

CRRA
BOARD MEETING
APRIL 17, 2003



100 CONSTITUTION PLAZA - 17th FLOOR • HARTFORD • CONNECTICUT • 06103-1722 • TELEPHONE (860) 757-7700
FAX (860) 727-4141

April 11, 2003

TO: CRRA Board of Directors

FROM: Angelica Mattschi, Corporate Secretary

RE: Notice of Meeting

There will be a regular meeting of the Connecticut Resources Recovery Authority Board of Directors held on Thursday, April 17, 2003 at 9:00 a.m. at the Regional Recycling Center, 211 Murphy Road, Hartford.

Please notify this office of your attendance at (860) 757-7792 at your earliest convenience.



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Connecticut Resources Recovery Authority
Board of Directors' Meeting

Agenda

April 17, 2003

9:00 AM

I. Pledge of Allegiance

II. Public Portion

A public portion from 9:00 to 9:30 will be held and the Board will accept written testimony and allow individuals to speak for a limit of three minutes. The regular meeting will commence if there is no public input.

III. Minutes

1. Board Action will be sought for the approval of the March 20, 2003 Regular Board Meeting Minutes (Attachment 1).

IV. Finance

1. Staff will present the Revenue and Expenditure Report for the month of February 2003 (Attachment 2).
2. Board Action will be sought regarding Interim Reserve Analysis (Attachment 3).
3. Board Action will be sought regarding an Interim Financing from the State of Connecticut for the Benefit of the Mid-Connecticut Project (Attachment 4).

V. Project Reports

A. Bridgeport

1. Board Action will be sought regarding the Operation and Maintenance of a Landfill Gas Collection and Flare System at the Shelton Landfill (Attachment 5).

B. Mid-Connecticut

1. Board Action will be sought regarding Option to Extend the Term of the Agreement for Waste Transportation and Transfer Station and Rolling Stock Operation and Maintenance Services (Attachment 6).
2. Board Action will be sought regarding the Reduction in Waste Delivery Hours at the Hartford Landfill (Attachment 7).

C. Wallingford

1. Board Action will be sought regarding Solid Waste Delivery Agreement – Yale University (Attachment 8).

VI. Chairman's and Committee Reports

1. The Policy & Procurement Committee will report on its April 3, 2003 meeting.
2. The Organizational Synergy & HR Committee will report on its April 17, 2003 meeting.
3. The Chairman will report on various items.

VII. Executive Session

An Executive Session will be held to discuss litigation, pending litigation, contractual negotiations and personnel matters with appropriate staff.

VIII. Communication

1. Articles (Attachment 9).

IX. Summary of Project Activities

1. An update is provided on waste deliveries to all the projects for the period ending March 2003 (Attachment 10).
2. Information is on each project's monthly operations for the period ending March 2003 (Attachment 11).

TAB 1

CONNECTICUT RESOURCES RECOVERY AUTHORITY

THREE HUNDRED FIFTY-SIXTH MEETING

MARCH 20, 2003

A regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, March 20, 2003 at 211 Murphy Road, Hartford. Those present were:

Chairman Michael A. Pace

Directors: Benson Cohn
Theodore Martland
Howard Rifkin (delegate for Director Nappier)(left at 11:00 a.m.)
James Francis
Mark Cooper
John Mengacci (delegate for Director Ryan)
Mark Lauretti (arrived at 9:25 a.m.)
Ray O'Brien
Andrew Sullivan
Alex Knopp (arrived at 9:25 a.m.)
Catherine Boone (delegate for Director Nappier)(left at 11:20 a.m.)
R. Christopher Blake (present by telephone)

Directors Cassano, Ryan and Nappier did not attend.

Present from the CRRA staff:

David Bodendorf, Senior Environmental Engineer
James Bolduc, Chief Financial Officer
Bettina Bronisz, Assistant Treasurer & Director of Finance
Michael Bzdyra, Senior Analyst
Robert Constable, Senior Analyst
Peter Egan, Director of Environmental Services
Christopher Fancher, Facilities Engineer
Brian Flaherty, Communications Coordinator
Thomas Gaffey, Recycling & Environmental Education Division Head
Gary Gendron, Director of Administration
Thomas Kirk, President
Angelica Mattschei, Executive Assistant & Corporate Secretary
Lynn Martin, Insurance & Claims Manager
Virginia Raymond, Senior Analyst
Diane Spence, Secretary
Ann Stravalle-Schmidt, Director of Legal Services
Michael Tracey, Director of Civil & Construction Engineer

Others in attendance were: John Stafstrom, Jr. of P&C; David Arruda of MDC; Frank Marci of USA Hauling; Jerry Tyminski of SCRRA; John Maulucci of BRRFOC; Ted Doolittle of the AG's Office; James Burns of Marsh USA, Inc; Jane Korwek, Jonathan Lewis and Douglas Cohen of BRBI; Frank Robinson of SABW; Steve Diaz of Covanta; William Bright and Richard Rendiero of C&L and Barry Zitser of P&Z.

Chairman Pace called the meeting to order at 9:02 a.m. and noted that a quorum was present. Chairman Pace requested that everyone stand up for the Pledge of Allegiance, whereupon, the Pledge of Allegiance was recited.

PUBLIC PORTION

Chairman Pace said that the next item on the agenda allowed for a public portion between 9:00 a.m. and 9:30 p.m. in which the Board would accept written testimony and allow individuals to speak for a limit of three minutes. Chairman Pace asked whether any member of the public wished to speak.

Chairman Pace noted that there were no public comments and that the regular meeting would commence.

APPROVAL OF FEBRUARY 27, 2003 REGULAR BOARD MINUTES

Chairman Pace requested a motion to approve the minutes of the February 27, 2003 regular Board meeting. Director O'Brien made the motion which was seconded by Director Francis.

Director O'Brien said that page five of the minutes indicated that Directors Rifkin and Mengacci were the only members of a Working Group concerning the Financial Mitigation Plan. The Working Group consisted of CRRA staff members, Bond Counsel and Director Sullivan in addition to the representatives from the Treasurer's Office and the Policy & Management. Director O'Brien said that the word "advise" on the second to last paragraph of the same page should have been "advice." Director O'Brien stated that the motion on page 8 under the Financial Litigation Plan was missing the word "from." Director O'Brien added that "elected officials" should be replaced with "appointed directors."

The motion previously made and seconded was approved unanimously.

INSURANCE

AUTHORIZATION REGARDING THE TERRORISM INSURANCE ACT (TRIA) OF 2002

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

RESOLVED: That the Steering Committee is authorized to bind terrorism coverage based upon the advice of staff and consultants. These actions shall be ratified by the full Board at its next subsequent meeting.

Director Francis seconded the motion which was passed. Director Martland voted "nay."

AUTHORIZATION REGARDING ALL RISK PROPERTY INSURANCE RENEWAL

Chairman Pace requested a motion on the referenced topic. Director O'Brien made a motion to authorize the President and/or the Chief Financial Officer to execute the insurance renewal as presented and discussed. Director Martland seconded the motion which was approved unanimously.

FINANCE

REVENUE AND EXPENDITURE REPORT FOR THE MONTH OF JANUARY 2003

Ms. Bronisz presented the Revenue and Expenditure Reports for the month of January 2003 to the Board as included in attachment two of the Board materials.

AUTHORIZATION REGARDING DISBURSEMENT OF AUTHORITY FUNDS

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

RESOLVED: That the funds of the Authority deposited in Fleet Bank or otherwise invested (except Trustee-held funds and funds in the CRRA/MDC Arbitration Escrow bank account) be subject to withdrawal or charge at any time and from time to time upon checks, notes, drafts, bills of exchange, acceptance, or other instruments for the payment of money or upon directions for the wire transfer of money, when made, signed, drawn, accepted, or endorsed on behalf of the Authority, by any two of the following: Tom Kirk, Jim Bolduc, Bettina Bronisz, Nhan Vo-Le, Michael A. Pace or Rob Constable provided, however, wire transfers between Authority bank accounts or otherwise invested

Authority funds (including to and from Trustee-held funds and the CRRA/MDC Arbitration Escrow bank account) shall require instructions from one of the foregoing.

FURTHER RESOLVED: That Trustee-held funds and the CRRA/MDC Escrow Arbitration bank account be subject to withdrawal or charge at any time and from time to time upon requisitions/instructions, checks, notes, drafts, bills of exchange, acceptance or other instruments for payment of money or upon directions for the wire of transfer money, when made, signed, drawn, accepted, or endorsed on behalf of the Authority, by any one of the above individuals.

Director Francis seconded the motion which was approved unanimously.

AUTHORIZATION REGARDING THE FISCAL YEAR 2004 CAPITAL IMPROVEMENT BUDGET

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

RESOLVED: That the fiscal year 2004 Capital Budget be adopted substantially in the form as discussed at this meeting.

Director Martland seconded the motion which was approved unanimously.

PROJECT REPORTS

MID-CONNECTICUT

AUTHORIZATION REGARDING STANDARD FORM COMMERCIAL HAULER WASTE DELIVERY AGREEMENTS – MID-CONNECTICUT, WALLINGFORD AND BRIDGEPORT PROJECTS

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

RESOLVED: The President is authorized to enter into agreements with commercial haulers for the delivery of project member and contract town Acceptable Waste to Bridgeport, Wallingford, and Mid-Connecticut Projects substantially in accordance with the terms and conditions discussed at this meeting.

Director Martland seconded the motion which was approved unanimously.

AUTHORIZATION REGARDING A SPOT WASTE DELIVERY AGREEMENT WITH BRISTOL RESOURCE RECOVERY FACILITY OPERATING COMMITTEE

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

RESOLVED: That the President is authorized to enter into an agreement with the Bristol Resource Recovery Facility Operating Committee substantially in accordance with the terms and conditions discussed at this meeting.

Director Martland seconded the motion which was approved unanimously.

AUTHORIZATION REGARDING THE ELLINGTON LANDFILL GAS COLLECTION/CONTROL SYSTEM

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

RESOLVED: That the President, Chairman, or Vice Chairman is hereby authorized to amend the Agreement for operation and maintenance of the landfill gas collection and control system at the Ellington Landfill with Handex of Connecticut, Inc, substantially as discussed and presented at this meeting.

Director Cooper seconded the motion which was approved. Director Lauretti abstained from the vote.

SOUTHEAST

AUTHORIZATION REGARDING THE CURTAILMENT OF ELECTRICITY SALES RENEWAL

Chairman Pace requested a motion on the referenced topic. Director O'Brien made a motion to authorize the President to accept or consent to the electricity sales curtailment agreement for the Southeast project. Director Martland seconded the motion.

Director Rifkin said that he would like to raise a legal issue during executive session that may have an impact on the topic. Chairman Pace requested a motion to table the item until after the executive session. The motion made by Director Rifkin and seconded by Director O'Brien was approved unanimously.

MID CONNECTICUT (CON'T)

STATUS UPDATE OF RAIL HAUL FEASIBILITY STUDY

Mr. Tracey gave a presentation on the referenced item as outlined in a handout distributed to the Board.

WALLINGFORD

DISCUSSION ON THE WALLINGFORD RRF – EXECUTION OF CONSENT ORDER

Mr. Egan presented the referenced item as included in attachment nine of the Board materials.

RECYCLING

AUTHORIZATION REGARDING THE SERVICE AGREEMENT FOR THE OPERATION AND MAINTENANCE OF THE CONTAINER FACILITY WHICH SERVES THE MID-CONNECTICUT PROJECT TOWNS

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

RESOLVED: The President is authorized to extend the Service Agreement for the Operations and Maintenance of the Container Processing Facility with FCR Redemption, Inc. for one year until May 21, 2004, substantially in the form as presented and discussed at this meeting.

Director Knopp seconded the motion which was approved unanimously.

LEGAL

AUTHORIZATION REGARDING THE RECYCLING AGREEMENT WITH MURPHY ROAD RECYCLING, LLC ET AL

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

RESOLVED: That the President is authorized to enter into a Recycling Agreement and an Access and Scale Use Agreement with Murphy Road Recycling, LLC and Murphy Road Realty, LLC, as substantially presented at this meeting with such non-substantive changes as the President deems necessary or appropriate; provided that if there is a

substantive change that outside counsel for the Connecticut Resources Recovery Authority ("CRRA") certifies in writing is for the benefit of CRRA without imposing any material, additional risk, the President may incorporate such change.

Director Martland seconded the motion which was approved unanimously.

EXECUTIVE SESSION

Chairman Pace requested a motion to convene an executive session to discuss litigation, pending litigation, contractual negotiations and personnel matters with appropriate staff. Director O'Brien made the motion which was seconded by Director Mengacci. Chairman Pace requested that Mr. Kirk, Ms. Schmidt, Mr. Bolduc, Mr. Doolittle and Mr. Cohen remain during the executive session. The motion previously made and seconded was approved unanimously.

The Executive Session began at 10:40 a.m.

The Executive Session concluded at 12:09 p.m.

Chairman Pace reconvened the Board meeting at 12:10 p.m.

Chairman Pace noted that no votes were taken in Executive Session.

AUTHORIZATION REGARDING THE CURTAILMENT OF ELECTRICITY SALES RENEWAL (CON'T)

Chairman Pace requested a motion to remove the table on the referenced topic. The motion to remove the table made by Director Knopp and seconded by Director O'Brien was approved unanimously. Director O'Brien made a motion to authorize the Chairman or President to give CRRA's consent to a 2003 Agreement with American Ref-Fuel and Northeast Utilities as included in attachment eight of the Board materials. Director Knopp seconded the motion which was approved unanimously.

ADDITION TO THE AGENDA

AUTHORIZATION REGARDING PARTICIPATION IN NEPOOL

Chairman Pace requested a motion to add the referenced topic to the agenda. The motion made by Director O'Brien and seconded by Director Cooper was approved unanimously.

Chairman Pace requested a motion on the referenced item. Director O'Brien made the following motion:

RESOLVED: That the CRRA shall apply to become a participant in the New England Power Pool under the New England Power Pool Agreement dated as of September 1, 1971, as amended, (the "Agreement") and the President of CRRA is authorized to execute a counterpart of the Agreement on behalf of CRRA and to cause CRRA to perform its obligations under the Agreement upon the effectiveness of its membership.

Director Knopp seconded the motion which was approved unanimously.

CHAIRMAN'S AND COMMITTEE REPORTS

ORGANIZATIONAL SYNERGY & HUMAN RESOURCES COMMITTEE

AUTHORIZATION REGARDING EMPLOYMENT SEPARATION POLICY

Chairman Pace requested a motion on the referenced topic. Director Francis made the following motion:

RESOLVED: That the CRRA budget line item for "regular payroll" be amended to "regular payroll, severance and related matters."

RESOLVED: That the CRRA hereby adopts an Employment Separation Agreement Policy as substantially presented at this meeting.

Director O'Brien seconded the motion which was approved unanimously.

AUTHORIZATION REGARDING WORK HOURS POLICY

Chairman Pace requested a motion on the referenced topic. Director Francis made the following motion:

RESOLVED: That the CRRA hereby adopts a Work Hours Policy as substantially presented at this meeting.

Director O'Brien seconded the motion which was approved unanimously.

AUTHORIZATION REGARDING WELLNESS PROGRAM

Chairman Pace requested a motion on the referenced topic. Director Francis made the following motion:

RESOLVED: The CRRA Employee Wellness Program be continued for Fiscal Year 2003; and be it further

RESOLVED: That \$10,000 be appropriated from the CRRA Health Reserve for the purpose of reimbursement of wellness-related expenses not to exceed \$300 per employee, substantially as presented at this meeting.

Director O'Brien seconded the motion which was approved unanimously.

POLICY & PROCUREMENT COMMITTEE

Director Cohn distributed a copy of a letter he wrote to Capital Properties to the Board and gave a review of activities undertaken by the Committee.

CHAIRMAN'S REPORT

Chairman Pace gave the Board a report on the escheats bill as well as to note that staff was also monitoring bills that were not beneficial to CRRA. Director Martland opened up a discussion regarding the beneficial reuse of ash at the Hartford landfill. Mr. Kirk said that the Hartford Courant ran two CRRA ads for vacant positions, which were Senior Environmental Counsel and Operations Division Head.

AJOURNMENT

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

There being no other business to discuss, the meeting was adjourned at 12:34 p.m.

Respectfully submitted,



Angelica Mattschi
Corporate Secretary to the Board

CONNECTICUT RESOURCES RECOVERY AUTHORITY

EXECUTIVE SESSION

MARCH 20, 2003

An Executive Session called for the purposes of discussing litigation, pending litigation, contractual negotiations and personnel matters was convened at 10:40 a.m.

DIRECTORS

Chairman Pace
Director Cohn
Director Martland
Director Rifkin
Director Francis
Director Sullivan
Director Cooper
Director Mengacci
Director Lauretti
Director O'Brien
Director Knopp
Director Boone
Director Blake

STAFF

Tom Kirk
Jim Bolduc
Ann Stravalle-Schmidt

BR
Doug Cohen

A.G.
Theodore Doolittle

No votes were taken in Executive Session.

The Executive Session adjourned at 12:09 p.m.

CONNECTICUT RESOURCE RECOVERY AUTHORITY

BOARD MEETING

March 20, 2003

Held At:

211 Murphy Road

Hartford, Connecticut

H e l d B e f o r e :

MICHAEL A. PACE, Chairperson

1 Appearances:
 2 Directors:
 3 BENSON COHN
 4 THEODORE MARTLAND
 5 HOWARD RIFKIN
 6 CATHERINE BOONE
 7 JAMES FRANCIS
 8 MARK COOPER
 9 JOHN MENGACCI
 10 MARK LAURETTI
 11 RAY O'BRIEN
 12 ALEX KNOPP
 13 R. CHRISTOPHER BLAKE
 14
 15 Present from CRRA:
 16 DAVID BODENDORF
 17 JAMES BOLDUC
 18 BETTINA BRONISZ
 19 MICHAEL BZDYRA
 20 ROBERT CONSTABLE
 21 PETER EGAN
 22 CHRIS FANCHER
 23 BRIAN FLAHERTY
 24 THOMAS GAFFEY
 25 GARY GENDRON

1 Appearances:
 2 In attendance:
 3 DAVID ARRUDA
 4 MDC
 5
 6 JOHN MAULUCCI
 7 BRRFOC
 8
 9 JANE KORVEK
 10 BRBI
 11
 12 JAMES BURNS
 13 Marsh
 14
 15 THEODORE DOOLITTLE, ESQ.
 16 Office of the Attorney General
 17
 18 DOUGLAS COHEN, ESQ.
 19 JONATHAN LEWIS, ESQ.
 20 Brown Rudnick Berlack Israels, LLP
 21
 22
 23
 24
 25

1 Appearances (Cont'd.):
 2 Present from CRRA:
 3 THOMAS KIRK
 4 ANGELICA MATTSCHER
 5 LYNN MARTIN
 6 ANN STRAVALLE-SCHMIDT
 7 VIRGINIA RAYMOND
 8 DIANE SPENCE
 9 MICHAEL TRACEY
 10
 11 In attendance:
 12 JOHN STAFSTROM, JR., ESQ.
 13 Pullman & Comley, LLC
 14
 15 FRANK MARCI
 16 USA Hauling & Recycling
 17
 18 Jerry Tyminski
 19 SCRRA
 20
 21 BARRY ZITSER, ESQ.
 22 Perakos & Zitser, P.C.
 23
 24 STEVE N. DIAZ
 25 COVANTA

1 9:02 O'CLOCK A.M.
 2
 3 THE CHAIRPERSON: Call the
 4 meeting to order.
 5 (Whereupon, the pledge of
 6 allegiance was recited.)
 7 THE CHAIRPERSON: Thank you.
 8 DIR. O'BRIEN: Mr. Chairman,
 9 maybe we could take a moment to wish Godspeed
 10 to all the troops.
 11 THE CHAIRPERSON: We'll have a
 12 moment of silence in support of our troops.
 13 (Pause.)
 14 THE CHAIRPERSON: Thank you.
 15 Okay, this is the March 20th
 16 meeting of the CRRA board of Directors. The
 17 item on the agenda next is public comment.
 18 Is there anybody who wishes to address the
 19 board?
 20 Seeing none, we'll move on.
 21 DIR. O'BRIEN: I'd move for
 22 board approval the minutes of the February
 23 27th meeting, as submitted, with some
 24 corrections.
 25 THE CHAIRPERSON: All right.

1 We have a motion to put on the table the
2 minutes of February 27 for the record. We
3 have a second.

4 You said corrections, sir.

5 DIR. O'BRIEN: I'll let John
6 go first. Usually he has most of them.

7 DIR. MENGACCI: No. I wasn't
8 able to find any this time. I'll defer to
9 you, sir.

10 DIR. O'BRIEN: On page 5
11 there's a paragraph on the resolution: "A
12 working group had been established consisting
13 of Directors Rifkin and Boone and Director
14 Mengacci." And I don't believe that's the
15 entire working group. There's more people
16 involved. I thought Andy was part of that
17 and Jim.

18 DIR. MENGACCI: And Tom and
19 John Stafstrom and Bettina.

20 DIR. O'BRIEN: I think the
21 construction indicates there's only OPM and
22 the office of the treasurer.

23 THE CHAIRPERSON: Jim, can
24 you --

25 DIR. O'BRIEN: It's on page 5,

1 "of the elected officials." I believe the
2 correct wording is "of the appointed
3 directors" and that also occurs a little
4 later in that paragraph.

5 THE CHAIRPERSON: I think that
6 the Chair could have misstated it at that
7 point.

8 DIR. O'BRIEN: I'm not blaming
9 the secretary.

10 THE CHAIRPERSON: I'll take
11 the blame for it.

12 DIR. O'BRIEN: But it should
13 be "appointed directors" rather than "elected
14 officials." That's all I have noticed.

15 THE CHAIRPERSON: Okay. John
16 gave Ray the okay so. There's a motion on
17 the table to accept the minutes. Those are
18 the corrections as suggested. Are there any
19 other corrections?

20 All those in favor of the
21 approval as corrected, say aye.

22 Opposed?

23 Abstained?

24 On the phone you know we have
25 Mr. Blake.

1 the paragraph following the resolution.

2 DIR. MARTLAND: Only the named
3 directors?

4 MR. BOLDUC: No.

5 DIR. O'BRIEN: You can give
6 the secretary the corrections.

7 Two paragraphs below that
8 there's just a typo. I think the word, the
9 variable rate was taken at the "advice,"
10 a-d-v-i-c-e.

11 THE CHAIRPERSON: Okay.

12 DIR. O'BRIEN: Although they
13 are on the next page on page 6, the bottom of
14 the page, the implication is -- the first
15 sentence following the motion is that the
16 only revision to the budget for Mid-Conn had
17 to do with the MDC operation, and there were
18 other factors leading to that which are
19 discussed a little bit on the next page.

20 On page 8 under the financial
21 mitigation plan, just the word "from" is
22 missing in the motion.

23 And then on page 11 where the
24 Chair called for the vote, it's stated the
25 resolution needed two-thirds vote, it says,

1 THE CHAIRPERSON REPORTER:
2 Yes, I do.

3 THE CHAIRPERSON: Chris Blake
4 is on the telephone with us.

5 DIR. RIFKIN: Mr. Chairman, I
6 just want to say that I want to apologize in
7 advance. Cathy and I have to leave at eleven
8 to attend a budget workshop before
9 Representative Flaherty's subcommittee of the
10 appropriation committee.

11 THE CHAIRPERSON: With
12 everybody holding onto the table, I hope that
13 we're all out of here by eleven.

14 Let's move on. The Chair is
15 going to take the prerogative to move an item
16 up earlier so that personnel that are here
17 can address and leave. So if we could
18 rearrange the order so that the item of the
19 insurance, which is listed as Roman numeral
20 VIII, be moved up to the next item.

21 Jim, are you going to speak to
22 that?

23 MR. BOLDUC: Yes, I'll just
24 move through it quickly.

25 THE CHAIRPERSON: Lynn, are

1 you here?

2 MS. MARTIN: Yes, I'm here.

3 MR. BOLDUC: And we also have
4 a representative from Marsh if there's any
5 specific questions. On tab 12 is the action
6 with regard to ratifying the steering
7 committee's binding of certain terrorism
8 coverage with regard to a number of policies
9 under the overall property insurance.

10 It was agreed that four of the
11 policies we would take on terrorism
12 insurance. Two of them were declined. They
13 were declined because the premiums were very
14 costly relative to the coverage period.

15 And we also, as part of the
16 finance committee, have put on the schedule
17 to take a look at this whole terrorism issue.
18 As you may appreciate, it's a new coverage
19 that's tied into the federal mandates that
20 they process with the insurance carriers.
21 There's really not a market out there, and
22 premiums bounce all over the lot.

23 On one particular policy it
24 was a \$115,000 policy on a million dollars of
25 coverage that we declined. The ones we've

1 this issue came before the finance committee
2 at one point or before the full board.

3 THE CHAIRPERSON: It came
4 before the board. We authorized the steering
5 committee, and we brought it over to the
6 finance, all right, and they are now looking
7 to have this board, if you will, ratify
8 exactly --

9 DIR. RIFKIN: Is that the
10 action that we took with the full board?

11 THE CHAIRPERSON: Yes.

12 DIR. RIFKIN: I thought that
13 we said that the terrorism insurance was
14 priced well beyond --

15 DIR. MARTLAND: That was my
16 impression as well.

17 DIR. RIFKIN: And that we were
18 not going to take on any premiums for
19 terrorism insurance over the next year.

20 MR. BOLDUC: When I went back
21 into the notes, the board resolution kicked
22 it over to the steering committee to take a
23 look at the policies as they came up. And,
24 if the steering committee decided they needed
25 the insurance, then they would come back to

1 agreed to were modest relative to the two
2 that were declined that were excessive to the
3 limits and the terms.

4 The original policies cannot
5 be post backdated to last November to the
6 coverage periods that had already expired.
7 So it's kind of a work in progress in terms
8 of this whole coverage in terms of newness
9 and emotional reaction to it.

10 DIR. O'BRIEN: I'll move the
11 motion at the bottom of tab 12 at which the
12 board would ratify the actions of the
13 steering committee presented by Jim.

14 THE CHAIRPERSON: That's what
15 we're asking for. There's a motion.

16 Do I hear a second?

17 DIR. FRANCIS: Second.

18 THE CHAIRPERSON: Okay.

19 DIR. MENGACCI: I'll second
20 it. Oh, there's a second. Okay.

21 THE CHAIRPERSON: Are we
22 looking for comment from Marsh?

23 DIR. RIFKIN: Could I just ask
24 one question for clarification? Maybe I'm
25 missing something, but I thought that either

1 the full board for that.

2 THE CHAIRPERSON: There were
3 two that were declined.

4 DIR. O'BRIEN: I think what
5 Howard is referring to is the actions that
6 once were approved took place by the steering
7 committee prior to the finance committee
8 saying we're going to take another look and
9 decline coverage so those were --

10 THE CHAIRPERSON: As part of
11 the steering committee, Mr. Sullivan, as part
12 of the steering committee is also chair of
13 the finance. As these items kept coming up,
14 I reverted back to him to review with the
15 finance committee.

16 DIR. O'BRIEN: I understand
17 that. What Howard's point is the last action
18 of the finance committee was saying let's
19 take another look at the whole thing, but
20 these approvals were taken by the steering
21 committee prior to the finance committee
22 doing that. So you're operating under the --

23 THE CHAIRPERSON: So we have
24 these premiums total 14, 17, about \$18,000.
25 Right??

1 MR. BOLDUC: Yes.
 2 THE CHAIRPERSON: So we have
 3 about \$18,000 in premiums.
 4 DIR. BOONE: Just to clarify,
 5 the dates are the range of starting dates,
 6 that's not a starting date and an ending
 7 date, is it?
 8 MR. BOLDUC: They are starting
 9 and ending. That's the way the original
 10 policies came out subsequent to the federal
 11 act.
 12 DIR. BOONE: So \$18,000 for
 13 another week of coverage?
 14 MR. BOLDUC: That's the way
 15 those were put in place, yes. That's why I
 16 think what we've done with the finance
 17 committee is to take all terrorism -- as the
 18 policies are coming up for renewal, they've
 19 been attached to riders to each policy. As
 20 the policies were coming out, these were
 21 still policies that were being attached and
 22 they, quite frankly, didn't seem to make
 23 economic sense. These predated. These go
 24 back, as Ray said, prior to this process
 25 that's now established.

1 from 11/26, and as long as you then paid the
 2 premium it stayed in effect. If you chose
 3 not to do it, like the Hartford Steam Boiler
 4 policy, it goes back to having been excluded
 5 all along. There was no coverage for any
 6 time period.
 7 DIR. MENGACCI: Then what
 8 happens after 4/1/03?
 9 MR. BURNS: This is part of
 10 the property policy as opposed to a separate
 11 insurance policy. A terrorism exclusion was
 12 added at last year's renewal.
 13 DIR. MENGACCI: So, in effect,
 14 this is just putting back into place previous
 15 things that were nullified by the federal
 16 law --
 17 MR. BURNS: Yes.
 18 DIR. MENGACCI: -- putting
 19 back into our existing policies?
 20 MR. BURNS: And now the
 21 property policy is renewing April 1 of '03,
 22 and there is something on the agenda to talk
 23 about that, but terrorism coverage could be
 24 considered again in the next policy.
 25 DIR. MENGACCI: Okay. So it's

1 Maybe if I could have the
 2 representative from Marsh explain it a little
 3 better to you.
 4 MR. BURNS: Hi, my name is Jim
 5 Burns. I work for Marsh. When the federal
 6 government passed the legislation in
 7 November, it immediately nullified the
 8 exclusions that were in the policies and
 9 granted coverage and put an obligation on the
 10 insurance companies then to send notification
 11 to all of its policyholders and to send a
 12 quote. They had 90 days to do that from
 13 11/26, so sometime in February, so they had
 14 between the end of November and like the end
 15 of February.
 16 As they sent those notices,
 17 you only had 30 days to decide whether to buy
 18 the coverage and pay the premium. So some of
 19 the markets actually sent notices in
 20 December, and decisions needed to be made by
 21 early January or you would have lost the
 22 coverage.
 23 And the premium is actually
 24 for a period of time from 11/26 until
 25 April 1. So coverage was in effect

1 a subsection of our larger property
 2 insurance?
 3 MR. BURNS: Yes.
 4 DIR. MENGACCI: Okay.
 5 THE CHAIRPERSON: Do you want
 6 to add anything?
 7 DIR. RIFKIN: I don't recall
 8 the same sequence of events, but I don't have
 9 the stuff in front of me so --
 10 THE CHAIRPERSON: And
 11 unfortunately Andy is not on the phone today.
 12 MR. BOLDUC: I went back, and
 13 that was the sequence in the board
 14 resolutions. What we've done is because of
 15 all of this hurry up and rush I suggest that
 16 we take it all off the table and not deal
 17 with these -- when we get to the next policy,
 18 we'll see where we're taking it -- anything
 19 to do with terrorism putting it as a package
 20 and deal with it through the finance
 21 committee as a package and decide where we
 22 want to go as opposed to these little bits
 23 and pieces to be added to each policy. But I
 24 agree with you, fairly hefty premiums for
 25 very little coverage.

1 DIR. RIFKIN: I'd like to see
2 for the finance committee a list of all the
3 various insurance policies that we have, a
4 summary of the coverage, and the purpose.

5 MR. BOLDUC: That's going to
6 be part -- in the last finance committee
7 meeting we're going to have it scheduled like
8 at the June meeting to be a comprehensive
9 review of all risk, including insurance
10 policies, to try to put all this in one piece
11 to make it a little clearer rather than these
12 policies as they come through the processing.

13 DIR. RIFKIN: Thank you.

14 THE CHAIRPERSON: Any other
15 questions?

16 DIR. MENGACCI: The money is
17 in the budget, I presume?

18 THE CHAIRPERSON: (Nodding in
19 the affirmative.) That's why it was
20 referred.

21 All right then, all those in
22 favor of the motion as stated, aye?

23 Opposed?

24 DIR. MARTLAND: Aye.

25 THE CHAIRPERSON: Is that an

1 indicated in the recommendation, we're going
2 to, again, deal with the terrorism as part of
3 a whole as opposed to in pieces. As of this
4 date, we don't even have a quote for what
5 that would be, but you can see from last year
6 that quote was 158,000, which, again, is a
7 fairly expensive premium, but it's not part
8 of this renewal proposal. This is just the
9 basic property renewal policy without the
10 terrorism.

11 DIR. O'BRIEN: Are you looking
12 for a resolution of the board?

13 MR. BOLDUC: Yes, because we
14 need to renew the policy.

15 DIR. O'BRIEN: That's not in
16 here. I would move that the board authorize
17 the president and/or the chief financial
18 officer to execute the insurance renewal as
19 substantively as described by Mr. Bolduc.

20 THE CHAIRPERSON: And that
21 would be absent the terrorist insurance.

22 DIR. MARTLAND: Second.

23 DIR. O'BRIEN: Yes.

24 THE CHAIRPERSON: We have a
25 second. Any questions? Any comments by the

1 aye as an opposed?

2 DIR. MARTLAND: Opposed.

3 THE CHAIRPERSON: Any
4 abstentions?

5 DIR. MARTLAND: I'm sorry. I
6 should have said no.

7 THE CHAIRPERSON: The Chair
8 was confused with the aye as the nay.

9 Okay, motion carries.

10 We'll go back to the next
11 item.

12 MR. BOLDUC: There's another
13 one under insurance.

14 THE CHAIRPERSON: Go ahead.

15 MR. BOLDUC: The second one
16 under tab 13, that's the All Risk Property
17 Insurance. The current policy expires April
18 1st. We've got a renewal. Again, it had
19 this little twist with the terrorism. We
20 basically recommended that we go ahead and
21 renew the policy without terrorism. The
22 policy premium without the terrorism for the
23 coming year is a 1,037,164 which is a
24 reduction of about \$88,000 from the current
25 year premium of 1.1 million. And as

1 board?

2 All those in favor of the
3 motion as stated?

4 Opposed?

5 Abstained?

6 So moved.

7 Finance. Staff will present
8 the revenue and expenditure report for the
9 month of January. It's in your attachment
10 number 2.

11 MR. BOLDUC: I'll just have
12 Bettina go through it quickly.

13 MS. BRONISZ: For those
14 directors that did not see this report in the
15 finance committee package, I just wanted to
16 point out that we've added, per Director
17 O'Brien's recommendation, tonnage information
18 for each of the projects. I'll just go
19 through each of the projects quickly if you
20 have any particular questions.

21 On the Mid-Connecticut project
22 we have a year-to-date deficit for the seven
23 months ending January 31, 2003 of 1.1
24 million. This is the only project that is
25 running at a deficit. And the major reasons

1 for that are waste transport expenses and
 2 expenses related to the two transfer stations
 3 are significantly above budget mainly having
 4 to do with the continued operation of those
 5 facilities by MDC. The budget had assumed
 6 that a different contractor would be running
 7 it.

8 On the Bridgeport project,
 9 year-to-date surplus of about \$500,000. The
 10 major reason there is general admin expenses
 11 have decreased and also recycling sales have
 12 been above market at the Bridgeport project.

13 The Wallingford project is
 14 reporting a surplus for the same time period
 15 of \$900,000. The main reason there is that
 16 expenditures have been down, general
 17 administrative expenditures are down, and
 18 waste transport expenses are down.

19 Of note here, the recycling
 20 line item under expenditures for recycling
 21 has been zero. I understand that there is a
 22 recycling event currently scheduled to take
 23 place in the spring.

24 DIR. O'BRIEN: I should have
 25 asked this last week, but are the general

1 from waste diversion spot revenues. That's
 2 pretty much on contract.

3 Nonproject ventures and
 4 administration, the last two pages, nothing
 5 significant there. Nonproject ventures, as
 6 indicated, will be moving into the
 7 Mid-Connecticut fund over the next couple of
 8 months so this page will be dropping off.

9 And under administration
 10 there's no major variances to report.

11 THE CHAIRPERSON: That surplus
 12 in the nonproject ventures will then offset
 13 the deficit in the Mid-Conn project?

14 MS. BRONISZ: I'm not exactly
 15 sure how the accounting for that will work,
 16 but I -- I'm not sure how that --

17 THE CHAIRPERSON: The Chair
 18 just brings that to the table as a question.

19 But we've talked about that before, about the
 20 expenses and revenues from those projects.
 21 If you take a look at the revenues, the
 22 electric sales, up on top, all right.

23 MS. BRONISZ: The electric
 24 sales, of course. We mainly get revenues
 25 from the nonproject ventures -- usually

1 admin costs down more than their share of
 2 what we have reduced headquarters cost, or is
 3 that as the reductions taken by that -- the
 4 recommendations of staff by this board
 5 accounting for those lower --

6 MS. BRONISZ: That's a good
 7 question. I think it's a combination of
 8 things. I think there's been more -- there's
 9 been not as much staff time allocated to the
 10 other projects as had been anticipated.

11 DIR. O'BRIEN: Maybe you could
 12 put that into next month's report, you know,
 13 which is which, which is the action of the
 14 board and which is just overall improvements
 15 in operation.

16 MS. BRONISZ: Sure.
 17 (Whereupon, Directors Knopp
 18 and Lauretti entered the room.)

19 THE CHAIRPERSON: Would the
 20 stenographer note we have two more gentlemen.

21 MS. BRONISZ: On the Southeast
 22 project we're pretty much on target, a slight
 23 surplus year to date. We are showing
 24 increased deliveries and revenues from the
 25 Mohegan Sun casino, also increased revenues

1 booked in the summer months.

2 THE CHAIRPERSON: All right.

3 MS. BRONISZ: Any other
 4 questions?

5 THE CHAIRPERSON: I would just
 6 comment I think it's obvious when we talk
 7 about CRRA and we talk about some of the
 8 problems with CRRA basically it focuses on
 9 the Mid-Conn project, which we're working
 10 through, but we do have three other projects
 11 that are working along quite well.

12 Anything else, Bettina?

13 MS. BRONISZ: That's it.

14 THE CHAIRPERSON: Jim, do you
 15 have anything to add?

16 MR. BOLDUC: No. I think
 17 things seem to be moving along. Again, if
 18 you have any other suggestions on the revenue
 19 expense format we keep trying to refine it
 20 and get into the issues that are critical.

21 So the one comment I will
 22 make, next year a lot of the budget tends to
 23 be distributed on a 1/12 basis on the
 24 expenses, and we're going to be taking a look
 25 at that to try to reallocate those on a

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1 month-by-month so they kind of track the
2 actual activity as opposed to just 1/12 per
3 month so we can get a better line. And so
4 the chart right now doesn't really track as
5 well as the expenditure side. We're trying
6 to fine tune that as we spread that budget
7 next year.

8 THE CHAIRPERSON: Okay.

9 DIR. O'BRIEN: Mr. Chairman, I

10 would move the resolution at the back of
11 tab 3.

12 THE CHAIRPERSON: Okay. Tab 3

13 is seeking board action regarding
14 disbursement of the Authority funds.

15 Jim.

16 MR. BOLDUC: This is just

17 basically to recognize the fact that John
18 Clark will be leaving at the end of the
19 month, and he was a signer on the wire
20 transfers, to remove his name from Fleet Bank
21 and to replace him, since we do need
22 coverage, with Rob Constable to be able to do
23 a wire transfer as a backup to Bettina and
24 myself.

25 THE CHAIRPERSON: Okay. We

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1 '03, projected '03, proposed '04, and
2 projected capital spending through '08 for
3 each of the projects and short descriptions
4 of major issues on capital spending on each
5 of these projects. It's pretty
6 straightforward. And should you have any
7 additional questions, our staff is here to be
8 able to answer them directly.

9 THE CHAIRPERSON: As the

10 director said, the finance committee reviewed
11 this.

12 Does anybody have any
13 questions?

14 DIR. LAURETTI: I have just a

15 quick comment. We had a lengthy discussion
16 at the finance committee about the nature of
17 the capital improvements budget, and I would
18 encourage everyone to just take a look at
19 those comments so that everybody has a clear
20 understanding of what the purpose of the
21 capital budget is and that there are changes
22 that are to be had from time to time
23 depending on any number of circumstances that
24 arises.

25 THE CHAIRPERSON: Bud.

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1 have a motion on the table. Is there a
2 second?

3 DIR. FRANCIS: Second.

4 THE CHAIRPERSON: Is there any

5 questions, discussion on this item,
6 replacement of Rob for John.

7 All those in favor, aye?

8 Opposed?

9 Abstained?

10 So moved.

11 DIR. O'BRIEN: Mr. Chairman, I

12 would move the resolution at the back of tab
13 4 regarding the FY04 capital improvement
14 budget noting that it has been recommended to
15 the board by the finance committee.

16 THE CHAIRPERSON: Is there a

17 second?

18 DIR. MARTLAND: Second.

19 THE CHAIRPERSON: All right,

20 Dr. Martland.

21 MR. KIRK: There's been

22 considerable discussion of the capital budget
23 that took place at the finance committee
24 meeting. The package includes a fairly
25 detailed description of adopted fiscal year

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1 DIR. COHN: I raised a minor
2 issue at that finance committee meeting, and
3 I don't see the note that was supposed to be
4 added.

5 MR. BOLDUC: If you go to page
6 6, Bud, it's on the bottom.

7 DIR. COHN: Okay.

8 THE CHAIRPERSON: That's what
9 you're referring to, sir?

10 DIR. COHN: Yes.

11 THE CHAIRPERSON: Just so
12 everybody sees, you can see Bud is working on
13 that for us on the bottom of 6.

14 Any other questions?

15 Comments?

16 Sir.

17 MR. BOLDUC: One of the things
18 we're going to be doing next year as part of
19 the process, rather than bifurcating the
20 capital budget separate from the operating
21 budget we mentioned at the finance committee
22 we're going to lump them together because
23 basically this needs to be done before the
24 operating budget which will set the tip fee.
25 So next year, when we make the presentation,

1 we'll be presenting the operating and the
2 capital budget simultaneously so you'll have
3 the advantage of having both pieces.

4 THE CHAIRPERSON: Perhaps -- I
5 don't know -- I know at the finance meeting
6 you gave us that new calendar. Perhaps we
7 could send it out to every board member.
8 Okay?

9 MR. BOLDUC: Sure.

10 DIR. O'BRIEN: That calendar
11 that was presented at the -- I'm not sure
12 which calendar. There's going to be some
13 revisions made, we hope, to that as we
14 discussed in the finance committee meeting
15 with regard to dates. We'll see budgets.

16 MR. BOLDUC: Yes --

17 DIR. O'BRIEN: So we're not up
18 against a deadline --

19 THE CHAIRPERSON: But at least
20 right now everybody has the same, if you
21 will, structure in mind.

22 All right. We have a motion.
23 We have it seconded; we've had some
24 discussion. Any further discussion?
25 Comment?

1 nonmember towns. Is that just on a spot
2 basis? What kind of lead time, what kind of
3 approval is there? Because we're also in the
4 business of exporting waste from time to
5 time.

6 MR. KIRK: Correct. We only
7 accept waste from our contract towns. The
8 hauler, the spots haulers, declare it as a
9 member or contract community waste.

10 DIR. O'BRIEN: I'm asking
11 about item 2 on the first page there. If
12 authorized by the Authority they may
13 deliver -- and I don't know what the maximums
14 are -- from nonmember towns. And right now,
15 since we're in an export business, I'm
16 wondering what kind of -- in other words, is
17 that on a daily basis, you call up and say we
18 can accept some and what are those maximums?

19 MR. KIRK: The maximum only
20 comes into play if we're short on waste. So
21 right now we're limiting them only to
22 contract and member community waste hauling
23 in, so the max doesn't apply.

24 DIR. O'BRIEN: So item 2
25 really doesn't apply?

1 Okay we're looking for
2 approval. All those in favor?

3 Opposed?

4 DIR. BLAKE: Aye.

5 THE CHAIRPERSON: Abstained?
6 So moved.

7 DIR. O'BRIEN: Mr. Chairman, I
8 would move the resolution at the back of tab
9 5 regarding hauler agreements.

10 THE CHAIRPERSON: Okay. This
11 is a standard form agreement.
12 Tom?

13 MR. KIRK: Yes, basically just
14 housekeeping issue here, standard agreement
15 to allow commercial haulers as opposed to
16 municipalities that have contracts with the
17 CRRA. This allows commercial haulers hauling
18 CRRA controlled waste into our facilities
19 establishing new tip fees for those tons.

20 THE CHAIRPERSON: And the
21 contracts reflect each one of those projects.
22 Sir.

23 DIR. O'BRIEN: It provides
24 that these haulers will deliver all waste
25 from member towns and may deliver waste from

1 MR. KIRK: Virginia, am I
2 understanding that question correctly?

3 MS. RAYMOND: We can accept
4 spot waste. Generally, however, any of the
5 haulers that we actually get spot waste from
6 would have separate spot waste agreements.
7 It is possible for us as we're managing our
8 waste flow to pick up the phone and ask a
9 hauler to bring in some waste under these
10 agreements on a spot basis.

11 DIR. O'BRIEN: So it's truly a
12 spot basis, not a --

13 THE CHAIRPERSON: No. Well,
14 in here the motion that we currently have on
15 the table, all right. If you turn to page 2
16 on your agenda or attachment 6, you will then
17 see action taken on spot waste delivery
18 agreements with the Bristol recovery project
19 so --

20 DIR. O'BRIEN: That's
21 different.

22 THE CHAIRPERSON: -- that's
23 different. So I guess the Chair is hearing
24 spot, and the Chair is hearing this is
25 from --

1 DIR. O'BRIEN: I'm referring
2 to item 2 in the beginning of tab 5, Mr.
3 Chairman.

4 MS. RAYMOND: Right.

5 DIR. O'BRIEN: I'm trying to
6 understand the meaning of that.

7 MR. KIRK: I believe the short
8 answer is it gives us the option of using
9 private commercial haulers to bring us spot
10 waste if we should need it or desire it. And
11 as you mentioned, at this point in time,
12 we're in an export situation. We're only
13 accepting contract and member community
14 waste.

15 DIR. O'BRIEN: Okay. So that
16 is truly spot. That's a call today we can
17 take some tomorrow or something of that
18 order?

19 MR. KIRK: Correct.

20 MS. RAYMOND: If you look at
21 the Bridgeport project contract, that's the
22 only contract it applies to. If you notice
23 there's a blank in that contract for the
24 Bridgeport standard agreement, and that's
25 what we would fill in with the hauler. I'm

1 THE CHAIRPERSON: At this
2 point we could all say that but --

3 DIR. O'BRIEN: I'm saying
4 there's a reason for that, Mike. That's why
5 I'm asking the question.

6 THE CHAIRPERSON: We have a
7 motion on the table. Did we have a second?

8 DIR. MARTLAND: Yes, you had a
9 second.

10 THE CHAIRPERSON: The Chair
11 lost it in the conversation. Any other
12 questions? Comments? Concerns?

13 All those in favor?

14 Opposed?

15 So moved.

16 Next is attachment 6.

17 DIR. O'BRIEN: I would move
18 the resolution at the back of tab 6 regarding
19 the Bristol resource recovery facility.

20 THE CHAIRPERSON: Is there a
21 second to bring it to the table?

22 DIR. MARTLAND: Second.

23 THE CHAIRPERSON: Tom, do you
24 want to address that?

25 MR. KIRK: Also a continuing

1 not aware that we had a single one last year
2 that we filled in with a spot total.

3 DIR. O'BRIEN: Okay.

4 MR. CONSTABLE: Virginia is
5 just stating the first two contracts are from
6 Wallingford and Mid-Conn. Those don't allow
7 for the delivery of spot waste under these
8 agreements because we do go out to bid for
9 the spot waste separately. Under the
10 Bridgeport contract, that allows for the
11 delivery of member and nonmember waste. And
12 we do, we have some haulers that bring in
13 nonmember waste to the Bridgeport project
14 under CRRA contracts, correct. So that
15 second paragraph only applies to the
16 Bridgeport project.

17 DIR. O'BRIEN: Okay.

18 MR. KIRK: It's probably worth
19 mentioning there are no changes this year.
20 This is essentially a renewal contract.

21 DIR. O'BRIEN: Yes, but I
22 wasn't here last year, Tom.

23 MR. KIRK: Neither was I.

24 DIR. O'BRIEN: And there's a
25 reason for that.

1 contract we have with Bristol resource
2 recovery operating committee to allow us to
3 export spot waste to the Bristol project if
4 we need it, and they are in agreement to
5 accept it. We don't often do that, but it's
6 an option we want to keep available to us, so
7 we'd recommend approval of this agreement.

8 DIR. O'BRIEN: Chris, use your
9 mute button until you're ready to speak.

10 DIR. BLAKE: Right. Thank
11 you.

12 THE CHAIRPERSON: Any
13 questions on this matter? I'll call for the
14 vote.

15 All those in favor?

16 Opposed?

17 Abstained?

18 So moved.

19 board action sought on
20 Ellington landfill gas collection control
21 system.

22 DIR. O'BRIEN: I move the
23 resolution at the back of tab 7.

24 DIR. COOPER: Second.

25 THE CHAIRPERSON: I believe

1 Peter Egan will address this.
 2 MR. KIRK: I'm not sure it's
 3 -- Peter is here to answer any questions if
 4 we need it, but this is also an extension of
 5 a contract. Our original contract called for
 6 a three-year agreement and three single
 7 one-year extensions. Our new purchasing
 8 policy requires every three years a new bid
 9 be performed. Due to the nature of this
 10 particular contract and the new nature of the
 11 procurement policy, Peter discussed the
 12 options of renewing this particular contract
 13 for one more year with Bud Cohn and his
 14 committee and recommend a continuation of
 15 this contract for one year after which we
 16 will rebid it.
 17 Peter, did you want to talk to
 18 the specific --
 19 MR. EGAN: I can briefly just
 20 outline the issue here and I'll just take any
 21 questions. To reiterate, this is to extend a
 22 contract to operate the Ellington Landfill
 23 gas collection control system for 15
 24 additional months beginning April 1st, two
 25 weeks from now, through the end of June of

1 looking for a total of 37,851?
 2 MR. EGAN: No. I'm looking
 3 for a total of 37,851 for routine services
 4 for the next 15 months, an additional \$4,000
 5 for the remainder of this fiscal year, and
 6 then an additional \$15,000 for nonroutine
 7 services for next fiscal year. The total is
 8 approximately --
 9 THE CHAIRPERSON: It's 57,851.
 10 At the bottom for -- on the bottom of page 2,
 11 fiscal year '03/04 budget has 30,281 and 25
 12 routine, so we've got 55.
 13 DIR. O'BRIEN: So we're
 14 covered.
 15 DIR. LAURETTI: Mr. Chairman,
 16 two questions. How long has Handex been
 17 employed by us?
 18 MR. EGAN: Since April 1st of
 19 2000.
 20 DIR. LAURETTI: So who had the
 21 contract before them? Were they bought out?
 22 Were they -- because this is an existing
 23 contract for three years. And, you know, I
 24 recognize the name Handex, and I don't recall
 25 them being involved for that length of time

1 2004. I intend to go out and rebid this
 2 activity next spring for a three-year term
 3 which would commence in July of '04.
 4 What I'm seeking approval for
 5 is amending the contract to continue to
 6 employ the current contract with the 15
 7 additional months for the same price that
 8 they've been working for for the past three
 9 years. I'm also seeking approval for an
 10 additional \$4,000 in nonroutine services for
 11 the remainder of our fiscal year. And
 12 thirdly, seeking approval to expend \$15,000
 13 for nonroutine services for fiscal year 2004.
 14 The original contract scoped out routine
 15 services which were defined, and that
 16 included a task associated with nonroutine
 17 services, which I list some of here, and each
 18 year we estimate what those nonroutine
 19 services may be. And I think 15,000 based on
 20 what's occurred over the last year is going
 21 to cover the activity for the next fiscal
 22 year. I actually have more than \$15,000 in
 23 the budget, and at this time I think this is
 24 all I'm asking for.
 25 THE CHAIRPERSON: So you're

1 with CRRA.
 2 MR. TRACEY: I can answer that
 3 question. That contract was bid out publicly
 4 at the same time as the Shelton O&M contract
 5 was bid out. That was bid out, like Peter
 6 said, in April/May of 2000.
 7 DIR. LAURETTI: You said that
 8 this is an existing three years -- an
 9 extension of the three year.
 10 MR. EGAN: The contract that
 11 was awarded three years ago contemplated an
 12 initial three-year period and then two
 13 additional three-year renewal options. So it
 14 was really -- if we went the whole distance,
 15 it would be nine years. The new procurement
 16 policy suggests that we bid professional
 17 technical contracts every three years.
 18 I discussed this with the
 19 procurement committee, and the feeling of the
 20 committee was that this particular type of
 21 service is not exactly what was contemplated
 22 necessarily regarding the three-year limit;
 23 and secondly, extending it for 15 months also
 24 affords my group additional necessary time to
 25 appropriately rebid the project.

1 I essentially was in a
 2 position in early January where it occurred
 3 to me that we couldn't simply extend the
 4 contract necessarily under the new
 5 procurement policy, but, at the same time, I
 6 had very limited time to rebid this effort.

7 I've talked to Handex. They
 8 agreed to hold their price for the next 15
 9 months. That's how we got to where we are
 10 today. I'm not sure if I've answered your
 11 question.

12 THE CHAIRPERSON: Mr. O'Brien.

13 DIR. O'BRIEN: Two things:
 14 First, I'd like to commend Peter for his
 15 proactive implementation of the new policy
 16 rather than just letting it become a
 17 hairball. Second thing, to clarify your
 18 comment, Mr. Chairman, regarding the amount
 19 of money, about \$7,600 of the total that
 20 Peter is asking for will occur in this fiscal
 21 year, not next. So we have more than enough
 22 money in the next fiscal year to cover
 23 Peter's proposal for the next fiscal year
 24 budget for the Ellington Landfill, as I
 25 understand it?

1 when we're not there yet and that we even
 2 know that we need it given our economic
 3 situation.

4 MR. EGAN: May I respond to
 5 that?

6 THE CHAIRPERSON: Sure.

7 MR. EGAN: To answer your
 8 second question first, I could hold off
 9 seeking the approval for next fiscal year's
 10 expenditures at this time, and I would be
 11 back here in May or June. I thought it was
 12 prudent and expeditious to do it all in one
 13 item and one board package.

14 To respond to your first
 15 question, the time and effort required to
 16 assemble a public bid is not insignificant.
 17 If I bid this -- if we bid this out right
 18 now, we may -- this is my personal opinion.
 19 We might find somebody who would give us a
 20 price of 28,000, 27,000. We might find that
 21 we get bids above the existing 30,000. For a
 22 savings of \$2,000 over 15 months, \$3,000 over
 23 15 months, compared to the effort that staff
 24 has to put into a public bid, it was a
 25 business decision to go ahead and do this.

1 MR. EGAN: That's correct.

2 THE CHAIRPERSON: Okay. Thank
 3 you.

4 DIR. MARTLAND: I'm curious.
 5 Are there many companies that do this?

6 MR. EGAN: There's probably --
 7 when we bid this out we'll probably get two
 8 or three companies that will bid on
 9 Ellington. Just for your information, I'm
 10 going to be here at the April director's
 11 meeting. Essentially, we're going to do the
 12 same thing with the Shelton landfill gas O&M
 13 contract. We're going to extend that through
 14 the next fiscal year. That operator has
 15 agreed to hold their current pricing, and we
 16 will rebid that activity next spring.

17 DIR. LAURETTI: Given the
 18 economic climate, I feel that something like
 19 this should have been rebid. I think that
 20 any contract, because of the economic
 21 climate, we should take the opportunity to
 22 see if there are more savings to be had.

23 The other point I want to make
 24 is I don't know that it's necessary to start
 25 appropriating money into next year's budget

1 DIR. LAURETTI: You know,
 2 Peter, from a business standpoint, when you
 3 run a municipality you face the same type of
 4 things. And if you're going to effect a bid
 5 for services that you require on a regular
 6 basis, I'm not sure that I agree with the
 7 amount of time that you're saying is
 8 necessary that staff has to spend. Yes, the
 9 bid has to be revisited to see if there are
 10 any changes that need to be made, but this is
 11 not rocket science.

12 So I would disagree with you
 13 there. And, you know, what's the sense in
 14 having a policy board that requires you to
 15 rebid it every three years? Every department
 16 will be back here saying, okay, it's going to
 17 take us a long time and a lot of money to put
 18 these bids together, so let's ask the board
 19 for an extension. We're never challenging
 20 the marketplace if we do that.

21 THE CHAIRPERSON: Let me go
 22 to, if I may, just one second, can I go to
 23 Bud? Bud, there was comment that they
 24 referred this to your committee. Do you have
 25 comment on that?

1 DIR. COHN: Yes. Our thinking
 2 was that, number one, it was originally bid
 3 so the price in the contract was based on a
 4 bid process; number two, that the three year
 5 that's in the statute is really aimed at
 6 professional services primarily, so there was
 7 a gray area whether it applied to this or
 8 not. There was number three, if I can
 9 remember it.

10 DIR. O'BRIEN: The April 1st
 11 start date was the third one.

12 MR. COHN: Yes, the short
 13 time. But also important is the fact that
 14 they are keeping the same price. If they had
 15 asked for an increase, it would be a whole
 16 different matter because that would be
 17 outside the past bid.

18 THE CHAIRPERSON: Ray, you had
 19 a comment.

20 DIR. O'BRIEN: Two of the
 21 comments, Bud, and the fact that you're
 22 keeping the same price, whereas the contract
 23 renewal allowed them an increase. I think
 24 Peter was diligent in coming before the
 25 committee considering the time frame, and I

1 lose. And, frankly, when you change a
 2 contractor on a technical activity like this,
 3 you operate at a higher risk because of that
 4 loss of institutional knowledge and
 5 operational knowledge of the system, and at
 6 the Shelton Landfill that is particularly
 7 true.

8 And that was another reason
 9 why I'm going to seek next month to keeping
 10 the same contractor at Shelton in addition to
 11 the three reasons that I've just discussed.
 12 The fourth one is their knowledge of that
 13 system.

14 THE CHAIRPERSON: Sir.

15 DIR. KNOPP: I just assume
 16 that this contract was awarded originally as
 17 a result of a competitive bid.

18 MR. EGAN: That's correct.

19 DIR. LAURETTI: But it's three
 20 years old.

21 THE CHAIRPERSON: It's, I
 22 think, a good comment, Mr. Lauretti's point
 23 about policy, the fact that staff had gone to
 24 the policy committee and reviewed it, that
 25 the dollars are in the budget and, as Bud

1 think he also needs to request authorization
 2 for next year; otherwise, we can't execute
 3 the contract that would commit us to that
 4 expenditure next year.

5 MR. EGAN: If I may make one
 6 more brief comment?

7 THE CHAIRPERSON: Any other
 8 comment from the board or a question?
 9 Peter.

10 MR. EGAN: Just one other
 11 comment. And this actually applies more to
 12 the Shelton activities than the Ellington
 13 activities that I'll be here four weeks from
 14 now discussing. Some of the activities for
 15 which we employ contractors have a degree of
 16 complexity to them. There is a learning
 17 curve to understanding a gas collection
 18 control system. It's important that we
 19 consider that when we look at vendors. If we
 20 bring a new vendor in to operate the
 21 Ellington or the Hartford or the Shelton gas
 22 system or other activities that we oversee,
 23 there's a learning curve.

24 There is, in some cases, a lot
 25 of institutional knowledge that you will

1 said, the price is at the same level.

2 Any other further comment?
 3 Concern?

4 All right. We'll call for the
 5 vote. All those in favor of the motion as
 6 presented?

7 Opposed?

8 DIR. LAURETTI: Abstained.

9 THE CHAIRPERSON: Mr. Lauretti
 10 will abstain.

11 DIR. O'BRIEN: Mr. Chairman, I
 12 will move that the board authorize the
 13 president to express their acceptance or
 14 consent to the electricity sales curtailment
 15 agreement for the Southeast project. Who's
 16 presenting that?

17 THE CHAIRPERSON: If the
 18 gentleman would hold that, I would ask --
 19 well, you've already put it on the table.

20 Is there a second?

21 DIR. MARTLAND: Second.

22 MR. KIRK: If you look at
 23 attachment 8, in our Southeast project our
 24 electricity contract calls for the ability of
 25 our customer, CLP, to curtail sales,

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1 essentially to shut us off and open up the
 2 breaker. When that happens there is zero
 3 electric sales.
 4 They have the right to do that
 5 because of when the contract was contemplated
 6 many years ago there was anticipation of
 7 periods of time during the year when they'd
 8 have too much power and needed more safety of
 9 grid, and grid operations needed to remove
 10 energy from the grid.
 11 Subsequent to the contract
 12 being written, there has been a need for
 13 power almost all the time; however, the right
 14 of CLP to turn off that high-priced Southeast
 15 power still exists in the contract. This
 16 curtailment agreement allows us to stay on
 17 line with CLP, continue to sell power to
 18 them, albeit at a reduced and negotiated rate
 19 or essentially at a rate equal to the cost of
 20 power from the wholesale market. It's a
 21 win/win for us. CLP also wins. They get
 22 cheaper power from our plant. And we win
 23 because they give up their right to
 24 essentially dispatch us off line, and we
 25 continue to enjoy revenues during those what

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1 are we having an executive session?
 2 THE CHAIRPERSON: Yes.
 3 DIR. RIFKIN: I'd like to
 4 raise a legal issue with respect -- that
 5 might have an impact on this -- approving
 6 this, but I would like to do it in executive
 7 session to get a clarification.
 8 THE CHAIRPERSON: Do you want
 9 to make a motion to table?
 10 DIR. RIFKIN: So I would move
 11 that we table this until after the executive
 12 session.
 13 DIR. O'BRIEN: Second.
 14 THE CHAIRPERSON: All those in
 15 favor of tabling?
 16 Opposed?
 17 So moved. We'll table this.
 18 DIR. O'BRIEN: I also recall
 19 Director Rifkin said he would have to leave
 20 by eleven. Perhaps we could get into that
 21 executive session?
 22 THE CHAIRPERSON: We've got an
 23 hour.
 24 DIR. O'BRIEN: I'm trying to
 25 move it along here.

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1 normally would have been zero electric
 2 revenue hours.
 3 DIR. O'BRIEN: Then we can
 4 continue to burn garbage then, too.
 5 MR. KIRK: And continue to
 6 process waste. Actually I think we have a
 7 bypass condenser at that plant, so that
 8 probably wouldn't have been an issue. But
 9 not having to start up a bypass condenser is
 10 always a good idea from an engineering
 11 standpoint.
 12 If you have any particular
 13 questions on the agreement or the curtailment
 14 schedule, Chris Fancher is here from the
 15 staff to answer those.
 16 DIR. O'BRIEN: Has Southeast
 17 approved this yet, consented?
 18 MR. KIRK: Yes, Jerry
 19 Tyminski.
 20 MR. TYMINSKI: We've approved
 21 it.
 22 THE CHAIRPERSON: Questions?
 23 Comments? All right. And we'll call for the
 24 vote on curtailment -- yes, sir.
 25 DIR. RIFKIN: Mr. Chairman,

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1 THE CHAIRPERSON: You're doing
 2 a wonderful job, sir. Keep going.
 3 What I would like to do is go
 4 back to staff who will update the board on
 5 status of the rail, this project. I think,
 6 Michael, are you going to do this?
 7 MR. TRACEY: I'm going to
 8 attempt to keep this very short. Last fall
 9 the board approved appropriation for us to
 10 commence with a feasibility study to
 11 investigate the prospect of hauling our waste
 12 stream from the Mid-Connecticut project to an
 13 out-of-state facility.
 14 Very briefly, the Authority is
 15 required under the Municipal Solid Waste
 16 Service Agreements with the municipalities to
 17 provide disposal services for all the
 18 residual waste streams generated by the
 19 Mid-Connecticut project. The waste stream
 20 total is approximately 300,000 tons, which is
 21 made up of approximately 50,000 tons of bulk
 22 and nonprocessibles which originate from both
 23 the WPF, which is about half of that 25,000
 24 tons, and there's 25,000 tons of bulky
 25 material that's brought into the Hartford

1 Landfill. Process residue, there's
 2 approximately 90,000 tons that's produced per
 3 year of that from the WPF, and there's
 4 approximately 180,000 tons of ash residue
 5 that's produced over at the power block
 6 facilities.

7 As you know, the importance of
 8 this is based on the imminent closure of the
 9 Hartford Landfill. Our latest estimates on
 10 that are that the process residue and bulky
 11 waste area is going to be closed
 12 approximately two years from now in mid-2005.

13 The ash residue area, based on our current
 14 estimate, should last to the end of 2008 or
 15 early first quarter of 2009.

16 The options that we have that
 17 the Authority has to take care of these
 18 residual waste streams are to either truck
 19 it, to rail it or possibly even to barge it.
 20 The feasibility study had a number of
 21 objectives. What we wanted to do is
 22 determine the actual physical feasibility
 23 providing rail service at the South Meadow
 24 site. We actually bring a rail line in
 25 within that area. If we're able to do that,

1 conceptual cost impacts for those.

2 Again, the access would be
 3 provided on the northerly end of the site,
 4 and that would be a spur line off of the
 5 Connecticut marketing authority side which is
 6 the farmers market.

7 The location of the rail yard
 8 that we chose would be within the CRRA owned
 9 parcel 2 of the power block facility property
 10 and it would be west of storage tank 3.
 11 There's a figure, figure 7, in the handout
 12 that shows where we would bring the rail line
 13 in.

14 Our consultant also teamed up
 15 with a rail transportation expert, and we've
 16 looked at two specific modes of
 17 transportation by rail. One was gondola
 18 railcars, and the other method would be
 19 containers. Containers are exactly what
 20 they -- they are a box structure. There's
 21 two different types: 62 cubic yard
 22 containers and 25 cubic yard containers.

23 Myself and other members of
 24 the team that took a look at this project, we
 25 went up to the Boston area where Allied Waste

1 we're going to investigate different methods
 2 of rail transport.

3 In this particular case there
 4 were two methods that we investigated. More
 5 significantly, we were going to analyze the
 6 concepts of the impacts of the cost on the
 7 layout at the facility. And lastly, we were
 8 going to estimate the cost of transportation,
 9 operation and maintenance of the facility.

10 We came up with -- we
 11 originally started with two site access
 12 points and five different rail yard layouts.
 13 We narrowed that down. We met with the DOT
 14 office of rail. They concurred that there
 15 was already a crossing in the area of the
 16 power block facility across Reserve Road and
 17 the northerly end of the site. Once that
 18 trash crosses Reserve Road there's an access
 19 to bring a rail line south into the power
 20 block facility, which is shown on one of the
 21 next figures, but is basically we would bring
 22 a rail line in underneath the Charter Oak
 23 Bridge. Two of the potential rail yard
 24 locations were looked at and developed in
 25 much more detail and we had developed

1 currently is hauling material out by rail via
 2 this method. So both of these methods are
 3 used in different parts of the country, and,
 4 on a conceptual basis, both of these methods
 5 would work at our facility.

6 There's some details in the
 7 handout on both of the different types of
 8 scenarios that we looked at. The gondola car
 9 method is essentially a method by which three
 10 waste streams would be conveyed over to
 11 another location on the site. They would be
 12 dumped into open top railcars. They would be
 13 covered and then they would have to be
 14 brought out. It would require a fairly
 15 significant covered area. It would be
 16 approximately -- it would require a building
 17 size of approximately 100-by-600 feet, which
 18 is very very large. We would be required to
 19 keep the rain off of the material
 20 environmentally, as well as when we ship it
 21 we have someone to pay for shipping water.

22 Some of the other constraints
 23 that we had looked at that were on site have
 24 to do with the CL&P property itself. It
 25 would require the relocation of some overhead

1 transmission lines and also some other
 2 utilities that are currently on site. For
 3 the gondola method our estimated cost to
 4 build the rail yard and bring the rail line
 5 into the site would be about five and a half
 6 million dollars.

7 THE CHAIRPERSON: Option two?

8 MR. TRACEY: I'm coming to
 9 option two. Option two is the container
 10 method. It would be somewhat different than
 11 a covered building. The containers
 12 themselves would be located at the discharge
 13 points at the facility where the waste
 14 streams are. The containers themselves would
 15 be loaded and then covered and then brought
 16 over to the flatbed railcars on site. It
 17 wouldn't require a special building, but it
 18 would require some other specialized
 19 equipment, gantry cranes and special loading
 20 equipment that would be required to lift the
 21 containers and put them on the railcars and
 22 take them off the railcars.

23 There would also be a capital
 24 layout for the containers to ship some of the
 25 materials. The railroads won't lease the

1 remediated right now under the site
 2 remediation contract. It's possible that
 3 there would have to be a revision to that.

4 Some of the other things that
 5 would have to be done, a traffic study would
 6 have to be further looked at as far as the
 7 permitting procedure to place the facility at
 8 the plant. There are some other
 9 miscellaneous permits that were required by
 10 the DOT. There's an encroachment permit to
 11 actually let us go underneath the Charter Oak
 12 Bridge. We would have to get formal approval
 13 by Conn DOT office of rail which would
 14 require a public hearing. The City of
 15 Hartford would require, in addition to zoning
 16 permits, there's some inland wetland permits
 17 that would also have to be sought and
 18 approved, and there would also be a number of
 19 various environmental permits that would also
 20 have to be looked at.

21 The study right now is
 22 substantially complete. We're in the process
 23 right now of evaluating the transportation
 24 costs. Some of the other things that we also
 25 want to look at is whether or not we ship all

1 containers because they consider them to
 2 be -- the potential exists that they are
 3 going to be damaged quite extensively. In
 4 this scenario, the estimated capital cost for
 5 the rail yard construction is a little over
 6 \$4 million and the capital cost for the
 7 containers and support equipment with that is
 8 almost \$3 million. And I don't have an
 9 option three right now, Mike.

10 One more page, Ray. Let me
 11 finish. A couple things, some other things
 12 that would have to be addressed if we were to
 13 go ahead with this project, we would have to
 14 purchase for parcel three from Northeast
 15 Utilities. That would be the location of a
 16 commercial bulky waste area. Relocation of
 17 the 23 kV and 115 kV transmission lines would
 18 have to be finalized with CL&P. Those costs
 19 would also have to be further identified.

20 As you're aware, that site
 21 also consists of a significant amount of
 22 contaminated soil. We're doing an
 23 environmental cleanup on that area right now.
 24 The area where the rail yard would be located
 25 would have to be remediated. It's also being

1 of the waste streams via this method. And
 2 what I'm getting at with that is obviously to
 3 ship you need to get as much of the material
 4 in the railcar as possible.

5 And the disconnect with that,
 6 with our waste streams, is just the bulky
 7 waste material. When the bulky waste
 8 material comes out, it's loose. It's not
 9 really cost-effective to ship that by rail by
 10 itself. It's possible that it can be shipped
 11 if it's commingled with another material or
 12 if it's shredded, but some of those other
 13 details still have to be looked at in a
 14 little bit more detail.

15 THE CHAIRPERSON: Ray.

16 DIR. O'BRIEN: A couple of
 17 things. I think there is a third option I
 18 would like to see you look at just so that we
 19 have the comparison to justify the cost of
 20 the yard, and that is shuttling containers to
 21 an off-site section where they can be put on
 22 flat cars so that we know that the cost of
 23 buying property, constructing the yard and
 24 everything else is cost justified.

25 I'd also like to -- and I'm

1 sure it's going to be in the study, but how
 2 many vehicles are we going to -- how many of
 3 these containers are we going to be moving
 4 daily? You're talking about bulky and
 5 nonprocess that looks to me, if I'm doing my
 6 math right, somewhere around 500,000 cubic
 7 yards a year, and yet you've only got a 62
 8 cubic yard container for it. That's an awful
 9 lot of containers moving in a year.

10 MR. KIRK: Mike's number of
 11 about \$3 million for container investment
 12 reflects how many we would anticipate. But
 13 it's also important to know that there's a
 14 couple of different options we're considering
 15 that include shipping off all of our waste,
 16 shipping off some of our waste, keeping the
 17 ash here, keeping the bulky here. There are
 18 a lot of different options.

19 At this point in the study
 20 about all we can say is -- and we have done
 21 more number crunching than is indicated in
 22 your handout. And Mike has indicated we
 23 think, at this point in time, it's premature
 24 to throw dollars per ton out there. But at
 25 this point in time, we can say the rail haul

1 essentially eliminate all of the process
 2 residue that needs to be disposed of there.
 3 Unfortunately it would also increase the
 4 amount of ash residue we would generate. But
 5 the ash residue, if you recall, we have
 6 enough room at the Hartford Landfill through
 7 2008.

8 So there are certainly some
 9 options available to us all being
 10 anticipated. But actually to answer your
 11 question, all of them are complicated by the
 12 fact that the Hartford Landfill, at its
 13 present rate, will run out of space well
 14 before, and we're not as prepared as we
 15 should be for it.

16 THE CHAIRPERSON: Sir.

17 DIR. KNOPP: Is there any
 18 relationship between the ultimate destination
 19 for this stuff and the type of
 20 transportation; in other words, are there
 21 places where we might send it that are not
 22 accessible by rail that would give us more
 23 choices and if we were to select a rail
 24 option we'd be limited to fewer destinations?

25 MR. KIRK: Yes. All landfills

1 is still an option. It's probably also safe
 2 to say it's not a eureka. It's not going to
 3 save us a fortune, but it's certainly still
 4 an option we want to pursue because we
 5 have -- because there are some legitimate
 6 savings that could be possible in using rail
 7 and an export option in addition to or
 8 instead of trucking.

9 THE CHAIRPERSON: Sir.

10 DIR. RIFKIN: Tom, do we have
 11 a time frame here that indicates by when we
 12 need to make certain decisions in order to
 13 address the excess waste that we're going to
 14 have because of certain conditions of the
 15 Hartford Landfill?

16 MR. KIRK: Yes. The Hartford
 17 Landfill is going to fill up before we're
 18 able to build and execute a plan such as
 19 this. But that's not necessarily a terrible
 20 scenario because we always have the trucking
 21 option which we utilize with our excess waste
 22 now. There are also other options that could
 23 extend our Hartford Landfill, including an
 24 actual extension of the landfill, burning
 25 process residue in the plant which would

1 that accept out-of-state waste accept it by
 2 truck. Some accept it by rail. Essentially,
 3 the waste destinations in consideration for
 4 us now by truck include Seneca Meadows in New
 5 York, which is up in Schenectady, Rochester,
 6 panhandle New York, Western Pennsylvania,
 7 Ohio landfills and Virginia landfills.

8 There's a barge proposal in
 9 its infancy that would potentially involve
 10 export to Virginia landfills, a large
 11 Mississippi landfill of about 2,000 acres,
 12 and at last count they were looking at
 13 offshore destinations, including the
 14 Caribbean. That's a development project
 15 absolutely in its infancy.

16 DIR. RIFKIN: We could send
 17 our waste instead of our corporations.

18 MR. KIRK: Actually there's a
 19 history in the business of the infamous
 20 garbage barge that sailed all over the
 21 Caribbean. I personally would hope that the
 22 CRRA not be interested in exporting our waste
 23 offshore. I don't think that's a viable
 24 option. And that particular project of
 25 barging outside the state would have huge

1 ramifications to the market in the state.
 2 Their volume necessary to be effective is
 3 about 5,000 tons a day. Removing 5,000 tons
 4 a day from the state would create a huge void
 5 and instantly depress prices to the \$30 cost
 6 of doing business range at all of the
 7 privately owned trash to energy plants.

8 So, in the highly unlikely
 9 event that that project takes off -- I
 10 shouldn't say highly unlikely. I think it's
 11 got a lot of challenges in front of it, but,
 12 if that project were to go, there would be
 13 dramatic changes in the market face of
 14 Connecticut.

15 I guess to answer your
 16 question, there are many options today
 17 available to us, but all of those options are
 18 fluid. There is much discussion of import
 19 taxes, to the extent they are legal, on
 20 landfills in Ohio and Pennsylvania, host fee
 21 increases. The cost of fuel in getting the
 22 waste from here to Ohio or Pennsylvania is
 23 always a factor.

24 All of those will be changing
 25 over the next few years as we continue to

1 really need to be looked at so that we can
 2 continue business in what is in the best
 3 public interest.

4 Okay. Michael, thank you.
 5 Nice job.

6 Okay. I'm going to go back to
 7 you, Ray. You're going to move this agenda
 8 for me so we can reach this eleven o'clock
 9 for both Cathy and Howard. We're looking at
 10 the Wallingford execution of the consent
 11 order, 9. I'd entertain a motion to bring it
 12 to the table.

13 DIR. O'BRIEN: So moved.

14 THE CHAIRPERSON: Is there a
 15 second?

16 DIR. FRANCIS: Second.

17 THE CHAIRPERSON: Peter, are
 18 you going to discuss this, please?

19 MR. EGAN: Yes.

20 DIR. O'BRIEN: What are we --

21 THE CHAIRPERSON: Wallingford.

22 DIR. O'BRIEN: I know the
 23 project we're talking about, but I'm saying
 24 what is the motion we're being asked for. Is
 25 it just --

1 investigate rail haul, barging and other
 2 options that change the amount of waste we
 3 will generate or have to export. There's no
 4 easy answers. Unfortunately, I wish we had
 5 started this process about three or four
 6 years ago.

7 THE CHAIRPERSON: The Chair is
 8 going to just throw in there are some other
 9 things that really come into play when we
 10 talk about this, and that is to make sure
 11 that we do have options, that other
 12 companies, be they national or other, don't
 13 create a monopoly effect that we have no
 14 options. We also need to consider looking at
 15 new opportunities, if you will, and I use
 16 that in small letters and quotes, within the
 17 State of Connecticut that CRRA would have
 18 facilities which to send its residue and
 19 bulky waste and perhaps landfill. I think it
 20 would be neglectful for us at least not to
 21 consider that, and there has been some
 22 discussion with myself and some of the
 23 members of the steering committee and some
 24 members of staff on that.

25 So I think all the options

1 THE CHAIRPERSON: Executive
 2 consent order.

3 MR. EGAN: This is not a board
 4 action item.

5 DIR. O'BRIEN: I don't think
 6 board action is required here.

7 MR. EGAN: In December of
 8 2000 -- approximately 10 or 11 years ago,
 9 when the solid waste permit was issued to the
 10 Wallingford facility, it did not have an
 11 expiration date. Modification was made to
 12 the facility in the mid-nineties, and when
 13 the DEP approved that modification, they
 14 inserted an expiration date to the solid
 15 waste permit for the Wallingford combuster.
 16 That expiration date was in December of the
 17 year 2000. Covanta had the contractual
 18 responsibility to submit a timely renewal
 19 application, and did not do so. CRRA also
 20 did not track that compliance due date.
 21 Consequently, December 2000 came and went and
 22 the permit was not renewed.

23 CRRA discovered this in
 24 January of 2001 and immediately notified the
 25 DEP that the permit had not been renewed and

1 that the facility was, in fact, operating
2 without a solid waste facility operating
3 permit.

4 Covanta and the DEP and CRRA
5 met and agreed to solve this issue by
6 entering into a consent order that would
7 provide a written document under which the
8 facility would continue to have authority to
9 operate during an interim period of time in
10 which a new operating permit application
11 would be assembled and submitted to DEP and
12 approved and a new solid waste permit would
13 be issued.

14 It took about 12 months to
15 negotiate that consent order. In addition to
16 the issue of failure to renew the permit or
17 not having a permit, DEP rolled in three
18 other violations that had been uncovered in
19 an inspection in December of 2001. They
20 proposed a penalty of approximately \$45,000,
21 \$25,000 for not having an operating permit,
22 and the other 20,000 or approximately 15,000
23 to 20,000 associated with failure to store
24 wood pallets in the appropriate place,
25 stacking the waste too high on the tipping

1 three violations that this consent order
2 fined Covanta and CRRA for, \$25,000 for not
3 having a permit, and then approximately
4 15,000 to 20,000 for the other two. We
5 successfully negotiated the \$25,000 down to
6 \$6,200 because we took advantage of a policy
7 that has to do with self-policing in this
8 state because we proactively immediately
9 notified the DEP and met the nine conditions
10 under that policy. We argued that we didn't
11 owe any of the \$25,000. It was taking too
12 long to negotiate, and we agreed that we
13 would -- we asked them if they'd reduced it
14 75 percent, and they agreed to do that.

15 The issue of waste transfer
16 and of the area where wood pallets are
17 stored, CRRA agreed with Covanta that we, the
18 CRRA would pay that portion of the fine, the
19 reason being the pallets had to be moved.
20 And the reason for the waste transfer is
21 because of the elevated levels of waste that
22 come into the facility from time to time, and
23 it is the elevated levels of waste that
24 require the transfer.

25 John Clark and I, in

1 floor, and transferring waste out of the
2 facility.

3 CRRA and Covanta successfully
4 negotiated the issue of waste stacking height
5 out, and DEP withdrew that. The remaining
6 two violations the DEP would not back down
7 on, although CRRA believes that the facility
8 has been authorized to transfer waste since
9 the permit was issued approximately 12 years
10 ago. It was not, however, worth battling
11 with the DEP over that issue, and the consent
12 order actually provides a mechanism now under
13 which we can transfer waste.

14 Waste is transferred when the
15 volume on a particular day is more than a
16 facility can handle and we first try and
17 divert waste to other facilities. When we
18 have reached the maximum under which we can
19 divert, we have to call the trailers and
20 actually transload on the tipping floor.
21 That is what the DEP calls transfer of waste.
22 We do that when we need to, and this consent
23 order provides us with the mechanism in order
24 to do that.

25 So there were essentially

1 discussions with Covanta, agreed that we
2 would pay that portion of the penalty. It
3 was not worth the time and the effort to
4 continue to discuss and negotiate with
5 Covanta over approximately \$15,000 when the
6 facility was operating without a solid waste
7 operating permit. The major reason for
8 getting this consent order signed was so that
9 we had a written document in place that
10 authorized operation of the facility.

11 Consequently, the final
12 agreement included Covanta paying the 25
13 percent portion of the \$25,000 penalty, which
14 is approximately \$6,200, and CRRA paying the
15 other two violations which amount to \$16,200,
16 I believe. We executed that in February and
17 submitted it to the DEP. We should have the
18 final copies back any day now.

19 Any questions?

20 DIR. LAURETTI: Mr. Chairman,
21 I'd just like to ask Tom if there's been any
22 mechanism put in place that would trigger a
23 response or a reaction by CRRA going forward
24 for any permits that may expire so that we
25 don't get into this situation again?

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1 THE CHAIRPERSON: Some time
2 ago, you might recall, I'd asked Peter, and
3 he came here and he showed us a document
4 about this thick listing all the permits, all
5 the dates, all of the expiration dates. So
6 that was put in place as a kickoff because of
7 this.

8 MR. KIRK: There are two
9 things I think, Mayor Lauretti, that are
10 important to note. One is that this
11 shortcoming was discovered by our internal
12 auditing, environmental auditing, which is a
13 critical component of any control system in
14 our business. That program is going to
15 continue. But as a result of the findings of
16 that audit, we've created a compliance
17 calendar. The kickoff was a purely
18 environmental effort -- in fact, it's being
19 run out of Peter's group -- but it is being
20 expanded to include a software-based
21 notification program for all of our notices
22 and requirements, not just environmental,
23 legal requirements, board notice
24 requirements.

25 Anything we're required to do

1 MR. KIRK: I'll just kick it
2 off. Tom is here to answer any questions.
3 This is an extension of our agreement with
4 FCR, the outfit that does our recycling right
5 next door here. As a result of our findings
6 with our previous relationship with CROC, it
7 was determined that we perform an audit of
8 FCR and its operations with us. We're happy
9 to report that that audit was performed and
10 the results are all good.

11 We were pleased by what we
12 found. FCR appears to be, by all
13 appearances, a very legitimate and well run
14 company. The minor findings that we did find
15 were a related company selling some plastics
16 residue. We did some accounting tests on
17 those particular transactions and found those
18 to be all appropriate and legitimate. So
19 we're pleased to recommend an extension of
20 this contract for another year with the
21 proviso that we may be looking to rebid that
22 again a year from now. Is that fair, Tom.

23 MR. GAFFEY: Yes. We've
24 actually prepared the bid documents and have
25 them in legal for review so we're ready to

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1 on a timely basis will be tracked by this
2 program such that mistakes such as these
3 don't occur again. That program is pretty
4 extensive, and it's in process as we speak.
5 Ron, our newest hire in the environmental
6 division, is heading that up under Peter's
7 direction.

8 THE CHAIRPERSON: Okay. The
9 Chair is looking at the time, and if there's
10 any further comments or discussion on this
11 matter, if not, I'd like to move on. Thank
12 you, Peter.

13 We've got recycling. Board
14 action will be sought regarding the service
15 agreement for operation and maintenance of
16 the container recycling for Mid-Conn,
17 attachment D.

18 DIR. O'BRIEN: I'll move that.

19 THE CHAIRPERSON: Is there a
20 second?

21 DIR. O'BRIEN: I'll move the
22 resolution at the back of 10.

23 DIR. KNOPP: Second.

24 THE CHAIRPERSON: We have a
25 second.

1 test the marketplace. As early as the
2 summertime, we could put it out to bid and
3 see what we get back, but this is a very
4 favorable rate for processing recyclables.

5 THE CHAIRPERSON: Ray.

6 DIR. O'BRIEN: Yes. I would
7 say -- you said you may be going out, and
8 Tom's memo indicates you will be, and I hope
9 that is the case. I would suggest perhaps a
10 40-day extension to get us coincident of
11 this, to get us coincident with our fiscal
12 years, but that can come up later.

13 MR. KIRK: Actually, Jim had
14 mentioned that our goal is to try and effect
15 timing in all of our decisions such that they
16 make sense. Insurance is the biggest pain,
17 to be honest with you, because you constantly
18 have insurance issues coming before the
19 board. But ideally all of our contracts will
20 be conned in such a way to match our fiscal
21 cycle and to allow the board to consider all
22 similar issues at the same time.

23 THE CHAIRPERSON: The
24 resolution at the back of this item: "The
25 President is authorized to extend the service

1 agreement for the operation and maintenance
2 of the container service with Redemption for
3 one year until May 21, 2004, substantially as
4 presented."

5 DIR. O'BRIEN: Right. And I'm
6 just suggesting that at a future meeting, if
7 it makes sense to all parties, to come back,
8 move it to June 30th of that year so we're
9 coincident but not today.

10 THE CHAIRPERSON: Yes. Any
11 discussion?

12 All those in favor?

13 Opposed?

14 Abstained?

15 So moved.

16 Next item, legal. Board
17 action will be sought regarding the recycling
18 agreement with Murphy Road Recycling, LLC,
19 Attachment 11.

20 DIR. O'BRIEN: I will move the
21 resolution at the back of Attachment 11
22 regarding the Murphy Road Recycling, LLC.

23 THE CHAIRPERSON: Is there a
24 second?

25 DIR. MARTLAND: Second.

1 Now it looks like they will be effective at
2 the end of March. So we may be changing
3 those dates.

4 With respect to the baling
5 option change, I did tell you that that was
6 in the works during the last meeting. But
7 basically this is a very, very limited safety
8 net for us. It says what happens if, for
9 example, we stop our transloading at the
10 facility at \$4 a ton. What happens if, in
11 addition to that, we haven't moved them to
12 our location at 211 Murphy Road? What
13 happens if the contractor we're selling it to
14 now goes belly up and we can't find another
15 contractor? What kind of safety net might we
16 have? And one of the safety nets would be,
17 well, why don't we just go back to baling for
18 a limited period of time. And, if we did,
19 under the present situation, it would still
20 be a profitable opportunity for us, not as
21 profitable as what's going on now given the
22 current prices of paper so that you have to
23 have like three or four things happen that
24 are not anticipated and then this is a
25 possible safety net.

1 THE CHAIRPERSON: Okay,
2 Attorney Zitser, I think you're familiar with
3 this case, yes?

4 MR. KIRK: Let me set this one
5 off again. Also we had previously brought
6 this to the board at the last meeting in
7 hopes of getting this approved. This is
8 another attempt to do so. There are a number
9 of changes here. And in response to -- there
10 are a number of changes versus the last
11 version you saw at the last meeting. Our
12 interest is in assuring that all these
13 things, changes, should they be substantive,
14 we wanted the board to look at it again.
15 There is one I would suggest is substantive,
16 and I'll let Attorney Zitser speak to that,
17 that is the baling option, paragraph 8.

18 MR. ZITSER: I will, of
19 course, address all the changes or any
20 changes that you have. I note that there's
21 no substantive change to the Allied agreement
22 with one exception which isn't substantive.
23 It's because we obviously haven't signed the
24 agreements yet, and they were supposed to be
25 effective at the end of February, though.

1 The only change with respect
2 to this item, basically, is that I had put
3 down in the original baling option that no
4 matter what happens to the price of paper
5 we're not going to share in any loss, even
6 though we're going to share in any profit.
7 Obviously, the contractor says well, if you
8 want to share in the profits why shouldn't
9 you also share on the downside.

10 What we ultimately agreed to
11 was right now paper is selling, say, for
12 example, at \$50, \$55 a ton. The processing
13 fee would be 40. What would happen if it
14 dropped to 30, which hasn't happened in a
15 long time? They'd eat it between 40 and 30.
16 We wouldn't bear any loss. What would happen
17 if it fell below 30? Then we would start
18 bearing that loss before \$30 per ton. What
19 would, in reality, happen if the paper market
20 totally crashed at those levels is rather
21 than have any such loss as we look at other
22 options and maybe bring them onto the
23 Mid-Connecticut facility, if that were
24 permitted. But I'm just saying this I
25 consider to be a substantive change because

1 is it theoretically possible that if
 2 everything went awry and we had to use this
 3 option and then on top of that the paper
 4 market crashed below 30 is there a risk?
 5 Yes, there's that small risk. And so I
 6 consider that to be substantive no matter how
 7 minor the risk.

8 The other major change would
 9 be item 9. This is a positive change, but
 10 it's a substantive change to make sure that
 11 Realty and Recycling maintain adequate
 12 insurance on the recycling facility to
 13 protect our interests. I am going to have
 14 them get in touch with our risk manager to
 15 make sure. They've assured me they have
 16 adequate insurance, but I've assured them
 17 that that's a determination that I feel more
 18 comfortable having the risk manager make.

19 The other changes, there was
 20 one that was brought to my attention by
 21 Attorney Stravalle-Schmidt that I should
 22 explain. There is under section 6, the lease
 23 payments, a provision that refers to
 24 proration of real estate taxes. And let me
 25 explain what that means. The taxes from the

1 give CRRA the opportunity to define what
 2 adequate is in this language.

3 MR. ZITSER: I actually asked
 4 Lynn Martin what she had considered to be
 5 adequate. I sent them all of the limits and
 6 areas. They've indicated to me tentatively
 7 that they have that insurance in place, but I
 8 didn't actually have it in writing from them.
 9 That's one of the reasons, for example, that
 10 I have asked in the resolution that you give
 11 us a little flexibility with positive changes
 12 that are in our interest but don't increase
 13 our risks, because I might want to put down
 14 specific limits under that insurance
 15 provision after I discuss this further with
 16 them and with Lynn to specify what is, in
 17 fact, deemed adequate by us.

18 DIR. O'BRIEN: Or at least
 19 what I'm asking for is that the language
 20 adequate insurance "as determined by CRRA" --
 21 it's just that little phrase in there, "as
 22 determined by CRRA."

23 And then the other one, and it
 24 goes to the motion, I understand what you're
 25 saying about substantive changes that are of

1 town don't come out every month. They come
 2 out either every six months or every year.

3 And what we wanted to make
 4 sure is that if, for example, the tax bill
 5 comes out in October to cover the previous 12
 6 months, that Allied understands that for the
 7 period of time until they transfer it to the
 8 Antonnoccis they are responsible for it, and
 9 then for the period of time that the
 10 Antonnoccis under Murphy Realty take over the
 11 operation forward, they're responsible for it
 12 but under no circumstances are we responsible
 13 for it.

14 So that's the only reason that
 15 that is in there to make it clear to the two
 16 parties that there will be a proration of
 17 that because it's not a bill that comes out
 18 on a monthly basis.

19 There are no other changes
 20 that I would consider to be substantive,
 21 either positive or negative.

22 Yes.

23 DIR. O'BRIEN: With regard to
 24 your insurance, item 9, I like the language
 25 that they maintain adequate, but it doesn't

1 benefit, and I would go along with that. But
 2 I would like to add to the motion that the
 3 president will then notify the board at its
 4 next meeting of that change.

5 MR. ZITSER: Right. Again,
 6 with respect to the adequate insurance, we do
 7 have an arbitration provision in there in
 8 case there's a disagreement between the
 9 parties. I don't anticipate that this is
 10 going to be a problem area.

11 DIR. O'BRIEN: Okay.

12 MR. ZITSER: But if it did
 13 become a problem area, I can tell you that if
 14 Lynn Martin determines that there's a need
 15 for additional insurance we're going to
 16 demand additional insurance.

17 THE CHAIRPERSON: All right.
 18 This wraps it up now. As you have advised us
 19 before, we needed to globally take care of
 20 Allied.

21 MR. ZITSER: I'm going to have
 22 a call at about two o'clock with Allied's
 23 counsel up in whatever state they are and
 24 Murphy Realty's counsel to get down our whole
 25 checklist of what needs to be done. We want

1 to do this, actually have all the papers
 2 signed, sealed, delivered by the end of this
 3 month, and we're going to set down a
 4 schedule, and I'll also contract the
 5 president as to his availability.
 6 THE CHAIRPERSON: Ann, any
 7 comments? All set on this?
 8 MS. STRAVALLE-SCHMIDT: Yes.
 9 THE CHAIRPERSON: Tom, you've
 10 been working on this, too, the three of you.
 11 Right?
 12 MR. GAFFEY: All set.
 13 THE CHAIRPERSON: Any
 14 questions from the board? I will tell you
 15 that Barry has worked very diligently on this
 16 for us for a long time.
 17 DIR. O'BRIEN: With good
 18 results.
 19 THE CHAIRPERSON: With good
 20 results. And so has Ann and Tom has been the
 21 full dog on this for a while, and we
 22 appreciate it.
 23 We have a motion on the table.
 24 DIR. O'BRIEN: Do you want
 25 a formal amendment to require the president

1 either you or the president to give CRRA's
 2 consent to a 2003 agreement with American
 3 Ref-Fuel and Northeast Utilities in the
 4 packet in a letter dated February 18th, from
 5 Northeast Utilities to be approved.
 6 DIR. O'BRIEN: Second.
 7 THE CHAIRPERSON: All right.
 8 The Southeast gentleman is here so this is
 9 the approval of that. Okay?
 10 MR. TYMINSKI: Thank you.
 11 THE CHAIRPERSON: Is there a
 12 second?
 13 DIR. O'BRIEN: I seconded it.
 14 THE CHAIRPERSON: All those in
 15 favor?
 16 Opposed?
 17 Abstained?
 18 Now the Chair will entertain a
 19 motion --
 20 DIR. O'BRIEN: The motion was
 21 the one that was tabled.
 22 THE CHAIRPERSON: Was the
 23 motion that was tabled to approve the
 24 Southeast Project curtailment of electric
 25 sale renewal as substantially presented.

1 to notify the board if any beneficial
 2 substantive changes have been made?
 3 THE CHAIRPERSON: I think that
 4 would be just part of his responsibilities,
 5 and I'm sure he would do that.
 6 All those in favor of the
 7 motion as presented?
 8 Opposed?
 9 So moved.
 10 THE CHAIRPERSON: Now, I think
 11 with time, 20 minutes, I would enter into
 12 executive session.
 13 DIR. O'BRIEN: So moved.
 14 DIR. MENGACCI: Second.
 15 THE CHAIRPERSON: Second.
 16 (Whereupon, an executive
 17 session was held from 10:40 o'clock a.m.
 18 until 12:10 o'clock p.m.)
 19 THE CHAIRPERSON: We've exited
 20 executive session. It's 12:10. No votes
 21 were taken.
 22 Coming out of executive
 23 session, Alex.
 24 DIR. KNOPP: Mr. Chairman, I
 25 move under tab 8 that the board authorize

1 DIR. O'BRIEN: And noting that
 2 Southeast has already approved it.
 3 THE CHAIRPERSON: As stated.
 4 DIR. MARTLAND: Negotiated it.
 5 THE CHAIRPERSON: Okay. Is
 6 there a second?
 7 DIR. KNOPP: I'll second.
 8 THE CHAIRPERSON: Discussion?
 9 All those in favor?
 10 Opposed?
 11 So moved.
 12 DIR. O'BRIEN: Mr. Chairman, I
 13 move to add to the agenda an item pertaining
 14 to participation in the New England NEPOOL.
 15 I want to add that to the agenda.
 16 THE CHAIRPERSON: Okay. The
 17 gentleman made a motion. Is there a second?
 18 DIR. COOPER: Second.
 19 THE CHAIRPERSON: All those in
 20 favor of addition to the agenda?
 21 Opposed?
 22 So moved.
 23 DIR. O'BRIEN: I move the
 24 resolution: "Resolved: That CRRA shall
 25 apply to become a participant in the New

1 England Power Pool under the New England
2 Power Pool agreement dated as of September 1,
3 1971, as amended, and the President of CRRA
4 is authorized to execute a counterpart of the
5 agreement on behalf of CRRA and to cause CRRA
6 to perform its obligations under the
7 agreement upon the effectiveness of its
8 membership."

9 DIR. KNOPP: Second.

10 THE CHAIRPERSON: All right.

11 Discussion.

12 DIR. O'BRIEN: The membership
13 would not be effective before July 1, 2003,
14 but the application is due in April,
15 April 9th, I believe.

16 THE CHAIRPERSON: Okay. We
17 have a motion seconded.

18 All those in favor?

19 Opposed?

20 So moved.

21 Moving on down, we'll go to
22 the chairman and committee reports. Do you
23 want to go yours first because we're all
24 stretching for time here?

25 DIR. FRANCIS: Yes. There are

1 requirements of the ethics commission.

2 DIR. FRANCIS: Right.

3 THE CHAIRPERSON: Any
4 comments? Questions? Concerns?

5 And with the motion made by
6 the vice chair of that committee, I'll
7 entertain a vote. All those in favor?

8 Opposed?

9 Abstained?

10 Sir.

11 DIR. FRANCIS: The second is
12 the work hours policy that would apply to any
13 full-time employee. And under this policy it
14 would specify the standard work schedule
15 being 8:30 to 5:00. Any alternative work
16 schedule would have to be approved by the
17 president with written approval. And he so
18 indicated that he'll have a set of core hours
19 that he would require everyone to be there,
20 and this kind of gives some uniformity to the
21 work policy within the organization.

22 DIR. LAURETTI: I just have a
23 question on this. With respect to the
24 written approval, that's the company
25 president, is it not?

1 three items under the organizational synergy
2 and human resource committee that we ask for
3 action on. The first is the employment
4 separation agreement policy. And there were
5 changes made since last month which I believe
6 everyone got in their packet. It's a policy
7 that applies to involuntary separations only.
8 It contends and has in there that no employee
9 has any contractual right to a separation pay
10 and would not be used for issues such as
11 cause or gross misconduct. It does give the
12 president discretion and offers some
13 guidelines for how he would consider
14 separation pay if he thought it was
15 appropriate, and provides that it not exceed
16 the statutory level that's been approved by
17 the board of directors for doing that.

18 DIR. O'BRIEN: I'll second.

19 DIR. FRANCIS: So I would move
20 the resolution at the end.

21 THE CHAIRPERSON: We have it
22 seconded. It's my understanding that this
23 was reviewed by one of our outside counsels?

24 DIR. FRANCIS: Yes.

25 MR. KIRK: And meets the

1 DIR. FRANCIS: Yes. The
2 approval would be by the president.

3 DIR. LAURETTI: It has nothing
4 to do with the board members?

5 DIR. FRANCIS: No.

6 DIR. LAURETTI: I would hope
7 that on items like this that we would allow
8 the president the latitude to make
9 adjustments as he felt was appropriate for
10 the successful operation of the organization.

11 DIR. FRANCIS: I would agree.

12 DIR. LAURETTI: I know that
13 for the interim period before there was a
14 president there was a number of the board
15 members who were very involved in the
16 day-to-day operation. And now that we have a
17 president, that's what I would think would be
18 his mission that he would have that task
19 because at the end of the day we're going to
20 hold him accountable for things that are done
21 or not done.

22 DIR. FRANCIS: I agree. I
23 believe, and Tom can certainly speak to it,
24 but I believe he's in support of policy.

25 MR. KIRK: Yes, very much so.

1 This is important. There are a number of
 2 different policies, both written, unwritten,
 3 assumed, oral and otherwise governing
 4 different groups of employees having a work
 5 hours policy approved by the board is
 6 important, and I appreciate very much your
 7 comments about giving management at the
 8 company the ability to be able to do what's
 9 necessary to get our mission done and provide
 10 for basic business practices such as starting
 11 times, finish times and other implementation
 12 of policies set by the board. So I
 13 appreciate that.

14 DIR. O'BRIEN: Second.

15 THE CHAIRPERSON: I assume
 16 that that was your motion.

17 DIR. FRANCIS: Yes.

18 THE CHAIRPERSON: All right.

19 And since we already had some conversation,
 20 any other comments?

21 Seeing none, I'd entertain a
 22 vote. All those in favor?

23 Opposed?

24 Abstained?

25 And the gentleman again.

1 Copies were passed out of the letter that
 2 went back to Capital Properties regarding
 3 their lease proposal. Their lease proposal
 4 was so far out of acceptable range that
 5 instead of doing a counterproposal we told
 6 them the reasons why we just couldn't accept
 7 it. We gave them enough hints so if they
 8 wanted to come back with something very
 9 substantially better they know the areas
 10 where they can improve it.

11 We also had the legal staff do
 12 a review of our current lease and also a
 13 subsequent settlement agreement relative to
 14 some lease terms that occurred to make sure
 15 we were covered in the event that the
 16 building owner wanted to start "reskinning"
 17 it with us still in there, and we seem to
 18 have a substantial amount of protection in
 19 terms of renovation and possibility of
 20 additional claims based on the right to
 21 unencumbered occupancy. That's where that
 22 stands.

23 We've been working our way
 24 through policy revisions. We finished our
 25 markup of the travel reimbursement

1 DIR. FRANCIS: The third item
 2 is dealing with the health reserve fund which
 3 has been used in the past as a wellness
 4 benefit for employees. We did have a
 5 committee who looked at it to look at options
 6 to that use. Essentially the recommendation
 7 from the committee of employees was to keep
 8 it the same which is that employees can
 9 request an amount up to -- for reimbursement
 10 an amount up to \$300 for wellness related
 11 expenses. And the organizational and synergy
 12 committee supports that recommendation and
 13 would move the resolution at the end which is
 14 that we continue that and that we appropriate
 15 10,000 from that health reserve which now is
 16 at 84,000.

17 DIR. O'BRIEN: Second.

18 THE CHAIRPERSON: Discussion?
 19 All those in favor?

20 Opposed?

21 So moved.

22 Okay, procurement. Bud.

23 DIR. COHN: I have a couple of
 24 things to report. Letters were passed around
 25 at the meeting that went back to Capital.

1 regulations. They should probably be
 2 included in the board package for next month.
 3 And if the notice hasn't gone, that should
 4 be -- the 90-day notice hasn't started. It
 5 should start -- I hope they're listening to
 6 me. Ann, on the travel reimbursement was the
 7 notice made?

8 MS. STRAVALLE-SCHMIDT: Yes.
 9 And it's because of the situation that it's
 10 at least 30 days. And the way that the
 11 Connecticut Law Journal works, you have to
 12 put in 11 days before it comes out. It comes
 13 out only on Tuesday. It would be ready for
 14 the May meeting.

15 DIR. COHN: Okay. Others that
 16 we're working on. We've made two passes at
 17 the bylaws, and we'll be making a third pass
 18 at the beginning of next month when we meet
 19 again, and hopefully that will be the last
 20 pass, so that's ready to go to notice and the
 21 board. We went through a -- this isn't
 22 actually a policy. It's basically a letter
 23 of instruction to staff regarding what to do
 24 when they get an FOI request. That's being
 25 revised for some changes in the law notably

1 that on large contracts -- and I've forgotten
 2 what the threshold number is -- that
 3 materials in the hands of a contractor, not
 4 just in our hands, are now subject to FOI and
 5 we want staff and contractors to know that so
 6 this is being revised.

7 We also have the agency's
 8 ethics policy on our agenda and had a meeting
 9 with the ethics commission and is doing
 10 markup based on that meeting and based on
 11 changes in the law that have occurred from
 12 time to time.

13 Then we also looked at the
 14 software policy. And the software policy, we
 15 have just adopted the state software policy.
 16 And there we just asked for a review that we
 17 have -- that we're using the most recent
 18 state software policy.

19 I think that's about it.

20 MS. STRAVALLE-SCHMIDT: I just
 21 also wanted to add that we're adding that
 22 FOIA language to our contracts going forward.
 23 We usually have a provision that says that
 24 we're allowed to examine your documents, but
 25 henceforth we're going to just remind the

1 will, that will be going out to all chief
 2 elected officials keeping them abreast of
 3 this bill. I think the responsibility, the
 4 duty here, is if we are really interested in
 5 seeing this passed, because it means a
 6 substantial amount of relief to the
 7 municipalities, we need to do as much as we
 8 can to keep this at the surface and not let
 9 it fall behind the scenes.

10 The other things that are
 11 going on is Tom and Peter and some of the
 12 other staff are keeping a look at some other
 13 bills that are out there that may not be in
 14 CRRA's best interest, if you will,
 15 particularly when it comes to other ash
 16 landfills or other things of that nature. It
 17 does show that we need somebody on staff at
 18 some point to follow this stuff because it's
 19 there and you're not aware of it until the
 20 last minute.

21 With that all said, anything
 22 that you can do as a board member to go back
 23 to your areas, if you will, of the state and
 24 encourage your colleagues to support our
 25 initiative. Again, when we look at

1 people that we contract with that they could
 2 be subject to FOI as well and that we might
 3 be asking them for some documents.

4 THE CHAIRPERSON: Okay. Very
 5 briefly, the Chairman, Tom, myself, Ray and
 6 Steve, I know Mark came to the hearing on the
 7 environmental committee. We spoke on behalf
 8 of the bill that we would like to see put
 9 forward. It was an interesting experience,
 10 from the Chair, to see some of the other
 11 things that had been going on there.

12 As you know, our bill wasn't
 13 presented that day, but the topic was there.
 14 We will continue to try to build consensus
 15 and try to reach out through our chief
 16 elected officials to encourage their
 17 representatives to support this bill,
 18 realizing full well that there are lobbyists
 19 out there not having the same perspective on
 20 this issue that we do, that they have invited
 21 big city mayors, I understand, to at least
 22 one gathering to try to solicit their support
 23 for this.

24 I have some meetings going on,
 25 and I have some other communications, if you

1 Bridgeport we're talking \$9 a ton. When we
 2 take a look at some of the bills that are on
 3 the table, if you take a look at the New
 4 Jersey bill, it would need and demand a whole
 5 new expense system for municipalities.

6 All right. I'm going to break
 7 off. And, Ted, you and Ray had an issue on
 8 beneficial use. Can you bring that up?

9 DIR. O'BRIEN: Before we bring
 10 that up, I just want to say that Tom and
 11 Brian also came to the Housatonic Resource
 12 Recovery Authority meeting a week ago to
 13 present the case and wound up getting a
 14 resolution from that authority in favor of
 15 the escheats bill.

16 DIR. MARTLAND: I'd just like
 17 to say I've been talking to legislators, and
 18 I've had a question regarding ash since I've
 19 been here. And, obviously, with the landfill
 20 and the Hartford nearing closure, I suggested
 21 an idea of could the legislature require us
 22 and environmental protection to come up with
 23 some kind of report in the out years as to
 24 what to do with ash, and if there's any other
 25 way other than just burying it or taking it

1 out of state, if it could be reused like some
 2 of our employees suggest. It's been done in
 3 other states.
 4 And I was advised to the
 5 effect that that type of legislation, the
 6 window for offering a proposal, is much later
 7 than for other types of action. So there is
 8 a window of opportunity for us to approach
 9 the appropriate committees -- and I'll be
 10 advised as to which ones they are. I'm not
 11 that knowledgeable. Maybe Alex would be --
 12 to request that we do have a committee and
 13 try to come up with some kind of solution in
 14 the out years for ash because we just can't
 15 be burying it for ever and ever.
 16 DIR. LAURETTI: I just have a
 17 question, Mike, for you and for Tom with
 18 respect to the ash landfill. It's my belief
 19 that I think the resolution to our problems
 20 going forward is another ash landfill
 21 somewhere in the state of Connecticut and not
 22 anywhere else. Are there any plans to
 23 petition DEP?
 24 THE CHAIRPERSON: We're
 25 looking at, as I said before, even with other

1 other facilities' ash throughout the state,
 2 and it's in contrast to the experience of
 3 other states regrettably. Other states
 4 routinely use ash at much less cost than
 5 Connecticut does.
 6 In our last meeting with the
 7 DEP about two months ago, the solid waste
 8 division, they informed us basically their
 9 advice was don't go there. We have even more
 10 ammo now than we've had in the past why we
 11 would be very uninterested and uninclined to
 12 consider beneficial ash reuse in Connecticut.
 13 We're not dismissing the idea, but we think
 14 that's going to be a tough road to hoe when
 15 the DEP is not supportive of our efforts to
 16 develop beneficial ash reuse options.
 17 DIR. MARTLAND: What I'd like
 18 it see is at least give it a whirl and study
 19 and put the onus on them to try to think in
 20 terms of reuse because we're going to have
 21 ash up the kazoo.
 22 MR. EGAN: Just a point of
 23 information to Director Martland's comment.
 24 Currently there's legislation that requires
 25 the Department of Environmental Protection

1 stuff, we're looking at a variety of
 2 alternatives of Connecticut sites, as well.
 3 MR. KIRK: Peter's group has
 4 been charged with investigating -- following
 5 up on a DEP investigation some years ago that
 6 identified 13 different sites throughout the
 7 state as potential bulky waste slash MSW
 8 landfills or ash landfills. There's also the
 9 question of the Putnam Landfill and whether
 10 or not that landfill was developed as an ash
 11 landfill in conflict with existing
 12 legislation that we read to reserve ownership
 13 and operation of all ash landfills in
 14 Connecticut to the CRRA. Both of those are
 15 being investigated. I think our most likely
 16 scenario is trying to find a green field ash
 17 landfill development site somewhere in the
 18 state to meet all the state's ash disposal
 19 needs moving forward.
 20 As to beneficial reuse,
 21 unfortunately the feedback we get from the
 22 state is even worse than it's been in the
 23 past, the state meaning the DEP. They have
 24 been an anchor in our efforts to develop
 25 beneficial ash reuse options for our ash and

1 develop and periodically update what's called
 2 "a solid waste management plan." This was
 3 first published in 1989, I think, and they
 4 issued a draft in 1999, and they've not
 5 finalized it. CRRA submitted extensive
 6 comments. Annually, CRRA is required to
 7 submit what is referred to in the statute as
 8 an annual plan of operations to the DEP which
 9 essentially is intended to discuss how CRRA's
 10 game plan dovetails into the solid waste
 11 management plan, which, at this point, is
 12 just a draft and the DEP maybe, I believe, is
 13 thinking of revising it again. It's now
 14 somewhat out of date.
 15 So my comment is the
 16 legislation may already be in place that
 17 suggested perhaps this ought to be put in
 18 place.
 19 DIR. MARTLAND: I was just
 20 hoping to get something to ask for a plan for
 21 the out years between the two groups as to
 22 what to do with it. I wasn't thinking of
 23 trying to get into the specifics because
 24 that's your art. But I was just hoping that
 25 we try to get DEP thinking about other things

1 than just telling us to take it out of state.

2 MR. EGAN: That's a very key
3 public policy decision that this state has
4 got to make.

5 DIR. MARTLAND: They are
6 supposed to be doing it. I was advised from
7 the people whom I talk to that's one of their
8 charges, but they don't seem to acknowledge
9 it.

10 THE CHAIRPERSON: Tom.

11 MR. KIRK: I think, finally,
12 if you'll notice, the Hartford Courant ran
13 our ad for two senior vacant positions,
14 senior counsel environmental and operations
15 division head, John Clark's group. It's a
16 great ad. I'm encouraged by the interest I've
17 had through my contacts in the industry in
18 John's group. I'm surprised, I guess,
19 because some of the restrictions we have in
20 trying to attract some folks here, but I'm
21 very encouraged by the interest so far. And
22 I would suggest that if any of the board
23 members are tired of toiling so hard for CRRA
24 for no pay, they might want to throw in for
25 some of these jobs.

1 THE CHAIRPERSON: And with
2 that, any other comments? Directions? All
3 right. And with that, the charge is the
4 bottle bill.

5 DIR. O'BRIEN: Move we
6 adjourn.

7 DIR. COOPER: Second.

8 THE CHAIRPERSON: Thank you,
9 everybody.

10 (Whereupon, the above
11 proceedings were adjourned at 12:34 o'clock
12 p.m.)

TAB 2

Revenue And Expenditure Reports

& Major Variance Analysis

February 2003

MID-CONNECTICUT PROJECT - FINANCIAL RESULTS

For the Period Ending February 28, 2003

	FY 03 Budget	Budget YTD	Actual YTD	YTD Variance	% Utilization of Budget
REVENUES					
Service Charges Solid Waste - Members	\$35,987,917	\$23,991,945	\$24,298,705	\$306,760	67.52%
Service Charges Solid Waste - Contracts	\$14,277,083	\$9,518,055	\$9,032,042	(\$486,013)	63.26%
Service Charges Solid Waste - Spot	\$434,000	\$289,333	\$484,188	\$194,855	111.56%
Bulky Waste - Municipal	\$1,258,000	\$838,667	\$703,488	(\$135,179)	55.92%
Bulky Waste - Commercial	\$102,000	\$68,000	\$45,879	(\$22,121)	44.98%
DEP Certified Materials	\$19,000	\$12,667	\$81,854	\$69,187	430.81%
Recycling Sales	\$1,362,825	\$908,550	\$958,579	\$50,029	70.34%
Metals Service Charge	\$5,000	\$3,333	\$6,580	\$3,247	131.60%
Electricity	\$14,332,500	\$9,555,000	\$10,553,502	\$998,502	73.63%
Miscellaneous Income	\$703,480	\$468,987	\$118,474	(\$350,513)	16.84%
Interest Income	\$1,373,500	\$915,667	\$590,735	(\$324,932)	43.01%
Use of Reserves	\$18,852,133	\$12,568,089	\$12,568,088	(\$1)	66.67%
TOTAL REVENUES	\$88,707,438	\$59,138,292	\$59,442,114	\$303,822	58.28%
EXPENDITURES					
General Administration	\$5,059,005	\$3,372,670	\$3,632,945	(\$260,275)	62.82%
Debt Service/Administration	\$26,090,244	\$17,393,496	\$17,405,721	(\$12,225)	58.36%
Waste Transport	\$8,610,401	\$5,740,267	\$8,542,132	(\$2,801,865)	90.07%
Regional Recycling	\$3,359,688	\$2,239,792	\$1,811,916	\$427,876	47.95%
Waste Processing Facility	\$21,935,289	\$14,623,526	\$13,015,738	\$1,607,788	52.91%
Power Block Facility	\$15,813,431	\$10,542,287	\$10,383,736	\$158,551	57.81%
Energy Generating Facility	\$2,123,579	\$1,415,719	\$950,546	\$465,173	39.17%
Landfill - Hartford	\$3,809,319	\$2,539,546	\$2,327,342	\$212,204	54.95%
Landfill - Ellington	\$279,250	\$186,167	\$107,968	\$78,199	35.04%
Transfer Station - Ellington	\$379,366	\$252,911	\$344,447	(\$91,536)	80.59%
Transfer Station - Essex	\$508,622	\$339,081	\$471,650	(\$132,569)	82.88%
Transfer Station - Torrington	\$467,753	\$311,835	\$309,434	\$2,401	58.16%
Transfer Station - Watertown	\$491,254	\$327,503	\$330,702	(\$3,199)	59.81%
171 Murphy Road	\$39,811	\$26,541	\$29,136	(\$2,595)	68.65%
TOTAL EXPENDITURES	\$88,967,012	\$59,311,341	\$59,663,413	(\$352,072)	59.42%
SURPLUS/(DEFICIT)	(\$259,574)	(\$173,049)	(\$221,299)		
TONNAGE					
Deliveries Tons (CRRRA)	870,000	580,000	583,712	3,712	67.1%
Diverted / Exported Tons	37,000	24,667	59,643	34,976	161.2%
Processed Tons	840,000	560,000	525,365	(34,635)	62.5%

MID-CONNECTICUT PROJECT – VARIANCE ANALYSIS

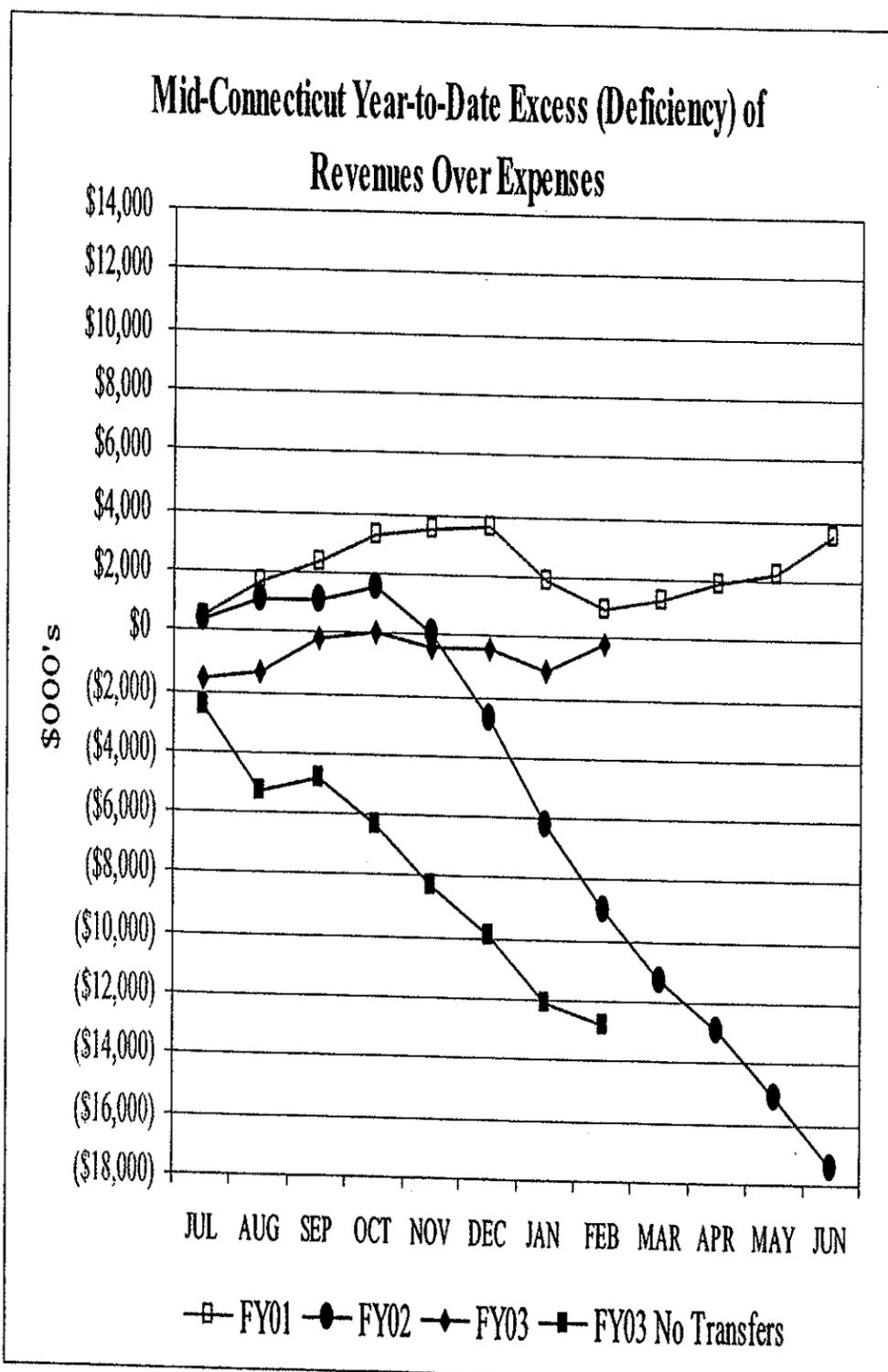
February 2003

REVENUES:

- Service Charges Solid Waste – Spot: increase reflects above budget solid waste diversions from the Wallingford project.
- Bulky Waste – Commercial: actual reflect seasonal trends while the budget does not.
- DEP Certified Materials: increase due to new contracts that pay the Authority to accept cover soil at the Hartford Landfill.
- Miscellaneous Income: under-budget due to timing factors (i.e. permit fees and recycling fees for Stratford facility).
- Interest Income: is below budget due to market factors and reduction in reserve levels.

EXPENDITURES:

- Waste Transport Expenses: over-budget due to higher-than-expected deliveries and lower-than-budgeted processing. Also, the budget anticipated a private contractor to perform transportation services instead of MDC at a reduction in cost of \$1 per ton.
- Transfer Station – Ellington: Hopper and Scale repairs and paving costs were not in operating budget. Also, the budget assumed a private contractor would operate the facility instead of MDC, at a lower cost.
- Transfer Station – Essex: over-budget due to booking local administration cost at the beginning of the fiscal year. Also, the budget assumed a private contractor would operate the facility instead of MDC, at a lower cost.



BRIDGEPORT PROJECT - FINANCIAL RESULTS

For the Period Ending February 28, 2003

	FY 03 Budget	Budget YTD	Actual YTD	YTD Variance	% Utilization of Budget
REVENUES					
Service Charges Solid Waste - Members	\$25,565,837	\$17,043,891	\$17,672,962	\$629,071	69.13%
Service Charges Solid Waste - Contracts	\$15,727,258	\$10,484,839	\$9,693,936	(\$790,903)	61.64%
Ash Disposal Fees	\$3,839,698	\$2,559,799	\$2,665,049	\$105,250	69.41%
Recycling Sales	\$1,000,467	\$666,978	\$1,383,905	\$716,927	138.33%
Rental Income	\$1,103,512	\$735,675	\$720,540	(\$15,135)	65.30%
Miscellaneous Income	\$25,000	\$16,667	\$29,863	\$13,196	119.45%
Interest Income	\$255,000	\$170,000	\$36,659	(\$133,341)	14.38%
Use of Reserve (Shelton LF Postclosure)	\$650,000	\$433,333	\$397,167	(\$36,166)	61.10%
TOTAL REVENUES	\$48,166,772	\$32,111,181	\$32,600,081	\$488,900	67.68%
EXPENDITURES					
General Administration	\$1,193,845	\$795,897	\$498,495	\$297,402	41.76%
Debt Service/Administration	\$2,222,305	\$1,481,537	\$1,453,897	\$27,640	65.42%
Resources Recovery Facility	\$32,070,311	\$21,380,207	\$21,851,081	(\$470,874)	68.13%
Ash Disposal	\$7,396,471	\$4,930,981	\$5,170,718	(\$239,737)	69.91%
Waste Transport	\$519,974	\$346,649	\$322,029	\$24,620	61.93%
Regional Recycling	\$2,618,623	\$1,745,749	\$1,589,661	\$156,088	60.71%
Landfill - Shelton	\$1,822,650	\$1,215,100	\$1,131,435	\$83,665	62.08%
Landfill - Waterbury	\$13,800	\$9,200	\$2,288	\$6,912	16.58%
Transfer Station - Darien	\$22,850	\$15,233	\$12,359	\$2,874	54.09%
Transfer Station - Fairfield	\$25,850	\$17,233	\$5,334	\$11,899	20.63%
Transfer Station - Greenwich	\$17,625	\$11,750	\$5,334	\$6,416	30.26%
Transfer Station - Milford	\$33,275	\$22,183	\$4,735	\$17,448	14.23%
Transfer Station - Norwalk	\$42,747	\$28,498	(\$5,034)	\$33,532	(11.78%)
Transfer Station - Shelton	\$13,400	\$8,933	\$394	\$8,539	2.94%
Transfer Station - Trumbull	\$24,000	\$16,000	\$5,745	\$10,255	23.94%
Transfer Station - Westport	\$32,500	\$21,667	\$5,333	\$16,334	16.41%
TOTAL EXPENDITURES	\$48,070,226	\$32,046,817	\$32,053,804	(\$6,987)	66.68%
SURPLUS/(DEFICIT)	\$96,546	\$64,364	\$546,277		
TONNAGE					
Deliveries Tons (CRRA)	600,000	400,000	392,164	(7,836)	65.4%
Delivered Tons (Company)	120,000	80,000	84,455	4,455	70.4%
Total Deliveries	720,000	480,000	476,620	(3,380)	
Processed Tons	720,000	480,000	488,170	8,170	67.8%

BRIDGEPORT PROJECT - VARIANCE ANALYSIS

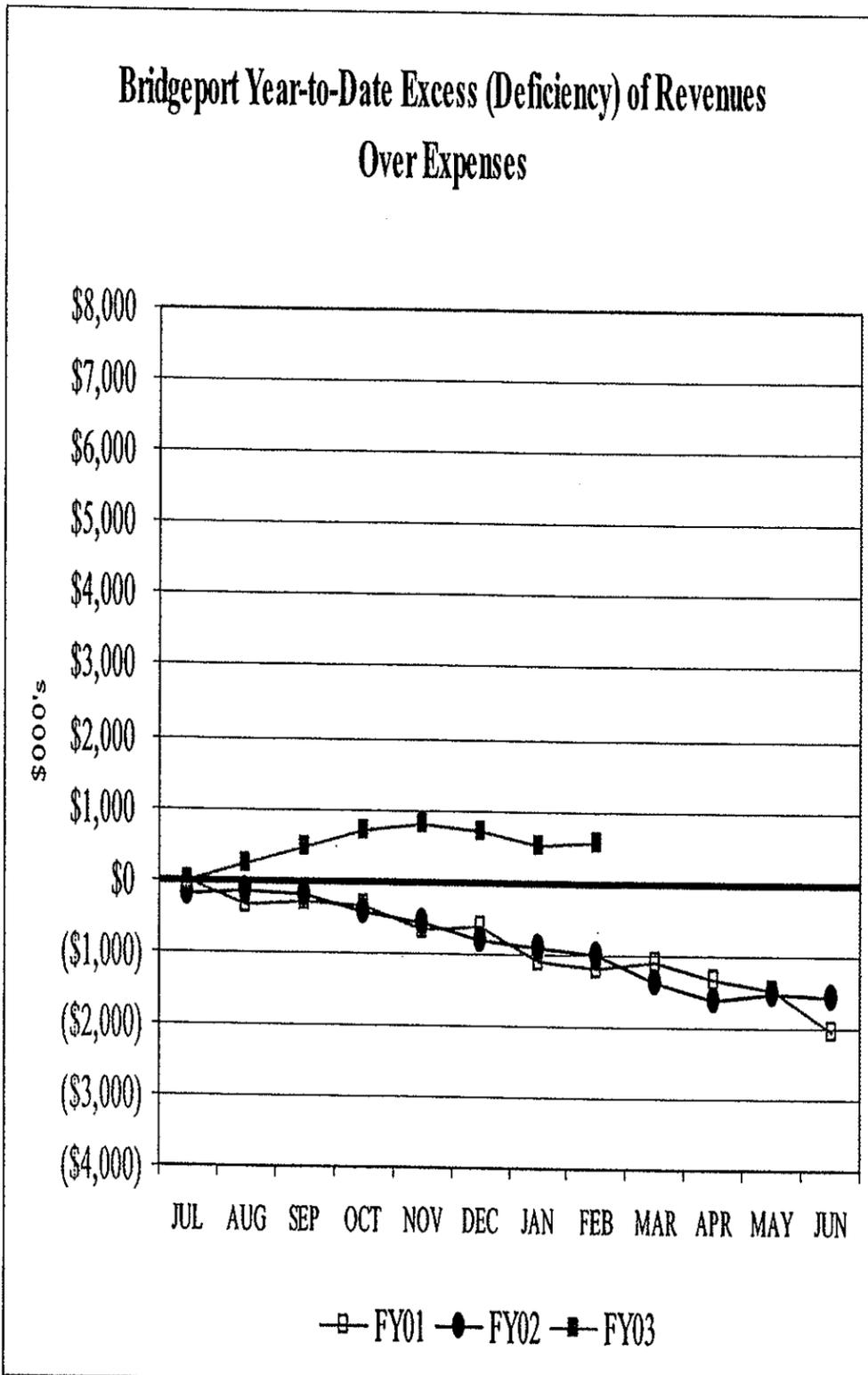
February 2003

REVENUES:

- Service Charges Solid Waste - Contracts: reflects the loss of CRRA contract tonnage.
- Recycling Sales: reflects continued above-budget market sales.
- Miscellaneous Income: increase is due to a non-budgeted one-time sale of equipment (flare) at the Shelton Landfill.
- Interest Income: is below budget due to market factors.

EXPENDITURES:

- General Administration: costs reflect a reduction in direct charges for salaries and associated overhead and below budget legal costs.
- Transfer Stations: variances due to timing of capital expenditures.



WALLINGFORD PROJECT - FINANCIAL RESULTS

For the Period Ending February 28, 2003

	FY 03 Budget	Budget YTD	Actual YTD	YTD Variance	% Utilization of Budget
REVENUES					
Service Charges Solid Waste - Members	\$8,360,000	\$5,573,333	\$5,431,477	(\$141,856)	58.06%
Service Charges Solid Waste - Spot	\$330,000	\$220,000	\$62,885	(\$157,115)	14.50%
Electricity	\$12,030,850	\$8,020,567	\$8,734,857	\$714,290	64.21%
Miscellaneous Income	\$17,500	\$11,667	\$4,475	(\$7,192)	10.43%
Interest Income	\$680,000	\$453,333	\$249,839	(\$203,494)	33.32%
TOTAL REVENUES	\$21,418,350	\$14,278,900	\$14,483,533	\$204,633	60.02%
EXPENDITURES					
General Administration	\$773,584	\$515,723	\$412,054	\$103,669	47.59%
Debt Service/Administration	\$6,290,753	\$4,193,835	\$4,333,505	(\$139,670)	61.31%
Resources Recovery Facility	\$8,070,636	\$5,380,424	\$5,585,981	(\$205,557)	61.47%
Ash Disposal	\$2,833,365	\$1,888,910	\$1,906,945	(\$18,035)	59.56%
Waste Transport	\$1,824,612	\$1,216,408	\$236,366	\$980,042	12.56%
Recycling	\$40,000	\$26,667	\$0	\$26,667	0.00%
Landfill - Wallingford	\$1,585,400	\$1,056,933	\$938,213	\$118,720	53.41%
TOTAL EXPENDITURES	\$21,418,350	\$14,278,900	\$13,413,064	\$865,836	55.79%
SURPLUS/(DEFICIT)	\$0	\$0	\$1,070,469		
TONNAGE					
Deliveries Tons (CRRA)	158,000	105,333	103,652	(1,682)	65.6%
Diverted / Exported Tons	20,000	13,333	6,065	(7,268)	30.3%
Processed Tons	138,000	92,000	96,898	4,898	70.2%

WALLINGFORD PROJECT - VARIANCE ANALYSIS

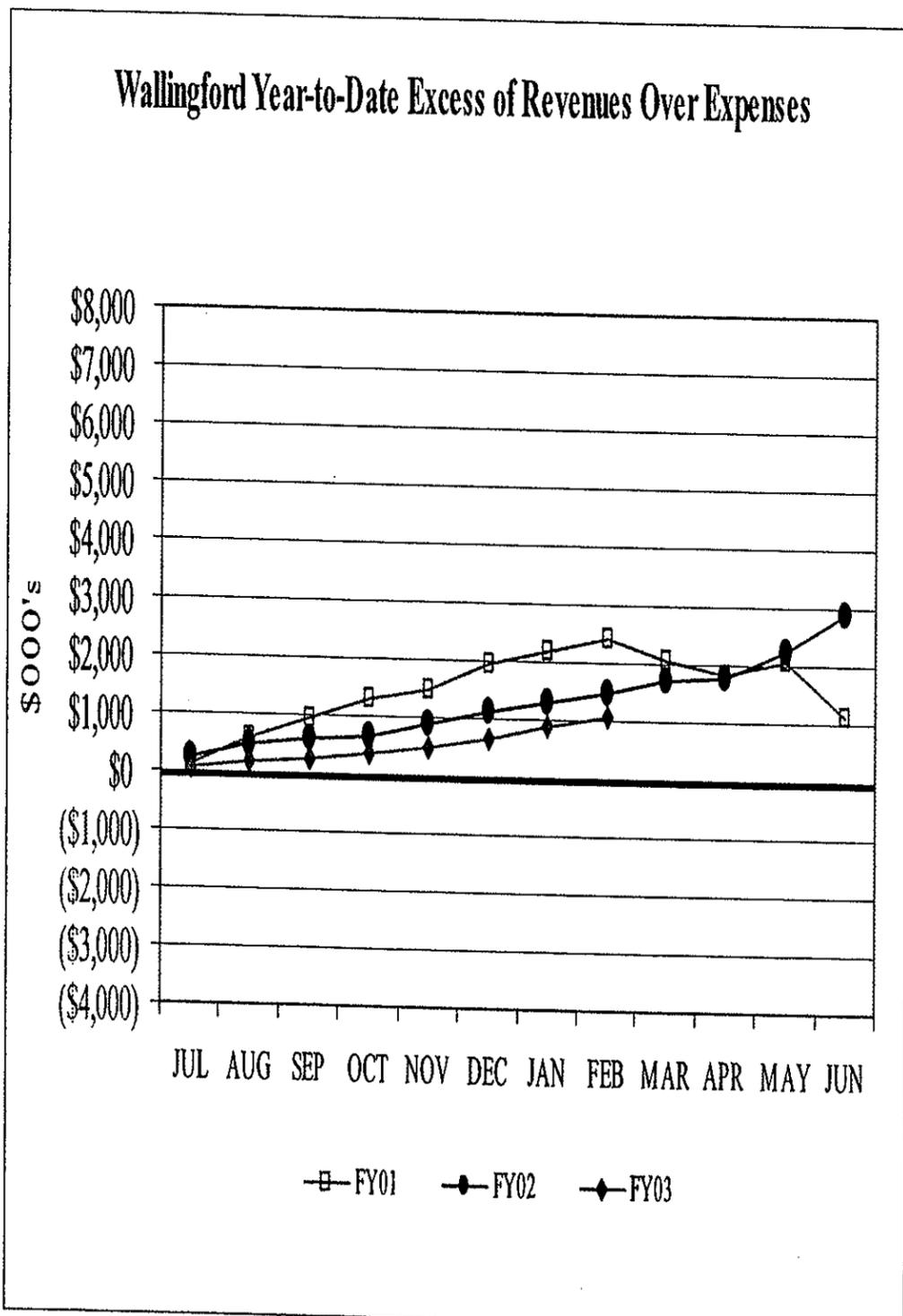
February 2003

REVENUES:

- Service Charges Solid Waste - Spot: revenues are down due to increased supply available from member towns.
- Interest Income: is below budget due to market factors.

EXPENDITURES:

- General Administration: costs reflect a reduction in direct charges for salaries and associated overhead and below budget legal costs.
- Waste Transport: expenses are down as a result of the Mid-Connecticut project acceptance of diverted waste.
- Recycling: currently scheduling electronic recycling events for the spring.



SOUTHEAST PROJECT - FINANCIAL RESULTS

For the Period Ending February 28, 2003

	FY 03 Budget	Budget YTD	Actual YTD	YTD Variance	% Utilization of Budget
REVENUES					
Service Charges Solid Waste - Members	\$9,080,100	\$6,053,400	\$6,459,338	\$405,938	63.92%
Service Charges Solid Waste - Contracts	\$861,750	\$574,500	\$488,221	(\$86,279)	51.27%
Service Charges Solid Waste - Spot	\$253,700	\$169,133	\$314,658	\$145,525	104.80%
Interest Income	\$220,000	\$146,667	\$43,947	(\$102,720)	18.21%
Use of Prior Year(s) Net Assets	\$1,382,262	\$921,508	\$0	(\$921,508)	0.00%
Use of Reserve (Montvill LF Postclosure)	\$142,000	\$94,667	\$62,002	(\$32,665)	41.13%
TOTAL REVENUES	\$11,939,812	\$7,959,875	\$7,368,166	(\$591,709)	55.36%
EXPENDITURES					
General Administration	\$903,889	\$602,593	\$542,400	\$60,193	50.59%
Debt Service/Administration	\$1,286,012	\$857,341	\$857,352	(\$11)	58.36%
Resources Recovery Facility	\$6,788,164	\$4,525,443	\$3,992,142	\$533,301	50.35%
Ash Disposal	\$2,445,822	\$1,630,548	\$1,780,380	(\$149,832)	63.91%
Recycling	\$283,925	\$189,283	\$227,599	(\$38,316)	75.35%
Landfill - Montville	\$232,000	\$154,667	\$123,752	\$30,915	51.79%
TOTAL EXPENDITURES	\$11,939,812	\$7,959,875	\$7,523,625	\$436,250	54.63%
SURPLUS/(DEFICIT)	\$0	\$0	(\$155,459)		
TONNAGE					
Deliveries Tons (CRRA)	178,000	118,667	125,310	6,643	70.40%
Delivered Tons (Company)	69,000	46,000	42,939	(3,061)	62.23%
Total Deliveries	247,000	164,667	168,249	3,582	
Processed Tons	247,000	164,667	167,140	2,473	67.67%

SOUTHEAST PROJECT - VARIANCE ANALYSIS

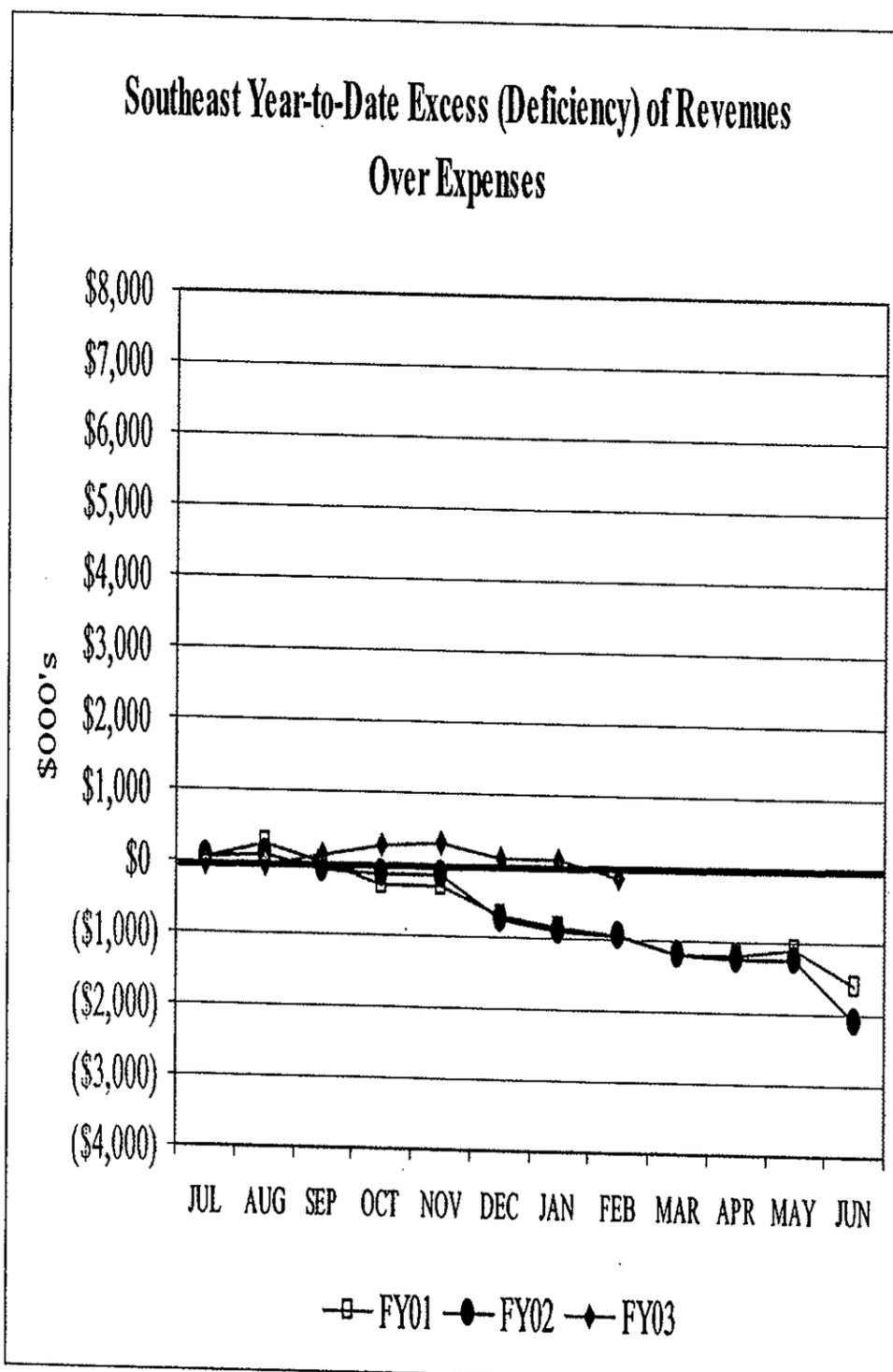
February 2003

REVENUES:

- Service Charges Solid Waste - Contract: budget assumption included SCRRRA contracting with private hauler for waste deliveries which did not transpire.
- Service Charges Solid Waste - Spot: reflects above budget diversions from the Mid-Connecticut project.
- Interest Income: is below budget due to market factors.

EXPENDITURES:

- General Administration: costs reflect a reduction in direct charges for salaries and associated overhead and below budget legal costs.
- Resources Recovery Facility: Net resource recovery facility expenses are below budget due to above budget *electricity revenues* from increased energy sales and higher average unit rates.



ADMINISTRATION - FINANCIAL RESULTS

For the Period Ending February 28, 2003

	FY 03 Budget	Budget YTD	Actual YTD	YTD Variance	% Utilization of Budget
REVENUES					
Mid-Connecticut Reimbursement	\$4,811,573	\$2,806,751	\$2,476,593	(\$330,158)	44.27%
Bridgeport Reimbursement	\$1,048,925	\$611,873	\$536,340	(\$75,533)	43.65%
Wallingford Reimbursement	\$496,523	\$289,638	\$303,143	\$13,505	52.53%
Southeast Reimbursement	\$235,428	\$137,333	\$121,709	(\$15,624)	42.81%
CRRA Energy Reimbursement	\$49,443	\$28,842	\$55,930	\$27,088	94.16%
Miscellaneous Income	\$125,000	\$72,917	\$134,923	\$62,006	107.94%
Interest Income	\$30,000	\$17,500	\$17,291	(\$209)	51.78%
TOTAL REVENUES	\$6,796,892	\$3,964,854	\$3,645,929	(\$318,925)	46.30%
EXPENDITURES					
Personal Services	\$4,505,999	\$2,628,499	\$2,619,152	\$9,347	50.12%
Non-Personal Services	\$2,134,402	\$1,245,068	\$944,361	\$300,707	38.25%
Capital Expenditures	\$44,000	\$25,667	\$6,807	\$18,860	12.06%
Debt Service/Administration	\$112,491	\$65,620	\$58,318	\$7,302	45.43%
TOTAL EXPENDITURES	\$6,796,892	\$3,964,854	\$3,628,638	\$336,216	46.07%
SURPLUS/(DEFICIT)	\$0	\$0	\$17,291		

Variance Analysis:

General Administration expenses continue to be reduced where appropriate.

NON-PROJECT VENTURES - FINANCIAL RESULTS

For the Period Ending February 28, 2003

	FY 03 Budget	Budget YTD	Actual YTD	YTD Variance	% Utilization of Budget
REVENUES					
Electricity (1)	\$5,735,717	\$3,823,811	\$4,647,389	\$823,578	77.23%
Miscellaneous Income (2)	23,805	15,870	10,800	(\$5,070)	45.37%
Interest Income (3)	0	0	281,160	\$281,160	0.00%
TOTAL REVENUES	\$5,759,522	\$3,839,681	\$4,939,349	\$1,099,668	81.58%
EXPENDITURES					
General Administration (4)	\$486,865	\$324,577	\$51,184	\$273,393	8.55%
JETS	1,253,854	835,903	994,081	(\$158,178)	69.33%
Energy Generating Facility	3,759,231	2,506,154	2,341,270	\$164,884	53.48%
TOTAL EXPENDITURES	\$5,499,950	\$3,666,633	\$3,386,535	\$280,098	53.12%
SURPLUS/(DEFICIT)	\$259,572	\$173,048	\$1,552,814		

Variance Analysis:

- (1) Electricity budget reflected use of the Jets primarily during the summer months.
- (2) Budget includes revenues from a billboard lease which have not yet been received.
- (3) Budget reflected zero interest income. Actual reflects interest being retained in investment account.
- (4) Reflects below budget direct charge of employee hours and allocation of overhead.

Revenue And Expenditure Reports

& Major Variance Analysis

February 2003

MID-CONNECTICUT PROJECT - VARIANCE ANALYSIS

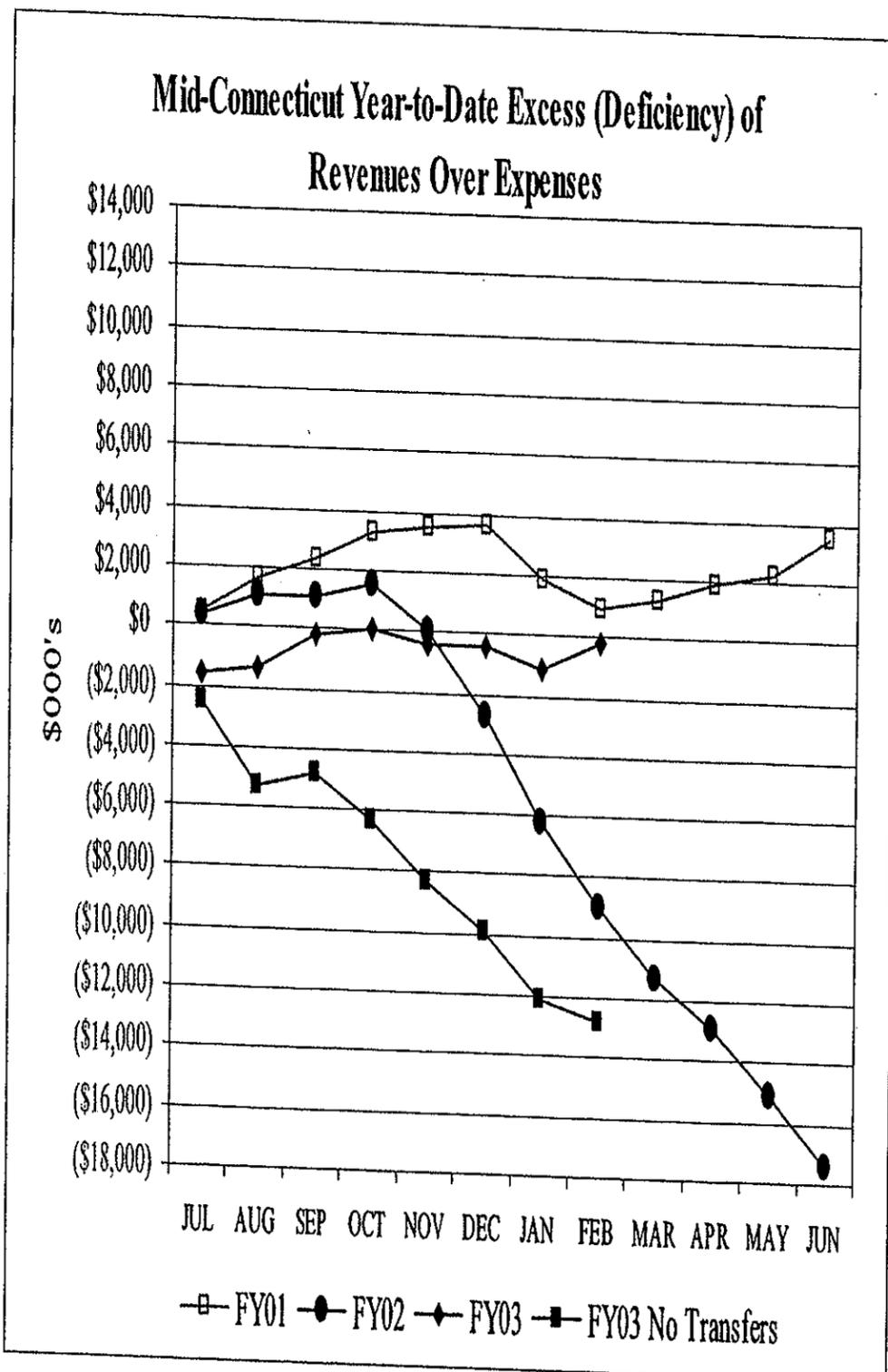
February 2003

REVENUES:

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- Bulky Waste - Commercial: actual reflect seasonal trends while the budget does not.
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EXPENDITURES:

- Waste Transport Expenses: over-budget due to higher-than-expected deliveries and lower-than-budgeted processing. Also, the budget anticipated a private contractor to perform transportation services instead of MDC at a reduction in cost of \$1 per ton.
- Transfer Station - Ellington: Hopper and Scale repairs and paving costs were not in operating budget. Also, the budget assumed a private contractor would operate the facility instead of MDC, at a lower cost.
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BRIDGEPORT PROJECT - VARIANCE ANALYSIS

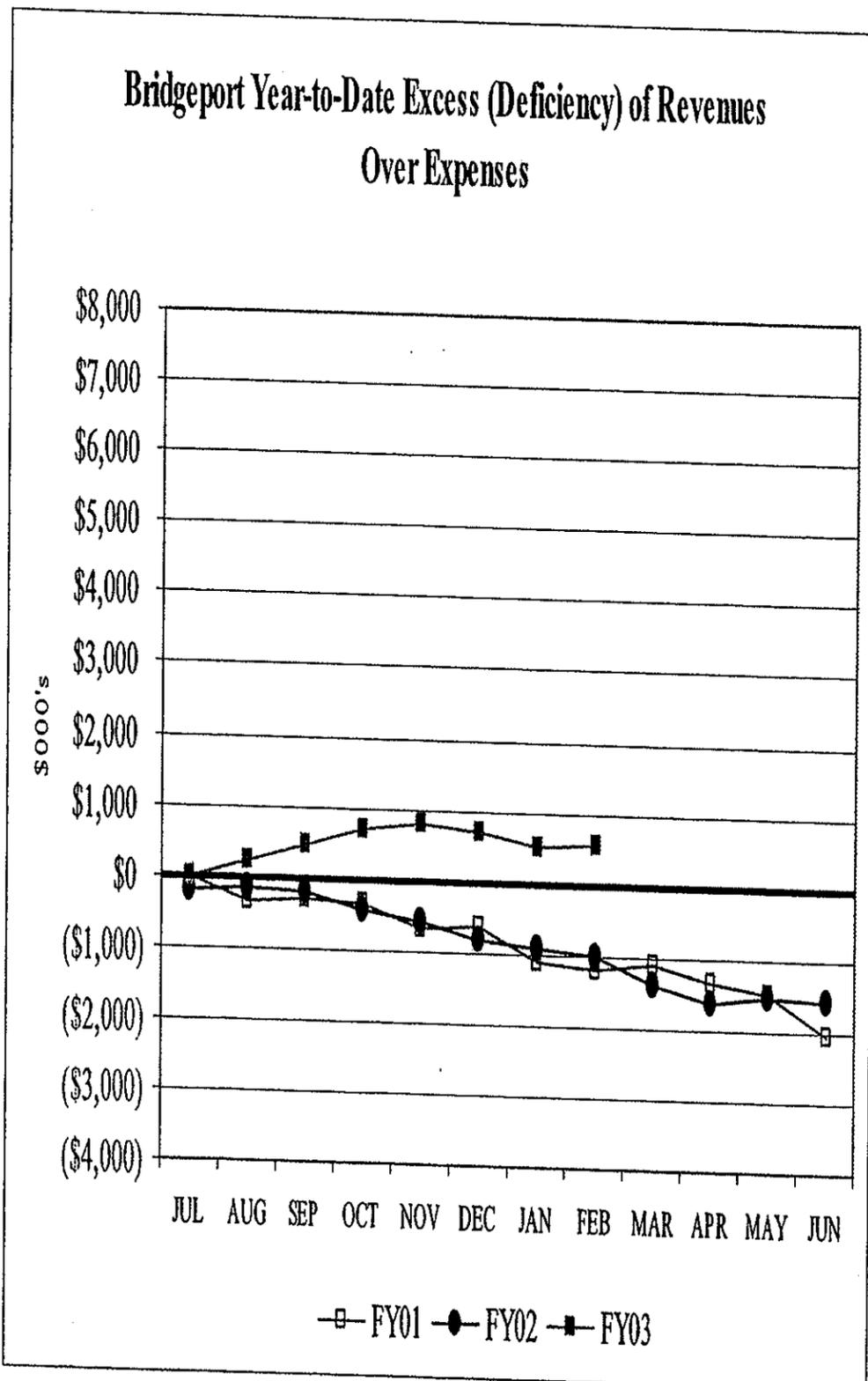
February 2003

REVENUES:

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- Recycling Sales: reflects continued above-budget market sales.
- Miscellaneous Income: increase is due to a non-budgeted one-time sale of equipment (flare) at the Shelton Landfill.
- Interest Income: is below budget due to market factors.

EXPENDITURES:

- General Administration: costs reflect a reduction in direct charges for salaries and associated overhead and below budget legal costs.
- Transfer Stations: variances due to timing of capital expenditures.



WALLINGFORD PROJECT - VARIANCE ANALYSIS

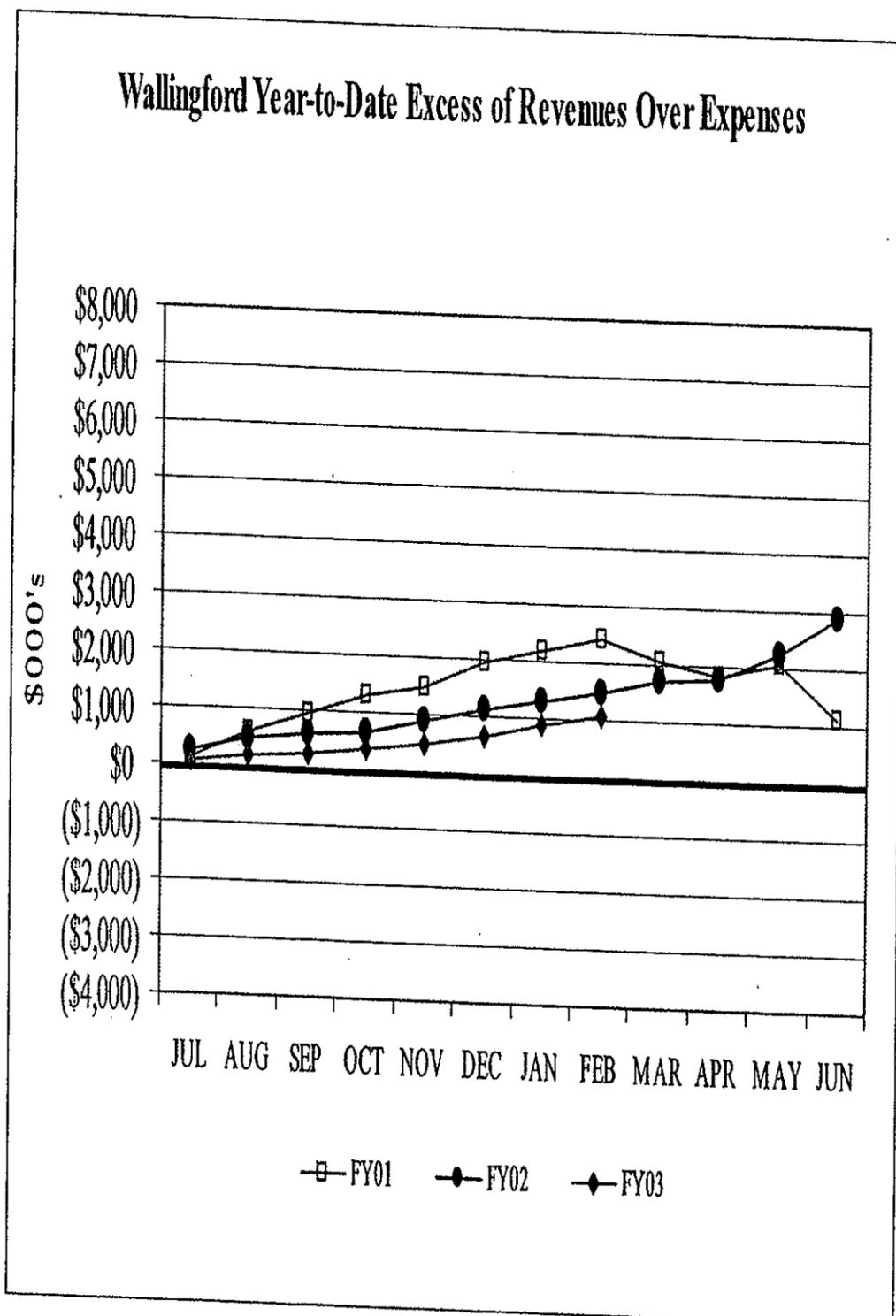
February 2003

REVENUES:

- Service Charges Solid Waste - Spot: revenues are down due to increased supply available from member towns.
- Interest Income: is below budget due to market factors.

EXPENDITURES:

- General Administration: costs reflect a reduction in direct charges for salaries and associated overhead and below budget legal costs.
- Waste Transport: expenses are down as a result of the Mid-Connecticut project acceptance of diverted waste.
- Recycling: currently scheduling electronic recycling events for the spring.



SOUTHEAST PROJECT - VARIANCE ANALYSIS

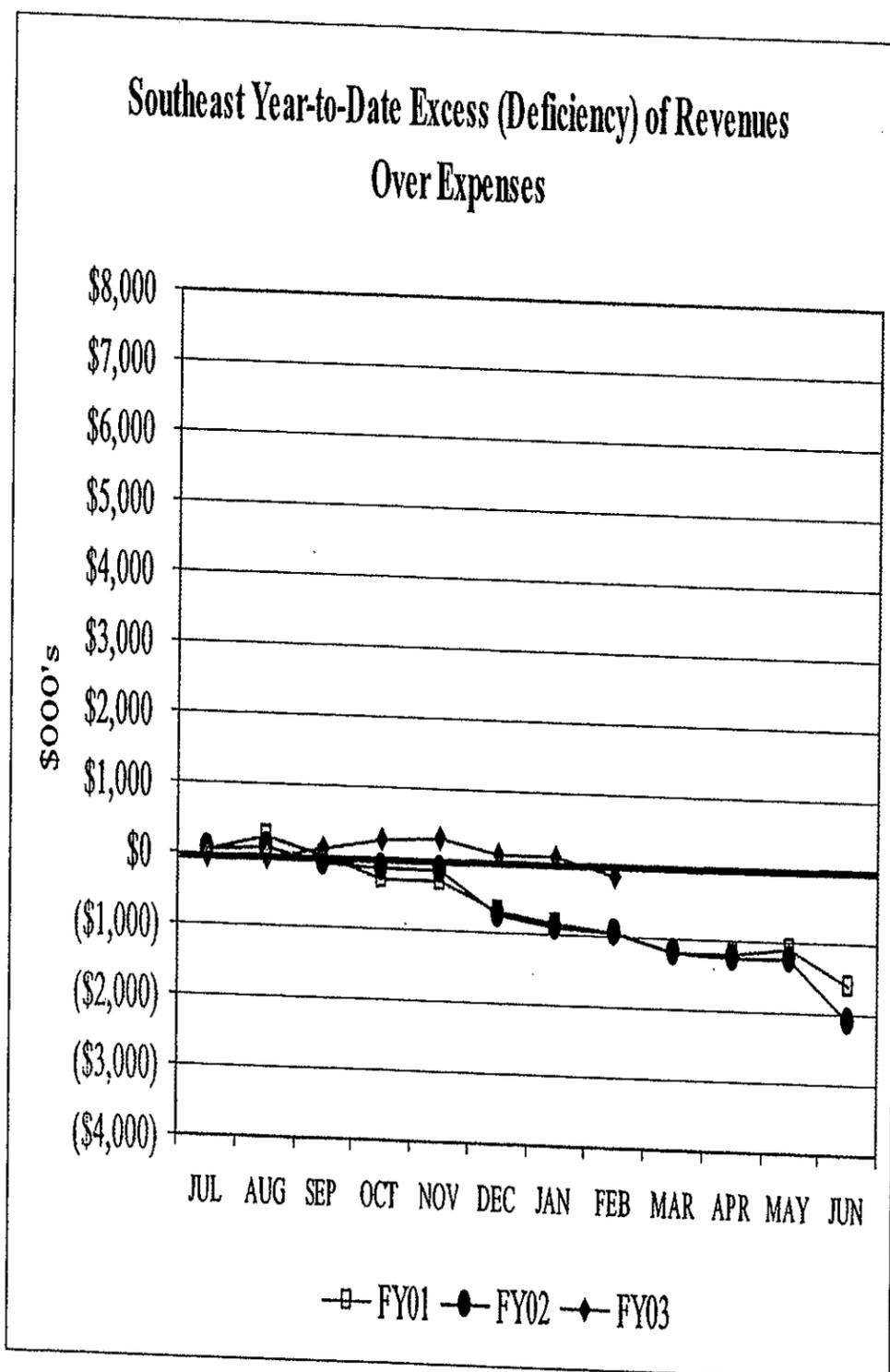
February 2003

REVENUES:

- Service Charges Solid Waste - Contract: budget assumption included SCRRRA contracting with private hauler for waste deliveries which did not transpire.
- Service Charges Solid Waste - Spot: reflects above budget diversions from the Mid-Connecticut project.
- Interest Income: is below budget due to market factors.

EXPENDITURES:

- General Administration: costs reflect a reduction in direct charges for salaries and associated overhead and below budget legal costs.
- Resources Recovery Facility: Net resource recovery facility expenses are below budget due to above budget *electricity revenues* from increased energy sales and higher average unit rates.



NON-PROJECT VENTURES - FINANCIAL RESULTS

For the Period Ending February 28, 2003

	FY 03 Budget	Budget YTD	Actual YTD	YTD Variance	% Utilization of Budget
REVENUES					
Electricity (1)	\$5,735,717	\$3,823,811	\$4,647,389	\$823,578	77.23%
Miscellaneous Income (2)	23,805	15,870	10,800	(\$5,070)	45.37%
Interest Income (3)	0	0	281,160	\$281,160	0.00%
TOTAL REVENUES	\$5,759,522	\$3,839,681	\$4,939,349	\$1,099,668	81.58%
EXPENDITURES					
General Administration (4)	\$486,865	\$324,577	\$51,184	\$273,393	8.55%
JETS	1,253,854	835,903	994,081	(\$158,178)	69.33%
Energy Generating Facility	3,759,231	2,506,154	2,341,270	\$164,884	53.48%
TOTAL EXPENDITURES	\$5,499,950	\$3,666,633	\$3,386,535	\$280,098	53.12%
SURPLUS/(DEFICIT)	\$259,572	\$173,048	\$1,552,814		

Variance Analysis:

- (1) Electricity budget reflected use of the Jets primarily during the summer months.
- (2) Budget includes revenues from a billboard lease which have not yet been received.
- (3) Budget reflected zero interest income. Actual reflects interest being retained in investment account.
- (4) Reflects below budget direct charge of employee hours and allocation of overhead.

TAB 3

**RESOLUTION REGARDING THE DISSOLUTION OF
CERTAIN PROJECT RESERVE ACCOUNTS**

RESOLVED: The General Administration Funds which include the Ash Re-Utilization Reserve, Development Fund, and Recycling Trust along with the Wallingford Future Use Reserve and Wallingford Clean Air Act Reserve be dissolved.

FURTHER RESOLVED: The existing reserve balances be re-distributed by project as follows and reclassified from Designated Board to Unrestricted Undesignated:

General Administration

Ash Re-Utilization	Bridgeport Operating Reserve	\$100,000
	Mid-Ct Operating Reserve	\$100,000
	Southeast Operating Reserve	\$ 32,500
	Wallingford Operating Reserve	<u>\$ 17,500</u>
		\$250,000

Development Fund Entire balance (Balance as of December 31, 2002 was \$49,572) to General Administration Operating Reserve (Balance as of December 31, 2002 was \$0)

Recycling Trust Entire balance (Balance as of December 31, 2002 was \$24,388) to be re-allocated to the Bridgeport and Mid-Connecticut Project Operating Reserves as a percent of total tons processed by each project for fiscal year 2002.

FURTHER RESOLVED: The existing reserve balances be re-distributed by project as follows and reclassified from Designated Board to Restricted:

Wallingford Future Use Entire balance (balance as of December 31, 2002 was \$1,147,328) to Wallingford Tip Fee Stabilization Fund (balance as of December 31, 2002 was \$4,771,049)

Clean Air Act Entire balance (balance as of December 31, 2002 was \$750,000) to Wallingford Tip Fee Stabilization Fund (balance as of December 31, 2002 was \$4,771,049)

Connecticut Resources Recovery Authority

Interim Reserve Analysis

April 17, 2003

The following are the results of an interim analysis of CRRA reserve accounts performed by management. This interim analysis is only for the CRRA reserves held in the Short Term Investment Fund (STIF) and does not include the accounts held by the Trustee or bank accounts.

Of the twenty-nine (29) existing reserves shown in Exhibit A, management is recommending the dissolution of five of the reserves at this time. Individual reserve portfolios for these five reserves are attached (pages marked 1, 3, 4, 24, and 25).

Attached is the memo provided to the Finance Committee along with the resolution approved by the Finance Committee. At this time, management is seeking approval from the CRRA Board of Directors at the April 2003 meeting to adopt the attached resolution.

EXHIBIT A
Connecticut Resources Recovery Authority
Schedule of Short Term Investment Funds
As Of December 31, 2002

Account	General Administration	Mid-Connecticut Project	Bridgeport Project	Wallingford Project	Southeastern Project	Total
Restricted						
Regional Recycling Center Equipment (Paper)		\$1,677,425 (5)				\$1,677,425
Regional Recycling Center Equipment (Container)		\$667,082 (6)				\$667,082
Tip Fee Stabilization Account				\$4,771,049 (22)		\$4,771,049
Jets / EGF Operating Fund		\$20,000,000 (16)				\$20,000,000
MDC Arbitration Escrow		\$2,930,344 (7)				\$2,930,344
Total Restricted	\$0	\$25,274,851	\$0	\$4,771,049	\$0	\$30,045,900
Unrestricted Designated						
Board						
Landfill Closure		\$6,744,807 (8)	\$199,037 (17)			\$6,943,844
Landfill Post-Closure		\$0 (9)	\$2,382,514 (18)	\$3,954,621 (23)	\$2,175,480 (26)	\$8,512,615
Landfill Post-Closure (Ellington)		\$1,197,045 (10)				\$1,197,045
Risk Fund		\$4,689,964 (11)	\$2,525,874 (11)	\$1,039,788 (11)	\$250,211 (11)	\$8,505,837
Waste Processing Facility Modification Reserve		\$3,121,364 (12)				\$3,121,364
Landfill Replacement						\$0
Rolling Stock Reserve		\$2,051,737 (13)				\$2,051,737
Future Use Reserve			\$0 (19)	\$1,147,328 (24)		\$1,147,328
Clean Air Act				\$750,000 (25)		\$750,000
Power Block Facility Maintenance		\$500,000 (14)				\$500,000
Transfer Station Maintenance		\$463,916 (15)				\$463,916
Ash Utilization	\$250,000 (1)					\$250,000
Health Fund	\$83,984 (2)					\$83,984
Recycling Trust	\$24,388 (3)					\$24,388
Development Fund	\$49,572 (4)		\$50,000 (20)			\$99,572
Budget Process						\$0
Municipal Replacement Reserve			\$67,213 (21)			\$67,213
Total Unrestricted	\$407,944	\$18,768,833	\$5,224,638	\$6,891,737	\$2,425,691	\$33,718,843
Undesignated						
Operating		\$2,397,227	\$941,561	\$12,016,851	\$2,787,459	\$18,143,098
Operating (Jets/EGF)		\$1,442,644				\$1,442,644
Total	\$407,944	\$47,883,555	\$6,166,199	\$23,679,637	\$5,213,150	\$83,350,485

EXHIBIT B

Connecticut Resources Recovery Authority
Schedule of Short Term Investment Funds (Includes Proposed Recommendations)
 As Of December 31, 2002

Account	General Administration	Mid-Connecticut Project	Bridgeport Project	Wallingford Project	Southeastern Project	Total
Restricted						
Regional Recycling Center Equipment (Paper)		\$1,677,425				\$1,677,425
Regional Recycling Center Equipment (Container)		\$667,082				\$667,082
Tip Fee Stabilization Account				\$6,668,377		\$6,668,377
Jets / EGF Operating Fund		\$20,000,000				\$20,000,000
MDC Arbitration Escrow		\$2,930,344				\$2,930,344
Total Restricted	\$0	\$25,274,851	\$0	\$6,668,377	\$0	\$31,943,228
Unrestricted						
<u>Designated</u>						
Board						
Landfill Closure		\$6,744,807	\$199,037			\$6,943,844
Landfill Post-Closure		\$0	\$2,382,514			\$2,382,514
Landfill Post-Closure (Ellington)		\$1,197,045		\$3,954,621	\$2,175,480	\$8,512,615
Risk Fund		\$4,689,964				\$4,689,964
Waste Processing Facility Modification Reserve		\$3,121,364	\$2,525,874	\$1,039,788	\$250,211	\$8,505,837
Landfill Replacement						\$3,121,364
Rolling Stock Reserve		\$2,051,737				\$2,051,737
Future Use Reserve			\$0			\$0
Power Block Facility Maintenance		\$500,000				\$500,000
Transfer Station Maintenance		\$463,916				\$463,916
Health Fund	\$83,984					\$83,984
Recycling Trust			\$50,000			\$50,000
Budget Process						
Municipal Replacement Reserve			\$67,213			\$67,213
Total Unrestricted	\$83,984	\$18,768,833	\$5,224,638	\$4,994,409	\$2,425,691	\$31,497,555
Undesignated						
Operating	\$49,572	\$2,511,128	\$1,052,048	\$12,034,351	\$2,819,959	\$18,467,058
Operating (Jets/EGF)		\$1,442,644				\$1,442,644
Total	\$133,556	\$47,997,456	\$6,276,686	\$23,697,137	\$5,245,650	\$83,350,485

Connecticut Resources Recovery Authority

Interim Reserve Analysis

April 4, 2003

Attached is an interim analysis of CRRA reserve accounts. This interim analysis is only for the CRRA reserves held in the Short Term Investment Fund (STIF) and does not include the accounts held by the Trustee or bank accounts. It is the intent of Management to perform a reserve analysis annually and present any recommendations to the Finance Committee in October.

Currently CRRA has twenty-nine (29) funds as shown in Exhibit A. These funds are aggregated into the one CRRA STIF account. Although all transactions (deposits and withdrawals) flow through this one STIF account, accounting maintains records to track individual reserves for reporting purposes.

Attached to this interim reserve analysis are the following:

- Schedule Of Short Term Investment Funds (Exhibit A)
- Schedule Of Short Term Investment Funds (w/recommendations) (Exhibit B)
- Individual Reserve Summaries

The exhibits summarize the funds into three distinct categories:

- Restricted (Contract, Arbitration Decision, Trustee, DEP Consent, etc.)
- Unrestricted
 - Board Designated (Resolution) (For Specific Purpose)
 - Board Designated (Budget Process) (For Specific Purpose)
 - Undesignated (Operating Reserve)

Each of these categories requires different procedures to manage the funds. The "Restricted" funds requires input from an outside party, "Unrestricted" but Board designated requires a resolution from the CRRA Board of Directors, and "Undesignated" is deemed available cash.

As a result of this interim reserve analysis management is requesting approval of the attached resolution.

Connecticut Resources Recovery Authority

Table of Contents

1. Ash Re-Utilization
2. Health Fund
3. Recycling Trust
4. Development Fund
5. Regional Recycling Center Equipment Replacement Reserve (Paper)
6. Regional Recycling Center Equipment Replacement Reserve (Container)
7. MDC Arbitration Escrow
8. Hartford Landfill Closure
9. Hartford Landfill Post-Closure
10. Ellington Landfill Post-Closure
11. Risk Fund
12. Waste Processing Facility Modification Reserve
13. Rolling Stock Reserve
14. Power Block Facility Maintenance Reserve
15. Transfer Station Maintenance Reserve
16. Jets/EGF Reserve
17. Waterbury Closure
18. Shelton Landfill Post-Closure
19. Shelton Landfill Future Use
20. Bridgeport Recycling Trust
21. Municipal Replacement Reserve
22. Tip Fee Stabilization Fund
23. Wallingford Post-Closure
24. Future Use Reserve
25. Clean Air Act Reserve
26. Montville Post-Closure
27. Exhibit A – Schedule of Short Term Investments
28. Exhibit B – Schedule of Short Term Investments (with recommended changes)

Connecticut Resources Recovery Authority

April 4, 2003

(1) **Account:** ASH RE-UTILIZATION FUND

Project: General Administration

Purpose: To investigate and develop ash vitrification or other ash reutilization alternatives.

Fund Basis: Information as to how the total fund balance was determined could not be found. However, the amount received from each of the four projects was based upon the amount of ash produced by each project.

Fund Source: Initial funding was from each of the project's risk fund as described below.

Fund Amount As Of December 31, 2002: \$250,000

Supporting Documentation:

Approved by CRRA Board of Directors on June 22, 2000. The following is the resolution and minutes from the June 2000 Board meeting. Complete minutes available in the reserve backup file.

Chairman Ellef requested a motion to add an item to the agenda. Director Belden made a motion to add the referenced topic to the agenda. Director Webster seconded the motion which was approved unanimously.

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

RESOLVED: That an Ash Reutilization reserve be established in the amount of \$250,000 for the purpose of investigating and developing ash vitrification or other ash reutilization alternatives.

FURTHER RESOLVED: That the reserve amounts be set at the following amounts by project:

Bridgeport Project	\$100,000
Mid-Connecticut Project	\$100,000
Southeast Project	\$ 32,500
Wallingford Project	<u>\$ 17,500</u>
	\$250,000

FURTHER RESOLVED: That proceeds in each project's risk fund in the amount listed above will be withdrawn to fund ash reutilization reserves.

Director Tansi seconded the motion. The motion previously made and seconded was approved unanimously.

Recommendation:

Discontinue fund and return amounts back to project operating reserves.

Connecticut Resources Recovery Authority

April 4, 2003

(2) **Account:** HEALTH FUND

Project: General Administration

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

Fund Basis: Information as to how the total fund balance was determined could not be found.

Fund Source: Initial funding of \$179,000 was from excess reserve available as a refund from Blue Cross & Blue Shield of Connecticut policies.

Fund Amount As Of December 31, 2002: \$83,984

Supporting Documentation:

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

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

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

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

Recommendation:

Perform comprehensive review to determine the precise need of this reserve and its relationship to the wellness program. Provide feedback during the annual reserve review process.

Connecticut Resources Recovery Authority

April 4, 2003

(3) **Account:** RECYCLING TRUST

Project: General Administration

Purpose: To increase recycling and waste reduction education, make capital and operating cost contributions to existing CRRA recycling systems, expand opportunities for recycling of new items, increase research and development of ash recycling efforts, and improve participation in residential and commercial recycling collection systems.

Fund Basis: Information as to how the total fund balance was determined could not be found.

Fund Source: Initial funding came from the \$500,000 Wheelabrator contribution and the transfer of \$500,000 from the Development Fund.

Fund Amount As Of December 31, 2002: \$24,388

Supporting Documentation:

Approved by CRRA Board of Directors on July 20, 1995. The following is the resolution and minutes from the July 1995 Board meeting. Complete minutes available in the reserve backup file.

The motion was made by Director (sic) to approve the resolution attached to these minutes (Exhibit B) concerning the creation of the recycling trust fund. Director Dominy seconded the motion.

WHEREAS, the Connecticut Resources Recovery Authority (CRRA) has substantial investments in recycling processing centers, recycling education centers and recycling transfer stations in Connecticut that have led to a dramatic increase in recycling; and

WHEREAS, in recent years the state's economic condition and excess disposal capacity have slowed the growth of recycling; and

WHEREAS, increase efforts to recycle resource recovery ash residues may substantially reduce the costs of ash disposal for all CRRA projects; and

WHEREAS, Wheelabrator has contributed \$500,000 to the creation of a CRRA Recycling Trust Fund as a result of the settlement agreement concerning the Lisbon facility; and

WHEREAS, the Development Fund of CRRA designed for new projects is no longer likely to be used for new waste-to-energy facilities and can be better utilized by focusing on increasing recycling investments; WHEREFORE IT IS HEREBY

RESOLVED, that the CRRA Board of Directors hereby authorizes the creation of a CRRA Recycling Trust Fund which shall be used to increase recycling and waste reduction education, to make capital and operating cost contributions to existing recycling systems, and to increase research and development of ash recycling opportunities; and be it further

RESOVLED, that the Recycling Trust Fund shall initially be funded by the \$500,000 Wheelabrator contribution and the transfer of \$500,000 from the Development Fund; and be it further

RESOLVED, that an initial expenditure from the fund of \$200,000 shall be authorized to be paid to the SCRRA recycling program.

The motion previously made and seconded was unanimously voted.

In addition, the CRRA Board of Directors approved Recycling Trust Fund Guidelines on September 21, 1995. The following is the resolution and guidelines from the September 1995 Board meeting.

Director Phillips said the following item was the recycling trust fund guidelines which the Finance Committee is recommending to the Board.

The motion was made by Director Phillips to approve the recycling trust fund guidelines attached as Exhibit B. Director Belden seconded the motion and it was unanimously voted.

CRRA Recycling Trust Fund Guidelines
September 1995

- A. Contributions to and disbursements from the CRRA Recycling Trust Fund shall be approved by the CRRA Board of Directors.
- B. The purpose of the Fund will be to:
 - 1. increase recycling and waste reduction education
 - 2. make capital and operating cost contributions to existing CRRA recycling systems
 - 3. expand opportunities for recycling new items
 - 4. increase research and development of ash recycling efforts
 - 5. improve participation in residential and commercial recycling collection systems
- C. Connecticut waste management projects, municipalities, local authorities or regions may request such funds by providing application to CRRA management stating the purpose, need, detailed description of the proposed project and amount (with budget) requested.
- D. After CRRA management review, proposed expenditures from the Fund will be considered by the Finance and Planning Committees prior to recommendation to the Board of Directors.
- E. Disbursements from the Fund shall be considered in the following priorities:
 - 1. CRRA affiliated recycling projects (Mid-Connecticut and Bridgeport)
 - 2. CRRA waste management projects or contracted municipalities
 - 3. Other existing recycling systems
 - 4. Other Connecticut municipalities, regions or authorities
- F. All decisions regarding disbursement of funds will be at the sole discretion of the CRRA Board of Directors, including any conditions the Board may deem appropriate.
- G. These guidelines may be amended from time to time by the Board of Directors.

Recommendation:

Discontinue fund and allocate back to the Mid-Connecticut and Bridgeport Projects operating reserves as follows:

	<u>Tons Processed 2002</u>	<u>% Allocation</u>	<u>Amount</u>
Bridgeport	58,996	43%	\$10,486.84
Mid-Connecticut	<u>78,881</u>	57%	<u>\$13,901.16</u>
Total	137,877		\$24,388.00

Connecticut Resources Recovery Authority

April 4, 2003

(4) **Account:** DEVELOPMENT FUND

Project: General Administration

Purpose: To provide for non-project specific activities such as: ash re-utilization studies, public education efforts, general recycling efforts, facility siting and ash landfill development and other multi-projection purposes.

Fund Basis: Information as to how the total fund balance was determined could not be found.

Fund Source: \$600,000 from a \$1M settlement with American Ref-Fuel (not related to the Southeast Project).

Fund Amount As Of December 31, 2002: \$49,572

Supporting Documentation:

Approved by CRRA Board of Directors on August 20, 1992. The following are the minutes from the August 1992 Board meeting. Complete minutes available in the reserve backup file.

Vice Chairman Selden made a motion to approve the Resolution for Adoption by the Board of Directors of the Connecticut Resources Recovery Authority Establishing a Development Fund (attached to these minutes as Exhibit A). The motion was seconded by Director Phillips.

The motion previously made and seconded was then unanimously voted.

Recommendation:

Transfer funds into the General Administration operating reserve and close account.

Connecticut Resources Recovery Authority

April 4, 2003

(5) **Account:** REGIONAL RECYCLING CENTER EQUIPMENT REPLACEMENT (PAPER)

Project: Mid-Connecticut

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

Fund Basis: Contract states that CRRA shall contribute \$125,000 on an annual basis to this reserve. Information as to how the contribution amount was determined could not be found.

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

Fund Amount As Of December 31, 2002: \$1,677,425

Supporting Documentation:

Fund required under an existing agreement with Capital Recycling of Connecticut Inc. dated November 23, 1990. Contract expired February 28, 2003. The CRRA Board of Directors approved this contract on September 18, 1990. The following is Section 10.4 of the agreement:

Section 10.4 Capitalized Renewal and Replacement Fund

CRRA shall establish a separate bank account for the purpose of funds necessary for possible capital renewal or replacement. On the last day of each Operating Year, CRRA shall deposit in such account the amount of One Hundred Twenty Five Thousand Dollars (\$125,000).

Unless a second baler has been installed pursuant to subsections 10.3 (a) or 10.3 (b) during the initial five years of this Agreement, the Company shall not be entitled to draw upon such account for repair and replacement of Facility equipment except in exceptional circumstances with the permission of CRRA.

Once a second baler has been installed or during the remaining term of this Agreement, the Company shall be entitled to draw upon such account to provide necessary equipment replacements and repairs upon ten (10) Days prior written notice to CRRA and upon CRRA's consent, which shall not be unreasonable withheld. Such written notice shall include the following, at a minimum: items to be replaced and repaired, the cause of equipment failure, cost of replacement or repair, including Cost Substantiation; and the new useful life of any replaced or repaired item. CRRA shall be entitled to draw upon such account upon ten (10) Days written notice to the Company to make reasonable expenditures for the renewal, repair or replacement of any and all stationary or immobile equipment purchased and installed at the Facility. Upon termination of this Agreement, all funds remaining in the account shall revert to CRRA.

Recommendation:

Perform a comprehensive review of this reserve and its relationship to the long-term strategic plan of the recycling facilities and prepare a recommendation for the annual reserve review process.

Connecticut Resources Recovery Authority

April 4, 2003

(6) **Account:** REGIONAL RECYCLING CENTER EQUIPMENT REPLACEMENT (CONTAINER)

Project: Mid-Connecticut

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

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

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

Fund Amount As Of December 31, 2002: \$667,082

Supporting Documentation:

Fund required under an existing agreement with FCR Redemption Inc. dated February 22, 1997. Contract expires May 21, 2003. The CRRA Board of Directors approved the contract on February 20, 1997. Complete minutes available in the reserve backup file. The following is Section 3.11 of the agreement:

Section 3.11 Capital Repair and Replacement Fund

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

Recommendation:

Perform a comprehensive review of this reserve and its relationship to the long-term strategic plan of the recycling facilities and prepare a recommendation for the annual reserve review process.

Connecticut Resources Recovery Authority

April 4, 2003

(7) **Account:** MDC ARBRITRATION ESCROW

Project: Mid-Connecticut

Purpose: To meet the requirements set by the Arbitration Panel regarding the indirect cost matter in the CRRA versus MDC dispute.

Fund Basis: Information as to how the total fund balance was determined could not be found.

Fund Source: This amount of 25% of the total indirect costs claimed the MDC is set aside monthly based upon actual MDC billings. Costs are projected on an annual basis in the operating budget.

Fund Amount As Of December 31, 2002: \$2,930,344

Supporting Documentation:

The following language is from the Arbitration Panel decision in regards to the matter of CRRA versus the MDC dated April 19, 2000. A complete copy of the arbitration decision is available in the reserve file.

“...we direct that CRRA pay 75% of the total amount owed to MDC within 14 days of this decision and that the balance be placed in an interest bearing escrow account pending the further determinations of this panel.”

Recommendation:

Continue under current procedures. Resurrect efforts to evaluate fairness of indirect cost allocation methodology and prepare potential alternatives.

Connecticut Resources Recovery Authority

April 4, 2003

(8) **Account:** HARTFORD LANDFILL CLOSURE

Project: Mid-Connecticut

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

Fund Basis: Updated annually during the budget process by the Environmental Division. Current cost estimate in real dollars to close the landfill in FY06 and FY08 is \$7,038,003.

West slope closure complete in FY06 (24 acres closed FY05, and 32 acres closed FY06). These closure cost estimates are based on a cost of \$75,000 per acre, as specified under the existing permit. DEP has recently suggested to CRRA that they may require the permit to be modified to specify closure with a synthetic cap, at an estimated cost of approximately \$110,000 per acre.

Fund Source: Transfer of funds from the Mid-Connecticut Retained Earnings and annual contributions from the operating budgets.

Fund Amount As Of December 31, 2002: \$6,744,807

Supporting Documentation:

The CRRA Board of Directors approved a transfer of funds in the amount of \$1,650,000 to this reserve on May 18, 2000. The following are the minutes from the May 2000 Board meeting. Complete minutes available in the reserve backup file.

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

RESOLVED: That the FY00-FY05 Capital Improvement Budget be adopted, substantially as presented at this meeting.

FURTHER RESOLVED: That \$5,700,000 of Mid-Connecticut Project Earnings be designated to the capital reserves as outline below:

Waste Processing Facility Modification Reserve	\$3,925,000
Hartford Landfill Closure/Post Closure Reserve	\$1,650,000
Clean Air Act Reserve	<u>\$ 125,000</u>
Total	\$5,700,000

The motion previously made and seconded was passed unanimously.

Recommendation:

Continue to operate under existing procedures. Review reserve during the annual reserve review.

Connecticut Resources Recovery Authority

April 4, 2003

(9) **Account:** HARTFORD LANDFILL POSTCLOSURE

Project: Mid-Connecticut

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

Fund Basis: Updated annually during the budget process by the Environmental Division. Current cost estimates in real dollars to cover the costs associated with the monitoring and maintenance of the landfill for five years (as required under the existing permit) or thirty years (standard operating practice) after certified closure of the landfill are \$2,163,741 or \$14,806,701, respectively.

Fund Source: Currently there are no funds in this reserve.

Fund Amount As Of December 31, 2002: \$0

Supporting Documentation:

Under the existing permit CRRA is required to have five years of post-closure reserve set aside or be able to pass the financial assurance test. However, there is a legal question regarding whom the obligation to fund this reserve belongs to, CRRA or the City of Hartford. CRRA is continuing to review this matter with outside counsel.

Recommendation:

Obtain a legal interpretation of the contract to determine CRRA's liability.
Prepare a recommendation for the annual reserve review process.

Connecticut Resources Recovery Authority

April 4, 2003

(10) **Account:** ELLINGTON LANDFILL POSTCLOSURE

Project: Mid-Connecticut

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

Fund Basis: Updated annually during the budget process by the Environmental Division. Current cost estimate in real dollars to monitor and maintain the landfill is \$3,629,943.

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

Fund Amount As Of December 31, 2002: \$1,197,045

Supporting Documentation:

Approved by the CRRA Board of Directors during the annual budget process.

Recommendation:

Continue to operate under existing procedures. Review reserve during the annual reserve review.

Connecticut Resources Recovery Authority

April 4, 2003

(11) **Account:** RISK FUND

Project: Currently shown in General Administration. Accounts are established for each of the four projects (Bridgeport, Mid-Connecticut, Southeast, and Wallingford).

Purpose: To protect CRRA projects against catastrophic losses.

Fund Basis: Information as to how the total fund balance was determined could not be found.

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

Fund Amounts As Of December 31, 2002:	Bridgeport	\$2,525,874
	Mid-Connecticut	\$4,689,964
	Southeast	\$ 250,211
	Wallingford	<u>\$1,039,788</u>
	Total	\$8,505,837

Supporting Documentation:

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

Recommendation:

Perform a comprehensive review to determine more precise definition of catastrophic losses and the relationship to existing insurance coverage, levels of self insurance required, and overall enterprise risk evaluation. Prepare a recommendation for the annual reserve review process.

Connecticut Resources Recovery Authority

April 4, 2003

(12) **Account:** WASTE PROCESSING FACILITY MODIFICATION

Project: Mid-Connecticut

Purpose: To cover capital expenditures associated with the Waste Processing Facility.

Fund Basis: Information as to how the total fund balance was determined could not be found.

Fund Source: Transfer of funds from retained earnings and contributions from the operating budget.

Fund Amount As Of December 31, 2002: \$3,121,364

Supporting Documentation:

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

Complete minutes are available in the reserve backup file.

Recommendation:

Perform a comprehensive review of this reserve and its relationship to the long-term capital improvement and prepare a recommendation for the annual reserve review process.

Connecticut Resources Recovery Authority

April 4, 2003

(13) **Account:** ROLLING STOCK

Project: Mid-Connecticut

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

Fund Basis: Information as to how the total fund balance was determined could not be found.

Fund Source: Transfer of funds from retained earnings and contributions from the operating budget.

Fund Amount As Of December 31, 2002: \$2,051,737

Supporting Documentation:

Minutes found suggest the CRRA Board of Directors approved this reserve in the past. On June 17, 1999 the Board approved a resolution to transfer \$680,000 from retained earnings to this reserve.

Complete minutes are available in the reserve backup file.

Recommendation:

Perform a comprehensive review of this reserve and its relationship to the long-term capital improvement and prepare a recommendation for the annual reserve review process.

Connecticut Resources Recovery Authority

April 4, 2003

(14) **Account:** POWER BLOCK FACILITY MAINTENANCE

Project: Mid-Connecticut

Purpose: To cover expenditures of any future power block needs.

Fund Basis: Information as to how the total fund balance was determined could not be found.

Fund Source: Transfer of \$500,000 from retained earnings.

Fund Amount As Of December 31, 2002: \$500,000

Supporting Documentation:

As part of the FY2001-2006 Capital Improvement Budget the CRRA Board of Directors approved the following amended resolution on June 21, 2001.

RESOLVED: That the FY01-FY06 Capital Improvement budget be adopted substantially as presented at this meeting.

FURTHER RESOLVED: That \$1,000,000 of Project Retained Earnings be designated to the appropriate capital reserve accounts by Project as described below:

Bridgeport	\$	0	\$	0
Mid-Connecticut				
Transfer Station Maintenance	\$	500,000		
Power Block Facility Maintenance	\$	<u>500,000</u>	\$	1,000,000
Southeast	\$	0	\$	0
Wallingford	\$	0	\$	<u>0</u>
Total			\$	1,000,000

Complete copies of the minutes are available in the reserve file.

Recommendation:

Perform a comprehensive review of this reserve and its relationship to the long-term capital improvement and prepare a recommendation for the annual reserve review process.

Connecticut Resources Recovery Authority

April 4, 2003

(15) **Account:** TRANSFER STATION MAINTENANCE

Project: Mid-Connecticut

Purpose: To cover capital expenditures associated with any transfer stations.

Fund Basis: Information as to how the total fund balance was determined could not be found.

Fund Source: Transfer of \$500,000 from retained earnings.

Fund Amount As Of December 31, 2002: \$463,916

Supporting Documentation:

As part of the FY2001-2006 Capital Improvement Budget the CRRA Board of Directors approved the following amended resolution on June 21, 2001.

RESOLVED: That the FY01-FY06 Capital Improvement budget be adopted substantially as presented at this meeting.

FURTHER RESOLVED: That \$1,000,000 of Project Retained Earnings be designated to the appropriate capital reserve accounts by Project as described below:

Bridgeport	\$	0	\$	0
Mid-Connecticut				
Transfer Station Maintenance	\$	500,000		
Power Block Facility Maintenance	\$	500,000	\$	1,000,000
Southeast	\$	0	\$	0
Wallingford	\$	0	\$	0
Total			\$	1,000,000

Complete copies of the minutes are available in the reserve file.

Recommendation:

Perform a comprehensive review of this reserve and its relationship to the long-term capital improvement and prepare a recommendation for the annual reserve review process.

Connecticut Resources Recovery Authority

April 4, 2003

(16) **Account:** JETS RESERVE

Project: Mid-Connecticut

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

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

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

Fund Amount As Of December 31, 2002: \$20,000,000

Supporting Documentation:

In addition to the attached letter to State Street Bank and Trust, the CRRA Board of Directors minutes and resolutions from the November and December 2000 Board meetings imply that the intent of the prior CRRA Board of Directors was to set aside these funds to cover future costs of the EGF. Furthermore, although there is no specific resolution in regards to this reserve, it is management's opinion that this reserve was set-aside for the specific purpose stated above to satisfy the Trustee. However, in light of the on-going questions regarding this account management has requested Bond Counsel confirmation regarding this matter.

Recommendation:

Perform a comprehensive review of this reserve and present it as part of the annual reserve review process.

Connecticut Resources Recovery Authority

April 4, 2003

(17) **Account:** WATERBURY CLOSURE

Project: Bridgeport

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

Fund Basis: Updated annually during the budget process by the Environmental Division. Current cost estimate in real dollars to close the landfill in FY05 is \$300,000.

Fund Source: Initial findings indicate that the funds came from contributions made through the annual operating budget.

Fund Amount As Of December 31, 2002: \$199,037

Supporting Documentation:

The minutes indicate that this account was first established in July 1991. The Board of Directors has been approving contributions to this account as part of the annual budget process.

Recommendation:

Continue to operate under existing procedures. Review reserve during the annual reserve review.

Connecticut Resources Recovery Authority

April 4, 2003

(18) **Account:** SHELTON LANDFILL POSTCLOSURE

Project: Bridgeport

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

Fund Basis: Updated annually during the budget process by the Environmental Division. Current cost estimate in real dollars to monitor and maintain the landfill is \$11,579,668.

Fund Source: Initial findings indicate that the funds came from contributions made through the annual operating budget since pre 1990.

Fund Amount As Of December 31, 2002: \$2,382,514

Supporting Documentation:

The board minutes suggest that the CRRA Board of Directors approved the creation of the Shelton Landfill reserve. As part of the capital improvement program the Board approved a resolution on June 17, 1999 to transfer \$2,734,000 from retained earnings to the post-closure reserve. In addition, the Board through adoption of the annual budget has been authorizing annual contributions into this reserve.

Complete minutes are available in the reserve backup file.

Recommendation:

Continue to operate under existing procedures. Review reserve during the annual reserve review.

Connecticut Resources Recovery Authority

April 4, 2003

(19) **Account:** SHELTON LANDFILL FUTURE USE

Project: Bridgeport

Purpose: To set aside funds in anticipation of expenditures associated with a DEP Consent Order and to cover a portion of the costs associated with permit requirements relating to future use options of the landfill.

Fund Basis: Amounts based upon the amount due as stated on the DEP Consent Order (\$230k) and a portion of the preliminary estimates of the cost to implement the future use options at the landfill (\$430k).

Fund Source: Funded from the FY03 operating budget.

Fund Amount As Of December 31, 2002: \$0

Supporting Documentation:

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

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

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

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

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

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

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

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

Director Sullivan seconded the motion.

The motion previously made and seconded was approved unanimously.

Recommendation:

Continue to operate under existing procedures. Review reserve during the annual reserve review.

Connecticut Resources Recovery Authority

April 4, 2003

(20) **Account:** BRIDGEPORT RECYCLING TRUST

Project: Bridgeport

Purpose:

Fund Basis: Information as to how the total fund balance was determined could not be found.

Fund Source:

Fund Amount As Of December 31, 2002: \$50,000

Supporting Documentation:

Research is on-going.

Recommendation:

Recommendation will be made during the annual reserve review.

Connecticut Resources Recovery Authority

April 4, 2003

(21) **Account:** MUNICIPAL REPLACEMENT RESERVE

Project: Bridgeport

Purpose: To set aside funds to mitigate the loss of the Municipal Fund.

Fund Basis: Updated annually during the budget process by the Finance Division. Current estimate required to stabilize tip fees in nominal dollars is \$3,518,600.

Fund Source: Funded from the annual operating budget.

Fund Amount As Of December 31, 2002: \$67,213

Supporting Documentation:

The CRRA Board of Directors adopted this reserve as part of the annual operating budget on December 20, 2001.

Recommendation:

Continue to operate under existing procedures. Review reserve during the annual reserve review.

Connecticut Resources Recovery Authority

April 4, 2003

(22) **Account:** TIP FEE STABILIZATION

Project: Wallingford

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

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

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

Fund Amount As Of December 31, 2002: \$4,771,049

Supporting Documentation:

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

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

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

Recommendation:

Continue to maintain account as required by contract.

Connecticut Resources Recovery Authority

April 4, 2003

(23) **Account:** WALLINGFORD POST-CLOSURE

Project: Wallingford

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

Fund Basis: Updated annually during the budget process by the Environmental Division. Current cost estimate in real dollars to monitor and maintain the landfill is \$12,169,624.

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

Fund Amount As Of December 31, 2002: \$3,954,621

Supporting Documentation:

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

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

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

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

Recommendation:

Continue to operate under existing procedures. Review reserve during the annual reserve review.

Connecticut Resources Recovery Authority

April 4, 2003

(24) **Account:** FUTURE USE

Project: Wallingford

Purpose: To cover future costs on the project including potential debt repayment from the previous stabilization financing that was done in 1991 as well as other costs that may be associated with their existing or new ash landfill.

Fund Basis: Information as to how the total fund balance was determined could not be found.

Fund Source: Initial contribution made from FY92 surplus. Other contributions have come from annual operating budget.

Fund Amount As Of December 31, 2002: \$1,147,328

Supporting Documentation:

The CRRA Board of Directors approved this reserve February 18, 1993. The following are the minutes of the February 1993 meeting:

Mr. Guidone said as the write-up in the package describes the Wallingford Project had a very positive year. He noted that the Wallingford Project ended FY '92 with approximately a half million-dollar surplus during the FY '94 budget review process. He noted that the town finance officials as well as the policy board itself decided that they wish to distribute those dollars not as all revenue in FY '94 but only a portion thereof. He said they have set up a reserve for future costs on the project for years to come, including potential debt repayment from the previous stabilization financing that was done in 1991 as well as other costs that may be associated with their existing or new ash landfill. He said this project does not have a reserve of this sort as all the other projects have and \$2 a ton of that surplus will be dedicated in a reserve for future use for the project. Of course, he said, any expenditures would be approved by this Board in the budget process.

The motion was made by Director Bertinuson to approve the following resolution for Wallingford Project Reserve Fund. Director Selden seconded the motion.

RESOLVED: That a future use reserve be designated for the Wallingford Project with an initial contribution of \$250,000.

Additional funds of \$2.6 million and \$125,000 were approved as part of the FY00 and FY01 annual operating budgets respectively. This additional funding was for the purchase of land adjacent to the Wallingford landfill for plume control. CRRA purchased the land in September 2001 for \$1,981,209.

Recommendation:

Transfer funds into the Tip Fee Stabilization Reserve and close account.

Connecticut Resources Recovery Authority

April 4, 2003

(25) **Account:** CLEAN AIR ACT

Project: Wallingford

Purpose: To cover the anticipated expenditures for the installation of a Mercury Control System and related items associated with compliance with the State MWC rule.

Fund Basis: Information as to how the total fund balance was determined could not be found.

Fund Source: Funded from the fiscal year 2000 operating budget.

Fund Amount As Of December 31, 2002: \$750,000

Supporting Documentation:

Approved by CRRA Board of Directors on March 16, 2000. The following is the resolution and minutes from the March 2000 Board meeting. Please note that this was a Consent Calendar item.

Chairman Ellef requested a motion concerning the referenced calendar. Director Belden made the following motion:

RESOLVED: That a capital reserve of \$750,000 be established in the Wallingford Project to fund the installation of a Mercury Control System. This reserve is to be designated as the "Clean Air Act Reserve" and is to be funded from amounts appropriated for this installation in the FY00 Operating Budget.

Director Smith seconded the motion which was approved unanimously.

Recommendation:

Project has instituted other solutions to meet the State MWC rule. Therefore, the recommendation is to transfer funds into the Tip Fee Stabilization Reserve and close account.

Connecticut Resources Recovery Authority

April 4, 2003

(26) **Account:** MONTVILLE POST-CLOSURE

Project: Southeast

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

Fund Basis: Updated annually during the budget process by the Environmental Division. Current cost estimate in real dollars to monitor and maintain the landfill is \$2,889,941.

Fund Source: Payment of \$2 million from the Mohegan Properties, LLC pursuant to Section 4.5.4 of the Ground Lease Between Southeastern Connecticut Resources Regional Recovery Authority and Mohegan Properties.

Fund Amount As Of December 31, 2002: \$2,175,480

Supporting Documentation:

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

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

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

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

Director Tansi seconded the motion which was approved unanimously.

Recommendation:

Continue to operate under existing procedures. Review reserve during the annual reserve review.

TAB 4

**SUPPLEMENTAL
RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CONNECTICUT RESOURCES RECOVERY AUTHORITY
TO AUTHORIZE AN INTERIM FINANCING FROM THE
STATE OF CONNECTICUT FOR THE BENEFIT OF
THE MID-CONNECTICUT PROJECT**

WHEREAS, the Connecticut Resources Recovery Authority (the "Authority") has been duly established and constituted as a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut (the "State"), to carry out the purposes of Chapter 446e of the Connecticut General Statutes, Sections 22a-260 et. seq., as the same has been amended and modified by Public Act No. 02-46 (the "Act" and, collectively with Sections 22a-260 et. seq. of the Connecticut General Statutes, the "Statute"); and

WHEREAS, on February 27, 2003, the Board of Directors of the Authority approved a resolution (the "February 2003 Resolution") authorizing the Officials of the Authority, namely the Steering Committee of the Board, the President and the Chief Financial Officer of the Authority, to submit an application to the State Treasurer and the Secretary of OPM, in the name of and on behalf of the Authority, in connection with the extension by the State of a loan to the Authority in an aggregate amount not to exceed \$115,000,000 to support the repayment of debt issued by the Authority on behalf of the Mid-Connecticut Project (the "Financing"); and

WHEREAS, Section 5 of such February 2003 Resolution further authorized the Officials, prior to the finalization of the proposed Financing, to enter into an interim financing arrangement with the State (the "Interim Financing"); and

WHEREAS, the Authority desires to enter into an Interim Financing arrangement with the State, substantially upon the terms and conditions authorized in this Supplemental Resolution.

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

Section 1. That the action of the Officials of the Authority, in entering into an Interim Financing arrangement with the State of Connecticut in the form of a loan in an amount not to exceed \$22,000,000, be and the same is hereby authorized and approved.

Section 2. That the loan from the State shall provide for the Authority to request advances from the State through June 30, 2004 in an amount not to exceed \$22,000,000, the proceeds of which shall be expended by the Authority to support the repayment of debt service on the Mid-Connecticut Project during the remainder of the Authority's fiscal year 2003 and fiscal year 2004, and shall further provide for an amortization schedule setting forth the repayment of such loan through December 1, 2012.

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

Section 4. This supplemental resolution shall take effect immediately, and shall supplement and modify the February 2003 Resolution. Notwithstanding the foregoing, all other terms and provisions of the February 2003 Resolution shall remain in full force and effect.

Date: _____

TAB 5

**RESOLUTION REGARDING AMENDMENT OF THE
SERVICE AGREEMENT BETWEEN CRRA AND
EMCON/OWT, INC. FOR SERVICES ASSOCIATED WITH
THE GAS COLLECTION AND CONTROL SYSTEM AT THE
SHELTON LANDFILL**

RESOLVED: That the President, Chairman, or Vice-Chairman is hereby authorized to amend the Agreement for operation and maintenance of the landfill gas collection and control system at the Shelton Landfill with EMCON/OWT, Inc., substantially as discussed and presented at this meeting.

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

**Agreement for Operation and Maintenance of a Landfill Gas Collection and Flare
System at Shelton Landfill**

Presented to the CRRA Board on: April 17, 2003

Vendor/ Contractor(s): EMCON/OWT, Inc.

Effective date: June 1, 2003

Contract Type/Subject matter: O&M – Landfill Gas System

Facility (ies) Affected: Shelton Landfill

Original Contract: Effective June 1, 2000

Term: Three year, with two 3 year extensions

Contract Dollar Value: \$851,376.00 (Includes installation of new header and wells system, rental of temporary flares, and three years of O&M)

Amendment(s): Three (3) to date. This will be the fourth.

Term Extensions: One. From June 1, 2003 through June 30, 2004.

Scope of Services: Operation and Maintenance of the Shelton Landfill Gas Collection and Control System.

Other Pertinent Provisions:

Memorandum

To: Thomas D. Kirk, President
From: Peter W. Egan, Director of Environmental Services
Date: April 4, 2003
Re: Shelton Landfill Gas Collection/Control System - Contract Amendment

Executive Summary

CRRA employs EMCON/OWT, Inc. ("EMCON") to operate and maintain the landfill gas collection and control system at the Shelton Landfill pursuant to a service agreement that was approved by the CRRA Board of Directors in April 2000, and which expires on May 31, 2003. I am seeking approval to extend the contract for an additional 13 months, through the end of fiscal year 2004.

Discussion

Extension of Term of Service Agreement

Following the initial three year term of the service agreement, which expires on May 31, 2003, the service agreement contemplated two three year renewal options for the routine services prescribed in the scope of work.

At this time, I wish to extend the agreement only through June 2004, rather than exercise the first renewal option for an additional three year period. I intend to re-bid the activity during spring 2004 for a three year term, effective July 1, 2004.

CRRA's Procurement Policies & Procedures, which became effective November 21, 2002, require that proposals for certain professional and technical services be solicited at least once every three years. I discussed extension of this agreement with the Policy and Procurement Committee. The Committee agreed that, based on the particular services included under this agreement, extension of this service agreement beyond the original three year term is in accordance with CRRA's Procurement Policies and Procedures.

EMCON has managed the system satisfactorily during the first three year term of the contract. A new enclosed landfill gas flare was installed in May 2002 and began operation in June 2002. EMCON has operated this new flare during the past 10 months

developing valuable knowledge and experience regarding system operation. CRRA intends to make several modifications to the flare and the collection system during the next 6 months to improve its operation. Accordingly, I believe it is prudent and in CRRA's interest to employ EMCON through June 2004.

EMCON has agreed to extend the contract for an additional 13 months (June 2003 through June 2004), and has also agreed to hold its lump sum price for routine services at the current year contract rate of \$93,812.00 per year. (The first renewal option provided for an increase in annual routine service charges to \$98,575.00, an increase of 5%). Therefore, the pro-rated 13 month lump sum price for June 2003 through June 2004 will be \$101,629.71.

An amendment to the Agreement to extend the term is attached heret.

Non-Routine Services

The scope of work in the service agreement also includes a task associated with non-routine and emergency operation and maintenance services. Each bidder provided a unit price schedule for conducting this task (e.g.; hourly rate for personnel; daily rate for equipment, etc.), and these rates are prescribed in the EMCON Agreement.

EMCON periodically conducts non-routine and emergency services which result in additional costs. Examples of non-routine services include the following:

- Non-Routine/emergency responses due to flare outages or malfunctions.
- Installation of new gas monitoring probes or gas collection wells.
- Repairs to the gas system header or collection wells
- Repairs/upgrades to the gas condensate collection system.

Non-Routine services are estimated each year and incorporated into the Shelton Landfill budget. EMCON has also agreed to hold their time and material rates for non-routine services at the current level.

Routine and Non-Routine Services for Fiscal Year 2003

Because the EMCON contract term date did not match CRRA's fiscal year, adequate funds were not encumbered against this contract at the beginning of FY'03 to provide for routine expenses through the end of FY'03. Also, at this time additional money needs to be encumbered for FY'03 to provide for non-routine services.

FY'03 funds have been used to pay for rental of the temporary flares which were in place through June 2002. Between June and November 2002 EMCON was called out to the landfill a number of times to attend to flare outages associated with the "shakedown" period of the new flare. Additionally, there were several flare outages during December 2002, and January and February 2003 due to very low ambient air temperatures; also, two separate sections of the header piping experienced a blockage on two separate occasions

due to gas condensate freezing in the line. Consequently, non-routine expenses have been higher than anticipated during this fiscal year.

In addition to approving an extension of the agreement with EMCON, I seek approval to encumber additional funds against the EMCON contract for FY'03 expenses, as summarized below.

Summary

At this time, I seek approval for the following:

1. Executing an amendment to extend the service agreement for 13 months for a not to exceed lump sum price of \$101,629.71 for *routine* services (\$7,817.67 for FY'03 and \$93,812.04 for FY'04).
2. Approval of \$23,453.00 for *routine* services for fiscal year 2003.
3. Approval of \$20,000.00 for *non-routine* services during 2003.
4. Approval to expend \$45,000.00 for *non-routine* services for fiscal year 2004.

The fiscal year 2003 Shelton Landfill budget has sufficient funds remaining to cover both the routine costs for March, April and May (\$23,453.00), and the non-routine costs for the remainder of FY'03 (\$20,000.00 estimate).

The fiscal year 2004 Shelton Landfill budget includes \$143,575.00 for routine and non-routine services associated with the landfill gas collection and control system.

**FOURTH AMENDMENT TO AGREEMENT FOR OPERATION AND MAINTENANCE
OF A LANDFILL GAS COLLECTION AND FLARE SYSTEM AT SHELTON
LANDFILL**

This Fourth Amendment To Agreement For Operation And Maintenance Of A Landfill Gas Collection And Flare System At Shelton Landfill ("Third Amendment") is made and entered into as of the 1st of June, 2003 (the "Effective Date"), by and among the **CONNECTICUT RESOURCES RECOVERY AUTHORITY**, a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut, and having a principal place of business at 100 Constitution Plaza, 17th Floor, Hartford, Connecticut 06103 (the "CRRA") and **EMCON/OWT, INC.**, a Delaware corporation, having a principal place of business at One International Boulevard, Suite 700, Mahwah, New Jersey 07495-0086, the successor corporate entity of **IT CORPORATION**, a California corporation, having a principal place of business at 2790 Mosside Boulevard, Monroeville, Pennsylvania 15146-2792 (the "Contractor").

PRELIMINARY STATEMENT

CRRA and Contractor entered into an Agreement For Operation And Maintenance Of A Landfill Gas Collection And Flare System At Shelton Landfill, dated as of June 1, 2000, (the "Initial Agreement"), in order to have Contractor provide for CRRA operation and maintenance and improvement services for the System at the Landfill. The Initial Agreement was amended pursuant to a First Amendment To Agreement For Operation And Maintenance Of A Landfill Gas Collection And Flare System At Shelton Landfill between CRRA and Contractor, dated as of October 1, 2000 (the "First Amendment"), and pursuant to a Second Amendment To Agreement For Operation And Maintenance Of A Landfill Gas Collection And Flare System At Shelton Landfill between CRRA and Contractor, dated as of January 1, 2002 (the "Second Amendment"), and pursuant to a Third Amendment To Agreement For Operation And Maintenance Of A Landfill Gas Collection And Flare System At Shelton Landfill between CRRA and Contractor, dated as of April 1, 2002 (the "Third Amendment"), and the Initial Agreement together with the First Amendment, Second Amendment, and Third Amendment are hereinafter collectively referred to as the "Agreement." CRRA and Contractor now desire to amend the Agreement to extend the term and to increase the Contractor's compensation.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and representations contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and pursuant to Section 9.15 of the Agreement, the parties hereto hereby agree as follows.

TERMS AND CONDITIONS

1. **Definitions.** Words or terms bearing initial capital letters that are used and not defined in this Fourth Amendment shall have the same respective meanings assigned to such words or terms in the Agreement.

2. **Term.** The first sentence of Section 4.1 of the Agreement is hereby amended to read as follows:

The term of this Agreement shall commence on the Effective Date and shall terminate on June 30, 2004 unless otherwise terminated or extended in accordance with the terms and conditions hereof.

3. **Scope of Services.** Exhibit A of the Agreement is hereby amended to incorporate the following new language:

For the time period of the extended term as detailed in Paragraph 2 above, Contractor shall provide CRRA the same Services as provided under the Agreement, including the Non-Routine and Emergency Services which shall be charged at the same unit prices detailed in Schedule 1 of Exhibit D of the Agreement.

4. **Contractor's Compensation.** Exhibit D of the Agreement is hereby amended to incorporate the following new language which details the total additional compensation that Contractor will receive for the additional Services to be provided by Contractor to CRRA as a result of the extended term detailed in Paragraph 2 above:

4. June 1, 2003 to June 30, 2004 \$101,629.71.

5. **Ratification.** Except as specifically amended by this Fourth Amendment, all of the terms, covenants and provisions of the Agreement are hereby ratified and confirmed in all respects, and declared to be and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Fourth Amendment to be duly authorized and executed effective as of the day and year first set forth above.

CONNECTICUT RESOURCES
RECOVERY AUTHORITY

By: _____
Thomas D. Kirk
Its President
Duly Authorized

IT CORPORATION

By: _____

Its
Duly Authorized

TAB 6

Resolution Regarding the Authority's Option to Extend the Term of the Agreement for Waste Transportation and Transfer Station and Rolling Stock Operation and Maintenance Services (Contract No. 024105)

RESOLVED: The President is authorized to exercise the Authority's option to extend Contract No. 024105, Agreement for Waste Transportation and Transfer Station and Rolling Stock Operation and Maintenance Services, for two one-year periods ending June 30, 2006.

Connecticut Resources Recovery Authority
Agreement Extension – Torrington and Watertown Transfer
Station Operation and Maintenance Agreement

April 9, 2003

The Authority has completed negotiations with CWPM, LLC to unwind the amendment to the current agreement that resulted in the transfer of ownership from the Authority to CWPM of certain rolling stock. These vehicles are used to transport waste received at the Torrington and Watertown transfer stations to the Mid-Connecticut Project Waste Processing Facility and are operated by CWPM employees under the current agreement.

Under the terms of the new agreement 1) ownership of the rolling stock will revert back to the Authority, 2) the Authority will exercise the two one-year contract extensions (through June 2006) presently available and 3) CWPM will have the option to purchase the rolling stock in 2006 at the then market value of \$298,000.

TAB 7

**RESOLUTION REGARDING A REDUCTION IN WASTE
DELIVERY HOURS AT THE HARTFORD LANDFILL.**

RESOLVED: That the Board of Directors hereby approves a change to the delivery hours for the Hartford Landfill, as published in the MID-CONNECTICUT PROJECT PERMITTING, DISPOSAL AND BILLING PROCEDURES, substantially as presented and discussed at this meeting.

Connecticut Resources Recovery Authority

Hartford Landfill – Reduction of Delivery Hours

April 17, 2003

Executive Summary

With the intent of reducing operating costs at the Hartford Landfill, CRRA and the Metropolitan District Commission (“MDC”) have developed a revised operating schedule for the Hartford Landfill. This particular cost savings measure was discussed in the CRRA Steering Committee Report submitted to the Board of Directors and the Legislature in December 2002.

In conjunction with reducing the hours during which MDC staff will operate the landfill, CRRA needs to also reduce the hours during which the landfill accepts delivery of waste from commercial haulers.

Accordingly, I seek Board of Directors approval to reduce the delivery hours currently in effect at the Hartford Landfill, and as published in the MID-CONNECTICUT PROJECT PERMITTING, DISPOSAL AND BILLING PROCEDURES.

Discussion

MDC and CRRA have developed a revised schedule for MDC’s landfill staff that reduces the number of hours that certain MDC staff need to work at the landfill. Essentially, landfilling activities will no longer begin as early in the day as has been the case.

Delivery hours for all Mid-Connecticut Project facilities are published in the MID-CONNECTICUT PROJECT PERMITTING, DISPOSAL AND BILLING PROCEDURES. In order to reduce the hours during which waste will be accepted at the landfill, CRRA is obligated to revise the MID-CONNECTICUT PROJECT PERMITTING, DISPOSAL AND BILLING PROCEDURES to reflect the new delivery hours. These procedures also obligate CRRA to provide 30 days written notice to all commercial waste haulers and municipalities subject to these procedures. CRRA has provided this notice to all permitted waste haulers and municipalities with which CRRA has contracts. The revised delivery hours are scheduled to go into effect on May 5, 2003.

Changes to the MID-CONNECTICUT PROJECT PERMITTING, DISPOSAL AND BILLING PROCEDURES require approval by the CRRA Board of Directors. CRRA is also required by statute to publish a notice in the Connecticut Law Journal 30 days in advance of CRRA’s Board of Directors taking action in this regard. A notice was published in the Connecticut Law Journal on March 11. A copy of the notice is attached.

This change will not disrupt deliveries of process residue and non-processible waste generated at the South Meadows Waste Processing Facility, or of municipal waste combustor ash generated at the South Meadows Power Block Facility.

The change in hours is as follows:

	Former Delivery Hours	New Delivery Hours
Monday - Friday	6:30 am - 3:00 pm	8:30 - 3:00 pm
Saturday	6:30 am - 1:00 pm	8:30 - 12:00 noon
Sunday	Closed	Closed

Financial Summary

Operating the landfill at these reduced hours is expected to result in an effective reduction of approximately 2 full time MDC staff positions at the landfill. This equates to a savings of approximately \$125,000 per year in Hartford Landfill operating expenses.

CONNECTICUT RESOURCES RECOVERY AUTHORITY

**Proposed Reduction of Operating Hours
at the Hartford Landfill**

Pursuant to Conn. Gen. Stat sections 1-121 and 22a-268a, as amended, Connecticut Resources Recovery Authority ("CRRA") hereby gives notice by publication in the Connecticut Law Journal that it intends to reduce the delivery hours for the Hartford Landfill, as prescribed in the Mid-Connecticut Project Permitting, Disposal and Billing Procedures, at its **April 17, 2003 Board Meeting at 9:00 a.m.** at the Regional Recycling Center, 211 Murphy Rd, Hartford, CT. Interested persons may present their views at that time. Persons may present their views at the Board meeting and/or submit written comments prior to or at the Board meeting.

The purpose of this change is to reduce annual operating costs at the Hartford Landfill, which will benefit the 70 member municipalities of CRRA's Mid-Connecticut Project.

TAB 8

**RESOLUTION REGARDING AN AGREEMENT FOR THE DELIVERY
OF YALE UNIVERSITY WASTE TO THE WALLINGFORD PROJECT**

Resolved: The President is authorized to enter into an Agreement for the delivery of municipal solid waste to the Wallingford Resource Recovery Facility substantially as presented at this meeting.

**Connecticut Resources Recovery Authority
Contract Summary for Contract
Wallingford Project Solid Waste Delivery Agreement – Yale University**

Presented to the CRRA Board on: April 18, 2003

Vendor/ Contractor(s): Yale University

Effective date: July 1, 2003

Contract Type/Subject matter: June 30, 2004

Facility (ies) Affected: Wallingford Resources Recovery Facility

Original Contract: 1998

Term: February 14, 1998 – June 30, 1999

Revenue Dollar Value: Approximately 3300 tons @ \$60.00/ton, \$198,000/yr

Amendment(s):

Term Extensions: None

Scope of Services: Delivery of MSW to the Wallingford Plant

Other Pertinent Provisions: Tip fee of \$60.00/ton, the University is limited to delivering 200 tons/month, deliveries may be reduced by 50 tons/month with prior written notification, deliveries are interruptible at the Authority's sole discretion

Memorandum

To: Tom Kirk, President

From: Virginia Raymond, Project Analyst

Date: April 1, 2003

Re: Wallingford Project Solid Waste Delivery Agreement

Since 1998 the Authority has provided a waste disposal agreement to Yale University for MSW deliveries to the Wallingford Project. The Yale Agreement is renewed each fiscal year and is similar to the Wallingford Project standard commercial hauler agreement with the following exceptions:

- Yale's deliveries to the Wallingford plant are limited to 200 tons per month
- Deliveries may be reduced by 50 tons per month with prior written notice
- Deliveries are interruptible at the Authority's sole discretion
- Tip fee is \$60.00 per ton, \$5/ton above the project member town rate of \$55/ton

Revenue to the Wallingford Project under this is approximately \$198,000 a year.

It is recommended this agreement be presented to the Board of Directors for their approval.

WALLINGFORD SOLID WASTE DELIVERY AGREEMENT

THIS WALLINGFORD SOLID WASTE DELIVERY AGREEMENT (the "Agreement") is made and entered into as of this 1st day of July, 2003, by and between the CONNECTICUT RESOURCES RECOVERY AUTHORITY, a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut, having its principal offices at 100 Constitution Plaza, 17th Floor, Hartford, Connecticut 06103 (hereinafter "CRRA") and YALE UNIVERSITY, a Connecticut private university, having its facilities offices at 2 Whitney Avenue, New Haven, Connecticut 06510 (hereinafter "Hauler" the term "Hauler" also includes any affiliates, subsidiaries, related entities and agents).

Preliminary Statement

NOW, THEREFORE, in consideration of the mutual covenants, promises and representations contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CRRA and Hauler hereby agree as follows.

Pursuant to the terms and conditions set forth below, CRRA is willing to accept Acceptable Waste collected and delivered by Hauler to the Wallingford resources recovery facility located at 530 South Cherry Street in Wallingford, Connecticut (the "Facility").

Terms and Conditions

1. All terms that are not defined in this Agreement shall have the same respective meanings assigned to such terms in CRRA's Wallingford Project Permitting, Disposal and Billing Procedures (the "Procedures"), which Procedures are hereby incorporated by reference herein and made a part hereof as if such Procedures had been attached in their entirety to this Agreement. For purposes of this Agreement, (i) the ten "Wesi Projects" shall mean the resources recovery projects operated by Wheelabrator Environmental Systems, Inc., Bridgeport Resco Company, L.P. or Riley Energy Systems of Lisbon Corporation and located in Lisbon, Connecticut, Bridgeport, Connecticut, Peekskill, New York, Millbury, Massachusetts and North Andover, Massachusetts; (ii) the term "Member Municipalities" shall mean those municipalities that either are members of CRRA's Wallingford resources recovery project or have an agreement to deliver solid waste to such project; (iii) the term "Non-Member Municipalities" shall mean those municipalities that are not members of any CRRA resources recovery project or do not have any agreement with CRRA to deliver Acceptable Waste to any such CRRA project, including but not limited to those Connecticut municipalities that are either members of the Bristol resources recovery project in Bristol, Connecticut (the "Bristol Project") or have a written agreement to deliver solid waste to the Bristol Project or any of the Wesi Projects; (iv) the term "Yale Facilities" shall mean those facilities served by Hauler and located in New Haven and West Haven, Connecticut; and (v) the term "Acceptable Waste" shall, mean Acceptable Waste as defined in the Procedures kit excluding any materials or waste that are or may in the future be required by law and/or regulation to be recycled. Prior to delivering any Acceptable Waste to the Facility Hauler shall obtain all permits that are required by the Procedures, and Hauler shall at all times comply with the Procedures, including any amendments thereto that are made by CRRA from time to time.
2. During the term of this Agreement, Hauler shall deliver to the Facility approximately two hundred (200) tons per month of Acceptable Waste collected from Yale Facilities. Upon thirty (30) days prior written notice Hauler may request that deliveries of Acceptable Waste hereunder be reduced to approximately one hundred fifty (150) tons per month.

3. Prior to delivering any "Acceptable Waste" to the Facility, Hauler shall obtain all permits that are required by the Procedures and shall comply with all other pre-delivery requirements set forth therein and in the applications (including instructions) for such permits. Hauler shall also, at all times, comply with the Procedures including any amendments thereto that are made, from time to time by CRRA.
4. Prior to delivering any "Acceptable Waste" to the Facility, Hauler shall submit, along with its permit application, a guaranty of payment satisfactory to the CRRA in all respects and in the form of Letter of Credit, surety bond or cashier's check in an amount sufficient to cover three (3) months of waste disposal charges as estimated by the CRRA. CRRA shall reassess the amount of the guarantee from time to time.
5. Hauler shall amend its Letter of Credit or surety bond or provide additional cashier's check to the CRRA if requested to do so by the CRRA for any additional amounts. Additionally, if hauler submits to CRRA either a letter of credit or surety bond, hauler shall, within sixty (60) days before the expiration of same, renewal letter of credit or surety bond and furnish the renewed letter of credit or surety bond to CRRA. If Hauler's letter of credit or surety bond is cancelled or terminated, hauler shall immediately resubmit to CRRA a new letter of credit or surety bond that complies with the requirements of this paragraph 5. If Hauler fails to comply with any of these requirements of this paragraph 5 then CRRA may deny Hauler any further access to the facilities and/or revoke its permit for same.
6. Hauler shall pay to CRRA a service fee of sixty and 00/100 (\$60.00) dollars for each ton of Acceptable Waste collected from Yale Facilities and delivered to the Facility by Hauler pursuant to paragraph 2 of this Agreement. Hauler's obligation to pay the per ton service fees as set forth above shall survive the termination or expiration of this Agreement. If Hauler fails to pay any amount on any invoice hereunder by the due date for the same, CRRA shall have the right to refuse to accept any further deliveries of Acceptable Waste by Hauler hereunder.
7. Deliveries of Acceptable Waste collected from Yale Facilities hereunder may not be accepted by CRRA due to operational problems or facility maintenance or for any other reason as determined by CRRA in its sole and absolute discretion. Upon twenty-four (24) hour prior written notice from CRRA, Hauler will divert such Acceptable Waste to another solid waste disposal facility. Hauler may divert such Acceptable Waste to such facility until Hauler receives notice from CRRA to resume making deliveries of such Acceptable Waste to the Facility. Upon Hauler's receipt of such notice, Hauler shall resume delivering such Acceptable Waste to the Facility.
8. Hauler shall at all times defend, indemnify, and hold harmless CRRA, any operator and their respective directors, officers, employees, agents on the count of and from and against any and all liabilities, actions, claims, damages, losses, judgments, worker's compensation payments, cost and expenses (including but not limited to attorneys' fees and court costs), arising out of injuries to the person (including death), damage to the property or any other damages alleged to have been sustained by: (a) CRRA, any operator, or any of their respective directors, officers, employees, agents or sub-contractors; (b) Hauler or any of its directors, officers, employees, agents or sub-contractors; or (c) Any other person, to the extent any such injuries, damage or damages are caused by or alleged to have been caused, in whole or in part, by the acts or omissions or negligence of the Hauler or any of its affiliates, directors, officers, employees, agents or subcontractors.
9. Hauler further undertakes to reimburse CRRA for damage to property of CRRA caused by Hauler, any of its affiliates, or any of its directors, officers, employees, agents or subcontractors. The Hauler shall not indemnify CRRA for CRRA's own sole negligence or

CRRA's own willful acts. The existence of insurance shall in no way limit the scope of this indemnification. Hauler's obligations under this section shall survive the termination or expiration of this Agreement.

10. Hauler shall pay any invoices rendered by CRRA for any charges or costs incurred in connection with this agreement, including but not limited to disposal charges, penalties, fines, interest charges, attorney fees and adjustments, within twenty (20) days from the day of such invoice.
11. Any Acceptable Waste delivered by Hauler must comply with the requirements for Acceptable Waste set forth in the Procedures and in Exhibit A attached hereto and made a part hereof.
12. Hauler shall deliver to the Facility Acceptable Waste collected only from Yale Facilities, and Hauler shall not deliver to the Facility any Acceptable Waste or other waste generated by or collected from any other source, including but not limited to any of the Member Municipalities or Non-Member Municipalities. Hauler hereby represents that none of the Acceptable Waste that Hauler is obligated to deliver hereunder has been or is committed by agreement or otherwise to be delivered to the Bristol Project or any of the Wesi Projects.
13. This Agreement may not be assigned in whole or in part by either party without the prior written consent of the other party otherwise said assignment shall be void. In the event of a dissolution of or merger involving Hauler, Hauler shall promptly provide CRRA with written notice of such event, including the effective date thereof.
14. CRRA shall have the right, but not the obligation to inform the Hauler of its failure to comply with any of its obligations under this Agreement. Such failure shall constitute an event of default on the part of the Hauler hereunder and CRRA shall have the right to immediately suspend Hauler's ability to deliver under this Agreement. CRRA shall have the right to terminate the Agreement if within fourteen (14) days after suspension Hauler does not rectify the problem to the satisfaction of CRRA. This section does not affect Hauler's obligations or CRRA's rights under paragraph 3.
15. This Agreement shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.
16. This agreement shall be governed by and construed in accordance with the laws of the State of Connecticut as such laws are applied to contracts between Connecticut residents entered into and to be performed entirely in Connecticut.
17. The term of this Agreement shall commence on July 1, 2003 (the "Commencement Date") and shall continue until June 30, 2004. This Agreement shall become effective on the Commencement Date, subject to the approval of CRRA's Board of Directors, which approval will be sought at the May, 2003 meeting of CRRA's Board of Directors.
18. This Agreement constitutes the entire agreement and understanding between the parties hereto and concerning the subject matter hereof and supersedes any and all previous agreements, written or oral, between the parties hereto and concerning the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the day and year first written above.

YALE UNIVERSITY

CONNECTICUT RESOURCES
RECOVERY AUTHORITY

By: _____

By: _____

Its _____
Duly Authorized

Thomas D. Kirk
Its President
Duly Authorized

EXHIBIT A

Requirements Regarding Acceptable Waste.

Hauler agrees that the Acceptable Waste to be delivered to the Facility shall meet each of the following requirements:

- (a) Must be Acceptable Waste collected from the Yale Facilities;
- (b) Must not be of such a quality or other nature as to materially impair the operation or capacity of the Facility or any portion thereof, normal and reasonable wear and usage accepted;
- (c) Must not be of such a quality or other nature as to materially impair the strength or the durability of the structures, equipment, or works, which are a part of the Facility or any portion thereof;
- (d) Must not be of such a quality or other nature as to create flammable or explosive conditions in the Facility or any portion thereof;
- (e) Must not contain chemical or other properties which are deleterious, as determined by CRRA, to any part of the Facility or capable of causing material damage to any part of the Facility or to personnel; and
- (f) Must not include any hazardous or toxic substance as defined by applicable Federal or State law, regulation or other promulgation, except to the extent permitted by CRRA, from time to time, in writing at such points and under such conditions as CRRA shall prescribe.

The Facility is not intended to be used for the transportation, storage or disposal of hazardous waste, and Hauler agrees to use its best efforts to take all necessary or appropriate actions to ensure that hazardous waste is not delivered to the Facility and that no part of the Facility becomes classified as a hazardous or toxic materials storage or processing facility.

Compliance with Requirements.

Hauler shall cause all Acceptable Waste at any time delivered directly to the Facility by it to comply with all requirements of CRRA. In all cases where such requirements involve technical or scientific analyses or determinations, CRRA shall have final authority as to methods, standards, criteria, significance, evaluation, and interpretation of such analyses and determinations. Hauler shall permit no new deliveries and shall discontinue existing deliveries of Acceptable Waste by Hauler, which include any Acceptable Waste that does not comply with such requirements of CRRA. CRRA may, from time to time, make a determination of the respects in which Acceptable Waste delivered to the Facility by Hauler is not in compliance with such requirements then in effect. CRRA shall provide Hauler with notice of any such determination. Any such determination shall be considered final and binding sixty (60) days after such notice.

TAB 9

HARTFORD COURANT

HARTFORD, CT
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No Priority For CRRRA Among Creditors

Federal Bankruptcy Judge Rules In Enron Case

By SUSAN HAIGH
ASSOCIATED PRESS

The state's trash authority suffered a setback Friday when a federal bankruptcy judge dismissed a claim that the Connecticut Resources Recovery Authority should be ahead of others looking for money from Enron Corp.

CRRRA is attempting to recoup about \$220 million lost two years ago in a failed deal with the former energy giant.

State Attorney General Richard Blumenthal, who is representing the quasi-

public trash authority, argued that CRRRA should not be part of the long list of creditors seeking money from Enron in bankruptcy court because it was not an actual creditor. Rather, he said, CRRRA should get priority among those seeking whatever Enron money might be left.

Blumenthal said he will decide next week whether to ask the Federal Bankruptcy Court in the Southern District of New York to reconsider the ruling, or

file an appeal.
"This baffling ruling is only a temporary setback," Blumenthal said. "We will not let this ruling rest as it is."

Blumenthal said Enron should have known that it had no legal right to the \$220 million and should have kept it in trust for CRRRA. Enron may have physically possessed the money, but the cash did not belong to it, Blumenthal said.

CRRRA officials have called the \$220 million deal a legitimate energy trans-

action, but Blumenthal has branded it an illegal loan.

Blumenthal said the bankruptcy court judge ignored the claim that Enron should have kept the money in trust and misunderstood the transaction.

Friday's ruling does not affect CRRRA's Superior Court lawsuit against Enron's officers, accountants and three national bond-rating agencies.

Nor does it affect a lawsuit filed in August 2002 in Hartford Superior Court against CRRRA's legal advisers, Murtha Cullina LLP of Hartford and Hawkins, Dellafield & Wood of New York.

Probe Of Enron Deal Sought

Grand Jury May Look Into CRRA Contract

3/29/03
By ELIZABETH HAMILTON
and DAVE ALTIMARI
COURANT STAFF WRITERS

CRRA

Chief State's Attorney Christopher Morano plans to request that a state grand jury be convened to investigate the Connecticut Resources Recovery Authority's ill-fated Enron Corp. deal, which resulted in a \$220 million loss for the state agency.

JUDGE DISMISSES
CRRA CLAIM IN
ENRON SUIT, PAGE B5

Sources confirmed the decision this week and said the chief state's attorney's office has been investigating the Enron case for a year. The grand jury is the only mechanism by which the state's attorney's office can subpoena witnesses and records.

Lawmakers last year sent a letter to Morano's predecessor, then-Chief State's Attorney John Bailey, asking him to review the case. Bailey announced last June that he would seek a grand jury, but left office a few months later because of health problems.

Inspectors from Morano's office have quietly been gathering documents and interviewing witnesses ever since.

"Mr. Bailey instituted an investigation in the beginning of 2002 and it has been progressing since then," Morano said Friday.

Morano on Friday would not confirm he was seeking a grand jury.

"Because this is a pending investigation and because of the relevant statutes involved I cannot comment," he said.

The standards Morano must meet to get approval for a grand jury are high. In Connecticut, the chief state's attorney must secretly go before a three-judge panel and convince them there is no means to collect evidence other than to appoint a grand juror.

If the judges agree, they appoint a single judge to act as the grand juror. The

state then has 18 months to present evidence and convince the grand juror that criminal activity has occurred. The process is secret and attorneys cannot even acknowledge that a grand jury has been convened.

The U.S. attorney's office and the FBI have already launched a criminal probe of the Enron deal and issued subpoenas. The State Ethics Commission is also investigating.

The Enron deal has been described by the CRRA as a long-term contract under which the quasi-public agency would sell electricity generated at its Hartford trash-to-energy plant to Enron through 2012. As part of the deal, CRRA advanced \$220 million to the energy-trading firm and was to get a 7 percent return in the form of monthly payments of more than \$2.2 million. Then Enron went bankrupt and the payments stopped.

State Attorney General Richard Blumenthal has branded the deal an "illegal, unsecured loan," and critics have pushed for both federal and state investigations.

Political fallout from the failed deal rippled through the governor's office and the CRRA, causing Gov. John G. Rowland to oust his two co-chiefs of staff and leading CRRA President Robert Wright to resign. One of the Rowland aides, Peter Ellef, served as the CRRA board chairman when the deal with Enron was signed.

Ellef is also believed to be a target of a federal corruption investigation into the alleged steering of multimillion-dollar state contracts to the Tomasso family's construction and management companies. Another Rowland aide, Lawrence Alibozek, pleaded guilty to accepting gold and cash in exchange for steering contracts to the Tomassos.

New Haven lawyer Hugh Keefe, who has represented Ellef for about six months, wouldn't comment Friday on the possibility of a grand jury convening regarding the CRRA-Enron deal. Keefe also would not comment on whether his client has been interviewed by inspectors from the chief state's attorney's office.

Rowland spokesman Christopher Cooper said the governor supports Morano's decision to seek a grand jury.

"The governor has wanted from the beginning to make sure we did everything in our power to get our money back," Cooper said. "So he certainly welcomes the chief state's attorney's review of this."

When asked if that means Rowland believes there was criminality in the Enron deal, Cooper said no.

"It just means he has favored getting as much information as possible," he said.

Blumenthal does believe there are criminal charges to be weighed, however, and has provided Morano's office with evidence collected during the course of its investigation for the civil case.

"As I have stated, there is more than ample evidence to warrant a full and complete criminal investigation of this scandal, which cost state taxpayers at least \$220 million," Blumenthal said Friday. "We will continue to cooperate with the chief state's attorney."

In other CRRA/Enron developments Friday, the Federal Bankruptcy Court in the Southern District of New York dismissed Blumenthal's motion for an injunction in Enron's bankruptcy case.

According to the federal court, CRRA's complaint did not demonstrate a legal or equitable interest in the \$220 million paid to Enron.

Blumenthal said the federal ruling was "only a temporary setback" and "ignores the plain fact that Enron illegally took \$220 million of CRRA's money."

He said the state will either ask the judge to reconsider his ruling or appeal the decision to the U.S. District Court.

Records reveal Ellef tried to bring Tomasso firm into CRRA project

By Don Michak 3/28/03
Journal Inquirer

HARTFORD — Peter N. Ellef, Gov. John G. Rowland's former co-chief of staff and head of the Connecticut Resources Recovery Authority, angled to get a company headed by his friend Michael Tomasso involved in the trash agency's plan to build a giant fuel-cell "farm" with the now-bankrupt Enron Corp., state records show.

Michael Tomasso is a principal in the New Britain-based Tomasso Group, whose subsidiary, TBI Construction Co. LLC, or Tomasso Brothers Inc., is reportedly a subject of a federal criminal probe that already has resulted in the corruption conviction of Ellef's former deputy in Rowland's office, Lawrence Alibozek.

Michael Tomasso also has served as president of Tenergy Water LLC, a manufacturer of water purification systems to which Ellef dispatched at least one trash agency official in 1999, according to CRRA records obtained by the Journal Inquirer under the state's freedom-of-information statute.

"At Peter Ellef's suggestion, I participated in a tour and presentation at Tenergy Water yesterday," the CRRA's George Foyt wrote its then-president, Robert Wright, that December. "I believe that the specific reason behind Peter's suggestion is that Tenergy makes systems that can purify the process water needed by fuel cells."

Ellef previously had written Michael Tomasso saying the state would like to see "Tenergy or some other Tomasso Brothers companies" build and manage a manufacturing and distribution facility proposed in New London by a big Chinese appliance company, according to records Rowland's

office has turned over to federal investigators.

That firm was one of two Chinese corporations with which the Tomasso Group had formed joint ventures, the records show, and Ellef went so far as to unilaterally anoint Michael Tomasso as the state's "chief China business adviser" in a letter to the governor of China's Shandong Province.

Rowland spokesman Christopher Cooper has said that the governor was unaware that Ellef had bestowed that title on Tomasso.

Moreover, Ellef actually accompanied Michael Tomasso on a trip to China in 1999, when the governor's office paid \$5,157 for Ellef's round-trip airfare and he charged a \$250 hotel bill to his CRRA-issued credit card.

Ellef headed the quasi-public trash authority until last spring, when the uproar over its failed \$220 million deal with Enron caused him to quit both Rowland's office and the CRRA.

The CRRA had characterized that controversial transaction as a routine "energy sales swap" or "brydown" with the Texas-based energy trading company. But Attorney General Richard Blumenthal, who is leading the state's bid to recover the money, has described it as an "illegal loan" to a politically connected conglomerate.

CRRA insiders, meanwhile, have portrayed the deal as a first step in the agency's now abandoned master plan to join with Enron and become a major player in the newly deregulated energy marketplace.

They point to the a second, less publicized deal proposed by the CRRA and Enron that fell apart immediately after the latter's spectacular financial collapse in December 2001.

That plan called for the CRRA to

construct as many as five fuel-cell "farms" on agency-owned sites in Hartford and Shelton, with "contingency" sites in North Haven, Seymour, and New Haven.

Components were to be manufactured by a Danbury-based company, FuelCell Energy, in which Enron had taken a \$5 million ownership stake.

The "farms" would have been paid for with as much as \$206 million in public funds, and Enron — which wasn't expected to put any of its own money into the overall project — was to receive a 10 percent development or management fee.

CRRA officials had privately agreed in the summer of 2000 to put up the cash for the fuel-cell deal from the money that was to be repaid it by Enron under the initial \$220 million transaction, according to agency records.

At one point during the talks, the CRRA agreed to pay Enron as much as \$9 million to manage the fuel cell project.

A trimmed-down version of the fuel-cell proposal suffered a setback when it was initially rejected by the state Department of Public Utility Control. But it continued to be pushed by Michael J. Martone, a Rowland friend and former administration official working as a lobbyist for the Hartford law firm of Murtha Cullina.

Before the proposal was finally abandoned, the lobbyist was seeking \$124 million in public money, split evenly between two state funds paid for with surcharges on utility ratepayers.

The CRRA records also show that in 1999 the trash agency held a reception, a cookout, and a golf outing at Tunxis Plantation, a Tomasso-owned country club. The events were open to CRRA employees and invited guests.

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Subpoena Produces Voucher Scraps, Note From Ellef

BY JON LENDER
COURANT STAFF WRITER

CRRA
It's one of the oddest documents ever produced in response to a state investigative subpoena: an envelope containing the scraps of a torn-up blank expense voucher, sent by Gov. John G. Rowland's former co-chief of staff to a subordinate, with the handwritten message: "Do you catch my drift?"

The exact meaning of the newly surfaced 1999 communication remained elusive Friday — because it was impossible to reach either its author, former Rowland top aide Peter N. Ellef, or its recipient, Robert E. Wright, who at the time was president of the Connecticut Resources Recovery Authority.

However, official sources said whatever Ellef's intended message was, its form was consistent with his reputation as a much-feared state manager

whose critics considered him a bully.

Ellef is now a focus of a federal investigation into potentially corrupt dealings between the Rowland administration and businesses operated by the New Britain-based Tomasso family. Both Ellef and Rowland have called members of the Tomasso family their friends and have denied any impropriety.

Federal and state officials also have been probing the activities of the CRRA during the period when Ellef, in addition to heading Rowland's staff, was CRRA chairman. Last year state Attorney General Richard Blumenthal subpoenaed communications between the CRRA and Rowland's office; it was in response to that subpoena that the 1999 communi-



ELLEF

cation was belatedly turned over to Blumenthal's office Friday.

"The document seems designed to convey a message," Blumenthal said, "but any further comment as to its significance or meaning would be inappropriate at this point."

The official governor's office envelope, containing about 30 scraps of a blank expense voucher form, was sent to Wright in August 1999. Written on the envelope, initialed by Ellef, were: "Bob: Do you catch my drift?" and "P.S. My best to Dave."

The CRRA's finance chief at the time was David Baxter, whose division dealt with expense accounts. Records show Ellef and other CRRA officials dragged their feet before settling heavy expense account bills.

Baxter, now at the Wadsworth Atheneum Museum of Art, could not be reached.

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Ellef's mystery package given to investigators

By Don Michak
Journal Inquirer **CRRA**

HARTFORD — Officials at the state trash authority say they are at loss to explain a package the former chairman of the quasi-public agency and co-chief-of-staff in Gov. John G. Rowland's office, Peter N. Ellef, had delivered to its former president in the summer of 1999.

But Ellef's successor at the Connecticut Resources Recovery Authority, Thomas Kirk, said Friday he had ordered the newly discovered package turned over to government investigators probing a controversial \$220 million deal

with the now-bankrupt Enron Corp., in which Ellef played a critical role.

Inside a large manila envelope that was marked "personal and confidential" and directed to former CRRA President Robert Wright with a return address of the "Governor's Office," Ellef had slipped a standard-sized white envelope.

Ellef wrote on that envelope, "Bob: Do you catch my drift? P.S. My Best to Dave." Inside he deposited a single-page CRRA expense voucher form, torn into tiny pieces.

When CRRA staffers patched the mess together, they could see that

the voucher had not been filled out. Kirk said the package was discovered in the CRRA's files last week after he ordered a review following the conviction of Ellef's former deputy in the governor's office, Lawrence Alibozek, in a corruption scandal.

Alibozek admitted to steering state contracts to companies that bribed him with payments of cash and gold. Ellef has not been charged in connection with the Alibozek matter. But his name figures prominently in records the governor's office has turned over to federal investigators probing Alibozek's activities.

Kirk, meanwhile, said it would be "total speculation" to suggest what message Ellef may have been sending to Wright with the "ripped-up expense report."

His charges included \$6,215 to pay for 64 meals at gourmet restaurants in Hartford, New York, New Haven, and Boston.

The CRRA also reimbursed its former lobbyist, Linda A. Kowalski, about \$27,000 over a two-year period for meals she purchased for Rowland's aides and other administration and state Republican Party officials.

The CRRA also picked up a \$914 tab for a 40th birthday gathering for Dean C. Pagani, the governor's former director of communications, who succeeded Ellef as chief of staff.

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A plan to 'nickel and dime' a national problem

The state doesn't have two nickels to rub together now that it finds itself \$650 million in the hole. But Newtown resident Tom Kirk is smart enough to know that nickels can add up to a lot of money if you look in the right places.

As president of the Connecticut Resources Recovery Authority, Mr. Kirk estimates that people throw away as much as \$16 million each year in redeemable plastic, aluminum and glass containers. He wants that money back to help run the CRRA, which is in desperate need of funds.

A bill now before the state Legislature's Environment Committee would allow the CRRA to reclaim those unredeemed nickels from the beverage industry and use the money for solid waste and recycling programs. Currently, the nickels paid by consumers when they purchase beverages go to retailers and eventually to distributors. Distributors, in turn, pay the money back to consumers when containers are returned to retailers. But distributors keep the nickel initially collected on containers that are never returned.

"Morally, I don't think it's their money and rightfully it belongs to folks that bought the cans and bottles," said Mr. Kirk recently. He added that as much as 30 percent of the bottles and cans purchased in the state don't make it back to retailers.

The CRRA could use the cash. In an economy where the state is offering little help because of its own fiscal mess, the CRRA is in deeper trouble. The quasi-state agency runs a number of trash-burning plants that turn garbage into electricity. In turn that electricity is sold to Connecticut Light & Power.

The agency signed a long-term contract with Enron Corp., which paid them \$2.4 million each month. The arrangement was fine until Enron went belly-up last year, depriving the CRRA of its main revenue source. To make matters worse, CL&P is withholding nearly \$10 million in revenues to the CRRA from the electricity it has purchased. CL&P claims that it could get sucked into the Enron legal debacle if it makes such payments.

So you can see how precious every nickel is. If all those nickels were collected, CRRA would have the option of lowering its tip fee—the price towns pay to dispose of a ton of trash—at its giant trash plants. In some instances the cost could be lowered by \$9 per ton. At that rate a town that produces 30 tons of trash per week could realize savings of \$14,400 per year.

Not bad, especially at a time when towns need every nick-

FROM THE PEN OF ...

BY DAVID DUNLEAVY

el they can get their hands on because of lost state funding.

Mr. Kirk also proposes that regional trash-planning groups, such as the Housatonic Resources Recovery Authority, receive a portion of those recovered nickels. Some of the money could be used to initiate electronic recycling programs that remove hazardous components from the waste stream.

Twenty-five years ago, the state bottle bill was passed to do two things, he explained. It was meant to get people thinking about reusing materials and to clean up state roadways of litter. To some degree the law has been a success. Some indigent state residents have managed to eke out an existence by collecting and redeeming containers and in the process have kept Connecticut's roadsides cleaner.

Although many people are diligent about recycling, there's plenty of work that needs to be done. A fresh dose of public education is needed. Recycling rates have held steady but state environmental officials can't explain exactly why the rates haven't picked up much since recycling went into effect almost a dozen years ago.

In fact, Connecticut residents are generating more waste now than ever before. Despite a recycling law that pulls out newspapers, cardboard and food containers, Nutmeggers produce 10 percent more waste than they did 10 years ago, according to statistics from the state Department of Environmental Protection. We're headed in the wrong direction.

What the numbers also show is that we need to change the way we package foods and household products. We also have to change the public's bad habits. More and more, residents in states with bottle bills are showing a laissez faire approach to returning those cans and bottles to outlets for redemption.

In Massachusetts, nearly \$31 million is collected annually and used for waste management purposes. What the numbers don't show is how many food and beverage containers are simply thrown in with the household trash and never recycled.

CRRA, despite its hard times and bad business decisions, is trying hard to overcome its troubles. It's going to take a lot more than bottles and cans to pull the agency out of its financial hole but in hard fiscal times it's obvious that every nickel counts.

Southbury keeps lid on waste costs

By Chris Gardner

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SOUTHURY — If in doubt, don't throw it out.

That could become the town's slogan next year if its financial forecasts for trash disposal don't pan out.

Selectman Donald Briggs said the town could run a \$100,000 deficit in its solid waste budget for 2003-04 if people don't reduce the amount of garbage they throw away.

The town will be charged an extra \$6.75 per ton of trash by the Connecticut Resources Recovery Authority, which takes Southbury's garbage. The agency had to raise its tipping fees to make up for losing \$220 million in the collapse of Enron Corp. two years ago.

Based on the amount of trash Southbury generates, First Selectman

Fund cut means residents, haulers may pay

Mark Cooper suggested the budget for tipping and hauling fees be increased next year to \$950,000, from \$840,000. Selectmen disagreed, and capped the budget at \$850,000. The proposal must still be reviewed by the Board of Finance.

Briggs said the town will have to eliminate 1,345 tons of trash from its waste stream to keep from running a deficit.

"That would bring it back to the levels we saw in 2000," he said. "Some how we've got to cut it out."

Briggs will head a new committee that will investigate whether the town can save money by implementing new policies for trash disposal.

Residents are now able to dump

their trash for free at the transfer station on Kettle-town Road as long as they have a sticker on their car or truck. They can also pay a hauler to pick up the trash at their home. Haulers can then drive it to the transfer station and dump it for free as long as they have permits. When haulers apply for permits, they must certify that all their garbage comes from Southbury.

The hauler can also drive the trash to Watertown and dump it there, and the town must reimburse the hauler the tipping fee, which will be \$63.75 a ton next year.

Briggs said Southbury is one of the only towns around that allows commercial haulers to dump for free, but

there's a chance the committee could restrict the transfer station to residential users. "That's going to be a source of discussion," he said, adding the town could save \$210,000 by forcing commercial haulers to dump elsewhere.

The committee's task "is really to look at our policies of trash disposal in town in light of today's times of tight budgets," Cooper said. "Towns around us have looked at their policies, and I think it's time for Southbury to do it, too."

Cooper wouldn't say whether residents will be asked to pay a yearly fee to dump their trash. Other towns, such as Newtown, charge residents for permits to use the transfer station.

"I don't want them to go in with any preconceived notions," Cooper said of committee members.

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Landfill Permit Rates Will Increase July 1

BY STEPHANIE REITZ
 COURANT STAFF WRITER

Public Works Director Calls Fees 'Reasonable' And 'Justified'

R.P.A.
 ON — Higher local property taxes
 ate income taxes are not the only
 ases Avon residents will see this

AVON

e town's landfill rates are being in-
 ed effective July 1, partly because of
 ctainty over what rates the Con-
 ut Resources Recovery Authority
 et for Avon and other towns that it

Also, Avon's bulky waste site is filling
 up quickly, and the town is being
 charged higher prices for the removal of
 paints, oils and similar materials, town
 officials said.
 "I think you'll hear a lot of opinions,
 but the fact of the matter is that I think
 the fees are reasonable, justified and jus-
 tifiable, and you're still getting a good
 bargain," town Public Works Director
 Kenneth Longo said, presenting the new
 fee schedule recently to the town council.
 The changes include:
 ■ An increase in the annual resident

landfill permit from \$75 to \$85, and an in-
 crease in the annual permit for seniors
 from \$45 to \$50.
 ■ A boost in the one-day permit from
 \$5 to \$25, and in the business permit from
 \$100 to \$500.
 ■ Increases in the amounts charged
 for disposal of construction materials,
 paint, bulky waste such as household
 items, appliances and tires, and similar
 items.
 ■ For the first time, charges to dispose
 of brush, leaves and grass. It currently is
 free, but will range from \$10 to \$25, de-

pending on the amount to be disposed of.
 The town currently takes in about
 \$21,000 in landfill fees each year, but the
 changes will increase that total to \$36,000
 for the 2003-04 budget year.
 The new schedule of fees will be pub-
 lished in town newsletters and informa-
 tion handed out at the landfill.

Town council members said they
 know that some people will worry about
 the price increases, but they believe the
 higher fees will help Avon keep the qual-
 ity of its landfill services.

"I think that it's very easy to justify the

increases, especially with the thing
 we've got going with CRRA," town
 Councilwoman Diane Hornaday said. "I
 don't think people are going to be too
 crabby."

CRRA gathers trash from dozens of
 towns in Greater Hartford and burns
 that rubbish to make steam, which then
 is used to generate electricity.

But it lost \$220 million of public money
 that it loaned to Enron Corp. when that
 company went bankrupt. That has
 prompted widespread concern because
 CRRA is expected to raise the rates it
 charges municipalities to help cover the
 gap, and those towns would pass on the
 costs to landfill users.



Friday, March 07, 2003, 12:00 a.m. Pacific

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Big banks helped Enron disguise \$5 billion of debt, examiner says

By The Associated Press

HOUSTON — Enron inappropriately counted \$5 billion — money raised in the four years leading up to its December 2001 bankruptcy — with the knowledge of two major banks that played "significant roles" in the transactions, a court-appointed examiner said.

Atlanta attorney Neil Batson, appointed by U.S. Bankruptcy Judge Arthur Gonzalez to examine Enron, said in a lengthy interim report Wednesday that Enron repeatedly misrepresented its financial condition using a handful of accounting techniques to disguise loans as income.

In a 138-page summary of his findings, Batson wrote that Citibank and J.P. Morgan Chase & Co., both based in New York, helped Enron devise the strategies, known as "prepay transactions."

"Both Citibank and J.P. Morgan knew that Enron accounted for its obligations under the prepay transactions as liabilities from price-risk-management activities rather than debt," Batson wrote.

"They also believed that Enron reported the cash as cash flow from operating activities rather than financing activities. Nevertheless, both lenders recognized that the prepay transactions were essentially loans."

Neither bank has acknowledged anything was wrong with their relationships.

"The examiner's report shows the scope and size of the fraud perpetrated by Enron and condemns the accounting techniques repeatedly approved by (auditor) Arthur Andersen and Enron's other advisers," Citigroup said in a statement released yesterday.

A J.P. Morgan Chase spokesman in New York declined comment on the Batson report.

The report, which includes 2,000 pages of appendices, also dealt with how much the company — and in turn, creditors — could expect to get back from the sullied energy trader.

Batson concludes perhaps more than \$2.9 billion could be collected by voiding unethical asset transfers and going after money improperly segregated from Enron prior to its bankruptcy.

"There is nothing improper about the use of structured finance and SPEs to achieve and report business results," Batson stated. "Enron, however, used structured finance to report results it had not

achieved."

In his summary, Batson told the bankruptcy court that Enron could seek to recover more than \$74 million from its former chairman and chief executive Kenneth Lay. Lay received the money in loans from the company, which he repaid with Enron stock "at a time when Enron was presumed to be insolvent," the report said.

Lay's spokeswoman, Kelly Kimberly, did not immediately return a telephone message seeking comment.

Batson said Enron might also be able to get back \$53 million in deferred compensation paid to "certain employees" in the month leading to its Dec. 2, 2001, filing.

Arthur Andersen, the Chicago-based accounting powerhouse convicted last summer of obstruction of justice in the Enron investigation, essentially dissolved afterward.

The only former top Enron executive charged with a crime so far is Andrew Fastow, who prosecutors said masterminded the accounting sleight of hand that brought down the Houston-based company. Charged with fraud, money laundering and conspiracy, he is free on a \$5 million bond as he awaits trial.

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The Deal that Got Away

Before the giveaway dam burst, CRRA considered buying a Rowland-favored soil company.

by Carole Bass - April 3, 2003

The year was 1999. The scandals swirling around Gov. John Rowland's Department of Environmental Protection had subsided after his re-election. The scandals surrounding the state trash authority had not yet emerged.

It was, perhaps, the perfect time for the trash authority to consider a proposal that bridged the two scandals.

And it did. A \$10.5 million proposal called for the non-profit Connecticut Resources Recovery Authority--then chaired by Rowland's chief of staff--to buy a controversial for-profit soil recycling company from one of Rowland's major campaign contributors.

CRRA did not end up buying the company, Phoenix Soil. That it would seriously consider doing so, though, shines additional light into the workings of a quasi-public agency that operated as a font of contracts and perks for Rowland supporters.

The Phoenix Soil proposal, which turned up among CRRA files provided in response to an *Advocate* Freedom of Information request, quickly landed on the desk of the authority's president, who immediately had it researched. It joins a list of controversial proposals that CRRA either did undertake, or seriously considered, at a time when it seemed the door was opened to "creative" ways to find multi-million-dollar rewards for Rowland allies. The *Manchester Journal-Inquirer* reported last week that top CRRA officials also considered building a giant fuel-cell "farm" with two big Rowland donors currently figuring in corruption probes: Enron Corp. and Michael Tomasso of the New Britain-based Tomasso Group.

The Phoenix Soil proposal has only a "cockamamie connection" to CRRA's mandate. "And it got right to the top [CRRA] guy's desk," Bill Curry says. Curry, a Democrat, ran against Rowland in last year in a campaign that highlighted scandals at CRRA. "If you were a Rowland donor, your project got

KATHLEEN CEI
PHOTO



Rowland: His CRRA thought outside the box.

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to the top of the authority, even if it stretched the boundaries of what was and wasn't CRRA's mission.

The Phoenix Soil proposal, dated March 29, 1999, came at a time when the company was the focus of controversy, and was already getting help from Rowland.

In Rowland's hometown of Waterbury, neighbors complained that Phoenix stank. The company "recycles" contaminated soil through a high-tech burning process--sending some of the contaminants up the smokestack. After Phoenix flunked stack tests, Rowland's DEP allowed it to operate for years with temporary approvals.

The DEP scandals of 1998 involved a Rowland political appointee from (you guessed it) Waterbury, who leaned on agency staff to go easy on certain polluters. One of those polluters was (you guessed it again) Phoenix Soil.

DEP did eventually approve an operating permit for Phoenix, over vehement objections of neighbors. The approval came through in March 1999, about a week before Phoenix suggested that CRRA buy the company.

Why would a quasi-public agency, charged with running trash incinerators and landfills on behalf of member towns, consider spending \$10.5 million to buy a company with such a spotty record?

Or, to ask the question another way: Why would an agency controlled by the governor think about making a multimillion-dollar deal with a big campaign donor?

CRRA's spokesman doesn't venture a guess--since, he says, he had no idea that this unorthodox proposal had even come under consideration.

"You're blowing us away," says spokesman Brian Flaherty when told of a document titled "CRRA Stock Purchase in Phoenix Soil LLC and Jayjet Transportation."

"We're at a total loss."

The CRRA's two top officials in 1999 were Board Chairman Peter Ellef and President Robert Wright. Both quit under fire last year after the authority lost \$220 million in a shaky deal with Enron (whose executives gave about \$1 million to Rowland's 2002 campaign and to the governors' association he heads). That scandal continues to simmer, with the chief state's attorney reportedly prepared to seek a grand jury investigation.

Ellef, meanwhile, is an apparent target of a separate federal bribery investigation. His former deputy chief of staff in the governor's office pleaded guilty in February to being part of a conspiracy that took bribes for government contracts. Ellef's lawyer, Hugh Keefe, says his client isn't talking to reporters.

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"I don't have a very good recollection" of the proposal, Wright says in a voicemail message. "I think I recall Mr. Green from Phoenix Soil offering to sell us his company at one time. We took a quick look at it and didn't think it was the right fit at the right price. It wasn't squarely within our business. Proposals came in to us all the time."

Digging U
West Have
(03/20/03)
by Carole I

Mr. Green is David J. Green, who owned 99 percent of Phoenix Soil, according to the purchase proposal. His wife, Jean, owned the other 1 percent. Four members of the Green family--all at the same Cheshire home address--owned Jayjet Transportation, a trucking company that was apparently included in Phoenix's \$10.5 million sales pitch.

Monkey B
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by Carole I
author arcl

The Greens and their companies gave \$1,750 to Rowland's 1998 re-election campaign, and another \$600 to Lt. Gov. Jodi Rell. David Green also contributed \$1,750 to the 2002 Rowland-Rell campaign.

While Wright's involvement may have been brief, it was hands-on: Memos show a CRRA staffer and consultant apparently responding to Wright's inquiries about valuing the company and scoping out the competition. CRRA spokesman Flaherty notes that a 1998 law gave CRRA powers to "assist in the development of industries and commercial enterprises" related to waste disposal.

The proposal itself is sketchy. It touts Phoenix Soil as "the only low temperature thermal desorption treatment facility in Connecticut" and the biggest in New England, handling 150,000 tons of petroleum-contaminated soil every year.

"Connecticut Resources Recovery Authority's purchase of Phoenix's stock will expand the current business by diversifying their disposal options," the proposal states. Among the claimed benefits to CRRA: Phoenix could supply daily cover soil for CRRA's landfills and treat CRRA's onsite soil contamination.

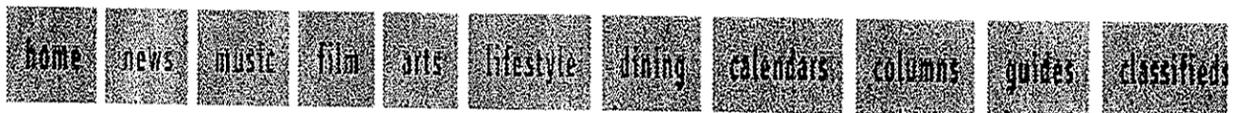
Green--who could not be reached for comment--offered to sell 100 percent of Phoenix stock for \$10.5 million or 45 percent for \$5.5 million. There's also a cryptic mention that "future financing will be required to purchase land and a building to move the facility into." Green's proposal says "the seller of the property" was willing to lend CRRA \$3 million, at 9 percent interest, to finance that transaction. It identifies neither property nor owner. Financial statements included in the purchase proposal shows Phoenix Soil's 1997 net income at \$1.96 million.

Rowland spokesman Chris Cooper refers questions about the Phoenix Soil proposal to CRRA spokesman Flaherty.

The DEP scandal focused on Rowland appointee Vito Santosiero, who became executive assistant to the DEP commissioner in 1995. In a February 1998 exposé, the *Hartford Courant* quoted DEP employees, by name, saying that Santosiero tried to bully them into taking a more lenient approach to enforcing environmental standards. DEP engineer Kiernan Wholean told the *Courant* that Santosiero yelled and swore at him for holding up Phoenix Soil's air permit,

even threatening him at a Christmas party.

Thirteen months after that *Courant* report, Phoenix Soil got its permit. Green immediately offered to sell the company to CRRA.



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"Nobody Told Us"

Documents reveal secret payments and a new conflict of interest in West Haven scandal.

by [Carole Bass](#) - April 3, 2003

The sales pitch fell flat. But the salesman still got paid--thanks to another secret deal by West Haven Mayor Richard Borer.

The sales pitch came when Borer and his development "consultant," Sal Brancati, urged the developer handling the city's Sawmill Road project to hire contractor Frank Ruocco. The negotiations to hire Ruocco bombed.

But a review of city documents reveals that Borer bypassed the public approval process to secretly sign a contract with Ruocco, and get him nearly \$140,000 in taxpayer money, anyway.

It happened in mid-2000, at the same time Brancati was helping Ruocco with no-bid government contracts both with the state trash authority and in West Haven. (See accompanying story.)

The city wasn't supposed to be hiring contractors or paying for work at Sawmill Road. Massachusetts-based Berkshire Development, which had a deal with the city to build a shopping center on 20-plus acres off I-95's exit 42, was supposed to handle that.

So Borer and Brancati tried to get Berkshire to give Ruocco's North Haven company, Earth Technology, a \$1.75 million demolition contract and part-ownership of the project. While Berkshire and Ruocco dickered, Ruocco separately got the mayor to sign an agreement to pay Earth Technology if Berkshire left the project--which it later did. Borer never informed or sought approval from the West Haven Redevelopment Agency, which ostensibly oversees the project, or from the City Council. Nor did he tell Berkshire.

Borer's August 2000 indemnification agreement with Earth Technology may have paved the way for a second secret indemnity deal, revealed earlier this year, that leaves West Haven taxpayers in debt to the company that eventually

KATHLEEN CEI PHOTO



Former Redevelopment chief Spaziani: Bypassed.

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did the demolition.

"I'm furious," says Sharon Spaziani, who quit as chairwoman of the Redevelopment Agency last month in outrage at Borer's handling of the project. "None of this came before the board. We were kept in the dark. I don't think we would have gone along with" the Earth Technology indemnification.

The city official who submitted the invoice to pay Ruocco, former economic development chief Jim Hill, distances himself from it when asked. He says Borer ordered him to pay it out of his department's budget, so he did, but Borer negotiated the contract without consulting him. Asked if the contract was a good idea, he responds, "I prefer not to answer that question."

The Sawmill Road project is a longstanding debacle, swallowing seven years, two failed developers and more than \$9 million in public money without a single store built or a single lease signed. Now, Borer's and Brancati's actions are turning it from debacle to scandal. (See our "Suburb for Sale" archive at newhavenadvocate.com.)

Correspondence between Ruocco and Berkshire shows they spent months in increasingly rancorous negotiations over the proposed demolition contract and partnership. Berkshire says it didn't want to hire Ruocco; Ruocco claims he walked away. When they finally broke it off, Ruocco called in his chit from the mayor.

"Dear Mayor Borer," he wrote on Dec. 5, 2001. "Thank you for taking the time last Monday to resolve the payment due Earth Technology." Two days later, he submitted an invoice for \$139,990.79.

Some highlights:

: Ruocco's letter claimed that he was billing only for his out-of-pocket costs, not his company's time or equipment. More than half the bill--nearly \$80,000--was for asbestos testing. Earth Technology commissioned the testing as part of its attempt to win the demolition contract. It claims Berkshire authorized the testing; Berkshire denies giving Ruocco the go-ahead to do any work on the site. Why should West Haven pay for that work?

: The bill also included subcontractors' invoices for about \$40,000 worth of land clearing and fencing. Who authorized that?

: The indemnification deal between Borer and Ruocco specifies payment "in five equal annual installments." But the perennially cash-strapped city paid the whole amount in a lump sum. Why?

: The indemnification agreement purports to be "in furtherance of the City's and Berkshire's joint interest in seeing that the demolition proceeds in a cost-effective and efficient manner." So why didn't Borer tell Berkshire about the deal? Why did City Hall inject itself into negotiations between the developer

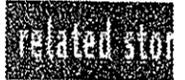


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and a would-be contractor? If Borer wanted the city to pay for site work, why didn't he hire a contractor directly--and put it out to bid?

away
(04/03/03)
by Carole I

Borer maintains the money was well-spent.

"Do I like the way it all went down?" he asks rhetorically. "No. Do I like the final result? Yes."

Digging Up
West Haven
(03/20/03)
by Carole I

The project was stalled, Borer emphasizes. Ruocco "had a letter of intent" for his deal with Berkshire, which would clear the property and make it easier to attract tenants. He expected Berkshire would live up to its agreement to demolish the buildings and develop the site.

Monkey Business
"Motivations"
(03/13/03)
by Carole I

"We assumed there was going to be a partnership. Then the partnership didn't happen and Frank was looking to get paid."

author arch

Borer says he relied on Ruocco's assertion that Berkshire had authorized the asbestos testing. The city building department ordered Ruocco to fence the area he was working in, Borer says. (Cost: \$12,238.) In a letter to Berkshire, Ruocco says the city also told him to clear trees from the property. Borer says he didn't, but paid for it anyhow. (Cost: \$27,500.) The final item in Ruocco's invoice is described simply as "asbestos notification, utilities." Borer says he doesn't know what that means, but paid for it anyhow. (Cost: \$20,637.24.) He paid the money all at once, he says, because "we had the money available" then but might not later.

Borer says he didn't seek Redevelopment Agency approval because Jim Hill, who served as the agency's staff, and agency attorney Mark Milano "were in the loop. There was no secret," he says.

"Everything was done with the best of intentions," Borer declares. "If we're guilty of anything, we're guilty of trying to move the project forward."

"Per Sal"

Curious why Sal Brancati--being paid by West Haven City Hall to get a long-delayed development project moving--instead tried to grab a piece of the deal for a North Haven contractor?

Turns out Brancati appears to have had a separate business relationship with the contractor.

At the same time he was trying to swing a demolition contract and part-ownership of West Haven's Sawmill Road project for Frank Ruocco of Earth Technology Inc., Brancati was simultaneously helping Ruocco deal with the state's trash authority, the Connecticut Resources Recovery Authority.

Ruocco landed a series of sweetheart deals with CRRA for Earth Technology and one of Ruocco's other companies, SRS Transportation, starting in August 2000. A review of CRRA documents shows that Brancati faxed Earth Technology and SRS documents to the company's Hartford lawyer, who forwarded them to CRRA. And Ruocco's SRS listed its address as 555 Long Wharf Dr. in New Haven--an office building that then housed Brancati's consulting firm--until a CRRA letter came back, "attempted address not known." After that, a CRRA staffer noted, she changed the address to Earth Technology's, "per Sal Brancotti [sic]."

"Our dealings are not initiated by, nor is Sal part of Earth Technology or any of the other entities," Ruocco claims in an interview. "You can go and look at whatever corporate documentation you want, and you won't find Sal Brancati or Rich Borer or the governor. Whether or not he maybe said to somebody along the line, 'Hey, these guys did a good job'--I hope he did."

SRS' original 555 Long Wharf Dr. address "wasn't Sal's office address," Ruocco claims, pointing out that the building has many tenants. "It was going to be a sublease agreement that never came to fruition."

Asked why his companies faxed documents to Brancati, who then faxed them to the company's lawyers, Ruocco responds: "I have no idea." He declines to elaborate. "I'm trying to be very respectful," he says. "I don't want to just say no comment."

Nor could he say why CRRA records listed the address change as "per" Brancati.

Brancati couldn't be reached for comment. He previously claimed to the *Advocate* that he has never had a business relationship with Ruocco.

Brancati has already come under fire for conflicts of interest on the Sawmill deal: He represented the city as a \$175-an-hour consultant at one point, a company that's buying the property at another point; and he represented a property owner who allegedly lured away a major tenant from the Sawmill project. Until now, though, Mayor Richard Borer, who hired Brancati, said he saw no conflict.

When told of the CRRA documents that reflect Brancati's involvement with Ruocco's companies, though, even Borer expresses concern.

"In hindsight, I can just say I'm glad that [Earth Technology] didn't do the work," he says. "I can see the potential for a conflict of interest. But I didn't know anything about it then."

//
End:

TAB 10

CONNECTICUT RESOURCES RECOVERY AUTHORITY

March 2003 Monthly Customer MSW Deliveries

The following summarizes deliveries for the period ending March 31, 2003. Attached are individual, detailed reports on each of the four projects. The following table provides a summary of waste deliveries to each project.

Monthly Customer Delivery Report Member Municipal Solid Waste

Project	Monthly Tonnage			Fiscal Year-To-Date Tonnage		
	Mar 02	Mar 03	Growth	Mar 02	Mar 03	Growth
Bridgeport-CRRA ¹	44,103	49,502	12.2%	463,709	441,666	-4.8%
Bridgeport-Company ²	10,521	15,951	51.6%	64,436	100,407	55.8%
Bridgeport Total	54,625	65,454	19.8%	528,146	542,073	2.6%
Mid-Connecticut ³	66,666	72,987	9.5%	637,295	649,346	1.9%
Southeast-Member	12,177	14,002	15.0%	127,624	125,948	-1.3%
Southeast-Company	1,877	2,425	29.2%	21,078	15,789	-25.1%
Southeast Total	14,054	16,426	16.9%	148,702	141,736	-4.7%
Wallingford	12,704	13,345	5.0%	119,193	116,997	-1.8%

¹ Includes member, CRRA contract and diverted waste.

³ Includes member and contract municipalities.

² Includes in-state and out-of-state company customers.

The following items are noted:

- Member deliveries were up fairly significantly at all four projects for the month of March. The projects normally see increased deliveries during the spring months, however, this year's March deliveries were particularly high because of the harsher than normal February winter weather.
- CRRA staff has confirmed the problem driving the higher waste deliveries to the Wallingford Project for the Town of Hamden and lower deliveries for the Town of North Haven. A hauler had not properly permitted its trucks and was declaring North Haven waste as Hamden waste. The vehicle permitting issues are being corrected.
- Trumbull waste deliveries to the Bridgeport Project are down due to a hauler issue that the Town is addressing.
- Waste exports and diversions from the Mid-Connecticut Project for March 03 are down 37.2% compared to March 02.

BRIDGEPORT PROJECT

Municipal Solid Waste Tonnage

Bridgeport Project Member Towns

Town	Fiscal Year			Fiscal Year-To-Date			Monthly		
	2001	2002	Growth	Mar 02	Mar 03	Growth	Mar 02	Mar 03	Growth
Bethany	1,142	1,307	14%	1,028	1,081	5%	99	133	34%
Bridgeport	66,688	63,676	-5%	46,549	46,332	0%	4,859	5,075	4%
Darien	10,438	8,929	-14%	6,190	7,859	27%	649	1,061	64%
East Haven	11,924	13,206	11%	9,615	9,516	-1%	941	986	5%
Easton	2,662	2,615	-2%	1,947	2,045	5%	204	222	9%
Fairfield	40,907	38,333	-6%	28,350	29,874	5%	2,755	3,263	18%
Greenwich	49,096	49,261	0%	36,423	37,677	3%	3,878	4,096	6%
Milford	30,912	37,203	20%	25,770	31,124	21%	2,724	2,989	10%
Monroe	14,089	12,084	-14%	8,888	9,384	6%	890	1,017	14%
Norwalk	34,800	39,412	13%	29,167	27,984	-4%	2,927	2,928	0%
Orange	5,211	5,237	0%	3,884	3,963	2%	393	460	17%
Shelton	17,861	18,579	4%	13,658	14,039	3%	1,335	1,449	9%
Stratford	24,599	24,522	0%	17,760	18,492	4%	1,829	2,089	14%
Trumbull	21,385	23,976	12%	17,650	15,641	-11%	1,893	1,543	-18%
Weston	5,331	5,171	-3%	3,774	3,737	-1%	351	404	15%
Westport	15,934	16,410	3%	12,212	12,088	-1%	1,204	1,270	6%
Wilton	8,210	8,308	1%	6,154	6,321	3%	580	599	3%
Woodbridge	3,387	3,390	0%	2,500	2,655	6%	225	271	20%
SUBTOTAL MEMBER TOWNS	364,576	371,618	1.9%	271,520	279,813	3.1%	27,736	29,856	7.6%
Contract Total	248,692	219,507	-12%	159,170	132,303	-17%	14,809	17,672	19%
Diverted Total	2,829	43,842	1450%	33,019	29,550	-11%	1,558	1,974	27%
TOTAL CRRA (Member, Contract & Diverted)	616,097	634,966	3.1%	463,709	441,666	-4.8%	44,103	49,502	12.2%

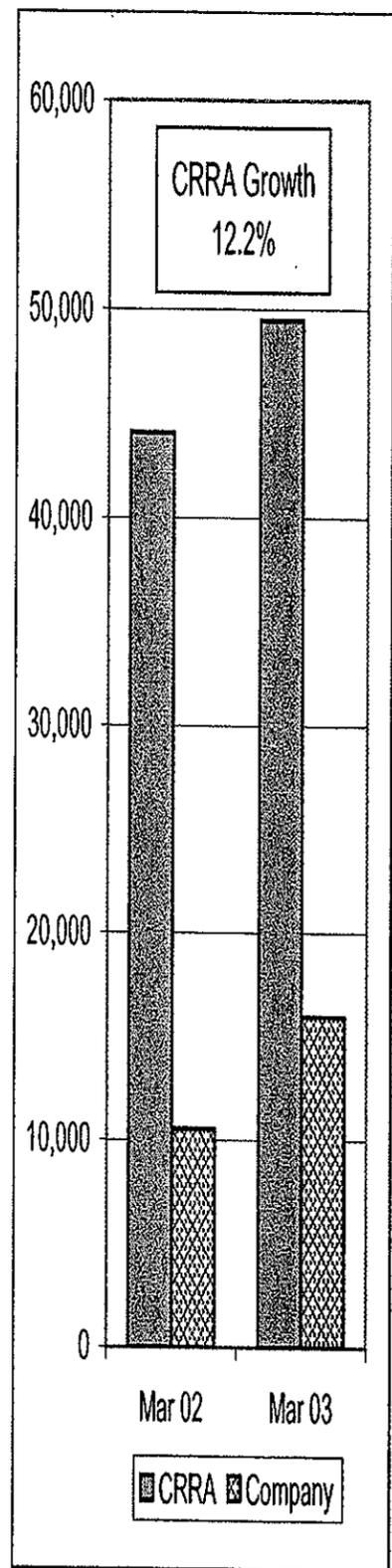
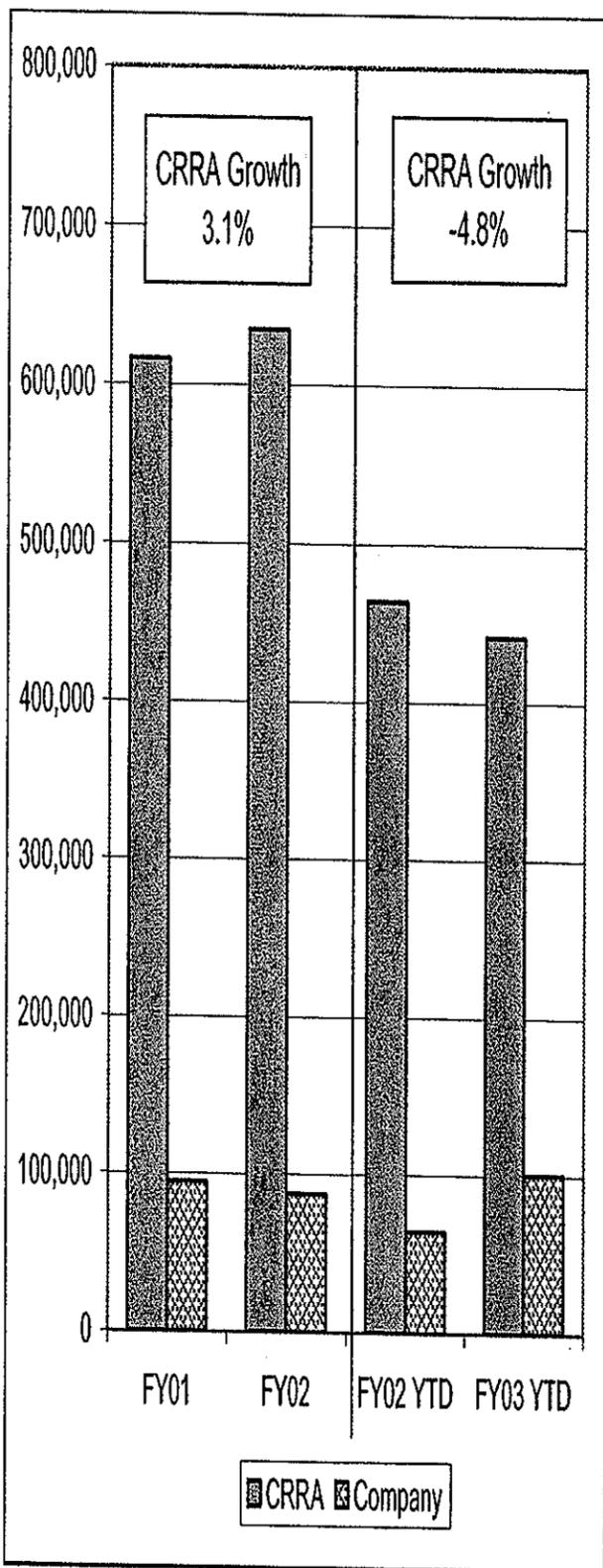
Bridgeport Project Company Spot Deliveries

Source	Fiscal Year			Fiscal Year-To-Date			Monthly		
	2001	2002	Growth	Mar 02	Mar 03	Growth	Mar 02	Mar 03	Growth
In-State	94,868	87,735	-8%	64,436	95,106	48%	10,521	12,624	20%
Out-Of-State	0	0	0%	0	5,301	0%	0	3,327	0%
TOTAL COMPANY SPOT	94,868	87,735	-7.5%	64,436	100,407	55.8%	10,521	15,951	51.6%

Bridgeport Project Total Deliveries

Source	Fiscal Year			Fiscal Year-To-Date			Monthly		
	2001	2002	Growth	Mar 02	Mar 03	Growth	Mar 02	Mar 03	Growth
CRRRA	616,097	634,966	3.1%	463,709	441,666	-4.8%	44,103	49,502	12.2%
Company	94,868	87,735	-7.5%	64,436	100,407	55.8%	10,521	15,951	51.6%
TOTAL TONNAGE	710,965	722,701	1.7%	528,146	542,073	2.6%	54,625	65,454	19.8%

Bridgeport Project Trends



MID-CONNECTICUT PROJECT

Municipal Solid Waste Tonnage

Mid-Connecticut Project Member Towns

Town	Fiscal Year			Fiscal Year-To-Date			Monthly		
	2001	2002	Growth	Mar 02	Mar 03	Growth	Mar 02	Mar 03	Growth
Beacon Falls	4,870	3,349	-31%	2,223	2,737	23%	267	414	55%
Bethlehem	2,086	2,106	1%	1,552	1,497	-4%	157	168	7%
Canton	5,439	5,547	2%	4,095	4,193	2%	445	476	7%
Chester	2,048	1,950	-5%	1,390	1,341	-3%	182	148	-19%
Clinton	10,205	11,264	10%	8,191	8,496	4%	827	886	7%
Colebrook	814	838	3%	617	660	7%	66	68	2%
Deep River	2,895	3,312	14%	2,438	2,319	-5%	262	260	-1%
East Granby	3,731	3,451	-8%	2,588	2,438	-6%	246	309	26%
East Hampton	6,435	8,446	31%	5,859	7,602	30%	726	886	22%
East Hartford	40,668	42,390	4%	31,386	30,913	-2%	3,204	3,840	20%
Ellington	7,315	7,830	7%	5,697	6,159	8%	613	682	11%
Enfield	34,512	36,399	5%	26,629	27,400	3%	2,835	3,024	7%
Essex	5,106	5,180	1%	3,801	3,822	1%	332	420	26%
Farmington	17,243	16,063	-7%	11,487	11,690	2%	1,118	1,421	27%
Glastonbury	21,030	20,960	0%	15,832	14,863	-6%	1,524	1,573	3%
Goshen	1,338	1,489	11%	1,089	1,326	22%	98	143	46%
Granby	5,536	5,702	3%	4,166	4,339	4%	420	465	11%
Hartford	115,720	124,654	8%	91,872	83,434	-9%	9,934	9,601	-3%
Harwington	2,347	2,356	0%	1,765	1,788	1%	189	174	-8%
Killingworth	2,649	2,605	-2%	1,934	1,964	2%	175	246	40%
Litchfield	5,789	5,812	0%	4,272	4,312	1%	414	451	9%
Lyme	859	889	4%	661	679	3%	61	71	16%
Middlebury	3,434	3,396	-1%	2,477	2,863	16%	252	282	12%
Naugatuck	25,333	28,451	12%	20,367	21,550	6%	1,964	2,553	30%
Newington	34,200	29,440	-14%	21,465	22,394	4%	2,245	2,611	16%
North Branford	8,729	8,098	-7%	5,970	6,210	4%	483	666	38%
Old Lyme	4,337	6,367	47%	4,617	3,454	-25%	483	323	-33%
Old Saybrook	16,765	17,733	6%	13,151	13,523	3%	1,185	1,538	30%
Oxford	3,853	4,415	15%	3,268	3,338	2%	366	369	1%
RRDD#1	14,518	14,888	3%	10,767	10,035	-7%	1,082	1,002	-7%
Rocky Hill	14,430	14,476	0%	10,616	10,790	2%	1,185	1,264	7%
Simsbury	14,743	14,823	1%	10,898	11,287	4%	1,116	1,204	8%
South Windsor	21,171	21,599	2%	15,806	18,002	14%	1,640	2,015	23%
Southbury	13,280	13,389	1%	9,941	9,815	-1%	1,033	1,060	3%
Thomaston	6,281	6,697	7%	4,827	4,272	-12%	620	481	-22%
Torrington	30,429	30,642	1%	22,387	25,531	14%	2,286	2,840	24%

Mid-Connecticut Project Member Towns (Continued)

Town	Fiscal Year			Fiscal Year-To-Date			Monthly		
	2001	2002	Growth	Mar 02	Mar 03	Growth	Mar 02	Mar 03	Growth
Vernon	21,123	20,216	-4%	14,861	15,431	4%	1,501	1,685	12%
Watertown	17,581	17,800	1%	12,983	13,621	5%	1,352	1,687	25%
West Hartford	45,972	47,449	3%	34,696	36,731	6%	3,519	3,953	12%
Westbrook	4,694	5,566	19%	3,878	5,244	35%	518	549	6%
Wethersfield	17,481	17,862	2%	12,639	13,523	7%	1,430	1,455	2%
Woodbury	5,842	5,959	2%	4,422	4,374	-1%	429	489	14%
TOTAL MEMBER TOWN	622,827	641,858	3.1%	469,579	475,964	1.4%	48,785	53,751	10.2%

Mid-Connecticut Project Contract Towns

Town	Fiscal Year			Fiscal Year-To-Date			Monthly		
	2001	2002	Growth	Mar 02	Mar 03	Growth	Mar 02	Mar 03	Growth
Avon	12,265	12,183	-1%	8,907	9,215	3%	932	987	6%
Bloomfield	11,866	13,917	17%	9,292	10,517	13%	1,201	1,136	-5%
Bolton	1,950	2,039	5%	1,505	1,508	0%	143	198	39%
Canaan	714	757	6%	575	554	-4%	55	57	5%
Cornwall	732	703	-4%	500	682	36%	41	61	47%
Coventry	4,168	3,780	-9%	2,825	2,912	3%	282	323	14%
Cromwell	13,547	13,953	3%	9,978	9,482	-5%	1,104	1,043	-6%
Durham/Middlefield	6,829	6,771	-1%	5,087	5,125	1%	559	665	19%
East Windsor	7,427	8,912	20%	7,237	4,638	-36%	455	561	23%
Guilford	0	4,548	0%	2,151	7,573	252%	700	748	7%
Haddam	3,733	3,747	0%	2,796	2,788	0%	259	320	24%
Hebron	4,009	3,999	0%	3,073	2,945	-4%	267	321	20%
Madison	0	4,371	0%	2,057	7,239	252%	634	812	28%
Manchester	43,418	41,918	-3%	31,443	31,141	-1%	3,209	3,508	9%
Marlborough	2,568	3,064	19%	2,128	2,714	28%	244	321	31%
Norfolk	909	951	5%	705	765	8%	74	80	7%
North Canaan	3,076	2,975	-3%	2,227	2,194	-1%	235	234	-1%
Portland	5,694	5,507	-3%	4,051	3,760	-7%	372	431	16%
Roxbury	992	1,035	4%	775	775	0%	71	81	14%
Salisbury/Sharon	5,617	5,336	-5%	3,991	3,917	-2%	319	363	14%
Suffield	6,866	7,239	5%	5,352	5,425	1%	509	611	20%
Tolland	5,834	5,918	1%	4,378	4,619	5%	466	482	3%
Waterbury	68,919	65,302	-5%	48,512	46,621	-4%	4,989	5,158	3%
Windsor Locks	10,887	10,745	-1%	8,169	6,275	-23%	761	734	-4%
TOTAL CONTRACT TOWN	222,021	229,667	3.4%	167,716	173,382	3.4%	17,881	19,236	7.6%

Mid-Connecticut Project Member & Contract Towns

Town	Fiscal Year			Fiscal Year-To-Date			Monthly		
	2001	2002	Growth	Mar 02	Mar 03	Growth	Mar 02	Mar 03	Growth
Member Towns	622,827	641,858	3.1%	469,579	475,964	1.4%	48,785	53,751	10.2%
Contract Towns	222,021	229,667	3.4%	167,716	173,382	3.4%	17,881	19,236	7.6%
TOTAL MEMBER & CONTRACT TOWN	844,848	871,526	3.2%	637,295	649,346	1.9%	66,666	72,987	9.5%

Mid-Connecticut Project In-State Spot

Town	Fiscal Year			Fiscal Year-To-Date			Monthly		
	2001	2002	Growth	Mar 02	Mar 03	Growth	Mar 02	Mar 03	Growth
Ashford	765	199	-74%	199	0	-100%	0	0	0%
Cheshire	0	468	0%	110	464	323%	110	5	-96%
Colchester	2,802	827	-70%	827	26	-97%	0	0	0%
CRRA Wallingford	15,829	3,185	-80%	3,061	0	-100%	754	0	-100%
Eastford	582	78	-87%	78	0	-100%	0	0	0%
Hamden	0	710	0%	229	669	192%	229	45	-80%
Lebanon	6	0	-100%	0	0	0%	0	0	0%
Meriden	0	487	0%	93	517	455%	93	3	-96%
New Haven	4,469	467	-90%	467	0	-100%	129	0	-100%
North Haven	0	501	0%	161	405	152%	161	21	-87%
Somers	71	0	-100%	0	28	0%	0	0	0%
Thompson	26	0	-100%	0	0	0%	0	0	0%
UConn/Storrs	7,079	7,885	11%	5,936	3,659	-38%	638	0	-100%
Union	207	83	-60%	83	0	-100%	0	0	0%
Wallingford	0	1,332	0%	235	1,585	576%	235	77	-67%
Willington	25	11	-58%	11	0	-100%	0	0	0%
Windsor	907	0	-100%	0	96	0%	0	7	0%
Woodstock	43	0	-100%	0	0	0%	0	0	0%
TOTAL IN-STATE SPOT	32,813	16,231	-50.5%	11,489	7,450	-35.2%	2,348	158	-93.3%

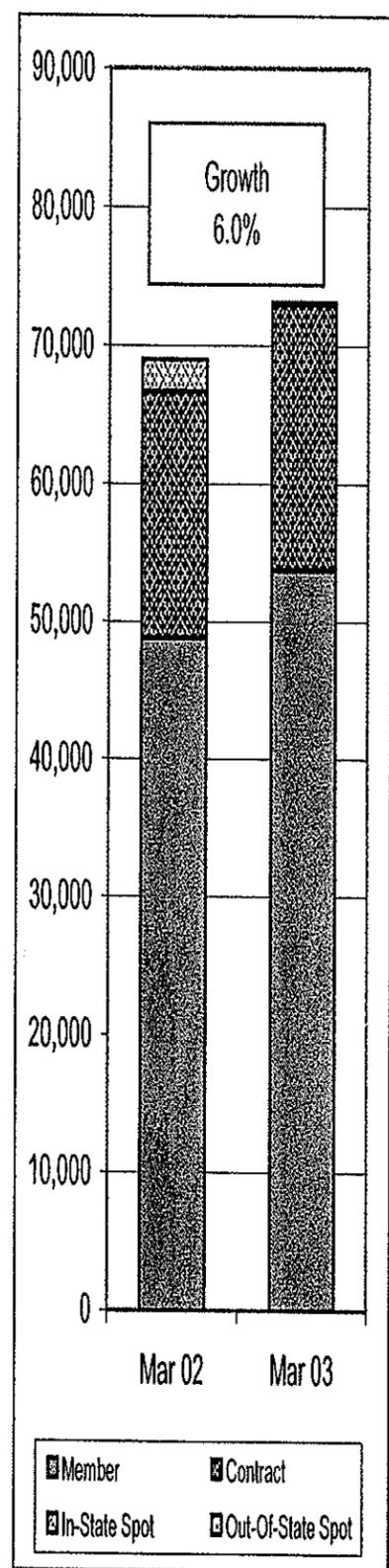
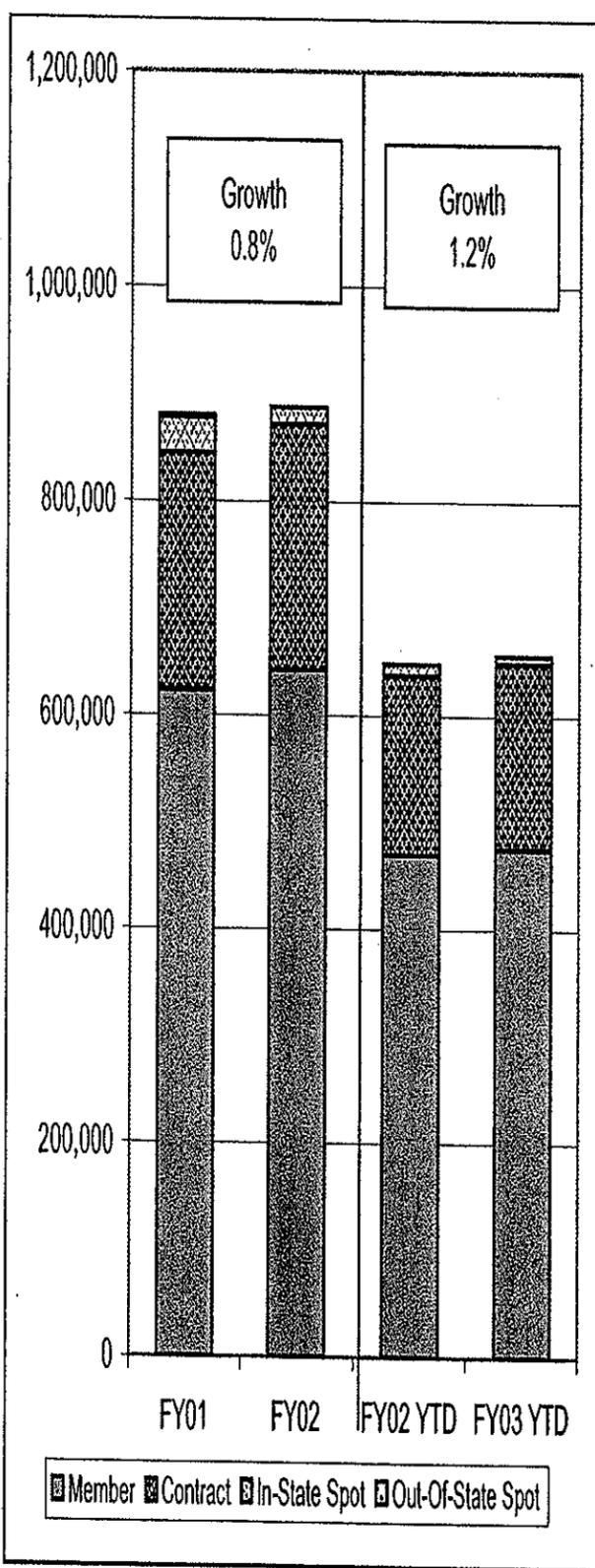
Mid-Connecticut Project Out-Of-State Spot

State	Fiscal Year			Fiscal Year-To-Date			Monthly		
	2001	2002	Growth	Mar 02	Mar 03	Growth	Mar 02	Mar 03	Growth
Massachusetts	3,014	0	-100%	0	62	0%	0	0	0%
New York	23	0	-100%	0	0	0%	0	0	0%
TOTAL OUT-OF-STATE SPOT	3,037	0	-100.0%	0	62	0.0%	0	0	0.0%

Mid-Connecticut Project Total Deliveries

Source	Fiscal Year			Fiscal Year-To-Date			Monthly		
	2001	2002	Growth	Mar 02	Mar 03	Growth	Mar 02	Mar 03	Growth
Member Towns	622,827	641,858	3.1%	469,579	475,964	1.4%	48,785	53,751	10.2%
Contract Towns	222,021	229,667	3.4%	167,716	173,382	3.4%	17,881	19,236	7.6%
In-State Spot	32,813	16,231	-50.5%	11,489	7,450	-35.2%	2,348	158	-93.3%
Out-of-State Spot	3,037	0	-100.0%	0	62	0.0%	0	0	0.0%
TOTAL TONNAGE	880,698	887,757	0.8%	648,784	656,857	1.2%	69,014	73,145	6.0%

Mid-Connecticut Project Trends



Mid-Connecticut Project Diversions And Exports

Type	Fiscal Year			Fiscal Year-To-Date			Monthly		
	2001	2002	Growth	Mar 02	Mar 03	Growth	Mar 02	Mar 03	Growth
Diversions	51,324	61,481	20%	46,762	37,094	-21%	2,770	3,443	24%
Exports	7,083	31,906	350%	17,504	26,244	50%	3,112	253	-92%
TOTAL TONNAGE	58,407	93,386	59.9%	64,266	63,338	-1.4%	5,882	3,696	-37.2%

SOUTHEAST PROJECT

Municipal Solid Waste Tonnage

Southeast Project Member Towns

Town	Fiscal Year			Fiscal Year-To-Date			Monthly		
	2001	2002	Growth	Mar 02	Mar 03	Growth	Mar 02	Mar 03	Growth
East Lyme	9,956	9,619	-3%	7,031	7,803	11%	660	810	23%
Griswold	5,418	5,219	-4%	3,815	4,081	7%	407	463	14%
Groton	30,768	31,202	1%	22,895	24,026	5%	2,420	2,787	15%
Ledyard	7,808	8,467	8%	6,159	6,087	-1%	647	648	0%
Montville	10,735	10,502	-2%	7,599	8,201	8%	800	863	8%
Radgowski/Corrigan	570	644	13%	484	482	0%	50	47	-5%
Mohegan Sun Resort	4,369	6,796	56%	4,793	6,667	39%	572	761	33%
New London	19,673	20,895	6%	14,764	17,981	22%	1,653	1,985	20%
N. Stonington	2,519	3,009	19%	2,235	2,353	5%	214	282	32%
Norwich	27,073	28,947	7%	21,131	23,811	13%	2,273	2,767	22%
Sprague	2,266	2,349	4%	1,762	1,725	-2%	197	191	-3%
Stonington	13,891	13,893	0%	10,226	10,439	2%	1,049	1,065	2%
Waterford	15,555	15,165	-3%	11,151	11,126	0%	1,123	1,208	8%
Guilford/Madison	25,862	12,697	-51%	12,697	0	0%	0	0	0%
Fisher Island	304	301	-1%	239	269	13%	12	12	-41%
Ct Niantic	433	909	110%	643	897	40%	99	112	1343%
TOTAL MEMBER TOWN	177,200	170,614	-3.7%	127,624	125,948	-1.3%	12,177	14,002	15.0%

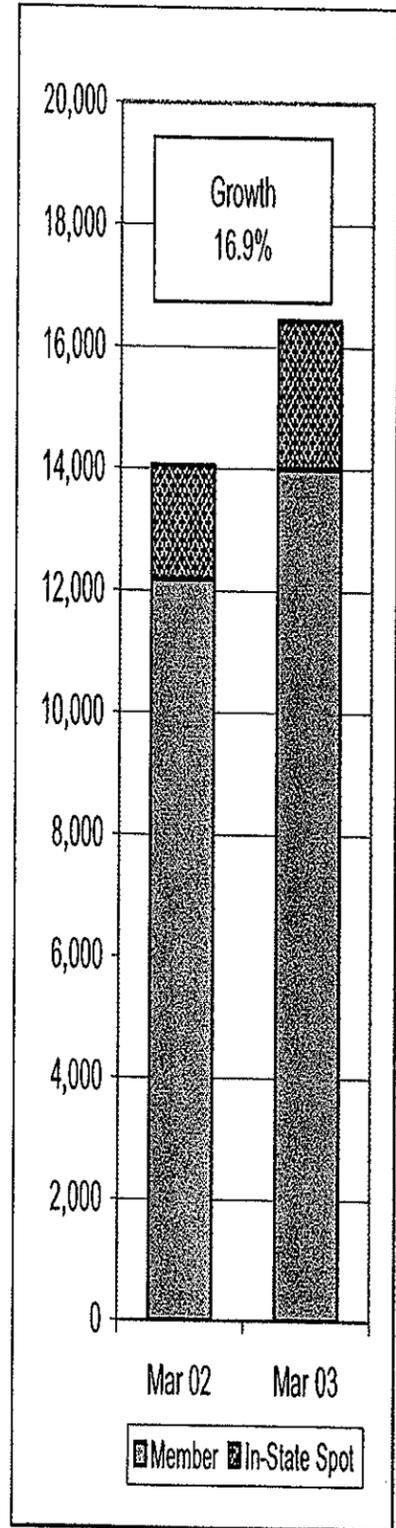
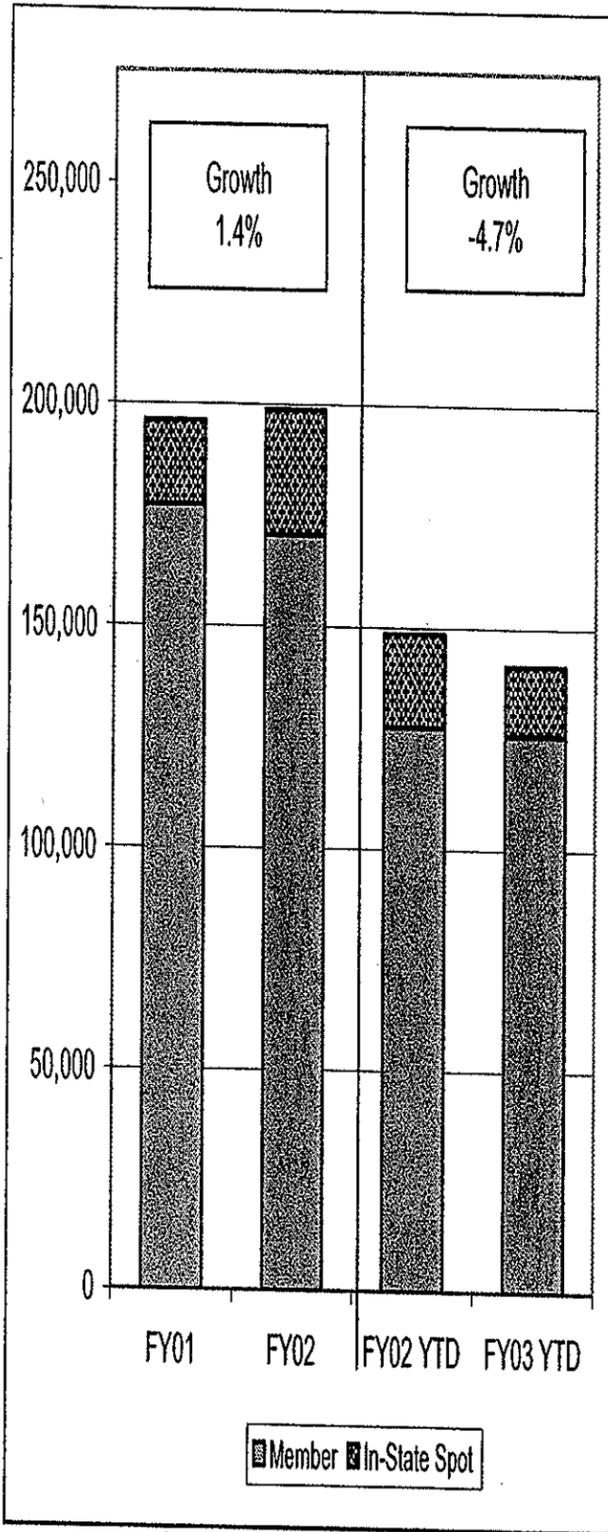
Southeast Project In-State Spot

Town	Fiscal Year			Fiscal Year-To-Date			Monthly		
	2001	2002	Growth	Mar 02	Mar 03	Growth	Mar 02	Mar 03	Growth
CRRA	7,366	15,853	115%	11,989	6,842	-43%	975	1,509	55%
Mansfield	6,883	7,062	3%	5,237	4,643	-11%	498	499	0%
Preston	2,904	3,180	10%	2,331	2,640	13%	243	239	-2%
Salem	765	1,029	34%	735	957	30%	72	90	25%
Killingly	1,019	1,078	6%	786	707	-10%	88	87	-1%
TOTAL IN-STATE SPOT	18,936	28,202	48.9%	21,078	15,789	-25.1%	1,877	2,425	29.2%

Southeast Project Member Towns And In-State Spot

Source	Fiscal Year			Fiscal Year-To-Date			Monthly		
	2001	2002	Growth	Mar 02	Mar 03	Growth	Mar 02	Mar 03	Growth
Member Towns	177,200	170,614	-4%	127,624	125,948	-1%	12,177	14,002	15%
In-State Spot	18,936	28,202	49%	21,078	15,789	-25%	1,877	2,425	29%
TOTAL MEMBER & IN-STATE SPOT	196,137	198,816	1.4%	148,702	141,736	-4.7%	14,054	16,426	16.9%

Southeast Project Trends



Southeast Project Company Deliveries

Source	Fiscal Year			Fiscal Year-To-Date			Monthly		
	2001	2002	Growth	Mar 02	Mar 03	Growth	Mar 02	Mar 03	Growth
Various	43,204	47,744	11%	30,709	51,197	67%	4,321	8,258	91%
TOTAL COMPANY	43,204	47,744	10.5%	30,709	51,197	66.7%	4,321	8,258	91.1%

Southeast Project Total Deliveries

Source	Fiscal Year			Fiscal Year-To-Date			Monthly		
	2001	2002	Growth	Mar 02	Mar 03	Growth	Mar 02	Mar 03	Growth
Member Towns	177,200	170,614	-4%	127,624	125,948	-1%	12,177	14,002	15%
In-State Spot	18,936	28,202	49%	21,078	15,789	-25%	1,877	2,425	29%
Company Deliveries	43,204	47,744	11%	30,709	51,197	67%	4,321	8,258	91%
TOTAL TONNAGE	239,340	246,560	3.0%	179,411	192,934	7.5%	18,375	24,684	34.3%

WALLINGFORD PROJECT Municipal Solid Waste Tonnage

Wallingford Project Member Towns⁽¹⁾

Town	Fiscal Year			Fiscal Year-To-Date			Monthly		
	2001	2002	Growth	Mar 02	Mar 03	Growth	Mar 02	Mar 03	Growth
Cheshire	19,472	24,484	26%	17,987	15,355	-15%	1,948	1,613	-17%
Hamden	28,136	28,496	1%	20,660	26,734	29%	2,217	3,199	44%
Meriden	29,633	32,761	11%	24,183	24,898	3%	2,628	3,015	15%
North Haven	22,124	31,665	43%	24,256	16,923	-30%	2,295	1,938	-16%
Wallingford	37,004	37,306	1%	26,564	31,537	19%	2,579	3,439	33%
Diverted Waste ⁽²⁾	15,815	3,163	-80%	3,061	0	-100%	754	0	-100%
TOTAL MEMBER TOWN	152,184	157,876	3.7%	116,711	115,448	-1.1%	12,422	13,205	6.3%

(1) As of March 2002, member tonnage includes deliveries diverted to other projects.

(2) Accounts for member deliveries diverted to other projects.

Wallingford Project In-State Spot

Town	Fiscal Year			Fiscal Year-To-Date			Monthly		
	2001	2002	Growth	Mar 02	Mar 03	Growth	Mar 02	Mar 03	Growth
Bloomfield	0	0	-100%	0	0	0%	0	0	0%
Enfield	27	65	142%	49	22	-55%	7	7	3%
Hartford	9	1	-87%	1	4	223%	0	2	532%
Covanta Spot	0	153	0%	112	63	-43%	13	0	-100%
Havervill Plant	188	0	-100%	0	0	0%	0	0	0%
Manchester	0	0	0%	0	0	0%	0	0	0%
Mid-Ct By Pass	1,748	0	-100%	0	155	0%	0	0	0%
New Haven	4,064	3,270	-20%	2,310	1,302	-44%	261	131	-50%
Rocky Hill	0	1	4950%	0	0	0%	0	0	0%
Southington	0	0	0%	0	0	0%	0	0	0%
Waterbury	0	10	0%	10	0	-100%	0	0	0%
TOTAL IN-STATE SPOT	6,036	3,500	-42.0%	2,482	1,547	-37.7%	282	140	-50.4%

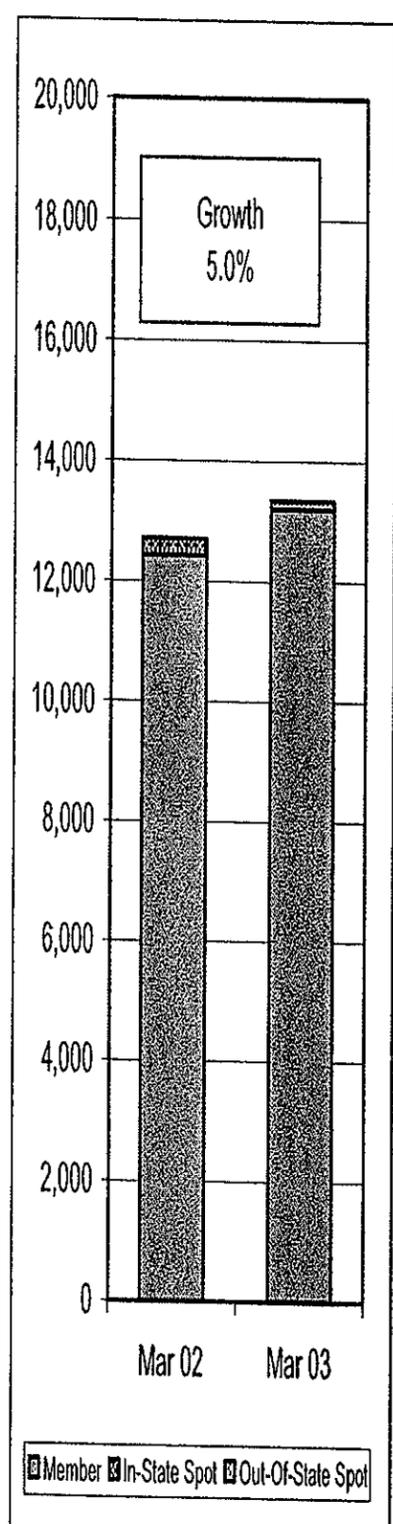
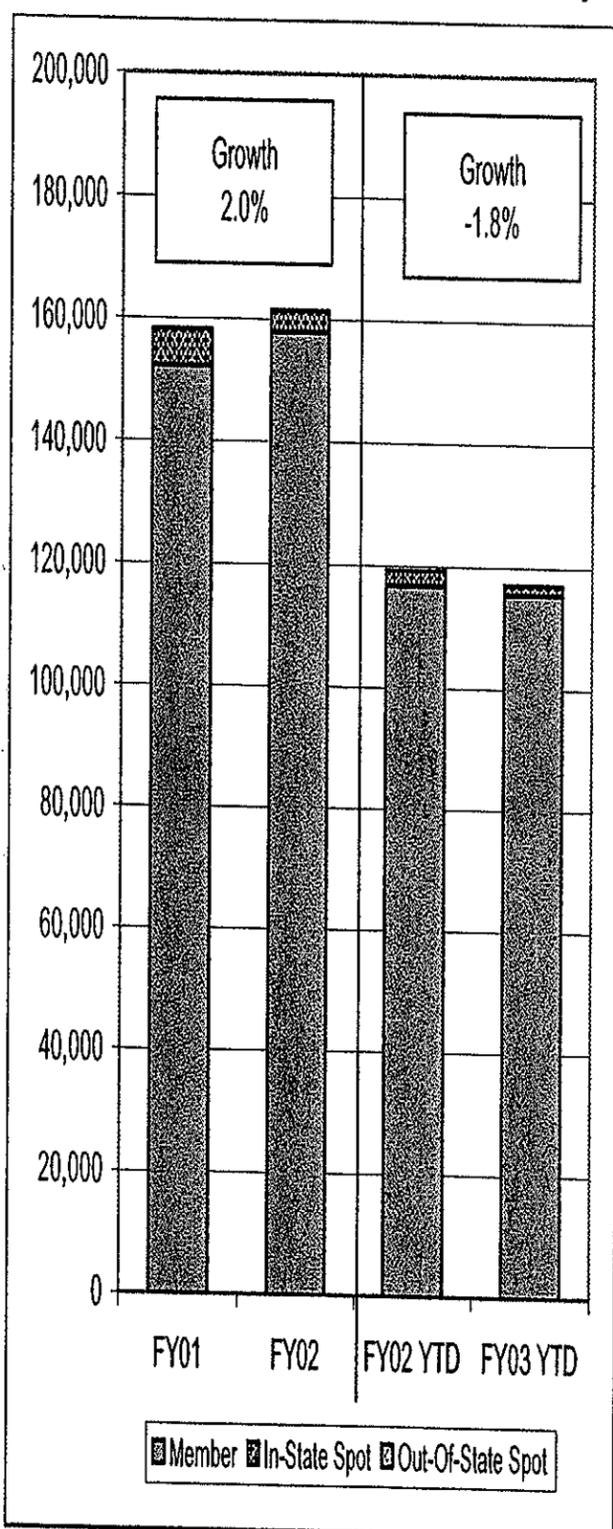
Wallingford Project Out-Of-State Spot

Town	Fiscal Year			Fiscal Year-To-Date			Monthly		
	2001	2002	Growth	Mar 02	Mar 03	Growth	Mar 02	Mar 03	Growth
Massachusetts	0	1	0%	0	1	105%	0	0	0%
New York	0	0	0%	0	0	0%	0	0	0%
TOTAL OUT-OF-STATE SPOT	0	1	0.0%	0	1	105.4%	0	0	0.0%

Wallingford Project Total Deliveries

Source	Fiscal Year			Fiscal Year-To-Date			Monthly		
	2001	2002	Growth	Mar 02	Mar 03	Growth	Mar 02	Mar 03	Growth
Member Towns(1)	152,184	157,876	3.7%	116,711	115,448	-1.1%	12,422	13,205	6.3%
In-State Spot	6,036	3,500	-42.0%	2,482	1,547	-37.7%	282	140	-50.4%
Out-Of-State Spot	0	1	0.0%	0	1	105.4%	0	0	0.0%
TOTAL TONNAGE	158,221	161,376	2.0%	119,193	116,997	-1.8%	12,704	13,345	5.0%

Wallingford Project Trends



Wallingford Project Diversions And Exports

Type	Fiscal Year			Fiscal Year-To-Date			Monthly		
	2001	2002	Growth	Mar 02	Mar 03	Growth	Mar 02	Mar 03	Growth
Diversions	15,815	6,660	-58%	3,061	3,641	19%	754	151	-80%
Exports	5,606	10,166	81%	7,147	2,575	-64%	0	0	0%
TOTAL	21,421	16,826	-21.5%	10,208	6,216	-39.1%	754	151	-80.0%

TAB 11

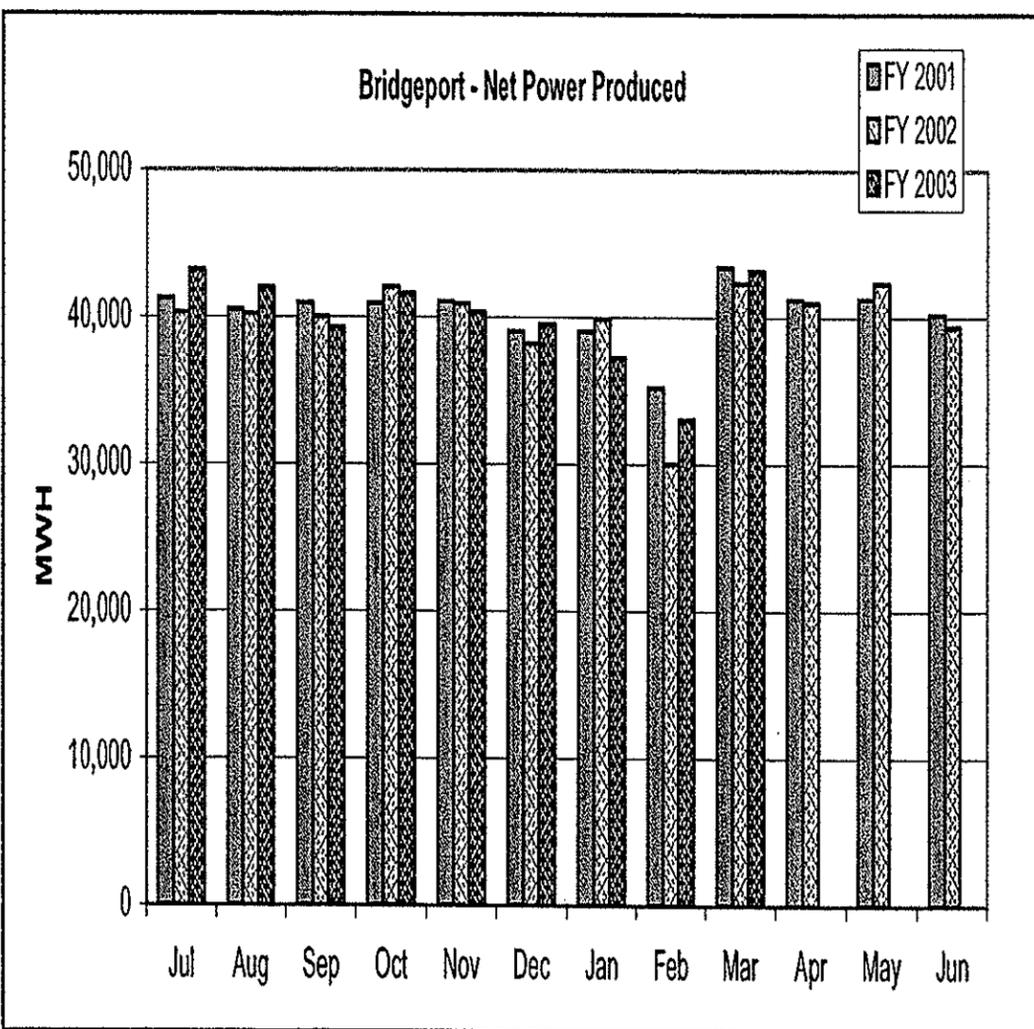
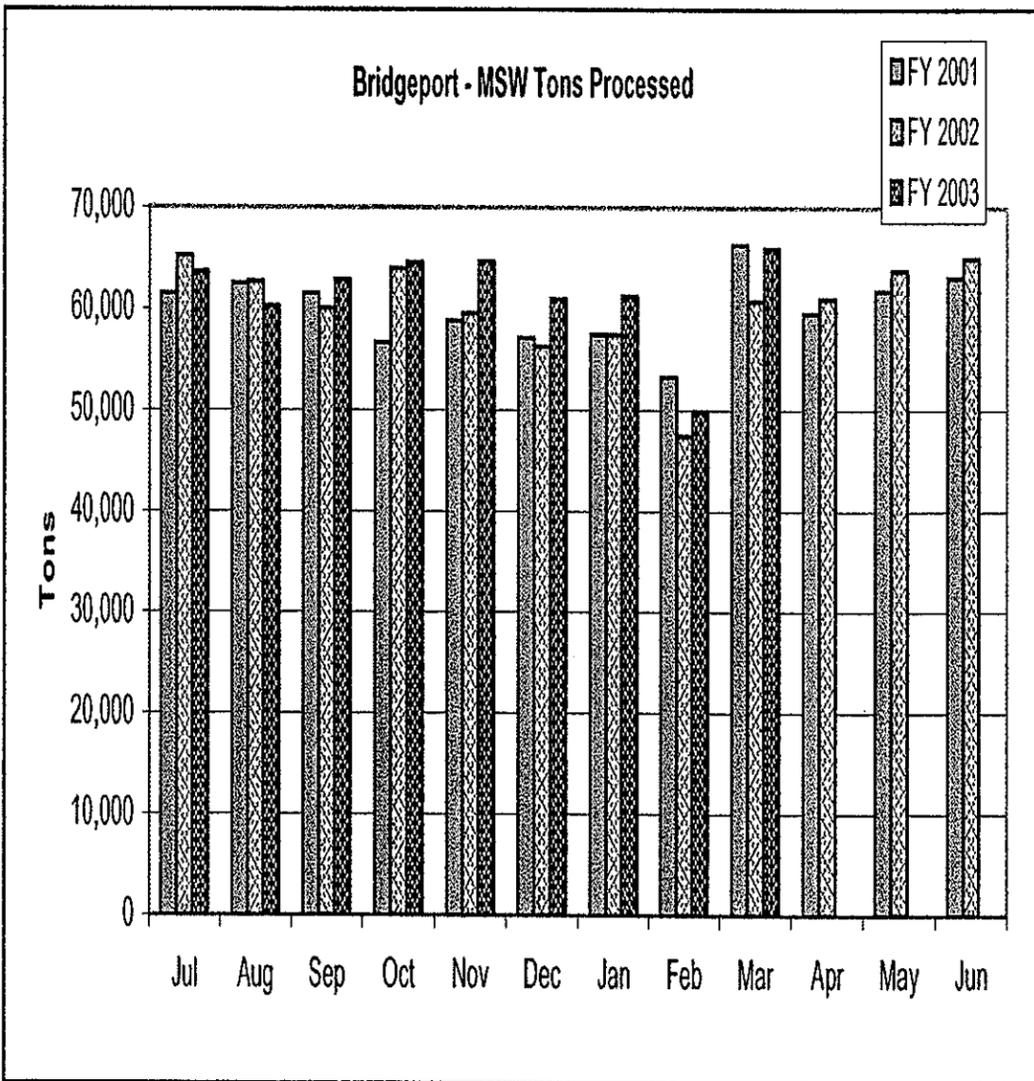
CONNECTICUT RESOURCES RECOVERY AUTHORITY

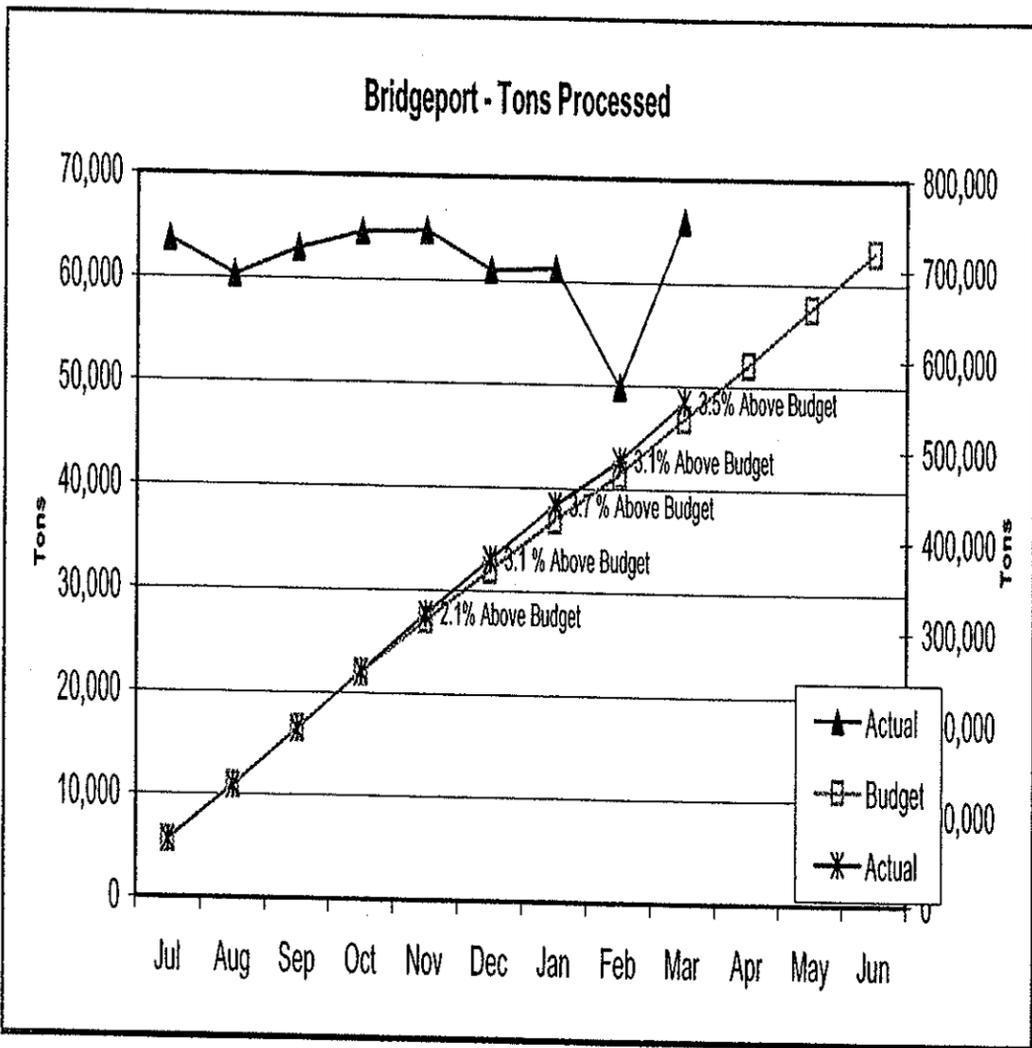
March 2003 Monthly Operational Summary

The following provides a summary of the operations of the four waste-to energy projects and the South Meadow Station's jet turbines for the period ending March 31, 2003. The tables provide monthly summaries of key operating parameters for each of the projects. The most recent 12-month total operating data is also provided for the period April 2002 through March 2003. The information presented in these tables has been obtained from daily and monthly reports provided to CRRA by facility operators.

BRIDGEPORT PROJECT

Item	March			12-Month Total Ending March 31, 2003		
	2002	2003	Change	2002	2003	Change
Tons MSW Processed	60,736	65,948	8.6%	717,841	743,910	3.6%
Steam (klbs)	413,003	423,298	2.5%	4,699,452	4,719,852	0.4%
(% MCR)	96.6%	99.0%		93.3%	93.7%	
Power Net (MWhr)	42,345	43,179	2.0%	476,642	482,366	1.2%





Unscheduled Downtime

March	Boiler	Duration	Reason
29	1	2 Hrs.	Trubine trip
29	2	1 Hr.	Trubine trip
29	3	1 Hr.	Trubine trip

Scheduled Downtime

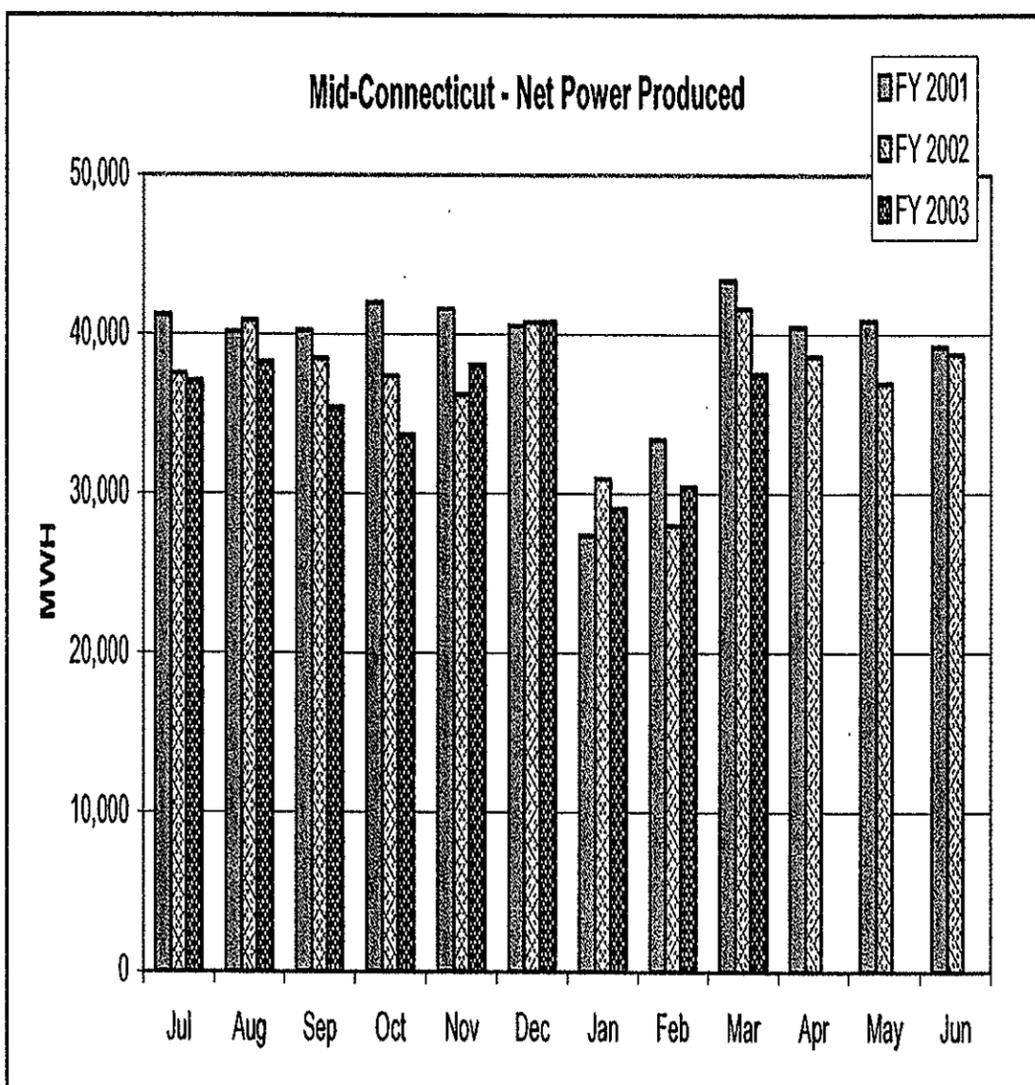
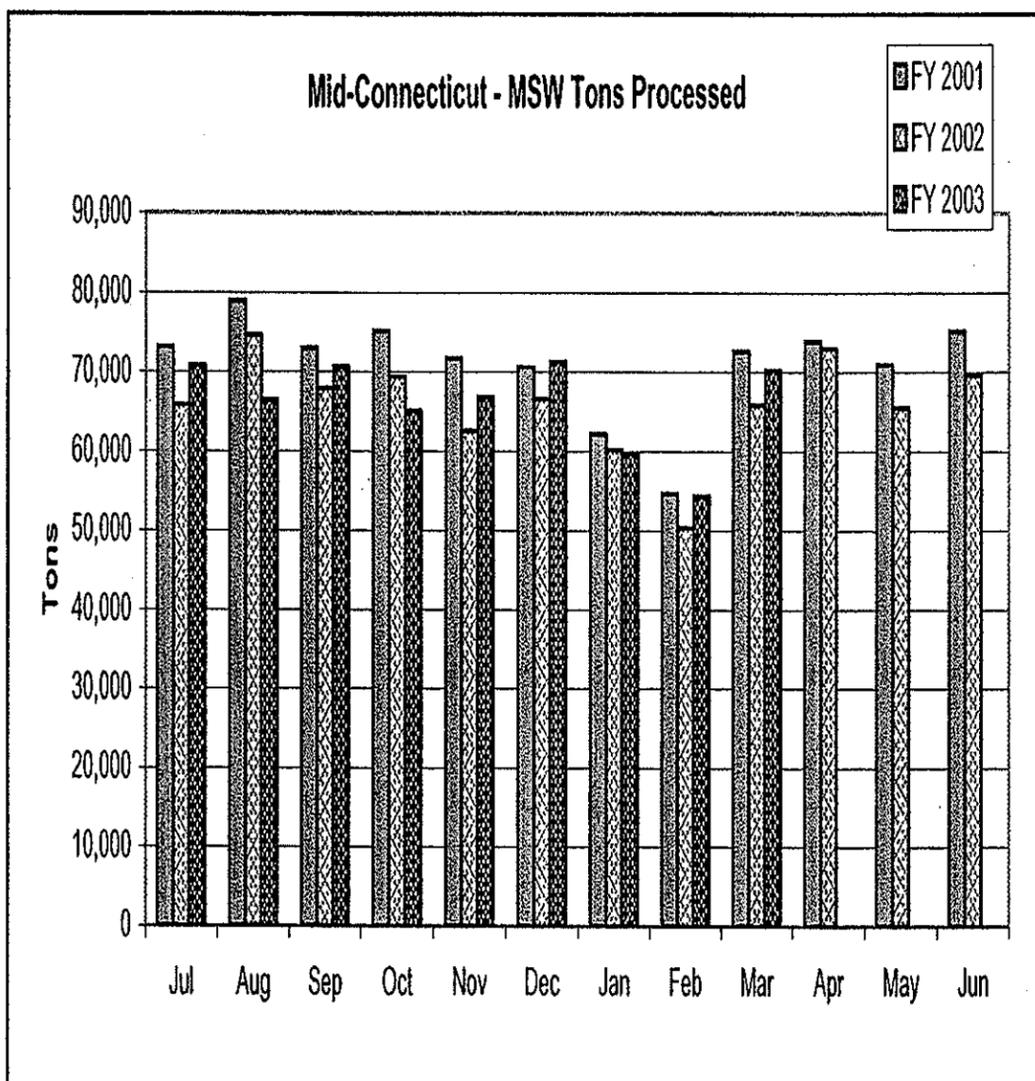
March	Boiler	Duration	Work Performed
None			

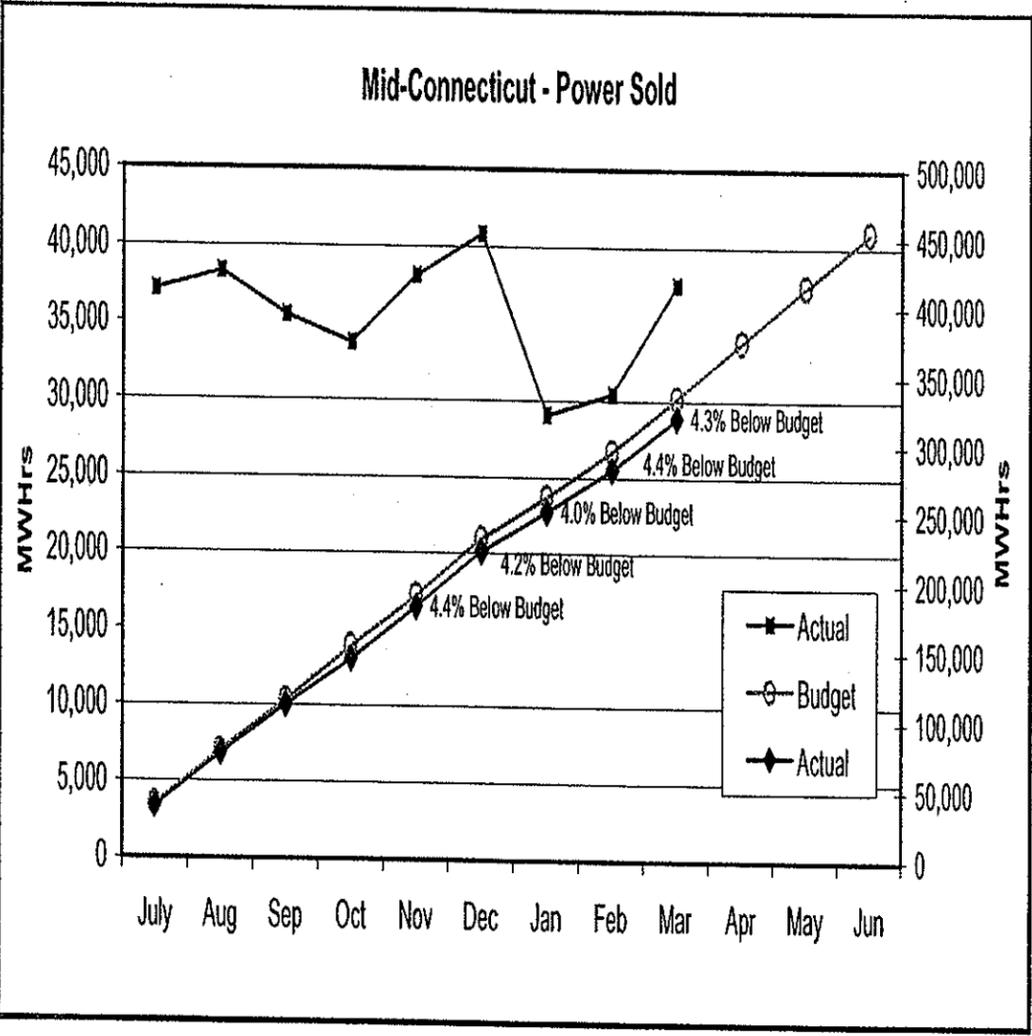
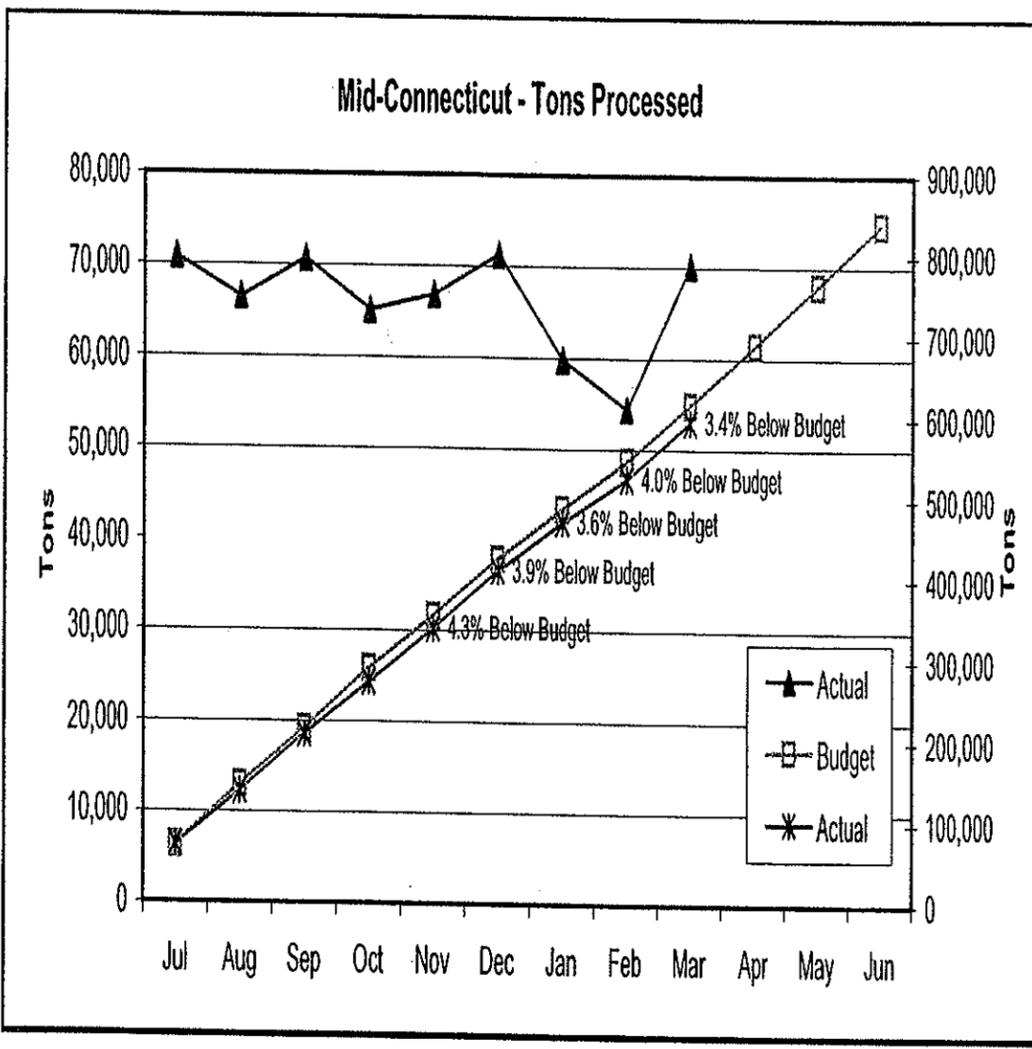
Unit Capacity Factors

March	Boiler 1	Boiler2	Boiler 3
	99%	99%	99%

MID-CONNECTICUT PROJECT

Item	March			12-Month Total Ending March 31, 2003		
	2002	2003	Change	2002	2003	Change
Tons MSW Processed	65,820	70,232	6.7%	803,522	803,821	0.0%
Steam (klbs)	489,216	440,135	-10.0%	5,399,671	5,265,784	-2.5%
(% MCR)	94.9%	85.4%		88.9%	86.7%	
Power Net MWhr)	41,626	37,524	-9.9%	452,372	434,806	-3.9%





Unscheduled Downtime

March	Boiler	Duration	Reason
19-20	11	18 Hrs.	Broken Grate Bar
30-31	12	32.5 Hrs.	Waterwall tube leak.
30-31	13	2.5 Hrs.	Submerged Scraper Conveyor derail.

Scheduled Downtime

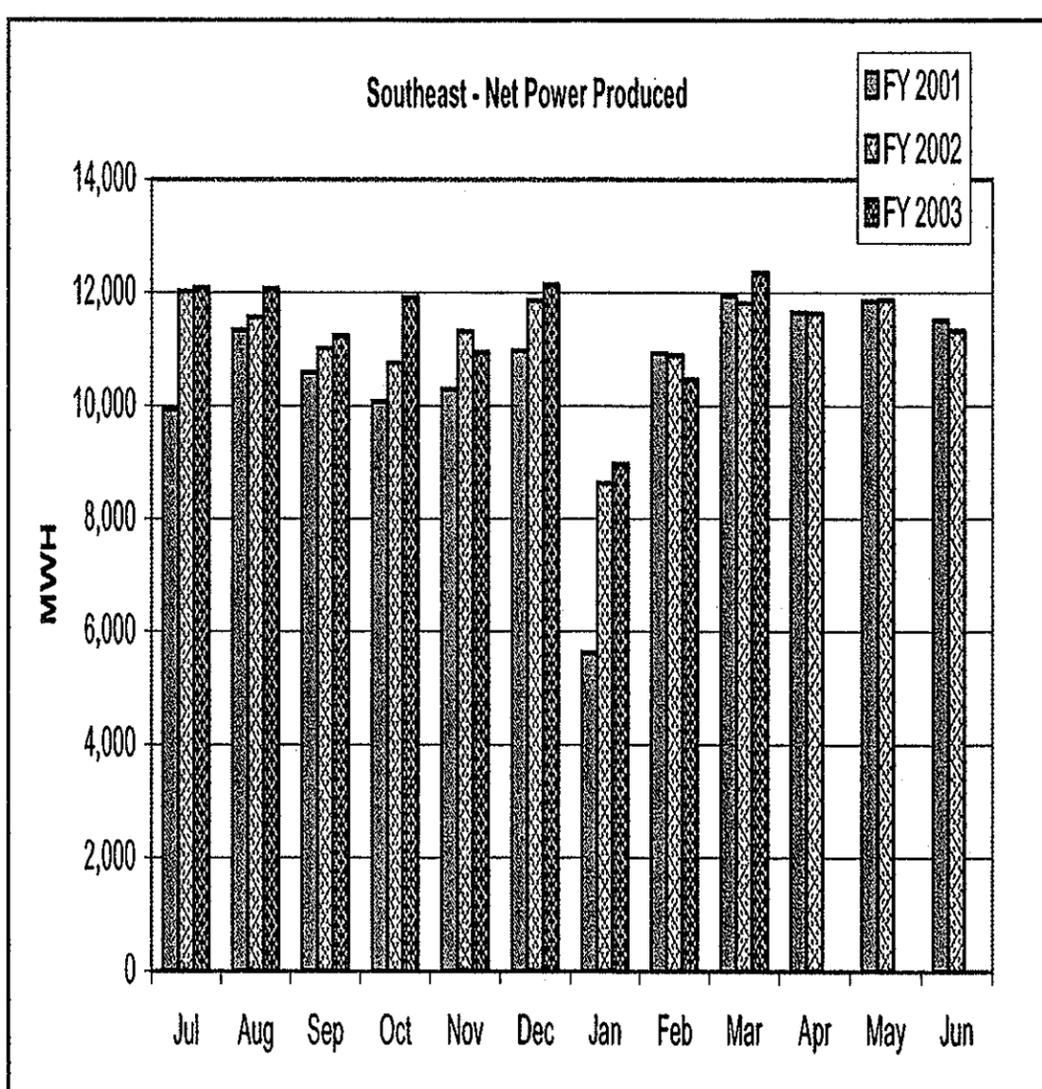
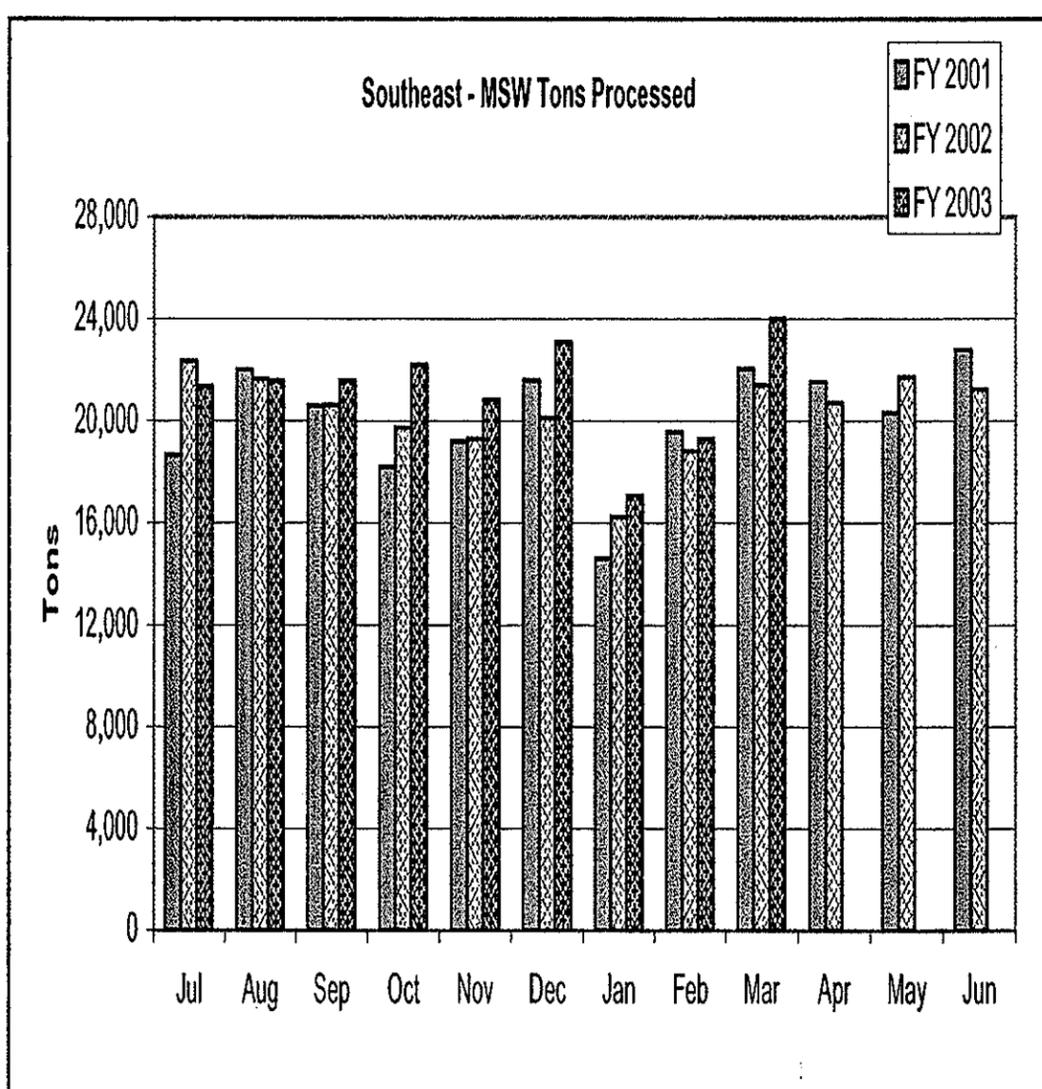
March	Boiler	Duration	Work Performed
1-9	13	210 Hrs.	Scheduled outage maintenance

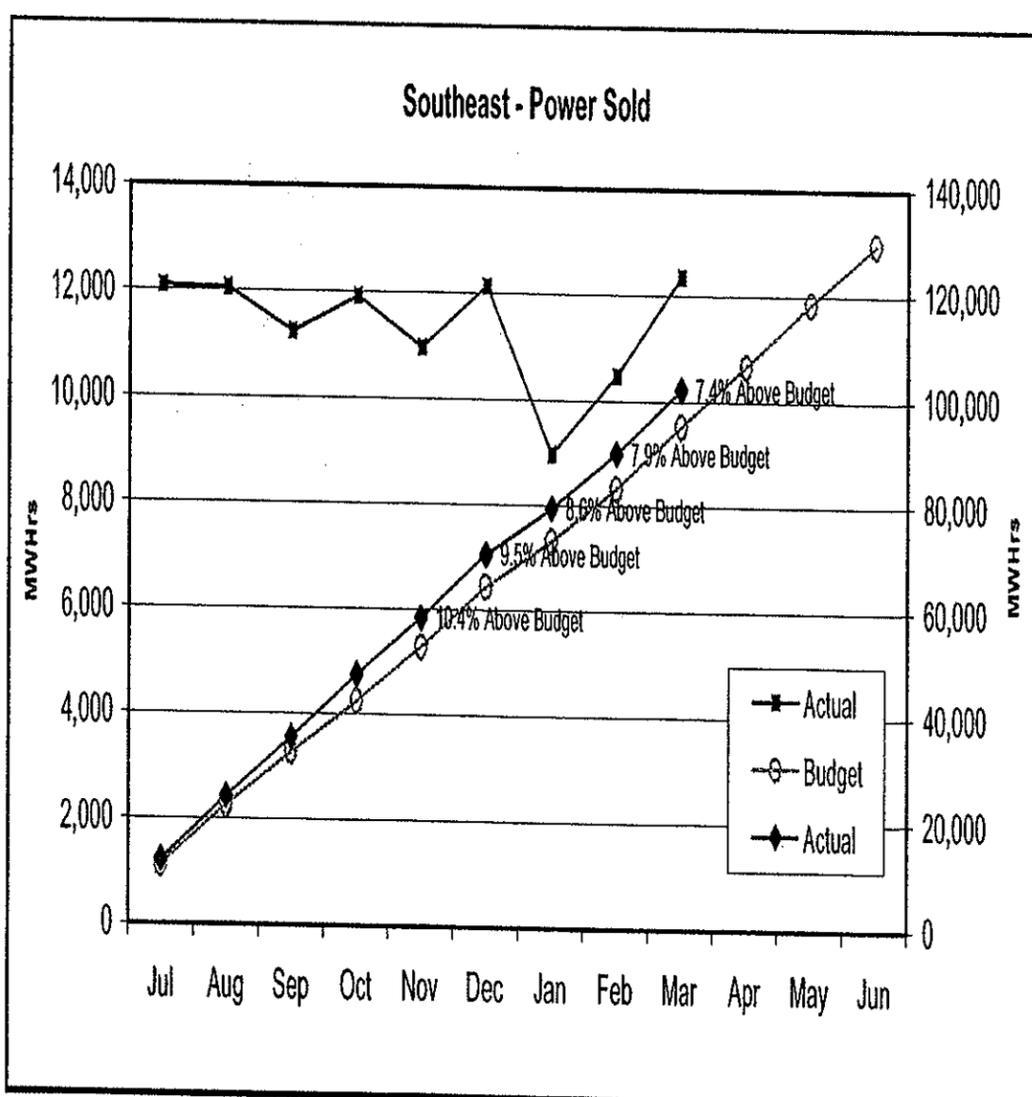
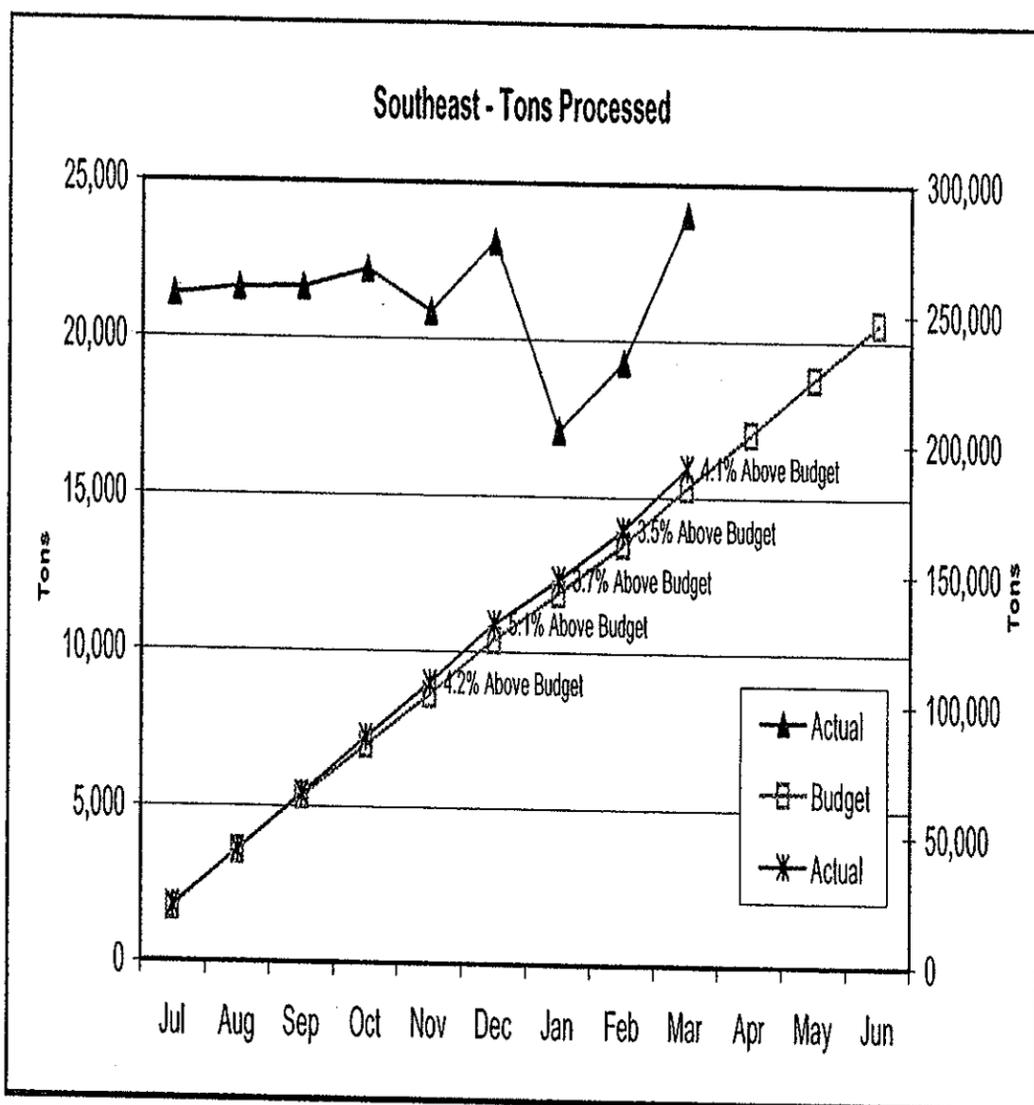
Unit Capacity Factors (%)

March	Boiler 1	Boiler 2	Boiler 3
	92%	94%	70%

SOUTHEAST (PRESTON) PROJECT

Item	March			12-Month Total Ending March 31, 2003		
	2002	2003	Change	2002	2003	Change
Tons MSW Processed	21,416	24,040	12.3%	245,089	254,898	4.0%
Steam (klbs)	129,498	136,395	5.3%	1,484,048	1,512,865	1.9%
(% MCR)	94.9%	99.9%		92.3%	94.1%	
Power Net MWhr)	11,817	12,352	4.5%	134,876	136,997	1.6%





Unscheduled Downtime

March	Boiler	Duration	Reason
8	2	5.25 Hrs.	ID Fan Failure

Scheduled Downtime

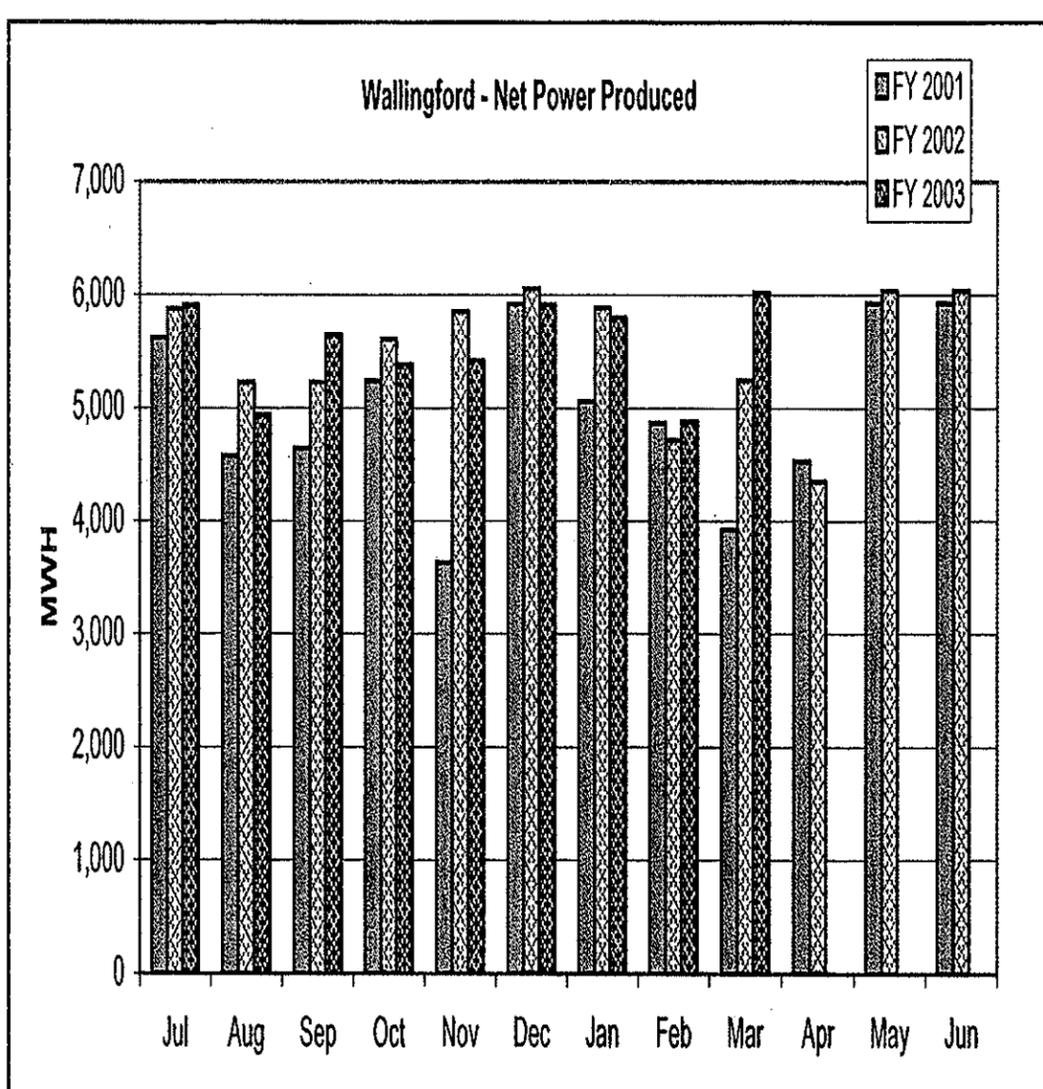
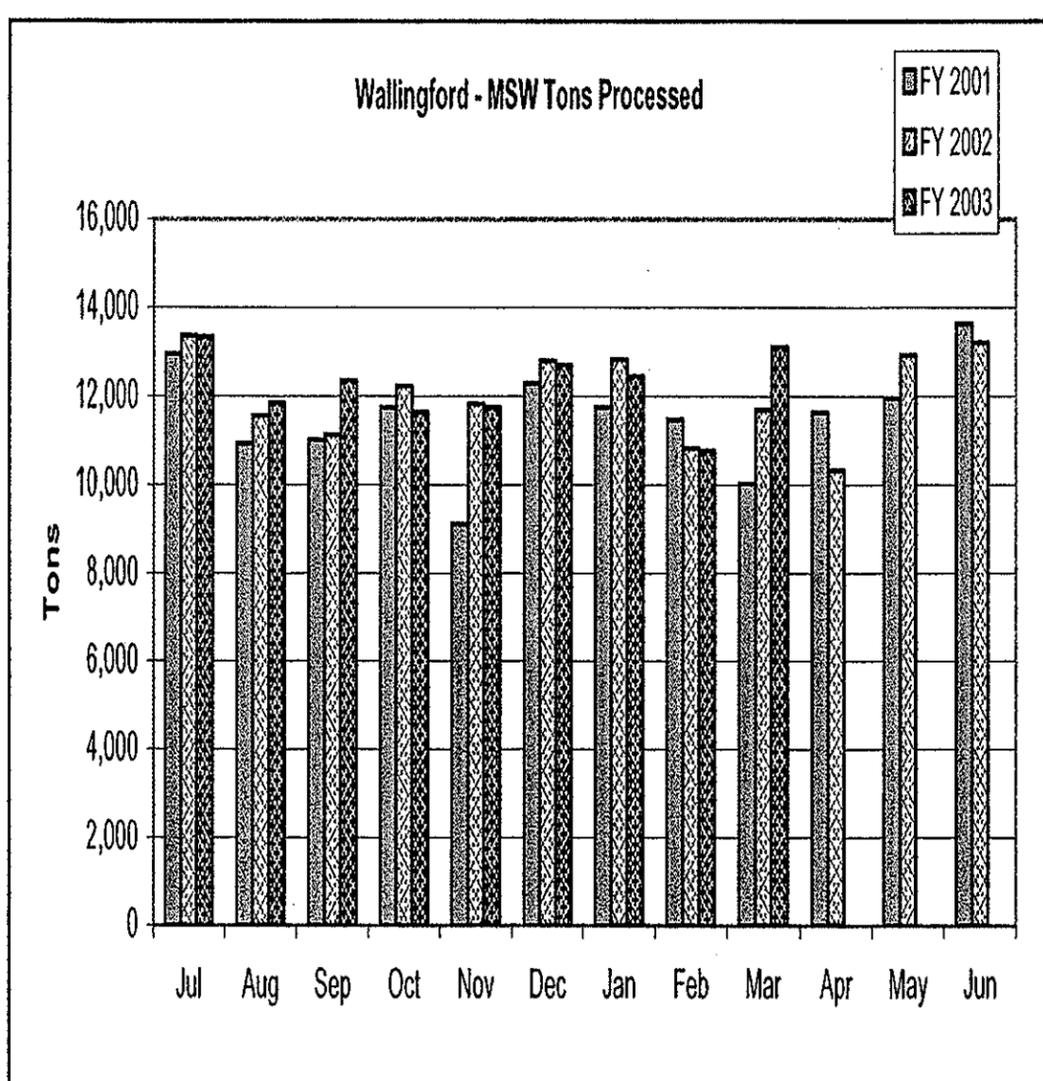
March	Boiler	Duration	Work Performed
None			

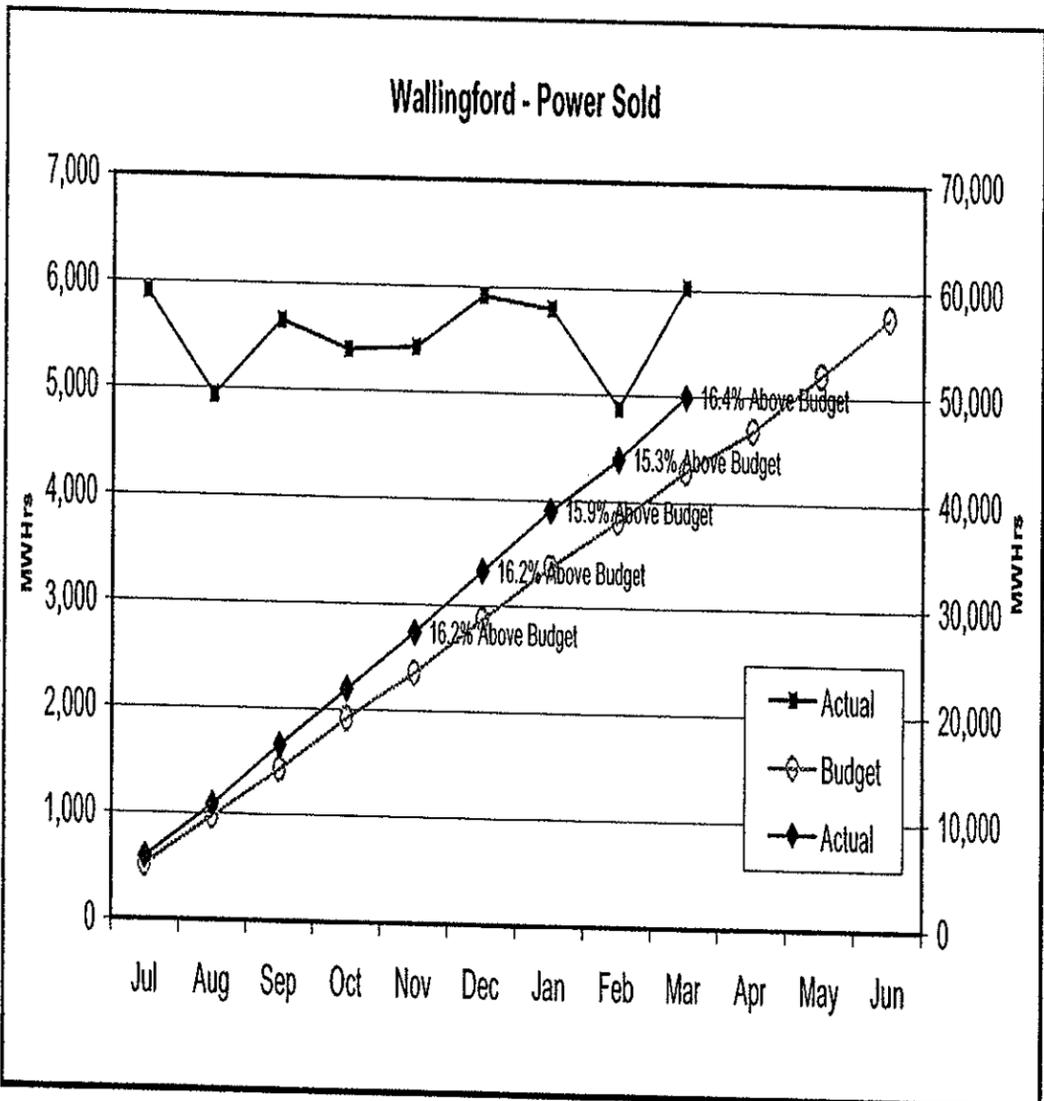
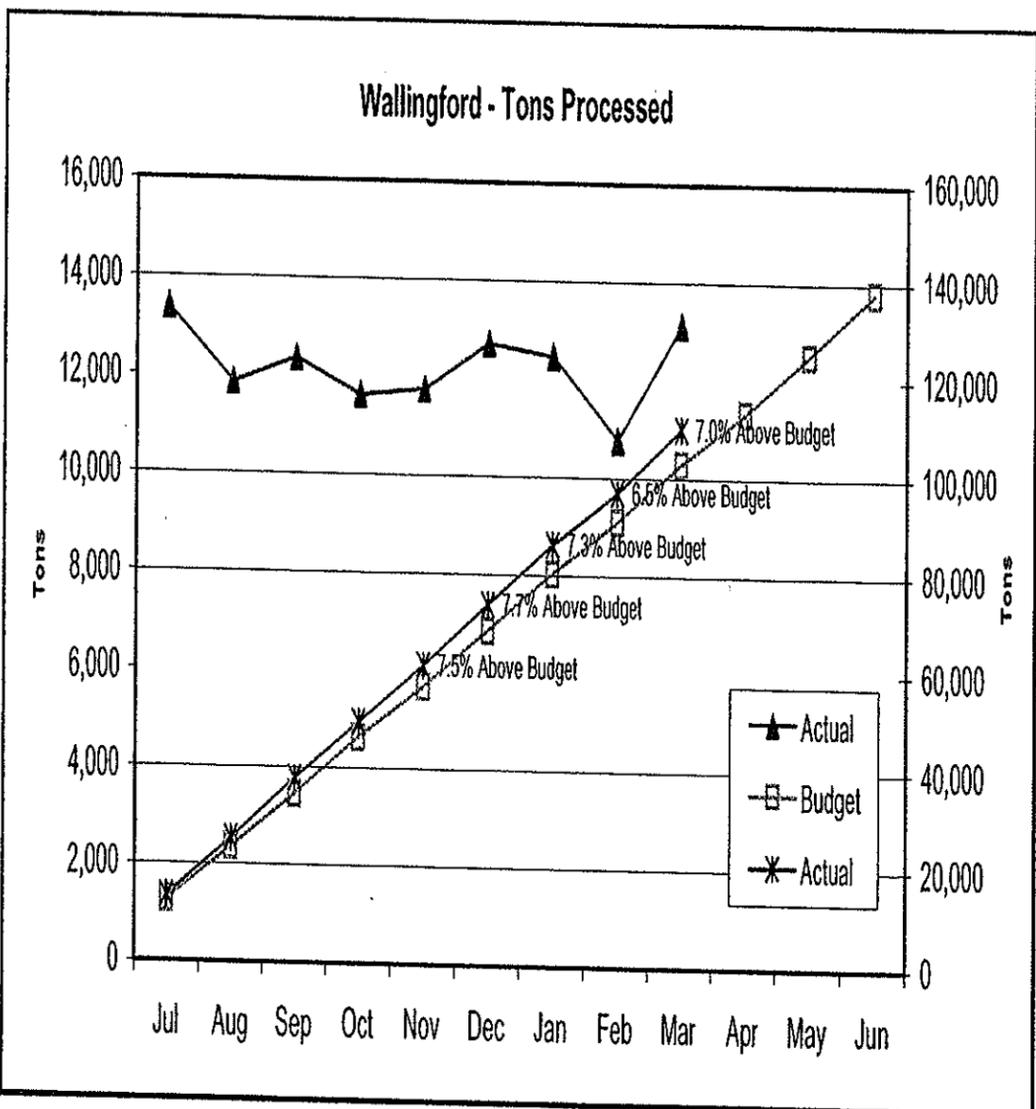
Unit Capacity Factors (%)

March	Boiler 1	Boiler2
	100%	100%

WALLINGFORD PROJECT

Item	March			12-Month Total Ending March 31, 2003		
	2002	2003	Change	2002	2003	Change
Tons MSW Processed	11,695	13,123	12.2%	145,486	146,492	0.7%
Steam (klbs)	70,780	80,629	13.9%	889,515	900,534	1.2%
(% MCR)	88.7%	101.1%		94.7%	95.9%	
Power Net (MWhr)	5,249	6,022	14.7%	66,084	66,338	0.4%





Unscheduled Downtime

Month	Boiler	Duration	Reason
March			
None			

Scheduled Downtime

Month	Boiler	Duration	Work Performed
11 - 13	3	66 Hrs.	Boiler cleaning, inspections and minor work
31	2	1 Hr.	Boiler cleaning, inspections and minor work

Unit Capacity Factors (%)

Month	Boiler 1	Boiler 2	Boiler 3
March	104%	102%	97%

SOUTH MEADOW JETS

During the month of March, the units were called to operate on four occasions. The jets produced a total of 1,626 MWH while operating approximately 9.1 hours. For March, the units generated net revenue of approximately \$152,000 compared to initial projections of approximately \$80,000.