer to accept CRRA's program when we found ourselves in a severe bind last year with the coverage declinations by AIG.
3. Liberty did not offer Umbrella limits; ACE did.
4. Liberty did not offer Pollution Legal Liability coverage; ACE did.

Total casualty premium - $875,012 vs. annualized budget amount of $1,104,554 (see Premium to Budget Comparison, Exhibit III).

Exhibit I

Description of Coverage

Commercial General Liability Insurance

$1,000,000 – Commercial General Liability

Covers damages to third parties for bodily injury or property damage within policy terms and conditions (e.g., a workman drops a tool and dents somebody's automobile; someone slips and falls at one of our facilities).

$25,000,000 – Umbrella/Excess Liability

Covers all of the losses within policy terms and conditions that exceed the underlying layer of $1,000,000 General Liability and Auto Liability.

Pollution Legal Liability

$20,000,000 – Pollution Legal Liability

Covers losses arising from pollution conditions to third parties within policy terms and conditions for onsite bodily injury and property damage, third party claims for off-site clean up resulting from new conditions, third party claims for off site bodily injury and property damage, coverage for scheduled non owned disposal locations and pollution conditions resulting from transported cargo. Added this year--on site clean up of new conditions only from spills associated with the jet fuel tank at Mid-CT facility.

Automobile Liability Insurance

Covers damages to third parties for bodily injury or property damage from the use of a CRRA owned auto within policy terms and conditions. The policy also covers the physical damage of CRRA owned units. CRRA is responsible for insuring 37 power units and 1 transporter plate - tractors/ trailers, light trucks and passenger vehicles used in connection with administration and operation of our facilities. Comprehensive and collision coverage is only on eight passenger vehicles and light trucks with a $1,000 deductible.

Connecticut Resources Recovery Authority

Quote Disclosure Report
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EXHIBIT II

Program	Line of Business	Carrier	Intermediary, if applicable	Carrier Response	Carrier Declination Reason	Premium [1]	Quoted ARS Commission	Nationally Agreed Fixed Commission Rate [2]	Intermediary Commission	ARS Fee (if applicable)	Total ARS Income [3]	Total Cost to Client (Premium + Fee) [4]
Policy Term: October 1, 2007 to October 1, 2008												
Automobile	Business Auto Coverages	Liberty Mutual Insurance Co.		Quoted	N/A	$64,710.00	0.00%	N/A	N/A	N/A	$0.00	$64,710.00
Automobile	Business Auto Coverages	ACE American Insurance Company		Quoted	N/A	$65,000.00	0.00%	N/A	N/A	N/A	$0.00	$65,000.00
Excess Liability EXCLUDING TRIA	Excess Liability Coverage	Allied World Assurance Company Ltd.	Tri-City Insurance Brokers Inc	Quoted	N/A	$75,000.00	0.00%	N/A	10.00%	N/A	$0.00	$75,000.00
Excess Liability EXCLUDING TRIA	Excess Liability Coverage	Everest National Insurance Co	Tri-City Insurance Brokers Inc	Quoted	N/A	$127,400.00	0.00%	N/A	10.00%	N/A	$0.00	$127,400.00
Excess Liability Including TRIA	Excess Liability Coverage	Everest National Insurance Co	Tri-City Insurance Brokers Inc	Quoted	N/A	$129,948.00	0.00%	N/A	10.00%	N/A	$0.00	$129,948.00
Excess Liability Including TRIA	Excess Liability Coverage	Allied World Assurance Company Ltd.	Tri-City Insurance Brokers Inc	Quoted	N/A	$76,500.00	0.00%	N/A	10.00%	N/A	$0.00	$76,500.00
General Liability	General Liability Coverage	Catlin Insurance Company Limited	Tri-City Insurance Brokers Inc	Declined	Exposures	N/A	N/A	N/A	N/A	N/A	N/A	N/A
General Liability EXCLUDING TRIA	General Liability Coverage	Liberty Mutual Insurance Co.	N/A	Quoted	N/A	$224,603.00	0.00%	N/A	N/A	N/A	$0.00	$224,603.00
General Liability EXCLUDING TRIA	General Liability Coverage	ACE American Insurance Company		Quoted	N/A	$245,953.00	0.00%	N/A	N/A	N/A	$0.00	$245,953.00
General Liability Including TRIA	General Liability Coverage	Liberty Mutual Insurance Co.		Quoted	N/A	$226,849.00	0.00%	N/A	N/A	N/A	$0.00	$226,849.00
General Liability including TRIA	General Liability Coverage	ACE American Insurance Company	N/A	Quoted	N/A	$258,898.00	0.00%	N/A	N/A	N/A	$0.00	$258,898.00
General Liability, Auto & Umbrella	Commercial Package Policy	Catlin Insurance Company Limited	Tri-City Insurance Brokers Inc	Declined	Exposures	N/A	N/A	N/A	N/A	N/A	N/A	N/A
General Liability, Auto & Umbrella	Commercial Package Policy	Admiral Insurance Company	Tri-City Insurance Brokers Inc	Declined	Exposures	N/A	N/A	N/A	N/A	N/A	N/A	N/A
General Liability, Auto & Umbrella	Commercial Package Policy	General Star Indemnity	Tri-City Insurance Brokers Inc	Declined	Exposures	N/A	N/A	N/A	N/A	N/A	N/A	N/A
General Liability, Auto & Umbrella	Commercial Package Policy	Zurich American Ins Co	Tri-City Insurance Brokers Inc	Declined	Exposures	N/A	N/A	N/A	N/A	N/A	N/A	N/A
General Liability, Auto & Umbrella	Commercial Package Policy	Chubb & Son Inc	Tri-City Insurance Brokers Inc	Declined	Exposures	N/A	N/A	N/A	N/A	N/A	N/A	N/A
General Liability, Auto & Umbrella	Commercial Package Policy	American Empire Ins Co	Tri-City Insurance Brokers Inc	Declined	Exposures	N/A	N/A	N/A	N/A	N/A	N/A	N/A
General Liability, Auto & Umbrella	Commercial Package Policy	CNA Ins Grp	N/A	Declined	Exposures	N/A	N/A	N/A	N/A	N/A	N/A	N/A
General Liability, Auto & Umbrella	Commercial Package Policy	St. Paul Travelers Group	N/A	Declined	Exposures	N/A	N/A	N/A	N/A	N/A	N/A	N/A
General Liability, Auto & Umbrella	Commercial Package Policy	Hartford F & C Grp	N/A	Declined	Exposures	N/A	N/A	N/A	N/A	N/A	N/A	N/A
General Liability, Auto & Umbrella	Commercial Package Policy	XL Insurance Co Ltd	N/A	Declined	Exposures	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Umbrella EXCLUDING TRIA	Umbrella Liability	ACE American Insurance Company		Quoted	N/A	$275,000.00	0.00%	N/A	N/A	N/A	$0.00	$275,000.00
Umbrella Including TRIA	Umbrella Liability	ACE American Insurance Company	N/A	Quoted	N/A	$288,750.00	0.00%	N/A	N/A	N/A	$0.00	$288,750.00

[1] ARS receives premiums Clients pay for remittance to carriers as well as refunds and claim payments by insurance companies for remittance to Client and deposits these payments into fiduciary accounts in accordance with applicable insurance laws until they are due to be remitted. ARS will retain the interest or investment income earned while such funds are on deposit pursuant to those laws and carrier agreements.

Program	Line of Business	Carrier	Intermediary, if applicable	Carrier Response	Carrier Declination Reason	Premium [1]	Quoted ARS Commission	Nationally Agreed Fixed Commission Rate [2]	Intermediary Commission	ARS Fee (if applicable)	Total ARS Income [3]	Total Cost to Client (Premium + Fee) [4]

[2] Where compensation to ARS is in the form of commission, and notwithstanding any commission amounts shown in the Quoted ARS Commission column, ARS has nationally-agreed commission rates with these carriers for certain lines of business that may be higher than the quoted commission shown. ARS expects to earn the commission shown in the Nationally Agreed Fixed Commission Rate column on the gross premium amount quoted herein. This payment would not change in any way the amount of premium paid by the client to the carrier.

[3] Total ARS Income equals the sum of the commission ARS will receive from the Carrier plus ARS Fee, if any. Commission is calculated by multiplying the Premium amount by the Nationally Agreed Fixed Commission Rate, if applicable, or, if not applicable, by multiplying Premium by the Quoted ARS Commission rate.

[4] The Total Cost to Client does not include applicable surplus lines taxes and fees and it does not include applicable state fees, surcharges, or taxes assessed on the policy.

Presentation Date: September 12, 2007

Currency: USD

Quote Disclosure Report

Program	Carrier	Intermediary, if applicable	Carrier Response	Carrier Declination Reason	Premium	ARS Commission (%/dollars)	Intermediary Commission (%/dollars)
Pollution	XL/Indian Harbor	N/A	Declined	Type of Risk	N/A	$0	N/A
Pollution	ACE/Illinois Union	N/A	Quoted	N/A	1) $304,956; 2) $270,071; 3) $383,597; 4) $344,666; 5) $459,129; 6) $416,350	$0	N/A
Pollution	Liberty	N/A	Declined	Type of Risk	N/A	$0	N/A

ARS receives premiums Clients pay for remittance to insurers as well as refunds and claim payments by insurance companies for remittance to Client and deposits these payments into fiduciary accounts in accordance with applicable insurance laws until they are due to be remitted. ARS will retain the interest or investment income earned while such funds are on deposit pursuant to those laws and insurer agreements.

Exhibit III

PREMIUM TO BUDGET COMPARISON

Insurance Type	2006-2007 10/1/06-10/1/07 Premium	FY2007 (10/1/06-6/30/07) Actual	FY2008 (7/1/07-10/1/07) Budget	Annualized Budget	Proposed (10/1/07-10/1/08) Premium	Surplus/ (Deficit) to Budget
General Liabiliy	$305,000	$228,750	$83,875	$312,625	$258,898	$53,727
Umbrella Excess	$351,750	$263,813	$96,731	$360,544	$206,448	$154,096
Pollution Legal Liab.	$331,746	$248,810	$99,524	$348,334	$344,666	$3,668
Auto Liability	$81,025	$60,769	$22,282	$83,051	$65,000	$18,051
TOTALS				$1,104,554	$875,012	$229,542

TAB 3

RESOLUTION REGARDING THE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Resolved: That the Board hereby approves and endorses the Annual Financial Report for the Fiscal Year Ended June 30, 2007, substantially as discussed and presented at this meeting.

CONNECTICUT RESOURCES RECOVERY AUTHORITY

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ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2007

FOR DISCUSSION ONLY

ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2007

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Connecticut Resources Recovery Authority
Hartford, Connecticut

We have audited the accompanying basic financial statements of the Connecticut Resources Recovery Authority ("Authority"), a component unit of the State of Connecticut, as of and for the years ended June 30, 2007 and 2006, as listed in the table of contents. These basic financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Connecticut Resources Recovery Authority as of June 30, 2007 and 2006, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September XX, 2007 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying Management's Discussion and Analysis as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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Our audits were conducted for the purpose of forming an opinion on the Authority's basic financial statements. The supplementary information as of and for the year ended June 30, 2007 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the 2007 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 2007 financial statements and, in our opinion, is fairly stated in all material respects in relation to the 2007 financial statements taken as a whole.

Glastonbury, Connecticut
September XX, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the Connecticut Resources Recovery Authority (the "Authority") activities and financial performance provides an introduction to the audited financial statements for the fiscal years ended June 30, 2007 and 2006. The MD&A reflects the Authority's commitment to openness and transparency. Following the MD&A are the basic financial statements of the Authority together with the notes thereto, which are essential to a full understanding of the data contained in the financial statements.

FINANCIAL POSITION SUMMARY

The Authority's fiscal year 2007 total assets decreased by $7.7 million or 1.9% over fiscal year 2006 and total liabilities increased by $6.0 million or 3.9%. Total assets exceeded total liabilities by $238.7 million as of June 30, 2007 as compared to $252.4 million as of June 30, 2006, or a net decrease of $13.7 million. The fiscal year 2006 total assets increased by $15.3 million or 3.9% compared to fiscal year 2005 and total liabilities decreased by $6.4 million or 4.0%. Total assets exceeded total liabilities by $252.4 million as of June 30, 2006 as compared to $230.8 million as of June 30, 2005, or a net increase of $21.6 million.

		(In Thousands)	
	2007	2006	2005
ASSETS			
Current unrestricted assets	$ 124,788	$ 125,572	$ 92,292
Current restricted assets	60,290	20,819	23,779
Total current assets	185,078	146,391	116,071
Non-current assets:			
Restricted cash and cash equivalents	49,642	80,130	81,452
Investments	779	-	-
Capital assets, net	156,334	171,721	184,414
Development and bond issuance costs, net	4,921	6,218	7,221
Total non-current assets	211,676	258,069	273,087
TOTAL ASSETS	$ 396,754	$ 404,460	$ 389,158
LIABILITIES			
Current liabilities	$ 72,270	$ 31,705	$ 33,695
Long-term liabilities	85,713	120,321	124,695
TOTAL LIABILITIES	157,983	152,026	158,390
NET ASSETS			
Invested in capital assets, net of related debt	$ 117,855	$ 89,888	$ 100,471
Restricted	43,324	63,907	61,636
Unrestricted	77,592	98,639	68,661
Total net assets	238,771	252,434	230,768
TOTAL LIABILITIES AND NET ASSETS	$ 396,754	$ 404,460	$ 389,158

FINANCIAL HIGHLIGHTS

The following is an overview of significant changes within the Balance Sheets as of June 30, 2007 and 2006:

ASSETS

Current unrestricted assets decreased by $0.8 million or 0.6% over fiscal year 2006, which increased by $33.3 million or 36.1% over fiscal year 2005. The fiscal year 2007 decrease is primarily due to:

- Funds used to partially defease the remaining Mid-Connecticut Project 1996 Series A Bonds ($21.6 million); and
- Payments for plant improvements and equipment purchases at the Mid-Connecticut Waste Processing Facility and landfill development costs ($1.7 million); and
- Increases in payments for contract operating charges at the Bridgeport project ($4.7 million) as a result of the depletion of the municipal share fund, which was used to offset processing costs; offset by:
- Increased operating cash balances of $19.6 million at the Bridgeport, Mid-Connecticut and Wallingford projects as a result of contributions toward operating cash requirements for specific purposes; and
- Interest earned on current unrestricted cash and cash equivalents ($5.1 million); and
- A $3.0 million grant receivable from the Connecticut Department of Environmental Protection ("CTDEP") as reimbursement of costs previously incurred by the Authority in the closure of the Shelton landfill.

The fiscal year 2006 increase over 2005 was primarily due to:

- Increased operating cash balances of $22.8 million at the Bridgeport, Mid-Connecticut, and Wallingford projects as a result of contributions toward operating cash requirements for specific purposes; and
- A $5.2 million transfer of funds, including $0.5 million of interest income, from current restricted assets as a result of an arbitration award associated with claimed overcharging of indirect costs from one of the Mid-Connecticut operators; and
- Interest earned on current unrestricted cash and cash equivalents ($4.1 million); and
- A transfer of fiscal year 2005 cash surplus of $2.8 million from the Mid-Connecticut project current restricted assets to the Mid-Connecticut operating cash account; offset by:
- Payments for plant improvements and equipment purchases at the Waste Processing and Power Block Facilities, postclosure costs at the Ellington Landfill and landfill development costs ($1.3 million).

Current restricted assets increased by $39.5 million or 189.6% over fiscal year 2006, which decreased by $3.0 million or 12.4% compared to fiscal year 2005. The fiscal year 2007 increase is primarily due to:

- Increased restricted cash balance of $37.3 million (net of attorneys' fees and costs of litigation) at the Mid-Connecticut project as a result of litigation-related settlements; and
- Increased Revenue Fund balances at the Mid-Connecticut and Bridgeport projects of $2.7 million and $0.7 million, respectively. The increase at the Bridgeport project is due to cash provided by operating activities exceeding cash used in capital and related financing activities. The increase at the Mid-Connecticut project is due to cash provided by operating activities exceeding cash used in capital and related financing activities, net of funds used to partially defease the remaining Mid-Connecticut Project 1996 Series Bonds; and
- Interest earned on current restricted cash and cash equivalents ($1.7 million); offset by:
- Decreased Revenue Fund balance at the Southeast project of $2.1 million due to delayed receipt of electric revenue as of June 30, 2007.

The fiscal year 2006 decrease from 2005 was primarily due to:

- A $5.2 million transfer of funds, including $0.5 million of interest income, to current unrestricted assets as a result of the arbitration award associated with claimed overcharging of indirect costs from one of the Mid-Connecticut operators; offset by:
- Increased reserve cash balances of $0.8 million at the Bridgeport, Mid-Connecticut, and Southeast projects as a result of contributions toward reserve cash requirements; and
- Funds released to current restricted assets by the Trustee for $0.6 million from the non-current restricted Mid-Connecticut Debt Service Reserve Fund for the amount in excess of the Bond Resolution reserve funding requirement; and
- Interest earned on current restricted cash and cash equivalents ($0.3 million).

Non-current assets decreased by $46.4 million or 18.0% over fiscal year 2006, which decreased by $15.0 million or 5.5% compared to fiscal year 2005. The fiscal year 2007 decrease is primarily due to:

- <u>Restricted cash and cash equivalents</u> decreased by $30.5 million primarily due to:
    - Funds used to partially defease the remaining Mid-Connecticut Project 1996 Series A Bonds ($29.9 million); and
    - Regular principal and interest payments due on State loans to the Mid-Connecticut project ($3.5 million); offset by:
    - Increased reserve cash balance of $1.1 million at the Mid-Connecticut project as a result of contribution toward reserve cash requirement; and
    - Interest earned on non-current restricted cash and cash equivalents ($2.4 million).

The fiscal year 2006 restricted cash and cash equivalents decrease of $1.3 million compared to fiscal year 2005 was primarily due to:

- Regular principal and interest payments on State loans ($3.4 million) plus road construction costs and a major overhaul for one of the jet turbines ($0.8 million) at the Mid-Connecticut project; and
- Funds released by the Trustee for $0.6 million from the Mid-Connecticut Debt Service Reserve Fund to current restricted assets for the amount in excess of the Bond Resolution reserve funding requirement; offset by:
- Interest earned on non-current restricted cash and cash equivalents ($2.5 million); and
- Increased reserve cash balance of $1.0 million at the Mid-Connecticut project as a result of contribution toward the Energy Generating Facility Reserve.

- Investments increased by $0.8 million or 100% over fiscal years 2006 and 2005 due to the purchase of U.S. Treasury Bills for landfill trusts during fiscal year 2007 with maturities over three months.

- Capital assets, net decreased by $15.4 million compared to fiscal year 2006, which decreased by $12.7 million compared to fiscal year 2005. The fiscal year 2007 decrease is due to depreciation expense of $17.2 million offset by $1.8 million in plant improvements, equipment purchases, and construction in progress. The fiscal year 2006 decrease was due to depreciation expense of $16.8 million and an asset write-off with a net book value of $192,000 offset by $4.3 million in plant improvements, equipment purchases, and construction in progress.

- Development and bond issuance costs decreased by $1.3 million compared to fiscal year 2006, which decreased by $1.0 million compared to fiscal year 2005. The fiscal year 2007 decrease is due to amortization expense and the write-off of unamortized bond issuance costs related to the Mid-Connecticut defeasance of debt. The fiscal year 2006 decrease was due to amortization expense.

LIABILITIES

Current liabilities increased by $40.6 million or 127.9% compared to fiscal year 2006, which decreased by $2.0 million or 5.9% compared to fiscal year 2005. The fiscal year 2007 increase is primarily due to:

- Increased net current portion of closure and postclosure care of landfills ($9.2 million) due to higher costs anticipated to be incurred at the Hartford landfill within the next twelve months; and
- Increased accounts payable and accrued expenses ($31.2 million) due to a ruling in the New Hartford suit ($35.8 million) and settlement costs associated with the Ellington landfill settlement at the Mid-Connecticut project ($1.2 million) partially offset by a write-off of over charges previously recorded as liabilities payable to one of the Mid-

Connecticut operators ($2.2 million) plus the disbursement of funds for goods and services received.

The fiscal year 2006 decrease from 2005 was primarily due to decreased other liabilities ($4.6 million) as a result of the arbitration award associated with claimed overcharging of indirect costs from one of the Mid-Connecticut operators offset by increased accounts payable and accrued expenses ($2.6 million).

Long-term liabilities decreased by $34.6 million or 28.8% compared to fiscal year 2006, which decreased by $4.4 million or 3.5% compared to fiscal year 2005. The fiscal year 2007 decrease is due to:

- Long-term portion of bonds payable, net decreased by $56.7 million compared to fiscal year 2006. The fiscal year 2007 decrease is due to regular principal payments due on Authority bonds ($3.1 million) and the partial defeasance of the remaining Mid-Connecticut Project 1996 Series A Bonds in July 2006 ($54.1 million) offset by the write-off of unamortized deferred amounts on the related debt ($0.5 million).

The fiscal year 2006 decrease from 2005 of $2.7 million was due to regular principal payments due on Authority bonds.

- State loans payable decreased by $2.6 million over fiscal year 2006, which decreased by the same amount over fiscal year 2005. The fiscal year 2006 and 2005 decreases are due to regular principal payments on State loans.

- Closure and postclosure care of landfills increased by $24.7 million compared to fiscal year 2006. The fiscal year 2007 increase is primarily due to:

    - Increased projected costs at all five landfills ($34.6 million). The increase in projected costs at the Ellington, Shelton, Wallingford and Waterbury landfills is due to increased administration costs. The increase in projected costs at the Hartford landfill is primarily due to Authority assumption for the responsibility of all closure and postclosure care costs and increased administration costs at the landfill; offset by:
    - Increased net current portion of closure and postclosure care costs ($9.2 million), which is classified under current liabilities; and
    - A reduction in the long-term liability accounts as a result of payments for postclosure care costs at the Ellington, Shelton, and Wallingford landfills ($0.7 million).

The fiscal year 2006 increase over 2005 of $1.1 million was primarily due to an increase in projected costs at the Shelton landfill ($1.6 million) as a result of increases in general engineering and maintenance services offset by a reduction in the long-term liability accounts as a result of payments for postclosure care costs at the Ellington, Shelton, and Wallingford landfills ($667,000).

SUMMARY OF OPERATIONS AND CHANGE IN NET ASSETS

Net Assets may serve over time as a useful indicator of the Authority's financial position.

	Fiscal Years Ended June 30, (In Thousands)		
	2007	2006	2005
Operating revenues	$ 180,514	$ 180,093	$ 168,941
Operating expenses	188,149	148,449	137,443
(Loss) income before depreciation and amortization and other non-operating revenues and (expenses)	(7,635)	31,644	31,498
Depreciation and amortization	18,189	17,850	17,864
(Loss) income before other non-operating revenues and (expenses), net	(25,824)	13,794	13,634
Non-operating revenues, net	13,309	7,872	75,927
(Loss) income before special items	(12,515)	21,666	89,561
Special items:			
Gain on sale of Enron claims	-	-	28,502
Early retirement/defeasance of debt	(1,148)	-	(6,128)
(Decrease) increase in net assets	(13,663)	21,666	111,935
Total net assets, beginning of year	252,434	230,768	118,833
Total net assets, end of year	$ 238,771	$ 252,434	$ 230,768

Operating revenues increased slightly by $0.4 million or 0.2% during fiscal year 2007 over fiscal year 2006 and $11.2 million or 6.6% from fiscal year 2005 to fiscal year 2006. The fiscal year 2007 increase is primarily due to a write-off of over charges previously recorded as liabilities that has been written-off as other operating revenue during fiscal year 2007, which is offset by a decrease in tipping fees at the Mid-Connecticut project, lower than expected solid waste deliveries by members at all four operating projects and decreased recycling sales. The fiscal year 2006 increase was primarily due to a $4.6 million increase in service changes due to increased member and contract deliveries, a $4.1 million increase in energy sales primarily due to an increase in contract rates and an increase in recycling sales due to the favorable recycling sales market.

Operating expenses increased during fiscal year 2007 by $39.7 million or 26.7% primarily as a result of a settlement agreement by which the Authority assumes the liability, contingent upon certain conditions, for all of the Hartford landfill closure and postclosure costs and increased administration costs at all five landfills. Other cost increases relate to the Ellington landfill settlement, increased contract operating charges at the Bridgeport project due to the depletion of the municipal share fund, which was used to offset processing costs, and increased legal costs at the Bridgeport and Mid-Connecticut projects due to on-going legal activity and an arbitration dispute with the Bridgeport project facility operator. Operating expenses increased during fiscal year 2006 by $11.0 million or 8.0% as a result of higher processing costs at the Bridgeport project due to additional contract waste deliveries, increased project costs for general engineering and maintenance services at the Shelton landfill, increased operating costs at the Mid-Connecticut project due to unplanned repairs at the Waste Processing Facility, and additional export costs incurred at the Wallingford project due to a transformer failure at the plant. Higher legal costs were also incurred at the Bridgeport and Mid-Connecticut projects due to on-going legal activity.

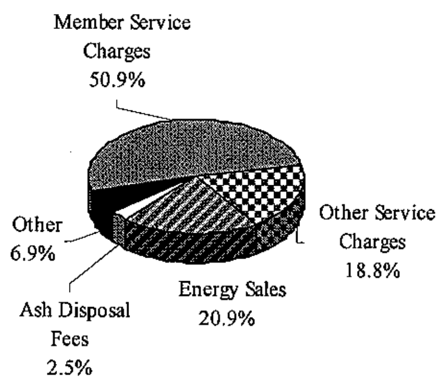
Depreciation and amortization remained fairly constant, decreasing by $339,000 and $14,000 over fiscal years 2006 and 2005, respectively.

Non-operating revenues, net increased by $5.4 million during fiscal year 2007 primarily due to $40.2 million litigation-related settlements, a $3 million grant from the CTDEP as reimbursement of costs previously incurred by the Authority in the closure of the Shelton landfill, a settlement with one of the Mid-Connecticut operators for several claims related to the operation of waste-to-energy system at the Mid-Connecticut project, increased investment income, and lower interest expense offset by $35.8 million in litigation-related judgment, a $1.15 million settlement costs associated with the Ellington landfill settlement and decreased other income. Non-operating revenues, net decreased by $68.1 million during fiscal year 2006 primarily due to Enron claims of $82.8 million received in fiscal year 2005 offset by increased investment income, lower interest expense, and increased other income.

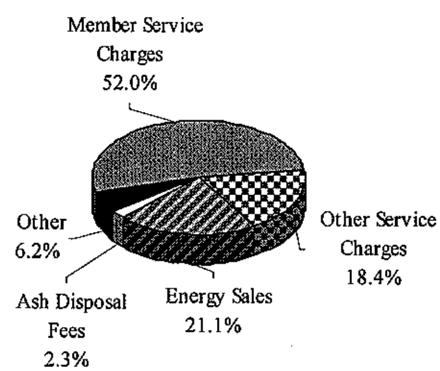
Special item –Defeasance of debt: The fiscal year 2007 special item is attributable to the write-off of unamortized amounts such as bond issuance costs and other deferred amounts related to the Mid-Connecticut 1996 Series A Bonds, which were partially defeased, during fiscal year 2007. There was no such special item incurred during fiscal year 2006.

SUMMARY OF OPERATING REVENUES

The following charts show the major sources and the percentage of operating revenues for the fiscal years ended June 30, 2007 and 2006:



Fiscal Year 2007



Fiscal Year 2006

During fiscal year 2007, Solid Waste tipping fees (member service and other service charges) plus ash disposal reimbursement account for 72.2% of the Authority's operating revenues. Energy sales make up another 20.9% of operating revenues. During fiscal year 2006, Solid Waste tipping fees (member service and other service charges) plus ash disposal reimbursement account for 72.7% of the Authority's operating revenues. Energy sales make up another 21.1% of operating revenues.

A summary of operating revenues and non-operating revenues (including the special item for the fiscal year ended June 30, 2005), and the amount and percentage of change in relation to the immediate prior two fiscal years is as follows:

SUMMARY OF OPERATING, NON-OPERATING REVENUES AND SPECIAL ITEM
Fiscal Years Ended June 30,
(In Thousands)

	2007	2006	2007 Increase/ (Decrease) from 2006	2007 Percent Increase/ (Decrease)	2005	2006 Increase/ (Decrease) from 2005	2006 Percent Increase/ (Decrease)
Operating Revenues:							
Member service charges	$ 91,848	$ 93,513	$ (1,665)	(1.8%)	$ 91,894	$ 1,619	1.8%
Other service charges	33,917	33,186	731	2.2%	30,223	2,963	9.8%
Energy sales	37,857	37,945	(88)	(0.2%)	33,798	4,147	12.3%
Ash disposal reimbursement	4,485	4,229	256	6.1%	4,025	204	5.1%
Other operating revenues	12,407	11,220	1,187	10.6%	9,001	2,219	24.7%
Total Operating Revenues	180,514	180,093	421	0.2%	168,941	11,152	6.6%
Non-Operating Revenues:							
Litigation-related settlements	40,225	-	40,225	-	-	-	-
Enron claims settlement	-	-	-	-	82,760	(82,760)	(100.0%)
Investment income	8,888	7,664	1,224	16.0%	4,471	3,193	71.4%
Other income	4,073	5,980	(1,907)	(31.9%)	1,884	4,096	217.4%
Total Non-Operating Revenues	53,186	13,644	39,542	289.8%	89,115	(75,471)	-84.7%
Special Item:							
Gain on sale of Enron claims	-	-	-	0.0%	28,502	(28,502)	(100.0%)
TOTAL	$ 233,700	$ 193,737	$ 39,963	20.6%	$ 286,558	$ (92,821)	(32.4%)

Overall, fiscal year 2007 total revenues increased by $40.0 million or 20.6% over fiscal year 2006. Fiscal year 2006 total revenues decreased by $92.8 million or 32.4% over fiscal year 2005. The following discusses the major changes in operating and non-operating revenues of the Authority:

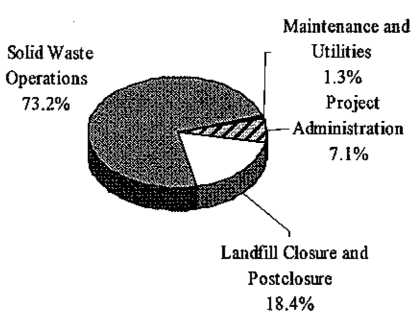
- Member service charges decreased by $1.7 million in fiscal year 2007 and increased by $1.6 million in fiscal year 2006. The fiscal year 2007 decrease reflects a decrease in the tipping fee enacted at the Mid-Connecticut Project and lower than expected solid waste deliveries at all four operating projects. The fiscal year 2006 increase reflects the increased tipping fee enacted at the Bridgeport and Wallingford projects.

- Other service charges to both contract towns and spot waste haulers, increased by $0.7 million from fiscal year 2006 to 2007. This contrasts with a $3.0 million increase from fiscal year 2005 to 2006. The fiscal year 2007 increase is due to availability as a result of lower than expected member deliveries. The fiscal year 2006 increase was due to the continued efforts of the Authority to contract for additional waste at the Bridgeport project.

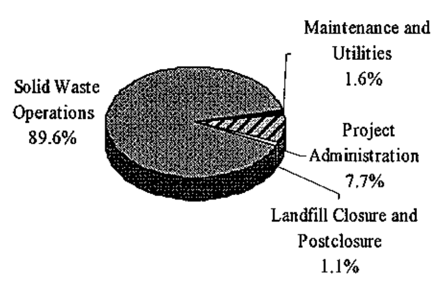
- Energy sales decreased slightly by $88,000 during fiscal year 2007 and increased by $4.1 million during fiscal year 2006. The fiscal year 2007 decrease reflects the lower energy rates in effect during fiscal year 2007 in accordance with the two-year energy purchase agreement at the Mid-Connecticut project and decreased electricity generation. The fiscal year 2006 increase reflects the higher energy rates at the Mid-Connecticut and Wallingford projects.
- Other operating revenues increased by $1.2 million in fiscal year 2007 and $2.2 million in fiscal year 2006. The fiscal year 2007 increase is due to the write-off of over charges previously recorded as liabilities payable to one of the Mid-Connecticut operators, which has been written-off as other operating revenue, offset by decreased recycling sales. The fiscal year 2006 increase was the result of favorable recycling sales markets.
- Litigation-related settlements of $40.2 million represent settlements of various Enron-related lawsuits during fiscal year 2007. There were no such gains during fiscal year 2006.
- Investment income increased $1.2 million from fiscal year 2006 to 2007 and $3.2 million from fiscal year 2005 to 2006 due to improved investment rates and increased balances.
- Other income of $4.1 million for fiscal year 2007 represents the $3.0 million grant from the CTDEP for landfill closure costs previously incurred by the Authority to close the Shelton landfill (see "Landfill Activity" section herein), a settlement with the Mid-Connecticut operators for several claims related to the operation of waste-to-energy system at the Mid-Connecticut project ($434,000, at present value), gains on sales of equipment ($192,000), and miscellaneous income ($447,000). Other income of $6.0 million for fiscal year 2006 represents indirect costs and workers compensation insurance overcharged by one of the Mid-Connecticut operators in prior fiscal years ($5.0 million), proceeds from insurance for loss on an asset due to an accident ($378,000), gains on sales of equipment ($312,000), and miscellaneous income ($283,000).

SUMMARY OF OPERATING EXPENSES

The following charts show the major sources and the percentage of operating expenses for the fiscal years ended June 30, 2007 and 2006:



Fiscal Year 2007



Fiscal Year 2006

Solid Waste Operations are the major component of the Authority's operating expenses, accounting for 73.2% of operating expenses in fiscal year 2007. During fiscal year 2006, Solid Waste Operations accounted for 89.6% of operating expenses.

A summary of operating expenses and non-operating expenses (including the special items for the fiscal years ended June 30, 2007 and 2005), and the amount and percentage of change in relation to the immediate prior two fiscal years is as follows:

SUMMARY OF OPERATING, NON-OPERATING EXPENSES AND SPECIAL ITEMS
Fiscal Years Ended June 30,
(In Thousands)

	2007	2006	2007 Increase/ (Decrease) from 2006	2007 Percent Increase/ (Decrease)	2005	2006 Increase/ (Decrease) from 2005	2006 Percent Increase/ (Decrease)
Operating Expenses:							
Solid waste operations	$ 137,767	$ 133,026	$ 4,741	3.6%	$ 126,322	$ 6,704	5.3%
Maintenance and utilities	2,401	2,313	88	3.8%	2,037	276	13.5%
Landfill closure and postclosure	34,639	1,629	33,010	2026.4%	180	1,449	805.0%
Project administration	13,342	11,481	1,861	16.2%	8,904	2,577	28.9%
Total Operating Expenses	188,149	148,449	39,700	26.7%	137,443	11,006	8.0%
Depreciation	18,189	17,850	339	1.9%	17,864	(14)	-0.1%
Non-Operating Expenses:							
Litigation-related judgment	35,800	-	35,800	-	-	-	-
Litigation-related settlement	1,150	-	1,150	-	-	-	1
Interest expense	2,693	5,677	(2,984)	(52.6%)	10,022	(4,345)	(43.4%)
Other expenses	234	95	139	146.3%	3,166	(3,071)	(97.0%)
Total Non-Operating Expenses	39,877	5,772	34,105	590.9%	13,188	(7,416)	(56.2%)
Special Items:							
Early Retirement/Defeasance of Debt	1,148	-	1,148	-	6,128	(6,128)	(100.0%)
TOTAL	$ 247,363	$ 172,071	$ 75,292	43.8%	$ 174,623	$ (2,552)	(1.5%)

The Authority's total expenses increased by $75.3 million or 43.8% between fiscal year 2007 and 2006. Fiscal year 2006 total expenses decreased by $2.6 million or 1.5% from fiscal year 2005. Notable differences between the fiscal years include:

- Solid waste operations increased by $4.7 million from fiscal year 2006 to 2007 primarily due to:
  - Operating expenses at the Bridgeport project increased due to the depletion of the municipal share fund, which was previously used to offset processing costs; and
  - Operating expenses at the Southeast project increased due to a distribution of funds to the Southeastern Connecticut Regional Resources Recovery Authority for future expenses, partially offset by a reduction in the service fee paid by the Authority to the operator as a result of higher electric contract rates; offset by:

- Operating expenses at the Mid-Connecticut project decreased due to a reduction of the recycling operating charges per a new operating agreement, a reduction in the solid waste assessment as a result of a favorable ruling from the Department of Revenue Services and lower natural gas consumption for the odor control system as the result of a capital upgrade. These decreases were partially offset by increased operating costs at the Hartford landfill and Waste Processing Facility relating to capital upgrades at the facilities and increased marketing costs for a recycling campaign to increase recycling rates; and
- Operating expenses at the Wallingford project decreased due to lower waste export costs.

Solid waste operations increased by $6.7 million from fiscal year 2005 to 2006 primarily due to:

- Operating expenses at the Mid-Connecticut project increased significantly due to unplanned repairs at the Waste Processing Facility. Operating expenses for the Power Block Facility, Recycling Facility and Jets also increased due to inflation increases. In addition, the Authority recorded a write-off of spare parts inventory during fiscal year 2006; and
- Operating expenses at the Bridgeport project increased primarily due to the additional contract waste deliveries; and
- Operating expenses at the Wallingford project increased as a result of additional export costs incurred due to a transformer failure at the plant and higher fuel costs, offset by:
- Decreased operating expenses at the Southeast project due to higher electric contract rates, which is an offset to the service fee paid by the Authority to the operator.

- <u>Maintenance and utilities</u> expenses remain fairly constant, increasing by $88,000 during fiscal year 2007 primarily due to capital improvements at the Bridgeport project transfer stations. During fiscal year 2006, maintenance and utilities increased $276,000 primarily due to a one-time expense for the removal of a fence and other miscellaneous expenses at the Hartford landfill.

- <u>Landfill closure and postclosure</u> costs increased by $33.0 million between fiscal year 2006 and 2007 primarily due to the Authority's assumption for the responsibility of all closure and postclosure care costs at the Hartford landfill and increased administration costs at all five landfills. Between fiscal years 2005 and 2006, landfill closure and postclosure care costs increased by $1.4 million due to increased projected costs as a result of increases in general engineering and maintenance services at the Shelton landfill.

- Project administration costs increased $1.9 million during fiscal year 2007 over fiscal year 2006 and $2.6 million during fiscal year 2006 over fiscal year 2005. During fiscal year 2007, this increase is due to higher legal expenses as a result of the continued legal activity associated with the Enron-related lawsuits at the Mid-Connecticut project as well as an arbitration dispute with the facility operator and the on-going project negotiations at the Bridgeport project. During fiscal year 2006, this increase was due to higher legal expenses as a result of on-going legal activity associated with the Enron-related lawsuits at the Mid-Connecticut project as well as the future option studies and on-going arbitration at the Bridgeport project, plus the addition of a part-time educator at the Stratford museum and a full-time enforcement employee for the Wallingford project.

- Litigation-related judgment increased by $35.8 million during fiscal year 2007 as a result of the ruling in the New Hartford suit. There was no such expense incurred during fiscal year 2006.

- Litigation-related settlement of $1.15 million represents costs associated with the Ellington landfill settlement during fiscal year 2007. There was no such expense incurred during fiscal year 2006.

- Interest expense decreased by $3.0 million during fiscal year 2007 and $4.3 million during fiscal year 2006 due to decreases in the principal amount of bonds outstanding.

- Other expenses during fiscal years 2007 and 2006 of $234,000 and $95,000, respectively, represent trustee fees, letter of credit fees and miscellaneous expenses.

- Defeasance of debt occurred during fiscal year 2007 and is discussed on page 9 of this MD&A.

CAPITAL ASSETS

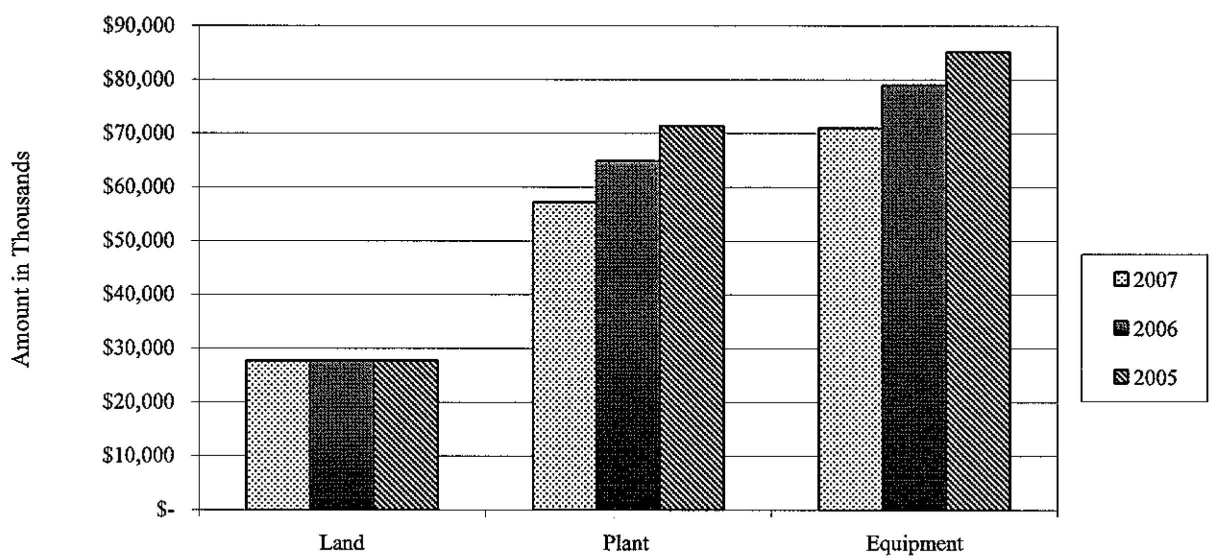
The Authority's investment in capital assets for its activities as of June 30, 2007 and 2006 totaled $156.3 million and $171.7 million, respectively (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, roadways, equipment, gas and steam turbines, rolling stock and vehicles. The total fiscal year 2007 and 2006 decrease in the Authority's investment in capital assets was 9.0% and 6.9%, respectively. The decrease is due to depreciation expense offset by plant improvements, equipment purchases, and construction in progress.

Major capital asset events during the current and immediate prior two fiscal years included vehicle and equipment purchases, conveyor rebuilds, floor repairs, building/leasehold improvements, replacement of trommel screens, jets repairs and overhaul, installation of a free blow system, installation of a fly ash system, and road reconstruction.

The following table is a three year comparison of the Authority's investment in capital assets:

Capital Assets
(Net of Accumulated Depreciation)
As of June 30,
(In Thousands)

	2007	2006	2005
Land	$ 27,774	$ 27,774	$ 27,774
Plant	57,223	64,875	71,380
Equipment	70,980	78,951	85,189
Construction in progress	357	121	71
Totals	$ 156,334	$ 171,721	$ 184,414



Additional information on the Authority's capital assets can be found in Notes 1J and 3 on pages 30 and 34 of this report.

ENRON MATTERS

In connection with the Enron bankruptcy, the Authority filed proofs of claim against Enron Power Marketing, Inc. and Enron Corporation, seeking to recover the losses sustained in connection with the 2000 transaction. On June 29, 2004, Enron agreed to the proposed settlement of the claims that were filed, pending approval from the United States Bankruptcy court, among others. On July 22, 2004, the Authority's Board of Directors voted to allow bids to be received in connection with a potential sale of the Enron claims. The Authority's Enron claims were estimated by the bankruptcy court to have a value of $82,760,484. On August 20, 2004, the Authority's Board of Directors received bids and passed a resolution approving the sale of the Enron claims to a major financial institution with a significant presence in the distressed debt claims markets, which resulted in a premium of $28,501,471 or 34.4% over the estimated value amount. On January 20, 2005, the United States Bankruptcy court approved the

Enron settlement agreement. On February 1, 2005, the Authority received $111,686,881 (which included $424,926 interest) at the closing of the Enron claims sale, which was applied to the Mid-Connecticut project debt as follows: On March 11, 2005, the Authority fully defeased its outstanding Mid-Connecticut Project Bonds 1997 Series A (total outstanding of $2,100,000) and 2001 Series A (total outstanding of $13,210,000) and partially defeased $81,510,000 of its outstanding Mid-Connecticut Project Bonds 1996 Series A (total outstanding as of March 11, 2005 was $150,925,000). In addition, the Authority established an irrevocable escrow account on March 24, 2005 in the amount of $19,394,506 with the remaining proceeds from the sale of the Enron claims, which will provide for future State loans repayments (see "State Loans" below).

On February 24, 2005, the Authority's Board of Directors authorized the establishment of a Debt Service Stabilization Fund to be funded by the revenue expected to be generated by the bond defeasance and to be used to pay future debt service. By June 30, 2006, this fund contained $16,475,899, which, when combined with other funds available (including the MDC Arbitration award, excess funds in the Energy Generating Facility Operating Fund, funds in the Mid-Connecticut Project Revenue Fund and the use of Trustee-released funds in the Mid-Connecticut Project Debt Service Reserve Fund) enabled the Authority to complete another bond defeasance of a portion of the Mid-Connecticut project debt remaining following the March 2005 bond defeasance. Accordingly, on July 27, 2006, the Authority defeased $54,125,000 of the remaining $69,415,000 Mid-Connecticut Project 1996 Series A Bonds.

STATE LOANS

On April 19, 2002, the Connecticut General Assembly passed Public Act No. 02-46 (the "Act"), which authorizes a loan by the State to the Authority of up to $115 million to support the repayment of the Authority's debt for the Mid-Connecticut project, in order to avoid default. The Act also restructured the Authority's Board of Directors and required a Steering Committee Report and Financial Mitigation Plan to be filed with the State. This State support resulted in the authorization of a loan in the amount of $22 million for the period June 30, 2003 through June 30, 2004 and the authorization of a subsequent loan in the amount of $20 million for the period July 1, 2004 through June 30, 2005. During these periods, the Authority drew a total of $21.5 million of the authorized State loans. The Authority has made no State loan requests since December 2004. As of June 30, 2007, the Authority had a principal balance of $13.3 million outstanding. The Authority makes monthly loan repayments comprising both principal and interest payments from the irrevocable escrow account established for this purpose. The monthly interest rate on the State loans equals the monthly State Treasurer's Short Term Investment Fund rate plus 25 basis points, and is capped at six percent.

LANDFILL ACTIVITY

In 2004, the Authority embarked on a comprehensive landfill siting investigation for a new ash residue and/or bulky waste landfill. Two parcels have been identified as potential sites within the State that may be technically and environmental amenable to permitting and constructing a landfill. Since 2005, the Authority has sought to secure several parcels of land associated with the two different sites and has also contracted with an engineering firm to prepare a site investigation plan for the two prospective parcels, and plans to begin on-site investigations by the end of calendar year 2007.

The Authority submitted a solid waste permit modification application to DEP in July 2006, associated with the Hartford landfill, to 1) revise the closure plan, prescribing a state-of-the-art synthetic cap; 2) revise the grading plan for a section of the east side of the landfill; 3) set a date certain for final delivery of waste of no later than December 31, 2008; and 4) discuss possible passive recreational future uses for the landfill and engage a landscape architect to provide a rendering of these possible activities. A favorable ruling on this permit modification was issued by DEP on March 29, 2007. As of June 30, 2007, there are eighteen months of capacity for non-processible waste and process residue generated at the Mid-Connecticut Resource Recovery Facility ("RRF") and approximately 16 months of capacity for ash residue generated by the RRF. Upon closure of the Hartford landfill, the Mid-Connecticut Project will incur substantial cost increases to transport and dispose of the non-processible waste, process residue and ash residue to other out-of-state facilities. The siting of a new ash landfill in Connecticut would mitigate some of these costs.

On February 2, 2007, the Authority and the City of Hartford executed a Settlement Agreement which resolved a long standing disagreement regarding responsibility for costs associated with closure and post-closure activities at the Hartford landfill. The Authority has reflected the latest costs estimates for closure and post-closure costs estimated to be $43 million, which excludes insurance, in its financial statements. In addition, the State of Connecticut capital budget for fiscal year 2008 includes appropriation of $15 million for costs associated with closure of the Hartford landfill. Upon passage of the budget, and if approved by the Bond Commission, the $15 million will be allocated to the Authority through the state Bond Commission, with $3 million allocated in fiscal year 2008, and $12 million allocated in fiscal year 2009.

In 1999, the Connecticut General Assembly passed legislation (Public Act 99-242) authorizing certain monies be spent on landfill closure activities associated with the landfill located on River Road in Shelton, CT. On March 20, 2007, the State Bond Commission allocated $3 million to be disbursed from DEP to the Authority. The Authority executed a grant-in-aid agreement with DEP in July 2007, and expects to receive the funds in the second quarter of fiscal year 2008.

In May 2007, the Authority executed a settlement agreement with a private landowner, which settlement included a provision for the Authority to purchase 57 + acres of land in Ellington and East Windsor, Connecticut, and adjacent to the Authority's closed landfill in Ellington, CT, for the purpose of obtaining control of a subsurface landfill leachate plume. Conveyance of the property was completed in July 2007.

METROPOLITAN DISTRICT COMMISSION ARBITRATION RULING

Two arbitration hearings between the Authority and the Metropolitan District Commission (the "MDC") on claims asserted by both parties have been conducted in recent years.

The first arbitration hearing was held in the fall of 2004 regarding the Authority's right to hire replacement workers at the Mid-Connecticut project transfer stations and for transportation services. The arbitrators ruled that the Authority has the right to replace the MDC workers. The MDC did not seek, nor were they awarded, damages.

A second arbitration hearing was held in the spring of 2005, to resolve certain claims, including non-payment of two MDC invoices and the Authority's claim that it was overcharged by the MDC for indirect costs. Pursuant to the 1999 ruling of a previous arbitration panel, the Authority created and maintained an escrow account, setting aside 25% of the indirect costs invoiced by the MDC. In July 2005, the second arbitration panel ruled in favor of the Authority, stating that due to the overcharges the Authority did not have to pay the two MDC invoices and is entitled to retain 100% of the escrow account. The MDC appealed.

On December 21, 2006, the Authority and MDC entered into a Settlement Agreement and Mutual Release, pursuant to which MDC agreed to pay the Authority $500,000, payable either in cash or credits against amounts otherwise due from the Authority to MDC, in equal yearly installments from 2006 through 2012, and to immediately withdraw its appeal with prejudice, and the parties exchanged mutual releases.

NEW HARTFORD SUIT

In December 2003, the Towns of New Hartford and Barkhamstead filed suit against the Authority, former board members and delegates, the Authority's former President, and others, seeking alleged damages resulting from the failed Enron transaction as well as equitable relief. In addition to vigorously contesting these claims on its own behalf, the Authority is defending and indemnifying its former President and board members. On August 10, 2005, the Motions to Dismiss of all of the non-Authority defendants were granted; on August 30, 2005, plaintiffs filed an appeal, which is still pending. On March 21, 2006, the court granted the plaintiffs' motion for Class Certification. Trial began on November 13, 2006 and the parties rested on January 11, 2007. On June 19, 2007, the court issued its decision, imposing a constructive trust on the sum of $35,873,732.25 (received by the Authority from various parties in settlement of various Enron-related lawsuits and held by the Treasurer of the State of Connecticut in the Short-Term Investment Fund account) and ordering that amount to be forwarded to the plaintiffs, in care of their attorneys, immediately. The court also enjoined the Authority from passing any costs of the failed Enron transaction to the towns, effective for fiscal year 2008 and all subsequent years. On June 20, 2007, the Authority filed an Application for a Stay of Injunction Pending Appeal. On July 6, 2007, the Authority appealed the trial court's decision to the Appellate Court; on July 23, 2007, the appeal was transferred to the Connecticut Supreme Court. On July 25, 2007, the trial judge denied the Authority's Application for a Stay of Injunction Pending Appeal. On August 6, 2007, the Authority filed a Motion for Review of that denial with the Connecticut Supreme Court. The trial court retained jurisdiction over the plaintiffs' application for an order enjoining the Authority's implementation of its fiscal year 2008 budget, and held a hearing on September 5-6, 2007. A ruling is expected in October 2007.

AUTHORITY RATES AND CHARGES

During the months of January and February each year, as required under the various project bond resolutions, the Authority's Board of Directors approves the succeeding fiscal year tipping fees for all of the projects except the Southeast project, which is subject to approval by the

Southeastern Connecticut Regional Resources Recovery Authority. The following table presents a history of the tipping fees for each of the four projects:

TIP FEE HISTORY BY PROJECT (Dollars charged per ton of solid waste delivered)					
Fiscal Year	Mid-Connecticut	Bridgeport[1]		Wallingford	Southeast
2000	$49.00	$60.00	$10.00	$57.00	$59.00
2001	50.00	60.00	7.00	56.00	58.00
2002	51.00	60.00	7.00	55.00	57.00
2003	57.00	62.00	7.00	55.00	57.00
2004	63.75	63.00	8.00	55.00	60.00
2005	70.00	64.50	8.00	56.00	60.00
2006	70.00	66.00	8.00	57.00	60.00
2007	69.00	70.00	8.00	58.00	60.00

LONG-TERM DEBT ISSUANCE, ADMINISTRATION AND CREDIT RATINGS

As detailed in the table on page 20, as of the fiscal year ended June 30, 2007, the Authority had $172.0 million of outstanding debt. Of this amount, $43.5 million comprises debt issued by the Authority as a conduit issuer for the Southeast project in connection with the Covanta Southeastern Connecticut Company and is not carried on the Authority's books. In addition, $31.4 million of the outstanding bonds pertaining to the Bridgeport project, $7.7 million of the outstanding bonds pertaining to the Wallingford project and $49.5 million of the outstanding bonds pertaining to the Southeast project do not appear on the books of the Authority as these bonds were issued to fund construction of waste processing facilities operated by independent contractors, who have commitments to repay the debt that is not allocable to Authority purposes.

With the exception of the Southeast project conduit bonds and the Mid-Connecticut Project State Loans, all other bonds issued by the Authority are secured by credit enhancement in the form of municipal bond insurance. In some cases, certain bonds are further secured by the Special Capital Reserve Fund ("SCRF") of the State of Connecticut. The SCRF is a contingent liability of the State of Connecticut available to replenish any debt service reserve fund draws on bonds that have the SCRF designation. The funds used to replenish a debt service reserve draw are provided by the State's General Fund and are deemed appropriated by the Connecticut legislature.

The Authority did not issue long-term debt for capital improvements during the fiscal year ended June 30, 2007.

The ratings of the Authority's outstanding bonds were unchanged during the fiscal year ended June 30, 2007, with the exception of an upgrade of the Southeast Project's Corporate Credit Revenue Bonds, which are not carried on the books of the Authority.

Additional information on the Authority's long-term debt can be found in Note 4 on pages 34 - 37 of this report.

[1] The Bridgeport Project charges a split rate; the first rate is for actual tons delivered and the second rate is based on the minimum commitment tonnage.

STATUS OF OUTSTANDING BONDS ISSUED AS OF JUNE 30, 2007

PROJECT / Series	Moody's Rating	Standard & Poor's Rating	Credit Enhancement	X= SCRF-Backed[1]	Dated	Maturity Date	Original Principal ($000)	Principal Outstanding ($000)	On Authority's Books ($000)
MID-CONNECTICUT PROJECT									
1996 Series A - Project Refinancing	Aaa	AAA	MBIA	X	8/20/96	11/15/12	$209,675	$15,290	$15,290
2004 State Loan Borrowings (cumulative)[2]	NR	NR	--	--	various	12/1/12	12,842	7,639	7,639
2005 State Loan Borrowings (cumulative)[2]	NR	NR	--	--	various	6/1/12	8,659	5,681	5,681
								28,610	28,610
BRIDGEPORT PROJECT									
1999 Series A - Project Refinancing	Aaa	AAA	MBIA	--	8/31/99	1/1/09	141,695	32,725	1,280
2000 Series A - Refinancing (partial insurance)	A3/Aaa	A+/AAA	MBIA	--	8/1/00	1/1/09	9,200	2,380	2,380
								35,105	3,660
WALLINGFORD PROJECT									
1998 Series A - Project Refinancing	Aaa	AAA	Ambac	--	10/23/98	11/15/08	33,790	9,120	1,397
								9,120	1,397
SOUTHEAST PROJECT									
1998 Series A - Project Refinancing	Aaa	AAA	MBIA	X	8/18/98	11/15/15	87,650	55,675	6,194
CORPORATE CREDIT REVENUE BONDS									
1992 Series A - Corporate Credit	Ba1	BB+	--	--	9/1/92	11/15/22	30,000	30,000	0
2001 Series A - Covanta Southeastern Connecticut Company-I	Ba1	NR	--	--	11/15/01	11/15/15	6,750	6,750	0
2001 Series A - Covanta Southeastern Connecticut Company-II	Ba1	NR	--	--	11/15/01	11/15/15	6,750	6,750	0
								99,175	6,194
TOTAL PRINCIPAL BONDS OUTSTANDING								$172,010	$39,861

[1] SCRF = Special Capital Reserve Fund of the State of Connecticut.

[2] On 3/24/05, an Irrevocable Escrow Fund was established to pay all future State Loan repayments.

NR = Not Rated

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Accounting and Financial Reporting, 100 Constitution Plaza – 6th Floor, Hartford, CT 06103.

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BALANCE SHEETS
AS OF JUNE 30, 2007 AND 2006
(Dollars in Thousands)

	2007	2006
ASSETS		
CURRENT ASSETS		
Unrestricted Assets:		
Cash and cash equivalents	$ 89,116	$ 98,644
Accounts receivable, net of allowances	28,450	22,148
Inventory	3,349	3,419
Prepaid expenses and other current assets	3,873	1,361
Total Unrestricted Assets	124,788	125,572
Restricted Assets:		
Cash and cash equivalents	59,657	20,204
Accrued interest receivable	633	615
Total Restricted Assets	60,290	20,819
Total Current Assets	185,078	146,391
NON-CURRENT ASSETS		
Restricted cash and cash equivalents	49,642	80,130
Investments	779	-
Capital Assets:		
Depreciable, net	128,203	143,826
Nondepreciable	28,131	27,895
Development and bond issuance costs, net	4,921	6,218
Total Non-Current Assets	211,676	258,069
TOTAL ASSETS	$ 396,754	$ 404,460

BALANCE SHEETS
AS OF JUNE 30, 2007 AND 2006
(Dollars in Thousands)

	2007	2006
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of:		
Bonds payable, net	$ 3,097	$ 2,929
State loans payable	2,619	2,619
Closure and postclosure care of landfills	10,588	1,420
Accounts payable, accrued expenses and other liabilities	55,966	24,737
Total Current Liabilities	72,270	31,705
LONG-TERM LIABILITIES		
Bonds payable, net	22,835	79,499
State loans payable	10,701	13,320
Closure and postclosure care of landfills	50,777	26,019
Other liabilities	1,400	1,483
Total Long-Term Liabilities	85,713	120,321
TOTAL LIABILITIES	157,983	152,026
NET ASSETS		
Invested in capital assets, net of related debt	117,855	89,888
Restricted for:		
Tip fee stabilization	15,290	14,481
Energy generating facility	12,012	20,962
Debt service reserve funds	5,228	19,565
Cash escrow - litigation-related settlements	2,126	-
Operating and maintenance	1,662	1,575
Equipment replacement	1,662	1,575
Select Energy escrow	1,000	1,000
Debt service funds	968	1,096
Shelton landfill future use	824	792
DEP trust - landfills	781	742
Recycling education fund	542	417
Regional recycling center equipment	452	429
Montville landfill postclosure	402	205
Rebate fund	292	277
Other restricted net assets	83	791
Total Restricted	43,324	63,907
Unrestricted:		
Designated	68,700	62,871
Undesignated	8,892	35,768
Total Unrestricted	77,592	98,639
Total Net Assets	238,771	252,434
TOTAL LIABILITIES AND NET ASSETS	$ 396,754	$ 404,460

The accompanying notes are an integral part of these financial statements

Connecticut Resources Recovery Authority

STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006
(Dollars in Thousands)

EXHIBIT II

	2007	2006
Operating Revenues		
Service charges:		
Members	$ 91,848	$ 93,513
Others	33,917	33,186
Energy sales	37,857	37,945
Ash disposal reimbursement	4,485	4,229
Other operating revenues	12,407	11,220
Total operating revenues	180,514	180,093
Operating Expenses		
Solid waste operations	137,767	133,026
Depreciation and amortization	18,189	17,850
Maintenance and utilities	2,401	2,313
Closure and postclosure care of landfills	34,639	1,629
Project administration	13,342	11,481
Total operating expenses	206,338	166,299
Operating (Loss) Income	(25,824)	13,794
Non-Operating Revenues and (Expenses)		
Litigation-related settlements, net	39,075	-
Investment income	8,888	7,664
Other income, net	3,839	5,885
Litigation-related judgment	(35,800)	-
Interest expense	(2,693)	(5,677)
Net Non-Operating Revenues	13,309	7,872
(Loss) income before Special Items	(12,515)	21,666
Special items:		
Defeasance of debt	(1,148)	-
Total special items	(1,148)	-
(Decrease) Increase in Net Assets	(13,663)	21,666
Total Net Assets, beginning of year	252,434	230,768
Total Net Assets, end of year	$ 238,771	$ 252,434

The accompanying notes are an integral part of these financial statements

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006 — EXHIBIT III
(Dollars in Thousands)

	2007	2006
Cash Flows From Operating Activities		
Payments received from providing services	$ 175,858	$ 186,942
Proceeds from settlements	40,225	-
Payments to suppliers for goods and services	(154,697)	(144,661)
Payments to employees for services	(4,484)	(4,226)
Net Cash Provided by Operating Activities	56,902	38,055
Cash Flows From Investing Activities		
Interest on investments	8,879	7,375
Purchases of investments	(770)	-
Net Cash Provided by Investing Activities	8,109	7,375
Cash Flows From Capital and Related Financing Activities		
Proceeds from sales of equipment	192	312
Payments for landfill closure and postclosure care liabilities	(713)	(667)
Acquisition and construction of capital assets	(1,942)	(4,188)
Defeasance of debt	(275)	-
Interest paid on long-term debt	(2,981)	(5,399)
Principal paid on long-term debt	(59,778)	(5,494)
Net Cash Used in Capital and Related Financing Activities	(65,497)	(15,436)
Cash Flows From Non-Capital Financing Activities		
Other interest and fees	(77)	(41)
Net Cash Used in Non-Capital Financing Activities	(77)	(41)
Net (decrease) increase in cash and cash equivalents	(563)	29,953
Cash and cash equivalents, beginning of year	198,978	169,025
Cash and cash equivalents, end of year	$ 198,415	$ 198,978
Reconciliation of Operating (Loss) Income to Net Cash Provided By Operating Activities:		
Operating (loss) income	$ (25,824)	$ 13,794
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:		
Depreciation of capital assets	17,246	16,845
Amortization of development and bond issuance costs	943	1,005
Provision for closure and postclosure care of landfills	34,639	1,629
Other income	3,791	5,647
Litigation-related settlements, net	39,075	-
Litigation-related judgment	(35,800)	-
(Increase) decrease in:		
Accounts receivable, net	(6,302)	987
Inventory	70	377
Prepaid expenses	(2,512)	(119)
Increase (decrease) in:		
Accounts payable, accrued expenses and other liabilities	31,576	(2,110)
Net Cash Provided by Operating Activities	$ 56,902	$ 38,055

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Entity and Services

The Connecticut Resources Recovery Authority (the "Authority") is a body politic and corporate, created in 1973 by the State Solid Waste Management Services Act, constituting Chapter 446e of the Connecticut General Statutes. The Authority is a public instrumentality and political subdivision of the State of Connecticut (the "State") and is included as a component unit in the State's Comprehensive Annual Financial Report. As of June 30, 2007, the Authority is authorized to have a board consisting of eleven directors and eight ad-hoc members. The Governor of the State appoints three directors and all eight ad-hoc members. The remaining eight directors are appointed by various state legislative leaders. All appointments require the advice and consent of both houses of the General Assembly.

The State Treasurer continues to approve the issuance of all Authority bonds and notes. The State is contingently liable to restore deficiencies in debt service reserves established for certain Authority bonds. The Authority has no taxing power.

The Authority has responsibility for implementing solid waste disposal and resources recovery systems and facilities throughout the State in accordance with the State Solid Waste Management Plan. To accomplish its purposes, the Authority is empowered to determine the location of and construct solid waste management projects, to own, operate and maintain waste management projects or to make provisions for operation and maintenance by contracting with private industry. The Authority is required to be self-sufficient in its operation in order to cover the cost of fulfilling the Authority's mission.

The Authority is comprised of four comprehensive solid waste disposal systems and a General Fund. Each of the operating systems has a unique legal, contractual, financial and operational structure described as follows:

<u>Mid-Connecticut Project</u>

The Mid-Connecticut Project consists of a 2,850 ton per day municipal solid waste / 2,030 ton per day refuse derived fuel Resources Recovery Facility located in Hartford, Connecticut, four transfer stations, the Hartford Landfill, the Ellington Landfill and a Regional Recycling Center located in Hartford, Connecticut. This system of facilities provides solid waste disposal and recycling services to 70 Connecticut municipalities through service contract arrangements. The Authority owns the Resources Recovery Facility, the transfer stations, the Ellington Landfill and the Regional Recycling Center. The Authority leases the land for the Essex transfer. The Authority controls the Hartford Landfill under a long-term lease with the City of Hartford. Private vendors, under various operating contracts, conduct operation of the facilities. All revenue generated by the facilities accrues to the Authority. Certain operating contracts have provisions for revenue sharing with a vendor if prescribed operating parameters are achieved. The Authority has responsibility for all debt issued in the development of the Mid-Connecticut system.

In conjunction with the deregulation of the State's electric industry, the Authority acquired from the Connecticut Light & Power Company ("CL&P") four Pratt & Whitney Twin-Pac peaking jet turbines, two steam turbines, and certain other assets and land. Operating and maintenance agreements were entered into with Northeast Generation Services Company to operate the peaking jet turbines and with Covanta Mid-Conn, Inc. to operate the steam turbines.

Bridgeport Project

The Bridgeport Project consists of a 2,250 ton per day mass burn Resources Recovery Facility located in Bridgeport, Connecticut, eight transfer stations, the Shelton Landfill, the Waterbury Landfill and a Regional Recycling Center located in Stratford, Connecticut. The Bridgeport Project provides solid waste disposal and recycling services to 20 Connecticut municipalities in Fairfield and New Haven Counties through service contract arrangements. The Authority holds title to all facilities in the Bridgeport system. The Resources Recovery Facility is leased to a private vendor under a long-term sales-type arrangement until December 2008, with several renewal option provisions. The private vendor has beneficial ownership of the facility through this arrangement. The vendor is obligated to pay for the costs of the facility including debt service (other than the portion allocable to Authority purposes for which the Authority is responsible). The Authority derives its revenues from service fees charged to member municipalities and other system users. The Authority pays the vendor a contractually determined service fee. Electric energy revenues and certain other service charges are accrued by the vendor.

Wallingford Project

The Wallingford Project consists of a 420 ton per day mass burn Resources Recovery Facility located in Wallingford, Connecticut and the Wallingford Landfill. Five Connecticut municipalities in New Haven County are provided solid waste disposal services by this system through service contract arrangements. The Authority leases the Wallingford Landfill and owns the Resources Recovery Facility. The Resources Recovery Facility is leased to a private vendor under a long-term arrangement. The private vendor has beneficial ownership of the facility through this arrangement. The vendor is responsible for operating the facility and servicing the debt (other than the portion allocable to Authority purposes for which the Authority is responsible). The Wallingford Project's revenues are derived primarily from service fees charged to participating municipalities and other system users and fees for electric energy generated. The Authority pays the vendor a contractually determined service fee. The operating contract has provisions for revenue sharing with the vendor if prescribed operating parameters are achieved.

Southeast Project

The Southeast Project consists of a 690 ton per day mass burn Resources Recovery Facility located in Preston, Connecticut and the Montville Landfill. The Southeast Project provides solid waste disposal services to 14 Connecticut municipalities in the eastern portion of the State through service contract arrangements. The Authority owns the Resources Recovery Facility. It is leased to a private vendor under a long-term lease. The private vendor has beneficial ownership of the facility through this arrangement. The vendor is obligated to operate and maintain the facility and service the debt (other than the portion allocable to Authority purposes for which the Authority is responsible). The Authority derives its revenues from service fees charged to participating municipalities and other system users. The Authority pays the vendor a contractually determined service fee. Electric energy revenues and certain other service charges are accrued by the vendor with certain contractually prescribed credits payable to the Authority for these revenue types.

General Fund

The Authority has a General Fund in which the costs of central administration are accumulated. Substantially all of these costs are allocated to the Authority's projects based on time expended.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Authority is considered to be an Enterprise Fund. The Authority's operations and balances are accounted for using a separate set of self-balancing accounts that comprise its assets, liabilities, net assets, revenues and expenses.

Enterprise funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services on a continuing basis are financed or recovered primarily through user charges.

The Authority's financial statements are prepared using an economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Interest on revenue bonds, used to finance the construction of certain assets, is capitalized during the construction period net of interest earned on the investment of unexpended bond proceeds.

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the disposal of solid waste. The principal operating revenues of the Authority are charges to customers for user services and sales of electricity. Operating expenses include the cost of solid waste operations, maintenance and utilities, closure and post-closure care of landfills, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The financial statements are presented in accordance with Alternative #1 under Governmental Accounting Standards Board ("GASB") Statement No. 20, whereby the Authority follows (1) all GASB pronouncements and (2) Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, except those which conflict with a GASB pronouncement.

C. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheets and the reported amounts of revenues and expenses during the reporting period. Such estimates are subsequently revised as deemed necessary when additional information becomes available. Actual results could differ from those estimates.

D. Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, all unrestricted and restricted highly liquid investments with maturities of three months or less when purchased are considered to be cash equivalents.

E. Accounts Receivable, net

Accounts receivable are shown net of an allowance for the estimated portion that is not expected to be collected. The Authority performs ongoing credit evaluations and generally requires a guarantee of payment form of collateral. The Authority has established an allowance for the estimated portion that is not expected to be collected of $408,000 and $558,000 at June 30, 2007 and 2006, respectively.

F. Inventory

The Authority's spare parts inventory is stated at the lower of cost or market using the weighted-average cost method. The Authority's coal inventory is stated at the lower of cost or market using the FIFO method.

Inventories at June 30, 2007 and 2006 are summarized as follows:

Inventories	2007 ($000)	2006 ($000)
Spare Parts	$ 3,157	$ 3,224
Coal	192	195
Total	$ 3,349	$ 3,419

G. Investments

Investments are stated at fair value. Gains or losses on sales of investments are determined using the specific identification method.

Interest on investments is recorded as revenue in the year the interest is earned, unless capitalized as an offset to capitalized interest expense on assets acquired with tax-exempt debt.

H. Restricted Assets

Under provisions of various bond indentures and certain other agreements, restricted assets are used for debt service, special capital reserve funds and other debt service reserve funds, development, construction and operating costs.

I. Development and Bonds Issuance Costs

Costs incurred during the development stage of an Authority project, including, but not limited to, initial planning and permitting, and bond issuance costs are capitalized. When the project begins commercial operation, the development costs are amortized using the straight-line method over the estimated life of the project. Bond issuance costs are amortized over the life of the related bond issue using the straight-line method.

At June 30, 2007 and 2006, development and bond issuance costs for the projects are as follows:

Project	2007 ($000)	2006 ($000)
Development Costs:		
Mid-Connecticut	$ 3,277	$ 3,277
Wallingford	5,667	5,667
Southeast	10,006	10,006
	18,950	18,950
Less accumulated amortization:		
Mid-Connecticut	3,120	2,965
Wallingford	5,100	4,817
Southeast	6,477	6,084
	14,697	13,866
Total development costs, net	$ 4,253	$ 5,084
Bond Issuance Costs:		
Mid-Connecticut	$ 239	$ 1,087
Bridgeport	275	275
Wallingford	105	105
Southeast	1,008	1,008
	1,627	2,475
Less accumulated amortization:		
Mid-Connecticut	155	634
Bridgeport	214	183
Wallingford	86	76
Southeast	504	448
	959	1,341
Total bond issuance costs, net	$ 668	$ 1,134
Totals, net	$ 4,921	$ 6,218

J. Capital Assets

Capital assets with a useful life in excess of one year are capitalized at historical cost. Depreciation of exhaustible capital assets is charged as an expense against operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of landfills are based on the estimated years of available disposal capacity. The estimated useful lives of other capital assets are as follows:

Capital assets	Years
Resources Recovery Buildings	30
Other Buildings	20
Resources Recovery Equipment	30
Gas and Steam Turbines	10-20
Recycling Equipment	10
Rolling Stock and Automobiles	5
Office and Other Equipment	3-5
Roadways	20

Effective July 1, 2006, the Authority changed its capitalization threshold from $1,000 for property, plant, and equipment to $5,000 for property, plant, and non-office equipment and $1,000 for office furniture and equipment. Improvements, renewals and significant repairs that extend the useful life of a capital asset are capitalized; other repairs and maintenance costs are expensed as incurred. When capital assets are retired or otherwise disposed of, the related asset and accumulated depreciation is written off and any related gains or losses are recorded.

K. Accrued Compensation

The Authority's liability for vested accumulated unpaid vacation and other employee benefit amounts is included in accounts payable and accrued expenses in the accompanying balance sheets.

L. Net Assets

Invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets.

Unrestricted net assets may be divided into designated and undesignated portions. Designated net assets represent the Authority's self-imposed limitations on the use of otherwise unrestricted net assets. Unrestricted net assets have been designated by the Board of Directors of the Authority for various purposes and such designations totaled $68.7 million and $62.9 million as of June 30, 2007 and 2006, respectively.

Restrictions of net assets are limited to outside third party restrictions and represent the net assets that have been legally identified for specific purposes. Restricted net assets totaled $43.3 million and $63.9 million as of June 30, 2007 and 2006, respectively.

2. CASH DEPOSITS AND INVESTMENTS

Cash and cash equivalents consist of the following as of June 30, 2007 and 2006:

	2007 ($000)	2006 ($000)
Unrestricted:		
Cash deposits	$ 1,225	$ 1,487
Cash equivalents:		
STIF *	87,891	97,157
	89,116	98,644
Restricted – current:		
Cash deposits	404	1,348
Cash equivalents:		
STIF *	56,540	16,288
Money Market Funds	2,713	2,568
	59,657	20,204
Restricted – non-current:		
Cash equivalents:		
STIF *	49,273	79,062
U.S. Treasuries	-	741
Money Market Funds	369	327
	49,642	80,130
Total:	$198,415	$198,978

* STIF = Short-Term Investment Fund of the State of Connecticut

A. Cash Deposits – Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Authority will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Authority's investment policy does not have a deposit policy for custodial credit risk.

As of June 30, 2007 and 2006, approximately $4.0 million and $4.5 million, respectively, of the Authority's bank balance of cash deposits were exposed to custodial credit risk as follows:

		2007 ($000)	2006 ($000)
Uninsured and Uncollateralized	$	3,533	$ 3,985
Uninsured but collateralized with securities held by the pledging bank's trust department or agent but not in the Authority's name	$	446	$ 503
Total	$	3,979	$ 4,488

All of the Authority's deposits were in qualified public institutions as defined by State statute. Under this statute, any bank holding public deposits must at all times maintain, segregated from other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

Investments in the Short-Term Investment Fund ("STIF"), U.S. Treasuries and Money Market Funds as of June 30, 2007 and 2006, are included in cash and cash equivalents in the accompanying balance sheets. For purposes of disclosure under GASB Statement No. 40, such amounts are considered investments and are included in the investment disclosures that follow.

B. Investments

Interest Rate Risk

As of June 30, 2007, the Authority's investments consisted of the following debt securities:

Investment Type	Fair Value ($000)	Investment Maturities (In Years) Less than 1	1 to 5	6 to 10	More than 10
STIF	$193,704	$193,704	$0	$0	$0
U.S. Treasuries	779	779	0	0	0
Money Market Funds	3,082	3,082	0	0	0
Total	$197,565	$197,565	$0	$0	$0

As of June 30, 2006, the Authority's investments consisted of the following debt securities:

Investment Type	Fair Value ($000)	Investment Maturities (In Years) Less than 1	1 to 5	6 to 10	More than 10
STIF	$192,507	$192,507	$0	$0	$0
U.S. Treasuries	741	741	0	0	0
Money Market Funds	2,895	2,895	0	0	0
Total	$196,143	$196,143	$0	$0	$0

STIF is an investment pool of short-term money market instruments that may include adjustable-rate federal agency and foreign government securities whose interest rates vary directly with short-term money market indices and are generally reset daily, monthly, quarterly and semi-annually. The adjustable-rate securities have similar exposures to credit and legal risks as fixed-rate securities from the same issuers. The fair value of the position in the pool is the same as the value of the pool shares. As of June 30, 2007 and 2006, STIF had a weighted average maturity of 50 days and 39 days, respectively. The U.S. Treasury Securities are U.S. Treasury Bills that had 180-day and 90-day maturities as of June 30, 2007 and 2006, respectively. The Money Market Funds invest exclusively in short-term U.S. Treasury obligations and repurchase agreements secured by U.S. Treasury obligations. This fund complies with Securities and Exchange Commission regulations regarding money market fund maturities, which requires that the weighted average maturity be 90 days or less. As of June 30, 2007 and 2006, the weighted average maturity of these funds was one day and three days, respectively.

The Authority's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Authority is limited to investment maturities as required by specific bond resolutions or as needed for immediate use or disbursement. Those funds not included in the foregoing may be invested in longer-term securities as authorized in the Authority's investment policy. The primary objectives of the Authority's investment policy are the preservation of principal and the maintenance of liquidity.

Interest repayment obligations on all outstanding Authority debt is fixed rate with the exception of the State loans, which are variable rate. As discussed in Note 4B, the State sets the interest rate monthly (the STIF rate plus 25 basis points). The Authority has created an irrevocable escrow fund invested in STIF, which will be sufficient to pay the principal and interest due on the State loans through maturity in 2012.

Credit Risk

The Authority's investment policy delineates the investment of funds in securities as authorized and defined within the bond resolutions governing the Bridgeport, Mid-Connecticut, Southeast and Wallingford projects, respectively, for those funds established under the bond resolution and held in trust by the Authority's trustee. For all other funds, Connecticut state statutes permit the Authority to invest in obligations of the United States, including its instrumentalities and agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provide such obligations are rated within one of the top three rating categories of any recognized rating service.

As of June 30, 2007, the Authority's investments were rated as follows:

Security	Fair Value ($000)	Standard & Poor's	Moody's Investor Service	Fitch Ratings
STIF	$193,704	AAAm	Not Rated	Not Rated
U.S. Treasuries	779	AAA	Aaa	AAA
Money Market Funds	3,082	AAAm	Aaa	AAA

As of June 30, 2006, the Authority's investments were rated as follows:

Security	Fair Value ($000)	Standard & Poor's	Moody's Investor Service	Fitch Ratings
STIF	$192,507	AAAm	Not Rated	Not Rated
U.S. Treasuries	741	AAA	Aaa	AAA
Money Market Funds	2,895	AAAm	Aaa	AAA

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investment policy does not include provisions for custodial credit risk, as the Authority does not invest in securities that are held by counterparties. In accordance with GASB Statement No. 40, none of the Authority's investments require custodial credit risk disclosures.

Concentration of Credit Risk

The Authority's investment policy places no limit on the amount of investment in any one issuer, but does require diversity of the investment portfolio if investments are made in non-U.S. government or U.S. agency securities to eliminate the risk of loss of over-concentration of assets in a specific class of security, a specific maturity and/or a specific issuer. The asset allocation of the investment portfolio should, however, be flexible enough to assure adequate liquidity for Authority and/or bond resolution needs. As of June 30, 2007 and 2006, approximately 98.0% and 98.1%, respectively, of the Authority's investments are in the STIF, which is rated in the highest rating category by Standard & Poor's and provides daily liquidity, thereby satisfying the primary objectives of the Authority's investment policy.

3. CAPITAL ASSETS

The following is a summary of changes in capital assets for the years ended June 30, 2006 and 2007:

	Balance at July 1, 2005 ($000)	Additions ($000)	Transfers ($000)	Sales and Disposals ($000)	Balance at June 30, 2006 ($000)	Additions ($000)	Transfers ($000)	Sales and Disposals ($000)	Balance at June 30, 2007 ($000)
Nondepreciable assets:									
Land	$ 27,774	$ -	$ -	$ -	$ 27,774	$ -	$ -	$ -	$ 27,774
Construction-in-progress	71	50	-	-	121	260	-	(24)	357
Total nondepreciable assets	$ 27,845	$ 50	$ -	$ -	$ 27,895	$ 260	$ -	$ (24)	$ 28,131
Depreciable assets:									
Plant	$ 188,081	$ 1,277	$ -	$ (117)	$ 189,241	$ 185	$ -	$ (97)	$ 189,329
Equipment	205,936	3,074	-	(2,901)	206,109	1,593	-	(924)	206,778
Total at cost	394,017	4,351	-	(3,018)	395,350	1,778	-	(1,021)	396,107
Less accumulated depreciation for:									
Plant	(116,701)	(7,730)	-	65	(124,366)	(7,798)	-	58	(132,106)
Equipment	(120,747)	(9,115)	-	2,704	(127,158)	(9,448)	-	808	(135,798)
Total accumulated depreciation	(237,448)	(16,845)	-	2,769	(251,524)	(17,246)	-	866	(267,904)
Total depreciable assets, net	$ 156,569	$ (12,494)	$ -	$ (249)	$ 143,826	$ (15,468)	$ -	$ (155)	$ 128,203

Interest is capitalized on assets acquired with debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of borrowing until completion of the projects with interest earned on invested debt proceeds over the same period. During fiscal 2007 and 2006, there was no capitalized interest as there was no new external borrowing.

4. LONG-TERM DEBT

A. Bonds Payable

The principal long-term obligations of the Authority are special obligation revenue bonds issued to finance the design, development and construction of resources recovery and recycling facilities and landfills throughout the State. These bonds are paid solely from the revenues generated from the operations of the projects and other receipts, accounts and monies pledged in the respective bond indentures.

The following is a summary of changes in bonds payable for the years ended June 30, 2006 and 2007.

	Balance at July 1, 2005 ($000)	Increases ($000)	Decreases ($000)	Balance at June 30, 2006 ($000)	Increases ($000)	Decreases ($000)	Balance at June 30, 2007 ($000)	Amounts Due Within One Year ($000)
Bonds payable - principal	$ 86,575	$ -	$ (2,875)	$ 83,700	$ -	$ (57,159)	$ 26,541	$ 3,195
Unamortized amounts:								
Premiums	626	-	(109)	$ 517	-	(99)	418	88
Deferred amount on refunding	(2,208)	-	419	$ (1,789)	-	762	(1,027)	(186)
Total bonds payable	$ 84,993	$ -	$ (2,565)	$ 82,428	$ -	$ (56,496)	$ 25,932	$ 3,097

The long-term debt amounts for the projects in the table above have been reduced by the deferred amount on refunding of bonds, net of the unamortized premium on the sale of bonds at June 30, 2007 and 2006 as follows:

Project	2007 ($000)	2006 ($000)
Deferred amount on refunding:		
Mid-Connecticut	$ 108	$ 667
Bridgeport	(6)	(15)
Wallingford	4	10
Southeast	921	1,127
Subtotal	1,027	1,789
Reduced by unamortized premium:		
Bridgeport	(5)	(11)
Southeast	(413)	(506)
Subtotal	(418)	(517)
Net Reduction	$ 609	$ 1,272

Certain of the Authority's bonds are secured by special capital reserve funds. Each fund is equal to the highest annual amount of debt service remaining on the issue. The State is contingently liable to restore any deficiencies that exist in these funds in the event that the Authority must draw from the fund. Bond principal amounts recorded as long-term debt at June 30, 2007 and 2006, which are backed by special capital reserve funds, are as follows:

Project	2007 $000	2006 $000
Mid-Connecticut	$ 15,290	$ 69,415
Southeast	6,194	6,725
Total	$ 21,484	$ 76,140

Annual debt service requirements to maturity on bonds payable are as follows:

Year ending June 30	Mid-Connecticut Principal ($000)	Mid-Connecticut Interest ($000)	Bridgeport Principal ($000)	Bridgeport Interest ($000)	Wallingford Principal ($000)	Wallingford Interest ($000)	Southeast Principal ($000)	Southeast Interest ($000)	Total Principal ($000)	Total Interest ($000)
2008	$ -	$ 832	$ 1,955	$ 185	$ 684	$ 42	$ 556	$ 315	$ 3,195	$ 1,374
2009	-	832	1,705	86	713	14	586	283	3,004	1,215
2010	3,525	737	-	-	-	-	618	250	4,143	987
2011	3,715	542	-	-	-	-	650	215	4,365	757
2012	8,050	449	-	-	-	-	1,404	180	9,454	629
2013-2017	-	-	-	-	-	-	2,380	328	2,380	328
	$ 15,290	$ 3,392	$ 3,660	$ 271	$ 1,397	$ 56	$ 6,194	$ 1,571	$ 26,541	$ 5,290
Interest Rates	5.375-5.50%		5-5.5%		4%		5.125-5.5%			

Defeasance of Debt

During the year ended June 30, 2007, the Authority used funds available from the Mid-Connecticut project, including the Debt Service Stabilization Fund established for the payment of future debt service, the MDC Arbitration award, funds in the Energy Gernerating Facility Reserve Fund, funds in the Mid-Connecticut Project Revenue Fund and the use of Trustee-released funds in the Mid-Connecticut Project Debt Service Reserve Fund to partially defease Mid-Connecticut Project debt as follows:

Description	Interest Rates	Amount ($000)
Bonds Defeased		
Mid-Connecticut	5.375% - 5.5%	$ 54,125
		$ 54,125

The funds described above were used to purchase U.S. Government securities, which were deposited into an irrevocable trust with an escrow agent to provide for all future payments on the defeased Mid-Connecticut bonds. Thus, those Mid-Connecticut bonds are legally defeased and the liability for those bonds has been removed from the accompanying balance sheet. In July 2006, the Authority legally defeased $54.125 million of certain Mid-Connecticut bonds.

The Authority has previously defesased a total of $150.945 million in Mid-Connecticut project bonds, of which $84.620 million remain payable as of June 30, 2007 from an irrevocable trust escrow to bondholders.

The Authority recognized $1.148 million in the accompanying statement of revenues, expenses and change in net assets representing the write-off of unamortized amounts related to the defeased bonds payable, including bond issuance costs and other deferred amounts.

B. State Loans Payable

During April 2002, the Connecticut General Assembly passed Public Act No. 02-46 authorizing a loan by the State to the Authority of up to $115 million in support of debt service payments on the Mid-Connecticut facility bonds. Through June 30, 2007, the Authority has drawn down $21.5 million in loan advances from the State. All loans received from the State must be fully repaid, with interest, by 2012. The interest rate, as determined by the Office of the State

Treasurer, is adjusted monthly based on the State's base rate (STIF) plus twenty-five basis points and may not exceed six percent. The interest rate for June 2007 was 5.88%.

The following is a summary of changes in the State loans payable for the years ended June 30, 2006 and 2007.

	Balance at July 1, 2005 ($000)	Increases ($000)	Decreases ($000)	Balance at June 30, 2006 ($000)	Increases ($000)	Decreases ($000)	Balance at June 30, 2007 ($000)	Amounts Due Within One Year ($000)
State loans payable - principal	$ 18,558	$ -	$ (2,619)	$ 15,939	$ -	$ (2,619)	$ 13,320	$ 2,619

Maturities of the State loans payable and related interest are as follows:

Year Ending June 30	Principal ($000)	Interest ($000)
2008	$ 2,619	$ 725
2009	2,619	566
2010	2,619	410
2011	2,619	254
2012	2,619	98
2013	225	4
Total	$ 13,320	$ 2,057

Interest rate is assumed @ 5.88%

The Authority has created an irrevocable escrow fund invested in STIF, which will be sufficient to pay the principal and interest due on the State loans through maturity in 2012.

5. LONG-TERM LIABILITIES FOR CLOSURE AND POSTCLOSURE CARE OF LANDFILLS

Federal, State and local regulations require the Authority to place final cover on its landfills when it stops accepting waste (including ash) and to perform certain maintenance and monitoring functions for periods which may extend to thirty years after closure.

GASB Statement No. 18 "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs", applies to closure and post-closure care costs that are paid near or after the date a landfill stops accepting waste. In accordance with GASB Statement No. 18, the Authority estimates its liability for these closure and post-closure care costs and records any increases or decreases to the liability as an operating expense. For landfills presently open, such estimate is based on landfill capacity used as of the balance sheet date. The liability for these costs is reduced when the costs are actually paid, which is generally after the landfill is closed.

Actual costs may be higher due to inflation or changes in permitted capacity, technology or regulation. The closure and post-closure care liabilities including the amounts paid and accrued for fiscal 2006 and 2007 for the landfills, are presented in the following table:

Project/Landfill	Liability at July 1, 2005 ($000)	Expense ($000)	Paid ($000)	Liability at June 30, 2006 ($000)	Expense ($000)	Paid ($000)	Liability at June 30, 2007 ($000)	Amounts Due Within One Year ($000)
Mid-Connecticut:								
Hartford	$ 6,806	$ 82	$ -	$ 6,888	$ 33,613	$ -	$ 40,501	$ 9,456
Ellington	3,139	96	(198)	3,037	580	(174)	3,443	244
Bridgeport:								
Shelton	10,396	1,498	(340)	11,554	208	(410)	11,352	651
Waterbury	1,017	-	-	1,017	(124)	-	893	-
Wallingford:	5,119	(47)	(129)	4,943	362	(129)	5,176	237
Total	$ 26,477	$ 1,629	$ (667)	$ 27,439	$ 34,639	$ (713)	$ 61,365	$ 10,588

The estimated remaining costs to be recognized in the future as closure and post-closure care of landfill expense, the percent of landfill capacity used and the remaining years of life for open landfills at June 30, 2007 are scheduled below:

Project/Landfill	Remaining Costs to be Recognized ($000)	Capacity Used Landfill Area		Estimated Years of Remaining Landfill Area	
		Ash	Other	Ash	Other
Mid-Connecticut-Hartford	$ 2,570	86%	97%	2	2
Bridgeport-Waterbury	140	----	70%	----	3
Total	$ 2,710				

The Connecticut Department of Environmental Protection ("CTDEP") requires that certain financial assurance mechanisms be maintained by the Authority to ensure payment of closure and post-closure costs related to certain landfills. Additionally, DEP requires that the Authority budget for anticipated closure costs for Mid-Connecticut's Hartford Landfill.

The Authority has placed funds in trust accounts for financial assurance purposes. The Mid-Connecticut-Ellington Landfill account is valued at $468,000 and $445,000 at June 30, 2007 and 2006, respectively. The Bridgeport-Waterbury Landfill account is valued at $167,000 and $158,000 at June 30, 2007 and 2006, respectively. The Wallingford Landfill account is valued at $146,000 and $139,000 at

June 30, 2007 and 2006, respectively. These trust accounts are reflected as restricted assets in the accompanying balance sheets.

At June 30, 2007, a letter of credit for $305,000 was outstanding for financial assurance of the Bridgeport-Shelton Landfill. No funds were drawn on this letter during fiscal year 2007.

In addition to the above trust accounts and letter of credit, the Authority satisfies certain financial assurance requirements at June 30, 2007 and 2006 by meeting specified criteria pursuant to Section 258.74 of the federal Environmental Protection Agency Subtitle D regulations.

Please see Note 12 for Settlement Agreement and permit modification associated with the Hartford Landfill.

6. MAJOR CUSTOMERS

Energy sales to Select Energy, Inc. ("Select") and CL&P totaled 20% (10% each, respectively) of the Authority's operating revenues for each of the fiscal years ended June 30, 2007 and 2006.

Service charge revenues from Waste Management of Connecticut, Inc. totaled 7% and 10% of the Authority's operating revenues for the fiscal years ended June 30, 2007 and 2006, respectively.

7. RETIREMENT PLAN

The Authority is the Administrator of its 401(k) Employee Savings Plan. This defined contribution retirement plan covers all eligible employees. To be eligible, the employee must be 18 years of age and have been an employee for six months.

Under the Amended and Restated 401(k) Employee Savings Plan, effective July 1, 2000, Authority contributions are five percent of payroll plus a dollar for dollar match of employees' contributions up to five percent. Authority contributions for the years ended June 30, 2007 and 2006 amounted to $389,000 and $392,000, respectively. Employees contributed $368,000 to the plan in fiscal year 2007 and $328,000 in fiscal year 2006.

8. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority endeavors to purchase commercial insurance for all insurable risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. In fiscal year 2007, the Authority increased its overall property insurance limit to reflect an increase in overall property values. This provides 100% of the replacement cost value for the Mid-Connecticut Power Block Facility and Energy Generating Facility, plus business interruption and extra expense values for the Mid-Connecticut project. This is the Authority's highest valued single facility. The limit applies on a blanket basis for property damage to all locations.

The Authority is a member of the Connecticut Interlocal Risk Management Agency's ("CIRMA") Workers' Compensation Pool, a risk sharing pool, which was begun on July 1, 1980. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is a guaranteed cost program. The premium for the current policy for the period from July 1, 2007 through July 1, 2008 was $54,000. The premium for the previous policy for the period from October 1, 2006 through July 1, 2007 was $47,000.

9. COMMITMENTS

The Authority has various operating leases for office space, land, landfills and office equipment. The following schedule shows the composition of total rental expense for all operating leases:

Fiscal year	2007 ($000)	2006 ($000)
Minimum rentals	$ 633	$ 638
Contingent rentals	169	145
Total	$ 802	$ 783

The Authority also has agreements with various municipalities for payments in lieu of taxes ("PILOT") for personal and real property. For the years ended June 30, 2007 and 2006, the PILOT payments, which are included in the solid waste operations in the accompanying statements of revenues, expenses and change in net assets, totaled $8,381,000 and $7,983,000, respectively. Future minimum rental commitments under non-cancelable operating leases and future PILOT payments as of June 30, 2007 are as follows:

Fiscal Year	Lease Amount ($000)	PILOT Amount ($000)
2008	$ 628	$ 8,616
2009	644	8,853
2010	639	6,394
2011	112	5,069
2012	112	5,212
2013-2017	-	4,642
Total	$ 2,135	$ 38,786

The Authority has executed contracts with the operators/contractors of the resources recovery facilities, regional recycling centers, transfer stations and landfills containing various terms and conditions expiring through November 2015. Generally, operating charges are derived from various factors such as tonnage processed, energy produced and certain pass-through operating costs.

The approximate amount of contract operating charges included in solid waste operations and maintenance and utilities expense for the years ended June 30, 2007 and 2006 was as follows:

Project	2007 ($000)	2006 ($000)
Mid-Connecticut	$ 48,478	$ 48,830
Bridgeport	48,235	42,091
Wallingford	15,035	15,207
Southeast	7,304	8,020
Total	$ 119,052	$ 114,148

10. OTHER FINANCING

The Authority has issued several bonds pursuant to bond resolutions to fund the construction of waste processing facilities built and operated by independent contractors. The revenue bonds were issued by the Authority to lower the cost of borrowing for the contractor/operator of the projects. The Authority was not involved in the construction activities, and construction requisitions by the contractor were made from various trustee accounts.

The Authority is not involved in the repayment of debt on these issues except for the portion of the bonds allocable to Authority purposes. In the event of default, and except in cases where the State has a contingent liability discussed below, the payment of debt is not guaranteed by the Authority or the State. Therefore, the Authority does not record the assets and liabilities related to these bond issues on its financial statements. The principal amounts of these bond issues outstanding at June 30, 2007 (excluding portions allocable to Authority purposes) are as follows:

Project	Amount ($000)
Bridgeport - 1999 Series A	$ 31,445
Wallingford - 1998 Series A	7,723
Southeast -	
1992 Series A - Corp. Credit	30,000
1998 Series A - Project	49,481
2001 Series A - Covanta Southeastern Connecticut Company - I	6,750
2001 Series A - Covanta Southeastern Connecticut Company - II	6,750
	92,981
Total	$ 132,149

The Southeast 1998 Series A Project bond issue is secured by a special capital reserve fund. The State is contingently liable for any deficiencies in the special capital reserve fund for this bond issue.

11. SEGMENT INFORMATION

The Authority has four projects that operate resources recovery and recycling facilities and landfills throughout the State and are required to be self-supporting through user service fees and sales of electricity. The Authority has issued various revenue bonds to provide financing for the design, development and construction of these resources recovery and recycling facilities and landfills throughout the State. These bonds are paid solely from the revenues generated from the operations of the projects and other receipts, accounts and monies pledged in the respective bond indentures. Financial segment information is presented below as of and for the years ended June 30, 2007 and 2006, respectively.

	Mid-Connecticut ($000)	Bridgeport ($000)	Wallingford ($000)	Southeast ($000)
Condensed Balance Sheets				
Assets:				
Current unrestricted assets	$ 62,418	$ 18,416	$ 34,069	$ 9,174
Current restricted assets	52,895	2,869	2,155	2,350
Total current assets	115,313	21,285	36,224	11,524
Non-current assets:				
Restricted cash and cash equivalents	31,205	1,322	16,036	1,079
Investments	468	165	146	-
Capital assets, net	134,515	18,614	2,370	-
Other assets, net	241	61	586	4,033
Total non-current assets	166,429	20,162	19,138	5,112
Total assets	$ 281,742	$ 41,447	$ 55,362	$ 16,636
Liabilities:				
Current liabilities	$ 55,907	$ 8,738	$ 3,543	$ 3,308
Long-term liabilities	60,127	13,301	5,650	6,635
Total liabilities	116,034	22,039	9,193	9,943
Net Assets:				
Invested in capital assets, net of related debt	102,369	15,486	-	-
Restricted	24,103	2,995	15,556	649
Unrestricted	39,236	927	30,613	6,044
Total net assets	165,708	19,408	46,169	6,693
Total liabilities and net assets	$ 281,742	$ 41,447	$ 55,362	$ 16,636
Condensed Statements of Revenues, Expenses, and Change in Net Assets				
Operating revenues	$ 91,046	$ 55,784	$ 22,749	$ 11,224
Operating expenses	103,771	56,775	17,906	9,973
Depreciation and amortization expense	16,397	854	303	448
Operating (loss) income	(29,122)	(1,845)	4,540	803
Non-operating revenues (expenses):				
Litigation-related settlement gains	40,225	-	-	-
Investment income	5,431	775	2,492	134
Other income (expenses),net	638	2,979	(25)	2
Litigation-related losses	(36,950)	-	-	-
Interest expense	(1,952)	(216)	(71)	(454)
Net non-operating revenues (expense)	7,392	3,538	2,396	(318)
(Loss) income before special items	(21,730)	1,693	6,936	485
Special items:				
Defeasance of debt	(1,148)	-	-	-
(Decrease) increase in net assets	(22,878)	1,693	6,936	485
Total net assets, July 1, 2006	188,586	17,715	39,233	6,208
Total net assets, June 30, 2007	$ 165,708	$ 19,408	$ 46,169	$ 6,693
Condensed Statements of Cash Flows				
Net cash provided by (used in):				
Operating activities	$ 54,281	$ (1,224)	$ 4,899	$ (877)
Investing activities	5,043	612	2,299	101
Capital and related financing activities	(60,786)	(2,693)	(1,144)	(874)
Non-capital financing activities	(12)	(30)	(35)	-
Net (decrease) increase	(1,474)	(3,335)	6,019	(1,650)
Cash and cash equivalents, July 1, 2006	129,861	16,097	43,532	8,103
Cash and cash equivalents, June 30, 2007	$ 128,387	$ 12,762	$ 49,551	$ 6,453

	Mid-Connecticut ($000)	Bridgeport ($000)	Wallingford ($000)	Southeast ($000)
Condensed Balance Sheets				
Assets:				
Current unrestricted assets	$ 70,981	$ 17,938	$ 29,223	$ 6,841
Current restricted assets	12,740	2,127	1,683	4,248
Total current assets	83,721	20,065	30,906	11,089
Non-current assets:				
Restricted cash and cash equivalents	62,290	1,429	15,342	1,069
Capital assets, net	149,401	19,302	2,091	-
Other assets, net	765	92	879	4,482
Total non-current assets	212,456	20,823	18,312	5,551
Total assets	$ 296,177	$ 40,888	$ 49,218	$ 16,640
Liabilities:				
Current liabilities	$ 15,792	$ 7,982	$ 3,825	$ 3,261
Long-term liabilities	91,799	15,191	6,160	7,171
Total liabilities	107,591	23,173	9,985	10,432
Net Assets:				
Invested in capital assets, net of related debt	75,294	14,594	-	-
Restricted	45,183	2,865	14,734	1,104
Unrestricted	68,109	256	24,499	5,104
Total net assets	188,586	17,715	39,233	6,208
Total liabilities and net assets	$ 296,177	$ 40,888	$ 49,218	$ 16,640
Condensed Statements of Revenues, Expenses, and Change in Net Assets				
Operating revenues	$ 93,106	$ 53,827	$ 22,142	$ 11,491
Operating expenses	71,108	50,325	17,862	9,617
Depreciation and amortization expense	16,072	849	299	448
Operating income	5,926	2,653	3,981	1,426
Non-operating revenues (expenses):				
Investment income	5,214	591	1,698	117
Other income (expenses)	5,457	65	(7)	-
Interest expense	(4,787)	(299)	(99)	(492)
Net non-operating revenues (expense)	5,884	357	1,592	(375)
Increase in net assets	11,810	3,010	5,573	1,051
Total net assets, July 1, 2005	176,776	14,705	33,660	5,157
Total net assets, June 30, 2006	$ 188,586	$ 17,715	$ 39,233	$ 6,208
Condensed Statements of Cash Flows				
Net cash provided by (used in):				
Operating activities	$ 25,963	$ 3,445	$ 5,291	$ 3,239
Investing activities	5,142	588	1,593	9
Capital and related financing activities	(10,977)	(2,609)	(976)	(874)
Non-capital financing activities	(15)	(19)	(7)	-
Net increase	20,113	1,405	5,901	2,374
Cash and cash equivalents, July 1, 2005	109,748	14,692	37,631	5,729
Cash and cash equivalents, June 30, 2006	$ 129,861	$ 16,097	$ 43,532	$ 8,103

12. SIGNIFICANT EVENTS

During fiscal year 2007, the Authority received a total of $40.2 million from settlements resulting from various Enron-related lawsuits. The Authority has reported such gains as non-operating revenues in the accompanying statement of revenues, expenses and change in net assets for the fiscal year ended June 30, 2007.

In December 2003, the Towns of New Hartford and Barkhamstead filed suit against the Authority, former board members and delegates, the Authority's former President, and others, seeking alleged damages resulting from the failed Enron transaction as well as equitable relief. In addition to vigorously contesting these claims on its own behalf, the Authority is defending and indemnifying its former President and board members. On August 10, 2005, the Motions to Dismiss of all of the non-Authority defendants were granted; on August 30, 2005, plaintiffs filed an appeal, which is still pending. On March 21, 2006, the court granted the plaintiffs' motion for Class Certification. Trial began on November 13, 2006 and the parties rested on January 11, 2007. On June 19, 2007, the court issued its decision, imposing a constructive trust on the sum of $35,873,732.25 (a portion of the settlement proceeds received by the Authority during fiscal year 2007 and referenced in the preceding paragraph) and ordering that amount to be forwarded to the plaintiffs, in care of their attorneys, immediately. The court also enjoined the Authority from passing any costs of the failed Enron transaction to the towns, effective for fiscal year 2008 and all subsequent years. On June 20, 2007, the Authority filed an Application for a Stay of Injunction Pending Appeal. On July 6, 2007, the Authority appealed the trial court's decision to the Appellate Court; on July 23, 2007, the appeal was transferred to the Connecticut Supreme Court. On July 25, 2007, the trial judge denied the Authority's Application for a Stay of Injunction Pending Appeal. On August 6, 2007, the Authority filed a Motion for Review of that denial with the Connecticut Supreme Court, which Motion is currently pending. The trial court retained jurisdiction over the plaintiffs' application for an order enjoining the Authority's implementation of its fiscal year 2008 budget, and held a hearing on September 5-6, 2007. A ruling is expected in October 2007.

Two arbitration hearings between the Authority and the Metropolitan District Commission (the "MDC") on claims asserted by both parties have been conducted in recent years. The first arbitration hearing was held in the fall of 2004 regarding the Authority's right to hire replacement workers at the Mid-Connecticut project transfer stations and for transportation services. The arbitrators ruled that the Authority has the right to replace the MDC workers. The MDC did not seek, nor were they awarded, damages. A second arbitration hearing was held in the spring of 2005, to resolve certain claims, including non-payment of two MDC invoices and the Authority's claim that it was overcharged by the MDC for indirect costs. Pursuant to the 1999 ruling of a previous arbitration panel, the Authority created and maintained an escrow account, setting aside 25% of the indirect costs invoiced by the MDC. In July 2005, the second arbitration panel ruled in favor of the Authority, stating that due to the overcharges the Authority did not have to pay the two MDC invoices and is entitled to retain 100% of the escrow account. As a result, the balance of the escrow account, which was recorded as current restricted cash and cash equivalents and totals approximately $5.2 million as of June 30, 2006, has been transferred to current unrestricted cash and cash equivalents in the accompanying balance sheet. In addition, the related escrow liability which was approximately $4.7 million has been reversed and recorded as non-operating revenue in the accompanying statement of revenues, expenses and change in net assets for the fiscal year ended June 30, 2006. The MDC appealed. On December 21, 2006, the Authority and MDC entered into a Settlement Agreement and Mutual Release, pursuant to which MDC agreed to pay the Authority $500,000, payable either in cash or credits against amounts otherwise due from the Authority to MDC, in equal yearly installments from 2006 through 2012, and to immediately withdraw its appeal with prejudice, and the parties exchanged mutual releases. The settlement income, at present value, has been recorded as other operating revenue in the accompanying statement of revenues, expenses and change in net assets for the fiscal year ended June 30, 2007.

In July 2006, the Authority submitted a solid waste permit modification application to DEP associated with the Hartford landfill, to 1) revise the closure plan, prescribing a state-of-the-art synthetic cap; 2) revise the grading plan for a section of the east side of the landfill; 3) set a date certain for final delivery of waste of no later than December 31, 2008; and 4) discuss possible passive recreational future uses for the landfill and engage a landscape architect to provide a rendering of these possible activities. A favorable ruling on this permit modification was issued by DEP on March 29, 2007. As of June 30, 2007, there are eighteen months of capacity for non-processible waste and process residue generated at the Mid-Connecticut Resource Recovery Facility ("RRF") and approximately 16 months of capacity for ash residue generated by the RRF. Upon closure of the Hartford landfill, the Mid-Connecticut Project will incur substantial cost increases to transport and dispose of the non-processible waste, process residue and ash residue to other out-of-state facilities. The siting of a new ash landfill in Connecticut would mitigate some of these costs.

On February 2, 2007, the Authority and the City of Hartford executed a Settlement Agreement which resolved a long standing disagreement regarding responsibility for costs associated with closure and post-closure activities at the Hartford landfill. Under the agreement, the Authority assumes the liability, contingent upon certain conditions, for all of the Hartford landfill closure and postclosure costs. In addition, the State of Connecticut capital budget for fiscal year 2008 includes appropriation of $15 million for costs associated with closure of the Hartford landfill. Upon passage of the budget, and if approved by the Bond Commission, the $15 million will be allocated to the Authority through the state Bond Commission, with $3 million allocated in fiscal year 2008, and $12 million allocated in fiscal year 2009.

During fiscal year 2007, the Authority's Mid-Connecticut Project entered into a settlement agreement with a private landowner for the purpose of obtaining control of a subsurface landfill leachate plume including an acquisition of land located in Ellington and East Windsor, Connecticut, that is adjacent to the Authority's closed landfill in Ellington, Connecticut. Conveyance of the property was completed in July 2007, at which time pursuant to the terms of the agreement, the Mid-Connecticut Project paid the private landowner $2,450,000.

13. CONTINGENCIES

Mid-Connecticut Project:

In January 2006, the Authority's pollution liability insurance carrier, American International Specialty Lines Insurance Company ("AISLIC") settled with numerous commercial and residential neighbors of the Hartford Landfill who had filed suit against the Authority in 2001, claiming diminution in the value of their real properties, loss of enjoyment of their properties, clean-up costs relative to bird droppings, and, in one case, loss of business income, as a result of noxious odors emanating from the landfill, bird excrement from birds attracted to the landfill, and an "unsightly 135 foot dirt mound" in the landfill. On May 4, 2006, AISLIC initiated a declaratory judgment action in federal district court seeking a declaration that AISLIC is not obligated to indemnify the Authority in connection with the settled lawsuit and that AISLIC should be awarded the amount it spent on defense and indemnification of the Authority. The Authority is defending against this action. Discovery is ongoing. The matter is too preliminary to estimate any potential exposure.

The Authority, through the Connecticut Attorney General's office, is pursuing recovery of lost monies from the former financial institutions of Enron and its subsidiaries in federal court. Management is uncertain of the amounts that may be realized from these claims.

A claim has been made by a town and may be asserted by one other town that the Authority is in violation of its original zoning permits for transfer stations located in those towns. The basis for the claim is that the transfer stations exceeded their permitted capacity. In defense of such a claim, the Authority will argue that the volumes are consistent with the spirit of the original permits. The Authority is presently discussing a resolution of this matter.

Bridgeport Project:

In the early 1990's, the Authority was named as a Potentially Responsible Party in the now-combined federal and State of New Jersey suits to recover the costs of remediation of the landfill known as Combe Fill South. The litigation has been on hold while allocation of responsibility among the hundreds of alleged defendants is assessed through Alternate Dispute Resolution. A preliminary allocation of liability was issued in April 2006, designed to guide the 250+ parties in developing and funding global settlement offers. Counsel reports that there remain many complex issues still to be resolved before meaningful settlement discussions can take place. Counsel advises that, pursuant to the draft report, the "Connecticut Entities" are allocated a site share of 0.4685%, for which they are jointly and severally responsible. During fiscal year 2006, the Authority accrued $175,000 for this matter and such amount is included in current liabilities in the accompanying balance sheet. This very preliminary calculation is based upon a total estimated government cost claim figure of $150 million and an equal split among the four viable parties of the Connecticut Group.

Other Issues and Unasserted Claims and Assessments:

In July 2007, the Authority received a copy of a Notice of Claim filed with the State of Connecticut Office of Claims Commissioner by a Bridgeport law firm stating the firm's intent to bring a claim against the Authority for injuries allegedly sustained at one of the Bridgeport Project transfer stations by a client of the firm on February 3, 2007 and seeking damages in excess of one million dollars. The Authority is gathering information regarding the incident and evaluating its potential responsibility relative to several other potentially responsible parties.

The Authority is subject to numerous federal, state and local environmental and other regulatory laws and regulations and management believes it is in substantial compliance with all such governmental laws and regulations.

14. ACCOUNTING PRONOUNCEMENT ISSUED BUT NOTE YET EFFECTIVE

The Authority has not completed the process of implementing GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations. The Authority is therefore unable to disclose the impact that adopting this statement will have on its financial position and results of operations when such statement is adopted. GASB Statement No. 49 is effective for financial statements for periods beginning after December 15, 2007.

15. SUBSEQUENT EVENTS

On July 1, 2007, the Authority entered into an Energy Purchase Agreement (EPA) with Constellation Energy Commodities Group, Inc., which replaced the agreement with Select. The new EPA provides for the purchase of the first 250,000 MWH of electric energy generated at the Mid-Connecticut project facility through June 30, 2012. Over a five-year term, the estimated value of the contract is $93,671,000.

COMBINING SCHEDULE OF BALANCE SHEETS
AS OF JUNE 30, 2007
(Dollars in Thousands)

EXHIBIT A
Page 1 of 2

ASSETS	General Fund	Mid-Connecticut Project	Bridgeport Project	Wallingford Project	Southeast Project	Eliminations	Total
CURRENT ASSETS							
Unrestricted Assets:							
Cash and cash equivalents	$ 1,241	$ 44,436	$ 8,579	$ 31,562	$ 3,298	$ -	$ 89,116
Accounts receivable, net of allowances	59	10,630	9,684	2,201	5,876	-	28,450
Inventory	-	3,349	-	-	-	-	3,349
Prepaid expenses and other current assets	134	3,280	153	306	-	-	3,873
Due from other funds	-	723	-	-	-	(723)	-
Total Unrestricted Assets	1,434	62,418	18,416	34,069	9,174	(723)	124,788
Restricted Assets:							
Cash and cash equivalents	21	52,746	2,861	1,953	2,076	-	59,657
Accrued interest receivable	-	149	8	202	274	-	633
Total Restricted Assets	21	52,895	2,869	2,155	2,350	-	60,290
Total Current Assets	1,455	115,313	21,285	36,224	11,524	(723)	185,078
NON-CURRENT ASSETS							
Restricted cash and cash equivalents	-	31,205	1,322	16,036	1,079	-	49,642
Investments	-	468	165	146	-	-	779
Capital Assets:							
Depreciable:							
Plant	864	163,191	25,274	-	-	-	189,329
Equipment	1,095	202,772	2,861	50	-	-	206,778
	1,959	365,963	28,135	50	-	-	396,107
Less: Accumulated depreciation	(1,124)	(242,043)	(24,721)	(16)	-	-	(267,904)
Total Depreciable, net	835	123,920	3,414	34	-	-	128,203
Nondepreciable:							
Land	-	10,595	15,200	1,979	-	-	27,774
Construction in progress	-	-	-	357	-	-	357
Total Nondepreciable	-	10,595	15,200	2,336	-	-	28,131
Development and bond issuance costs, net	-	241	61	586	4,033	-	4,921
Total Non-Current Assets	835	166,429	20,162	19,138	5,112	-	211,676
TOTAL ASSETS	$ 2,290	$ 281,742	$ 41,447	$ 55,362	$ 16,636	$ (723)	$ 396,754

COMBINING SCHEDULE OF BALANCE SHEETS
AS OF JUNE 30, 2007
(Dollars in Thousands)

LIABILITIES AND NET ASSETS	General Fund	Mid-Connecticut Project	Bridgeport Project	Wallingford Project	Southeast Project	Eliminations	Total
CURRENT LIABILITIES							
Current portion of:							
Bonds payable, net	$ -	$ -	$ 1,963	$ 681	$ 453	$ -	$ 3,097
State loans payable	-	2,619	-	-	-	-	2,619
Closure and postclosure care of landfills	-	9,700	651	237	-	-	10,588
Accounts payable, accrued expenses and other liabilities	774	43,588	6,124	2,625	2,855	-	55,966
Due to other funds	723	-	-	-	-	(723)	-
Total Current Liabilities	1,497	55,907	8,738	3,543	3,308	(723)	72,270
LONG-TERM LIABILITIES							
Bonds payable, net	-	15,182	1,707	711	5,235	-	22,835
State loans payable	-	10,701	-	-	-	-	10,701
Closure and postclosure care of landfills	-	34,244	11,594	4,939	-	-	50,777
Other liabilities	-	-	-	-	1,400	-	1,400
Total Long-Term Liabilities	-	60,127	13,301	5,650	6,635	-	85,713
TOTAL LIABILITIES	1,497	116,034	22,039	9,193	9,943	(723)	157,983
NET ASSETS							
Invested in capital assets, net of related debt	-	102,369	15,486	-	-	-	117,855
Restricted:							
Tip fee stabilization	-	-	-	15,290	-	-	15,290
Energy generating facility	-	12,012	-	-	-	-	12,012
Debt service reserve funds	-	4,080	1,069	-	79	-	5,228
Cash escrow - litigation-related settlements	-	2,126	-	-	-	-	2,126
Operating and maintenance	-	1,662	-	-	-	-	1,662
Equipment replacement	-	1,662	-	-	-	-	1,662
Select Energy escrow	-	1,000	-	-	-	-	1,000
Debt service funds	-	37	931	-	-	-	968
Shelton landfill future use	-	-	824	-	-	-	824
DEP trust - landfills	-	468	167	146	-	-	781
Recycling education fund	-	542	-	-	-	-	542
Regional recycling center equipment	-	452	-	-	-	-	452
Montville landfill postclosure	-	-	-	-	402	-	402
Rebate fund	-	-	4	120	168	-	292
Other restricted net assets	21	62	-	-	-	-	83
Total Restricted	21	24,103	2,995	15,556	649	-	43,324
Unrestricted	772	39,236	927	30,613	6,044	-	77,592
Total Net Assets	793	165,708	19,408	46,169	6,693	-	238,771
TOTAL LIABILITIES AND NET ASSETS	$ 2,290	$ 281,742	$ 41,447	$ 55,362	$ 16,636	$ (723)	$ 396,754

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2007
(Dollars in Thousands)

EXHIBIT B

	General Fund	Mid-Connecticut Project	Bridgeport Project	Wallingford Project	Southeast Project	Eliminations	Total
Operating Revenues							
Service charges:							
Members	$ -	$ 40,221	$ 32,267	$ 8,856	$ 10,504	$ -	$ 91,848
Others	-	18,255	15,172	59	720	(289)	33,917
Energy sales	-	24,067	-	13,790	-	-	37,857
Ash disposal reimbursement	-	-	4,485	-	-	-	4,485
Other operating revenues	-	8,503	3,860	44	-	-	12,407
Total operating revenues	-	91,046	55,784	22,749	11,224	(289)	180,514
Operating Expenses							
Solid waste operations	-	58,221	53,079	16,887	9,869	(289)	137,767
Depreciation and amortization	187	16,397	854	303	448	-	18,189
Maintenance and utilities	-	1,833	560	8	-	-	2,401
Closure and postclosure care of landfills	-	34,194	84	361	-	-	34,639
Project administration	13	9,523	3,052	650	104	-	13,342
Total operating expenses	200	120,168	57,629	18,209	10,421	(289)	206,338
Operating (Loss) Income	(200)	(29,122)	(1,845)	4,540	803	-	(25,824)
Non-Operating Revenues and (Expenses)							
Litigation-related settlements, net	-	39,075	-	-	-	-	39,075
Investment income	56	5,431	775	2,492	134	-	8,888
Other income (expenses), net	245	638	2,979	(25)	2	-	3,839
Litigation-related judgment	-	(35,800)	-	-	-	-	(35,800)
Interest expense	-	(1,952)	(216)	(71)	(454)	-	(2,693)
Net Non-Operating Revenues and (Expenses)	301	7,392	3,538	2,396	(318)	-	13,309
Income (Loss) before Special Items	101	(21,730)	1,693	6,936	485	-	(12,515)
Special items:							
Defeasance of debt	-	(1,148)	-	-	-	-	(1,148)
Total special items	-	(1,148)	-	-	-	-	(1,148)
Increase (Decrease) in Net Assets	101	(22,878)	1,693	6,936	485	-	(13,663)
Total Net Assets, beginning of year	692	188,586	17,715	39,233	6,208	-	252,434
Total Net Assets, end of year	$ 793	$ 165,708	$ 19,408	$ 46,169	$ 6,693	$ -	$ 238,771

COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2007
(Dollars in Thousands)

EXHIBIT C

	General Fund	Mid-Connecticut Project	Bridgeport Project	Wallingford Project	Southeast Project	Eliminations	Total
Cash Flows From Operating Activities							
Payments received from providing services	$ 188	$ 89,661	$ 54,322	$ 22,811	$ 9,165	$ (289)	**$ 175,858**
Proceeds from settlements	-	40,225	-	-	-		**40,225**
Payments received from other funds	-	204	-	-	-	(204)	**-**
Payments to suppliers for goods and services	(148)	(72,464)	(54,824)	(17,567)	(9,983)	289	**(154,697)**
Payments to employees for services	(13)	(3,345)	(722)	(345)	(59)	-	**(4,484)**
Payments to other funds	(204)	-	-	-	-	204	**-**
Net Cash (Used in) Provided by Operating Activities	(177)	54,281	(1,224)	4,899	(877)	-	**56,902**
Cash Flows From Investing Activities							
Interest on investments	54	5,506	775	2,443	101	-	**8,879**
Purchases of investments	-	(463)	(163)	(144)	-	-	**(770)**
Net Cash Provided by Investing Activities	54	5,043	612	2,299	101	-	**8,109**
Cash Flows From Capital and Related Financing Activities							
Proceeds from sales of equipment	-	192	-	-	-	-	**192**
Payments for landfill closure and postclosure care liabilities	-	(174)	(410)	(129)	-	-	**(713)**
Acquisition and construction of capital assets	-	(1,492)	(161)	(289)	-	-	**(1,942)**
Defeasance of debt	-	(275)	-	-	-	-	**(275)**
Interest paid on long-term debt	-	(2,291)	(277)	(68)	(345)	-	**(2,981)**
Principal paid on long-term debt	-	(56,746)	(1,845)	(658)	(529)	-	**(59,778)**
Net Cash Used in Capital and Related Financing Activities	-	(60,786)	(2,693)	(1,144)	(874)	-	**(65,497)**
Cash Flows From Non-Capital Financing Activities							
Other interest and fees	-	(12)	(30)	(35)	-	-	**(77)**
Net Cash Used in Non-Capital Financing Activities	-	(12)	(30)	(35)	-	-	**(77)**

COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2007
(Dollars in Thousands)

	General Fund	Mid-Connecticut Project	Bridgeport Project	Wallingford Project	Southeast Project	Eliminations	Total
Net (decrease) increase in cash and cash equivalents	$ (123)	$ (1,474)	$ (3,335)	$ 6,019	$ (1,650)	$ -	$ (563)
Cash and cash equivalents, beginning of year	1,385	129,861	16,097	43,532	8,103	-	198,978
Cash and cash equivalents, end of year	$ 1,262	$ 128,387	$ 12,762	$ 49,551	$ 6,453	$ -	$ 198,415
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:							
Operating (loss) income	$ (200)	$ (29,122)	$ (1,845)	$ 4,540	$ 803	$ -	$ (25,824)
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:							
Depreciation of capital assets	187	16,226	823	10	-	-	17,246
Amortization of development and bond issuance costs	-	171	31	293	448	-	943
Provision for closure and postclosure care of landfills	-	34,194	84	361	-	-	34,639
Other income	152	593	3,032	12	2	-	3,791
Litigation-related settlements, net	-	39,075	-	-	-	-	39,075
Litigation-related judgment	-	(35,800)	-	-	-	-	(35,800)
Changes in assets and liabilities:							
(Increase) decrease in:							
Accounts receivable, net	36	166	(4,492)	49	(2,061)	-	(6,302)
Inventory	-	70	-	-	-	-	70
Prepaid expenses and other current assets	(77)	(2,483)	44	4	-	-	(2,512)
Due from other funds	-	204	-	-	-	(204)	-
(Decrease) increase in:							
Accounts payable, accrued expenses and other liabilities	(71)	30,987	1,099	(370)	(69)	-	31,576
Due to other funds	(204)	-	-	-	-	204	-
Net Cash (Used in) Provided by Operating Activities	$ (177)	$ 54,281	$ (1,224)	$ 4,899	$ (877)	$ -	$ 56,902

COMBINING SCHEDULE OF NET ASSETS
AS OF JUNE 30, 2007
(Dollars in Thousands)

	General Fund	Mid-Connecticut Project	Bridgeport Project	Wallingford Project	Southeast Project	Total
Net assets invested in capital assets, net of related debt	$ -	$ 102,369	$ 15,486	$ -	$ -	$ 117,855
Restricted net assets:						
Current restricted cash and cash equivalents:						
Cash escrow - litigation-related settlements	-	37,927	-	-	-	37,927
Revenue fund	-	9,772	703	1,404	1,194	13,073
State loans	-	2,619	-	-	-	2,619
Debt service funds	-	141	1,318	475	357	2,291
Select Energy escrow	-	1,000	-	-	-	1,000
Shelton landfill future use	-	-	824	-	-	824
Recycling education fund	-	542	-	-	-	542
Montville landfill postclosure	-	-	-	-	525	525
Regional recycling center equipment	-	452	-	-	-	452
Customer guarantee of payment	-	247	16	74	-	337
Town of Ellington trust - pooled funds	-	46	-	-	-	46
Mercury public awareness	21	-	-	-	-	21
Total current restricted cash and cash equivalents	21	52,746	2,861	1,953	2,076	59,657
Non-current restricted cash and cash equivalents and investments:						
Tip fee stabilization	-	-	-	15,290	-	15,290
Energy generating facility	-	12,012	-	-	-	12,012
State loans	-	10,693	-	-	-	10,693
Debt service reserve funds	-	5,176	1,316	626	911	8,029
Equipment replacement	-	1,662	-	-	-	1,662
Operating and maintenance	-	1,662	-	-	-	1,662
DEP trust - landfills	-	468	167	146	-	781
Rebate fund	-	-	4	120	168	292
Total non-current restricted cash and cash equivalents and investments	-	31,673	1,487	16,182	1,079	50,421
Less liabilities to be paid with current restricted assets:						
Bonds payable, net	-	104	387	475	357	1,323
State loans payable	-	2,619	-	-	-	2,619
Other liabilities	-	45,804	719	1,478	1,317	49,318
Total liabilities to be paid with current restricted assets	-	48,527	1,106	1,953	1,674	53,260
Less liabilities to be paid with non-current restricted assets:						
Bonds payable, net	-	1,096	247	626	832	2,801
State loans payable	-	10,693	-	-	-	10,693
Total liabilities to be paid with non-current restricted assets	-	11,789	247	626	832	13,494
Total restricted net assets	21	24,103	2,995	15,556	649	43,324

COMBINING SCHEDULE OF NET ASSETS
AS OF JUNE 30, 2007
(Dollars in Thousands)

	General Fund	Mid-Connecticut Project	Bridgeport Project	Wallingford Project	Southeast Project	Total
Unrestricted net assets:						
Designated for:						
Postclosure care of landfills	$ -	$ 4,457	$ 11,430	$ 7,117	$ -	$ 23,004
Closure care of landfills	-	11,263	533	-	-	11,796
Future loss contingencies	-	6,995	-	1,047	252	8,294
Future use	-	-	-	6,487	-	6,487
Facility modifications	-	5,461	-	-	-	5,461
Debt service stabilization	-	4,576	-	-	-	4,576
Rolling stock	-	3,956	-	-	-	3,956
Landfill development	-	2,544	-	-	-	2,544
Recycling	-	1,817	407	-	-	2,224
Benefit fund	217	-	-	-	-	217
South Meadows site remediation	-	141	-	-	-	141
Undesignated	555	(1,974)	(11,443)	15,962	5,792	8,892
Total unrestricted net assets	772	39,236	927	30,613	6,044	77,592
Total Net Assets	$ 793	$ 165,708	$ 19,408	$ 46,169	$ 6,693	$ 238,771

TAB 4

CONNECTICUT RESOURCES RECOVERY AUTHORITY

A RESOLUTION REGARDING THE TEMPORARY DISPOSITION OF THE INVESTMENT INCOME EARNED ON ESCROW MONEYS HELD BY THE STATE TREASURER PURSUANT TO THE COURT ORDER IN THE MATTER OF THE TOWNS OF NEW HARTFORD AND BARKHAMSTED VERSUS THE AUTHORITY AND OTHER AVAILABLE FUNDS

WHEREAS, according to the Order of the Superior Court dated September 7, 2007 (the "Court Order"), in the matter of the Towns of New Hartford and Barkhamsted v. Connecticut Resources Recovery Authority, investment income (the "Escrow Investment Income") on the sum of (A) $35,873,732.25 and (B) the interest accrued on such sum from June 19, 2007 to September 7, 2007 (the sum of the amounts described in (A) and this (B), collectively, the "Escrowed Funds") is thereafter free from prejudgment attachment and is available for disposition by the Connecticut Resources Recovery Authority (the "Authority"); and

WHEREAS, the Escrowed Funds have, since April 12, 2007, been held by the State Treasurer in an account established with the State of Connecticut Short-Term Investment Fund (the "Escrow STIF Account"); and

WHEREAS, the Board of Directors of the Authority (the "Board") is currently evaluating how to best make use of the Escrow Investment Income and such other funds in excess of the Escrowed Funds held by the State Treasurer in the Escrow STIF Account (collectively, the "Available Funds") pending a final, non-appealable order of a court of competent jurisdiction in the matter of the Towns of New Hartford and Barkhamsted v. Connecticut Resources Recovery Authority; and

WHEREAS, pending a final determination of the Board regarding the use of the Available Funds, the Board desires to segregate the Available Funds from Escrowed Funds by creating a separate account with the Short-Term Investment Fund (the "Non-Escrow STIF Account") and to deposit the Available Funds therein; now, therefore, be it

RESOLVED: That the Board hereby authorizes the President and the Chief Financial Officer of the Authority (the "Officials"), acting with the advice of counsel, in their discretion, to establish the Non-Escrow STIF Account with the State Treasurer; and

RESOLVED: That the Board hereby directs the Officials to deposit amounts determined by the State Treasurer to constitute Available Funds in the Non-Escrow STIF Account pending further action by the Board.

This resolution shall take effect immediately.

Adopted:

CONNECTICUT RESOURCES RECOVERY AUTHORITY

By: ______________________

Corporate Secretary

UWY CV 04 0185580 S (X02)	:	SUPERIOR COURT
TOWNS OF NEW HARTFORD and BARKHAMSTED, individually and on behalf of all other similarly-situated municipalities	:	J.D OF WATERBURY
v.	:	COMPLEX LITIGATION DOCKET
CONNECTICUT RESOURCES RECOVERY AUTHORITY, *et al*	:	

ORDER

The Court having issued a Memorandum of Decision dated June 19, 2007 imposing a constructive sum in the amount of $35,873,732.25 in favor of the plaintiffs on the Enron recovery-related settlement proceeds received by defendant CRRA and currently held by the Treasurer, State of Connecticut, in an escrow account pursuant to the Court's April 10, 2007 Order, and the Court having denied imposition of any further constructive trust on other CRRA assets;

IT IS HEREBY ORDERED that the Court's February 22, 2007 Memorandum of Decision granting plaintiffs' Application for Prejudgment Remedy and the Court's April 10, 2007 Order are modified, as follows:

1. The Treasurer shall continue to hold the sum of $35,873,732.25, plus all interest accrued on said sum of $35,873,732.25 from June 19, 2007 to date in escrow in accordance with the April 10, 2007 Order, pending further Order of the Court;

2. The orders of prejudgment attachment over further sums being held by the Treasurer and over the funds in CRRA's EGF Reserve Account and EGF Operating Account are vacated.

Dated at Waterbury, Connecticut, this 7th day of September, 2007.

THE COURT

Dennis Eveleigh

Dennis Eveleigh, J.

SETTLEMENT FUNDS - ENRON-RELATED LITIGATION
CALCULATION OF SHORTFALL
10% POST JUDGEMENT INTEREST ON $35.8M

Example:

	STIF	Interest Earned Pre 6/19/07	Total As Of June 19, 2007	Est. Interest Earned Post 6/19/07 - 8/31/07	Est. Total As Of August 31, 2007	10% Post-Judgement Interest (6/19/07-8/31/07)		Excess/ (Shortfall)
Amount owed to Towns per Court Order on June 19, 2007	$ 35,800,000	$ -	$ 35,800,000	$ 393,800	$ 36,193,800			
Non-order STIF money	1,535,476	528,304	$ 2,063,780	22,702	2,086,482	716,000	(1)	1,370,482
Total	$ 37,335,476	$ 528,304	$ 37,863,780	$ 416,502	$ 38,280,282	$ 716,000		$ 1,370,482

(1) 10% interest on $35.8M from 6/19/07 - 8/31/07. $716,000 is based on a simple interest calculation (to be confirmed with Richard Goldstein).

TAB 5

RESOLUTION REGARDING CRRA'S ADHERENCE TO STATE STATUTES GOVERNING EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION

RESOLVED: That the Connecticut Resources Recovery Authority hereby adopts as its policy to support the nondiscrimination agreements and warranties required under Connecticut General Statutes § 4a-60(a)(1) and § 4a-60a(a)(1), as amended in State of Connecticut Public Act 07-245 and sections 9(a)(1) and 10(a)(1) of Public Act 07-14.

Connecticut Resources Recovery Authority

Resolution Regarding CRRA's Adherence to State Statutes Governing Equal Employment Opportunity and Affirmative Action

September 27, 2007

Discussion

On July 27, 2007 new legislation went into effect which requires that any entity that contracts with a Connecticut State Agency adopt a specific resolution regarding adherence to and compliance with the State's anti-discrimination laws. A copy of the new statutory language in CGS 4a-60 and 4a-60a (shown in underline) is attached herewith.

Also attached herewith is a fact sheet and a sample Certification, as posted on the Office of Policy and Management's website. The Certification contains the required resolution language, and must accompany any contract that CRRA executes with any Connecticut State Agency.

CRRA, through its Equal Employment Opportunity and Affirmative Action Statement and Plan, adheres to, and is in compliance with, subsection (a) of section 4a-60 and subsection (a) of section 4a-60a of the Connecticut General Statutes.

This board resolution neither applies to, nor is necessary for, contracts where CRRA is the contracting authority. Rather, this resolution will enable CRRA to execute contracts with executive branch agencies and quasi-public authorities where CRRA is considered the "contractor."

CRRA has a contract pending with the Department of Environmental Protection (a Grant-in–Aid Agreement) for reimbursement of $3,000,000 in landfill closure costs for the Shelton landfill, which contract requires the attached Certification in order to be further processed.

Also, CRRA will shortly execute an agreement with the Department of Environmental Protection in order to be reimbursed for the costs of the annual air emission testing for the Mid-Connecticut Resource Recovery facility. The Certification must accompany this contract.

Accordingly, this is to request that the Board of Directors approve this resolution so that CRRA may proceed with execution of these two contracts. The Certification will also serve to enable CRRA to execute other contracts with Connecticut State Agencies in the future.

Office of Policy and Management
450 Capitol Avenue
Hartford, CT 06106-1379

(860) 418-6200
(800) 286-2214

E-mail Us

PERSONAL SERVICE AGREEMENTS (PSA)

Nondiscrimination Certification for State Contracts

Corporate Certification (text).doc   Individual Certification (text).doc

DESCRIPTION

The Office of the Attorney General has approved the above nondiscrimination certification forms to assist executive branch agencies in complying with the State of Connecticut's contracting requirements, pursuant to the Connecticut General Statutes § 4a-60(a)(1) and § 4a-60a(a)(1), as amended by Public Act 07-245 and Sections 9 and 10 of Public Act 07-142.

By law, a contractor must provide the State with documentation in the form of a company or corporate policy adopted by resolution of the board of directors, shareholders, managers, members or other governing body of such contractor to support the nondiscrimination agreement and warranty under C.G.S. §§ 4a-60a and 46a-68h.

The first of these forms is designed to be used by corporate or other business entities; the **second is to be used only by individuals** who are to sign and perform contracts with the State in their individual capacity. One or the other of these certifications is required for all State contracts, regardless of type, term, cost, or value.

Pursuant to C.G.S. § 46a-56(b), State agencies may apply to the Commission on Human Rights and Opportunities (CHRO) for a waiver from this requirement when entering into contracts with the entities listed below:

- municipalities or other political subdivisions of the State;
- quasi-public State agencies;
- other state governments (including the District of Columbia);
- the federal government;
- U.S. territories and possessions;
- federally recognized Indian tribal governments; and
- foreign governments.

The appropriate certification must be signed by an authorized signatory of the contractor (or, in the case of an individual contractor, by the individual) and submitted to the awarding State agency at the time of contract execution.

The appropriate form is required for all contracts signed on and after June 25, 2007.

For Further Information, Contact:

Please direct any questions about the certification forms to the Office of the Attorney General.

Content Last Modified on 8/20/2007 9:12:00 AM

Printable Version

CERTIFICATION

(By corporate or other business entity regarding support of nondiscrimination against persons on account of their race, color, religious creed, age, marital or civil union status, national origin, ancestry, sex, mental retardation, physical disability or sexual orientation.)

I____________(signer's name)____________,___________(signer's title)__________of ____________(name of entity)___________________, an entity lawfully organized and existing under the laws of_____________(name of state or commonwealth)_____________, do hereby certify that the following is a true and correct copy of a resolution adopted on the _____day of _______________, 20__ by the governing body of ___________(name of entity)___________, in accordance with all of its documents of governance and management and the laws of ______(name of state or commonwealth) ________, and further certify that such resolution has not been modified, rescinded or revoked, and is, at present, in full force and effect.

RESOLVED: That ________(name of entity)___________ hereby adopts as its policy to support the nondiscrimination agreements and warranties required under Connecticut General Statutes § 4a-60(a)(1) and § 4a-60a(a)(1), as amended in State of Connecticut Public Act 07-245 and sections 9(a)(1) and 10(a)(1) of Public Act 07-142.

IN WITNESS WHEREOF, the undersigned has executed this certificate this ____ day of ________________, 20__.

By :____________________________
Print Name:

Title: ____________________________

Effective June 25, 2007

discriminatory practice prohibited by section 46a-58, 46a-59, 46a-64, 46a-64c, 46a-81b, 46a-81d or 46a-81e, the presiding officer shall determine the damage suffered by the complainant, which damage shall include, but not be limited to, the expense incurred by the complainant for obtaining alternate housing or space, storage of goods and effects, moving costs and other costs actually incurred by [him] the complainant as a result of such discriminatory practice and shall allow reasonable attorney's fees and costs.

(d) In addition to any other action taken [hereunder] under this section, upon a finding of a discriminatory practice prohibited by section 46a-66 or 46a-81f, the presiding officer shall issue and file with the commission and cause to be served on the respondent an order requiring the respondent to pay the complainant the damages resulting from the discriminatory practice.

(e) In addition to any other action taken under this section, upon a finding of noncompliance with antidiscrimination statutes or contract provisions required under section 4a-60 or 4a-60a, as amended by this act, or the provisions of sections 46a-68c to 46a-68f, inclusive, the presiding officer shall issue and file with the commission and cause to be served on the respondent an order with respect to any remedial action imposed by the presiding officer pursuant to subsection (c) or (d) of section 46a-56, as amended by this act.

[(e)] (f) If, upon all the evidence and after a complete hearing, the presiding officer finds that the respondent has not engaged in any alleged discriminatory practice, the presiding officer shall state [his] the presiding officer's findings of fact and shall issue and file with the commission and cause to be served on the respondent an order dismissing the complaint.

[(f)] (g) Any payment received by a complainant under this chapter or under any equivalent federal antidiscrimination law, either as a settlement of a claim or as an award made in a judicial or administrative proceeding, shall not be considered as income, resources or assets for the purpose of determining the eligibility of or amount of assistance to be received by such person in the month of receipt or the three months following receipt under the state supplement program, Medicaid or any other medical assistance program, temporary family assistance program, state-administered general assistance program, or the temporary assistance for needy families program. After such time period, any remaining funds shall be subject to state and federal laws governing such programs, including, but not limited to, provisions concerning individual development accounts, as defined in section 31-51ww.

* Sec. 9. Subsection (a) of section 4a-60 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Every contract to which the state or any political subdivision of the state other than a municipality is a party shall contain the following provisions: (1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the state of Connecticut. The contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved; (2) the contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the commission; (3) the contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the commission advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) the contractor agrees to comply with each provision of this section and sections 46a-68e and 46a-68f and with each regulation or relevant order issued by said commission pursuant to sections 46a-56, as amended by this act, 46a-68e and 46a-68f; (5) the contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor as relate to the provisions of this section and section 46a-56, as amended by this act. If the contract is a public works contract, the contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project. Prior to entering into the contract, the contractor shall provide the state or such political subdivision of the state with documentation in the form of a company or corporate policy adopted by resolution of the board of directors, shareholders, managers, members or other governing body of such contractor to support the nondiscrimination agreement and warranty under subdivision (1) of this subsection. For the purposes of this section, "contract" includes any extension or modification of the contract, and "contractor" includes any successors or assigns of the contractor.

Sec. 10. Subsection (a) of section 4a-60a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Every contract to which the state or any political subdivision of the state other than a municipality is a party shall contain the following provisions: (1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the state of Connecticut, and that employees are treated when employed without regard to their sexual orientation; (2) the contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (3) the contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said commission pursuant to section 46a-56, as amended by this act; (4) the contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor which relate to the provisions of this section and section 46a-56, as amended by this act. Prior to entering into the contract, the contractor shall provide the state or such political subdivision of the state with documentation in the form of a company or corporate policy adopted by resolution of the board of directors, shareholders, managers, members or other governing body of such contractor to support the nondiscrimination agreement and warranty under subdivision (1) of this subsection. For the purposes of this section, "contract" includes any extension or modification of the contract, and "contractor" includes any successors or assigns of the contractor.

*

Sec. 11. Section 46a-68h of the general statutes is repealed. (*Effective July 1, 2007*)

Approved June 25, 2007

TAB 6

RESOLUTION REGARDING SOLID WASTE CONSULTING SERVICES TO SUPPORT PROCUREMENT OF TRANSPORTATION AND DISPOSAL SERVICES FOR ASH RESIDUE

RESOLVED: That the President is hereby authorized to enter into a Request for Services with Alternative Resources, Inc. for solid waste consulting services to support procurement of transportation and disposal services for ash residue, substantially as discussed and presented at this meeting.

Connecticut Resources Recovery Authority

Contract Summary for Contract entitled

Procurement Support Services for Ash Residue Transportation & Disposal

Presented to the CRRA Board on:	September 27, 2007
Vendor/ Contractor(s):	Alternative Resources, Inc.
Effective date:	Upon Execution
Contract Type/Subject matter:	Request for Services (pursuant to on-call solid waste consulting services agreement)
Facility (ies) Affected:	Mid-Connecticut Resource Recovery Facility; Wallingford RRF.
Original Contract:	Solid Waste Consulting Services Agreement; contract number 080109
Term:	October 1, 2007 through March 1, 2008 (This RFS will be executed pursuant to the three-year solid waste services agreement, the term of which is 7/1/2007 – 6/30/2010)
Contract Dollar Value:	Not to exceed $74,200
Amendment(s):	Not applicable
Term Extensions:	Not applicable
Scope of Services:	Support with procurement of transportation and landfill disposal capacity for ash residue from the Mid-Connecticut and Wallingford Resource Recovery Facilities
Other Pertinent Provisions:	None

Connecticut Resources Recovery Authority

Request for Services with Alternative Resources, Inc. for Procurement Services for Ash Residue Transportation & Disposal

September 27, 2007

Executive Discussion

The Mid-Connecticut Resource Recovery Facility ("RRF") generates ash-residue from the combustion of municipal solid waste. This ash-residue is currently disposed at the Hartford landfill. The ash-residue disposal capacity at the Hartford landfill will be exhausted on or about December 1, 2008. CRRA has undertaken an initiative to site and develop an ash-residue landfill in Connecticut, but this new facility will not be available to accept ash-residue for several years after the Hartford landfill closes. Accordingly, CRRA needs to find an interim disposal outlet for the ash-residue generated at its Mid-Connecticut RRF. The Mid-Connecticut RRF generates approximately 175,000 tons of ash annually.

Also, the contract between CRRA and Wheelabrator Putnam, Inc. under which Wallingford RRF ash is disposed at Wheelabrator's ash residue landfill in Putnam, CT expires in December 2008. CRRA needs to identify an ash residue disposal facility to accept the Wallingford ash residue beginning in January 2009. The Wallingford RRF generates approximately 45,000 tons of ash annually.

This is to request approval of the CRRA Board of Directors for the President to enter into an agreement with Alternative Resources, Inc. to support CRRA in assembling and soliciting a Request for Qualifications, and negotiating with prospective transportation and disposal vendors to secure this landfill capacity.

Discussion

CRRA will engage engaged ARI to provide solid waste consulting services specifically associated with procuring transportation and disposal services necessary to ship ash residue from the Mid-Connecticut and Wallingford RRFs to properly licensed landfills.

The scope of services includes five tasks:

1. Preparation and Distribution of RFQ
2. Interaction with Proposers, Preparation of Addenda to RFQ

3. Review of Statements of Qualifications
4. Negotiations with Shortlisted Proposers
5. Finalize Contract Arrangements, Prepare Contract Documents

A description of each task follows:

Task 1: Preparation and Distribution of RFQ

This task will include review of appropriate background material on the Mid-Connecticut and Wallingford Projects, preparation of a draft RFQ and a final RFQ incorporating CRRA comments, and distribution of the final RFQ. It is assumed that up to 15 copies of the RFQ will be distributed by ARI.

The RFQ will include the following sections:

- Introduction
- Background Information regarding Ash, Quantities and Characteristics, Handling Facilities
- Overview of Scope of Service
- Key Business Terms
- Description of the Procurement Process and Schedule
- Description of the Evaluation Process and Evaluation Criteria
- Instructions to Proposers regarding the Content of the SOQ
- Appendices, as appropriate

Task 2: Interaction with Proposers, Preparation of Addenda to RFQ

Task 2 will include assistance to CRRA to prepare responses to Proposer's questions on the RFQ after its release. ARI will prepare Addenda to the RFQ to respond to Proposer questions and to clarify the RFQ, as needed. The Addenda will be prepared in draft form for CRRA review and in final form for distribution by ARI to Proposers. It is assumed that up to two (2) Addenda will be prepared and distributed.

Task 3: Review of Statements of Qualifications

In this task, ARI will review and evaluate SOQs in accordance with the procedures and evaluation criteria specified in the RFQ. It is expected that evaluation criteria will include company resources-both technical and financial, company experience, available facilities and equipment, staffing and experience of said staff, and conformance to key business terms and CRRA standard contractual requirements. A short list will be identified for interviews and for visits to reference facilities. ARI will not accompany CRRA on reference facility visits. ARI will assist CRRA in preparation for interviews and participate in said interviews over a two-day period. Recommendations for a shortlist of Proposers will be made. It is assumed that up to five SOQs will be submitted and that up to four (4) Proposers will be selected for a shortlist for negotiations.

Task 4: Negotiations with Shortlisted Proposers

Task 4 will include preparation of a scope for services, specified business terms and instructions for pricing that will identify specific CRRA requirements for negotiation. It will provide a common basis for the negotiation process. The Shortlisted Proposers will use this scoping document to prepare for negotiations. Task 4 will also include assistance by ARI in review of responses prepared by Proposers to the scoping document and to issues raised during the negotiation process, preparation for and participation by ARI in selected negotiating meetings, and in evaluation and selection of a Preferred Proposer with whom to contract for services. It is assumed that four (4) Proposers will participate in the negotiation process, that ARI will attend one negotiating meeting for each of the four Proposers, and that one Preferred Proposer will be selected to finalize contract arrangements.

Task 5: Finalize Contract Arrangements and Prepare Contract Documents

In this task, ARI will assist CRRA and its legal counsel to prepare for final negotiation meetings, participate in said meetings, prepare technical and financial exhibits to support the contracts, and review draft and final contract documents. It is assumed that one Preferred Proposer will be part of this process and that ARI will participate in one negotiation meeting with the Preferred Proposer. Further, it is assumed that legal counsel will take the lead in preparing the contracts.

Financial Summary

The estimated costs for each task are shown on the attached table.

The expenses associated with this Request for Services with Alternative Resources, Inc. will be funded from the Mid-Connecticut Project budget, and the Wallingford Project budget, using anticipated surplus funds from the Fiscal Year 2008 operating budget for each project.

Table 1

COST ESTIMATE BY TASK AND BY LABOR CATEGORY FOR SERVICES

	Principal/ Officer $203.53	**Principal/ Project Engineer $171.39**	**Senior Project Economist $166.02**	**Admin/ Word Processing $42.85**	**TOTAL HOURS**	**Labor Estimate**	**Other Direct Expenses**	**TOTAL COST**
Task 1: Prepare Request for Qualifications	32	8	8	32	80	$10,583	$400	$10,983
Task 2: Interaction with Proposers, Prepare Addenda	16	8	8	16	48	$6,641	$300	$6,941
Task 3: Evaluate SOQs	60	24	12	20	116	$19,174	$400	$19,574
Task 4: Negotiations with Short Listed Proposers	72	18	18	20	128	$21,585	$300	$21,885
Task 5: Finalize Contract Agreements and Prepare Contract Documents	32	20	20	30	102	$14,547	$250	$14,797
TOTAL	212	78	66	118	474	$72,530	$1,650	$74,180

TAB 7

RESOLUTION REGARDING CONTRACT WITH CT DEP FOR REIMBURSEMENT OF COSTS ASSOCIATED WITH ANNUAL STACK TESTING AT MID-CT RRF FOR CALENDAR YEARS 2008 AND 2009

RESOLVED: That the President is hereby authorized to enter into a contract with the Connecticut Department of Environmental Protection for reimbursement of costs associated with the annual stack testing at the Mid-Connecticut RRF for calendar years 2008 and 2009, substantially as discussed and presented at this meeting.

Connecticut Resources Recovery Authority

Contract Summary for Contract entitled

Reimbursement for Costs Associated with Annual Stack Testing at the Mid-Connecticut RRF for CYs 2008 and 2009

Presented to the CRRA Board on:	September 27, 2007
Vendor/ Contractor(s):	Connecticut Department of Environmental Protection
Effective date:	Upon Approval
Contract Type/Subject matter:	Reimbursement for costs associated with annual stack testing at the Mid-Connecticut RRF for calendar years 2008 and 2009.
Facility (ies) Affected:	Mid-Connecticut RRF
Original Contract:	Original Contract
Term:	Two (2) Years – From Approval through October 10, 2009
Contract Dollar Value:	$204,000.00
Amendment(s):	Not applicable
Term Extensions:	Not applicable
Scope of Services:	Upon completion of the annual stack testing and documentation of the subcontractor selection process and all expenses incurred in the testing, analysis and report preparation, CT DEP will reimburse CRRA for these expenses up to a total of $204,000 for the calendar years 2008 and 2009.
Other Pertinent Provisions:	None

Connecticut Resources Recovery Authority
Mid-Connecticut Resource Recovery Facility

Reimbursement for Costs Associated with Annual Stack Testing at the Mid-Connecticut RRF for CY2008 and 2009

September 27, 2007

<u>Executive Summary</u>

CRRA is required by R.C.S.A. Section 22a-174-38 to conduct annual air emissions performance testing at the Mid-Connecticut Resource Recovery Facility (RRF). The CT DEP has offered to enter into a contract with the owners of facilities to whom this regulation applies for reimbursement of the cost of performing this testing.

This is to request that the P&P committee recommend that the full Board of Directors approve this contract with CT DEP for reimbursement of costs associated with the annual air emissions performance testing for upcoming calendar years 2008 and 2009.

<u>Discussion</u>

Beginning in calendar year 2001, owners of municipal waste combustors have been required to conduct annual air emission performance testing in order to demonstrate compliance of their facilities with the emission limits found in R.C.S.A. Section 22a-174-38(c). CRRA conducts a competitive bidding process to select a qualified stack test firm to perform this testing at the Mid-Connecticut RRF. The selected firm prepares a test plan, which is approved by CT DEP, and performs the testing each year in the month of April. The stack-testing firm, in turn, utilizes a certified analytical laboratory to determine the emissions of the facility and reports these values to CT DEP.

In September 2005 CRRA issued an RFP to identify a firm to conduct emissions testing at the Mid-Connecticut RRF for three years: calendar years 2006, 2007 and 2008. On November 17, 2005, the Board of Directors approved a contract with CK Environmental, Inc. to perform this testing.

Following testing in April of each year, CRRA submits its claim to CT DEP for reimbursement of the emissions testing costs per the terms of the CT DEP contract, and based on the amount billed by the testing contractor. (For your information, in the past two years CRRA has paid its emissions testing contractor approximately $60,000 per year.) Assuming a timely reimbursement by CT DEP, at the end of the term of this contract (October 10, 2009) there should be no net cost incurred by CRRA for emissions testing.

CT DEP may or may not offer a contract for reimbursement for CY 2010 testing costs, but if one is offered, CRRA will present it to CRRA's Board of Directors for consideration.

Financial Summary

This contract is for reimbursement (revenue) of money spent by CRRA for RRF emissions testing. Reimbursement by CT DEP for these costs results in no net expense for this activity, provided that the cost of testing does not exceed $204,000 for the two-year period. The funds used by CT DEP for this reimbursement come from the $1.50 per ton Solid Waste Assessment levied on each of the waste-to-energy facilities in the state for each ton that is processed by the facility.

Although CRRA contracts with an emissions testing contractor for a fixed price, the price does not include costs for unforeseen or uncontrollable events that are not the result of the contractor, such as bad weather or an unscheduled facility outage. The CT DEP has a formula that allows them to reimburse for such contingencies up to the two-year total of $204,000.

TAB 8

RESOLUTION REGARDING THE UPGRADE OF THE AUTOMATION SYSTEM AT THE MID-CONNECTICUT WASTE PROCESSING FACILITY

RESOLVED: That the President is hereby authorized to execute an agreement with I & C Systems Engineering to upgrade the automation system located at the Mid-Connecticut Waste Processing Facility, substantially as presented and discussed at this meeting.

Connecticut Resources Recovery Authority
Contract Summary for Contract
Entitled

Upgrade of the Automation System in the Mid-Connecticut Waste Processing Facility Agreement

Presented to the CRRA Board on:	September 27, 2007
Vendor/ Contractor(s):	I & C Systems Engineering
Effective date:	Upon Execution
Contract Type/Subject matter:	Equipment Supply and Install
Facility (ies) Affected:	Mid-CT Waste Processing Facility
Original Contract:	NA
Term:	180 days from Notice to Proceed
Contract Dollar Value:	$471,290.00
Amendment(s):	NA
Term Extensions:	N/A
Scope of Services:	Complete the Upgrade of the Automation System at the Mid-Connecticut Waste Processing Facility.
Project Security	Bid and Performance Bond
Other Pertinent Provisions:	None

Connecticut Resources Recovery Authority Mid-Connecticut Project-Upgrade of the Automation System at the Waste Processing Facility

September 27, 2007

Executive Summary

This is to request approval of the CRRA Board of Directors for the President to enter into an agreement with I & C Systems Engineering to upgrade the Automation System at the Mid-Connecticut Waste Processing Facility.

Discussion

The Waste Processing Facility's ("WPF") automation system consists of programmable logic controller (PLC) based network equipment that controls the three main processing lines inside the facility. The three processing lines consist of Process Line #1, Process Line #2 and the Residue & Refuse Derived Fuel Process line. The automation system is outdated and its replacement parts are scarce and in some instances not supported. A complete up-grade to the major components of the automation system is required to maintain control and availability of the processing systems in the WPF.

The WPF PLC networks consist of three individual networks of Allen Bradley (AB) PLC-2/30 configured with a combination of local and remote 1771 I/O (input/output) chassis controlling the following:

a. Process Line #1
b. Process Line #2
c. Residue & RDF Process lines

Process Line #1 and Process Line #2 are independent of each other and the Residue & RDF Process line operates equipment common to both processing lines #1 & #2.

The automation system upgrade at the WPF consists of the following:

- It is required that the PLC 2/30 system be upgraded to an AB enhanced PLC-5 Series Processors with 10/100Mb EtherNet/IP capability while re-using the majority of existing 1771 I/O modules.
- All of the control console equipment in the control room will be replaced by computer based operator interfaces with touch screen capabilities.

- A central control cabinet system will be installed in the control room to accommodate all the PLC-5 processors and computer equipment. This arrangement will allow the control cabinet environment to be filtered and conditioned in order to maintain equipment reliability.
- The existing PLC-2 programs will be converted and re-programmed for the PLC-5 platform. Rockwell Software RSLogix™ 5 (latest version) will be used to program the new PLC-5 processors in ladder logic.
- The computer hardware will be manufactured by Dell, unless approved by CRRA as acceptable substitution. All displays will be 19" (minimum) touch screen LCD monitors. In addition, each PC will have an additional 32" (minimum) touch screen LCD monitor to display process line status.
- The human machine interface (HMI) software shall be GE Fanuc Proficy iFix (latest version) consisting of a SCADA node and three (3) client nodes representing each process line.

Financial Summary

The upgrade was solicited through a public procurement process. Sealed public bids were received on August 29, 2007. Bids were received from 2 qualified bidders, and are tabulated below.

Vendor	Quoted Function	Quoted Price:
I & C Systems Engineering	Complete work scope (install time of 6 months)	$471,290.00
Spectra Automation Ltd	Complete work scope (install time 6 months)	$573,000.00

Based on cost and delivery time, CRRA staff is recommending the selection of I & C Systems Engineering. CRRA staff has discussed the project with I & C Systems Engineering and is satisfied that they can complete the work as specified in the contract documents.

CRRA's cost for this project will be $471,290.00

The project will be funded from the Facility Modification Reserve as planned for in the fiscal year 2008 Mid-Connecticut capital improvement budgets.

TAB 9

RESOLUTION REGARDING THE REPLACEMENT OF TROMMEL THRUST RINGS AT THE MID-CONNECTICUT WASTE PROCESSING FACILITY

RESOLVED: That the President is hereby authorized to execute an agreement with Infinity Constructors, Inc. to replace trommel thrust rings at the Mid-Connecticut Waste Processing Facility, substantially as presented and discussed at this meeting.

Connecticut Resources Recovery Authority
Contract Summary for Contract
Entitled

Replacement of Trommel Thrust Rings at the Mid-Connecticut Waste Processing Facility Agreement

Presented to the CRRA Board on:	September 27, 2007
Vendor/ Contractor(s):	Infinity Constructors, Inc.
Effective date:	Upon Execution
Contract Type/Subject matter:	Part Supply and Install
Facility (ies) Affected:	Mid-CT Waste Processing Facility
Original Contract:	NA
Term:	33 days from Notice to Proceed per each trommel thrust ring installation
Contract Dollar Value:	$150,200.00
Amendment(s):	NA
Term Extensions:	N/A
Scope of Services:	Replacement of Trommel Thrust Rings at the Mid-Connecticut Waste Processing Facility.
Security:	Payment and Performance Bonds
Other Pertinent Provisions:	None

Connecticut Resources Recovery Authority Mid-Connecticut Project-Replacement of Trommel Thrust Rings at the Waste Processing Facility

September 27, 2007

Executive Summary

This is to request approval of the CRRA Board of Directors for the President to enter into an agreement with Infinity Constructors, Inc. for the replacement of trommel thrust rings at the Mid-Connecticut Waste Processing Facility.

Discussion

The Waste Processing Facility's ("WPF") has two processing lines, which are identical to each other. Along each processing line, there are pieces of equipment called trommels. Trommels are cylindrical units used to size material by screening. There are two primary trommels and one secondary trommel per line. Each unit is designed with two thrust rings, which assist in supporting the trommel axially. A thrust roller rides against each thrust ring to transfer the axial force of the unit to the supporting framework of the trommel's structural steel.

Four trommel thrust rings were replaced at the WPF during fiscal year 2007. The scope of work for this project represents the balance of the trommel thrust rings to be replaced at the WPF.

Replacement of the trommel thrust rings consists of the following:

- Manufacture the new trommel thrust rings and supporting gussets. The new ring has been re-designed as a 3-piece carbon steel unit, each unit being 120 degrees of the ring.
- Modification of the existing dust cover framework as needed, to provide access to the work areas of the trommel.
- Removal of the old ring, installation of all new supporting gussets, and installation of a new thrust ring on one trommel including all the new supporting gussets.
- Re-install existing dust cover framework.

Financial Summary

The replacement of trommel thrust rings was solicited through a public procurement process. Sealed public bids were received until August 17, 2007. Bidders were given the option to bid on the manufacture of the trommel thrust rings and/or installation of the trommel thrust rings. Bidders were required to submit bids for both the base work (manufacture two trommel thrust rings or install two trommel thrust rings, or both items) and the optional work (manufacture six trommel thrust rings or install six trommel thrust rings, or both items). Bids were received from three qualified bidders, and are tabulated below based on the combined base and optional work pricing.

Function	Vendor	Quoted Price (Base and Optional Work)
Manufacture Only	None	
Installation Only	Construction Network Services, Inc.	$147,160.00
Manufacture and Installation	Infinitiy Constructors, Inc.	$150,200.00
	Welding Works, Inc.	$239,740.00

Based on cost of manufacturing and installation, CRRA staff is recommending the selection of Infinity Constructors, Inc. CRRA staff has discussed the project with Infinitely Constructors, Inc. and is satisfied that they can complete the work as specified in the contract documents.

CRRA's cost for this project will be $150,200.00

The project will be funded from the Facility Modification Reserve as planned for in the fiscal year 2008 Mid-Connecticut capital improvement budgets.

TAB 10

RESOLUTION REGARDING THE PURCHASE OF TWO HIGH SPEED RUBBER ROLL UP DOORS FOR THE MID-CONNECTICUT WASTE PROCESSING FACILITY

RESOLVED: That the Board of Directors, in accordance with the Connecticut Resources Recovery Authority's Procurement Policy, hereby approves the procurement of two (2) New M & I High Speed Rubber Roll-up Doors from BODE Equipment Company for use at the Mid-Connecticut Waste Processing Facility, substantially as presented and discussed at this meeting.

Connecticut Resources Recovery Authority

Purchase of Two New High Speed Rubber Roll Up Doors
Mid-CT Waste Processing Facility

Presented to the CRRA Board on:	September 27, 2007
Vendor/ Contractor(s):	BODE Equipment Co.
Effective date:	October 1, 2007
Contract Type/Subject matter:	Non-competitive Process/ Vendor has patent
Facility (ies) Affected:	Mid-CT Waste Processing Facility
Original Contract:	Not applicable
Term:	60 days from Notice to Proceed
Contract Dollar Value:	$114,052.00
Amendment(s):	Not applicable
Term Extensions:	Not applicable
Scope of Services:	High Speed Rubber Roll Up Doors Type: M & I
Other Pertinent Provisions:	None

Connecticut Resources Recovery Authority
Mid-Connecticut Project

Purchase of Two New High Speed Roll-Up Doors
Mid-CT Waste Processing Facility

September 27, 2007

Executive Summary

This is to request approval of the CRRA Board of Directors to authorize the President to approve the purchase of Two (2) new M & I High Speed Rubber Roll-up Doors for $114, 052. Given the specific needs of the Waste Processing Facility (WPF) to maintain temperature control, odor control and fugitive dust emanating from the process residue and ferrous load out area, the purchase of two high speed rubber roll up doors is required.

Discussion

The purchase and installation of these two high speed roll-up doors will cover the openings on the West side of the facility covering both the process residue load out and ferrous load out areas. These areas currently have non-functioning and non-repairable doors but are covered with plastic sheet strips which only provide minimum odor and fugitive dust control. With the installation of the two high speed doors we will be able to effectively control odors, control fugitive dust and maintain room temperature to avoid freezing of equipment and materials during winter months.

The Metropolitan District ("MDC") is the operator and maintainer of the CRRA Mid Connecticut Project Waste Processing Facility. The facility has 18 roll up doors either of metal or new rubber design of which 75% are of the new high speed design as provided by BODE Equipment. The facilities original steel doors have been subject to severe operating conditions and there has been minimal interest by outside door companies to provide maintenance. Upon the installation of these two (2) high speed roll-up doors there will be two (2) remaining original doors to be replaced. The remaining doors are not subject to high traffic from mobile equipment and will be replaced in the future as necessary.

In 1999 CRRA investigated many options and uses of the high-cycle doors and determined that the M & I door is the superior product for this application. The following are specific highlights of the patented M & I high speed door.

- This door is very unique to the industry. Using a patented design, this door uses a drive gear at the top of each guide assembly driving the up and door operation.
- There are no pulleys, springs or cables inside the guides.

- The bottom edge has no aluminum, sand or steel bottom beam but is completely fabric. It has an integrated stop and reverse sensing device that allows the door to come down on an object, cause no harm/damage.
- It requires no roll wind bar for this door as other manufactures will utilize aluminum ribs to provide stiffness. The specific design does not require any stiffeners which allows for full access.
- This door is the only design or type in the North American Market.
- The M & I high speed door can handle wind gusts up to 110 miles per hour.
- The electrical panel comes fully equipped with specific diagnostic points indicating where problems are occurring. There is no guess work in troubleshooting electrical problems. Other manufactures use a PLC which requires wiring diagrams and personnel involvement to trace the problems.
- The breakaway feature is unique in that there is no bottom beam and the unique design is integrated into the curtain. When struck by a vehicle or object the rubber curtain will fold out from the frame. To replace the curtain a simple press of the restart button is required and the door will re-set the curtain.

The M & I high speed door as provided by BODE Equipment Company is far superior over any steel or fabric door for its reliability, no parts to replace and reduced operating costs. This design is initially more expensive than a steel door (approximately 25%). M & I high speed doors are instantly capable of being reset in their guides as a steel door once struck will no longer function and require new parts. Repair response on steel door at the WPF has averaged one to two months depending on the available contractor. The M & I door being a heavy duty rubber type high cycle is capable of resetting itself thus avoiding significant downtime. Based on the operating and maintenance costs of steel doors, the M&I doors will provide a very cost effective solution.

BODE Equipment Company has previously provided CRRA the M & I door. They have been responsive to our maintenance needs which we have not been able to obtain from local roll up door companies. Additionally, they are the only authorized supplier, installer and maintainer of the M & I patented high speed roll-up doors in New England. The scope of services for this project as provided by BODE Equipment is as follows:

- Furnish all material, labor, equipment plus incidentals for the replacement of both doors (process residue and ferrous load out areas). 2- 29'wide x 16' high, Rubber Roll-up Doors
- Removal of existing steel roll-up door plus frame and siding removal.
- Reconditioning frames after removal and the installation of the two new M&I high speed doors per manufacturer's specifications.
- Also included, is all necessary electrical work and performance testing of the doors for final approval.

Financial Summary

The project was not solicited through a public procurement process because there is only one dealer authorized to offer the required door for the New England Region. The New England Distributor for the M & I door is BODE Equipment Company which has quoted the above scope of work for two doors including receivers and controllers at a cost of $114,052.00.

The purchase of two (2) New M &I Rubber Roll Up Doors from BODE Equipment Company will be funded from the Facility Modification Reserve as planned for in the fiscal year 2008 Mid Connecticut Capital Improvements Budget.

TAB 11

RESOLUTION REGARDING MUNICIPAL GOVERNMENT ADVISOR SERVICES AGREEMENTS

RESOLVED: That the President is hereby authorized to execute, deliver, and perform on behalf of this Authority, Municipal Government Advisor Services Agreements as were substantially set forth in the Request for Qualifications dated June 25, 2007, for a period of one year commencing on October 1, 2007, and terminating on September 30, 2008, with the firm listed below.

Brown Rudnick Berlack & Israels

Connecticut Resources Recovery Authority
Contract Summary for Contract Entitled

MUNCIPAL GOVERNMENT ADVISOR SERVICES AGREEMENT

Presented to the CRRA Board on:	September 27, 2007
Vendor/Contractor:	Brown Rudnick Berlack & Israels
Effective date:	October 1, 2007
Term:	October 1, 2007, through September 30, 2008
Contract type/subject matter:	Agreement to provide municipal government advisory and other related services
Facilities affected:	All
Original contract:	June 1, 2006, through May 31, 2007
Amendments:	June 1, 2007, through June 30, 2007 July 1, 2007, through September 30, 2007
Contract dollar value:	$84,000
Scope of services:	Strategic counsel, advice, government relations and other related activities which will strengthen CRRA's relationships with the cities and towns it serves
Other pertinent provisions:	None

Connecticut Resources Recovery Authority

Municipal Government Advisor Services Agreements with Brown Rudnick Berlack & Israels

September 30, 2007

Executive Summary

This is to request approval of the CRRA Board of Directors for the President to enter into one-year agreements with Brown Rudnick Berlack & Israels to provide municipal government advisor and related services for CRRA and its solid waste projects.

Discussion

CRRA's experience has been that contracting with firms to help CRRA's ongoing efforts to maintain a good relationship with the cities and towns it serves pays dividends. These services were key to a number of CRRA's recent successes, including the retrofitting of the Hartford recycling center and closure of the Hartford landfill (including negotiations on responsibility for post-closure monitoring and maintenance).

Since June 2006, CRRA has retained Attorney Thomas Ritter of Brown Rudnick Berlack & Israels to provide these services, and he provided valuable assistance in both those successes. With CRRA about to undertake other significant initiatives, including the siting of a new ash landfill and implementation of the state Solid Waste Management Plan, that are crucial to the future of the Authority and its stakeholders, CRRA believes it is in the Authority's best interests to continue to have such services available.

The CRRA Board directed management to undertake a rigorous search to identify one or more firms to whom the Authority would offer contracts to provide these services. On June 25, 2007, CRRA issued a Request for Qualifications (RFQ) to attract firms interested in providing these services. The RFQ was posted on CRRA's Web site and advertised in the *Hartford Courant*, *New Haven Register* and the *Connecticut Law Tribune*. Responses were due August 1, 2007.

Four firms – Pepe & Hazard LLP, Rose Kaillor, Brown Rudnick Berlack & Israels and CMR Government Relations – responded to the RFQ, and all four were interviewed. Three other firms had submitted expressions of interest but did not respond.

CRRA is statutorily prohibited from hiring a contract lobbyist to represent CRRA before the General Assembly. This prohibition was clearly explained in the RFQ and during the interview with each firm.

Based on the results produced by Attorney Ritter, management recommends continuing the arrangement with Brown Rudnick Berlack & Israels.

Because of the limited response to the RFQ, and management's belief that having additional firms available to perform these services, CRRA will issue another RFQ with the intention of soliciting more interest.

Financial Summary

The proposed Brown Rudnick Berlack & Israels contract is a retainer arrangement at the same terms as previous agreements. It has been and will continue to be CRRA's practice to use such firms judiciously.

TAB 12

RESOLUTION REGARDING REQUEST FOR SERVICES FOR JUNK MAIL RECYCLING MARKETING CAMPAIGN

RESOLVED: That the President is hereby authorized to approve a Request for Services with Pita Communications LLC for services associated with a junk mail recycling marketing campaign substantially as presented and discussed at this meeting.

Connecticut Resources Recovery Authority

Summary for RFS entitled

CRRA Junk Mail Recycling Marketing/Public Awareness Campaign

Presented to the CRRA Board on:	September 27, 2007
Vendor/ Contractor(s):	Pita Communications LLC
Effective date:	September 28, 2007
Contract Type/Subject matter:	Three Year Services Agreement for Public Relations Services
Facility(ies) Affected:	Mid-Connecticut Project
Original Contract:	January 1, 2006
RFS Dollar Value:	$66,400
Scope of Services:	Printing of inserts for placement in regional weekly newspapers; placement of inserts in regional weekly newspapers; placement of advertisements on regional radio stations; content management for Web site http://phillupdbag.com; and related services in connection with junk mail recycling marketing/public awareness campaign.

Connecticut Resources Recovery Authority

RFS for Junk Mail Recycling Marketing Campaign

September 27, 2007

Executive Summary

CRRA has decided that it is in the Authority's best interests to run a marketing campaign intended to increase recycling rates in Mid-Connecticut Project cities and towns. Management decided that the initial focus of this campaign would be to emphasize the recycling of junk mail and mixed paper. A firm with which CRRA has a Public Relations Services Agreement, Pita Communications LLC, developed a marketing campaign centered around a character named Phillup D. Bag who will encourage people to recycle junk mail, magazines, catalogs and other forms of mixed paper simply by filling the brown paper bag in which they recycle their newspapers.

The objective of the campaign is to increase the recycling of fiber as measured in tons delivered by Mid-Connecticut Project towns to the Mid-Connecticut Project regional recycling facility.

The campaign includes placements of display advertisements in weekly newspapers, development of collateral materials including educational pieces and a Web site (http://phillupdbag.com) and promotions with radio stations. A costume was created allowing Phillup D. Bag (or "Phil") to appear live at family and community events to promote awareness of junk mail and mixed paper recycling. His appearances to date have drawn a lot of interest (pictures of some of his appearances are on-line at http://phillupdbag.com/media_press_gallery.php), and he has been invited to appear at additional events this fall.

The campaign was launched in the spring with a six-week blitz of radio advertisements, spots on CPTV (as part of the campaign, CRRA was a sponsor of the CPTV Family Science Expo for which CRRA received a series of television spots and the right to have Phil appear at the event) and print advertising. Fiber tonnages increased by about 11 percent after the campaign was launched, and management will continue to track this performance.

In addition, the campaign generated good will and image enhancement for CRRA.

This RFS will fund another round of advertisements and promotional appearances to begin in October, just as the holiday catalog season begins.

Under two separate RFSs, Phil is making a number of live appearances this fall:

Sept. 5 – Colebrook Consolidated School
Sept. 8 – Discover Hartford Bike Ride and Grandparents Day, both in Bushnell Park (photos from the two events above are now posted on http://PhillupDBag.com)
Sept. 15 – Riverfront Recapture's Dragon Boat races and Asian Festival, Mortenson Plaza, Hartford
Sept. 26 – CRRA exhibit in the Connecticut building at The Big E
Sept. 29 – Durham Fair
Sept. 29 – Farmington River Clean-Up
Oct. 13 – Greater Hartford Marathon
Oct. 20 – NBC30 Health and Wellness Festival (9:30 a.m.-noon at the Connecticut Convention Center, Hartford)
Oct. 20 – Brooksvale Fall Festival, Hamden, 1 to 4 p.m.
Oct. 27 – Harwinton CRRA electronics recycling
October 29 – Celebrate Wallingford town festival, 11 a.m. to 3 p.m.
Nov. 10 – CRRA Trash Museum electronics recycling/America Recycles Day
TBD – event at Anna Reynolds School in Newington

This is to request approval of the CRRA Board of Directors for the President to approve a Request for Services for the next round of this campaign. Because the value of this RFS passes the $50,000 threshold set forth in Section 5.9 of CRRA's "Procurement Policies and Procedures" Board approval is required.

Discussion

CRRA's "Procurement Policies and Procedures" requires that under this contract any RFS, "together with all other change orders or similar amendments to such Contracts, exceeds $50,000 over the original contract price, shall be prior authorized only by the two-thirds (2/3) vote of the full Board." Since there is no dollar value on the contract with Pita Communications LLC, this RFS, together with two other RFS issued earlier this fiscal year, brings the total dollar value of FY 2008 RFSs to $80,800.

Pita Communications LLC was one of two firms selected to receive Public Relations Services Agreements after CRRA issued a Request for Qualifications for firms to provide public relations, advertising and marketing services. This particular firm was chosen specifically because of its expertise in marketing and advertising. These Agreements were approved by the Board on December 15, 2005.

Financial Summary

Funds for this RFS are available in Mid-Connecticut Project budget line 41-001-501-52118 "Marketing & Public Relations."

TAB 13

Resolution Regarding An Agreement for Metals Recovery and Marketing Services with wTe Recycling, Inc.

RESOLVED: The President be authorized to enter into a contract with wTe Recycling, Inc., for the transportation, processing and marketing of metals generated at the Mid-Connecticut Resources Recovery Facility and the Hartford Landfill using the Shredded Auto Scrape Philadelphia Index substantially in accordance with the terms and conditions discussed at this meeting.

Connecticut Resources Recovery Authority
Contract Summary For
Metals Recovery and Marketing Services

Presented to CRRA Board of Directors: September 27, 2007

Vendor/Contractor:	wTe Recycling, Inc.
Effective Date:	October 1, 2007
Services:	Ferrous metals transportation, processing and marketing services
Facilities:	Mid-Connecticut Resources Recovery Facility and the Hartford Landfill
Term:	June 30, 2010 (2 years 10 months with no options to extend)

Contract Revenues and Costs:

CRRA is recommending acceptance of the Alternative Bid No.1 price proposal. Please refer to ***Attachment 3*** for a summary of this price scenario's potential revenue or costs.

The price proposal is tied directly to the ferrous metal market Shredded Auto Scrap Philadelphia High Side Index as published by the American Metal Market. In summary, for every $1.00 increase in the Index's price, CRRA realizes $0.33 in additional revenue. Conversely, should the Auto Shred Index drop below the bidder prescribed "break even" point of $143.00, CRRA will begin to be charged a processing fee. The processing fee paid by CRRA gradually increases by $0.33 with each $1.00 drop in the Index Price below the $143.00 break even point, with a not to exceed processing fee floor of $10/ton. The total not to exceed processing fee of $10.00 is reached if the Index drops to $112.00.

Approximately 35% of the weight of the ferrous metals removed from the MSW processed at the Waste Processing Facility is engrained waste. During the processing of the metals the Contractor removes this engrained waste ("Processing Residue") and returns it to CRRA as Refuse Derived Fuel ("RDF"). Contractor will be charged a tip fee of $40/ton for Processing Residue returned in excess of 35% of the weight of the metals removed. Revenue from excess Processing Residue returned to CRRA is estimated to be $50,000.

The contract includes a provision to pay the Contractor for loads received that are under 36,000 lbs (18 tons). The "light load" chargeback is $25.00/ton. Historically annual light load charges are approximately $12,000.

Metals received at the Hartford Landfill are comprised primarily of white good (stoves, refrigerators, etc.) and small appliances such as air conditioners. CRRA pays to the Contractor a flat fee of $25.00 per appliance for the removal and proper disposal of capacitors, CFC, and HCFCs. The annual cost to CRRA for the removal and disposal of CFCs will be approximately $21,000.

Connecticut Resources Recovery Authority
Metals Recovery and Marketing Services
Mid-Connecticut Resources Recovery Facility and Hartford Landfill

The municipal solid waste processed at the Mid-Connecticut facility includes six steps: manual picking from in feed conveyors, coarse shredding, magnetic separation of ferrous metals, course screening and fine shredding. The ferrous metals removed from the waste during processing, along with the metals received at the Hartford Landfill (primarily white goods), are transported from the sites, processed and marketed by a firm selected through a competitive procurement process. The current contract with wTe Recycling, Inc., expires September 31, 2007.

On July 30, 2007 CRRA issued a Request for Proposals for Metals Recovery and Marketing Services. Legal Notices advertising the procurement were published in the Hartford Courant, Waterbury Republican, New Haven Register, Springfield Republican, and NE Minority News. The procurement was also listed on four web sites: Bid Net, Onvia, the state's web site and CRRA's web site. Only one bid was received and it was submitted by the current Contractor wTe Recycling, Inc.

wTe presented CRRA with four pricing/revenue sharing proposals:

1. Base proposal using the No. 2 Bundled Philadelphia High Side Index
2. Alternative Bid No. 1 using the Shredded Auto Scrap Philadelphia High Side Index
3. Alternative Bid No. 2 using the Shredded Auto Scrap Philadelphia High Side Index
4. Alternative Bid No. 3 using the Shredded Auto Scrap Philadelphia High Side Index

The prices quoted are tied directly to two metal market indexes; the #2 Bundled, Philadelphia High Side Index or the Shredded Auto Scrap Philadelphia High Side Index, as published by the American Metal Market. As a result of tying the service fee to metals market prices, the service fees paid by CRRA or the revenue received by CRRA fluctuate. That is, when ferrous market prices dip below a prescribed dollar value, CRRA pays the Contractor a per ton processing fee to have the metals transported, processed and marketed. Conversely, when ferrous market prices go above a prescribed market price, CRRA shares in the revenue generated from the marketing of the metal. CRRA also requires a "floor" or "not to exceed" price which is the maximum per ton processing fee CRRA will pay Contractor regardless of how depressed the metal market might get.

CRRA rejected Alternative Bids No. 2 and 3 because the prices proposed were based on a contract term of five rather then three years.

ATTACHMENT 1

Mid-Connecticut Metal Recovery and Marketing Services Pricing Evaluation

NO. 2 BUNDLED INDEX FIVE-YEAR SUMMARY

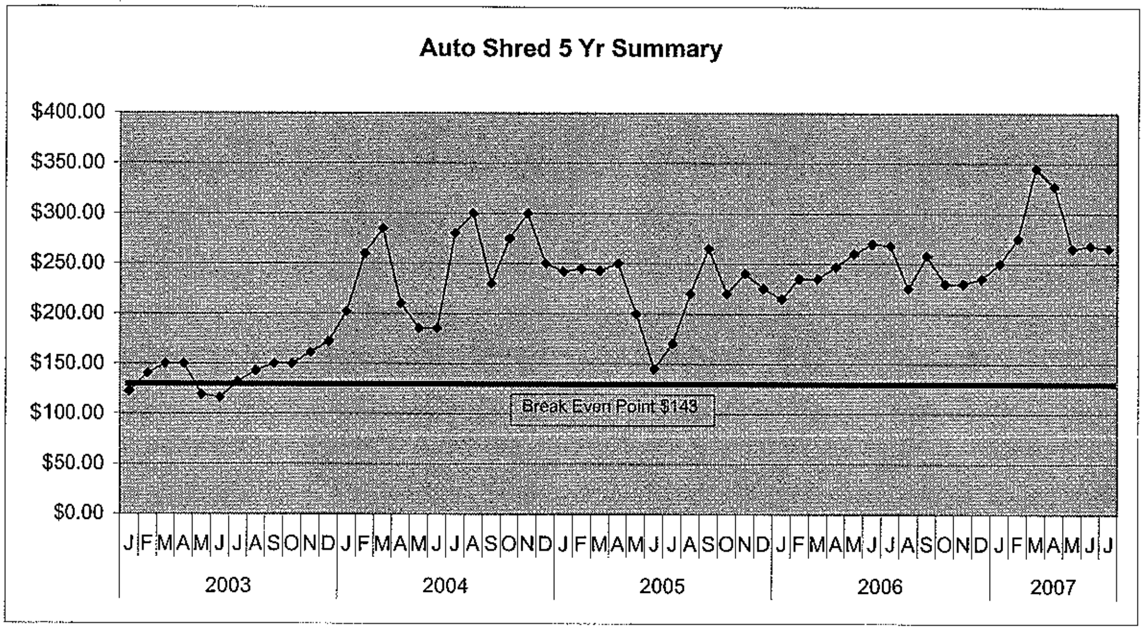
Lowest 12 month period January - December 2003	$83.33
Average over the past 5 years	$143.63
Highest 12 month period September 2006 - August 2007	$188.75
Lowest single monthly price January 2003 (CRRA would be paying Contractor $6/ton to take the metals).	$67.00

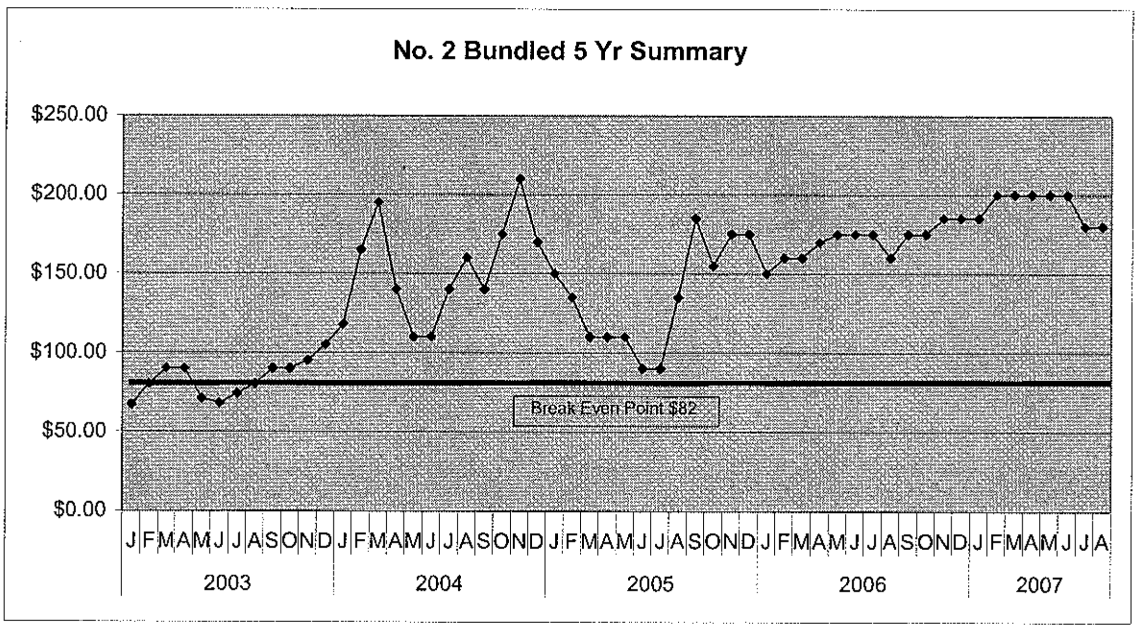
AUTO SHRED INDEX FIVE-YEAR SUMMARY

Lowest 12 month period January - December 2003	$142.00
Average over the past 5 years	$223.66
Highest 12 month period September 2006 - August 2007	$269.83
Lowest single monthly price June 2003 (CRRA would be paying Contractor $8/ton to take the metals).	$116.00

Current Deal #2 Bundled Index .50		**New Base Proposal #2 Bundled Index .40**		**Alternative Bid No. 1 Auto Shred Index .33**	
High	$188.00	High	$188.00	High	$269.00
Rate	$56.00	Rate	$42.40	Rate	$41.81
26,500	1,484,000	26,500	$1,123,600	26,500	$1,107,965
Average	$143.00	Average	$143.00	Average	$223.00
Rate	$33.50	Rate	$24.40	Rate	$26.63
26,500	$887,750	26,500	$646,600	26,500	$705,695
Low	$83.00	Low	$83.00	Low	$142.00
Rate	$3.50	Rate	$0.40	Rate	Break Even
26,500	$92,750	26,500	$10,600	26,500	$0.00
		Low Market	$67.00	Low Market	$116.00
		Processing Fee	($6.00)	Processing Fee	($8.00)
		26,500	($159,000)	26,500	($212,000)
		Break Even Point	$82.00	Break Even Point	$143.00
		Index Price Point at which CRRA does not have to pay transportation fees.		Index Price Point at which CRRA does not have to pay transportation fees.	
		Contract Terms		**Contract Terms**	
		Term 3 years		Term 3 years	
		Contractor responsible for providing all transportation services Contractor responsible for all marketing services CRRA's revenue share or continued reductions in the processing fee for every $1.00 change in the index over $52.00/ton is $0.40/ton. Base not to exceed processing fee charged to CRRA $12.00/ton Per unit charge to remove CFC from appliances $25.00		Contractor responsible for providing all transportation services Contractor responsible for all marketing services CRRA's revenue share or continued reductions in the processing fee for every $1.00 change in the index over $143.00/ton is $0.33/ton. Base not to exceed processing fee charged to CRRA $10.00/ton Per unit charge to remove CFC from appliances $25.00	

ATTACHMENT 2





Attachment 3