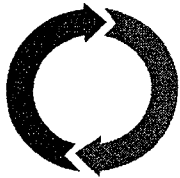


CRRA
BOARD MEETING
November 20, 2008



**CONNECTICUT
RESOURCES
RECOVERY
AUTHORITY**

**100 Constitution Plaza • Hartford • Connecticut • 06103 • Telephone (860)757-7700
Fax (860)757-7745**

MEMORANDUM

TO: CRRA Board of Directors
FROM: Moira Kenney, Secretary to the Board/Paralegal
DATE: November 20, 2008
RE: Notice of Meeting

There will be a regular meeting of the Connecticut Resources Recovery Authority Board of Directors on Thursday, November 20, 2008 at 9:30 a.m. The meeting will be held in the Board Room of 100 Constitution Plaza, Hartford, Connecticut. The meeting will also be available to the public via video conference at the 1410 Honeyspot Road ext. Board room, Second Floor, Stratford, CT.

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

TAB 1

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND FORTIETH

OCTOBER 23, 2008

A Regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, October 23, 2008, at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Chairman Michael Pace

Directors: Mark Cooper
 David B. Damer
 Alan Desmarais
 Michael Jarjura, (Present beginning 10:08.a.m.)
 Mark Lauretti, (Present by telephone beginning 9:51 a.m.)
 Theodore Martland
 James Miron (Present beginning 10:04 a.m.)
 Raymond O'Brien
 Linda Savitsky, (Present beginning 9:56 a.m.)
 Steve Edwards, Bridgeport Project Ad-Hoc
 Tim Griswold, Mid-Connecticut Project Ad-Hoc
 Warren Howe, Wallingford Project Ad-Hoc
 Geno Zandri, Wallingford Project Ad-Hoc

Present from CRRA Management:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Michael Bzdyra, Government Relations Liaison
Jeffrey Duvall, Manager of Budgets and Forecasting
Peter Egan, Director of Environmental Affairs & Development
Thomas Gaffey, Recycling Director
Laurie Hunt, Director of Legal Services
Lynn Martin, Risk Manager
Paul Nonnenmacher, Director of Public Affairs
Rich Quelle, Senior Engineer
Mike Tracey, Director of Operations
Virginia Raymond, Senior Analyst
Lisa Bremmer, Executive Assistant
Moirra Kenney, Secretary to the Board/Paralegal

Also present were: Roy Cavanaugh the Director of DPW; Esther A. Diaz of the Town of South Windsor; Michael Harder of the Town of Hebron; Josh Hughes of Hughes & Cronin.; First Selectman Richard J. Cabral of the Town of Killingworth; David Gabriele of the Town of West Hartford; Thomas J. McGee Jr. of the Town of Enfield; Rae Ann Palmer of the Town of Wethersfield; John Pizzimenti of USA

Hauling & Recycling; Jim Sandler of the Town of Bloomfield; Cheryl Thibeault of Covanta; Jerry Tyminski of SCRRRA; and John Ward of the Town of Vernon.

Chairman Pace called the meeting to order at 9:36 a.m. and said that a quorum was present.

PLEDGE OF ALLEGIANCE

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

PUBLIC PORTION

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

Mike Paine said he and his family owned Paine's, Inc., a recycling and rubbish removal company located in East Granby. Mr. Paine said he is also the Chairman of the Connecticut National Solid Waste Management Association. Mr. Paine asked that the Board reduce the Mid-Connecticut Project tip fee equally for both the private sector and the municipalities.

Mr. Paine said that it was his understanding that the proposed discount would average out to about \$10 a ton, a significant reduction of about 12-13 percent. He said this would be wonderful for everyone and would offer a significant savings for all customers including residential homes, commercial customers, and the municipalities. Mr. Paine said that by offering a reduction to everyone the playing field would be made level and equal. He said the equal discount may help to avoid mistakes when material is billed to the towns versus private haulers. Mr. Paine said he can assure the Board that his customers' rates will be reduced and reminded everyone present that the private marketplace is extremely competitive. Mr. Paine urged the Board to use the public affairs efforts of Mr. Nonnenmacher when distributing information concerning the possible reduction.

First Selectman Rich Cabral of Killingworth informed the Board that he and the community he represents are in favor of reducing the tip fee as far as the surplus is concerned.

Dave Gabriele of West Hartford said that he and his community are also in support of a tip fee reduction.

APPROVAL OF THE MINUTES OF THE SEPTEMBER 25, 2008, REGULAR BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the September 25, 2008, Regular Board Meeting. Director O'Brien made a motion to approve the minutes, which was seconded by Director Savitsky.

Director O'Brien clarified that his request concerning the emergency procurement process was for the procedural process to be included within the minutes of the meeting for the benefit of the public.

The minutes were approved as amended and discussed by roll call.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport	X		
Timothy Griswold, Mid-Connecticut	X		
Warren C. Howe, Jr., Wallingford	X		
Geno Zandri, Jr., Wallingford	X		

RESOLUTION REGARDING APPROVAL OF THE RESERVE ANALYSIS

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

WHEREAS, The Authority has recorded the postclosure liabilities on its financial statements for the Ellington, Hartford, Shelton, Wallingford and Waterbury landfills in an individual Short Term Investment Fund (STIF) negating the need for the Board to designate a reserve for this purpose; and

WHEREAS, the Authority has established a Landfill Development Fund to explore and develop a new state of the art ash landfill; and

WHEREAS, a restricted reserve is necessary to retain Fiscal Year 2008 surpluses for the Mid-Connecticut Project which will be used in the in accordance with the Municipal Services Agreements; and

WHEREAS: The Authority has performed an analysis of its Mid-Connecticut Project recycling reserves and has determined that no additional changes are necessary at this time; now therefore it be closed and that the Facility Modification Reserve be used for future major capital expenditure: now therefore be it

RESOLVED: That individual Short Term Investment Fund (STIF) accounts be established for non-GASB 18 postclosure funds related to the Ellington, Hartford, Shelton, Wallingford and Waterbury landfills; and

FURTHER RESOLVED: That the non-GASB 18 funds from the existing Ellington, Hartford, Shelton, Wallingford and Waterbury landfill Board designated postclosure reserves be transferred into their new respective non-GASB 18 postclosure STIF accounts; and

FURTHER RESOLVED: That the Mid-Connecticut Project recycling reserves be closed and that the Facility Modification Reserve be used for future major capital expenditure; and

FURTHER RESOLVED: a restricted reserve be established to retain Fiscal Year 2008 surpluses for the Mid-Connecticut Project which will be used in the in accordance with the Municipal Services Agreements; and

FURTHER RESOLVED: That the Mid-Connecticut Project Ash Disposal Reserve be dissolved and all of the funds be deposited into the Landfill Development Fund STIF account.

Director Desmarais seconded the motion.

Director O'Brien said he had asked that in the future that there be a tabular summary of the reserve accounts accompanied with any resolutions. Mr. Bolduc noted that he would include the requested information in the following year's resolution.

Director O'Brien said that he would move that the reserve be approved according to the resolution noting the general budget will be assessed during discussions in November.

Mr. Bolduc said the resolution contains some confusing items concerning the Governmental Accounting Standards Board (hereinafter referred to as "GASB Statement No. 18"). He explained GASB Statement No. 18 is written for municipalities and that accordingly things such as administrative costs and ongoing insurance costs are precluded from that calculation. Mr. Bolduc explained this is because CRRA is not a municipality and those funds must be reserved. Therefore secondary the reserve as they relates to post-closure costs is for these items are being established.

Director O'Brien noted in the next-to-last item in the resolution that a reserve is being established for the audited surplus from the prior fiscal year, which can be rolled into FY '10 and/or utilized as the Board sees fit.

Director Martland said out of 28 reserves for the Mid-Connecticut project that 13 of those reserves are trustee restricted. Chairman Pace said these were reserves that were necessary and legally required and were part of the effective business recovery of CRRA. He said as management continues to comply with GASB Statement No. 18 these dollars will be moved to the end of the Project.

Director Damer asked concerning the ash disposal reserve what that reserve was originally for and why is it able to be closed at this point. Mr. Bolduc explained the reserve was originally designed for an increase of disposal costs, effective January 1, 2009, due to the closing of the Hartford landfill.

He explained that management is now finding, as work continues at the Franklin ash landfill site, that that cost is higher than originally anticipated. He said the cash to fund continuing work needs to be in place July 1, 2010, or dollars will not be available for FY'10 for the anticipated ash costs.

Director Desmarais said he would like to reinforce that there are a number of reserves which require the actions of third parties. He said as part of the next year's budget process that many of those reserves will be used and rolled back into the budget.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
James Miron	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut			
Warren C. Howe, Jr., Wallingford			
Geno Zandri, Jr., Wallingford			

RESOLUTION REGARDING INSURANCE CONSULTING AND BROKER SERVICES AGREEMENT

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

RESOLVED: That the President of CRRA is hereby authorized to execute the Insurance Consulting and Broker Services Agreement with Aon Risk Services for the period January 1, 2009, through January 1, 2012, for a total fixed fee of \$495,000 as presented and discussed at this meeting.

The motion was seconded by Director Savitsky.

Director O'Brien said that this resolution was thoroughly discussed at the Finance Committee meeting. He explained the committee was concerned that management had not recommended the lowest bidder. He asked Ms. Martin to explain the recommendation and review additional material which had been requested by the committee in order to provide greater detail.

Mr. Bolduc said that there were a number of questions at the Finance Committee meeting, primarily because there were three leading candidates for the broker/consultant services; Aon, Marsh and Gallagher. He said that Aon is CRRA's current broker/consultant and had taken over those duties from Marsh three years ago. He explained Marsh had indicated that CRRA's book of business was not something they were interested in at that point. Mr. Bolduc then explained there is a significant difference in the pricing structure which amounts to an average of about \$40,000 a year.

Mr. Bolduc said that an internal committee comprised of himself, Ms. Martin, and Mr. Hyfield was put together in order to review the responses. He explained only Gallagher was interviewed as CRRA has had relationships with both Aon and Marsh in the past and is aware of their capabilities. Mr. Bolduc said the financial markets are in bad disarray right now, he cited AIG's difficulties as an example. Mr. Bolduc said that AIG had declined to bid on CRRA's insurance a few years back while simultaneously Marsh had experienced business difficulties and as a result had to decline to continue to do business with CRRA.

Mr. Bolduc said that Marsh had bid this time around and submitted a bid lower than Aon's. He said however he was not entirely comfortable with Marsh being totally committed to CRRA. He said that the write-up demonstrates the great work that Aon has been doing for CRRA in being able to place CRRA's insurance and expanding the market. Mr. Bolduc said that Aon's efforts have resulted in the interest of several new large carriers such as Liberty. Mr. Bolduc said that CRRA's pollution liability insurance is a great concern for management as many insurance carriers typically have reserves about providing this insurance. He said that Aon was able to get Ace involved and that Ace is still one of the only carriers actively involved in providing this coverage.

Mr. Bolduc said that Gallagher was a low bidder and over a three-year time frame averaged about \$40,000 a year. He said that the internal committee noted two things in particular when meeting with Gallagher, that its pollution liability presentation was not strong, and that Gallagher is also the broker for Covanta.

Mr. Bolduc said that Covanta operates the Wallingford facility and the Mid-Connecticut trash-to-energy facility, so there is a natural conflict to have Gallagher as a representative. Mr. Bolduc said that despite the significant savings in Marsh's bids that Marsh's inability to get proposals in the past nearly forced CRRA to consider establishing a special purpose captive insurance because so few companies were interested in insuring CRRA. He explained that management is recommending staying with Aon while recognizing the increase in price. He said, however, Aon's efforts were able to reduce by nearly \$90,000 the cost to place insurance this year.

Director Savitsky asked if a conflict check was run with Aon to insure that there are no conflicts with Aon and any of CRRA's vendors. Mr. Bolduc said that this check is performed in the RFP.

Director O'Brien said that he was in support of the resolution for several reasons. He explained that he appreciates that Aon stepped up to provide coverage and saved CRRA from the prospect of having to fund self-insured coverage which would have been at a substantial cost. He said that he also appreciates Aon providing excellent insurance contracts at good prices. Director O'Brien said his strongest inclination to support management's recommendation of Aon is the current tumultuous financial market. He explained a stable force is needed for CRRA and that Aon has provided this in the past, he added that Aon's presentation to the Finance Committee also went into detail concerning their vigilance in monitoring the market and subsequent alert to management of any important activities.

Director Desmarais said that he has concerns regarding the length of the contract given the current insurance market. He explained that his concern leads him to advise that CRRA stay with Aon. Director Desmarais said that moving in the current market would not be a prudent action. He said the difficulty in obtaining environmental coverage would be especially challenging in today's market. Director Desmarais said that he would not support extending the highest proposal for three years. He explained he is not sure if the current financial climate will last three years and that he would prefer a broker/consultant for a two year period. He asked the Board is there was some agreement in that thought process.

Director Lauretti asked if the conflict that management has with Gallagher is a hypothetical one. Mr. Bolduc said that Gallagher clearly represents Covanta and that to the extent that if there is a real incident management would look to Aon as a catalyst in pushing a carrier while Covanta would ask for the same assistance.

Director Martland said that he was going to vote no on this resolution because management was recommending the high bidder. He said Director Desmarais's suggestion that CRRA use Aon for two years is one that he can support.

Director O'Brien said that there have been more responses this year than in the past. Director O'Brien said going to a two-year contract sends a signal to interested carriers that CRRA is not locked into one carrier and it is in their best interest to submit a bid.

Director Savitsky said that she sees a real problem in having the same representative for both CRRA and Covanta. She said it is still part of a singular company and she would strongly recommend avoiding any potential conflicts.

Chairman Pace said the additional charges for hourly work by Marsh and Gallagher mitigates the cost of the high bid in his mind. Mr. Bolduc said that management has asked Aon to quantify its work at the request of the Finance Committee. He explained in response Aon had reduced its annual premium by \$10,000 and also offered a reduction in its hourly rate for the RFS from \$165.00 to \$155.00. Mr. Bolduc said that Aon's hourly rate's for an RFS will be from between \$220 and \$225 versus Marsh's \$100-\$300, and Gallagher's \$150-\$423. Mr. Bolduc explained the rates are a function of the subject matter of an RFS and the caliber of a person that would be needed to do the work. He explained management performed an average and said if one RFS a year was done that Aon's rates are on a comparable basis with the other responses.

Chairman Pace asked with this insurance if it were a three-year contract where it would be in relation to the end of the project. Mr. Bolduc said CRRA would be bidding back out for an insurance broker/consultant at the point in time under the initial MSAs. Chairman Pace asked which time scenario would be in the best interest of CRRA. Mr. Bolduc said the Board and CRRA will be facing a question of whether the authority should have a contract which goes beyond 2012. He said the concepts of Projects at CRRA were not initially designed with an ongoing business model. Chairman Pace said with this Project closing eight or nine months prior to the Project if that is problematic. Mr. Bolduc said the organizations will not be inclined to invest dollars of a limited nature.

Director Savitsky said that she did not realize that the RFSs were a separate price over and above the fixed costs and that is troubling to her. Ms. Martin clarified that the RFSs' costs are only for specific projects undertaken at the discretion of management. Director Savitsky said the description makes it seem as the analysis is assumed to be an ongoing process. Mr. Bolduc said the hourly rates are provided and anything over \$50,000 would come back to the Board. Director Savitsky said that she interrupted this as an approval of \$548,000 from the Board.

Chairman Pace said that the Board seems to be in consensus with staying with Aon. He said the cost is higher but benefits, service and comfort outweigh the cost. Chairman Pace said that the three-year agreement versus the two-year agreement bears in mind that the two-year agreement may be impractical.

Director Martland asked if the motion can be tabled in order to discover if a two-year agreement is a viable option. Ms. Martin said that this item can be considered at the next meeting after approaching Aon to see if the same pricing will be available for a two year agreement. Director Savitsky asked if the language in the RFP allows CRRA to waive any and all requirements deemed in the best interest of CRRA. Mr. Bolduc said that this is correct. Director Savitsky said that she feels that a two-year agreement is in the best interest of CRRA.

Director Desmarais said that changing the agreement to a two-year agreement would only have the effect of increasing the price versus decreasing it and therefore it would be difficult for a competitor to argue that it would have bid less. Mr. Kirk said it was his concern that they would argue that they may have been ranked higher or been able to provide more competitive pricing in a two year bid. Chairman Pace said that a two-year contract would most likely necessitate a higher yearly premium. Director Desmarais suggested returning to Aon and asking for a two-year contract with an option to renew at CRRA's sole discretion in the third year. Ms. Hunt said that the RFP always allows for CRRA to negotiate.

Director Miron asked if CRRA is permitted to change the terms of the RFS after it has been put out. Ms. Hunt said that she believes in this case that the changes requested by the Board are within the boundaries of the negotiations permitted in the RFP.

MOTION TO TABLE

Chairman Pace requested a motion to table the motion.

The motion to table was made by Director Martland and seconded by Director O'Brien.

After substantial discussion the Board agreed to table the motion with direction to ask management to approach AON and request a two year contract with a one year renewal in the third year at CRRA's sole discretion.

The motion to table was approved unanimously by roll call.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Michael Jarjura	X		
Mark Lauretti	X		
Theodore Martland	X		
James Miron	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut			
Warren C. Howe, Jr., Wallingford			
Geno Zandri, Jr., Wallingford			

RESOLUTION REGARDING EXPENDITURE FOR RETROFIT OF CITY OF HARTFORD REFUSE-COLLECTION AND RECYCLING DIESEL TRUCKS

Chairman Pace requested a motion to approve the above-captioned item. Director O'Brien made the following motion which was seconded by Director Jarjura.

RESOLVED: That the President of CRRA be authorized to expend \$200,000 to retrofit 11 City of Hartford Department of Public Works diesel refuse-collection and recycling trucks as required by the Host Community Agreement contained in the Settlement Agreement with the City of Hartford and the modification of the Solid Waste Permit to Operate the Hartford Landfill, substantially as presented and discussed at this meeting.

Mr. Kirk said the resolution is part of an agreement between CRRA and the City of Hartford regarding the closure of the Hartford landfill and the utilization of the eastern slope. He said that the commitment states that CRRA is to assist the City of Hartford in installing cleaner burning filters into the City of Hartford vehicles. He said the retrofit is extremely straightforward, effective and a good move for the community and the City.

Director Griswold asked if the age of the vehicles had been addressed. Mr. Kirk said that the answer is yes and that replacement costs were addressed to avoid expensive retrofitting of vehicles near end of life. Director Griswold asked if grant possibilities had been explored concerning the costs. He explained that his City had been successful in securing an EPA grant to fund the retrofit of a fleet of buses.

Mr. Egan said that he will look into possible grant money. He explained that CRRA is obligated to reimburse the City of Hartford for up to \$200,000 of the cost associated with the retrofit. He said management will explore whether there is a source of grant money which may reimburse CRRA directly and will report any information back to the Board.

Director Martland said that the vehicles purchased by the City of Hartford were good dependable trucks such as Volvo and Peterbuilt.

The motion previously made and seconded was approved by roll call. Director Savitsky did not vote as she had briefly exited the room.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Michael Jarjura	X		
Mark Lauretti	X		
Theodore Martland	X		
James Miron	X		
Raymond O'Brien	X		
Linda Savitsky			X
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut	X		
Warren C. Howe, Jr. Wallingford			
Geno Zandri, Jr., Wallingford			

RESOLUTION REGARDING CONVERSION OF TWO SECONDARY SHREDDER MOTORS RATED TO 1250HP AT THE MID-CONNECTICUT WASTE PROCESSING FACILITY

Chairman Pace requested a motion to approve the above-captioned item. Director O'Brien made the following motion which was seconded by Director Martland.

RESOLVED: That the President is hereby authorized to execute an agreement with American Rotor Corporation to provide two converted secondary shredder motors rated to 1250 horsepower to be located at the Mid-Connecticut Waste Processing Facility, substantially as presented and discussed at this meeting.

Mr. Kirk said that this item concerns the spare motors at the facility which were upgraded to 1250 horsepower. He explained that the performance of the WPF was substantially improved by the upgrade. He explained in the event that there is a necessary repair or motor failure that the spare can be swapped out without losing production capabilities.

Director O'Brien said that it is important to point out that changes have been made in the operating conditions to mitigate the chance of failure. Director Martland said that he is pleased that the recommended resolution is for the low bidder.

Chairman Pace said that these resolutions among others are items which are designed to keep the plant running at optimum conditions per recommendations in the Grillo report.

Director Damer asked if there are any figures on how frequently the spares are used. Mr. Kirk replied that the answer is yes. He explained the spares are used in that environment more than a typical industrial motor as the last two years have had two failures. Mr. Kirk explained that management has mitigated the cause of the motor failures (which was a result of debris becoming lodged inside the motor as a result of air lance cleaning).

Director Damer asked if the failure mode is such that more than one motor can fail at the same time. Mr. Quelle said that one of the problems with the system was its age. He explained it is the 18th year of operation and that over that lifetime the motors have been repaired and torn apart over that lifetime. He explained when the same frame design was explored management took the next step to add another 1250-horsepower motor. Mr. Quelle said the retrofit reduces potential failures and also provides an upgrade as well.

Mr. Quelle said that management was also faced with the additional problem of the necessary size frame for that motor no longer being available. He explained that there were originally three in the project, two operating and one spare. He said when he went out to bid for a 1250-horsepower motor that the group was able to find two more frames that were on the wholesale market which has provided five total units.

Director Damer asked what the likelihood of having the two 1250-horsepower motors down at the same time is. Mr. Quelle said that this has almost occurred in the past. Mr. Kirk explained the repair time can be around several weeks or months. Director Griswold asked what the price for a new motor is. Mr. Quelle said that he can no longer get the motor in that frame, which is part of the problem. He explained that if he was to purchase a 1250-horsepower motor, the cost would be about \$350,000.

Mr. Quelle said he researched the possibility of a totally enclosed fan unit and found that the heat load would be unmanageable in the application. He explained not only was the unit too big for the available space, but it may also necessitate a water cooling system. Mr. Quelle said for the cost for

upgrading these motors is more economical than finding a new or used motor and that he was fortunate in finding this vendor.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Michael Jarjura	X		
Mark Lauretti	X		
Theodore Martland	X		
James Miron	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut	X		
Warren C. Howe, Jr. Wallingford			
Geno Zandri, Jr., Wallingford			

RESOLUTION REGARDING THE REPLACEMENT OF THE PRIMARY AIR COMPRESSORS AT THE MID-CONNECTICUT WASTE PROCESSING FACILITY

Chairman Pace requested a motion to approve the above-captioned item. Director O'Brien made the following motion which was seconded by Director Jarjura.

RESOLVED: That the President is hereby authorized to execute an agreement with Air Compressor Engineering to replace the primary air compressors at the Mid-Connecticut Waste Processing Facility, substantially as presented and discussed at this meeting.

Mr. Kirk said the resolution was straightforward and although at a substantial expense it is both needed and important.

Director Desmarais asked if the low bidder (who is indicated in the resolution under qualified bidders) should be listed as such as management later indicates that it was in fact not qualified for the job. Mr. Kirk said bidders are qualified prior to management's reception of their bids. He said the resolution should probably note the bid submitted did not meet specs, as opposed to stating that the

bidder is not qualified. Mr. Kirk said he would make sure that such a situation is reflected in future resolutions as the lowest responsive bidder.

Director O'Brien said for clarification that the low bidder that management is recommending is an additional \$47,000, bringing its bid up to \$279,000, which is \$4,000 more than Air Compressors Engineering.

Director Edwards said that he would prefer to see the scales with the full price. He said the current table is somewhat misleading.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Michael Jarjura	X		
Mark Lauretti	X		
Theodore Martland	X		
James Miron	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut	X		
Warren C. Howe, Jr. Wallingford			
Geno Zandri, Jr., Wallingford			

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

Chairman Pace requested a motion to approve the above-captioned item. Director O'Brien made the following motion which was seconded by Director Jarjura.

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 Power Block Facility, substantially as presented and discussed at this meeting.

Mr. Kirk noted that this resolution had been thoroughly discussed by the Policies & Procurement Committee.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Michael Jarjura	X		
Mark Lauretti	X		
Theodore Martland	X		
James Miron	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut	X		
Warren C. Howe, Jr. Wallingford			
Geno Zandri, Jr., Wallingford			

RESOLUTION REGARDING THE PURCHASE OF A NEW, ARTICULATING BOOM “HIGH LIFT” FOR THE MID-CONNECTICUT WASTE PROCESSING FACILITY

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

RESOLVED: That the President is hereby authorized to issue a purchase order to United Rentals of Connecticut pursuant to a Connecticut Department of Administrative Services (DAS) agreement for the purchase of a new, 60-foot, articulating boom “high lift” to be used at the Mid-Connecticut Waste Processing Facility, substantially as presented and discussed at this meeting.

The motion was seconded by Director Miron.

Mr. Kirk said this project has been thoroughly vetted by the Policies & Procurement Committee. He explained it is important to be able to gain access to all portions of the facility in particular the fire suppression system which was in dire need of upgrades in the past. Mr. Kirk explained a contractor working closely with management has brought the system up to date. He explained maintaining that

system requires access which will be provided by this new high lift. Mr. Kirk said having the tool at hand will save money in the long run.

Mr. Tracey said a 60-foot lift is required for some of the areas which the current lift cannot access. He said the 45-foot lift is not able to reach all necessary areas. Mr. Tracey explained in the past when the additional reach is needed that a 60-foot unit has been rented. He explained management has discovered that over the last few years it would be more economically responsible to purchase a unit versus spending the money on renting equipment.

Director O'Brien said the savings is important and that it is his own personal experience that by having the unit accessible that continued and regular maintenance will be more likely as going through the trouble of renting a unit will no longer be a concern.

Director Griswold asked what will happen to the old unit. Mr. Tracey said the old unit will be kept and used.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Michael Jarjura	X		
Mark Lauretti	X		
Theodore Martland	X		
James Miron	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut	X		
Warren C. Howe, Jr. Wallingford			
Geno Zandri, Jr., Wallingford			

RESOLUTION REGARDING THE PURCHASE OF A MOBILE SHREDDER TO PROCESS NON-PROCESSIBLE WASTE AT THE MID-CONNECTICUT WASTE PROCESSING FACILITY

Chairman Pace requested a motion to approve the above-captioned item. Director O'Brien made the following motion which was seconded by Director Savitsky.

RESOLVED: That the President is hereby authorized to execute an agreement with Simplicity Engineering (NE) Inc. for the purchase of a mobile shredder to be used at the Mid-Connecticut Waste Processing Facility, substantially as presented and discussed at this meeting.

Mr. Kirk said this project has been thoroughly vetted by the Policies & Procurement Committee. He explained in addition to making sense from an economic standpoint this is also a service issue. Mr. Kirk said with the closing of the Hartford landfill the option of a bulky waste disposal service will longer be provided to a member town. He explained this resolution will allow CRRA to continue that service to towns that bring bulky waste and non-processibles at an affordable price.

Director O'Brien stated that the payback will most likely be in less than a year. Director Damer said that he was in support of this resolution as it will eliminate large items from the landfills.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Michael Jarjura	X		
Mark Lauretti	X		
Theodore Martland	X		
James Miron	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut	X		
Warren C. Howe, Jr. Wallingford			
Geno Zandri, Jr., Wallingford			

STATUS OF FY 09 MID-CONNECTICUT CAPITAL IMPROVEMENT BUDGET

Director O'Brien said that he had requested that Mr. Tracey include these updates of capital programs for the year for the benefit of the Board.

RESOLUTION REGARDING THE STANDARD FORM MUNICIPAL SOLID WASTE DELIVERY AGREEMENT FOR THE MID-CONNECTICUT PROJECT

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

RESOLVED: That the President is authorized to execute an Agreement with CWPM, LLC, for delivery of Acceptable Waste from the City of New Haven to CRRRA's Mid-Connecticut Project substantially as presented and discussed at this meeting.

FURTHER RESOLVED: That said Agreement includes a guaranteed minimum commitment of 40,000 tons per year for five years with an additional 40,000 tons allowed and;

FURTHER RESOLVED: beginning on January 1, 2009, said Agreement includes a municipal solid waste tip fee of \$51.00 per ton that escalates every year during the five-year term to a \$57.00 per ton tip fee in year five and;

FURTHER RESOLVED: That said Agreement also allows for an additional five-year extension at terms that are mutually agreeable to both parties.

The motion was seconded by Director Savitsky.

Mr. Kirk said this was an issue that was discussed substantially at the Policies & Procurement Committee meeting. He said that there were a number of questions raised by the committee and that the resolution was not forwarded with a positive recommendation pending the addition of supporting documentation from management to the Board. Mr. Kirk said the additional information has been compiled and distributed and that any additional questions could be asked by the Board.

Mr. Kirk said there are a number of complicated questions which were considered and addressed by the Policies & Procurement Committee. Mr. Kirk explained because tonnage has been dropping by about 14 percent at the Mid-Connecticut project that spot waste is a necessary addition to tonnage this year. Mr. Kirk said that historically spot waste comes in at about \$40 per ton, which is at a substantial discount from the typical \$72 member rate.

Mr. Kirk explained however, that spot waste makes money for the project and that there is an energy component of the waste brought in as well. Mr. Kirk said management does want to bring in spot waste and fill up the plant. Mr. Kirk said that management is highly motivated to get the best price available for that spot waste for the fiscal year.

Mr. Kirk said the 40,000 tons from New Haven will come in at the gate at \$51.00 a ton. He explained it may be more than 40,000 tons per management's discretion it may be up to 80,000 tons. He said management fully expects to see at least 40,000 tons of spot waste. Mr. Kirk said the advantage to the project is clear, instead of being paid \$40.00 a ton for spot waste disposal CRRRA will get \$51.00.

Mr. Kirk said that concerns were raised at the Policies & Procurement Committee regarding the price as it appears very low. Mr. Kirk cautioned that the Board remembers that the cost is not an "at the scale cost." He explained the total cost for New Haven will be in the mid to high \$80s. Mr. Kirk said the all in cost for the Mid-Connecticut Project is \$72.00, \$63.00 for Bridgeport is not an all in cost as it does not include transfer and transportation.

Director Lauretti asked why the spot waste can't be diverted to Wheelabrator in Bridgeport as it may be cheaper regarding transportation costs. Mr. Kirk said concerning transportation it would be cheaper; however Wheelabrator won't allow CRRA to deliver spot waste under the renewal contract. He explained Wheelabrator considers that using its own capacity against them.

Director Lauretti asked why not make New Haven a member town. Mr. Kirk said that New Haven was not interested in becoming a member town. Mr. Gaffey said the contract is with the hauler. He explained the issue with the waste flow is far different than with Mid-Conn and Bridgeport. He said Mid-Connecticut needs the waste as this year's deliveries are trending toward about 760,000 tons when the Mid-Connecticut Project is budgeted for 830,000. He said that the \$51.00 is escalated for five years at just the gate fee plus an additional cost for transportation, operation and maintenance costs, transfer stations costs and overhead which carries them into the high \$80s or low \$90s in the next few years.

Director Edwards asked what New Haven's second option is and at what price. Mr. Gaffey said a second bidder was close. Mr. Tracey said the agreement was approved by the New Haven Solid Waste Authority a few weeks ago and there was much discussion concerning the second low bidder.

Director O'Brien said that there had been substantial concern by the Policies & Procurement Committee at its meeting concerning the \$51.00 tip fee. He said that by going through the budget he devised a cost for Mid-Connecticut Project towns to enter at the gate for about \$49.50 a ton. Director O'Brien said that Mr. Tracey's figures were slightly lower than his analysis. Director O'Brien explained he is concerned that during later approaches by CRRA to the Mid-Conn towns that a perception will exist that CRRA allowed New Haven to come in at a lower price on the tip floor than it is paying even though New Haven is actually paying more.

Mr. Kirk said that management will always try to run the plant at full capacity and the poor tonnage last year was related to production and an inability to get the garbage through the plant and turned into electricity. Mr. Kirk said to the extent the plant is available to take the garbage CRRA will always fill it up in order to generate all available renewable megawatts.

Director O'Brien said that he was concerned that the Mid-Connecticut Project will have to export garbage because of incoming New Haven waste. He said he was concerned about the \$40.00 tip fee for spot waste. Director O'Brien said that made sense when waste was still going to the Hartford landfill. He said that contracts were approved the prior month which substantially increased tip fees costs on a tip fee basis. He asked that this be addressed at the Policies & Procurement Committee and Board meeting as to how to adjust the budget as it says \$40.00 a ton. He said what needs to be addressed is not the marginal costs but what is good for the project to take in ton-wise from time to time and what that price should be.

Chairman Pace asked whether the agreement with New Haven has an assurance that the waste is only coming out of New Haven and how CRRA would monitor that. Mr. Kirk said that the answer is yes and that it will be monitored by CRRA enforcement. Chairman Pace said that the Mid-Connecticut Project is losing tonnage and asked how CRRA is monitoring that. Mr. Kirk said management is frustrated in its ability to access private facilities which may be involved in the diversion of some of the waste.

Mr. Kirk said that tonnage is down across the board by about 8 percent and that Mid-Conn in particular is down nearly 14 percent. Mr. Kirk said that per discussions with Mr. Gaffey that management believes they know where the diversion is going and that those towns have been notified at the recent Mid-Connecticut Project Municipal Advisory Committee meeting.

Chairman Pace said this is a five-year contract that goes beyond 2012 and asked how that is possible. Mr. Kirk said CRRA's lawyers assured management that CRRA has the capabilities of providing the service. Chairman Pace asked if the plant was not available how CRRA and/or the State of Connecticut would hold that up. Ms. Hunt said that the contract is to bring trash into Mid-Conn and that if Mid-Conn was not operated by CRRA or some successor in interest the contract would be ineffective.

The Board undertook a substantial discussion on the topic.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti		X	
Theodore Martland	X		
James Miron	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut	X		
Warren C. Howe, Jr., Wallingford			
Geno Zandri, Jr., Wallingford			

RESOLUTION REGARDING EXECUTION OF AMENDED AND RESTATED SOLID WASTE DISPOSAL AGREEMENT BETWEEN THE AUTHORITY AND WHEELABRATOR BRIDGEPORT, L.P. AND ANCILLARY DOCUMENTS

Chairman Pace requested a motion to approve the above-captioned item. Director O'Brien made the following motion which was seconded by Director Savitsky.

RESOLVED: That the President is hereby authorized to execute an agreement the Amended and restated solid waste disposal agreement (SWDA) with Wheelabrator Bridgeport, L.P., for disposal capacity at the Bridgeport Resource Recovery Facility substantially as discussed and presented at this meeting together with an amendment to the Site Lease between the parties and any documents necessary to release any mortgages and transfer any interest of the Authority in the facility to the Owner Trustee and to provide any necessary directions or instructions in connection with the exercise by the Owner Trustee of its purchase option.

Mr. Kirk said that this is has been a long and difficult process for the 12 towns that have chosen to renew the Project, and after very difficult negotiations following arbitration with Wheelabrator that the result is a very favorable deal for the 12 towns.

Mr. Kirk explained some key issues within the renewal in both the MSAs between CRRA and the towns and SWDA, which is between CRRA and Wheelabrator, include a five-year term, an escalation price, and most importantly, an opportunity for renewal of this agreement past five years.

Mr. Kirk said another issue of consideration is the "most favored nations clause." He explained the towns will enjoy the best price offered by Wheelabrator to any municipality for the next five years. He explained the protection for the towns is that no other municipalities will see a better price. Mr. Kirk explained this was important to the towns given their history in the past 20 years. He explained the clause was difficult to obtain.

Mr. Kirk said that the towns have received copies of their MSAs and are currently being reviewed by their respective legal counsels. Mr. Kirk explained it is management's hope that all 12 towns sign their MSAs quickly in order to ensure all towns that disposal services will continue seamlessly after January 1, 2009. Mr. Kirk said the review and negotiation process is long and complicated and thoroughly reviewed and tweaked by both sides.

Director O'Brien extended his gratitude to both Director Lauretti and Director Edwards for their work in particular during these negotiations. Director Edwards stated negotiations were long and arduous and remained civil. He said one of the biggest issues facing his community was keeping the waste at Bridgeport. He explained certain factions of the group wanted to negotiate a better price and truck the garbage out, which was met with opposition from other towns protesting against transportation of the solid waste over long distances. He explained Bridgeport does an excellent job with the trash. Director Edwards said transportation is now on the towns who are taking over their transfer stations. He explained a final meeting of the towns' chief elected officials is still necessary.

Director Lauretti stated he was in agreement with Director Edwards's assessment that this was a difficult and lengthy process. Director Miron agreed as well.

Director Savitsky asked if Norwalk was now on its own, Director Edwards said out of the 18 initial towns that Norwalk, Greenwich, Stamford, Darien, Wilton and Weston went out on their own on a composite bid. He said two of those towns have since come to an agreement with City Carting. Director Edwards said the remaining towns are still in flux and may eventually come back on board.

Director Savitsky asked whether the agreement was flexible enough to let towns which had previously indicated that they were leaving to rejoin. Director Edwards replied this is correct to a point of 325,000 tons. He explained the current issue is that there is a minimum commitment of 265,000 in order to sign a deal and he has some concern over securing those necessary commitment tons.

Director Savitsky asked whether surrounding towns that may not have been a part of the original 18-town agreement indicated interest what their options were. Director Edwards said he would be happy to include those towns however; it was unlikely that the agreement could compete with the \$51.00 price at the Mid-Connecticut Project. He stated although he believes their agreement is the best it is however, also the most expensive.

There was substantial discussion concerning the options for any interested towns.

Director Desmarais asked if management was comfortable with CRRA's revenue from this agreement. Mr. Kirk said that management has established a two-dollars-per-ton fee for a determined work scope and any additional work is at the discretion and cost of the Greater Bridgeport Solid Waste Advisory Board. He explained management is comfortable that the two dollars will cover the list of services CRRA intends to provide and that CRRA will be compensated for anything additional.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
James Miron	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut	X		
Warren C. Howe, Jr. Wallingford			
Geno Zandri, Jr., Wallingford			

RESOLUTION REGARDING THE EXECUTION OF MUNICIPAL SOLID WASTE MANAGEMENT SERVICES AGREEMENT FOR THE DELIVERY AND DISPOSAL OF WASTE BY MUNICIPALITIES TO THE BRIDGEPORT FACILITY

Chairman Pace requested a motion to approve the above-captioned item. Director O'Brien made the following motion, which was seconded by Director Martland.

RESOLVED: That the President is hereby authorized to execute a Municipal Solid Waste Management Services Agreement for the delivery and disposal of waste by municipalities to the Bridgeport Facility, substantially as discussed and presented at this meeting.

Director Edwards said this was also an interesting negotiation because the towns were not looking for a large role in solid waste. He said what they were trying to identify was the reduced scope of services. He explained the towns were just looking for management of the contract and applauded CRRA on its flexibility.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
James Miron	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut	X		
Warren C. Howe, Jr. Wallingford			
Geno Zandri, Jr., Wallingford			

RESOLUTION REGARDING THE COOPERATIVE SERVICES AGREEMENT BETWEEN CONNECTICUT RESOURCES RECOVERY AUTHORITY AND THE UNITED STATES DEPARTMENT OF AGRICULTURE ANIMAL AND PLANT HEALTH INSPECTION SERVICE WILDLIFE SERVICES

Chairman Pace requested a motion to approve the above-captioned item. Director Desmarais made the following motion which was seconded by Director Savitsky.

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

The motion was seconded by Director Martland.

Mr. Kirk explained the contract for bird control is short and has been performed for CRRA in the past. He explained this resolution is necessary as the Hartford landfill is closing. Mr. Kirk said typically such a resolution would not require Board approval as the contract's total cost is below \$25,000, however given that the topic has generated some controversy in the past management felt it should secure the Board's approval.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
James Miron	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut	X		
Warren C. Howe, Jr., Wallingford			
Geno Zandri, Jr., Wallingford			

RESOLUTION REGARDING ADDITIONAL PROJECTED LEGAL EXPENDITURES

Chairman pace requested a motion to approve the above-captioned item Director O'Brien made the following motion:

WHEREAS, CRRA has entered into legal service agreements with serious law firms to perform legal services; and

WHEREAS, the Board of Directors has previously authorized certain amounts for payment of fiscal year 2009 projected legal fees; and

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

NOW, THEREFORE, it is RESOLVED: that the following additional amount be authorized for payment of legal fees and costs to be incurred through June 30, 2009:

Firm:	Amount:
Pepe & Hazard	\$125,000

The motion was seconded by Director Desmarais.

Ms. Hunt said that the resolution had been thoroughly reviewed and discussed by the Policies & Procurement Committee. Director O'Brien said that he was in support of the resolution as it was necessary.

The motion previously made and seconded was approved by roll call. Director Lauretti voted nay.

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti		X	
Theodore Martland	X		
James Miron	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut	X		
Warren C. Howe, Jr., Wallingford			
Geno Zandri, Jr., Wallingford			

RESOLUTION REGARDING CONTRACT WITH CT DEP FOR REIMBURSEMENT OF COSTS ASSOCIATED WITH CLOSURE OF THE HARTFORD LANDFILL

Chairman Pace requested a motion to approve 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 closure of the Hartford Landfill, substantially as discussed and presented at this meeting.

The motion was seconded by Director Savitsky.

Mr. Kirk said the resolution was very straightforward and is the first \$3 million provided by the State Bond Commission. He explained it has been transferred to the Connecticut Department of Environmental Protection in order to be released for payment of CRRA's contract. Mr. Kirk said there is no indication that bonding for the remaining \$10 million of the \$13 million authorization has been considered by the State Bond Commission and that the State Bond Commission has canceled its last three meetings and is expected cancel its meeting in November.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti		X	
Theodore Martland	X		
James Miron	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut	X		
Warren C. Howe, Jr., Wallingford			
Geno Zandri, Jr., Wallingford			

RESOLUTION TO AUTHORIZE THE EXECUTION OF MUNICIPAL SERVICE AGREEMENTS WITH THE TOWNS OF CHESHIRE, HAMDEN, MERIDEN, NORTH HAVEN AND WALLINGFORD

Chairman Pace requested a motion to approve the above-captioned item. Director O'Brien made the following motion which was seconded by Director Savitsky.

WHEREAS, The Connecticut Resources Recovery Authority ("CRRA") is the owner of that certain parcel of real property located at 530 South Cherry Street, Wallingford, Connecticut (the "Real Property"); and

WHEREAS, since approximately 1990, CRRA has operated a waste-to-energy facility (the "Facility") on the Real Property and has provided solid waste disposal services (the "Services") to the municipalities of Cheshire, Hamden, Meriden, North Haven and Wallingford, Connecticut (the "Participating Municipalities") pursuant to certain municipal service agreements (the "Current MSAs"); and

WHEREAS, the Current MSAs shall expire on or about June 30, 2010; and

WHEREAS, the Facility is operated by Covanta pursuant to, among other things, a waste disposal services contract (the "Services Contract"); and

WHEREAS, the Services Contract provides that CRRA may purchase the Facility from Covanta at fair market value upon expiration of the Current MSAs; and

WHEREAS, the Services Contract requires that CRRA give notice of its intent to exercise the purchase option of or before December 30, 2008; and

WHEREAS, in order to obtain financing, through the issuance of bonds, to effect the purchase of the Facility, it is desirable that CRRA execute new municipal service agreements (the "New MSAs") with some or all of the Participating Municipalities; and

WHEREAS, the Participating Municipalities wish to continue receiving the Services on and after July 1, 2010, from CRRA, and CRRA wishes to continue providing the Services to the Participating Municipalities subject to CRRA exercise of its purchase option of the Facility; and

WHEREAS, CRRA and the Participating Municipalities have engaged in negotiations over the last several months regarding the terms and conditions of new municipal service agreements (the "New MSAs") pursuant to which CRRA will continue to provide Services pursuant to the terms and conditions set forth in the new MSAs; and

WHEREAS, in addition to the New MSAs, it is contemplated that CRRA and the Participating Municipalities will enter into a host community benefit agreement pursuant to which Wallingford will receive certain payments from the other Participating Municipalities in addition to the PILOT as additional consideration for its continued hosting of the Facility over the term of the New MSAs; and

WHEREAS, the Board of Directors have reviewed the New MSAs and determined it is in the best interest of CRRA to enter into the New MSAs in order to secure financing for the purchase of the Facility from Covanta

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of CRRA:

1. That the New MSAs are hereby approved for execution substantially as presented and discussed at this meeting
2. That Thomas D. Kirk, President of CRRA, is authorized to execute the new MSAs in the name of CRRA and to take any and all actions which he deems reasonable, necessary, or appropriate to effect the execution of the new MSAs (and any such action already taken is hereby ratified and approved); including, without limitation, further negotiations and/or revision of the new MSAs; provided, however, that material revision to the terms or conditions of the new MSAs will require additional approval by the Board of Directors.
3. That Thomas D. Kirk, President of CRRA, is hereby authorized to do whatever else he deems reasonable to effectuate the purpose and intent of the forgoing resolutions.
4. The resolution shall take effect immediately.

Mr. Kirk said the Wallingford Project has been a long initiative for management. He explained this is the initial step for consideration by the Board which details the ratification of the MSA pending a number of other steps. Mr. Kirk said the initiative the MSA represents would be essentially a renewal-type agreement. He explained CRRA will own the plant with the MSA commitments of three, four or five of the towns, and it would be financed based on the MSA commitments and the tons they represent. Mr. Kirk said that this is the option management has been working towards for several months, which may or may not be ultimately successful.

Mr. Kirk said that there is an additional option being considered that would allow CRRA to purchase the facility and operate it without MSAs. Mr. Kirk said options are still out there and that management is currently working with the contractor to arrange for the establishment of a purchase price such that all parties are more comfortable with the purchase price before offering a commitment. He said he hopes this can be reached without arbitration.

Mr. Kirk said management is asking for the ratification of the MSA today as it has been thoroughly vetted, negotiated and worked on with the towns. He explained that is not to say that they are ready to choose yes but they are ready to choose yes on this document if they choose MSA documents.

Director Howe said that he has attended all town council meetings involving the Town of Wallingford. He explained he has spoken personally with the chairman of the Wallingford Town Council, Mike Levinsky who asked Director Howe for his personal recommendation. Director Howe explained he did send a letter in response to his request explaining his personal opinion and recommendation and that it was not necessarily that of the Board.

Director Howe said he reviewed with the council all the issues which he feels are important with respect to the decision. Director Howe explained that he came to a conclusion that he feels that public ownership of the facility is for the best long-term interests of the Town of Wallingford. He said it is his sense today that there is still some concern regarding the purchase price of the plant and that there is still concerns about the magnitude of the PILOT (payment in lieu of taxes) program. He said those two issues in his opinion are still matters of contention at this point.

Chairman Pace asked Director Howe if he felt these points of contention were issues for the Town of Wallingford alone or for all the towns involved. Director Howe said he felt these issues were for all the towns. He said of course most importantly for Wallingford because receives the PILOT as the host community.

Director Zandri echoed Director Howe's words as far as attending the meetings and listening to both sides of the argument. He explained it was his concern that there have been several deadlines which have not been met and are being continually postponed. He asked what a final deadline is for hearing a response from the towns. Mr. Bolduc explained that management needs to make a decision by the close of the year concerning a possible extension.

Director Zandri said that the PILOT fee from CRRA is falling in line with whatever the town would receive from taxation. He said it is a big hit for the town because the current \$1.3 million under the current agreement would drop to \$330,000. He said that is one of the major concerns for Wallingford.

Ms. Raymond said that the pro-forma presented to the towns was based on the ad valorem property tax. She explained that the towns agreed among themselves to pay 175 percent of the ad-valorum. She said that as a result management has adjusted a separate host community agreement which details all of these arrangements. She said that Director Zandri is correct that management's pro forma was in the neighborhood of \$330,000 however, based upon negotiations in its agreements, that the estimated PILOT was raised to the rate of \$659,000. Ms. Raymond said that works out to approximately \$4.58 a ton for the host community benefit assuming the pro forma is correct.

Chairman Pace said that the healthy reserves from the project may also offer the towns some latitude for adjustment. He said that moving forward on this project that the Board needs to know what the towns want. Mr. Kirk said he was optimistic that a decision would be reached because there is a final deadline. Mr. Kirk said he would recommend that the Board approve this resolution as it provides the towns with this option and that it could prompt them to make those very difficult, complicated decisions concerning a project.

Chairman Pace asked the Wallingford ad-hoc members if they felt resistance to this proposition. Both Director Zandri and Director Howe responded no. Director Howe said he feels the major contentious issue is what the final purchase price will be as well as the magnitude of the pilot. Mr. Kirk agreed that those were certainly the two issues that everything is hinging on.

Director O'Brien said that the project will be continually updated and upgraded if CRRA is to acquire the facility. He said that CRRA is taking some risk by acquiring the project and at the end of the

day that CRRA has a responsibility to the neighboring towns and to continue to operate a fully operational facility. He said he was not in favor of giving away the option of purchasing the plant.

Director O'Brien said that he was also concerned that the various environmental permits should stay with the property owners. He said there seems to be a built-in tension if the property owners are separate from the permit holders. He said that he was not in favor of the agreement. Director O'Brien said that he would vote to pass it on to the towns with the stipulation that it be removed from the contract.

Director Zandri said that the towns had concerns that they had paid for the project for years and at the end of the contract they have nothing. He explained the towns do not want to get into the same contract going forward, he said that he believed the towns requested that provision be included.

Director O'Brien said that he understood, however CRRA acts in the best interest of the public and is not a private entity. He said CRRA would still discharge its obligations to dispose the waste from neighboring communities in an environmentally sound matter.

Director Zandri said that he had a question concerning who owns the property. Mr. Kirk said there are a numbering of complicated issues with stating that. He said that in 2016 CRRA has an option on the property. He said the MSA states today that the real estate would stay CRRA's property and the personal property (the plant side) would go to the towns for a dollar at contract expiration.

Director Howe asked what the deadline practically speaking is for securing the funding. Mr. Kirk said the October deadline was established to give the CRRA Board ample time to consider preparation for working with bankers and securing financing. He said the deadline may be extendable but that at some point in time MSA that represents a fair amount of the group or plant tonnage will be needed for collateral for financing.

Mr. Bolduc said that a decision needs to be given to Citicorp in November in order to pass through the Finance Committee and the CRRA Board.

The Board discussed the issues concerning the resolution at length.

Mr. Kirk explained the \$1.00 provision was put in at the request of the Wallingford Town Council Chair at the last Wallingford town council meeting. He said management conferred with legal counsel prior to inserting the provision. Director Howe asked if there was an understanding of the Wallingford Policy Board's feeling on the provision. Mr. Kirk said that he believed that Wallingford is behind the provision and the other towns have not spoken either way to management on the issue.

Director Zandri said that it is his understanding that the host community asked for this provision due to concerns over control of future plans with respect to the site.

Chairman Pace asked that resolution be changed to state that the Executive Committee be asked for approval prior to Mr. Kirk taking any action. Mr. Kirk said that the resolution will be changed to include that specification. Director Savitsky asked that instead of "full faith and credit" that better language specify put-or-pay and impresses upon the town that those tons are necessary.

Ms. Raymond said that this contract has been completely vetted with the towns and has been a jointly negotiated. She explained the towns understand full faith and credit completely and that they are paying the net cost of operations for this facility and that it provides for an equitable payment in the event of a deficit. She said that management will now make Wallingford aware that this provision is being removed per the direction of the CRRA Board.

She explained it was made clear that approval of the Board was necessary for this agreement. Ms. Raymond explained that the next step is to present Wallingford the execution documents in the hope that the towns will sign them. She explained the executed documents are necessary to bring to the underwriter, and treasurer office in line to return to the Board and ask for approval to justify exercising the purchase documents. Ms. Raymond said if the towns sign these documents and CRRA does not purchase the facility there is a condition precedence that makes the contract null and void.

Director O'Brien said that an effective flow-control ordinance gives CRRA the financial security that full faith and credit does. Director Lauretti said that he agreed and asked if there was a prohibition which allows municipalities from coming into this project and can the plant be expanded. Mr. Kirk said there is no prohibition from inviting under municipalities in. He said that there is no economical way to expand the plant.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Michael Jarjura	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut			
Warren C. Howe, Jr. Wallingford	X		
Geno Zandri, Jr., Wallingford	X		

RESOLUTION REGARDING ORGANIZATIONAL SYNERGY AND HUMAN RESOURCES COMMITTEE RECOMMENDATION TO THE BOARD OF DIRECTORS REGARDING ADDITION AND ADOPTION OF AN EMPLOYEE OPT-OUT PLAN FOR HEALTH INSURANCE

Chairman Pace requested a motion to approve the above-captioned item. Director Cooper made the following motion:

RESOLVED: That the employee opt-out plan for health insurance is approved as presented by the Organizational Synergy and Human Resources Committee.

The motion was seconded by Director Jarjura.

Director Cooper said that many companies and municipalities have such a provision so that employees who have other health insurance coverage elsewhere can opt out. Director Savitsky asked whether there is a tax ramification, or if CRRA is paying Social Security taxes on the funds. Mr. Hyfield said that this was correct whether it was a bi-weekly or a lump sum.

Director Desmarais asked if the plan was fully insured. Mr. Hyfield replied that this is correct. Director Desmarais asked if the employee can opt back in. Mr. Hyfield explained that the employee can opt back in on a once yearly basis.

Director Savitsky asked what the exposure on the plan is. Mr. Kirk said it was expected to be about seven or eight people.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Mark Lauretti	X		
Theodore Martland	X		
James Miron	X		
Raymond O'Brien	X		
Linda Savitsky	X		
Ad-Hocs			
Stephen Edwards, Bridgeport	X		
Tim Griswold, Mid-Connecticut			
Warren C. Howe, Jr., Wallingford			
Geno Zandri, Jr., Wallingford			

EXECUTIVE SESSION

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

Tom Kirk
Jim Bolduc
Jeff Duvall
Peter Egan
Laurie Hunt, Esq.
Paul Nonnenmacher

The Executive Session began at 12:40 p.m. and concluded at 1:14 p.m. Chairman Pace noted that no votes were taken in Executive Session.

The meeting was reconvened at 1:15 p.m., the door was opened, and the Board secretary and all members of the public were invited back in for the continuation of public session.

RESOLUTION REGARDING THE REDUCTION OF THE FY 2009 MID-CONNECTICUT PROJECT MUNICIPALITIES SOLID WASTE DISPOSAL FEE FOR PROJECT MUNICIPALITIES

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

WHEREAS, CRRA's mission is to act in the best interests of the towns that it serves and;

WHEREAS, CRRA manages its finances conservatively and prudently and;

WHEREAS, CRRA is always looking to reduce its net cost of operations and;

WHEREAS, CRRA is always seeking new ways to increase revenues without increasing disposal fees and;

WHEREAS, the Mid-Connecticut Project finished the fiscal year ended June 30, 2008, with a surplus of approximately \$13 million and;

WHEREAS, the Mid-Connecticut Project is required to satisfy the debt service coverage ratio as stipulated by the bond resolution and;

WHEREAS, it is fiscally prudent to reserve some of that money for known future expenses such as debt service, closure of the Hartford landfill and maintenance of to the trash-to-energy system and;

WHEREAS, municipal solid waste deliveries to the Mid-Connecticut Project are running below budgeted levels, which could result in a revenue shortfall of approximately \$2 million in the current fiscal year and;

WHEREAS, reserving these funds would still leave approximately \$4 million and;

WHEREAS, the newly-constituted Mid-Connecticut Project Municipal Advisory Committee has recommended using that undesignated cash to lower the current disposal fee and;

WHEREAS, the CRRA Board of Directors is giving all due consideration to this valuable input from the Municipal Advisory Committee, which consists of the chief executives of all Mid-Connecticut Project cities and towns and;

WHEREAS, municipal solid waste disposal fees paid by private haulers as well as municipal customers contributed to the surplus and;

WHEREAS, the CRRA Board of Directors is interested in treating all its customers equitably; therefore

RESOLVED: that the CRRA Board of Directors reduces the FY 2009 Mid-Connecticut Project budget by \$4 million and reduces the municipal solid waste disposal fee by \$10 per ton effective January 1, 2009.

The motion was seconded by Director Martland.

Director O'Brien said following the second whereas that an additional whereas has been added stating the municipal solid waste disposal fee paid by private haulers as well as municipal customers contributed to the surplus and whereas the CRRA Board of Directors is interested in treating all of its customers equitably therefore be it resolved that the CRRA Board of Directors reduces the Mid-Connecticut Project budget by approximately \$4 million and therefore reduces the MSW disposal fee by \$10.00 per ton effective January 1, 2009, and resolved that the management of CRRA is authorized and directed to inform all member towns.

Chairman Pace said that this action has been the result of several comments from member towns, the Board's mission to member towns, and looking at a way to reduce the net cost of operations. He explained the Mid-Connecticut Project finished its fiscal year ending June 30, 2008, with a surplus of approximately \$13 million of which the \$4 million is part. Chairman Pace said per stipulations the project is required to satisfy a debt service coverage ratio. He said the reduction of the MSW disposal fee was discussed by the newly formed Mid-Connecticut Project Municipal Advisory Committee who recommended using some of the undesignated cash flow for a reduction in tip fee.

Chairman Pace said that the Board was also concerned that these dollars not only benefit the taxpayers with towns which have municipal pick-up, but also the tax payers and residents of commercial pick-ups. He said that Mike Paine of Paine's, Inc., had noted that he would be passing those savings

down and suggested that management publicize that information. Chairman Pace said the Board will take that advice and notify the public that they should expect to hear from the competitive haulers.

Chairman Pace asked if there were any other comments from the Board or public. Director Desmarais said the remainder of the surplus will go into the FY '10 tip fees and the budget and be used. Director Cooper clarified that the changes are effective January 1, 2009, through June 30, 2009.

Director O'Brien said that he appreciated the participation of those who attended the Mid-Connecticut Project Municipal Advisory Committee meeting the previous week.

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

Directors	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
David Damer	X		
Alan Desmarais	X		
Michael Jarjura	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Linda Savitsky			X
Ad-Hocs			
Stephen Edwards, Bridgeport			
Tim Griswold, Mid-Connecticut	X		
Warren C. Howe, Jr. Wallingford			
Geno Zandri, Jr., Wallingford			

DEPARTURE OF DIRECTOR COOPER

The Board thanked Director Cooper profusely for his years of dedication and hard work as a member of the CRRA Board, and especially for chairing the Organizational Synergy & Human Resources Committee.

Director Jarjura said that he enjoyed working with Director Cooper and wished him the best of luck in his newest endeavors.

Director O'Brien said that he will miss Director Cooper and thanked him for his services. Chairman Pace echoed the Board's sentiments and extended his own gratitude to Director Cooper for his dedication and hard work.

ADJOURNMENT

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

There being no other business to discuss, the meeting was adjourned at 1:18 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Moira Kenney", with a long horizontal flourish extending to the right.

Moira Kenney
Secretary to the Board/Paralegal

TAB 2

**RESOLUTION REGARDING INSURANCE CONSULTING AND BROKER
SERVICES AGREEMENT**

RESOLVED: That the President of CRRA is hereby authorized to execute the Insurance Consulting and Broker Services Agreement with Aon Risk Services for the period January 1, 2009 through January 1, 2011 for an annual fee of \$155,000 (\$310,000) with an option at CRRA's sole an absolute discretion for a third year at the same price (\$155,000), as presented and discussed at this meeting.

**Connecticut Resources Recovery Authority
Insurance Consultant and Broker Selection
November 20, 2008**

Procurement Process

- July 28, 2008 issued a Request for Proposals (RFP) for Consulting and Broker Services.
- Nine (9) proposals received on September 2, 2008
- Responses to the RFP evaluated by Selection Committee (CFO, the Human Resources Director, the Development, Environmental Compliance and IT Manager, and the Risk Manager)

October 15, 2008 Finance Committee

- Selection Committee recommendation of Aon Risk Services (Aon) to October 15, 2008 Finance Committee meeting
- Aon not low bidder but Selection Committee believes in this period of bank failures, credit crisis and financial market uncertainty CRRA needs to give more weight to factors besides price
- Aon has proven ability to place hundreds of millions of dollars in premium annually. Leverage created by Aon's volume of business provides tremendous influence with insurance markets
- This helps CRRA obtain broad terms and conditions at the most competitive prices, and, equally importantly, assists us in the resolution of difficult claims.
- Aon's environmental resources are the most compelling argument for selection. CRRA environmental exposures are potentially among most expensive and difficult to cover. When our primary, long-term insurer, abandoned the relationship with CRRA, Aon was able to secure reliable environmental coverage from another outstanding insurance market such that there was no interruption in this important insurance.
- Aon has entire department - Market Security Division - for monitoring financial integrity and stability of companies underwriting risks of their clients. If there are worrisome trends or downgrades, alerts are sent to clients immediately and overall security reporting is done quarterly. Management believes this is an extremely important service provided by Aon.

- Finance Committee agreed Aon's service to CRRA excellent over past three years but troubled by the prospect of selecting a vendor that did not submit the lowest price proposal
- Finance Committee referred matter to Board of Directors without recommendation, instructed Management attempt to negotiate better annual fee from Aon, present new information to the Board of Directors at its meeting on October 23, 2008.

October 23, 2008 Board of Directors Meeting

- Aon agreed to lower its annual fixed fee from \$165,000/year to \$155,000/year. Information distributed to the Board of Directors
- Board of Directors considered Management recommendation and opined due to the turbulent financial conditions it would not be prudent to change consultant/brokers at this time
- Board tabled action and directed Management negotiate with Aon for a two-year agreement with a fixed annual fee of \$155,000, with option for a third year at the same price at CRRA's sole and absolute discretion.

Management Recommendations

- Aon agreed to the execution of a two-year agreement, at \$155,000 per year (\$310,000 for two years), with an option for a third year at the same price, at CRRA's sole discretion.
- CRRA's annual budget for the two year agreement is \$360,000; savings of \$50,000 over budgeted amount.

Recommendation to CRRA Board

That the Finance Committee has reviewed and discussed the selection of the Insurance Consultant and Broker Services and recommends that the President of CRRA is hereby authorized to execute the Insurance Consulting and Broker Services Agreement with Aon Risk Services for the period January 1, 2009 through January 1, 2011, for a total fixed fee of \$310,000, with an option for a third year at the same annual price (\$155,000), at CRRA's sole and absolute discretion.

TAB 3

**CONNECTICUT RESOURCES
RECOVERY AUTHORITY**

**MANAGEMENT ADVISORY LETTER
IN CONNECTION WITH 2008 AUDIT**

To the Finance Committee and the Board of Directors of the
Connecticut Resources Recovery Authority
Hartford, Connecticut

In planning and performing our audit of the basic financial statements of the Connecticut Resources Recovery Authority (the "Authority") as of and for the year ended June 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, during our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated September 25, 2008 on the basic financial statements of the Authority. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. The following represents our comments and recommendations regarding those matters:

STATUS OF PRIOR YEAR RECOMMENDATIONS

Accounting for Closure and Post-closure Care liability on an Interim Basis

During the prior year audit, we noted that the Authority performs an analysis of the estimates and measurements used in recording the liability for closure and post-closure care of landfills on an annual basis. As a result, significant changes in the estimates are not being reflected in the Authority's interim financial statements provided to management and the Board of Directors.

We recommended that the Authority perform an analysis of the estimates and measurements used in recording the liability on a more frequent basis, such as quarterly, and reflect any significant changes in the estimates in its interim financial statements. This would allow management to better evaluate the financial positions, results of operations, and cash flows of the Authority on an interim basis and assist management and the Board of Directors in their decision making process. During the current year audit, we noted that the Authority included in its interim financial statements the effects of any significant changes in the estimates and accordingly, we consider this matter to be resolved.

Designation of Unrestricted Net Assets

In prior year audits, we noted that designations of unrestricted net assets have been made in excess of unrestricted net assets available for the Mid Connecticut Project and the Bridgeport Project, resulting in an unrestricted undesignated deficit for those projects. Designations reflect the Authority's self-imposed limitations on the use of otherwise available financial resources. Accordingly, designations of unrestricted net assets should not exceed the amount of unrestricted net assets available. We recommended that the Authority review the existing designations and modify as necessary so that the total designations do not exceed total unrestricted net assets.

In the current audit, we noted that designations of unrestricted net assets in excess of unrestricted net assets available still remain for the Bridgeport Project. We recommend that management ensure that adequate unrestricted net assets are available so that designations do not exceed unrestricted net assets available for the Bridgeport Project. In addition, we noted that the General Fund had negative undesignated unrestricted net assets as of June 30, 2008 which requires management's attention.

Internal Control Related to the Mid Connecticut Project

In prior year audits, we noted that two employees at the Authority's Murphy Road site are responsible for handling the billing of vendors, as well as the collection, deposit, recording, and reconciliation of cash receipts, which created a situation where a misappropriation could occur and not be detected. We recommended that policies and procedures be implemented to mitigate the risk of fraud due to the lack of segregation of duties that presently exists. We understand that management of the Authority has performed a review of the revenue cycle and intends to reassign responsibilities to ensure segregation of duties.

In the current audit, we noted that management of the Authority has reassigned all responsibilities to ensure an adequate segregation of duties and accordingly, we consider this matter to be resolved.

NEW MATTERS FOR CONSIDERATION

INFORMATION TECHNOLOGY: Change Management Controls

The Authority does not maintain formal standards and procedures for documentation of new software applications as well as modifications of existing software applications. In addition, such changes to software applications are not formally reviewed or approved by management of the Authority. There is a risk that unauthorized changes can be introduced into the system that could impact the integrity of data or the availability of the software application. We recommend that management implement a formalized process for the authorization, testing, documentation and migration into production of any significant changes to the Authority's software applications.

INFORMATION TECHNOLOGY: Testing of Backup Files

The Authority maintains off-premises storage for backup files of the Authority's master files and transaction files. However, the Authority does not perform periodic testing of such backup files to make certain that they are usable in event of a disaster. We recommend that management implement a policy requiring periodic testing of the backup files including maintaining documentation of the results of such testing.

INFORMATION TECHNOLOGY: General Network and Systems Security

There has been no independent third party vulnerability assessment performed on the Authority's exposed connections to the Internet. Thus, there is a risk to the confidentiality, integrity and availability of the Authority's systems and data. We recommend that management consider having a basic vulnerability assessment performed on the Authority's externally exposed information technology infrastructure to ensure that critical data and systems are appropriately secured from unauthorized remote access. Vulnerability assessments should be performed annually and/or whenever significant changes are made to exposed information technology infrastructure.

We would like to take this opportunity to thank the accounting staff of the Authority for their assistance and courtesies extended to us during the course of our audit. The contents of this letter have been discussed with management and, if you have questions relative to the matters discussed herein or the implementation of any of the above recommendations, we shall be pleased to discuss them with you.

This report is intended solely for the information and use of the Finance Committee, the Board of Directors, and management of the Authority and the State of Connecticut, Office of the Comptroller.

Coulin, Chauson & Roser, LLP

Glastonbury, Connecticut
September 25, 2008

**INDEPENDENT AUDITORS'
RECOMMENDATIONS AND THE AUTHORITY IMPLEMENTATIONS
FOR FISCAL YEAR 2008 AUDIT**

AS OF NOVEMBER 7, 2008

STATUS OF PRIOR YEAR RECOMMENDATIONS

Accounting for Closure and Post-closure Care liability on an Interim Basis

During the prior year audit, we noted that the Authority performs an analysis of the estimates and measurements used in recording the liability for closure and post-closure care of landfills on an annual basis. As a result, significant changes in the estimates are not being reflected in the Authority's interim financial statements provided to management and the Board of Directors.

We recommended that the Authority perform an analysis of the estimates and measurements used in recording the liability on a more frequent basis, such as quarterly, and reflect any significant changes in the estimates in its interim financial statements. This would allow management to better evaluate the financial positions, results of operations, and cash flows of the Authority on an interim basis and assist management and the Board of Directors in their decision making process. During the current year audit, we noted that the Authority included in its interim financial statements the effects of any significant changes in the estimates and accordingly, we consider this matter to be resolved.

Designation of Unrestricted Net Assets

In prior year audits, we noted that designations of unrestricted net assets have been made in excess of unrestricted net assets available for the Mid Connecticut Project and the Bridgeport Project, resulting in an unrestricted undesignated deficit for those projects. Designations reflect the Authority's self-imposed limitations on the use of otherwise available financial resources. Accordingly, designations of unrestricted net assets should not exceed the amount of unrestricted net assets available. We recommended that the Authority review the existing designations and modify as necessary so that the total designations do not exceed total unrestricted net assets.

In the current audit, we noted that designations of unrestricted net assets in excess of unrestricted net assets available still remain for the Bridgeport Project. We recommend that management ensure that adequate unrestricted net assets are available so that designations do not exceed unrestricted net assets available for the Bridgeport Project. In addition, we noted that the General Fund had negative undesignated unrestricted net assets as of June 30, 2008 which requires management's attention.

Authority Response: Bridgeport Project:

In October 2007, the Authority's Board of Directors approved the undesignation of the landfill postclosure and closure reserves, since the liabilities have been recorded on the Authority financial statements. The Authority has established individual Short-Term Investment Fund accounts to receive and hold the postclosure and closure funds. In

November 2007, the Authority received the \$3 million grant-in-aid to reimburse costs associated with the closure of the Shelton landfill from the State Bonding Commission, which partly mitigate the Bridgeport Project negative undesignated net assets. In addition, Management has completed a cash flow analysis for the remaining term of the project. Based upon the results of the cash flow analysis, Management has increased the fiscal year 2009 budget in an effort to resolve the negative undesignated net asset by the end of the project. Completed.

Authority Response: General Fund:

In February 2004, the Authority established a procedure to allocate any negative General Fund unrestricted net assets amongst the four operating projects. Due to timing, the negative undesignated unrestricted General Fund net assets of \$69,000 was not allocated to the four operating projects during the fiscal year 2008 audit. Since the amount is insignificant, the allocation was completed in fiscal year 2009. As a result, the negative General Fund undesignated unrestricted net assets has been resolved. Completed.

Internal Control Related to the Mid Connecticut Project

In prior year audits, we noted that two employees at the Authority's Murphy Road site are responsible for handling the billing of vendors, as well as the collection, deposit, recording, and reconciliation of cash receipts, which created a situation where a misappropriation could occur and not be detected. We recommended that policies and procedures be implemented to mitigate the risk of fraud due to the lack of segregation of duties that presently exists. We understand that management of the Authority has performed a review of the revenue cycle and intends to reassign responsibilities to ensure segregation of duties.

In the current audit, we noted that management of the Authority has reassigned all responsibilities to ensure an adequate segregation of duties and accordingly, we consider this matter to be resolved.

NEW MATTERS FOR CONSIDERATION

INFORMATION TECHNOLOGY: Change Management Controls

The Authority does not maintain formal standards and procedures for documentation of new software applications as well as modifications of existing software applications. In addition, such changes to software applications are not formally reviewed or approved by management of the Authority. There is a risk that unauthorized changes can be introduced into the system that could impact the integrity of data or the availability of the software application. We recommend that management implement a formalized process for the authorization, testing, documentation and migration into production of any significant changes to the Authority's software applications.

Authority Response: Management of the IT Department will develop and implement a written procedure for the authorization, testing, documentation and migration into

production of any significant changes to the Authority's software applications by March 1, 2009.

INFORMATION TECHNOLOGY: Testing of Backup Files

The Authority maintains off-premises storage for backup files of the Authority's master files and transaction files. However, the Authority does not perform periodic testing of such backup files to make certain that they are usable in event of a disaster. We recommend that management implement a policy requiring periodic testing of the backup files including maintaining documentation of the results of such testing.

Authority Response: Currently, there are frequent requests (i.e., approximately weekly) for the restoration of user files. The IT Department uses the backup files to restore the user files. Therefore, the IT Department indirectly tests the backup files on a frequent basis. The IT Department will develop and implement a written procedure for documenting the testing of the backup files.

With regard to large database files (e.g., the e-mail system, e-procurement and the CMRS), management of the IT Department will develop and implement a procedure requiring periodic testing of the backup files of the Authority's large databases by March 1, 2009.

INFORMATION TECHNOLOGY: General Network and Systems Security

There has been no independent third party vulnerability assessment performed on the Authority's exposed connections to the Internet. Thus, there is a risk to the confidentiality, integrity and availability of the Authority's systems and data. We recommend that management consider having a basic vulnerability assessment performed on the Authority's externally exposed information technology infrastructure to ensure that critical data and systems are appropriately secured from unauthorized remote access. Vulnerability assessments should be performed annually and/or whenever significant changes are made to exposed information technology infrastructure.

Authority Response: IT Department, in conjunction with its IT support contractor, performs vulnerability assessments on a continual basis. In the future, the Authority will document such activities. IT will complete a formal vulnerability assessment by March 1, 2009.

TAB 4

**REGARDING THE ADOPTION OF
THE FISCAL YEAR 2010 GENERAL FUND
OPERATING AND CAPITAL BUDGETS**

RESOLVED: That the fiscal year 2010 General Fund Operating and Capital Budgets be adopted substantially in the form as presented and discussed at this meeting.

FURTHER RESOLVED: That the Benefit Fund Reserve be dissolved and all of the funds be used in fiscal year 2010 proposed budget.

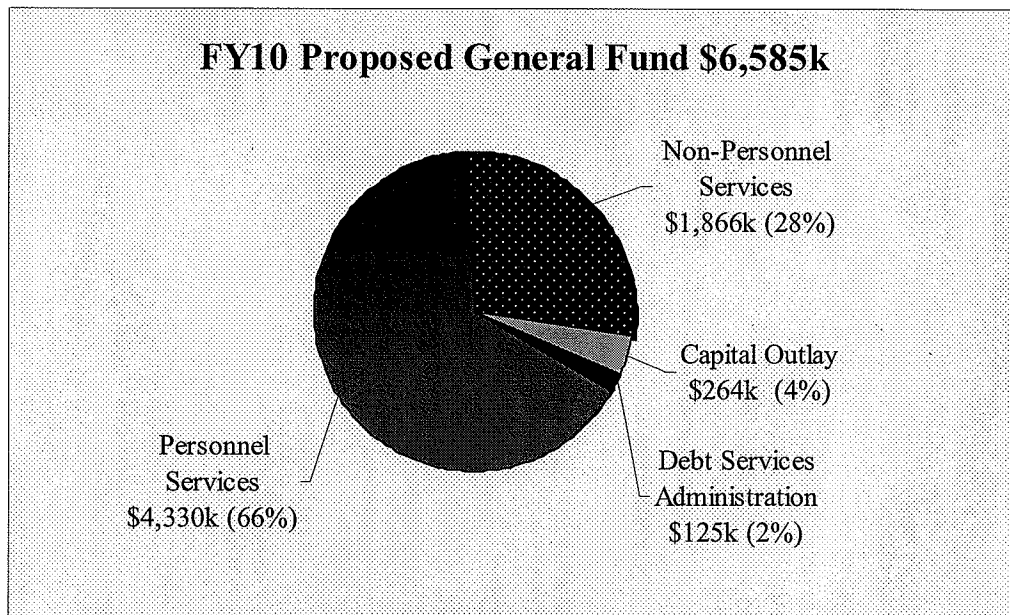
Fiscal Year 2010
General Fund
Proposed Operating & Capital Budgets

November 13, 2008

Attached are the proposed fiscal year 2010 General Fund operating and capital budgets and a five year capital improvement plan.

EXECUTIVE SUMMARY

- The fiscal year 2010 proposed operating budget totals \$6,585k, reflecting a decrease of \$2,873k or 30% from the fiscal year 2009 adopted operating budget primarily due to elimination of eight positions \$500k and a change in allocation methodology \$2.0M resulting in a decrease in Personnel Services.

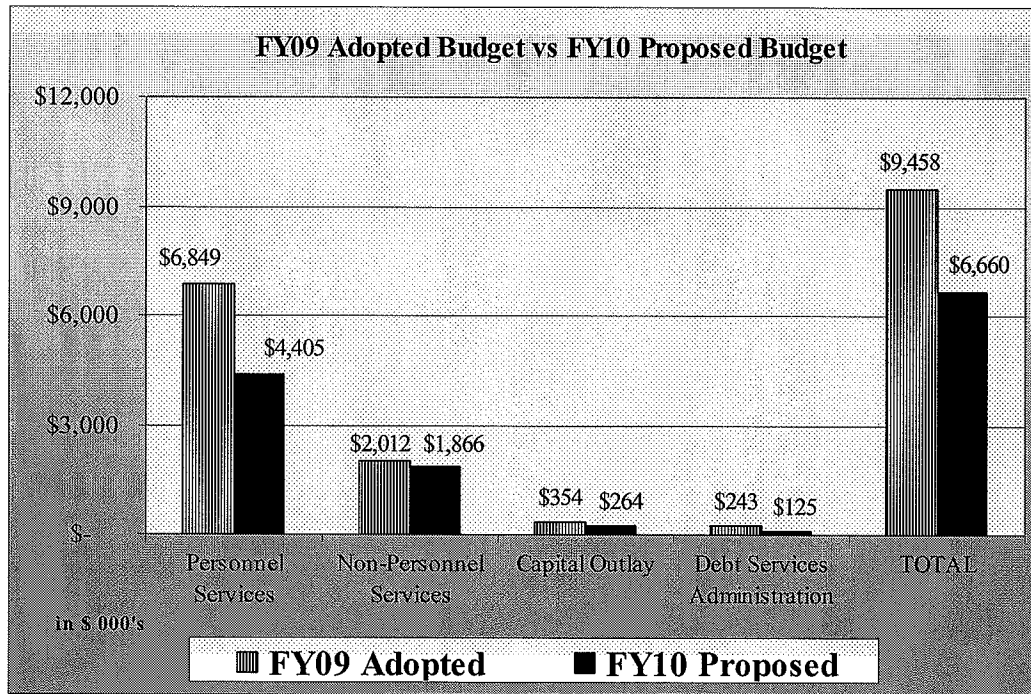


Expenditures	FY09		FY10		Increase / Decrease	
	Adopted		Proposed		\$	%
Personnel Services	\$ 6,849	\$	4,330	\$	(2,519)	-37%
Non-Personnel Services	\$ 2,012	\$	1,866	\$	(146)	-7%
Capital Outlay	\$ 354	\$	264	\$	(90)	-25%
Debt Services Administration	\$ 243	\$	125	\$	(118)	-49%
TOTAL	\$ 9,458	\$	6,585	\$	(2,873)	-30%

- The fiscal year 2010 proposed capital budget totals \$264k, reflecting a decrease of \$90k or 25% from the fiscal year 2009 adopted capital budget primarily due to decreases in computer hardware and software purchases.

Capital Outlay	FY09		FY10		Increase/Decrease		
	Adopted		Proposed		\$	%	
Vehicles	\$	54	\$	56	\$	2	4%
Office Furniture	\$	5	\$	8	\$	3	60%
Computer Hardware	\$	213	\$	155	\$	(58)	-27%
Computer Software	\$	82	\$	45	\$	(37)	-45%
	\$	354	\$	264	\$	(90)	-25%

- The table below shows the budget changes by expense category.



I. PERSONNEL SERVICES

Personnel Services include regular pay, overtime, payroll related taxes, employee benefits, 401(K) contributions, benefits administration costs, and other benefit costs.

The proposed Personnel Services budget is lower than fiscal year 2009 adopted budget by \$2,519k or 37% primarily due to a decrease in Payroll/Related Matters.

Expenditures	FY09		FY10		Increase/Decrease	
	Adopted		Proposed		\$	%
Payroll/ Related Matters	\$ 5,093	\$	3,117	\$	(1,976)	-39%
Overtime Payroll	\$ 77	\$	62	\$	(15)	-19%
Medicare Tax	\$ 72	\$	45	\$	(27)	-38%
Social Security	\$ 268	\$	171	\$	(97)	-36%
CT Unemployment Comp	\$ 32	\$	18	\$	(14)	-44%
401-K Contribution	\$ 497	\$	312	\$	(185)	-37%
Employee Benefits	\$ 707	\$	521	\$	(186)	-26%
Benefits Administration	\$ 20	\$	20	\$	-	0%
Other Benefits	\$ 83	\$	64	\$	(19)	-23%
Total	\$ 6,849	\$	4,330	\$	(2,519)	-37%

- The proposed Payroll/Related Matters budget is lower than fiscal year 2009 adopted budget by \$1,976k or 39% due to elimination of eight positions and a change in allocation method.
- The proposed 401K Contribution and Employee Benefits budgets are lower than fiscal year 2009 adopted budget by \$185k or 37% and \$186k or 26%, respectively due to elimination of eight positions and a change in allocation method.

II. NON-PERSONNEL SERVICES

Non-Personnel Services include both non-departmental and departmental items.

The proposed Non-Personnel Services budget is lower than fiscal year 2009 adopted budget by \$146k or 7% primarily due to a decrease in General Administration, partially offset by an increase in Information Technology.

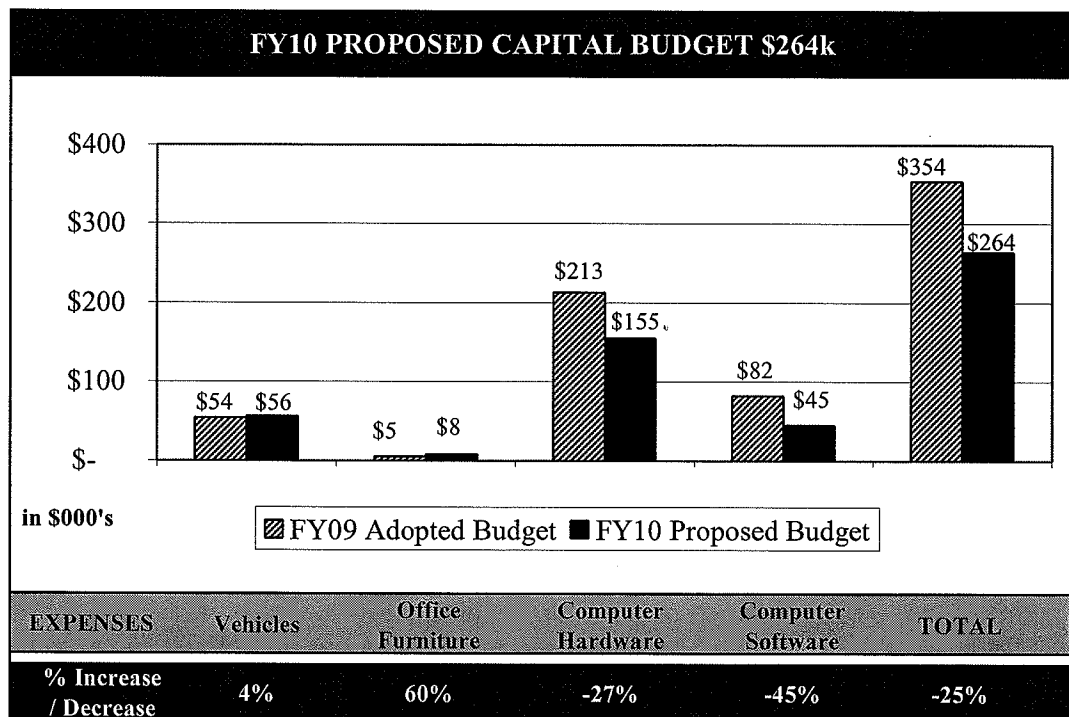
Expenditures	FY09		FY10		Increase/(Decrease)	
	Adopted		Proposed		\$	%
General Administration	\$ 1,085	\$	816	\$	(269)	-25%
Finance & Accounting	\$ 118	\$	126	\$	8	7%
Operations	\$ 14	\$	19	\$	5	36%
Environmental	\$ 12	\$	12	\$	-	0%
Legal	\$ 382	\$	389	\$	7	2%
Communications	\$ 65	\$	69	\$	4	6%
Information Technology	\$ 336	\$	436	\$	100	30%
Total	\$ 2,012	\$	1,866	\$	(146)	-7%

- The proposed General Administration budget is lower than fiscal year 2009 adopted budget by \$269k or 25% primarily due to a decrease in other consulting services.
- The proposed Finance & Accounting budget is higher than fiscal year 2009 adopted budget by \$8k or 7% primarily due to an increase in auditor fees.
- The proposed Operations budget is higher than fiscal year 2009 adopted budget by \$5k or 36% due to increases in training and protection clothing/safety equipment costs.
- The proposed Environmental budget is maintained at fiscal year 2009 adopted budget.
- The proposed Legal budget is relatively flat to fiscal year 2009 adopted budget.
- The proposed Communications budget is relatively flat to fiscal year 2009 adopted budget.
- The proposed Information Technology budget is higher than fiscal year 2009 adopted budget by \$100k or 30% primarily due to an increase in other consulting services related to system evaluations and upgrades.

III. CAPITAL OUTLAY

Capital Outlay includes the purchase/maintenance of new vehicles and office furniture and upgrade/maintenance of computer hardware and software.

The proposed Capital Outlay is lower than fiscal year 2009 adopted budget by \$90k or 25% primarily due to decreases in computer hardware and software purchases.



- The proposed project vehicle purchases are relatively flat to fiscal year 2009 adopted budget.
- The proposed Office Furniture budget is relatively flat to fiscal year 2009 adopted budget.
- The proposed Computer Hardware budget is lower than fiscal year 2009 adopted budget by \$58k or 27% primarily due to a decrease in computer upgrades.
- The proposed Computer Software is lower than fiscal year 2009 adopted budget by \$37k or 45% primarily due to a decrease in software upgrades.

The table below shows the proposed Five-Year Capital Outlay.

CRRA - GENERAL FUND
Five Year Capital Improvement Plan (\$000's)

Capital Budget	Adopted FY09	Proposed FY10	Projected FY11	Projected FY12	Projected FY13	Projected FY14
Trucks	\$ 54	\$ 28	\$ -	\$ -	\$ 39	\$ 58
Cars	\$ -	\$ 28	\$ 56	\$ 58	\$ 20	\$ -
Subtotal Vehicles	\$ 54	\$ 56	\$ 56	\$ 58	\$ 59	\$ 58
Office Furniture	\$ 5	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8
Subtotal Furniture	\$ 5	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8
Personal Computers / Laptops	\$ 113	\$ 15	\$ 65	\$ 117	\$ 12	\$ 70
Servers	\$ 36	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16
Routers / Switches	\$ 11	\$ 30	\$ 10	\$ -	\$ 10	\$ 4
Copiers	\$ -	\$ -	\$ 90	\$ -	\$ -	\$ -
Printers / Scanners	\$ 3	\$ 9	\$ -	\$ 35	\$ 10	\$ 4
Phone System	\$ 30	\$ 65	\$ 2	\$ -	\$ -	\$ 2
Miscellaneous Hardware	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20
Subtotal Computer Hardware	\$ 213	\$ 155	\$ 203	\$ 188	\$ 68	\$ 116
Desktop Software	\$ 25	\$ 1	\$ 20	\$ 1	\$ 1	\$ 1
Server Software	\$ 17	\$ 14	\$ 12	\$ 7	\$ 7	\$ 7
Miscellaneous Software	\$ 40	\$ 30	\$ 35	\$ 30	\$ 30	\$ 30
Subtotal Computer Software	\$ 82	\$ 45	\$ 67	\$ 38	\$ 38	\$ 38
Total Expenditures	\$ 354	\$ 264	\$ 334	\$ 292	\$ 173	\$ 221
Funding Source *	\$ 354	\$ 264	\$ 334	\$ 292	\$ 173	\$ 221
Additional Funding Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* Operating budget

IV. DEBT SERVICE / ADMINISTRATION

Debt Service/Administration includes costs associated with the Authority's relocation of its headquarters from Allyn Street to the 17th and 18th floors of 100 Constitution Plaza and then a relocation to the 5th and 6th floors of 100 Constitution Plaza.

The proposed Debt Service/Administration is lower than the fiscal year 2009 adopted budget by \$119k or 49% due to a decrease in account balances. The loan associated with relocation from Allyn to 17th & 18th floors, 100 Constitution Plaza is scheduled to be completed in June 2009.

Expenditures	Adopted		Proposed		Increase/Decrease		
	FY09		FY10		\$	%	
Note Repayment (1)	\$	110	\$	-	\$	(110)	-100%
Interest - Loan (1)	\$	4	\$	-	\$	(4)	-100%
Note Repayment (2)	\$	108	\$	108	\$	-	0%
Interest - Loan (2)	\$	18	\$	12	\$	(6)	-31%
Trustee / Bank Fees	\$	5	\$	5	\$	-	0%
	\$	243	\$	125	\$	(119)	-49%

CRRA - GENERAL FUND

EXPENDITURE AND ALLOCATION SUMMARY

EXPENDITURES

Account	Description	ACTUAL FY08	ADOPTED FY09	PROPOSED FY10
01-001-501-51xxx	Personnel Services	\$ 6,002,900	\$ 6,849,000	\$ 4,330,000
	Non-Personnel Services			
	General Administration (Non Departmental)	\$ 748,455	\$ 1,085,000	\$ 815,999
	Finance & Accounting	\$ 104,234	\$ 118,000	\$ 126,000
	Operations	\$ 8,753	\$ 14,000	\$ 19,000
	Environmental	\$ 7,538	\$ 12,000	\$ 12,000
	Legal	\$ 195,661	\$ 382,000	\$ 388,500
	Communications	\$ 48,826	\$ 65,000	\$ 69,000
	Information Technology	\$ 255,608	\$ 336,000	\$ 436,000
01-001-501-52xxx	Subtotal	\$ 1,369,075	\$ 2,012,000	\$ 1,866,000
01-001-501-54xxx	Capital Outlay	\$ 141,293	\$ 354,000	\$ 264,000
01-001-501-55xxx	Debt Service/Administration	\$ 236,484	\$ 243,000	\$ 124,500
	Total Expenditures	\$ 7,749,752	\$ 9,458,000	\$ 6,585,000 -30%

ALLOCATION

Account	Description	ACTUAL FY08	ADOPTED FY09	PROPOSED FY10
01-001-000-48101	Mid-Connecticut	\$ 5,576,910	\$ 7,213,000	\$ 3,669,500
01-001-000-48105	Jets / EGF	(A)	(A)	\$ 126,000
01-001-000-48102	Bridgeport	\$ 1,324,828	\$ 1,210,000	(B)
01-001-000-48103	Wallingford	\$ 644,846	\$ 784,000	\$ 647,500
01-001-000-48104	Southeast	\$ 159,455	\$ 124,000	\$ 146,000
xx-xxx-xxx-xxxxx	Recycling Activities	(A)	(A)	\$ 719,000
xx-xxx-xxx-xxxxx	Museum	(A)	(A)	\$ 233,000
xx-xxx-xxx-xxxxx	Southwest Solid Waste	(A)	(A)	\$ 410,000
xx-xxx-xxx-xxxxx	Landfills - Postclosure	(A)	(A)	\$ 49,000
01-001-000-45150	Miscellaneous Income	\$ -	\$ -	\$ 350,000
01-001-000-45103	Permit Fee	\$ 14,417	\$ 100,000	(C)
01-001-000-46101	Interest Income	\$ 37,504	\$ 27,000	\$ 18,000
01-001-000-47010	Settlement Income	\$ (8,208)	\$ -	\$ -
01-001-000-45000	Use of Board Designated Reserves (D)		\$ -	\$ 217,000
	Total Allocations	\$ 7,749,752	\$ 9,458,000	\$ 6,585,000
	Balance	\$ -	\$ -	\$ -

(A) Previously reflected in project figures.

(B) Project terminates 12/31/08.

8

(C) Allocated directly to projects in FY10.

(D) Includes use of Benefit Fund.

CRRA - GENERAL FUND

EXPENDITURES DETAIL

Account	Description	ACTUAL FY08	ADOPTED FY09	PROPOSED FY10
PERSONNEL SERVICES				
01-001-501-51110	Payroll/ Related Matters	\$ 4,450,861	\$ 5,093,000	\$ 3,117,000
01-001-501-51120	Overtime Payroll	\$ 115,302	\$ 77,000	\$ 62,000
01-001-501-51220	Medicare Tax	\$ 64,571	\$ 72,000	\$ 45,000
01-001-501-51221	Social Security	\$ 245,443	\$ 268,000	\$ 171,000
01-001-501-51222	CT Unemployment Comp	\$ 30,763	\$ 32,000	\$ 18,000
01-001-501-51223	401-K Contribution	\$ 428,328	\$ 497,000	\$ 312,000
01-001-501-51227	Employee Benefits	\$ 630,261	\$ 707,000	\$ 521,000
01-001-501-51235	Benefits Administration	\$ 15,615	\$ 20,000	\$ 20,000
01-001-501-51250	Other Benefits	\$ 21,756	\$ 83,000	\$ 64,000
	Subtotal	\$ 6,002,900	\$ 6,849,000	\$ 4,330,000
				-37%
Headcount		60	64	56

CRRA - GENERAL FUND

EXPENDITURES DETAIL, CONTINUED

Account	Description	ACTUAL FY08	ADOPTED FY09	PROPOSED FY10
NON-PERSONNEL SERVICES - SUMMARY				
01-001-xxx-52101	Postage and Delivery Fees	\$ 22,596	\$ 30,000	\$ 30,000
01-001-xxx-52104	Telecommunications	\$ 74,390	\$ 95,000	\$ 90,500
01-001-xxx-52106	Copier	\$ 7,615	\$ 11,000	\$ 15,000
01-001-xxx-52108	Duplication and Printing	\$ 12,193	\$ 10,000	\$ 17,000
01-001-xxx-52115	Advertising / Public Notices	\$ 45,952	\$ 56,000	\$ 45,000
01-001-xxx-52118	Marketing & Public Relations	\$ 39,758	\$ 50,000	\$ 50,000
01-001-xxx-52201	Office Equipment	\$ 256	\$ 5,000	\$ -
01-001-xxx-52202	Office Supplies	\$ 29,144	\$ 31,000	\$ 30,000
01-001-xxx-52211	Protect Clothing/Safety Equipment	\$ 3,925	\$ 5,000	\$ 7,000
01-001-xxx-52302	Miscellaneous Services	\$ 11,308	\$ 11,000	\$ 10,000
01-001-xxx-xxxxx	Record Retention	\$ 11,335	\$ 18,000	\$ 12,000
01-001-xxx-xxxxx	Payroll Software Services	\$ 11,573	\$ 15,000	\$ 20,000
01-001-xxx-52303	Subscrip/Publ/Ref. Material	\$ 13,307	\$ 19,700	\$ 19,700
01-001-xxx-52304	Dues-Professional Organizations	\$ 5,500	\$ 6,700	\$ 6,700
01-001-xxx-52305	Business Meetings and Travel	\$ 13,533	\$ 13,900	\$ 16,500
01-001-xxx-52306	Training	\$ 18,586	\$ 63,200	\$ 61,000
01-001-xxx-52355	Mileage Reimbursement	\$ 7,689	\$ 13,500	\$ 12,000
01-001-xxx-52401	Vehicle Repair/Maintenance	\$ 1,591	\$ 5,500	\$ 5,000
01-001-xxx-52403	Office Equipment Service	\$ 2,103	\$ 2,000	\$ 2,000
01-001-xxx-52404	Building Operations	\$ 16,254	\$ 25,000	\$ 20,000
01-001-xxx-52502	Fees/Licenses/Permits	\$ 375	\$ 500	\$ -
01-001-xxx-52505	Claims/Losses	\$ -	\$ 5,000	\$ 5,000
01-001-xxx-52604	Rental/Lease	\$ 305,750	\$ 300,000	\$ 346,000
01-001-xxx-52612	Fuel	\$ 8,910	\$ 8,700	\$ 17,000
01-001-xxx-52615	Office Temporaries	\$ 39,141	\$ 50,000	\$ 50,000
01-001-xxx-52640	Insurance Premiums	\$ 153,161	\$ 84,000	\$ 90,000
01-001-xxx-52854	Information Technology - Maint	\$ 45,102	\$ 70,000	\$ 78,600
01-001-xxx-52856	Legal	\$ 187,251	\$ 360,000	\$ 370,000
01-001-xxx-52863	Auditor	\$ 57,650	\$ 41,000	\$ 50,000
01-001-xxx-52875	Ins Consulting and Brokerage Services	\$ 8,700	\$ 6,000	\$ 8,000
01-001-xxx-52899	Other Consulting Services	\$ 171,803	\$ 453,500	\$ 299,000
01-001-xxx-58001	Contingency	\$ -	\$ 71,800	\$ 38,499
	Subtotal	\$ 1,326,451	\$ 1,937,000	\$ 1,821,499
				-6%

CRRA - GENERAL FUND

EXPENDITURES DETAIL, CONTINUED

Account	Description	ACTUAL FY08	ADOPTED FY09	PROPOSED FY10
NON-PERSONNEL SERVICES - NON-DEPARTMENTAL				
01-001-501-52101	Postage and Delivery Fees	\$ 22,596	\$ 30,000	\$ 30,000
01-001-501-52108	Duplication and Printing	\$ 11,035	\$ 7,000	\$ 13,000
01-001-501-52115	Advertising / Public Notices	\$ 27,168	\$ 36,000	\$ 25,000
01-001-501-52118	Marketing & Public Relations	\$ 23	\$ -	\$ -
01-001-501-52201	Office Equipment	\$ 256	\$ 5,000	\$ -
01-001-501-52202	Office Supplies	\$ 29,144	\$ 31,000	\$ 30,000
01-001-501-52302	Miscellaneous Services	\$ 11,307	\$ 9,000	\$ 10,000
01-001-501-xxxxx	Record Retention	\$ 11,335	\$ 18,000	\$ 12,000
01-001-501-xxxxx	Payroll Software Services	\$ 11,573	\$ 15,000	\$ 20,000
01-001-501-52305	Business Meetings and Travel	\$ 5,161	\$ 5,000	\$ 5,000
01-001-501-52355	Mileage Reimbursement	\$ 4,324	\$ 6,000	\$ 6,000
01-001-501-52401	Vehicle Repair/Maintenance	\$ 1,591	\$ 5,500	\$ 5,000
01-001-501-52403	Office Equipment Service	\$ 2,103	\$ 2,000	\$ 2,000
01-001-501-52404	Building Operations (includes Parking)	\$ 16,254	\$ 25,000	\$ 20,000
01-001-501-52505	Claims/Losses	\$ -	\$ 5,000	\$ 5,000
01-001-501-52604	Rental/Lease	\$ 305,750	\$ 300,000	\$ 346,000
01-001-501-52612	Fuel for Vehicles	\$ 8,910	\$ 8,700	\$ 17,000
01-001-501-52615	Office Temporaries	\$ 39,141	\$ 50,000	\$ 50,000
01-001-501-52640	Insurance Premiums	\$ 153,161	\$ 84,000	\$ 90,000
01-001-501-52875	Ins Consulting and Brokerage Services	\$ 8,700	\$ 6,000	\$ 8,000
01-001-501-52899	Other Consulting Services	\$ 78,923	\$ 365,000	\$ 95,000
01-001-501-58001	Contingency	\$ -	\$ 71,800	\$ 26,999
	Subtotal	\$ 748,455	\$ 1,085,000	\$ 815,999
				-25%

CRRA - GENERAL FUND

NON-PERSONNEL SERVICES - FINANCE & ACCOUNTING

01-001-510-52108	Duplication and Printing	\$ 1,158	\$ 3,000	\$ 4,000
01-001-510-52115	Advertising - Recruitment	\$ 17,357	\$ 20,000	\$ 20,000
01-001-510-52303	Subscrip/Publ/Ref. Material	\$ 5,123	\$ 6,000	\$ 6,500
01-001-510-52304	Dues-Professional Organizations	\$ 2,248	\$ 2,000	\$ 2,200
01-001-510-52305	Business Meetings and Travel	\$ 4,958	\$ 3,000	\$ 5,000
01-001-510-52306	Training	\$ 4,277	\$ 20,500	\$ 17,000
01-001-510-52355	Mileage Reimbursement	\$ 963	\$ 2,500	\$ 2,300
01-001-510-52863	Auditor	\$ 57,650	\$ 41,000	\$ 50,000
01-001-510-52899	Other Consulting Services	\$ 10,500	\$ 20,000	\$ 13,000
01-001-510-58001	Contingency	\$ -	\$ -	\$ 6,000
Subtotal		\$ 104,234	\$ 118,000	\$ 126,000 7%

EXPENDITURES DETAIL, CONTINUED

Account	Description	ACTUAL FY08	ADOPTED FY09	PROPOSED FY10
NON-PERSONNEL SERVICES - OPERATIONS				
01-001-511-52115	Advertising / Public Notices	\$ 1,427	\$ -	\$ -
01-001-511-52211	Protect Clothing/Safety Equipment	\$ 3,925	\$ 5,000	\$ 7,000
01-001-511-52302	Miscellaneous Services	\$ 1	\$ -	\$ -
01-001-511-52303	Subscrip/Publ/Ref. Material	\$ 75	\$ 600	\$ 1,000
01-001-511-52304	Dues-Professional Organizations	\$ 225	\$ 900	\$ 1,000
01-001-511-52305	Business Meetings and Travel	\$ 1,203	\$ 500	\$ 1,000
01-001-511-52306	Training	\$ 1,095	\$ 5,000	\$ 7,500
01-001-511-52355	Mileage Reimbursement	\$ 427	\$ 2,000	\$ 500
01-001-511-52502	Fees/Licenses/Permits	\$ 375	\$ -	\$ -
01-001-511-58001	Contingency	\$ -	\$ -	\$ 1,000
Subtotal		\$ 8,753	\$ 14,000	\$ 19,000 36%

CRRA - GENERAL FUND

NON-PERSONNEL SERVICES - ENVIRONMENTAL

01-001-512-52303	Subscrip/Publ/Ref. Material	\$	1,681	\$	2,200	\$	2,000
01-001-512-52304	Dues-Professional Organizations	\$	1,512	\$	2,200	\$	2,000
01-001-512-52305	Business Meetings and Travel	\$	1,350	\$	3,900	\$	4,000
01-001-512-52306	Training	\$	2,230	\$	3,200	\$	2,000
01-001-512-52355	Mileage Reimbursement	\$	765	\$	500	\$	1,000
01-001-512-58001	Contingency	\$	-	\$	-	\$	1,000

Subtotal	\$	7,538	\$	12,000	\$	12,000	0%
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NON-PERSONNEL SERVICES - LEGAL

01-001-513-52302	Miscellaneous Services	\$	-	\$	2,000	\$	-
01-001-513-52303	Subscrip/Publ/Ref. Material	\$	5,933	\$	9,900	\$	9,000
01-001-513-52304	Dues-Professional Organizations	\$	430	\$	1,100	\$	1,000
01-001-513-52305	Business Meetings and Travel	\$	377	\$	500	\$	500
01-001-513-52306	Training	\$	1,370	\$	7,000	\$	7,000
01-001-513-52355	Mileage Reimbursement	\$	300	\$	1,000	\$	1,000
01-001-513-52502	Fees/Licenses/Permits	\$	-	\$	500	\$	-
01-001-513-52856	Legal	\$	187,251	\$	360,000	\$	370,000

Subtotal	\$	195,661	\$	382,000	\$	388,500	2%
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CRRA - GENERAL FUND

EXPENDITURES DETAIL, CONTINUED

Account	Description	ACTUAL FY08	ADOPTED FY09	PROPOSED FY10
NON-PERSONNEL SERVICES - COMMUNICATIONS				
01-001-514-52118	Marketing & Public Relations	\$ 39,735	\$ 50,000	\$ 50,000
01-001-514-52303	Subscrip/Publ/Ref. Material	\$ 495	\$ 500	\$ 1,000
01-001-514-52304	Dues-Professional Organizations	\$ 1,085	\$ 500	\$ 500
01-001-514-52305	Business Meetings and Travel	\$ 484	\$ 500	\$ 500
01-001-514-52306	Training	\$ 3,915	\$ 7,500	\$ 7,500
01-001-514-52355	Mileage Reimbursement	\$ 910	\$ 1,000	\$ 1,000
01-001-514-52899	Other Consulting Services	\$ 2,202	\$ 5,000	\$ 5,000
01-001-514-58001	Contingency	\$ -	\$ -	\$ 3,500
	Subtotal	\$ 48,826	\$ 65,000	\$ 69,000 6%
NON-PERSONNEL SERVICES - INFORMATION TECHNOLOGY				
01-001-515-52104	Telecommunications	\$ 74,390	\$ 95,000	\$ 90,500
01-001-515-52106	Copier	\$ 7,615	\$ 11,000	\$ 15,000
01-001-515-52303	Subscrip/Publ/Ref. Material	\$ -	\$ 500	\$ 200
01-001-515-52305	Business Meetings and Travel	\$ -	\$ 500	\$ 500
01-001-515-52306	Training	\$ 5,699	\$ 20,000	\$ 20,000
01-001-515-52355	Mileage Reimbursement	\$ -	\$ 500	\$ 200
01-001-515-52853	Information Technology - Consultant	\$ 42,625	\$ 75,000	\$ 45,000
01-001-515-52854	Information Technology - Maintenance	\$ 45,102	\$ 70,000	\$ 78,600
01-001-515-52899	Other Consulting Services	\$ 80,178	\$ 63,500	\$ 186,000
	Subtotal	\$ 255,608	\$ 336,000	\$ 436,000 30%

CRRA - GENERAL FUND

EXPENDITURES DETAIL, CONTINUED

Account	Description	ACTUAL FY08	ADOPTED FY09	PROPOSED FY10
CAPITAL OUTLAY				
01-001-501-54426	Vehicles	\$ 55,230	\$ 54,000	\$ 56,000
01-001-501-54481	Office Furniture	\$ 5,667	\$ 5,000	\$ 8,000
01-001-501-54482	Computer Hardware	\$ 58,088	\$ 213,000	\$ 155,000
01-001-501-54483	Computer Software	\$ 11,330	\$ 82,000	\$ 45,000
01-001-501-54491	Other Equipment	\$ 10,978	\$ -	\$ -
	Subtotal	\$ 141,293	\$ 354,000	\$ 264,000 -25%
DEBT SERVICE / ADMINISTRATION				
01-001-501-55559	Note Repayment (1)	\$ 107,496	\$ 109,500	\$ -
01-001-501-55590	Interest - Loan (1)	\$ 18,993	\$ 3,500	\$ -
01-001-501-55559	Note Repayment (2)	\$ 102,989	\$ 107,500	\$ 107,500
01-001-501-55590	Interest - Loan (2)	\$ 7,006	\$ 17,500	\$ 12,000
01-001-501-55585	Trustee / Bank Fees	\$ -	\$ 5,000	\$ 5,000
	Subtotal	\$ 236,484	\$ 243,000	\$ 124,500 -49%
	Total Expenditures	\$ 7,749,752	\$ 9,458,000	\$ 6,585,000 -30%

(1) Loan for first office relocation (Allyn Street to 100 Constitution Plaza (17th&18th Floors).

(2) Loan for second office relocation from 17 & 18 floors to 5th & 6th floors at 100 Constitution Plaza.

TAB 5

**REGARDING THE ADOPTION OF THE FISCAL YEAR 2010
SOUTHEAST PROJECT OPERATING AND CAPITAL BUDGETS**

RESOLVED: That the fiscal year 2010 Connecticut Resources Recovery Authority Southeast Project Operating and Capital Budgets be adopted as substantially presented and discussed at this meeting.

Fiscal Year 2010
Southeast Project
Proposed Operating Budget

November 13, 2008

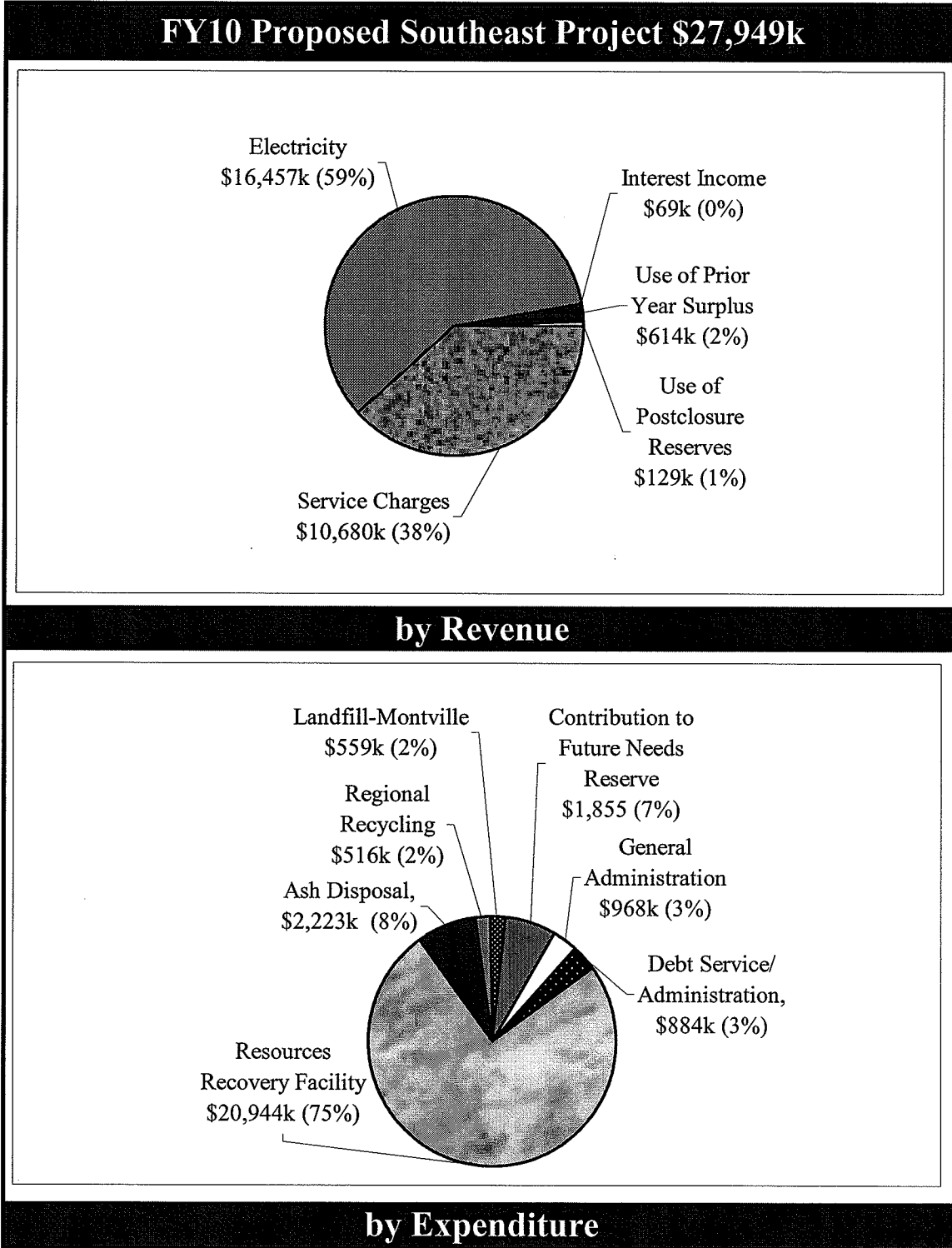
Attached is the proposed fiscal year 2010 Southeast Project operating budget and capital budget, which includes a five-year capital plan.

A draft budget will be reviewed by the Southeastern Connecticut Regional Resource Recovery Authority's ("SCRRRA") Board of Directors at their November 12th meeting. Any issues raised by SCRRRA will be presented at the CRRA Finance Committee meeting on the 13th of November.

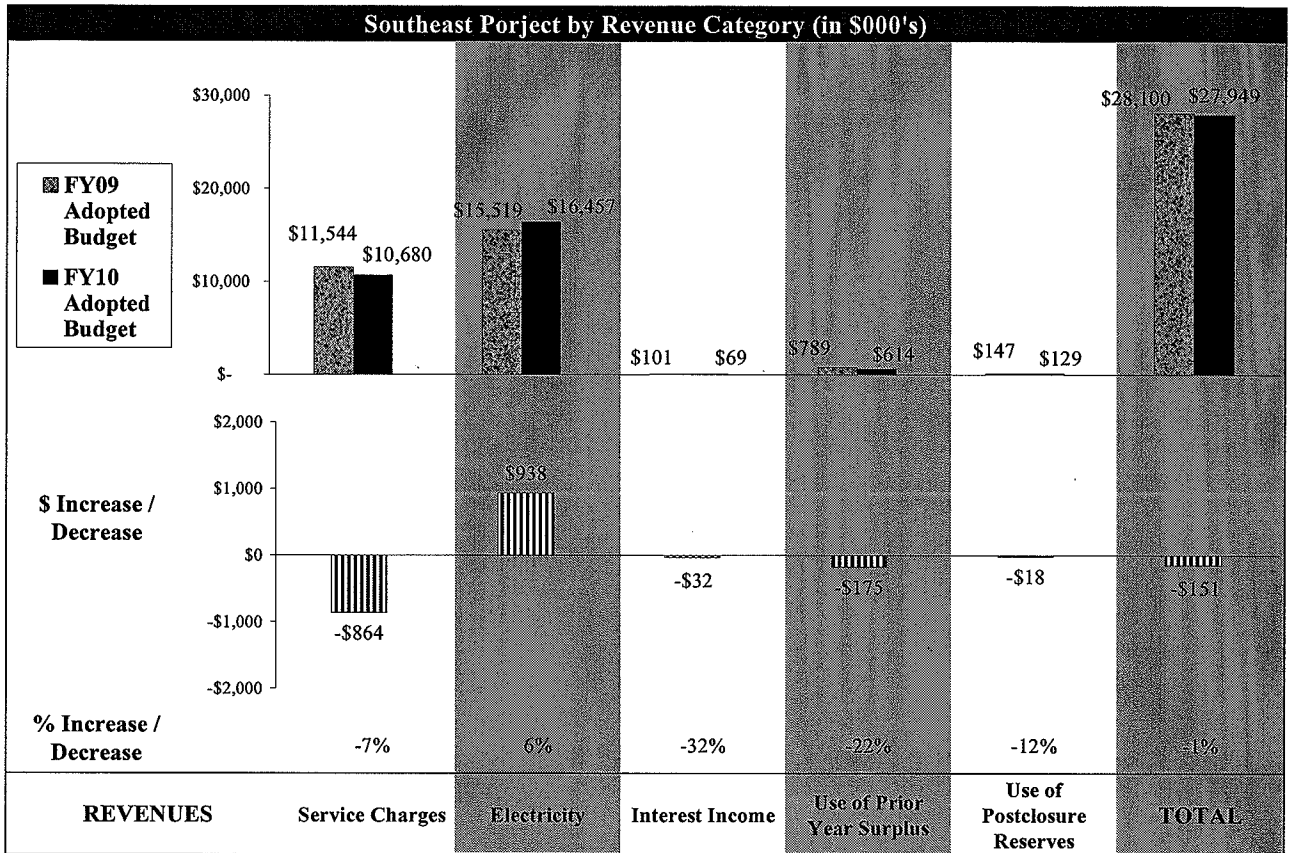
Over the last several years, the projections provided to the CRRA Board and the SCRRRA Board have illustrated that the Southeast Project would begin to generate excess funds as a result of the increasing electricity contract rates. The fiscal year 2010 budget reflects the continuation of increasing electricity rates. The fiscal year 2010 budget includes a contribution to a future use reserve in excess of \$1.9 million. The SCRRRA Board continues to review its options with regard to these and future surpluses.

EXECUTIVE SUMMARY

The attached fiscal year 2010 proposed operating budget reflects a decrease of \$151k or 1% from fiscal year 2009 adopted budget.



The table below shows the budget changes by revenue category.



SERVICE CHARGES (Decrease of \$864k or 7%)

Revenues are from member, contract and spot deliveries.

- **Member Deliveries**

The fiscal year 2010 proposed revenue from member deliveries is lower than fiscal year 2009 adopted budget but slightly higher than actual delivery in fiscal year 2008.

- **Contract Deliveries**

CRRA currently has a contract with the town of Preston for waste deliveries. The town of Preston pays the member rate per their agreement.

The fiscal year 2010 proposed revenue from contract deliveries assumes no deliveries from Salem and Mansfield.

- **Spot Deliveries**

Spot deliveries include waste diverted from other CRRA projects.

The fiscal year 2010 proposed revenue from spot deliveries are projected to be lower than fiscal year 2009 adopted budget due to anticipated decrease in deliveries.

ELECTRICITY (Increase of \$938k or 6%)

The fiscal year 2010 proposed electricity revenue assumes a higher kWh rate than in fiscal year 2010. The current electricity contract rate for fiscal year 2010 is \$0.2047 per kwh as compared to \$0.1930 in fiscal year 2009. The project receives approximately \$800k for each \$.01 increase in the kwh rate.

INTEREST INCOME (Decrease of \$32k or 32%)

The fiscal year 2010 proposed interest income is projected to be lower than fiscal year 2009 adopted budget due to anticipated decrease in interest rate. The proposed budget assumes an annual interest rate of 2%.

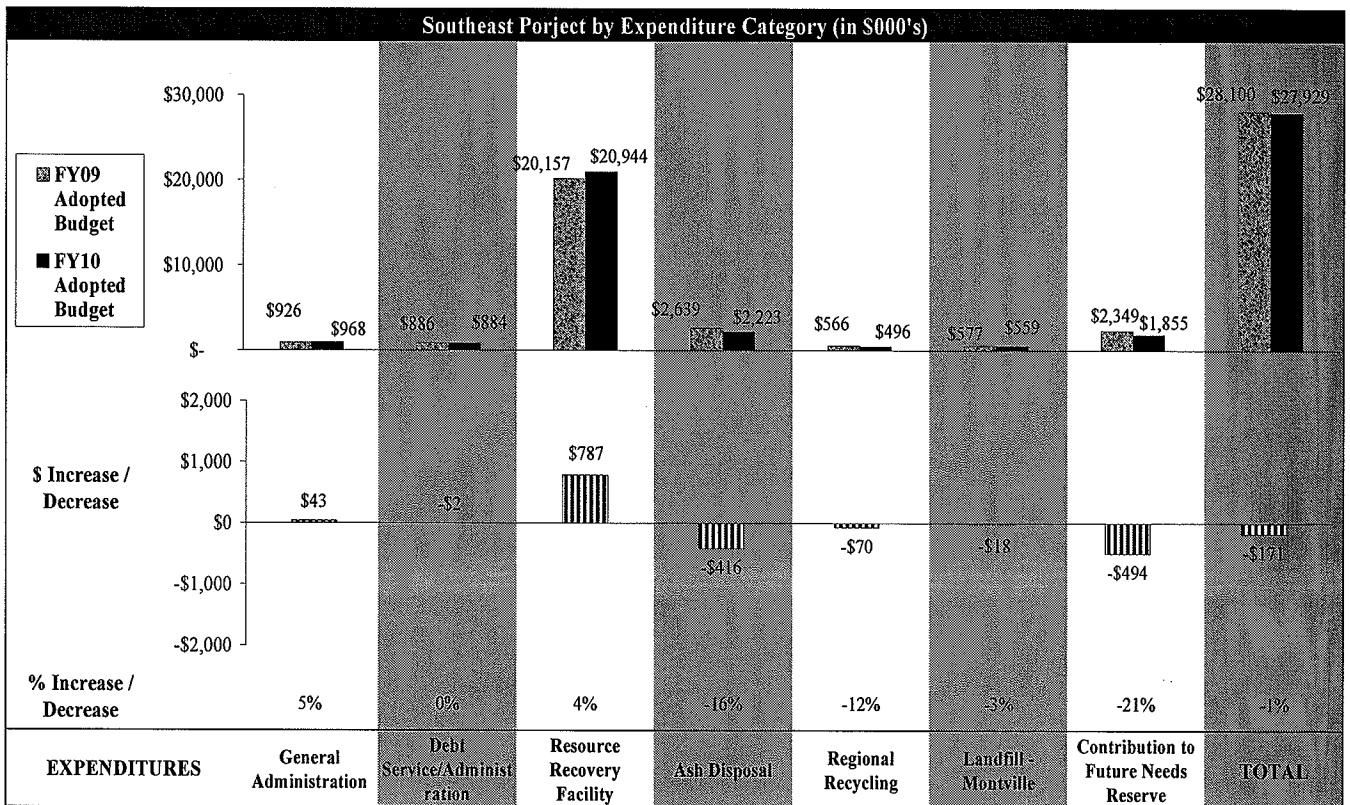
USE OF PRIOR YEAR SURPLUS (Decrease of \$175k or 22%)

This represents the fiscal year 2008 surplus. Per municipal service agreement, the surplus is to be included in the next budget cycle and used in the calculation of the net operating costs.

USE OF POST CLOSURE RESERVES (Decrease of \$18k or 12%)

These funds are drawn from the post-closure reserve to pay for the operating maintenance costs associated with the 30-year care of the landfill. The costs are projected to be lower than in fiscal year 2009. This is a restricted reserve under SCRRRA's oversight.

The table below shows the budget changes by expense category.



GENERAL ADMINISTRATION (Increase of \$43k or 5%)

General Administration expenditure includes CRRA's salaries and overhead allocation, CRRA legal costs and other miscellaneous administrative costs and SCRRRA's administrative costs.

The fiscal year 2010 proposed expenditure is based on fiscal year 2008 actual salaries and overhead allocations and adjusted at 3% inflationary rate.

DEBT SERVICE / ADMINISTRATION (Decrease of \$2k or 0%)

Debt Service/Administration expenditure includes trustee fees, principal and interest payments on the 1998 Series A bonds.

RESOURCES RECOVERY FACILITY (Increase of \$787k or 4%)

Resource Recovery Facility expenditure includes PILOT payments, insurance premiums, plant processing costs, offset by electricity sales, and contributions to working capital.

The contract operating charges include both amounts paid to the plant operator to operate, maintain and process waste at the plant. The costs to operate the plant are increasing based upon certain indices.

ASH DISPOSAL (Decrease of \$416k or 16%)

Ash Disposal expenditure includes only the cost for ash disposal to Putnam.

The fiscal year 2010 proposed expenditure assumes a portion of ash will be disposed at Haverhill.

REGIONAL RECYCLING (Decrease of \$70k or 12%)

Regional Recycling expenditure includes administrative and overhead costs and other costs to cover for household hazardous waste and electronics recycling collections, recycling tip fees paid by the towns, and other administrative costs.

The fiscal year 2010 proposed expenditure is decreased due to a decrease in electronics recycling.

LANDFILL-MONTVILLE (Decrease of \$18k or 3%)

SCRRRA expenditures include the cost for the 30-year post-closure monitoring of the landfill, mortgage payments associated with the landfill, and contributions to replenish the post-closure reserve. In fiscal year 2005, a portion of the post-closure funds were used to redeem the 1989 bonds, and the reserve be replenished. The fiscal year 2010 proposed budget includes a line item to replenish the post-closure reserve in the amount of \$350,000.

CONTRIBUTION TO FUTURE NEEDS RESERVE (Decrease of \$494k or 21%)

The fiscal year 2010 proposed expenditure is decreased due to the continuous impact of increased electricity revenues and prior year project surpluses.

The table below shows that there is no capital plan budget for fiscal year 2009 thru fiscal year 2014.

CRRA / SCRRRA - SOUTHEAST PROJECT

Five Year Capital Improvement Plan (\$000's)

Expenditures	Adopted FY09	Projected FY10	Projected FY11	Projected FY12	Projected FY13	Projected FY14
Resource Recovery Facility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Regional Recycling Facility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Funding Source	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional Funding Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Capital Expense Description	Adopted FY09	Projected FY10	Projected FY11	Projected FY12	Projected FY13	Projected FY14
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Resource Recovery Facility

No Plans at this time	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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Regional Recycling Facility

No Plans at this time	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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CRRRA / SCRRRA - SOUTHEAST PROJECT

MEMBER TIP FEE

	ACTUAL FY08	ADOPTED FY09	PROPOSED FY10
Member Tip Fee MSW	\$ 60.00	\$ 60.00	\$ 60.00

BUDGET ASSUMPTIONS

ASSUMPTION	ACTUAL FY08	ADOPTED FY09	PROPOSED FY10
Average Contract Tip Fee MSW	\$ -	\$ 60.00	\$ 60.00
CRRRA Diversion Rate (>178k tons)	\$ -	\$ -	\$ 76.00
CRRRA Diversion Rate (<= 178k tons)	\$ -	\$ 72.00	\$ 60.00
Average Price/Ton Company	\$ 50.48	\$ 60.02	\$ 48.31
DELIVERIES AND PROCESSING			
Member Waste	165,404	175,100	166,800
Contract Waste	6,046	2,900	1,800
CRRRA Diversions	8,678	12,000	9,400
Total Authority Deliveries	180,128	190,000	178,000
Company/Spot/Merchant Waste	82,885	73,000	77,000
Municipal Solid Waste Deliveries	263,013	263,000	255,000
Waste Processed	263,792	263,000	255,000
POWER PRODUCTION			
kwh/Ton	489	500	533
Electric Power Produced (kwh)	124,092,297	131,500,000	135,870,000
Average Price/Kwh Sold	\$ 0.1808	\$ 0.1930	\$ 0.2047
ASH DISPOSAL			
Total Ash Generated	73,664	73,640	71,400
Authority Ash	52,790	51,300	52,790
Actual Ash Residue Rate	27.93%	28.00%	28.00%
Ash Disposal Cost/Ton	\$ 40.98	\$ 45.00	\$ 42.11
Ash Transport Cost (Credit)	\$ 5.97	\$ 6.18	\$ 7.56
OPERATING FEES & OTHER			
Estimated Annual Inflation Change	1.76%	3.50%	3.00%

PRIMARY CONTRACT EXPIRATIONS

CONTRACT

Municipal Service Agreements with Towns	November 2015
Energy Purchase Agreement	February 2017
Debt Service Obligations	November 2015
Resources Recovery Facility Operating Contract	November 2015
Ash Disposal Agreement	June 2010

CRRA / SCRRRA - SOUTHEAST PROJECT

REVENUE AND EXPENDITURE SUMMARY

REVENUES

ACCOUNT	DESCRIPTION	ACTUAL FY08	ADOPTED FY09	PROPOSED FY10
11-001-000-40101	Service Charges Solid Waste - Members	\$ 9,924,242	\$ 10,506,000	\$ 10,008,000
11-001-000-40102	Service Charges Solid Waste - Contracts	\$ 414,537	\$ 174,000	\$ 108,000
11-001-000-40103	Service Charges Solid Waste - Spot	\$ 616,140	\$ 864,000	\$ 564,000
11-001-000-43101	Electricity	\$ 14,302,516	\$ 15,519,000	\$ 16,457,000
11-001-000-45102	Miscellaneous Income	\$ 500	\$ -	\$ -
11-001-000-46101	Interest Income	\$ 134,819	\$ 101,000	\$ 69,000
11-001-000-48201	Use of Prior Year Surplus (1)	\$ 498,705	\$ 789,092	\$ 613,582
11-405-000-48601	Use of Postclosure Reserves (2)	\$ 164,030	\$ 146,500	\$ 128,500
	Total Revenues	\$ 26,055,489	\$ 28,099,592	\$ 27,948,082 -1%

EXPENDITURES

ACCOUNT	DESCRIPTION	ACTUAL FY08	ADOPTED FY09	PROPOSED FY10
11-001-501-xxxxx	General Administration	\$ 890,167	\$ 925,600	\$ 968,150
11-001-502-xxxxx	Debt Service/Administration	\$ 886,703	\$ 886,000	\$ 884,000
11-001-503-xxxxx	Resource Recovery Facility	\$ 18,510,469	\$ 20,157,000	\$ 20,944,000
11-001-504-xxxxx	Ash Disposal	\$ 2,457,395	\$ 2,639,000	\$ 2,223,000
11-001-506-xxxxx	Regional Recycling	\$ 525,000	\$ 566,400	\$ 515,620
11-001-910-xxxxx	Landfill - Montville	\$ 520,468	\$ 576,500	\$ 558,500
11-001-910-xxxxx	Contribution to Future Needs Reserve	\$ 1,651,705	\$ 2,349,092	\$ 1,854,812
	Total Expenditures	\$ 25,441,907	\$ 28,099,592	\$ 27,948,082 -1%
	Balance	\$ 613,582	\$ -	\$ -

(1) As required by contract.

(2) Postclosure Reserve is restricted for SCRRRA use.

CRRRA / SCRRRA - SOUTHEAST PROJECT

EXPENDITURE DETAIL

ACCOUNT	DESCRIPTION	ACTUAL FY08	ADOPTED FY09	PROPOSED FY10
GENERAL ADMINISTRATION				
11-001-501-52355	Mileage Reimbursement	\$ 408	\$ 1,000	\$ 1,500
11-001-501-52856	Legal	\$ 63	\$ 30,000	\$ 50,000
11-001-501-52863	Auditor	\$ 12,500	\$ 20,000	\$ 20,000
11-001-501-52875	Insurance, Consulting, Brokerage Serv	\$ 2,440	\$ 2,000	\$ 3,000
11-001-501-52899	Other Consulting Services	\$ 9,301	\$ -	\$ -
11-001-501-57820	Local Administration	\$ 706,000	\$ 743,600	\$ 728,650
11-001-501-xxxxx	Allocation-Salaries and Overhead	\$ 159,455	\$ 129,000	\$ 165,000
	Subtotal	\$ 890,167	\$ 925,600 -2%	\$ 968,150 4%
DEBT SERVICE / ADMINISTRATION				
11-001-502-52899	Other Consulting Services	\$ 500	\$ 1,000	\$ -
11-001-502-55527	Interest-98 Series A	\$ 310,973	\$ 279,000	\$ 246,000
11-001-502-55560	Principal Repayment - 98 Series A	\$ 575,230	\$ 606,000	\$ 638,000
	Subtotal	\$ 886,703	\$ 886,000	\$ 884,000 0%
RESOURCES RECOVERY FACILITY				
11-001-503-52507	Payments in Lieu of Taxes	\$ 675,644	\$ 706,000	\$ 739,000
11-001-503-52640	Insurance Premiums	\$ 25,851	\$ 32,000	\$ 34,000
11-001-503-52701	Contract Operating Charges	\$ 17,808,974	\$ 19,419,000	\$ 20,171,000
	Subtotal	\$ 18,510,469	\$ 20,157,000	\$ 20,944,000 4%

CRRA / SCRRRA - SOUTHEAST PROJECT

EXPENDITURE DETAIL

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>ACTUAL FY08</u>	<u>ADOPTED FY09</u>	<u>PROPOSED FY10</u>
ASH DISPOSAL				
11-001-504-52711	Disposal Fees-Ash	\$ 2,457,395	\$ 2,639,000	\$ 2,223,000
	Subtotal	\$ 2,457,395	\$ 2,639,000	\$ 2,223,000 -19%
REGIONAL RECYCLING				
11-001-506-52701	Contract Operating Charges	\$ 525,000	\$ 566,400	\$ 515,620
	Subtotal	\$ 525,000	\$ 566,400	\$ 515,620 -10%
LANDFILL - MONTVILLE				
11-405-910-52645	Postclosure Expense	\$ 164,030	\$ 146,500	\$ 128,500
11-001-910-52650	Postclosure Reserve Contribution	\$ 278,000	\$ 350,000	\$ 350,000
11-001-910-52709	Other Operating Charges	\$ 78,438	\$ 80,000	\$ 80,000
	Subtotal	\$ 520,468	\$ 576,500	\$ 558,500 -3%

CRRA / SCRRRA - SOUTHEAST PROJECT

Exhibit A - Service Fee to Facility Operator

DESCRIPTION	ACTUAL FY08	ADOPTED FY09	PROPOSED FY10
Debt Service (DS)			
Project Bond DS (88.872%)	\$ 6,963,159	\$ 7,070,000	\$ 7,061,000
Interest Earnings on Project Bonds	\$ (502,571)	\$ (435,000)	\$ (246,000)
Trustee Fees on Project Bonds	\$ 22,000	\$ 23,000	\$ 25,000
Subtotal	\$ 6,482,588	\$ 6,658,000	\$ 6,840,000
Base Operating Charge (BOC)	\$ 10,107,130	\$ 10,467,000	\$ 11,345,000
Pass Through (PT)			
Water	\$ 286,049	\$ 250,000	\$ 308,000
Electricity	\$ 255,222	\$ 277,000	\$ 280,000
Administration (Billing & Clerical)	\$ 13,000	\$ 13,000	\$ 13,000
Residue Transportation	\$ 315,278	\$ 317,000	\$ 363,000
Discriminatory Taxes	\$ 397,617	\$ 398,000	\$ 394,000
Insurance	\$ 53,045	\$ 53,000	\$ 54,000
Ferrous Recovery	Incl. Below	\$ 298,000	\$ 185,000
Mercury Control	\$ 47,303	\$ 56,000	\$ 60,000
Convex UCC - QEI	\$ 22,236	\$ 23,000	\$ 28,000
SNCR O&M	\$ 141,262	\$ 159,000	\$ 160,000
Other (lime, interconnect maint.)	\$ (3,339)	\$ (1,000)	\$ -
Subtotal	\$ 1,527,673	\$ 1,843,000	\$ 1,845,000
Other Adjustments			
Energy Share (ES)	\$ (14,302,516)	\$ (15,519,000)	\$ (16,457,000)
Energy Makeup Allowance (EMU)	\$ 82,400	\$ 82,000	\$ 82,000
Curtailment Sales	\$ (110,738)	\$ (90,000)	\$ (104,000)
Uncontrollable Circumstance Costs (UCC)	\$ -	\$ -	\$ -
Federal Tax Law Surcharge (FTLS)	\$ 1,008,070	\$ 1,044,000	\$ 1,132,000
Landfill Costs (TG - 195,520) (LC)	\$ (973,077)	\$ (307,000)	\$ (150,000)
Other Waste Share (OWS)	\$ -	\$ -	\$ -
(\$30 * OEF * (CRRAW > TG))	\$ 120,534	\$ 704,000	\$ -
Ferrous Recovery	\$ -	\$ -	\$ -
Prorated Acceptable Waste Surcharge	\$ (872,209)	\$ (982,000)	\$ (819,000)
Subtotal	\$ (15,047,536)	\$ (15,068,000)	\$ (16,316,000)
SERVICE FEE =	\$ 3,069,855	\$ 3,900,000	\$ 3,714,000

CRRA / SCRRRA - SOUTHEAST PROJECT

Exhibit B - SCRRRA Administrative Budget

DESCRIPTION	ACTUAL FY08	ADOPTED FY09	PROPOSED FY10
Salaries	\$ 240,455	\$ 245,000	\$ 257,250
Benefits and Taxes	Incl. Above	Incl. Above	Incl. Above
Expenses			
Executive Director	\$ -	\$ -	\$ -
Professional Services			
Attorney Fees	\$ 33,831	\$ 50,000	\$ 50,000
CPA Audit	\$ 13,900	\$ 14,700	\$ 14,700
Outside Consulting (MSW Study)	\$ -	\$ 25,000	\$ -
Contractual Services			
Insurance			
General Liability	\$ 13,882	\$ 12,500	\$ 15,000
Commercial Property	\$ 19,180	\$ 22,000	\$ 22,000
Commercial Umbrella	\$ 13,475	\$ 16,500	\$ 15,000
	\$ 46,537	\$ 51,000	\$ 52,000
Personnel Bond	\$ 181	\$ 250	\$ 250
Worker's Compensation	\$ 1,537	\$ 2,000	\$ 2,000
Postage Meter	\$ 960	\$ 750	\$ 750
Postage Fees	\$ 1,834	\$ 2,000	\$ 2,000
Computer Maintenance	\$ 383	\$ -	\$ -
Copy Machine	\$ 1,051	\$ 1,000	\$ 1,000
Telephone	\$ 7,778	\$ 7,200	\$ 8,000
Internet Service	\$ 359	\$ 500	\$ 500
Bank & Payroll Service Charges	\$ 1,711	\$ 2,200	\$ 2,200
Commodities			
Office Supplies	\$ 3,361	\$ 3,000	\$ 3,000
Equipment			
Computers/Software	\$ 2,163	\$ 5,000	\$ 5,000
Computers/Hardware	\$ 5,625	\$ 2,500	\$ 2,500
Office Equipment/Copier	\$ -	\$ 2,500	\$ 2,500
Contingencies	\$ 5,374	\$ 25,000	\$ 15,000
Transportation Subsidy	\$ 295,350	\$ 304,000	\$ 310,000
SCRRRA Administrative Budget	\$ 662,390	\$ 743,600	\$ 728,650
Use of Retained Earnings	\$ -	\$ -	\$ -
Net SCRRRA Administrative Budget	\$ 662,390	\$ 743,600	\$ 728,650
Contribution to Future Use Reserve	\$ 1,651,705	\$ 2,349,092	\$ 1,854,812

CRRA / SCRRRA - SOUTHEAST PROJECT

Exhibit C - SCRRRA Recycling Budget

DESCRIPTION	ACTUAL FY08	ADOPTED FY09	PROPOSED FY10
Salaries	\$ 92,094	\$ 90,400	\$ 94,920
Benefits and Taxes	Incl. Above	Incl. Above	Incl. Above
Operating Expenses			
Attorney Fees	\$ -	\$ 500	\$ 500
Telephone	\$ 1,992	\$ 2,500	\$ 2,000
Publicity	\$ 25,709	\$ 15,000	\$ 45,000
HVAC	\$ -1,879	\$ 2,000	\$ 2,000
Bank & Payroll Service Charges	\$ 1,401	\$ 2,500	\$ 1,700
Office Supplies	\$ 469	\$ 1,500	\$ 1,000
Office Equipment	\$ -	\$ 1,000	\$ 1,000
Maintenance & Testing	\$ 7,656	\$ 7,500	\$ 8,500
Trash Disposal	\$ 48,097	\$ 40,000	\$ 45,000
Trash Hauling	\$ 28,264	\$ 15,000	\$ 20,000
Compost Bins	\$ 17,102	\$ 13,000	\$ 15,000
America Recycles Day	\$ -	\$ 7,500	\$ 7,500
Earth Day	\$ -	\$ 4,000	\$ 4,000
HHW Collection	\$ 110,221	\$ 120,000	\$ 120,000
HHW Publicity	\$ 7,004	\$ 12,000	\$ -
Electronics Recycling	\$ 129,733	\$ 125,000	\$ 30,000
Electronics Recycling Publicity	\$ 600	\$ 10,000	\$ -
Recycling Tip Fees	\$ -	\$ 45,000	\$ 45,000
Groton Lease Payment	\$ -	\$ -	\$ 20,000
Freon Removal	\$ 29,799	\$ 40,000	\$ 40,000
Fluorescent Bulb Disposal	\$ 5,767	\$ 7,000	\$ 7,500
Capital Improvements	\$ -	\$ -	\$ -
Contingencies	\$ 9,221	\$ 5,000	\$ 5,000
SCRRRA Recycling Budget	\$ 517,009	\$ 566,400	\$ 515,620
Use of Retained Earnings	\$ -	\$ -	\$ -
Net SCRRRA Administrative Budget	\$ 517,009	\$ 566,400	\$ 515,620

CRRRA / SCRRRA - SOUTHEAST PROJECT

Exhibit D - SCRRRA Landfill Budget (Postclosure)

<u>DESCRIPTION</u>	<u>ACTUAL FY08</u>	<u>ADOPTED FY09</u>	<u>PROPOSED FY10</u>
Contract Operating Charges	\$ 111,579	\$ 146,500	\$ 128,500
Mortgage	\$ 78,250	\$ 80,000	\$ 80,000
Postclosure Reserve Contribution	\$ 278,000	\$ 350,000	\$ 350,000
Subtotal	\$ 467,829	\$ 576,500	\$ 558,500

TAB 6



Interoffice Memo

TO: Organizational Synergy & Human Resources Committee/Board of Directors

FROM: Chris Hyfield, Human Resources Manager

DATE: November 14, 2008

SUBJECT: 2009 Employee Benefit Insurance Renewals

CRRA management reviewed the renewal information with our broker R. C. Knox & Company and management propose that the Authority renew with ConnectiCare at a rate of 8.57% with the possibility of offering an HMO alternative, changing to The Guardian for dental insurance and changing to Lincoln Financial for life & disability coverage for the following reasons:

Health Insurance

1. When the Authority made the switch from Anthem to ConnectiCare in 2006, it saved approximately \$151,538 annually by doing so. The Authority did not market its health plan for the 2009 renewal because, according to our broker, it is counter productive to market plans earlier than every three years, and our 2009 renewal rate of 8.57% is below what our broker sees in the market, which are renewal rates between 9%-12%.
2. The Authority looked at two alternatives to a straight renewal.
 - a. The first hypothetical change is to the prescription drug plan to MAC A coverage (maximum allowable cost). This would remove the "Open Formulary" arrangement and replace it with a "Mandatory Generic Substitution" option. This means that the plan will only cover up to the cost of a generic drug in any drug class where generic drugs are available. As such, covered employees that select a brand name drug, by choice or physician recommendation, will pay the brand drug copayment plus the difference in cost between the available generic drug and the brand named drug purchased. Only when a generic drug is not available will the health

plan cover the brand name drug. A wholesale switch to this type of drug plan might infringe on the course of treatment determined by the doctor for the patient. Management believes that this option is not worth the minimal savings on premium.

- b. The second alternative was to change everyone to a traditional HMO plan arrangement. This would limit access for covered services to only those service providers that participate in the HMO network. There is no coverage for services rendered outside the HMO network, save emergency care, which is covered anywhere. Since the Authority's employee population does utilize service providers that are outside of the HMO network, management did not want to move the plan to a traditional HMO arrangement. However, the Authority can offer the HMO plan option along side our current Point-of-Service (POS) offerings to help drive costs down. It is unclear how many employees might want to switch to a HMO plan. The cost savings on premiums, depending on the level of coverage, would be in the 2%-4% range.

Attached to this memo are spreadsheets showing the history of CRRA health insurance renewals going back to the 2006 renewal and the health insurance cost and plan structure based on current enrollment.

Dental Insurance

The reason The Standard came in with a 15.8% renewal is due to the fact that the carrier paid out over \$84,000 in claims and it only took in \$62,000 in premiums. CRRA's population is hitting a point in their age demographic (average age is 47) when more of the major services are required. Management suggests changing dental insurance to The Guardian. The Guardian presented an 11.38% savings over our renewal with The Standard. The Guardian also gives the employees stronger benefits in the areas of basic and major services (fillings, oral surgery, crowns).

Basic Life Insurance & Supplemental Life Insurance

The Standard renewal for basic life insurance came in at 29.73% over last year's rates. According to the carrier the high renewal is based on two factors. We just came off a two-year rate guarantee and the age demographic (average age 47). Management suggests changing to Lincoln Financial for a two-year rate guarantee and an annual savings of \$5,647. For supplemental life insurance, the rates will be similar to The Standard. Lincoln Financial could not quote the group without demographic and medical underwriting. On the whole Lincoln Financial's rates are approximately \$1.00 less expensive per age group for supplemental life insurance coverage.

Short-Term & Long-Term Disability Insurance

For short-term disability The Standard came in at a flat renewal. Lincoln Financial can offer CRRA a 23.9% savings over The Standard or \$5,964 annually. For long-term disability The Standard also came in at a flat renewal, but again Lincoln Financial presented a savings of 19.35% over The Standard or \$3,938 annually.

Overall, by switching dental, life and disability insurance carriers, the Authority will save annually approximately \$22,598.

Connecticut Resources Recovery Authority

Medical Plan History

January 1, 2009

<i>Renewal Date</i>	<i>Insurer</i>	<i>Renewal Rate Action</i>	<i>Final Result</i>
January 1, 2006	Anthem BCBS	3.91%	Renewed plans as is.
January 1, 2007	Anthem BCBS	7.50%	Moved to ConnectiCare reducing plan costs 9.49% below the current Anthem BCBS rates.
January 1, 2008	ConnectiCare	10.64%	Negotiated original renewal of 12.9% down to 10.64%.
January 1, 2009	ConnectiCare	8.57%	Negotiated original renewal of 10.8% down to 8.57%.

Notes

For the period beginning on January 1, 2006 through December 31, 2009, the annual rate of increase has varied at 3.41%, well below the market trends of 9-12%.

Connecticut Resources Recovery Authority

Medical Plan Renewal and ConnectiCare Alternatives

January 1, 2009

<i>POS \$15 Plans Coverage Tier</i>	<i>Covered Lives</i>	<i>Current ConnectiCare POS-15-25-ACSA</i>	<i>Revised Renewal** ConnectiCare POS-15-25-ACSA</i>	<i>Alternative 1 ConnectiCare POS-15-25-ACSA*</i>	<i>Alternative 2 ConnectiCare HMO-15-25-ABSA</i>
<i>Employee Only</i>	4	\$472.03	\$512.48	\$522.04	\$492.75
<i>Employee + One</i>	4	\$991.26	\$1,076.21	\$1,096.28	\$1,034.77
<i>Employee + Family</i>	6	\$1,345.29	\$1,460.58	\$1,487.81	\$1,404.34
Totals	14	\$13,924.90	\$15,118.26	\$15,400.14	\$14,536.12
<i>POS \$20 Plans Coverage Tier</i>	<i>Covered Lives</i>	<i>ConnectiCare POS-20-30-AAXA</i>	<i>ConnectiCare POS-20-30-AAXA</i>	<i>ConnectiCare POS-20-30-AAXA*</i>	<i>ConnectiCare HMO-20-30-AACA</i>
<i>Employee Only</i>	6	\$436.27	\$473.66	\$481.40	\$460.91
<i>Employee + One</i>	3	\$916.17	\$994.69	\$1,010.94	\$967.91
<i>Employee + Family</i>	24	\$1,243.37	\$1,349.93	\$1,371.99	\$1,313.59
Totals	33	\$35,207.01	\$38,224.25	\$38,848.98	\$37,195.35
<i>PPO \$20 Plans Coverage Tier</i>	<i>Covered Lives</i>	<i>ConnectiCare PPO-20-20-1</i>	<i>ConnectiCare PPO-20-20-1</i>	<i>ConnectiCare PPO-20-20-1</i>	<i>ConnectiCare PPO-20-30-1</i>
<i>Employee Only</i>	0	\$565.45	\$613.91	\$630.49	\$595.75
<i>Employee + One</i>	0	\$1,187.44	\$1,289.20	\$1,324.03	\$1,251.07
<i>Employee + Family</i>	1	\$1,611.53	\$1,749.64	\$1,796.90	\$1,697.89
Totals	1	\$1,611.53	\$1,749.64	\$1,796.90	\$1,697.89
Monthly Total Premium	48	\$50,743.44	\$55,092.15	\$56,046.02	\$53,429.36
Percent Change			8.57%	10.45%	5.29%
Total Annual Premium		\$608,921.28	\$661,105.83	\$672,552.24	\$641,152.32

*Note: ConnectiCare Alternative 1 plans include MAC A Prescription Drug benefit.

**Original renewal rate increase of 10.8% was negotiated down to the current 8.57%.

**RECOMMENDED RESOLUTION REGARDING
ORGANIZATIONAL SYNERGY & HUMAN RESOURCES
COMMITTEE RECOMMENDATION to the BOARD of DIRECTORS
REGARDING RENEWAL of HEALTH, DENTAL, VISION, LIFE and
DISABILITY INSURANCE PROGRAMS**

RESOLVED: That the Board of Directors authorizes the renewal of the employee health insurance benefit plans with ConnectiCare and Ameritas(vision) and authorize making a change from The Standard Insurance for dental, life and disability to The Guardian for dental and Lincoln Financial for life and disability, for the period of January 1, 2009 through December 31, 2009 for an estimated combined premium of \$725,040.

**Connecticut Resources Recovery Authority
Health/Dental/Vision/Life/LTD/STD Insurance Program
Renewal**

November 14, 2008

Executive Summary

CRRA's insurance programs renew on a calendar-year basis. Based on a review conducted by our broker R. C. Knox & Co. and CRRA management, it is recommended that the Authority renew with its current health insurance carrier, ConnectiCare, but switch its dental and life/disability insurance carriers from The Standard to The Guardian for dental and Lincoln Financial for life & disability insurance. CRRA's original renewal with ConnectiCare came in at a 10.8% increase over last year. With negotiations by our broker and the good experience of the plan, we were able to get ConnectiCare to reduce the renewal to 8.57%. A third option reduced benefits to the employees significantly; therefore management rejected this option.

CRRA's Vision Plan provided by Ameritas will not increase for 2009's rates.

Recommendation

Product	Provider	Premium
Medical	ConnectiCare	\$661,105
Vision	Ameritas	\$12,785
Dental	The Guardian	\$64,685
Life & Disability	Lincoln Financial	\$67,503
	**Employee Contributions	(\$81,038)
CY 2008	Total	\$725,040

**** Note: Employees will contribute approximately \$81,038 toward medical and dental costs through payroll deductions.**

Note: The average budget for one half of FY 09 and average for one half of for FY 10 for the period is \$734,525.

Recommendation

In consultation with our broker (R. C. Knox & Co.), Management and the Organizational Synergy & Human Resources Committee recommends that the Board of Directors approve renewal with ConnectiCare and Ameritas and a change from The Standard Insurance to The Guardian and Lincoln Financial for the employee benefit programs mentioned above. Management further recommends that the estimated-combined premium of \$725,040 be accepted for the period of January 1, 2009-December 31, 2009.

TAB 7

**RESOLUTION REGARDING CONVEYANCE OF THE MILFORD
TRANSFER STATION FROM CRRA TO THE CITY OF MILFORD**

RESOLVED: That upon expiration of both the ground lease agreement and the municipal services agreement between CRRA and the City of Milford, Connecticut, which ground lease agreement is associated with the CRRA Solid Waste Transfer Station located at 831 Oronoque Road in Milford, Connecticut, and which ground lease agreement and municipal services agreement both expire on December 31, 2008, the transfer station shall be conveyed from CRRA to the City of Milford for \$1.00.

Connecticut Resources Recovery Authority Bridgeport Project – Milford Transfer Station

Conveyance of the CRRA Transfer Station located in Milford, Connecticut from CRRA to the City of Milford

November 20, 2008

Executive Summary

This is to submit to the CRRA Board of Directors a request and recommendation by the Bridgeport Project Solid Waste Advisory Board regarding conveyance of the Milford Transfer Station from CRRA to the City of Milford at the termination of the Bridgeport Project on December 31, 2008. Specifically, the SWAB recommends, and requests that the CRRA Board of Directors approve, conveyance of the Milford Transfer Station to the City of Milford for \$1.00.

Discussion

On December 31, 2008 the various contracts associated with CRRA's Bridgeport Project terminate. These contracts include the Solid Waste Disposal Agreement between Wheelabrator and CRRA, the Municipal Service Agreements (MSA), and certain ground lease agreements associated with the solid waste transfer stations.

In particular, the MSAs and ground leases between CRRA and seven municipalities in which are located CRRA solid waste transfer stations, terminate. These towns are Darien, Fairfield, Greenwich, Milford, Norwalk, Trumbull, and Westport. In each case, the municipality owns the real property (the land) on which the transfer station is located, and CRRA owns the transfer station proper (personal property such as the building, equipment, etc.).

Except for the MSA with the City of Milford, each MSA provides that the personal property is to pass to the municipality for \$1.00 at the expiration of the MSA and the ground lease, both of which terminate concurrently. In the case of Milford, the MSA provides that the transfer Station will be conveyed back to the City for its fair market value rather than for \$1.00.

The pertinent provision in the Milford MSA (Paragraph No. 6 of the MSA) is restated below:

Agreement to Resell Transfer Station

The Authority agrees that, upon the expiration of the Ground Lease, it will sell the Transfer Station, together with any Improvements made thereto pursuant to this Agreement, to the City. The purchase price of the Transfer Station shall be its fair market value as such term is defined in the Solid Waste Disposal Agreement between the Authority and Bridgeport Resco Company, L.P., dated as of November 15, 1985, with the resale to be on such other terms and conditions as shall be mutually agreeable to the parties.

The Milford MSA prescribes a process for determining fair market value.

Notwithstanding the provision in the Milford MSA stating that CRRA will sell the transfer station to the City for fair market value, the Bridgeport Solid Waste Advisory Board recommends that the Milford Transfer Station be conveyed to the city of Milford for \$1.00 – the same arrangement as is in place with the other six transfer stations.

At its July 16, 2008 meeting, the SWAB discussed this matter and unanimously passed a resolution recommending that Milford be allowed to purchase the transfer station for \$1.00 rather than for fair market value. During the discussion of this matter amongst members of SWAB it was agreed that there exists no clear reason in any of the documents associated with the Bridgeport Project, nor could any SWAB members individually recollect based on their knowledge of the project, as to why the Milford MSA provides for sale of the transfer station to Milford for fair market value, while the other six MSA's provide a \$1.00 purchase price. Accordingly, SWAB members agreed that an equitable and fair outcome would be for the City of Milford to receive the transfer station from CRRA for the same price as the other six municipalities will pay: \$1.00.

CRRA conducted an appraisal of the Milford transfer station in January 2008. The value of the transfer station at the time of the appraisal was \$720,000. This was determined to be the value of the personal property (buildings, equipment, etc.), exclusive of real estate.

The actual value of the transfer station – the price that would be received in the event the personal property was sold – would also be a function of the willingness of the City of Milford to sell or lease the real estate on which the transfer station is located. CRRA's appraisal price does not consider this variable. The transfer station would only have value to a prospective buyer in the marketplace (other than the City of Milford) to the extent the City of Milford was willing to sell or lease the real property to such prospective buyer of the personal property at a price acceptable to such prospective buyer. Obviously, if the City of Milford chose not to sell or lease the property to a prospective buyer of the transfer station, the transfer station would have little or no value.

In the event that CRRA conveys the transfer station to the City of Milford, the City plans to operate the transfer station after December 31, 2008 to transfer MSW to the Wheelabrator Bridgeport RRF, under a new contract with CRRA.

TAB 8

**RESOLUTION REGARDING THE AUTHORIZATION OF A
CHANGE ORDER FOR THE PHASE 1 ASH AREA CLOSURE
PROJECT THAT TOGETHER WITH ALL OTHER CHANGE
ORDERS INCREASES THE ORIGINAL CONTRACT PRICE
BY MORE THAN \$50,000**

RESOLVED: That the President is hereby authorized to execute a change order with E. T. & L. Corporation to install aluminized corrugated metal pipe instead of galvanized corrugated metal pipe within the side slope diversion channels of the Phase 1 Ash Area at the Hartford Landfill, substantially as presented and discussed at this meeting.

Connecticut Resources Recovery Authority
Contract Summary for Contract entitled

**Hartford Landfill Phase 1 Ash Area
Partial Closure**

Presented to the CRRRA Board on: November 20, 2008

Vendor/ Contractor(s): E. T. & L. Corporation

Effective date: July 17, 2007

Contract Type/Subject matter: Public Bid/Construction

Facility (ies) Affected: Hartford Landfill

Original Contract: Phase 1 Ash Area Partial Closure

Term: 90 days from Notice to Proceed

Contract Dollar Value: \$2,288,825

Change Orders: Nos. 1 and 2 - \$49,653.70

Term Extensions: Contract Substantially Complete

Scope of Services: Installation of approximately 7.2 acres of landfill cap in the Phase 1 Ash Area of the Hartford Landfill.

Other Pertinent Provisions: None

**Connecticut Resources Recovery Authority
Mid-Connecticut Project - Hartford Landfill
Change Order #3 for Phase 1 Ash Area Partial Closure**

November 20, 2008

Executive Summary

On June 28, 2007, CRRA's Board of Directors approved a resolution to allow CRRA's President to enter into an agreement with E.T.&L. Corporation (E.T.&L.) for the purpose of installing a final membrane cap over 7.2 acres of the Phase 1 Ash Area ("Ash Area").

This is to request approval of the CRRA Board of Directors for the President to execute a change order to the agreement with E.T.&L. that will increase the contract price above \$50,000 over the original contract price.

Discussion

Section 5.9 of CRRA's Procurement Policies and Procedures requires that any change order or similar amendment to a contract which, either alone or together with all such change orders or similar amendments to such contract, exceeds \$50,000 over the original contract price, shall be prior authorized only by 2/3 vote of the full Board of Directors.

The contract for the Phase 1 Ash Area Partial Closure is substantially complete. To date, two change orders have been approved, totaling \$49,653.70. One additional change to the scope of work remains to be approved as a change order. After the contract was executed with E.T.&L., at CRRA's direction, E.T.&L. upgraded the corrugated metal pipe in the diversion swales from galvanized to aluminum coated. This change is required to comply with Connecticut DEP's Stormwater General Permit, which states the permittee of a regulated project "shall avoid, wherever possible, the use of ...galvanized ...building materials for any new construction where these materials will be exposed to stormwater". This change results in a price increase of \$5,336 for pipe used in the side slope stormwater diversion swales.

Financial Summary

Original contract price approved by CRRA Board of Directors	\$2,288,825.00
Contract price including Change Orders 1 and 2	\$2,338,478.70
Price of Change Order 3	\$5,336,00
Final Contract Price	\$2,343,814.70
Amount over original contract price	\$54,989.70

This activity was contemplated when the FY 2008 and 2009 capital budgets were developed. The funds have been set aside in the Landfill Closure Reserve account for the Hartford Landfill, and will be expended from this account.

TAB 9

**RESOLUTION REGARDING RATIFICATION OF EMERGENCY
PROCUREMENT CONTRACT**

RESOLVED: That the Authority Board of Directors ratifies the Emergency purchase as substantially presented and discussed at this meeting.

**Connecticut Resources Recovery Authority
Mid-Connecticut Project - Hartford Landfill
Emergency Procurement Contract**

November 20, 2008

Executive Summary

On October 2, 2008, Environmental Division Staff made the decision to hire an outside contractor to address solid waste permit compliance issues at the Hartford landfill. This is to request approval of the CRRA Board of Directors for the procurement of landfill surface repairs using heavy equipment provided and operated by R. L. Rogers & Sons, Inc.

Discussion

During a routine site visit to the Hartford Landfill on October 5, 2008, Environmental Division staff observed conditions at the landfill to be unacceptable. After learning that MDC was short staffed at the landfill due to injury and reassignment of personnel to other MDC departments, it was evident that MDC would be unable to correct these unacceptable conditions. Because any delay in the correction of these conditions could lead to non-compliance with the landfill's operating permit, Environmental Division staff made the decision to hire a contractor on an emergency basis to correct these conditions as soon as possible. R. L. Rogers & Sons, Inc., was contacted that afternoon, and agreed to mobilize within 3 business days to begin work. R.L. Rogers & Sons, Inc., has been the low bidder on, and been awarded a number jobs at the Hartford Landfill involving landfill surface improvements. Each time, the work completed was high quality, done in a timely manner, and within the allotted budget. Therefore, Environmental Division staff was comfortable bringing in R. L. Rogers & Sons, Inc. to perform this important work.

It should be noted that had MDC had adequate staff and equipment to perform the work done by R.L. Rogers & Sons, Inc., the cost to CRRA is estimated to have been \$23,173. This assumes the MDC would have rented both an excavator and a bull dozer for 5 weeks, and that MDC personnel would have spent a total of 150 hours (straight-time) combined operating those pieces of equipment. The estimated MDC cost includes MDC's standard markup of 14.65% on labor and equipment.

Emergency Procurement Contracts

November 20, 2008

The following written evidence is being provided to the Board for ratification pursuant to Sections 2.2.12 and 5.10 of the CRRA Procurement Policy.

2.2.12 “Emergency Situation”

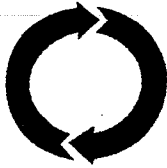
“Emergency Situation” shall mean a situation whereby purchases are needed to remedy a situation that creates a threat to public health, welfare, safety or critical governmental or CRRA service or function. The existence of such a situation creates an immediate and serious need that cannot be met through the normal procurement methods and the lack of which would seriously threaten: (i) the health or safety of any person; (ii) the preservation or protection of property; (iii) the imminent and serious threat to the environment; or (iv) the functioning of CRRA. Any such situation shall be documented with written evidence of said situation.

5.10 Emergency Procurements

In the event of an Emergency Situation as defined herein, the procedures for pre-approval of Contracts in these Policies and Procedures by the Board do not apply. When the President, Chairman, or designee determines that an Emergency Situation has occurred, the President, Chairman, or their designee is authorized to enter into a Contract under either a competitive or sole source basis, in such amount and of such duration as the President, Chairman, or their designee determines shall be necessary to eliminate the Emergency Situation. Such Emergency Situation contract(s), with written evidence of said Emergency Situation, shall be presented to the Board for ratification as soon as practicable following the execution of the Contract. The Board shall ratify such emergency Contract unless it is determined that under no circumstances would a reasonable person believe that an Emergency Situation existed.

Emergency Procurement Summary

<u>Date</u>	<u>Description</u>	<u>Cost</u>	<u>Vendor</u>
10/7/2008	FY09 -Emergency repairs to landfill surface.	\$21,600.00	RL Rogers & Sons, Inc.



CONNECTICUT
RESOURCES
RECOVERY
AUTHORITY

100 Constitution Plaza • Hartford • Connecticut • 06103 • Telephone (860) 757-7700
Fax (860) 727-4141

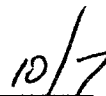
MEMORANDUM

TO: Tom Kirk
FROM: David Bodendorf
cc: Peter Egan
DATE: 7 October 2008
RE: *Emergency Work by R. L. Rogers & Sons, Inc. at Hartford Landfill*

In recent weeks, the condition of the Hartford Landfill has worsened. This is apparently the result of the MDC's inability to maintain adequate trained staff at the landfill to fulfill its contractual obligations to CRRA. In an effort to maintain compliance with its environmental permits, the Environmental Division wishes to procure equipment and equipment operator services on an emergency basis. These services will result in the repair of leachate seeps and the correction of improper grading and daily cover practices by MDC.

R. L. Rogers & Sons, Inc. is a construction contractor that has economically and successfully performed similar work for CRRA at the Hartford landfill in the past. Therefore, Environmental Division staff recommends R. L. Rogers & Sons be hired to perform this important emergency work, as outlined in the attached Scope of Work.


Approved by Thomas D. Kirk


Date

CRRA HARTFORD LANDFILL IMPROVEMENT WORK

OCTOBER 2008

1. SCOPE OF WORK

The Scope of Work is defined below by CRRA, and the Total Estimated Price and Estimated Time of Performance have been provided by you and deemed acceptable by CRRA. Any information provided by CRRA regarding the quantity of material or work, underground structure or utility locations, existing conditions, etc., is for informational purposes only. Contractor is responsible to verify the accuracy of all information provided by CRRA. Work must meet all specifications described herein before it will be accepted by CRRA.

Contractor shall make improvements to the Hartford landfill as described below. This work will take place along the east slope of the MSW portion of the landfill. CRRA reserves the right to increase or decrease the amount or type of work as it deems necessary.

1. Regrade/remove and cover exposed waste as necessary using cover soil provided by CRRA. Waste that is removed shall be disposed of by Contractor in appropriate areas of the landfill along the east slope.
2. Repair leachate seeps by excavating seep area to a depth of 6 to 8 feet and a width of approximately 8 feet and placing CRRA provided stone to an elevation 2 feet below surrounding grade. Place CRRA provided 6 mil plastic on top of stone, and fill with CRRA provided soil above. Excavated waste shall be disposed of by Contractor in appropriate areas along the east slope.
3. Perform other miscellaneous tasks with bulldozer or excavator as directed by CRRA.

Contractor shall take care not to damage existing landfill gas headers, extraction wells, monitoring probes, drainage systems, landfill surface, fences, and any other site features. All damage shall be repaired by contractor at its own expense.

2. BID PRICE

CRRA has allotted up to two weeks of bulldozer time and up to one week of excavator time to complete the tasks described above. Please provide pricing as indicated below. Contractor shall be paid based on the actual number of hours worked to complete the tasks described herein.

WORK ITEM	BID UNIT	EST. # UNITS	UNIT PRICE	PRICE EXTENSION
ITEM 1 Mobilization/Demobilization for Excavator and Bulldozer	LS	1	\$1,100	\$1,100
ITEM 2 Hourly rate for 64,000lb(min) excavator with operator to perform work as directed by CRRA	HR	50	\$170	\$8,500
ITEM 3 Hourly rate for TD-15 or equivalent bulldozer with operator to perform work as directed by CRRA	HR	100	\$120	\$12,000
TOTAL	ESTIMATED		PRICE*	\$21,600

***Total Estimated Price not to be exceeded without prior written authorization from CRRA.**

3. ESTIMATED TIME OF PERFORMANCE

Work will begin within _____ days of CRRA issuing a Notice to Proceed and be complete within _____ working days, weather dependent.

By Contractor:

Signature of Contractor: _____

Name and Title : _____

Date: _____

TAB 10

**RESOLUTION REGARDING ANNUAL STACK TESTING
AT THE CRRA MID-CT RESOURCE RECOVERY FACILITY
FOR CALENDAR YEARS 2009, 2010 AND 2011**

RESOLVED: That the President is hereby authorized to enter into a contract with TRC Environmental Corporation for performance of the annual air emissions testing at the Mid-Connecticut Resource Recovery Facility for calendar years 2009, 2010, and 2011, substantially as discussed and presented at this meeting.

Connecticut Resources Recovery Authority

Contract Summary for Contract entitled

Annual Stack Testing at the Mid-Connecticut Resource Recovery Facility for CYs 2009, 2010 and 2011

Presented to the CRRRA Board on: November 20, 2008

Vendor/ Contractor(s): TRC Environmental Corporation

Effective date: December 1, 2008

Contract Type/Subject matter: Annual stack testing at the Mid-Connecticut RRF for calendar years 2009, 2010, and 2011.

Facility (ies) Affected: Mid-Connecticut RRF

Original Contract: N/A

Term: Three (3) Years – December 1, 2008 through November 30, 2011

Contract Dollar Value: \$164,000.00

Amendment(s): Not applicable

Term Extensions: Not applicable

Scope of Services: TRC and its subcontractors will provide annual air emissions testing services, laboratory analyses and summary reports for the Mid-Connecticut RRF for the calendar years 2009, 2010 and 2011.

Other Pertinent Provisions: This testing is required by CT DEP air regulations, RCSA 22a-174-38: emission standards for municipal waste combustors. Parameters required to be tested are: particulate matter, cadmium, lead, mercury, sulfur dioxide, hydrogen chloride, nitrogen oxides, carbon monoxide, dioxin/furan, opacity, ammonia, and sulfuric acid.

**Connecticut Resources Recovery Authority
Mid-Connecticut RRF
Annual Stack Testing at the Mid-Connecticut RRF for
CY2009, 2010 and 2011**

November 20, 2008

Executive Summary

CRRA is required by R.C.S.A. Section 22a-174-38 to conduct annual air emissions performance testing at the Mid-Connecticut RRF. CRRA's Environmental Division staff issued a Request for Bids for this work, received and evaluated the bids, and selected the bid of TRC Environmental Corporation as the lowest-priced qualified bid.

This is to request that the CRRA Board of Directors authorize the President to enter into a contract with TRC Environmental Corporation for the annual air emissions performance testing at the Mid-Connecticut RRF for calendar years 2009, 2010, and 2011.

Discussion

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

The contract that had been in place for this service expired in August 2008. Consequently, CRRA issued a Request for Bids in September 2008 for a new three-year term.

CRRA advertised its Request for Bids in the September 14th edition of the Hartford Courant, the Manchester Journal Inquirer, and the Waterbury Republican-American, as well as making it available on the DAS and CRRA Internet web sites.

A mandatory bid-walk was held on October 1, 2006. Five environmental testing firms attended the mandatory bid-walk.

Three environmental testing firms submitted bids with pricing as shown below.

Bidder	Bid Price
Avogadro Environmental Corporation	\$206,350
CK Environmental, Inc.	\$178,250
TRC Environmental Corporation	\$164,000

CRRA Environmental Division staff reviewed the bids. All were found to be complete and compliant with the requirements of the bid solicitation. The bids were scored numerically based on pertinent criteria and the scores compared to a “minimum acceptable qualification score” of 7 out of 10. The bid with the lowest price of those that achieved the “minimum acceptable qualification score” was the bid of TRC Environmental Corporation. The Environmental Services staff believes that the ‘bottom-line price’ of TRC Environmental Corporation’s bid reflects the complete scope of work as specified in the bid solicitation.

Financial Summary

CRRA expects to pay TRC Environmental Corporation \$50,000 following testing in Spring 2009 at the Mid-Connecticut RRF. CRRA will then submit its claim to CT DEP for reimbursement of this amount per the terms of the reimbursement contract with CT DEP which was approved by CRRA’s Board of Directors on September 27, 2007. Assuming a timely reimbursement by CT DEP, at the end of CY 2009 there should be no net cost incurred by CRRA for this testing. Likewise in each of the two following years, 2010 and 2011, CRRA expects to pay TRC Environmental Corporation \$57,000 following testing in Spring of each year and then submit its claim for reimbursement to CT DEP. This assumes that the CT DEP will renew its reimbursement contract with CRRA for CY 2010 and 2011; although likely, CT DEP has not positively committed to doing so.

Note that three years of testing at \$50,000 is less than the contract price of \$164,000. This is because the Mid-Connecticut RRF currently qualifies for a reduced emissions testing schedule for dioxin/furan, but may not in CY2010 and CY2011. By virtue of having demonstrated dioxin/furan emissions below ½ of the CT DEP emission limit for dioxin/furan for two consecutive annual testing cycles, the Mid-Connecticut RRF is only required to test one of its three boilers per annual testing cycle for this parameter. (The CT DEP emission limit is 30 ng/dscm; ½ of this limit is 15 ng/dscm). In the event that the Mid-Connecticut dioxin/furan emission level is shown to exceed ½ the CT DEP emission limit, the Mid-Connecticut RRF would be required to test all three boilers for dioxin/furan the following year and until it again demonstrates dioxin/furan emissions below 15 ng/dscm for two consecutive annual testing cycles.

This contract was bid assuming that all three boilers will be required to be tested for dioxin/furan in CY2010 and CY 2011. Although this scenario is unlikely, all bidders were told to assume that the facility demonstrates dioxin/furan emissions of greater than 15 ng/dscm in CY2009 such that all three boilers would be required to be tested for dioxin/furan in CY2010 and CY2011. Therefore, the Contract Dollar Value contains \$14,000 in funds that will only be used in the event that dioxin/furan test results in 2009 or 2010 require additional testing in subsequent years.

Note also that the bid of TRC Environmental Corporation was the lowest for each year of the contract, whether or not the additional dioxin/furan testing is needed. The funds for this expense will come from the Mid-Connecticut Power Block Facility Environmental Testing account.

TAB 11

**RESOLUTION REGARDING THE PURCHASE OF ONE (1)
RUBBER-TIRE WHEEL LOADER
MID CONNECTICUT PROJECT WASTE
PROCESSING FACILITY**

RESOLVED: That the President is hereby authorized to execute an agreement for one (1) new Rubber-Tire Wheel Loader from H.O. Penn Machinery Co. Inc to be used at the Mid-Connecticut Waste Processing Facility substantially as presented and discussed at this meeting.

Connecticut Resources Recovery Authority

Purchase of One (1) New Rubber-Tire Wheel Loader Mid-Connecticut Waste Processing Facility

Presented to the CRRA Board on: November 20, 2008

Vendor/ Contractor(s): H.O. Penn Machinery Co. Inc

Effective date: Upon Execution

Term: 215 days from Notice to Proceed

Contract Type/Subject matter: Equipment Supply

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

Original Contract: NA

Contract Dollar Value: \$392,949

Amendment(s): NA

Term Extensions: N/A

Scope of Services: Provision of one (1) new Caterpillar
966H Rubber-Tire Loader

Security: Bid Security and Performance Bonds

Budget Status: Loader purchase was included in the 2009
Mid-Connecticut WPF Rolling Stock Reserve

Other Pertinent Provisions: None

Connecticut Resources Recovery Authority Mid-Connecticut Project

Purchase One (1) New Rubber Tire Wheel Loader Mid-CT Waste Processing Facility

November 20, 2008

Executive Summary

This is to request approval of the CRRA Board of Directors for the President to enter in an agreement with H.O. Penn Machinery Co. Inc for the purchase of a Caterpillar 966H Rubber Tire Wheel Loader to be used at the Mid-Connecticut Waste Processing Facility ("WPF").

Discussion

The Metropolitan District ("MDC") operates and maintains a fleet of seven rubber tire loaders for use in processing waste at the Mid-Connecticut Waste Processing Facility. The loaders are used to move municipal solid waste, refuse derived fuel, bulky and non-processible waste. The loaders in use at the facility have been retrofitted by the manufacturer with a special package of components to handle this work.

One of the loaders currently in use at the WPF requires major maintenance and reconditioning work estimated at approximately \$165,000. Compounding the problem, the reconditioning would not be guaranteed by the manufacturer. Therefore, purchasing a new unit is the more prudent alternative. Further, additional savings could be realized due to the improved operational and fuel efficiencies of a new loader.

Financial Summary

The procurement of a Rubber Tire Wheel Loader at the Mid-Connecticut Waste Processing Facility was solicited through a public procurement process. Sealed public bids were received until October 1, 2008. CRRA published an invitation to bid in the Hartford Courant, New Haven Register, the Journal Inquirer and the Connecticut Post. In addition, the invitation to bid was posted on the Connecticut Department of Administrative Services and the Bid Net web sites.

Bids were received from two bidders and are summarized below:

Vendor	Model	Compliant with Bid Specification	Quoted Price
H.O. Penn Machinery Co.	Caterpillar 966H	Yes	\$392,949
Tyler Equipment Co.	Volvo L150F	No	\$319,659

The Tyler Equipment Co. bid was deficient in the following areas:

- Requirements of the technical specifications compliance form (did not initial each item of the form).
- Filter requirements for premium lubricants as specified.
- Engine cooling system requirements for harsh environments.
- Rebuild and repair requirements.
- Warrantee requirements for rebuilds.
- Body specifications for specific tight areas.
- Corrosion resistant materials for operations in harsh environments.
- HVAC requirements for driver compartment and accessibility.

In addition, an economic analysis was done to compare the two units in terms of maintenance, operational and fuel costs:

Maintenance Costs

- During the normal service life of a loader, the transmission and engine will be rebuilt or reconditioned every 10,000 to 12,000 hours or about every two years. This includes two complete rebuilds and one certified rebuild.
- Both the Caterpillar and Volvo have a similar cost structure for the certified rebuild however, the Volvo has about two times the cost of the Caterpillar when it comes to a complete rebuild.
 - Caterpillar 966H (rebuilt components) \$25,748
 - Volvo L150F (remanufactured components) \$49,968
- The Caterpillar will save \$48,440 on major services vs. the Volvo over its useful life.

Operational Costs

- Caterpillar 966H cost per hour to operate is \$24.35.
- Volvo L150F cost per hour to operate is estimated at \$28.00.
- Caterpillar is \$3.65 per hour or 15% cheaper to operate than the Volvo.
- During the useful life of the unit the Caterpillar will cost \$153,300 less to operate than the Volvo.

Fuel Costs

- Historical fuel consumption rates for older Caterpillar's are 4.87 gallons per hour. Technical data for the new Caterpillar 966H show a lower number of 4.23 gallons per hour.
- The Volvo L150F has an estimated rating of 4.75 gallons per hour; a 12% higher fuel consumption rate than the Caterpillar 966H.
- Assuming fuel costs of \$3.89/gallon, purchasing the Caterpillar will save CRRA \$84,958 vs. the Volvo over the useful life of the unit.

Finally, an NPV life cycle cost comparison was completed on both pieces of equipment (see attached Excel Spreadsheet). Even though the Caterpillar has a \$73,290 higher purchase price, it has an NPV savings of \$181,882 vs. the Volvo over its useful life. Tyler Equipment failed to meet the required specifications and had a higher NPV life cycle cost. Therefore, CRRA management is recommending the selection of H.O. Penn Machinery Co for the Caterpillar 966H Rubber Tire Wheel Loader.

The Purchase of one (1) new "Caterpillar" Rubber Tire Loader from H. O. Penn Machinery Co. Inc will be funded from the WPF Rolling Stock Reserve as adopted for the fiscal year 2009 Mid-Connecticut budget.

TAB 12

RECOMMENDED DRAFT RESOLUTION FOR CRRA BOARD OF DIRECTORS

**RESOLUTION REGARDING THREE-YEAR PUBLIC RELATIONS SERVICES
AGREEMENTS**

RESOLVED: That the President is hereby authorized to execute, deliver, and perform on behalf of this Authority, Public Relations Services Agreements as were substantially set forth in the Request for Qualifications dated September 17, 2008, for a period of three years commencing on January 1, 2009, and terminating on December 31, 2011, with the public relations firms listed below. All firms will provide services “on call.”

Strategic Persuasion Group LLC

Pita Communications LLC

Connecticut Economic Resource Center, Inc.

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

PUBLIC RELATIONS SERVICES AGREEMENT

Presented to the CRRA Board on: November 20, 2008

Vendor/Contractor: Strategic Persuasion Group LLC

Effective date: January 1, 2009

Term: January 1, 2009, through December 31, 2011

Contract type/subject matter: Agreement to provide public relations and related services

Facilities affected: All

Original contract: December 1, 2007, through December 30, 2008

Contract dollar value: No dollar value

Scope of services: Message development services, media strategy services, earned media services, community relations services, issues management services, graphic design and related services, photography and related services, advertising services

Other pertinent provisions: None

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

PUBLIC RELATIONS SERVICES AGREEMENT

Presented to the CRRA Board on: November 20, 2008

Vendor/Contractor: Connecticut Economic Resource Center, Inc.

Effective date: January 1, 2009

Term: January 1, 2009, through December 31, 2011

Contract type/subject matter: Agreement to provide public relations and related services

Facilities affected: All

Original contract: None

Amendments: N/A

Contract dollar value: No dollar value

Scope of services: Message development services, media strategy services, earned media services, community relations services, issues management services, public events management services, polling and research services, graphic design and related services, photography and related services, video production and related services, advertising services

Other pertinent provisions: None

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

PUBLIC RELATIONS SERVICES AGREEMENT

Presented to the CRRA Board on: November 20, 2008

Vendor/Contractor: Pita Communications LLC

Effective date: January 1, 2009

Term: January 1, 2009, through December 31, 2011

Contract type/subject matter: Agreement to provide public relations and related services

Facilities affected: All

Original contract: January 1, 2006, through December 31, 2008

Amendments: N/A

Contract dollar value: No dollar value

Scope of services: Message development services, media strategy services, earned media services, community relations services, issues management services, public events management services, polling and research services, graphic design and related services, photography and related services, video production and related services, advertising services

Other pertinent provisions: None

Connecticut Resources Recovery Authority
Three-Year Public Relations Services Agreements
with
Strategic Persuasion Group LLC,
Connecticut Economic Resource Center, Inc.,
and Pita Communications LLC

November 20, 2008

Executive Summary

This is to request approval of the CRRA Board of Directors for the President to enter into three-year agreements with Strategic Persuasion Group LLC, Connecticut Economic Resource Center, Inc., and Pita Communications LLC to provide public relations and related services for CRRA and its solid waste projects.

Discussion

From time to time, CRRA requires the use of contractors to provide public relations and related services beyond the scope of what staff can provide. For example, when CRRA wanted to launch junk-mail recycling in the Mid-Connecticut Project, outside counsel helped us develop the Phillip D. Bag campaign, which helped increase recycling rates and enhance CRRA's image. Outside counsel has also been invaluable in the successful launch of CRRA's ash land fill development initiative.

Since January 1, 2006, CRRA has had a contract with Pita Communications LLC (the contract was approved by the CRRA Board of Directors on November 17, 2005). At that time, CRRA also awarded a contract to another firm, Cubitt Jacobs & Prosek Communications, but when its managing partner – who had been working with CRRA on its ash landfill initiative – left CJ&P and started his own firm, CRRA terminated its contract with CJ&P and signed a contract with his new firm, Strategic Persuasion Group LLC. That contract was approved by the CRRA Board of Directors on November 29, 2007.

The contracts with Pita Communications and Strategic Persuasion Group both expire December 31, 2008. With the expiration of those contracts nearing, on July 21, 2008, CRRA issued a Request for Qualifications (RFQ) for public relations firms interested in providing a variety of services. The RFQ was advertised in the *Hartford Courant* and other state newspapers, posted on the Web sites of CRRA and the Connecticut Department of Administrative Services and distributed to members of the Connecticut chapters of the Public Relations Society of America. Seventeen firms responded to this RFQ and seven were selected for interviews based on their body of work displayed in their RFQ responses and compensation schedules (included with this resolution). However, after the interviews CRRA was not satisfied with the response to this RFQ, so on September 17, 2008, the RFQ was re-issued and distributed in similar fashion. Twenty-two firms responded to the re-issued RFQ, but no additional firms were interviewed.

After consideration of the firms' qualifications and information gathered in interviews, as well as experience with the firms and their personnel, management recommends offering three-year contracts to Strategic Persuasion Group LLC, Connecticut Economic Resource Center, Inc., and Pita Communications LLC.

Financial Summary

These contracts carry no dollar value, but as part of the RFQ process all firms submitted compensation schedules (included with this resolution) which have been included in their respective agreements and were considered while evaluating each firm. It has been and will continue to be CRRA's practice to use such firms judiciously.

PAYMENT RATE SCHEDULE

Name of Firm:	Strategic Persuasion Group, LLC
---------------	---------------------------------

Each firm submitting a Statement Of Qualifications must submit the information requested on the forms on the following pages.

1. Billing Rates

In the Billing Rates Table on Page 3, the firm must list staff level, name, title and hourly billing rate for each professional in the firm who would be assigned to work with CRRA. Only the professionals listed here will be authorized to work on CRRA matters unless other professionals are specifically authorized by CRRA. If your firm has discounted rates for government entities, such as CRRA, those rates should be listed. Indicate on an attached sheet any other specialized billing arrangements you will make available to CRRA.

2. Ancillary Services Rates

In the Ancillary Services Rates Table on Page 4, the firm must provide the rate at which applicable ancillary services are billed, including, but not limited to:

- Computer time; and
- Any other services (excluding telephones) for which the firm routinely bills.

3. General Provisions Regarding Billing and Expenses

The following provisions apply to all of the firm's billing and expenses related to providing Services pursuant to the Contract Documents.

3.1 "Doing Business" Costs

The following items are considered part of the firm's fixed costs of "doing business" and will not be paid for by CRRA:

- Facsimile transmissions;
- Postage;
- Local telephone calls;
- Word Processing;
- Overtime or extra help;
- Delivery of documents (unless the delay is caused by the CRRA);
- Training of the firm's personnel;
- Secretarial time; and
- Intra-office conferencing and memorandums.

3.2 Expenses For Which CRRA Will Not Pay

CRRA will not pay for:

- Rates for professionals for functions normally performed by clerks or secretaries;
- Excessive revisions of documents;
- Long distance or out-of-state travel unless expressly authorized by the CRRA;
- Photocopy expenses at more than \$0.10 per page. (CRRA must authorize photocopy costs in excess of \$200 for a single job in advance);
- Any other staff service charges, such as meals, filing, proofreading, regardless of when incurred;
- Time spent in preparing bills to CRRA;
- Budget preparation and revisions; and
- Messenger and Federal Express delivery unless rush is caused by CRRA or is at CRRA's request and then will be billed by weight at standard Federal Express rates.

3.3 Expenses For Which CRRA Will Pay Actual Costs

CRRA will pay actual costs for the following:

- ~~Long-distance telephone billed at direct-line charge rates.~~
- Extraordinary postage for a singular mailing exceeding a combined cost of \$1.00 per mailing per file.

3.4 Expenses For Which CRRA Will Pay Actual Costs If Authorized In Advance

CRRA will pay actual costs for the following, if authorized in advance:

- Retention of experts. (Selections and terms of engagement must be pre-approved.)
- Extraordinary travel.

PAYMENT RATE SCHEDULE

Name of Firm:	The Connecticut Economic Resource Center, Inc.
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Each firm submitting a Statement of Qualifications must submit the information requested on the forms on the following pages.

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CRRA will pay actual costs for the following, if authorized in advance:

- Retention of experts. (Selections and terms of engagement must be pre-approved.)
- Extraordinary travel.

BILLING RATES
(Provide Billing Rates Below)
 (Use Additional Sheets If Necessary)

Staff Level	Name and Title	Hourly Rates		
		CY 2009 (01/01/09-12/31/09)	CY 2010 (01/01/10-12/31/10)	CY 2011 (01/01/11-12/31/11)
Executive	Robert Santy, CEO	\$150	\$150	\$150
Executive	Jeffrey Blodgett, Vice President of Research	\$130	\$130	\$130
Senior	Kristi Sullivan, Director of Marketing	\$90	\$90	\$90
Staff	MaryAnn Simkewicz, Marketing Account Supervisor	\$75	\$75	\$75
Senior	Dale Shannon, Senior Economist	\$90	\$90	\$90
Staff	Alissa DeJonge, Assistant Director of Research	\$75	\$75	\$75
Staff	Natalie Rosenbaum, Assistant	\$60	\$60	\$60
	Subcontractors			
Consultant	Helene Kelly, Clay Advertising & Public Relations (marketing/PR)	\$125	\$125	\$125
Consultant	Lou DiBacco, DiBacco & Company (graphic design)	\$100	\$100	\$100
Consultant	Dana Robinson, Robinson Advertising & Design (graphic design)	\$95	\$95	\$95
Consultant	Moving Pictures (video production)	\$150	\$150	\$150
Consultant	Lanny Nagler Photography (photography)	\$200	\$200	\$200
Consultant	Ana Pritchard, Horizon Marketing Group (market research)	\$35	\$35	\$35

PAYMENT RATE SCHEDULE

Name of Firm:	Pita Communications LLC
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1. Billing Rates

In the Billing Rates Table on Page 3, the firm must list staff level, name, title and hourly billing rate for each professional in the firm who would be assigned to work with CRRA. Only the professionals listed here will be authorized to work on CRRA matters unless other professionals are specifically authorized by CRRA. If your firm has discounted rates for government entities, such as CRRA, those rates should be listed. Indicate on an attached sheet any other specialized billing arrangements you will make available to CRRA.

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- Computer time; and
- Any other services (excluding telephones) for which the firm routinely bills.

3. General Provisions Regarding Billing and Expenses

The following provisions apply to all of the firm's billing and expenses related to providing Services pursuant to the Contract Documents.

3.1 "Doing Business" Costs

The following items are considered part of the firm's fixed costs of "doing business" and will not be paid for by CRRA:

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- Postage;
- Local telephone calls;
- Word Processing;
- Overtime or extra help;
- Delivery of documents (unless the delay is caused by the CRRA);
- Training of the firm's personnel;
- Secretarial time; and
- Intra-office conferencing and memorandums.

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CRRA will pay actual costs for the following, if authorized in advance:

- Retention of experts. (Selections and terms of engagement must be pre-approved.)
- Extraordinary travel.

BILLING RATES
(Provide Billing Rates Below)
 (Use Additional Sheets If Necessary)

Staff Level	Name and Title	Hourly Rates		
		CY 2009 (01/01/09-- 12/31/09)	CY 2010 (01/01/10-- 12/31/10)	CY 2011 (01/01/11-- 12/31/11)
Sr	Paul Pita, Principal and Executive Creative Director	160	165	170
Sr	Kim Pita, Managing Principal	160	165	170
Sr	Jenny Smith, Director of Public Relations	140	145	150
Sr	Lisa Santoro, Creative Director	140	145	150
Sr	Keith Knowles, Director of Interactive Services	140	145	150
Sr	Emily Cretella, Director of Strategic Services	140	145	150
Sr.	Marje Medzela, Senior Account Manager	140	145	150
Sr	Jeff Shippee, Director of Video Production	140	145	150
Jr	Nicole Palmer, Marketing/Communications Account Executive	130	135	140
Jr	Stacy Otterbein, Manager of Client Services	125	130	135
Jr.	Leslie Coffey, Senior Creative Designer	130	135	140
NOTE	All fees for services provided to CRRA are negotiable. The fees above reflect our standard yearly rate increases, however, Pita Communications would be willing to hold to year one rates in year two for CRRA.			

BILLING RATES
(Provide Billing Rates Below)
 (Use Additional Sheets If Necessary)

Staff Level	Name and Title	Hourly Rates		
		CY 2009 (01/01/09 – 12/31/09)	CY 2010 (01/01/10 – 12/31/10)	CY 2011 (01/01/11 – 12/31/11)
Jr.	Megan Nielson, Marketing Communications Assistant	115	120	125
Jr	Steve Malloy, Interactive Media Developer	135	140	145
Jr	Ben Hecht, New Media/3D Developer	135	140	145
NOTE	All fees for services provided to CRRA are negotiable. The fees above reflect our standard yearly rate increases, however, Pita Communications would be willing to hold to year one rates in year two for CRRA.			

**ANCILLARY SERVICES RATES
(Provide Rates Below)**

(Use Additional Sheets If Necessary)

Ancillary Service	Rates		
	CY 2009 (01/01/09 – 12/31/09)	CY 2010 (01/01/10 – 12/31/10)	CY 2011 (01/01/11 – 12/31/11)
Copying (Per Page)	0.10	\$0.10	\$0.10
Travel in Firm-Owned Vehicle (Per Mile)	\$0.585	TBD	TBD
Any Other Services For Which You Routinely Bill (List Below)			
Printing Services	TBD	TBD	TBD
Photography Licensing per photo	\$50 to \$400	\$50 to \$400	\$50 to \$400
Web Site Hosting annual fee per web site	\$700	\$700	\$700
Video Stream Hosting per month per site	\$200	\$200	\$200
Translation Services	TBD	TBD	TBD

TAB 13

CONNECTICUT RESOURCES RECOVERY AUTHORITY

Request regarding Authorization for Payment of Projected Additional Legal Expenses

November 20, 2008

Executive Summary

This is to request Board authorization for payment of additional projected fiscal '09 legal expenses.

Discussion:

Covanta Wallingford L.P., the operator of the Wallingford Project, has the option to take ownership of the facility for \$1 after the bonds are paid. In the event that Covanta acquires the facility, the Authority has the option to buy it back from Covanta for fair market value in 2010. The CRRA-Covanta agreement (the "Agreement") requires the Authority to give notice to Covanta of its intention to exercise its purchase option at least 18 months prior to the expiration of the Project.

The Authority and Covanta are in dispute regarding their respective interpretations of the language in the Agreement establishing the process by which fair market value is determined. Covanta has claimed the matter for arbitration pursuant to the Agreement, and the Authority is responding. This matter is on a very aggressive schedule, since time is of the essence, and is unfolding daily.

We are therefore seeking board authorization to incur additional legal expenses for this matter.

**BOARD RESOLUTION REGARDING ADDITIONAL PROJECTED LEGAL
EXPENDITURES**

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

WHEREAS, the Board of Directors has previously authorized certain amounts for payment of fiscal year 2009 projected legal fees; and

WHEREAS, CRRA expects to incur greater than authorized for payment of legal fees and costs to be incurred through June 30, 2009:

Firm:

Amount:

Hinckley Allen & Snyder

\$