RESPONSE TO COMMENTS

ON

DRAFT
"TIER 1 MUNICIPAL SOLID WASTE MANAGEMENT SERVICES AGREEMENT"

Connecticut Resources Recovery Authority
100 Constitution Plaza, 6th Floor
Hartford, Connecticut 06103-1722

July 9, 2010

RESPONSE TO COMMENTS

ON

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INTRODUCTION

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Contents

By letter dated April 5, 2010, the Connecticut Resources Recovery Authority ("CRRA") provided to municipalities that currently participate in the Mid-Connecticut Project a document entitled "Draft Tier 1 Municipal Solid Waste Management Services Agreement" ("Draft Tier 1 MSA"). CRRA requested that the municipalities review and comment on the Draft Tier 1 MSA.

CRRA received comments on the Draft Tier 1 MSA from the following municipalities:

- Avon
- Bethlehem
- Canton
- East Hartford
- Granby
- Guilford
- Hebron
- Lyme
- Marlborough
- Naugatuck
- Tolland
- Watertown
- West Hartford
- Wethersfield

In addition to the individual municipalities' comments, CRRA received extensive comments from the Capital Region Council of Governments ("CRCOG"). CRCOG retained the services of Mid Atlantic Solid Waste Consultants ("MSW Consultants") to review the Draft Tier 1 MSA on behalf of its members. CRCOG has submitted MSW Consultants extensive comments to CRRA in a document entitled "MSA Review."

CRRA also received comments from the Litchfield Hills Council of Elected Officials ("LHCEO"). In its transmittal of the comments, LHCEO indicated that LHCEO, in cooperation with the Northwestern Connecticut Council of Governments and the two organizations' joint Regional Recycling Advisory Committee, plans to retain a consultant to assist in reviewing and commenting on the Draft Tier 1 MSA.

This "Response to Comments" document provides CRRA's responses to the comments received from all of the municipalities and other organizations who submitted comments.

CRRA appreciates all of the comments it has received from the municipalities and other organizations. In particular, CRRA appreciates CRCOG's efforts to provide extensive comments on the Draft Tier 1 MSA. Many of the comments are very constructive and CRRA has carefully considered all of the comments in revising the Draft Tier 1 MSA.

Attachment A consists of copies of the original comments as received by CRRA. Each comment has been indexed by assigning it an identification number. Table 1 provides a guide to the section in the "Response to Comments" where each comment is addressed and Table 2 to all of the comments that are addressed in each section of the "Response to Comments."

Attachment B is the "Revised Draft Tier 1 Municipal Solid Waste Management Services Agreement" ("Revised Draft Tier 1 MSA"). It incorporates all of the changes in the Draft Tier 1 MSA that CRRA has indicated in this "Response to Comments" that it would make. Please note that, in CRRA's continuing review of the Draft Tier 1 MSA, it has identified changes to be made in the Draft Tier 1 MSA in addition to those requested by commenters. The Revised Draft Tier 1 MSA includes those CRRA-initiated changes.

Attachment C is the "Draft Tier 2 Municipal Solid Waste Management Services Agreement" ("Draft Tier 2 MSA"). See Section 1.2.2 of this "Introduction" for a summary and description of

the Draft Tier 2 MSA. CRRA is requesting the municipalities review and comment on the Draft Tier 2 MSA.

Attachment D is the "Mid-Connecticut Project Permitting, Disposal and Billing Procedures" ("PDB Procedures"). The PDB Procedures are discussed in Section 4 of this "Introduction" and in Comment 8.1 and its Response in the "Response to Comments" part of this document.

Attachment E is a "Model Flow Control Ordinance." Several municipalities requested that CRRA provide such a document. See Comment 11.1 in the "Response to Comments" part of this document.

In its review of the comments, CRRA has identified several broad areas in which additional background information and explanation will be beneficial to all commenters. These areas are discussed in the remainder of this "Introduction."

1. PREPARATION ACTIVITIES FOR THE POST-2012 PERIOD

CRRA believes it is critical that municipalities are aware of all of CRRA's efforts to prepare for the post-2012 period (i.e., the period after the current MSAs expire). These activities are important to understanding the Draft Tier 1 MSA and its interconnections with other activities.

1.1 Operation of the Mid-Connecticut Resource Recovery Facility

CRRA is in the process of a competitive solicitation for the operation of the Mid-Connecticut Resource Recovery Facility ("Mid-Conn RRF"), the waste-to-energy facility that is the central feature of the Mid-Connecticut Project. As a result of that effort, in the post-2012 period CRRA anticipates having one contractor operating the Mid-Conn RRF under a much different contractual relationship than CRRA has with the current operators of the facility. With these changes, CRRA anticipates that the Mid-Conn RRF will be operated more efficiently and at significantly lower cost than at present. As a result of this and other activities related to the operation of the Mid-Conn RRF, CRRA anticipates that its disposal fees in the post-2012 period will be at or below the market rate for waste disposal in Connecticut and surrounding states.

1.2 Customer Contracts

In the post-2012 period, CRRA anticipates that there will be two major categories of customers, as well as several sub-categories.

1.2.1 Private Haulers

The first major category of customer will be private haulers. Currently, private haulers control approximately 55% of the waste delivered to the Mid-Connecticut system. For at least a decade, CRRA has contracted with private haulers for the delivery of the waste they control. CRRA has recently completed the process of renewing those contracts. The renewal contract has several important aspects that are critical for the post-2012 period:

(a) Minimum tonnage commitments and caps for haulers that delivered more that 1,000 tons of solid waste to the Mid-Connecticut system from participating municipalities in calendar year 2009 (smaller haulers do not have minimum tonnage commitments or caps in their contracts with CRRA);

(b) Contracts for three years or five years, with the choice up to the hauler;

(c) Haulers are allowed to deliver waste from anywhere in Connecticut (except from those municipalities that are currently participants in the CRRA Southeast Project, the CRRA Southwest Division and the former CRRA Wallingford Project), not just from municipalities that are participants in the Mid-Connecticut Project as is currently the case; and

(d) Disposal fees for private haulers that have full services contracts with CRRA that require delivery of all of their waste from Mid-Connecticut system municipalities will be the same as the disposal fees for municipalities that enter into a Tier 1 MSA.

With the completion of the renewals of the hauler contracts, CRRA already has contractual minimum tonnage commitments in excess of 460,000 tons per year of waste for the post-2012 period. This is equal to approximately 65% of the amount of waste CRRA needs to operate the Mid-Connecticut system at peak efficiency.

1.2.2 Municipalities

The second major category of customer will be municipalities. Currently, municipalities control approximately 45% of the waste delivered to the Mid-Connecticut system.

Tier 1

CRRA expects that some municipalities, particularly those that take an active role in the management of waste generated within their borders, will elect to sign a Tier 1 MSA and will adopt and enforce a flow-control ordinance directing all of the solid waste generated within the municipality to the Mid-Connecticut system. In exchange for taking on this responsibility, a Tier 1 municipality will get a variety of benefits including, but not limited to, the following:

- A disposal fee that is at least 5% less than that for a Tier 2 municipality (see below);
- Sharing in any surpluses generated by the Mid-Connecticut system

- "Most favored nation" status (i.e., no other municipality will get a better deal for the disposal of its waste);

- Exemption from a surcharge that will be levied on users of the Mid-Connecticut system transfer stations; and

- Representation on the Mid-Connecticut system advisory committee.

Municipal involvement in the enforcement of flow control will be minimal. CRRA will provide the actual flow-control enforcement effort (i.e., doing spot checks at facilities to ensure that all of the waste from a Tier 1 municipality is being delivered to the Mid-Connecticut system). Section 2 of this "Introduction" contains a more detailed description of what enforcement will entail.

Any Connecticut municipality (except those current participants in the CRRA Southeast Project and the CRRA Southwest Division) is eligible to become a Tier 1 municipality, not just those that currently participate in the Mid-Connecticut Project.

Tier 2

Other municipalities will elect to sign a Tier 2 MSA with CRRA. The following are the major features of the Tier 2 MSA:

- Flow control will not be required;

- Just as with the new private-hauler contracts, Tier 2 municipalities will have minimum tonnage commitments and caps for waste delivered to the Mid-Connecticut system. The minimum commitments and caps will be on the waste that the municipality controls (i.e., the waste for which the municipality, either directly or indirectly, pays for disposal);

- The tipping fees for Tier 2 municipalities will be at least 5% higher than for Tier 1 municipalities;

- The option for a three and one-half, four and one-half or five and one-half year term for the MSA (the half year [actually seven and one-half months] is to account for the difference between the expiration of most of the current MSAs (November 15, 2012) and the end of the relevant fiscal year);

- Tier 2 municipalities will not share in surpluses;

- Tier 2 municipalities will not enjoy "most favored nation" status;

- Tier 2 municipalities will be subject to surcharges for the use of Mid-Connecticut system transfer stations; and

- Tier 2 municipalities will not be voting members on the Mid-Connecticut system advisory committee.

CRRA expects that a significant portion of the waste from a Tier 2 municipality that is not under the municipality's control will be delivered to the Mid-Connecticut system by private haulers pursuant to their contracts with CRRA.

As with the Tier 1 MSA, any Connecticut municipality is eligible to become a Tier 2 municipality.

Spot

Still other municipalities will sign spot-waste contracts with CRRA. Such contracts will not guarantee that CRRA will take the waste from the municipality and will not guarantee any particular price.

No MSA

Finally, CRRA expects that some municipalities, particularly those that rely completely on private-hauler subscription services to meet their statutory responsibility to provide for waste disposal, may sign no contract at all with CRRA. (CRRA, however, is not discounting the possibility that some municipalities that rely completely on private-hauler subscription services may select the Tier 1 MSA option because of the benefits available to a Tier 1 municipality.) As with the waste from Tier 2 municipalities that is not under municipal control, CRRA anticipates that a significant portion of the waste from non-MSA municipalities will be delivered to the Mid-Connecticut system by private haulers pursuant to their contracts with CRRA.

2. FLOW CONTROL AND THE RESCISSION OF TIER 1 MSA BENEFITS FOR FAILURE TO ENFORCE FLOW CONTROL

The U.S. Supreme Court, in its 1994 *Carbone v. Clarkstown* decision seemed to strike down the ability of municipalities to enforce flow-control ordinances that compel haulers to deliver waste to any particular facility for disposal. However, in its 2007 decision in *United Haulers Assn., Inc. v. Oneida-Herkimer Solid Waste Management Authority*, the Supreme Court held that a flow-control ordinance that compels waste haulers to deliver waste and recyclables to a **publicly-owned** facility is acceptable.

CRRA is a public entity and the facilities in its Mid-Connecticut system are publicly-owned facilities. Therefore, municipalities may legally adopt and enforce ordinances that compel waste haulers to deliver waste and recyclables to facilities in the CRRA Mid-Connecticut system.

One of the most important factors in determining whether or not a waste-to-energy facility will succeed is the ability to ensure that a sufficient amount of waste will be delivered to the facility. For CRRA, with its net-cost-of-service pricing model, having a sufficient amount of waste delivered to the Mid-Connecticut system means lower disposal fees for all

users of the system. Flow control provides a mechanism for ensuring that the system receives a sufficient amount of waste.

CRRA has embodied the concepts of the United States Supreme Court's Herkimer decision in its Draft Tier 1 MSA. A municipality that decides to enter into a Tier 1 MSA will be required to adopt and enforce a flow-control ordinance that directs all of the acceptable solid waste originating within its borders to CRRA Mid-Connecticut system facilities, thus assuring a "base load" of acceptable solid waste for the Mid-Connecticut system. A municipality that takes on responsibilities that benefit the entire Mid-Connecticut system and all its customers should be compensated for doing so. In the Draft Tier 1 MSA, this compensation includes, among other benefits, a lower disposal fee.

Enforcement of a participating municipality's flow-control ordinance will be by CRRA. Enforcement will not require the participation or involvement of municipal officials with the particulars of waste flows. As it does now, CRRA will take primary responsibility for enforcement efforts. The municipality's responsibility is to ensure that a valid flow-control ordinance is in place. CRRA will be responsible for identifying any hauler that is not adhering to the flow-control ordinance and will address any violations. This approach, without any involvement of the municipality, has been effective and efficient throughout the history of CRRA projects. On the rare occasions when CRRA is not able to resolve a violation itself, CRRA will report the violation to the municipality. In our experience, a telephone call from the municipality's chief elected official or the public works director to the hauler is generally sufficient to correct a violation. On the even rarer occasion that a hauler does not respond to these efforts, the municipality may have to implement the penalty provisions contained in its flow-control ordinance.

With a telephone call being the maximum anticipated level of activity required of a municipality and then only on the rare occasions that CRRA is unable to resolve the flow-control issues itself, it is clear that rescission of their Tier 1 MSA benefits (Article IV of the Draft Tier 1 MSA) will occur only for those municipalities that choose to be reclassified as Tier 2 municipalities.

As a Tier 2 participant, the municipality will be subject to minimum tonnage commitments and caps on the acceptable solid waste it controls, which, for almost all current participants in the Mid-Connecticut Project, is substantially less than the amount of acceptable solid waste generated within its boundaries. With fewer commitments to the Mid-Connecticut system than a Tier 1 municipality, a Tier 2 municipality receives fewer benefits. It will, among other things, pay higher disposal fees (at least 5% higher than the Tier 1 disposal fee). Most importantly, however, the decision not to enforce a flow-control ordinance resulting in reclassification from a Tier 1 to a Tier 2 participant, rests with the municipality.

There are several reasons for the difference in disposal fees between Tier 1 and Tier 2, but the most important has to do with differences between the two tiers in waste flows. In Connecticut and other northeastern states, waste generation is seasonal with more waste being generated in the summer than in the winter. But the Mid-Connecticut trash-to-energy facility requires essentially the same amount of waste each week, year-round to operate at peak efficiency and maximize electric generation. Waste cannot readily be stored for use

later. Sale of electricity and disposal fees are a waste-to-energy facility's two primary sources of revenue. If the amount of fuel (i.e., solid waste) decreases, the facility generates and sells less electricity, which results in lower revenues and, consequently, the necessity to increase the other source of revenue, disposal fees.

CRRA and other waste-to-energy facility operators address this seasonality phenomenon by scheduling major maintenance activities for the winter. Regardless, waste-to-energy facility operators are usually forced to offer disposal price discounts for seasonal spot waste deliveries in order to attract a sufficient amount of waste to run the waste-to-energy facility. CRRA has utilized this practice in past years offering short term spot rates as low as $40 per ton. These discount prices represent significant lost opportunity to the system and should be minimized.

A Tier 1 municipality, with its flow-control ordinance, directs all of the waste within its borders, residential and commercial, to the Mid-Connecticut system and it does so year-round. A Tier 2 municipality, on the other hand, instead of a flow-control ordinance has a minimum tonnage commitment and cap based on the amount of waste under its control (i.e., the waste for which it, directly or indirectly, pays disposal fees). For almost all municipalities, "waste under its control" does not include waste generated by commercial sources.

CRRA is confident that haulers of commercial waste from Tier 2 municipalities will deliver this waste to the Mid-Connecticut system during the summer when waste is relatively plentiful and there is little difference between spot prices and normal disposal fees. However, during the winter, CRRA anticipates that it will have to charge lower spot disposal fees in order compete with other disposal facilities for this commercial waste. CRRA could receive $20 to $30 less per ton in disposal fees from spot customers delivering commercial waste generated in Tier 2 municipalities than it receives for the same waste from Tier 1 municipalities. These reduced disposal fees could be needed to attract as much as 60,000 tons of waste in a year.

The differential between the Tier 1 and Tier 2 disposal fees (5% minimum) recognizes the discount of spot disposal fees in the winter months to attract the non-flow controlled Tier 2 municipality commercial waste into the system. On balance the higher Tier 2 tipping fee, in conjunction with the discounted spot fees in winter months, provides average costs per ton for disposal similar to Tier 1.

As indicated in section 1.2.2 of this "Introduction," far from forcing any municipality to adopt and enforce a flow-control ordinance, CRRA intends to provide to municipalities a range of options from which they can choose the one that best meets their statutory responsibility to provide waste management services. Some will choose to be Tier 1 municipalities, some Tier 2 municipalities, some spot-waste municipalities and some may choose to not enter into any contract with CRRA.

3. REQUIREMENTS OF STATE LAW

In 1973, the Connecticut Solid Waste Management Services Act[1] was enacted. The Act established CRRA as a "body politic and corporate, constituting a public instrumentality and political subdivision of the state of Connecticut,"[2] but that "shall not be construed to be a department, institution or agency of the state."[3] Over the years, Connecticut has created at least 10 entities with legal structures similar to that of CRRA, each with a different statutorily-defined purpose. Such entities are referred to in the statutes as "quasi-public agencies."[4]

In establishing CRRA, state law made it responsible for the following:[5]

(a) "The planning, design, construction, financing, management, ownership, operation and maintenance of solid waste disposal, volume reduction, recycling, intermediate processing and resources recovery facilities and all related solid waste reception, storage, transportation and waste-handling and general support facilities considered by [CRRA] to be necessary, desirable, convenient or appropriate in carrying out the provisions of the [SWMP] and in establishing, managing and operating solid waste disposal and resources recovery systems and their component waste-processing facilities and equipment;"

(b) "The provision of solid waste management services to municipalities, regions and persons within the state by receiving solid wastes at [CRRA] facilities, pursuant to contracts between [CRRA] and such municipalities, regions and persons; the recovery of resources and resource values from such solid wastes; and the production from such services and resources recovery operations of revenues sufficient to provide for the support of [CRRA] and its operations on a self-sustaining basis, with due allowance for the redistribution of any surplus revenues to reduce the costs of [CRRA] services to the users thereof . . .;"

(c) "The utilization, through contractual arrangements, of private industry for implementation of some or all of the requirements of the state solid waste management plan and for such other activities as may be considered necessary, desirable or convenient by [CRRA];"

(d) "Assistance with and coordination of efforts directed toward source separation for recycling purposes;" and

(e) "Assistance in the development of industries, technologies and commercial enterprises within the state of Connecticut based upon resources recovery, recycling, reuse and treatment or processing of solid waste."

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1 Public Act 73-459, codified in the *Connecticut General Statutes* (*CGS*) § 22a-257 et seq.
2 *CGS* §22a-261.
3 Ibid.
4 *CGS* §1-120(1).
5 *CGS* §22a-262.

Since its establishment, CRRA has interpreted its statutory authorities and directions to require a net-cost-of-service approach to establishing disposal fees. This approach was codified in the original MSAs for the Mid-Connecticut Project and is incorporated into the Draft Tier 1 MSA.

4. PDB PROCEDURES

Because the Mid-Connecticut Project Permitting, Disposal and Billing Procedures ("PDB Procedures") are so readily available on CRRA's website, CRRA made a conscious decision in releasing the Draft Tier 1 MSA not to attach the 33-page PDB Procedures to the Draft Tier 1 MSAs. Unfortunately, CRRA did not include directions on how to access the PDB Procedures in the cover memo to the Draft Tier 1 MSA.

The PDB Procedures are Attachment D to this Comment Response Document and can be found at

http://www.crra.org/documents/tipping_regulations/tipping_regs_midconnecticut_10_0501.pdf

5. STATUS QUO VERSUS CHANGE

A dynamic that influenced CRRA's development of the Draft Tier 1 MSA is the tension between, on the one hand, keeping the Draft Tier 1 MSA as close to the current MSAs as possible so that municipalities that want to, depending on their individual procurement requirements, could consider the Tier 1 MSA as an extension of the current MSA and, on the other hand, changing the Draft Tier 1 MSA to reflect the retirement of the bonds that the original MSAs were designed to support. This is not to say that some requirement or language in the Draft Tier 1 MSA is acceptable just because it was in the current MSAs.

CRRA considers the pending expiration of the current MSAs as an opportunity to improve the MSAs for the municipalities. The municipalities and CRRA have 20 or more years of experience with the MSAs and it is reasonable to expect that both CRRA and the municipalities, individually and collectively, believe some things should be changed and improved. However, the long experience with the current requirements and language should not be discounted. CRRA has indicated in its responses to some comments when the section in the Draft Tier 1 MSA is identical or substantially so to a section in the current MSAs.

RESPONSE TO COMMENTS

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Contents

The following sections of this document present the comments as submitted by the municipalities and other entities on the Draft Tier 1 MSA and CRRA's responses. In general, the comments are grouped by the section in the Draft Tier 1 MSA that they refer to and are presented in numerical order by section number. Each comment is identified as to the municipality or other entity that submitted it.

1. INCORPORATION OF CRCOG COMMENTS

1.1 Comment

The Town of Avon will be working with the Capitol Region Council of Governments (CRCOG) regarding the substantive issues raised in the MSA and will respond as soon as feasible. (Avon)

The Town of Canton at this time has not completed a final review of the Draft MSA. As has previously been noted the consultant for the CRCOG has developed comments on the draft MSA. I would suggest that your response to those comments would be a good next step. (Canton)

As you may know, an analysis has been developed by MID ATLANTIC SOLID WASTE CONSULTANTS (enclosed) [Granby enclosed the CRCOG comments with its comment]. The town respectfully requests that these comments be considered in revisions to your draft. (Granby)

After reviewing the MSA Review given to us by the Capitol Region Council of Governments, I am requesting that MSW Consultants' comments be reviewed by your staff and their report be considered when putting together your next draft contract. While putting together the draft contract, it would also be helpful to the member municipalities if you could respond to the comments outlined in MSA's report. (Hebron)

The "MSA Review" conducted by a consultant for the Capitol Region Council of Governments raises a number of good points and the LHCEO urges CRRA to give the report serious consideration. (LHCEO)

The Town of Tolland would request that you carefully consider the comments which the Capital Region Council of Governments has forwarded to you concerning the document. (Tolland)

The review of the MSA conducted for the Capitol Region Council of Governments by their consultant raises many of the issues we have. (West Hartford)

We are also incorporating the comments prepared on the draft MSA by Mid Atlantic Solid Waste Consultants prepared for the Capital Regional Council of Governments. (Wethersfield)

Response

CRRA has included the comments submitted by CRCOG that were prepared by Mid-Atlantic Solid Waste Consultants in this "Response to Comments" document.

2. GENERAL

This section of the document includes comments that did not neatly fit into other categories. It also includes the general comments made by CRCOG that were included in the Executive Summary section of the MSW Consultants report.

2.1 Comment

It is really hard to recommend any input if we do not have adequate parameters upon which to make, what appears to be an expensive proposition. And this proposed contract seems to be leaning to the CRRA side vs. us poor little towns, that the previous one did. (Bethlehem)

Response

CRRA notes that the current MSAs include provisions such as minimum commitments (i.e., put-or-pays) for municipalities, the explicit full-faith-and-credit pledge of municipalities and 20-year terms, none of which is included in the draft Tier 1 MSA.

CRRA anticipates that, as a result of the activities it is undertaking to prepare for the post-2012 period, municipalities that enter into a Tier 1 MSA with CRRA will enjoy at- or-below market rates for disposal of their waste for the term of their MSAs.

Finally, CRRA is offering a Tier 2 MSA (the Draft Tier 2 MSA is Attachment C), which will provide municipalities a choice that was not available with the original MSAs.

2.2 Comment

Please be advised that the Town is in the process of considering all of its options and will be in touch at a future date with respect to the same. If you have any questions, please do not hesitate to contact me. (Guilford)

Response

CRRA has consistently encouraged municipalities to consider all of their options for solid waste disposal.

As opposed to when the original MSAs were offered, CRRA now has significant experience with the Mid-Connecticut waste-to-energy system and has determined an optimal amount of waste for the system. CRRA does not intend to exceed that

optimal amount of waste in commitments (contractual or otherwise) from municipalities or haulers. CRRA intends to make commitments to municipalities and haulers on a first-come-first-served basis. CRRA is determined to avoid oversubscription and its attendant costs for the Mid-Connecticut system in the post-2012 period.

2.3 Comment

The MSA should clearly state that the Torrington Transfer Station will continue to be maintained by CRRA and remain available for area towns and haulers to delivery their MSW and recyclables for the term of the Agreement. Local officials believe it is critical that the Torrington Transfer Station be designated by CRRA as the "Designated Waste Facility" and "Designated Recycling Facility" for our area towns in order to reduce potential hauling distances and provide cost-effective service to area residents. (LHCEO)

Response

CRRA has added to Section 206 of the Revised Draft Tier 1 MSA a provision that CRRA will continue to operate the Torrington Transfer Station for the term of the MSA and that is shall be the Designated Facility for the municipalities that currently use it, with the proviso that a sufficient amount of waste continues to be delivered to the Transfer Station. CRRA has not yet specified the amount of waste that would be required to keep the Transfer Station open, but is considering 75% of the amount of waste delivered to the Transfer Station in FY10. CRRA specifically invites additional comment on the amount that should be included in the Tier 1 MSA. (Also see Comment 17.5.)

2.4 Comment

It is the professional opinion of MSW Consultants that the terms and conditions in the draft MSA diverge significantly from those that would customarily be contained in any competitive procurement driven by a waste generating entity seeking services in an open and competitive market. (CRCOG)

Response

CRRA notes that the Draft Tier 1 MSA is not part of a "competitive procurement." The Draft Tier 1 MSA is not a response to any Request for Proposals and, to CRRA's knowledge, none of the participants in the Mid-Connecticut Project is currently conducting a competitive procurement process for a waste disposal system.

CRRA also notes that many of the "terms and conditions" in the Draft Tier 1 MSA are the same, or substantially the same, as terms and conditions in the existing MSAs. They are also not substantially different from the terms and conditions in MSAs used by other public entities that provide waste management services.

CRRA acknowledges that the terms and conditions in the Draft Tier 1 MSA are different from those that would be proposed by a private entity responding to a Request for Proposals. However, that is due in large part to the fact that CRRA is not a private entity. CRRA is a quasi-public agency created by State law to implement the State Solid Waste Management Plan and to provide waste disposal and recycling services to Connecticut municipalities. To meet these obligations, CRRA uses a net-cost-of-service pricing model under which its customers pay the cost of the services they receive, not the amount that the market will bear.

The terms and conditions of an MSA for a net-cost-of-service pricing model are significantly different from those that would be used by a private entity for a market based pricing model.

In addition, CRRA has included in the Draft Tier 1 MSA terms and conditions related to flow control, which is only available for publicly-owned facilities such as the Mid-Connecticut system facilities. Flow control is not available for privately-owned facilities and could not, therefore, be included in terms and conditions proposed by a private entity.

2.5 Comment

In our opinion, the draft MSA is needlessly complex and difficult to follow, especially for persons who are not familiar with the waste management industry. (CRCOG)

Response

CRRA notes that many of the sections in the Draft Tier 1 MSA are the same, or substantially the same, as terms and conditions in the existing MSAs. Many of the provisions in the Draft Tier 1 MSA are not substantially different from provisions in MSAs used by other public entities that provide waste management services.

CRRA acknowledges that the Draft Tier 1 MSA is complex and can be difficult to follow. The concepts that are embodied in the Draft Tier 1 MSA (e.g., flow control and net-cost-of-service pricing) are complex. While we all might wish that contracts were easier to read, it is more important that they do what they are supposed to do and, in this case, that is managing a complex relationship between public entities for the provision of an essential public service. In CRRA's opinion, with the revisions and modifications identified in this document, the Draft Tier 1 MSA does so.

2.6 Comment

In our opinion, the MSA perpetuates the problematic disposal and processing arrangement that has failed to adequately and transparently serve the 70 Mid-Conn Towns in the past, due largely to the CRRA acting as if it had a monopoly on providing waste disposal and processing services, rather than acting as if it were but one of multiple competitive service providers. (CRCOG)

Response

CRRA has never failed to take the waste and recyclables that Mid-Connecticut Project participants have delivered to it and, therefore, is confused by the statement that the "MSA perpetuates the problematic disposal" or of having "failed to adequately . . . serve the 70 Mid-Conn Towns." While there are bound to be differences of opinion and disagreements between the parties to any agreement addressing such a vital, but complex, public issue, in CRRA's opinion, that is not sufficient cause to label the arrangement as "problematic" and "failed."

2.7 Comment

In our opinion, it does not adequately reflect the market and operational dynamics of waste transfer and disposal, nor of recyclables processing, that could be expected by a Municipality in a competitive procurement process. (CRCOG)

Response

CRRA notes that the Draft Tier 1 MSA is not part of a "competitive procurement process." The Draft Tier 1 MSA is not a response to any Request for Proposals and, to CRRA's knowledge, none of the participants in the Mid-Connecticut Project is currently conducting a competitive procurement process for a waste disposal system.

The Draft Tier 1 MSA does adequately reflect the market and operational dynamics of waste transfer and disposal, but reflects those dynamics differently than the way the commenter wishes. The Draft Tier 1 MSA embodies a mechanism authorized by the United States Supreme Court to ensure the viability of publicly-owned waste management facilities. That mechanism is flow control. Flow control is a vital component of the "market and operational dynamics of waste transfer and disposal." It simply is not one available to privately-owned facilities.

2.8 Comment

In our opinion, the areas where the draft MSA diverge from more standard disposal and processing service agreements are consistently written in favor of the CRRA and against the Municipality. (CRCOG)

Response

The comment mistakenly assumes that something that is "in favor of" CRRA is "against" a municipality. In a net-cost-of-service pricing structure, anything that results in additional costs to the system results in higher disposal fees. CRRA does not make a profit on its services and any surplus that results from its operations must, by law, be returned to its customers[1]. Therefore, within reason and respecting the rights of the municipalities, CRRA crafted the Draft Tier 1 MSA so as to result

[1] *CGS* §22a-259(6); *CGS* §22a-262(a)(2).

in the lowest reasonable disposal fee that it could charge to the municipalities. Surely that is not something that is "against" the municipalities.

2.9 Comment

MSW Consultants discourages any Municipality from executing the MSA as currently written, and at a minimum it is suggested that major revisions be advanced by any Municipality considering executing this MSA. (CRCOG)

Response

CRRA issued the Draft Tier 1 MSA as a "draft." It specifically asked municipalities to review and comment on the "draft." CRRA has no expectation that any municipality would execute the "draft."

In this document, CRRA has committed to numerous revisions of the Draft Tier 1 MSA. In addition, in the Introduction to this document, CRRA has provided a detailed description of the context in which the Tier 1 MSA is proposed and how its provisions would operate. CRRA, however, has not changed the key concepts put forward in the Draft Tier 1 MSA: a net-cost-of-service pricing model and flow control with the benefits resulting from flow control being shared with the Tier 1 municipalities.

As CRRA has made clear in the "Introduction" and other documents, it is giving municipalities choices as to how they want to fulfill their statutory responsibility to provide for waste management. CRRA expects that some municipalities will decide that it is in their best interests to become Tier 1 municipalities, others will choose Tier 2, some will decide to be spot customers and some will decide not to enter into any contract with CRRA. CRRA believes that the Tier 1 MSA, with the revisions and changes identified in this document, will best meet the interests of most Connecticut municipalities.

3. FLOW CONTROL

All of the comments included in this section were from CRCOG and were included in the section of the MSW Consultants report titled "Comments on Flow Control." CRRA has addressed its concept of flow control in Section 2 of the "Introduction" to this "Response to Comments" document and in later parts of this section.

3.1 Comment

One of the central issues implicit in the MSA is that of flow controlling wastes to the CRRA Designated Facilities. Essentially, this implies that each Municipality will pass an ordinance that requires all waste collected within the Municipality border to be delivered to the CRRA Designated Facility. Flow controlling is clearly and accurately perceived by the CRRA as a means to maximize the flow of wastes to their system, which in turn spreads the CRRA fixed costs over a larger number of units and makes their resulting per-ton costs more attractive. Through its Tier 1

and Tier 2 pricing, the MSA does offer to pass on some of the benefits of the improved economies of scale to Municipalities that commit to maximizing their waste deliveries. (CRCOG)

Response

As described in the Introduction to this "Response to Comments" document, CRRA does not expect that every municipality will become a Tier 1 municipality and pass and enforce a flow-control ordinance. CRRA has tried to develop options for municipalities that will meet their needs and desires regarding involvement in waste management activities.

Further, CRRA is explicit in the Draft Tier 1 MSA that a Tier 1 municipality must enact and enforce a flow-control ordinance and that Tier 1 municipalities will share in the benefits provided by flow control, starting with a disposal fee at least 5% less than for Tier 2 municipalities.

3.2 Comment

While flow controlling is simple conceptually, in practice there are challenges. One such challenge involves private haulers that collect wastes (residential or commercial) on a subscription basis. For the sake of collection efficiency, these haulers may route their trucks across municipal borders, mixing wastes from one or more Municipality. Yet, when a truck containing a mixed load is delivered to the CRRA, it must have some basis for reporting the origin of wastes for the purpose of accounting for waste contributions in a manner consistent with the MSA. (CRCOG)

Response

Connecticut state law and Connecticut Department of Environmental Protection ("CTDEP") regulations require waste haulers to accurately report the municipality of origin of waste they deliver to a facility. Nonetheless, CRRA acknowledges that haulers do not always get it right and the origin of some waste is not accurately reported. CRRA recognizes the importance of correctly assigning the origin of waste to the municipality from which it was collected, particularly for Tier 2 municipalities with their minimum tonnage commitments and caps. CRRA will investigate ways to reduce incorrect assignments and to accommodate reporting for mixed loads.

In addition, just as it does now, CRRA will continue its enforcement efforts designed to assure that waste delivered to the Mid-Connecticut system comes from where the hauler says it does.

3.3 Comment

While it is conceivable that some private haulers will diligently document the origin of their wastes, in practice it seems likely that accounting for wastes by Municipality of origin will not be accurate. Given the level of penalties in the MSA for

failure to meet Annual Quantities or exceeding the Upper Limit, the inherent inaccuracy of this system seems problematic. (CRCOG)

Response

As described in the Introduction to this "Response to Comments" document, "annual quantities" and "upper limits" apply only to Tier 2 MSAs, not to Tier 1 MSAs, and have nothing to do with flow control. In the response to Comment 3.2, CRRA commits to investigating ways to reduce incorrect assignments and to accommodate reporting for mixed loads.

3.4 Comment

The second challenge to this requirement is that it imposes indirect relationships in the open market. In doing so, inefficiencies (and costs) almost certainly increase. For Municipalities that do not provide public or contracted collection, the MSA will create a need for strong enforcement of the flow control ordinance by the Municipality, given the strength of the proposed penalties for failure to flow control effectively. (CRCOG)

Response

CRRA acknowledges that a flow-control requirement does impose indirect relationships in the open market. It was precisely because of the indirect relationships imposed by flow control that the United States Supreme Court authorized the use of flow control for publicly-owned facilities.

As described in the Introduction to this "Response to Comments" document, CRRA expects that some municipalities that do not provide public or contracted collection of waste will not become Tier 1 municipalities and may not sign any contract with CRRA for the disposal of their waste.

However, even if such a municipality does decide to become a Tier 1 municipality, CRRA's ongoing enforcement efforts will provide the primary mechanism for the enforcement of the flow-control ordinance. CRRA's expectations regarding role of a municipality in enforcing its flow-control ordinance is covered in detail in Section 2 of the Introduction.

While it is unclear what "inefficiencies" the comment is referring to, CRRA believes that municipalities that enter into Tier 1 MSAs will provide the "base load" tonnage for the Mid-Connecticut system and will share in the financial benefits that result therefrom. CRRA expects that costs will, in fact, decrease.

3.5 Comment

In a market-based system, the subscription haulers should become the direct customers of the CRRA, not the non-participating Municipality. These private haulers will either (a) attempt to negotiate an economically viable disposal/processing solu-

tion with CRRA, (b) accept CRRA's spot price, or (c) find alternative long term disposal/processing options outside of CRRA. Municipalities that are not engaged in the direct provision of collection and/or convenience center services should not be held accountable for the interactions of its constituents who opt to use a private hauler under no direct (i.e., contractual) control of the Municipality. Perhaps one means of revising the terms of Tier 1 pricing is to strike the requirement for full flow control, and instead establish the Tier 1 price for all waste that is currently directly controlled by the Municipality, whether through regulated collection or through operation of a transfer station. (CRCOG)

Response

As described in to Introduction to this "Response to Comments" document, the comment is a relatively accurate representation of the goals of CRRA's post-2012 activities. To reiterate, CRRA fully expects that some municipalities that rely completely on subscription service provided by private haulers may choose to sign no contract of any type with CRRA. Other municipalities that rely completely on subscription service may decide that the benefits of being a Tier 1 municipality are a sufficient reason for them to become one.

4. OWNERSHIP OF WASTE

4.1 Comment

Ownership of Waste: Disposal agreements customarily address the transfer of waste ownership. It is recommended that the final MSA specify that the waste ownership transfers from the Municipality to the CRRA at the point where the CRRA takes possession of the waste at a CRRA-owned facility. (CRCOG)

Response

In the Revised Draft Tier 1 MSA, CRRA has added subsection (d) to Section 205. The subsection specifies that ownership of waste and recyclables will transfer to CRRA from an entity that has ownership of the waste when CRRA has determined that the waste meets all of the requirements of the PDB Procedures and the Tier 1 MSA.

CRRA notes that, for approximately 55% of the waste delivered to the Mid-Connecticut system, ownership probably resides with the private haulers who deliver it, rather than with any municipality.

5. COVERAGE OF OTHER TYPES OF WASTE

5.1 Comment

Coverage of All Waste Types: It is not clear if the MSA covers all waste types that are customarily generated in the municipal waste stream. Although certainly residential and commercial processible and non-processible wastes are included in the

MSA, there is no clear mention of an outlet for electronic wastes, household hazardous wastes, scrap tires, large appliances, mattresses, and possibly other wastes that may be generated from time to time. (CRCOG)

Bulk trash: what is CRRA's proposal relative to this item? Both transportation arrangements and cost are important to the Borough. (Naugatuck)

A number of LHCEO towns rely upon the regularly scheduled Electronics Collection Days that CRRA has held in the past in our region. Can these be made part of the MSA? (LHCEO)

Response

CRRA currently does accept appliances ("white metals" in the PDB Procedures and definitions of the Draft Tier 1 MSA), mattresses and other types of waste in limited quantities.

As indicated in CRRA's April 5, 2010 letter to municipalities transmitting the Draft Tier 1 MSA, CRRA plans to continue to offer municipalities assistance with additional services including, but not limited to, the following:

- Bulky/non-processible waste disposal;
- Bulk procurement of recycling/trash containers;
- Regional household hazardous waste collections, electronics recycling and document shredding events;
- RFP/RFB and contract drafting for hauling services;
- Recycling and waste collection efficiency reviews at municipal and board of education buildings;
- Multi-family housing solid waste collection and recycling planning and logistics; and
- Assistance with municipal specific solid waste and recycling enforcement matters.

Because not all municipalities need or desire these services, CRRA offers them to individual municipalities and/or groups of municipalities on a fee-for-service basis.

For the last 11 years, CRRA has annually sponsored electronic waste collection events for Mid-Connecticut Project municipalities. CRRA is currently assessing the impact of the recently approved CTDEP regulations on municipal provision of electronic waste collection services to determine how to proceed in the future.

6. PERFORMANCE BOND

6.1 Comment

Performance Bond: Most municipalities will benefit from reasonably strong financial assurance and/or some form of performance guarantee. Performance bonds are

a commonly used strategy for waste disposal and processing contracts. Legal counsel should be consulted to determine whether a performance bond can/should be required of the CRRA. (CRCOG)

Response

Just as municipalities do not provide performance bonds for the services they provide, CRRA as a quasi-public agency of the State of Connecticut does not provide performance bonds for the services it provides. CRRA does require performance bonds from its private contractors, but it does not require them from governmental entities (including municipalities) and other quasi-governmental entities because it would be inappropriate to do so. CRRA is not aware of any quasi-public entity that does provide performance bonds for the services it provides.

If CRRA were to procure a performance bond, the cost of the bond would be considered a cost of service and would be passed through to CRRA's customers in the disposal fee.

7. LIQUIDATED DAMAGES IN FAVOR OF MUNICIPALITY

7.1 Comment

Liquidated Damages in Favor of Municipality: Any Municipality that enters into a long term agreement with a waste disposal and/or recyclables processing provider should reasonably expect their delivered wastes and recyclables to be handled according to contractually specified service levels. Failure of the disposal/processing provider to do so materially impacts the operations and/or costs for the Municipality. Municipalities should consider including liquidated damages to offset the costs of failure to provide contractually specified service levels. (CRCOG)

Response

CRRA notes that ever since the Mid-Connecticut Resource Recovery Facility began operation in 1988, CRRA has never failed to take and dispose of waste from Mid-Connecticut Project municipalities, even when all three steam generators and both turbines were shut down at the same time for necessary inspection and maintenance activities.

Ever since the Mid-Connecticut Regional Recycling Center began operation in 1993, CRRA has never failed to take recyclables from Mid-Connecticut Project municipalities, even during a major re-modeling of the facility and a complete replacement of its processing equipment.

Just as they are for a municipality for a service it provides, liquidated damages are unwarranted for a quasi-public agency of the State such as CRRA for the services it provides.

If the MSA included a provision requiring CRRA to pay liquidated damages, any amount actually paid would be a cost of providing the services and would be recouped in the succeeding year in disposal fees.

8. INCORPORATION OF PROCEDURES (SECTION 104)

8.1 Comment

Sec. 104 – The "Procedures" exhibit was missing from the draft MSA. These Procedures are referenced regularly and should be reviewed when available. The MSA cannot be executed without a full review of these Procedures. (CRCOG)

Section 104: The Agreement incorporates Procedures (Exhibit x). Those procedures are not attached and should be reviewed since they will be an important part of the Agreement. (Wethersfield)

Section 104: The Agreement incorporates Procedures (Exhibit x). Those procedures are not attached and should be reviewed since they will be an important part of the Agreement. (Marlborough)

Sec. 205(a) – References the Procedures, but does not provide a copy of the Procedures. The Procedures should be reviewed when available. (CRCOG)

Further, Acceptable Recyclables are defined in the Procedures, which are not provided and so it is not clear what Acceptable Recyclables are. (CRCOG)

Are we to assume the "Mid-Connecticut Project Permitting, Disposal and Billing Procedures" (particularly the listing of "Acceptable Recyclables") are generally the same as those effective March 1, 2007 - with the inclusion of plastics #3 through #7? This is important to know because of the requirements of flow control and requirements of Section 202 and particularly Section 401. We really should know the substance of the missing exhibit re procedures because of the draconian procedures noted in Article IV. (Bethlehem)

Response

Because the Mid-Connecticut Project Permitting, Disposal and Billing Procedures ("PDB Procedures") are so readily available on CRRA's website, CRRA made a conscious decision in releasing the Draft Tier 1 MSA not to attach the 33-page PDB Procedures to the Draft Tier 1 MSAs. Unfortunately, CRRA did not include directions on how to access the PDB Procedures in the cover memo to the Draft Tier 1 MSA. The PDB Procedures are Attachment D to this document.

The PDB Procedures can be found on-line at:

http://www.crra.org/documents/tipping_regulations/tipping_regs_midconnecticut_10_0501.pdf

In addition, CRRA has posted on its website a redline/strikeout version of the current PDB Procedures that municipalities can use to identify the changes made by the most recent revisions of the PDB Procedures. It may be found at the following location:

http://www.crra.org/documents/tipping_regulations/tipping_regs_midconnecticut_10_0501_redline.pdf

9. DISPOSAL SERVICES TO BE PROVIDED BY CRRA (SECTION 201)

9.1 Comment

Sec. 201(a) – The MSA indicates that only Acceptable Solid Waste and Acceptable Recyclables will be accepted under this agreement. The definition of Acceptable Solid Waste includes Nonprocessible Waste, which are generated by all municipalities; however, Nonprocessible Wastes are required to be separated (by the municipality or the hauler) prior to delivery to CRRA. This appears to mean that bulky wastes will be accepted by the CRRA, but this should be explicitly defined. (CRCOG)

Response

CRRA notes that "bulky waste" (as opposed to "non-processible waste") is defined by CTDEP as "landclearing debris and waste resulting directly from demolition activities other than clean fill." CRRA's CTDEP permit for the Mid-Connecticut RRF does not allow CRRA to manage bulky waste at the facility.

By defining Acceptable Solid Waste to include non-processible waste, CRRA has "explicitly defined" that it will accept non-processible waste.

Because the Mid-Connecticut RRF is a refuse-derived fuel ("RDF") facility, MSW delivered to the facility is fed onto a series of conveyors and processed by a series of machines that size the material into a burnable product, removing recyclables and other unwanted material from the waste stream. The material that is MSW, but which would, if processed, pose a danger to the employees of the facility or the equipment is classified as non-processible waste. Frequently, some non-processible waste is inadvertently included in the MSW waste stream. Personnel at the Mid-Connecticut RRF manually remove this non-processible waste. It is much safer and much more efficient to remove and separate non-processible waste at the source, rather than at the facility.

9.2 Comment

Sec. 201(b) – The MSA gives the CRRA authority to dispose of wastes in any Alternate Facility. At a minimum, the definitions of Waste Facility and Alternate Facility should be tightened to require properly permitted facilities that are in compliance with all state and federal regulations. It is recommended that the Municipality

require that CRRA provide a list of Alternate Facilities and associated disposal service terms and prices. (CRCOG)

Response

CRRA has added a provision to Section 201(b) of the Revised Draft Tier 1 MSA that requires that CRRA verify that any Alternate Facility is properly permitted before waste it transported to it. CRRA has also changed the definition of "Waste Facility" in Exhibit A of the Revised Draft Tier 1 MSA to include in the definition a requirement that facilities must be properly permitted.

Currently, CRRA undertakes a "due diligence" process on any landfill or other disposal facility to which waste might be shipped before allowing such shipments. CRRA professionals inspect the facility, consult with the relevant regulatory authorities about the status of the facility and obtain copies of all relevant licenses and permits for the facility. CRRA periodically follows up on the status of the facility. CRRA will continue this "due diligence" process throughout the term of the Tier 1 MSA.

In addition, CRRA adds any waste management facility to which waste will be shipped to CRRA's own pollution legal liability policy. CRRA's pollution legal liability insurer undertakes its own independent "due diligence" process before agreeing to add a new waste management facility to CRRA's policy. The insurer also periodically follows up on the status of the facility.

CRRA currently has waste export contracts with several waste-hauling firms. These firms have specified in their contracts the waste disposal facilities they would use. CRRA will make available to any interested municipality a list of the waste disposal facilities listed in the contracts.

For waste export, the transportation portion of the disposal price is governed by the contract with the hauler. When CRRA needs to export waste, it contacts the haulers and obtains a current disposal price. CRRA uses the hauler with the lowest combination of transportation and disposal price to export the waste. CRRA conducted the "due diligence" process described above before allowing the haulers to transport waste to any disposal facility.

CRRA notes that one of it goals for the post-2012 period is to limit waste exports as much as possible. Exporting waste adds $10 to $20 per ton to the cost of disposing of the waste. One of the most effective ways to limit waste exports is to contract for only the amount of waste needed to operate the Mid-Connecticut system at peak efficiency (i.e., to not oversubscribe the system).

10. MUNICIPALITY TO SUPPLY ACCEPTABLE SOLID WASTE AND ACCEPTABLE RECYCLABLES (SECTION 202)

10.1 Comment

Regarding sections 201 and 202: Public schools in Bethlehem are under the control of Regional School District 14 and not the Town of Bethlehem. If Woodbury (the other member of RSD 14) does not become a member of the new CRRA and Bethlehem does, would Bethlehem be required to send "acceptable recyclables" from the public schools? We might not have any legal right to do so (but I am not a lawyer). (Bethlehem)

Response

If Bethlehem were to enter into a Tier 1 MSA, it would be required to deliver to the Mid-Connecticut system all acceptable recyclables "under its control" that were collected from residential and municipal generators within the boundaries of the Town. Given the circumstances described in the comment, it does not appear to CRRA that the recyclables generated by the Regional School District 14 schools are under the control of the Town and, therefore, would not have to be delivered to the Mid-Connecticut system.

Regardless, CRRA has modified the Revised Draft Tier 1 MSA to exempt from the requirement to deliver acceptable recyclables those recyclables that are delivered to other facilities based on a contract with another entity if the contract is in effect prior to July 1, 2010. This exception would continue for the length of the contract with the other entity and any renewals or extensions that occur during the term of the Tier 1 MSA.

10.2 Comment

Sec. 202(d) – This section appears to make the Municipality responsible for paying disposal fees even for wastes collected and delivered by private haulers who are not under contract to the Municipality. Such an arrangement might be feasible if a strong flow control ordinance is in place. In practice, however, imposing a disposal fee on the Municipality for wastes delivered by a private party outside that Municipality's direct control increases the likelihood of inaccurate charges being imposed (see Section 5 of this report for a discussion of flow control). (CRCOG)

Response

It is not CRRA's intent to make municipalities responsible for paying the disposal fees for waste collected by private haulers that are not under contract to the municipalities. CRRA has changed Section 501 of the Revised Draft Tier 1 MSA to clarify that municipalities are not responsible for the payment of disposal fees billed by CRRA to waste haulers. In addition, a reference to the revised Section 501 has been included in Section 202(d) of the Revised Draft Tier 1 MSA.

10.3 Comment

Sec 202(e) – The MSA puts the onus of separating Nonprocessible Wastes on the Municipality and/or their hauler. For public collection providers and contracted collection, this should be achievable. For subscription collection that is flow controlled by ordinance, there may be no mechanism for the Municipality to enforce this requirement. (CRCOG)

Response

This section of the Draft Tier 1 MSA codifies what is currently the practice at Mid-Connecticut system facilities and has been since 1998.

CRRA acknowledges that a municipality that relies on subscription collection may not have a mechanism to enforce the requirement that non-processible waste be separated from other Acceptable Solid Waste. Therefore, CRRA has revised the section requiring separation of non-processible waste to clarify that the municipality shall direct those haulers that it has the ability to direct to separate non-processible wastes. CRRA has also moved the revised section to Section 203(c) of the Revised Draft Tier 1 MSA.

It should be noted that all haulers that have access to Mid-Connecticut system facilities are required, as a condition of such access, to have a contract with CRRA. These hauler contracts contain the same requirement that non-processible wastes be separated from the waste stream. CRRA, therefore, has an independent means of enforcing this requirement on behalf of municipalities that rely on subscription collection.

As is noted in the response to Comment 9.1, this requirement for separation of non-processible wastes is required because non-processible wastes have properties that render them a danger to the employees or the equipment of the Mid-Connecticut RRF.

10.4 Comment

Sec. 202(f) – This clause allows CRRA to change the Designated Facility with no price impact on the Municipality as long as the new Designated Facility is part of the CRRA's Central CT system. This introduces significant potential for unforeseen costs to be imposed on the Municipality. The Municipality should be protected against the cost increase from *any* change to the Designated Facility. Further, the method for calculating the price increase should not be limited to a per-mile charge, as the cost impact may not have a linear relationship to mileage (this is especially important for any Municipality with public collection). (CRCOG)

Section 202(f). The Borough is concerned about additional costs it may incur in the event a designated facility (waste or recycling) is selected by CRRA; second, the Borough would require some options including, at a minimum, a reasonable

amount of advance notice of the inability to utilize the designated site(s) as well as the ability to rescind the agreement. (Naugatuck)

The provision of Section 202(f) regarding CRRA's authority to designate a "new" waste facility or recycling facility for our towns "upon reasonable written notice" is of considerable concern (LHCEO)

Response

CRRA has moved the provisions of Section 202(f) to a new Section 206 in the Revised Draft Tier 1 MSA and has modified the provisions to specify that CRRA will pay any additional delivery costs incurred by a municipality if CRRA changes the Designated Facility for CRRA's convenience. CRRA will provide a reasonable amount of advance notice whenever it changes the designated facility for its convenience.

It would only be if CRRA must divert waste from the Designated Facility because of a Force Majeure event (i.e., in an emergency) that a municipality might have to pay additional delivery costs. In such a situation, a municipality could elect to make its own arrangements for disposal of its waste.

10.5 Comment

Can a town sign a Tier I renewal MSA without committing its recyclables? (Lyme)

Response

A municipality entering into a Tier 1 MSA would have to commit to deliver its acceptable recyclables to the Mid-Connecticut system. However, CRRA has added a "grandfather" clause to Section 202(b) of the Revised Draft Tier 1 MSA that exempts from the requirement to deliver acceptable recyclables those recyclables that are delivered to other facilities based on a contract with another entity if the contract is in effect prior to July 1, 2010. This exception would continue for the length of the contract with the other entity and any renewals or extensions that occur during the term of the Tier 1 MSA.

11. FLOW CONTROL OBLIGATIONS (SECTION 202)

11.1 Comment

Section 202 and Section 401. The Town will be required to adopt a Flow Control Ordinance. This will be an ordinance that sets out the Town's requirements to deliver a certain amount of waste to the CRRA. The CRRA should give us a sample or suggested Ordinance to review. (East Hartford)

Section 202: The Agreement requires the enactment of a "flow control ordinance". This is intended to enlist the enforcement powers of the Town to ensure that all businesses, contractors, and residences comply with the obligations to transmit all

of the Town's waste to the CRRA facility. It does not appear that Wethersfield or other towns currently have such an ordinance. CRRA should provide a proposed sample ordinance that it would deem acceptable. (Wethersfield)

Section 202: The Agreement requires the enactment of a "flow control ordinance". This is intended to enlist the enforcement powers of the Town to ensure that all businesses, contractors, and residences comply with the obligations to transmit all of the Town's waste to the CRRA facility. It does not appear that Wethersfield or other towns currently have such an ordinance. CRRA should provide a proposed sample ordinance that it would deem acceptable. (Marlborough)

Response

CRRA is providing as Attachment E to this document a model flow-control ordinance to municipalities interested in Tier 1 MSAs. Each municipality will have to determine for itself how the flow-control ordinance can be reconciled with the municipality's other current ordinances.

CRRA notes that the Draft Tier 1 MSA requires that a municipality, through its flow-control ordinance, deliver all acceptable solid waste generated within the boundaries of the municipality to Mid-Connecticut system facilities. The Draft Tier 1 MSA does not require delivery of "a certain amount of waste" to CRRA.

CRRA also notes that it will take primary responsibility for enforcement efforts. CRRA will be responsible for identifying any hauler that is not adhering to the flow-control ordinance and will attempt to address any violations itself. This approach, without any involvement of the municipality, has worked for years. On the rare occasions when CRRA is not able to resolve a violation itself, CRRA will report the violation to the municipality. In our experience, a telephone call from the municipality's chief elected official or the public works director of the municipality to the hauler is generally sufficient to correct a violation. On the even more rare occasion that a hauler does not respond to these efforts, the municipality may have to implement the penalty provisions contained in its flow-control ordinance.

11.2 Comment

Clarification is needed in Section 202(c) as to how, specifically, CRRA intends to determine whether or not a municipality is "vigorously enforcing" their flow control obligations. (LHCEO)

Response

CRRA has changed Section 202(c) in the Revised Draft Tier 1 MSA to delete the word "vigorously" regarding enforcement by a municipality of its flow-control obligations.

The factors used to determine whether or not a municipality is enforcing its flow-control obligations are specified in Section 401. If a municipality is notified by

CRRA that the municipality's flow-control ordinance is being violated and does nothing to remedy the situation within 60 days, CRRA can begin the rescission process. In response to Comment 20.2, CRRA has changed Section 401 in the Revised Draft Tier 1 MSA to eliminate the provision whereby the rescission process could be initiated if a municipality is notified twice within one year that the flow-control ordinance is being violated.

11.3 Comment

The second (concern) is the mandated flow control ordinance to be passed by the town in favor of CRRA. Given the existing conditions in Watertown, passing and enforcing such an ordinance would be problematic. (Watertown)

Response

A flow-control ordinance is required only for municipalities that enter into a Tier 1 MSA. As described in the Introduction to this "Response to Comments" document, CRRA is proposing a Tier 2 MSA (a draft of which is Attachment C) that will not require adoption and enforcement of a flow-control ordinance. The Tier 2 MSA includes minimum tonnage commitments and caps.

12. REQUIREMENTS REGARDING ACCEPTABLE SOLID WASTE AND ACCEPTABLE RECYCLABLES (SECTION 203)

12.1 Comment

Sec. 203(a)(ii) – Should change the second sentence by replacing the word "authority" to "approval" and add "mutually agreed upon" in front of the word "methods." (CRCOG)

Response

As indicated in response to Comment 4.1, CRRA will take ownership of waste when CRRA has determined that the waste is acceptable pursuant to the PDB Procedures and the Tier 1 MSA. With such acceptance becoming an ownership issue, CRRA will retain final authority as to the methods, standards, criteria, evaluation, interpretation and significance of such analyses and determinations.

CRRA notes that the language in the Draft Tier 1 MSA is identical to the language in the current MSAs.

13. COMPLIANCE WITH REQUIREMENTS (SECTION 204)

13.1 Comment

Section 204: CRRA can use its "sole but reasonable discretion" in deciding whether the waste provided to it from the Town is acceptable and complies with the contract requirements. There is an opportunity for a town to object to such a deci-

sion, and to ultimately have a hearing before CRRA. Of course, an independent hearing officer process would be preferable. In the case of State agencies, it is common for the agency to decide an administrative appeal of its own decision. However, in that situation, there is usually an opportunity for a further appeal to the courts under the Uniform Administrative Procedures Act. The fact that there is no administrative appeal available in the situation suggests that there should perhaps be a provision for an impartial, third party hearing officer and an administrative appeal process. (Wethersfield)

Section 204: CRRA can use its "sole but reasonable discretion" in deciding whether the waste provided to it from the Town is acceptable and complies with the contract requirements. There is an opportunity for a town to object to such a decision, and to ultimately have a hearing before CRRA. Of course, an independent hearing officer process would be preferable. In the case of State agencies, it is common for the agency to decide an administrative appeal of its own decision. However, in that situation, there is usually an opportunity for a further appeal to the courts under the Uniform Administrative Procedures Act. The fact that there is no administrative appeal available in the situation suggests that there should perhaps be a provision for an impartial, third party hearing officer and an administrative appeal process. (Marlborough)

Sec. 204: All verbiage in this section suggests that CRRA may act unilaterally in making any final decision (e.g., whose "hearing officer" is it?). Consider defining the requirements more clearly, or else allow for impartial determination. Also, if this section allows CRRA to hold a Municipality responsible for Solid Waste delivered by private contractor under open subscription, then it is an unreasonable burden on the Municipality. (CRCOG)

Response

With CRRA taking ownership of the waste when CRRA has determined that the waste is acceptable pursuant to the PDB Procedures and the Tier 1 MSA (see response to Comment 4.1), CRRA will retain final authority in determining the acceptability of any waste.

CRRA notes that the language in the Draft Tier 1 MSA is substantially the same as the language in the current MSAs.

14. FORCE MAJEURE (SECTION 206)

14.1 Comment

Section 207. This provision indicates that if there is a Force Majeure event, and CRRA cannot process waste where it normally does, then the Town has to pay all additional costs. This makes sense for true force majeure events (floods, hurricane, etc.). It does not make sense for strikes and labor problems. Also, there should be a time limit here. I am concerned that if there is such an event, and CRRA decides to

re-build (or to take its time rebuilding) the Town would incur higher waste disposal costs for an extended period of time. (East Hartford)

Response

CRRA has modified the definition of "Force Majeure Event" in Exhibit A of the Revised Draft Tier 1 MSA to specify that a strike or labor problem will not be a Force Majeure event if the labor action is due to CRRA's breach of its labor agreement with a collective bargaining unit, a lack of a good-faith economic position in labor bargaining or the willful disregard of labor negotiation obligations. CRRA will attempt to have similar language included in its contract(s) with the operator(s) of Mid-Connecticut system facilities.

CRRA would appreciate suggestions from municipalities of what they would consider to be an appropriate time limit under a Force Majeure event.

14.2 Comment

Sec 206 – Municipalities should demand that CRRA prepare a viable emergency response plan and submit such plan as a condition of the contract. Private sector and other public sector disposal and processing providers are routinely required to have such plans to assure minimal disruption of their operations in case of an emergency or disaster. (CRCOG)

Response

CRRA has emergency response plans for the Mid-Connecticut system facilities as a precondition of its CTDEP permits and will share them with interested municipalities.

CRRA notes that it has a network of four strategically-placed transfer stations, as well as existing relationships with a network of haulers and disposal facilities, that are an integral part of CRRA's emergency response plans. These are among the reasons that, in the Mid-Connecticut system's 20-plus years of operation, CRRA has never failed to take and dispose of waste from Mid-Connecticut Project municipalities.

In addition to its emergency response plans, CRRA carries a substantial amount of business-interruption and extra-expense insurance for the Mid-Conn RRF that provides an extra layer of protection in an emergency situation.

15. EFFECTIVE DATE; DURATION OF CONTRACT; EXTENSION (SECTION 207)

15.1 Comment

I would like a contract period in excess of the five years which you have proposed. A ten year contract with an automatic ten year extension that could be exercised by the Town would be more in line with my concept. I know you understand that one

of the major factors that towns will be considering is the tip fee. When do you expect to be able to give a concrete proposal regarding the fees? I expect to have completed my review of the Draft MSA within the next several days at which time I will provide you with my comments. (Canton)

Section 207 Term: The initial term is six years from the "commencement date" of 11/16/2012. (p. 3) The Agreement will expire (there is no automatic renewal) unless the town provides written notice of its intent to extend the Agreement 12 months prior to the expiration date (11/20/18). There is one 5 year extension (through 2023) available in the contract. Length of term is a concern. (Wethersfield)

Section 207 Term: The initial term is six years from the "commencement date" of 11/16/2012. (p. 3) The Agreement will expire (there is no automatic renewal) unless the town provides written notice of its intent to extend the Agreement 12 months prior to the expiration date (11/20/18). There is one 5 year extension (through 2023) available in the contract. (Marlborough)

Response

CRRA is open to the idea of allowing municipalities to select a term for the Tier 1 MSA from as few as three and one-half years to as many as ten and one-half years. Likewise, CRRA is open to the idea of allowing a municipality to select the length and number of renewal options that meet its needs. However, a municipality should recognize that, as the term grows longer, CRRA's pricing projections will have to become more conservative.

15.2 Comment

The town would like the five year term of the MSA to coincide with the three year term that is being signed by the town's waste hauler. (Watertown)

Response

If the Town's waste hauler signed a three-year hauler agreement, it will expire June 30, 2013. Since most of the current MSAs, including Watertown's , expire November 15, 2012, that would mean the initial term of the MSA would be seven and one-half months. CRRA will work with Watertown to devise a mechanism to accommodate its request.

16. BUDGET (SECTION 301)

16.1 Comment

Article III –This entire article should be replaced with a base year disposal price per ton of waste with annual index-based cost escalation. For recyclables processing, this article should be replaced with an annual processing cost per ton including annual index-based cost escalation; plus an index-based method for calculating and

distributing a share of material revenues back to the delivering Municipality. As written now, this article is utterly complex, completely at odds with standard waste industry disposal/processing pricing conventions, and insufficient to enable Municipality to reasonably plan for the cost of waste disposal and recyclables processing. (CRCOG)

Clear Pricing and Annual Escalation Formula for Transportation/Disposal: Disposal agreements (including transfer and transportation) customarily specify a disposal price on a per-ton basis for the base year of the contract. Furthermore, disposal agreements customarily specify the basis for any annual price escalation. Such escalation is often tied to a published index (such as CPI) that can be readily tracked by both Parties. (CRCOG)

Of particular interest is the following excerpt from [the CRCOG comments] pertaining to Article III of the MSA on disposal fees: [the comment then repeats comment 16.1]. (LHCEO)

Response

Unlike a private company, CRRA, as a quasi-public agency, provides to municipalities a net-cost-of-service pricing structure for the disposal of solid waste. CRRA's disposal fees are established on an annual basis to provide revenues, which, when combined with other revenues received by CRRA, are sufficient to cover CRRA's expenses. CRRA makes no profit on its services. It is specifically required by state law to return surpluses to its customers.

CRRA has provided this same net-cost-of-service pricing structure for four projects for more than 20 years. To CRRA's knowledge, all public entities that operate waste-to-energy facilities use a net-cost-of-service pricing structure.

CRRA recognizes that a net-cost-of-service pricing model makes budget planning more difficult for a municipality, but it also allows the municipality to benefit financially from initiatives to improve efficiency and reduce costs in the Mid-Connecticut system. An annual escalation pricing model does not allow disposal fees to be reduced.

It should be noted that in the Draft Tier 1 MSA, CRRA is required to adopt the budget and set the disposal fee for the following fiscal year by January 31st of the preceding fiscal year, rather than by the end of February which is the case in the current MSAs.

CRRA has contracts with private waste management facility operators for various byproduct waste streams that contain pricing structures similar to that described in the comments. CRRA enters into contracts with this type of pricing structure primarily because it has not been able to find a publicly-owned facility that offers a net-cost-of-service pricing structure.

16.2 Comment

Section 301. This provision talks about how the budget will be set. To fully protect municipalities, CRRA should set up an advisory Board comprised of representatives of the various participating municipalities, which municipal representatives would play an active role in the CRRA management and budget process. As drafted, there does not appear to be any municipal participation in the budget process. (East Hartford)

Response

When the Connecticut General Assembly revamped the structure and composition of CRRA in 2002, it established an 11-member Board of Directors – three appointed by the Governor and two each by the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Minority Leader of the Senate and the Minority Leader of the House. The statute specifies that each appointing authority must appoint at least one municipal official, resulting in five municipal officials on the eleven-member Board of Directors. Further, the statute specifies that, while six of the eleven directors constitute a quorum, at least two of the six must be municipal officials.

Five of the other members of the Board must, in order to be appointed, have expertise in a variety of areas including the energy field (1), pubic or corporate finance or business or industry (3) and the environmental field (1).

CRRA notes that, despite the fact that private haulers control 55% of the waste delivered to the Mid-Connecticut system, the statute does not require CRRA's Board to include even one private hauler.

The Board of Directors and its committees, including the municipal representatives, play an active role in the CRRA management and budget process. Furthermore the role played by the Board, including the municipal representatives, is not an advisory one. Rather, the Board, including the municipal representatives, is the ultimate authority for decisions on CRRA management and budget.

CRRA has already established an advisory committee for the existing Mid-Connecticut Project composed of municipal representatives. CRRA envisions a similar advisory committee made up of representatives of municipalities that enter into Tier 1 MSAs with CRRA.

CRRA is in the process of establishing an advisory committee made up of representatives of private haulers.

17. DISPOSAL FEES (SECTION 302)

17.1 Comment

The entire fee schedule is based on a pre-determined yearly tonnage amount for "Acceptable Waste." Acceptable Waste does not include recyclables. Under section 302 there is a minimum amount of "Acceptable Waste" tonnage that must be met each year by each Town. Go under that amount and a Town pays a penalty (the Town will pay a higher rate on the difference between the "Acceptable Waste" sent to CRRA and the Town's annual tonnage commitment). So, there seems to be no financial incentive to substantially increase recycling efforts as a reduction in "Acceptable Waste" will cost the Town money. The only incentive for recycling is that it saves money if the Town is at risk of going over the annual contracted tonnage of Acceptable Waste. There is provision that charges the Towns a higher contractual rate if the Town goes over its tonnage by 5%. (East Hartford)

Response

While the comment is correct that, in determining each year's disposal fee, CRRA must determine the amount of acceptable solid waste it anticipates receiving, that is part and parcel of a net-cost-of-service pricing model. The alternative is a competitive pricing model where the disposal fee is based on what the market will bear, rather than on what it costs to provide the service. CRRA has consistently interpreted its statutory authorities and directions to require a net-cost-of-service approach to establishing disposal fees.

A municipality's incentive to increase recycling is basic economics: CRRA charges for the disposal of acceptable solid waste, but does not charge for the delivery of acceptable recyclables and, in fact, shares with municipalities the portion of the net proceeds it receives from the sale of recyclable commodities.

CRRA notes that, under the Draft Tier 1 MSA, a municipality is obligated to adopt and enforce a flow-control ordinance and deliver to CRRA all acceptable solid waste generated within its boundaries and all acceptable recyclables under its control and collected from residential and municipal generators within its boundaries. Under Tier 1, there is no "minimum amount" of waste that must be delivered each year.

Under the Draft Tier 2 MSA (Attachment C), a municipality will not be obligated to adopt a flow-control ordinance, but will have minimum commitments and caps specified in its MSA for the acceptable solid waste under its control (not all of the acceptable solid waste within its boundaries).

17.2 Comment

Section 302(b). This provision highlights the cost issues for Towns. Once the budget is set, all Towns are on the hook to make certain that revenues meet expense. If the revenue from one year is not sufficient to meet expense, the shortfall is

added to the next year's budget. If the contract term has ended, a Town will be assessed for shortfalls. As indicated above, there appears to be no financial incentive for the Town to generate less Acceptable Waste. Towns should ask CRRA how they plan to work with Towns as they send less and less acceptable waste to CRRA. For instance, does CRRA have a plan in place to save costs by mothballing facilities, or reducing staff/subcontractors etc? This is why it is important to have an active group of Town executives acting in an advisory role to CRRA. (East Hartford)

Response

If the amount of available acceptable solid waste that can be delivered to the Mid-Connecticut system were fixed, every decrease in the amount of acceptable solid waste delivered would result in an increase in the price of disposal. However, the amount of waste is not fixed. The amount of waste delivered to a system is significantly affected by the disposal price (including the price of transporting the waste to the system). The lower the disposal price, the more waste that will be available to the system.

CRRA plans to deal with this dynamic in several ways, but the cornerstone of its efforts is to lower its cost of operation so its disposal fee will be at- or below-market for the area. One of CRRA's most important steps in this area is its current competitive bid/proposal process for operation of the Mid-Conn RRF. CRRA is certain this process will result in significant reductions in the cost of operations.

CRRA has removed the previous restriction on private haulers on bringing waste to the Mid-Connecticut system from non-Mid-Connecticut Project municipalities. CRRA will make available to municipalities other than those currently with the Mid-Connecticut Project the opportunity to enter into an MSA with CRRA, either Tier 1 or Tier 2. With an at- or below-market disposal price, both of these efforts will result in additional waste coming into the Mid-Connecticut system and stable or falling disposal fees.

17.3 Comment

Clear Pricing and Revenue Share for Recyclables Processing: Recyclables processing agreements customarily delineate the processing charge on a per ton basis. This processing charge should have a clearly defined basis for annual changes (same as disposal pricing). Further, recyclables processing agreements customarily have clearly defined procedures for determining the market value of the recyclables delivered, and specify exactly how revenues will be shared between the processor and the Municipality. (CRCOG)

Response

CRRA has never charged Mid-Connecticut Project participants to deliver their recyclables to the Mid-Connecticut system. Since 2004, when CRRA entered into a new contract for the operation of the Regional Recycling Center, CRRA has had

the ability to and has actually distributed to municipalities its portion of the net proceeds from commodity sales. It should be noted that some Connecticut municipalities in non-CRRA systems are paying as much as $35 to $40 per ton to dispose of their recyclables.

CRRA apologizes for the accidental omission in the Draft Tier 1 MSA of its intent to continue the practice of not charging for the delivery of recyclables and for distributing to municipalities CRRA's portion of the net proceeds from commodity sales.

CRRA has changed Section 302(b) in the Revised Draft Tier I MSA to contractually establish a charge of $0.00 per ton for acceptable recyclables. CRRA has also added a new Section 305 to the Revised Draft Tier 1 MSA to formalize the program for the distribution to municipalities of the net proceeds from commodity sales.

CRRA notes that language establishing a charge of $0.00 per ton for acceptable recyclables is already in the contracts that govern haulers' access to Mid-Connecticut system facilities.

17.4 Comment

Sec. 302(e) – Without specific maximum dollar amounts, it is not possible to evaluate the reasonableness of this section. Further, given the extensive lead time that would be needed by any Municipality to secure alternate disposal and/or processing capacity, allowing termination as a remedy is relatively meaningless. Essentially, once a Municipality signs this agreement, they are going to be stuck with the charges for the duration of the Base Term. (CRCOG)

Section 302 Disposal Fees: The draft does not contain specifics on the pricing. This will be included in the final offer in October. The MSA provides that the Town has the right to terminate the Agreement if the Disposal Fee ultimately exceeds certain dollar amounts. (Wethersfield)

Section 302 Disposal Fees: The draft does not contain specifics on the pricing. This will be included in the final offer in October. The MSA provides that the Town has the right to terminate the Agreement if the Disposal Fee ultimately exceeds certain dollar amounts. (Marlborough)

Response

The final version of the Tier 1 MSA will have dollar amounts specified for the upset prices (i.e., the price at which, if exceeded, the municipality can terminate the MSA) in Section 302(e).

CRRA notes that the contracts recently finalized with private haulers for the Mid-Connecticut system include upset prices of $63.00 per ton for the period from No-

vember 16, 2012 through June 30, 2013, $63.00 per ton for July 1, 2013 through June 30, 2014 and $64.00 per ton for July 1, 2014 through June 30, 2015.

While CRRA agrees that securing alternate waste management capacity would require time and effort on the part of a municipality, that is within the capabilities of most, if not all, Connecticut municipalities. This is not a meaningless remedy.

17.5 Comment

The MSA should stipulate that the tip fee for MSW and recyclables at the Torrington Transfer Station will remain the same as deliveries to CRRA's Hartford facility. The system-wide tip fee that CRRA has embraced in recent years for the Mid-CT Project should be continued and included in the Tier 1 MSA. (LHCEO)

Response

CRRA has modified the Revised Draft Tier 1 MSA to commit to keeping the Torrington Transfer Station open (see the response to Comment 2.3). However, CRRA cannot commit to not instituting a surcharge for use of the Torrington Transfer Station or any of the other three transfer stations (Ellington, Essex and Watertown) in the Mid-Connecticut system, but CRRA has included a new provision in Section 302(b) of the Revised Draft Tier 1 MSA to specify that any such surcharge will not apply to municipalities that have entered into a Tier 1 MSA.

18. SHARING OF SURPLUS (SECTION 303)

18.1 Comment

Section 303. The question of whether a surplus exists should not be left to the sole discretion of CRRA. Also, there is a harsh penalty if a municipality is not in good standing (i.e., they do not get the surplus). This seems unfair if a Town complies with the contract for 4 years and in the 5th year falls short. There should be some method to pro-rate the surplus based on the years that a Town is actually in good standing. (East Hartford)

Response

Surpluses, if any, are declared and distributed on an annual basis. Therefore, a municipality that is a Tier 1 municipality in good standing for four years would share in the surpluses, if any, in each of those four years. If the benefits of being a Tier 1 municipality were being withdrawn in the fifth year because the municipality failed to enforce its flow-control ordinance, the municipality would not share in the surplus, if any, only for that year.

The CRRA Board of Directors represents a wide variety of interests including five of its eleven members who represent municipalities. The Board is the entity that should have the sole discretion to declare a surplus. Further, CRRA's statutory au-

thority confers on the Board a fiduciary obligation that the Board cannot delegate to some other entity.

18.2 Comment

Section 303 Sharing of Surplus: Tier 1 towns will share in the surplus, if any. Tier 2 towns will not. This should be equalized. (Wethersfield)

Section 303 Sharing of Surplus: Tier 1 towns will share in the surplus, if any. Tier 2 towns will not. (Marlborough)

Response

A municipality has a choice to make. It can become a Tier 1 municipality and, by enacting and enforcing a flow-control ordinance, provide a "base load" amount of waste to CRRA, or it can become a Tier 2 municipality and deliver only the amount of acceptable solid waste under its control. For almost all municipalities, this is significantly less than the total amount of acceptable solid waste generated within its boundaries. Clearly, Tier 1 municipalities will play a significantly larger role in the operation of the Mid-Connecticut system and in ensuring that the system has sufficient waste to operate satisfactorily than will Tier 2 municipalities.

The Tier 1 municipality has taken on responsibilities which benefit the Mid-Connecticut system and for which it should be compensated. This compensation includes a lower disposal fee and sharing in surpluses, if any. In addition, a Tier 1 municipality will enjoy "most favored nation" protection, will be represented on a CRRA advisory committee (see the response to Comment 16.2) and will be exempt from any surcharge for the use of a Mid-Connecticut system transfer station (see the response to Comment 17.5). The Tier 2 municipality has taken on significantly fewer responsibilities and its compensation and role in the operation of the Mid-Connecticut system is, accordingly, less than for a Tier 1 municipality.

As described in Section 2 of the "Introduction" to this document, a decision to become a Tier 2 municipality has a tangible negative impact on the cost of operating the Mid-Connecticut system because it allows commercial waste in the Tier 2 municipality to seek the lowest disposal price. CRRA is confident that, in the summer, when waste flows are highest, CRRA's disposal price will be the lowest. However, in the winter, when there is less waste generated, the lack of control over commercial waste creates an acute problem. CRRA and other waste-to-energy facility operators have to resort to lower and lower spot disposal fees in order to attract enough waste to operate their facilities. In the winter, CRRA could be forced to discount as much as 60,000 tons of waste per year by as much as $20 to $30 per ton to have enough fuel to continuously generate electricity (the revenue from which keeps disposal fees lower). While it is not CRRA's intent to have surpluses on a regular basis, when they do occur, sharing them with the Tier 1 municipalities and not the Tier 2 municipalities is one way for CRRA to account for the negative financial impact Tier 2 municipalities will have on the Mid-Connecticut system.

18.3 Comment

Sec. 303(a) – The 180 day delay for repayment of surplus is excessive. How about 30 days after completion of pertinent financial audits? (CRCOG)

Response

CRRA has modified Section 303(a) in the Revised Draft Tier 1 MSA to require distribution of surpluses, if any, within 30 days after the Board of Directors certifies the results of the financial audit and declares a surplus.

19. MOST FAVORED NATION (SECTION 304)

19.1 Comment

Section 304 Most Favored Nation: The intent of this provision is that no other Towns will be offered lower rates by CRRA. This section must be reviewed and modified. (Wethersfield)

Section 304 Most Favored Nation: The intent of this provision is that no other Towns will be offered lower rates by CRRA. (Marlborough)

Response

The commenter correctly expresses the purpose of the "most favored nation" section of the Draft Tier 1 MSA. CRRA has reviewed the section, but has not identified any modifications required for it to meet its stated purpose.

20. RESCISSION OF TIER 1 BENEFITS (SECTION 401 AND 402)

20.1 Comment

Article IV – The MSA contains **severe** penalties against any Municipality that fails to enforce the CRRA's definition of flow control. Given the difficulty in establishing and enforcing flow control for wastes collected under subscription between a generator and a private hauler, this entire section should give pause to any Municipality that does not provide public or contracted collection, and/or does not offer a convenience center for waste disposal. (CRCOG)

Area towns were previously advised that CRRA would not be requiring a minimum tonnage commitment under the new MSA. Article IV of the draft Agreement, which contains a number of severe penalties including requiring municipalities to pay CRRA liquidated damages for the failure to deliver their "Annual Quantity" of waste, reads very much like a minimum commitment. Also of concern are the provisions in Section 404 pertaining to potential additional municipal costs for the disposal of "Excess Waste". Why are such maximum tonnage provisions now considered necessary when we were previously advised there would be no such tonnage commitments? (LHCEO)

Section 401. Flow Control: the Borough has no desire to be held responsible for Flow Control; certainly, the corresponding penalty provisions of Section 402 are not acceptable. (Naugatuck)

Response

Article IV only pertains to a municipality that has entered into a Tier 1 MSA and that has not honored its commitment to enforce its flow-control ordinance. The Article has no impact on any municipality that is in compliance with its commitment to enforce its flow-control ordinance. There are no minimum tonnage commitments or caps for municipalities that enforce their flow-control ordinances.

CRRA has no intention of requiring any municipality to adopt or enforce a flow-control ordinance if the municipality does not consider it to be in its own interests. Each municipality must decide for itself whether a Tier 1 MSA is appropriate. As described in the Introduction to this "Response to Comments" document, CRRA anticipates that some municipalities will decide that a Tier 1 MSA is not appropriate for them and will select a Tier 2 MSA or will become a spot customer or not enter into any contract with CRRA.

CRRA's Draft Tier 2 MSA (Attachment C) does not require a municipality to adopt or enforce a flow-control ordinance. It does, however, establish minimum tonnage commitments and caps for the waste under a municipality's control. For almost all of the current Mid-Connecticut Project participants, the amount of waste under a municipality's control is substantially less than the amount of waste generated within the municipality's borders, which is the standard for the Tier 1 MSA.

In CRRA's experience, a call from the chief elected official or the public works director of a municipality to an offending hauler should be all that is required to address a situation of non-compliance with a flow-control ordinance. (Please see Section 2 of the Introduction for a more complete discussion of enforcement of a flow-control ordinance.)

Because of the minimal effort required by a municipality to enforce its own flow-control ordinance, in reality the only way a municipality would face rescission of its Tier 1 MSA benefits would be if it consciously decided to stop enforcing the ordinance. This is equivalent of a municipality consciously deciding that it would rather be a Tier 2 municipality than a Tier 1 municipality.

A municipality that signs a Tier 1 MSA with CRRA provides substantial benefits to the Mid-Connecticut system and deserves to share in those benefits. The Tier 1 MSA, especially the provisions that

- the Tier 1 tip fee will be at least 5% less that the Tier 2 tip fee,
- Tier 1 municipalities will share in the distribution of surpluses (Section 303) (Tier 2 municipalities will not share in the distribution of surpluses) and

- Tier 1 municipalities will have "most favored nation" protection (Section 304) (Tier 2 municipalities will not have such protection),

are designed to encourage municipalities to enter into a Tier 1 MSA and to enforce their flow-control ordinances and, hereby, remain Tier 1 municipalities.

As described in Section 2 of the "Introduction" to this document, a decision to become a Tier 2 municipality has a tangible negative impact on the cost of operating the Mid-Connecticut system because it allows commercial waste in the Tier 2 municipality to seek the lowest disposal price. CRRA is confident that, in the summer, CRRA's disposal price will be the lowest. However, in the winter, when there is less waste generated than in the summer, the lack of control over commercial waste creates an acute problem. CRRA and other waste-to-energy facility operators have to resort to lower and lower spot disposal fees in order to attract enough waste to operate their facilities. In the winter, CRRA could be forced to discount as much as 60,000 tons of waste per year by as much as $20 to $30 per ton to have enough fuel to continuously generate electricity (the revenue from which keeps disposal fees lower). The benefits provided to a Tier 1 municipality (and not to a Tier 2 municipality) are designed to have the Tier 2 municipality pay for the negative financial impact it will have on the Mid-Connecticut system.

20.2 Comment

Section 401 Notice of Rescission of Tier 1 Benefits: Section 401 sets forth the circumstances whereby CRRA will rescind the Tier 1 benefits i.e.,: (1) where the town receives a Flow Control Notice and doesn't remedy it within 60 days or (2) receives two Flow Control Notices during any Contract year. This is not acceptable. (Wethersfield)

Section 401 Notice of Rescission of Tier 1 Benefits: Section 401 sets forth the circumstances whereby CRRA will rescind the Tier 1 benefits i.e.,: (1) where the town receives a Flow Control Notice and doesn't remedy it within 60 days or (2) receives two Flow Control Notices during any Contract year. (Marlborough)

Response

CRRA has modified Section 401 in the Revised Draft Tier 1 MSA to remove the provision whereby a municipality would lose its Tier 1 economic benefits if it received at least two flow-control notices during any contract year, regardless of whether or not the municipality has remedied the condition.

CRRA has also modified Section 401 to specify that the municipality would be subject to rescission of the Tier 1 MSA benefits if it did not "take appropriate steps" to remedy a violation of its flow-control ordinance within 60 days of notification. CRRA does not intend to punish a municipality when, despite the appropriate efforts of CRRA and the municipality, a hauler refuses to comply with the municipality's flow-control ordinance.

21. LIQUIDATED DAMAGES FOR FAILURE TO DELIVER THE ANNUAL QUANTITY (SECTION 403)

21.1 Comment

It appears that CRRA is looking to obtain "an amount" of MSW and the towns will have a specific area which they must stay within--since they are to pay a penalty if they send to little or too much tonnage. Just how is the "annual quantity" (which will be an integral part of the contract) to be determined? (Bethlehem)

Section 403 Liquidated Damages: Section 403 provides for liquidated damages of $30 x the amount not delivered to CRRA by the Town if it does not meet the minimum amounts required by the Agreement. Also, if a town exceeds the maximum, then it must pay the costs and expenses for disposal of such excess amount (Section 404). However, both of these liquidated damages provisions only apply during a Contract year in which the town receives a rescission notice "or any subsequent contract year." These provisions need further clarification. (Wethersfield)

Section 403 Liquidated Damages: Section 403 provides for liquidated damages of $30 x the amount not delivered to CRRA by the Town if it does not meet the minimum amounts required by the Agreement. Also, if a town exceeds the maximum, then it must pay the costs and expenses for disposal of such excess amount (Section 404). However, both of these liquidated damages provisions only apply during a Contract year in which the town receives a rescission notice "or any subsequent contract year." (Marlborough)

Section 403. this provision is not acceptable to the Borough.; the rationale for an "upper limit' needs to be discussed further (why would CRRA limit the "upper" to 10%-we are currently in a "down" economy - a maximum of 10% increase seems quite small in the event of even a small recovery?). (Naugatuck)

Sec. 403 – This section defines a narrow range for required, non-penalized waste deliveries. For example, waste volumes during the economic downturn fluctuated by more than 10 percent in many areas of the country. Given the strength of the penalties, either the range needs to be increased or the penalties need to be reduced. (CRCOG)

Response

Section 403 only pertains to a municipality that, because of its decision not to enforce its own flow-control ordinance, has given up the benefits of being a Tier 1 municipality and has become a Tier 2 municipality. Section 403 has no effect on a Tier 1 municipality that is enforcing its flow-control ordinance.

The attached Draft Tier 2 MSA (Attachment C) includes minimum commitments (put-or-pays) and caps that will be based on deliveries by a municipality of waste under its control in calendar year 2009.

It appears to CRRA that, in terms of solid waste deliveries, calendar year 2009 was the bottom of the recession. That is among the reasons that it was selected by CRRA. CRRA has also included in the Draft Tier 2 MSA mechanisms whereby a municipality can lower its minimum commitment or raise its cap if it can document that the reasons such changes are necessary are beyond the control of the municipality.

22. MUNICIPALITY RESPONSIBLE FOR ADDITIONAL DELIVERY COSTS (SECTION 404)

22.1 Comment

Section 404; this provision is likewise not acceptable to the Borough for the previous reasons set forth above (does not more waste = more $ for CRRA?). (Naugatuck)

(although, curiously, CRRA also wants to penalize those very same municipalities if they maximize their waste deliveries *too much*). (CRCOG)

Response

CRRA takes very seriously its responsibility to take all of the acceptable waste from all of the municipalities with which it has MSAs all of the time. This responsibility has at times resulted in CRRA having to export waste at a disposal fee of up to $90 per ton. At a $90 export price, if CRRA is changing $59 per ton for waste delivered to the Mid-Connecticut system, CRRA and the Mid-Connecticut system would lose $31 per ton of waste exported. These additional costs become part of the cost of service and can result in higher disposal fees.

CRRA's intent with the Tier 1 and Tier 2 MSAs is to obtain commitments from municipalities that optimize the amount of waste coming into the Mid-Connecticut system so that it does not have to export waste. With private haulers having contracted to provide approximately 65% of the amount of waste CRRA needs to operate the Mid-Connecticut system at peak efficiency, CRRA will only be able to accommodate commitments for a limited amount of waste under Tier 1 and Tier 2 MSAs; another benefit of signing a Tier 1 MSA is being able to sign before any municipality signs a Tier 2 MSA.

If a Tier 2 municipality delivers more waste than it has contractually agreed to deliver and if the delivery of that waste has forced CRRA to export waste, then those increased costs should be borne by the municipality that created them and not the other municipalities that met their own contractual obligations.

Finally, while at times more waste would equal more revenue for CRRA, CRRA, unlike private entities, is required by State statute to return surpluses, if any, to its customers.

23. MUNICIPAL RIGHT TO OBJECT TO RESCISSION NOTICE (SECTION 406)

23.1 Comment

Right to Object to Rescission Notice: There is a right to a hearing before a CRRA hearing officer. The hearing officer should be an independent party. (Wethersfield)

Right to Object to Rescission Notice: There is a right to a hearing before a CRRA hearing officer (see my previous comment above) (The hearing officer should be an independent party.) (Marlborough)

Response

CRRA has changed Section 406 of the Revised Draft Tier 1 MSA to include a more balanced process for a municipality objecting to a rescission notice.

24. FAILURE TO PAY INVOICE (SECTION 502)

24.1 Comment

Section 502 contains a late payment charge that seems excessive. (Wethersfield)

Section 502 contains a late payment charge which is the larger of 10% or $50 on all past due amounts. (Marlborough)

Response

CRRA will consider any specific proposal from municipalities to modify this section of the Draft Tier 1 MSA.

CRRA notes that in developing this provision, CRRA initially wanted to replicate the late payment charges used by municipalities, but found that a number of municipalities charge interest rates of 18%. CRRA selected a lower interest rate of 10%.

25. RECORDS AND ACCOUNTS (SECTION 601)

25.1 Comment

Sec. 601 – In addition to the right to inspect the books, Municipalities should specify the reports they want/need to manage their waste stream and require these reports to be provided by the CRRA on a regular schedule. (CRCOG)

Response

CRRA operates in an open and transparent manner. CRRA has and will continue to provide to municipalities any reports they want or need to manage their waste stream.

Currently, each month CRRA provides each municipality, whether or not the municipality is billed for any waste, with a summary of all activity in the municipality associated with the Mid-Connecticut system. The report indicates the haulers that collected waste in the municipality, the amount collected and the amount and entity billed for the waste.

CRRA also documents for the current year and the three preceding years the amount of MSW and recyclables each municipality shipped to the Mid-Connecticut system on a monthly and a cumulative basis. These reports are posted on CRRA's website at

http://www.crra.org/pages/busi_mc_tonnage.htm.

CRRA would appreciate any suggestions from municipalities for improving these reports.

26. SCALE AND TESTS (SECTION 602)

26.1 Comment

Sec. 602 – Any Municipality that has its own scale should be allowed to reconcile the weight of its shipped wastes against the CRRA received quantities and to jointly investigate and correct discrepancies. (CRCOG)

Response

CRRA's scales are properly calibrated and licensed annually by the Connecticut Department of Consumer Protection ("DCP").

CRRA has changed Section 602 of the Revised Tier 1 MSA to allow a Tier 1 municipality to challenge the accuracy of CRRA's scales. In response to such a challenge, CRRA will have the scales tested. If the test reveals that the scales are within the tolerances permitted by the DCP, the challenging municipality will pay for the test. If the scales are outside the tolerances permitted by DCP, CRRA will pay for the test and will have the scales recalibrated.

27. RIGHT OF INSPECTION (SECTION 603)

27.1 Comment

Sec. 603 – The MSA should explicitly allow both the Authorized Representative of the Municipality "and/or his/her designee(s)." Alternatively, the definition of Authorized Representative of Municipality could be changed to specify any individual or individuals designated by the Municipality. (CRCOG)

Response

CRRA has changed Section 603 in the Revised Draft Tier 1 MSA to include the suggested language except CRRA has required that "designees" be designated in writing to CRRA.

28. INSURANCE (SECTION 604)

28.1 Comment

Clearly Stated Insurance Coverage: Municipalities customarily require a slate of insurance coverage, with details of the specific coverage levels and other requirements included in the contract. It is standard convention for disposal/processing providers to be contractually bound to specific insurance levels. (CRCOG)

Sec. 604 – Municipalities should require precisely stated minimum insurance coverage levels (CGL, workers' comp, auto, bodily injury, etc.) which should be stated in the MSA; provision of a certificate indicating such insurance; requirement for notice of change/termination; approval of insurance carrier. It is standard convention for disposal/processing providers to be contractually bound to specific minimum insurance levels. (CRCOG)

Response

Just as it is inappropriate for a municipality to be required to specify insurance coverages in a contract, so to is it inappropriate for CRRA as a quasi-public agency of the State to be required to do so. CRRA will provide to any municipality that is interested certificates of insurance for the insurance that it carries.

CRRA notes that it incorporates strict insurance requirements into its contracts with private contractors and consultants, including waste haulers. CRRA does not impose any insurance requirements on municipalities that directly haul waste to the Mid-Connecticut system.

CRRA carries sufficient insurance on its activities and facilities to protect itself and its customers. For example, CRRA's insurance portfolio includes pollution legal liability insurance coverage of all disposal sites used for waste from the Mid-Connecticut Project, whether the sites are owned by CRRA or a private entity. As another example, CRRA carries a substantial amount of business-interruption and extra-expense insurance for the Mid-Conn Resource Recovery Facility.

It should be noted that the insurance language in the Draft Tier 1 MSA is substantially identical to the language in the current MSAs.

29. INDEMNIFICATION (SECTION 702)

29.1 Comment

Sec. 702 – The Municipality should require reciprocal indemnification. Further, the Municipality's indemnification of CRRA should be exclude negligence, error, willful breach or bad faith. Legal counsel should be consulted to develop appropriate indemnification language. (CRCOG)

No Reciprocal Indemnification: Legal counsel should be consulted to craft appropriate reciprocal indemnification. (CRCOG)

There should be fair and equitable indemnity provisions in the contract. (East Hartford)

Section 702 Indemnification: The agreement contains a broad indemnification provision requiring that the Town hold CRRA harmless for all claims "arising out of, related to or with respect to this Agreement". There is no indemnification for willful misconduct or negligence of another party where it is "adjudged" that such conduct caused the loss. The indemnification provisions should be modified so as to be mutual and reciprocal with each party indemnifying the other for its own negligence. (Wethersfield)

Section 702 Indemnification: The agreement contains a broad indemnification provision requiring that the Town hold CRRA harmless for all claims "arising out of, related to or with respect to this Agreement". There is no indemnification for willful misconduct or negligence of another party where it is "adjudged" that such conduct caused the loss. The indemnification provisions should be modified so as to be mutual and reciprocal with each party indemnifying the other for its own negligence. (Marlborough)

Response

There is a legal issue concerning the authority of CRRA to provide a general indemnity. However, CRRA has added a new subsection (b) to Section 702 in the Revised Draft Tier 1 MSA to include reciprocal indemnification with the proviso "to the extent permitted by law."

30. DEFAULT (SECTIONS 703 AND 704)

30.1 Comment

The default provisions do not seem equitable. See Section 703 and 704. For example, if the Town is in default, CRRA can stop taking the Town's waste and force the Town to continue to pay its contractual waste rates. If CRRA is in default, as long as they "act promptly" (not much of a standard) to remedy the default the Town must continue to send its waste to CRRA and pay. Both sides should have a

specific period of time within which to remedy before any rights kick in. (East Hartford)

Response

CRRA is reluctant to replace "act promptly" as a cure period for a default with something like the 30-day cure period provided to municipalities to remedy a failure to pay invoices. It is CRRA's opinion that "act promptly" provides greater protection to the municipalities.

CRRA notes that under a net-cost-of-service pricing model, any damages that CRRA would pay to a municipality would be a cost of service and would be paid by all of the other participants in the Mid-Connecticut system through higher disposal fees.

30.2 Comment

Sec. 704 – The MSA contains paragraphs of details about when and under what conditions the Municipality will be penalized for a variety of conditions. This one-paragraph section absolves CRRA of any of its liability so long as it "acts promptly to remedy." At a minimum, the degree of penalization should at least be made more equal among the Parties for failure to perform by either Party. However, the entire concept of penalties in favor of CRRA as the service provider should be struck and any penalties should be in place to assure that the service provider performs, not that the waste generator delivers waste. (CRCOG)

Response

This comment evidences a misunderstanding of the relationship between CRRA, with its publicly-owned facilities, and the municipalities that benefit from the public ownership of those facilities. The idea that there should be no penalties in favor of CRRA as the service provider is unacceptable. CRRA is providing a service on behalf of the municipalities that use the Mid-Connecticut system. A municipality's action in contravention of the MSA that increases the cost of operating the Mid-Connecticut system, increases the cost for all of the other municipalities that use the system. Since the disposal fee is based on the net cost of operation of the system, it is entirely appropriate to have penalties for activities that will increase the costs to all of the other municipalities.

CRRA notes that this section of the Draft Tier 1 MSA is substantially the same as a provision in the current MSAs.

31. LEVY OF TAXES AND COST SHARING OR OTHER ASSESSMENT (SECTION 705)

31.1 Comment

Sec. 705 and 706 – Legal expertise should be sought to determine if it is acceptable to have a contract require municipal taxation. (CRCOG)

Response

It is legally acceptable to have a contract require municipal taxation.

32. DISPUTES ON BILLING (SECTION 707)

32.1 Comment

Section 707 Disputes on Billing: In the event of a billing dispute, the Agreement requires that the Town must nevertheless pay the full amount of the bill, provide CRRA written notice as well as a full statement of the grounds for the billing dispute within 30 days of the Due Date. Consideration should be given, in the event of a good faith billing dispute, to the provision that would allow a municipality to pay less than the full amount pending resolution of the dispute. See, e.g. C.G.S. 12-117a which allows payment of less than the full amount due pending resolution of a tax appeal. (Wethersfield)

Section 707 Disputes on Billing: In the event of a billing dispute, the Agreement requires that the Town must nevertheless pay the full amount of the bill, provide CRRA written notice as well as a full statement of the grounds for the billing dispute within 30 days of the Due Date. Consideration should be given, in the event of a good faith billing dispute, to the provision that would allow a municipality to pay less than the full amount pending resolution of the dispute. See, e.g. C.G.S. 12-117a which allows payment of less than the full amount due pending resolution of a tax appeal. (Marlborough)

Sec. 707 – Municipality should not be required to pay for disputed portion of invoices (as a compromise, Municipality could agree to pay half of disputed amount – can't get much fairer than that). (CRCOG)

Response

CRRA has modified Section 707 in the Revised Tier 1 MSA so that, if a municipality is upheld in its dispute of a portion of an invoice, CRRA will return the disputed amount with interest calculated at the then current rate of the Connecticut Short Term Investment Fund ("STIF"), which is administered by the State Treasurer.

It should be noted that the language in the Draft Tier 1 MSA is identical to language in the current MSAs.

33. CONFORMITY WITH LAWS (SECTION 715)

33.1 Comment

Sec. 715 – Legal expertise should be sought to determine if a contract can specifically allow noncompliance with a law just because it is being contested. (CRCOG)

Response

The section of the Draft Tier 1 MSA does not allow non-compliance with the law. It does recognize the parties' rights to contest provisions of the law.

This provision in the Draft Tier 1 MSA is identical to a provision in the current MSAs.

34. NONASSIGNABILITY (SECTION 716)

34.1 Comment

Sec. 716 – Municipalities may want to consider inserting certain terms that would be triggered under certain types of re-organization of CRRA. (CRCOG)

Response

CRRA assumes the comment refers to an act of the General Assembly that would reorganize CRRA. Therefore, it would be more appropriate for such terms to be included in the actual legislation, if any, reorganizing CRRA.

35. DEFINITIONS

35.1 Comment

Definitions: The Definitions intermittently contain actual definitions, or else refer to another paragraph elsewhere in the MSA. This makes them very difficult to read. Include the actual definitions for all terms in the definition section. (CRCOG)

Response

CRRA will consider making the definition of a term that appears in the "Definitions" section the complete definition of the term (rather than referring to the section in the MSA where the term is defined). However, CRRA is already concerned that too much of the substance of the MSA is included in the "Definitions" and is hesitant to go further in that direction. In addition, CRRA has found the current treatment of definitions to be far superior to just having definitions of terms sprinkled throughout the MSA with no central index.

ATTACHMENT A

COMMENTS RECEIVED AND INDEXED

TOWN OF AVON

60 West Main St. Avon, CT 06001-3743
www.town.avon.ct.us

POLICE , FIRE & MEDICAL EMERGENCY - 911

TOWN MANAGER'S OFFICE
Tel. (860) 409-4300
Fax (860) 409-4368

ASSTISTANT TOWN MANAGER
Tel. (860) 409-4377
Fax (860) 409-4368

ACCOUNTING
Tel. (860) 409-4339
Fax (860) 677-2847

ASSESSOR'S OFFICE
Tel. (860) 409-4335
Fax (860) 409-4366

BUILDING DEPARTMENT
Tel. (860) 409-4316
Fax (860) 409-4321

COLLECTOR OF REVENUE
Tel. (860) 409-4306
Fax (860) 677-8428

ENGINEERING DEPARTMENT
Tel. (860) 409-4322
Fax (860) 409-4364

FINANCE DEPARTMENT
Tel. (860) 409-4346
Fax (860) 409-4366

FIRE MARSHAL
Tel. (860) 409-4319
Fax (860) 409-4364

HUMAN RESOURCES
Tel. (860) 409-4303
Fax (860) 409-4366

LANDFILL
281 Huckleberry Hill Rd.
Tel. (860) 673-3677

PLANNING & ZONING
Tel. (860) 409-4328
Fax (860) 409-4375

POLICE DEPARTMENT
Tel. (860) 409-4200
Fax (860) 409-4206

PROBATE
Tel. (860) 409-4348
Fax (860) 409-4368

PUBLIC LIBRARY
281 Country Club Road
Tel. (860) 673-9712
Fax (860) 675-6364

PUBLIC WORKS
11 Arch Road
Tel. (860) 673-6151
Fax (860) 673-0338

RECREATION AND PARKS
Tel. (860) 409-4332
Fax (860) 409-4334
Cancellation (860) 409-4365

REGISTRAR OF VOTERS
Tel. (860) 409-4350
Fax (860) 409-4368

SOCIAL SERVICES
Tel. (860) 409-4346
Fax (860) 409-4366

TOWN CLERK
Tel. (860) 409-4310
Fax (860) 677-8428

TDD-HEARING IMPAIRED
Tel. (860) 409-4361

June 1, 2010

Mr. Thomas Kirk, President
Connecticut Resources Recovery Authority
100 Constitution Plaza, 6th floor
Hartford, CT 06103-7722

Dear Mr. Kirk:

The Town of Avon is in receipt of your letter of April 7th regarding the Municipal Services Agreement (MSA). The Town of Avon will be working with the Capitol Region Council of Governments (CRCOG) regarding the substantive issues raised in the MSA and will respond as soon as feasible.

Please contact me with any questions.

Sincerely,

Brandon Robertson
Town Manager

Cc: Lyle Wray, Executive Director, CRCOG
Bruce Williams, Director of Public Works

From: Gene Heidenreich [mailto:bethlehemselectmen@snet.net]
Sent: Tuesday, June 01, 2010 12:39 PM
To: Paul Nonnenmacher
Subject: Comments re Draft renewal MSA

Are we to assume the "Mid-Connecticut Project Permitting, Disposal and Billing Procedures" (paraticularly the listing of "Acceptable Recyclables") are generally the same as those effective March 1, 2007 - with the inclusion of plastics #3 through 7? This is important to know beacuse of the requirements of flow control and requirements of Section 202 and particularly Section 401. We really should know the substance of the missing exhibit re procedures because of the draconian procedures noted in Article IV. 1

Regarding sections 201 and 202: Public schools in Bethlehem are under the control of Regional School District 14 and not the Town of Bethlehem. If Woodbury (the other member of RSD 14) does not become a member of the new CRRA and Bethlehem does, would Bethlehem be expected to be required to send "acceptable recyclables" from the public schools? We might not have any legal right to do so (but I am not a lawyer). 2

It appears that CRRA is looking to obtain "an amount" of MSW and the town's will have a specific area which they must stay within--since they are to pay a penalty if they send to little or too much tonnage. Just how is the "annual quantify" (which will be an integral part of the contract) to be determined? 3

It is really hard to recommend any input if we do not have adequate parameters upon which to make, what appears to be an expensive proposition. And this proposed contract seems to be leaning to the CRRA side vs us poor little towns, that the previous one did. 4

From: Barlow, Richard [mailto:RBarlow@TownofCantonCT.org]
Sent: Tuesday, June 01, 2010 5:19 PM
To: Tom Kirk
Subject: Draft MSA

Tom

The Town of Canton at this time has not completed a final review of the Draft MSA. As has previously been noted the consultant for the CRCOG has developed comments on the draft MSA. I would suggest that your response to those comments would be a good next step. 1

As I have expressed to you previously I would like a contract period in excess of the five years which you have proposed. A ten year contract with an automatic ten year extension that could be exercised by the Town would be more in line with my concept. I know you understand that one of the major factors that towns will be considering is the tip fee. When do you expect to be able to give a concrete proposal regarding the fees? I expect to have completed my review of the Draft MSA within the next several days at which time I will provide you with my comments. 2

Richard Barlow
Town of Canton, CT

MELODY A. CURREY
MAYOR

TOWN OF EAST HARTFORD
740 Main Street
East Hartford, Connecticut 06108

(860) 291-7200
FAX (860) 282-2978
www.ci.east-hartford.ct.us

OFFICE OF THE MAYOR

June 1, 2010

RECEIVED
JUN 07 2010
CRRA
OFFICE OF THE PRESIDENT

Thomas Kirk, President
Connecticut Resources Recovery Authority
100 Constitution Plaza
Hartford, CT 06103

RE: Proposed 2010 CRRA Contract

Dear President Kirk:

Attached are the comments from our Corporation Counsel in relation to our CRRA contract.

Sincerely,

Melody A. Currey
Mayor

OFFICE OF THE CORPORATION COUNSEL

MEMORANDUM

Date: June 1, 2010
To: Melody A. Currey, Mayor
From: Richard P. Gentile

Re: Thoughts on proposed 2010 CRRA contract

You have asked me for my thoughts on the proposed 2010 CRRA contract. Let me begin by noting that I have reviewed the May 7, 2010 Capitol Region Council of Governments MSA Review report that is located on the CRCOG website. It provides an invaluable review and analysis of the issues with the form and terms of CRRA's proposed contract. I will not repeat those points here, but agree that the conclusions contained in that report should be part of the Town's decision matrix as it analyzes the proposed CRRA contract.

I have the following additional thoughts and comments on the CRRA contract:

- Section 202 and Section 401. The Town will be required to adopt a Flow Control Ordinance. This will be an ordinance that sets out the Town's requirements to deliver a certain amount of waste to the CRRA. The CRRA should give us a sample or suggested Ordinance to review. 1

- Section 207. This provision indicates that if there is a Force Majeure event, and CRRA cannot process waste where it normally does, then the Town has to pay all additional costs. This makes sense for true force majeure event (floods, hurricane, etc.). It does not make sense for strikes and labor problems. Also, there should be a time limit here. I am concerned that if there is such an event, and CRRA decides not to re-build (or to take its time rebuilding) the Town would incur higher waste disposal costs for an extended period of time. 2

- Section 301. This provision talks about how the budget will be set. To fully protect municipalities, CRRA should set up an advisory Board comprised of representatives of the various participating municipalities, which municipal representatives would play an active role in the CRRA management and budget process. As drafted, there does not appear to be any municipal participation in the budget process. 3

- The entire fee schedule is based on a pre-determined yearly tonnage amount for "Acceptable Waste." Acceptable Waste does not include recyclables. Under section 302 there is a minimum amount of "Acceptable Waste" tonnage that must be met each year by each Town. Go under that amount and a Town pays a penalty (the Town will pay a higher rate on the difference between the "Acceptable Waste" sent to CRRA and the Town's annual tonnage commitment). So, there seems to be no financial incentive to substantially increase recycling efforts as a reduction in "Acceptable Waste" will cost the Town money. The only incentive for recycling is that it saves money if a Town is at risk of going over the annual contracted tonnage of Acceptable Waste. There is a provision that charges the Towns a higher contractual rate if the Town goes over its tonnage by 5%. 4

- Section 302 (b). This provision highlights the cost issues for Towns. Once the budget is set, all Towns are on the hook to make certain that revenues meet expense. If the revenue from one year is not sufficient to meet expense, the shortfall is added to the next year's budget. If the contract term has ended, a Town will be assessed for shortfalls. As indicated above, there appears to be no financial incentive for the Town to generate less Acceptable Waste. Towns should ask CRRA how they plan to work with Towns as they send less and less acceptable waste to CRRA. For instance, does CRRA have a plan in place to save costs by mothballing facilities, or reducing staff/subcontractors etc? This is why it is important to have an active group of Town executives acting in an advisory role to CRRA. 5

- Section 303. The question of whether a surplus exists should not be left to the sole discretion of CRRA. Also, there is a harsh penalty if a municipality is not in good standing (i.e., they do not get the surplus). This seems unfair if a Town complies with the contract for 4 years and in the 5th year falls short. There should be some method to pro-rate the surplus based on the years that a Town is actually in good standing. 6

- The default provisions do not seem equitable. See Section 703 and 704. For example, if the Town is in default, CRRA can stop taking the Town's waste and force the Town to continue to pay its contractual waste rates. If CRRA is in default, as long as they "act promptly" (not much of a standard) to remedy the default the Town must continue to send its waste to CRRA and pay. Both sides should have a specific period of time within which to remedy a default before any rights kick in. 7

- There should be fair and equitable indemnity provisions in the contract.

From: William F Smith [mailto:williamfsmith@granby-ct.gov]
Sent: Friday, May 28, 2010 10:58 AM
To: Paul Nonnenmacher
Subject: Town of Granby Comments on MSA draft

<<nps73AE.tmp.pdf>>

Dear Tom,

As ~~requested~~, the Town of Granby has reviewed the proposed draft agreement of the renewal MSA sent to us on April 5, 2010. As you may know, an analysis has been developed by MID ATLANTIC SOLID WASTE CONSULTANTS (enclosed). The town respectfully requests that these comments be considered in revisions to your draft.

Thank you for your attention.

From: Pamela Millman [mailto:MillmanP@ci.guilford.ct.us]
Sent: Tuesday, June 01, 2010 10:03 AM
To: Tom Kirk
Subject: CRRA draft renewal

Tom: We are in receipt of your letter dated April 7, 2010 to First Selectman Joseph Mazza with respect to the proposed draft of renewal of CRRA agreement and your request for comments as of June 1, 2010. Please be advised that the Town is in the process of considering all of its options and will be in touch at a future date with respect to the same. If you have any questions, please do not hesitate to contact me.

Pam Millman
In-House Counsel
Town of Guilford
203-453-8020

Town of Hebron

TOWN OFFICE BUILDING
15 GILEAD STREET
HEBRON, CONNECTICUT 06248
TELEPHONE: (860) 228-5971
FAX: (860) 228-4859
www.hebronct.com

BONNIE L. THERRIEN
TOWN MANAGER

JEFFREY P. WATT
CHAIRMAN

GAYLE J. MULLIGAN
VICE CHAIRMAN

MARK F. STUART
SELECTMAN

BRIAN D. O'CONNELL
SELECTMAN

DANIEL LARSON
SELECTMAN

June 1, 2010

Mr. Thomas D. Kirk
President
CRRA
100 Constitution Plaza, 6th Floor
Hartford, CT 06103

Dear Tom:

Please accept this letter as our comments on the April 7th letter and draft contract you sent to Andrew Tierney, Interim Town Manager of Hebron. After reviewing the MSA Review given to us by the Capitol Region Council of Governments, I am requesting that MSW Consultants' comments be reviewed by your staff and their report be considered when putting together your next draft contract. While putting together the draft contract, it would also be helpful to the member municipalities if you could respond to the comments outlined in MSA's report. If you need a copy of the report, please feel free to contact me at 860-228-5971, x 122.

Thank you very much!!

Sincerely,

Bonnie L. Therrien
Town Manager

From: Ralph Eno [mailto:selectman@townlyme.org]
Sent: Friday, April 09, 2010 3:19 PM
To: Paul Nonnenmacher
Subject: Re: Your question

Thank you for the prompt response-The answer is yes-Lyme would like to make a tier one commitment but we cannot deliver recyclables-Hopefully, we ~~might be able~~ to find some level of accomodation given the fact that Lyme has been a CRRA town from the outset but has always had alternative arrangements for its recyclables-Best-Ralph

ROME McGUIGAN P.C.
Attorneys at Law

MARLBOROUGH

One State Street Hartford, CT 06103
phone 860.549.1000 *fax* 860.724.3921
www.romemcguigan.com

John W. Bradley, Jr.
Direct Dial: (860)493-3548
E-Mail: jbradley@rms-law.com

May 25, 2010

Hon. Bill Black
First Selectman
Town of Marlborough
26 No. Main Street
P.O. Box 29
Marlborough, CT 06447

RE: Comments on CRRA Management Services Agreement

Dear Bill:

Thank you for forwarding CRRA's draft Management Services Agreement ("MSA") to us for review. We have the following comments and observations:

- Section 104: The Agreement incorporates Procedures (Exhibit x). Those procedures are not attached and should be reviewed since they will be an important part of the Agreement. 1

- Section 202: The Agreement requires the enactment of a "flow control ordinance." This is intended to enlist the enforcement powers of the Town to ensure that all businesses, contractors and residences comply with the obligation to transmit all of the Town's waste to the CRRA facility. It does not appear that Marlborough or other towns currently have such an ordinance. CRRA should provide a proposed sample ordinance that it would deem acceptable. 2

- Section 204: CRRA can use its "sole but reasonable discretion" in deciding whether the waste provided to it from the Town is acceptable and complies with the contract requirements. There is an opportunity for a town to object to such a decision, and to ultimately have a hearing before CRRA. Of course, an independent hearing officer process would be preferable. In the case of State agencies, it is common for the agency to decide an administrative appeal of its own decision. However, in that situation, there is usually an opportunity for a further appeal to the courts under the Uniform Administrative Procedures Act. The fact that there is no administrative appeal available in this situation suggests that there should perhaps be a provision for an impartial, third party hearing officer and an administrative appeal process. 3

- Section 207 Term: The initial term is six years from the "commencement date" of 11/16/2012. (p. 3) The Agreement will expire (there is no automatic renewal) unless the town provides written notice of its intent to extend the Agreement 12 months prior to the expiration date (11/2018). There is one 5 year extension (through 2023) available in the contract. 4

- Section 302 Disposal Fees: The draft does not contain specifics on the pricing. This will be included in the final offer in October. The MSA provides that the Town has the right to terminate the Agreement if the Disposal Fee ultimately exceeds certain dollar amounts. 5

- Section 303 Sharing of Surplus. Tier 1 Towns will share in the surplus, if any. Tier II towns will not. 6

- Section 304 Most Favored Nation. The intent of this provision is that no other town will be offered lower rates by CRRA. 7

- Section 401Notice of Rescission of Tier 1 Benefits: Section 401 sets forth the circumstances whereby CRRA will rescind the tier 1 benefits i.e., : (1) where the town receives a Flow Control Notice and doesn't remedy it within 60 days or (2) receives two Flow Control Notices during any Contract year. 8

- Section 403. Liquidated Damages: Section 403 provides for liquidated damages of $30 x the amount of waste not delivered to CRRA by the Town if it does not meet the minimum amounts required by the Agreement. Also, if a town exceeds the maximum, then it must pay the costs and expenses for disposal of such excess amount. (Section 404). However, both of these liquidated damages provisions only apply during a Contract year in which the town receives a rescission notice "or any subsequent contract year." 9

- Right to Object to Rescission Notice. There is a right to a hearing before a CRRA hearing officer (see my previous comment above). 10

- Section 502 contains a late payment charge which is the larger of 10% or $50 on all past due amounts. 11

- Section 702. Indemnification: The Agreement contains a broad indemnification provision requiring that the Town hold CRRA harmless for all claims "arising out of, related to or with respect to this Agreement." There is no 12

indemnification for willful misconduct or negligence of another party where it is "adjudged" that such conduct caused the loss. In my opinion, the indemnification provisions should be modified so as to be mutual and reciprocal with each party indemnifying the other for its own negligence. 12

- Section 707 Disputes on Billing. In the event of a billing dispute, the Agreement requires that the Town must nevertheless pay the full amount of the bill, provide CRRA written notice as well as a full statement of the grounds for the billing dispute within 30 days of the Due Date. Consideration should be given, in the event of a good faith billing dispute, to a provision that would allow a municipality to pay less than the full amount pending resolution of the dispute. See, e.g. C.G.S. 12-117a which allows payment of less than the full amount due pending resolution of a tax appeal. 13

I hope these comments are helpful to you.

Sincerely,

John W. Bradley, Jr.

JWB/bc

10721-3/H53570

From: Ned Fitzpatrick [mailto:fitz@fmslaw.org]
Sent: Thursday, May 20, 2010 11:26 AM
To: Paul Nonnenmacher
Cc: jstewart@naugatuck-ct.gov; sbaummer@naugatuck-ct.gov
Subject: Naugatuck's proosed MSA with CRRA

Paul: thank you for the opportunity to discuss the terms of this proposal with you. Pursuant to our discussion, enclosed are some thoughts and questions with regard to the proposal as discussed with several Borough representatives. It is my understanding that the existing agreement expires November 15, 2012: Some concerns are as follows:

(1)bulk trash: what is CRRA's proposal relative to this item? both transportation arrangements and cost are important to the Borough. 1

(2) Section 202(f). the Borough is concerned about additional costs it may incur in the event a designated facility (waste or recycling) is selected by CRRA ; second, the Borough would require some options including, at a minimum, a reasonable amount of advance notice of the inability to utilize the designated site(s) as well as the ability to rescind the agreement; 2

(3)Section 401. Flow Control: the Borough has no desire to be held responsible for Flow Control ; certainly, the corresponding penalty provisions of Section 402 are not acceptable.; 3

(4) Section 403. this provision is not acceptable to the Borough.; the rationale for an"upper limit' needs to be discussed further(why would CRRA limit the "upper" to 10%-we are currently in a "down" economy- a maximum of 10% increase seems quite small in the event of even a small recovery?). 4

(5)Section 404; this provision is likewise not acceptable to the Borough for the previous reasons set forth above (does not more waste = more $ for CRRA?) . Perhaps it would make sense to have a meeting in the Borough in the near future to address the above concerns. 5

Regards,

Ned
Edward G. Fitzpatrick, Esq.
Fitzpatrick, Mariano & Santos, PC
203 Church Street
Naugatuck, Connecticut 06770
203-729-4555 (ph)
203-723-1914 (fax)

From: Steve Werbner [mailto:swerbner@tolland.org]
Sent: Tuesday, June 22, 2010 6:59 PM
To: Paul Nonnenmacher
Cc: Michael Wilkinson
Subject: MSA review

Paul, Some time ago you sent out a correspondence asking for comment on the draft Municipal Services Agreement. The Town of Tolland would request that you carefully consider the comments which the Capital Region Council of Governments has forwarded to you concerning the document. We look forward to continued dialogue over solid waste issues as we move forward. Sincerely Steve Werbner

TOWN OF WATERTOWN

CONNECTICUT

06795

Town of Watertown
Public Works Department
Depot Square Business Center
51 Depot Street, Suite 203
Watertown, CT 06795
(860) 945-5240
Fax (860) 945-2707
www.watertownct.org

June 1, 2010

Mr. Thomas D. Kirk
President
Connecticut Resources Recovery Authority
100 Constitution Plaza, 6th Floor
Hartford, CT 06103

Re: Watertown Municipal Services Agreement

Dear Mr. Kirk,

As requested, the town of Watertown has reviewed the draft Municipal Services Agreement (MSA) with Connecticut Resources Recovery Authority (CRRA) for management of the town of Watertown's trash and recyclables that is to replace the existing agreement which expires on November 15, 2012.

As you are aware, the town relies primarily upon commercial haulers for this service, except for the relatively small amount that is generated at the town-owned transfer station. Therefore, the town has little direct financial interest in the eventual outcome of the project MSA. However, we are concerned with the businesses in the town that participate in the waste industry as well as the general welfare and quality of life of the town's residents.

There are two main concerns that the town has at this time with the draft agreement. The first is that the town would like the five year term of the MSA to coincide with the three year term that is being signed by the town's waste hauler. The second is the mandated flow control ordinance to be passed by the town in favor of CRRA. Given the existing conditions in Watertown, passing and enforcing such an ordinance would be problematic. 1 2

Please feel free to contact this office at (860) 945-5240 if you have any questions regarding this correspondence.

Very truly yours,

Roy E. Cavanaugh, P.E.
Director, Department of Public Works

Cc: C. Frigon, Town manager
Public Works Subcommittee, Watertown Town Council

File: CRRA

OFFICE OF THE
TOWN MANAGER

June 1, 2010

Thomas D. Kirk
President
Connecticut Resources Recovery Authority
100 Constitution Plaza, 6th floor
Hartford, CT 06103-7722

Dear Mr. Kirk:

The town of West Hartford has reviewed the proposed Municipal Services Agreement and we do have some concerns, in particular flow control obligations. The review of the MSA conducted for the Capitol Region Council of Governments by their consultant raises many of the issues we have. 1

We look forward to discussing this agreement with you at your planned workshops.

Sincerely,

Ronald F. Van Winkle
Town Manager

TOWN OF WEST HARTFORD

TOWN OF WEST HARTFORD 50 SOUTH MAIN STREET
WEST HARTFORD, CONNECTICUT 06107-2431
(860) 561-7440 FAX: (860) 561-7429
http://www.west-hartford.com

Town of Wethersfield
505 SILAS DEANE HIGHWAY
WETHERSFIELD, CONNECTICUT 06109

May 27, 2010

Mr. Thomas D. Kirk, President
Connecticut Resources and Recovery Authority
100 Constitution Plaza, 6th Floor
Hartford, CT 06103

Re: Town of Wethersfield, Comments on Draft Municipal Services Agreement

Dear Mr. Kirk

The following are the Town of Wethersfield's comments on the draft Municipal Services Agreement (MSA) for Solid Waste Management Services by the Connecticut Resource and Recovery Authority. In addition to the comments provided below, we are also incorporating by reference (included) the comments prepared on the draft MSA by Mid Atlantic Solid Waste Consultants prepared for the Capital Regional Council of Governments. 14

- Section 104: The Agreement incorporates Procedures (Exhibit x). Those procedures are not attached and should be reviewed since they will be an important part of the Agreement. 1

- Section 202: The Agreement requires the enactment of a "flow control ordinance". This is intended to enlist the enforcement powers of the Town to ensure that all businesses, contractors, and residences comply with the obligations to transmit all of the Town's waste to the CRRA facility. It does not appear that Wethersfield or other towns currently have such and ordinance. CRRA should provide a proposed sample ordinance that it would deem acceptable. 2

- Section 204: CRRA can use its "sole but reasonable discretion" in deciding whether the waste provided to it from the Town is acceptable and complies with the contract requirements. There is an opportunity for a town to object to such a decision, and to ultimately have a hearing before CRRA. Of course, an independent hearing officer process would be preferable. In the case of State agencies, it is common for the agency to decide an administrative appeal of its own decision. However, in that situation, there is usually an opportunity for a further appeal to the courts under the Uniform Administrative Procedures Act. The fact that there is no administrative appeal available in the situation suggests that there should perhaps be a provision for an impartial, third party hearing officer and an administrative appeal process. 3

- Section 207 Term: The initial term is six years from the "commencement date" of 11/16/2012. (p. 3) The Agreement will expire (there is no automatic renewal) unless the town provides written notice of its intent to extend the Agreement 12 months prior to the expiration date (11.20.18). There is one 5 year extension (through 2023) available in the contract. Length of term is a concern. 4

- Section 302 Disposal Fees: The draft does not contain specifics on the pricing. This will be included in the final offer in October. The MSA provides that the Town has the right to terminate the Agreement if the Disposal Fee ultimately exceeds certain dollar amounts. 5

- Section 303 Sharing of Surplus: Tier 1 towns will share in the surplus, if any. Tier II towns will not. This should be equalized. 6

- Section 304 Most Favored Nation: The intent of this provision is that no other Towns will be offered lower rates by CRRA. This section must be reviewed and modified. 7

- Section 401 Notice of Rescission of Tier 1 Benefits: Section 401 sets forth the circumstances whereby CRRA will rescind the tier 1 benefits i.e.,: (1) where the town receives a Flow Control Notice and doesn't remedy it within 60 days or (2) receives two Flow Control Notices during any Contract year. This is not acceptable. 8

- Section 403 Liquidated Damages: Section 403 provides for liquidated damages provides for liquidated damages of $30 x the amount not delivered to CRRA by the Town if it does not meet the minimum amounts required by the Agreement. Also, if a town exceeds the maximum, then it must pay the costs and expenses for disposal of such excess amount (Section 404). However, both of these liquidated damages provisions only apply during a Contract year in which the town receives a rescission notice "or any subsequent contract year". These provisions need further clarification. 9

- Right to Object to Rescission Notice: There is a right to a hearing before a CRRA hearing officer. The hearing officer should be an independent party. 10

- Section 502 contains a late payment charge that seems excessive. 11

- Section 702 Indemnification: The Agreement contains a broad indemnification provision requiring that the Town hold CRRA harmless for all claims "arising out of, related to or with respect to this Agreement". There is no indemnification or willful misconduct or negligence of another party where it is "adjudged" that such conduct caused the loss. The indemnification provisions should be modified so as to be mutual and reciprocal with each party indemnifying the other for its own negligence. 12

- Section 707 Disputes on Billing: In the event of a billing dispute, the Agreement requires that the Town must nevertheless pay the full amount of the bill, provided CRRA written notice as well as a full statement of the grounds for the billing dispute within 30 days of the Due Date. Consideration should be given, in the event of a good faith billing 13

dispute, to the provision that would allow a municipality to pay less than the full amount pending resolution of the dispute. See, e.g. C.G.S. 12-117a which allows payment of less than the full amount due pending resolution of a tax appeal. 13

As stated above, in addition to these comments, we are also submitting the comments made by Mid Atlantic Solid Waste Consultants on the MSA for the Capitol Region Council of Governments. Those comments are attached to this letter.

Thank you for your attention to these matters. I look forward to working with you on clarifying these issues.

Regards

Jeff Bridges
Town Manager

Att.

Cc. Town Council Members

MSWCONSULTANTS

CAPITOL REGION COUNCIL OF GOVERNMENTS HARTFORD, CONNECTICUT

MSA REVIEW

Draft Report

May 7, 2010

MID ATLANTIC SOLID WASTE CONSULTANTS
6225 Sawyer Road, New Market, MD 21774 301/607-6428
842 Spring Island Way, Orlando, FL 32828 407/380-8951
3407 Chestnut Street, Camp Hill, PA 17011 717/731-9708
9 Myers Drive, Fredericksburg, VA 22405 703/942-6307
www.mswconsultants.com

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CRRA MSA REVIEW

1. INTRODUCTION

The Connecticut Resources Recovery Authority (CRRA) owns and operates a network of waste management facilities in the Mid-Connecticut region, consisting of transfer stations, a waste-to-RDF and WTE plant complex, and a Material Recovery Facility (MRF). The CRRA currently holds contracts with the 70 municipalities of the Mid-Connecticut region to provide waste and recycling transfer, processing and disposal services. These contracts are due to expire on or before 2012.

In April 2010, the CRRA provided a draft Management Services Agreement (MSA) for review by the 70 towns. This MSA is intended to summarize the terms and conditions that will govern the extension or renewal of the current contractual arrangements.

The Capitol Region Council of Governments (CRCOG) has been assisting its 29 Metro Hartford member municipalities, as well as all 70 Mid-Connecticut Towns, in devising a long-term strategy for solid waste management. CRCOG has intermittently retained MidAtlantic Solid Waste Consultants (MSW Consultants) to assist with this process. MSW Consultants is a specialized waste management consulting firm that assists municipalities, counties, and authorities to optimize their integrated waste management systems. MSW Consultants has experience in many states in the U.S. benchmarking, reviewing, and developing technical specifications for waste industry requests for proposal (RFPs) and waste industry service contracts.

At the current time, CRCOG has asked MSW Consultants to review the draft MSA from CRRA and provide written feedback about the terms, conditions, and implications of the draft MSA. This effort is intended to help CRCOG and the 70 Mid-Conn towns establish an optimized strategy for negotiating with the CRRA, should such negotiations become necessary as part of the overall implementation of the long-term waste management strategy for some or all towns. It should be noted that MSW Consultants does not employ any attorneys and therefore cannot offer legal opinions. For this reason, it is recommended that CRCOG retain knowledgeable legal counsel to supplement the technical review provided herein.

The remainder of this report contains MSW Consultants' comments on the draft MSA, a copy of which is attached as Appendix A.

2. EXECUTIVE SUMMARY

It is the professional opinion of MSW Consultants that the terms and conditions in the draft MSA diverge significantly from those that would customarily be contained in any competitive procurement driven by a waste generating entity seeking services in an open and competitive market. 1

In our opinion:

1) The draft MSA is needlessly complex and difficult to follow, especially for persons who are not familiar with the waste management industry. 2

2) The MSA perpetuates the problematic disposal and processing arrangement that has failed to adequately and transparently serve the 70 Mid-Conn Towns in the past, due largely to the CRRA acting as if it had a monopoly on providing waste disposal and processing services, rather than acting as if it were but one of multiple competitive service providers. 3

3) It does not adequately reflect the market and operational dynamics of waste transfer and disposal, nor of recyclables processing, that could be expected by a Municipality in a competitive procurement process. 4

4) The areas where the draft MSA diverge from more standard disposal and processing service agreements are consistently written in favor of the CRRA and against the Municipality. 5

MSW Consultants discourages any Municipality from executing the MSA as currently written, and at a minimum it is suggested that major revisions be advanced by any Municipality considering executing this MSA. Preferably, however, each Municipality (or any group of municipalities such as the newly formed Central Connecticut Solid Waste Authority, or CCSWA) should ignore this draft MSA entirely and generate their own agreements from scratch to properly reflect their interests and service needs. 6

MSW Consultants reiterates its prior recommendation for the newly formed CCSWA to independently procure a market-based, long term disposal and processing solution in a manner that meets the needs of the member municipalities, not the needs of the CRRA. The CCSWA should prepare its own technical specifications and draft service agreement(s), and competitively procure transfer, disposal, and recyclables processing services (as well as any other special waste handling services that may be needed). The CRRA could choose to respond (or not) to such a procurement.

The remainder of this review is divided into the following sections:

- **Omissions** – describes the terms and conditions that would be expected in most disposal/processing agreements for the benefit of a municipal generator, but that are absent from the MSA.
- **Detailed Review** – provides section by section commentary on considerations or revisions to the MSA.
- **Comments on Flow Control** – discusses the practical challenges incurred under the flow control framework proposed in the MSA and offers a potential compromise for the current Tier 1 requirement of full flow control.

3. OMISSIONS

The following items represent major omissions to the MSA, and should be addressed in any disposal and/or recyclables processing agreement. Such terms are customarily addressed by the thousands of other municipalities that procure such services nationwide.

Ownership of Waste: Disposal agreements customarily address the transfer of waste ownership. It is recommended that the final MSA specify that the waste ownership transfers from the Municipality to the CRRA at the point where the CRRA takes possession of the waste at a CRRA-owned facility. 7

Coverage of All Waste Types: It is not clear if the MSA covers all waste types that are customarily generated in the municipal waste stream. Although certainly residential and commercial processible and non-processible wastes are included in the MSA, there is no clear mention of an outlet for electronic wastes, household hazardous wastes, scrap tires, large appliances, mattresses, and possibly other wastes that may be generated from time to time. 8

Clear Pricing and Annual Escalation Formula for Transportation/Disposal: Disposal agreements (including transfer and transportation) customarily specify a disposal price on a per-ton basis for the base year of the contract. Furthermore, disposal agreements customarily specify the 9

basis for any annual price escalation. Such escalation is often tied to a published index (such as CPI) that can be readily tracked by both Parties. 9

Clear Pricing and Revenue Share for Recyclables Processing: Recyclables processing agreements customarily delineate the processing charge on a per ton basis. This processing charge should have a clearly defined basis for annual changes (same as disposal pricing). Further, recyclables processing agreements customarily have clearly defined procedures for determining the market value of the recyclables delivered, and specify exactly how revenues will be shared between the processor and the Municipality. 10

Performance Bond: Most municipalities will benefit from reasonably strong financial assurance and/or some form of performance guarantee. Performance bonds are a commonly used strategy for waste disposal and processing contracts. Legal counsel should be consulted to determine whether a performance bond can/should be required of the CRRA. 11

Liquidated Damages in Favor of Municipality: Any Municipality that enters into a long term agreement with a waste disposal and/or recyclables processing provider should reasonably expect their delivered wastes and recyclables to be handled according to contractually specified service levels. Failure of the disposal/processing provider to do so materially impacts the operations and/or costs for the Municipality. Municipalities should consider including liquidated damages to offset the costs of failure to provide contractually specified service levels. 12

No Reciprocal Indemnification: Legal counsel should be consulted to craft appropriate reciprocal indemnification. 13

Clearly Stated Insurance Coverage: Municipalities customarily require a slate of insurance coverage, with details of the specific coverage levels and other requirements included in the contract. It is standard convention for disposal/processing providers to be contractually bound to specific insurance levels. 14

4. DETAILED COMMENTS

MSW Consultants reviewed the MSA in detail. Specific comments are enumerated below to follow the organization of the MSA.

Sec. 104 – The "Procedures" exhibit was missing from the draft MSA. These Procedures are referenced regularly and should be reviewed when available. The MSA cannot be executed without a full review of these Procedures. 15

Sec. 201(a) – The MSA indicates that only Acceptable Solid Waste and Acceptable Recyclables will be accepted under this agreement. The definition of Acceptable Solid Waste includes Nonprocessible Waste, which are generated by all municipalities; however, Nonprocessible Wastes are required to be separated (by the municipality or the hauler) prior to delivery to CRRA. This appears to mean that bulky wastes will be accepted by the CRRA, but this should be explicitly defined. Further, Acceptable Recyclables are defined in the Procedures, which are not provided and so it is not clear what Acceptable Recyclables are. 16 17

Sec. 201(b) – The MSA gives the CRRA authority to dispose of wastes in any Alternate Facility. At a minimum, the definitions of Waste Facility and Alternate Facility should be tightened to require properly permitted facilities that are in compliance with all state and federal regulations. It is recommended that the Municipality require that CRRA provided a list of Alternate Facilities and associated disposal service terms and prices. 18

Sec. 202(d) – This section appears to make the Municipality responsible for paying disposal fees even for wastes collected and delivered by private haulers who are not under contract to the Municipality. Such an arrangement might be feasible if a strong flow control ordinance is in place. In practice, however, imposing a disposal fee on the Municipality for wastes delivered by a private party outside that Municipality's direct control increases the likelihood of inaccurate charges being imposed (see Section 5 of this report for a discussion of flow control). 19

Sec 202(e) – The MSA puts the onus of separating Nonprocessible Wastes on the Municipality and/or their hauler. For public collection providers and contracted collection, this should be achievable. For subscription collection that is flow controlled by ordinance, there may be no mechanism for the Municipality to enforce this requirement. 20

Sec. 202(f) – This clause allows CRRA to change the Designated Facility with no price impact on the Municipality as long as the new Designated Facility is part of the CRRA's Central CT system. This introduces significant potential for unforeseen costs to be imposed on the Municipality. The Municipality should be protected against the cost increase from *any* change to the Designated Facility. Further, the method for calculating the price increase should not be limited to a per-mile charge, as the cost impact may not have a linear relationship to mileage (this is especially important for any Municipality with public collection). 21

Sec. 203(a)(ii) – Should change the second sentence by replacing the word "authority" to "approval" and add "mutually agreed upon" in front of the word "methods." 22

Sec. 204: All verbiage in this section suggests that CRRA may act unilaterally in making any final decision (e.g., whose "hearing officer" is it?). Consider defining the requirements more clearly, or else allow for impartial determination. Also, if this section allows CRRA to hold a Municipality responsible for Solid Waste delivered by private contractor under open subscription, then it is an unreasonable burden on the Municipality. 23

Sec. 205(a) – References the Procedures, but does not provide a copy of the Procedures. The Procedures should be reviewed when available. 24

Sec 206 – Municipalities should demand that CRRA prepare a viable emergency response plan and submit such plan as a condition of the contract. Private sector and other public sector disposal and processing providers are routinely required to have such plans to assure minimal disruption of their operations in case of an emergency or disaster. 25

Article III –This entire article should be replaced with a base year disposal price per ton of waste with annual index-based cost escalation. For recyclables processing, this article should be replaced with an annual processing cost per ton including annual index-based cost escalation; plus a index-based method for calculating and distributing a share of material revenues back to the delivering Municipality. As written now, this article is utterly complex, completely at odds with standard waste industry disposal/processing pricing conventions, and insufficient to enable Municipality to reasonably plan for the cost of waste disposal and recyclables processing. 26

Sec. 302(e) – Without specific maximum dollar amounts, it is not possible to evaluate the reasonableness of this section. Further, given the extensive lead time that would be needed by any Municipality to secure alternate disposal and/or processing capacity, allowing termination as a remedy is relatively meaningless. Essentially, once a Municipality signs this agreement, they are going to be stuck with the charges for the duration of the Base Term. 27

Sec. 303(a) – The 180 day delay for repayment of surplus is excessive. How about 30 days after completion of pertinent financial audits? 28

Article IV – The MSA contains ***severe*** penalties against any Municipality that fails to enforce the CRRA's definition of flow control. Given the difficulty in establishing and enforcing flow control for wastes collected under subscription between a generator and a private hauler, this entire section should give pause to any Municipality that does not provide public or contracted collection, and/or does not offer a convenience center for waste disposal. 29

Sec. 403 – This section defines a narrow range for required, non-penalized waste deliveries. For example, waste volumes during the economic downturn fluctuated by more than 10 percent in many areas of the country. Given the strength of the penalties, either the range needs to be increased or the penalties need to be reduced. 30

Sec. 601 – In addition to the right to inspect the books, Municipalities should specify the reports they want/need to manage their waste stream and require these reports to be provided by the CRRA on a regular schedule. 31

Sec. 602 – Any Municipality that has its own scale should be allowed to reconcile the weight of its shipped wastes against the CRRA received quantities and to jointly investigate and correct discrepancies. 32

Sec. 603 – The MSA should explicitly allow both the Authorized Representative of the Municipality "and/or his/her designee(s)." Alternatively, the definition of Authorized Representative of Municipality could be changed to specify any individual or individuals designated by the Municipality. 33

Sec. 604 – Municipalities should require precisely stated minimum insurance coverage levels (CGL, workers' comp, auto, bodily injury, etc.) which should be stated in the MSA; provision of a certificate indicating such insurance; requirement for notice of change/termination; approval of insurance carrier. It is standard convention for disposal/processing providers to be contractually bound to specific minimum insurance levels. 34

Sec. 702 – The Municipality should require reciprocal indemnification. Further, the Municipality's indemnification of CRRA should be exclude negligence, error, willful breach or bad faith. Legal counsel should be consulted to develop appropriate indemnification language. 35

Sec. 704 – The MSA contains paragraphs of details about when and under what conditions the Municipality will be penalized for a variety of conditions. This one-paragraph section absolves CRRA of any of its liability so long as it "acts promptly to remedy." At a minimum, the degree of penalization should at least be made more equal among the Parties for failure to perform by either Party. However, the entire concept of penalties in favor of CRRA as the service provider should be struck and any penalties should be in place to assure that the service provider performs, not that the waste generator delivers waste. 36

Sec. 705 and 706 – Legal expertise should be sought to determine if it is acceptable to have a contract require municipal taxation. 37

Sec. 707 – Municipality should not be required to pay for disputed portion of invoices (as a compromise, Municipality could agree to pay half of disputed amount – can't get much fairer than that). 38

Sec. 715 – Legal expertise should be sought to determine if a contract can specifically allow non-compliance with a law just because it is being contested. 39

Sec. 716 – Municipalities may want to consider inserting certain terms that would be triggered under certain types of re-organization of CRRA. 40

Definitions: The Definitions intermittently contain actual definitions, or else refer to another paragraph elsewhere in the MSA. This makes them very difficult to read. Include the actual definitions for all terms in the definition section. 41

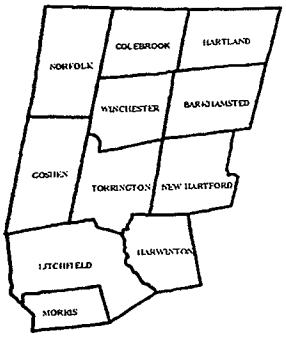
5. COMMENTS ON FLOW CONTROL

One of the central issues implicit in the MSA is that of flow controlling wastes to the CRRA Designated Facilities. Essentially, this implies that each Municipality will pass an ordinance that requires all waste collected within the Municipality border to be delivered to the CRRA Designated Facility. Flow controlling is clearly and accurately perceived by the CRRA as a means to maximize the flow of wastes to their system, which in turn spreads the CRRA fixed costs over a larger number of units and makes their resulting per-ton costs more attractive. Through its Tier 1 and Tier 2 pricing, the MSA does offer to pass on some of the benefits of the improved economies of scale to Municipalities that commit to maximizing their waste deliveries (although, curiously, CRRA also wants to penalize those very same municipalities if they maximize their waste deliveries *too much*). 42 43

While flow controlling is simple conceptually, in practice there are challenges. One such challenge involves private haulers that collect wastes (residential or commercial) on a subscription basis. For the sake of collection efficiency, these haulers may route their trucks across municipal borders, mixing wastes from one or more Municipality. Yet, when a truck containing a mixed load is delivered to the CRRA, it must have some basis for reporting the origin of wastes for the purpose of accounting for waste contributions in a manner consistent with the MSA. While it is conceivable that some private haulers will diligently document the origin of their wastes, in practice it seems likely that accounting for wastes by Municipality of origin will not be accurate. Given the level of penalties in the MSA for failure to meet Annual Quantities or exceeding the Upper Limit, the inherent inaccuracy of this system seems problematic. 44 45

The second challenge to this requirement is that it imposes indirect relationships in the open market. In doing so, inefficiencies (and costs) almost certainly increase. For Municipalities that do not provide public or contracted collection, the MSA will create a need for strong enforcement of the flow control ordinance by the Municipality, given the strength of the proposed penalties for failure to flow control effectively. 46

In a market-based system, the subscription haulers should become the direct customers of the CRRA, not the non-participating Municipality. These private haulers will either (a) attempt to negotiate an economically viable disposal/processing solution with CRRA, (b) accept CRRA's spot price, or (c) find alternative long term disposal/processing options outside of CRRA. Municipalities that are not engaged in the direct provision of collection and/or convenience center services should not be held accountable for the interactions of its constituents who opt to use a private hauler under no direct (i.e., contractual) control of the Municipality. Perhaps one means of revising the terms of Tier 1 pricing is to strike the requirement for full flow control, and instead establish the Tier 1 price for all waste that is currently directly controlled by the Municipality, whether through regulated collection or through operation of a transfer station. 47



LITCHFIELD HILLS COUNCIL OF ELECTED OFFICIALS

42E North Street, Goshen, Connecticut 06756-1546 Tel: 860-491-9884 Fax: 860-491-3729

Donald Stein, 860-379-8285
Barkhamsted First Selectman

Thomas McKeon, 860-379-3359
Colebrook First Selectman

Robert Valentine, 860-491-2308
Goshen First Selectman

Wade Cole, 860-653-6800
Hartland First Selectman

Frank Chiaramonte, 860-485-9051
Harwinton First Selectman

Leo Paul, Jr., 860-567-7550
Litchfield First Selectman

Karen Paradis, 860-567-7430
Morris First Selectman

Daniel Jerram, 860-379-3389
New Hartford First Selectman

Susan Dyer, 860-542-5829
Norfolk First Selectman

Ryan Bingham, 860-489-2228
Mayor of Torrington

A. Candy Perez, 860-379-2713
Mayor of Winchester

PLANNING DIRECTOR
Richard Lynn, 860-491-9884

June 22, 2010

Mr. Thomas D. Kirk, President
Connecticut Resources Recovery Authority
100 Constitution Plaza, 17th Floor
Hartford, CT 06103

Dear Mr. Kirk:

The Litchfield Hills Council of Elected Officials has been discussing the draft "Tier 1 Municipal Solid Waste Management Services Agreement" proposed by CRRA. In cooperation with the Northwestern Connecticut Council of Governments and the Regional Recycling Advisory Committee, we plan to retain consultant assistance to assist us in reviewing and commenting on the draft MSA.

The LHCEO anticipates that it may be a couple of months before the consultant's report is available. In the meantime, the LHCEO wishes to share with you a few initial concerns regarding the document. These include:

1) The MSA should clearly state that the Torrington Transfer Station will continue to be maintained by CRRA and remain available for area towns and haulers to deliver their MSW and recyclables for the term of the Agreement. Local officials believe it is critical that the Torrington Transfer Station be designated by CRRA as the "Designated Waste Facility" and "Designated Recycling Facility" for our area towns in order to reduce potential hauling distances and provide cost-effective service to area residents. The provision in Section 202 (f) regarding CRRA's authority to designate a "new" waste facility or recycling facility for our towns "upon reasonable prior written notice" is of considerable concern. 1 2

2) The MSA should stipulate that the tip fee for MSW and recyclables at the Torrington Transfer Station will remain the same as deliveries to CRRA's Hartford facility. The system-wide tip fee that CRRA has embraced in recent years for the Mid-CT Project should be continued and included in the Tier 1 MSA. 3

3) Clarification is needed in Section 202 (c) as to how, specifically, CRRA intends to determine whether or not a municipality is "vigorously enforcing" their flow control obligations. 4

4) Area towns were previously advised that CRRA would not be requiring a minimum tonnage commitment under the new MSA. Article IV of the draft Agreement, which contains a number of severe penalties including requiring municipalities to pay CRRA liquidated damages for the failure to deliver their "Annual Quantity" of waste, reads very much like a minimum tonnage commitment. Also of concern are the provisions in Section 404 pertaining to potential additional municipal costs for the disposal of "Excess Waste". Why are such minimum and maximum tonnage provisions now considered necessary when we were previously advised there would be no such tonnage commitments? 5

5) A number of LHCEO towns rely upon the regularly scheduled Electronics Collection Days that CRRA has held in the past in our region. Can these be made part of the MSA? 6

6) The "MSA Review" conducted by a consultant for the Capitol Region Council of Governments raises a number of good points and the LHCEO urges CRRA to give the report serious consideration. Of particular interest is the following excerpt from that report pertaining to Article III of the MSA on disposal fees: 7

"This entire article should be replaced with a base year disposal price per ton of waste with annual index-based cost escalation. For recyclables processing, this article should be replaced with an annual processing cost per ton including annual index-based cost escalation; plus a index based method for calculating and distributing a share of material revenues back to the delivering Municipality. As written now, this article is utterly complex, completely at odds with standard waste industry disposal/processing pricing conventions, and insufficient to enable Municipality to reasonably plan for the cost of waste disposal and recyclables processing." 8

Thank you for your consideration of the above comments and concerns. As mentioned previously, the LHCEO plans to provide additional, more detailed comments following the preparation of a consultant's report.

Sincerely,

Richard M. Lynn, Jr., AICP
Planning Director

cc: LHCEO Members
RAC Members
Area Legislators

TABLE 1

COMMENT-TO-SECTION INDEX

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East Hartford - 6	18.1
East Hartford - 7	30.1
East Hartford - 8	29.1
Granby - 1	1.1
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Hebron - 1	1.1
Lyme - 1	10.5
Marlborough - 1	8.1
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Naugatuck - 3	20.1
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Commenter - Comment Number	Section in Which Addressed
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Wethersfield - 9	21.1
Wethersfield - 10	23.1
Wethersfield - 11	24.1
Wethersfield - 12	29.1
Wethersfield - 13	32.1
Wethersfield - 14	1.1
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CRCOG - 7	4.1
CRCOG - 8	5.1
CRCOG - 9	16.1
CRCOG - 10	17.3
CRCOG - 11	6.1
CRCOG - 12	7.1
CRCOG - 13	29.1
CRCOG - 14	28.1
CRCOG - 15	8.1
CRCOG - 16	9.1
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CRCOG - 18	9.2
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CRCOG - 21	10.4
CRCOG - 22	12.1
CRCOG - 23	13.1
CRCOG - 24	8.1
CRCOG - 25	14.2
CRCOG - 26	16.1
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CRCOG - 30	21.1
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CRCOG - 35	29.1
CRCOG - 36	30.1
CRCOG - 37	31.1
CRCOG - 38	32.1
CRCOG - 39	33.1
CRCOG - 40	34.1
CRCOG - 41	35.1
CRCOG - 42	3.1
CRCOG - 43	22.1
CRCOG - 44	3.2
CRCOG - 45	3.3
CRCOG - 46	3.4
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LHCEO - 2	10.4
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LHCEO - 4	11.2
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LHCEO - 6	5.1
LHCEO - 7	1.1
LHCEO - 8	16.1

TABLE 2

SECTION-TO-COMMENT INDEX

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ATTACHMENT B

REVISED
DRAFT
TIER 1
MUNICIPAL SOLID WASTE
MANAGEMENT SERVICES AGREEMENT

DRAFT

TIER 1 MUNICIPAL SOLID WASTE MANAGEMENT SERVICES AGREEMENT

BETWEEN

CONNECTICUT RESOURCES RECOVERY AUTHORITY

AND

THE **[TOWN/CITY]** OF _____

A MUNICIPALITY OF

THE STATE OF CONNECTICUT

FOR THE PROVISION OF ACCEPTABLE SOLID WASTE AND ACCEPTABLE RECYCLABLES SERVICES

PREAMBLE

This Agreement is made and dated as of **[DATE]** (the "Effective Date"), by and between the CONNECTICUT RESOURCES RECOVERY AUTHORITY ("CRRA"), a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut (the "State"), and the **[Town / City]** of _____ in the State, a municipality and political subdivision of the State (the "Municipality"). CRRA and the Municipality are sometimes hereinafter referred to individually as a "Party" and collectively as the "Parties."

W I T N E S S E T H:

WHEREAS, CRRA was established pursuant to the Connecticut Solid Waste Management Services Act (the "Act"), Chapter 446e of the Connecticut General Statutes (the "General Statutes"), as a body politic and corporate, constituting a public instrumentality and political subdivision of the State, for the performance of an essential public and governmental function; and

WHEREAS, under the Act, CRRA has the responsibility and authority to provide Solid Waste disposal and resource recovery systems and facilities, and Solid Waste management services, where necessary and desirable throughout the State; and

WHEREAS, the Municipality has an affirmative obligation under Section 22a-220 of the

General Statutes to make provision for the safe and sanitary disposal of Solid Waste generated within its corporate boundaries; and

WHEREAS, the Municipality is authorized by Sections 22a-275 and 22a-221 of the General Statutes ~~to~~, inter alia: (i) to enter into a contract with CRRA for Solid Waste processing and disposal services; and (ii) to pay reasonable fees and charges for such services; and

WHEREAS, CRRA owns the Facility and the Transfer Stations; and

WHEREAS, the Parties agree that it is in their mutual interest that CRRA process and dispose of all of the Municipality's Acceptable Solid Waste and certain Acceptable Recyclables generated within its corporate boundaries, and the Parties desire to enter into this Agreement to set forth their understandings and agreements in connection therewith; and

WHEREAS, in order to provide the Municipality with options for CRRA's provision of the foregoing services, CRRA created Tier 1 services and Tier 2 services; and

WHEREAS, under the Tier 1 services option~~,~~ the Municipality would be required to enact and enforce flow control, and under the Tier 2 services option the Municipality would be required to deliver a set amount of Acceptable Solid Waste to CRRA; and

WHEREAS, under the Tier 1 services option, CRRA would achieve cost reductions as compared to the Tier 2 services option; and

WHEREAS, these cost reductions allow CRRA to ~~provide~~offer certain economic and other benefits to municipalities selecting the Tier 1 services option; and

WHEREAS, the Municipality, having reviewed the Tier 1 services option and the Tier 2 services option, has elected to receive Tier 1 services from CRRA;

NOW, THEREFORE, in consideration of the undertakings and agreements hereinafter set forth and in reliance upon the preceding representations, the Parties agree as follows:

ARTICLE I
DEFINITIONS

SECTION 101. Incorporation of Recitals. The recitals to this Agreement are incorporated into the body of this Agreement as a part hereof.

SECTION 102. Specific Definitions. Capitalized terms herein have the meanings ascribed to such terms herein or in **Exhibit ~~[x]~~A** hereto and a part hereof.

SECTION 103. General Definitions and Construction. As used in this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Agreement include the plural as well as the singular;

(b) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles;

(c) the words "herein~~"~~," "hereof" and "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision; and

(d) the words "include" and "including" shall be deemed to be followed by the words "without limitation."

SECTION 104. Incorporation of Procedures. The Procedures attached hereto as **Exhibit B** are incorporated herein by reference.

ARTICLE II
RESPONSIBILITIES OF THE PARTIES TO SUPPLY
AND DISPOSE OF ACCEPTABLE SOLID WASTE AND ACCEPTABLE RECYCLABLES;
TERM

SECTION 201. Disposal Services to be Provided by CRRA.

(a) ~~(a)~~ Subject to the terms of this Agreement, on and after November 16, 2012 (the "Commencement Date"), and continuing during the Term, CRRA shall accept for processing and disposal (i) all Acceptable Solid Waste delivered or caused to be delivered by the Municipality to the Designated Waste Facility, and (ii) all Acceptable Recyclables delivered or caused to be delivered by the Municipality to the Designated Recycling Facility.

(b) ~~(b)~~ CRRA ~~may~~ at its sole option may process and dispose of Solid Waste delivered to the Designated Waste Facility and the Designated Recycling Facility at such Waste Facilities, or CRRA may transport any such Solid Waste to an Alternate Facility for processing and disposal. Prior to any such transport, CRRA shall verify that such Alternate Facility is properly permitted. All requirements in this Agreement concerning Solid Waste processed and disposed of at the Designated Facilities, shall apply with equal force to Solid Waste transported to, and processed and disposed of by CRRA at an Alternate Facility. To avoid doubt, Solid Waste transported to, and processed and disposed of at an Alternate Facility pursuant to this Section 201(b), is not Emergency Bypass Waste.

SECTION 202. Municipality to Supply Acceptable Solid Waste and Acceptable Recyclables; Flow Control Obligations.

(a) Beginning on the Commencement Date and continuing during the Term, the Municipality shall deliver or cause to be delivered to the Designated Waste Facility, all Acceptable Solid Waste generated by or within its corporate boundaries.

(b) Beginning on the Commencement Date and continuing during the Term, the Municipality shall deliver or cause to be delivered to the Designated Recycling Facility, all Acceptable Recyclables under its control and collected from residential and municipal generators

(including public schools), within its corporate boundaries. Notwithstanding the preceding sentence, the requirements of the preceding sentence shall not apply to any Acceptable Recyclables which are the subject of a written agreement (including any such agreement for Acceptable Recyclables from public schools) between the Municipality and any Person other than CRRA (individually, an "Other Recycling Agreement"), that is in effect as of July 1, 2010, including any renewal or extension of such Other Recycling Agreement during the term of this Agreement.

(c) ~~(c)~~ The Municipality shall take all necessary steps within its lawful authority, including the enactment on or before the Commencement Date of a flow control ordinance and the enforcement of such ordinance during the Term, to ensure that its obligations under Section 202(a) and Section 202(b) (the "Flow Control Obligations") are satisfied. On or before the Commencement Date, the Municipality shall provide CRRA with a copy of such flow control ordinance, and shall thereafter provide CRRA with any amendments to, or substitutions for such flow control ordinance. CRRA may at its sole option verify the Municipality's enforcement of the Flow Control Obligations. If at any time CRRA determines that the Municipality is not ~~vigorously~~ enforcing the Flow Control Obligations, then CRRA may provide the Municipality with written notice (a "Flow Control Notice") of the same and the provisions of Article IV hereof shall be invoked.

(d) ~~(d) The~~Subject to Section 501 hereof, the Municipality shall pay the Disposal Fees and all other amounts which become due hereunder, ~~strictly~~ in accordance with the terms ~~of this Agreement~~hereof. The Municipality shall be entitled to the economic and other benefits of a Tier 1 Municipality, subject to CRRA's right ~~at any time~~ to invoke the provisions of Section 402 hereof.

~~(e) The Municipality shall separate (and shall require each Waste Hauler to separate) all Nonprocessible Waste from other Acceptable Solid Waste, prior to delivery.~~

~~(f) The Municipality's Designated Waste Facility and Designated Recycling Facility as of the Effective Date are listed on **Exhibit [x]** hereto and a part hereof. Upon reasonable prior written notice, CRRA may select a new Designated Waste Facility or Designated Recycling Facility (or both), and the Municipality shall thereafter deliver or cause to be delivered to such new Designated Waste Facility or Designated Recycling Facility (or both), all Acceptable Solid Waste or Acceptable Recyclables (or both). For any new Designated Facility selected by CRRA that is a component of the Central Connecticut System, CRRA shall not be required to reimburse or otherwise credit the Municipality for any additional delivery costs incurred by the Municipality in delivering Acceptable Solid Waste or Acceptable Recyclables to such new Designated Facility. Alternatively, for any new Designated Facility selected by CRRA that is not a component of the Central Connecticut System, CRRA shall credit or reimburse the Municipality for any additional delivery costs incurred by the Municipality in delivering Acceptable Solid Waste or Acceptable Recyclables to such new Designated Facility (not to exceed the actual costs thereof), as demonstrated by the Municipality and verified by CRRA in a commercially reasonable manner. For the determination of the additional delivery costs described in the preceding sentence, the mileage between the new Designated Facility and the nearest Waste Facility that is part of the Central Connecticut System shall be used.~~

SECTION 203. Requirements Regarding Acceptable Solid Waste and Acceptable Recyclables.

(a) The Municipality agrees that the Acceptable Solid Waste and Acceptable Recyclables delivered by it or on its behalf to the Designated Facilities:

(i) ~~must be Acceptable Solid Waste and Acceptable Recyclables, respectively,~~shall be generated within the Municipality's corporate boundaries, provided that nothing herein shall preclude the Municipality from arranging with any other Participating Municipality or Participating Municipalities, either through Municipal Collection or Contract Collection as defined in Sections 22a-207(16) and (17) of the General Statutes, for the combined delivery of Acceptable Solid Waste and Acceptable Recyclables generated within such Participating Municipalities, so long as CRRA has received reasonable prior written notice of such arrangement, which written notice shall set forth in form and substance reasonably satisfactory to CRRA, the method of allocating such combined Acceptable Solid Waste and Acceptable Recyclables among such Participating Municipalities, and CRRA has approved such arrangement in writing; and

(ii) ~~must~~shall otherwise comply with the requirements of this Agreement, the Procedures and all applicable law. To the extent that technical or scientific analyses or determinations are involved, CRRA shall have final authority as to the methods, standards, criteria, evaluation, interpretation and significance of such analyses and determinations.

(b) ~~(b)~~ The Municipality will permit no new deliveries, and will discontinue~~,~~ or cause to be discontinued current deliveries of Solid Waste that do not comply with the provisions of this Section 203. ~~If notwithstanding~~Notwithstanding the foregoing, if any Solid Waste that does not comply with the provisions of this Section 203 is delivered by or on behalf of the Municipality to any Waste Facility, the same shall be deemed not accepted by CRRA and if discovered at such Waste Facility, may be transported to and disposed of by CRRA at a suitable location within or outside the State selected by CRRA. The Municipality shall be required to pay all costs incurred by CRRA, including fines or penalties, in connection with the transportation, handling or disposal of such nonconforming Solid Waste, except to the extent that CRRA identifies and obtains prompt reimbursement from the generator (or other Person delivering such nonconforming Solid Waste on behalf of such generator), who delivered such nonconforming Solid Waste.

(c) The Municipality shall separate (and shall direct each Waste Hauler that the Municipality has the ability to so direct, to separate) all Nonprocessible Waste from other Acceptable Solid Waste, prior to delivery.

SECTION 204. Compliance with Requirements. CRRA shall determine in its sole but reasonable discretion whether the Solid Waste delivered by or on behalf of the Municipality complies with all requirements of this Agreement. Notice of and a copy of such determination shall be provided to the Municipality, and shall be deemed to have been made in accordance with this Section 204 and to be correct at the expiration of sixty (60) days after such notice, unless within such sixty (60) day period the Municipality shall have filed with CRRA a written

objection ~~thereto~~, stating that such determination is incorrect and stating the changes therein which should be made ~~in order~~ to correct such determination. CRRA shall accept or reject the Municipality's objection in whole or in part within forty -five (45) days of ~~its~~CRRA's receipt of such objection. Notice and a copy of CRRA's decision with respect to ~~any~~ such objection will be provided to the Municipality within three (3) days of the date of decision. Where CRRA has rejected all or any part of the Municipality's objection, then CRRA, acting by its designated hearing officer, shall so notify the Municipality ~~of that fact~~ and shall thereafter conduct a hearing on the matter. ~~Said~~Such hearing shall take place within forty -five (45) days following the date ~~upon~~on which notice of CRRA's decision has been mailed to the Municipality. The Municipality shall be accorded a full and meaningful opportunity to participate in the hearing and to present such evidence and testimony as may be material ~~to the proceeding~~. Following such hearing, the hearing officer shall draft a memorandum of decision which shall include findings of fact and a statement of conclusion. The memorandum of decision shall be provided to the Municipality within three (3) days of the date of such decision. The memorandum of decision shall be considered a final adjudication of the issues unless, within thirty (30) days from the date of such memorandum of decision, a Party commences an action in the Superior Court of the State.

SECTION 205. Requirements Regarding Deliveries; Title to Acceptable Solid Waste and Acceptable Recyclables.

(a) All deliveries of Acceptable Solid Waste and Acceptable Recyclables by or on behalf of the Municipality shall conform to the requirements of this Agreement and the Procedures, and shall be delivered in vehicles conforming to the requirements of this Agreement and the Procedures.

(b) The Municipality shall take no action that would result in a misidentification as to the source of Solid Waste delivered to any Waste Facility.

(c) ~~(c)~~ The Municipality shall make or cause to be made regular deliveries of Acceptable Solid Waste and Acceptable Recyclables to the Designated Facilities, during the regular operating hours thereof. ~~The Municipality shall cause, and shall require Waste Haulers to cause each vehicle delivering Acceptable Solid Waste or Acceptable Recyclables on behalf of the Municipality to display a numbered decal or other appropriate identification referencing a permit issued by CRRA, authorizing the delivery on behalf of the Municipality of Acceptable Solid Waste or Acceptable Recyclables.~~

(d) Title to Acceptable Solid Waste and Acceptable Recyclables delivered by or on behalf of the Municipality to CRRA, shall pass to CRRA at the time that CRRA accepts such Acceptable Solid Waste and Acceptable Recyclables, upon CRRA's determination that such Acceptable Solid Waste and Acceptable Recyclables meet all requirements of this Agreement and the Procedures.

SECTION 206. Designated Facilities; CRRA Selection of new Designated Facility or Designated Facilities. The Municipality's Designated Waste Facility and Designated Recycling Facility as of the Effective Date (collectively, the "Original Designated Facilities") are listed on **Exhibit C** hereto and a part hereof. Subject to this Section 206, from time to time after

reasonable prior written notice to the Municipality, CRRA may select a new Designated Facility or Designated Facilities, and the Municipality shall thereafter deliver or cause to be delivered to such new Designated Facility or Designated Facilities, all Acceptable Solid Waste or Acceptable Recyclables (or both) hereunder. Prior to any such selection, CRRA shall verify that any such new Designated Facility or Designated Facilities is/are properly permitted. CRRA shall credit or reimburse the Municipality for any additional delivery costs incurred by the Municipality for the delivery of Acceptable Solid Waste or Acceptable Recyclables to such new Designated Facility or Designated Facilities (not to exceed the actual costs thereof), as compared to the Municipality's delivery costs to the Original Designated Facilities, as demonstrated by the Municipality and agreed to by CRRA, both in a commercially reasonable manner. To avoid doubt, Solid Waste transported to, and processed and disposed of at a new Designated Facility or Designated Facilities pursuant to this Section 206, is not Emergency Bypass Waste.

CRRA shall continue operating the Torrington Transfer Station during the Term, and shall not during the Term select a new Designated Facility in substitution for the Torrington Transfer Station. Notwithstanding the preceding sentence, the provisions of such sentence shall be void and without further force and effect if the Torrington Transfer Station does not process during each Contract Year at least **[#]** Tons of Acceptable Solid Waste.

SECTION ~~206.~~ 207. Emergency Bypass Waste; Force Majeure. Subject to this Section ~~206,~~207, to the extent CRRA determines that it may be unable to accept ~~Acceptable Solid Waste from~~ the Municipality~~ at the Designated Waste Facility~~'s Solid Waste at either Designated Facility or at both Designated Facilities, CRRA may redirect Spot Waste, Contract Waste and other ~~Acceptable~~ Solid Waste not covered by this Agreement or any other Municipal Solid Waste Management Services Agreement, which in each case it has the right to divert without penalty or incurring any cost, to an Alternate Facility. After such redirection(s), if CRRA is still unable to accept ~~Acceptable Solid Waste from~~ the Municipality~~ at the Designated~~'s Solid Waste at either Designated Facility or at both Designated Facilities, then CRRA may redirect such ~~Acceptable~~ Solid Waste ("Emergency Bypass Waste") to an Alternative Facility or Alternative Facilities selected by CRRA, and if such inability to accept is caused by a Force Majeure Event, consented to by the Municipality, which consent shall not be unreasonably withheld or delayed~~, in any case, at a price mutually acceptable to CRRA and the Municipality~~. Prior to any such redirection of Emergency Bypass Waste, CRRA shall verify that such Alternate Facility is properly permitted. The Municipality may in its discretion and with prior written notice to CRRA, elect alternate arrangements ("Alternate Arrangements"), for the disposal of the Municipality's ~~Acceptable~~ Solid Waste necessitated by, and for the duration of any Force Majeure Event. Any additional costs incurred by CRRA in connection with its redirection of ~~the Municipality's Acceptable Solid~~Emergency Bypass Waste not caused by a Force Majeure Event shall be paid by CRRA~~, and the Municipality shall pay the Disposal Fees for all Emergency Bypass Waste so diverted, with no adjustments for any such additional costs~~. For all Emergency Bypass Waste which is redirected by CRRA as the result of a Force Majeure Event and with respect to which the Municipality has not elected Alternate Arrangements, the Municipality shall pay CRRA the Disposal Fees, plus the incremental costs, if any, incurred by CRRA in connection with the transportation and disposal of such Emergency Bypass Waste, as demonstrated by CRRA ~~to the~~in a commercially reasonable ~~satisfaction of the Municipality~~manner. CRRA shall use commercially reasonable efforts to overcome promptly any inability to accept the Municipality's

~~Acceptable~~ Solid Waste at ~~the~~either Designated ~~Waste~~ Facility.

SECTION ~~207~~208 . Effective Date; Duration of Contract; Extension. This Agreement shall be effective as of the Effective Date; however, the obligations of the Parties shall begin on the Commencement Date and shall continue for six (6) Contract Years. This Agreement shall expire, unless otherwise extended in accordance with the terms and provisions hereof, at 11:59 p.m., on June 30, 2018 (the "Base Term"). The Municipality shall have the option to extend this Agreement beyond the Base Term for an additional five (5) Contract Years under the same terms and conditions hereof, so long as: (i) the Municipality shall provide CRRA with written notice of its intent to so extend this Agreement at least twelve (12) months prior to the expiration of the Base Term (the "Extension Notice"); (ii) CRRA has not invoked the provisions of Section 402 as of the date of the Extension Notice or at any time prior to the expiration of the Base Term; (iii) the Municipality is not in breach of its obligations hereunder as of the date of the Extension Notice or at any time prior to the expiration of the Base Term; and (iv) the Municipality shall have executed and delivered to CRRA any such agreements and documents as CRRA may reasonably require incidental to the extension. If the Municipality validly meets the extension criteria, the Term of this Agreement shall be extended effective as of the time of expiration of the Base Term and shall continue until 11:59 p.m., on June 30, 2023 (the "Extension Term").

ARTICLE III
ANNUAL BUDGET; DISPOSAL FEES; MOST FAVORED NATION; SURPLUS SHARING

SECTION 301. Budget. CRRA shall adopt a budget (the "Budget") for each Contract Year. Each Budget shall include CRRA's estimates of the following for the subject Contract Year: the Cost of Operation and the Net Cost of Operation, the Aggregate Municipal Tons, Revenues, deposits and withdrawals (if any) to and from Reserves, and the Service Payments. In determining the Budget, CRRA shall assume for the subject Contract Year: (i) that the Municipality will deliver or cause to be delivered to the Designated Waste Facility a specific quantity of Acceptable Solid Waste; (ii) that the Participating Municipalities will collectively deliver or cause to be delivered the estimated Aggregate Municipal Tons (the "Budget Aggregate Municipal Tons"); (iii) that Persons obligated to deliver Contract Waste will deliver the full amount of the said Contract Waste; and (iv) a specific quantity of delivered Spot Waste to the ~~Central~~ Mid-Connecticut System.

SECTION 302. Disposal Fees; Municipality Right to Terminate if Tier 1 Disposal ~~Fees Exceed~~Fee Exceeds an Amount Certain.

(a) As part of its determination of the Budget, CRRA shall ~~establish~~calculate a disposal fee (the "Tier 1 Disposal Fee") to be charged with respect to each Ton of Acceptable Solid Waste delivered by or on behalf of the Municipality and each other Tier 1 Municipality during the subject Contract Year. ~~In addition and as part of the Budget process, CRRA shall establish a~~CRRA has previously determined the separate disposal fee (the "Tier 2 Disposal Fee") to be charged with respect to each Ton of Acceptable Solid Waste delivered by or on behalf of each Tier 2 Municipality. The Tier 1 Disposal Fee and the Tier 2 Disposal Fee are sometimes hereinafter referred to individually or collectively as determined by the context, as the "Disposal

Fees." CRRA shall set the Tier 1 Disposal ~~Fees such that: (1)~~Fee such that the Tier 1 Disposal Fee shall be at least five percent (5%) lower than the Tier 2 Disposal Fee. In addition, CRRA shall set the Tier 1 Disposal Fee such that the product of the Tier 1 Disposal Fee and the portion of the Budget Aggregate Municipal Tons to be delivered by or on behalf of all Tier 1 Municipalities~~; plus (2) the product of the Tier 2 Disposal Fee and the portion of the Budget Aggregate Municipal Tons to be delivered by or on behalf of all Tier 2 Municipalities;~~ shall produce funds estimated as sufficient to pay the estimated Net Cost of Operation for the subject Contract Year. The ~~sum of the amounts~~amount calculated pursuant to the preceding ~~subsection (1) and subsection (2) collectively constitute~~sentence constitutes the estimated Service Payments.

(b) In addition to the Tier 1 Disposal ~~Fees~~Fee and as part of the Budget process, CRRA may set different tip fees (or surcharges to the Disposal Fees) for particular categories of Solid Waste; provided, however, that CRRA shall not charge, and the Municipality shall not pay (i) any tip fee or other disposal fee to the Municipality for the delivery of the Municipality's Acceptable Recyclables to the Designated Recycling Facility, or (ii) any surcharge or other charge at any Transfer Station that is in addition to the otherwise applicable Tier 1 Disposal Fee.

(c) On or before February 29, 2012, CRRA shall adopt the Budget for the first Contract Year and provide a copy thereof, together with the level of the Tier 1 Disposal Fee for the first Contract Year, to the Authorized Representative of the Municipality. On or before the 31st of January preceding each Contract Year after the first Contract Year, CRRA shall adopt the Budget and provide a copy thereof, together with the level of the Tier 1 Disposal Fee (or, if CRRA has invoked the provisions of Section 402 hereof, the Tier 2 Disposal Fee) for such Contract Year, to the Authorized Representative of the Municipality.

(d) Based on the Budget, the Municipality shall make all budgetary and other provisions or appropriations necessary to provide for and to authorize the timely payment by the Municipality of the Tier 1 Disposal Fees or the Tier 2 Disposal Fees, as applicable, as the same become due and payable.

(e) ~~(e)~~ If the Tier 1 Disposal Fee set by CRRA pursuant to Section 302(a) exceeds the amount listed below for the relevant Contract Year (exclusive of any amounts that CRRA may set pursuant to Section 302(b)), then the Municipality may terminate this Agreement within thirty (30) days after the date that the Municipality receives written notice of such Tier 1 Disposal Fee pursuant to Section 302(c). In order to exercise the foregoing right of termination, the Municipality must send written notice to CRRA, by certified return receipt mail ~~to CRRA~~, within thirty (30) days after the Municipality's receipt of the notice required pursuant to Section 302(c). If the Municipality exercises its foregoing right of termination, the effective date of ~~said~~such termination shall be June 30th of the Contract Year in which the written notice of termination to CRRA is given by the Municipality, except that such termination with respect to the Tier 1 Disposal Fee for the first Contract Year, shall be effective as of the date of CRRA's receipt of such notice from the Municipality. If CRRA does not receive the foregoing notice of termination from the Municipality within the thirty (30) day period as specified above, the Municipality shall forfeit its right to terminate this Agreement for the ~~upcoming~~pertinent Contract Year.

Contract Year 1: [DOLLAR AMOUNT]*

Contract Year 2: [DOLLAR AMOUNT]*
Contract Year 3: [DOLLAR AMOUNT]*
Contract Year 4: [DOLLAR AMOUNT]*
Contract Year 5: [DOLLAR AMOUNT]*
Contract Year 6: [DOLLAR AMOUNT]*

* To be inserted by CRRA into the final Agreement, which should be available by October 1, 2010; will be at least 5% less than the Tier 2 Disposal Fee~~.~~

SECTION 303. Sharing of Surplus by Tier 1 Participating Municipalities.

(a) ~~(a)~~ Subject to the provisions of Article IV hereof, each eligible Tier 1 Municipality shall receive ~~at the conclusion of~~for any Contract Year its Municipal Share of any distribution by CRRA to Tier 1 Municipalities~~,~~ of revenues or other monies ("Surplus Funds"), adjudged by CRRA in its sole discretion to be surplus ~~("Surplus Funds"),~~ for such Contract Year, in the manner contemplated by Section 22a-262(a)(2) of the General Statutes, as the same may be amended, ~~substituted~~supplemented or superseded from time to time. For purposes of the calculation of each eligible Tier 1 Municipality's Municipal Share, the total ~~of the~~ Municipal Tons of all eligible Tier 1 Municipalities for the subject Contract Year shall be used. Any amounts adjudged by CRRA to be Surplus Funds shall be paid within ~~one hundred eighty (180) days after the end of the subject Contract Year or the expiration of this Agreement, as applicable. To eliminate~~thirty (30) after the CRRA Board of Directors' certification of the appropriate financial audit and its declaration of such Surplus Funds. To avoid doubt, no Tier 2 Municipality or ineligible Tier 1 Municipality (as determined in accordance with subsection (b) below) shall be eligible to receive any Surplus Funds.

(b) ~~(b)~~ For purposes of this Section 303, an "eligible" Tier 1 Municipality is a Tier 1 Municipality that is in compliance in all respects with its obligations hereunder (including its payment obligations and the Flow Control Obligations), ~~at~~as of the end of the subject Contract Year.

(c) ~~(c)~~ The provisions of this Section 303 shall neither obligate CRRA at any time to declare any CRRA funds to be Surplus Funds, nor establish any claim, interest, right or other entitlement of the Municipality or any other Tier 1 Municipality to any CRRA funds, on the basis that such funds are Surplus Funds.

SECTION 304. Most Favored Nation.

(a) Except as otherwise provided herein, and provided that no event of default exists or Rescission Notice has been issued, the Municipality shall pay for any period with respect to Acceptable Solid Waste delivered hereunder, the lower of the Tier 1 Disposal Fee or the CRRA tip fee (the "Other Tip Fee") charged under any other contract (an "Other Contract") that CRRA executes after the Commencement Date for the delivery of Acceptable Solid Waste to the Designated Waste Facility (other than a contract for Spot Waste) with: (i) a Connecticut municipality other than a Participating Municipality; or (ii) a Waste Hauler; in each case for such period.

(b) The number of Tons of the Municipality's Acceptable Solid Waste subject to the Other Tip Fee shall equal the number of Tons guaranteed to be delivered to CRRA under the subject Other Contract (the "Other Quantity"). For all Tons of the Municipality's Acceptable Solid Waste above the Other Quantity, the Tier 1 Disposal Fee shall apply.

(~~b) If CRRA executes an Other Contract after~~c) After the Commencement Date, ~~then~~ CRRA shall, within ~~10~~**[#]** Days after the execution of ~~the~~any Other Contract, provide notice of such execution to the Municipality. Beginning on the first Day of the Month first following CRRA's provision of such notice to the Municipality and continuing for so long as the Municipality is eligible to receive the Other Tip Fee, CRRA shall charge and the Municipality shall pay the Other Tip Fee for its Acceptable Solid Waste, ~~provided the Municipality complies with the terms of the Other Contract with regard to Other Tip Fee and delivery and tonnage commitments~~subject to Section 304(b).

(~~e~~d) The Municipality's eligibility for the Other Tip Fee shall cease as of the first Day of the Month following CRRA's provision of written notice to the Municipality of such cessation for any of the following reasons: (i) CRRA's issuance of a Rescission Notice to the Municipality; (ii) the Municipality has exceeded the Other Quantity; (iii) the CRRA counterparty to the subject Other Contract defaults under such ~~other~~Other Contract; ~~or~~ (~~iii~~iv) the ~~Waste~~ Municipality's Designated Waste Facility changes such that the requirements of Section 304(a) are no longer satisfied; or (v) the expiration or earlier termination of the subject Other Contract.

SECTION 305 Recycling Rebates.

Provided that no event of default exists hereunder, after **[DATE]**, for any period for which the revenues received by CRRA from the sale of the Municipality's Acceptable Recyclables exceed CRRA 's processing and administrative costs with respect to such Acceptable Recyclables, as determined by CRRA in a commercially reasonable manner, CRRA shall provide a rebate (a "Recycling Rebate") to the Municipality, for each Ton of Acceptable Recyclables delivered by or on behalf of the Municipality during such period. Recycling Rebates shall be provided retroactively annually for each applicable CRRA fiscal year (or portion thereof), as a separate rebate check issued by CRRA within **[#]** days after the conclusion of such fiscal year.

ARTICLE IV
RESCISSION OF CERTAIN TIER 1 ECONOMIC BENEFITS FOLLOWING THE FAILURE TO ENACT OR ENFORCE FLOW CONTROL.

SECTION 401. Failure to Enforce Flow Control Obligations. If at any time during the Term the Municipality ~~either (1)~~ receives a Flow Control Notice and fails to take appropriate steps to remedy the conditions prompting such Flow Control Notice within sixty (60) days of its receipt of the same, ~~or (2) receives during any Contract Year at least two Flow Control Notices, regardless of whether the Municipality remedies the conditions prompting such Flow Control Notices; then, in either event,~~then CRRA may ~~immediately~~ invoke the provisions of Section 402.

Such appropriate steps shall include verbal direction from the Municipality to the appropriate Person or Persons to remedy such conditions (with follow-up documentation to CRRA as to such verbal direction), written direction from the Municipality to the appropriate Person or Persons to remedy such conditions (with a copy to CRRA), and the suspension or revocation of any Hauler's permit or other authority to operate within the Municipality (with notification to CRRA as to such suspension or revocation).

SECTION 402. Rescission of Certain Benefits Following the Failure to Enforce Flow Control Obligations. Upon the ~~earlier to occur of an event~~Municipality's failure to take appropriate steps to remedy the conditions prompting a Flow Control Notice, as described in ~~either clause (1) or (2) of~~ Section 401, CRRA may by written notice (a "Rescission Notice") to the Municipality at any time ~~during the Contract Year in which such event occurs~~thereafter and subject to Section 406, rescind certain of the Municipality's Tier 1 benefits as follows:

(a) ~~(a)~~ Beginning as of the first day of the Month first following the Municipality's receipt of a Rescission Notice and continuing during the remainder of the ~~current Contract Year and for each Contract Year thereafter (prorated for any partial Contract Year)~~term of this Agreement, the Municipality shall ~~be required to~~ deliver or cause to be delivered to the Designated Waste Facility~~, at least the Annual Quantity, and~~ for each delivery period (a "Delivery Period") contained in **Exhibit D** hereto and a part herof, at least the scheduled deliveries (the "Scheduled Deliveries") contained in **Exhibit D** for such Delivery Period. The Municipality shall pay the Tier 2 Disposal Fee for each Ton of Acceptable Solid Waste so delivered ~~in satisfaction of the Annual Quantity,~~ as invoiced by CRRA~~;~~. The Scheduled Deliveries shall be prorated for any partial Delivery Period.

(b) ~~(b)~~ The Municipality shall be ineligible to receive any Surplus Funds at any time after its receipt of a Rescission Notice ~~except as provided in Section 303(b)~~;

(c) The Municipality shall be ineligible for the Most Favored Nation provisions contained in Section 304; and

(d) If this Agreement has not already been extended, the Municipality shall lose the option to extend this Agreement contained in Section 207.

SECTION 403. ~~Liquidated Damages for Failure to Deliver the Annual Quantity. The Annual Quantity imposed under~~Delivery Payment. The Scheduled Deliveries pursuant to Section 402(a) shall be subject to a range whose lower limit is the ~~Annual Quantity~~Scheduled Deliveries and whose upper limit (the "~~Upper Limit~~Delivery Cap") is ten (10) percent above the ~~Annual Quantity. If during the Contract Year in which~~Scheduled Deliveries. Beginning as of the first day of the Month first following the Municipality ~~receives~~'s receipt of a Rescission Notice ~~or any subsequent Contract Year~~, if the Municipality ~~fails to~~does not deliver or cause to be delivered during any Delivery Period, at least the ~~Annual Quantity~~Scheduled Deliveries to the Designated Waste Facility (prorated for any partial ~~Contract Year~~Delivery Period), then the Municipality shall pay to CRRA ~~as liquidated damages for the failure to so deliver the Annual Quantity, the product of (i~~(i) for any Delivery Period 1 and/or Delivery Period 4, the product of (a) fifteen dollars ($15.00) times (b) the Scheduled Deliveries, minus the portion (in Tons) of the Scheduled

Deliveries that the Municipality delivered to the Designated Waste Facility during such Delivery Period(s), and (ii) for any Delivery Period 2 and/or Delivery Period 3, the product of (a) thirty dollars ($30.00) times (~~ii~~b) the ~~Annual Quantity~~Scheduled Deliveries, minus the portion (in Tons) of the ~~Annual Quantity~~Scheduled Deliveries that the Municipality delivered to the Designated Waste Facility during such ~~Contract Year (the "Annual Quantity Damages~~Delivery Period(s), (in the case of both (i) and (ii), the "Delivery Payment"), as determined by CRRA in a commercially reasonable manner. ~~The Municipality agrees that the Annual Quantity Damages: (i) are liquidated damages and not a penalty; (ii) are a reasonable approximation of CRRA's actual damages in the event of the Municipality's failure to deliver the Annual Quantity; and (iii) have been agreed to by the Parties to avoid the time and expense of litigation to recover CRRA's actual damages in the event of the Municipality's failure to so deliver the Annual Quantity.~~For purposes of the preceding sentence, the Delivery Period constituting the first Contract Year shall be deemed a Delivery Period 3. CRRA reserves the right to implement monthly Delivery Periods, Scheduled Deliveries and Delivery Caps, for Delivery Periods beginning on or after July 1, 2014.

SECTION 404. Municipality Responsible for Additional Delivery Costs. If during ~~the Contract Year in which~~any Delivery Period after the Municipality receives a Rescission Notice ~~or any subsequent Contract Year~~, the Municipality exceeds the ~~Upper Limit~~Delivery Cap (prorated for any partial ~~Contract Year~~Delivery Period), then CRRA may process and dispose of such excess Acceptable Solid Waste ("Excess Waste") at a Waste Facility selected by CRRA, and the Municipality shall pay all of CRRA's incremental costs and expenses to dispose of such Excess Waste ("Excess Waste Costs").

SECTION 405. Calculation and Billing of ~~Annual Quantity Damages and~~Delivery Payment or Excess Waste Costs. Any ~~Annual Quantity Damages~~Delivery Payment or Excess Waste Costs shall be calculated by CRRA after the conclusion of the ~~subject~~ Contract Year containing such Delivery Period(s), and shall be billed and paid pursuant to Section 501, or, if applicable, Section 503.

SECTION 406. Municipal Right to Object to Rescission Notice. The Rescission Notice shall be binding on the Municipality at the expiration of sixty (60) days after the date of such Rescission Notice, unless within such sixty (60) day period the Municipality shall have filed with CRRA a written objection thereto, containing the Municipality's reasons why CRRA's determination that the relevant events in Section 401 have occurred, is incorrect. CRRA shall accept or reject the Municipality's objection in whole or in part within forty five (45) days. Notice and a copy of CRRA's decision with respect to any such objection shall be provided to the Municipality within three (3) days of the date of decision. Where CRRA has rejected all or any part of the Municipality's objection, ~~then~~the President of CRRA~~, acting by its designated hearing officer,~~ shall notify the Municipality of that fact and shall ~~thereafter~~promptly designate a review panel (the "Review Panel") consisting of one representative from CRRA (who shall act as chairperson of the Review Panel), one representative who shall be the Municipality's Town Manager or Director of Public Works, and one representative who shall be the Town Manager or Director of Public Works from any uninvolved Tier 1 Municipality. The Review Panel shall conduct a hearing on the matter~~. Said hearing shall take place~~ within forty five (45) days following the date upon which notice of CRRA's decision has been mailed to the Municipality.

The Municipality shall be accorded a full and meaningful opportunity to participate in the hearing and to present such evidence and testimony as may be material to the proceeding. ~~Following said hearing, the hearing officer~~Within ten (10) days following such hearing, the Review Panel shall decide by majority vote whether to overturn the Rescission Notice. The chairperson shall draft a memorandum of decision which shall include findings of fact and a statement of conclusion. The memorandum of decision shall be provided to the Municipality within three (3) days of the date of such decision. The memorandum of decision shall be considered a final adjudication of the issues unless, within thirty (30) days from the date of such memorandum of decision, a Party commences an action in the Superior Court of the State. ~~If the Municipality files a written objection to the Rescission Notice, the Municipality shall pay the applicable Tier 2 Disposal Fees and be subject to all other provisions of Section 402 during the pendency of the process set forth in this Section 406. If the Municipality prevails in the process set forth in this Section 406; CRRA shall pay or credit to the Municipality any amounts the Municipality paid to CRRA that it would not have paid to CRRA had CRRA not issued the Rescission Notice.~~

SECTION 407. Municipal Consent to Rescission of Tier 1 Benefits for Failure to Enforce Flow Control. The Municipality agrees that its failure to perform the Flow Control Obligations would result in increased costs to CRRA, and that the rescission of its Tier 1 Benefits pursuant to Section 402 following any such failure, is for the purpose of CRRA's recovery of its increased costs as the result of such failure and is not a penalty.

ARTICLE V
INVOICING; SUMS DUE ON EXPIRATION

SECTION 501. Invoicing. On or before the fifteenth (15th) Business Day following the end of each Billing Period, CRRA shall provide the Municipality with an invoice setting forth the Disposal Fees (net of amounts billed to Waste Haulers) and any other charges or fees due and payable for such Billing Period, together with any other amounts (including any ~~Annual Quantity Damages~~Delivery Payment(s) or Excess Waste Costs) then due. Each invoice shall set forth the actual Tons of Acceptable Solid Waste delivered by or on behalf of the Municipality and accepted by CRRA during such Billing Period, multiplied by the applicable Disposal Fee. On or before the twentieth (20th) day following the date of such invoice (the "Due Date"), the Municipality shall pay CRRA or its designee the full amount of such invoice. CRRA shall notify the Municipality in writing as to the identity of any such designee. If the Due Date is a Sunday, a holiday or any other day which is not a Business Day, the next following Business Day shall be the Due Date. Amounts billed to Waste Haulers on behalf of the Municipality and any additional relevant information shall be contained in a monthly statement provided to the Municipality with the aforesaid invoice. The Municipality agrees that: (i) the monthly invoices issued pursuant to this Section 501 may not require the current payment of all amounts for which the Municipality is then liable under this Agreement, and (ii) the Municipality shall remain liable for payment of such amounts notwithstanding the deferral of the time at which the payment of such amounts is required. Without limitation of the preceding sentence, the Municipality shall not be responsible to CRRA for the payment of Disposal Fees billed by CRRA to Waste Haulers. All Disposal Fees and other amounts for which the Municipality is liable hereunder shall be current expenses of the Municipality.

SECTION 502. Failure to Pay Invoice. If payment in full of any invoice rendered by CRRA is not made on or before the Due Date, a delayed-payment charge of the greater of ten percent (10%) per annum or fifty dollars ($50.00) shall be assessed on all past due amounts, which delayed-payment charge shall become immediately due and payable to CRRA as liquidated damages for failure to make prompt payment, and shall be reflected in the invoice for the following Month. In addition to, and not in limitation of the foregoing, if payment in full of any invoice rendered by CRRA is not made on or before the Due Date~~,~~ and such ~~failure~~non-payment continues uncured for a period of thirty (30) days after written notice of such non-payment from CRRA to the Municipality, then CRRA may in its sole and absolute discretion, cease accepting Acceptable Solid Waste and Acceptable Recyclables from the Municipality until all outstanding invoices, delayed payment charges and any other payments which have became due are paid in full. No such cessation by CRRA shall relieve the Municipality from any of its obligations hereunder, including the obligation (if applicable) to deliver the ~~Annual Quantity~~Scheduled Deliveries pursuant to Section 402(a) or pay the ~~Annual Quantity damages~~Delivery Payments, and to pay all other sums becoming due and owing hereunder.

SECTION 503. Sums Due upon Expiration of this Agreement. Subject to the terms of this Agreement, including Section 501 and Section 502, any amounts due to CRRA from the Municipality upon the expiration or earlier termination of this Agreement (including any amounts due pursuant to Section 405) shall be paid by the Municipality on or before sixty (60) days after the date on which any invoice containing such amount is presented to the Municipality. Such amounts may include the Municipality's Municipal Share of all costs (including any costs of borrowing) incurred by CRRA as a result of the payment by the Municipality of less than the full amounts owed pursuant to this Agreement. The Parties agree that this Section 503 is intended to permit CRRA to fulfill the purpose contained in Section 22a-262(a)(2) of the General Statutes, as the same may be amended, supplemented or superseded from time to time, to provide solid waste management services, and to produce from its provision of such services, revenues sufficient to provide for the support of CRRA and its operations on a self-sustaining basis. The provisions of this Section 503 shall survive the expiration or earlier termination of this Agreement.

ARTICLE VI
COVENANTS BY AUTHORITY AND PLEDGE OF STATE

SECTION 601. Records and Accounts. CRRA shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of the transactions relating to this Agreement, including records of the quantity and characteristics of Acceptable Solid Waste and Acceptable Recyclables delivered by or on behalf of the Municipality and accepted by CRRA. Such books shall be available for inspection by the Authorized Representative of the Municipality, upon reasonable prior written notice to CRRA.

SECTION 602. ~~Scale and Tests~~Scales. CRRA shall provide and use scales~~, or other reasonable devices or methods,~~ for determining the quantity ~~and characteristics of all~~of Acceptable Solid Waste and Acceptable Recyclables delivered to and processed at ~~the Designated Facilities or~~ any ~~other~~ Waste Facility, by ~~the Municipality~~or on behalf of the Municipality. In the event of a dispute as to the accuracy of such scales, the Municipality shall provide written notice of the same to CRRA. Within fifteen (15) days of its receipt of such

notice, CRRA have its scales tested for accuracy. If such test reveals that CRRA's scales are in compliance with the tolerances permitted by the State of Connecticut Department of Consumer Protection, then the Municipality shall pay CRRA's reasonable expenses for such tests and the Municipality shall withdraw its dispute. Alternatively, if such test reveals that CRRA's scales are not in compliance with the aforementioned tolerances (whether such non-compliance has resulted in underweights or overweights), then CRRA shall have its scales recalibrated, and CRRA shall pay its expenses for such tests and recalibration.

SECTION 603. Right of Inspection. Upon reasonable prior notice to CRRA, CRRA shall permit the Authorized Representative of the Municipality, or his or her designee, to enter the Designated Facilities during usual business hours and to inspect the same, for the purpose of monitoring CRRA's performance under this Agreement. The Municipality shall notify CRRA in writing as to the identity of any such designee.

SECTION 604. Insurance. CRRA shall at all times maintain or cause to be maintained with responsible insurers, all such insurance as is customarily maintained with respect to facilities of like character to the Waste Facilities and as may be reasonably required and obtainable within limits and at costs deemed reasonable by CRRA, against loss or damages, use and occupancy, and public and other liability, to the extent reasonably necessary to protect the interest of CRRA and of the Participating Municipalities.

SECTION 605. Certain Provisions Executory. The provisions of this Agreement requiring expenditure of monies by CRRA shall be deemed executory to the extent that CRRA shall have monies legally available for such purposes, and no monetary liability on account thereof shall be incurred by CRRA beyond monies legally available for such expenditures. CRRA shall not be in default of this Agreement if the operation of the Designated Facilities shall be delayed or interrupted by a Force Majeure Event.

SECTION 606. Pledge of State. In accordance with the Act CRRA hereby includes the following pledge and undertaking for the State:

> The State of Connecticut does hereby ~~pledges~~pledge to and ~~agrees~~agree with the Municipality and with any assignee of any right of CRRA under this Contract that the State will not limit or alter the rights hereby vested in CRRA until this Contract is fully performed on the part of CRRA provided nothing contained ~~in this Section~~herein shall preclude such limitation or alteration if and when adequate provision shall be made by law for the protection of the Municipality and any such assignee. (Section 22a-274 of the ~~Act~~General Statutes.)

ARTICLE VII
ADDITIONAL AGREEMENTS

SECTION 701. Obligation of Municipality to Make Payments. The Municipality agrees that its obligation to pay the Disposal Fees, any ~~Annual Quantity Damages~~Delivery Payment(s) or Excess Waste Costs, and all other amounts which shall become due hereunder~~,~~ (including any delayed-payment charges), and the costs and expenses of CRRA and its

representatives incurred in the collection of any overdue payments from the Municipality, whether to CRRA or to the trustee of any Bonds: (i) shall, absent manifest error, be absolute and unconditional; (ii) shall not be subject to any abatement, reduction, setoff, counter-claim, recoupment, defense (other than payment itself) or other right which the Municipality may have against CRRA, any trustee or any other ~~person~~Person for any reason whatsoever; (iii) shall not be affected by any defect in title, compliance with the plans and specifications, condition, design, fitness for use of, or any damage to or loss or destruction of any Waste Facility; and (iv) so long as CRRA continues to render its services of accepting Acceptable Solid Waste and Acceptable Recyclables delivered by or on behalf of the Municipality to the extent required by the terms of this Agreement, shall not be affected by any interruption or cessation in the possession, use or operation of any Waste Facility by CRRA or any operator thereof for any reason whatsoever. All payment obligations of the Municipality shall survive the expiration or earlier termination of this Agreement.

SECTION 702. Indemnification.

(a) Subject to the terms and conditions ~~of this Agreement~~hereof, the Municipality ~~agrees that it will~~shall protect, indemnify and hold harmless CRRA and its officers, directors, members, employees and agents (~~the "~~individually, a "CRRA Indemnified ~~Parties~~Party") from and against all liabilities, damages, claims, demands, judgments, losses, costs, expenses, suits or actions (including reasonable counsel and consultant fees and expenses, court costs and other litigation expenses), suffered or incurred, directly or indirectly arising out of, related to or with respect to this Agreement, and will defend the CRRA Indemnified Parties in any suit, including appeals, for (a) personal injury to, or death of any ~~person~~individual or ~~persons~~individuals, or loss or damage to property arising out of the Municipality's performance (or non-performance) of ~~the Municipality's~~its obligations hereunder, (b) the Municipality's breach of any obligation herein contained~~ in this Agreement~~, or (c) any misrepresentation or breach of warranty by the Municipality hereunder. The Municipality shall not, however, be required to reimburse or indemnify any CRRA Indemnified Party for loss or claim due to the willful misconduct or negligence of ~~any~~such CRRA Indemnified Party, and the CRRA Indemnified Party whose willful misconduct or negligence is adjudged to have caused such loss or claim will reimburse the Municipality for the costs of defending any suit as required above. ~~An~~A CRRA Indemnified Party shall promptly notify the Municipality of the assertion of any claim against it for which it is entitled to be indemnified hereunder, shall give the Municipality the opportunity to defend such claim, and shall not settle such claim without the approval of the Municipality. These indemnification provisions are for the protection of the CRRA Indemnified Parties only and shall not establish, of themselves, any liability to third parties.

(b) Subject to the terms and conditions hereof and to the extent permitted by law, CRRA shall protect, indemnify and hold harmless the Municipality and its officers, directors, members, employees and agents (individually, a "Municipal Indemnified Party") from and against all liabilities, damages, claims, demands, judgments, losses, costs, expenses, suits or actions (including reasonable counsel and consultant fees and expenses, court costs and other litigation expenses), suffered or incurred, directly or indirectly arising out of, related to or with respect to this Agreement, and will defend the Municipal Indemnified Parties in any suit, including appeals, for (a) personal injury to, or death of any individual or individuals, or loss or damage to property arising out of CRRA's performance (or non-performance) of its obligations

hereunder, (b) CRRA's breach of any obligation herein contained, or (c) any misrepresentation or breach of warranty by CRRA hereunder. CRRA shall not, however, be required to reimburse or indemnify any Municipal Indemnified Party for loss or claim due to the willful misconduct or negligence of such Municipal Indemnified Party, and the Municipal Indemnified Party whose willful misconduct or negligence is adjudged to have caused such loss or claim will reimburse CRRA for the costs of defending any suit as required above. A Municipal Indemnified Party shall promptly notify CRRA of the assertion of any claim against it for which it is entitled to be indemnified hereunder, shall give CRRA the opportunity to defend such claim, and shall not settle such claim without the approval of CRRA. These indemnification provisions are for the protection of the Municipal Indemnified Parties only and shall not establish, of themselves, any liability to third parties.

SECTION 703. Default by the Municipality and Remedies of CRRA. The Municipality shall be in default hereunder if: (1) payment in full of any invoice rendered by CRRA is not made on or before the Due Date, and such failure continues uncured for a period of thirty (30) days after written notice from CRRA to the Municipality; or (2) the Municipality shall have materially failed to comply with any of its other obligations hereunder. CRRA shall have all the remedies prescribed by law and this Agreement for the enforcement of collection of any payments to be made by the Municipality ~~under this Agreement~~hereunder, including the right to refuse Acceptable Solid Waste and Acceptable Recyclables from or on behalf of the Municipality; provided, however, that CRRA's sole remedy for the Municipality's failure to perform the Flow Control Obligations, shall be the rescission of the Tier 1 benefits described in Section 402. Notwithstanding the initiation or continuance of any remedy hereunder by CRRA, the Municipality shall remain obligated to make the payments required hereunder. In addition, the Municipality specifically acknowledges that CRRA is entitled to sue the Municipality for injunctive relief, mandamus, specific performance, or to exercise such other legal or equitable remedies not herein excluded, to enforce the Municipality's obligations hereunder.

SECTION 704. Default by CRRA and Remedies of the Municipality. Failure on the part of CRRA in any instance or under any circumstances to observe or fully perform any obligation assured by or imposed upon it by this Agreement or by law shall not make CRRA liable in damages to the Municipality so long as CRRA acts promptly to remedy the failure to observe or fully perform any such obligation after such failure has been brought to its attention in writing or, so long as Acceptable Solid Waste and Acceptable Recyclables delivered by or on behalf of the Municipality shall be processed and disposed of pursuant to the terms of this Agreement, relieve the Municipality of its obligations to make the payments, or to fully perform any of its other obligations hereunder. CRRA specifically acknowledges that the Municipality is entitled to sue CRRA for injunctive relief, mandamus or specific performance, or to exercise such other legal or equitable remedies not herein excluded, to enforce CRRA's obligations hereunder.

SECTION 705. Levy of Taxes and Cost Sharing or Other Assessment. To the extent that the Municipality shall not make provisions or appropriations necessary to provide for and authorize the payment by the Municipality to CRRA of the payments required hereunder, the Municipality shall levy and collect such general or special taxes, or cost sharing or other assessments, as may be necessary to make any such payment in full when due hereunder.

SECTION 706. Enforcement of Collections. The Municipality will diligently

enforce or levy and collect all taxes, cost sharing or other assessments or fees, rentals or other charges for the collection of Acceptable Solid Waste and Acceptable Recyclables, and will take all lawful actions, including the commencement and prosecution of any appropriate proceeding, for the enforcement and collection of such taxes, cost sharing or other assessments or fees, rentals or other charges lawfully levied which shall become delinquent.

The Parties agree that the provisions of Section 705 and this Section 706 hereof, satisfy the "full faith and credit" requirement for membership on the CRRA Board of Directors contained in Section 22a-261(c) of the General Statutes, as the same may be amended, supplemented or superseded from time to time.

SECTION 707. Disputes on Billing. In the event of any dispute as to any portion of any invoice presented to the Municipality hereunder, the Municipality shall nevertheless pay the full amount of such disputed charge(s) by the Due Date, and shall provide within thirty (30) days after the Due Date, ~~a~~ written notice of ~~the~~such dispute to CRRA. Such notice shall identify the disputed invoice, state the amount in dispute and set forth a full statement of the grounds on which such dispute is based. No adjustment shall be considered or made for disputed charges until the aforesaid notice is provided. The dispute shall be resolved in accordance with the provisions for dispute resolution set forth in Section 717. In the event that the Municipality prevails in such dispute, CRRA shall within thirty (30) days of the final adjudication of such dispute, refund to the Municipality all disputed payments to which the Municipality is entitled, plus interest at the rate prescribed pursuant to Section 2-27a of the General Statutes.

SECTION 708. Further Assurances. At any and all times CRRA and the Municipality (so far as it may be authorized by law) shall pass, make, do, execute, acknowledge, and deliver any and every such further resolution or ordinance, acts, deeds, conveyances, assignments, transfers, and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning, and confirming all and singular the rights, Disposal Fees, any ~~Annual Quantity Damages~~Delivery Payment(s) or Excess Waste ~~Charges~~Costs, and other funds pledged or assigned, or intended so to be, or which CRRA or Municipality, as the case may be, may heretofore or hereafter become bound to pledge or to assign, or as may be reasonable and required to carry out the purposes of any such resolution or ordinance ~~and~~, or to comply with this Agreement or the Act.

SECTION 709. Amendments. This Agreement may be amended from time to time by a writing duly authorized and executed by the ~~parties hereto~~Parties.

SECTION 710. Severability. If any provision of this Agreement shall for any reason be determined to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions ~~of this Agreement~~hereof, and this Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

SECTION 711. Execution of Documents. This Agreement ~~shall~~may be executed in ~~two (2) or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but~~any number of original or facsimile counterparts and as separate

counterparts, all of which when so executed and delivered will together constitute one and the same instrument. ~~The Parties agree that they will execute any and all deeds, documents or other instruments, and take such other actions as are necessary to give effect to the terms of this Agreement.~~ If the Parties elect to execute this Agreement by facsimile or other electronic means, the same shall have the same force and effect as if this Agreement had been manually executed by the Parties in one complete document, and the Parties shall exchange wet-signature original signature pages within a reasonable time after such execution.

SECTION 712. Waiver; Amendment. Unless otherwise specifically provided by the terms of this Agreement, no delay or failure to exercise a right resulting from any breach of this Agreement will impair such right or shall be construed to be a waiver thereof, but such right may be exercised from time to time and as often as may be deemed expedient. Any waiver or amendment hereof must be in writing and signed by the Party against whom such waiver or amendment is to be enforced. If any covenant or agreement contained in this Agreement is breached by any Party and thereafter waived by any other Party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach of this Agreement. Making payments pursuant to this Agreement during the existence of a dispute shall not constitute a waiver of any claims or defenses of the Party making such payment.

SECTION 713. Entirety. This Agreement merges and supersedes all prior negotiations, representations, and agreements between the ~~parties hereto~~Parties relating to the subject matter hereof, and constitutes the entire agreement between the ~~parties hereto in respect thereof~~Parties.

SECTION 714. Notices, Documents and Consents. All notices or other communications required to be given or authorized to be given by ~~any~~either Party ~~pursuant to this Agreement~~hereunder shall be in writing and shall be served personally, or sent by certified or registered mail, or recognized overnight carrier to the Municipality at: **[MUNICIPALITY ADDRESS];** and to CRRA at: 100 Constitution Plaza, Sixth Floor, Hartford, Connecticut 06103 (Attention: President). All notices sent by certified or registered mail, or recognized overnight carrier shall be effective when received.

SECTION 715. Conformity with Laws. The Parties agree to abide by and to conform to all applicable laws of the United States of America, the State or any political subdivision thereof having any jurisdiction over the premises. However, nothing in this Section 715 shall require either Party ~~hereto~~ to comply with any law, the validity or applicability of which shall be contested in good faith and, if necessary or desirable, by appropriate legal proceedings.

SECTION 716. ~~Nonassignability~~Assignment. Except as specifically set forth herein, neither Party ~~to this Agreement~~ may assign any interest herein to any ~~person~~Person without the consent of the other Party ~~hereto~~, and any ~~assignee~~assignment hereof, in whole or in part, and the terms of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of each ~~party hereto~~Party. Nothing herein contained, however~~,~~: (i) shall ~~be construed (i) as preventing~~prevent the reorganization of ~~any~~either Party ~~hereto~~ nor ~~as preventing~~prevent any other body corporate and politic succeeding to the rights, privileges, powers, immunities, liabilities, disabilities, functions and duties of a Party ~~hereto~~, as

may be authorized by law, in the absence of any prejudicial impairment of any obligation of contract hereby imposed; or (ii) ~~as precluding~~shall preclude the assignment by CRRA for the benefit of any holders of its Bonds, of its rights and obligations hereunder, of any or all of the monies to be received hereunder or of the proceeds of its Bonds. The Municipality specifically agrees to the assignment thereof to the trustee of any such Bonds, of the specific CRRA rights permitted hereunder.

SECTION 717. Dispute Resolution. All disputes, differences, controversies or claims pertaining to or arising out of or relating to this Agreement or the breach hereof, which the Parties are unable to resolve themselves, shall be resolved by a court of competent jurisdiction in Connecticut, unless the Parties agree to do so by arbitration or mediation. Any arbitration or mediation proceedings shall be held in Hartford, Connecticut.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first hereinabove set forth.

WITNESS

_____

_____

(Seal)

MUNICIPALITY

_____
Chief Executive Officer

_____
Keeper of the Seal

WITNESS

_____

_____

(Seal)

CONNECTICUT RESOURCES RECOVERY AUTHORITY

_____
PRESIDENT

[SIGNATURE PAGE TO TIER 1 MUNICIPAL SOLID WASTE MANAGEMENT SERVICES AGREEMENT]

EXHIBIT ~~[x]~~A

DEFINITIONS

As used in this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the terms listed in this section shall have the following meanings:

"Acceptable Recyclables" has the meaning set forth in the Procedures.

"Acceptable Solid Waste" means Solid Waste generated by and collected from residential, commercial, institutional, industrial and other establishments located within the corporate limits of the Municipality and deemed acceptable by CRRA in accordance with all applicable federal, state and local laws, and the Procedures, for processing by and disposal by CRRA hereunder. Acceptable Solid Waste shall include the following: (i) scrap wood not exceeding six (6) feet in length or width or four (4) inches in thickness; (ii) single trees and large tree limbs not exceeding six (6) feet in length or four (4) inches in diameter and with branches cut to within six (6) inches of the trunk or limb, as the case may be; (iii) metal pipes, tracks and banding or cable and wire not exceeding three (3) feet in length and one and one-half (1 & 1/2) inches in diameter; (iv) cleaned and emptied cans or drums not exceeding five (5) gallons in capacity and with covers removed; (v) automobile tires without rims exclusively from the residential Solid Waste stream and in limited quantities, if any, to be determined by CRRA on a day-to-day basis; (vi) paper butts or rolls, plastic or leather strappings or similar materials not exceeding three (3) feet in length or three (3) inches in thickness and cut in half lengthwise; (vii) Nonprocessible Waste; and (viii) any other Solid Waste deemed acceptable by CRRA in its sole discretion; provided, however, that Acceptable Solid Waste shall not include Acceptable Recyclables or other materials required to be recycled in accordance with Section 22a-241(b) of the General Statutes.

"Act" has the meaning set forth in the Recitals.

"Aggregate Municipal Tons" means for any relevant period, the total of the Municipal Tons delivered to CRRA, by or on behalf of all of the Participating Municipalities.

"Agreement" means this Tier 1 Municipal Solid Waste Management Services Agreement.

"Alternate Arrangements" has the meaning set forth in Section 206.

"Alternate Facility" means any Waste Facility other than the Designated Waste Facility or the Designated Recycling Facility, as determined by the context.

~~"Annual Quantity" means the quantity (in Tons) of Acceptable Solid Waste listed in **Exhibit [x]** hereto.~~

~~"Annual Quantity Damages" has the meaning set forth in Section 403.~~ "Authorized Representative of the Municipality" means (i) any officer, employee, elected official or other ~~person~~Person eligible under, and properly authorized by applicable law to act on behalf of the

Municipality for purposes of this Agreement; or (ii) the chief executive officer of the Municipality.

"Base Term" has the meaning set forth in Section 207.

"Billing Period" means a Month and shall end on the last Day of each Month.

"Bond" (or "Bonds") means: (i) any bond or bonds, notes or other evidence of indebtedness issued by CRRA to pay for any portion of the Cost of Operation; or (ii) bonds, notes or other evidence of indebtedness issued by CRRA in substitution for, in lieu of, or to refund, retire or pay any such bond or bonds, notes or other evidences of indebtedness.

"Budget" has the meaning set forth in Section 301.

"Budget Aggregate Municipal Tons" has the meaning set forth in Section 301.

"Bulky Waste" means construction, demolition or land clearing debris.

"Business Day" means a day when CRRA's headquarters is open for business.

~~"Central Connecticut System" means, collectively, the Facility, the Transfer Stations and the Recycling Facility.~~

"Commencement Date" has the meaning set forth in Section 201(a).

"Contaminated Soil" means soil derived from fuel tank excavation, sludge residue, steel casting sands, metal washdown residue, rust/scale materials, foundry residue, grinding sludge and any other material deemed by CRRA in its sole discretion to be Contaminated Soil.

"Contract Waste" means Acceptable Solid Waste delivered to any Waste Facility by Persons other than Participating Municipalities and Waste Haulers, and that is delivered under a contract with CRRA having a term which includes all or a portion of the relevant Contract Year.

"Contract Year" means each twelve-Month period during the Term commencing on July 1 of each year and ending on June 30th of the following year, except that the first Contract Year of the Base Term shall begin on the Commencement Date and end on the following June 30th. For example, the first Contract Year shall begin on the Commencement Date and shall end on June 30, 2013; the second Contract Year shall begin on July 1, 2013, and shall end on June 30, 2014, and so forth.

"Cost of Operation" means, for any relevant period, the greater of: (i) the sum of all CRRA costs and expenses resulting from or necessitated by the ownership, operation and maintenance of, and renewals and replacements to the ~~Central~~ Mid-Connecticut System; or (ii) the rendering of services by CRRA to the Municipality and the other Participating Municipalities pursuant to this Agreement and the other Municipal Solid Waste Management Services Agreements; in either event including without duplication the following items of cost or expense:

(a) expenses of operation and maintenance of the ~~Central~~ Mid-Connecticut System, including insurance, disposal expense for Residue, Recycling Residue and Emergency Bypass Waste, renewals, replacements, repairs, extensions, enlargements, alterations or improvements;

(b) any amounts to be paid or accrued to pay the principal and sinking fund installments of, the interest and any redemption premiums on, and all other costs of any Bonds, and any other costs and expenses incurred in connection with Bonds;

(c) the amounts of any CRRA deficits (including costs of collection) resulting from the failure to receive, when and as due: (i) sums payable to CRRA by any Participating Municipality or by any other Person with respect to services provided by CRRA pursuant to this Agreement or to any other Municipal Solid Waste Management Services Agreement; or (ii) sums payable to CRRA by any Person with respect to services provided by CRRA;

(d) amounts necessary to fund and maintain such Reserves or sinking funds to provide for expenses of operation and maintenance, or for any purpose deemed necessary or desirable by CRRA, including any purpose enumerated in Sections 22a-262(a) and (b) of the General Statutes;

(e) all costs of environmental mitigation, clean-up and disposal of Unacceptable Waste delivered by or on behalf of the Participating Municipalities, which costs CRRA has been unable, after reasonable efforts, to collect from the generator (or Person delivering such Unacceptable Waste on behalf of such generator), or from the Participating Municipality in which such Unacceptable Waste was generated;

(f) the PILOT;

(g) all costs of accepting, delivering, storing and disposing of Solid Waste, and the marketing of Recovered Products (including ordinary operation and maintenance costs);

(h) all costs and any special disposal fees incurred by CRRA with respect to types or categories of delivered Solid Waste which CRRA determines require special handling, which fees shall reasonably reflect the costs of such special handling;

(i) all direct transportation, processing and disposal costs incurred by CRRA with respect to Acceptable Solid Waste which is processed or otherwise disposed of at an Alternate Facility;

(j) all CRRA costs and expenses for the administration of this Agreement and the analogous agreements with the other Participating Municipalities;

(k) ~~(k)~~ all costs of the mothballing, decommissioning, retirement, dismantling, monitoring and disposition of any Waste Facility, and any other actions of CRRA necessary under applicable law in order to discontinue permanently the operation of such Waste Facility;

(l) ~~(l)~~ the insurance required pursuant to Section 604;

(m) all amounts payable to any owner or operator of a Waste Facility for the processing or disposal of the Participating Municipalities' Acceptable Solid Waste or Acceptable Recyclables; and

(n) any Shortfall from a previous Contract Year.

"CRRA" has the meaning set forth in the Preamble.

"CRRA Indemnified Party" has the meaning set forth in Section 702(a).

"Day" (or "day") means a calendar day.

"Delivery Cap" has the meaning set forth in Section 403.

"Delivery Payment" has the meaning set forth in Section 403.

"Delivery Period" has the meaning set forth in Section 402(a).

"Designated Facilities" means, collectively, the Designated Recycling Facility and the Designated Waste Facility.

"Designated Facility" means, individually, the Designated Recycling Facility or the Designated Waste Facility.

"Designated Recycling Facility" means the location designated by CRRA from time to time to which the Municipality will deliver or cause to be delivered during the Term, all Acceptable Recyclables under the Municipality's control and generated by or within the Municipality, including any Recycling Transfer Station.

"Designated Waste Facility" means the Facility or any other Resources Recovery Facility, or any Transfer Station, designated by CRRA from time to time, to which the Municipality will deliver or cause to be delivered during the Term, all Acceptable Solid Waste generated by or within the Municipality.

"Disposal Fees" has the meaning set forth in Section 302(a).

"Due Date" has the meaning set forth in Section 501.

"Effective Date" has the meaning set forth in the Preamble.

"Emergency Bypass Waste" has the meaning set forth in Section 206.

"Excess Waste" has the meaning set forth in Section 404.

"Excess Waste Costs" has the meaning set forth in Section 404.

"Extension Notice" has the meaning set forth in Section ~~207.~~208.

"Extension Term" has the meaning set forth in Section ~~207.~~208.

"Facility" means CRRA's refuse-derived fuel Resources Recovery Facility located at the South Meadows in Hartford, Connecticut and any improvements to such Resources Recovery Facility, including the scales and scale house, receiving and storage buildings, conveyors and feeders, boiler house, combustion chambers and furnaces, feed water system, ash handling equipment, air pollution control equipment, flues and stack(s), yard utilities, electrical generating facilities, low voltage electrical distribution facilities, instrumentation and controls, driveways, parking areas and drainage structures; excluding, however, any buildings or other improvements to the Facility Site ~~unrelated to the foregoing and added after the date hereof,~~ other than the aforementioned improvements.

"Facility Site" means the South Meadows real property owned by CRRA upon which the Facility is located.

"Flow Control Notice" has the meaning set forth in Section 202(c).

"Flow Control Obligations" has the meaning set forth in Section 202(c).

"Force Majeure Event" means an Act of God, landslide, lightning, hurricane, tornado, very high wind, blizzard, ice storm, drought, flood, fire, explosion, strike, labor dispute, lockout or like ~~trouble~~action among personnel which delays or impairs operation of any Waste Facility, any act of neglect of the Municipality or its agents or employees, or by regulation or restriction imposed by any governmental or other lawful authority, or any other event or circumstance beyond the control of CRRA and its agents or contractors, which prevents CRRA from performing its obligations under this Agreement, which event or circumstance was not anticipated as of the Effective Date and is not within the reasonable control of, and without fault or negligence of CRRA. Notwithstanding the preceding sentence, a strike labor dispute, lockout or like action among personnel shall not be a Force Majeure Event if such action is due to: (a) CRRA's breach of a labor agreement with any collective bargaining representative of its employees engaged in such action; or (b) CRRA's lack of good faith or maintenance of an unreasonable economic position in negotiating with any collective bargaining representative of the employees engaged in such action.

"General Statutes" has the meaning set forth in the Recitals.

"Hazardous Waste" includes any material or substance which is, by reason of its composition or its characteristics or its delivery to any Waste Facility is (a) defined as hazardous waste in the Solid Waste Disposal Act, 42 U.S.C. § 6901 et seq., and any regulations, rules or policies promulgated thereunder, (b) defined as hazardous waste in Section 22a-115 of the General Statutes, (c) defined as special nuclear material or by-product material in Section 11 of the Atomic Energy Act of 1954, 42 U.S.C. § 2014, and any regulations, rules or policies promulgated thereunder, or (d) regulated under Section 6(e) of the Toxic Substances Control Act, 15 U.S.C. § 2605(e), and any regulations, rules or policies promulgated thereunder, as any of the

statutes referred to in clauses (a) through (d) above may be amended; provided, however, that Hazardous Waste shall not include such insignificant quantities of any of the wastes covered by clauses (a), (b) and (d) as are customarily found in normal household, commercial and industrial waste to the extent such insignificant quantities are permitted by law to be treated and disposed of at the Facility, any Alternate Facility or a Landfill, as applicable. "Hazardous Waste" shall also include such other waste as deemed by CRRA in its sole discretion to be "Hazardous Waste."

"~~Indemnified Parties" has the meaning set forth in Section 702.~~

"Landfill" means any proper Waste Facility for the disposal of Residue, Recycling Residue, Emergency Bypass Waste or Nonprocessible Waste.

"Mid-Connecticut System" means, collectively, the Facility, the Transfer Stations located in the municipalities of **[LIST MUNICIPALITIES]** and the Recycling Facility.

"Month" means a calendar month.

"Municipal Indemnified Party" has the meaning in Section 702(b).

"Municipal Share" of any amount means, for any relevant period and unless otherwise expressly provided herein, the same proportion of such amount as the Municipal Tons of the relevant ~~Participating~~Tier 1 Municipality bears to the total of the Municipal Tons of the relevant group of ~~Participating~~Tier 1 Municipalities.

"Municipal Solid Waste Management Services Agreement" means any contract between CRRA and a Participating Municipality for the disposal of the Participating Municipality's Acceptable Solid Waste.

"Municipal Tons" means, for any relevant period, the amount in Tons of Acceptable Solid Waste delivered by or on behalf of a Participating Municipality.

"Municipality" has the meaning set forth in the Preamble.

"Net Cost of Operation" means for any relevant period, the Cost of Operation, less Revenues and less such other receipts (other than Service Payments).

"Nonprocessible Waste" means Acceptable Solid Waste that cannot be processed at the Designated Waste Facility without the use of supplemental processing equipment (e.g., a shredder), provided that the individual items of such Acceptable Solid Waste are 2,000 pounds or less in weight and physically of such size as to fit without compaction into an area having dimensions of three (3) feet by five (5) feet by five (5) feet, including the following: (i) household furniture, chairs, tables, sofas, mattresses, appliances, carpets, sleeper sofas and rugs; (ii) individual items such as White Metals and blocks of metal that would in CRRA's sole discretion and determination cause damage to a Waste Facility if processed and incinerated, or processed or incinerated, therein; (iii) Scrap/Light Weight Metals; (iv) bathroom fixtures such as toilets, bathtubs and sinks; (v) purged and emptied propane, butane and acetylene tanks, with valves removed, exclusively from the residential Solid Waste stream and in limited quantities, if

any, to be determined by CRRA on a day-to-day basis; (vi) Christmas ~~trees~~Trees; (vii) automobile tires with/without rims; and (viii) any other Acceptable Solid Waste deemed by CRRA in its sole discretion to be Nonprocessible Waste.

"Non-System Recycling Facility" means the land and appurtenances thereon and structures where recycling, as defined in Section 22a-207(7) of the General Statutes, is conducted, including an Intermediate Processing Facility, as defined in Section 22a-260(25) of the General Statutes, and a Solid Waste Facility, as defined in Section 22a-207(4) of the General Statutes, which provides for recycling in its plan of operations, but excluding the Recycling Facility and the Recycling Transfer Stations.

"Original Designated Facilities" has the meaning set forth in Section 206.

"Other Contract" has the meaning set forth in Section 304(a).

"Other Quantity" has the meaning set forth in Section 304(b).

"Other Recycling Agreement" has the meaning set forth in Section 202(b).

"Other Tip Fee" has the meaning set forth in Section 304(a).

"Participating Municipality" means, individually, any town, city, borough or other political subdivision of and within the State having lawful jurisdiction over Solid Waste management within its corporate limits and which has executed a Municipal Solid Waste Management Services Agreement with CRRA.

"Party" (or "Parties") has the meaning set forth in the Preamble.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, trust or unincorporated organization, or any governmental agency or other governmental authority.

"PILOT" means that dollar amount in lieu of taxes and all other like sums payable by CRRA with respect to each Contract Year.

"Procedures" means CRRA's *Mid-Connecticut Project Permitting, Disposal and Billing Procedures* attached hereto as **Exhibit ~~I~~B**, as the same may be amended, supplemented or superseded from time to time.

"Recovered Products" means the useful materials or substances (including energy) derived from the processing of Acceptable Solid Waste and Acceptable Recyclables.

"Recycling Facility" means CRRA's regional recycling center located at 211 Murphy Road, Hartford, Connecticut.

"Recycling Residue" means Solid Waste remaining after the Recycling Facility or any

Non-System Recycling Facility has processed Acceptable Recyclables.

"Recycling Transfer Station" means any of the facilities, including all roads appurtenant thereto, owned and operated, or owned or operated, by CRRA for receiving Acceptable Recyclables from any Participating Municipality for transport to the Recycling Facility or to any Non-System Recycling Facility for processing.

"Rescission Notice" has the meaning set forth in Section 402(a).

"Reserves" means funds collected by CRRA to provide for certain estimated future expenses of the ~~Central~~ Mid-Connecticut System.

"Residue" means ash residue or other material remaining after the processing and combustion of Acceptable Solid Waste.

"Resources Recovery Facility" has the meaning set forth in Section 22a-260(11) of the General Statutes.

"Revenues" means proceeds received by CRRA from the sale or other disposition of Recovered Products from the ~~Central~~ Mid-Connecticut System, and ~~Central~~ Mid-Connecticut System service fee receipts from other than: (i) ~~Participating~~Tier 1 Municipalities; and (ii) Waste Haulers (with respect to Acceptable Solid Waste delivered ~~by Waste Haulers~~ for the account of one or more ~~Participating~~Tier 1 Municipalities). Revenues includes receipts from Tier 2 Municipalities, and Waste Haulers delivering Acceptable Solid Waste on behalf of Tier 2 Municipalities.

"Review Panel" has the meaning set forth in Section 406.

"Scheduled Deliveries" has the meaning set forth in Section 402(a).

"Scrap/Light Weight Metals" includes the following: scrap steel parts, aluminum sheets, pipes, desks, chairs, bicycle frames, lawn mowers with engines drained, file cabinets, springs, sheet metal, hot water heaters, cleaned and emptied fifty-five (55) gallon drums with the top and bottom covers removed, fencing, oil tanks and fuel tanks approved by CRRA for disposal and cleaned and rinsed in accordance with all applicable laws and regulations, and any other materials deemed by CRRA in its sole discretion to be Scrap/Light Weight Metals.

"Service Payments" means the gross amounts payable pursuant to Section 301 by (i) the Municipality and each other ~~Participating~~Tier 1 Municipality, and (ii) Waste Haulers~~,~~ (with respect to Acceptable Solid Waste delivered for the account of one or more Tier 1 Municipalities); such amounts being the product of the Tier 1 Disposal Fee and the portion of the Aggregate Municipal Tons delivered by or on behalf of ~~the Participating~~all Tier 1 Municipalities and accepted by CRRA.

"Shortfall" means for any Contract Year, any difference remaining after the Service Payments received during the subject Contract Year are subtracted from the actual Net Cost of

Operation for the subject Contract Year.

"Solid Waste" means unwanted and discarded solid materials, consistent with the meaning of that term in Section 22a-260(7) of the General Statutes, excluding semi-solid, liquid materials collected and treated in a municipal sewerage system.

"Spot Waste" means Acceptable Solid Waste delivered to the ~~Central~~ Mid-Connecticut System other than pursuant to a Municipal Solid Waste Management Services Agreement and that is not Contract Waste.

"State" has the meaning set forth in the Preamble.

"Surplus Funds" has the meaning set forth in Section 303(a).

"Term" means the Base Term and the Extension Term, if applicable.

"Tier 1 Disposal Fee" has the meaning set forth in Section 302(a).

"Tier 2 Disposal Fee" has the meaning set forth in Section 302(a).

"Tier 1 Municipality" means a Participating Municipality subject to the Tier 1 Disposal Fee and the other attributes of such designation set forth in this Agreement.

"Tier 2 Municipality" means a Participating Municipality that is subject to the Tier 2 Disposal Fee and that is not subject to the attributes set forth in this Agreement applicable to Tier 1 Municipalities.

"Ton" means 2,000 pounds.

"Torrington Transfer Station" means the Transfer Station located on Vista Drive, Torrington, Connecticut 06790

"Transfer Station" means any of the facilities, including all roads, appurtenances thereto, owned, or owned and operated by CRRA for receiving Solid Waste from any Participating Municipality for transport to a destination of ultimate disposal.

"Unacceptable Waste" has the meaning set forth in the Procedures.

~~"Upper Limit" has the meaning set forth in Section 403.~~"Waste Facility" means, individually, either Designated Facility, the Facility or any other properly permitted Resources Recovery Facility, the Recycling Facility, any Transfer Station or Recycling Transfer Station or any Landfill, that is used or may be used by CRRA to process or dispose of Acceptable Solid Waste or Acceptable Recyclables.

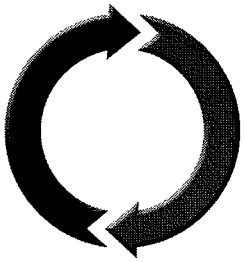
"Waste Hauler" means a Person (including a "collector," as defined in Section 22a-220a(g) of the General Statutes), deriving its main source of income from the collection,

transportation or disposal of waste, and which delivers Acceptable Solid Waste for the account of one or more Participating Municipalities.

"White Metals" means large appliances or machinery, refrigerators, freezers, gas/electric stoves, dish washers, clothes washers and dryers, microwaves, copiers, computers, vending machines, air conditioners, industrial equipment and venting hood fans, and any other material deemed by CRRA in its sole discretion to be White Metals.

EXHIBIT ~~[x]~~B

Mid-Connecticut Project Permitting, Disposal and Billing Procedures



CONNECTICUT
RESOURCES
RECOVERY
AUTHORITY

MID-CONNECTICUT PROJECT

PERMITTING, DISPOSAL AND BILLING PROCEDURES

Effective May 1, 2010

CONNECTICUT RESOURCES RECOVERY AUTHORITY

MID-CONNECTICUT PROJECT
PERMITTING, DISPOSAL AND BILLING PROCEDURES

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1. GENERAL

1.1 Definitions

As used in these procedures, the following terms shall have the meanings as set forth below:

(a) "**Acceptable Recyclables**" shall include the following types of Solid Waste generated by and collected from residential, commercial, institutional, industrial and other establishments located within the corporate limits of any Participating Municipality, and deemed acceptable by CRRA in accordance with all applicable federal, state and local laws as well as these procedures for processing by and disposal at the Recycling Facilities. Acceptable Recyclables shall include, but is not limited to, Commingled Container Recyclables, Paper Fiber Recyclables, Single Stream Recyclables and any other Solid waste deemed by CRRA in its sole discretion to be Acceptable Recyclables.

Nothing herein shall be construed as requiring the shipment of Solid Waste generated by and collected from commercial, institutional, industrial and other establishments located within the corporate limits of any Participating Municipality for processing by and disposal at the Recycling Facilities.

(b) "**Acceptable Solid Waste**" shall include Solid Waste generated by and collected from residential, commercial, institutional, industrial and other establishments located within the corporate limits of any Participating Municipality, and deemed acceptable by CRRA in accordance with all applicable federal, state and local laws as well as these procedures for processing by and disposal at the Waste Facilities. Acceptable Solid Waste shall include, but is not limited to, the following:

(1) Scrap wood not exceeding six (6) feet in length or width or four (4) inches in thickness,

(2) Single trees and large tree limbs not exceeding six (6) feet in length or four (4) inches in diameter and with branches cut to within six (6) inches of the trunk or limb, as the case may be;

(3) Metal pipes, tracks and banding or cable and wire not exceeding three (3) feet in length and one and one half (1 1/2) inches in diameter;

(4) Cleaned and emptied cans or drums not exceeding five (5) gallons in capacity and with covers removed;

(5) Automobile tires without rims exclusively from the residential Solid Waste stream and in limited quantities, if any, to be determined by CRRA on a day to-day basis;

(6) Paper butts or rolls, plastic or leather strapping or similar materials not exceeding three (3) feet in length or three (3) inches in thickness and cut in half lengthwise;

(7) Non-processible Waste as defined herein; and

(8) Any other Solid Waste deemed acceptable by CRRA in its sole discretion. Acceptable Solid Waste shall not include any Acceptable Recyclables, Recycling Residue (see Recycling Residue definition), or other materials required to be recycled in accordance with *Connecticut General Statutes*, and/or Special Waste unless such Special Waste is approved by CRRA in accordance with these procedures for disposal at any of the Waste Facilities, or any materials or waste that are or may in the future be required by law and/or regulation to be recycled.

(c) "**Account**" shall mean a statement of transactions during a fiscal period arising from a formal business arrangement between CRRA and a person, firm or Participating Municipality providing for the use of the Facilities and the services in connection therewith.

(d) "**Authority**" or "**CRRA**" shall mean the Connecticut Resources Recovery Authority, a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut, established by *Connecticut General Statutes* Sections 22a-257 et seq.

(e) "**Bulky Waste**" shall mean construction, demolition and/or land clearing debris.

(f) "**By-Pass Waste**" shall mean Acceptable Solid Waste that is ordinarily processed at the Facility but is instead diverted by CRRA for disposal.

(g) "**Commingled Container Recyclables**" shall mean:

(1) Glass food and beverage containers, including, but not limited to, clear, brown, and green bottles up to 3 gallons or 10 liters in size that have been washed clean and whose caps, lids, and corks have been removed. Labels that remain attached and neck rings are acceptable. Examples include: soda, liquor, wine, juice bottles; jam jars; and mason jars.

(2) Metal food and beverage containers of up to 3 gallons or 10 liters of total volume in size, including No. 10 size cans, that have been washed clean. Clean metal lids are acceptable as are empty aerosol cans that previously contained non-hazardous substances. Examples include: soup, vegetable, juice, and other food cans; cookie tins; dog and cat food cans; kitchen spray cans; and bulk size vegetable containers.

(3) Aluminum used beverage cans that have not been flattened and that have been washed clean. Cans with self-opening tabs attached are acceptable. Examples include soda and beer cans.

(4) Aluminum foil that has been washed clean, folded flat and that is free of other materials. Examples include: aluminum foil wrap and take-out aluminum foil food containers.

(5) PET (polyethylene terephthilate) plastic containers (code 41) marked as #1 of up to 3 liters in size and that have been washed clean. Attached labels are acceptable, but no caps, lids or corks, attached or unattached, are acceptable. Examples of acceptable PET (#1) containers include: soda, juice, cooking oil, mineral water and dish detergent bottles.

(6) HDPE (high-density polyethylene) plastic containers marked as #2 that have been washed clean. Containers of up to 2.5 gallons or 6 liters of total volume in size that did not previously contain hazardous materials are acceptable. Attached labels are acceptable. Except for screw tops, lids are acceptable as long as they are not attached. Screw top caps/lids are not acceptable regardless of whether they are attached or unattached. Examples of acceptable HDPE (#2) containers include: milk jugs, and spring water, laundry detergent, bleach, and dish detergent bottles.

(7) Plastic white, clear or opaque containers marked as #3 through #7 (food grade plastics) up to three (3) liters in size that have been washed clean. Attached labels are acceptable. Except for screw tops, lids are acceptable as long as they are not attached. Screw top caps/lids are not acceptable regardless of whether they are attached or unattached.Examples of acceptable food grade plastics (#3 through #7) include: laundry detergent, shampoo, dish detergent and skin cream containers, ketchup bottles, ice cream containers, yogurt containers, margarine tubs and lids. Processed and take-out food black, plastic containers and trays are not acceptable.

(8) Aseptic packaging, including, but not limited to, gable top plastic coated paper containers up to 3 liters or 1 gallon in size. Such containers must be empty with straws and caps removed. Examples include: milk containers; juice containers; and small, single-serve juice and milk boxes.

(h) "**Contaminated Soil**" shall include soil derived from fuel tank excavation, sludge residue, steel casting sands, metal washdown residue, rust/scale materials, foundry residue, grinding sludge and any other material deemed by CRRA in its sole discretion to be Contaminated Soil.

(i) "**Designee**" shall mean

(1) In the case of a Participating Municipality, a company/entity contracted for and/or licensed by said Participating Municipality to haul waste generated within the boundaries of said Participating Municipality; or

(2) In the case of CRRA, any company/entity contracted or authorized by CRRA to operate and maintain one or more Facilities.

(j) "**Facility**" shall mean CRRA's Mid-Connecticut waste processing facility located at 300 Maxim Road in Hartford, Connecticut 06114.

(k) "**Facilities**" shall mean the Waste Facilities and the Recycling Facilities.

(l) **"Guarantee of Payment"** has the meaning set forth in Section 2.3.

(m) "**Hazardous Waste**" shall include any material or substance which is, by reason of its composition or its characteristics or its delivery to the Facility (a) defined as hazardous waste in the Solid Waste Disposal Act, 42 U.S.C. §6901 et seq., and any regulations, rules or policies promulgated thereunder, (b) defined as hazardous waste in Section 22a-115 of the *Connecticut General Statutes*, (c) defined as special nuclear material or by-product material in Section 11 of the Atomic Energy Act of 1954, 42 U.S.C. §2014, and any regulations, rules or policies promulgated thereunder, or (d) regulated under Section 6(e) of the Toxic Substances Control Act, 15 U.S.C. §2605(e), and any regulations, rules or policies promulgated thereunder, as any of the statutes referred to in clauses (a) through (d) above may be amended; provided, however, that Hazardous Waste shall not include such insignificant quantities of any of the wastes covered by clauses (a), (b) and (d) as are customarily found in normal household, commercial and industrial waste to the extent such insignificant quantities are permitted by law to be treated and disposed of at the Facility or a sanitary landfills, as applicable. "Hazardous Waste" shall also include such other waste as deemed by CRRA in its sole discretion to be "Hazardous Waste."

(n) "**Landfill**" shall mean any real property used by any Participating Municipality and CRRA for the disposal of Recycling Residue, By-Pass Waste, Non-Processible Waste, or residue from the processing and/or incineration of Acceptable Solid Waste at the Waste Facilities.

(o) "**Member Municipality**" shall mean a Municipality that has contracted with CRRA for waste management services.

(p) "**Mixed Load**" shall mean Solid Waste from more than one Participating Municipality stored and carried in a single vehicle, roll-off box or trailer and delivered to any of the Facilities.

(q) "**Municipal Solid Waste Management Services Contract**" or "**MSA**" shall mean the contract between CRRA and a Participating Municipality for the processing and disposal at the Facilities of all Acceptable Solid Waste and/or Acceptable Recyclables generated by the Participating Municipality within its boundaries.

(r) "**Non-Processible Waste**" shall mean Acceptable Solid Waste that cannot be processed at the Facility without the use of supplemental processing equipment (e.g., a mobile shredder), provided that the individual items of such Acceptable Solid Waste are 2,000 pounds or less in weight and physically of such size as to fit without compaction into an area having dimensions of three (3) feet by five (5) feet by five (5) feet, including, but not limited to, the following:

(1) Household furniture, chairs, tables, sofas, mattresses, appliances, carpets, sleeper sofas and rugs;

(2) Individual items such as White Metals (as hereinafter defined) and blocks of metal that would, in CRRA's sole discretion and determination, cause damage to the Waste Facilities if processed and/or incinerated therein;

(3) Scrap/Light Weight Metals (as hereinafter defined);

(4) Bathroom fixtures, such as toilets, bathtubs and sinks;

(5) Purged and emptied propane, butane and acetylene tanks with valves removed exclusively from the residential Solid Waste stream and in limited quantities, if any, to be determined by CRRA on a day-to-day basis;

(6) Christmas trees;

(7) Automobile tires with/without rims, and

(8) Any other Acceptable Solid Waste deemed by CRRA in its sole discretion to be Non-Processible Waste.

(s) "**Non-Project Recycling Facility**" shall mean the land and appurtenances thereon and structures where recycling, as defined in Section 22a-207(7) of the *Connecticut General Statutes*, is conducted, including but not limited to an Intermediate Processing Facility, as defined in Section 22a-260(25) of the *Connecticut General Statutes*, and a Solid Waste Facility, as defined in Section 22a-207(4) of the *Connecticut General Statutes*, which provides for recycling in its plan of operations, but excluding the Recycling Facility and the Recycling Transfer Stations.

(t) "**Operator**" or "**Operators**" shall mean the organization or personnel in such organization under contract with CRRA for the operation of any of the Facilities.

(u) "**Paper Fiber Recyclables**" shall mean"

(1) Newspapers (including newspaper inserts) and magazines (including catalogs) that are no more than two months old and that are clean and dry. Such neswpaper and magazines may be commingled,

(2) Corrugated cardboard, only if such cardboard is corrugated (alternating ridges and grooves) with kraft (brown) paper in the middle. Such cardboard must be clean and dry and cannot be coated. Such cardboard must be flattened and, when flattened, must be no larger than 3 feet in width or height (oversized boxes must be cut-down to 3 feet by 3 feet. Bundles may only be tied with string.

(3) Junk mail, including all loose or bagged bulk mail consisting of paper or cardboard. Envelopes with windows are acceptable. Examples include: catalogs; flyers; envelopes containing office paper; brochures; and empty, small boxes.

(4) Office paper or high-grade paper, including all loose or bagged white and colored ledger and copier paper, note pad paper (no backing), loose leaf fillers and computer paper (continuous-form perforated white bond or green-bar paper).

(5) Boxboard, including all non-corrugated cardboard, commonly used in dry food and cereal boxes, shoe boxes, and other similar packaging. Dry food and cereal boxes must have the inside bag removed. Boxboard with wax or plastic coating and boxboard that has been contaminated by food is not acceptable. Examples of acceptable materials include: cereal boxes; cracker boxes; shoe boxes; beer cartons; and six-pack holders.

(v) "**Participating Municipality**" shall mean any town, city, borough or other political subdivision of and within the State of Connecticut, having legal jurisdiction over solid waste management within its corporate limits, and which has executed a Municipal Solid Waste Management Services Contract or made special arrangements with CRRA for the processing and disposal of Acceptable Solid Waste and/or Acceptable Recyclables at the Facilities.

(w) **"Permit Application"** has the meaning set forth in Section 2.1.

(x) "**Permit Number**" shall mean the vehicle identification number assigned by CRRA to a Permittee's waste transportation vehicle for use at the Facilities.

(y) "**Permittee**" shall mean those persons, organizations, corporations, firms, governmental agencies, or other entities who have submitted a permit application to CRRA and have been authorized to use the Facilities by CRRA.

(z) "**Private/Non-Commercial Hauler**" shall mean a person or firm who does not derive income from the collection, transportation or disposal of waste.

(aa) "**Project**" shall mean the Facilities constituting the Mid-Connecticut Project.

(bb) "**Recycling Facility**" shall mean CRRA's regional recycling center located at 211 Murphy Road in Hartford, Connecticut 06114.

(cc) "**Recycling Facilities**" shall mean the Recycling Facility and all Recycling Transfer Stations of the Project.

(dd) "**Recycling Residue**" shall mean Solid Waste remaining after the Recycling Facility or any Non-Project Recycling Facility has processed Solid Waste.

(ee) "**Recycling Transfer Station**" shall mean any of the Transfer Stations, including all roads appurtenant thereto, owned and/or operated by CRRA for receiving Acceptable Recyclables from any Participating Municipality for transport to the Recycling Facility or a Non-Project Recycling Facility for processing.

(ff) "**Scrap/Light Weight Metals**" shall mean but not limited to the following: scrap steel parts, aluminum sheets, pipes, desks, chairs, bicycle frames, lawn mowers with engines drained, file cabinets, springs, sheet metal, hot water heaters, cleaned and emptied fifty-five (55) gallon drums with the top and bottom covers removed, fencing, oil tanks and fuel tanks approved by CRRA for disposal and cleaned and rinsed in accordance with all applicable laws and regulations, and any other materials deemed by CRRA in its sole discretion to be Scrap/Light Weight Metals.

(gg) "**Single Stream Recyclables**" shall mean the commingling of any Paper Fiber Recyclables with any Commingled Container Recyclables.

(hh) "**Solid Waste**" shall mean unwanted and discarded solid materials, consistent with the meaning of that term pursuant to Section 22a-207(3) of the *Connecticut General Statutes*, excluding semi-solid, liquid materials collected and treated in a "water pollution abatement facility."

(ii) "**Special Waste**" shall mean materials that are suitable for delivery, at CRRA's sole and absolute discretion, but which may require special handling and/or special approval by the Connecticut Department of Environmental Protection ("DEP") or another non-Authority entity.

(jj) "**Transfer Station**" shall mean any of the facilities, including all roads appurtenant thereto, owned and/or operated by CRRA for receiving Acceptable

Solid Waste from any Participating Municipality for transport to a destination of ultimate disposal.

(kk) "**Unacceptable Recyclables**" shall include

(1) Unacceptable Waste;

(2) Any of the following: anti-freeze containers; Asian corrugated; auto glass; books; ceramic cups and plates; clay post; clothes hangers; crystal; drinking glasses; food-contaminated pizza boxes; gravel; heat-resistant ovenware; hypodermic needles; leaded glass; light bulbs; metal in large pieces (e.g., metal pipe, lawnmower blades); mirror glass; motor oil containers; notebooks; paint cans; plastic bags; plates; porcelain; pots and pans; processed and take-out black, plastic food containers and trays; propane tanks; pyrex; screw top caps/lids, regardless of whether attached or not; stones; syringes; telephone books; tiles; waxed corrugated; and window glass;

(3) Any Solid Waste that is deemed by CRRA in its sole discretion to be not in conformance with the requirements for Acceptable Recyclables as set forth in these procedures; and

(4) Any other waste deemed by CRRA in its sole discretion to be Unacceptable Recyclables.

(ll) "**Unacceptable Waste**" shall include

(1) Explosives, pathological or biological waste, hazardous chemicals or materials, paint and solvents, regulated medical wastes as defined in the EPA Standards for Tracking and Maintaining Medical Wastes, 40 C.F.R. Section 259,30 (1990), radioactive materials, oil and oil sludges, dust or powders, cesspool or other human waste, human or animal remains, motor vehicles, and auto parts, liquid waste (other than liquid Solid Waste derived from food or food by-products), and hazardous substances of any type or kind (including without limitation those substances regulated under 42 U.S.C. §6921-6925 and the regulations thereto adopted by the United States Environmental Protection Agency pursuant to the Resource Recovery Conservation and Recovery Act of 1976, 90 Stat. 2806 et. 42 U.S.C. §6901 et. seq.) other than such insignificant quantities of the foregoing as are customarily found in normal household and commercial waste and as are permitted by state and federal law;

(2) Any item of waste that is either smoldering or on fire;

(3) Waste quantities and concentrations which require special handling in their collection and/or processing such as bulk items, junked automobiles, large items of machinery and equipment and their component parts, batteries or waste oil;

(4) Any other items of waste that would be likely to pose a threat to health or safety, or damage the processing equipment of the Facilities (except for ordinary wear and tear), or be in violation of any judicial decision, order, or action of any federal, state or local government or any agency thereof, or any other regulatory authority, or applicable law or regulation;

(5) Any Solid Waste that is deemed by CRRA in its sole discretion to be not in conformance with the requirements for Acceptable Solid Waste or Non-Processible Waste as set forth in these procedures; and

(6) Any other waste deemed by CRRA in its sole discretion for any reason to be Acceptable Recyclables and/or Unacceptable Waste, including but not limited to waste generated by a source which is not authorized by CRRA to deliver waste to any of the Facilities.

(mm) "**Waste Facilities**" shall mean the Facility and all Transfer Stations and Landfills of the Project.

(nn) "**Waste Hauler**" shall mean a person or firm, including a "collector" as defined in Section 22a-220a(g) of the *Connecticut General Statutes*, whose main source of income is derived from the collection, transportation, and/or disposal of waste.

(oo) "**White Metals**" shall mean large appliances or machinery, refrigerators, freezers, gas/electric stoves, dishwashers, clothes washers and dryers, microwaves, copiers, computers, vending machines, air conditioners, industrial equipment and venting hood fans, and any other materials deemed by CRRA in its sole discretion to be White Metals.

1.2 Preamble

These procedures may be amended by CRRA from time to time. Anyone obtaining a new permit or renewal of an existing permit should contact CRRA at (860) 757-7700 in order to obtain a copy of the procedures in effect. Additional copies of these procedures may be obtained at the cost of reproduction and postage. The procedures are also available on CRRA's website at www.crra.org.

1.3 General Principles of Interpretation

(a) The captions contained in these procedures have been inserted for convenience only and shall not affect or be effective to interpret, change or restrict the express terms or provisions of these procedures.

(b) The use of the masculine gender refers to the feminine and neuter genders and the use of the singular includes the plural, and vice versa, whenever the context of these procedures so requires.

(c) CRRA reserves the right to amend these procedures and the definitions herein from time to time as it deems necessary in its sole discretion.

(d) These procedures are intended to comply and be consistent with each Municipal Solid Waste Management Services Contract for the Project. In the event of any conflict between these procedures and any Municipal Solid Waste Management Services Contract for the Project, the latter shall control.

2. PERMITTING

2.1 Permit Application

(a) Any Waste Hauler, Private/Non-Commercial Hauler, Participating Municipality or any other person or entity that desires to use the Facilities shall obtain a permit in accordance with these procedures before delivering to and/or removing waste from the Facilities.

(b) Each applicant for a permit shall complete a permit application and provide to CRRA all of the necessary information requested thereon ("Permit Application"), including but not limited to:

(1) General company/business information;

(2) The identification of each vehicle owned, leased or operated by the applicant or its agents and employees and to be used by the applicant;

(3) Origin of all waste that applicant will collect;

(4) Estimated delivery volumes; and

(5) An executed "Credit Agreement," "Release of Liability and Indemnification Agreement" and "Attestation," as such documents are presented in the permit application.

In connection with the foregoing, each applicant shall also execute and submit to CRRA as attachments to the permit application, the following:

(6) A "Mid-Connecticut Waste Disposal System Solid Waste and Recyclables Delivery Agreement" (if applicable);

(7) A Guaranty of Payment in the form and amount acceptable to CRRA pursuant to Section 2.3 hereof;

(8) All certifications of insurance that the applicant is required to provide pursuant to Section 3.1 hereof;

(9) Any applicable fees; and

(10) Any other document required by CRRA at CRRA's sole and absolute discretion.

2.2 Submission of Permit Application

(a) Upon applicant's completion of the permit application and execution of all documents attached thereto, the applicant shall submit such permit application and documents and pay the applicable permit fees to CRRA.

(b) Pursuant to the submission of a Permit Application to CRRA, each applicant and Permittee hereby agrees to cooperate with CRRA or CRRA's Designee in any matter affecting the orderly operation of the Facilities and to fully abide by and comply with these procedures. In addition to the foregoing, each applicant and Permittee acknowledges and agrees that any failure to cooperate with CRRA or CRRA's Designee or to abide by or comply with these procedures shall result in fines and/or suspension or revocation of disposal privileges at the Facilities.

2.3 Guaranty of Payment

(a) Each applicant shall submit along with its permit application a guaranty of payment ("Guaranty of Payment") satisfactory to CRRA in all respects and in the form of either a letter of credit, a suretyship bond, cash, or a cashier's check and in an amount sufficient to cover at least two (2) months' of waste disposal charges as determined in the Permit Application.

(b) At its sole and absolute discretion, CRRA may review a Permittee's guaranty amount under Section 2.3(a) above and require the Permittee to increase its guaranty amount in the event the average monthly delivery rate of Permittee varies by 10% or more from the amount estimated by CRRA pursuant to subsection (a) above. CRRA shall review a Permittee's guaranty amount as detailed in the foregoing sentence at least semi-annually.

(c) If an applicant or Permittee submits to CRRA either a letter of credit or suretyship bond, Permittee shall within sixty (60) days before the expiration of the same renew such letter of credit or suretyship bond and furnish the renewed letter of credit or suretyship bond to CRRA. If the Permittee's letter of credit or suretyship bond is canceled, terminated, or deemed inadequate by CRRA, Permittee shall immediately

submit to CRRA a new letter of credit or suretyship bond that complies with the requirements of this Section 2.3.

(d) If Permittee fails to comply with any of the requirements of this Section 2.3, CRRA may deny the Permittee any further access to the Facilities and/or revoke and/or suspend the Permittee's permit for the same.

2.4 Issuance and Renewal of Permit

(a) Provided that the applicant has submitted its permit application and all other documents required to be submitted hereunder to CRRA, applicant has paid to CRRA the applicable permit fees, and such Permit Application and documents are complete and satisfactory in all respects to CRRA, then CRRA may issue a permit to the applicant.

(b) Upon the issuance of a permit:

(1) The Permittee shall be assigned an Account number;

(2) Each of the vehicles listed on the Permittee's permit application shall be assigned a decal with a Permit Number, which decal shall be prominently and permanently affixed by the Permittee to the vehicle in a location clearly visible to the scale house attendant and as designated by CRRA;

(3) Each of the Permittee's roll-off boxes and trailers shall be assigned a decal and the decal shall be prominently and permanently affixed by the Permittee to the roll-off box or trailer in a location clearly visible to the scale house attendant, as designated by CRRA; and

(4) Trucks arriving at the scale house without the assigned Authority Permit Number properly displayed shall be denied access to the Facilities.

(c) Permits issued during the fiscal year of July 1 through June 30 are effective and valid until the end of such year unless otherwise revoked by CRRA. Permits cannot be assigned or transferred. In order to effectively renew an existing permit, the Permittee shall complete and submit to CRRA a renewal permit application together with the pertinent renewal fee for the same within twenty (20) days before the end of each fiscal year. The renewal fees to be paid by each Permittee hereunder shall be determined by CRRA on an annual basis. Any Permittee who fails to perform its renewal obligations under this Section 2.4(c) shall be denied access to the Facilities by CRRA until such Permittee performs such renewal obligations.

(d) At its sole and absolute discretion, CRRA may issue a Permittee a Temporary Permit for a vehicle not currently authorized under Section 2. A Temporary Permit may be issued for a substitute vehicle due to an emergency breakdown and/or the use of a demonstration vehicle. Temporary Permits are valid for up to six (6) days and may be issued to any particular Permittee no more than once every 60 days. During any

time period when a Permittee's vehicle is denied disposal privileges, no Temporary Permits will be granted to the Permittee.

2.5 Tare Weights

(a) Tare weights of all vehicles, trailers and roll-off boxes shall be established after delivery of the first load under a new Permit Number or Trailer/Roll-Off Box decal at any of the Facilities. Such tare weights shall be obtained at the direction of the scale house attendant and under the procedures set forth by CRRA.

(b) After the initial tare weights have been obtained, CRRA and/or the Operator may require the verification of tare weights on a random basis to verify the weight records. Haulers shall cooperate with CRRA and/or the Operator to provide such data as required.

(c) Haulers may request spot tare weight checks for their trucks only if the spot checks do not negatively impact the operations of the Facilities as determined by CRRA at its sole and absolute discretion.

(d) At the direction of CRRA or CRRA's Designee, haulers failing to comply with the foregoing tare weight procedures shall be billed as follows:

(1) The vehicles last known tare weight; or

(2) A maximum 22 net tons.

(e) If hauler fails to comply with the terms of this Section 2.5 and hauler(s) is billed in accordance with subsection (d) above, then hauler's disposal privileges shall be denied until hauler complies with the terms of this Section 2.5.

2.6 Miscellaneous

(a) If the Permittee acquires any vehicle that is not authorized under the Permittee's permit, then the Permittee shall submit an amended permit application to CRRA pursuant and subject to the above procedures set forth in this Section 2.

(b) Permittee is responsible for all charges, costs, expenses, disposal fees, and fines incurred under its permit.

(c) If Permittee's Permit Number is lost or stolen, Permittee is responsible for all costs, charges, expenses, disposal fees and fines incurred until said Permittee notifies CRRA in writing of the lost or stolen Permit Number.

(d) Permittee shall give CRRA advance written notice of any changes in such Permittee's business operation that would have a material effective on Permittee's delivery schedules or weight records and shall include the effective dates of such changes. Such changes of Permittee's business operation shall include, but not be limited to, the following:

(1) Changes in name or mailing address;

(2) Changes in telephone number;

(3) Change in physical location of Permittee's business; or.

(4) Changes in the Permittee's business structure, including, but not limited to, the acquisition of other hauling companies, that would impact Permittee's volume of waste deliveries to the Waste Facilities.

2.7 Municipal Permits

If a Participating Municipality requires haulers to register or obtain a permit to haul, all Permittees that will collect waste from and/or deliver waste to such Participating Municipality shall be required to register with such Participating Municipality. Each Participating Municipality may establish its own permit, registration, and/or inspection requirements, which must be followed by the Permittees collecting waste from and/or delivering waste to such Participating Municipality in addition to these procedures.

3. INSURANCE

3.1 Insurance

(a) Each Permittee shall procure and maintain, at its own cost and expense, throughout the term of any permit issued to such Permittee, the following insurance, including any required endorsements thereto and amendments thereof:

(1) Commercial general liability insurance alone or in combination with, commercial umbrella insurance with a limit of not less than one million dollars ($1,000,000.00) per occurrence covering liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insurance contract (including the tort liability of another assumed in a business contract).

(2) Business automobile liability insurance alone or in combination with commercial umbrella insurance covering any auto (including owned, hired, and non-owned autos), with a limit of not less than one million dollars ($1,000,000.00) each accident.

(3) Workers' compensation insurance with statutory limits and employers' liability limits of not less than five hundred thousand dollars ($500,000.00) each accident for bodily injury by accident and five hundred thousand dollars ($500.000.00) for each employee for bodily injury by disease.

(b) Each applicant or Permittee shall submit along with its permit or permit renewal application to CRRA an executed original certificate or certificates for each above required insurance certifying that such insurance is in full force and effect and setting forth the requisite information referenced in Section 3.1(c) below. Additionally, each Permittee shall furnish to CRRA within thirty (30) days before the expiration date of the coverage of each above required insurance a certificate or certificates containing the information required in Section 3.1(e) below and certifying that such insurance has been renewed and remains in full force and effect.

(c) All policies for each insurance required above shall:

(1) Name CRRA as an additional insured (this requirement shall not apply to automobile liability or workers' compensation insurance);

(2) Include a standard severability of interest clause;

(3) Provide for not less than thirty (30) days' prior written notice to CRRA by registered or certified mail of any cancellation, restrictive amendment, non-renewal or change in coverage;

(4) Hold CRRA free and harmless from all subrogation rights of the insurer; and

(5) Provide that such required insurance hereunder is the primary insurance and that any other similar insurance that CRRA may have shall be deemed in excess of such primary insurance.

(d) All policies for each insurance required above shall be issued by insurance companies that are either licensed by the State of Connecticut and have a Best's Key Rating Guide of A-VII or better, or otherwise deemed acceptable by CRRA in its sole discretion.

(e) Subject to the terms and conditions of this Section 3.1, any applicant or Permittee may submit to CRRA documentation evidencing the existence of umbrella liability insurance coverage in order to satisfy the limits of coverage required hereunder for commercial general liability, business automobile liability insurance and employers' liability insurance.

(f) If any Permittee fails to comply with any of the foregoing insurance procedures, then CRRA may in its sole discretion deny such Permittee any further access to the Facilities and/or suspend or revoke its permit for same.

(g) No provision of this Section 3.1 shall be construed or deemed to limit any Permittee's obligations under these procedures to pay damages or other costs and expenses.

(h) CRRA shall not, because of accepting, rejecting, approving, or receiving any certificates of insurance required hereunder, incur any liability for:

(1) The existence, nonexistence, form or legal sufficiency of the insurance described on such certificates,

(2) The solvency of any insurer, or

(3) The payment of losses.

(i) For purposes of this Section 3, the terms applicant or Permittee shall include any subcontractor thereof.

3.2 Indemnification

Permittee shall at all times defend, indemnify and hold harmless CRRA, any Operator and their respective directors, officers, employees and agents on account of and from and against any and all liabilities, actions, claims, damages, losses, judgments, fines, workers' compensation payments, costs and expenses (including but not limited to attorneys' fees and court costs) arising out of injuries to the person (including death), damage to property or any other damages alleged to have been sustained by: (a) CRRA, any Operator, or any of their respective directors, officers, employees, agents or subcontractors or (b) Permittee or any of its directors, officers, employees, agents or subcontractors, or (c) any other person, to the extent any such injuries or damages are caused or alleged to have been caused, in whole or in part, by the acts, omissions and/or negligence of Permittee or any of its directors, officers, employees, agents or subcontractors. Permittee further undertakes to reimburse CRRA for damage to property of CRRA caused by Permittee or any of its directors, officers, employees, agents or subcontractors. The existence of insurance shall in no way limit the scope of this indemnification. Permittee's obligations under this Section 3.2 shall survive the termination or expiration of Permittee's permits.

4. OPERATING AND DISPOSAL PROCEDURES

4.1 Delivery of Acceptable Solid Waste

(a) Permittees shall comply with, and Permittees' Acceptable Solid Waste delivered to the Waste Facilities must meet, the standards and other terms and conditions set forth herein and such other standards as established by CRRA in its sole discretion.

(b) Each Permittee shall deliver Acceptable Solid Waste only to those Waste Facilities designated by CRRA.

(c) White Metals may be delivered only to the Facility unless otherwise directed by CRRA. None of the other Waste Facilities will accept White Metals. White Metals must be delivered in separate, dedicated loads that must not contain any other Acceptable Solid Waste. A vehicle delivering White Metals must be equipped with either a cherry picker or hydraulic lift that will allow each piece of White Metal to be removed individually from the vehicle. The hauler is responsible for off loading the White Metals from the delivery vehicle. The hauler will off-load the White Metals only in the area designated by CRRA and/or the Operator for such materials. White

Metals may only be delivered to the Facility between the hours of 8:00 am and 4:00 pm, Monday through Friday, excluding holidays. White Metals may not be included in loads of other Acceptable Solid Waste. If such material is included in loads of other Acceptable Solid Waste, such loads shall be subject to the provisions of Section 4.8(j) herein.

(d) Scrap/Light Weight Metals may be delivered only to the Facility unless otherwise directed by CRRA. None of the other Waste Facilities will accept Scrap/Light Weight Metals. Scrap/Light Weight Metals must be delivered in separate, dedicated loads that must not contain any other Acceptable Solid Waste. The hauler is responsible for off loading the Scrap/Light Weight Metals from the delivery vehicle and such materials will be off-loaded directly into a roll-off container. The hauler will off-load the Scrap/Light Weight Metals only in the area designated by CRRA and/or the Operator for such materials. Scrap/Light Weight Metals may only be delivered to the Facility between the hours of 8:00 am and 4:00 pm, Monday through Friday, excluding holidays. Scrap/Light Weight Metals may not be included in loads of other Acceptable Solid Waste. If such material is included in loads of other Acceptable Solid Waste, such loads shall be subject to the provisions of Section 4.8(j) herein.

(e) Household furniture (i.e., appliances, box springs, carpets, chairs, couches, mattresses, rugs, sleeper sofas, sofas, tables) may be delivered only to the Facility unless otherwise directed by CRRA. None of the other Waste Facilities will accept household furniture. Household furniture must be delivered in separate, dedicated loads that must not contain any other Acceptable Solid Waste. The hauler is responsible for off loading the household furniture. The hauler will off-load the household furniture only in the area designated by CRRA and/or the Operator for such materials. Household furniture may only be delivered to the Facility between the hours of 8:00 am and 4:00 pm, Monday thorugh Friday, excluding holidays. Household furniture may not be included in loads of other Acceptable Solid Waste. If such material is included in loads of other Acceptable Solid Waste, such loads shall be subject to the provisions of Section 4.8(j) herein.

(f) CRRA may accept Contaminated Soil for disposal at the Waste Facilities subject to any terms and conditions that CRRA may require.

(g) CRRA may accept Recycling Residue from a Non-Project Recycling Facility for disposal at the Waste Facilities subject to any terms and conditions that CRRA may require and to **Appendix A**.

4.2 Delivery of Acceptable Recyclables

Permittees shall comply with, and Permittee's Acceptable Recyclables delivered to the Recycling Facilities must meet, the standards and other terms and conditions set forth herein and such other standards as established by CRRA in its sole discretion. Each Permittee shall deliver Acceptable Recyclables only to those Recycling Facilities designated by CRRA.

4.3 Access to the Facility

Access to the Facility and the Hartford Landfill by vehicles delivering Acceptable Solid Waste from outside the City of Hartford shall be by State Highway or Interstate Highway entrances to 1-91 and proceeding to 1-91 off-ramps closest to the destination. For the Facility, from the off-ramps, vehicles shall use Brainard and Maxim Roads to access the Facility. Murphy Road shall not be used for through-access to the Facility. More restrictive criteria may be promulgated as required by local conditions and shall be strictly adhered to by all Permittees.

4.4 Access to the Recycling Facility

Access to the Recycling Facility by vehicles delivering Acceptable Recyclables from outside the City of Hartford shall be by State Highway or Interstate Highway entrances to 1-91.

Vehicles traveling southbound on I-91 shall exit on Exit 28, then turn left onto Airport Road and then turn left at the Brainard Road/Airport Road intersection. Vehicles shall follow Brainard Road around the curve to the right where it becomes Maxim Road and then turn right at the Murphy Road intersection. Vehicles shall enter the site by turning right at driveway B.

Vehicles traveling northbound on I-91 shall exit on Exit 27 and then proceed straight thru the Brainard Road/Murphy Road intersection. Vehicles shall enter the site by turning left at driveway B.

Rear loading vehicles delivering Acceptable Recyclables to the Recycling Facility and whose first or only delivery is Paper Fiber Recyclables or whose first or only delivery is Commingled Container Recyclables must enter the facility at 123 Murphy Road (Entrance marked "B").

Vehicles that will be traveling southbound on I-91 after leaving the site shall exit the site via Driveway A and turn left onto Murphy Road. The vehicles shall turn left onto Maxim Road and follow it around the curve to the left where it becomes Brainard Road. At the Brainard Road/Airport road intersection, vehicles shall turn right and follow Airport Road to the left turn onto the I-91 southbound ramp.

Vehicles that will be traveling northbound on I-91 after leaving the site shall exit the site via Driveway A and turn right onto Murphy Road. At the Murphy Road/Brainard Road intersection, vehicles shall go straight through the intersection onto the I-91 northbound ramp.

4.5 Temporary Emergency Access to the Facilities

CRRA, in its' sole discretion and subject to any conditions or restrictions that it deems appropriate, may on a case by-case basis allow a Permittee temporary, emergency access to the Facilities for the purpose of delivering Acceptable Solid Waste and/or Acceptable Recyclables to the same with a vehicle, roll-off box or trailer that is not authorized

pursuant to these procedures to do so; provided, that such Permittee notifies CRRA at least twenty-four (24) hours in advance of Permittee's need for such temporary, emergency access.

4.6 Hours for Delivery

(a) The operating hours, including the list of holidays, can be obtained by contacting CRRA's Billing Department at (860)-757-7700 or visiting CRRA's website at www.crra.org/pages/busi_mc_hours.htm.

(b) CRRA may, with at least thirty (30) days prior written notice, change the hours of operation for any of the Facilities. Holiday and emergency closings and any schedule of make-up hours will be posted as needed at each of the Facilities.

4.7 Vehicle Standards for Deliveries to the Facilities

(a) Only vehicles with mechanical or automatic unloading/dumping capability will be allowed access to the Facilities, except as provided elsewhere in these Procedures or unless otherwise approved (on a case-by-case basis) by CRRA. Only vehicles with back-up lights, audible warning signals, and proper functioning equipment in compliance with all applicable federal, state and local laws or regulations shall be allowed access to the Facilities.

(b) All vehicles and roll-off boxes/trailers shall be covered, not leaking, and maintained in a safe and sanitary condition.

(c) The only trailers that may be used to deliver Acceptable Solid Waste to a Transfer Station or Acceptable Recyclables to a Recycling Transfer Station are those coming from a Participating Municipality's transfer station.

(d) The doors of all vehicles shall be clearly marked with the business name and address of the Permittee. Any vehicle that is not properly marked shall be denied access to the Facilities.

4.8 Disposal Procedures

(a) All deliveries are subject to inspection of the contents by CRRA or its agent prior to, during, and/or after unloading.

(b) CRRA may direct that Non-Processible Waste and/or Special Waste be delivered directly to either a Landfill or any other site if accepted by CRRA.

(c) CRRA and/or the Operator will direct all vehicle traffic at the Facilities.

(d) All scales will be operated on a "first-come, first served" basis except that CRRA reserves the right to utilize front-of-line privileges for its own vehicles and for the vehicles of others who have executed a written agreement with CRRA for such privileges.

(e) CRRA will accept residue from recycling facilities only at the Facility and only if the conditions set forth in **Appendix A** are met.

(f) No vehicles shall approach any scale until directed by the scale house attendant. Each vehicle shall have its driver side window completely rolled down from the time such vehicle drives onto the inbound scale until it has discharged its load and passed over or by the outbound scale.

(g) The speed limit on all roadways of the Facilities is 15 M.P.H., unless otherwise posted.

(h) When positioned on the scale, the vehicle driver shall inform the scale house attendant of the Participating Municipality from which the load originated.

(i) When directed by the scale house attendant, a driver shall proceed with caution to the tipping floor, bay or Landfill face and deposit loads. Drivers shall proceed promptly yet safely to deposit loads in order to minimize vehicle waiting time.

(j) Unacceptable Waste, Special Waste and any material which CRRA determines, in its sole and absolute discretion, should be rejected shall not be delivered by any Permittee or vehicle to any of the Facilities. In the event that Unacceptable Waste, Special Waste or any material which CRRA has determined should be rejected is delivered to any of the Facilities, CRRA and its agents, employees or Operators reserve the right to reload the Unacceptable Waste, Special Waste or material which CRRA has determined should be rejected back on to the offending vehicle. In connection therewith, CRRA may at its sole discretion, issue a verbal and written warning to the Permittee of the offending vehicle and/or charge such Permittee a reloading fee of five hundred dollars ($500.00). CRRA may impose a reloading charge of one thousand dollars ($1,000.00) for each subsequent violation. CRRA may revoke the permit of any Permittee who fails to pay a reloading charge. In addition to the foregoing remedies for the delivery of Unacceptable Waste, Special Waste and material which CRRA has determined should be rejected, CRRA may

    (1) Detain the driver and the offending vehicle until representatives from DEP have inspected the Unacceptable Waste, Special Waste or material which CRRA has determined should be rejected and made recommendations, and/or

    (2) Take whatever corrective action CRRA in its sole discretion deems necessary at the sole cost and expense of the Permittee whose vehicle delivered the Unacceptable Waste, Special Waste or material which CRRA has determined should be rejected, including, but not limited to, excavating, loading, transporting and disposing of such waste/material , revoking such Permittee's permit and imposing against such Permittee any fines or charges.

(k) All trucks must remain tarped until they are in the disposal area and out of the operation's way.

(l) No drainage of roll-off boxes is allowed on the premises of any Facilities.

(m) Roll-off or compactor boxes shall not be turned around on site.

(n) Drivers must latch and unlatch packers in the disposal area.

(o) At all times while on the property of any of the Facilities, drivers and any other personnel accompanying a driver must wear the personal protective equipment specified by CRRA and/or the Operator as required for the facility to which they are delivering materials.

(p) At all times while on the property of any of the Facilities, drivers and any other personnel accompanying a driver must obey all signs and safety requirements posted by CRRA and/or the Operator at the facility to which they are delivering materials.

(q) Drivers who wish to hand clean their truck blades must do so in areas designated by CRRA and/or the Operators.

(r) Upon the direction of the scale house attendant, vehicle drivers shall discharge loads in a specially designated area to facilitate load verification.

(s) Hand sorting, picking over or scavenging dumped waste is not permitted at any time.

(t) All vehicles and personnel shall proceed at their own risk on the premises of all Facilities.

(u) No loitering is permitted at any of the Facilities.

(v) Smoking of tobacco products is prohibited at all Facilities except in designated smoking area(s). The possession and/or drinking of alcohol as well as the possession and/or use of drugs at any time while on the premises of any of the Facilities is strictly prohibited.

(w) At all times while on Facilities' premises, the drivers shall comply with CRRA's and/or the Operator's instructions.

(x) CRRA reserves the right to inspect incoming deliveries at its sole discretion.

(y) Anyone violating any provision of Sections 22a-220, 22a-220a(f) or 22a-250 of the *Connecticut General Statutes* or any other federal, state or local law or regulation shall be reported by CRRA to the appropriate authorities.

(z) Foul language and inappropriate behavior, including, but not limited to, spitting, swearing, lewd behavior, indecent exposure, urinating in public and littering, are not permitted on site at any of the Facilities.

(aa) Loads in which Commingled Container Recyclables are mixed with Paper Fiber Recylables will be accepted for processing as Single Stream Recyclables at the Recycling Facilities.

(bb) Operators of rear-dumping vehicles delivering Commingled Container Recyclables and Paper Fiber Recyclables in separate compartments in the same vehicle will be required to sweep clean all materials from the empty compartment before proceeding to the next tipping area.

(cc) Mechanical densifying of aluminum containers and plastic containers is prohibited (non-aluminum metal cans may be crushed or flattened) unless, subject to approval by CRRA, such containers are commingled with Paper Fiber Recyclables and delivered as Single Stream Recyclables.

(dd) Loads of Commingled Container Recyclables may contain any combination of acceptable container materials except loads containing solely mixed-color (any color combination) glass will not be accepted for delivery.

(ee) Loads of Commingled Container Recyclables and Single Stream Recyclables may not be delivered in bags of any type. All Commingled Container Recyclables and Single Stream Recylables must be delivered in loose form to the Recycling Facilities.

(ff) Due to poor quality of pre-sorted bottles and cans previously delivered, CRRA does not encourage delivery of pre-sorted containers. Any municipality or hauler wishing to deliver presorted containers must first obtain written approval from CRRA.

(gg) Other procedures for the Facilities may be promulgated over time by CRRA and, when issued, must be strictly obeyed.

4.9 Weight Tickets

(a) The driver of each truck disposing of waste shall be presented a weight ticket from the scale house attendant. The ticket shall indicate date, hauler's company name, vehicle Permit Number and trailer/roll-off box decal number, gross weight, tare weight, net weight, origin of waste and time. Each driver will be responsible for identifying the municipality for which he/she is hauling.

(b) If a driver fails to sign for or receive a weight ticket, the appropriate hauling company shall be billed for such delivery for the gross weight of the load delivered, at CRRA's discretion.

(c) Drivers are responsible for checking weight tickets for accuracy. All discrepancies should be brought to the attention of CRRA and/or the scale house attendant as soon as possible. CRRA assumes no responsibility for unreported errors.

(d) At the discretion and request of CRRA, the Permittee/hauler shall disclose to CRRA the quantity of Acceptable Solid Waste from each Participating Municipality in the Acceptable Mixed Load(s) for which Permittee/hauler is hauling.

(e) The Permittee/hauler shall use its best efforts to identify and provide CRRA written evidence of the origin of the Acceptable Solid Waste in its Acceptable Mixed Loads to enable CRRA to properly determine each Participating Municipality's volume of delivered Acceptable Solid Waste.

4.10 Delivery of Mixed Loads of Acceptable Solid Waste From Multiple Participating Municipalities

(a) Delivery of Mixed Loads of Acceptable Solid Waste from Multiple Participating Municipalities ("Acceptable Mixed Loads") will be accepted by CRRA only if the following criteria are met:

(1) The Acceptable Mixed Loads do not contain any Acceptable Solid Waste that originated from a non-Participating Municipality without first executing a Mid-Connecticut Non-Member Waste Agreement.

(2) The entire Acceptable Mixed Load must contain Acceptable Solid Waste that would otherwise have been billed to the Permittee.

(3) The Permittee/hauler shall use its best efforts to identify and provide CRRA written evidence of the origin of the Acceptable Solid Waste in its Acceptable Mixed Loads to enable CRRA to properly determine each Participating Municipality's volume of delivered Acceptable Solid Waste.

(4) Permittee/hauler shall not deliver any Acceptable Mixed Load to any Waste Facility unless all of the Acceptable Solid Waste in the Acceptable Mixed Load is authorized to be disposed of at such Waste Facility.

(5) Any delivery of an Acceptable Mixed Load must be billed in its entirety to the Permittee/hauler that delivers the Acceptable Mixed Load to the Waste Facility.

(b) Haulers may not deliver loads containing Acceptable Recyclables that originate from more than one municipality. Loads from municipalities not participating in CRRA's recycling program will not be accepted unless CRRA has authorized such delivery.

4.11 Recycling Facilities Load Rejection Policy

(a) CRRA or its agent will reject loads if they include unacceptable levels of contamination, if they are unprocessible, or if they otherwise do not meet the Facility Delivery Standards as determined. Loads may be rejected before or after unloading. If a delivery is rejected after unloading, it is subject to a two hundred dollar ($200.00) handling charge. If a delivery is rejected after unloading at a Recycling Transfer Station into a transfer station trailer, it is subject to a five hundred dollar ($500.00) fine for excessive contamination.

(b) Loads that are rejected prior to unloading will not be subject to a handling charge unless CRRA or the Operators determine that such charge is appropriate under the

circumstances. Loads that are rejected prior to unloading will be considered as voided transactions and the tonnage will not accrue to the municipality of origin. CRRA reserves the right to charge additional fees, disposal fees, and or penalties above two hundred dollars ($200.00) when circumstances warrant such.

(c) Loads will be considered not to meet the Facility Delivery Standards if any of the following apply:

(1) They originate from more than one municipality.

(2) They originate from a municipality or municipalities other than a Participating Municipality, unless authorized by CRRA.

(3) They are found to be contaminated and/or unprocessible.

(4) CRRA has communicated in writing to the hauler that the load or loads cannot be delivered to the Recycling Facilities without written approval of CRRA.

(d) Loads will be considered contaminated if any of the following apply:

(1) A load of commingled containers contains more than 5% unacceptable containers or materials other than Acceptable Commingled Container Recyclables.

(2) A load of paper fiber contains more than 5% unacceptable paper fibers or material other than Acceptable Paper Fiber Recyclables.

(3) A load of Single Stream Recyclables contains more than 5% unacceptable Paper Fiber Recyclables or Commingled Container Recyclables or materials other than Acceptable Paper Fiber Recyclables or Acceptable Commingled Container Recyclables.

(e) Loads will be considered unprocessible if any of the following apply:

(1) More than 10% of a load of Paper Fiber Recyclables are wet except as a result of inclement weather.

(2) Acceptance of the load would significantly disrupt the normal operations of the Recycling Facility.

(3) More than 25% of a load's glass containers are broken in loads of Commingled Container Recyclables unless delivered as Single Stream Recyclables.

(4) More than 25% of aluminum cans are flattened or deformed in loads of Commingled Container Recyclables unless delivered as Single Stream Recyclables.

(5) More than 25% of plastic containers are flattened or deformed in loads of Commingled Container Recyclables unless delivered as Single Stream Recyclables.

(6) The condition of the load is such that a significant part (or the entire load) of the material would be unmarketable after processing or that by processing the material delivered in the load with the other accepted, processible material, such other accepted processible material would be rendered unprocessible and/or unmarketable by coming in contact with the material in the load.

5. BILLING

5.1 Payment of Invoices

Invoices shall be issued by CRRA and payable as follows: CRRA shall issue an invoice to each Permittee, at a minimum, on a monthly basis, and each Permittee shall pay such invoice within twenty (20) days from the date of such invoice or within the time specified in Permittee's specific contract with CRRA.

5.2 Liability for Payment of Invoices

Any Permittee who delivers to any of the Facilities by means of any vehicle, roll-off box or trailer that is owned, leased or operated by either such Permittee or by any other Permittee, person or entity, shall be responsible for the payment of any invoice issued by CRRA in connection with such delivery of waste/recyclables and the subsequent disposal or processing thereof by CRRA.

5.3 Past Due Invoices

(a) If a Permittee fails to pay in full any invoice issued by CRRA pursuant to Section 5.1 on or before the close of business of the twentieth (20th) day following the date of such invoice, then such invoice shall be deemed past due and a delayed payment charge of one percent (1%) of the amount past due may be imposed commencing on the thirtieth (30th) day following the invoice date and continuing on a monthly basis following such thirty (30) day period until such invoice is paid in full. If a Permittee's specific contract language with CRRA differs from the foregoing, then the specific contract language of Permittee shall prevail.

(b) In accordance with *Connecticut General Statutes* Section 22a-220c(c), if a hauler is delinquent in paying any invoice to CRRA for three consecutive months, then CRRA must notify any municipality served by hauler of hauler's delinquency.

5.4 Miscellaneous

If any Permittee fails to pay any invoice under this Section 5 by the due date for such invoice, then CRRA may in its sole discretion deny such Permittee any further access to

the Facilities and/or suspend or revoke its permit for the same until such Permittee pays in full to CRRA all past due invoices including any interest thereon. Additionally, CRRA may at its sole discretion pursue any remedies available to it at law or in equity, including, but not limited to, procuring the amounts owed from such Permittee's guaranty of payment, in order to collect such amounts. In connection therewith, the Permittee shall also be liable for all costs, expenses or attorneys' fees incurred by CRRA in collecting the amounts of past due invoices owed by such Permittee to CRRA, whether or not suit is initiated.

5.5 Return Check Policy

(a) For each check returned to CRRA, the Permittee will be charged a processing fee of fifty dollars ($50.00). Permittee must also immediately submit a replacement check in the full amount by either a bank or certified check. In addition, Permittee may be denied access to the Facilities until such payment is received and processed by CRRA.

(b) Permittees who have two returned checks within a four (4) month billing period will be required to submit all future payments by either bank or certified check for minimum period of six (6) months.

5.6 Disputes on Billing

In the event of a dispute on any portion of any invoice, the Permittee shall be required to pay the full amount of the disputed charge(s) when due, and the Permittee shall, within thirty (30) days from the date of the disputed invoice, give written notice of its dispute to CRRA. Such notice shall identify the disputed bill/invoice, state the amount in dispute and set forth a detailed statement of the grounds on which such dispute is based. No adjustment shall be considered or made by CRRA for the disputed charge(s) until notice is give as aforesaid.

6. SANCTIONS

6.1 Sanctions

(a) Permittee must adhere to the terms of these Procedures. In addition to the other remedies available to CRRA hereunder, CRRA may at its sole discretion impose the sanctions, as liquidated damages, against any Permittee who violates any provision of these Procedures. See **Appendix B** attached hereto for examples of violations and their applicable sanctions. However, **Appendix B** is not, nor is it intended to be, a complete listing of all violations and applicable sanctions.

(b) In the event that an individual/Permittee disrupts the operation of, or creates a disturbance or acts in an unsafe or unruly manner at any of the Facilities, CRRA may in its sole discretion prohibit such individual from entering the premises of all or any part of the Project for a period to be determined by the Enforcement/ Recycling Director or his/her designee.

(c) CRRA may in its sole discretion reduce the sanctions authorized in **Appendix B** if CRRA determines that the circumstances involving the offense warrant such reduction.

(d) In addition to any other violations of these procedures, sanctions shall be imposed by CRRA for the following:

(1) Any breach by Permittee of any of its obligations under these procedures or any agreement between Permittee and CRRA for the delivery of Acceptable Solid Waste by Permittee to the Project;

(2) Delivery of waste from a municipality and representing that such waste is from another municipality ("Misrepresentation of Waste Origin"); and

(3) Delivery of an Acceptable Mixed Load(s) of Acceptable Solid Waste that does not conform to the requirements of Section 4.10 herein.

(e) If a Permittee does not commit a violation during the six (6) month period following the Permittee's most recent violation, the Permittee's record may be considered clear and any subsequent violation after the six (6) month period may be considered the Permittee's first violation.

6.2 Appeal Process

A Permittee/hauler will have the right to appeal a monetary violation imposed against it by CRRA to the Appeal Committee.

The following process must be followed to preserve the appeal rights of a Permittee/ hauler:

(a) Within 10 days of the date of the monetary violation, Permittee/hauler must contact the CRRA Field Manager of Enforcement/Recycling in writing via certified mail to 211 Murphy Road, Hartford, Connecticut 06114 or facsimile at 860-278-8471 to request the incident report and supporting documentation ("Incident Report") on the violation at issue.

(b) The Field Manager of Enforcement/Recycling will send Permittee/hauler the Incident Report via certified mail/return receipt, with a cover letter noting the date the request was received.

(c) Within 15 days of the receipt of the Incident Report, if Permittee/hauler has contradicting evidence that provides a reasonable basis to contest the Incident Report, Permittee/hauler must send a letter to the Director of Enforcement/Recycling at 100 Constitution Plaza, Hartford CT 06103, via certified mail/return receipt, explaining the reason for the appeal with a copy of the contradicting evidence.

(d) No appeal will be granted if Permittee/hauler has not submitted evidence which contradicts the Incident Report or that provides a reasonable basis to contest the incident report.

(e) No appeal will be granted if Permittee/hauler has not responded in the timeframe outlined above.

(f) The Appeal Committee shall consist of three (3) members: CRRA President or designee, CRRA Director of Legal Services or designee, and an impartial, uninvolved ad hoc hauler member selected from a list of haulers registered to use the Facilities.

(g) The Appeal Committee will review the Incident Report and Permittee/hauler Information. The Appeal Committee may consolidate Incident Reports for the purpose of an appeal. The Appeal Committee will notify Permittee/hauler within 30 business days to come to the CRRA Headquarters. CRRA will conduct an open meeting to discuss the appeal. Within a reasonable time thereafter, the Appeal Committee will issue a decision, by majority vote, whether to grant the appeal.. This decision is final.

(h) If an appeal is granted, the Appeal Committee, in its decision will determine by majority vote, the adjustment, if any, to the violation. If there is a tie due to abstention, no adjustment will be made. The Appeal Committee may decrease or dismiss the sanction, but at no time will a sanction be increased.

7. LEGAL

7.1 Consistent with Municipal Solid Waste Management Services Contract

It is intended that these procedures be consistent with the Municipal Solid Waste Management Services Contract and with the applicable provisions of law. If any inconsistency should nevertheless appear, the applicable provisions of the Municipal Solid Waste Management Services Contract or the laws of the State of Connecticut shall control.

7.2 Governing Law

These Procedures shall be governed by and construed in accordance with the laws of the State of Connecticut as such laws are applied to contracts between Connecticut residents entered into and to be performed entirely in Connecticut.

APPENDIX A

Policy Guidelines for Accepting Residue from Recycling Facilities

Authority Projects will accept residue from recycling facilities, as defined in (CGS 22a-207); that meet all of the following conditions:

The Recycling Facility must possess a valid DEP Permit to Operate a Recycling Facility. A DEP permitted Solid Waste Facility (other than Recycling Facility), which provides for recycling in its approved Plan of Operations may also be deemed eligible by CRRA project staff for this purpose. Operators must provide CRRA with a copy of the DEP Permit to Operate. CRRA will determine if haulers comply with eligibility criteria before acceptance of residue.

Residue will only be accepted in direct proportion to the solid waste received and processed by the Recycling Facility from Project participating municipalities, (i.e.) if a facility accepts 100 tons of solid waste and 10 tons of this if from project municipalities, CRRA will accept 10% of the total recycling residue.

A listing by municipality of the amount of solid waste received, the total amount of residue generated, the amount of residue apportioned to each municipality, the method used to calculate the amount apportioned to each municipality, and the location at which all residue was disposed shall be submitted to CRRA with each payment for the period covered by the payment.

Prior to delivering any residue to any of the facilities, Hauler and all the Authorized Companies shall obtain all permits that are required by the Procedures, and shall comply with all other pre-delivery requirements set forth therein and-in the applications (including instructions) for such permits. Hauler and such authorized company shall comply at all times with the Procedures, including any amendments made by CRRA thereto from time to time.

All vehicles delivering residue must possess a current, valid Authority permit, including but not limited to the necessary payment guarantees, proof of insurance and indemnification agreements.

The Project from time to time may allow the receipt and disposal of processible non-project residue on a spot basis.

CRRA reserves the right to inspect any facility, including records of solid waste and residue, from which residue disposal is requested and/or received.

APPENDIX B

Number ofViolations	Safety Violations	Maintenance Violations	Hazardous Waste Violation	Non-Processible Waste Violation	Unacceptable & Misrepresentation of Origin Violation	Truck Route Violation
Examples of Violations (Not limited to)	Speeding; No back-up alarm; Unsecured door	Motor Vehicle Operation; Failure to Follow Instructions; No Tarp	Any Delivery of Hazardous Waste or medical waste to Facilities	Household furniture, white metals, scrap metals, Bulky Waste	Any Delivery of Unacceptable Waste or Misrepresentation of Origin of Delivered Waste	Any Use of Permittee's Vehicle On Non-Authorized Truck Route
1st	$250.00	Written Warning to the Permittee	$1,000.00	Written Warning to the Permittee	Written Warning to the Permittee	Written Warning to the Permittee
2nd	$500.00	$100.00	$1,500.00	$100.00	$500.00	$250.00
3rd	$1,000.00	$250.00	$2,000.00	$250.00	$1,000.00	$500.00
4th	$1,500.00	$750.00	$3,000.00	$750.00	$1,500.00	$1,000.00
5th	$2,000.00	$1,250.00	$4,000.00	$1,000.00	$2,000.00	$1,500.00
6th	$2,500.00	$2,500.00	$5,000.00	$1,500.00	$2,500.00	$3,000.00

Notes:

1. First, all Violations are done **By Location.**
2. Second, Violations are done **By Type.**
3. The above list does not include a complete list of violations. It is meant to illustrate the types of offenses that may constitute a violation.
4. Disposal privileges may be denied or suspended for serious or repeated violations.
5. Reloading charges may be applicable for certain waste violations and are payable to either CRRA or the waste-to-energy facility operator, in accordance with the respective waste-to-energy project agreements.

EXHIBIT ~~[x]~~C

DESIGNATED WASTE FACILITY
AND DESIGNATED RECYCLING FACILITY

EXHIBIT ~~[x]~~D

DELIVERY PERIODS; SCHEDULED DELIVERIES; DELIVERY CAPS

1. DELIVERY PERIODS; SCHEDULED DELIVERIES

The first Contract Year, and each calendar quarter of each Contract Year following the first Contract Year shall constitute a Delivery Period, as listed in Table 1 below. During each Delivery Period, the Municipality shall deliver or cause to be delivered to the Designated Waste Facility (in Tons), at least the pertinent Scheduled Deliveries and shall not exceed the pertinent Delivery Cap, as listed in Table 1. It is acknowledged by the Parties that the Scheduled Deliveries have been mutually agreed to by the Municipality and by CRRA.

Table 1

Delivery Period for the first Contract Year

Delivery Period	Scheduled Deliveries	Delivery Cap
November 16th, 2012 through June 30, 2013		

Delivery Periods for each Contract Year after the first Contract Year

Delivery Period	Scheduled Deliveries	Delivery Cap (Tons)
(1) July 1 – September 30		
(2) October 1 – December 31		
(3) January 1 – March 31		
(4) April 1 – June 30		

~~ANNUAL QUANTITY~~

Document comparison done by Workshare DeltaView on Friday, July 09, 2010 10:10:09 AM

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Legend:	
Insertion	
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Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	270
Deletions	230
Moved from	11
Moved to	11
Style change	0
Format changed	0
Total changes	522

ATTACHMENT C

DRAFT
TIER 2
MUNICIPAL SOLID WASTE
MANAGEMENT SERVICES AGREEMENT

DRAFT

TIER 2 MUNICIPAL SOLID WASTE MANAGEMENT SERVICES AGREEMENT

BETWEEN

CONNECTICUT RESOURCES RECOVERY AUTHORITY

AND

THE **[TOWN / CITY]** OF _____

A MUNICIPALITY OF

THE STATE OF CONNECTICUT

FOR THE PROVISION OF ACCEPTABLE SOLID WASTE SERVICES

PREAMBLE

This Agreement is made and dated as of **[DATE]** (the "Effective Date"), by and between the CONNECTICUT RESOURCES RECOVERY AUTHORITY ("CRRA"), a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut (the "State"), and the **[Town / City]** of _____ in the State, a municipality and political subdivision of the State (the "Municipality"). CRRA and the Municipality are sometimes hereinafter referred to individually as a "Party" and collectively as the "Parties."

W I T N E S S E T H:

WHEREAS, CRRA was established pursuant to the Connecticut Solid Waste Management Services Act (the "Act"), Chapter 446e of the Connecticut General Statutes (the "General Statutes"), as a body politic and corporate, constituting a public instrumentality and political subdivision of the State, for the performance of an essential public and governmental function; and

WHEREAS, under the Act, CRRA has the responsibility and authority to provide Solid Waste disposal and resource recovery systems and facilities, and Solid Waste management services, where necessary and desirable throughout the State; and

WHEREAS, the Municipality has an affirmative obligation under Section 22a-220 of the General Statutes to make provision for the safe and sanitary disposal of Solid Waste generated within its corporate boundaries; and

WHEREAS, the Municipality is authorized by Sections 22a-275 and 22a-221 of the General Statutes, inter alia: (i) to enter into a contract with CRRA for Solid Waste processing and disposal services; and (ii) to pay reasonable fees and charges for such services; and

WHEREAS, CRRA owns the Facility and the Transfer Stations; and

WHEREAS, the Parties agree that it is in their mutual interest that CRRA process and dispose of the Municipality's Acceptable Solid Waste generated within its corporate boundaries, and the Parties desire to enter into this Agreement to set forth their understandings and agreements in connection therewith; and

WHEREAS, in order to provide the Municipality with options for CRRA's provision of the foregoing services, CRRA created Tier 1 services and Tier 2 services; and

WHEREAS, under the Tier 1 services option the Municipality would be required to enact and enforce flow control, and under the Tier 2 services option the Municipality would be required to deliver a set amount of Acceptable Solid Waste to CRRA; and

WHEREAS, under the Tier 1 services option, CRRA would achieve cost reductions as compared to the Tier 2 services option; and

WHEREAS, these cost reductions allow CRRA to offer certain economic and other benefits to municipalities selecting the Tier 1 services option; and

WHEREAS, the Municipality, having reviewed the Tier 1 services option and the Tier 2 services option, has elected to receive Tier 2 services from CRRA;

NOW, THEREFORE, in consideration of the undertakings and agreements hereinafter set forth and in reliance upon the preceding representations, the Parties agree as follows:

ARTICLE I
DEFINITIONS

SECTION 101. Incorporation of Recitals. The recitals to this Agreement are incorporated into the body of this Agreement as a part hereof.

SECTION 102. Specific Definitions. Capitalized terms herein have the meanings ascribed to such terms herein or in **Exhibit A** hereto and a part hereof.

SECTION 103. General Definitions and Construction. As used in this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Agreement include the plural as well as the singular;

(b) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles;

(c) the words "herein", "hereof" and "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision; and

(d) the words "include" and "including" shall be deemed to be followed by the words "without limitation."

SECTION 104. Incorporation of Procedures. The Procedures attached hereto as **Exhibit B** are incorporated herein by reference.

ARTICLE II
RESPONSIBILITIES OF THE PARTIES TO SUPPLY AND DISPOSE OF ACCEPTABLE SOLID WASTE; TERM

SECTION 201. Disposal Services to be Provided by CRRA.

(a) Subject to the terms of this Agreement, on and after November 16, 2012 (the "Commencement Date"), and continuing during the Term, CRRA shall accept for processing and disposal Acceptable Solid Waste delivered or caused to be delivered by the Municipality to the Designated Waste Facility. The Designated Waste Facility as of the Effective Date (the "Original Designated Facility") is set out on **Exhibit C** hereto and a part hereof.

(b) CRRA at its sole option may process and dispose of Acceptable Solid Waste delivered to the Designated Waste Facility at such Waste Facility, or CRRA may transport any such Acceptable Solid Waste to an Alternate Facility for processing and disposal. Prior to any such transport, CRRA shall verify that such Alternate Facility is properly permitted. All requirements in this Agreement concerning Acceptable Solid Waste processed and disposed of at the Designated Waste Facility, shall apply with equal force to Acceptable Solid Waste transported to, and processed and disposed of by CRRA at an Alternate Facility. To avoid doubt, Acceptable Solid Waste transported to, and processed and disposed of at an Alternate Facility pursuant to this Section 201(b), is not Emergency Bypass Waste.

SECTION 202. Municipality to Deliver the Scheduled Deliveries and Pay Tier 2 Disposal Fees. The Municipality shall be a Tier 2 Municipality. Beginning on the Commencement Date, for each delivery period (a "Delivery Period") listed in **Exhibit D** hereto and a part hereof, the Municipality shall deliver or cause to be delivered to the Designated Waste Facility at least the scheduled deliveries (the "Scheduled Deliveries") listed in **Exhibit D** for such Delivery Period. Subject to the provisions of Section 401, the Municipality shall pay a disposal fee (the "Tier 2 Disposal Fee") for each Ton of Acceptable Solid Waste so delivered, together with all other amounts which become due hereunder (including under Section 303 hereof). The Tier 2 Disposal Fee for each Contract Year is listed on **Exhibit E** hereto and a part hereof. The Scheduled Deliveries shall be prorated for any partial Delivery Period.

SECTION 203. Requirements Regarding Acceptable Solid Waste.

(a) The Municipality agrees that the Acceptable Solid Waste delivered by it or on its behalf to the Designated Waste Facility:

(i) shall be Acceptable Solid Waste generated within the Municipality's corporate boundaries, provided that nothing herein shall preclude the Municipality from arranging with any other Participating Municipality or Participating Municipalities, either through Municipal Collection or Contract Collection as defined in Sections 22a-207(16) and (17) of the General Statutes, for the combined delivery of Acceptable Solid Waste generated within such Participating Municipalities, so long as CRRA has received reasonable prior written notice of such arrangement, which written notice shall set forth, in form and substance reasonably satisfactory to CRRA, the method of allocating such combined Acceptable Solid Waste among such Participating Municipalities, and CRRA has approved such arrangement in writing; and

(ii) shall otherwise comply with the requirements of this Agreement, the Procedures and all applicable law. To the extent that technical or scientific analyses or determinations are involved, CRRA shall have final authority as to the methods, standards, criteria, evaluation, interpretation and significance of such analyses and determinations.

(b) The Municipality will permit no new deliveries, and will discontinue or cause to be discontinued current deliveries of Solid Waste that do not comply with the provisions of this Section 203. If, notwithstanding the foregoing, any Solid Waste that does not comply with the provisions of this Section 203 is delivered by or on behalf of the Municipality to any Waste Facility, the same shall be deemed not accepted by CRRA and if discovered at such Waste Facility, may be transported to and disposed of by CRRA at a suitable location within or outside the State selected by CRRA. The Municipality shall be required to pay all costs incurred by CRRA, including fines or penalties, in connection with the transportation, handling or disposal of such nonconforming Solid Waste, except to the extent that CRRA identifies and obtains prompt reimbursement from the generator (or other Person delivering such nonconforming Solid Waste on behalf of such generator), who delivered such nonconforming Solid Waste.

(c) The Municipality shall separate (and shall direct each Waste Hauler that the Municipality has the ability to so direct, to separate) all Nonprocessible Waste from other Acceptable Solid Waste, prior to delivery.

SECTION 204. Compliance with Requirements. CRRA shall determine in its sole but reasonable discretion whether the Solid Waste delivered by or on behalf of the Municipality complies with all requirements of this Agreement. Notice of and a copy of such determination shall be provided to the Municipality, and shall be deemed to have been made in accordance with this Section 204 and to be correct, at the expiration of sixty (60) days after such notice, unless within such sixty (60) day period the Municipality shall have filed with CRRA a written objection stating that such determination is incorrect, and stating the changes therein which should be made to correct such determination. CRRA shall accept or reject the Municipality's objection in whole or in part within forty-five (45) days of CRRA's receipt of such objection.

Notice and a copy of CRRA's decision with respect to such objection will be provided to the Municipality within three (3) days of the date of decision. Where CRRA has rejected all or any part of the Municipality's objection, then CRRA, acting by its designated hearing officer, shall so notify the Municipality and shall thereafter conduct a hearing on the matter. Such hearing shall take place within forty-five (45) days following the date on which notice of CRRA's decision has been mailed to the Municipality. The Municipality shall be accorded a full and meaningful opportunity to participate in the hearing and to present such evidence and testimony as may be material. Following such hearing, the hearing officer shall draft a memorandum of decision which shall include findings of fact and a statement of conclusion. The memorandum of decision shall be provided to the Municipality within three (3) days of the date of such decision. The memorandum of decision shall be considered a final adjudication of the issues unless, within thirty (30) days from the date of such memorandum of decision, a Party commences an action in the Superior Court of the State.

SECTION 205. Requirements Regarding Deliveries; Title to Acceptable Solid Waste.

(a) All deliveries of Acceptable Solid Waste by or on behalf of the Municipality shall conform to the requirements of this Agreement and the Procedures, and shall be delivered in vehicles conforming to the requirements of this Agreement and the Procedures.

(b) The Municipality shall take no action that would result in a misidentification as to the source of Acceptable Solid Waste delivered to any Waste Facility.

(c) The Municipality shall make or cause to be made regular deliveries of Acceptable Solid Waste to the Designated Waste Facility during the regular operating hours thereof.

(d) Title to Acceptable Solid Waste delivered by or on behalf of the Municipality shall pass to CRRA at the time that CRRA accepts such Acceptable Solid Waste, upon CRRA's determination that such Acceptable Solid Waste meets all requirements of this Agreement and the Procedures.

SECTION 206. CRRA Selection of new Designated Waste Facility. From time to time after reasonable prior written notice to the Municipality, CRRA may select a new Designated Waste Facility, and the Municipality shall thereafter deliver or cause to be delivered to such new Designated Waste Facility, all Acceptable Solid Waste hereunder. Prior to any such selection, CRRA shall verify that any new Designated Waste Facility is properly permitted. CRRA shall credit or reimburse the Municipality for any additional delivery costs incurred by the Municipality for the delivery of Acceptable Solid Waste to such new Designated Waste Facility (not to exceed the actual costs thereof), as compared to the Municipality's delivery costs to the Original Designated Facility, as demonstrated by the Municipality and agreed to by CRRA, both in a commercially reasonable manner. To avoid doubt, Solid Waste transported to, and processed and disposed of at a new Designated Waste Facility pursuant to this Section 206, is not Emergency Bypass Waste.

SECTION 207. Emergency Bypass Waste; Force Majeure. Subject to this Section 207, to the extent CRRA determines that it may be unable to accept the Municipality's Acceptable Solid Waste at the Designated Waste Facility, CRRA may redirect Spot Waste, Contract Waste and other Solid Waste not covered by this Agreement or any other Municipal Solid Waste Management Services Agreement, which in each case it has the right to divert without penalty or incurring any cost, to an Alternate Facility. After such redirection(s), if CRRA is still unable to accept the Municipality's Acceptable Solid Waste at the Designated Waste Facility, then CRRA may redirect such Acceptable Solid Waste ("Emergency Bypass Waste") to an Alternative Facility selected by CRRA, and if such inability to accept is caused by a Force Majeure Event, consented to by the Municipality, which consent shall not be unreasonably withheld or delayed. The Municipality may in its discretion and with prior written notice to CRRA, elect alternate arrangements ("Alternate Arrangements"), for the disposal of the Municipality's Acceptable Solid Waste necessitated by, and for the duration of any Force Majeure Event. Any additional costs incurred by CRRA in connection with its redirection of Emergency Bypass Waste not caused by a Force Majeure Event shall be paid by CRRA. For all Emergency Bypass Waste which is redirected by CRRA as the result of a Force Majeure Event and with respect to which the Municipality has not elected Alternate Arrangements, the Municipality shall pay CRRA the Tier 2 Disposal Fees plus the incremental costs, if any, incurred by CRRA in connection with the transportation and disposal of such Emergency Bypass Waste, as demonstrated by CRRA in a commercially reasonable manner. CRRA shall use commercially reasonable efforts to overcome promptly any inability to accept the Municipality's Acceptable Solid Waste at the Designated Waste Facility.

SECTION 208. Effective Date; Duration of Contract; Extension. This Agreement shall be effective as of the Effective Date; however, the obligations of the Parties shall begin on the Commencement Date and shall continue for **[#]** Contract Years (the "Term"). This Agreement shall expire at 11:59 p.m., on **[DATE]**.

ARTICLE III
DELIVERY PAYMENT(S); EXCESS WASTE COSTS

SECTION 301. Delivery Cap; Delivery Payment.

(a) Each Delivery Period listed in **Exhibit D** shall be subject to a range whose lower limit is the Scheduled Deliveries for such Delivery Period and whose upper limit is the delivery cap (the "Delivery Cap") for such Delivery Period listed in **Exhibit D**. During each Delivery Period, the Municipality may deliver or cause to be delivered to the Designated Waste Facility without penalty or additional cost, Acceptable Solid Waste in excess of the appurtenant Scheduled Deliveries, up to the appurtenant Delivery Cap.

(b) Subject to the provisions of Section 301(d), if during any Delivery Period the Municipality does not deliver or cause to be delivered to the Designated Waste Facility at least the Scheduled Deliveries for such Delivery Period (prorated for any partial Delivery Period), then the Municipality shall pay to CRRA: (i) for any Delivery Period 1 and/or Delivery Period 4, the product of (a) fifteen dollars ($15.00) times (b) the Scheduled Deliveries, minus the portion (in Tons) of the Scheduled Deliveries that the Municipality delivered to the Designated Waste

Facility during such Delivery Period(s); and (ii) for any Delivery Period 2 and/or Delivery Period 3, the product of (a) thirty dollars ($30.00) times (b) the Scheduled Deliveries, minus the portion (in Tons) of the Scheduled Deliveries that the Municipality delivered to the Designated Waste Facility during such Delivery Period(s); (in the case of both (i) and (ii), a "Delivery Payment"), as determined by CRRA in a commercially reasonable manner. For purposes of the preceding sentence, the Delivery Period constituting the first Contract Year shall be deemed a Delivery Period 3.

(c) CRRA reserves the right to implement monthly Delivery Periods, Scheduled Deliveries and Delivery Caps, for Delivery Periods beginning on or after July 1, 2014.

(d) If during the term of this Agreement CRRA and the Municipality execute a separate agreement (a "Recycling Agreement") for the delivery of the Municipality's Acceptable Recyclables, then commencing with the Delivery Period next beginning after the commencement of deliveries under such Recycling Agreement, the Scheduled Deliveries for each Delivery Period during the term of such Recycling Agreement shall be reduced as follows: For each Ton of Acceptable Recyclables delivered to CRRA during any Contract Year, the Scheduled Deliveries for each remaining Delivery Period during such Contract Year shall be reduced by a fraction whose numerator is the average percentage of deliveries of Acceptable Solid Waste for a Contract Year received by CRRA during such Delivery Period, and whose denominator is 100. By way of example, if CRRA receives, on average, 25% of the Municipality's deliveries of Acceptable Solid Waste for a Contract Year during Delivery Period 3, then for each Ton of Acceptable Recyclables received by CRRA under a Recycling Agreement commencing during Delivery Period 2, the Scheduled Deliveries for Delivery Period 3 would be reduced by 25/100, or 0.25 Tons, and so forth.

SECTION 302. Excess Waste Costs. If during any Delivery Period the Municipality exceeds the Delivery Cap for such Delivery Period (prorated for any partial Delivery Period), then CRRA may process and dispose of such excess Acceptable Solid Waste ("Excess Waste") at a Waste Facility selected by CRRA, and the Municipality shall pay all of CRRA's incremental costs and expenses to dispose of such Excess Waste ("Excess Waste Costs").

SECTION 303. Calculation and Billing of Delivery Payment(s) and Excess Waste Costs. Any Delivery Payment(s) or Excess Waste Costs for any Delivery Period(s) shall be calculated by CRRA after the conclusion of the Contract Year containing such Delivery Period(s), and shall be billed and paid pursuant to Section 401; or, if the subject Contract Year is the final Contract Year, pursuant to Section 403.

ARTICLE IV
INVOICING; SUMS DUE ON EXPIRATION

SECTION 401. Invoicing. On or before the fifteenth (15th) Business Day following the end of each Billing Period, CRRA shall provide the Municipality with an invoice setting forth the Tier 2 Disposal Fees (net of amounts billed to Waste Haulers) and any other charges or fees due and payable for such Billing Period, together with any other amounts

(including any Delivery Payment(s) or Excess Waste Costs) then due. Each invoice shall set forth the actual Tons of Acceptable Solid Waste delivered by or on behalf of the Municipality and accepted by CRRA during such Billing Period, multiplied by the Tier 2 Disposal Fee. On or before the twentieth (20th) day following the date of such invoice (the "Due Date"), the Municipality shall pay CRRA or its designee the full amount of such invoice. CRRA shall notify the Municipality in writing as to the identity of any such designee. If the Due Date is a Sunday, a holiday or any other day which is not a Business Day, the next following Business Day shall be the Due Date. Amounts billed to Waste Haulers on behalf of the Municipality and any additional relevant information shall be contained in a monthly statement provided to the Municipality with the aforesaid invoice. The Municipality agrees (i) that the monthly invoices issued pursuant to this Section 401 may not require the current payment of all amounts for which the Municipality is then liable under this Agreement, and (ii) that the Municipality shall remain liable for payment of such amounts notwithstanding the deferral of the time at which the payment of such amounts is required. Without limitation of the preceding sentence, the Municipality shall not be responsible to CRRA for the payment of any Tier 2 Disposal Fees billed by CRRA to Waste Haulers. All Tier 2 Disposal Fees and other amounts for which the Municipality is liable hereunder shall be current expenses of the Municipality.

SECTION 402. Failure to Pay Invoice. If payment in full of any invoice rendered by CRRA is not made on or before the Due Date, a delayed-payment charge of the greater of ten percent (10%) per annum or fifty dollars ($50.00) shall be assessed on all past due amounts, which delayed-payment charge shall become immediately due and payable to CRRA as liquidated damages for failure to make prompt payment, and shall be reflected in the invoice for the following Month. In addition to and not in limitation of the foregoing, if payment in full of any invoice rendered by CRRA is not made on or before the Due Date and such non-payment continues uncured for a period of thirty (30) days after written notice of such non-payment from CRRA to the Municipality, then CRRA may in its sole and absolute discretion, cease accepting Acceptable Solid Waste from the Municipality until all outstanding invoices, delayed payment charges and any other payments which have became due are paid in full. No such cessation by CRRA shall relieve the Municipality from any of its obligations hereunder, including the obligation to deliver the Scheduled Deliveries or pay the Delivery Payments pursuant to Section 301(b), and to pay all other sums becoming due and owing hereunder.

SECTION 403. Sums Due upon Expiration of this Agreement. Subject to the terms of this Agreement, including Section 401 and Section 402, any amounts due to CRRA from the Municipality upon the expiration or earlier termination of this Agreement (including any amounts due pursuant to Section 303), shall be paid by the Municipality on or before sixty (60) days after the date on which any invoice containing such amount is presented to the Municipality. The provisions of this Section 403 shall survive the expiration or earlier termination of this Agreement.

ARTICLE V
COVENANTS BY AUTHORITY AND PLEDGE OF STATE

SECTION 501. Records and Accounts. CRRA shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries

shall be made of the transactions relating to this Agreement, including records of the quantity and characteristics of Acceptable Solid Waste delivered by or on behalf of the Municipality and accepted by CRRA. Such books shall be available for inspection by the Authorized Representative of the Municipality, upon reasonable prior written notice to CRRA.

SECTION 502. Scales. CRRA shall provide and use scales for determining the quantity of Acceptable Solid Waste delivered to and processed at any Waste Facility, by or on behalf of the Municipality. In the event of a dispute as to the accuracy of such scales, the Municipality shall provide written notice of the same to CRRA. Within fifteen (15) days of its receipt of such notice, CRRA have its scales tested for accuracy. If such test reveals that CRRA's scales are in compliance with the tolerances permitted by the State of Connecticut Department of Consumer Protection, then the Municipality shall pay CRRA's reasonable expenses for such tests and the Municipality shall withdraw its dispute. Alternatively, if such test reveals that CRRA's scales are not in compliance with the aforementioned tolerances (whether such non-compliance has resulted in underweights or overweights), then CRRA shall have its scales recalibrated, and CRRA shall pay its expenses for such tests and recalibration.

SECTION 503. Right of Inspection. Upon reasonable prior notice to CRRA, CRRA shall permit the Authorized Representative of the Municipality, or his or her designee, to enter the Designated Waste Facility during usual business hours and to inspect the same, for the purpose of monitoring CRRA's performance under this Agreement. The Municipality shall notify CRRA in writing as to the identity of any such designee.

SECTION 504. Insurance. CRRA shall at all times maintain or cause to be maintained with responsible insurers, all such insurance as is customarily maintained with respect to facilities of like character to the Waste Facilities and as may be reasonably required and obtainable within limits and at costs deemed reasonable by CRRA, against loss or damages, use and occupancy, and public and other liability, to the extent reasonably necessary to protect the interest of CRRA and of the Participating Municipalities.

SECTION 505. Certain Provisions Executory. The provisions of this Agreement requiring expenditure of monies by CRRA shall be deemed executory to the extent that CRRA shall have monies legally available for such purposes, and no monetary liability on account thereof shall be incurred by CRRA beyond monies legally available for such expenditures. CRRA shall not be in default of this Agreement if the operation of the Designated Waste Facility shall be delayed or interrupted by a Force Majeure Event.

SECTION 506. Pledge of State. In accordance with the Act CRRA hereby includes the following pledge and undertaking for the State:

> The State of Connecticut does hereby pledge to and agree with the Municipality and with any assignee of any right of CRRA under this Contract that the State will not limit or alter the rights hereby vested in CRRA until this Contract is fully performed on the part of CRRA, provided nothing contained herein shall preclude such limitation or alteration if and when adequate provision shall be

made by law for the protection of the Municipality and any such assignee. (Section 22a-274 of the General Statutes.)

ARTICLE VI
ADDITIONAL AGREEMENTS

SECTION 601. Obligation of Municipality to Make Payments. The Municipality agrees that its obligation to pay the Tier 2 Disposal Fees, any Delivery Payment(s) or Excess Waste Costs, and all other amounts which shall become due hereunder (including any delayed-payment charges), and the costs and expenses of CRRA and its representatives incurred in the collection of any overdue payments from the Municipality, whether to CRRA or to the trustee of any Bonds: (i) shall, absent manifest error, be absolute and unconditional; (ii) shall not be subject to any abatement, reduction, setoff, counter-claim, recoupment, defense (other than payment itself) or other right which the Municipality may have against CRRA, any trustee or any other person for any reason whatsoever; (iii) shall not be affected by any defect in title, compliance with the plans and specifications, condition, design, fitness for use of, or any damage to or loss or destruction of any Waste Facility; and (iv) so long as CRRA continues to render its services of accepting Acceptable Solid Waste delivered by or on behalf of the Municipality to the extent required by the terms of this Agreement, shall not be affected by any interruption or cessation in the possession, use or operation of any Waste Facility by CRRA or any operator thereof for any reason whatsoever. All payment obligations of the Municipality shall survive the expiration or earlier termination of this Agreement.

SECTION 602. Indemnification.

(a) Subject to the terms and conditions hereof, the Municipality shall protect, indemnify and hold harmless CRRA and its officers, directors, members, employees and agents (individually, a "CRRA Indemnified Party") from and against all liabilities, damages, claims, demands, judgments, losses, costs, expenses, suits or actions (including reasonable counsel and consultant fees and expenses, court costs and other litigation expenses), suffered or incurred, directly or indirectly arising out of, related to or with respect to this Agreement, and will defend the CRRA Indemnified Parties in any suit, including appeals, for (a) personal injury to, or death of any individual or individuals, or loss or damage to property arising out of the Municipality's performance (or non-performance) of its obligations hereunder, (b) the Municipality's breach of any obligation herein contained, or (c) any misrepresentation or breach of warranty by the Municipality hereunder. The Municipality shall not, however, be required to reimburse or indemnify any CRRA Indemnified Party for loss or claim due to the willful misconduct or negligence of such CRRA Indemnified Party, and the CRRA Indemnified Party whose willful misconduct or negligence is adjudged to have caused such loss or claim will reimburse the Municipality for the costs of defending any suit as required above. A CRRA Indemnified Party shall promptly notify the Municipality of the assertion of any claim against it for which it is entitled to be indemnified hereunder, shall give the Municipality the opportunity to defend such claim, and shall not settle such claim without the approval of the Municipality. These indemnification provisions are for the protection of the CRRA Indemnified Parties only and shall not establish, of themselves, any liability to third parties.

(b) Subject to the terms and conditions hereof and to the extent permitted by law, CRRA shall protect, indemnify and hold harmless the Municipality and its officers, directors, members, employees and agents (individually a "Municipal Indemnified Party") from and against all liabilities, damages, claims, demands, judgments, losses, costs, expenses, suits or actions (including reasonable counsel and consultant fees and expenses, court costs and other litigation expenses), suffered or incurred, directly or indirectly arising out of, related to or with respect to this Agreement, and will defend the Municipal Indemnified Parties in any suit, including appeals, for (a) personal injury to, or death of any individual or individuals, or loss or damage to property arising out of CRRA's performance (or non-performance) of its obligations hereunder, (b) CRRA's breach of any obligation herein contained, or (c) any misrepresentation or breach of warranty by CRRA hereunder. CRRA shall not, however, be required to reimburse or indemnify any Municipal Indemnified Party for loss or claim due to the willful misconduct or negligence of such Municipal Indemnified Party, and the Municipal Indemnified Party whose willful misconduct or negligence is adjudged to have caused such loss or claim will reimburse CRRA for the costs of defending any suit as required above. A Municipal Indemnified Party shall promptly notify CRRA of the assertion of any claim against it for which it is entitled to be indemnified hereunder, shall give CRRA the opportunity to defend such claim, and shall not settle such claim without the approval of CRRA. These indemnification provisions are for the protection of the Municipal Indemnified Parties only and shall not establish, of themselves, any liability to third parties.

SECTION 603. Default by the Municipality and Remedies of CRRA. The Municipality shall be in default hereunder if: (1) payment in full of any invoice rendered by CRRA is not made on or before the Due Date, and such failure continues uncured for a period of thirty (30) days after written notice from CRRA to the Municipality; or (2) the Municipality shall have materially failed to comply with any of its other obligations hereunder. CRRA shall have all the remedies prescribed by law and this Agreement for the enforcement of collection of any payments to be made by the Municipality hereunder, including the right to refuse Acceptable Solid Waste from or on behalf of the Municipality; provided, however, that CRRA's sole remedy for the Municipality's non-delivery of any Scheduled Deliveries during any Delivery Period, shall be the collection by CRRA from the Municipality of the appropriate Delivery Payment for such Delivery Period, as described in Section 301(b). Notwithstanding the initiation or continuance of any remedy hereunder by CRRA, the Municipality shall remain obligated to make the payments required hereunder. In addition, the Municipality specifically acknowledges that CRRA is entitled to sue the Municipality for injunctive relief, mandamus, specific performance or to exercise such other legal or equitable remedies not herein excluded, to enforce the Municipality's obligations hereunder.

SECTION 604. Default by CRRA and Remedies of the Municipality. Failure on the part of CRRA in any instance or under any circumstances to observe or fully perform any obligation assured by or imposed upon it by this Agreement or by law shall not make CRRA liable in damages to the Municipality, so long as CRRA acts promptly to remedy the failure to observe or fully perform any such obligation after such failure has been brought to its attention in writing or, so long as Acceptable Solid Waste delivered by or on behalf of the Municipality shall be processed and disposed of pursuant to the terms of this Agreement, relieve the Municipality of its obligations to make the payments, or to fully perform any of its other obligations hereunder. CRRA specifically acknowledges that the Municipality is entitled to sue CRRA for injunctive

relief, mandamus or specific performance, or to exercise such other legal or equitable remedies not herein excluded, to enforce CRRA's obligations hereunder.

SECTION 605. Levy of Taxes and Cost Sharing or Other Assessment. To the extent that the Municipality shall not make provisions or appropriations necessary to provide for and authorize the payment by the Municipality to CRRA of the payments required hereunder, the Municipality shall levy and collect such general or special taxes, or cost sharing or other assessments, as may be necessary to make any such payment in full when due hereunder.

SECTION 606. Enforcement of Collections. The Municipality will diligently enforce or levy and collect all taxes, cost sharing or other assessments or fees, rentals or other charges for the collection of Acceptable Solid Waste, and will take all lawful actions, including the commencement and prosecution of any appropriate proceeding, for the enforcement and collection of such taxes, cost sharing or other assessments or fees, rentals or other charges lawfully levied which shall become delinquent.

The Parties agree that the provisions of Section 605 and this Section 606 hereof, satisfy the "full faith and credit" requirement for membership on the CRRA Board of Directors contained in Section 22a-261(c) of the General Statutes, as the same may be amended, supplemented or superseded from time to time.

SECTION 607. Disputes on Billing. In the event of any dispute as to any portion of any invoice presented to the Municipality hereunder, the Municipality shall nevertheless pay the full amount of such disputed charge(s) by the Due Date, and shall provide within thirty (30) days after the Due Date, written notice of such dispute to CRRA. Such notice shall identify the disputed invoice, state the amount in dispute and set forth a full statement of the grounds on which such dispute is based. No adjustment shall be considered or made for disputed charges until the aforesaid notice is provided. The dispute shall be resolved in accordance with the provisions for dispute resolution set forth in Section 617. In the event that the Municipality prevails in such dispute, CRRA shall within thirty (30) days of the final adjudication of such dispute, refund to the Municipality all disputed payments to which the Municipality is entitled, plus interest at the rate prescribed pursuant to Section 2-27a of the General Statutes.

SECTION 608. Further Assurances. At any and all times CRRA and the Municipality (so far as it may be authorized by law) shall pass, make, do, execute, acknowledge, and deliver any and every such further resolution or ordinance, acts, deeds, conveyances, assignments, transfers, and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning, and confirming all and singular the rights, Tier 2 Disposal Fees, any Delivery Payment(s) or Excess Waste Costs, and other funds pledged or assigned, or intended so to be, or which CRRA or Municipality, as the case may be, may heretofore or hereafter become bound to pledge or to assign, or as may be reasonable and required to carry out the purposes of any such resolution or ordinance, or to comply with this Agreement or the Act.

SECTION 609. Amendments. This Agreement may be amended from time to time by a writing duly authorized and executed by the Parties.

SECTION 610. Severability. If any provision of this Agreement shall for any reason be determined to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions hereof, and this Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

SECTION 611. Execution. This Agreement may be executed in any number of original or facsimile counterparts and as separate counterparts, all of which when so executed and delivered will together constitute one and the same instrument. If the Parties elect to execute this Agreement by facsimile or other electronic means, the same shall have the same force and effect as if this Agreement had been manually executed by the Parties in one complete document, and the Parties shall exchange wet-signature original signature pages within a reasonable time after such execution.

SECTION 612. Waiver; Amendment. Unless otherwise specifically provided by the terms of this Agreement, no delay or failure to exercise a right resulting from any breach of this Agreement will impair such right or shall be construed to be a waiver thereof, but such right may be exercised from time to time and as often as may be deemed expedient. Any waiver or amendment hereof must be in writing and signed by the Party against whom such waiver or amendment is to be enforced. If any covenant or agreement contained in this Agreement is breached by any Party and thereafter waived by any other Party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach of this Agreement. Making payments pursuant to this Agreement during the existence of a dispute shall not constitute a waiver of any claims or defenses of the Party making such payment.

SECTION 613. Entirety. This Agreement merges and supersedes all prior negotiations, representations, and agreements between the Parties relating to the subject matter hereof and constitutes the entire agreement between the Parties in respect thereof.

SECTION 614. Notices, Documents and Consents. All notices or other communications required to be given or authorized to be given by either Party hereunder shall be in writing and shall be served personally, or sent by certified or registered mail, or recognized overnight carrier to the Municipality at: **[MUNICIPALITY ADDRESS];** and to CRRA at: 100 Constitution Plaza, Sixth Floor, Hartford, Connecticut 06103 (Attention: President). All notices sent by certified or registered mail, or recognized overnight carrier shall be effective when received.

SECTION 615. Conformity with Laws. The Parties agree to abide by and to conform to all applicable laws of the United States of America, the State or any political subdivision thereof having any jurisdiction over the premises. However, nothing in this Section 615 shall require either Party hereto to comply with any law, the validity or applicability of which shall be contested in good faith and, if necessary or desirable, by appropriate legal proceedings.

SECTION 616. Assignment. Except as specifically set forth herein, neither Party may assign any interest herein to any Person without the consent of the other Party, and any

assignment hereof, in whole or in part, and the terms of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of each Party. Nothing herein contained, however: (i) shall prevent the reorganization of either Party nor prevent any other body corporate and politic succeeding to the rights, privileges, powers, immunities, liabilities, disabilities, functions and duties of a Party, as may be authorized by law, in the absence of any prejudicial impairment of any obligation of contract hereby imposed or (ii) shall preclude the assignment by CRRA for the benefit of any holders of its Bonds, of its rights and obligations hereunder, of any or all of the monies to be received hereunder or of the proceeds of its Bonds. The Municipality specifically agrees to the assignment thereof to the trustee of any such Bonds, of the specific CRRA rights permitted hereunder.

SECTION 617. Dispute Resolution. All disputes, differences, controversies or claims pertaining to or arising out of or relating to this Agreement or the breach hereof, which the Parties are unable to resolve themselves, shall be resolved by a court of competent jurisdiction in Connecticut, unless the Parties agree to do so by arbitration or mediation. Any arbitration or mediation proceedings shall be held in Hartford, Connecticut.

SECTION 618. No Right to Surplus Funds. The Municipality acknowledges and agrees that pursuant to its selection of Tier 2 services, it shall not be entitled at any time to receive, and waives any claim to any portion of Surplus Funds for the time period encompassing the Term.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first hereinabove set forth.

WITNESS	MUNICIPALITY
_____	
_____	_____ Chief Executive Officer
(Seal)	
	_____ Keeper of the Seal
WITNESS	CONNECTICUT RESOURCES RECOVERY AUTHORITY
_____	
_____	_____ PRESIDENT
(Seal)	

[SIGNATURE PAGE TO TIER 2
MUNICIPAL SOLID WASTE MANAGEMENT SERVICES AGREEMENT]

EXHIBIT A

DEFINITIONS

As used in this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the terms listed in this **Exhibit A** shall have the following meanings:

"Acceptable Recyclables" has the meaning set forth in the Procedures.

"Acceptable Solid Waste" means Solid Waste generated by and collected from residential, commercial, institutional, industrial and other establishments located within the corporate limits of the Municipality and deemed acceptable by CRRA in accordance with all applicable federal, state and local laws, and the Procedures, for processing by and disposal by CRRA hereunder. Acceptable Solid Waste shall include the following: (i) scrap wood not exceeding six (6) feet in length or width or four (4) inches in thickness; (ii) single trees and large tree limbs not exceeding six (6) feet in length or four (4) inches in diameter and with branches cut to within six (6) inches of the trunk or limb, as the case may be; (iii) metal pipes, tracks and banding or cable and wire not exceeding three (3) feet in length and one and one-half (1 & 1/2) inches in diameter; (iv) cleaned and emptied cans or drums not exceeding five (5) gallons in capacity and with covers removed; (v) automobile tires without rims exclusively from the residential Solid Waste stream and in limited quantities, if any, to be determined by CRRA on a day-to-day basis; (vi) paper butts or rolls, plastic or leather strappings or similar materials not exceeding three (3) feet in length or three (3) inches in thickness and cut in half lengthwise; (vii) Nonprocessible Waste; and (viii) any other Solid Waste deemed acceptable by CRRA in its sole discretion; provided, however, that Acceptable Solid Waste shall not include Acceptable Recyclables or other materials required to be recycled in accordance with Section 22a-241(b) of the General Statutes.

"Act" has the meaning set forth in the Recitals.

"Agreement" means this Tier 2 Municipal Solid Waste Management Services Agreement.

"Alternate Arrangements" has the meaning set forth in Section 207.

"Alternate Facility" means any Waste Facility other than the Designated Waste Facility.

"Authorized Representative of the Municipality" means (i) any officer, employee, elected official or other person eligible under, and properly authorized by applicable law to act on behalf of the Municipality for purposes of this Agreement; or (ii) the chief executive officer of the Municipality.

"Billing Period" means a Month and shall end on the last Day of each Month.

"Bulky Waste" means construction, demolition or land clearing debris.

"Business Day" means a day when CRRA's headquarters is open for business.

"Commencement Date" has the meaning set forth in Section 201(a).

"Contaminated Soil" means soil derived from fuel tank excavation, sludge residue, steel casting sands, metal washdown residue, rust/scale materials, foundry residue, grinding sludge and any other material deemed by CRRA in its sole discretion to be Contaminated Soil.

"Contract Waste" means Acceptable Solid Waste delivered to any Waste Facility by Persons other than Participating Municipalities and Waste Haulers, and that is delivered under a contract with CRRA having a term which includes all or a portion of the relevant Contract Year.

"Contract Year" means each twelve-Month period during the Term beginning on July 1 of each year and ending on June 30th of the following year, except that the first Contract Year shall begin on the Commencement Date and end on June 30th, 2013.

"CRRA" has the meaning set forth in the Preamble.

"CRRA Indemnified Party" has the meaning set forth in Section 602(a).

"Day" (or "day") means a calendar day.

"Delivery Cap" has the meaning set forth in Section 303(a).

"Delivery Payment" has the meaning set forth in Section 303(b).

"Delivery Period" has the meaning set forth in Section 202.

"Designated Waste Facility" means the Facility or any other Resources Recovery Facility, or any Transfer Station, designated by CRRA from time to time, to which the Municipality will deliver or cause to be delivered during the Term, Acceptable Solid Waste.

"Due Date" has the meaning set forth in Section 401.

"Effective Date" has the meaning set forth in the Preamble.

"Emergency Bypass Waste" has the meaning set forth in Section 207.

"Excess Waste" has the meaning set forth in Section 304.

"Excess Waste Costs" has the meaning set forth in Section 304.

"Facility" means CRRA's refuse-derived fuel Resources Recovery Facility located at the South Meadows in Hartford, Connecticut and any improvements to such Resources Recovery Facility, including the scales and scale house, receiving and storage buildings, conveyors and feeders, boiler house, combustion chambers and furnaces, feed water system, ash handling

equipment, air pollution control equipment, flues and stack(s), yard utilities, electrical generating facilities, low voltage electrical distribution facilities, instrumentation and controls, driveways, parking areas and drainage structures; excluding, however, any buildings or other improvements to the Facility Site other than the aforementioned improvements.

"Facility Site" means the South Meadows real property owned by CRRA upon which the Facility is located.

"Force Majeure Event" means an Act of God, landslide, lightning, hurricane, tornado, very high wind, blizzard, ice storm, drought, flood, fire, explosion, strike, labor dispute, lockout or like action among personnel which delays or impairs operation of any Waste Facility, any act of neglect of the Municipality or its agents or employees, or by regulation or restriction imposed by any governmental or other lawful authority, or any other event or circumstance beyond the control of CRRA and its agents or contractors, which prevents CRRA from performing its obligations under this Agreement, which event or circumstance was not anticipated as of the Effective Date and is not within the reasonable control of, and without fault or negligence of CRRA. Notwithstanding the preceding sentence, a strike labor dispute, lockout or like action among personnel shall not be a Force Majeure Event if such action is due to: (a) CRRA's breach of a labor agreement with any collective bargaining representative of its employees engaged in such action; or (b) CRRA's lack of good faith or maintenance of an unreasonable economic position in negotiating with any collective bargaining representative of the employees engaged in such action.

"General Statutes" has the meaning set forth in the Recitals.

"Hazardous Waste" includes any material or substance which is, by reason of its composition or its characteristics or its delivery to any Waste Facility is (a) defined as hazardous waste in the Solid Waste Disposal Act, 42 U.S.C. § 6901 et seq., and any regulations, rules or policies promulgated thereunder, (b) defined as hazardous waste in Section 22a-115 of the General Statutes, (c) defined as special nuclear material or by-product material in Section 11 of the Atomic Energy Act of 1954, 42 U.S.C. § 2014, and any regulations, rules or policies promulgated thereunder, or (d) regulated under Section 6(e) of the Toxic Substances Control Act, 15 U.S.C. § 2605(e), and any regulations, rules or policies promulgated thereunder, as any of the statutes referred to in clauses (a) through (d) above may be amended; provided, however, that Hazardous Waste shall not include such insignificant quantities of any of the wastes covered by clauses (a), (b) and (d) as are customarily found in normal household, commercial and industrial waste to the extent such insignificant quantities are permitted by law to be treated and disposed of at the Facility, any Alternate Facility or a Landfill, as applicable. "Hazardous Waste" shall also include such other waste as deemed by CRRA in its sole discretion to be "Hazardous Waste."

"Landfill" means any proper Waste Facility for the disposal of Residue, Recycling Residue, Emergency Bypass Waste or Nonprocessible Waste.

"Mid-Connecticut System" means, collectively, the Facility and the Transfer Stations located in the municipalities of **[LIST MUNICIPALITIES]** and the Recycling Facility.

"Municipal Indemnified Party" has the meaning set forth in Section 602(b).

"Municipal Solid Waste Management Services Agreement" means any contract between CRRA and a Participating Municipality for the disposal of such Participating Municipality's Acceptable Solid Waste, or of such Participating Municipality's Acceptable Solid Waste and Acceptable Recyclables.

"Municipality" has the meaning set forth in the Preamble.

"Nonprocessible Waste" means Acceptable Solid Waste that cannot be processed at the Designated Waste Facility without the use of supplemental processing equipment (e.g., a shredder), provided that the individual items of such Acceptable Solid Waste are 2,000 pounds or less in weight and physically of such size as to fit without compaction into an area having dimensions of three (3) feet by five (5) feet by five (5) feet, including the following: (i) household furniture, chairs, tables, sofas, mattresses, appliances, carpets, sleeper sofas and rugs; (ii) individual items such as White Metals and blocks of metal that would in CRRA's sole discretion and determination cause damage to a Waste Facility if processed and incinerated, or processed or incinerated, therein; (iii) Scrap/Light Weight Metals; (iv) bathroom fixtures such as toilets, bathtubs and sinks; (v) purged and emptied propane, butane and acetylene tanks, with valves removed, exclusively from the residential Solid Waste stream and in limited quantities, if any, to be determined by CRRA on a day-to-day basis; (vi) Christmas Trees; (vii) automobile tires with/without rims; and (viii) any other Acceptable Solid Waste deemed by CRRA in its sole discretion to be Nonprocessible Waste.

"Non-System Recycling Facility" means the land and appurtenances thereon and structures where recycling, as defined in Section 22a-207(7) of the General Statutes, is conducted, including an Intermediate Processing Facility, as defined in Section 22a-260(25) of the General Statutes, and a Solid Waste Facility, as defined in Section 22a-207(4) of the General Statutes, which provides for recycling in its plan of operations, but excluding the Recycling Facility and the Recycling Transfer Stations.

"Original Designated Facility" has the meaning set forth in Section 201(a).

"Participating Municipality" means, individually, any town, city, borough or other political subdivision of and within the State having lawful jurisdiction over Solid Waste management within its corporate limits and which has executed a Municipal Solid Waste Management Services Agreement with CRRA.

"Party" (or "Parties") has the meaning set forth in the Preamble.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, trust or unincorporated organization, or any governmental agency or other governmental authority.

"Procedures" means CRRA's *Mid-Connecticut Project Permitting, Disposal and Billing Procedures* attached hereto as **Exhibit B**, as the same may be amended, supplemented or

superseded from time to time.

"Recycling Agreement" has the meaning set forth in Section 301(d).

"Recycling Facility" means CRRA's regional recycling center located at 211 Murphy Road, Hartford, Connecticut.

"Recycling Residue" means Solid Waste remaining after the Recycling Facility or any Non-System Recycling Facility has processed Acceptable Recyclables.

"Recycling Transfer Station" means any of the facilities, including all roads appurtenant thereto, owned and operated, or owned or operated, by CRRA for receiving Acceptable Recyclables from any Participating Municipality for transport to the Recycling Facility or to any Non-System Recycling Facility for processing.

"Reserves" means funds collected by CRRA to provide for certain estimated future expenses of the Mid-Connecticut System.

"Residue" means ash residue or other material remaining after the processing and combustion of Acceptable Solid Waste.

"Resources Recovery Facility" has the meaning set forth in Section 22a-260(11) of the General Statutes.

"Scheduled Deliveries" has the meaning set forth in Section 202.

"Scrap/Light Weight Metals" includes the following: scrap steel parts, aluminum sheets, pipes, desks, chairs, bicycle frames, lawn mowers with engines drained, file cabinets, springs, sheet metal, hot water heaters, cleaned and emptied fifty-five (55) gallon drums with the top and bottom covers removed, fencing, oil tanks and fuel tanks approved by CRRA for disposal and cleaned and rinsed in accordance with all applicable laws and regulations, and any other materials deemed by CRRA in its sole discretion to be Scrap/Light Weight Metals.

"Solid Waste" means unwanted and discarded solid materials, consistent with the meaning of that term in Section 22a-260(7) of the General Statutes, excluding semi-solid, liquid materials collected and treated in a municipal sewerage system.

"Spot Waste" means Acceptable Solid Waste delivered to the Mid-Connecticut System other than pursuant to a Municipal Solid Waste Management Services Agreement and that is not Contract Waste.

"State" has the meaning set forth in the Preamble.

"Surplus Funds" means revenues or other monies adjudged by CRRA in its sole discretion to be surplus, in the manner contemplated by Section 22a-262(a)(2) of the General Statutes, as the same may be amended, substituted or superseded from time to time.

"Term" has the meaning set forth in Section 208.

"Tier 1 Disposal Fee" has the meaning set forth in Section 302(a).

"Tier 2 Disposal Fee" has the meaning set forth in Section 202.

"Tier 1 Municipality" means a Participating Municipality subject to the Tier 1 Disposal Fee and the other attributes of such designation.

"Tier 2 Municipality" means a Participating Municipality subject to the Tier 2 Disposal Fee and the other attributes of such designation set forth in this Agreement.

"Ton" means 2,000 pounds.

"Transfer Station" means any of the facilities, including all roads, appurtenances thereto, owned, or owned and operated by CRRA for receiving Solid Waste from any Participating Municipality for transport to a destination of ultimate disposal.

"Unacceptable Waste" has the meaning set forth in the Procedures.

"Waste Facility" means, individually, the Designated Waste Facility, the Facility or any other properly permitted Resources Recovery Facility, any Transfer Station or any Landfill, that is used or may be used by CRRA to process or dispose of Acceptable Solid Waste or Acceptable Recyclables.

"Waste Hauler" means a Person (including a "collector," as defined in Section 22a-220a(g) of the General Statutes), deriving its main source of income from the collection, transportation or disposal of waste, and which delivers Acceptable Solid Waste for the account of one or more Participating Municipalities.

"White Metals" means large appliances or machinery, refrigerators, freezers, gas/electric stoves, dish washers, clothes washers and dryers, microwaves, copiers, computers, vending machines, air conditioners, industrial equipment and venting hood fans, and any other material deemed by CRRA in its sole discretion to be White Metals.

EXHIBIT B

MID-CONNECTICUT PROJECT
PERMITTING, DISPOSAL AND BILLING PROCEDURES

EXHIBIT C

DESIGNATED WASTE FACILITY

EXHIBIT D

DELIVERY PERIODS; SCHEDULED DELIVERIES; DELIVERY CAPS

1. DELIVERY PERIODS; SCHEDULED DELIVERIES

The first Contract Year, and each calendar quarter of each Contract Year following the first Contract Year shall constitute a Delivery Period, as listed in Table 1 below. During each Delivery Period, the Municipality shall deliver or cause to be delivered to the Designated Waste Facility (in Tons), at least the pertinent Scheduled Deliveries and shall not exceed the pertinent Delivery Cap, as listed in Table 1. It is acknowledged by the Parties that the Scheduled Deliveries have been mutually agreed to by the Municipality and by CRRA.

Table 1

Delivery Period for the first Contract Year

Delivery Period	Scheduled Deliveries	Delivery Cap
November 16th, 2012 through June 30, 2013		

Delivery Periods for each Contract Year after the first Contract Year

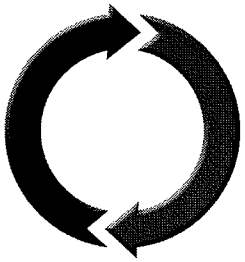
Delivery Period	Scheduled Deliveries	Delivery Cap (Tons)
1. July 1 – September 30		
2. October 1 – December 31		
3. January 1 – March 31		
4. April 1 – June 30		

EXHIBIT E

TIER 2 DISPOSAL FEES

ATTACHMENT D

MID-CONNECTICUT PROJECT PERMITTING, DISPOSAL AND BILLING PROCEDURES



CONNECTICUT
RESOURCES
RECOVERY
AUTHORITY

MID-CONNECTICUT PROJECT

PERMITTING, DISPOSAL AND BILLING PROCEDURES

Effective May 1, 2010

CONNECTICUT RESOURCES RECOVERY AUTHORITY

MID-CONNECTICUT PROJECT
PERMITTING, DISPOSAL AND BILLING PROCEDURES

TABLE OF CONTENTS

1. GENERAL

1.1 Definitions

As used in these procedures, the following terms shall have the meanings as set forth below:

(a) "**Acceptable Recyclables**" shall include the following types of Solid Waste generated by and collected from residential, commercial, institutional, industrial and other establishments located within the corporate limits of any Participating Municipality, and deemed acceptable by CRRA in accordance with all applicable federal, state and local laws as well as these procedures for processing by and disposal at the Recycling Facilities. Acceptable Recyclables shall include, but is not limited to, Commingled Container Recyclables, Paper Fiber Recyclables, Single Stream Recyclables and any other Solid waste deemed by CRRA in its sole discretion to be Acceptable Recyclables.

Nothing herein shall be construed as requiring the shipment of Solid Waste generated by and collected from commercial, institutional, industrial and other establishments located within the corporate limits of any Participating Municipality for processing by and disposal at the Recycling Facilities.

(b) "**Acceptable Solid Waste**" shall include Solid Waste generated by and collected from residential, commercial, institutional, industrial and other establishments located within the corporate limits of any Participating Municipality, and deemed acceptable by CRRA in accordance with all applicable federal, state and local laws as well as these procedures for processing by and disposal at the Waste Facilities. Acceptable Solid Waste shall include, but is not limited to, the following:

(1) Scrap wood not exceeding six (6) feet in length or width or four (4) inches in thickness,

(2) Single trees and large tree limbs not exceeding six (6) feet in length or four (4) inches in diameter and with branches cut to within six (6) inches of the trunk or limb, as the case may be;

(3) Metal pipes, tracks and banding or cable and wire not exceeding three (3) feet in length and one and one half (1 1/2) inches in diameter;

(4) Cleaned and emptied cans or drums not exceeding five (5) gallons in capacity and with covers removed;

(5) Automobile tires without rims exclusively from the residential Solid Waste stream and in limited quantities, if any, to be determined by CRRA on a day to-day basis;

(6) Paper butts or rolls, plastic or leather strapping or similar materials not exceeding three (3) feet in length or three (3) inches in thickness and cut in half lengthwise;

(7) Non-processible Waste as defined herein; and

(8) Any other Solid Waste deemed acceptable by CRRA in its sole discretion. Acceptable Solid Waste shall not include any Acceptable Recyclables, Recycling Residue (see Recycling Residue definition), or other materials required to be recycled in accordance with *Connecticut General Statutes*, and/or Special Waste unless such Special Waste is approved by CRRA in accordance with these procedures for disposal at any of the Waste Facilities, or any materials or waste that are or may in the future be required by law and/or regulation to be recycled.

(c) "**Account**" shall mean a statement of transactions during a fiscal period arising from a formal business arrangement between CRRA and a person, firm or Participating Municipality providing for the use of the Facilities and the services in connection therewith.

(d) "**Authority**" or "**CRRA**" shall mean the Connecticut Resources Recovery Authority, a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut, established by *Connecticut General Statutes* Sections 22a-257 et seq.

(e) "**Bulky Waste**" shall mean construction, demolition and/or land clearing debris.

(f) "**By-Pass Waste**" shall mean Acceptable Solid Waste that is ordinarily processed at the Facility but is instead diverted by CRRA for disposal.

(g) "**Commingled Container Recyclables**" shall mean:

(1) Glass food and beverage containers, including, but not limited to, clear, brown, and green bottles up to 3 gallons or 10 liters in size that have been washed clean and whose caps, lids, and corks have been removed. Labels that remain attached and neck rings are acceptable. Examples include: soda, liquor, wine, juice bottles; jam jars; and mason jars.

(2) Metal food and beverage containers of up to 3 gallons or 10 liters of total volume in size, including No. 10 size cans, that have been washed clean. Clean metal lids are acceptable as are empty aerosol cans that previously contained non-hazardous substances. Examples include: soup, vegetable, juice, and other food cans; cookie tins; dog and cat food cans; kitchen spray cans; and bulk size vegetable containers.

(3) Aluminum used beverage cans that have not been flattened and that have been washed clean. Cans with self-opening tabs attached are acceptable. Examples include soda and beer cans.

(4) Aluminum foil that has been washed clean, folded flat and that is free of other materials. Examples include: aluminum foil wrap and take-out aluminum foil food containers.

(5) PET (polyethylene terephthilate) plastic containers (code 41) marked as #1 of up to 3 liters in size and that have been washed clean. Attached labels are acceptable, but no caps, lids or corks, attached or unattached, are acceptable. Examples of acceptable PET (#1) containers include: soda, juice, cooking oil, mineral water and dish detergent bottles.

(6) HDPE (high-density polyethylene) plastic containers marked as #2 that have been washed clean. Containers of up to 2.5 gallons or 6 liters of total volume in size that did not previously contain hazardous materials are acceptable. Attached labels are acceptable. Except for screw tops, lids are acceptable as long as they are not attached. Screw top caps/lids are not acceptable regardless of whether they are attached or unattached. Examples of acceptable HDPE (#2) containers include: milk jugs, and spring water, laundry detergent, bleach, and dish detergent bottles.

(7) Plastic white, clear or opaque containers marked as #3 through #7 (food grade plastics) up to three (3) liters in size that have been washed clean. Attached labels are acceptable. Except for screw tops, lids are acceptable as long as they are not attached. Screw top caps/lids are not acceptable regardless of whether they are attached or unattached.Examples of acceptable food grade plastics (#3 through #7) include: laundry detergent, shampoo, dish detergent and skin cream containers, ketchup bottles, ice cream containers, yogurt containers, margarine tubs and lids. Processed and take-out food black, plastic containers and trays are not acceptable.

(8) Aseptic packaging, including, but not limited to, gable top plastic coated paper containers up to 3 liters or 1 gallon in size. Such containers must be empty with straws and caps removed. Examples include: milk containers; juice containers; and small, single-serve juice and milk boxes.

(h) "**Contaminated Soil**" shall include soil derived from fuel tank excavation, sludge residue, steel casting sands, metal washdown residue, rust/scale materials, foundry residue, grinding sludge and any other material deemed by CRRA in its sole discretion to be Contaminated Soil.

(i) "**Designee**" shall mean

(1) In the case of a Participating Municipality, a company/entity contracted for and/or licensed by said Participating Municipality to haul waste generated within the boundaries of said Participating Municipality; or

(2) In the case of CRRA, any company/entity contracted or authorized by CRRA to operate and maintain one or more Facilities.

(j) "**Facility**" shall mean CRRA's Mid-Connecticut waste processing facility located at 300 Maxim Road in Hartford, Connecticut 06114.

(k) "**Facilities**" shall mean the Waste Facilities and the Recycling Facilities.

(l) **"Guarantee of Payment"** has the meaning set forth in Section 2.3.

(m) "**Hazardous Waste**" shall include any material or substance which is, by reason of its composition or its characteristics or its delivery to the Facility (a) defined as hazardous waste in the Solid Waste Disposal Act, 42 U.S.C. §6901 et seq., and any regulations, rules or policies promulgated thereunder, (b) defined as hazardous waste in Section 22a-115 of the *Connecticut General Statutes*, (c) defined as special nuclear material or by-product material in Section 11 of the Atomic Energy Act of 1954, 42 U.S.C. §2014, and any regulations, rules or policies promulgated thereunder, or (d) regulated under Section 6(e) of the Toxic Substances Control Act, 15 U.S.C. §2605(e), and any regulations, rules or policies promulgated thereunder, as any of the statutes referred to in clauses (a) through (d) above may be amended; provided, however, that Hazardous Waste shall not include such insignificant quantities of any of the wastes covered by clauses (a), (b) and (d) as are customarily found in normal household, commercial and industrial waste to the extent such insignificant quantities are permitted by law to be treated and disposed of at the Facility or a sanitary landfills, as applicable. "Hazardous Waste" shall also include such other waste as deemed by CRRA in its sole discretion to be "Hazardous Waste."

(n) "**Landfill**" shall mean any real property used by any Participating Municipality and CRRA for the disposal of Recycling Residue, By-Pass Waste, Non-Processible Waste, or residue from the processing and/or incineration of Acceptable Solid Waste at the Waste Facilities.

(o) "**Member Municipality**" shall mean a Municipality that has contracted with CRRA for waste management services.

(p) "**Mixed Load**" shall mean Solid Waste from more than one Participating Municipality stored and carried in a single vehicle, roll-off box or trailer and delivered to any of the Facilities.

(q) "**Municipal Solid Waste Management Services Contract**" or "**MSA**" shall mean the contract between CRRA and a Participating Municipality for the processing and disposal at the Facilities of all Acceptable Solid Waste and/or Acceptable Recyclables generated by the Participating Municipality within its boundaries.

(r) "**Non-Processible Waste**" shall mean Acceptable Solid Waste that cannot be processed at the Facility without the use of supplemental processing equipment (e.g., a mobile shredder), provided that the individual items of such Acceptable Solid Waste are 2,000 pounds or less in weight and physically of such size as to fit without compaction into an area having dimensions of three (3) feet by five (5) feet by five (5) feet, including, but not limited to, the following:

(1) Household furniture, chairs, tables, sofas, mattresses, appliances, carpets, sleeper sofas and rugs;

(2) Individual items such as White Metals (as hereinafter defined) and blocks of metal that would, in CRRA's sole discretion and determination, cause damage to the Waste Facilities if processed and/or incinerated therein;

(3) Scrap/Light Weight Metals (as hereinafter defined);

(4) Bathroom fixtures, such as toilets, bathtubs and sinks;

(5) Purged and emptied propane, butane and acetylene tanks with valves removed exclusively from the residential Solid Waste stream and in limited quantities, if any, to be determined by CRRA on a day-to-day basis;

(6) Christmas trees;

(7) Automobile tires with/without rims, and

(8) Any other Acceptable Solid Waste deemed by CRRA in its sole discretion to be Non-Processible Waste.

(s) "**Non-Project Recycling Facility**" shall mean the land and appurtenances thereon and structures where recycling, as defined in Section 22a-207(7) of the *Connecticut General Statutes*, is conducted, including but not limited to an Intermediate Processing Facility, as defined in Section 22a-260(25) of the *Connecticut General Statutes*, and a Solid Waste Facility, as defined in Section 22a-207(4) of the *Connecticut General Statutes*, which provides for recycling in its plan of operations, but excluding the Recycling Facility and the Recycling Transfer Stations.

(t) "**Operator**" or "**Operators**" shall mean the organization or personnel in such organization under contract with CRRA for the operation of any of the Facilities.

(u) "**Paper Fiber Recyclables**" shall mean"

(1) Newspapers (including newspaper inserts) and magazines (including catalogs) that are no more than two months old and that are clean and dry. Such neswpaper and magazines may be commingled,

(2) Corrugated cardboard, only if such cardboard is corrugated (alternating ridges and grooves) with kraft (brown) paper in the middle. Such cardboard must be clean and dry and cannot be coated. Such cardboard must be flattened and, when flattened, must be no larger than 3 feet in width or height (oversized boxes must be cut-down to 3 feet by 3 feet. Bundles may only be tied with string.

(3) Junk mail, including all loose or bagged bulk mail consisting of paper or cardboard. Envelopes with windows are acceptable. Examples include: catalogs; flyers; envelopes containing office paper; brochures; and empty, small boxes.

(4) Office paper or high-grade paper, including all loose or bagged white and colored ledger and copier paper, note pad paper (no backing), loose leaf fillers and computer paper (continuous-form perforated white bond or green-bar paper).

(5) Boxboard, including all non-corrugated cardboard, commonly used in dry food and cereal boxes, shoe boxes, and other similar packaging. Dry food and cereal boxes must have the inside bag removed. Boxboard with wax or plastic coating and boxboard that has been contaminated by food is not acceptable. Examples of acceptable materials include: cereal boxes; cracker boxes; shoe boxes; beer cartons; and six-pack holders.

(v) "**Participating Municipality**" shall mean any town, city, borough or other political subdivision of and within the State of Connecticut, having legal jurisdiction over solid waste management within its corporate limits, and which has executed a Municipal Solid Waste Management Services Contract or made special arrangements with CRRA for the processing and disposal of Acceptable Solid Waste and/or Acceptable Recyclables at the Facilities.

(w) **"Permit Application"** has the meaning set forth in Section 2.1.

(x) "**Permit Number**" shall mean the vehicle identification number assigned by CRRA to a Permittee's waste transportation vehicle for use at the Facilities.

(y) "**Permittee**" shall mean those persons, organizations, corporations, firms, governmental agencies, or other entities who have submitted a permit application to CRRA and have been authorized to use the Facilities by CRRA.

(z) "**Private/Non-Commercial Hauler**" shall mean a person or firm who does not derive income from the collection, transportation or disposal of waste.

(aa) "**Project**" shall mean the Facilities constituting the Mid-Connecticut Project.

(bb) "**Recycling Facility**" shall mean CRRA's regional recycling center located at 211 Murphy Road in Hartford, Connecticut 06114.

(cc) "**Recycling Facilities**" shall mean the Recycling Facility and all Recycling Transfer Stations of the Project.

(dd) "**Recycling Residue**" shall mean Solid Waste remaining after the Recycling Facility or any Non-Project Recycling Facility has processed Solid Waste.

(ee) "**Recycling Transfer Station**" shall mean any of the Transfer Stations, including all roads appurtenant thereto, owned and/or operated by CRRA for receiving Acceptable Recyclables from any Participating Municipality for transport to the Recycling Facility or a Non-Project Recycling Facility for processing.

(ff) "**Scrap/Light Weight Metals**" shall mean but not limited to the following: scrap steel parts, aluminum sheets, pipes, desks, chairs, bicycle frames, lawn mowers with engines drained, file cabinets, springs, sheet metal, hot water heaters, cleaned and emptied fifty-five (55) gallon drums with the top and bottom covers removed, fencing, oil tanks and fuel tanks approved by CRRA for disposal and cleaned and rinsed in accordance with all applicable laws and regulations, and any other materials deemed by CRRA in its sole discretion to be Scrap/Light Weight Metals.

(gg) "**Single Stream Recyclables**" shall mean the commingling of any Paper Fiber Recyclables with any Commingled Container Recyclables.

(hh) "**Solid Waste**" shall mean unwanted and discarded solid materials, consistent with the meaning of that term pursuant to Section 22a-207(3) of the *Connecticut General Statutes*, excluding semi-solid, liquid materials collected and treated in a "water pollution abatement facility."

(ii) "**Special Waste**" shall mean materials that are suitable for delivery, at CRRA's sole and absolute discretion, but which may require special handling and/or special approval by the Connecticut Department of Environmental Protection ("DEP") or another non-Authority entity.

(jj) "**Transfer Station**" shall mean any of the facilities, including all roads appurtenant thereto, owned and/or operated by CRRA for receiving Acceptable

Solid Waste from any Participating Municipality for transport to a destination of ultimate disposal.

(kk) "**Unacceptable Recyclables**" shall include

(1) Unacceptable Waste;

(2) Any of the following: anti-freeze containers; Asian corrugated; auto glass; books; ceramic cups and plates; clay post; clothes hangers; crystal; drinking glasses; food-contaminated pizza boxes; gravel; heat-resistant ovenware; hypodermic needles; leaded glass; light bulbs; metal in large pieces (e.g., metal pipe, lawnmower blades); mirror glass; motor oil containers; notebooks; paint cans; plastic bags; plates; porcelain; pots and pans; processed and take-out black, plastic food containers and trays; propane tanks; pyrex; screw top caps/lids, regardless of whether attached or not; stones; syringes; telephone books; tiles; waxed corrugated; and window glass;

(3) Any Solid Waste that is deemed by CRRA in its sole discretion to be not in conformance with the requirements for Acceptable Recyclables as set forth in these procedures; and

(4) Any other waste deemed by CRRA in its sole discretion to be Unacceptable Recyclables.

(ll) "**Unacceptable Waste**" shall include

(1) Explosives, pathological or biological waste, hazardous chemicals or materials, paint and solvents, regulated medical wastes as defined in the EPA Standards for Tracking and Maintaining Medical Wastes, 40 C.F.R. Section 259,30 (1990), radioactive materials, oil and oil sludges, dust or powders, cesspool or other human waste, human or animal remains, motor vehicles, and auto parts, liquid waste (other than liquid Solid Waste derived from food or food by-products), and hazardous substances of any type or kind (including without limitation those substances regulated under 42 U.S.C. §6921-6925 and the regulations thereto adopted by the United States Environmental Protection Agency pursuant to the Resource Recovery Conservation and Recovery Act of 1976, 90 Stat. 2806 et. 42 U.S.C. §6901 et. seq.) other than such insignificant quantities of the foregoing as are customarily found in normal household and commercial waste and as are permitted by state and federal law;

(2) Any item of waste that is either smoldering or on fire;

(3) Waste quantities and concentrations which require special handling in their collection and/or processing such as bulk items, junked automobiles, large items of machinery and equipment and their component parts, batteries or waste oil;

(4) Any other items of waste that would be likely to pose a threat to health or safety, or damage the processing equipment of the Facilities (except for ordinary wear and tear), or be in violation of any judicial decision, order, or action of any federal, state or local government or any agency thereof, or any other regulatory authority, or applicable law or regulation;

(5) Any Solid Waste that is deemed by CRRA in its sole discretion to be not in conformance with the requirements for Acceptable Solid Waste or Non-Processible Waste as set forth in these procedures; and

(6) Any other waste deemed by CRRA in its sole discretion for any reason to be Acceptable Recyclables and/or Unacceptable Waste, including but not limited to waste generated by a source which is not authorized by CRRA to deliver waste to any of the Facilities.

(mm) "**Waste Facilities**" shall mean the Facility and all Transfer Stations and Landfills of the Project.

(nn) "**Waste Hauler**" shall mean a person or firm, including a "collector" as defined in Section 22a-220a(g) of the *Connecticut General Statutes*, whose main source of income is derived from the collection, transportation, and/or disposal of waste.

(oo) "**White Metals**" shall mean large appliances or machinery, refrigerators, freezers, gas/electric stoves, dishwashers, clothes washers and dryers, microwaves, copiers, computers, vending machines, air conditioners, industrial equipment and venting hood fans, and any other materials deemed by CRRA in its sole discretion to be White Metals.

1.2 Preamble

These procedures may be amended by CRRA from time to time. Anyone obtaining a new permit or renewal of an existing permit should contact CRRA at (860) 757-7700 in order to obtain a copy of the procedures in effect. Additional copies of these procedures may be obtained at the cost of reproduction and postage. The procedures are also available on CRRA's website at www.crra.org.

1.3 General Principles of Interpretation

(a) The captions contained in these procedures have been inserted for convenience only and shall not affect or be effective to interpret, change or restrict the express terms or provisions of these procedures.

(b) The use of the masculine gender refers to the feminine and neuter genders and the use of the singular includes the plural, and vice versa, whenever the context of these procedures so requires.

(c) CRRA reserves the right to amend these procedures and the definitions herein from time to time as it deems necessary in its sole discretion.

(d) These procedures are intended to comply and be consistent with each Municipal Solid Waste Management Services Contract for the Project. In the event of any conflict between these procedures and any Municipal Solid Waste Management Services Contract for the Project, the latter shall control.

2. PERMITTING

2.1 Permit Application

(a) Any Waste Hauler, Private/Non-Commercial Hauler, Participating Municipality or any other person or entity that desires to use the Facilities shall obtain a permit in accordance with these procedures before delivering to and/or removing waste from the Facilities.

(b) Each applicant for a permit shall complete a permit application and provide to CRRA all of the necessary information requested thereon ("Permit Application"), including but not limited to:

(1) General company/business information;

(2) The identification of each vehicle owned, leased or operated by the applicant or its agents and employees and to be used by the applicant;

(3) Origin of all waste that applicant will collect;

(4) Estimated delivery volumes; and

(5) An executed "Credit Agreement," "Release of Liability and Indemnification Agreement" and "Attestation," as such documents are presented in the permit application.

In connection with the foregoing, each applicant shall also execute and submit to CRRA as attachments to the permit application, the following:

(6) A "Mid-Connecticut Waste Disposal System Solid Waste and Recyclables Delivery Agreement" (if applicable);

(7) A Guaranty of Payment in the form and amount acceptable to CRRA pursuant to Section 2.3 hereof;

(8) All certifications of insurance that the applicant is required to provide pursuant to Section 3.1 hereof;

(9) Any applicable fees; and

(10) Any other document required by CRRA at CRRA's sole and absolute discretion.

2.2 Submission of Permit Application

(a) Upon applicant's completion of the permit application and execution of all documents attached thereto, the applicant shall submit such permit application and documents and pay the applicable permit fees to CRRA.

(b) Pursuant to the submission of a Permit Application to CRRA, each applicant and Permittee hereby agrees to cooperate with CRRA or CRRA's Designee in any matter affecting the orderly operation of the Facilities and to fully abide by and comply with these procedures. In addition to the foregoing, each applicant and Permittee acknowledges and agrees that any failure to cooperate with CRRA or CRRA's Designee or to abide by or comply with these procedures shall result in fines and/or suspension or revocation of disposal privileges at the Facilities.

2.3 Guaranty of Payment

(a) Each applicant shall submit along with its permit application a guaranty of payment ("Guaranty of Payment") satisfactory to CRRA in all respects and in the form of either a letter of credit, a suretyship bond, cash, or a cashier's check and in an amount sufficient to cover at least two (2) months' of waste disposal charges as determined in the Permit Application.

(b) At its sole and absolute discretion, CRRA may review a Permittee's guaranty amount under Section 2.3(a) above and require the Permittee to increase its guaranty amount in the event the average monthly delivery rate of Permittee varies by 10% or more from the amount estimated by CRRA pursuant to subsection (a) above. CRRA shall review a Permittee's guaranty amount as detailed in the foregoing sentence at least semi-annually.

(c) If an applicant or Permittee submits to CRRA either a letter of credit or suretyship bond, Permittee shall within sixty (60) days before the expiration of the same renew such letter of credit or suretyship bond and furnish the renewed letter of credit or suretyship bond to CRRA. If the Permittee's letter of credit or suretyship bond is canceled, terminated, or deemed inadequate by CRRA, Permittee shall immediately

submit to CRRA a new letter of credit or suretyship bond that complies with the requirements of this Section 2.3.

(d) If Permittee fails to comply with any of the requirements of this Section 2.3, CRRA may deny the Permittee any further access to the Facilities and/or revoke and/or suspend the Permittee's permit for the same.

2.4 Issuance and Renewal of Permit

(a) Provided that the applicant has submitted its permit application and all other documents required to be submitted hereunder to CRRA, applicant has paid to CRRA the applicable permit fees, and such Permit Application and documents are complete and satisfactory in all respects to CRRA, then CRRA may issue a permit to the applicant.

(b) Upon the issuance of a permit:

(1) The Permittee shall be assigned an Account number;

(2) Each of the vehicles listed on the Permittee's permit application shall be assigned a decal with a Permit Number, which decal shall be prominently and permanently affixed by the Permittee to the vehicle in a location clearly visible to the scale house attendant and as designated by CRRA;

(3) Each of the Permittee's roll-off boxes and trailers shall be assigned a decal and the decal shall be prominently and permanently affixed by the Permittee to the roll-off box or trailer in a location clearly visible to the scale house attendant, as designated by CRRA; and

(4) Trucks arriving at the scale house without the assigned Authority Permit Number properly displayed shall be denied access to the Facilities.

(c) Permits issued during the fiscal year of July 1 through June 30 are effective and valid until the end of such year unless otherwise revoked by CRRA. Permits cannot be assigned or transferred. In order to effectively renew an existing permit, the Permittee shall complete and submit to CRRA a renewal permit application together with the pertinent renewal fee for the same within twenty (20) days before the end of each fiscal year. The renewal fees to be paid by each Permittee hereunder shall be determined by CRRA on an annual basis. Any Permittee who fails to perform its renewal obligations under this Section 2.4(c) shall be denied access to the Facilities by CRRA until such Permittee performs such renewal obligations.

(d) At its sole and absolute discretion, CRRA may issue a Permittee a Temporary Permit for a vehicle not currently authorized under Section 2. A Temporary Permit may be issued for a substitute vehicle due to an emergency breakdown and/or the use of a demonstration vehicle. Temporary Permits are valid for up to six (6) days and may be issued to any particular Permittee no more than once every 60 days. During any

time period when a Permittee's vehicle is denied disposal privileges, no Temporary Permits will be granted to the Permittee.

2.5 Tare Weights

(a) Tare weights of all vehicles, trailers and roll-off boxes shall be established after delivery of the first load under a new Permit Number or Trailer/Roll-Off Box decal at any of the Facilities. Such tare weights shall be obtained at the direction of the scale house attendant and under the procedures set forth by CRRA.

(b) After the initial tare weights have been obtained, CRRA and/or the Operator may require the verification of tare weights on a random basis to verify the weight records. Haulers shall cooperate with CRRA and/or the Operator to provide such data as required.

(c) Haulers may request spot tare weight checks for their trucks only if the spot checks do not negatively impact the operations of the Facilities as determined by CRRA at its sole and absolute discretion.

(d) At the direction of CRRA or CRRA's Designee, haulers failing to comply with the foregoing tare weight procedures shall be billed as follows:

(1) The vehicles last known tare weight; or

(2) A maximum 22 net tons.

(e) If hauler fails to comply with the terms of this Section 2.5 and hauler(s) is billed in accordance with subsection (d) above, then hauler's disposal privileges shall be denied until hauler complies with the terms of this Section 2.5.

2.6 Miscellaneous

(a) If the Permittee acquires any vehicle that is not authorized under the Permittee's permit, then the Permittee shall submit an amended permit application to CRRA pursuant and subject to the above procedures set forth in this Section 2.

(b) Permittee is responsible for all charges, costs, expenses, disposal fees, and fines incurred under its permit.

(c) If Permittee's Permit Number is lost or stolen, Permittee is responsible for all costs, charges, expenses, disposal fees and fines incurred until said Permittee notifies CRRA in writing of the lost or stolen Permit Number.

(d) Permittee shall give CRRA advance written notice of any changes in such Permittee's business operation that would have a material effective on Permittee's delivery schedules or weight records and shall include the effective dates of such changes. Such changes of Permittee's business operation shall include, but not be limited to, the following:

(1) Changes in name or mailing address;

(2) Changes in telephone number;

(3) Change in physical location of Permittee's business; or.

(4) Changes in the Permittee's business structure, including, but not limited to, the acquisition of other hauling companies, that would impact Permittee's volume of waste deliveries to the Waste Facilities.

2.7 Municipal Permits

If a Participating Municipality requires haulers to register or obtain a permit to haul, all Permittees that will collect waste from and/or deliver waste to such Participating Municipality shall be required to register with such Participating Municipality. Each Participating Municipality may establish its own permit, registration, and/or inspection requirements, which must be followed by the Permittees collecting waste from and/or delivering waste to such Participating Municipality in addition to these procedures.

3. INSURANCE

3.1 Insurance

(a) Each Permittee shall procure and maintain, at its own cost and expense, throughout the term of any permit issued to such Permittee, the following insurance, including any required endorsements thereto and amendments thereof:

(1) Commercial general liability insurance alone or in combination with, commercial umbrella insurance with a limit of not less than one million dollars ($1,000,000.00) per occurrence covering liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insurance contract (including the tort liability of another assumed in a business contract).

(2) Business automobile liability insurance alone or in combination with commercial umbrella insurance covering any auto (including owned, hired, and non-owned autos), with a limit of not less than one million dollars ($1,000,000.00) each accident.

(3) Workers' compensation insurance with statutory limits and employers' liability limits of not less than five hundred thousand dollars ($500,000.00) each accident for bodily injury by accident and five hundred thousand dollars ($500.000.00) for each employee for bodily injury by disease.

(b) Each applicant or Permittee shall submit along with its permit or permit renewal application to CRRA an executed original certificate or certificates for each above required insurance certifying that such insurance is in full force and effect and setting forth the requisite information referenced in Section 3.1(c) below. Additionally, each Permittee shall furnish to CRRA within thirty (30) days before the expiration date of the coverage of each above required insurance a certificate or certificates containing the information required in Section 3.1(e) below and certifying that such insurance has been renewed and remains in full force and effect.

(c) All policies for each insurance required above shall:

(1) Name CRRA as an additional insured (this requirement shall not apply to automobile liability or workers' compensation insurance);

(2) Include a standard severability of interest clause;

(3) Provide for not less than thirty (30) days' prior written notice to CRRA by registered or certified mail of any cancellation, restrictive amendment, non-renewal or change in coverage;

(4) Hold CRRA free and harmless from all subrogation rights of the insurer; and

(5) Provide that such required insurance hereunder is the primary insurance and that any other similar insurance that CRRA may have shall be deemed in excess of such primary insurance.

(d) All policies for each insurance required above shall be issued by insurance companies that are either licensed by the State of Connecticut and have a Best's Key Rating Guide of A-VII or better, or otherwise deemed acceptable by CRRA in its sole discretion.

(e) Subject to the terms and conditions of this Section 3.1, any applicant or Permittee may submit to CRRA documentation evidencing the existence of umbrella liability insurance coverage in order to satisfy the limits of coverage required hereunder for commercial general liability, business automobile liability insurance and employers' liability insurance.

(f) If any Permittee fails to comply with any of the foregoing insurance procedures, then CRRA may in its sole discretion deny such Permittee any further access to the Facilities and/or suspend or revoke its permit for same.

(g) No provision of this Section 3.1 shall be construed or deemed to limit any Permittee's obligations under these procedures to pay damages or other costs and expenses.

(h) CRRA shall not, because of accepting, rejecting, approving, or receiving any certificates of insurance required hereunder, incur any liability for:

(1) The existence, nonexistence, form or legal sufficiency of the insurance described on such certificates,

(2) The solvency of any insurer, or

(3) The payment of losses.

(i) For purposes of this Section 3, the terms applicant or Permittee shall include any subcontractor thereof.

3.2 Indemnification

Permittee shall at all times defend, indemnify and hold harmless CRRA, any Operator and their respective directors, officers, employees and agents on account of and from and against any and all liabilities, actions, claims, damages, losses, judgments, fines, workers' compensation payments, costs and expenses (including but not limited to attorneys' fees and court costs) arising out of injuries to the person (including death), damage to property or any other damages alleged to have been sustained by: (a) CRRA, any Operator, or any of their respective directors, officers, employees, agents or subcontractors or (b) Permittee or any of its directors, officers, employees, agents or subcontractors, or (c) any other person, to the extent any such injuries or damages are caused or alleged to have been caused, in whole or in part, by the acts, omissions and/or negligence of Permittee or any of its directors, officers, employees, agents or subcontractors. Permittee further undertakes to reimburse CRRA for damage to property of CRRA caused by Permittee or any of its directors, officers, employees, agents or subcontractors. The existence of insurance shall in no way limit the scope of this indemnification. Permittee's obligations under this Section 3.2 shall survive the termination or expiration of Permittee's permits.

4. OPERATING AND DISPOSAL PROCEDURES

4.1 Delivery of Acceptable Solid Waste

(a) Permittees shall comply with, and Permittees' Acceptable Solid Waste delivered to the Waste Facilities must meet, the standards and other terms and conditions set forth herein and such other standards as established by CRRA in its sole discretion.

(b) Each Permittee shall deliver Acceptable Solid Waste only to those Waste Facilities designated by CRRA.

(c) White Metals may be delivered only to the Facility unless otherwise directed by CRRA. None of the other Waste Facilities will accept White Metals. White Metals must be delivered in separate, dedicated loads that must not contain any other Acceptable Solid Waste. A vehicle delivering White Metals must be equipped with either a cherry picker or hydraulic lift that will allow each piece of White Metal to be removed individually from the vehicle. The hauler is responsible for off loading the White Metals from the delivery vehicle. The hauler will off-load the White Metals only in the area designated by CRRA and/or the Operator for such materials. White

Metals may only be delivered to the Facility between the hours of 8:00 am and 4:00 pm, Monday through Friday, excluding holidays. White Metals may not be included in loads of other Acceptable Solid Waste. If such material is included in loads of other Acceptable Solid Waste, such loads shall be subject to the provisions of Section 4.8(j) herein.

(d) Scrap/Light Weight Metals may be delivered only to the Facility unless otherwise directed by CRRA. None of the other Waste Facilities will accept Scrap/Light Weight Metals. Scrap/Light Weight Metals must be delivered in separate, dedicated loads that must not contain any other Acceptable Solid Waste. The hauler is responsible for off loading the Scrap/Light Weight Metals from the delivery vehicle and such materials will be off-loaded directly into a roll-off container. The hauler will off-load the Scrap/Light Weight Metals only in the area designated by CRRA and/or the Operator for such materials. Scrap/Light Weight Metals may only be delivered to the Facility between the hours of 8:00 am and 4:00 pm, Monday through Friday, excluding holidays. Scrap/Light Weight Metals may not be included in loads of other Acceptable Solid Waste. If such material is included in loads of other Acceptable Solid Waste, such loads shall be subject to the provisions of Section 4.8(j) herein.

(e) Household furniture (i.e., appliances, box springs, carpets, chairs, couches, mattresses, rugs, sleeper sofas, sofas, tables) may be delivered only to the Facility unless otherwise directed by CRRA. None of the other Waste Facilities will accept household furniture. Household furniture must be delivered in separate, dedicated loads that must not contain any other Acceptable Solid Waste. The hauler is responsible for off loading the household furniture. The hauler will off-load the household furniture only in the area designated by CRRA and/or the Operator for such materials. Household furniture may only be delivered to the Facility between the hours of 8:00 am and 4:00 pm, Monday thorugh Friday, excluding holidays. Household furniture may not be included in loads of other Acceptable Solid Waste. If such material is included in loads of other Acceptable Solid Waste, such loads shall be subject to the provisions of Section 4.8(j) herein.

(f) CRRA may accept Contaminated Soil for disposal at the Waste Facilities subject to any terms and conditions that CRRA may require.

(g) CRRA may accept Recycling Residue from a Non-Project Recycling Facility for disposal at the Waste Facilities subject to any terms and conditions that CRRA may require and to **Appendix A**.

4.2 Delivery of Acceptable Recyclables

Permittees shall comply with, and Permittee's Acceptable Recyclables delivered to the Recycling Facilities must meet, the standards and other terms and conditions set forth herein and such other standards as established by CRRA in its sole discretion. Each Permittee shall deliver Acceptable Recyclables only to those Recycling Facilities designated by CRRA.

4.3 Access to the Facility

Access to the Facility and the Hartford Landfill by vehicles delivering Acceptable Solid Waste from outside the City of Hartford shall be by State Highway or Interstate Highway entrances to 1-91 and proceeding to 1-91 off-ramps closest to the destination. For the Facility, from the off-ramps, vehicles shall use Brainard and Maxim Roads to access the Facility. Murphy Road shall not be used for through-access to the Facility. More restrictive criteria may be promulgated as required by local conditions and shall be strictly adhered to by all Permittees.

4.4 Access to the Recycling Facility

Access to the Recycling Facility by vehicles delivering Acceptable Recyclables from outside the City of Hartford shall be by State Highway or Interstate Highway entrances to 1-91.

Vehicles traveling southbound on I-91 shall exit on Exit 28, then turn left onto Airport Road and then turn left at the Brainard Road/Airport Road intersection. Vehicles shall follow Brainard Road around the curve to the right where it becomes Maxim Road and then turn right at the Murphy Road intersection. Vehicles shall enter the site by turning right at driveway B.

Vehicles traveling northbound on I-91 shall exit on Exit 27 and then proceed straight thru the Brainard Road/Murphy Road intersection. Vehicles shall enter the site by turning left at driveway B.

Rear loading vehicles delivering Acceptable Recyclables to the Recycling Facility and whose first or only delivery is Paper Fiber Recyclables or whose first or only delivery is Commingled Container Recyclables must enter the facility at 123 Murphy Road (Entrance marked "B").

Vehicles that will be traveling southbound on I-91 after leaving the site shall exit the site via Driveway A and turn left onto Murphy Road. The vehicles shall turn left onto Maxim Road and follow it around the curve to the left where it becomes Brainard Road. At the Brainard Road/Airport road intersection, vehicles shall turn right and follow Airport Road to the left turn onto the I-91 southbound ramp.

Vehicles that will be traveling northbound on I-91 after leaving the site shall exit the site via Driveway A and turn right onto Murphy Road. At the Murphy Road/Brainard Road intersection, vehicles shall go straight through the intersection onto the I-91 northbound ramp.

4.5 Temporary Emergency Access to the Facilities

CRRA, in its' sole discretion and subject to any conditions or restrictions that it deems appropriate, may on a case by-case basis allow a Permittee temporary, emergency access to the Facilities for the purpose of delivering Acceptable Solid Waste and/or Acceptable Recyclables to the same with a vehicle, roll-off box or trailer that is not authorized

pursuant to these procedures to do so; provided, that such Permittee notifies CRRA at least twenty-four (24) hours in advance of Permittee's need for such temporary, emergency access.

4.6 Hours for Delivery

(a) The operating hours, including the list of holidays, can be obtained by contacting CRRA's Billing Department at (860)-757-7700 or visiting CRRA's website at www.crra.org/pages/busi_mc_hours.htm.

(b) CRRA may, with at least thirty (30) days prior written notice, change the hours of operation for any of the Facilities. Holiday and emergency closings and any schedule of make-up hours will be posted as needed at each of the Facilities.

4.7 Vehicle Standards for Deliveries to the Facilities

(a) Only vehicles with mechanical or automatic unloading/dumping capability will be allowed access to the Facilities, except as provided elsewhere in these Procedures or unless otherwise approved (on a case-by-case basis) by CRRA. Only vehicles with back-up lights, audible warning signals, and proper functioning equipment in compliance with all applicable federal, state and local laws or regulations shall be allowed access to the Facilities.

(b) All vehicles and roll-off boxes/trailers shall be covered, not leaking, and maintained in a safe and sanitary condition.

(c) The only trailers that may be used to deliver Acceptable Solid Waste to a Transfer Station or Acceptable Recyclables to a Recycling Transfer Station are those coming from a Participating Municipality's transfer station.

(d) The doors of all vehicles shall be clearly marked with the business name and address of the Permittee. Any vehicle that is not properly marked shall be denied access to the Facilities.

4.8 Disposal Procedures

(a) All deliveries are subject to inspection of the contents by CRRA or its agent prior to, during, and/or after unloading.

(b) CRRA may direct that Non-Processible Waste and/or Special Waste be delivered directly to either a Landfill or any other site if accepted by CRRA.

(c) CRRA and/or the Operator will direct all vehicle traffic at the Facilities.

(d) All scales will be operated on a "first-come, first served" basis except that CRRA reserves the right to utilize front-of-line privileges for its own vehicles and for the vehicles of others who have executed a written agreement with CRRA for such privileges.

(e) CRRA will accept residue from recycling facilities only at the Facility and only if the conditions set forth in **Appendix A** are met.

(f) No vehicles shall approach any scale until directed by the scale house attendant. Each vehicle shall have its driver side window completely rolled down from the time such vehicle drives onto the inbound scale until it has discharged its load and passed over or by the outbound scale.

(g) The speed limit on all roadways of the Facilities is 15 M.P.H., unless otherwise posted.

(h) When positioned on the scale, the vehicle driver shall inform the scale house attendant of the Participating Municipality from which the load originated.

(i) When directed by the scale house attendant, a driver shall proceed with caution to the tipping floor, bay or Landfill face and deposit loads. Drivers shall proceed promptly yet safely to deposit loads in order to minimize vehicle waiting time.

(j) Unacceptable Waste, Special Waste and any material which CRRA determines, in its sole and absolute discretion, should be rejected shall not be delivered by any Permittee or vehicle to any of the Facilities. In the event that Unacceptable Waste, Special Waste or any material which CRRA has determined should be rejected is delivered to any of the Facilities, CRRA and its agents, employees or Operators reserve the right to reload the Unacceptable Waste, Special Waste or material which CRRA has determined should be rejected back on to the offending vehicle. In connection therewith, CRRA may at its sole discretion, issue a verbal and written warning to the Permittee of the offending vehicle and/or charge such Permittee a reloading fee of five hundred dollars ($500.00). CRRA may impose a reloading charge of one thousand dollars ($1,000.00) for each subsequent violation. CRRA may revoke the permit of any Permittee who fails to pay a reloading charge. In addition to the foregoing remedies for the delivery of Unacceptable Waste, Special Waste and material which CRRA has determined should be rejected, CRRA may

    (1) Detain the driver and the offending vehicle until representatives from DEP have inspected the Unacceptable Waste, Special Waste or material which CRRA has determined should be rejected and made recommendations, and/or

    (2) Take whatever corrective action CRRA in its sole discretion deems necessary at the sole cost and expense of the Permittee whose vehicle delivered the Unacceptable Waste, Special Waste or material which CRRA has determined should be rejected, including, but not limited to, excavating, loading, transporting and disposing of such waste/material , revoking such Permittee's permit and imposing against such Permittee any fines or charges.

(k) All trucks must remain tarped until they are in the disposal area and out of the operation's way.

(l) No drainage of roll-off boxes is allowed on the premises of any Facilities.

(m) Roll-off or compactor boxes shall not be turned around on site.

(n) Drivers must latch and unlatch packers in the disposal area.

(o) At all times while on the property of any of the Facilities, drivers and any other personnel accompanying a driver must wear the personal protective equipment specified by CRRA and/or the Operator as required for the facility to which they are delivering materials.

(p) At all times while on the property of any of the Facilities, drivers and any other personnel accompanying a driver must obey all signs and safety requirements posted by CRRA and/or the Operator at the facility to which they are delivering materials.

(q) Drivers who wish to hand clean their truck blades must do so in areas designated by CRRA and/or the Operators.

(r) Upon the direction of the scale house attendant, vehicle drivers shall discharge loads in a specially designated area to facilitate load verification.

(s) Hand sorting, picking over or scavenging dumped waste is not permitted at any time.

(t) All vehicles and personnel shall proceed at their own risk on the premises of all Facilities.

(u) No loitering is permitted at any of the Facilities.

(v) Smoking of tobacco products is prohibited at all Facilities except in designated smoking area(s). The possession and/or drinking of alcohol as well as the possession and/or use of drugs at any time while on the premises of any of the Facilities is strictly prohibited.

(w) At all times while on Facilities' premises, the drivers shall comply with CRRA's and/or the Operator's instructions.

(x) CRRA reserves the right to inspect incoming deliveries at its sole discretion.

(y) Anyone violating any provision of Sections 22a-220, 22a-220a(f) or 22a-250 of the *Connecticut General Statutes* or any other federal, state or local law or regulation shall be reported by CRRA to the appropriate authorities.

(z) Foul language and inappropriate behavior, including, but not limited to, spitting, swearing, lewd behavior, indecent exposure, urinating in public and littering, are not permitted on site at any of the Facilities.

(aa) Loads in which Commingled Container Recyclables are mixed with Paper Fiber Recylables will be accepted for processing as Single Stream Recyclables at the Recycling Facilities.

(bb) Operators of rear-dumping vehicles delivering Commingled Container Recyclables and Paper Fiber Recyclables in separate compartments in the same vehicle will be required to sweep clean all materials from the empty compartment before proceeding to the next tipping area.

(cc) Mechanical densifying of aluminum containers and plastic containers is prohibited (non-aluminum metal cans may be crushed or flattened) unless, subject to approval by CRRA, such containers are commingled with Paper Fiber Recyclables and delivered as Single Stream Recyclables.

(dd) Loads of Commingled Container Recyclables may contain any combination of acceptable container materials except loads containing solely mixed-color (any color combination) glass will not be accepted for delivery.

(ee) Loads of Commingled Container Recyclables and Single Stream Recyclables may not be delivered in bags of any type. All Commingled Container Recyclables and Single Stream Recylables must be delivered in loose form to the Recycling Facilities.

(ff) Due to poor quality of pre-sorted bottles and cans previously delivered, CRRA does not encourage delivery of pre-sorted containers. Any municipality or hauler wishing to deliver presorted containers must first obtain written approval from CRRA.

(gg) Other procedures for the Facilities may be promulgated over time by CRRA and, when issued, must be strictly obeyed.

4.9 Weight Tickets

(a) The driver of each truck disposing of waste shall be presented a weight ticket from the scale house attendant. The ticket shall indicate date, hauler's company name, vehicle Permit Number and trailer/roll-off box decal number, gross weight, tare weight, net weight, origin of waste and time. Each driver will be responsible for identifying the municipality for which he/she is hauling.

(b) If a driver fails to sign for or receive a weight ticket, the appropriate hauling company shall be billed for such delivery for the gross weight of the load delivered, at CRRA's discretion.

(c) Drivers are responsible for checking weight tickets for accuracy. All discrepancies should be brought to the attention of CRRA and/or the scale house attendant as soon as possible. CRRA assumes no responsibility for unreported errors.

(d) At the discretion and request of CRRA, the Permittee/hauler shall disclose to CRRA the quantity of Acceptable Solid Waste from each Participating Municipality in the Acceptable Mixed Load(s) for which Permittee/hauler is hauling.

(e) The Permittee/hauler shall use its best efforts to identify and provide CRRA written evidence of the origin of the Acceptable Solid Waste in its Acceptable Mixed Loads to enable CRRA to properly determine each Participating Municipality's volume of delivered Acceptable Solid Waste.

4.10 Delivery of Mixed Loads of Acceptable Solid Waste From Multiple Participating Municipalities

(a) Delivery of Mixed Loads of Acceptable Solid Waste from Multiple Participating Municipalities ("Acceptable Mixed Loads") will be accepted by CRRA only if the following criteria are met:

(1) The Acceptable Mixed Loads do not contain any Acceptable Solid Waste that originated from a non-Participating Municipality without first executing a Mid-Connecticut Non-Member Waste Agreement.

(2) The entire Acceptable Mixed Load must contain Acceptable Solid Waste that would otherwise have been billed to the Permittee.

(3) The Permittee/hauler shall use its best efforts to identify and provide CRRA written evidence of the origin of the Acceptable Solid Waste in its Acceptable Mixed Loads to enable CRRA to properly determine each Participating Municipality's volume of delivered Acceptable Solid Waste.

(4) Permittee/hauler shall not deliver any Acceptable Mixed Load to any Waste Facility unless all of the Acceptable Solid Waste in the Acceptable Mixed Load is authorized to be disposed of at such Waste Facility.

(5) Any delivery of an Acceptable Mixed Load must be billed in its entirety to the Permittee/hauler that delivers the Acceptable Mixed Load to the Waste Facility.

(b) Haulers may not deliver loads containing Acceptable Recyclables that originate from more than one municipality. Loads from municipalities not participating in CRRA's recycling program will not be accepted unless CRRA has authorized such delivery.

4.11 Recycling Facilities Load Rejection Policy

(a) CRRA or its agent will reject loads if they include unacceptable levels of contamination, if they are unprocessible, or if they otherwise do not meet the Facility Delivery Standards as determined. Loads may be rejected before or after unloading. If a delivery is rejected after unloading, it is subject to a two hundred dollar ($200.00) handling charge. If a delivery is rejected after unloading at a Recycling Transfer Station into a transfer station trailer, it is subject to a five hundred dollar ($500.00) fine for excessive contamination.

(b) Loads that are rejected prior to unloading will not be subject to a handling charge unless CRRA or the Operators determine that such charge is appropriate under the

circumstances. Loads that are rejected prior to unloading will be considered as voided transactions and the tonnage will not accrue to the municipality of origin. CRRA reserves the right to charge additional fees, disposal fees, and or penalties above two hundred dollars ($200.00) when circumstances warrant such.

(c) Loads will be considered not to meet the Facility Delivery Standards if any of the following apply:

(1) They originate from more than one municipality.

(2) They originate from a municipality or municipalities other than a Participating Municipality, unless authorized by CRRA.

(3) They are found to be contaminated and/or unprocessible.

(4) CRRA has communicated in writing to the hauler that the load or loads cannot be delivered to the Recycling Facilities without written approval of CRRA.

(d) Loads will be considered contaminated if any of the following apply:

(1) A load of commingled containers contains more than 5% unacceptable containers or materials other than Acceptable Commingled Container Recyclables.

(2) A load of paper fiber contains more than 5% unacceptable paper fibers or material other than Acceptable Paper Fiber Recyclables.

(3) A load of Single Stream Recyclables contains more than 5% unacceptable Paper Fiber Recyclables or Commingled Container Recyclables or materials other than Acceptable Paper Fiber Recyclables or Acceptable Commingled Container Recyclables.

(e) Loads will be considered unprocessible if any of the following apply:

(1) More than 10% of a load of Paper Fiber Recyclables are wet except as a result of inclement weather.

(2) Acceptance of the load would significantly disrupt the normal operations of the Recycling Facility.

(3) More than 25% of a load's glass containers are broken in loads of Commingled Container Recyclables unless delivered as Single Stream Recyclables.

(4) More than 25% of aluminum cans are flattened or deformed in loads of Commingled Container Recyclables unless delivered as Single Stream Recyclables.

(5) More than 25% of plastic containers are flattened or deformed in loads of Commingled Container Recyclables unless delivered as Single Stream Recyclables.

(6) The condition of the load is such that a significant part (or the entire load) of the material would be unmarketable after processing or that by processing the material delivered in the load with the other accepted, processible material, such other accepted processible material would be rendered unprocessible and/or unmarketable by coming in contact with the material in the load.

5. BILLING

5.1 Payment of Invoices

Invoices shall be issued by CRRA and payable as follows: CRRA shall issue an invoice to each Permittee, at a minimum, on a monthly basis, and each Permittee shall pay such invoice within twenty (20) days from the date of such invoice or within the time specified in Permittee's specific contract with CRRA.

5.2 Liability for Payment of Invoices

Any Permittee who delivers to any of the Facilities by means of any vehicle, roll-off box or trailer that is owned, leased or operated by either such Permittee or by any other Permittee, person or entity, shall be responsible for the payment of any invoice issued by CRRA in connection with such delivery of waste/recyclables and the subsequent disposal or processing thereof by CRRA.

5.3 Past Due Invoices

(a) If a Permittee fails to pay in full any invoice issued by CRRA pursuant to Section 5.1 on or before the close of business of the twentieth (20th) day following the date of such invoice, then such invoice shall be deemed past due and a delayed payment charge of one percent (1%) of the amount past due may be imposed commencing on the thirtieth (30th) day following the invoice date and continuing on a monthly basis following such thirty (30) day period until such invoice is paid in full. If a Permittee's specific contract language with CRRA differs from the foregoing, then the specific contract language of Permittee shall prevail.

(b) In accordance with *Connecticut General Statutes* Section 22a-220c(c), if a hauler is delinquent in paying any invoice to CRRA for three consecutive months, then CRRA must notify any municipality served by hauler of hauler's delinquency.

5.4 Miscellaneous

If any Permittee fails to pay any invoice under this Section 5 by the due date for such invoice, then CRRA may in its sole discretion deny such Permittee any further access to

the Facilities and/or suspend or revoke its permit for the same until such Permittee pays in full to CRRA all past due invoices including any interest thereon. Additionally, CRRA may at its sole discretion pursue any remedies available to it at law or in equity, including, but not limited to, procuring the amounts owed from such Permittee's guaranty of payment, in order to collect such amounts. In connection therewith, the Permittee shall also be liable for all costs, expenses or attorneys' fees incurred by CRRA in collecting the amounts of past due invoices owed by such Permittee to CRRA, whether or not suit is initiated.

5.5 Return Check Policy

(a) For each check returned to CRRA, the Permittee will be charged a processing fee of fifty dollars ($50.00). Permittee must also immediately submit a replacement check in the full amount by either a bank or certified check. In addition, Permittee may be denied access to the Facilities until such payment is received and processed by CRRA.

(b) Permittees who have two returned checks within a four (4) month billing period will be required to submit all future payments by either bank or certified check for minimum period of six (6) months.

5.6 Disputes on Billing

In the event of a dispute on any portion of any invoice, the Permittee shall be required to pay the full amount of the disputed charge(s) when due, and the Permittee shall, within thirty (30) days from the date of the disputed invoice, give written notice of its dispute to CRRA. Such notice shall identify the disputed bill/invoice, state the amount in dispute and set forth a detailed statement of the grounds on which such dispute is based. No adjustment shall be considered or made by CRRA for the disputed charge(s) until notice is give as aforesaid.

6. SANCTIONS

6.1 Sanctions

(a) Permittee must adhere to the terms of these Procedures. In addition to the other remedies available to CRRA hereunder, CRRA may at its sole discretion impose the sanctions, as liquidated damages, against any Permittee who violates any provision of these Procedures. See **Appendix B** attached hereto for examples of violations and their applicable sanctions. However, **Appendix B** is not, nor is it intended to be, a complete listing of all violations and applicable sanctions.

(b) In the event that an individual/Permittee disrupts the operation of, or creates a disturbance or acts in an unsafe or unruly manner at any of the Facilities, CRRA may in its sole discretion prohibit such individual from entering the premises of all or any part of the Project for a period to be determined by the Enforcement/ Recycling Director or his/her designee.

(c) CRRA may in its sole discretion reduce the sanctions authorized in **Appendix B** if CRRA determines that the circumstances involving the offense warrant such reduction.

(d) In addition to any other violations of these procedures, sanctions shall be imposed by CRRA for the following:

(1) Any breach by Permittee of any of its obligations under these procedures or any agreement between Permittee and CRRA for the delivery of Acceptable Solid Waste by Permittee to the Project;

(2) Delivery of waste from a municipality and representing that such waste is from another municipality ("Misrepresentation of Waste Origin"); and

(3) Delivery of an Acceptable Mixed Load(s) of Acceptable Solid Waste that does not conform to the requirements of Section 4.10 herein.

(e) If a Permittee does not commit a violation during the six (6) month period following the Permittee's most recent violation, the Permittee's record may be considered clear and any subsequent violation after the six (6) month period may be considered the Permittee's first violation.

6.2 Appeal Process

A Permittee/hauler will have the right to appeal a monetary violation imposed against it by CRRA to the Appeal Committee.

The following process must be followed to preserve the appeal rights of a Permittee/ hauler:

(a) Within 10 days of the date of the monetary violation, Permittee/hauler must contact the CRRA Field Manager of Enforcement/Recycling in writing via certified mail to 211 Murphy Road, Hartford, Connecticut 06114 or facsimile at 860-278-8471 to request the incident report and supporting documentation ("Incident Report") on the violation at issue.

(b) The Field Manager of Enforcement/Recycling will send Permittee/hauler the Incident Report via certified mail/return receipt, with a cover letter noting the date the request was received.

(c) Within 15 days of the receipt of the Incident Report, if Permittee/hauler has contradicting evidence that provides a reasonable basis to contest the Incident Report, Permittee/hauler must send a letter to the Director of Enforcement/Recycling at 100 Constitution Plaza, Hartford CT 06103, via certified mail/return receipt, explaining the reason for the appeal with a copy of the contradicting evidence.

(d) No appeal will be granted if Permittee/hauler has not submitted evidence which contradicts the Incident Report or that provides a reasonable basis to contest the incident report.

(e) No appeal will be granted if Permittee/hauler has not responded in the timeframe outlined above.

(f) The Appeal Committee shall consist of three (3) members: CRRA President or designee, CRRA Director of Legal Services or designee, and an impartial, uninvolved ad hoc hauler member selected from a list of haulers registered to use the Facilities.

(g) The Appeal Committee will review the Incident Report and Permittee/hauler Information. The Appeal Committee may consolidate Incident Reports for the purpose of an appeal. The Appeal Committee will notify Permittee/hauler within 30 business days to come to the CRRA Headquarters. CRRA will conduct an open meeting to discuss the appeal. Within a reasonable time thereafter, the Appeal Committee will issue a decision, by majority vote, whether to grant the appeal.. This decision is final.

(h) If an appeal is granted, the Appeal Committee, in its decision will determine by majority vote, the adjustment, if any, to the violation. If there is a tie due to abstention, no adjustment will be made. The Appeal Committee may decrease or dismiss the sanction, but at no time will a sanction be increased.

7. LEGAL

7.1 Consistent with Municipal Solid Waste Management Services Contract

It is intended that these procedures be consistent with the Municipal Solid Waste Management Services Contract and with the applicable provisions of law. If any inconsistency should nevertheless appear, the applicable provisions of the Municipal Solid Waste Management Services Contract or the laws of the State of Connecticut shall control.

7.2 Governing Law

These Procedures shall be governed by and construed in accordance with the laws of the State of Connecticut as such laws are applied to contracts between Connecticut residents entered into and to be performed entirely in Connecticut.

APPENDIX A

Policy Guidelines for Accepting Residue from Recycling Facilities

Authority Projects will accept residue from recycling facilities, as defined in (CGS 22a-207); that meet all of the following conditions:

The Recycling Facility must possess a valid DEP Permit to Operate a Recycling Facility. A DEP permitted Solid Waste Facility (other than Recycling Facility), which provides for recycling in its approved Plan of Operations may also be deemed eligible by CRRA project staff for this purpose. Operators must provide CRRA with a copy of the DEP Permit to Operate. CRRA will determine if haulers comply with eligibility criteria before acceptance of residue.

Residue will only be accepted in direct proportion to the solid waste received and processed by the Recycling Facility from Project participating municipalities, (i.e.) if a facility accepts 100 tons of solid waste and 10 tons of this if from project municipalities, CRRA will accept 10% of the total recycling residue.

A listing by municipality of the amount of solid waste received, the total amount of residue generated, the amount of residue apportioned to each municipality, the method used to calculate the amount apportioned to each municipality, and the location at which all residue was disposed shall be submitted to CRRA with each payment for the period covered by the payment.

Prior to delivering any residue to any of the facilities, Hauler and all the Authorized Companies shall obtain all permits that are required by the Procedures, and shall comply with all other pre-delivery requirements set forth therein and-in the applications (including instructions) for such permits. Hauler and such authorized company shall comply at all times with the Procedures, including any amendments made by CRRA thereto from time to time.

All vehicles delivering residue must possess a current, valid Authority permit, including but not limited to the necessary payment guarantees, proof of insurance and indemnification agreements.

The Project from time to time may allow the receipt and disposal of processible non-project residue on a spot basis.

CRRA reserves the right to inspect any facility, including records of solid waste and residue, from which residue disposal is requested and/or received.

APPENDIX B

Number ofViolations	Safety Violations	Maintenance Violations	Hazardous Waste Violation	Non-Processible Waste Violation	Unacceptable & Misrepresentation of Origin Violation	Truck Route Violation
Examples of Violations (Not limited to)	Speeding; No back-up alarm; Unsecured door	Motor Vehicle Operation; Failure to Follow Instructions; No Tarp	Any Delivery of Hazardous Waste or medical waste to Facilities	Household furniture, white metals, scrap metals, Bulky Waste	Any Delivery of Unacceptable Waste or Misrepresentation of Origin of Delivered Waste	Any Use of Permittee's Vehicle On Non-Authorized Truck Route
1st	$250.00	Written Warning to the Permittee	$1,000.00	Written Warning to the Permittee	Written Warning to the Permittee	Written Warning to the Permittee
2nd	$500.00	$100.00	$1,500.00	$100.00	$500.00	$250.00
3rd	$1,000.00	$250.00	$2,000.00	$250.00	$1,000.00	$500.00
4th	$1,500.00	$750.00	$3,000.00	$750.00	$1,500.00	$1,000.00
5th	$2,000.00	$1,250.00	$4,000.00	$1,000.00	$2,000.00	$1,500.00
6th	$2,500.00	$2,500.00	$5,000.00	$1,500.00	$2,500.00	$3,000.00

Notes:

1. First, all Violations are done **By Location.**
2. Second, Violations are done **By Type.**
3. The above list does not include a complete list of violations. It is meant to illustrate the types of offenses that may constitute a violation.
4. Disposal privileges may be denied or suspended for serious or repeated violations.
5. Reloading charges may be applicable for certain waste violations and are payable to either CRRA or the waste-to-energy facility operator, in accordance with the respective waste-to-energy project agreements.

ATTACHMENT E

MODEL FLOW CONTROL ORDINANCE

Model Flow Control Ordinance

A. Pursuant to Section 22a-220a of the General Statutes, the **[Municipality]** issues notice of its intent to designate **[the Mid-Connecticut Resources Recovery Facility located at 300 Maxim Road, Hartford, Connecticut OR specific CRRA transfer station name and address]** as the area where "Acceptable Solid Waste" as defined in that certain Municipal Solid Waste Management Services Agreement dated on or about _____ (the "MSA"), by and between the **[Municipality]** and The Connecticut Resources Recovery Authority, and generated within the boundaries of the **[Municipality]** by residential, business, commercial or other establishments, shall be disposed of. On and after the effective date hereof, each person collecting any Acceptable Waste generated within the boundaries of the **[Municipality]** shall deliver all of said Acceptable Waste to the aforesaid designated facility or facilities. If the facility or facilities so designated cannot accept any or all of said Acceptable Waste due to capacity constraints or for any other reason, such Acceptable Waste shall be delivered to the appropriate alternative facility or location designated by the Director of Public Works of the **[Municipality]**. Any such alternative facility or location shall be deemed under such circumstances to be the **[Municipality]**'s designated disposal facility for Acceptable Waste.

B. Pursuant to Section 22a-220a of the General Statutes, the **[Municipality]** issues notice of its intent to designate **[the Mid-Connecticut Regional Recycling Center located at 211 Murphy Road, Hartford, Connecticut OR specific CRRA transfer station name and address]** as the area where "Acceptable Recyclables" as defined in that certain Municipal Solid Waste Management Services Agreement dated on or about _____ (the "MSA"), by and between the **[Municipality]** and The Connecticut Resources Recovery Authority, and generated within the boundaries of the **[Municipality]** by residential properties shall be disposed of. On and after the effective date hereof, each person collecting any such Acceptable Recyclables generated by residential properties within the boundaries of the **[Municipality]** shall deliver all of said Acceptable Recyclables to the aforesaid designated facility or facilities. If the facility or facilities so designated cannot accept any or all of said Acceptable Recyclables for any reason, such Acceptable Recyclables shall be delivered to the appropriate alternative facility or location designated by the Director of Public Works of the **[Municipality]**. Any such alternative facility or location shall be deemed under such circumstances to be the **[Municipality]**'s designated disposal facility for residential Acceptable Recyclables.

C. Acceptance of a municipal license by a private collector acknowledges the right of the **[Municipality]** to inspect each delivered load.