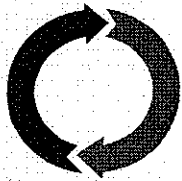


**CRRA
BOARD MEETING
OCTOBER 25, 2007**



**CONNECTICUT
RESOURCES
RECOVERY
AUTHORITY**

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

TO: CRRA Board of Directors
FROM: Moira Kenney, Secretary to the Board/Paralegal
DATE: October 25, 2007
RE: Notice of Meeting

There will be a regular meeting of the Connecticut Resources Recovery Authority Board of Directors held on Thursday, October 25, 2007 at 9:30 a.m. The meeting will be held in the Board Room of 100 Constitution Plaza, Hartford, Connecticut.

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

Connecticut Resources Recovery Authority
Board of Directors Meeting

Agenda

October 25, 2007

9:30 AM

I. Pledge of Allegiance

II. Public Portion

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

III. Minutes

1. Board Action will be sought for the approval of the September 27, 2007 Board Meeting Minutes (Attachment 1).

1.a. Action Items raised during minutes discussion.

IV. Finance

1. Board Action will be sought regarding Reserve Analysis (Attachment 2).

2. Board Action will be sought regarding the Wallingford Guarantee of Payment ("GOP") Modification (Attachment 3).

3. Board Action will be sought regarding the Increase to MDC FY'08 Mid-Connecticut Operation Budget (Attachment 4).

4. Board Action will be sought regarding the By-law Changes for Budget Submission (Attachment 5).

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

A. Chairman's Report

B. President's Report

C. Organizational Synergy & Human Resources Committee

D. Policies & Procurement Committee

1. Board Action will be sought regarding the Refurbishment of Steel Pan Conveyor CV-100B at the Mid-Connecticut Waste Processing Facility (Attachment 6).

VI. Executive Session

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

TAB 1

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND TWENTY-FIFTH MEETING

SEPTEMBER 27, 2007

A Regular meeting of the Connecticut Resources Recovery Authority Board of Directors (hereinafter referred to as 'CRRA' or the 'Authority') was held on Thursday, September 27, 2007 at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Chairman Michael Pace

Directors: Mark Cooper
James Francis
Michael Jarjura (Present beginning at 10:40 a.m.)
Edna Karanian
Mark Lauretti (Present beginning at 10:09 a.m.)
Theodore Martland
Raymond O'Brien
Jason Perillo, Ad Hoc – Bridgeport Project
Linda Savitsky (Present beginning at 9:47)
Timothy Griswold, Ad-Hoc – Mid-Connecticut Project
Stephen Edwards, Ad-Hoc – Bridgeport Project

Present from the CRRA staff:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Michael Bzdya, Government Relations Liaison
Robert Constable, Controller
Peter Egan, Director of Environmental Affairs
Tom Gaffey, Recycling Director
Floyd Gent, Director of Operations
Laurie Hunt, Director of Legal Services
Lynn Martin, Risk Manager
Paul Nonnenmacher, Director of Public Affairs
David Bodendorf, Senior Environmental Engineer
Michael Tracey, Operations Manager, Construction Management
Nhan Vo-Le, Director of Accounting
Moira Kenney, Secretary to the Board/Paralegal

Also present were: Marianne Carcio, Susan Hemenway of BRRROC, John Pizzimenti of USA Hauling & Recycling, Jerry Tyminski of SCRRRA, Scott Trenholm of Carlin, Charron & Rosen, LLP

Chairman Pace called the meeting to order at 9:33 a.m. and stated that a quorum was present.

PLEDGE OF ALLEGIANCE

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

PUBLIC PORTION

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

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

APPROVAL OF THE MINUTES OF THE JULY 26, 2007 REGULAR BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the July 26, 2007 Regular Board Meeting. The motion was made by Director O'Brien seconded by Director Savitsky.

Chairman Pace asked the Board if there were any questions or comments on the minutes. Chairman O'Brien asked for an update on the Watertown host community benefits situation, primarily if the other towns had been contacted to set up meetings and, if so, what was the outcome.

Mr. Gent explained CRRA had set up meetings with the Chief Elected Officials (CEOs) in the four towns which were involved. One of the CEOs was unable to attend. There were several comments on the contract which were incorporated into the agreements sent to the towns. Watertown is going to be voting on the agreement on Monday, October 1, 2007, and both Ellington and Torrington have submitted evidence to suggest they are favorably inclined to approve the agreement. Essex was the one town CRRA has yet to resolve differences with. Another meeting will be held with the first selectman to try and resolve these issues. Chairman Pace inquired as to exactly what the issues were and Mr. Gent stated the issues resulted from the permit change, planning and zoning.

Chairman O'Brien explained during the Policies and Procurement meeting Director Savitsky had suggested topics raised, to be discussed at future Board meetings, should be added to the agenda to ensure further discussion. Mr. Kirk added that in the future CRRA intends to add an item (1.a) to the minutes to ensure items raised on the minutes will be addressed.

Director O'Brien would rather see topics for discussion reflected on a progress report as in certain cases the item may be ready to be voted on, or merely up for discussion. Mr. Kirk pointed out a progress report puts the burden on CRRA to confirm we have addressed and reflected topics for discussion in the minutes, as required for the records. Mr. Kirk added in order to approve the minutes without lengthy questioning the reminder footnote should be

contained elsewhere. Director Savitsky added a distinction between the minutes and a business follow up should be made in an attempt to pass minutes procedurally as they are intended. Chairman Pace stated, per Board Protocols, additions to the minutes are typical however Director Savitsky is correct.

Director Griswold posed a question with respect to the host fees. He asked how the municipal fees are calculated and what are the components which might cause that number to rise. Mr. Gent explained CRRA had designed a uniform fee from the budget standpoint. A fair market value is used for all four transfer stations and the fee of 50¢ cents a ton was a good surrogate to approximate the value of the transfer stations.

To further explain the calculation, Mr. Gent explained there was some concern the value of the land would increase over time therefore two adjusters were added. In the case of Essex, the amount paid is higher than an assessed value of taxes. Mr. Kirk pointed out we could give nothing further at this time but CRRA's goal was to achieve a stable, uniform and equal rate for all involved.

Chairman Pace asked Mr. Gaffey to address some of the complaints received from Essex. Mr. Gaffey said CRRA has been constantly looking for the complaints raised but has not found much to support complaints. There were a few limited issues on heavily trafficked days with some litter which was immediately handled. Mr. Kirk mentioned we are still working on finding an amicable solution.

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

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

FINANCE COMMITTEE UPDATE

Chairman Pace requested a motion to discuss the Finance Committee Update. The motion was made by Director Francis and seconded by Director Martland.

Mr. Bolduc provided the Board with a brief overview as the Finance Committee had covered this subject extensively. He explained the Director of Accounting, Nhan Vo-Le, and Scott Trenholm, an auditor from Carlin, Charron, and Rosen, LLP (who performed the audit for CRRA), would address the topic.

Mr. Trenholm began by distributing the required communication letter intended to provide the Finance Committee and the Board with additional information with regard to the recently completed audit.

Mr. Trenholm explained the accounting firm's responsibility is to express an opinion on the financial statement with respect to the audit. Furthermore, the report will be issued today and will have an unqualified, or clean opinion.

Mr. Trenholm went on to discuss significant accounting policies. He stated no new accounting policies or changes in the existing accounting policies were made during the course of the year which had any bearing on how CRRA obtains accounting information. However, there were five significant transactions which the accounting firm believed warranted a discussion to make sure the Board of Directors was appropriately informed.

The five transactions were: (1) the settlements resulting from the various Enron related lawsuits with legal firms with attorneys who had represented CRRA; (2) the court ruling issued in the matter of New Hartford vs. CRRA, and the need to record that ruling in the financial statements as a liability. There is significant discussion in the footnotes indicating CRRA is appealing that ruling but, at present, accounting principles require liability be recorded; (3) the settlement agreement with a private landowner in Ellington and how the transaction was accounted for in terms of the allocation and the cost of the settlement, which was recorded as an expense; (4) the agreement with the City of Hartford pertaining to the closure of the Hartford landfill and the ultimate responsibility of the Authority for the costs associated with that closure.

Last, the defeasement in July 2006 of approximately \$54 million Mid-CT project bonds and how that transaction was accounted for.

Mr. Trenholm further discussed the third item on the accounting agenda and how it relates to accounting estimates. It is the responsibility of the auditors to ensure financial statements are appropriately adjusted for the estimates. There are three specific areas where estimates are material to the financial statements. The first is in the determination of closure and post closure care of landfill liability. The second is in the determination of evaluation allowance for accounts receivable, and the last item relates to determination of depreciation and amortization expense using the assignment of estimated lives.

Mr. Trenholm moved on to audit adjustments. The auditors concluded the audit adjustment was viewed as a unique situation.

CRRA files a comprehensive annual financial report with the GFOA each year which includes the financial statement and the opinion expressed by the firm. Mr. Trenholm informed the Board he was happy to report there were no disagreements with management or, to the best

of his knowledge, consultation with other independent accountants on matters of accounting principles.

Mr. Trenholm stated any issues discussed prior to retention of independent auditors, relates to the discussion of a variety of matters, including application of accounting principles and auditing standards. These discussions occurred in the normal course of the professional relationship and were not a condition to retention. Lastly there were no difficulties in performing the audit.

Chairman Pace asked Mr. Trenholm to review the Summary of Past Adjustments. Mr. Trenholm explained two items should be reflected on the task adjustment schedule for the Finance Committee and Board's information. The first is related to an understatement of interest required to be accrued in connection to the New Hartford judgment which was calculated to be \$120,000 for the year ending June 30, 2007. The second item relates to the understatement of accrued expenses for amounts received subsequent to closing books. This issue always presents a problem because, at some point, management needs to close the books and make estimates on invoices they are expecting to receive. In this case these expenses came in after the closing of the books.

Director Francis asked Mr. Trenholm to review with the Board issues regarding to the Bridgeport Project. Mr. Trenholm explained the issue which was raised in past management letters states undesignated unrestricted net assets as a deficit. The reason for this is the Board has designated net assets in excess of what is available to be designated.

Director Francis asked Mr. Trenholm to comment on the significance of the closure and post closure liabilities which CRRA needs to address. The closure and post closure care liability represents management's best estimates of the costs associated with the landfill's close.

Chairman Pace asked Mr. Bolduc to speak to the closure and post closure increase. Mr. Bolduc explained closure and post closure costs are dynamic and move quickly. Some of the numbers are a result of changes and escalating oil and natural gas prices. He suggested the Board plan a 12/31/08 stub audit for Bridgeport as that project comes to a close. Mr. Bolduc also pointed out next January represents the Board's last opportunity to change the tip fee and currently there are substantial shortages on what will be required and cause a significant increase in tip fees. The minimum will be \$5, to potentially another \$10-15 which is drastic.

Mr. Edwards pointed out SWAB had attempted several alternatives, to soften the impact, including trying to obtain resources from Waterbury, a different approach on locking in costs for Shelton landfill, and a different exit strategy, but all were unsuccessful. He said the towns are frustrated at not being able to bring any closure to the issue and the general sentiment is they will do whatever they can to get out.

Chairman Pace asked if the towns intend to be on their own and Mr. Edwards explained they are being courted by City Carting with new propositions and ideas. CRRA looking to extend future liabilities is not something they are looking forward to. Chairman Pace asked who was

working on this matter, to which Mr. Kirk indicated the Future Options Committee, along with five members from SWAB, and five from CRRA.

Mr. Edwards went on to say the biggest frustration for SWAB is attempting to get a good grip on the loose ends. The actual costs, exit strategy, and cost for closure are escalating. Going forward there is a lot of debate, the question will be how much reserve is necessary, and what will happen with Waterbury? The towns want a clean and neat separation as much as possible.

Mr. Kirk explained the Waterbury landfill costs are what they are, and the cost liability is CRRA's responsibility. When the 18 towns are out, there may be options to take renewal deals with Wheelabrator and allow the towns to spread out the cost for the last six months over a five year deal. CRRA will have to establish some conservative action to come up with an estimate as the ability to go back and confer with the towns will not exist.

Director O'Brien felt by possibly spreading the cost out over the next six months would gain an advantage to the towns as they would be able to offset the cost with their second tax collection. Chairman Pace asked Mr. Bolduc if the choice could be made by the towns for the period of time. Mr. Bolduc answered that liability and specific town restrictions may come into play but CRRA is working with them to try and do what is right for the towns.

Mr. Gent added a meeting is planned with Mr. LaRusso (CRRA's counterpart in Waterbury). If a decision is not made at that meeting, CRRA has the consent of SWAB to take the matter to arbitration. In regards to the options beyond December 31, 2008, SWAB made it very clear they didn't want to enter any agreement with a continuing liability. The towns want their liability to end as of December 2008. If there is a payment plan after that date, there needs to be an agreement in place. With regard to the project, CRRA will be getting a price from Wheelabrator in December. Mr. Gent hopes the price will be agreeable to at least keep some of the towns together.

The motion previously made and seconded passed unanimously.

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

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

Chairman Pace requested a motion on the above-captioned matter. Director Francis made the following motion:

RESOLVED: That CRRA's Commercial General Liability insurance be purchased from Ace (Illinois Union Insurance Company) with a \$1,00,000 limit, \$50,000 deductible for the period 10/1/07 – 10/1/08 for a premium of \$258,898, as discussed at this meeting; and

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

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

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

Ms. Martin informed the Board this renewal began back in May 2007 when CRRA's brokerage firm AON approached many companies in an attempt to find new insurance coverage. The recommendation is to stay with Ace for the first layer of general liability and auto, and to go with the two new players, Everest and Allied World Assurance Company (AWAC), for the \$10 million and \$15 million of umbrella coverage. Ace was the only player interested in pollution legal liability; they have provided a quote of \$20 million which is the same as what is expiring.

Chairman Pace asked if it were fair to say more players were interested in providing the insurance and the total premium is less than last year. He also asked Ms. Martin to review the Finance Committee's discussion on admitted and un-admitted insurance companies.

Ms. Martin informed the Board the discussion on admitted and un-admitted companies centered around the fact Ace is an admitted carrier, which means the State monitors the company and also provides coverage under the State Guarantee Fund which is at present capped \$300,000 per claim. Everest is also an admitted carrier, AON misspoke at the Finance Committee meeting and designated them as a non-admitted carrier. AWAC is a non-admitted company, however AWAC is placed on what is referred to as a 'white list' which is monitored and subject to having their books examined, it is also A rated. Director Martland added this may be advantageous as

the insurance company may be able to offer broader coverage by not having to adhere to the State's requirements to become an admitted company.

Ms. Martin also pointed out, historically, a significant drop in ratings is not something which occurs quickly with these companies. CRRA's broker, AON, will monitor the companies and CRRA can also terminate the insurance if there is a drop in any of the company ratings. Director O'Brien added AON assists not only with the monitoring effort but in the addition of many new players from which to select insurance, which is significant considering CRRA, in the past, had to consider self-insurance out of pure necessity and he is pleased with AON's performance. He also believes, in the interest of transparency, the record reflect what we pay AON and that they provide assistance in multiple areas.

The motion previously made and seconded by Director O'Brien was approved unanimously by roll call.

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

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

Chairman Pace requested a motion regarding the above-captioned item. Director O'Brien made the following motion:

RESOLVED: That the Board hereby approves and endorses the annual financial report for the fiscal year ended June 30, 2007, substantially as discussed and presented at this meeting.

The motion previously made and seconded by Vice-Chairman Martland was approved unanimously by roll call.

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

POLICIES & PROCUREMENT COMMITTEE

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

Chairman Pace requested a motion on the above captioned matter. Director O'Brien made the following motion:

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

Chairman O'Brien referred to the write-up as well written and necessary in order to proceed with other items on the agenda. He deferred to the Chairman of the Human Resources Committee, Mark Cooper. Director Cooper explained the Human Resources Committee had in fact discussed the resolution at length and were in agreement to recommend the item for the Board's approval.

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

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

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

Chairman Pace requested a motion regarding the above-captioned item. Director O'Brien made the following motion:

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

Director Savitsky seconded the motion.

Mr. Kirk explained to the Board the landfill is closing and CRRA wishes to issue a request for services to be able to identify the most cost-efficient service provider using a consultant who can assist CRRA in identifying and evaluating the most effective and efficient contactors.

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

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

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

Chairman Pace requested a motion regarding the above-captioned item. Director O'Brien made the following motion:

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

Mr. Kirk explained, as the Board already knows, the dioxin tax is collected on a per ton basis and reimbursed on a cost basis. It is a nice stream of revenue for the CT DEP. In order for CRRA to get money back to pay for the stack testing CRRA has to execute this reimbursement contract which puts CRRA in a position to get back the \$204,000.

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

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

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

Chairman Pace requested a motion regarding the above-captioned item. Director O'Brien made the following motion:

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

Chairman Pace felt it was important to discuss this resolution's part in a series of planned activities. Mr. Kirk also agreed these were appropriately planned, engineered, and examined capital improvements to the plant which need to be done. Also of particular interest is, in the past, these actions were conducted by MDC, who would determine what would need to be done, and in the course of finding vendors to do the work would mark up the costs by 15%. CRRA now uses internal engineers which not only saves money but also gives CRRA a better stake in the improvements being made to the facility.

Chairman Pace also explained a lot of the intellectual knowledge was owned by another corporation in prior years and he was happy they had brought much of that information back in. Director Martland asked Mr. Kirk to explain the spread in price. Mr. Kirk replied CRRA had anticipated a price difference as this is a high value contract. The \$100,000 that is 20% markup but he is pleased to even have two viable contractors offer to do the work as there are so few companies which do this type of work any longer.

Chairman Pace asked if we were taking the lower bid. Mr. Kirk explained he believed Director Martland's concern was the difference in the spread. Mr. Kirk assured the board this in no way indicates the write up was done incorrectly. Director O'Brien raised the point that CRRA is doing a better job of planning ahead and making sure these issues are adequately planned for financially.

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

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

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

Chairman Pace requested a motion regarding the above-captioned item. Director O'Brien made the following motion:

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

Mr. Kirk explained this is a small design change which will allow CRRA to process change outs more quickly and easily. He feels it is a good improvement engineered by our folks in coordination with MDC.

Mr. Griswold asked Mr. Kirk for clarification on which rings were being replaced; Mr. Tracey clarified and explained that Mr. Griswold was looking at rings which had already been replaced.

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

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

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

Chairman Pace requested a motion regarding the above-captioned item. Director O'Brien made the following motion:

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

The motion was seconded by Director Savitsky.

Chairman Pace asked Director Martland if he had any questions regarding the need for rubber doors. Director Martland mentioned the need for rubber doors must be due to being struck often. Mr. Kirk explained the door needs to be rubber because the steel doors are frequently used and damaged, but with these doors CRRA will save on repair and maintenance.

Director O'Brien drew the Board's attention to the fact that two of the doors are still steel but are not within high traffic or high odor areas.

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

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

RESOLUTION REGARDING THE MUNICIPAL GOVERNMENT ADVISOR SERVICES AGREEMENTS

Chairman Pace requested a motion regarding the above-captioned item. Director O'Brien made the following motion:

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

Brown Rudnick Berlack & Israels

Chairman Pace pointed out that CRRA is prohibited from hiring a contract lobbyist. Mr. Kirk added that CRRA is very careful and precise in its' use of consultants with respect to CRRA's prohibition on lobbying the legislature. He added CRRA was not satisfied with the returns of the RFQ so it will be supplemented with the intent of finding a more broad-based response with community focused people. What were obtained the first time around was mostly government services groups at law firms. The specification will be reviewed with another RFQ and return to the board with a stable of choices.

Director Karanian asked why the other four firms who did respond had such different costs. Mr. Kirk replied they had all provided hourly rates. Chairman Pace asked Mr. Kirk to further define community groups at some point. Director Martland added the sensitivity towards geographical location needs to be considered as well. The Policies and Procurement Committee did not feel having primarily local responses was a good idea either, and options in other parts of the state with a broader range of coverage and influence should be explored.

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

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

RESOLUTION REGARDING REQUEST FOR JUNK MAIL RECYCLING MARKETING CAMPAIGN

Chairman Pace requested a motion regarding the above-captioned item. Director O'Brien made the following motion:

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

Chairman O'Brien would like to see measurable objectives in order for the Board to ensure the project goal is being reached. He recognizes actual measurement may be difficult but, in order to propose any type of spending, objectives should always be measurable. Mr. Kirk agreed and he would begin to focus on metrics which can be measured. However, Mr. Kirk further stated this can be difficult due to many factors affecting recycling at the moment. However, a method to measure and better understand the campaign will be brought back to the Policies and Procurement Committee for consideration.

Director Savitsky disagreed since an effort to monitor a campaign of this type, with so many mitigating factors, may end up costing close to the initial \$66,000 price tag. The factors associated with measuring this campaign's effect may be nearly impossible to measure. She feels the campaign is a wonderful public relations campaign in addition to the immeasurable benefit of educating young children about recycling.

Director O'Brien clarified he was looking for a measurement of the objective on increasing recycling. He also feels CRRA has an obligation to identify and record our recycling efforts to the town and a measurement standard for CRRA's base and objective needs to be developed.

Director Martland asked the mayors and selectman present if there was a way to work together with CT DEP in recording and measuring recycling amounts. Senator Gaffey responded the DEP requires the towns to annually report their recycling tonnages. CT DEP's form breaks down the measurements to old newspaper, cardboard, junk mail, white paper, residential, commercial, and then co-mingled containers. CRRA has explained their reporting indicates fibers come in together, which eliminates the need on the part of the towns to separate those materials. Agreement was given on the part of CT DEP, but their forms have yet to reflect the change.

Mr. Gaffey noted correspondence from Woodbury regarding administration of recycling data and noted he would write First Selectman Crane of Woodbury a letter to this effect and offer CRRA's and CT DEP's services to reconcile the situation. Mr. Gaffey added a primary way to asses any changes in recycling are when through enforcement. For example: CRRA discovers there has been diversion of certain material, which is most often fiber, after enforcement there is a huge increase in recycling.

Chairman Pace asked Mr. Nonnenmacher if the marketing campaign tool 'Phillup D. Bag' is aimed at all recyclables. Mr. Nonnenmacher explained the campaign is currently focused on junk mail but will expand to include all recyclables. Director Savitsky added she had recently read a press release put out by the mayor of Hartford which provided much detail about what should and should not be recycled.

Mr. Gaffey, Paul Nonnenmacher, and Mary Anne Bergenty met with the town manger and public works director of Hartford to advise them on other ways to encourage recycling. Mr. Nonnenmacher added CRRA is also working with the National Recycling Coalition on a pilot program to develop new strategies to improve recycling in cities.

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

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

RESOLUTION REGARDING AN AGREEMENT FOR METALS RECOVERY AND MARKETING SERVICES WITH WTE RECYCLING, INC.

Chairman Pace requested a motion regarding the above-captioned item. Director O'Brien made the following motion:

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

Mr. Kirk informed the Board unfortunately there is only one contractor available to do the necessary metals recovery and, in the future, CRRA will continue investigating options toward developing their own plant. Director O'Brien asked CRRA note for the record that CRRA rejected alternative bids because the bids were conditional on a five year commitment, especially considering one offer promised a higher return than our current contractor.

Mr. Gent explained we would like CRRA locked in until 2012. Although this would mean more money in the short term for CRRA, it would be a disadvantage to become locked into a contract preventing CRRA from finding alternate bidders or building their own plant. He also pointed out shipping the garbage out to Massachusetts, only to have it shipped back, doesn't make financial sense.

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

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

ORGANIZATIONAL SYNERGY & HUMAN RESOURCES COMMITTEE

Mr. Cooper asked the Board make a motion to recognize Mr. Gent’s four years of service at CRRA:

Mr. Cooper informed the Board that Floyd Gent, Director of Operations is leaving CRRA for another position closer to home. He mentioned Mr. Gent’s efforts has put many of CRRA’s projects back in a positive direction. Chairman Pace added Mr. Gent’s hard work and dedication were greatly appreciated by both he and the Board.

Mr. Gent told the Board he greatly enjoyed working with CRRA, which had initially attracted him for its challenges, he stressed he truly enjoyed working with all the employees, management, and CRRA Board.

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

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

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

Chairman Pace requested a motion regarding the above-captioned item. Director O’Brien made the following motion:

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

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

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

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

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

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

The motion was seconded by Director Martland.

Mr. Bolduc informed the Board the resolution before them reflects the changes put into effect as requested by the Finance Committee. The next Finance Committee Meeting will further discuss what do to with undesignated funds. Mr. Kirk explained the resolution authorizes Mr. Kirk and Mr. Bolduc to have the unrestricted funds moved into a STIF account. Chairman Pace asked if the Finance Committee had approved the decision, to which Mr. Bolduc responded yes.

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

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

EXECUTIVE SESSION

Chairman Pace requested a motion to enter into Executive Session to discuss pending litigation and personnel matters with appropriate staff. The motion was made by Director O'Brien and seconded by Director Savitsky. The motion previously made and seconded was approved unanimously. Chairman Pace requested that the following people be invited to the Executive Session in addition to the Directors and Mid-Connecticut Ad-Hocs:

Tom Kirk
 Jim Bolduc
 Laurie Hunt, Esq.
 Rob Constable
 Lou Pepe, Pepe & Hazard
 Tom Reichen, Pepe & Hazard
 Richard Goldstein, Pepe & Hazard

The Executive Session began at 11:38 a.m. and concluded at 12:53 p.m. Chairman Pace noted that no votes were taken in Executive Session.

The meeting was reconvened at 12:55 p.m.

CHAIRMAN'S, PRESIDENT'S AND COMMITTEE REPORTS

CHAIRMAN'S REPORT

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

PRESIDENT'S REPORT


Mr. Kirk's report discussed the record throughput by MDC of 85 tons per hour. He also talked at length about the poor performance by Covanta and, in the future, CRRA will focus on Covanta in an effort to resolve the issue.

ADJOURNMENT

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

There being no other business to discuss, the meeting was adjourned at 12:58 p.m.

Respectfully submitted,



Moira Kenney
Secretary to the Board/Paralegal

TAB 2

Connecticut Resources Recovery Authority

Reserve Analysis

October 18, 2007

Each year the Authority's management reviews its restricted and unrestricted reserves. The purpose of this review is to determine if additional funds will be required to be deposited in the upcoming budget process or if certain reserves can be dissolved and/or funds re-designated.

The following are management recommendations based upon this years review.

- There have been discussions over the last several years regarding the negative undesignated balance at the Bridgeport Project. After further review of the financial statements and discussions with the Authority's auditors, it was determined that a Board designated reserve is not required, since the Authority has recorded the postclosure liability on its books. Therefore, management recommends that the postclosure reserves for the Ellington, Hartford, Shelton, Wallingford and Waterbury Landfills be dissolved. However, since these liabilities must be funded, management also recommends that a separate Short Term Investment Fund (STIF) account be established for each of the landfills to receive and hold the postclosure funds for their intended purpose.
- The Authority has also recorded the closure liability on its books for the Hartford and Waterbury landfills. Therefore, management recommends the closure reserves be dissolved and a separate STIF account be established for each of the landfills to receive and hold the closure funds for their intended purpose.
- That a post litigation reserve be established to fund the global bank expenses as well as post litigation judgment relating to the New Hartford matter and that this reserve be funded from the existing global bank settlements.
- Establish a restricted reserve to retain the Mid-Connecticut Project surplus funds, if any, from a previous fiscal year to be applied to the next subsequent year budget assumptions.
- Re-designate the funds from the Mid-Connecticut Project Regional Recycling Center Equipment Replacement Reserve (Container) since the reserve is no longer required under the existing contract with the recycling facility operator and re-designate a portion of the Mid-Connecticut Project Recycling Reserve since the Authority has entered into a new contract for the recycling facility.

Copies of the Individual Reserve Summaries and a table showing the designation of the reserves are attached for your review.

RECOMMENDED DRAFT RESOLUTION FOR CRRA BOARD OF DIRECTORS

RESOLUTION REGARDING CERTAIN PROJECT RESERVES

WHEREAS, The Authority has recorded the postclosure liabilities on its financial statements for the Ellington, Hartford, Shelton, Wallingford and Waterbury landfills negating the need for the Board to designate a reserve for this purpose; and

WHEREAS, The Authority has recorded the closure liabilities on its financial statements for the Hartford and Waterbury landfills negating the need for the Board to designate a reserve for this purpose; and

WHEREAS, the Authority has recovered funds from the global litigation matters, which can be reserved to provide for the circumstance that the Authority shall be required by a final, non-appealable order of a court of competent jurisdiction to pay additional amounts as interest on the New Hartford judgment and for associated legal expenses for which other funds may not be available; and

WHEREAS, a restricted reserve is necessary to retain surpluses, if any, for the Mid-Connecticut Project which will be used in the next succeeding budget cycle as required by the Municipal Services Agreements; and

WHEREAS: The Authority has performed an analysis of its Mid-Connecticut Project recycling reserves and has determined additional changes are necessary at this time; now therefore be it

RESOLVED: That individual Short Term Investment Fund (STIF) accounts be established for postclosure funds related to the Ellington, Hartford, Shelton, Wallingford and Waterbury landfills; and

FURTHER RESOLVED: That the funds from the existing Ellington, Hartford, Shelton, Wallingford and Waterbury landfill Board designated postclosure reserves be transferred into their respective STIF accounts; and

FURTHER RESOLVED: That the Ellington, Hartford, Shelton, Wallingford and Waterbury landfill Board designated postclosure reserves be dissolved; and

FURTHER RESOLVED: That individual Short Term Investment Fund (STIF) accounts be established for closure funds related to the Hartford and Waterbury landfills; and

FURTHER RESOLVED: That the funds from the existing Hartford and Waterbury landfill Board designated closure reserves be transferred into their respective STIF accounts; and

FURTHER RESOLVED: That the Hartford and Waterbury landfill Board designated postclosure reserves be dissolved; and

FURTHER RESOLVED: That there is hereby created a Post Litigation Reserve, which is to be funded from the global bank settlements and such funds shall be conserved for the circumstance that the Authority shall be required by a final, non-appealable order of a court of competent jurisdiction to pay additional amounts as interest on the Escrowed

Funds and for up to \$800,000 of associated legal expenses for which other funds may not be available; and

FURTHER RESOLVED: That all of the funds from the Mid-Connecticut Project Regional Recycling Center Equipment Replacement Reserve (Container) (account balance as of June 30, 2007 was \$452,279) be deposited into the Hartford Landfill Postclosure STIF account; and

FURTHER RESOLVED: That \$1,300,000 from the Mid-Connecticut Recycling Reserve be deposited into the Hartford Landfill postclosure STIF account.

Connecticut Resources Recovery Authority Reserves

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Connecticut Resources Recovery Authority

October 18, 2007

Reserve: MERCURY PUBLIC AWARENESS.

Designation: Restricted

Project: General

Purpose: To develop and implement a public education or media campaign designed to: 1) improve consumer awareness of mercury-containing products and the risks posed by mercury-containing products and to encourage consumers to choose alternatives, where feasible; 2) improve consumer awareness of recycling opportunities for mercury batteries, fluorescent bulbs and other mercury containing products; and 3) eliminate sources of mercury in municipal solid waste bound for combustion in waste incinerators.

Fund Basis: Established by DEP Consent Order SW-400.

Fund Source: Being reviewed.

Fund Amount as Of June 30, 2007: \$21,339

Term: When the fund balance is zero.

Supporting Documentation:

The following is language from the DEP Consent order dated February 19, 1998.

...**Supplemental Environmental Projects.** Respondent shall undertake the following supplemental environmental project: Within thirty (30) days from the date of issuance of this consent order, Respondent shall establish and fund in the amount of three hundred fifty thousand dollars (\$350,000) an account to be known as the "mercury public awareness account"....

Recommendation:

Continue to maintain the reserve as required and use where applicable.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: BENEFIT FUND

Designation: Board Designated

Project: General

Purpose: To provide funding for various means of controlling the costs of health insurance premiums, including, but not limited to, funding of rate increases, and funding of premium payments.

Fund Basis: Basis to be reviewed annually.

Fund Source: Transferred previous balance from the Health Fund plus deposited \$180,746 in March 2004 from the Anthem stock proceeds.

Fund Amount as Of June 30, 2007: \$217,110

Supporting Documentation:

Approved by the Board on April 20, 1995. The following are the minutes from the April 1995 Board meeting:

Director Phillips said enclosed in the Board's package is a report that CRRA is receiving a reserve fund from Blue Cross and Blue Shield amounting to \$179,000. He said the Finance Committee approved a resolution which is attached to the package establishing a health fund which would be used primarily as a wellness program for employees. He said the Personnel Committee reviewed this matter this morning.

The motion was made by Director Phillips to approve the resolution establishing a health fund attached to the minutes as Exhibit A. Vice Chairman Selden seconded the motion and it was unanimously voted.

Director Berliner asked if the \$179,000 is meant to be strictly for wellness. Director Phillips said only \$20,000. Director Berliner asked if you could use this to underwrite any yearly increases with Blue Cross Blue Shield. Director Phillips said it could be. Director Berliner said it should not be "could be" but it "should be" since CRRA is not self-insured so to set this money aside in order to do that we need to underwrite future year increases as they come. Chairman Fay said staff wants to report the money in this reserve and will come back later to the Board with the disposition of the money and recommendation on how it should be spent. Director Berliner said that it is nice that CRRA had good years but we all know there are great variations and there will be some bad years. Chairman Fay said absolutely. Mr. Guidone said that is the primary purpose for creating the fund, to put those dollars aside, and to commit some to a wellness program, but the main purpose would be to avoid future spikes or address future spike issues.

The Health Fund was renamed the Benefit Fund by the Board of Directors in October 2003.

Recommendation:

Continue to maintain reserve and review annually.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: DEBT SERVICE RESERVE FUND

Designation: Restricted - Trustee

Project: Bridgeport

Purpose: To secure debt service payments for bondholders.

Fund Basis: 10% of original par value plus interest earnings on the Collection & Paying Agency Account.

Fund Source: 2000 Series Bonds and interest earnings from the Collection & Paying Agency Account.

Fund Amount as of June 30, 2007: \$950,420

Term: Upon final payment of bonds.

Supporting Documentation:

Section 5.1 of the Fourth Supplement Indenture of Mortgage and Trust dated June 1, 1999 states that the Authority shall establish and create certain funds and accounts including the Debt Service Reserve Fund.

Recommendation:

The Authority will commence to draw upon in fiscal year 2008 in accordance with Section 3.3A of the Supplement Bond Indenture, which instructs that amounts in the Debt Service Reserve Fund can be applied toward the final year of debt service.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: DEBT SERVICE FUND

Designation: Restricted - Trustee

Project: Bridgeport

Purpose: To pay debt service (principal and interest) to the bondholders.

Fund Basis: One-sixth of the next ensuing interest payment due and one-twelfth of the next ensuing principal payment due.

Fund Source: Monthly transfers from the Collection & Paying Agency Account.

Fund Amount as of June 30, 2007: \$664,500

Term: Either when funds are drawn from the Debt Service Reserve fund to pay debt service in the final year of the bond or upon final payment of bonds.

Supporting Documentation:

Section 5.1 of the Fourth Supplement Indenture of Mortgage and Trust dated June 1, 1999 states that the Authority shall establish and create certain funds and accounts including the Debt Service Fund.

Recommendation:

Funding source will change from the Collection & Paying Agency Account to the Debt Service Reserve Fund in the final bond year.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: REBATE ACCOUNT

Designation: Restricted - Trustee

Project: Bridgeport

Purpose: To pay Internal Revenue Service in the event any funds related to the bonds earn more than the arbitrage yield.

Fund Basis: As required by Indenture.

Fund Source: Interest earnings in Debt Service Reserve Fund that would result in positive arbitrage.

Fund Amount as of June 30, 2007: \$3,832

Term: Upon final payment of bonds.

Supporting Documentation:

Section 3.1 of the Supplement Indenture of Trust dated August 1, 2000.

Recommendation:

Continue to have outside arbitrage consultant review on an annual cycle. Upon final bond payment the account will be closed.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: . COLLECTION & PAYING AGENCY ACCOUNT

Designation: Restricted - Trustee

Project: Bridgeport

Purpose: To accept all payments related to the Bridgeport project.

Fund Basis: None

Fund Source: Tip fees, recycling revenues and other miscellaneous fees.

Fund Amount as of June 30, 2007: \$2,629

Term: Upon final payment of bonds.

Supporting Documentation:

Section 4 of the Collection and Paying Agency Agreement between the Authority and Bridgeport Resco (Wheelabrator Bridgeport) dated June 1, 1987.

Recommendation:

Continue to utilize account until final bond payment and/or receivables have been collected.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: CUSTOMER GUARANTEE OF PAYMENT

Designation: Restricted

Project: Bridgeport

Purpose: To deposit the cash guaranty of payments ("GOP") received by the Authority by some of its customers.

Fund Basis: Varies by customer based upon their delivery trends.

Fund Source: Authority customers

Fund Amount as of June 30, 2007: \$16,056

Term: Various

Supporting Documentation:

Permitting, Disposal and Billing Procedures all for cash GOP's.

Recommendation:

Continue to maintain the account as long as customers have cash GOP's.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: WATERBURY LANDFILL TRUST

Designation: Restricted - Trustee

Project: Bridgeport

Purpose: To provide a performance bond or surety to guarantee closure of the landfill as required by the solid waste permit.

Fund Basis: Estimated cost for closure.

Fund Source: No supporting records found.

Fund Amount as Of June 30, 2007: \$166,428

Term: Upon closure of the landfill or approval from DEP that another funding source could be utilized.

Supporting Documentation:

The following is language from the regulations.

“...an owner or operator of a facility with a hazardous waste disposal unit must establish financial assurance for post-closure care of the disposal unit...”

Recommendation:

Since the project has already funded a closure reserve for the Waterbury landfill management will approach DEP to determine if this reserve can be eliminated.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: SHELTON LANDFILL FUTURE USE

Designation: Restricted

Project: Bridgeport / CRRA

Purpose: To set aside funds to pay for expenditures associated with the two DEP Consent Orders including costs relating to future use options of the landfill.

Fund Basis: Amount based upon a DEP Consent Orders (\$330k) plus a preliminary estimate of the cost to implement the future use options at the landfill (\$530k) as required by the permit.

Fund Source: Past funding has come from operating budgets.

Fund Amount as Of June 30, 2007: \$824,310

Term: Upon completion of the work.

Supporting Documentation:

The following is the resolution approved by the Board January 16, 2003 and the January 2003 minutes:

WHEREAS: CRRA desires to create a divisible reserve account within the Bridgeport Project for the Shelton Landfill for future use expenditures of the Shelton Landfill ("Shelton Landfill Future Use Reserve");

WHEREAS: CRRA desires to fund the Shelton Landfill Future Use Reserve with \$630,000 from the Fiscal Year 2003 Operating Budget of the Bridgeport Project;

RESOLVED: That the CRRA Finance Department is authorized to create a Shelton Landfill Future Use Reserve and fund it with \$630,000.00 from the FY03 Operating Budget of the Bridgeport Project.

Chairman Pace requested a motion on the reference topic. Director O'Brien made the following motion:

WHEREAS: CRRA desires to create a divisible reserve account within the Bridgeport Project for the Shelton Landfill for future use expenditures of the Shelton Landfill ("Shelton Landfill Future Use Reserve");

WHEREAS: CRRA desires to fund the Shelton Landfill Future Use Reserve with \$630,000 from the Fiscal Year 2003 Operating Budget of the Bridgeport Project;

RESOLVED: That the CRRA Finance Department is authorized to create a Shelton Landfill Future Use Reserve and fund it with \$630,000.00 from the FY03 Operating Budget of the Bridgeport Project.

Recommendation:

Perform a full analysis of the reserve during the annual budget process.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: WATERBURY POSTCLOSURE

Designation: Board Designated

Project: Bridgeport

Purpose: To cover the costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate in real dollars to monitor and maintain the landfill is \$1,481,800, which includes estimated costs for insurance premiums and administrative costs. These estimates do not include any funds for future changes in law.

Fund Source: Past funding has come from operating budgets.

Fund Amount as of June 30, 2007: \$711,909

Term: Thirty years after the landfill is certified closed. Circa 2038.

Supporting Documentation:

The Board approved the following resolution at their April 2005 meeting.

...“**RESOLVED:** That a reserve be established to cover postclosure costs for the Waterbury Landfill for the Bridgeport Project.”

Recommendation:

The Authority has recorded the postclosure liability on its financial statements; therefore a Board designated unrestricted reserve is not required. However, a separate Short Term Investment Fund (STIF) should be established to segregate funds that will fund the liability. Transfer these funds into a STIF account designated for this same purpose. Continue to perform a full analysis of the account including funding requirements during the annual budget process.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: SHELTON LANDFILL POSTCLOSURE

Designation: Board Designated

Project: Bridgeport

Purpose: To cover the costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate in real dollars to monitor and maintain the landfill is \$13,322,000, which includes estimated costs for insurance premiums and administrative costs. These estimates do not include any funds for future changes in law.

Fund Source: Past funding has come from operating budgets.

Fund Amount as Of June 30, 2007: \$6,902,547

Term: Thirty years after the landfill is certified closed. Ash area certified close April 2001 and MSW area certified closed October 1997. Postclosure ends in fiscal year 2030.

Supporting Documentation:

The Board minutes suggest that the Board approved the creation of the Shelton Landfill reserve. The Board approved a resolution on June 17, 1999 to transfer \$2,734,000 from prior year surpluses to the post-closure reserve. In addition, the Board through adoption of the annual budget has been authorizing annual contributions into this reserve.

Recommendation:

The Authority has recorded the postclosure liability on its financial statements; therefore a Board designated unrestricted reserve is not required. However, a separate Short Term Investment Fund (STIF) should be established to segregate funds that will fund the liability. Transfer these funds into a STIF account designated for this same purpose. Continue to perform a full analysis of the account including funding requirements during the annual budget process.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: WATERBURY CLOSURE

Designation: Board Designated

Project: Bridgeport

Purpose: To pay for anticipated expenditures associated with the closure of the landfill.

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate in real dollars to close the landfill is \$497,500.

Fund Source: Past funding has come from operating budgets.

Fund Amount as Of June 30, 2007: \$532,751

Term: Upon DEP certification of the closure work. Circa 2009.

Supporting Documentation:

The minutes indicate that this reserve was first established in July 1991. The Board has been approving contributions to this reserve as part of the annual budget process. The Board adopted the following resolution at their October 2003 meeting.

“...**FURTHER RESOLVED:** That the Waterbury Landfill Closure/Postclosure Reserve be renamed the Waterbury Closure Reserve.”

Recommendation:

The Authority has recorded the postclosure liability on its financial statements; therefore a Board designated unrestricted reserve is not required. However, a separate Short Term Investment Fund (STIF) should be established to segregate funds that will fund the liability. Transfer these funds into a STIF account designated for this same purpose. Continue to perform a full analysis of the account including funding requirements during the annual budget process.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: RECYCLING CAPITAL

Designation: Board Designated

Project: Bridgeport Project per the request of the Southwestern Connecticut Regional Recycling Operating Committee ("SWEROC")

Purpose: To cover potential futures costs associated with the replacement or repair of capital equipment and/or buildings for the Stratford intermediate processing center.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: This reserve is to be funded from the settlements reached with the Town of East Haven (net lump sum payment of \$14,634) and City of Stamford (net payment of \$122,000 paid equally over a thirty-six month period) relating to their non-delivery of recyclables. Initial funding will commence in fiscal year 2006.

Fund Amount as of June 30, 2007: \$171,732

Term: The reserve will be maintained until all capital projects have been completed or it is no longer required.

Supporting Documentation:

The Board approved the following resolution at their October 2005 meeting.

"FURTHER RESOLVED: that a Recycling Reserve be created for the Bridgeport Project to cover capital repairs and/or replacements costs for the Stratford intermediate processing center and that the initial funding of this reserve come from the settlement funds to be received from the Town of East Haven and City of Stamford."

Recommendation:

Perform a full analysis of the reserve during the annual budget process.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: DEBT SERVICE RESERVE FUND

Designation: Restricted - Trustee

Project: Mid-Connecticut

Purpose: To provide debt service payment security to 1996 Series bondholders.

Fund Basis: Maximum Annual Debt Service amount in any calendar year, adjusted annually by the Trustee.

Fund Source: 1985 Series Bonds (the amounts in the current DSRF were originally funded by the 1985 Series Bonds. The 1996 Series Bonds refunded the 1985 Series Bonds.)

Fund Amount as of June 30, 2007: \$4,477,481

Term: Upon final payment of bonds.

Supporting Documentation:

Language from the Mid-Connecticut Bond Resolution adopted March 13, 1985.

Section 5.2 of the Bond Resolution states that the Authority shall establish and create certain funds and accounts which include a Special Capital Reserve Fund, which is the same as the Debt Service Reserve Fund.

“Section 5.10 *Special Capital Reserve Fund* (A) Upon the delivery of any Bonds, the Authority shall pay to the Trustee from the proceeds of such Bonds or otherwise, the sum of money, if any, necessary to increase the amount in the Special Capital Reserve Fund to the Special Capital Reserve Fund Requirement.”

Recommendation:

Continue to maintain as required by the indenture.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: DEBT SERVICE FUND

Designation: Restricted - Trustee

Project: Mid-Connecticut

Purpose: To provide debt service (principal and interest) payments to 1996 Series bondholders.

Fund Basis: One-sixth of the next ensuing interest payment due and one-twelfth of the next ensuing principal payment due.

Fund Source: Monthly transfers from the Mid-Connecticut Revenue Fund.

Fund Amount as of June 30, 2007: \$141,326

Term: Upon final payment of bonds.

Supporting Documentation:

Language from the Mid-Connecticut Bond Resolution adopted March 13, 1985.

Section 5.2 of the Bond Resolution states that the Authority shall establish and create certain funds and accounts which include a Debt Service Fund.

The Debt Service Fund is sub-divided into two Accounts: the Interest Account and the Principal Installment Account

“Section 5.9 *Debt Service Fund*. (A) The Trustee shall pay out of the Interest Account of the Debt Service Fund to the respective Paying Agents for any of the Bonds (i) on the day preceding each Interest Payment Date, the amount required for the payment of interest on the Bonds due on such Interest Payment Date and (ii) on the day preceding the redemption date, the amount required for the payment of accrued interest on Bonds redeemed unless the payment of such accrued interest shall be otherwise provided for, and such amounts shall be applied by the Payment Agents to such payment. The Trustee shall also pay out of the Interest Account the accrued interest included in the purchase price of the Bonds purchased for retirement.

“(B) The Trustee shall pay out of the Principal Installment Account to the respective Payment Agents, on the day preceding each Principal Installment Date for any of the Bonds, the amounts required for the payment of principal due on such Principal Installment Date and such amounts shall be applied by the Paying Agents to such payments.”

Recommendation:

Continue to utilize the account until final payment of bonds.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: REVENUE FUND

Designation: Restricted - Trustee

Project: Mid-Connecticut

Purpose: To receive all revenues associated with the Mid-Connecticut Project and to make disbursements, to the funds and accounts established under the Mid-Connecticut Bond Resolution.

Fund Basis: None

Fund Source: Tip fees, energy revenues and other miscellaneous income.

Fund Amount as of June 30, 2007: \$9,772,228

Term: Upon final payment of bonds.

Supporting Documentation:

Language from the Mid-Connecticut Bond Resolution adopted March 13, 1985.

Section 5.2 of the Bond Resolution states that the Authority shall establish and create certain funds and accounts which include a Revenue Fund.

“Section 5.4 *Revenue Fund*. All Revenues received shall, upon receipt, be deposited with the Trustee unless required more frequently and credited to the Revenue Fund. Prior to the Commercial Operation Date at least monthly and thereafter unless required more frequently as soon as practicable after the end of each Billing Period and in any case no later than forty-five (45) days after the end of such Billing Period, the Trustee shall withdraw from the Revenue Fund and transfer to the Person, Funds and Accounts as set forth”...in the Section and in the priority as indicated in the Section.

Recommendation:

Continue to review during annual reserve analysis cycle.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: STATE LOANS

Designation: Restricted - Trustee

Project: Mid-Connecticut

Purpose: Irrevocable escrow account created to provide payment for the outstanding State Loan Borrowings.

Fund Basis: Funded at outstanding principal balance of the State Loans as of March 2005 plus the net present value of 25 basis points of calculated amount of interest earnings on the remaining balance of the State Loans through 2012.

Fund Source: Funded in 2005 with a transfer from the Mid-Connecticut General Fund, which received the proceeds of the sale of the Enron claims.

Fund Amount as of June 30, 2007: \$13,311,690

Term: Terminates when loans paid in full.

Supporting Documentation:

The Board created this fund at the February 2005 meeting.

“NOW, THEREFORE, BE IT RESOLVED by the Board of the Connecticut Resources Recovery Authority:

Section 1. That not more than \$20,000,000 of the proceeds from the Enron Settlement shall be deposited in an irrevocable escrow or similar fund or account designated for the repayment of the Loans and that the interest earned on such fund or account shall be held for the repayment of the Loans until the Loans are paid in full.

Section 2. That the Chairman of the Board, the President and the Chief Financial Officer of the Authority (the “Officials”) are authorized and directed to execute and deliver any agreements or letters necessary to provide for the payment when due of the current installments of principal and interest on the Loans, including, but not limited to, agreements with the Trustee establishing the necessary funds and/or accounts in order to repay the 2003 Loan and the 2004 Loan, respectively.

Section 3. That the Officials are authorized and directed to perform and take such other actions as may be desirable, necessary, proper or convenient to accomplish the intent and purposes expressed herein, and the performance thereof by such Officials shall be conclusive as to the approval by the Authority of the terms thereof.

Section 4. This resolution shall take effect immediately.”

Recommendation:

Continue to review during annual reserve analysis cycle.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: GENERAL FUND

Designation: Restricted - Trustee

Project: Mid-Connecticut

Purpose: To hold any funds not needed in another fund or account established by the Mid-Connecticut Bond Resolution.

Fund Basis: None

Fund Source: Initial funding came from the proceeds from the sale of the Enron claims. Current balance includes amounts not utilized in July 2006 bond defeasance.

Fund Amount as of June 30, 2007: \$699,052

Term: Anytime

Supporting Documentation:

Language from the Mid-Connecticut Bond Resolution adopted March 13, 1985.

Section 5.2 of the Bond Resolution states that the Authority shall establish and create certain funds and accounts which include a General Fund.

“Section 5.13 *General Fund*. So long as (i) there shall not be any deficiency in any other Fund or Account under this Resolution, (ii) there shall not exist an Event of Default, and (iii) the amount in the General Fund is not otherwise required to be retained by the Authority for use with respect to the Mid-Connecticut System, any balance in the General Fund shall, upon direction of an Authorized Officer of the Authority, be paid to the State in amounts sufficient to repay the State for amounts theretofore paid by the State into the Special Capital Reserve Fund, and any remaining balance may, upon direction of an Authorized Officer of the Authority, be transferred to any other Fund established hereunder or to the Redemption Fund for the purchase or redemption of Bonds.”

Recommendation:

Funds needed to replenish the fiscal year 2007 surplus funds used during the July 2007 defeasance.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: RENEWAL & REPLACEMENT FUND

Designation: Restricted - Trustee

Project: Mid-Connecticut

Purpose: To provide funds for improvements, constructions, reconstructions, major repairs, renewals, replacements or maintenance items not recurring annually or at shorter intervals and for costs of equipment.

Fund Basis: Minimum funding requirement is \$1,500,000 as defined in the Mid-Connecticut Bond Resolution.

Fund Source: Series 1985 Bonds

Fund Amount as of June 30, 2007: \$1,662,061

Term: Upon final payment of bonds.

Supporting Documentation:

Language from the Mid-Connecticut Bond Resolution adopted March 13, 1985.

Section 5.2 of the Bond Resolution states that the Authority shall establish and create certain funds and accounts which include a Renewal and Replacement Fund.

"Renewal and Replacement Fund Requirement" means \$1,500,000 or such greater amount as the Consulting Engineer shall determine is required on an annual basis.

"Section 5.7 Renewal and Replacement Fund. (1) The Trustee shall withdraw from the Renewal and Replacement Fund amounts requisitioned by the Authority for, and apply the same to, the reasonable and necessary expenses of the Authority with respect tot the Mid-Connecticut System, for improvement, constructions, reconstructions, major repairs, renewals, replacement or maintenance items of a type not recurring annually or at shorter intervals and for costs of equipment."

"(2) If on any date all withdrawals or payment from the Renewal and Replacement Fund required by any other provision of this Resolution with respect to the same and every prior date shall have sooner been made and the amount in the Renewal and Replacement Fund exceeds the Renewal and Replacement Fund Requirement, the Trustee shall withdraw from the Renewal and Replacement Fund the amount of such excess and pay the moneys as withdrawn into the Revenue Fund as Revenues."

Recommendation:

Funds needed to replenish the fiscal year 2007 surplus funds used during the July 2007 defeasance.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: OPERATING & MAINTENANCE FUND

Designation: Restricted - Trustee

Project: Mid-Connecticut

Purpose: To provide amounts required for operating expenses to the extent the Mid-Connecticut Operating Fund does not have sufficient funds.

Fund Basis: Minimum funding requirement is \$1,500,000 as defined in the Mid-Connecticut Bond Resolution.

Fund Source: Series 1985 Bonds.

Fund Amount as of June 30, 2007: \$1,662,063

Term: Upon final payment of bonds.

Supporting Documentation:

Language from the Mid-Connecticut Bond Resolution adopted March 13, 1985.

Section 5.2 of the Bond Resolution states that the Authority shall establish and create certain funds and accounts which include an Operation and Maintenance Fund.

“Operation and Maintenance Fund Requirement” means \$1,500,000 or such greater amount as the Authority and the Consulting Engineer shall agree is prudent to maintain as a reserve for the operation of the Mid-Connecticut System.

“Section 5.6 Operation and Maintenance Fund. (1) The Trustee shall withdraw from the Operation and Maintenance Fund and deposit in the Operating Fund amounts required for Operating Expense to the extent that the Operating Fund is insufficient for such purpose at that time and will not be available from funds in the Revenue Fund at the end of the next Billing Period.

“(2) If on any date all withdrawals or payment from the Operation and Maintenance Fund required by any other provision of this Resolution with respect to the same and every prior date shall have sooner been made and the amount in the Operation and Maintenance Fund exceeds the Operation and Maintenance Fund Requirement, the Trustee shall withdraw from the Operation and Maintenance Fund the amount of such excess and pay the moneys as withdrawn into the Revenue Fund as Revenues.”

Recommendation:

Funds needed to replenish the fiscal year 2007 surplus funds used during the July 2007 defeasance.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: CUSTOMER GUARANTEE OF PAYMENT

Designation: Restricted

Project: Mid-Connecticut

Purpose: To deposit the cash guaranty of payments ("GOP") received by the Authority by some of its customers.

Fund Basis: Varies by customer based upon their delivery trends.

Fund Source: Authority customers

Fund Amount as of June 30, 2007: \$246,862

Term: Various

Supporting Documentation:

Permitting, Disposal and Billing Procedures all for cash GOP's.

Recommendation:

Continue to maintain the reserve as long as customers have cash GOP's.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: SELECT ENERGY ESCROW

Designation: Restricted - Trustee

Project: Mid-Connecticut

Purpose: To be in compliance with the Jets power purchase and sales agreement and escrow agreement between CRRA and Select Energy.

Fund Basis: Amount established pursuant to the escrow agreement.

Fund Source: Funding came from the transfer of funds from the Power Block Facility Maintenance Fund (\$500k), the Transfer Station Maintenance Fund (\$466k) and the operating account (\$34k).

Fund Amount as Of June 30, 2007: \$1,000,000

Term: Until expiration of the power purchase and sales agreement with Select Energy.

Supporting Documentation:

The Board approved the following resolution at their June 2003 meeting.

“...Whereas: it is a precondition to the execution of an Energy Purchase Agreement (the “EPA”) between Connecticut Resources Recovery Authority (“CRRA”) and Select Energy, Inc., that an escrow fund in the amount of ONE MILLION DOLLARS (\$1,000,000.00; the “Escrow Fund”) be established; and ...”

Recommendation:

Continue to maintain the reserve as required by contract.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: JETS / ENERGY GENERATING FACILITY

Designation: Restricted

Project: Mid-Connecticut

Purpose: To cover the future Energy Generating Facility (EGF) operating costs.

Fund Basis: The initial reserve estimate projected anticipated electricity revenues from the Jets less operating and maintenance costs of the Jets and Energy Generating Facility (EGF) to determine what level of reserves was required to cover future costs of the EGF through the term of the existing project.

Fund Source: Initial funding of \$20M was received as part of the CL&P and Enron Power Marketing, Inc agreement.

Fund Amount as Of June 30, 2007: \$12,012,000

Term: Upon final payment of bonds.

Supporting Documentation:

In addition to the letter to State Street Bank and Trust dated December 28, 2000, the Board minutes and resolutions from the November and December 2000 Board meetings imply that the intent of the prior Board was to set aside these funds to cover future costs of the EGF. Furthermore, although there is no specific resolution in regards to this reserve, it is management's opinion that this reserve was set-aside for the specific purpose stated above to satisfy the Trustee. On July 5, 2006 the Authority received an analysis from R.W. Beck that states the \$20 million was no longer necessary to be maintained in this account, but rather only \$10,888,000.

Recommendation:

Perform a full analysis of the reserve during the annual budget process.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: REGIONAL RECYCLING CENTER EQUIPMENT REPLACEMENT (CONTAINER)

Designation: Restricted

Project: Mid-Connecticut

Purpose: To reserve funds necessary for possible capital repair or replacement.

Fund Basis: Contract states that CRRA shall contribute \$50,880 on an annual basis to this reserve. Information as to how the total fund balance was determined could not be found.

Fund Source: Past funding has come from the operating budget and an additional \$40,600 will be deposited into the reserve in fiscal year 2007.

Fund Amount as Of June 30, 2007: \$452,279

Term: Upon contract termination.

Supporting Documentation:

Fund required under an existing agreement with FCR Redemption Inc. dated February 22, 1997. Contract extended through May 21, 2004 (with a one-year extension). The Board approved the contract and amendment on February 20, 1997 and March 20, 2003, respectively. The following is Section 3.11 of the agreement:

Section 3.11 Capital Repair and Replacement Fund

- A. CRRA shall maintain an account for the purpose of reserving the funds necessary for possible capital repair or replacement. Deposits into this account shall be made annually by CRRA in the amount of Fifty Thousand Eight Hundred Eight Dollars (\$50,880.00).
- B. During any term of this Agreement, the Company shall be entitled to draw upon such account in accordance with generally accepted accounting principles upon ten (10) calendar days prior written request to CRRA of such withdrawal and CRRA's written consent of the same, which consent shall not be unreasonably withheld. Such written request shall include the following, at a minimum: items to be replaced and repaired, the cause of equipment failure, cost of replacement or repair, including Cost Substantiation, the new useful life of the replaced or repaired item, CRRA shall be entitled to draw upon such account upon ten (10) calendar days written notice to the Company to make reasonable expenditures for the renewal, repair or replacement of any and all stationary or immobile equipment purchased and installed at the Facility. For purposes of this Section, a capital repair or replacement shall be deemed to be a repair or replacement, either singularly or in the aggregate associated with the same piece of equipment an greater than Two Thousand Five Hundred and 00/100 Dollars (\$2,500.00) in value, to a capital asset which either extends or enhances the useful life of the asset in accordance with generally accepted accounting principles. Upon termination or expiration of this Agreement, all funds remaining in the account shall revert to CRRA.

Recommendation:

Transfer funds into Hartford Landfill Postclosure Reserve, since contract has terminated.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: RECYCLING EDUCATION

Designation: Restricted

Project: Mid-Connecticut

Purpose: To reimburse the City of Hartford for expenses incurred solely for its recycling education program.

Fund Basis: Per the host community agreement the Authority shall contribute \$50,000 annually in addition to the \$100,000 annually per the PILOT agreement.

Fund Source: Past funding has come from the operating budget.

Fund Amount as Of June 30, 2007: \$542,049

Term: The requirement to fund this reserve will terminate upon the final maturity of all bonds and satisfaction of all obligations with respect thereto, which term shall be consistent with the provisions as to expiration contained in the Municipal Solid Waste Management Service Contract by and between the CRRA and the City, dated June 30, 1982, or any amendment thereto.

Supporting Documentation:

The following language is from the Agreement for Payments In Lieu Of Taxes and the Host Community Agreement between CRRA and the City of Hartford, respectively.

Commencing July 1, 1990 and for each year that the Authority owns and operates the Recycling Center the Authority hereby agrees to maintain an account and provide funding for the same in an amount not to exceed One Hundred Thousand (\$100,000.00) Dollars per year, which funds may be used by the City solely for the benefit of its recycling education program. Any funds remaining in the account at the end of each fiscal year shall be rolled over and added to the One Hundred Thousand (\$100,000.00) Dollars that the Authority is required to provide for the next succeeding year.

“CRRA will make a recycling payment of \$150,000 per year (\$50,000 of which is in addition to the current annual payment into such fund of \$100,000) into the Recycling Account...”

Recommendation:

Continue to maintain reserve as required by contract.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: TOWN OF ELLINGTON TRANSFER STATION TRUST

Designation: Restricted

Project: Mid-Connecticut

Purpose: To be in compliance with the Certificate of Special Permit granted by the Ellington Planning and Zoning Commission.

Fund Basis: Established pursuant to the Certificate of Special Permit.

Fund Source: No supporting documents found.

Fund Amount as Of June 30, 2007: \$45,767

Term: Upon termination of the permit.

Supporting Documentation:

The following is language from the Certificate of Special Permit.

...Connecticut Resource Recovery Authority shall maintain a minimum balance of \$10,000 in a passbook account to be held by the Town of Ellington. This account shall be drawn upon to off set the expense of solid waste litter pickup in the event that the landfill operator fails to meet acceptable standards..."

Recommendation:

Management intends to contact the town to determine if this account is still required.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: ELLINGTON LANDFILL TRUST

Designation: Restricted - Trustee

Project: Mid-Connecticut

Purpose: To maintain financial assurance for postclosure care, thirty years of monitoring and maintenance, as required by 40 CFR 265.145 and Section 22a-449 (c) -30 CT HWMR.

Fund Basis: Estimated amount of postclosure costs for monitoring and maintenance.

Fund Source: No supporting documents found.

Fund Amount as Of June 30, 2007: \$468,144

Term: After thirty years of postclosure or until DEP and the Town agree that the postclosure account for the Ellington landfill can be used in replace of this trust.

Supporting Documentation:

The following is language from the regulations.

“...an owner or operator of a facility with a hazardous waste disposal unit must establish financial assurance for post-closure care of the disposal unit...”

Recommendation:

Since the project has already funding a postclosure reserve for the Ellington landfill management will approach DEP and the Town to determine if this reserve can be eliminated.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: PRIOR YEAR SURPLUS

Designation: Restricted

Project: Mid-Connecticut

Purpose: To hold surplus funds from previous year-ending balance to be applied to subsequent year's budget assumptions.

Fund Basis: Prior fiscal year ending surplus balance.

Fund Source: Mid-Connecticut Revenue Fund (held at Trustee). Revenue Fund to provide \$5,547,290 of the fund amount. \$4,000,000 was withdrawn from the Revenue Fund in the July 2006 and applied to the bond defeasance. This amount will be replenished with funds from the following accounts: Operating & Maintenance Fund, Renewal & Replacement Fund and General Fund, which total \$4,023,176 as of 6/30/07. These funds will become available when all the bonds are redeemed or mature.

Fund Amount as of June 30, 2007: \$9,570,466 (equals fiscal year 2007 surplus - see fund source above)

Term: Upon expiration of the bonds.

Supporting Documentation:

The following is language from the Article IV Section 401 of the Municipal Service Agreement.

"Service Payments as so determined shall remain in effect for each Contract Year, provided, however, that if the annual Aggregate Service Payments are less than or greater than the Net Cost of Operation for such Contract Year, then the Authority shall determine such difference and include such difference in the Annual Budget For the next succeeding Contract Year."

Recommendation:

To be reviewed during annual reserve analysis cycle.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: POST LITIGATION

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To provide costs of paying expert witnesses and other legal fees relating to the Enron-related lawsuits.

Fund Basis: None.

Fund Source: Enron-related litigation settlements.

Fund Amount as of June 30, 2007: \$0.00

Term: Upon resolution of pending litigation.

Supporting Documentation:

Proposed Board resolution to be adopted October 25, 2007.

Recommendation:

To be reviewed during annual reserve analysis cycle.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: ASH DISPOSAL

Designation: Board Designated

Project: Mid-Connecticut

Purpose: Fund established to mitigate pending future tip fee increases from the impact of the Hartford Landfill closure resulting in significant increases in tip fees starting in fiscal year 2009 for the cost of transportation and disposal of ash to out-of-state facilities.

Fund Basis: The fund basis will be reviewed annually as part of the budget process.

Fund Source: The initial funding of the reserve will come from the fiscal year 2008 operating budget.

Fund Amount as Of June 30, 2007: \$0

Term: Upon the determination by the Board that the reserve is no longer required or June 30, 2011.

Recommendation:

Establish the reserve as part of the fiscal year 2008 budget.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: HARTFORD LANDFILL POSTCLOSURE

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To cover the costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate in real dollars to monitor and maintain the landfill is \$21,163,000 including insurance premiums and administrative costs. These estimates do not include any funds for future changes in law.

Fund Source: Initial funding of \$500,000 came from a previous reserve called the Hartford Landfill Closure / Postclosure Reserve. Additional funding is to come from operating budgets.

Fund Amount as Of June 30, 2007: \$2,369,119

Term: Thirty years after the landfill is certified closed. Certified closed in CIRCA 2011.

Supporting Documentation:

The Board approved the following resolution at their October 2003 meeting.

“...FURTHER RESOLVED: That the Hartford Landfill Closure/Postclosure Reserve be split into two separate reserves (balance as of August 31, 2003 was \$7,109,905.17) and that \$500,000 of these funds be designated for the Hartford Postclosure Reserve and the remaining fund balance be designated for the Hartford Landfill Closure Reserve....”

Recommendation:

The Authority has recorded the postclosure liability on its financial statements; therefore a Board designated unrestricted reserve is not required. However, a separate Short Term Investment Fund (STIF) should be established to segregate funds that will fund the liability. Transfer these funds into a STIF account designated for this same purpose. Continue to perform a full analysis of the account including funding requirements during the annual budget process.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: ELLINGTON LANDFILL POSTCLOSURE

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To cover the costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate in real dollars to monitor and maintain the landfill is \$4,233,000 including insurance premiums and administrative costs. These estimates do not include any funds for future changes in law.

Fund Source: Past and future funding comes from operating budgets.

Fund Amount as Of June 30, 2007: \$2,088,103

Term: Thirty years after the landfill is certified closed. Certified closed in October 1998, postclosure ends fiscal year 2029.

Supporting Documentation:

The Board approved the following resolution at their October 2003 meeting.

“...**FURTHER RESOLVED:** That the Ellington Landfill Closure/Postclosure Reserve be renamed the Ellington Postclosure Reserve.”

Recommendation:

The Authority has recorded the postclosure liability on its financial statements; therefore a Board designated unrestricted reserve is not required. However, a separate Short Term Investment Fund (STIF) should be established to segregate funds that will fund the liability. Transfer these funds into a STIF account designated for this same purpose. Continue to perform a full analysis of the account including funding requirements during the annual budget process.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: HARTFORD LANDFILL CLOSURE

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To cover the anticipated expenditures associated with the closure of the Bulky Waste and Ash Residue areas of the Hartford Landfill.

Fund Basis: The basis is reviewed annually by internal staff. Per the existing agreement with the City of Hartford the Authority is responsible to pay all closure costs. The current estimated cost in real dollars is \$27,200,000.

Fund Source: Initial funding came from a prior Hartford Landfill Closure/Postclosure Reserve. Additional funding is to come from future operating budgets.

Fund Amount as Of June 30, 2007: \$11,263,279

Term: Upon certified closure of the landfill.

Supporting Documentation:

The Board approved the following resolution at their October 2003 meeting.

“...**FURTHER RESOLVED:** That the Hartford Landfill Closure/Postclosure Reserve be split into two separate reserves (balance as of August 31, 2003 was \$7,109,905.17) and that \$500,000 of these funds be designated for the Hartford Postclosure Reserve and the remaining fund balance be designated for the Hartford Landfill Closure Reserve....”

Recommendation:

The Authority has recorded the closure liability on its financial statements; therefore a Board designated unrestricted reserve is not required. However, a separate Short Term Investment Fund (STIF) should be established to segregate funds that will fund the liability. Transfer these funds into a STIF account designated for this same purpose. Continue to perform a full analysis of the account including funding requirements during the annual budget process.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: RISK FUND

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To protect the project against catastrophic losses.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: Past funding has come from operating budgets.

Fund Amounts as Of June 30, 2007: \$5,482,847

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board approved the Policy Establishing the Risk Financing Plan, which included the Risk Fund on September 18, 1990. On December 19, 1996 the Board approved a modification to the CRRA Risk Fund Policy. The resolutions and minutes are extensive.

Recommendation:

Reevaluate the risk assessments and update during the annual budget process.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: DEBT SERVICE STABILIZATION

Designation: Board Designated

Project: Mid-Connecticut

Purpose: This reserve is to provide a source of funds which will be used to ameliorate future debt service.

Fund Basis: The basis will be reviewed annually during the budget cycle by evaluating various projection scenarios through the term of the existing project.

Fund Source: During fiscal year 2006, \$14,663,000 was deposited into the reserve. The Board authorized an additional \$1.4 million from the fiscal year 2005 surplus to be deposited into this reserve. An additional \$4.3 million has been budgeted to be deposited into this account in fiscal year 2007.

Fund Amount as of June 30, 2007: \$4,575,965

Term: Upon final payment of bonds or when the Board dissolves the reserve.

Supporting Documentation:

The Board approved the following resolution at their April 2005 meeting.

RESOLVED: That a Debt Service Stabilization Reserve be created for the Mid-Connecticut Project for the purpose of paying future debt service during a period when the project will experience a revenue shortfall due to the loss Enron energy revenues.

FURTHER RESOLVED: That the initial funding for this reserve be through the fiscal year 2006 operating budget.

The Board approved the following resolution at their October 2005 meeting.

"FURTHER RESOLVED: that \$1,457,028 from the Mid-Connecticut Project fiscal year 2005 project surplus be deposited into the Debt Service Stabilization Reserve in the Mid-Connecticut Project."

Recommendation:

Perform a full analysis of the reserve during the annual budget process.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: FACILITY MODIFICATION

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To cover capital expenditures associated with the Mid-Connecticut Project facilities.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: Past funding has come from operating budgets.

Fund Amount as Of June 30, 2007: \$5,668,747

Term: When Board dissolves the reserve.

Supporting Documentation:

Minutes found suggest the Board approved this reserve in the past. The Board approved a resolution on June 18, 1991 to transfer \$8,624,000 from prior year operating budget surpluses for WPF improvements. The Board adopted resolutions to designate Mid-Connecticut retained earnings to the WPF Modification reserve in the amounts of \$4,490,000 and \$3,925,000 on June 17, 1999 and May 18, 2000 respectively.

The Board approved the following resolution at their October 2005 meeting.

“FURTHER RESOLVED: that the Waste Processing Facility Modification Reserve for the Mid-Connecticut Project be renamed the Facility Modification Reserve.”

Recommendation:

Management is hiring an outside consultant to perform a full analysis of this reserve in fiscal year 2008.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: ROLLING STOCK

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To cover costs associated with the purchase of new and/or rebuilds of equipment such as tractors, trailers, loaders, containers, sweepers, etc.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: Past funding has come from operating budgets and retained earnings.

Fund Amount as Of June 30, 2007: \$3,621,196

Term: When Board dissolves the reserve.

Supporting Documentation:

Minutes found suggest the Board approved this reserve in the past. On June 17, 1999 the Board approved a resolution to transfer \$680,000 from prior year operating budget surpluses to this reserve.

Recommendation:

Management is hiring an outside consultant to perform a full analysis of this reserve in fiscal year 2008.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: RECYCLING

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To reserve funds necessary for future capital repairs and/or replacements or any other recycling activities the Authority may pursue.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: On June 30, 2003, the entire balance of \$1,739,925 from the Regional Recycling Center Paper Equipment Reserve was transferred into this reserve.

Fund Amount as Of June 30, 2007: \$1,852,804

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board approved the following resolution at their July 2003 meeting.

“RESOLVED: that the Regional Recycling Center Paper Equipment Replacement Reserve for the Mid-Connecticut Project be reclassified from Restricted to Board Designated (balance as of May 31, 2003 was \$1,729,509).

FURTHER RESOLVED: That the Regional Recycling Center Paper Equipment Replacement Reserve be renamed Recycling Reserve.

FURTHER RESOLVED: That the Regional Recycling Center Paper Equipment Replacement Reserve be dissolved.”

Recommendation:

Transfer \$1.3 million into the Hartford Landfill Postclosure Reserve. Perform a full analysis of the purpose and need of this reserve during the annual budget process.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: SOUTH MEADOWS SITE REMEDIATION

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To pay for change orders not covered in the original scope of services for the South Meadows site remediation project.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: The initial funding of an estimated \$245,000 for this reserve came from a credit received from the contractor due to a reduction in the original scope of work.

Fund Amount as of June 30, 2007: \$194,506

Term: Upon completion of the work or when the Board dissolves the reserve.

Supporting Documentation:

The Board approved the following resolution at their April 2005 meeting.

“**RESOLVED:** That a reserve be established to cover costs not included in the original scope of the South Meadows property remediation project for the Jets/Energy Generating Facility.”

Recommendation:

Perform a full analysis of the reserve during the annual budget process.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: LANDFILL DEVELOPMENT FUND

Designation: Board Designated

Project: Mid-Connecticut

Purpose: To cover ash landfill development expenditures:

Fund Basis: Based upon preliminary estimate for development costs.

Fund Source: Initial funding came from \$1.4 million of the fiscal year 2005 project surplus. Additional funding came from the FY07 operating budget.

Fund Amount as Of June 30, 2007: \$2,573,445

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board approved the following resolution at their October 2005 meeting.

“...**FURTHER RESOLVED:** that a Landfill Development Fund be created for the Mid-Connecticut Project to pay for ash landfill development costs and that \$1,400,000 from the fiscal year 2005 project surplus be transferred into the reserve.”

Recommendation:

Perform a full analysis of the reserve during the annual budget process.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: DEBT SERVICE RESERVE FUND

Designation: Restricted - Trustee

Project: Southeast

Purpose: To provide debt service payment security to bondholders.

Fund Basis: Maximum Annual Debt Service amount in any calendar year, adjusted annually by the Trustee.

Fund Source: 1998 Series Bonds

Fund Amount as of June 30, 2007: \$910,750

Term: Upon final payment of bonds.

Supporting Documentation:

Section 5.1 (A) (3) of the Indenture of Mortgage and Trust dated as of December 1, 1988 as supplemented.

Recommendation:

The Authority will commence to draw upon in the final year of debt service.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: DEBT SERVICE FUND

Designation: Restricted - Trustee

Project: Southeast

Purpose: To provide debt service payments (principal and interest) to bondholders.

Fund Basis: One-sixth of the next ensuing interest payment amount due and one-twelfth of the next ensuing principal payment amount due.

Fund Source: Monthly transfers from the Revenue Fund.

Fund Amount as of June 30, 2007: \$356,892

Term: Upon final payment of bonds.

Supporting Documentation:

Section 5.1 (A) (2) of the Indenture of Mortgage and Trust dated as of December 1, 1988, as supplemented.

Recommendation:

Funding source will change from the Revenue Fund to the Debt Service Reserve Fund in the final bond year.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: REVENUE FUND

Designation: Restricted - Trustee

Project: Southeast

Purpose: To accept all payments related to the Southeast project.

Fund Basis: None

Fund Source: Tip fees, energy revenues and other miscellaneous income.

Fund Amount as of June 30, 2007: \$1,193,914

Term: Upon final payment of bonds.

Supporting Documentation:

Section 5.1 (A) (8) of the Indenture of Mortgage and Trust dated as of December 1, 1988, as supplemented.

Recommendation:

Continue to utilize the account until final payment of bonds.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: REBATE FUND

Designation: Restricted - Trustee

Project: Southeast

Purpose: To pay the Internal Revenue Service in the event any funds relating to the bonds earn more than the arbitrage yield.

Fund Basis: As required by the Indenture

Fund Source: 1998 Series A Bonds

Fund Amount as of June 30, 2007: \$168,210

Term: Upon final payment of bonds.

Supporting Documentation:

The following is language from Section 3.2 of the 1998 Series A Supplemental Indenture of Mortgage and Trust dated March 1, 1998

“There is hereby created and established a Rebate Fund. The Rebate Fund shall be held in trust solely for the purpose of making rebate payments, if any, to the federal government and shall not be held in trust for or pledged as security for payments required to be made to the Holders of the Bonds.”

The following is language from Section 3.4 of the 1998 Series A Supplemental Indenture of Mortgage and Trust dated March 1, 1998

“(A) There shall be deposited in the Rebate Fund such amounts as (i) the Authority may pay to the Trustee for deposit therein pursuant to the Indenture or any Tax Regulatory Agreement or (ii) the Lessee may pay to the Trustee for deposit therein pursuant to the Lease Agreement or any Tax Regulatory Agreement (or cause an Parent to pay or cause to be paid to the Trustee for deposit there pursuant to the Company Support Agreement).”

Recommendation:

Continue to have outside arbitrage consultant review on an annual cycle. Upon final bond payment the account will be closed.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: MONTVILLE POST-CLOSURE

Designation: Restricted

Project: Southeast

Purpose: To cover the costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

Fund Basis: Updated annually during the budget process by the Southeastern Connecticut Regional Resources Recovery Authority ("SCRRA").

Fund Source: Initial funding came from a payment of \$2 million from the Mohegan Properties, LLC pursuant to Section 4.5.4 of the Ground Lease between Southeastern Connecticut Resources Regional Recovery Authority and Mohegan Properties. In fiscal year 2005, SCRRA withdrew approximately \$1.5 million from the reserve to redeem the 1989 Series Bonds. Future funding will come from operating budgets.

Fund Amount as Of June 30, 2007: \$524,711

Term: Thirty years after the landfill is certified closed.

Supporting Documentation:

The Board approved the following resolution on October 21, 1999:

Chairman Ellef requested a motion on the reference topic. Director Winkler made the following motion:

RESOLVED: That \$2,000,000 received by the Authority from Mohegan Properties, LLC, pursuant to Section 4.5.4 of the Ground Lease Between Southeastern Connecticut Resources Regional Recovery Authority and Mohegan Properties, LLC (the "Ground Lease") is deposited into the Montville Landfill Postclosure Reserve as required by the Ground Lease.

FURTHER RESOLVED: That \$990,000 of existing funds in the Montville Landfill Postclosure Reserve be de-designated for application to other project purposes.

Recommendation:

Continue to maintain the reserve as required by SCRRA.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: RISK FUND

Designation: Board Designated

Project: Southeast

Purpose: To protect the project against catastrophic losses.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: Past funding has come from operating budgets.

Fund Amounts as Of June 30, 2007: \$251,972

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board approved the Policy Establishing the Risk Financing Plan, which included the Risk Fund on September 18, 1990. On December 19, 1996 the Board approved a modification to the CRRA Risk Fund Policy. The resolutions and minutes are extensive.

Recommendation:

Reevaluate the risk assessments and update during the annual budget process for each project.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: DEBT SERVICE RESERVE FUND

Designation: Restricted - Trustee

Project: Wallingford

Purpose: To secure bond debt service payment for bondholders.

Fund Basis: 10% of original issue par value.

Fund Source: 1998 Bond Series

Fund Amount as of June 30, 2007: \$625,316

Term: Upon final payment of bonds.

Supporting Documentation:

Section 5.1 (A) (3) of the Indenture of Trust dated December 1, 1985.

Recommendation:

The Authority will commence to draw upon in fiscal year 2008 to pay towards the final year of debt service.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: DEBT SERVICE FUND

Designation: Restricted - Trustee

Project: Wallingford

Purpose: To provide debt service (principal and interest) payments to bondholders.

Fund Basis: One-sixth of the next ensuing interest payment amount due and one-twelfth of the next ensuing principal payment due.

Fund Source: Monthly transfers from the Wallingford Revenue Fund.

Fund Amount as of June 30, 2007: \$475,621

Term: Upon final payment of bonds.

Supporting Documentation:

Section 5.1 (A) (2) of the Indenture of Trust dated December 1, 1985. Composed of Debt Service Interest Fund and Debt Service Principal Funds.

Recommendation:

Funding source will change from the Revenue Fund to the Debt Service Reserve Fund in the final bond year.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: REVENUE FUND

Designation: Restricted - Trustee

Project: Wallingford

Purpose: To accept all payments related to the Wallingford project.

Fund Basis: None

Fund Source: Tip fees, energy revenues and other miscellaneous income.

Fund Amount as of June 30, 2007: \$1,403,048

Term: Upon final payment of bonds.

Supporting Documentation:

Section 5.1 (A) (5) of the Indenture of Trust dated December 1, 1985.

Recommendation:

Continue to utilize the account until final payment of bonds.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: REBATE FUND

Designation: Restricted - Trustee

Project: Wallingford

Purpose: To pay the Internal Revenue Service in the event any funds related to the bonds earn more than the arbitrage yield.

Fund Basis: As required by the Indenture.

Fund Source: 1998 Series A, B & C Bonds

Fund Amount as of June 30, 2007: \$120,124

Term: Upon final payment of bonds.

Supporting Documentation:

Section 3.3 of the Fourth Supplement to the Amended and Restated Indenture of Mortgage and Trust dated September 1, 1998.

Recommendation:

Continue to have outside arbitrage consultant review on an annual cycle. Upon final bond payment the account will be closed.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: CUSTOMER GUARANTEE OF PAYMENT

Designation: Restricted

Project: Wallingford

Purpose: To deposit the cash guaranty of payments ("GOP") received by the Authority by some of its customers.

Fund Basis: Varies by customer based upon their delivery trends.

Fund Source: Authority customers

Fund Amount as of June 30, 2007: \$74,473

Term: Various

Supporting Documentation:

Permitting, Disposal and Billing Procedures all for cash GOP's.

Recommendation:

Continue to maintain the reserve as long as customers have cash GOP's.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: TIP FEE STABILIZATION

Designation: Restricted

Project: Wallingford

Purpose: Fund established per the municipal solid waste agreements with the towns for the purpose of paying all or a portion of system costs for any contract year.

Fund Basis: The municipal service contracts stipulate that any surpluses or deficits are to be deposited or withdrawn from this reserve.

Fund Source: Per the agreement all surpluses or deficits are to flow through this reserve. These deposits and withdrawals require approval from the Wallingford Policy Board.

Fund Amount as Of June 30, 2007: \$15,289,979

Term: Upon termination of the municipal solid waste agreements.

Supporting Documentation:

Below is the contract language in Section 6.03 in reference to this Reserve, otherwise known as the Municipal Disposal Fee Stabilization Fund. The entire section pertaining to this Fund is available in the reserve folder.

At least one hundred fifty (150) days prior to the beginning of each Contract Year, the Municipal Disposal Fee will be calculated as follows:

System Cost and System Revenue for each Contract Years shall be estimated. The estimated System Cost shall be (i) increased by that amount, if any, which the Policy Board and the Authority determine is to be deposited in the Municipal Disposal Fee Stabilization Fund, or (ii) decreased by that amount, if any, which the Policy Board and the Authority determine is to be withdrawn from the Municipal Disposal Fee Stabilization Fund and applied against System Costs.

Recommendation:

Continue to maintain reserve as required by contract and perform a full analysis of the reserve during the annual budget process.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: WALLINGFORD LANDFILL TRUST

Designation: Restricted - Trustee

Project: Wallingford

Purpose: To maintain financial assurance for postclosure care, thirty years of monitoring and maintenance, as required by 40 CFR 265.145 and Section 22a-449 (c) -30 CT HWMR.

Fund Basis: Estimated thirty years of monitoring and maintenance costs.

Fund Source: No supporting documents found.

Fund Amount as Of June 30, 2007: \$146,379

Term: Upon completion of thirty years of postclosure monitoring and maintenance.

Supporting Documentation:

The following is language from the regulations.

“...an owner or operator of a facility with a hazardous waste disposal unit must establish financial assurance for post-closure care of the disposal unit...”

Recommendation:

Continue to maintain account until the DEP issues a final hazardous waste postclosure permit for the entire landfill which would then allow for this account to be closed, since a postclosure account has already been funded for the Wallingford landfill.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: WALLINGFORD POST-CLOSURE

Designation: Board Designated

Project: Wallingford

Purpose: To cover the costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate in real dollars to monitor and maintain the landfill is \$6,704,000 including insurance premiums and administrative costs. These estimates do not include any funds for future changes in law.

Fund Source: Past contributions have been through the annual operating budget.

Fund Amount as Of June 30, 2007: \$7,116,751

Term: Thirty years after the landfill is certified closed. The landfill was certified closed in February 2005 and the postclosure ends in fiscal year 2035.

Supporting Documentation:

Below is Section 5.12 of the Amended and Restated Municipal Solid Waste Delivery And Disposal Contract between CRRA and the Town of Wallingford in reference to this Reserve. The entire section of the contract pertaining to this reserve is available in the reserve folder.

The Authority, with the approval of the Policy Board, shall establish a fund intended to meet any and all costs and expenses related to the Facility, the Site and/or the Residue Disposal Site(s), including but not limited to environmental clean-up costs and post-closure monitoring costs, which may result from the use of the Facility, The Site and/or the Residue Disposal Site(s) pursuant to this Agreement but which are not quantified or do not arise until after this Agreement otherwise ends.

In addition, the following language is from Section 6.12 of the Lease Agreement between CRRA and the Town of Wallingford.

The Authority shall provide all post-closure maintenance and monitoring of the Demised Property required by then applicable DEP regulations. The provisions of this Section 6.12 shall survive the term of this lease.

Recommendation:

The Authority has recorded the postclosure liability on its financial statements; therefore a Board designated unrestricted reserve is not required. However, a separate Short Term Investment Fund (STIF) should be established to segregate funds that will fund the liability. Transfer these funds into a STIF account designated for this same purpose. Continue to perform a full analysis of the account including funding requirements during the annual budget process.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: RISK FUND

Designation: Board Designated

Project: Wallingford

Purpose: To protect the project against catastrophic losses.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: All documentation found indicates that funding of this reserve has occurred through the operating budget.

Fund Amounts as Of June 30, 2007: \$1,047,107

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board approved the Policy Establishing the Risk Financing Plan, which included the Risk Fund on September 18, 1990. On December 19, 1996 the Board approved a modification to the CRRA Risk Fund Policy. The resolutions and minutes are voluminous. Complete minutes are available in the reserve backup file.

Recommendation:

Reevaluate the risk assessments and update during the annual budget process for each project.

Connecticut Resources Recovery Authority

October 18, 2007

Reserve: FUTURE USE/PLANNING

Designation: Board Designated

Project: Wallingford

Purpose: To cover costs associated with the termination of the existing project, extension costs associated with the existing project or costs associated with developing a new strategy for the member towns post current project.

Fund Basis: The basis is contingent upon the completion of the future option study. The process is still on-going.

Fund Source: Contributions have been through the annual operating budget.

Fund Amount as of June 30, 2007: \$6,496,879

Term: The reserve will be maintained until it is fully funded to meet the obligations of the project, to terminate the existing project or extend the existing project.

Supporting Documentation:

The Board and the Wallingford Policy Board adopted the following language at their respective April 2005 meetings.

“RESOLVED: That a Future Use/Planning Reserve be established for the Wallingford Project for the purpose of funding termination costs associated with the existing project, funding extension costs associated with the existing project or funding costs associated with developing a new strategy for the member towns upon termination of the existing project.

Recommendation:

Continue to maintain the reserve until the future option study has been completed at which time the reserve will be reevaluated.

TAB 3

RESOLUTION REGARDING A CHANGE TO THE WALLINGFORD PROJECT GUARANTEE OF PAYMENT

RESOLVED: That the Guaranty of Payment requirement of at least three (3) months of waste disposal charges be reduced to a requirement of at least two (2) months of waste disposal charges in the Wallingford Project Permitting, Disposal and Billing Procedures.

Wallingford Project Guaranty of Payment Change

October 25, 2007

Management recommends that the obligation to maintain a Guaranty of Payment (“GOP”) requirement of at least three (3) months of waste disposal charges be reduced to a requirement of at least two (2) months of waste disposal charges for the Wallingford Project. The Wallingford Policy Board approved the change at their April 2007 meeting. Subsequently, the change has been duly noticed in the paper and is now ready for final Board action. The Finance Committee voted to recommend this resolution be submitted to the Board of Directors for approval.

The following are the impacts on making this change:

Standardization of Procedures

- The Wallingford Project required a three month GOP and the Mid-Connecticut Project and the Bridgeport Project require a two month GOP, respectively. This change standardizes the GOP’s across all projects.

Administrative Management

- The Authority believes that this change would not increase accounts receivable write-offs. A review of the last five year period for all of the projects shows that there have been no write-offs regardless of the GOP amount.
- In addition, the Authority has changed its returned check policy, whereby a check that does not clear the bank on its initial deposit is not automatically re-deposited. This has allowed the Authority to close out accounts that have returned checks in a more timely fashion avoiding the opportunity for delinquent haulers to continue delivering waste.
- Standardized GOP’s will improve the administrative reviews of customer GOP’s and more specifically for those haulers that maintain GOPs at multiple projects.

Customer Service

- The requirement that the hauler maintain a three month GOP is more difficult for smaller businesses than larger hauling companies.
- This change would enhance customer service, as the GOP calculation would be uniform across all projects.

TAB 4

**RESOLUTION REGARDING THE FISCAL YEAR 2008
METROPOLITAN DISTRICT COMMISSION MID-CONNECTICUT
PROJECT ANNUAL OPERATING BUDGET**

RESOLVED: That the fiscal year 2008 Metropolitan District Commission ("MDC") Mid-Connecticut Project Annual Operating Budget be amended as follows:

- That an additional \$475,800 be authorized for the Waste Processing Facility function to cover the projected additional capital costs;

FURTHER RESOVLED: That the cost of the additional capital projects incurred by the MDC in the amount of \$475,800 to be funded from the Mid-Connecticut Project Facility Modification Reserve.

Fiscal Year 2008

MDC Budget Additional Appropriations

October 25, 2007

The Authority is projecting to spend approximately \$2 million for capital upgrades at the Waste Processing Facility (the "WPF") in fiscal year 2008. A portion of the capital upgrades (\$325,000) was included in the MDC's annual operating budget, which was approved by the Authority at the February 2007 meeting. Historically, the Authority has budgeted 100% of the capital upgrades. However, the MDC included a portion of the capital upgrades in its budget as there is a significant amount of capital being performed on the facility in fiscal year 2008 and the Authority currently has a staffing shortage.

The following additional items were identified: Since the approval of the capital budget in February,

Capital Upgrade	Amount	Reason
Fire Systems & Security & Operational Cameras	\$150,000	Safety Issues
201 Conveyor Rebuild	\$200,000	Parts used from 100B conveyor need to be replaced
131 Secondary Shredder Motor Base	\$40,000	Upgrade to conform to the 231 shredder motor base
Relocation of Primary Shredder Fans	\$35,000	Worked on design solution after budget adopted
Safety Railing & Cables for Primary Shredder Tents	\$30,000	Safety Issues
130 Conveyor Modifications	\$125,000	Budget did not include outside labor costs
Control Room Process Camera Monitoring Upgrades	\$30,000	Safety Issues
Replacement of Fire Panels	\$80,000	Search for parts determined equipment to be obsolete
Magnet – Shell Upgrade	\$50,000	Shell upgrade required due to unexpected magnet failure
Additional Indirect Costs	\$60,800	MDC overhead charge
Total Capital Upgrades	\$800,800	

Prior Authorized Amount	\$325,000
Additional Authorization Request	\$475,800

Over 40% of these funds are being used for safety-related improvements. Some of these upgrades were previously identified in the Safety Assessment and Grillo Reports. The funding for these expenses will come from the Mid-Connecticut Project Facility Modification reserve. It is anticipated that future maintenance costs will be reduced upon completion of these capital upgrades. The Finance Committee voted to recommend the attached resolution be submitted to the Board of Directors for approval.

WASTE PROCESSING FACILITY

Commitment Item	Expenditure Classification	2007-2008 Adopted	2007-2008 Revised	Difference
	<u>PAYROLL AND BENEFITS</u>			
501101	Regular Pay	\$4,387,000	\$4,387,000	\$0
501201	Overtime	1,376,800	\$1,376,800	\$0
502239	Workers Compensation	494,200	\$494,200	\$0
501401	Standby and Premium Pay	127,600	\$127,600	\$0
502500	Blue Cross	337,200	\$337,200	\$0
502501	Blue Shield	241,000	\$241,000	\$0
502502	Major Medical	-	\$0	\$0
502503	Group Life	7,200	\$7,200	\$0
502505	Pension Regular	497,100	\$497,100	\$0
502508	Social Security	451,000	\$451,000	\$0
502509	Unemployment Compensation	2,000	\$2,000	\$0
501601	Longevity Pay	3,900	3,900	-
	Total	7,925,000	7,925,000	-
	<u>OPERATIONS</u>			
502011	Meal Allowances	2,600	2,600	-
502026	Clothing and Apparel	38,000	38,000	-
502103	Electrical Supplies	55,000	55,000	-
502104	Janitorial Supplies	9,000	9,000	-
502111	Small Tools	30,000	30,000	-
502112	Communication Equipment and Supplie	10,000	10,000	-
502136	Safety and First Aid Supplies	18,700	18,700	-
502137	Fire Equipment	16,000	16,000	-
502188	Refuse Collection	16,000	16,000	-
502195	Agency Hire	544,000	544,000	-
502203	Care of Grounds	18,000	18,000	-
502210	Propane Gas	15,000	15,000	-
502213	Fuel for Heating	150,000	150,000	-
502214	Gasoline	4,500	4,500	-

WASTE PROCESSING FACILITY

Commitment Item	Expenditure Classification Cont'd	2007-2008 Proposed	2007-2008 Revised	Difference
502215	Oil and Lubricants	70,000	70,000	-
502216	Diesel Fuel	351,000	351,000	-
502273	Employees Education Program	3,000	3,000	-
502295	Outside Testing and Lab Services	3,000	3,000	-
502304	Pest Control Services	8,000	8,000	-
502319	Equipment Rental	25,000	25,000	-
502354	Water	20,000	20,000	-
502355	Sewer User Fees	17,000	17,000	-
	Total	1,423,800	1,423,800	-
	<u>MAINTENANCE</u>			
503201	Communication Equipment	700	700	-
503204	Power Operated Equipment	886,200	886,200	-
503207	Tool and Work Equipment	50,000	50,000	-
503208	Transportation Equipment	79,500	79,500	-
503209	Treatment Equipment	2,250,000	2,250,000	-
503210	Other Equipment	8,000	8,000	-
503301	Buildings	250,000	250,000	-
503313	Service Roads	5,000	5,000	-
	Total	3,529,400	3,529,400	-
	<u>CAPITAL OUTLAY</u>			
504209	Treatment Equipment	325,000	740,000	415,000
	<u>INDIRECT COSTS</u>			
502041	MDC	2,022,900	2,083,700	60,800
	<u>CONTINGENCIES</u>			
509901	Contingency	605,000	605,000	-
	Total	15,831,100	16,306,900	475,800

* Projected 2006-2007 2nd Quarter

TAB 5

RESOLUTION REGARDING THE AUTHORITY BYLAWS

RESOLVED: That the Authority's Bylaw language pertaining to budget submission deadlines be amended as substantially presented and discussed at this meeting.

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Connecticut Resources Recovery Authority Bylaw Amendment

October 25, 2007

The Finance Committee voted to recommend the attached resolution be submitted to the Board of Directors for approval. In an effort to standardize processes and procedures, management is recommending that the Authority's Bylaws be changed as follows

101 Budget Process

Each proposed budget shall be forwarded by management to the Authority's Finance Committee for comment, review and recommendations prior to its submission to the Directors for adoption.

Each proposed budget, if and as amended by the Authority's Finance Committee, shall be forwarded to the Directors in the standard monthly Board package for adoption in accordance with the solid waste contract terms and respective bond indentures.

The Directors shall evaluate and adopt the ensuing fiscal year budgets as follows:

- (1) Authority General Fund and Capital Improvement Budget – no later than the regular meeting of the Directors in February;
- (2) Southeast Project Operating Budget – no later than the regular meeting of the Directors in December;
- (3) Bridgeport Project Operating Budget – no later than the regular meeting of the Directors in January or by January 31st;
- (4) Wallingford Project Operating Budget – no later than the regular meeting of the Directors in January or by January 31st; and
- (5) Mid-Connecticut Operating Budget – no later than the regular meeting of the Directors in February or by March 2nd.

Such proposed budgets shall contain an estimate of all revenues and receipts anticipated from all sources in the ensuing fiscal year, the estimated expenditures necessary for the operation of the various activities of the Authority for that year and a balanced relation between the total estimated expenditures and total anticipated revenues and receipts. The Directors shall review the proposed budget, modify it where appropriate, and then adopt a final budget no later than the budget deadlines established for each Project agreement. After adoption of the final budget, the President shall ensure the proper allocation of the budget to an established chart of accounts. Budget appropriations allocated to the accounts of the Authority shall not be exceeded without the prior approval of the Directors.

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The President may transfer funds within the line items for each Project without limit as long as each line item of each Project and the grand total of each fund is not exceeded without the prior approval of the Directors.

An Ad Hoc Member shall be eligible to vote only on the budget concerning the Project relating to his or her appointment.

TAB 6

**RESOLUTION REGARDING THE REFURBISHMENT OF STEEL
PAN CONVEYOR CV-100B AT THE MID-CONNECTICUT WASTE
PROCESSING FACILITY**

RESOLVED: That the President is hereby authorized to execute an agreement with Lydon Millwright Services, Inc. to refurbish steel pan conveyor CV-100B at the Mid-Connecticut Waste Processing Facility, substantially as presented and discussed at this meeting.

**Connecticut Resources Recovery Authority
Contract Summary for Contract Entitled**

**Refurbishment of Steel Pan Conveyor CV-100B at the Mid-
Connecticut Waste Processing Facility Agreement**

Presented to the CRRRA Board on: October 27, 2007

Vendor/ Contractor(s): Lydon Millwright Services, Inc.

Effective date: Upon Execution

Term: 180 days from Notice to Proceed

Contract Type/Subject matter: Install

Facility (ies) Affected: Mid-CT Waste Processing Facility

Original Contract: NA

Contract Dollar Value: \$150,900.00

Amendment(s): NA

Term Extensions: N/A

Scope of Services: Refurbishment of steel pan conveyor CV-100B at the Mid-Connecticut Waste Processing Facility.

Security: Payment and Performance Bonds

Other Pertinent Provisions: None

Connecticut Resources Recovery Authority Mid-Connecticut Project-Refurbishment of Steel Pan Conveyor CV-100B at the Waste Processing Facility

October 25, 2007

Executive Summary

This is to request approval of the CRRA Board of Directors for the President to enter into an agreement with Lydon Millwright Services, Inc. for the refurbishment of steel pan conveyor CV-100B at the Mid-Connecticut Waste Processing Facility.

Discussion

The Waste Processing Facility ("WPF") has two processing lines that are designated by CRRA as processing line one and processing line two. Located in processing line one's municipal solid waste ("MSW") area is steel pan infeed conveyor CV-100B which moves waste from the first MSW steel pan conveyor CV-100A up and onto the picking station steel pan conveyor CV-101. CV-100B is a transition conveyor between these two designed functions. It is a critical conveyor and the WPF cannot operate while it is being refurbished. Steel pan conveyors require the most man-hours to refurbish. Therefore, their refurbishment requires hiring an outside contractor with the ability to have crews work around the clock to avoid processing down time.

The Grillo Engineering Company report entitled "Report on Condition and Refurbishment Needs of the Mid-Connecticut Waste Processing Facility" (November 6, 2006) indicated that CV-100B "will need a complete overhaul within about six months" (i.e., by June 2007). Because of budget constraints and work prioritization, the project was scheduled to be bid in July 2007.

On July 30, 2007, CRRA issued a request for bids ("RFB") for refurbishment of steel pan conveyor CV-100B. Refurbishment of steel pan conveyor CV-100B consists of the following:

- Removal of existing conveyor CV-100B (a 72" wide, style "A" chain and pan assembly) parts.
- Installation of the following new conveyor CV-100B parts: new feed, return, push down and impact rails, for the full length on both sides of the conveyor.
- Install new tail and head assemblies which consist of conveyor chain sprockets, bearings, driven and floating sprockets along with new head and tail shafts.
- Installation of all new steel conveyor pans, conveyor chain, and conveyor wheels (Blocks), belonging to conveyor CV-100B.
- The contractor shall furnish all necessary equipment, tools, labor and supervision to perform the replacement.

The work involves installation of parts that had previously been procured by the MDC.

CRRA published an invitation to bid in the Sunday, July 29th editions of the Hartford Courant and the New Haven Register and Monday, July 30th edition of the Journal Inquirer. In addition, the invitation to bid was posted on the Connecticut Department of Administrative Services website and the Bid Net and On Via web sites. Sealed bids were received until August 24, 2007.

Only one bidder, Lydon Millwright Services, Inc., responded to the RFB. In preparing the bid documents, CRRA became aware that the Connecticut Department of Consumer Protection ("CDCP") requires that individuals working on conveyors such as CV-100B hold either an R7 (Elevator Limited Conveyor Contractor) or R8 (Elevator Limited Conveyor Journeyperson) CDCP license. CRRA included this requirement in the RFB documents. It is CRRA understanding that Lydon Millwright Services, Inc. is the only firm in the area that performs the type of work required by the RFB and that employs individuals that hold the required CDCP licenses. Thus, it appears that Lydon Millwright Services, Inc. is the only bidder in the area currently qualified to bid on this type of work. CRRA understands that other firms are in the process of having their employees obtain the required licenses. CRRA intends to try to postpone any further conveyor work until other firms have employees who have obtained such licenses and a competitive market for conveyor work is again established.

The condition and critical nature of steel pan conveyor CV-100B are such that CRRA cannot postpone refurbishment.

Financial Summary

Recognizing the situation described above, CRRA staff met with Lydon Millwright Services, Inc. subsequent to its submission of its bid and was able to negotiate an approximately \$20,000 reduction in its quoted price. The negotiated price is reflected below.

Vendor	Quoted Function	Quoted Price:
Lydon Millwright Services, Inc.	Complete work installation cost	\$150,900.00

Based on the installation cost as proposed in its bid, CRRA staff is recommending the selection of Lydon Millwright Services, Inc. CRRA staff has discussed the project with

Lydon Millwright Services, Inc. and is satisfied that it can complete the work as specified in the contract documents.

CRRRA's cost for this project will be \$150,900.00

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