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FAX (860) 727-4141

February 22, 2006

Thomas D. Kirk  
President  
email: tkirk@crra.org

The Honorable M. Jodi Rell  
Governor  
State of Connecticut  
Executive Chambers  
State Capitol  
Hartford, CT 06106

**RE: Connecticut General Statutes 22a-263  
Quarterly Report of Connecticut Resources Recovery Authority Operations  
For the Quarter Ending December 31, 2005**

Dear Governor Rell:

This is the quarterly report of operations of the Connecticut Resources Recovery Authority (the "Authority") for the 2<sup>nd</sup> Quarter of Fiscal Year 2006 (September 30, 2005 through December 31, 2005) as required by Connecticut General Statutes Section 22a-263 (the "Statute").

~~The Authority is responsible for implementing solid waste disposal and resource recovery systems and facilities throughout the State of Connecticut (the "State") in accordance with the State Solid Waste Management Plan. The Authority is comprised of four separate and distinct, comprehensive solid waste disposal systems located throughout the State. Therefore, the Statute requirements are reported separately for each project.~~

If you have any questions on these or other matters, or if I may provide additional information, please contact me directly at (860) 757-7777.

Very truly yours,

A handwritten signature in black ink, appearing to read "Thomas D. Kirk", is written over a faint, larger version of the same signature.

Thomas D. Kirk  
President

cc: Michael A. Pace, Authority Chairman  
Andrew M. Sullivan, Jr., Finance Committee Chairman  
James P. Bolduc, Chief Financial Officer  
Bettina M. Bronisz, Assistant Treasurer & Director of Finance  
Laurie Hunt, Esq., Director of Legal Services  
Chrono File

- A listing of the number and type of waste management service contracts entered into with local government units and persons, and the charges therefore; a listing of the contracts entered into for the services of private industry in the operation of systems and facilities;

Name:	Type of contract:	Charges:
<b>Mid-Connecticut Project Contracts entered into during Quarter ending 12/31/05</b>		
ABB, Inc.	NOx Emission Reduction Credits	Revenue to be received
Conservation Services, LLC	Lift Rental	\$9,254
Infinity Constructors, Inc.	Installation of a Free Blow Addition	\$7,000
JH Lynch & Sons	Reconstruction of Gate 20 Access Rd	\$304,275
Kleinschmidt Associates	Compliance Service Agreement	\$340,600
Metro Enterprises, Inc.	Solid Waste Delivery Agreement	Revenue to be received
Pratt & Whitney	NOx Emission Reduction Credits	Revenue to be received
Process Equipment Parts, Inc.	Rotor Fabrication Agreement	\$228,480
Tidy Services, LLC	Solid Waste Delivery Agreement	Revenue to be received
<b>Southeast Project Contracts entered into during Quarter ending 12/31/05</b>		
No contracts for the quarter		
<b>Bridgeport Project Contracts entered into during Quarter ending 12/31/05</b>		
East Haven, Town	Settlement Agreement	Revenue to be received
<b>Wallingford Project Contracts entered into during Quarter ending 12/31/05</b>		
No contracts for the quarter		
<b>General Contracts entered into during Quarter ending 12/31/05</b>		
Cashman & Katz Integrated Communications	Public Relations Services	Varies by assignment
Cubitt Jacobs & Prosek Communications	Public Relations Services	Varies by assignment
Pita Communications, LLC	Public Relations Services	Varies by assignment

- A map showing the location of all facilities owned or leased by the Authority;

A map showing the facilities owned or leased by the Authority is attached to this letter.

- A schedule of the amounts of waste received and processed in such facilities;

Facility:	Tons Received for the Quarter Ending 12/31/05	Tons Processed for the Quarter Ending 12/31/05
Mid-Connecticut	220,308	212,269
Southeast	65,034	64,530
Bridgeport	196,268	183,240
Wallingford	40,940	34,783

- A listing of the outstanding issues of notes and bonds of the Authority and the payment status thereof;

FACILITY Series	Original Amount Bonded (\$000)	Principal Outstanding as of Quarter ending 12/31/05 (\$000)	Debt Service Payment Status: <sup>1</sup>
<b>MID-CONNECTICUT:</b> <sup>2</sup>			
1996 Series A Bonds	\$ 209,675	\$ 69,415	Current
State Loan Borrowings <sup>3</sup>	21,500	17,249	Current
<b>SOUTHEAST:</b>			
1998 Series A	87,650	60,430	Current
<b>BRIDGEPORT:</b>			
1999 Series A Bonds	141,695	67,925	Current
2000 Series A Bonds	9,200	4,640	Current
<b>WALLINGFORD:</b>			
1998 Series A Bonds	33,790	13,420	Current

- A budget showing the administrative expenses of the Authority;

The administrative expenses section of the adopted project budgets (for the Fiscal Year ending June 30, 2006) for each project is attached to this letter.

- A report of revenues of the Authority from all sources and of the redistribution of any surplus revenues.

Facility:	All revenues <sup>5</sup> received for the Quarter Ending 12/31/05 (\$000)	Redistribution <sup>6</sup> for the Quarter Ending 12/31/05
Mid-Connecticut	\$24,472	0
Southeast	2,874	0
Bridgeport	13,797	0
Wallingford	6,351	0

<sup>1</sup> On March 11, 2005, the Authority fully defeased the Mid-Connecticut System Bonds, 1997 Series A and 2001 Series A and partially defeased the Mid-Connecticut System Bonds, 1996 Series A using proceeds of the \$111.7 million realized on February 1, 2005 from the sale of its Enron bankruptcy claim.

<sup>2</sup> In 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 on the Mid-Connecticut project bonds. During the June 2003 Special Session, the Connecticut General Assembly passed Public Act No. 03-5, which authorized the Authority to borrow up to \$22 million for the period ending June 30, 2004 and an amount not to exceed \$93 million for subsequent fiscal years.

<sup>3</sup> On March 24, 2005, the Authority established an irrevocable escrow fund in the amount of \$19.4 million for the payment of future principal and interest due on the State Loan borrowings with proceeds of the \$111.7 million realized on February 1, 2005 from the sale of its Enron bankruptcy claim.

<sup>4</sup> In addition, the Authority served as a conduit issuer for three series of Corporate Credit Revenue Bonds issued by American Ref-Fuel, the operator of the Southeast project: 1992 Series A Bonds (\$30 million); 2001 Series A Bonds, Subseries I (\$6.75 million); and 2001 Series A Bonds, Subseries II (\$6.75 million). These bonds are not carried on the Authority's books.

<sup>5</sup> Unaudited quarterly financial statement.

<sup>6</sup> There was no redistribution of surplus revenues amongst the projects.

CONNECTICUT RESOURCES RECOVERY AUTHORITY PROJECT STATISTICS AND DEMOGRAPHICS

**MID-CONNECTICUT PROJECT:**

Refuse derived fuel waste-to-energy facility that separates and reduces the volume of waste on the front end by removing recyclable metals and non-combustible material

860,000 tons per year

Population served: 1,025,532

CRRRA Regional Recycling Center and Visitors Center

Lined ash disposal area with groundwater monitoring and leachate collection and treatment systems

Hartford landfill for bulky and non-processible waste

Transfer Stations: 4

Member Towns

Contract Towns

**BRIDGEPORT PROJECT:**

Mass-burn facility (no front-end separation)

760,000 tons per year

Population served: 750,000

CRRRA Regional Recycling Center and Garbage Museum in Stratford

Transfer Stations: 8

Member Towns

Towns that deliver Recyclables

**SOUTHEAST PROJECT:**

Mass-burn facility

219,000 tons per year

Population served: 277,022

Lined ash disposal area with groundwater monitoring and leachate collection and treatment systems

Member Towns

Non-member Towns with Service Agreement

Towns with American Ref-Peel Service Contract

**WALLINGFORD PROJECT:**

Member Towns

Mass-burn facility

153,300 tons per year

Population served: 198,760



**MID-CONNECTICUT PROJECT – GENERAL ADMINISTRATIVE EXPENSES**

<b>DESCRIPTION</b>	<b>ADOPTED FY06</b>
<b>GENERAL ADMINISTRATION</b>	
Postage & Delivery Fees	\$12,000
Telephone & Pagers	\$20,000
Outside Copying	\$5,000
Advertising	\$25,000
Marketing & Public Relations	\$1,000
Public Education	\$10,000
Office Equipment	\$1,000
Office Supplies	\$5,000
Miscellaneous Services	\$5,000
Business Meetings and Travel	\$2,000
Mileage Reimbursement	\$10,000
Vehicle Repair / Maintenance	\$1,000
Office Equipment Service	\$10,000
Building Operations	\$80,000
Grounds Maintenance	\$38,000
Fees/Licenses/Permits	\$2,000
Claims/Losses	\$100,000
Bad Debt Expense	\$10,000
Legal	\$1,500,000
Financial	\$34,000
Arbitrator	\$50,000
Auditor	\$23,000
Insurance, Consulting, Brokerage Serv	\$70,000
Other Consulting Services	\$250,000
Gas	\$15,000
Electricity	\$29,000
Computer Hardware	\$3,000
Computer Software	\$2,000
Allocation - Salaries	\$2,445,000
Allocation - Overhead	\$2,035,000
<b>Total</b>	<b>\$6,793,000</b>

**SOUTHEAST PROJECT – GENERAL ADMINISTRATIVE EXPENSES**

<b><u>DESCRIPTION</u></b>	<b><u>ADOPTED FY06</u></b>
<b>GENERAL ADMINISTRATION</b>	
Mileage Reimbursement	\$1,000
Legal	\$40,000
Auditor	\$20,000
Insurance Broker	\$1,000
Local Administration	\$807,700
Allocation - Salaries	\$125,000
Allocation - Overhead	<u>\$99,000</u>
<b>Total</b>	<b>\$1,093,700</b>

**BRIDGEPORT PROJECT – GENERAL ADMINISTRATIVE EXPENSES**

<b><u>DESCRIPTION</u></b>	<b><u>ADOPTED FY06</u></b>
<b>GENERAL ADMINISTRATION</b>	
Postage & Delivery Fees	\$3,000
Telephone & Pagers	\$7,000
Copier	\$3,000
Advertising	\$2,000
Office Supplies	\$500
Miscellaneous Services	\$500
Business Meetings and Travel	\$500
Mileage Reimbursement	\$9,000
Bad Debt Expense	\$5,000
Legal	\$200,000
Insurance, Consulting and Brokerage Services	\$13,000
Computer Hardware	\$3,000
Computer Software	\$1,000
Local Administration	\$111,000
Allocation-Salaries	\$468,000
Allocation-Overhead	\$365,000
<b>Total</b>	<b>\$1,191,500</b>

**WALLINGFORD PROJECT – GENERAL ADMINISTRATIVE EXPENSES**

<b><u>DESCRIPTION</u></b>	<b><u>ADOPTED FY06</u></b>
<b>GENERAL ADMINISTRATION</b>	
Telephone & Pagers	\$500
Advertising	\$1,000
Miscellaneous Services	\$5,000
Business Meetings & Travel	\$500
Mileage Reimbursement	\$1,000
Building Operations	\$7,500
Bad Debt Expense	\$5,000
Legal	\$125,000
Auditor	\$5,000
Insurance Broker	\$22,000
Electricity	\$1,500
Local Administration	\$43,000
Allocation-Salaries	\$347,000
Allocation-Overhead	<u>\$275,000</u>
<b>Total</b>	<b>\$839,000</b>

**GENERAL FUND – ADMINISTRATIVE EXPENSES**

<b><u>EXPENDITURE DESCRIPTION</u></b>	<b><u>ADOPTED FY06</u></b>
Personnel Services	\$5,879,000
Non-Personnel Services	\$1,492,000
Capital Outlay	\$210,000
Debt Service/Administration	<u>\$232,000</u>
<b>Total Expenditures</b>	<b>\$7,813,000</b>

<b><u>ALLOCATION DESCRIPTION</u></b>	<b><u>ADOPTED FY06</u></b>
Mid-Connecticut	\$5,819,000
Bridgeport	\$1,142,000
Wallingford	\$622,000
Southeast	\$224,000
Interest Income	<u>\$6,000</u>
<b>Total Allocations</b>	<b>\$7,813,000</b>

Mid-Connecticut Allocation figures include \$1,219,000 for regional recycling facility and \$119,000 for Jets.  
Bridgeport Allocation figures include \$309,000 for regional recycling facility.