

**CRRA
BOARD MEETING
JUNE 19, 2003**



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

June 13, 2003

TO: CRRA Board of Directors
FROM: Angelica Mattschi, Corporate Secretary *AM*
RE: Notice of Meeting

There will be a regular meeting of the Connecticut Resources Recovery Authority Board of Directors held on Thursday, June 19, 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

June 19, 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 May 15, 2003 Regular Board Meeting Minutes (Attachment 1).

IV. The Chairman, Commissioner Rocque and Attorney General Blumenthal will give a presentation regarding the collaboration between CRRA and the DEP.

V. Finance

1. Staff will present the Financial and Variance Report for April 2003 (Attachment 2).
2. Board Action will be sought regarding the Adoption of Fiscal Year 2004 Metropolitan District Commission Mid-Connecticut Project Annual Operating Budget (Attachment 3).
3. Board Action will be sought regarding Financial Advisory Services (Attachment 4).

VI. Project Reports

A. Mid-Connecticut

1. Board Action will be sought regarding An Agreement for Metals Recovery and Marketing Services with wTe Recycling, Inc (Attachment 5).
2. Board Action will be sought regarding the Installation of a Temporary Membrane Cover at the Hartford Landfill (Attachment 6).
3. Board Action will be sought regarding the Extension of the On-Call Equipment Services Contracts for the Ellington, Hartford, Shelton, and Wallingford Landfills (Attachment 7).
4. Board Action will be sought regarding a Reduction in Waste Delivery Hours at the Hartford Landfill (Attachment 8).
5. Board Action will be sought regarding the Spot Waste Delivery Agreement with the Town of Windsor (Attachment 9).
6. Board Action will be sought regarding an Equipment Lease Between CRRA and CWPM, LLC (Attachment 10).
7. Board Action will be sought regarding the Use of CRRA Employees to Operate the Mid-Connecticut Project Scales and Provide Increased Waste Enforcement Activities (Attachment 11).

B. Bridgeport

1. Board Action will be sought regarding Environmental Monitoring, Laboratory Analysis, and Reporting at the Shelton Landfill for Fiscal Year 2004 (Attachment 12).

C. Southeast

1. Board Action will be sought regarding a Municipal Solid Waste Delivery Agreement with the Town of Mansfield (Attachment 13).
2. Board Action will be sought regarding a Municipal Solid Waste Delivery Agreement with the Town of Salem (Attachment 14).

D. Wallingford

1. Board Action will be sought regarding an Ash Residue Disposal Agreement Extension with Wheelabrator Putnam, Inc. (Attachment 15).

VII. Chairman's and Committee Reports

1. The Policy & Procurement Committee will report on its June 5, 2003 meeting.
 - a. Board Action will be sought Authorizing the Approval of the Revised Bylaws of the Connecticut Resources Recovery Authority (Attachment.16).
2. The Organizational Synergy & HR Committee will report on its June 5, 2003 meeting.
3. The Steering Committee will report on its June 12, 2003 meeting.
 - a. The second draft of the New Business Plan is provided for your review (Attachment 17).

VIII. Legal

1. Board Action will be sought regarding an FCR Settlement (Attachment 18).
2. Board Action will be sought regarding Authorization for Payment of Anderson Kill and Olick (Attachment 19).

IX. Executive Session

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

TAB 1

CONNECTICUT RESOURCES RECOVERY AUTHORITY

THREE HUNDRED FIFTY-SEVENTH MEETING

MAY 15, 2003

A regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, May 15, 2003 at 211 Murphy Road, Hartford. Those present were:

Vice Chairman Stephen Cassano

Directors: Benson Cohn
Theodore Martland
Howard Rifkin (delegate for Director Nappier)
James Francis
John Mengacci (delegate for Director Ryan)
Ray O'Brien
Andrew Sullivan
Catherine Boone (delegate for Director Nappier)
Marc Ryan (left at 11:25 a.m.)
Mark Cooper
Mark Lauretti
Sherwood Lovejoy (ad hoc for Bridgeport)
Timothy Griswold, (ad hoc for Mid-Connecticut)
Arthur Lathrop (ad hoc for Southeast)

Chairman Pace and Directors Knopp, Blake and Nappier did not attend.

Present from the CRRA staff:

James Bolduc, Chief Financial Officer
Bettina Bronisz, Assistant Treasurer & Director of Finance
Peter Egan, Director of Environmental Services
Christopher Fancher, Facilities Engineer
Thomas Gaffey, Recycling & Environmental Education Division Head
Gary Gendron, Director of Administration
Thomas Kirk, President
Angelica Mattschei, Executive Assistant & Corporate Secretary
Christopher May, Systems Analyst
Virginia Raymond, Project Analyst
John Romano, Project Manager
Diane Spence, Secretary
Ann Stravalle-Schmidt, Director of Legal Services
Michael Tracey, Director of Civil & Construction Engineer

Others in attendance were: David Arruda of MDC; Frank Marci of USA Hauling; Jerry Tyminski of SCRRRA; John Maulucci of BRRFOC; Ted Doolittle of the AG's Office; Jane Korwek, Jonathan Lewis and Douglas Cohen of BRBI; Steve Diaz of Covanta; Peter Boucher of H&S; and William H. Bright of C&L.

Vice Chairman Cassano called the meeting to order at 9:05 a.m. and noted that a quorum was present. Vice Chairman Cassano requested that everyone stand up for the Pledge of Allegiance, whereupon, the Pledge of Allegiance was recited. Vice Chairman Cassano said that Chairman Pace was unable to attend the meeting as he was tending to a family issue of prime importance.

Vice Chairman Cassano introduced ad hoc member Arthur Lathrop, representing the Southeast project, to the Board.

PUBLIC PORTION

Vice Chairman Cassano 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. Vice Chairman Cassano asked whether any member of the public wished to speak.

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

APPROVAL OF APRIL 17, 2003 REGULAR BOARD MINUTES

Vice Chairman Cassano requested a motion to approve the minutes of the April 17, 2003 regular Board meeting. The motion to accept made by Director O'Brien and seconded by Director Martland was approved.

Eligible Voters	Aye	Nay	Abstain
Stephen Cassano, Vice Chairman	X		
Benson Cohn	X		
Theodore Martland	X		
James Francis	X		
Ray O'Brien	X		
Andrew Sullivan	X		
Mark Lauretti	X		
Mark Cooper			X
Treasurer's Office (Nappier, Rifkin, Boone)	X		
OPM (Ryan, Mengacci)	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc - Bridgeport			

Arthur Lathrop, Ad Hoc - Southeast			
Timothy Griswold, Ad Hoc - Mid-CT			

EXECUTIVE SESSION

Vice Chairman Cassano 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 Cooper. Vice Chairman Cassano requested that Messrs. Kirk, Bolduc, Fancher, Cohen, Boucher, Romano, Doolittle and Ms. Schmidt remain during separate parts of the executive session. The motion previously made and seconded was approved unanimously.

The Executive Session began at 9:11 a.m.

The Executive Session concluded at 11:08 a.m.

Vice Chairman Cassano reconvened the Board meeting at 11:11 a.m.

Vice Chairman Cassano noted that no votes were taken in Executive Session.

AUTHORIZATION FOR THE WORKING SUBCOMMITTEE TO MAKE RECOMMENDATIONS TO THE ATTORNEY GENERAL

Vice Chairman Cassano requested a motion to suspend the rules to consider a resolution to authorize the working subcommittee to make recommendations to the Attorney General regarding the selection of attorneys for Enron related litigation. The motion to suspend the rules made by Director O'Brien and seconded by Director Martland was passed unanimously.

Vice Chairman Cassano requested a motion on the referenced topic. The motion made by Director Rifkin and seconded by Director Martland was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Stephen Cassano, Vice Chairman	X		
Benson Cohn	X		
Theodore Martland	X		
James Francis	X		
Ray O'Brien	X		
Andrew Sullivan	X		
Mark Lauretti	X		
Mark Cooper	X		
Treasurer's Office (Nappier, Rifkin, Boone)	X		
OPM (Ryan, Mengacci)	X		
Timothy Griswold, Ad Hoc - Mid-CT	X		

Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc - Bridgeport			
Arthur Lathrop, Ad Hoc - Southeast			

FINANCE
REVENUE AND EXPENDITURE REPORT FOR THE MONTH OF MARCH 2003

Mr. Bolduc presented the Revenue and Expenditure Reports for the month of March 2003 to the Board as included in attachment 2 of the Board materials.

CRRA FINANCIAL MITIGATION PLAN

Mr. Bolduc presented the CRRA Financial Mitigation Plan to the Board as included in the attachment 3 of the Board materials.

PROJECT REPORTS

MID-CONNECTICUT

AUTHORIZATION REGARDING A RECYCLING RESIDUE DELIVERY AGREEMENT WITH WILLIMANTIC WASTE PAPER COMPANY, INC

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

RESOLVED: The President is authorized to enter into a recycling residue delivery agreement for the Mid-Connecticut Project with Willimantic Waste Paper Company, Inc., substantially in accordance with the terms and conditions discussed at this meeting.

Director Sullivan seconded the motion which was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Stephen Cassano, Vice Chairman	X		
Benson Cohn	X		
Theodore Martland	X		
James Francis	X		
Ray O'Brien	X		
Andrew Sullivan	X		
Mark Lauretti	X		
Mark Cooper	X		
Treasurer's Office (Nappier, Rifkin, Boone)	X		
OPM (Ryan, Mengacci)	X		
Timothy Griswold, Ad Hoc - Mid-CT	X		

Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc - Bridgeport			
Arthur Lathrop, Ad Hoc - Southeast			

AUTHORIZATION REGARDING A SOLID WASTE DELIVERY AGREEMENT WITH WASTE MANAGEMENT OF CONNECTICUT, INC.

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

RESOLVED: The President is authorized to enter into a solid waste delivery agreement for the Mid-Connecticut Project with Waste Management of Connecticut, Inc., substantially in accordance with the terms and conditions discussed at this meeting.

Director Sullivan seconded the motion which was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Stephen Cassano, Vice Chairman	X		
Benson Cohn	X		
Theodore Martland	X		
James Francis	X		
Ray O'Brien	X		
Andrew Sullivan	X		
Mark Lauretti	X		
Mark Cooper	X		
Treasurer's Office (Nappier, Rifkin, Boone)	X		
OPM (Ryan, Mengacci)	X		
Timothy Griswold, Ad Hoc - Mid-CT	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc - Bridgeport			
Arthur Lathrop, Ad Hoc - Southeast			

WALLINGFORD

AUTHORIZATION REGARDING A SOLID WASTE AGREEMENT WITH WASTE MANAGEMENT OF CONNECTICUT, INC.

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

RESOLVED: The President is authorized to enter into a solid waste delivery agreement for the Wallingford project with Waste Management of Connecticut, Inc., substantially in accordance with the terms and conditions discussed in this meeting.

Director Sullivan seconded the motion which was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Stephen Cassano, Vice Chairman	X		
Benson Cohn	X		
Theodore Martland	X		
James Francis	X		
Ray O'Brien	X		
Andrew Sullivan	X		
Mark Laretti	X		
Mark Cooper	X		
Treasurer's Office (Nappier, Rifkin, Boone)	X		
OPM (Ryan, Mengacci)	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc - Bridgeport			
Arthur Lathrop, Ad Hoc - Southeast			
Timothy Griswold, Ad Hoc - Mid-CT			

LEGAL

AUTHORIZATION REGARDING PAYMENT OF ANDERSON KILL AND OLICK

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

RESOLVED: That the President of CRRA is hereby authorized to pay Anderson Kill and Olick up to \$250,000 to reimburse Anderson Kill for fees and expenses incurred up to April 17, 2003, but not paid, which exceed the June 2002 authorized amount of \$300,000 for work with the Attorney General's Office in the matter of In re: Enron Corp., et al. (Chapter 11, Case No. 01-16034(AJG))("Bankrupt Case") and for the additional work not anticipated on the CL&P issues which arose in the Bankruptcy Case and in discussions with CL&P to obtain monies owed to CRRA.

FURTHER RESOLVED: That the President of CRRA is hereby authorized to pay Anderson Kill an additional \$100,000, including any remained of all the aforementioned authorization, for any further work Anderson Kill does from April 18, 2003 forward on the condition Anderson Kill inform CRRA when it is within \$50,000 of this \$100,000 authorized expenditure.

Director Sullivan seconded the motion.

After a lengthy discussion, Director Rifkin made a motion to table the item. Director Martland seconded the motion which was approved unanimously.

Director Rifkin made a motion to refer the item to Director Cohn's Ad Hoc Committee on Litigation and Legal Fees and to ask that Committee to review the entire relationship with Anderson Kill and work with the Attorney General in recalibrating the fee structure to either a contingency-fee arrangement and/or find a way to better estimate the budget on a going-forward basis.

Director Sullivan seconded the motion which was approved.

Eligible Voters	Aye	Nay	Abstain
	X		
Stephen Cassano, Vice Chairman	X		
Benson Cohn	X		
Theodore Martland	X		
James Francis	X		
Ray O'Brien	X		
Andrew Sullivan	X		
Mark Lauretti	X		
Mark Cooper	X		
Treasurer's Office (Nappier, Rifkin, Boone)	X		
OPM (Ryan, Mengacci)	X		
Timothy Griswold, Ad Hoc - Mid-CT	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc - Bridgeport			
Arthur Lathrop, Ad Hoc - Southeast			

RECYCLING

AUTHORIZATION REGARDING FCR MID-CONNECTICUT RECYCLING AGREEMENT

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

RESOLVED: The President is authorized to enter into a settlement and retrofit agreement with FCR, Inc., at the Mid-Connecticut Recycling Facility, substantially in the form as presented and discussed at this meeting.

Director Sullivan seconded the motion which was approved.

Eligible Voters	Aye	Nay	Abstain
Stephen Cassano, Vice Chairman	X		
Benson Cohn	X		
Theodore Martland	X		
James Francis	X		
Ray O'Brien	X		
Andrew Sullivan	X		
Mark Lauretti	X		
Mark Cooper	X		
Treasurer's Office (Nappier, Rifkin, Boone)	X		
OPM (Ryan, Mengacci)	X		
Timothy Griswold, Ad Hoc - Mid-CT	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc - Bridgeport			
Arthur Lathrop, Ad Hoc - Southeast			

ADDITION TO THE AGENDA

PROJECT REPORTS

MID-CONNECTICUT

AUTHORIZATION REGARDING DELIVERY OF COVER SOILS TO THE HARTFORD LANDFILL

Vice Chairman Cassano requested a motion to add the referenced item to the agenda. The motion made by Director O'Brien to suspend the rules to add the item to the agenda was seconded by Director Sullivan and passed unanimously.

Vice Chairman Cassano 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 enter into a contract with SRS Transportation, Inc. for delivery of contaminated soils to be used as daily cover, and as approved by the Connecticut Department of Environmental Protection, substantially as discussed and presented at this meeting.

Director Sullivan seconded the motion which was approved.

Eligible Voters	Aye	Nay	Abstain
Stephen Cassano, Vice Chairman	X		
Benson Cohn	X		
Theodore Martland	X		
James Francis	X		
Ray O'Brien	X		
Andrew Sullivan	X		
Mark Lauretti	X		
Mark Cooper	X		
Treasurer's Office (Nappier, Rifkin , Boone)	X		
OPM (Ryan, Mengacci)	X		
Timothy Griswold, Ad Hoc - Mid-CT	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc - Bridgeport			
Arthur Lathrop, Ad Hoc - Southeast			

CHAIRMAN'S AND COMMITTEE REPORTS

POLICY & PROCUREMENT COMMITTEE

ADOPTION OF THE TRAVEL POLICY & EXPENSE REPORTING PROCEDURE

Vice Chairman Cassano requested a motion on the referenced topic. Director Cohn made a motion to adopt the Travel Policy & Expense Reporting Procedure. The motion was seconded by Director Martland and approved unanimously.

Eligible Voters	Aye	Nay	Abstain
	X		
Stephen Cassano, Vice Chairman	X		
Benson Cohn	X		
Theodore Martland	X		
James Francis	X		
Ray O'Brien	X		
Andrew Sullivan	X		
Mark Lauretti	X		
Mark Cooper	X		
Treasurer's Office (Nappier, Rifkin , Boone)	X		
OPM (Ryan, Mengacci)	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc - Bridgeport			
Arthur Lathrop, Ad Hoc - Southeast			
Timothy Griswold, Ad Hoc - Mid-CT			

BYLAWS

A copy of the Bylaws was distributed for the Board's review and comments. Director Cohn said that comments should be given to Mr. Doyle in time for the June 5, 2003 Committee meeting.

Director Cohn gave a report on Capital Properties and their continued interest in future negotiations.

COMMUNICATIONS

Mr. Kirk gave the Board a report on the oil release at the South Meadows Power Block Facility.

AJOURNMENT

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

There being no other business to discuss, the meeting was adjourned at 12:18 p.m.

Respectfully submitted,



Angelica Mattschei
Corporate Secretary to the Board

CONNECTICUT RESOURCES RECOVERY AUTHORITY

EXECUTIVE SESSION

MAY 15, 2003

An Executive Session called for the purposes of discussing litigation, pending litigation, contractual negotiations and personnel matters, was convened at 9:11 a.m.

DIRECTORS

Vice Chairman Cassano
Director Cohn
Director Martland
Director Rifkin
Director Francis
Director Sullivan
Director Boone
Director Mengacci
Director Ryan
Director O'Brien
Director Cooper
Director Lauretti
Ad Hoc Member Lovejoy
Ad Hoc Member Griswold (some)
Ad Hoc Member Lathrop

STAFF

Tom Kirk
Jim Bolduc
Ann Stravalle-Schmidt (part)
Christopher Fancher (part)
John Romano (part)

BR

Doug Cohen

A.G.

Theodore Doolittle (part)

H&S

Peter Boucher (part)

No votes were taken in Executive Session.

The Executive Session was adjourned at 11:08 a.m.

CONNECTICUT RESOURCE RECOVERY AUTHORITY

BOARD MEETING

May 15, 2003

Held At:

211 Murphy Road

Hartford, Connecticut

H e l d B e f o r e :

STEPHEN CASSANO, Acting Chairperson

Page 2

1 A p p e a r a n c e s :
2 Directors:
3 BENSON COHN
4 THEODORE MARTLAND
5 HOWARD RIFKIN
6 CATHERINE BOONE
7 JAMES FRANCIS
8 JOHN MENGACCI
9 RAYMOND O'BRIEN
10 ANDREW SULLIVAN
11 MARC RYAN
12 SHERWOOD LOVEJOY
13 TIMOTHY GRISWOLD
14 ARTHUR LATHROP
15 MARK COOPER
16 MARK LAURETTI
17
18 CRRA Staff:
19 JAMES BOLDUC
20 BETTINA BRONISZ
21 PETER EGAN
22 CHRIS FANCHER
23 GARY GENDRON
24 THOMAS KIRK
25 ANGELICA MATTSCHER

Page 4

1 A p p e a r a n c e s (Cont'd.):
2 For BRRFOC:
3 JOHN MAULUCCI
4
5 Others in attendance were:
6 PETER BOUCHER, ESQ.
7 Halloran & Sage, LLP
8
9 JANE KORWEK, ESQ.
10 DOUGLAS COHEN, ESQ.
11 JONATHAN LEWIS, ESQ.
12 Brown & Rudnick
13
14 WILLIAM BRIGHT, ESQ.
15 Cummings & Lockwood
16
17
18
19
20
21
22
23
24
25

Page 3

1 A p p e a r a n c e s (Cont'd.):
2 CRRA Staff:
3 VIRGINIA RAYMOND
4 DIANE SPENCE
5 ANN STRAVALLE-SCHMIDT
6 MICHAEL TRACEY
7
8 For the Office of Attorney General:
9 THEODORE DOOLITTLE, ESQ.
10 Assistant Attorney General
11
12 For FCR:
13 RON SANTOS
14
15 For USA Hauling and Recycling:
16 FRANK MARCI
17
18 For Covanta:
19 STEVE DIAZ
20
21 For SCRRRA:
22 JERRY TYMINSKI
23
24 For MDC:
25 DAVID ARRUDA

Page 5

1 9:05 O'CLOCK A.M.
2
3 THE VICE CHAIRMAN: All right,
4 we do have a quorum. Before we begin, let's
5 rise and salute the flag.
6 (Whereupon, the pledge of
7 allegiance was recited.)
8 THE VICE CHAIRMAN: As you
9 may -- if you were here if you heard, the
10 Chairman has a family issue that's of
11 obviously prime importance so he will not be
12 able to join us today.
13 Public portion. Would any
14 member of the public like to speak at this
15 particular time?
16 Seeing none, we're going to
17 move on to the minutes. Is there a motion to
18 adopt the minutes?
19 DIR. O'BRIEN: Move the
20 minutes of the April 17th meeting.
21 THE VICE CHAIRMAN: Is there a
22 second?
23 DIR. MARTLAND: Second.
24 THE VICE CHAIRMAN: Any
25 changes?

Page 6

1 DIR. O'BRIEN: Couple of
2 questions. One is on page 2 it states that
3 the motion to approve the minutes was
4 approved by two-thirds of the voters. I
5 think that simply requires a majority. And I
6 was confused by that.
7 And then I question on the --
8 we tabled the landfill operating hours, but
9 it doesn't show up on this agenda either. I
10 was wondering what happened with that. It's
11 on page 10. It had a different operating
12 schedule and it was tabled. It didn't come
13 back to this meeting. I thought it was
14 supposed to.
15 MR. KIRK: We're still working
16 with some of the board members' towns and
17 some other haulers to make sure any proposed
18 changes in hours won't adversely affect
19 existing arrangements those haulers might
20 have with the towns. We're just about there.
21 Probably the next meeting we'll be able to --
22 MR. EGAN: Yes, I hope to --
23 MR. KIRK: If we do proceed
24 with the change in hours it will likely be
25 next meeting.

Page 7

1 DIR. FRANCIS: Yes. Part of
2 the delay was I know they've tried to get me
3 several times and I just haven't been able to
4 make meetings and discussion on that.
5 DIR. O'BRIEN: Vacation again?
6 DIR. FRANCIS: No, no,
7 collective bargaining. (Laughter.) So part
8 of that delay was on my part.
9 THE VICE CHAIRMAN: All right,
10 going back to Ray's comments --
11 DIR. O'BRIEN: One other
12 comment on this. Where we're recording the
13 votes -- and I like the way they're
14 recorded -- but for the treasurer's office
15 and OPM, is it necessary to state who cast
16 the vote for them? I think it might be
17 appropriate to state who actually cast the
18 vote for the treasurer's office or for OPM.
19 THE VICE CHAIRMAN: We could
20 do that in the future.
21 MR. KIRK: We can certainly do
22 it. Our approach was it was the treasurer's
23 vote being cast for her.
24 DIR. O'BRIEN: But she may
25 want to know who did that.

Page 8

1 MR. KIRK: We can certainly
2 highlight or somehow indicate which alternate
3 member cast the vote.
4 DIR. BOONE: I think if you
5 just put down which ones were there, the
6 secretary or the deputy would be the person
7 casting the vote unless --
8 MR. KIRK: Except very often
9 it's both you and Howard.
10 DIR. BOONE: I know. If
11 we're both here I think we could presume that
12 Howard is voting and that Marc is voting. So
13 if they're not here then it likewise becomes
14 obvious.
15 DIR. RIFKIN: If it's a
16 controversial vote, then Cathy is casting it.
17 If it's not, then I am.
18 DIR. BOONE: The two-thirds
19 is mentioned on every vote. It's not
20 required on all of this.
21 THE VICE CHAIRMAN: No. I
22 think if we simply put a period at the end of
23 "approved" and eliminate "by two-thirds of
24 eligible voters."
25 DIR. O'BRIEN: I think adding

Page 9

1 the item to the agenda required two-thirds.
2 THE VICE CHAIRMAN: We'll
3 track that in the future. It doesn't change
4 the vote. It doesn't change the passage.
5 DIR. O'BRIEN: No, no.
6 THE VICE CHAIRMAN: Is there a
7 motion to adopt the minutes then? It's been
8 made, I'm sorry, and seconded.
9 All those in favor?
10 Two votes. All those in favor
11 of approval of the minutes signify by saying
12 aye.
13 Opposed? It's unanimous.
14 DIR. LOVEJOY: Abstained.
15 DIR. COOPER: Two abstentions.
16 THE VICE CHAIRMAN: Two
17 abstentions.
18 Executive session. There's a
19 motion to go into executive session to
20 discuss pending litigation, contractual
21 negotiations, personnel matters with
22 appropriate staff.
23 DIR. O'BRIEN: So moved noting
24 the vote requires two-thirds.
25 THE VICE CHAIRMAN: Is there a

Page 10

1 second?
2 DIR. MARTLAND: Question.
3 Point of order, weren't we supposed to have
4 open to the public first?
5 DIR. SULLIVAN: Yes, but
6 nobody wanted to talk.
7 THE CHAIRMAN: Nobody wanted
8 to speak. We already did that.
9 DIR. MARTLAND: Sorry.
10 DIR. COOPER: I'll second it.
11 THE VICE CHAIRMAN: All those
12 in favor?
13 Opposed?
14 It's unanimous. We are in
15 executive session.
16 (Whereupon, an executive
17 session was held from 9:11 o'clock a.m. until
18 11:08 o'clock p.m.)
19 THE VICE CHAIRMAN: Okay,
20 we're back in session. We have been in
21 executive session. It is now 10 past 11:00.
22 No votes were taken in executive session.
23 I would ask for a motion to
24 authorize the working subcommittee to make
25 recommendations to the attorney general

Page 11

1 regarding the selection of attorneys for the
2 Enron related litigation.
3 DIR. O'BRIEN: I will move
4 that we suspend the rules to consider a
5 resolution regarding the working
6 subcommittee.
7 THE VICE CHAIRMAN: Move to
8 suspend. Is there a second?
9 DIR. MARTLAND: Second.
10 THE VICE CHAIRMAN: All those
11 in favor?
12 Opposed?
13 It is unanimous.
14 DIR. LOVEJOY: Abstained.
15 THE VICE CHAIRMAN: Is there a
16 motion? Does somebody want to move the
17 motion?
18 DIR. RIFKIN: So moved.
19 THE VICE CHAIRMAN: Is there a
20 second?
21 DIR. MARTLAND: Second.
22 THE VICE CHAIRMAN: Any
23 discussion on the motion on the floor?
24 Seeing none, all those in
25 favor?

Page 12

1 Opposed?
2 And it is adopted.
3 DIR. LOVEJOY: Abstained.
4 THE VICE CHAIRMAN: We're down
5 to finance, the financial and variance report
6 for March 2003, attachment 2.
7 MR. BOLDUC: Let me quickly
8 move through these. First let me point out a
9 correction that was just pointed out to me a
10 few minutes ago. On the Mid-Conn one, all
11 the numbers are correct, but in the
12 percentage -- this is behind tab 2, the
13 Mid-Conn financial -- the percent
14 utilizations, I'm not sure what happened,
15 we've got to go back and check our software
16 program, but some of the percentages are
17 incorrect.
18 Let me just give you a couple
19 of quick ones. On the total revenue one we
20 received a 58.28 percent. That really should
21 be 76.35 percent. The numbers above seem to
22 be okay. And under expenditures, all those
23 numbers are wrong, but the one I do have for
24 total expenditures is 74.63 percent instead
25 of the 59.42 percent. The calculations seem

Page 13

1 to work on the rest of the report. It just
2 seems to be this one. So I'll have to take a
3 look and see what happened.
4 On the Mid-Conn let me just
5 point out a couple of quick things. Overall
6 we are running at an overall surplus of 1.6
7 million compared to the first nine months'
8 budget. The important thing, though, I want
9 to -- since this is the first time the Board
10 has seen this particular sheet, we had been
11 requested to consolidate the financials of
12 the nonproject ventures into the Mid-Conn
13 project. We have done so. You'll see that
14 they are reflected on two line items, the
15 jets revenue and then the jets expenditures.
16 We've also added one additional line. Under
17 the surplus deficit you'll see it says
18 surplus deficit excluding the jets and EGF.
19 The importance of that is that in order to
20 not have a misleading statement that suggests
21 that we've having a 1.6 million dollar
22 surplus at this point in time, the fact is
23 that the project, Mid-Conn, is really only at
24 a \$348,000 cash surplus. The reason being is
25 that the delta, the 1.3 million in between

Page 14

1 there, are dollars that, as you may recall a
2 couple of months ago, we went through the
3 reserve analysis. That pertains to the jets
4 reserve. Those are trustee contract reserve
5 restricted funds and therefore are not
6 available to the Board designated or
7 undesignated. So I want to just to make it
8 clear as we did that consolidation that
9 didn't mean all the dollars became available,
10 that in fact they are still restricted.
11 A couple of items to point
12 out. The revenues are up by 1.2 million.
13 Expenses are actually down by 340. That's
14 how we get the overall increase of 1.6
15 million to budget. The big drivers for the
16 month are electricity revenues are up by a
17 million dollars over budget, and that's
18 primarily because we with the settlement of
19 the CL&P cash payments earlier this year they
20 had not been accrued based on discussions
21 with the accountants last year so therefore
22 those are a positive variance. And in
23 addition, on the expenditure side the big
24 movers there are really we were over budget
25 on the waste transport. That really pertains

Page 15

1 to two things: One, the budget had assumed
2 some transfer of some of the hauling services
3 away from MDC to a private hauler. That did
4 not occur. And then the other thing is
5 because of a large variance because of
6 diversions of cost to move MSW out of the
7 system, out of the state, and that obviously
8 costs a significant amount of dollars. We're
9 running significantly ahead of exported tons
10 versus budget. And that's really driven by
11 unexpected outages and timing issues.
12 I'll just kind of keep moving
13 through this unless somebody has specific
14 questions on that one.
15 On Bridgeport, again, overall
16 there's a positive surplus of about \$450,000
17 driven by about 400,000 in revenue being over
18 budget and expenditures being under budget.
19 Let me just make a general
20 comment. Some of these things really sound a
21 lot better than perhaps they might be at year
22 end. We're going to try to start next year's
23 budget looking at the budget differently.
24 The budgets in the past were basically
25 derived by taking the total amount and taking

Page 16

1 one-twelfth each month. They don't have
2 seasonality built into them. So we're
3 tracking something against -- particularly in
4 the areas of the budget that may show better
5 results or worse results than actually may
6 come out at year end. Obviously as we're
7 nine months through the fiscal year, it's
8 starting to normalize itself out, but that is
9 something we'll look at.
10 The big drivers here on the
11 revenue side are the recycling sales. It's
12 been a strong market. And as the notes
13 indicated, we budgeted 17 a ton, it's coming
14 in around 30, so that's contributing one of
15 the main drivers there.
16 On the expenditure side that's
17 a number of offsetting higher expenses with
18 lower expenses and that's out to 54. G&A has
19 been under budget by about 300,000, but then
20 there's been some offsetting costs going the
21 other way. So overall the project is doing
22 well compared to the budget for the nine
23 months.
24 On Wallingford, that continues
25 to obviously be a shining star because of the

Page 17

1 electric contracts driving the revenues. And
2 then on the expenditure side the big, big
3 driver there has been waste that's been
4 diverted to Mid-Conn compared to what they
5 had originally budgeted, so expenses are way
6 under budget by almost a million. Overall
7 they're running about a 1.3 million dollar
8 surplus, and that continues to be a very
9 healthy project until those obviously the
10 strong electric purchase contract runs its
11 course.
12 On the Southeast project,
13 that's running just slightly in a deficit
14 position at this point. Revenues are about
15 break-even compared to budget, and the major
16 driver of the slight downturn is really on
17 the expenditure side. And that's coming from
18 the resource recovery facility. That note
19 doesn't -- next month we'll change the note
20 to make it a little clearer. The facility is
21 actually running higher than budget, and
22 that's really being driven by the deliveries
23 that are providing the additional cost to the
24 operators. You can see the delivery tons are
25 running ahead of budget, and it's just the

Page 18

1 cost associated with that.
2 And then on the administration
3 we're running a favorable variance to the
4 budget as we continue to try to control the
5 expenditures and the expenses.
6 And that's pretty much it on
7 the nine-months, third-quarter ending
8 results.
9 THE VICE CHAIRMAN: Jim, one
10 question. On Bridgeport, you indicated the
11 market was a little stronger for recycling.
12 MR. BOLDUC: Uh-huh.
13 THE VICE CHAIRMAN: What
14 aspect of it, and why wouldn't it, if it's up
15 for Bridgeport, why wouldn't it be up for the
16 others? Or is it up for the others but not
17 noticeable?
18 MR. BOLDUC: I think it's
19 generally up across the board.
20 THE VICE CHAIRMAN: Is it
21 paper or --
22 MR. BOLDUC: As I understand,
23 it's basically corrugated --
24 DIR. LOVEJOY: It's
25 corrugated.

Page 19

1 MR. BOLDUC: It's corrugated,
2 I believe, yes. And there's been a couple
3 articles I was reading. And from what I
4 understand some of that's being driven by
5 there's a number of paper mills across the
6 country that have been shut down, and so
7 therefore they're looking to the recycling
8 market that's driving the -- so I think
9 that's the root cause.
10 THE VICE CHAIRMAN: Thank you.
11 Any other questions?
12 Seeing none, we'll move on to
13 item 2, the mitigation plan, tab 3.
14 MR. BOLDUC: Okay. Again,
15 these are kind of a work in progress to the
16 update. Just so you know, we did file
17 finally the mitigation plan. It was
18 scheduled to be filed on the 2nd; we actually
19 submitted it to the treasurer and the Office
20 of Policy and Management on the 5th; and then
21 the master loan agreement was submitted on
22 the 13th. Next month we'll update the status
23 for you.
24 The schedule right now calls
25 for us, as I read the statute, the

Page 20

1 requirements are that the treasurer and the
2 Office of Policy and Management approve the
3 financial mitigation plan. We've asked for
4 that to be completed by the first week of
5 June as well as to have comments and be able
6 to have all the attorneys sign off for both
7 the -- but for the state and then we can
8 incorporate those comments back into our
9 document so we can have a closing. We're
10 looking -- well, it won't be May 20th. We're
11 looking for a closing the early part, the end
12 of the first week of June or the early part
13 of the second week. Because as you'll see
14 when we go to the next page, right now we're
15 still looking to need to tap into the loan at
16 the end of June to make the debt service
17 payment. That obviously is a fluid situation
18 as we keep monitoring it. But it's critical
19 that we close the transaction with the two
20 state agencies because if we run up against
21 the June deadline that means we will have to
22 hit the SCRF which I don't think anybody
23 wants to do. But we are running out of time,
24 and so I think the periods of discussion and
25 negotiations need to come to an end.

Page 21

1 Otherwise, the eventuality will occur and
2 obviously that's not going to be a good
3 thing. But we kind of keep postponing this.
4 We've gone around the cycle on this thing
5 numerous times since January and, you know,
6 again, we're marching in place here, but the
7 reality is the cash flows are starting to get
8 to the point where that event is going to
9 happen.
10 So the material, as far as our
11 side, it's been completed. It's sitting now
12 waiting for approval and any final touches
13 from the state agencies, and then we will be
14 able to do a closing and then commence with
15 the transaction.
16 THE VICE CHAIRMAN: Questions?
17 DIR. SULLIVAN: You'll note
18 too, if you look at the second page of the
19 source and uses of funds we get after tab 4,
20 you'll see that we cumulatively get up to a
21 borrowing in June of '04 cumulatively a
22 little over \$18 million, notwithstanding the
23 fact that the master loan agreement, et
24 cetera, requests approval for 22 million and
25 that's in keeping with our resolution. And

Page 22

1 the reason for that is because of the fact
2 that when you deal with projections, as we've
3 discussed in other venues, that they somehow
4 shortly go out -- and we didn't want to have
5 to be in a position of then going back for
6 some incremental, which might be difficult at
7 best. So that's where we look at it now on a
8 projected basis.
9 THE VICE CHAIRMAN: Why don't
10 we continue right now with item 3, the
11 Mid-Connecticut status report, tab 4.
12 MR. BOLDUC: Yes, tab 4.
13 Basically, as Andy alluded to, that's our
14 current projection of the source and use of
15 cash funds. I think what Andy mentioned is
16 really the key items. You'll see the
17 second-to-the-last item before the double
18 underscore, the state supplemental filing is
19 really the variable in the equation. And
20 that's the one that really ties back into the
21 mitigation plan back in your tab 3. We'll
22 obviously -- every week we're updating these
23 projections and keeping a very close eye on
24 it. Obviously we're not going to borrow any
25 sooner than we need to, but at some point

Page 23

1 within the next 60 days I think it seems
2 pretty clear, absent another event occurring,
3 we're going to kind of be at that point in
4 the process.
5 THE VICE CHAIRMAN: Questions?
6 Seeing none, thank you.
7 We'll move on to the project
8 reports and the Mid-Conn project. This is
9 the Board action regarding recycling residue
10 delivery agreement.
11 DIR. O'BRIEN: I would move
12 the resolution that follows tab 5.
13 DIR. SULLIVAN: Second.
14 DIR. O'BRIEN: Question on --
15 and I'm sure I know the answer because Peter
16 is on top of everything. But do we have a
17 defined schedule to evaluate the residue to
18 make sure it meets the conditions you show in
19 Exhibit A, or are those just thou-shalt-nots?
20 DIR. MARTLAND: Mr. Chairman,
21 is residue ash or is it something else?
22 MS. RAYMOND: Recycling
23 residue.
24 MR. KIRK: Recycling residue.
25 It's MSW but it's only treated differently

Page 24

1 because it's leftovers from recycling. And
2 I'm speculating that in original contracts
3 there was encouragement to be made not to
4 short-circuit the recycling process by just
5 dumping recyclables into a container and
6 hauling them off to the plant. So they're
7 accounted for differently, but from a
8 regulatory standpoint, it's MSW.
9 MR. EGAN: That would be
10 correct.
11 THE VICE CHAIRMAN: Other
12 comments?
13 DIR. O'BRIEN: My question.
14 For example, you say it must not include any
15 hazardous or toxic. Do you evaluate that, or
16 do you just include that as a provision --
17 MR. EGAN: It's just included
18 as a provision. We don't evaluate or analyze
19 or do any type of conformance testing at our
20 end.
21 MS. RAYMOND: Any differently
22 than we do for any MSW that's coming into the
23 plant with other MSW. And we have our
24 monitors down at the plant, all the standard
25 things that are in place that monitors any

Page 25

1 MSW coming into the plant. The only
2 distinction between this MSW and any other
3 MSW coming into the plant is that we charge a
4 higher fee.
5 THE VICE CHAIRMAN: Ray, you
6 look puzzled.
7 DIR. O'BRIEN: Well, I'm not
8 sure that it's prudent to just accept site
9 un -- you know, without some kind of audit,
10 even if it's only a visual audit that we are,
11 for example, that we're not having lead-based
12 paint cans included with that residue. So I
13 don't want to belabor it here. We're already
14 at 11:30. But I think even on MSW coming in
15 there should be some kind of an audit to make
16 sure that we're not handling materials that
17 are going to get us in trouble with DEP or
18 EPA.
19 MR. KIRK: And there is.
20 There are operational safeguards primarily
21 from spot inspections and routine inspections
22 on tipping floors that we provide for all MSW
23 deliveries. Once this container leaves a
24 recycling facility it's treated as MSW and
25 dumped on the floor, looked at. If there

Page 26

1 were unacceptable amounts or types of waste
2 in there it would be reloaded, dumped back
3 in, and sent off. Correct?
4 MR. FANCHER: This is also,
5 Ray, it's coming from a recycling facility
6 that already has their first line of defense
7 of not accepting any hazardous waste or
8 anything. And it's a by-product of
9 recyclable --
10 DIR. O'BRIEN: So the answer
11 to my original question was yes, not no?
12 THE VICE CHAIRMAN: There is
13 some screening.
14 DIR. O'BRIEN: Okay.
15 MS. RAYMOND: Yes. And we
16 have hazardous waste for nuclear materials,
17 the monitors down at the plant. We have
18 mechanisms in place that inspect the waste
19 coming in. I guess I was just trying to say
20 there's no distinction between this waste
21 other than from normal MSW coming into the
22 plant and does not require any additional
23 kind of monitoring.
24 DIR. O'BRIEN: Okay.
25 THE VICE CHAIRMAN: Other

Page 27

1 comments or questions?
2 Seeing none, all those in
3 favor of the resolution as moved?
4 Opposed. It is adopted.
5 DIR. LOVEJOY: Abstained.
6 THE VICE CHAIRMAN: Item 2.
7 DIR. O'BRIEN: I'll move the
8 resolution following tab 6 regarding the
9 contract with Waste Management of
10 Connecticut.
11 THE VICE CHAIRMAN: Is there a
12 second?
13 DIR. SULLIVAN: Second.
14 DIR. O'BRIEN: Question. I'm
15 not sure I understand the other pertinent
16 provisions. The first one, the tip fee for
17 member waste, I understand. The tip fee for
18 nonmember waste over 650 tons a month, what
19 is that? Do they get 650 tons at a
20 different -- a month at a different level?
21 Or what does that 650 tons a month mean?
22 MR. KIRK: Up to 650 tons at
23 the member waste rate 6375.
24 DIR. O'BRIEN: All right.
25 DIR. SULLIVAN: If you go over

Page 28

1 that, you pick up another 21 cents.
2 MR. KIRK: Another quarter,
3 correct.
4 DIR. O'BRIEN: Okay. Then how
5 does this minimum put or pay of 4,200 tons a
6 month, how does that get --
7 MR. KIRK: They are required
8 to provide at least that much. And this is a
9 continuation of contract, a long, many years
10 contract, when there was more concern than
11 there is today about meeting minimum tonnage
12 deliveries. They very comfortably meet the
13 4,000 ton a month number.
14 DIR. O'BRIEN: Okay. And then
15 the one above that with regard to hauler
16 deliveries to transfer stations, in other
17 words, that is an alternative to bringing it
18 into Mid-Conn or --
19 MR. KIRK: Yes, as it is with
20 most of our customers, there are alternatives
21 to bringing it into transfer stations. We
22 limit Waste Management in this case because
23 it incurs extra costs to the CRRA to
24 transport it from transfer stations to the
25 plant, so we encourage them to deliver it

Page 29

1 directly to the plant when possible.
2 DIR. O'BRIEN: Okay.
3 DIR. LAURETTI: Tom, is this a
4 one-year extension on the already existing
5 three-year contract?
6 MR. KIRK: Yes, with adjusted
7 prices to reflect the Board-set tip fees.
8 DIR. O'BRIEN: And then last,
9 what is the interruptible period; in other
10 words, what kind of notification are we
11 required to give them to interrupt the waste,
12 if any? It says nonmember waste deliveries
13 are interruptible.
14 MS. RAYMOND: A phone call
15 literally, instantaneously.
16 DIR. O'BRIEN: A phone call
17 today that they can't deliver tomorrow or --
18 MS. RAYMOND: Right.
19 DIR. O'BRIEN: -- or a phone
20 call today that they can't deliver today?
21 MS. RAYMOND: We don't shut
22 them off that day, but we have not taken spot
23 waste in from them for some time because
24 we're full.
25 DIR. O'BRIEN: Okay.

Page 30

1 MR. KIRK: In practice it
2 would be 24 hours. We have the ability to
3 turn around a truck on the scale.
4 DIR. O'BRIEN: I couldn't find
5 that for sure in here. I would think 24
6 hours would be prudent.
7 THE VICE CHAIRMAN: Any other
8 comments? Questions?
9 Seeing none, all those in
10 favor of the resolution?
11 Opposed?
12 It is adopted.
13 DIR. LOVEJOY: Abstained.
14 DIR. O'BRIEN: I would move
15 the resolution following tab 7 regarding
16 another waste delivery contract with Waste
17 Management.
18 THE VICE CHAIRMAN: This is
19 the Wallingford resolution, item B.
20 Is there a second?
21 DIR. SULLIVAN: Second.
22 THE VICE CHAIRMAN: Moved and
23 seconded.
24 Discussion or questions?
25 DIR. LAURETTI: I have one

Page 31

1 question. I guess it's the same question
2 that would pertain to the last item. Does
3 the one-year extension effect any savings for
4 us?
5 MR. KIRK: Not savings. It
6 effects extra revenue because of a higher tip
7 fee.
8 DIR. LAURETTI: Okay. So
9 there's a net gain to us by extending --
10 MR. KIRK: Yes. And that's
11 true of the previous contract with the
12 Mid-Conn project. It's not true of this
13 Wallingford because the tip fee did not
14 change in Wallingford. It stayed at 55.
15 THE VICE CHAIRMAN: Other
16 questions?
17 Seeing none, all those in
18 favor of the resolution as read?
19 Opposed?
20 DIR. LOVEJOY: Abstained.
21 THE VICE CHAIRMAN: Item 7.
22 DIR. O'BRIEN: I will move the
23 resolution regarding the payment for Anderson
24 Kill that follows tab 8.
25 THE CHAIRMAN: Is there a

Page 32

1 second?
2 DIR. SULLIVAN: Second.
3 THE VICE CHAIRMAN:
4 Discussion?
5 DIR. LAURETTI: Yes. I'd like
6 to just understand -- I don't know if this
7 was discussed at the last meeting.
8 Unfortunately I wasn't here -- but what is
9 the overage here?
10 MS. STRAVALLE-SCHMIDT: Here,
11 let me pass this out so you can get a feel
12 for where we are. There are two things that
13 weren't considered.
14 MR. KIRK: I do want to make a
15 point just so everyone is clear. Overages in
16 the context we're speaking of here are
17 billed. They are not paid. We have not paid
18 a penny that has not been authorized by the
19 Board. There is work that continues because
20 it's at the direction of the AG's office, and
21 you could argue that there -- since they
22 value being provided by our contractor, we
23 are liable for it. However, nothing's been
24 paid that hasn't been expressly authorized by
25 the Board. And you can see that in the

Page 33

1 spreadsheet here that Ann is handing out.
2 MS. STRAVALLE-SCHMIDT:
3 Clearly you can see that we owe them money,
4 and I haven't paid them because we've been
5 auditing their bills as they come in.
6 They've actually been very good in responding
7 to some questions and concerns that we've
8 had, but we haven't paid them because of
9 audits and also because of the fact that I
10 knew we were getting close to the overage.
11 So what we did was, we
12 calculated the amount of the additional
13 authorization needed. And what we included
14 in that, which had not been initially
15 included but we had nowhere else to put that
16 because we had no encumbrance, is
17 technically -- all of the law firms had taken
18 June 13th as the start date with the AG's
19 contract. If you go back and actually look
20 at the bills, there was work done for the AG
21 prior to June 13th, and in this case there
22 was \$51,000 worth of work done. So because
23 there wasn't monies attributed to that, I put
24 that under the authorization. That was an
25 additional 51,000. Plus, when Dick --

Page 34

1 Attorney General Blumenthal came here and
2 asked for the 300,000 authorization, he
3 wasn't thinking of the work before June 13th.
4 He also had not anticipated the work we would
5 need Anderson Kill to do on the CL&P issue,
6 and that was an additional about \$30,000.
7 So where we need as far as
8 what the overage is -- and Tom is correct,
9 it's not an overage that we've spent. We
10 haven't spent that. We haven't paid the
11 bills. And I told him that we weren't, until
12 we got additional authorization and all our
13 audit questions were asked. An additional
14 authorization would be needed for 248,000,
15 885,000 and I asked for 250 as of April 17th.
16 The last bill I got from them was February
17 28. And then when I spoke with Anderson Kill
18 they said approximately \$100,000 to do the
19 appeal. It may be a little more now that
20 we've gotten an objection from Enron that we
21 need to respond to. So what the resolution
22 is asking for is minus what we've already
23 authorized, which was just paid up to the
24 300,000.
25 DIR. LAURETTI: Which is

Page 35

1 300,000?
2 MS. STRAVALLE-SCHMIDT: Right.
3 We need an additional 250 to pay off some
4 other bills plus going forward another
5 100,000. And that's cheaper than what we've
6 asked for Pepe, because their authorization
7 is approximately about 200,000 to 300,000
8 dollars less.
9 DIR. LAURETTI: I've got to
10 tell you, I'm a little bit miffed over this
11 whole thing -- that someone can come here
12 after the fact and say, Hey, by the way, we
13 incurred more expenses to the tune of
14 \$250,000, and then there's a realistic
15 expectation that some of us should go along
16 with this. I, for one, am not. I think this
17 is absolutely wrong. This is not their first
18 job. When you've got an approval to a
19 certain dollar amount, you work to that
20 dollar amount and then you notify your client
21 that by the way, we've expired what the
22 approved amount is and you seek an approval.
23 So I, for one, am not going to vote in favor
24 of this.
25 DIR. SULLIVAN: Let me just --

Page 36

1 they've billed a total to date of 483, give
2 or take? That's what it amounts to?
3 MS. STRAVALLE-SCHMIDT: Yes.
4 DIR. SULLIVAN: We've
5 authorized 300,000?
6 MS. STRAVALLE-SCHMIDT: Yes.
7 DIR. SULLIVAN: So of what
8 they've billed we conceptually at least owe
9 them 183. Now what's the difference that
10 gets us between there and 248? I mean,
11 because the billing only goes to the end of
12 March? What else have they done since then?
13 MS. STRAVALLE-SCHMIDT: Since
14 March?
15 DIR. SULLIVAN: Yes.
16 MS. STRAVALLE-SCHMIDT: Since
17 March, well, they've got some bills that they
18 were still working on -- CL&P and the Enron
19 appeal. And now what they've done is they've
20 filed a motion for reconsideration.
21 DIR. SULLIVAN: Right, I knew
22 that.
23 MS. STRAVALLE-SCHMIDT: And
24 there was discussions that we had an hour or
25 more with the AG's office with two or three

Page 37

1 of their attorneys to discuss the strategy
2 for the appellate situation, and now Enron
3 has filed an objection to our motion to
4 reconsider which --
5 DIR. SULLIVAN: But let's --
6 I'm just looking at the numbers, being a
7 numbers guy by trade. You've got 479,675 on
8 the top and you've got -- I forgot the 28, so
9 I've got to add another 28 to that. So it's
10 a little over 210 --
11 MS. STRAVALLE-SCHMIDT: Right.
12 DIR. SULLIVAN: -- that we owe
13 them based on what we saw, okay.
14 MS. STRAVALLE-SCHMIDT: Right.
15 So the additional authorization, if you just
16 looked at the non-CL&P stuff and included the
17 51 which Dick didn't include, you would need
18 an additional authorization over the 300 of
19 179. We had remaining 33,000 from that
20 authorization.
21 DIR. SULLIVAN: Do we have a
22 handle on what the rate per hour is on this?
23 MS. STRAVALLE-SCHMIDT: Oh,
24 yes. The rate per hour is -- I want to say
25 Andy Raul goes for like 250 or 270. His

Page 38

1 usual billable rate is \$400 an hour. We got
2 him down. I mean, I find that an outrageous
3 billable rate. Their billable rate we
4 negotiated with the attorney general after
5 the attorney general signed it. They are
6 willing to go back and renegotiate with us on
7 a variety of different bases. We didn't do
8 that. I don't know if you recall starting in
9 November we talked about all of the -- the
10 billable rate. And the AG had suggested that
11 we not go back and renegotiate until we
12 determined whether it would be the appellate
13 issue or moving forward with the constructive
14 trust issue.

15 DIR. SULLIVAN: What does a
16 bill look like? Do they give you the hours?

17 MS. STRAVALLE-SCHMIDT: They
18 give you the hours. They break it down by
19 task. I have task-based billing. I don't
20 like block billing.

21 DIR. SULLIVAN: Okay. By what
22 type of -- I mean, in normal bankruptcy,
23 because I've done a lot of it, but in my
24 accounting career you have to report in tenth
25 of an hour. Do they do that?

Page 39

1 MS. STRAVALLE-SCHMIDT: Yes.

2 DIR. SULLIVAN: They give it
3 to us in tenth of hours?

4 MS. STRAVALLE-SCHMIDT: Yes,
5 like telephone call point 2.

6 DIR. SULLIVAN: Okay, that's
7 fine. Individual people by tenth of an hour?

8 MS. STRAVALLE-SCHMIDT: Yes,
9 it will be by the person and it will be by
10 day and by subject matter like telephone
11 call, attendance at court.

12 DIR. SULLIVAN: How do we
13 avoid -- in coming back to deal with Mark's
14 question, how do we deal with retroactive
15 approvals? That's what I said earlier, too.

16 MS. STRAVALLE-SCHMIDT: What
17 we need to do is get the AG to agree to do a
18 budget with Anderson Kill. And part of the
19 resolution that I've drafted is that they
20 have to come back to us when they're at
21 \$50,000. You have to do it at the forefront.
22 Auditing after the fact, when you get your
23 bills one or two months later it's already
24 too late.

25 DIR. SULLIVAN: Yes,

Page 40

1 absolutely.

2 MS. STRAVALLE-SCHMIDT: You
3 need someone at the forefront, and it would
4 be the AG's office that would probably do
5 that because they have to approve the
6 strategy and the budget to have them have a
7 budget and if they're not in some kind of
8 penalty for if they're over the budget for
9 that particular month.

10 DIR. SULLIVAN: And will they
11 provide us with the budget?

12 MS. STRAVALLE-SCHMIDT: They'd
13 be willing to provide the budget. It's
14 having to talk with Ted and sitting down and
15 working out their logistics there as far as
16 approving the budget.

17 DIR. SULLIVAN: But that's --
18 estimated on a 20,000-foot level a year ago
19 was \$300,000.

20 MS. STRAVALLE-SCHMIDT: I
21 don't think that that was -- I think --

22 DIR. SULLIVAN: It had to be a
23 best estimate. That's what he asked us to
24 provide.

25 MS. STRAVALLE-SCHMIDT: I

Page 41

1 know --

2 MR. KIRK: In fairness to
3 them, I think that was what they needed to
4 get started. I don't think we sat them down
5 and they said they could do it for 300,000.

6 MS. STRAVALLE-SCHMIDT: Yes,
7 I --

8 THE VICE CHAIRMAN: Let's move
9 on.

10 Cathy.

11 DIR. BOONE: I just want to
12 comment that in fact the authorization -- to
13 speak to Mayor Lauretti's point, the
14 authorization for this has been exceeded
15 probably since October. So at least it could
16 have been brought here sooner.

17 DIR. SULLIVAN: Sooner, sure.

18 MS. STRAVALLE-SCHMIDT: I'd
19 like to point out, if it's all right, that we
20 brought it in November. It's in the November
21 Board package. And we were supposed to --

22 DIR. BOONE: But we did not
23 get a straight answer as to -- we worked at
24 the issue at that Board meeting as to what
25 had been incurred, and you continually

1 addressed the issue of what had been spent.
2 And they are two different distinct issues.
3 DIR. SULLIVAN: Different
4 things, absolutely.
5 DIR. LAURETTI: And I think
6 that Mayor Knopp also asked a question that
7 never got answered. And the question was
8 very specific as to how do you bill \$114,000
9 in legal fees in one month -- he said he was
10 an attorney -- and never got an answer out of
11 it.

12 MS. STRAVALLE-SCHMIDT: I can
13 give him the bill. All I do is get the bills
14 after the fact. I don't control what they do
15 in the forefront. But I can give him the
16 bills so he can see what they spent their
17 time in doing.

18 DIR. LATHROP: Maybe it's a
19 mayor's conspiracy here, but my city council
20 would eat me alive if I came in with a bill
21 like this, and I imagine yours would too.
22 And if this happened in Norwich, Connecticut,
23 the law firm would eat the overage. I can
24 guarantee you that.

25 THE VICE CHAIRMAN: Ray.

1 DIR. O'BRIEN: I like that
2 approach. That's the same thing our town's
3 finance would do, but --

4 THE VICE CHAIRMAN: We also
5 work for the attorney general. That's the
6 difference. We don't control this. You
7 have to keep that in mind, as crazy as it is,
8 but --

9 DIR. LAURETTI: Mayor, in all
10 due respect, it's hard to --

11 THE VICE CHAIRMAN: Ray has
12 the floor.

13 DIR. O'BRIEN: Whether or not
14 this is approved, I would like to suggest
15 that the CL&P piece come out and be
16 identified as a separate item because that
17 was not part of the AG's original estimate.

18 Secondly, I'd like to know
19 what the -- assuming this will be approved --
20 and I will support it despite the
21 tardiness -- I'd like to know the source of
22 the funds for this additional monies and what
23 the impact on our loan timing is. We
24 justified-reviewed a few minutes ago the
25 financial statement. There isn't very much

1 slack in there. I don't know where an
2 additional \$250,000 is going to come from in
3 this. And so I'm asking where that would
4 come from. We have the same question with
5 the Pepe and Hazard and what impact that has,
6 or has that already been figured in on the
7 timing of the state loan in June?

8 MR. BOLDUC: There is some
9 ongoing budget. Clearly the problem -- the
10 cash projections, the sources of funds, are
11 not, I don't think, anywhere near the caliber
12 we need to get them to. The problem is if we
13 have these accruing bills that apparently
14 seem to be at someone else's control, I think
15 it's incumbent, absolutely we must insist,
16 that the attorney general, who's controlling
17 the budget there, provide a budget that we
18 can live by. Otherwise I think we're going
19 to end up in a circle here that the state
20 loan is not -- it requires the support of the
21 debt service. It doesn't allow these kinds
22 of things. So I think --

23 DIR. O'BRIEN: I understand
24 that part of it, Jim.

25 MR. BOLDUC: The point is, is

1 I think when I go through the analysis I may
2 say we don't have the cash and we may have to
3 sit on these bills until we can establish a
4 new tipping fee.

5 DIR. O'BRIEN: Okay. That's
6 my point. I wasn't implying that the loan
7 would cover these expenses, but the timing of
8 the loan is dictated by our total cash
9 position. And if we have to put out an
10 additional 250 that we didn't plan on, then
11 that moves -- our loan must have to come
12 earlier because we won't even have the money
13 to pay the bonds there. And that's critical.
14 I agree with you that we need to get the
15 information, we need to get the budget
16 control and everything else, but right now
17 we're talking about 250, and 150 has been
18 spent and another 100 moving forward. We
19 need to know where that source is, or if we,
20 in fact, can hold on, because there's no
21 money next year either --

22 MR. BOLDUC: But the long term
23 is, is that there's got to be a budget --

24 DIR. O'BRIEN: -- unless you
25 get a good electricity contract.

Page 46

1 THE VICE CHAIRMAN: Howard.
2 DIR. RIFKIN: Mr. Chairman, I
3 would move that we table this item and refer
4 it to -- I would move that we table this item
5 and refer it to Bud's committee on, I guess,
6 it's the ad hoc committee on litigation and
7 legal fees, and that we ask that subcommittee
8 to look at the relationship with Anderson
9 Kill in the same fashion that we've looked at
10 the relationship with the other -- with Pepe
11 and Hazard on the other cases and see if in
12 working with the attorney general we can't
13 both understand how we might change that into
14 some kind of a contingency-fee arrangement,
15 if that's appropriate in this kind of matter,
16 and also to give us a better estimate of what
17 future costs are going to be, because we've
18 obviously had a setback in the bankruptcy
19 court on this question of constructive trust
20 and we're going to go through an appellate
21 process here that will require additional
22 fees beyond what we might have anticipated
23 going in.
24 So I think that there are a
25 number of issues here that need to be sorted

Page 48

1 arrangement and/or we figure out a way to
2 better estimate what the budget is going to
3 be on a going-forward basis.
4 DIR. SULLIVAN: I'll second
5 that.
6 THE VICE CHAIRMAN: It's been
7 moved and seconded.
8 Any discussion?
9 Seeing none, all those in
10 favor?
11 Opposed?
12 And it is referred.
13 DIR. LOVEJOY: Abstained.
14 DIR. O'BRIEN: Should I vote
15 aye or nay?
16 (Laughter.)
17 THE VICE CHAIRMAN: Next item,
18 item 8, recycling, Board action on the FCR
19 Mid-Connecticut recycling agreement.
20 Tom.
21 MR. KIRK: We are --
22 DIR. O'BRIEN: I will move the
23 resolution -- there is no resolution.
24 MR. KIRK: There should be a
25 resolution behind it.

Page 47

1 out rather than do this on an ad hoc basis.
2 We've got to try to resolve this in one fell
3 swoop.
4 DIR. MARTLAND: Second.
5 THE VICE CHAIRMAN: That
6 motion did include coming back with a budget
7 from the AG?
8 DIR. LAURETTI: It was a
9 motion to table.
10 DIR. RIFKIN: I made a motion
11 to table. I'll make a motion to refer.
12 THE VICE CHAIRMAN: The motion
13 is to table.
14 All those in favor of the
15 motion to table, which is not debatable?
16 DIR. LOVEJOY: Abstained.
17 THE VICE CHAIRMAN: Opposed?
18 Howard.
19 DIR. RIFKIN: Mr. Chairman,
20 I'd make a motion that we refer this item to
21 Bud's subcommittee and ask that the
22 subcommittee review the entire relationship
23 with Anderson Kill and work with the attorney
24 general in recalibrating that fee structure
25 so that either we look at a contingency-fee

Page 49

1 THE VICE CHAIRMAN: I believe
2 we were going to discuss that in executive
3 session and felt that it should be done here,
4 so maybe it needs to be moved to suspend the
5 rules to put this item on the agenda as well
6 as an additional item for delivery of
7 contaminated soil.
8 DIR. O'BRIEN: That isn't on
9 the agenda? Which one are we --
10 THE VICE CHAIRMAN: Item 8,
11 recycling.
12 MR. KIRK: I apologize.
13 There's a resolution on the back of the
14 handout Tom is passing around now.
15 DIR. O'BRIEN: This is for FCR
16 recycling, so we don't have to suspend the
17 rules to discuss that one?
18 MR. KIRK: Correct. It's on
19 the agenda.
20 THE VICE CHAIRMAN: Do you
21 want to move the resolution for discussion?
22 DIR. O'BRIEN: I will move the
23 resolution -- it's at the back of the packet
24 that was handed out -- regarding an agreement
25 authorizing the president to enter into an

Page 50

1 agreement with FCR, Inc.
2 THE VICE CHAIRMAN: Is there a
3 second?
4 DIR. SULLIVAN: Second.
5 THE VICE CHAIRMAN: It's been
6 moved and seconded.
7 DIR. LOVEJOY: Abstained.
8 THE VICE CHAIRMAN: Take a
9 couple of minutes to review it.
10 MR. KIRK: FCR, for everyone's
11 brief intro -- and we'll go to Tom if there
12 are any questions -- FCR operates both of our
13 IPCs. This particular issue revolves around
14 our Hartford facility. There's a dispute
15 with our contractor, FCR, regarding a number
16 of issues that have been discussed and
17 negotiated with principals of FCR. We are
18 requesting authorization to enter into a
19 settlement with them to resolve those various
20 disputes. We believe it's in the interest of
21 the CRRA to resolve them and reestablish a
22 good working relationship with FCR.
23 The particulars of this
24 settlement would involve payment of \$50,000
25 to settle an outstanding claim. FCR believes

Page 51

1 it's worth \$160,000. We obviously disagree,
2 but we think \$50,000 is a fair and equitable
3 amount to settle claims associated with an
4 eddy current separator outage that cost FCR
5 significant additional expenses.
6 There are other more minor
7 issues that are addressed in the settlement
8 and encumber CRRA to make additional
9 investments in the plant which are
10 economically beneficial to us, most
11 particularly the baler. A new baler to
12 replace the existing worn-out baler will
13 significantly increase the value of the
14 commodities separated at the facility and
15 sold into the commodity market. It also
16 permits us to work cooperatively with FCR in
17 a number of operational concerns of theirs,
18 most notable an alleged increase in waste oil
19 deliveries into the IPCs. Pretty
20 straightforward and gets us back on track
21 with FCR and eliminates or withdraws the
22 demand for arbitration by FCR of the contract
23 and gets us the extension at a very favorable
24 tip fee, by the way, of another year of FCR
25 operation of the Mid-Connecticut IPC.

Page 52

1 THE VICE CHAIRMAN: Ray.
2 DIR. O'BRIEN: On the baler
3 and the equipment upgrades, I think that was
4 discussed once before, but can you refresh my
5 memory as to what the financial benefit to
6 CRRA is? You talked about it qualitatively,
7 but I'd like to hear something
8 quantitatively, if not now, later.
9 MR. KIRK: Of the settlement?
10 DIR. O'BRIEN: No,
11 specifically the new equipment. You said
12 that that would have a beneficial impact.
13 You talked about it qualitatively. I'd like
14 to understand it quantitatively.
15 MR. GAFFEY: Okay. First of
16 all, we need to have a new baler, and the
17 contract requires us, upon request from FCR,
18 to purchase new equipment once the old
19 equipment has met its useful life. The old
20 baler did not produce a bale for tin, for
21 example, that can attract a good market
22 price. The new baler will. We will attract
23 a market price for tin alone at an additional
24 \$12 per ton, and tin represents about 30
25 percent of our revenues in that plant back

Page 53

1 here.
2 So it is, first of all,
3 necessary to replace the old baler. The
4 contract requires us to replace it once the
5 old baler has met its useful life. We have a
6 capital reserve fund to provide for that
7 replacement. And second of all, there's a
8 mutual benefit that CRRA and FCR will derive
9 because of the better market spec with the
10 new baler.
11 DIR. O'BRIEN: But how much --
12 you mentioned per ton, you mentioned
13 percentage of volume. What does that turn
14 out to be in a year?
15 MR. GAFFEY: I'd have to go
16 and look at what --
17 DIR. O'BRIEN: Okay. That's
18 the kind of -- in other words, if you're
19 going to use benefits as a justification for
20 the expenditure, then we should quantify the
21 benefit, and I'd like to have that. If we're
22 bound under contract to upgrade anyway and it
23 makes just good sense to upgrade, that's
24 fine. But if benefits to CRRA and its
25 ratepayers are cited as one of the reasons

Page 54

1 for doing it, we ought to quantify that
2 benefit.
3 MR. GAFFEY: We can do that
4 very, very easily. I just don't have the tin
5 amounts right now. But we can provide that
6 to you either in the mail before the next
7 meeting or at the next meeting.
8 DIR. O'BRIEN: That's fine.
9 And what I'm really making the point is other
10 items like this, Tom. If we're going to cite
11 economic benefits, let's quantify the
12 economic benefits.
13 MR. KIRK: I agree, and we can
14 do that for both this and future resolutions.
15 I would point out, though, that even without
16 the economic benefit we would be asking
17 for --
18 DIR. O'BRIEN: Understood.
19 MR. KIRK: It's gravy, I
20 guess. And we should quantify what flavor
21 gravy it is.
22 DIR. O'BRIEN: No, it's good
23 business. It's not gravy. It's good
24 business.
25 DIR. GRISWOLD: Will the baler

Page 55

1 be the property of CRRA?
2 MR. KIRK: Yes.
3 THE VICE CHAIRMAN: Other
4 questions?
5 Howard.
6 DIR. RIFKIN: I don't know if
7 the motion was --
8 THE VICE CHAIRMAN: It's been
9 moved and seconded.
10 Any additional comment?
11 Seeing none, all those in
12 favor of the resolution?
13 Opposed?
14 It is adopted.
15 DIR. LOVEJOY: Abstained.
16 DIR. O'BRIEN: Now you had
17 something you wanted to add to the agenda,
18 Steve?
19 THE VICE CHAIRMAN: Yes. We
20 have a resolution regarding the delivery of
21 cover soil to the Hartford landfill.
22 DIR. O'BRIEN: Move that the
23 rules be suspended to add that to the agenda.
24 DIR. SULLIVAN: Second.
25 THE VICE CHAIRMAN: All those

Page 56

1 in favor to suspend to deal with this item?
2 Opposed?
3 The rules are suspended.
4 DIR. LOVEJOY: Abstained.
5 THE VICE CHAIRMAN: Tom, you
6 want to --
7 MR. KIRK: This is a
8 resolution asking that the chair authorize
9 the present chairman or vice chairman to
10 enter into a contract with SRS Transportation
11 for delivery of contaminated soil to our
12 Hartford landfill. We are -- Peter has put a
13 lot of effort into identifying some value
14 associated with the cover requirements of our
15 landfill. We will use contaminated soil at a
16 tip fee instead of purchasing contaminated
17 soil and use that for our purposes up at the
18 landfill. Peter put quite a bit of effort
19 into finding suitable appropriate suppliers
20 of this material, and he can answer any
21 questions about how he went about finding and
22 establishing the value of that landfill
23 capacity, which is \$8 per ton?
24 MR. EGAN: This contract is
25 for \$12 per ton.

Page 57

1 DIR. O'BRIEN: I will move the
2 resolution that was just passed around.
3 THE VICE CHAIRMAN: Is there a
4 second?
5 DIR. SULLIVAN: Second.
6 THE VICE CHAIRMAN: It's been
7 moved and seconded.
8 Any discussions or questions?
9 DIR. MARTLAND: I have a
10 question. Some time ago at our Bridgeport
11 facility we had so-called contaminated soil
12 that had oil in it, but we had to take it to
13 Waterbury and have it cooked or whatever they
14 do and incinerated and then it went out.
15 Now, are we talking about -- what's the
16 difference between this contaminated soil and
17 what I was talking about?
18 MR. EGAN: There may be no
19 difference. This particular soil does have
20 some petroleum contamination.
21 DIR. MARTLAND: Has it been
22 incinerated?
23 MR. EGAN: No. The levels are
24 not high enough to require that you roast the
25 soil. This material has been approved by DEP

Page 58

1 for use as daily cover. If you have another
2 waste stream that you've been involved with
3 in the past, the DEP, when they approve these
4 contaminated soil streams for management in
5 state, they review each waste stream on a
6 case-by-case basis. They have a special
7 waste authorization application that's
8 completed and submitted to them and has all
9 the backup analytical and other information.
10 And on a case-by-case basis the DEP may
11 decide that a particular soil stream should
12 be incinerated. The contamination levels in
13 this particular stream are not high enough to
14 require that necessity. In fact,
15 historically the Hartford landfill has taken
16 in petroleum contaminated soil and other
17 types of petroleum contaminated waste as a
18 special waste. And, again, I just go back to
19 the DEP approving this. They have a set of
20 criteria. It's acceptable to them. It's
21 acceptable to us.
22 We have an independent consultant
23 in addition to myself and another individual
24 in my staff to review the analytical. We
25 have a specific waste material profile sheet

Page 59

1 that the generator of the waste must sign and
2 must certify essentially certifying that what
3 they are providing us is true and accurate
4 and they are not going to ship anything that
5 is outside of the definition of what they
6 have represented to us on this waste profile
7 sheet.
8 THE VICE CHAIRMAN: Ray.
9 DIR. O'BRIEN: My
10 understanding from this, Peter, is --
11 actually you've answered most of my questions
12 in your response to Ted -- this is one waste
13 stream only?
14 MR. EGAN: Correct.
15 DIR. O'BRIEN: And you're
16 looking at 7,000 tons from that waste stream.
17 MR. EGAN: Correct.
18 DIR. O'BRIEN: Do we do any
19 audits? I mean, 7,000 tons doesn't come in
20 all in one day.
21 MR. EGAN: No.
22 DIR. O'BRIEN: So do we do any
23 audits of our own just to verify that it is
24 within parameters?
25 MR. EGAN: Only at the site of

Page 60

1 generation and only based from the analytical
2 that the generator and their environmental
3 contractor provide to us and supported by the
4 DEP special waste approval. We do not take
5 any samples from trucks and do any type of
6 conformance testing. We do not require a
7 sample ourselves up-front that we
8 independently send to a laboratory. We
9 accept the analytical that is from a
10 Connecticut-certified laboratory and is
11 sampled in accordance with an EPA sampling
12 and analytical protocol referred to as SWA46.
13 But we do not do any type of at-the-gate
14 conformance testing, and I don't believe
15 that's necessary.
16 DIR. O'BRIEN: What I'm trying
17 to get to is, is this sampled as they're
18 generating or is it just one time before the
19 approval, the DEP process?
20 MR. EGAN: The soil is
21 typically -- it may be -- the soil typically
22 is sampled in situ, in the ground, as part of
23 an initial investigation. And then it may
24 also be sampled in addition to that once it's
25 pulled out of the ground and stockpiled.

Page 61

1 CRRA may or may not require that additional
2 sampling be done, based on how many in situ
3 samples, both what are called grab samples
4 and composite samples, are taken in the
5 initial investigation. But the number of
6 samples -- what are called grab, and then
7 composites of those grabs -- are done in
8 conformance with the EPA's sampling guidance.
9 DIR. O'BRIEN: You're aware of
10 what the TPH level is in this from DEP?
11 MR. EGAN: Yes, I'm aware of
12 the levels of all potential contaminants.
13 THE VICE CHAIRMAN: Howard.
14 DIR. RIFKIN: Is this the
15 first time we're proposing to purchase
16 nonvirgin soil to be used for cover?
17 MR. EGAN: No, this is not the
18 first time. We're not purchasing this; we're
19 charging the tipping fee for it.
20 DIR. RIFKIN: I'm sorry.
21 MR. EGAN: We have charged --
22 we have taken in soil about three years ago
23 from this same company from several sites
24 around the state and the tipping fee was \$3 a
25 ton. We brought in material last fall from a

Page 62

1 source in Danbury, Connecticut, for which I
 2 charged \$15 a ton. And at this time I am
 3 trying to negotiate with about four other
 4 sources for this type of quantity, including
 5 the Colt Gateway project. That is out to bid
 6 this week. Bids were due on Tuesday. And I
 7 hope to capture some of the soil there that
 8 is amenable for use as daily cover.
 9 DIR. RIFKIN: Do we have any
 10 -- I know that the Hartford landfill has been
 11 a source of litigation and regulatory issues.
 12 Do we have any obligation to provide notice
 13 to, like, the Citizens for Economic Justice
 14 or any other organization when we intend to
 15 use any kind of contaminated soil for cover
 16 at the landfill?
 17 MR. EGAN: No, we don't. That
 18 notification essentially was provided during
 19 the most recent vertical expansion permit
 20 modification hearings. During those hearings
 21 there was significant, or at least a moderate
 22 amount of, discussion on use of contaminated
 23 soils as cover material both in the new
 24 expanded ash area and the old historical MSW
 25 area. And, in fact, in the vertical

Page 63

1 expansion permit, CRRA has the authority to
 2 seek approval for use of contaminated soils
 3 for use as daily cover. This issue was
 4 publicly discussed, if you will, at the
 5 hearings that occurred in the fall of 2000.
 6 DIR. RIFKIN: Okay.
 7 THE VICE CHAIRMAN: Other
 8 questions or comments on this?
 9 DIR. MENGACCI: First of all,
 10 I'd like to commend you, Peter, on
 11 identifying this whole concept, because
 12 already we're about \$73,000 above what was
 13 projected for these types of materials. And
 14 I think that's great. Does this codify --
 15 this is a new arrangement?
 16 MR. EGAN: Yes.
 17 DIR. MENGACCI: So the soil is
 18 coming in -- okay.
 19 MR. EGAN: And under our
 20 purchasing policy this is a market-driven
 21 sale or purchase. And CRRA, the president,
 22 has the authority to enter into an agreement,
 23 and then we come to the Board of Directors
 24 after the fact and seek your approval.
 25 DIR. MENGACCI: So as you

Page 64

1 continue to negotiate with the folks we can
 2 expect to see more arrangements like this?
 3 MR. EGAN: Yes. I hope to
 4 have one in June that I'm working on.
 5 DIR. SULLIVAN: Peter, that
 6 looks like it's about roughly 400 truckloads?
 7 I mean, you figure a 16-ton truck.
 8 MR. EGAN: Yes.
 9 DIR. SULLIVAN: How long do
 10 you think this will take? Is there a time
 11 element?
 12 MR. EGAN: The landfill right
 13 now can actually use about 1,500/2,000 tons a
 14 week, because we are doing some additional
 15 interim covering activities. Regular daily
 16 covering of the working face, we use about
 17 700 tons a week. In the contracts that I
 18 sign, for example this one, I limit it to 500
 19 tons a week unless we give them authorization
 20 to bring in more than that. It is somewhat
 21 of a juggling act as I try and negotiate with
 22 different generators and anticipate when they
 23 are going to be shipping to ensure that we do
 24 not bite off more than we can chew, if you
 25 will, and commit to more than we can handle

Page 65

1 under our permit.
 2 THE VICE CHAIRMAN: Other
 3 comments? Questions?
 4 Seeing none, the resolution
 5 has been moved by Ray and seconded by Andy.
 6 All those in favor?
 7 Opposed?
 8 It is adopted.
 9 DIR. LOVEJOY: Abstained.
 10 THE CHAIRMAN: The committee
 11 report, policy and procurement committee.
 12 DIR. O'BRIEN: Mr. Chairman,
 13 with your permission, while Peter is on the
 14 hot seat, could I ask either him or Tom to
 15 discuss the oil spill that we have a good
 16 report in. First of all, I think contracting
 17 directly was the right decision, but I had a
 18 few questions that I came up with from the
 19 report.
 20 THE VICE CHAIRMAN: Why don't
 21 we come back to it because it's on the
 22 agenda, and there may be people that have to
 23 leave. And we've got a couple of --
 24 DIR. O'BRIEN: Oh, it is on
 25 the agenda? I thought it was just listed for

Page 66

1 information.
2 THE VICE CHAIRMAN: Under
3 communication. We can discuss it but we
4 still have some voting to do, I believe.
5 Policy and procurement
6 committee.
7 DIR. COHN: I have three items
8 to report, one of which is an action item.
9 The action item is the travel policy and
10 expense reporting procedure. We made several
11 passes on this. The committee has adopted
12 and recommended that the full board approve
13 it. It is somewhat of a tightening from the
14 existing procedure. It follows more of a
15 public sector model which, where the
16 authority has been in recent years, seems
17 warranted. Since it was sent out in advance
18 and I presume you've had an opportunity to
19 read it, I will move adoption.
20 DIR. MARTLAND: Second.
21 THE VICE CHAIRMAN: It's been
22 moved and seconded. I would indicate that
23 the next item is the organization synergy.
24 Our only real action item was to ratify this
25 same policy. We did make one suggestion that

Page 67

1 that would become effective July 1 so that
2 proper notification could be given, but we
3 didn't want to hold it off beyond that.
4 DIR. O'BRIEN: And I believe
5 we've been advised, Mr. Chairman, that this
6 has been properly warned in the law journal
7 and so forth for voting today?
8 DIR. COHN: Yes.
9 THE VICE CHAIRMAN: Is there
10 any discussion? You've all had a copy.
11 All those in favor?
12 Opposed.
13 It is adopted.
14 DIR. LOVEJOY: Abstained.
15 DIR. COHN: Second item, of
16 which you also have a draft, is revised
17 bylaws for the authority. The changes are in
18 several areas. Most of the changes reflect
19 the change in law that revise the makeup in
20 organization of the Board. We also covered
21 issues such as committee structure, quorums
22 and committees, telephonic participation in
23 meetings, et cetera. This one is not yet
24 ready for adoption. The committee has made
25 three passes at it, but we'd like the full

Page 68

1 Board to have a chance to review it and give
2 us any feedback. What I suggest is that
3 since the committee will take it up in the
4 meeting of June 5th, you get any comments
5 that you have to Paul Doyle at least a week
6 before that and then we will consolidate them
7 and hopefully be ready to adopt at the
8 committee and start the notice period.
9 The third item I have is one
10 that I thought would not be back but Capital
11 Properties is still interested in talking
12 further about making us a better offer. I
13 didn't think they'd be back, because they
14 were so far out of the ballpark. But I
15 indicated to them, number one, they didn't
16 provide us with enough space and we didn't
17 want to split the staff. Number two, taking
18 parking out of the lease and making an extra
19 charge was a real deal killer. And number
20 three, that overall they had to come back
21 with a present value of at least 500,000 to
22 get to break even to make it worthwhile for
23 us to do a move. And they didn't flinch at
24 this, so we'll see what they come back with.
25 THE VICE CHAIRMAN: Great job.

Page 69

1 Questions or comments?
2 Thank you.
3 The organizational committee,
4 the only action we took was on the policy we
5 just adopted. So we will move on.
6 The Vice Chairman has no
7 report, so we'll go back to communications,
8 item one, explanation on the oil release that
9 Ray just asked for.
10 MR. KIRK: Let me just kick it
11 off quickly. The oil release was a result of
12 an error, a mechanical problem, by our
13 contractor, Covanta. We responded
14 immediately as owners, and I think our
15 response was appropriate. It was done
16 quickly. We engaged a contractor immediately
17 and initiated a cleanup actually before we
18 even were certain it was a Covanta problem.
19 Peter closed the book on that,
20 so to speak, investigationwise, with the
21 Coast Guard, DEP and Covanta and can give you
22 more information.
23 THE VICE CHAIRMAN: Peter.
24 MR. EGAN: Okay. I'll be
25 brief and then I'll fill in if you have

Page 70

1 questions. As Tom told you, there was a
 2 problem, a mechanical problem, where some oil
 3 essentially got into the cooling water that
 4 is run through the facility. We run about 80
 5 million gallons a day through the facility,
 6 and there was a breach in the system, and
 7 approximately 300 gallons escaped over about
 8 a five-day period.

9 When it was discovered that
 10 there was oil in the river and the DEP showed
 11 up at the power block facility, there was oil
 12 at both the intake and the outfall of the
 13 cooling water system. And it was believed
 14 that the oil was not coming from our
 15 facility, it was coming from somewhere else
 16 on the river, and was being pulled into our
 17 plant and then redischarged.

18 Because at that time it was
 19 not believed the oil came from our facility,
 20 our operator was hesitant to contract to
 21 clean up the oil release, and the DEP was
 22 preparing, when I arrived on-site, to
 23 contract directly with the response
 24 contractor. Because the oil was leaving our
 25 facility from a permitted NPDES outfall and

Page 71

1 that permit does not allow any oil to be
 2 released, I believe that it was our
 3 obligation to contract directly with a
 4 contractor. I was concerned about future
 5 enforcement actions because it was coming
 6 from our facility so I did that on-site. It
 7 was then discovered that indeed it was coming
 8 from the facility.

9 The response took
 10 approximately five days, five working days of
 11 the contractor's time. The Coast Guard,
 12 Region 1 EPA, and the DEP were all involved,
 13 and they came down to the site several days
 14 later. In the grand scheme of things it was
 15 not a large release; it was a very small
 16 release. However, it's very significant.
 17 It's 300 gallons, and it created a sheen out
 18 on the river.

19 The final cost of the cleanup
 20 we just finished negotiating the invoice --
 21 we knocked a few dollars off -- and it's
 22 going to be about \$33,000, of which Covanta
 23 is going to pay the entire amount.

24 I guess that's it.

25 THE VICE CHAIRMAN: Ray.

Page 72

1 DIR. O'BRIEN: As I said
 2 before, I think your response was very
 3 appropriate, but I had some questions on the
 4 actual failure. What is the tube tank
 5 capacity? And, I mean, you're talking about
 6 five to six drums of oil that were gone. How
 7 come nobody noticed it? Are there no level
 8 alarms? And do they keep track of how much
 9 oil they're adding into a system over a
 10 period of time?

11 MR. KIRK: Yes. In this case,
 12 honestly I'm not surprised that -- I am
 13 surprised that that level of oil was not
 14 identified as missing. The oil involved was
 15 a turbine lube oil. It's high-paraffin light
 16 oil used to lubricate the bearings of the
 17 turbine generator. Typically there's a sump
 18 underneath the generator that holds hundreds,
 19 if not thousands of gallons of oil, in this
 20 case thousands of gallons of paraffin oil,
 21 and the leak occurred in a heat exchanger --
 22 think of a radiator. And the leak occurred
 23 because of an operational error made by the
 24 operator. They throttled down the outlet
 25 valve instead of cooling fluid, instead of

Page 73

1 the inlet valve. It changed the pressure
 2 differential inside the heat exchanger such
 3 that oil leaked out into the water instead of
 4 water leaking into the oil, which is the
 5 preferred method because that can be
 6 identified quickly and the leak found.

7 We've had words with Covanta, in
 8 that 300 gallons was a noticeable amount even
 9 in a thousand-plus sump. And in fact they
 10 did find the leak after noticing that they
 11 were missing a couple hundred gallons of oil.

12 DIR. O'BRIEN: Have they
 13 tightened up procedure so that we find out
 14 long before we get to 300 gallons lost?

15 MR. KIRK: Yes. They
 16 immediately corrected the throttling problem
 17 obviously, and they've told us, I believe,
 18 that they've instituted reviews such that
 19 missing oil is not found after days but
 20 rather as soon as it's noticed action is
 21 taken.

22 THE VICE CHAIRMAN: Other
 23 questions on this?

24 DIR. O'BRIEN: Yes. The last
 25 one is, do we expect any follow-up

Page 74

1 enforcement action on our NPDES permit from
2 DEP?

3 MR. EGAN: I don't -- the
4 answer is no. I'm hopeful that we won't see
5 any. By the way, Covanta is the permittee;
6 CRRA is not.

7 DIR. O'BRIEN: Okay.

8 MR. EGAN: We may end up
9 taking that permit over. Our contract to run
10 the energy generating facility with Covanta
11 specifies that we eventually need to take
12 that permit back from Covanta. But the Coast
13 Guard, Region 1 EPA and the DEP all came
14 down, we sat around the table. The EPA is
15 not going to enforce against us. They
16 believe this was -- the circumstances were
17 such that it was not an issue of
18 noncompliance with our spill prevention
19 control and countermeasure plan.

20 The Coast Guard didn't believe
21 that they were going to enforce, although
22 these two individuals had to go back and run
23 it up the flagpole at the Coast Guard.

24 There may be enforcement action
25 from Connecticut DEP, and we won't know for

Page 75

1 several months, I would say.

2 DIR. O'BRIEN: Thank you.

3 THE VICE CHAIRMAN: Other
4 comments?

5 Seeing none, thank you, Peter.

6 Item 11 is basically for your
7 own perusal.

8 Motion to adjourn?

9 DIR. O'BRIEN: So moved.

10 DIR. MARTLAND: Second.

11 THE VICE CHAIRMAN: All those
12 in favor? Hold it.

13 MR. KIRK: I just want to make
14 one point. For anyone's information, the
15 financial mitigation plan, which is already
16 in the possession of the finance committee,
17 we have extra copies here for any board
18 member who's interested.

19 THE VICE CHAIRMAN: All those
20 in favor of adjournment?

21 Opposed?

22 We are adjourned at 12:18.

23 (Whereupon, the hearing was
24 adjourned at 12:18 o'clock p.m.)

25

TAB 2

Financial And Variance Report

Year to Date April 2003

MID-CONNECTICUT PROJECT - FINANCIAL RESULTS

For the Ten Months Ending April 30, 2003

	FY 03 Budget	Budget YTD	Actual YTD	Favorable (Unfavorable) YTD Variance	Projection (10+2)
REVENUES					
Service Charges Solid Waste - Members	\$35,987,917	\$29,989,931	\$30,705,087	\$715,156	\$37,293,812
Service Charges Solid Waste - Contracts	\$14,277,083	\$11,897,569	\$11,342,925	(\$554,644)	\$13,637,199
Service Charges Solid Waste - Spot	\$434,000	\$361,667	\$625,911	\$264,244	\$735,912
Bulky Waste - Municipal	\$1,258,000	\$1,048,333	\$809,525	(\$238,808)	\$1,105,525
Bulky Waste - Commercial	\$102,000	\$85,000	\$62,722	(\$22,278)	\$73,820
DEP Certified Materials	\$19,000	\$15,833	\$87,908	\$72,075	\$87,908
Metal Sales	\$0	\$0	\$2,280	\$2,280	\$2,280
Recycling Sales	\$1,362,825	\$1,135,688	\$1,213,917	\$78,230	\$1,456,719
Metals Service Charge	\$5,000	\$4,167	\$8,364	\$4,197	\$10,365
Electricity	\$14,332,500	\$11,943,750	\$13,025,196	\$1,081,446	\$15,201,197
Miscellaneous Income	\$703,480	\$586,233	\$310,480	(\$275,753)	\$340,480
Jets Revenues	\$5,759,524	\$4,799,603	\$5,375,541	\$575,938	\$5,775,541
Interest Income	\$1,373,500	\$1,144,583	\$789,679	(\$354,904)	\$919,678
Use of Reserves	\$18,852,133	\$15,710,111	\$15,710,110	(\$1)	\$18,852,130
TOTAL REVENUES	\$94,466,962	\$78,722,468	\$80,069,645	\$1,347,177	\$95,492,566
EXPENDITURES					
General Administration	\$5,059,005	\$4,215,838	\$4,331,361	(\$115,524)	\$5,238,224
Debt Service/Administration	\$26,090,244	\$21,741,870	\$21,748,020	(\$6,150)	\$26,090,319
Waste Transport	\$8,610,401	\$7,175,334	\$10,510,568	(\$3,335,234)	\$12,626,071
Regional Recycling	\$3,359,688	\$2,799,740	\$1,735,717	\$1,064,023	\$2,101,853
Waste Processing Facility	\$21,935,289	\$18,279,408	\$16,236,771	\$2,042,637	\$19,477,767
Power Block Facility	\$15,813,431	\$13,177,859	\$13,387,990	(\$210,131)	\$16,229,639
Energy Generating Facility	\$2,123,579	\$1,769,649	\$1,188,182	\$581,467	\$1,425,816
Landfill - Hartford	\$3,809,319	\$3,174,433	\$2,881,217	\$293,216	\$3,390,418
Landfill - Ellington	\$279,250	\$232,708	\$135,634	\$97,074	\$161,222
Transfer Station - Ellington	\$379,366	\$316,138	\$422,937	(\$106,799)	\$503,539
Transfer Station - Essex	\$508,622	\$423,852	\$595,140	(\$171,288)	\$728,990
Transfer Station - Torrington	\$467,753	\$389,794	\$384,074	\$5,720	\$467,328
Transfer Station - Watertown	\$491,254	\$409,378	\$423,053	(\$13,675)	\$509,318
171 Murphy Road	\$39,811	\$33,176	\$38,862	(\$5,686)	\$41,861
Jets Expenditures	\$5,499,950	\$4,583,292	\$4,258,793	\$324,499	\$5,178,792
TOTAL EXPENDITURES	\$94,466,962	\$78,722,468	\$78,278,319	\$444,149	\$94,171,157
SURPLUS/(DEFICIT)	\$0	\$0	\$1,791,326	\$1,791,326	\$1,321,409
SURPLUS/(DEFICIT) - Excluding Jets/EGF	(\$259,574)	(\$216,312)	\$674,578	\$651,588	\$724,660
TONNAGE					
Deliveries Tons (CRRA)	870,000	725,000	736,541	11,541	889,541
Diverted / Exported Tons	37,000	30,833	70,653	39,819	83,653
Processed Tons	840,000	700,000	665,145	(34,855)	805,145

*Any Jets/EGF excess net revenues are Restricted Funds per the Trustee Letter dated 12/28/00.

MID-CONNECTICUT PROJECT – VARIANCE ANALYSIS

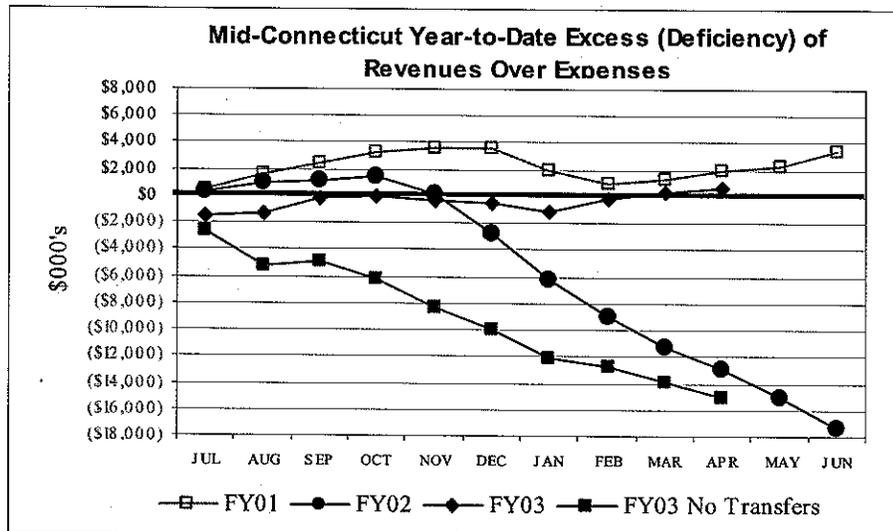
April 2003

REVENUES:

- Service Charges Solid Waste – Member: member deliveries are above a conservative budget by approximately 14,500 tons resulting in higher than expected revenues.
- Service Charges Solid Waste – Contract: year-to-date contract deliveries are 12,600 tons below budget, as a result of overstated deliveries from new contract towns of Guilford/Madison.
- Service Charges Solid Waste – Spot: budget assumed no spot deliveries, however project has been accepting Wallingford project diversions as required to fill capacity or to act as a conduit for the Wallingford project to export waste out-of-state due to permitting issues.
- Bulky Waste – Municipal: deliveries are below budget due to seasonality and a longer winter weather pattern.
- Electricity: increase attributed to settling FY02 electrical revenues associated with the Enron/CLP agreement.
- Miscellaneous Income: under-budget due to timing factors (i.e. permit fees and the sale of emission credits).
- Interest Income: is below budget due to market factors and reduction in reserve levels.
- Jets Revenue: reflects better than expected jet energy production (hot summer) and the budget assumed no interest income.

EXPENDITURES:

- General Administration: expenses exceed budget due to higher than expected legal expenses.
- Waste Transport Expenses: Overall deliveries continue to be above budget and processed tons below budget resulting in higher than expected waste diversion/export expenses. In addition, the budget was based upon a private contractor performing the transportation services at a lower cost than currently being charged by the MDC.
- Regional Recycling: budget was based upon a processing fee of \$19.74 per ton, but a change in operations has resulted in an actual processing cost of approximately \$4 per ton.
- Waste Processing Facility: as a result of inclement weather and staff performing system operations the MCAPS expenses are below budget. Other costs are below budget due to timing of the RDF floor repair, reduction in engineering consultant use, and reduced metals recovery expenses due to an improved metals market. Year-to-date MDC operating expenses are slightly above budget.
- Energy Generating Facility: actual PILOT costs were reallocated between EGF and Jets facilities differently than budget as a result of the purchase and reevaluation of the South Meadows site.
- Hartford Landfill: under-budget due to timing of construction projects for the installation of gas wells and a temporary liner over cell 3.
- Transfer Station – Ellington: Hopper and Scale repairs and paving costs were not in operating budget. Also budget assumed a private contractor would operate the facility instead of MDC, at a lower cost.
- Transfer Station – Essex: budget assumed a private contractor would operate the facility instead of MDC, at a lower cost.
- Jets Expenditures: higher PILOT costs were offset by lower than expected direct charges for salaries and overhead.



BRIDGEPORT PROJECT - FINANCIAL RESULTS

For the Ten Months Ending April 30, 2003

	FY 03 Budget	Budget YTD	Actual YTD	Favorable (Unfavorable) YTD Variance	Projection (10+2)
REVENUES					
Service Charges Solid Waste - Members	\$25,565,837	\$21,304,864	\$22,080,953	\$776,089	\$26,687,954
Service Charges Solid Waste - Contracts	\$15,727,258	\$13,106,048	\$11,977,527	(\$1,128,521)	\$14,457,428
Ash Disposal Reimbursement	\$3,839,698	\$3,199,748	\$3,365,793	\$166,045	\$4,064,292
Recycling Sales	\$1,000,467	\$833,723	\$1,623,307	\$789,585	\$1,947,906
Rental Income	\$1,103,512	\$919,593	\$900,676	(\$18,917)	\$1,080,820
Miscellaneous Income	\$25,000	\$20,833	\$29,863	\$9,030	\$29,863
Interest Income	\$255,000	\$212,500	\$41,292	(\$171,208)	\$45,293
Use of Reserve (Shelton LF Postclosure)	\$650,000	\$541,667	\$449,697	(\$91,970)	\$549,699
TOTAL REVENUES	\$48,166,772	\$40,138,977	\$40,469,108	\$330,131	\$48,863,255
EXPENDITURES					
General Administration	\$1,193,845	\$994,871	\$631,473	\$363,398	\$833,623
Debt Service/Administration	\$2,222,305	\$1,851,921	\$1,813,188	\$38,733	\$2,170,713
Resources Recovery Facility	\$32,070,311	\$26,725,259	\$27,141,478	(\$416,219)	\$32,290,818
Ash Disposal	\$7,396,471	\$6,163,726	\$6,548,042	(\$384,316)	\$7,976,793
Waste Transport	\$519,974	\$433,312	\$407,085	\$26,227	\$487,085
Regional Recycling	\$2,618,623	\$2,182,186	\$1,944,014	\$238,172	\$2,343,820
Landfill - Shelton	\$1,822,650	\$1,518,875	\$1,364,001	\$154,874	\$1,685,099
Landfill - Waterbury	\$13,800	\$11,500	\$3,753	\$7,747	\$5,553
Transfer Station - Darien	\$22,850	\$19,042	\$15,755	\$3,287	\$17,605
Transfer Station - Fairfield	\$25,850	\$21,542	\$8,730	\$12,812	\$10,580
Transfer Station - Greenwich	\$17,625	\$14,688	\$8,730	\$5,958	\$12,355
Transfer Station - Milford	\$33,275	\$27,729	\$8,132	\$19,597	\$11,406
Transfer Station - Norwalk	\$42,747	\$35,623	\$2,199	\$33,424	\$7,048
Transfer Station - Shelton	\$13,400	\$11,167	\$394	\$10,773	\$794
Transfer Station - Trumbull	\$24,000	\$20,000	\$9,143	\$10,857	\$10,643
Transfer Station - Westport	\$32,500	\$27,083	\$8,730	\$18,353	\$10,230
TOTAL EXPENDITURES	\$48,070,226	\$40,058,522	\$39,914,847	\$143,675	\$47,874,165
SURPLUS/(DEFICIT)	\$96,546	\$80,455	\$554,261	\$473,806	\$989,090
TONNAGE					
Deliveries Tons (CRRA)	600,000	500,000	503,098	3,098	608,398
Delivered Tons (Wheelabrator)	120,000	100,000	118,737	18,737	148,737
Total Deliveries	720,000	600,000	621,835	21,835	757,135
Processed Tons	720,000	600,000	615,686	15,686	742,686

BRIDGEPORT PROJECT – VARIANCE ANALYSIS

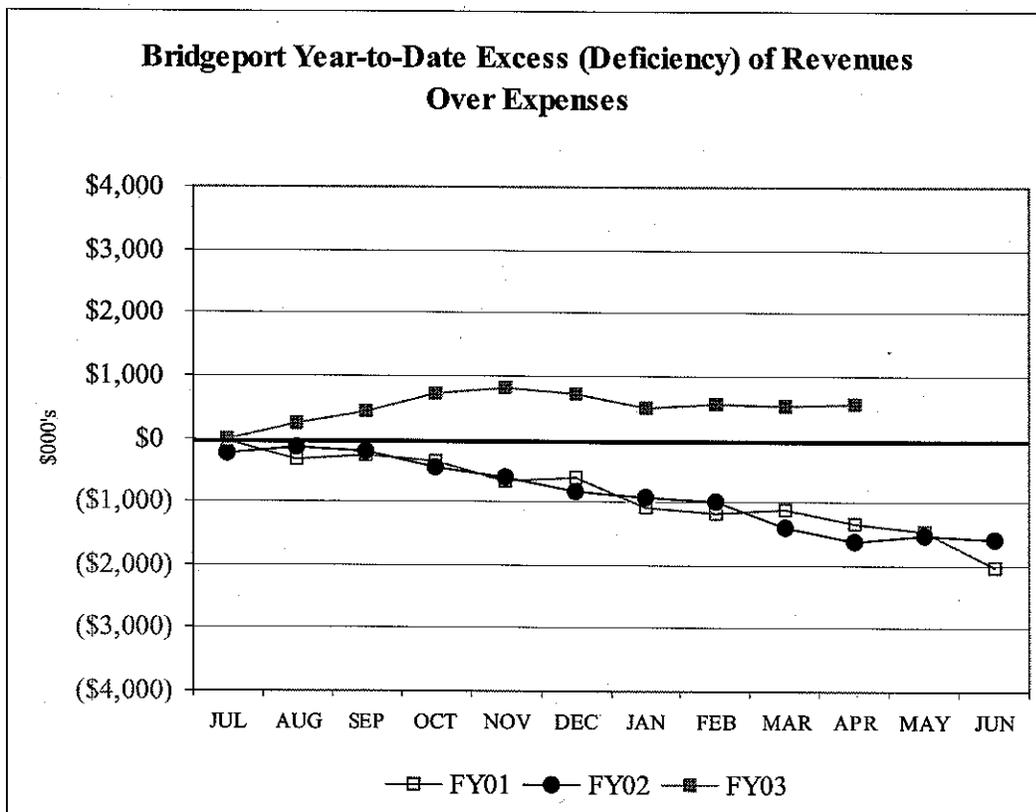
April 2003

REVENUES:

- Service Charges Solid Waste – Members: as a result of above budget deliveries.
- Service Charges Solid Waste – Contracts: reflects the loss of CRRA contract tonnage to out-of-state disposal options at lower disposal costs.
- Ash Disposal Fees: increased revenues due to higher than budgeted ash production rates, which are a result of excess moisture and poor boiler burnout.
- Recycling Sales: revenues are up as a result of above budget deliveries and better than expected market revenues (budget assumed revenue sharing of \$17 per ton, actual is in excess of \$30 per ton, due primarily to higher than normal newsprint and corrugated markets).
- Interest Income: is below budget due to market factors and reduced reserve balances.

EXPENDITURES:

- General Administration: costs reflect a reduction in direct charges for salaries and associated overhead and below budget legal costs.
- Resources Recovery Facility: direct result of above budget project deliveries.
- Ash Disposal: increased expenses due to higher than budgeted ash production rates.
- Regional Recycling: costs reflect a reduction in direct charges for salaries and associated overhead.
- Shelton Landfill: lower than budget costs for environmental testing.



WALLINGFORD PROJECT - FINANCIAL RESULTS

For the Ten Months Ending April 30, 2003

	FY 03 Budget	Budget YTD	Actual YTD	Favorable (Unfavorable) YTD Variance	Projection (10+2)
REVENUES					
Service Charges Solid Waste - Members	\$8,360,000	\$6,966,667	\$6,799,141	(\$167,526)	\$8,256,640
Service Charges Solid Waste - Spot	\$330,000	\$275,000	\$108,547	(\$166,453)	\$120,546
Electricity	\$12,030,850	\$10,025,708	\$10,884,367	\$858,659	\$13,084,366
Miscellaneous Income	\$17,500	\$14,583	\$5,375	(\$9,208)	\$9,375
Interest Income	\$680,000	\$566,667	\$301,286	(\$265,381)	\$351,284
TOTAL REVENUES	\$21,418,350	\$17,848,625	\$18,098,716	\$250,091	\$21,822,211
EXPENDITURES					
General Administration	\$773,584	\$644,653	\$522,034	\$122,619	\$608,517
Debt Service/Administration	\$6,290,753	\$5,242,294	\$5,287,129	(\$44,835)	\$6,240,755
Resources Recovery Facility	\$8,070,636	\$6,725,530	\$7,019,855	(\$294,325)	\$7,572,980
Ash Disposal	\$2,833,365	\$2,361,138	\$2,389,165	(\$28,028)	\$2,939,367
Waste Transport	\$1,824,612	\$1,520,510	\$308,981	\$1,211,529	\$354,584
Recycling	\$40,000	\$33,333	\$3,260	\$30,073	\$23,260
Landfill - Wallingford	\$1,585,400	\$1,321,167	\$1,165,099	\$156,068	\$1,488,918
TOTAL EXPENDITURES	\$21,418,350	\$17,848,625	\$16,695,523	\$1,153,102	\$19,228,381
SURPLUS/(DEFICIT)	\$0	\$0	\$1,403,193	\$1,403,193	\$2,593,830
TONNAGE					
Deliveries Tons (CRRA)	158,000	131,667	131,304	(362)	150,289
Diverted / Exported Tons	20,000	16,667	8,365	(8,302)	9,213
Processed Tons	138,000	115,000	121,399	6,399	147,399

WALLINGFORD PROJECT – VARIANCE ANALYSIS

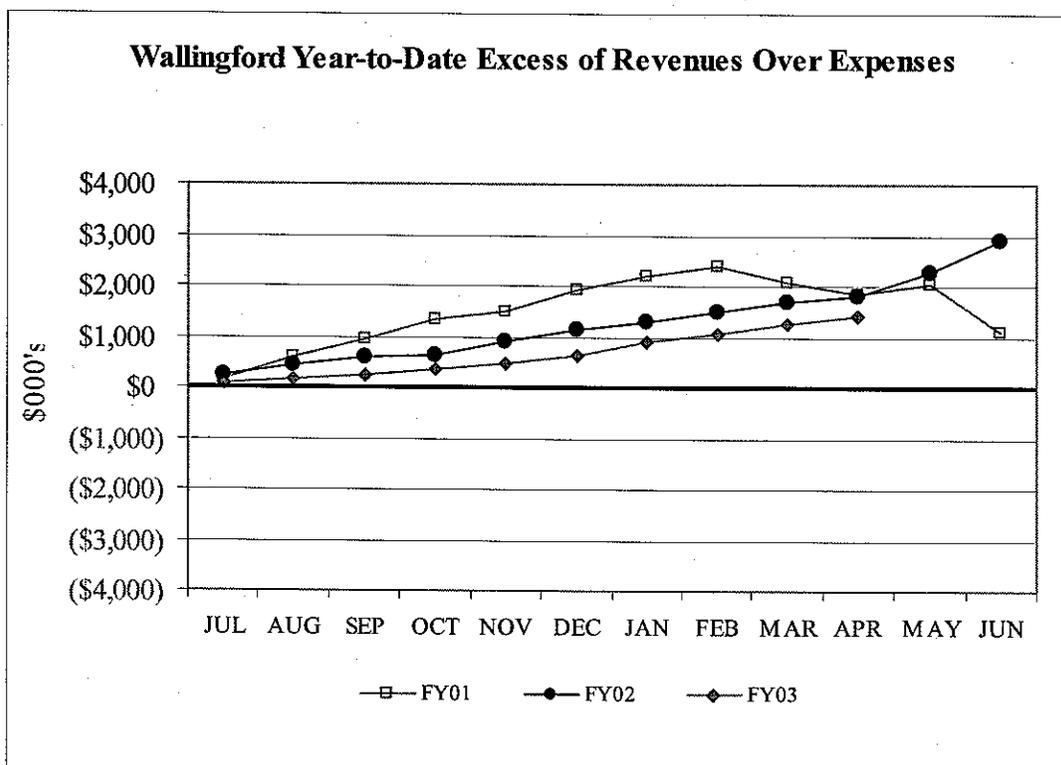
April 2003

REVENUES:

- Service Charges Solid Waste – Member: budget assumed all excess tons would be exported from the facility, however actual operating practice has been to divert waste to the Mid-Connecticut Project resulting in below budget revenues.
- Service Charges Solid Waste – Spot: above budget member tonnage has reduced the need for spot waste resulting in below budget revenues.
- Electricity: reflects the 6.6M kwhs produced over budget and sold at higher than expected rates of \$.2235/kwh as compared to a budget rate of \$.2167/kwh.
- Interest Income: is below budget due to lower than expected interest rates.
-

EXPENDITURES:

- General Administration: reflects the reductions made by CRRA for allocation of salaries and overhead expenses.
- Resources Recovery Facility: variance is the result of allocating budget 1/12 per month.
- Waste Transport: expenses are down as a result of facility processing more tons than budgeted and the Mid-Connecticut Project need to take in spot waste at times when the plant would have otherwise had to export waste out-of-state.
- Recycling: timing issue, electronic recycling occurred in May.
- Landfill – Wallingford: expenses are below budget due to the timing of construction projects.



SOUTHEAST PROJECT - FINANCIAL RESULTS

For the Ten Months Ending April 30, 2003

	FY 03 Budget	Budget YTD	Actual YTD	Favorable (Unfavorable) YTD Variance	Projection (10+2)
REVENUES					
Service Charges Solid Waste - Members	\$9,080,100	\$7,566,750	\$8,125,720	\$558,970	\$9,835,719
Service Charges Solid Waste - Contracts	\$861,750	\$718,125	\$605,774	(\$112,351)	\$693,973
Service Charges Solid Waste - Spot	\$253,700	\$211,417	\$464,400	\$252,983	\$629,599
Interest Income	\$220,000	\$183,333	\$52,621	(\$130,712)	\$60,620
Use of Prior Year(s) Net Assets	\$1,382,262	\$1,151,885	\$850,093	(\$301,792)	\$770,532
Use of Reserve (Montville LF Postclosure)	\$142,000	\$118,333	\$83,002	(\$35,331)	\$88,002
TOTAL REVENUES	\$11,939,812	\$9,949,843	\$10,181,610	\$231,767	\$12,078,445
EXPENDITURES					
General Administration	\$903,889	\$753,241	\$666,301	\$86,940	\$800,551
Debt Service/Administration	\$1,286,012	\$1,071,677	\$1,069,576	\$2,101	\$1,289,397
Resources Recovery Facility	\$6,788,164	\$5,656,803	\$5,752,335	(\$95,532)	\$6,746,241
Ash Disposal	\$2,445,822	\$2,038,185	\$2,275,280	(\$237,095)	\$2,791,880
Recycling	\$283,925	\$236,604	\$254,919	(\$18,315)	\$282,175
Landfill - Montville	\$232,000	\$193,333	\$163,199	\$30,134	\$168,201
TOTAL EXPENDITURES	\$11,939,812	\$9,949,843	\$10,181,610	(\$231,767)	\$12,078,445
SURPLUS/(DEFICIT)	\$0	\$0	\$0	\$0	\$0
TONNAGE					
Deliveries Tons (CRRA)	178,000	148,333	158,720	10,387	192,920
Delivered Tons (Americian Ref-Fuel)	69,000	57,500	56,887	(613)	66,887
Total Deliveries	247,000	205,833	215,607	9,774	259,807
Processed Tons	247,000	205,833	213,298	7,465	255,298

SOUTHEAST PROJECT – VARIANCE ANALYSIS

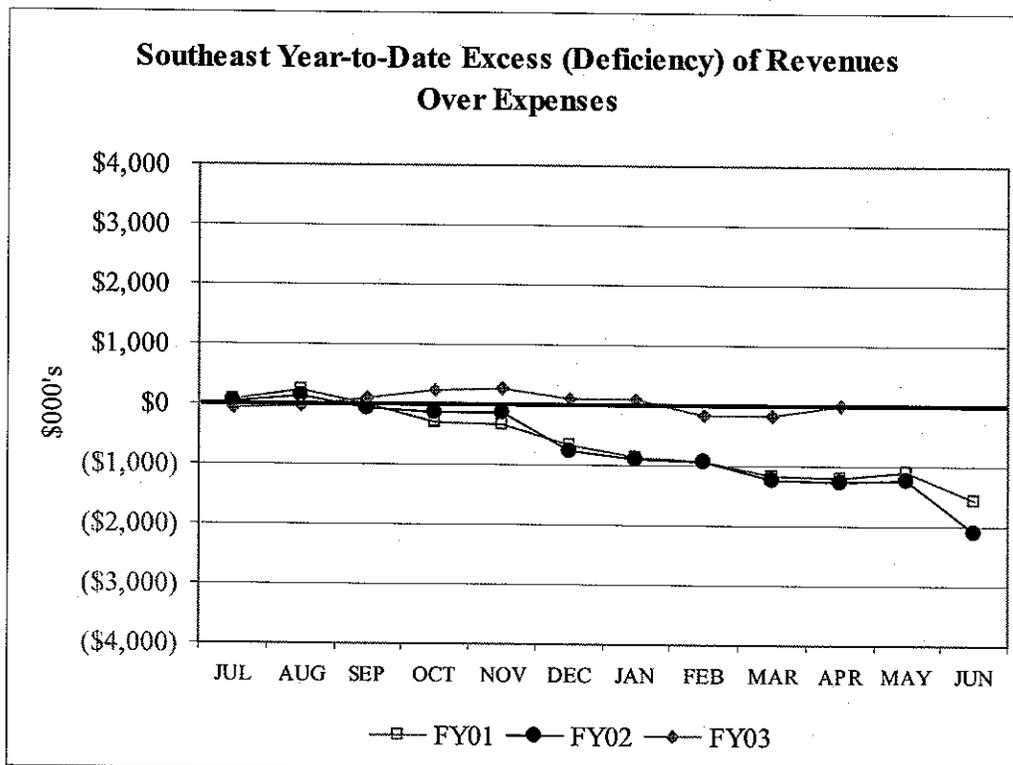
April 2003

REVENUES:

- Service Charges Solid Waste – Members: revenues are up as a result of increased waste deliveries from the Mohegan Sun Resort (expansion), New London and Norwich (business & community growth).
- Service Charges Solid Waste – Contract: budget assumed SCRRRA would contract with a private hauler for additional waste deliveries which did not occur.
- Service Charges Solid Waste – Spot: reflects above budget diversions from the Mid-Connecticut project.
- Interest Income: is below budget due to market factors and reduced reserve balances.
- Use of Prior Year(s) Net Assets: currently below budget due to lower than expected expenses, additional costs will be incurred after the project deliveries exceed the contract throughput guaranty.

EXPENDITURES:

- General Administration: below budget as a result of the reductions made by CRRRA for allocation of salaries and overhead expenses.
- 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.
- Ash Disposal: increased expenses due to higher than budgeted ash production rates.



ADMINISTRATION - FINANCIAL RESULTS

For the Ten Months Ending April 30, 2003

	FY 03 Budget (a)	Budget YTD	Actual YTD	Favorable (Unfavorable) YTD Variance	Projection (10+2)
REVENUES					
Mid-Connecticut Reimbursement	\$4,861,016	\$4,050,847	\$3,138,351	(\$912,496)	\$3,867,719
Bridgeport Reimbursement	\$1,048,925	\$874,104	\$658,255	(\$215,849)	\$799,721
Wallingford Reimbursement	\$496,523	\$413,769	\$367,670	(\$46,099)	\$447,802
Southeast Reimbursement	\$235,428	\$196,190	\$151,436	(\$44,754)	\$190,950
Miscellaneous Income	\$125,000	\$104,167	\$166,201	\$62,034	\$166,202
Interest Income	\$30,000	\$25,000	\$19,813	(\$5,187)	\$21,813
TOTAL REVENUES	\$6,796,892	\$5,664,077	\$4,501,726	(\$1,162,351)	\$5,494,208
EXPENDITURES					
Personal Services	\$4,505,999	\$3,754,999	\$3,244,775	\$510,224	\$3,882,774
Non-Personal Services	\$2,134,402	\$1,778,668	\$1,157,540	\$621,128	\$1,495,544
Capital Expenditures	\$44,000	\$36,667	\$6,807	\$29,860	\$6,807
Debt Service/Administration	\$112,491	\$93,743	\$72,790	\$20,953	\$87,271
TOTAL EXPENDITURES	\$6,796,892	\$5,664,077	\$4,481,912	\$1,182,165	\$5,472,396
SURPLUS/(DEFICIT)	\$0	\$0	\$19,814	\$19,814	\$21,812

Variance Analysis:

Cost containment efforts are on-going.

(a) Reflects revised budget (includes 10% reduction) adopted by CRRRA Board of Directors September 19, 2002.

TAB 3

**RESOLUTION REGARDING THE ADOPTION OF THE
FISCAL YEAR 2004 METROPOLITAN DISTRICT COMMISSION
MID-CONNECTICUT PROJECT ANNUAL OPERATING
BUDGET**

RESOLVED: The fiscal year 2004 Metropolitan District Commission Mid-Connecticut Project Annual Operating Budget, excluding the projected costs for the Torrington and Watertown transfer stations and the associated transportation costs, as presented in Exhibit I, be adopted substantially in the form as presented at this meeting. In its adoption of this MDC Annual Operating Budget, CRRA does not validate or approve the terms of the foregoing MDC Annual Operating Budget and CRRA reserves its rights to dispute and or challenge any of the terms of the foregoing MDC Annual Operating Budget and in no way waives CRRA legal or equitable rights that CRRA has. The adoption of this MDC Annual Operating Budget does not preclude CRRA from effectuating the April 19, 2000 Arbitration decision in CRRA versus the MDC.

Fiscal Year 2003-2004
Metropolitan District Commission
Mid-Connecticut Project Annual Budget

June 13, 2003

Attached is the proposed fiscal year 2004 Metropolitan District Commission (MDC) annual operating budget for the Mid-Connecticut Project and memo submitted to the Finance Committee.

The resolution has been updated to include the following changes as requested by the Finance Committee:

- Add language that will reserve CRRA rights with regard to pending or future legal disputes.
- Add language that will reserve CRRA rights to remove additional programs from the MDC.

The following is the difference between the budget as submitted by the MDC and the budget being presented to the CRRA Board of Directors for adoption.

Total budget as submitted by MDC	\$22,581,750
Management recommended budget (1)	<u>\$19,465,125</u>
Difference	(\$ 3,116,625)

- (1) Budget excludes the proposed MDC costs to operate the Torrington and Watertown transfer stations and the transportation and administration associated with these two transfer stations and reallocation of costs as provided for in an MDC budget addendum.

Fiscal Year 2003-2004
Metropolitan District Commission
Mid-Connecticut Project Annual Budget

June 6, 2003

Attached is the proposed fiscal year 2004 Metropolitan District Commission (MDC) annual operating budget for the Mid-Connecticut Project.

This budget is being presented to the Finance Committee with a draft resolution for adoption at the CRRA Board meeting in June.

In addition, to the following summary of the MDC budget process the following documents are attached for your review:

- Exhibit I – CRRA Recap of the MDC Budget w/o two transfer stations
- Exhibit II – CRRA Recap of the MDC Budget w/ all the transfer stations
- Annual budget submitted by the MDC
- Budget assumption letter from CRRA to the MDC

The MDC presented the proposed budget to CRRA on February 1, 2003, five months prior to the start of fiscal year 2004 as required by contract. The proposed budget submitted by the MDC was incorporated into the FY04 Mid-Connecticut Project operating budget, except for the Torrington and Watertown operating expenses and the associated transportation expenses.

Upon receipt of the budget, CRRA met internally to review the budget and then met with the MDC on several occasions to review the budget line-by-line. The MDC provided backup or responses to numerous questions raised by CRRA during these meetings. However, at this time there are still two outstanding questions that may result in a change to the budget as it is presented to the Finance Committee in this package. The two open questions are as follows:

1. An explanation by MDC as to why the Indirect Costs remain fixed at \$3,000,000 whether the MDC operates all of the facilities at the Mid-Connecticut Project or some of the facilities.
2. An explanation on why the budget summary does not include the additional \$200,000 in reduced costs shown in the detailed information provided by the MDC for Transportation Equipment expenses should the MDC continue not to perform transportation services for the Torrington and Watertown transfer stations.

We would anticipate that responses by the MDC to either of these questions would have the effect of reducing expenses as presented in this proposed budget. Therefore, absent the responses Management is seeking approval to present this proposed MDC budget (Exhibit I), excluding the Torrington and Watertown transfer stations and associated transportation costs, to the CRRA Board of Directors (BOD) at the June meeting for adoption.

Although previous CRRA Boards have not adopted an MDC budget for approximately three years, Management is seeking the adoption of the MDC budget. The MDC has indicated that if the CRRA BOD does not adopt their budget they do not have to adhere to contract language that pertains to the annual budget. The following is the contract language that relates to the annual budget:

- The MDC shall not transfer funds between functions (i.e. Hartford Landfill, Waste Processing Facility, Transportation, Transfer Stations, or Contingency Account) without BOD approval. In FY02, when CRRA took over purchasing cover material for the Hartford Landfill, the MDC reallocated \$800,000 that they had budgeted for this purpose in their Hartford Landfill budget to the Waste Processing Facility budget to cover a short-fall at the WPF due to high overtime costs. The MDC has stated that had the BOD adopted their budget they would have had to come to the BOD for approval to reallocate these dollars.
- The MDC can only spend up to \$5,000 out of any account for emergency operating and maintenance expenses without CRRA's prior written approval.
- CRRA shall pay the MDC the actual cost of the services and materials provided such costs shall be defined and projected in the Annual Budget.

Notwithstanding the fact that the BOD has not adopted recent MDC budgets CRRA is still obligated to pay the MDC for their expenses. Therefore it is Management's request that the Finance Committee recommend approval to present the budget as summarized in Exhibit I and draft resolution to the Board of Directors at their June meeting.

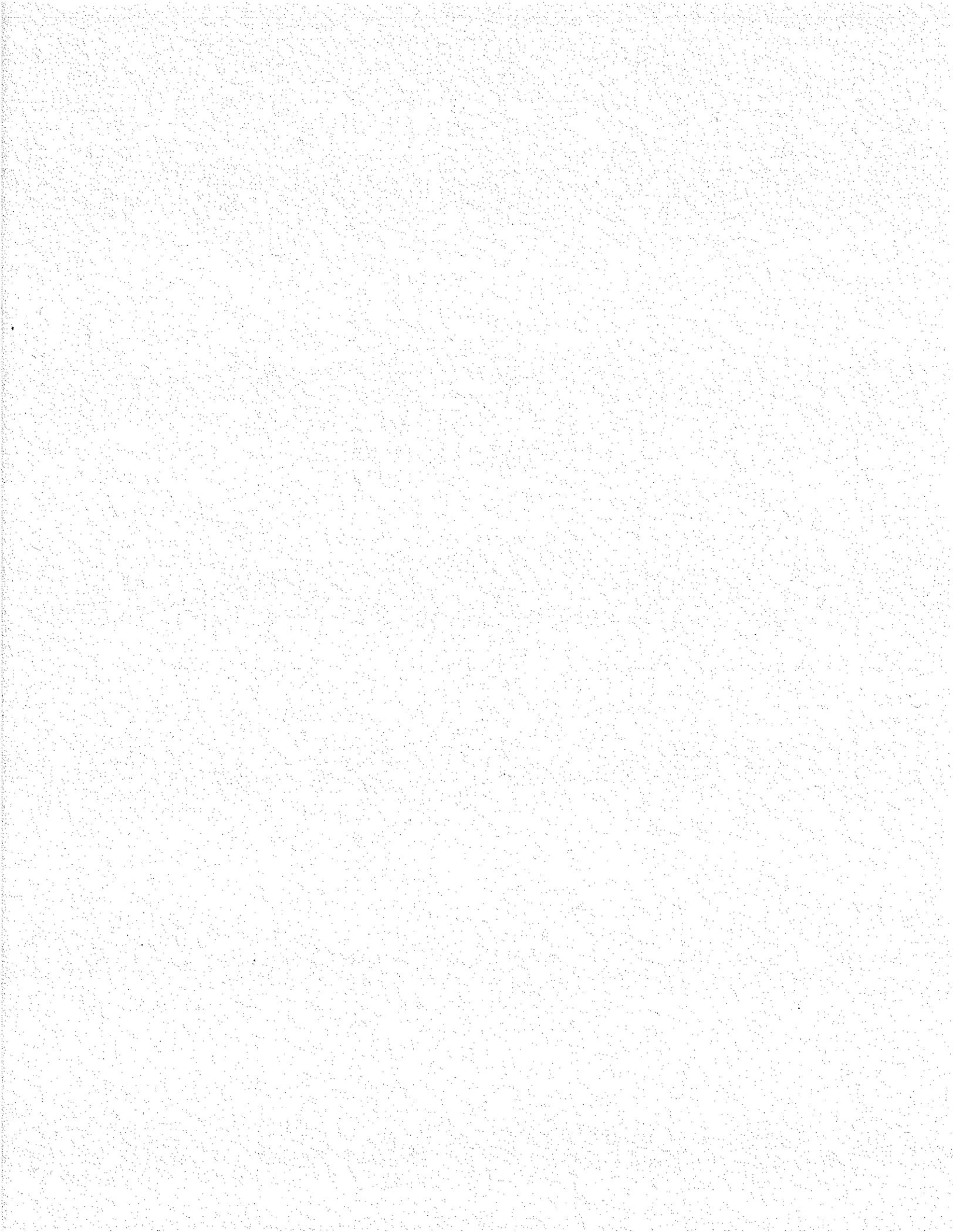


EXHIBIT I

Connecticut Resources Recovery Authority - Recap Of Metropolitan District Commission Summarized Mid-Connecticut Project FY04 Annual Budget - w/o Two Transfer Stations

Expenditure Classification	Waste Transfer And Transportation						Total	Percent					
	Admin	Waste Processing Facility	Admin	Ellington	Torrington	Essex			Watertown	Transportation	Landfill		
Payroll & Benefits													
Regular Pay	\$285,400	\$4,083,200	\$151,200	\$154,100	\$0	\$203,100	\$0	\$826,200	\$486,300	\$6,189,500	31.8%		
Overtime	\$2,500	\$1,141,800	\$8,500	\$36,900	\$0	\$64,000	\$0	\$289,300	\$86,900	\$1,629,900	8.4%		
Workers Compensation	\$1,200	\$413,300	\$1,200	\$10,200	\$0	\$19,900	\$0	\$186,600	\$48,600	\$681,000	3.5%		
Standby and Premium Pay	\$0	\$134,900	\$0	\$0	\$0	\$1,200	\$0	\$3,300	\$1,300	\$140,700	0.7%		
Blue Cross	\$11,500	\$375,000	\$6,400	\$5,000	\$0	\$30,600	\$0	\$106,500	\$50,000	\$585,000	3.0%		
Blue Shield	\$6,300	\$142,000	\$3,700	\$6,100	\$0	\$10,100	\$0	\$27,900	\$15,000	\$241,100	1.2%		
Major Medical	\$300	\$97,500	\$1,600	\$1,900	\$0	\$3,500	\$0	\$27,700	\$2,900	\$135,400	0.7%		
Group Life	\$600	\$9,500	\$300	\$200	\$0	\$600	\$0	\$3,000	\$800	\$15,000	0.1%		
Pension Regular	\$20,500	\$274,900	\$13,500	\$11,100	\$0	\$15,000	\$0	\$95,700	\$34,300	\$465,000	2.4%		
Social Security	\$23,600	\$431,000	\$13,200	\$15,500	\$0	\$21,700	\$0	\$92,900	\$46,600	\$644,500	3.3%		
Unemployment Compensation	\$0	\$7,500	\$0	\$400	\$0	\$0	\$0	\$1,000	\$0	\$8,500	0.0%		
Longevity Pay	\$1,600	\$2,900	\$800	\$400	\$0	\$900	\$0	\$0	\$600	\$7,200	0.0%		
Total	\$353,500	\$7,113,500	\$200,400	\$241,400	\$0	\$370,600	\$0	\$1,690,100	\$773,300	\$10,742,800	55.2%		
Operations													
Meal Allowances	\$0	\$2,500	\$0	\$50	\$0	\$100	\$0	\$100	\$50	\$2,800	0.0%		
Clothing and Apparel	\$300	\$44,500	\$700	\$1,000	\$0	\$1,300	\$0	\$6,400	\$3,300	\$57,500	0.3%		
Electrical Supplies	\$0	\$26,000	\$0	\$0	\$0	\$50	\$0	\$0	\$200	\$26,250	0.1%		
Janitorial Supplies	\$0	\$5,000	\$700	\$500	\$0	\$600	\$0	\$0	\$2,100	\$8,900	0.0%		
Small Tools	\$0	\$28,700	\$0	\$200	\$0	\$900	\$0	\$400	\$700	\$30,900	0.2%		
Comm Equip. & Supplies	\$0	\$6,000	\$1,000	\$0	\$0	\$0	\$0	\$0	\$600	\$7,600	0.0%		
Safety & First Aid Supplies	\$0	\$12,000	\$0	\$100	\$0	\$100	\$0	\$400	\$0	\$12,600	0.1%		
Landfill Cover	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$69,500	\$69,500	0.4%		
Fire Equipment	\$0	\$10,600	\$700	\$0	\$0	\$0	\$0	\$0	\$200	\$11,500	0.1%		
Ash Cell Stone	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%		
Refuse Collection	\$0	\$19,000	\$0	\$100	\$0	\$100	\$0	\$0	\$0	\$19,200	0.1%		
Agency Hire	\$0	\$442,000	\$0	\$0	\$0	\$5,000	\$0	\$0	\$0	\$442,000	2.3%		
Snow Removal	\$0	\$0	\$0	\$8,000	\$0	\$5,000	\$0	\$0	\$0	\$13,000	0.1%		
Care of Grounds	\$0	\$14,000	\$0	\$8,000	\$0	\$5,000	\$0	\$0	\$10,000	\$37,000	0.2%		
Propane Gas	\$0	\$8,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,100	0.0%		
Fuel for Heating	\$0	\$82,000	\$0	\$0	\$0	\$0	\$0	\$0	\$2,700	\$84,700	0.4%		
Office Supplies and Expenses	\$16,000	\$0	\$700	\$50	\$0	\$50	\$0	\$6,800	\$1,300	\$11,100	0.1%		
Gasoline	\$700	\$1,500	\$0	\$50	\$0	\$0	\$0	\$0	\$0	\$46,000	0.2%		
Oil & Lubricants	\$0	\$46,000	\$0	\$5,500	\$0	\$8,500	\$0	\$130,000	\$47,200	\$341,200	1.8%		
Diesel Fuel	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$500	\$0	\$3,500	0.0%		
Employees Educ Program	\$0	\$3,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,000	0.0%		
Outside Testing & Lab Serv.	\$0	\$7,000	\$0	\$0	\$0	\$900	\$0	\$0	\$2,500	\$10,300	0.1%		
Pest Control Services	\$0	\$6,300	\$0	\$600	\$0	\$0	\$0	\$0	\$0	\$2,000	0.0%		
Printed Forms	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000	0.0%		
Seminars and Conventions	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000	0.0%		
Business Travel	\$2,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500	0.0%		
Equipment Rental	\$4,900	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000	\$134,900	0.7%		
Computer Equip. & Supplies	\$1,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500	0.0%		
Electricity	\$0	\$8,500	\$0	\$6,800	\$0	\$8,500	\$0	\$600	\$7,200	\$23,100	0.1%		
Water	\$0	\$6,900	\$0	\$1,000	\$0	\$1,800	\$0	\$0	\$700	\$12,000	0.1%		
Sewer User Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$300	\$7,200	0.0%		
Telephone	\$14,000	\$0	\$0	\$2,700	\$0	\$4,500	\$0	\$0	\$4,000	\$25,200	0.1%		
Total	\$42,900	\$959,600	\$3,800	\$34,600	\$0	\$37,400	\$0	\$145,200	\$252,550	\$1,476,050	7.6%		

EXHIBIT I

Connecticut Resources Recovery Authority - Recap Of
Metropolitan District Commission Summarized Mid-Connecticut Project FY04 Annual Budget - w/o Two Transfer Stations

Expenditure Classification	Waste Transfer And Transportation										Total	Percent	
	Admin	Waste Processing Facility	Admin	Ellington	Torrington	Essex	Watertown	Transportation	Landfill				
Maintenance													
Communication Equipment	\$2,500	\$1,500	\$18,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,000	0.1%
Power Operated Equipment	\$0	\$755,000	\$0	\$63,800	\$0	\$71,100	\$0	\$30,500	\$145,900	\$0	\$0	\$1,066,300	5.3%
Tool and Work Equip.	\$0	\$46,800	\$800	\$400	\$0	\$400	\$0	\$2,000	\$2,000	\$0	\$0	\$51,600	0.3%
Transportation Equip.	\$300	\$35,000	\$800	\$0	\$0	\$0	\$0	\$565,475	\$17,000	\$0	\$0	\$618,575	3.2%
Treatment Equipment	\$0	\$1,983,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,983,700	10.2%
Other Equipment	\$0	\$3,000	\$0	\$5,000	\$0	\$7,900	\$0	\$0	\$2,000	\$0	\$0	\$17,900	0.1%
Office Furniture and Equip.	\$1,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500	0.0%
Buildings	\$0	\$163,000	\$0	\$8,000	\$0	\$8,600	\$0	\$2,500	\$20,000	\$0	\$0	\$202,100	1.0%
Service Roads	\$0	\$40,000	\$0	\$0	\$0	\$0	\$0	\$0	\$13,600	\$0	\$0	\$53,600	0.3%
Total	\$4,300	\$3,028,000	\$18,800	\$77,200	\$0	\$88,000	\$0	\$600,475	\$200,500	\$0	\$0	\$4,017,275	20.6%
Capital Outlay													
Power Operated Equipment	\$0	\$19,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,000	0.1%
Indirect Costs													
MDC	\$87,300	\$2,000,700	\$45,800	\$76,400	\$0	\$106,900	\$0	\$432,000	\$250,900	\$0	\$0	\$3,000,000	15.4%
Contingencies													
Contingency	\$5,000	\$110,000	\$5,000	\$5,000	\$0	\$5,000	\$0	\$75,000	\$5,000	\$0	\$0	\$210,000	1.1%
Total	\$493,000	\$13,230,800	\$273,800	\$434,600	\$0	\$607,900	\$0	\$2,942,775	\$1,482,250	\$0	\$0	\$19,465,125	100.0%
Percent of Total	2.5%	68.0%	1.4%	2.2%	0.0%	3.1%	0.0%	15.1%	7.6%	0.0%	0.0%		
Authorized Positions	4	77	2	3	0	4	0	16	10	0	0	116	

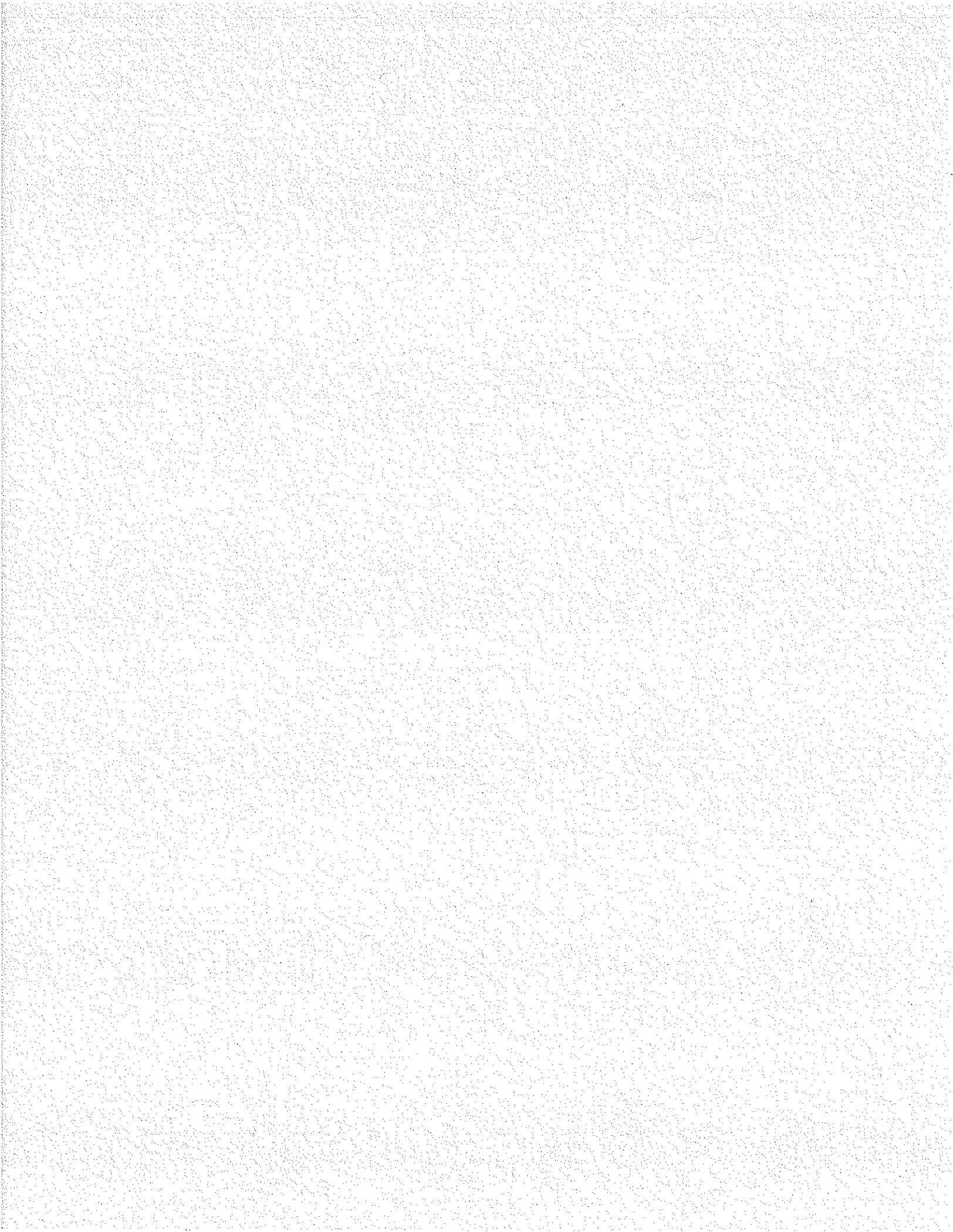


EXHIBIT II

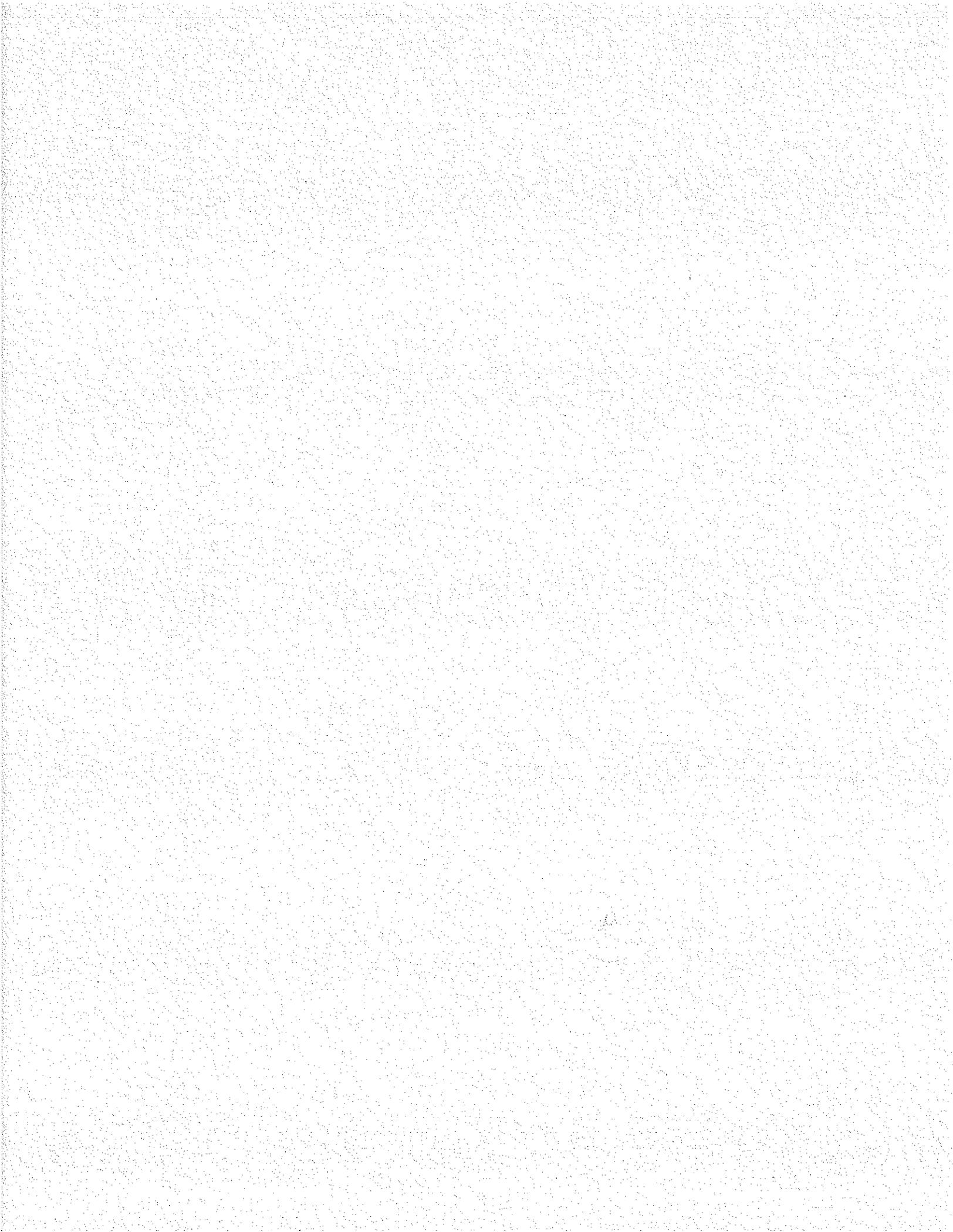
Connecticut Resources Recovery Authority - Recap of Metropolitan District Commission - Mid-Connecticut Project Annual Budget For FY04 - As Provided By MDC with All transfer stations

Expenditure Classification	Waste Transfer And Transportation										Total	Percent	
	Admin	Waste Processing Facility	Admin	Ellington	Torrington	Essex	Watertown	Transportation	Landfill				
Payroll & Benefits													
Regular Pay	\$285,400	\$4,083,200	\$151,200	\$154,100	\$199,900	\$203,100	\$246,800	\$1,647,200	\$486,300	\$7,457,200	33.0%		
Overtime	\$2,500	\$1,141,800	\$8,500	\$36,900	\$72,300	\$64,000	\$78,800	\$448,300	\$86,900	\$1,940,000	8.6%		
Workers Compensation	\$1,200	\$413,300	\$1,200	\$10,200	\$24,500	\$19,900	\$28,900	\$186,600	\$48,600	\$734,400	3.3%		
Standby and Premium Pay	\$0	\$134,900	\$0	\$0	\$1,200	\$1,200	\$1,200	\$17,400	\$1,300	\$157,200	0.7%		
Blue Cross	\$11,500	\$375,000	\$6,400	\$5,000	\$14,000	\$30,600	\$23,800	\$190,000	\$50,000	\$706,300	3.1%		
Blue Shield	\$6,300	\$142,000	\$3,700	\$6,100	\$6,400	\$10,100	\$9,400	\$66,000	\$15,000	\$265,000	1.2%		
Major Medical	\$300	\$97,500	\$1,600	\$1,900	\$2,400	\$3,500	\$3,000	\$30,000	\$2,900	\$143,100	0.6%		
Group Life	\$600	\$9,500	\$300	\$200	\$600	\$600	\$800	\$3,900	\$800	\$17,300	0.1%		
Pension Regular	\$22,600	\$302,400	\$14,900	\$12,200	\$16,500	\$16,500	\$20,700	\$116,600	\$37,900	\$560,300	2.5%		
Social Security	\$23,600	\$431,000	\$13,200	\$15,500	\$22,100	\$21,700	\$26,400	\$169,800	\$46,600	\$769,900	3.4%		
Unemployment Compensation	\$0	\$7,500	\$0	\$0	\$0	\$0	\$0	\$1,000	\$0	\$8,500	0.0%		
Longevity Pay	\$1,600	\$2,900	\$800	\$400	\$0	\$900	\$0	\$0	\$600	\$7,200	0.0%		
Total	\$355,600	\$7,141,000	\$201,800	\$242,500	\$359,900	\$372,100	\$439,800	\$2,876,800	\$776,900	\$12,766,400	56.5%		
Operations													
Meal Allowances	\$0	\$2,500	\$0	\$50	\$100	\$100	\$100	\$200	\$50	\$3,100	0.0%		
Clothing and Apparel	\$300	\$44,500	\$700	\$1,000	\$1,300	\$1,300	\$1,500	\$11,000	\$3,300	\$64,900	0.3%		
Electrical Supplies	\$0	\$26,000	\$0	\$0	\$50	\$50	\$50	\$0	\$200	\$26,350	0.1%		
Janitorial Supplies	\$0	\$5,000	\$700	\$500	\$600	\$600	\$600	\$0	\$2,100	\$10,100	0.0%		
Small Tools	\$0	\$28,700	\$0	\$200	\$900	\$900	\$900	\$400	\$700	\$32,700	0.1%		
Comm Equip. & Supplies	\$0	\$6,000	\$1,000	\$100	\$0	\$0	\$0	\$700	\$600	\$7,600	0.0%		
Safety & First Aid Supplies	\$0	\$12,000	\$0	\$100	\$100	\$100	\$100	\$0	\$0	\$13,100	0.1%		
Landfill Cover	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$69,500	\$69,500	0.3%		
Fire Equipment	\$0	\$10,600	\$700	\$0	\$0	\$0	\$0	\$0	\$200	\$11,500	0.1%		
Ash Cell Stone	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%		
Refuse Collection	\$0	\$19,000	\$0	\$100	\$100	\$100	\$100	\$0	\$0	\$19,400	0.1%		
Agency Hire	\$0	\$442,000	\$0	\$0	\$9,800	\$5,000	\$8,500	\$0	\$0	\$442,000	2.0%		
Snow Removal	\$0	\$0	\$0	\$8,000	\$4,800	\$5,000	\$5,000	\$0	\$10,000	\$46,800	0.2%		
Care of Grounds	\$0	\$14,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,000	0.0%		
Propane Gas	\$0	\$8,100	\$0	\$0	\$0	\$0	\$0	\$0	\$2,700	\$8,700	0.0%		
Fuel for Heating	\$0	\$82,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$82,000	0.4%		
Office Supplies and Expenses	\$16,000	\$0	\$700	\$50	\$50	\$50	\$50	\$6,800	\$1,300	\$11,200	0.1%		
Gasoline	\$700	\$1,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$46,000	0.2%		
Oil & Lubricants	\$0	\$46,000	\$0	\$0	\$6,500	\$8,500	\$13,900	\$372,100	\$47,200	\$603,700	2.7%		
Diesel Fuel	\$0	\$150,000	\$0	\$5,500	\$0	\$0	\$0	\$1,300	\$0	\$4,300	0.0%		
Employees Educ Program	\$0	\$3,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000	0.0%		
Outside Testing & Lab Serv.	\$0	\$7,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,000	0.0%		
Pest Control Services	\$0	\$6,300	\$0	\$600	\$600	\$900	\$600	\$0	\$2,500	\$11,500	0.1%		
Printed Forms	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000	0.0%		
Seminars and Conventions	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000	0.0%		
Business Travel	\$2,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500	0.0%		
Equipment Rental	\$4,900	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,900	0.6%		
Computer Equip. & Supplies	\$1,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500	0.0%		
Electricity	\$0	\$0	\$0	\$6,800	\$11,500	\$8,500	\$9,000	\$600	\$7,200	\$43,600	0.2%		
Water	\$0	\$6,500	\$0	\$1,000	\$2,900	\$1,800	\$1,100	\$0	\$700	\$16,000	0.1%		
Sewer User Fees	\$0	\$6,900	\$0	\$0	\$5,500	\$0	\$4,500	\$0	\$300	\$7,200	0.0%		
Telephone	\$14,000	\$0	\$800	\$2,700	\$5,500	\$4,500	\$4,000	\$0	\$4,000	\$35,200	0.2%		
Total	\$42,900	\$959,600	\$3,800	\$34,600	\$44,800	\$37,400	\$46,000	\$393,100	\$252,550	\$1,814,750	8.0%		

EXHIBIT II

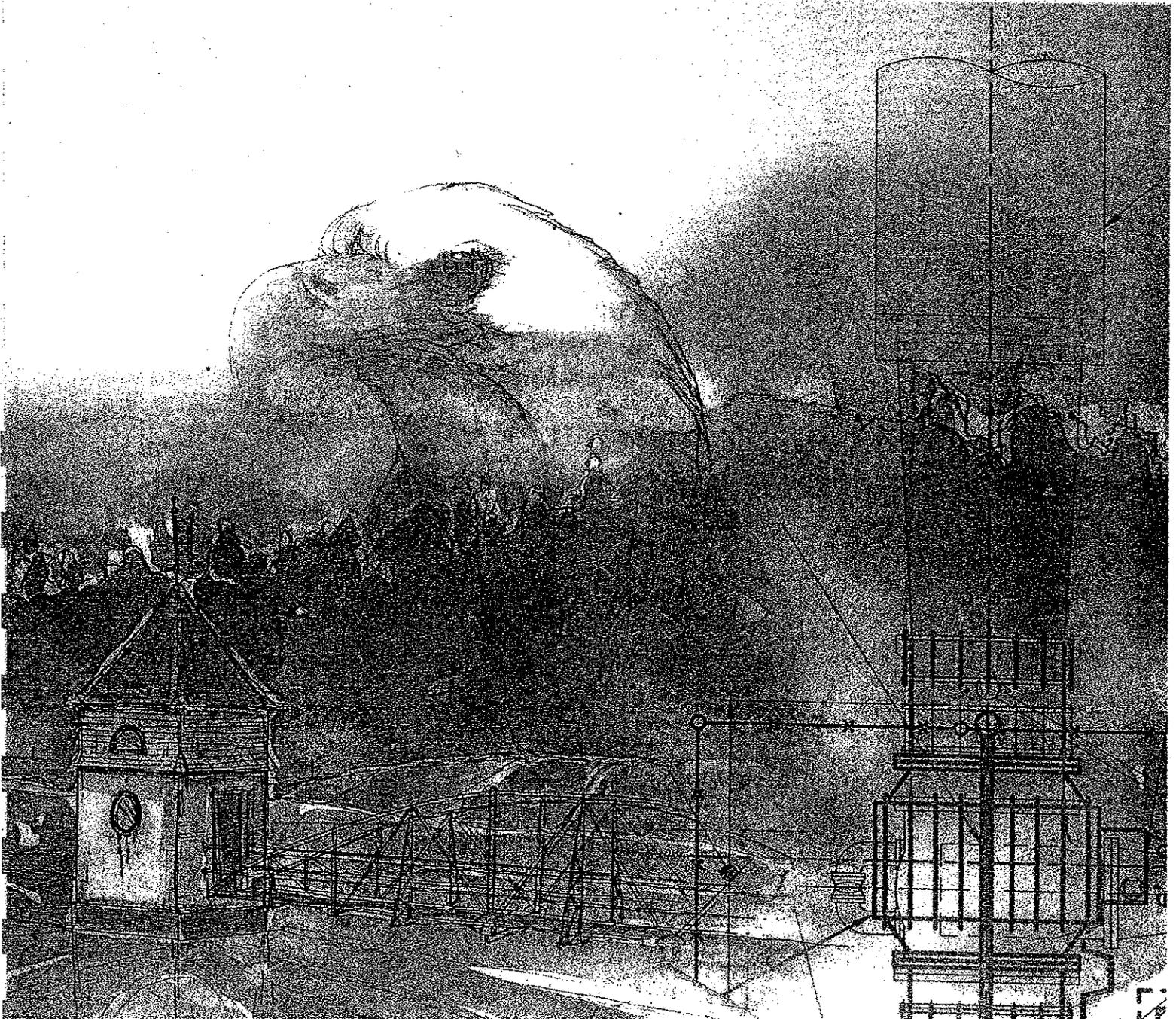
Connecticut Resources Recovery Authority - Recap of Metropolitan District Commission - Mid-Connecticut Project Annual Budget For FY04 - As Provided By MDC with All transfer stations

Expenditure Classification	Waste Transfer And Transportation										Total	Percent	
	Admin	Waste Processing Facility	Admin	Ellington	Torrington	Essex	Watertown	Transportation	Landfill				
<u>Maintenance</u>													
Communication Equipment	\$2,500	\$1,500	\$28,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$32,500	0.1%
Power Operated Equipment	\$0	\$755,000	\$0	\$63,800	\$79,500	\$71,100	\$93,800	\$30,500	\$145,900	\$0	\$0	\$1,239,600	5.5%
Tool and Work Equip.	\$0	\$46,800	\$0	\$400	\$400	\$400	\$400	\$2,000	\$2,000	\$0	\$0	\$52,400	0.2%
Transportation Equip.	\$300	\$35,000	\$800	\$0	\$0	\$0	\$0	\$1,097,000	\$17,000	\$0	\$0	\$1,150,100	5.1%
Treatment Equipment	\$0	\$1,983,700	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000	\$0	\$0	\$1,983,700	8.8%
Other Equipment	\$0	\$3,000	\$0	\$5,000	\$5,000	\$7,900	\$5,000	\$0	\$2,000	\$0	\$0	\$27,900	0.1%
Office Furniture and Equip.	\$1,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500	0.0%
Buildings	\$0	\$163,000	\$0	\$8,000	\$8,600	\$8,600	\$8,600	\$2,500	\$20,000	\$0	\$0	\$219,300	1.0%
Service Roads	\$0	\$40,000	\$0	\$0	\$500	\$0	\$500	\$0	\$13,600	\$0	\$0	\$54,600	0.2%
Total	\$4,300	\$3,028,000	\$29,300	\$77,200	\$94,000	\$88,000	\$108,300	\$1,132,000	\$200,500	\$0	\$0	\$4,761,600	21.1%
<u>Capital Outlay</u>													
Power Operated Equipment	\$0	\$19,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,000	0.1%
<u>Indirect Costs</u>													
MDC	\$71,800	\$1,645,300	\$37,700	\$62,800	\$89,700	\$87,900	\$109,500	\$689,000	\$206,300	\$0	\$0	\$3,000,000	13.3%
<u>Contingencies</u>													
Contingency	\$5,000	\$110,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$75,000	\$5,000	\$0	\$0	\$220,000	1.0%
Total	\$479,600	\$12,902,900	\$277,600	\$422,100	\$593,400	\$590,400	\$708,600	\$5,165,900	\$1,441,250	\$0	\$0	\$22,581,750	100.0%
Percent of Total	2.1%	57.1%	1.2%	1.9%	2.6%	2.6%	3.1%	22.9%	6.4%				
<u>Authorized Positions</u>	4	77	2	3	4	4	5	35	10			144	



2003-2004

The Mid-Connecticut Project
Annual Budget
As prepared by The Metropolitan District



MDC



The Metropolitan District

water supply • environmental services • geographic information

January 29, 2003

Thomas Kirk
President
Connecticut Resources Recovery Authority (CRRA)
100 Constitution Plaza – 17th Floor
Hartford, CT 06103-1702

RE: Fiscal Year 2004 Budget Submittal

Dear Mr. *Kirk*

I am pleased to present to you the Metropolitan District Commission's (MDC) proposed Mid-Connecticut Project Budget for Fiscal Year 2003-2004. The budget of \$22,581,750 is a decrease of \$206,100 or .9% less than the previous year's budget submittal. During the 2003-2004 fiscal year, an estimated 792,000 tons will be received and processed at the Waste Processing Facility (WPF). Transportation from the transfer stations is expected to be approximately in line with the previous year's budget assumptions.

The budget presented herein reflects previous and current efforts by the District and CRRA to incorporate certain cost saving measures. Among these measures include a full Drop and Hook Program within the transportation work activity. This budget displays realistic expenses, based upon recent history, for the WPF Treatment Equipment maintenance account, WPF Overtime account, WPF Power Operated account and the Landfill Cover Soil account. We should point out that for this upcoming fiscal year's budget submittal, payroll expenses include a 53rd pay week.

The MDC has prepared this budget with the assumption that we will be operating and maintaining the Torrington and Watertown Transfer Stations, as our contract with the CRRA provides. The MDC is confident that this will be the outcome of our arbitration with CRRA regarding the use of replacement contractors at these transfer stations. Therefore, the attached budget submittal to the CRRA reflects our intention of operating all four transfer stations along with the operation and maintenance of the WPF and the Hartford Landfill. In the spirit of cooperation, we have provided an addendum that shows the MDC costs for the operation and maintenance of the previously mentioned two transfer stations, the corresponding waste transportation and transportation administration.

January 29, 2003

The current fiscal year, in which there has been deterioration in the State of Connecticut's financial status, has presented both organizations with many operational, legal, political and financial challenges. Only through the collaborative efforts of our companies will we be able to overcome them.

Please call me if you would like to discuss this or any other matter of mutual interest.

Respectfully,



M. Stephen Rhoades
Chief Executive Officer
The Metropolitan District Commission

CC: George Sparks
Robert Moore
David Arruda

**2003-2004
ANNUAL BUDGET
TABLE OF CONTENTS**

Letter of Transmittal

APPROPRIATIONS	SECTION A
Budget Appropriations	1
Table of Organization	2
Budget Summary	3-8
Supporting Detail	
ADMINISTRATION	9-11
WASTE PROCESSING FACILITY	12-16
WASTE TRANSFER AND TRANSPORTATION	
Administration	17-19
Waste Transfer	
Ellington	20-22
Torrington	23-25
Essex	26-28
Watertown	29-31
Waste Transportation	32-34
LANDFILL	
Hartford	35-37

APPENDICES	SECTION B
I. CRRA Budget Assumption Letter	1-4
II. CRRA Capital Budget Rolling Stock – Mid Connecticut Project	5
III. Needed Major Refurbishments and Capital Plant Modifications	6-7
IV. CRRA Mobile Capital Equipment Replacement Requests	8
V. 5-Year Capital Maintenance Plan	9-10
VI. Reduction in Costs excluding Torrington and Watertown Transfer Stations	11-13
VII. Component Details	14-19
VIII. Authorized Positions and Work Year Summary	20-21
IX. Proposed Budget Resolution	22

APPROPRIATIONS

SECTION A

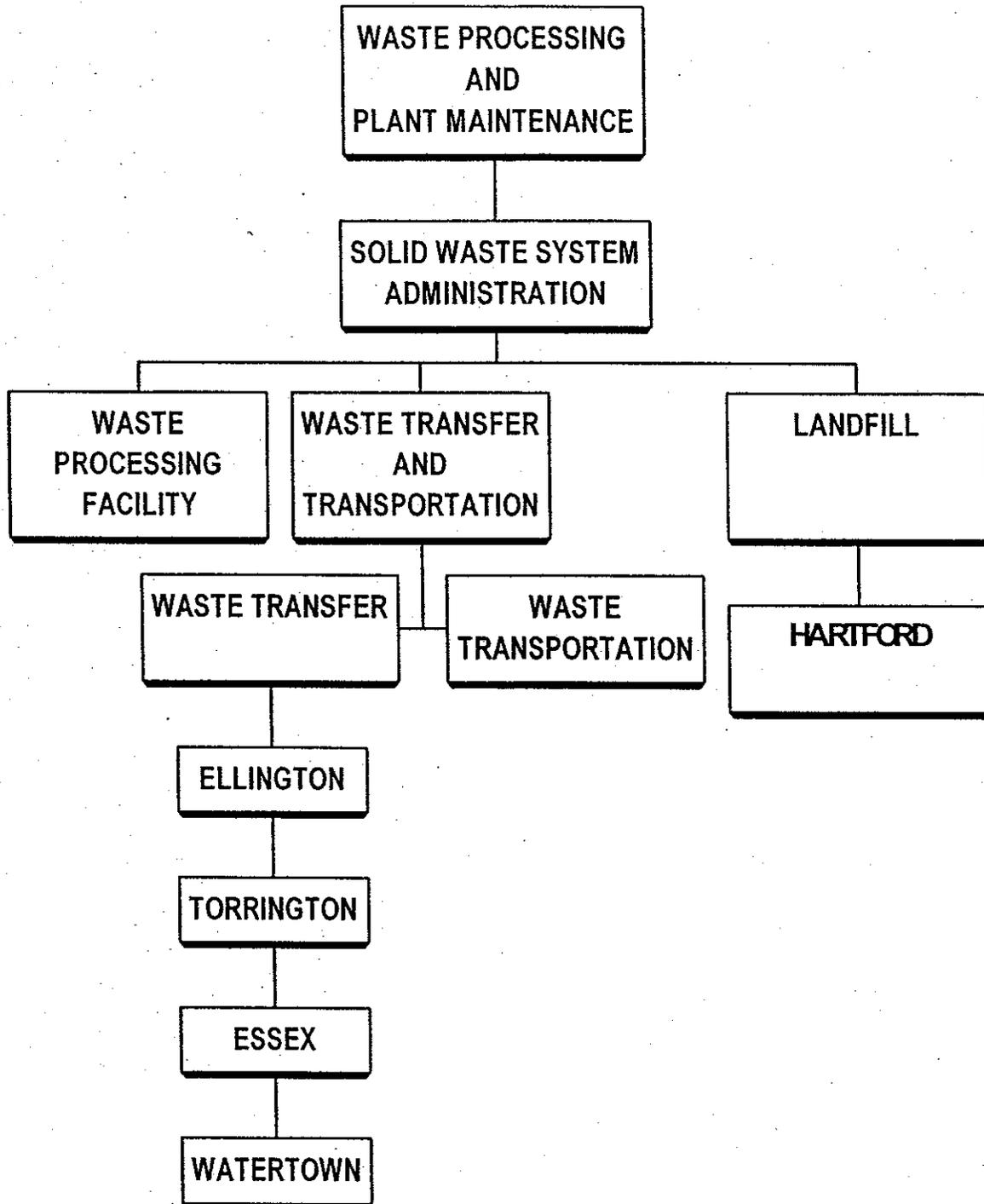
**2003-2004
BUDGET APPROPRIATIONS**



ADMINISTRATION	\$ 479,600
WASTE PROCESSING FACILITY	12,902,900
WASTE TRANSFER AND TRANSPORTATION	7,758,000
LANDFILL	<u>1,441,250</u>
TOTAL BUDGET	\$22,581,750

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MID-CONNECTICUT PROJECT



2003-2004 BUDGET SUMMARY



The District is taking the position that it will be successful in the arbitration process and therefore is submitting the 2003-2004 budget based on the assumptions that we will once again be operating all four transfer stations and transporting waste from these stations. This budget has been developed based on the following operating assumptions that were developed utilizing historical operational information collected over the previous year, as well as our understanding of other operating perimeters expected to be endorsed by the Authority for the period beginning July 1, 2003 through June 30, 2004:

- ◆ The Waste Processing Facility (WPF) will be processing 792,000 tons, an average of 15,200 tons of solid waste per six-day work/week, an 8.0% decrease from the 2002-2003 budget assumption. It's in the Project's best interest if WPF personnel assist the Transportation Activity's drop & hook program by off-loading trailers during peak receiving periods.
- ◆ The four transfer stations (Ellington, Essex, Torrington, and Watertown) will be in full operation for the entire fiscal year. As mentioned before, the District assumes that a favorable arbitration decision will be made; therefore, we will resume operation of the Torrington and Watertown Transfer Stations. Tonnage collected at the transfer stations, Municipal Solid Waste (MSW) and recyclables, is anticipated to be 396,700 tons or 3,200 tons (0.8%) over the 2002-2003 FY projections (this is assuming that the Torrington and Watertown Transfer Stations will be receiving the same amount of waste which was projected for FY 2001-2002). The transfer station operation will also support the transportation activity's Drop & Hook program with the inclusion of additional trailers at three of the four transfer stations. When required, transfer station personnel will pre-load trailers to minimize driver loading delays at Essex, Watertown and Torrington.
- ◆ The District expects that we will be operating the three recycling centers (Essex, Torrington, and Watertown) for the entire year. Projected recycling tonnage at Torrington and Watertown Transfer Stations is anticipated to be the same as in FY 2001-2002 and slightly greater at the Essex Transfer Station.

2003-2004

BUDGET SUMMARY - (Cont.)



- ◆ Utilizing the Drop & Hook program implemented in FY 2001-2002, the Transportation activity will continue to be responsible for transporting waste from the transfer stations to the WPF as well as the Hartford recycling center, Preston, and Bridgeport; waste from the WPF to the Hartford Landfill, including unprocessable and residue; as well as provide loading services for ash removal at the PBF.
- ◆ The maintenance of the Mid-Connecticut mobile equipment will be provided at the vehicle maintenance facility located at 50 Murphy Road in Hartford.
- ◆ Budget projections continue to be highly affected by the assumption that capital equipment replacement/modification and additional equipment needs requested in prior and this year's budget requests would be approved timely by CRRA. Additional savings in the maintenance costs can be achieved with replacement of older equipment.
- ◆ The landfill will handle the disposal of ash from the power block facility, non-processible solid waste from the WPF and transfer solid waste from the WPF and transfer stations, process residue from the WPF, bulky waste and scrap metal.

2003-2004 BUDGET SUMMARY- (Cont.)



PREFACE

The overall 2003-2004 Mid-Connecticut Budget shows a decrease of \$206,100 (0.9%) from the 2002-2003 budget submittal of \$22,787,850 (which includes the additional costs associated with the increased residue). The 2002-2003 projected expenditure level (revisions made at the end of the second quarter) is \$19,099,450, to reflect the operation of two transfer stations (Ellington and Essex) for the entire fiscal year. It is not anticipated that an arbitration decision will be made before the end of the current fiscal year.

PAYROLL AND BENEFITS is up \$1,874,500 from the 2002-2003 revised projections to reflect full staffing and the return of operation of the Torrington and Watertown Transfer Stations. Staffing at the Hartford Landfill is anticipated to remain at a 2-person year decrease implemented during the current fiscal year. Also driving this increase are salary improvements, anticipated increases in the benefit allotments, and a 53rd payroll week.

OPERATIONS, down \$15,750, are basically on-line with current year's revised estimates. Significant reductions occur in the Equipment Rental allotment at the Waste Processing Facility, as it is anticipated that the Authority will procure a dozer for the compaction of MSW and RDF within 6 months into the fiscal year. It is also assumed that the Authority will pay directly for the compaction of MSW and RDF until the dozer is purchased. The Authority's assumption indicates that no ash cell stone will be needed in FY 2003-2004 and also in the current fiscal year. These reductions almost entirely offset increased expenditures anticipated with the return of the Torrington and Watertown Transfer Stations for the entire fiscal year, and the increased operational costs associated with the hauling of the waste from these transfer stations.

MAINTENANCE is up \$725,500. Increased expenditures are anticipated to incur with the return of the Torrington and Watertown Transfer Stations. It will be necessary to maintain the entire fleet including those tractors and trailers that will haul the waste from these transfer stations. This year's revised figure reflects no maintenance costs associated with the Torrington and Watertown Transfer Stations. Serving to partially offset the above increases, is a reduction in *Power Operated Equipment* at the Waste Processing Facility. It is anticipated that a new loader will be procured along with the acquisition of new skid loaders, which will drastically reduce maintenance requirements, as these new pieces of equipment will be under warrantee for the fiscal year period. Maintenance requirements

**2003-2004
BUDGET SUMMARY (Cont.)**



in *Treatment Equipment* are anticipated to be on-line with the past few year's expenditures. Major maintenance requirements are being planned throughout a 5-year period.

In CAPITAL OUTLAY, the \$19,000 request is to provide for the purchase of a new skid loader at the Waste Processing Facility.

INDIRECT COSTS and CONTINGENCIES are on-line with the 2002-2003 budget submittal.

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2003-2004
BUDGET SUMMARY

EXPENDITURE CLASSIFICATION	2000-2001	2002-2003		2003-2004
	ACTUAL	SUBMITTED	PROJECTED	PROPOSED
<u>SUMMARY BY ACTIVITY</u>				
Administration	434,532	471,900	486,600	479,600
Waste Processing Facility	12,424,740	12,436,550	12,871,750	12,902,900
<u>WASTE TRANSFER AND TRANSPORTATION</u>				
Administration	329,478	407,800	292,800	277,600
<u>WASTE TRANSFER</u>				
Ellington	410,770	411,600	451,600	422,100
Torrington	169,378	612,400	-	593,400
Essex	630,191	592,600	585,550	590,400
Watertown	296,709	707,500	-	708,600
Total	1,507,048	2,324,100	1,037,150	2,314,500
<u>WASTE TRANSPORTATION</u>				
Total	3,816,408	5,585,400	2,948,700	5,165,900
<u>LANDFILL</u>				
Hartford	1,490,159	1,562,100	1,462,450	1,441,250
Total	20,002,365	22,787,850	19,099,450	22,581,750
<u>RECAP BY MAJOR OBJECTS OF EXPENDITURE</u>				
<u>PAYROLL AND BENEFITS</u>				
Regular Pay	5,939,395	7,202,100	5,582,700	7,457,200
Overtime	1,772,053	1,668,200	1,809,700	1,940,000
Temporary Help	-	-	2,150	-
Standby and Premium Pay	137,325	142,700	130,500	157,200
Longevity Pay	6,841	8,700	6,900	8,500
Other Employee Benefits	2,394,281	2,956,400	2,681,900	3,203,500
Total	10,249,895	11,978,100	10,213,850	12,766,400

2003-2004
BUDGET SUMMARY

EXPENDITURE CLASSIFICATION (Cont.)	2000-2001	2002-2003		2003-2004
	ACTUAL	SUBMITTED	PROJECTED	PROPOSED
OPERATIONS	1,947,269	2,123,300	1,830,500	1,814,750
MAINTENANCE	4,806,878	5,445,450	4,036,100	4,761,600
CAPITAL OUTLAY	-	18,000	19,000	19,000
INDIRECT COSTS	2,998,323	3,003,000	3,000,000	3,000,000
CONTINGENCIES	-	220,000	-	220,000
TOTAL	<u>20,002,365</u>	<u>22,787,850</u>	<u>19,099,450</u>	<u>22,581,750</u>
<u>AUTHORIZED POSITIONS</u>				
<u>ADMINISTRATION</u>	4	4	4	4
<u>WASTE PROCESSING FACILITY</u>	77	77	77	77
<u>WASTE TRANSFER AND TRANSPORTATION</u>				
Administration	3	3	2	2
<u>WASTE TRANSFER</u>				
Ellington	3	3	3	3
Torrington	4	4	4	4
Essex	4	4	4	4
Watertown	5	5	5	5
Total	16	16	16	16
<u>WASTE TRANSPORTATION</u>	35	35	35	35
Total Waste Transfer and Transportation	54	54	53	53
<u>LANDFILL</u>				
Hartford	12	12	10	10
Total	<u>147</u>	<u>147</u>	<u>144</u>	<u>144</u>

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SUPPORTING DETAIL

**THE FOLLOWING DETAILED INFORMATION IS OFFERED IN EXPLANATION OF
THE REQUESTED BUDGET APPROPRIATIONS.**



DESCRIPTION

The Manager of Solid Waste Systems, a Management Analyst, Administrative Clerk and a Senior Clerk Typist staff the Administration activity. This staffing is responsible for: overseeing administration and planning of the Mid-Connecticut Project; providing a direct line of communication between the District and the Authority; financial analysis, budget preparation and control; and clerical support.

BUDGET COMMENTARY

The 2003-2004 Administration budget is projected to be \$479,600, down \$7,000 from the 2002-2003 projected expenditure level, and up \$7,700 from the MDC's original submittal. Increases in the 2003-2004 budget over the current year's revised budget, reflects negotiated wage increases and a 53rd payroll week.

Partially offsetting the above increases are reductions in medical benefit allotments resulting from a return to normal claims. Other reductions include minor computer supplies anticipated for the new year. The current fiscal year provided for the upgrade of the computers at the Waste Processing Facility.

MID-CONNECTICUT
ADMINISTRATION

9010090

OBJECT CODE	EXPENDITURE CLASSIFICATION	2001-2002	2002-2003		2003-2004
		ACTUAL	SUBMITTED	PROJECTED	PROPOSED
<u>PAYROLL AND BENEFITS</u>					
501101	Regular Pay	258,831	262,900	267,700	285,400
501201	Overtime	628	3,000	3,100	2,500
502239	Workers Compensation	683	1,200	900	1,200
502500	Blue Cross	10,437	10,100	21,400	11,500
502501	Blue Shield	5,695	5,600	5,600	6,300
502502	Major Medical	209	800	800	300
502503	Group Life	528	700	500	600
502505	Pension Regular	17,551	16,300	21,600	22,600
502508	Social Security	19,655	20,500	20,600	23,600
501601	Longevity Pay	1,600	1,600	1,600	1,600
	Total	315,817	322,700	343,800	355,600
<u>OPERATIONS</u>					
502026	Clothing and Apparel	250	300	300	300
502107	Office Supplies and Expenses	18,808	16,100	16,100	16,000
502214	Gasoline	620	900	200	700
502251	Printed Forms	1,025	3,000	5,000	2,000
502270	Seminars and Conventions	-	2,000	1,000	1,000
502278	Business Travel	-	5,000	1,500	2,500
502319	Equipment Rental	3,158	3,300	3,300	4,900
502253	Telephone	13,526	14,500	12,000	14,000
502416	Computer Equipment and Supplies	-	-	15,300	1,500
	Total	37,387	45,100	54,700	42,900
<u>MAINTENANCE</u>					
503201	Communication Equipment	2,268	2,900	2,600	2,500
503203	Office Furniture and Equipment	923	4,000	1,500	1,500
503208	Transportation Equipment	1,082	2,000	500	300
	Total	4,273	8,900	4,600	4,300

MID-CONNECTICUT
ADMINISTRATION

9010090

OBJECT CODE	EXPENDITURE CLASSIFICATION	2001-2002 ACTUAL	2002-2003 SUBMITTED	2002-2003 PROJECTED	2003-2004 PROPOSED
<u>CAPITAL OUTLAY</u>					
504203	Office Equipment and Furniture	-	18,000	-	-
<u>INDIRECT COSTS</u>					
502041	MDC	77,055	72,200	83,500	71,800
<u>CONTINGENCIES</u>					
509901	Contingency	-	5,000	-	5,000
Total		434,532	471,900	486,600	479,600
<u>AUTHORIZED POSITIONS</u>					
	Manager of Solid Waste	1	1	1	1
	Management Analyst	1	1	1	1
	Administrative Clerk	1	1	1	1
	Senior Clerk Typist	1	1	1	1
Total		4	4	4	4

MID-CONNECTICUT WASTE PROCESSING FACILITY

9020090

DESCRIPTION:

The Waste Processing Facility (WPF) receives municipal solid waste (MSW) and processes it into a fuel by shredding which, in turn, is burned in an adjacent, independently operated power block facility to produce steam that drives turbines in creating electricity.

BUDGET COMMENTARY:

In 2003-2004 the WPF will be responsible for processing 792,000 tons of solid waste for the year, an average of 15,200 tons per week or 2,533 tons per day six days per week. The proposed full staffing level of 77 authorized positions is the same as submitted in the 2001-2002 original request, although, it is anticipated that through attrition, one plant operator position will be replaced by one mechanic position to assist in the increased maintenance requirements of the plant equipment. In addition, this activity will provide support for the Transportation Activity's Drop & Hook program by providing staffing to unload trailers at the WPF as part of that program. It is also anticipated that the Project will have an aggressive program of rotating waste which leads to increased expenditures in equipment rental (dozing costs until dozer is procured), fuel costs and equipment maintenance (increased hours).

The 2003-2004 WPF budget is projected to be \$12,902,900, up \$31,150 from the 2002-2003 revised expenditure level.

The WPF budget is up approximately 0.2% from the 2002-2003 revised expenditure level. The majority of this increase results as follows: in *Regular Pay*, the increase provides for negotiated wage and salary adjustments for full staffing and an additional payroll week; and the associated benefits resulting from full staffing.

Serving to partially offset these increases are savings in: *Equipment Rental*, to reflect the procurement of a dozer for compaction of MSW and RDF within six months into the fiscal year (it also reflects the Authority paying directly for any rental costs associated with a dozer for compaction until this purchase is made); *Overtime*, to reflect full staffing; *Maintenance of Power Operated Equipment*, to reflect lower maintenance needs due to the acquisition of a new payload loader and skid loader, thus minimal maintenance due to these pieces of equipment being under warranty for the fiscal year period; and *Indirect Costs. Treatment Equipment*, is anticipated to be in line with the past few year's expenditures.

This budget also provides \$19,000 in the *Capital – Power Operated Equipment* allotment for the procurement of a new skid loader.

**MID-CONNECTICUT
WASTE PROCESSING FACILITY**

9020090

Due to the age of the processing equipment and the high throughput, major maintenance refurbishments are anticipated in the 2003-2004 budget. It is anticipated that two major conveyor refurbishments will be necessary in the upcoming year. Within this allotment, the refurbishment of the 102/202 conveyors is reflected. However, it should be noted that in the back of this budget document under *"Needed Major Refurbishments and Capital Plant Modifications"* the refurbishment of the 102/202 conveyors and the 103 head shaft modifications are earmarked to be necessary in the upcoming fiscal year. These projects, which are listed in the back of the budget submittal, are to be approved and directly funded by the Authority. **It is imperative that a timely approval is made, in order to prepare contracts for labor and parts for the major refurbishment projects.**

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MID-CONNECTICUT
WASTE PROCESSING FACILITY

9020090

OBJECT CODE	EXPENDITURE CLASSIFICATION	2001-2002 ACTUAL	2002-2003 SUBMITTED	2002-2003 PROJECTED	2003-2004 PROPOSED
<u>PAYROLL AND BENEFITS</u>					
501101	Regular Pay	3,364,872	3,844,000	3,565,400	4,083,200
501201	Overtime	1,237,216	770,900	1,294,600	1,141,800
502239	Workers Compensation	276,356	398,700	352,400	413,300
501301	Temporary Help	-	-	2,150	-
501401	Standby and Premium Pay	119,879	128,200	123,600	134,900
502500	Blue Cross	355,833	350,000	340,000	375,000
502501	Blue Shield	128,832	150,000	135,000	142,000
502502	Major Medical	88,387	60,000	100,000	97,500
502503	Group Life	8,316	4,000	8,000	9,500
502505	Pension Regular	235,010	239,200	296,300	302,400
502508	Social Security	345,847	363,400	381,600	431,000
502509	Unemployment Compensation	-	7,700	-	7,500
501601	Longevity Pay	2,376	2,600	2,600	2,900
	Total	6,162,924	6,318,700	6,601,650	7,141,000
<u>OPERATIONS</u>					
502011	Meal Allowances	2,229	2,500	2,500	2,500
502026	Clothing and Apparel	52,784	51,100	44,000	44,500
502103	Electrical Supplies	25,113	20,000	30,000	26,000
502104	Janitorial Supplies	4,781	6,200	5,100	5,000
502111	Small Tools	31,282	40,000	40,000	28,700
502112	Communication Equipment and Supplies	8,285	8,000	5,000	6,000
502136	Safety and First Aid Supplies	17,516	16,000	12,000	12,000
502137	Fire Equipment	8,142	10,600	10,600	10,600
502188	Refuse Collection	6,468	20,000	15,000	19,000
502195	Agency Hire	454,533	452,900	430,000	442,000
502203	Care of Grounds	12,997	16,000	12,500	14,000
502210	Propane Gas	8,606	8,100	7,900	8,100
502213	Fuel for Heating	62,819	75,000	75,000	82,000
502214	Gasoline	1,118	1,500	1,400	1,500

MID-CONNECTICUT
WASTE PROCESSING FACILITY

9020090

OBJECT CODE	EXPENDITURE CLASSIFICATION (Cont.)	2001-2002	2002-2003		2003-2004
		ACTUAL	SUBMITTED	PROJECTED	PROPOSED
502215	Oil and Lubricants	39,280	46,000	53,500	46,000
502216	Diesel Fuel	134,364	108,000	128,300	150,000
502273	Employees Education Program	1,834	6,000	6,000	3,000
502295	Outside Testing and Lab Services	5,951	6,800	12,000	7,000
502304	Pest Control Services	6,166	6,300	6,200	6,300
502319	Equipment Rental	427,170	240,000	415,000	30,000
502354	Water	8,252	7,700	7,700	8,500
502355	Sewer User Fees	6,649	6,200	6,200	6,900
	Total	1,326,339	1,154,900	1,325,900	959,600
	<u>MAINTENANCE</u>				
503201	Communication Equipment	2,155	2,000	1,000	1,500
503204	Power Operated Equipment	1,023,017	887,000	780,000	755,000
503207	Tool and Work Equipment	47,260	57,700	42,600	46,800
503208	Transportation Equipment	47,743	39,600	50,000	35,000
503209	Treatment Equipment	1,908,411	2,090,550	1,900,000	1,983,700
503210	Other Equipment	3,409	4,200	4,200	3,000
503301	Buildings	149,058	164,800	170,000	163,000
503313	Service Roads	18,487	31,500	25,000	40,000
	Total	3,199,540	3,277,350	2,972,800	3,028,000
	<u>CAPITAL OUTLAY</u>				
504204	Power Operated Equipment	-	-	19,000	19,000
	<u>INDIRECT COSTS</u>				
502041	MDC	1,735,937	1,575,600	1,952,400	1,645,300
	<u>CONTINGENCIES</u>				
509901	Contingency	-	110,000	-	110,000
	Total	12,424,740	12,436,550	12,871,750	12,902,900

MID-CONNECTICUT
WASTE PROCESSING FACILITY

9020090

AUTHORIZED POSITIONS	2001-2002	2002-2003		2003-2004
	ACTUAL	SUBMITTED	PROJECTED	PROPOSED
Assistant Manager of Solid Waste	1	1	1	1
Staff Engineer 1	2	2	2	2
SWP Inventory Stock Clerk	1	1	1	1
SWP Plant Superintendent	1	1	1	1
SWP Plant Maintenance Supervisor	1	1	1	1
Assistant SWP Plant Maintenance Supervisor	1	1	1	1
SWP Plant Shift Supervisor	3	3	3	3
Electronics Technician	3	3	3	3
SWP Plant Crew Leader	3	3	3	3
SWP Yard Crew Leader	1	1	1	1
Electrician 1	2	2	2	2
Senior Maintenance Mechanic	3	2	2	2
Maintenance Mechanic	10	13	12	13
Picking Station Operator	9	9	9	9
SWP Plant Operator	25	23	24	23
SWP Plant Maintainer	2	2	2	2
SWP Plant Equipment Operator	6	6	6	6
Custodian	1	1	1	1
SWP Plant Operator in Training	2	2	2	2
Total	77	77	77	77

MID-CONNECTICUT
WASTE TRANSFER AND TRANSPORTATION
ADMINISTRATION

9031090

DESCRIPTION

The Waste Transfer and Transportation activity provides for the operation of transfer stations to receive MSW from waste shed areas remote from the Waste Processing Facility (WPF) and to transport that MSW by truck to the WPF.

The Waste Transfer and Transportation, Administration sub-activity consists of a Solid Waste Transfer Superintendent and one assistant responsible for providing supervision over the Waste Transfer sub-activity (16 people) and the Waste Transportation sub-activity (totaling 32 drivers for 2003-2004) operating under a new instituted Drop & Hook program, and support for landfill operations.

BUDGET COMMENTARY:

The 2003-2004 Waste Transfer and Transportation, Administration sub-activity budget is projected to be \$277,600, down \$15,200 from the revised estimates for the current year and down \$130,200 from the original MDC budget submittal. Revised expenditure levels reflect the elimination of one Assistant Transfer Superintendent. The 2003-2004 proposed budget submittal reflects the decreased staffing level as in the current fiscal year.

The Waste Transfer and Transportation, Administration budget is down from the current year's revised estimate. In *Payroll and Benefits*, decreased expenditures reflect the change in the dispatching on Saturdays, partially offset by increases due to a 53rd payroll week. In *Operations*, decreases are projected in *Communication Equipment and Supplies* and *Fire Equipment*.

Partially offsetting the above decreases are increases in *Maintenance of Communication Equipment* to reflect the return of the transportation vehicles and the associated communication equipment.

MID-CONNECTICUT
WASTE TRANSFER AND TRANSPORTATION
ADMINISTRATION

9031090

OBJECT CODE	EXPENDITURE CLASSIFICATION	2001-2002 ACTUAL	2002-2003 SUBMITTED	2002-2003 PROJECTED	2003-2004 PROPOSED
<u>PAYROLL AND BENEFITS</u>					
501101	Regular Pay	170,086	212,700	143,900	151,200
501201	Overtime	37,723	41,100	32,000	8,500
502239	Workers Compensation	683	1,200	900	1,200
501401	Standby and Premium Pay	301	800	-	-
502500	Blue Cross	5,803	7,000	3,500	6,400
502501	Blue Shield	3,353	3,500	1,500	3,700
502502	Major Medical	1,465	1,000	2,000	1,600
502503	Group Life	249	400	300	300
502505	Pension Regular	10,008	13,100	11,600	14,900
502508	Social Security	15,468	19,600	13,500	13,200
501601	Longevity Pay	788	1,100	800	800
	Total	245,927	301,500	210,000	201,800
<u>OPERATIONS</u>					
502026	Clothing and Apparel	650	1,000	700	700
502104	Janitorial Supplies	541	1,000	600	700
502112	Communication Equipment and Supplies	725	2,500	1,500	1,000
502137	Fire Equipment	447	900	900	700
502214	Gasoline	524	1,000	400	700
502319	Equipment Rental	-	1,700	-	-
	Total	2,887	8,100	4,100	3,800
<u>MAINTENANCE</u>					
503201	Communication Equipment	22,378	28,300	22,000	28,500
503203	Office Furniture and Equipment	684	-	600	-
503208	Transportation Equipment	1,587	3,900	1,600	800
	Total	24,649	32,200	24,200	29,300

MID-CONNECTICUT
WASTE TRANSFER AND TRANSPORTATION
ADMINISTRATION

9031090

OBJECT CODE	EXPENDITURE CLASSIFICATION	2001-2002	2002-2003		2003-2004
		ACTUAL	SUBMITTED	PROJECTED	PROPOSED
	<u>INDIRECT COSTS</u>				
502041	MDC	56,015	61,000	54,500	37,700
	<u>CONTINGENCIES</u>				
509901	Contingency	-	5,000	-	5,000
	Total	<u>329,478</u>	<u>407,800</u>	<u>292,800</u>	<u>277,600</u>
	<u>AUTHORIZED POSITIONS</u>				
	SW Transfer Superintendent	1	1	1	1
	Assistant SW Transfer Superintendent	2	2	1	1
	Total	3	3	2	2

MID-CONNECTICUT
WASTE TRANSFER AND TRANSPORTATION
WASTE TRANSFER - ELLINGTON

9032190

DESCRIPTION

The Ellington Transfer Station receives waste from the northeast portion of the Mid-Connecticut service area – the towns of Ellington, Enfield, South Windsor and Vernon.

BUDGET COMMENTARY:

The 2002 - 2003 budget anticipated that the Ellington Transfer Station would be in operation for the full year receiving approximately 78,500 tons of solid waste per week with a three-person, five-day-a-week operation.

Looking ahead to 2003 - 2004, the proposed budget assumes that the Ellington Transfer Station will be in operation for a full year receiving approximately 79,000 tons (approximately 1,520 tons per week). This amount is 0.6% more than projected in the 2002 – 2003 proposed budget.

The 2003 – 2004 Ellington Transfer Station sub-activity budget is projected to be \$422,100, down \$29,500 from the 2002 - 2003 projected revised expenditure level previously submitted to CRRA and up \$10,500 from the budget submittal for FY 2002-2003.

The Ellington Transfer Station budget is up approximately 7.2% from the FY 2002-2003 budget submittal primarily reflecting increases in: *Regular Pay and Overtime*, the result of negotiated wage and salary adjustments; and *Maintenance of Power Operated Equipment*, to reflect a higher cost for maintaining older equipment.

Partially offsetting the above increases are reductions in the medical benefit allotments to reflect a return to normal claims and *Indirect Costs*.

MID-CONNECTICUT
WASTE TRANSFER AND TRANSPORTATION
WASTE TRANSFER - ELLINGTON

9032190

OBJECT CODE	EXPENDITURE CLASSIFICATION	2001-2002	2002-2003		2003-2004
		ACTUAL	SUBMITTED	PROJECTED	PROPOSED
	<u>PAYROLL AND BENEFITS</u>				
501101	Regular Pay	140,286	145,400	146,600	154,100
501201	Overtime	23,670	27,800	32,700	36,900
502239	Workers Compensation	17,577	9,800	29,200	10,200
502500	Blue Cross	4,513	8,800	17,600	5,000
502501	Blue Shield	5,529	7,100	11,000	6,100
502502	Major Medical	1,742	1,300	4,000	1,900
502503	Group Life	146	200	200	200
502505	Pension Regular	9,476	8,000	11,800	12,200
502508	Social Security	12,163	13,300	11,200	15,500
501601	Longevity Pay	326	400	400	400
	Total	215,428	222,100	264,700	242,500
	<u>OPERATIONS</u>				
502011	Meal Allowances	-	100	50	50
502026	Clothing and Apparel	829	1,200	900	1,000
502103	Electrical Supplies	-	100	50	-
502104	Janitorial Supplies	-	800	300	500
502111	Small Tools	-	500	250	200
502136	Safety and First Aid Supplies	-	200	200	100
502188	Refuse Collection	-	200	100	100
502192	Snow Removal	3,935	8,000	11,000	8,000
502203	Care of Grounds	11,510	9,500	9,800	8,000
502214	Gasoline	9	100	50	50
502216	Diesel Fuel	5,344	7,000	5,300	5,500
502304	Pest Control Services	600	600	600	600
502319	Equipment Rental	7,768	7,800	-	-
502350	Electricity	6,377	6,800	6,800	6,800
502353	Telephone	2,531	2,700	2,900	2,700
502354	Water	940	700	1,300	1,000
	Total	39,843	46,300	39,600	34,600

MID-CONNECTICUT
WASTE TRANSFER AND TRANSPORTATION
WASTE TRANSFER - ELLINGTON

9032190

OBJECT CODE	EXPENDITURE CLASSIFICATION	2001-2002	2002-2003		2003-2004
		ACTUAL	SUBMITTED	PROJECTED	PROPOSED
	<u>MAINTENANCE</u>				
503204	Power Operated Equipment	72,677	43,500	53,800	63,800
503207	Tool and Work Equipment	218	600	300	400
503210	Other Equipment	6,293	6,000	6,000	5,000
503301	Buildings	10,128	21,600	11,500	8,000
503313	Service Roads	-	5,500	500	-
	Total	89,316	77,200	72,100	77,200
	<u>INDIRECT COSTS</u>				
502041	MDC	66,183	61,000	75,200	62,800
	<u>CONTINGENCIES</u>				
509901	Contingency	-	5,000	-	5,000
	Total	410,770	411,600	451,600	422,100
	<u>AUTHORIZED POSITIONS</u>				
	Transfer Station Supervisor	1	1	1	1
	Transfer Station Operator	2	2	2	2
	Total	3	3	3	3

MID-CONNECTICUT
WASTE TRANSFER AND TRANSPORTATION
WASTE TRANSFER - TORRINGTON

9032290

DESCRIPTION

The Torrington Transfer Station receives waste from the northwest portions of the Mid-Connecticut service area – the towns of Canaan, Colebrook, Cornwall, Goshen, Harwinton, Litchfield, Norfolk, North Canaan, Barkhamsted, New Hartford, Winchester, Salisbury, Sharon, Torrington and Waterbury (commercial).

BUDGET COMMENTARY:

The 2002 - 2003 budget submittal provided for a four person, six-day-a-week operation for the entire fiscal year to handle approximately 88,000 tons per year or 1,690 tons of MSW per week. Recycling, in operation for the full year, was anticipated to receive a combined total of 6,000 tons for the year, or 115 tons per week of recyclable paper and containers.

The District takes the position that it will be successful in the arbitration process and is therefore submitting a budget for the Torrington Transfer Station. The District is also assuming that no extensive repairs will be needed for the buildings and power operated equipment following the operation of replacement contractors at the station. As no assumptions were provided by the Authority for this station, tonnages are anticipated to be the same as what was proposed for fiscal year 2002-2003: 88,000 tons of MSW per year (1,690 tons of MSW per week); and 6,000 tons of recyclables per year (a combined total of 115 tons per week of recyclable paper and containers). The Torrington Transfer Station will participate in the Transportation Activity's drop & hook program by pre-loading available trailers to minimize driver delay time.

The 2003 – 2004 Torrington Transfer Station sub-activity budget is projected to be \$593,400, down \$19,000 (approximately 3.1%) from the original FY 2002-2003 budget submittal.

This decrease is mainly attributed to the *Maintenance of Buildings* allotment as no exterior building cleaning is planned for the new fiscal year, *Equipment Rental* requirements will not be necessary (if the need arises, loaders from other areas of the Mid-Connecticut Project will be utilized), and *Indirect Costs*.

Partially offsetting the above decreases are increases in *Regular Pay*, to reflect anticipated wage and salary improvements, and a 53rd payroll week.

MID-CONNECTICUT
WASTE TRANSFER AND TRANSPORTATION
WASTE TRANSFER - TORRINGTON

9032290

OBJECT CODE	EXPENDITURE CLASSIFICATION	2001-2002 ACTUAL	2002-2003 SUBMITTED	2002-2003 PROJECTED	2003-2004 PROPOSED
<u>PAYROLL AND BENEFITS</u>					
501101	Regular Pay	79,094	190,900	-	199,900
501201	Overtime	8,954	78,700	-	72,300
502239	Workers Compensation	4,810	23,600	-	24,500
501401	Standby and Premium Pay	215	1,200	-	1,200
502500	Blue Cross	6,993	12,000	-	14,000
502501	Blue Shield	2,870	7,000	-	6,400
502502	Major Medical	1,087	600	-	2,400
502503	Group Life	110	200	-	600
502505	Pension Regular	-	12,700	-	16,500
502508	Social Security	6,694	20,800	-	22,100
501601	Longevity Pay	413	900	-	-
	Total	111,240	348,600	-	359,900
<u>OPERATIONS</u>					
502011	Meal Allowances	-	100	-	100
502026	Clothing and Apparel	288	1,400	-	1,300
502103	Electrical Supplies	-	100	-	50
502104	Janitorial Supplies	-	600	-	600
502111	Small Tools	-	600	-	900
502136	Safety and First Aid Supplies	-	200	-	100
502188	Refuse Collection	-	500	-	100
502192	Snow Removal	-	9,800	-	9,800
502203	Care of Grounds	1,410	6,000	-	4,800
502214	Gasoline	28	-	-	50
502216	Diesel Fuel	-	6,500	-	6,500
502304	Pest Control Services	40	600	-	600
502319	Equipment Rental	6,857	7,800	-	-
502350	Electricity	1,692	12,000	-	11,500
502353	Telephone	1,827	5,500	-	5,500
502354	Water	476	2,900	-	2,900
	Total	12,618	54,600	-	44,800

MID-CONNECTICUT
WASTE TRANSFER AND TRANSPORTATION
WASTE TRANSFER - TORRINGTON

9032290

OBJECT CODE	EXPENDITURE CLASSIFICATION	2001-2002 ACTUAL	2002-2003		2003-2004 PROPOSED
			SUBMITTED	PROJECTED	
<u>MAINTENANCE</u>					
503204	Power Operated Equipment	3,696	61,500	-	79,500
503207	Tool and Work Equipment	-	600	-	400
503208	Transportation Equipment	180	-	-	-
503210	Other Equipment	-	7,500	-	5,000
503301	Buildings	239	33,100	-	8,600
503313	Service Roads	-	10,000	-	500
	Total	4,115	112,700	-	94,000
<u>INDIRECT COST</u>					
502041	MDC	41,405	91,500	-	89,700
<u>CONTINGENCIES</u>					
509901	Contingency	-	5,000	-	5,000
	Total	169,378	612,400	-	593,400
<u>AUTHORIZED POSITIONS</u>					
	Transfer Station Supervisor	1	1	1	1
	Transfer Station Operator	3	3	3	3
	Total	4	4	4	4

MID-CONNECTICUT
WASTE TRANSFER AND TRANSPORTATION
WASTE TRANSFER - ESSEX

9032490

DESCRIPTION:

The Essex Transfer Station receives waste from the southern portion of the Mid-Connecticut service area – the towns of Chester, Clinton, Deep River, Essex, Guilford, Killingworth, Lyme, Madison, North Branford, Old Lyme, Old Saybrook and Westbrook.

BUDGET COMMENTARY:

The 2002-2003 Essex Transfer Station budget provided for a four-person, six-day-a-week operation estimated to handle approximately 1,500 tons of solid waste per week, and a combined total of 88 tons per week of recyclable paper and containers.

In 2003-2004, the Essex Transfer Station will be in full operation for the entire fiscal year, receiving approximately 1,548 tons of solid waste per week (a 3.2% increase over the previous year's budget estimate), and a combined total of approximately 92 tons per week of recyclable paper and containers (an increase of 4.6% in recycling waste tonnage).

The 2003 - 2004 Essex Transfer Station sub-activity budget is projected to be \$590,400, up \$4,850 from the 2002-2003 revised expenditure level, and down \$2,200 from the original budget submittal for FY 2002-2003.

The Essex Transfer Station budget is up \$4,850 from the current year's revised estimates. Increases are anticipated to occur in: *Regular Pay*, to reflect salary improvements, wage increases and a 53rd payroll week; *Maintenance of Power Operated Equipment*, to provide for an increase in the cost of maintaining older equipment; and *Indirect Costs*.

Partially offsetting the above increases are savings in: *Overtime*; *Workers Compensation*; *Blue Shield*, to reflect a return to a normal level of claims; and *Snow Removal*.

MID-CONNECTICUT
WASTE TRANSFER AND TRANSPORTATION
WASTE TRANSFER - ESSEX

9032490

OBJECT CODE	EXPENDITURE CLASSIFICATION	2001-2002	2002-2003		2003-2004
		ACTUAL	SUBMITTED	PROJECTED	PROPOSED
<u>PAYROLL AND BENEFITS</u>					
501101	Regular Pay	189,932	194,100	193,000	203,100
501201	Overtime	58,974	69,100	68,000	64,000
502239	Workers Compensation	24,207	19,200	37,600	19,900
501401	Standby and Premium Pay	921	1,200	1,200	1,200
502500	Blue Cross	27,713	29,000	29,000	30,600
502501	Blue Shield	9,182	15,000	20,000	10,100
502502	Major Medical	3,153	3,500	4,000	3,500
502503	Group Life	540	1,100	400	600
502505	Pension Regular	12,899	10,700	15,700	16,500
502508	Social Security	18,705	20,300	20,100	21,700
501601	Longevity Pay	550	300	900	900
	Total	346,776	363,500	389,900	372,100
<u>OPERATIONS</u>					
502011	Meal Allowances	51	100	50	100
502026	Clothing and Apparel	1,209	1,400	1,200	1,300
502103	Electrical Supplies	40	100	50	50
502104	Janitorial Supplies	22	600	600	600
502111	Small Tools	956	600	900	900
502136	Safety and First Aid Supplies	-	200	200	100
502188	Refuse Collection	6,244	100	100	100
502192	Snow Removal	2,200	5,000	7,000	5,000
502203	Care of Grounds	6,516	6,000	5,100	5,000
502214	Gasoline	-	100	50	50
502216	Diesel Fuel	8,800	9,300	7,600	8,500
502304	Pest Control Services	1,125	1,200	900	900
502319	Equipment Rental	6,000	7,800	-	-
502350	Electricity	9,247	8,000	9,500	8,500
502353	Telephone	4,078	5,000	4,700	4,500
502354	Water	1,797	2,000	1,800	1,800
	Total	48,285	47,500	39,750	37,400

MID-CONNECTICUT
WASTE TRANSFER AND TRANSPORTATION
WASTE TRANSFER - ESSEX

9032490

OBJECT CODE	EXPENDITURE CLASSIFICATION	2001-2002	2002-2003		2003-2004
		ACTUAL	SUBMITTED	PROJECTED	PROPOSED
<u>MAINTENANCE</u>					
503204	Power Operated Equipment	106,019	52,000	54,400	71,100
503207	Tool and Work Equipment	-	600	300	400
503210	Other Equipment	18,389	7,500	7,500	7,900
503301	Buildings	14,172	28,100	9,700	8,600
503313	Service Roads	-	500	500	-
	Total	138,580	88,700	72,400	88,000
<u>INDIRECT COST</u>					
502041	MDC	96,550	87,900	83,500	87,900
<u>CONTINGENCIES</u>					
509901	Contingency	-	5,000	-	5,000
	Total	630,191	592,600	585,550	590,400
<u>AUTHORIZED POSITIONS</u>					
	Transfer Station Supervisor	1	1	1	1
	Transfer Station Operator	3	3	3	3
	Total	4	4	4	4

MID-CONNECTICUT
WASTE TRANSFER AND TRANSPORTATION
WASTE TRANSFER - WATERTOWN

9032590

DESCRIPTION:

The Watertown Transfer Station receives waste from the westerly portion of the Mid-Connecticut service area – the towns of Beacon Falls, Bethlehem, Middlebury, Naugatuck, Oxford, Roxbury, Southbury, Thomaston, Watertown, Woodbury and Waterbury (residential).

BUDGET COMMENTARY:

The 2002 - 2003 budget assumed that the Watertown Transfer Station would operate with five persons, for six days a week for the full year, receiving approximately 2,423 tons of solid waste per week, and a combined total of 238 tons per week of recyclable paper and containers.

The District takes the position that it will be successful in the arbitration process and is therefore submitting a budget for the Watertown Transfer Station. The District is also assuming that no extensive repairs will be needed for the buildings and power operated equipment following the operation of replacement contractors at the station. As no assumptions were provided by the Authority for this station, tonnages are anticipated to be the same as what was proposed for fiscal year 2001-2002: 126,000 tons of MSW per year (approximately 2,423 tons of MSW per week); and 12,400 tons of recyclables per year (a combined total of approximately 238 tons per week of recyclable paper and containers).

The 2003 - 2004 Watertown Transfer Station sub-activity budget is projected to be \$708,600, up \$1,100 (approximately 0.2%) from the original FY 2002-2003 budget submittal.

The Watertown Transfer Station budget is up \$1,100 from the original FY 2002-2003 budget submittal. A comparison of expenditures from FY 2002-2003 original budget submittal follows. Increased expenditures are anticipated in: *Regular Pay*, the result of salary improvements, wage adjustments and a 53rd payroll week; *Pension Regular* and *Social Security*. Serving to partially offset the above increases are decreases in the following allotments: *Workers Compensation*; *Equipment Rental* will not be necessary (if the need arises, loaders from other areas of the Mid-Connecticut Project will be utilized); and *Indirect Costs*.

MID-CONNECTICUT
WASTE TRANSFER AND TRANSPORTATION
WASTE TRANSFER - WATERTOWN

9032590

OBJECT CODE	EXPENDITURE CLASSIFICATION	2001-2002 ACTUAL	2002-2003		2003-2004 PROPOSED
			SUBMITTED	PROJECTED	
<u>PAYROLL AND BENEFITS</u>					
501101	Regular Pay	99,699	230,900	-	246,800
501201	Overtime	21,277	81,700	-	78,800
502239	Workers Compensation	5,677	27,900	-	28,900
501401	Standby and Premium Pay	553	1,200	-	1,200
502500	Blue Cross	10,758	22,900	-	23,800
502501	Blue Shield	4,276	19,100	-	9,400
502502	Major Medical	1,327	4,100	-	3,000
502503	Group Life	277	1,000	-	800
502505	Pension Regular	-	13,500	-	20,700
502508	Social Security	9,215	24,100	-	26,400
501601	Longevity Pay	188	500	-	-
	Total	153,247	426,900	-	439,800
<u>OPERATIONS</u>					
502011	Meal Allowances	-	100	-	100
502026	Clothing and Apparel	548	1,700	-	1,500
502103	Electrical Supplies	-	100	-	50
502104	Janitorial Supplies	-	600	-	600
502111	Small Tools	57	600	-	900
502136	Safety and First Aid Supplies	-	200	-	100
502188	Refuse Collection	-	-	-	100
502192	Snow Removal	-	8,500	-	8,500
502203	Care of Grounds	2,890	5,500	-	5,000
502214	Gasoline	132	-	-	50
502216	Diesel Fuel	6,847	13,200	-	13,900
502304	Pest Control Services	240	500	-	600
502319	Equipment Rental	5,971	7,800	-	-
502350	Electricity	5,023	9,000	-	9,000
502353	Telephone	2,178	4,000	-	4,500
502354	Water	581	1,100	-	1,100
	Total	24,467	52,900	-	46,000

MID-CONNECTICUT
WASTE TRANSFER AND TRANSPORTATION
WASTE TRANSFER - WATERTOWN

9032590

OBJECT CODE	EXPENDITURE CLASSIFICATION	2001-2002	2002-2003		2003-2004
		ACTUAL	SUBMITTED	PROJECTED	PROPOSED
<u>MAINTENANCE</u>					
503204	Power Operated Equipment	52,321	93,800	-	93,800
503207	Tool and Work Equipment	-	600	-	400
503208	Transportation Equipment	206	-	-	-
503210	Other Equipment	900	7,500	-	5,000
503301	Buildings	3,397	9,100	-	8,600
503313	Service Roads	38	500	-	500
	Total	56,862	111,500	-	108,300
<u>INDIRECT COSTS</u>					
502041	MDC	62,133	111,200	-	109,500
<u>CONTINGENCIES</u>					
509901	Contingency	-	5,000	-	5,000
	Total	296,709	707,500	-	708,600
<u>AUTHORIZED POSITIONS</u>					
	Transfer Station Supervisor	1	1	1	1
	Transfer Station Operator	4	4	4	4
	Total	5	5	5	5

MID-CONNECTICUT
WASTE TRANSFER AND TRANSPORTATION
WASTE TRANSPORTATION

9033090



DESCRIPTION:

The Waste Transportation sub-activity is responsible for: a) the hauling of MSW and recyclables from the transfer stations to the Waste Processing Facility or the Hartford Recycling Facility; b) the loading of ash from the power block facility to the landfill; and c) the removal of unprocessable and residue material from the WPF to the landfill.

BUDGET COMMENTARY:

The 2002-2003 Waste Transportation budget provided for staffing (consisting of 35 drivers, 32 Regular Pay work years) based on the Authority projections that the Waste Processing Facility, the Ellington, Torrington, Essex and Watertown Transfer Stations, and the recycling centers at Essex, Torrington and Watertown would be operating for the full fiscal year.

The District takes the position that it will be successful in the arbitration process and is therefore submitting a budget for Waste Transportation, which includes the hauling of waste from the Torrington and Watertown Transfer Stations. The District is assuming that no extensive repairs will be needed for the transportation equipment following the operation of replacement contractors for hauling the Torrington and Watertown waste. Comparisons that follow below will be made to the FY 2002-2003 budget submittal (with additional costs for residue in the "Submitted" column), as the revised expenditure level reflects lower expenses due to not operating Torrington and Watertown Transfer Stations.

The 2003-2004 Waste Transportation budget is projected to be \$5,165,900, down \$419,500 from the fiscal year 2002-2003 budget submittal. Decreased expenditures are anticipated in: *Overtime*, to reflect a return to full staffing of 32 drivers; and *Maintenance of Transportation Equipment*, to reflect an average of the last three fiscal years for maintaining the equipment; and *Blue Cross*, to reflect a return to a more realistic level of claims.

Partially offsetting the above decreases are increases associated with the following: *Regular Pay*, the result of anticipated salary improvements, wage adjustments and a 53rd payroll week, *Pension Regular*, *Social Security*; and *Diesel Fuel*, to reflect a higher cost/gallon.

MID-CONNECTICUT
WASTE TRANSFER AND TRANSPORTATION
WASTE TRANSPORTATION

9033090

OBJECT CODE	EXPENDITURE CLASSIFICATION	2001-2002	2002-2003		2003-2004
		ACTUAL	SUBMITTED	PROJECTED	PROPOSED
<u>PAYROLL AND BENEFITS</u>					
501101	Regular Pay	1,203,684	1,609,500	797,700	1,647,200
501201	Overtime	232,437	503,500	268,700	448,300
502239	Workers Compensation	124,708	180,000	159,100	186,600
501401	Standby and Premium Pay	13,046	7,100	2,700	17,400
502500	Blue Cross	96,572	201,500	172,600	190,000
502501	Blue Shield	52,487	93,400	40,000	66,000
502502	Major Medical	25,109	34,700	34,700	30,000
502503	Group Life	2,555	4,600	1,100	3,900
502505	Pension Regular	82,000	107,800	64,300	116,600
502508	Social Security	107,765	162,200	81,800	169,800
502509	Unemployment Compensation	-	1,000	-	1,000
	Total	1,940,363	2,905,300	1,622,700	2,876,800
<u>OPERATIONS</u>					
502011	Meal Allowances	75	200	100	200
502026	Clothing and Apparel	9,468	11,000	5,900	11,000
502111	Small Tools	253	400	200	400
502136	Safety and First Aid Supplies	514	1,000	500	700
502214	Gasoline	6,111	8,300	6,000	6,800
502216	Diesel Fuel	178,312	355,300	109,300	372,100
502273	Employees Education Program	-	1,000	-	1,300
502350	Electricity	359	600	400	600
	Total	195,092	377,800	122,400	393,100
<u>MAINTENANCE</u>					
503204	Power Operated Equipment	34,153	28,900	29,400	30,500
503207	Tool and Work Equipment	114	3,000	1,000	2,000
503208	Transportation Equipment	1,046,264	1,493,900	710,600	1,097,000
503301	Buildings	3,936	1,000	1,000	2,500
	Total	1,084,467	1,526,800	742,000	1,132,000

MID-CONNECTICUT
WASTE TRANSFER AND TRANSPORTATION
WASTE TRANSPORTATION

9033090

OBJECT CODE	EXPENDITURE CLASSIFICATION	2001-2002	2001-2002		2003-2004
		ACTUAL	SUBMITTED	PROJECTED	PROPOSED
	<u>INDIRECT COSTS</u>				
502041	MDC	596,486	700,500	461,600	689,000
	<u>CONTINGENCIES</u>				
509901	Contingency	-	75,000	-	75,000
	Total	<u>3,816,408</u>	<u>5,585,400</u>	<u>2,948,700</u>	<u>5,165,900</u>
	<u>AUTHORIZED POSITIONS</u>				
	Transfer Truck Driver	35	35	35	35
	Total	35	35	35	35

DESCRIPTION:

The Hartford Landfill receives bulky waste, scrap metals, limited amounts of catch basin material, MSW reject and process residue from the Waste Processing Facility, ash from the Power Block Facility, and non-processible waste from the WPF and the Project's four transfer stations. In addition, the landfill functions as citizens' drop-off point for Hartford residents. The landfill is not projected to receive rack house material.

BUDGET COMMENTARY:

The 2003-2004 Hartford Landfill budget is projected to be \$1,407,950, down \$54,500 from the 2002-2003 revised expenditure level.

The 2003-2004 Hartford Landfill budget submittal reflects an operating staff level of 10 authorized positions with the same number funded and staffed.

The Hartford Landfill budget is down approximately 1.5% from the current year's revised estimate. Decreased expenditures are anticipated in the following allotments: *Overtime*, to reflect a reduction of 2 authorized positions for the full fiscal year (a change which was made in January of the current fiscal year); *Equipment Rental*, as assumptions provided by the Authority indicate a need to rent a D6 dozer for a full year and an excavator for only four months of the fiscal year; and *Maintenance of Other Equipment*, to reflect a return to normal maintenance requirements (current year level provided for major work concrete work to the scale platform); and *Indirect Costs*.

Serving to partially offset the above decreases are increases in: *Regular Pay*, to reflect salary improvements and a 53rd payroll week; *Pension Regular, Landfill Cover*, to reflect an anticipated higher cost per ton for providing cover soil (present contract will end midway through the year); *Maintenance of Power Operated Equipment*, to reflect a return to normal maintenance requirements; and *Maintenance of Buildings*, to provide for insulation of the service garage area.

MID-CONNECTICUT
LANDFILL
HARTFORD

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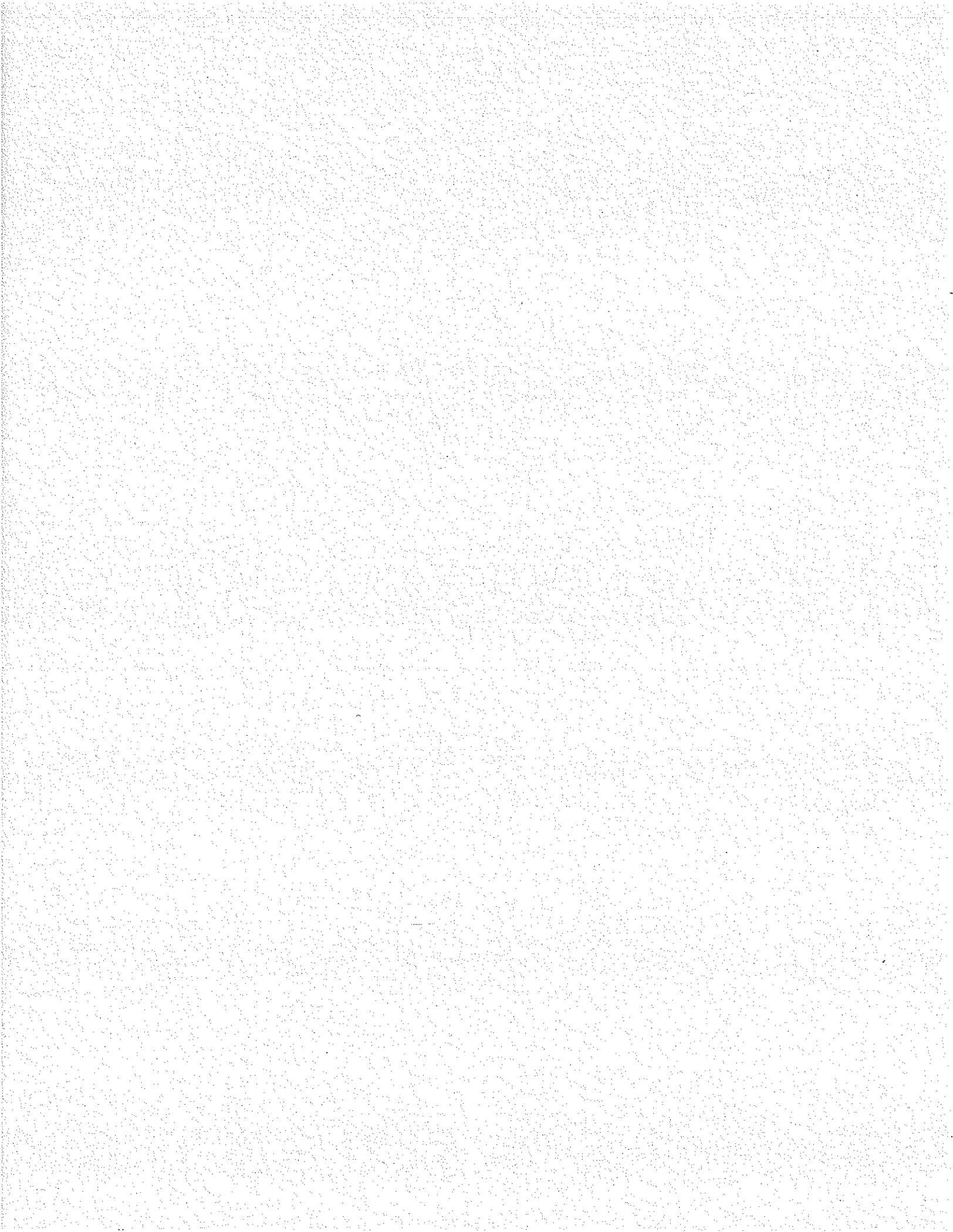
OBJECT CODE	EXPENDITURE CLASSIFICATION	2001-2002	2002-2003		2003-2004
		ACTUAL	SUBMITTED	PROJECTED	PROPOSED
<u>PAYROLL AND BENEFITS</u>					
501101	Regular Pay	432,911	511,700	468,400	486,300
501201	Overtime	151,174	92,400	110,600	86,900
502239	Workers Compensation	32,443	46,900	41,400	48,600
501401	Standby and Premium Pay	2,410	3,000	3,000	1,300
502500	Blue Cross	46,765	31,400	52,000	50,000
502501	Blue Shield	14,994	7,000	18,000	15,000
502502	Major Medical	2,671	2,100	3,600	2,900
502503	Group Life	653	2,100	1,000	800
502505	Pension Regular	29,378	25,100	37,900	37,900
502508	Social Security	44,174	46,500	44,600	46,600
501601	Longevity Pay	600	600	600	600
	Total	758,173	768,800	781,100	776,900
<u>OPERATIONS</u>					
502011	Meal Allowances	-	100	50	50
502026	Clothing and Apparel	3,942	3,600	2,900	3,300
502103	Electrical Supplies	-	1,000	-	200
502104	Janitorial Supplies	1,761	2,000	2,700	2,100
502111	Small Tools	515	1,000	1,000	700
502112	Communication Equip & Supplies	73	1,000	500	600
502120	Landfill Cover	62,886	85,000	57,100	69,500
502137	Fire Equipment	167	200	200	200
502139	Ash Cell Stone	4,540	15,000	-	-
502203	Care of Grounds	7,726	14,000	8,300	10,000
502213	Fuel for Heating	3,398	2,700	2,000	2,700
502214	Gasoline	1,200	1,300	900	1,300
502216	Diesel Fuel	45,807	49,700	44,100	47,200
502295	Outside Testing and Lab Services	-	200	-	-
502304	Pest Control Services	2,400	2,500	2,400	2,500

MID-CONNECTICUT
 LANDFILL
 HARTFORD

9041090

OBJECT CODE	EXPENDITURE CLASSIFICATION	2001-2002	2002-2003		2003-2004
		ACTUAL	SUBMITTED	PROJECTED	PROPOSED
<u>OPERATIONS (Cont.)</u>					
502319	Equipment Rental	116,113	144,000	110,000	100,000
502350	Electricity	5,640	7,200	7,200	7,200
502353	Telephone	3,280	4,500	3,800	4,000
502354	Water	550	800	600	700
502355	Sewer User Fees	353	300	300	300
	Total	260,351	336,100	244,050	252,550
<u>MAINTENANCE</u>					
503204	Power Operated Equipment	155,114	156,300	100,000	145,900
503207	Tool and Work Equipment	2,231	2,000	1,000	2,000
503208	Transportation Equipment	17,808	18,800	15,500	17,000
503210	Other Equipment	102	7,500	7,500	2,000
503301	Buildings	18,544	12,000	12,000	20,000
503313	Service Roads	11,277	13,500	12,000	13,600
	Total	205,076	210,100	148,000	200,500
<u>INDIRECT COSTS</u>					
502041	MDC	266,559	242,100	289,300	206,300
<u>CONTINGENCIES</u>					
509901	Contingencies	-	5,000	-	5,000
	Total	1,490,159	1,562,100	1,462,450	1,441,250
<u>AUTHORIZED POSITIONS</u>					
	Landfill Supervisor	1	1	1	1
	Landfill Weighmaster	1	1	1	1
	Landfill Equipment Operator 2	4	4	8	8
	Landfill Equipment Operator 1	4	6	-	-
	Total	10	12	10	10

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December 03, 2002

David A. Arruda
Manager of Solid Waste
The Metropolitan District
555 Main Street - P.O. Box 800
Hartford, CT 06142-0800

RE: FY 04 Budget Preparation Assumptions

Dear David:

The attached exhibit provides the basic operating assumptions to be used in the development of the FY04 budget. Your preliminary budget should be made available as soon as possible for CRRA review.

WASTE PROCESSING FACILITY:

- A. MSW at 792,000 tons for the year to be delivered and processed. Weekly variations of MSW delivered to range between 13,500 to 17,500 tons depending on outages, holidays and inventories.
- B. Non- processible waste (NPW) to be removed will be approximately 2.0 % of MSW processed or 15,840 tons for the year.
- C. Processed Residue to be removed will be approximately 9.0% of the MSW processed or 71,300 tons for the year
- D. Ferrous removed will be approximately 3.0% of MSW processed or 23,760 tons for the year. Material handled by an out side vendor, using vendor trailers.

TRANSFER STATIONS:

- A. The following assumptions to be used for planning the operation and transportation costs of each station.

STATION	MSW Delivered	MSW Exported (Outside Vendor)	Recyclables
Ellington	79,000 tons	4,000 tons	None
Essex	80,500 tons	4,000 tons	4800 tons

Note: Recyclables, 992 tons of Co-mingled Containers to be hauled by MDC. All received News and Mixed Paper to be hauled by an out side vendor.

David A. Arruda
FY 04 Budget
Page Two

- B. Assume that all MSW from the project member towns that is delivered to the Essex and Ellington transfer station minus the exported tonnage will be transported to Mid-Conn.

HARTFORD LANDFILL:

- A. Assume no change in the current operating staff and equipment for the working face and lined ash area.
- B. Material delivered direct to the landfill:
Bulky Waste - 20,000 tons
Scrap & White metals - 115 tons
MSW reject - 5,000 tons
- C. Material from PBF, WPF or Transfer Stations:
Ash - 162,000 tons
Processed residue - 71,300 tons
Non-processible waste - 15,840 tons
- D. Please provide your estimate for the amount of each catch basin, rack house material that MDC anticipates delivering to the landfill. Also, it is not anticipated that at this time any composted sewer sludge or incinerated ash will be taken at the landfill.
- E. Anticipate approximately 4,000 tons of daily cover for the ash area and 6,000 tons of daily cover for the bulky waste area to be purchased and used. MDC to assume No interim cover, final cover or gravel purchase.
- F. MDC should anticipate a lease cost (one year) for a D6 Dozer at \$72,000.00 and lease of an excavator for (4 months @ \$6,000 /mo) or \$28,000.00.

VEHICLE MAINTENANCE FACILITY:

- A. Identify all costs associated with the maintenance of equipment. This should include outside vendors, in-house costs such as parts, labor overhead and indirect costs.

GENERAL ISSUES:

- A. Separately identify all equipment repairs / modifications costing in excess \$5,000.00 and provide details for the proposed modifications.
- B. Please identify all recommendation for plant repairs and or modifications which are capital in nature and not included in your budget but undertaken in FY04.
- C. Provide a proposed vehicle/ equipment replacement schedule for FY04.
- D. Please provide detail regarding the assumptions used for pay increases, changes to benefits and expected changes in staffing.
- E. Please provide details regarding the indirect charges included in your estimate. This detail should include, but not be limited to the total Mid Connecticut labor dollars divided by total MDC labor dollars spent for calendar year 2002.
- F. Please identify separately transportation costs per ton for MSW and Recyclables hauled from the two (2) transfer stations to the Waste Processing Facility
- G. Please identify all assumptions used regarding workers compensation.
- H. Please provide backup information for pension fund contributions FY03 and FY04.
- I. Identify number of employees by position (ie: supervisors, maintenance, mechanics etc) required at WPF, transfer stations, landfill and transportation. Take into consideration landfill staffing based on the 15% reduction in landfill hours as recently negotiated between Dave Arruda and Peter Egan.
- J. Please identify anticipated over time costs for WPF, transfer stations and transportation.
- K. Please identify separately the annual cost to handle the loading of ash and identify the cost to handle ash at the landfill.
- L. Please identify separately all costs associated with the handling of process residue and non-processible waste.

M. Please identify all costs associated with the operation of the working face of the landfill.

CRRA will be available to discuss any of these assumptions or other concerns with you. Please provide me with a time estimate as to when a draft budget will be available.

Also, please note that these projections are without prejudice to CRRA exercising all of its rights under the October 1984 Agreement, including without limitation, those set forth in Article VI, paragraph 3.

Very truly yours


John Romano
Project Manager

cc: John Clark
Robert Constable
Peter Egan
Christopher Fancher

TAB 4

RESOLUTION WITH RESPECT TO FINANCIAL ADVISORY SERVICES

RESOLVED: That the President or Chief Financial Officer be authorized to extend a contract to Public Financial Management ("PFM") to assist the Finance Division staff with work on a variety of projects, including Mid-Connecticut and Southeast issues on an as-needed basis. The contract would extend to October 31, 2003. Concurrently, Finance Division staff will solicit proposals, complete selection and recommend a Financial Advisor prior to October 31, 2003, in order to ensure continuity of financial advisory services.

FINANCIAL ADVISORY REVIEW AND RECOMMENDATION

I. Summary

The Authority is in the process of researching its current state of investments including identifying available funds, strategies for maximizing investment returns, preparing an investment approach, updating the existing Investment Policy and Procedures and reviewing the need for an external advisory service to assist with these issues.

Previously, the Authority has sought, via a Request For Proposals process, the services of a Financial Advisor, an Investment Advisor and an Investment Manager.

II. Chronology

Financial Advisory Services	Investment Advisory Services	Investment Management Services
During 1998, the Authority solicited and received proposals for Financial Advisory Services. Public Financial Management ("PFM"), Philadelphia branch, was selected as the Authority's Financial Advisor.	During March 2000, PFM, Harrisburg branch, was selected through a Request for Services process to provide various services with regard to the Authority's investment portfolio (see Investment Advisory Services section).	On June 15, 2000, the Authority solicited and received proposals for Investment Management Services. On July 20, 2000, the Authority's Board of Directors approved the selection of Mellon Bank as its Investment Advisor.
The term for services was to last for three years, expiring in June 30, 2001.	The services appear to have been completed in 2000.	The term for services was to last for one year, expiring in July 2001.
On October 17, 2002, the Authority's Board of Directors voted to extend a contract with PFM until June 30, 2003 due to the financial advisory work being prepared for the proposed refunding of the Southeast Regional Resources Recovery Authority's (SCRRRA) 1989 Series A Bonds.	During March 2001, the contract was extended to produce additional reports and re-evaluate the existing investment strategy. A second report was produced in May 2001.	Due to management changes, no action was taken with regard to the investment portfolio and the contract with Mellon Bank expired.

III. Financial Advisory Services

The Scope of Services that PFM was hired to perform with regard to Financial Advisory Services included the following:

- A. Solid Waste Facility Financing, including:
 - Structuring and timing of bond issues
 - Underwriter selection
 - Preparation of bond offering documents
 - Bond insurance analysis and insurer relations
 - Rating agency review and relations
 - Bond pricing and closing
- A. Financial Feasibility Analysis
- B. Analysis of state and federal laws and regulations relative to solid waste management and municipal bonds
- C. Swaps, forwards and other refunding approaches
- D. Investment and reinvestment of public funds and bond proceeds
- E. Other independent financial advisory services as requested by CRRA

IV. Investment Advisory Services

The 2000 Scope of Services that PFM was hired to perform with regard to Investment Advisory Services included the following:

- A. Review investment accounts, portfolio holdings and investment strategy
- B. Review Investment Policy
- C. Recommendation Investment Strategies
- D. Develop a Request for Proposals (“RFP”) for a Discretionary Portfolio Manager
- E. Review the Investment Manager proposals and recommend a shortlist
- F. Interview the Investment Manager candidates
- G. Prepare a written evaluation of the investment managers and assist in the contract negotiations.
- H. Provide regular portfolio review and monitoring to assure compliance with investment objectives and policies. Assist CRRA to track and evaluate the investment performance of the portfolio manager(s).
- I. Implement and investment strategy for bond proceeds.

The 2001 Scope of Services indicates the following additional Investment Advisory work:

- Investment Strategy Recommendations
- Evaluate Operational constraints in Investment Operation
- Assess Cost/Benefit of Outsourcing Investment Function

Apparently, the investment strategy was being re-evaluated in light of management changes at the Authority. No formal action was taken with regard to the Investment Advisory report and recommendations provided by PFM.

V. Investment Management Services

The Scope of Services that Mellon Bank was hired to perform include:

A. Investment Issues

- Identify and invest in short and intermediate term securities which conform to the requirements of CRRA's investment policy;
- Achieve a total return, net of advisory and administrative fees which exceeds a suitable, but yet-to-be determined index;
- Execute all trades in conjunction with the establishment and maintenance of the portfolio;
- Track all transactions (purchases, sales, income, accruals, income receipts, etc.) and report same in such format and using such media as directed by CRRA;
- Coordinate the settlement of all trades directly with CRRA's master custodian, State Street Bank & Trust Co. [succeeded by U.S. Bank]

B. Performance Reporting

- Provide CRRA with quarterly reports in a format prescribed by CRRA. The reports should include return attribution characteristics, risk analysis and comparison to appropriate market indices.

C. Education

- Keep CRRA apprised of new investment techniques and strategies. As requested, educate CRRA on specific issues. Education will range from information only items to critical investment policy issues.

D. Other

- Attend CRRA meetings to advise and council CRRA on investment matters. A maximum of four (4) meetings per year would be required.
- Advise CRRA of new investment markets, vehicles and techniques of major changes in existing practices within the industry applicable to the subject portfolio. Upon request, prepare a comprehensive analysis and recommendation of these activities for CRRA.
- On a monthly basis, reconcile advisors' record of security holdings with the records of CRRA's master custodian and confirm such reconciliation with CRRA staff.
- Comply with all State of Connecticut disclosure reporting requirements.
- Other special projects, duties or activities as may be required.

VI. Recommendation:

The Authority currently requests extending the contract with PFM through September 30, 2003. This will enable the Authority to complete its work on the proposed SCRRRA refunding, which is currently pending a determination of SCRF from the Office of the State Treasurer. Should SCRF not be approved, the services of PFM would no longer be needed.

VII Future Requirements

A Needs Definition and Scope will be developed for future external financial analysis and assistance, with drafting and development of an appropriate RFQ/RFP in order to solicit responses. The Needs Definition and Scope will include, among other items:

- Assistance with development of a Financial Feasibility Analysis (including all four projects) and Strategic Planning
- Analysis of application of synthetic financing instruments (swaps, forwards, derivatives, etc.) on bonding activity
- Review of investment portfolio accounts and activities
- Assist with implementation of investment strategy

TAB 5

**Resolution Regarding An Agreement for Metals Recovery and Marketing Services with
wTe Recycling, Inc.**

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

**Connecticut Resources Recovery Authority
Contract Summary For
Metals Recovery and Marketing Services**

Presented to CRRA Board of Directors on: June 19, 2003

Vendor/Contractor: wTe Recycling, Inc.

Effective Date: July 1, 2003

Contract Type/Subject Matter: Ferrous metals transportation, processing and marketing services

Facilities Affected: Mid-Connecticut Resources Recovery Facility and the Hartford Landfill

Original Agreement Signed: New Agreement

Term: June 30, 2007 (four years)

Contract Cost: Approximately \$180,000 per year (based on approximately 24,000 tons/year at a blended contract rate of \$7.50/ton). The service rate is tied directly to the ferrous metal market (#2 Bundle, Philadelphia High Side Index Price as published by the American Metal Market).

Pricing Schedule

Rounded Index Value (1)	Processing Fee
>=\$60	\$8 less \$0.50 for each \$1.00 index increase
\$59	\$8.50
\$58	\$9.00
\$57	\$9.50
\$56	\$10.00
\$55	\$10.50
\$54	\$11.00
\$53	\$11.50
<=\$52	(not to exceed price) \$12.00

In addition to the per ton transportation, processing and marketing rate, the contract includes a provision to pay the Contractor for metals loads received that are under 18 tons. The charge for light loads is \$20.00/ton.

Metals received at the Hartford Landfill are comprised primarily of white good (stoves, refrigerators, etc.) and small appliances such as air conditioners. CRRA pays to the contractor a flat fee of \$10.00 per appliance for the removal and disposal of capacitors, CFC, and HCFCs.

**Connecticut Resources Recovery Authority
Metals Recovery and Marketing Services
Mid-Connecticut Resources Recovery Facility and Hartford Landfill**

The municipal solid waste processed at the Mid-Connecticut facility includes six steps: manual picking from in feed conveyors, coarse shredding, magnetic separation of ferrous metals, course screening and fine shredding. The ferrous metals removed from the waste during processing, along with the metals received at the Hartford Landfill (primarily white goods), are transported from the sites, processed and marketed by a firm selected through a competitive bid process. The current contract for these services with wTe Recycling, Inc., expires June 30, 2003.

On May 9, 2003 CRRA issued a Request for Proposals for Metals Recovery and Marketing Services. Two bids were received as summarized in Table 1 and Table 2. The prices quoted for this service are tied directly to the ferrous metal market, #2 Bundle, Philadelphia High Side Index Price as published by the American Metal Market. As a result of tying the service fee to ferrous market prices, the service fees paid by CRRA or the revenue received by CRRA fluctuates. That is, when ferrous market prices are low, CRRA pays the contractor a per ton fee to have the metals transported, processed and marketed. Conversely, when ferrous market prices are up, CRRA shares in the revenue generated from the marketing of the metal. CRRA also requires a "floor" or "not to exceed" price which is the maximum price per ton CRRA will be charged regardless of how depressed the ferrous metal market might get.

In addition to submitting a price proposal based upon the market price as published by the American Metal Market, the RFP provided firms the opportunity to submit alternate pricing proposals for CRRA's consideration. One firm, wTe Recycling, Inc., submitted an alternative price proposal as summarized in Table 3.

Table 1 – wTe Recycling Inc. Prices

Rounded Index Value (1)	Processing Fee (2)
>=\$60	\$13 less \$0.50 for each \$1.00 index increase
\$59	\$13.50
\$58	\$14.00
\$57	\$14.50
\$56	\$15.00
\$55	\$15.50
\$54	\$16.00
\$53	\$16.50
<=\$52	(not to exceed price) \$17.00

Table 2 – Stoneyridge Construction Prices

Rounded Index Value (1)	Processing Fee (2)
>=\$60	\$44
\$59	\$45
\$58	\$46
\$57	\$47
\$56	\$48
\$55	\$49
\$54	\$50
\$53	\$51
<=\$52	(not to exceed price) \$57

- (1) "Rounded Index Value" shall mean the Philadelphia High Side Index Price as published by the American Metal Market rounded down to the nearest whole dollar and adjusted monthly based upon the Monday issue following the second Friday of every month.
- (2) "Processing Fee" shall mean the per gross ton (2000 lbs) fee charged to CRRA by Contractor or paid to CRRA by Contractor when the Rounded Index Value is equal to the Index Values presented in the tables above.

**Table 3 – wTe Recycling Inc.
Alternative Price Proposal (3)**

Rounded Index Value (1)	Processing Fee
>=\$60	\$8 less \$0.50 for each \$1.00 index increase
\$59	\$8.50
\$58	\$9.00
\$57	\$9.50
\$56	\$10.00
\$55	\$10.50
\$54	\$11.00
\$53	\$11.50
<=\$52	(not to exceed price) \$12.00

(3) The RFP specified that the term of the contract would be for one year (July 1, 2003 – June 30, 2004) with three (3) one (1) year extensions at CRRA’s sole option. As an incentive to CRRA to enter in an Agreement for one (1) four (4) year agreement with no extensions, wTe Recycling submitted this alternative price proposal.

Table 4 provides the current FY03 “not to exceed” price to the low bidder’s one-year and four-year not to exceed price proposals. Table 4 illustrates the worse case cost scenario should ferrous metal market prices remain at or below \$52 for the term of the contract.

Table 4 – wTe “Not to Exceed” Price Proposals Compared to Current FY 03 “Not to Exceed” Price

FY03 Not to Exceed Price	\$15	24,000 tons	\$360,000
wTe One-year Not to Exceed Price	\$17	24,000 tons	\$408,000
wTe Four-year Not to Exceed Price	\$12	24,000 tons	\$288,000

wTe Recycling’s four-year agreement alternative pricing proposal offers CRRA significant savings over the one-year (with extensions) agreement pricing structure. Therefore, staff is recommending the President be authorized to enter into a four-year agreement with wTe Recycling, Inc., with no extensions.

AGREEMENT

FOR

METALS RECOVERY AND MARKETING SERVICES

BETWEEN

THE CONNECTICUT RESOURCES RECOVERY AUTHORITY

AND

JULY 1, 2003

AGREEMENT FOR METALS RECOVERY AND MARKETING SERVICES

This AGREEMENT FOR METALS RECOVERY AND MARKETING SERVICES is made and entered into as of the 1ST day of July, 2003, 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 ("CRRA"), and _____, a _____ corporation, having a principal place of business at _____, _____, _____ ("Contractor").

PRELIMINARY RECITAL

CRRA leases a certain piece or parcel of real property located on Reserve Road in Hartford, Connecticut (the "Facility Property"), upon which Property CRRA owns and operates a certain solid waste resources recovery facility (the "Facility"). CRRA leases a certain piece or parcel of real property located at 180 Leibert Road, Hartford, Connecticut 06120 (the "Landfill Property"), upon which Property CRRA owns and operates a certain sanitary solid waste landfill known as the Hartford Landfill (the "Landfill"). CRRA and Contractor now desire to enter into this Agreement in order to have Contractor transport, process, market, and dispose of certain Ferrous Metals generated at the Facility and certain Scrap Metals generated at the Landfill to market sites and/or Disposal Sites in accordance with the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CRRA and Contractor hereby mutually agree and undertake as follows.

TERMS AND CONDITIONS

1. GENERAL

1.1 DEFINITIONS

"**Act of Bankruptcy**" means that (a) Contractor shall have commenced a voluntary case under any bankruptcy law, applied for or consented to the appointment of, or the taking of possession by, a receiver, trustee, assignee, custodian or liquidator of all or a

substantial part of its assets, (b) Contractor shall have failed, or admitted in writing its inability generally, to pay its debts as such debts become due, (c) Contractor shall have made a general assignment for the benefit of creditors, (d) Contractor shall have been adjudicated a bankrupt, or shall have filed a petition or an answer seeking an arrangement with creditors, (e) Contractor shall have taken advantage of any insolvency law, or shall have submitted an answer admitting the material allegations of a petition in a bankruptcy or insolvency proceeding, (f) an order, judgment or decree for relief in respect of Contractor shall have been entered in an involuntary case, without the application, approval or consent of Contractor by any court of competent jurisdiction appointing a receiver, trustee, assignee, custodian or liquidator, for Contractor or for a substantial part of any of its assets and such order, judgment or decree shall continue unstayed and in effect for any period of one hundred eighty (180) consecutive days, (g) Contractor shall have filed a voluntary petition in bankruptcy, (h) Contractor shall have failed to remove an involuntary petition in bankruptcy filed against it within one hundred eighty (180) days of the filing thereof, or (i) an order for relief shall have been entered against Contractor under the provisions of the United States Bankruptcy Act, 11 U.S.C.A. §301. For purposes of this definition, the term Contractor shall mean Contractor or Guarantor.

"Affiliate" means a Person that, directly or indirectly, controls or is controlled by, or is under common control with, Contractor.

"Agreement" means this Agreement For Metals Recovery And Marketing Services between CRRA and Contractor, together with **Schedules 1-5** (inclusive) attached hereto and made a part hereof and any written amendments, modifications or supplements hereto.

"Applicable Laws" means any applicable statute, law, constitution, charter, ordinance, resolution, judgment, order, permits (including but not limited to the Permits), decree, rule, regulation, directive, interpretation, standard or similar binding authority, which has been or shall be enacted, promulgated, issued or enforced by any judicial or governmental authority having jurisdiction.

"Commencement Date" means the date designated in CRRA's notice to proceed which it issues to Contractor to initiate the performance of the Services hereunder (the "Notice to Proceed").

"Disposal Sites" means the disposal sites or facilities to which Contractor transports and disposes the MSW Metal Residue from the Facility under this Agreement. Said sites or facilities must

comply with the following: (i) must be pre-approved in writing by CRRA as a disposal site prior to any transportation or disposal by Contractor; and (ii) must be a currently permitted disposal facility(s) operating in accordance with, and pursuant to, all applicable governmental regulations, statutes, permitting requirements, and any other such requirement.

"Environmental Claim" means any investigation, notice, violation, demand, allegation, action, suit, injunction, judgment, order, consent, decree, penalty, fine, lien, proceeding or claim arising (a) pursuant to, or in connection with, an actual or alleged violation of, any Environmental Law, (b) in connection with any Hazardous Waste or actual or alleged Hazardous Waste Activity, (c) from any abatement, removal, remedial, corrective, or other response action in connection with a Hazardous Waste, Environmental Law or other order of a Governmental Authority or (d) from any actual or alleged damage, injury, threat, or harm to health, safety, natural resources, or the environment.

"Environmental Law" means any current or future Legal Requirement pertaining to (a) the protection of health, safety and the indoor or outdoor environment, (b) the conservation, management, or use of natural resources and wildlife, (c) the protection or use of surface water or groundwater, (d) the management, manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, Release, threatened Release, abatement, removal, remediation or handling of, or exposure to, any Hazardous Waste or (e) pollution (including any release to air, land, surface water or groundwater), and includes, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§6901 et seq., Solid Waste Disposal Act, as amended, 42 U.S.C. §§6901 et seq., Federal Water Pollution Control Act, as amended, 33 U.S.C. §§ 1251 et seq., Clean Air Act, 42 U.S.C. §§7401 et seq., Toxic Substances Control Act of 1976, 15 U.S.C. §§2601 et seq., Hazardous Materials Transportation Act, 49 U.S.C. App. §§ 1801 et seq., Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §§ 651 et seq., Oil Pollution Act of 1990, 33 U.S.C. §§ 2701 et seq., Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§11001 et seq., National Environmental Policy Act of 1969, 42 U.S.C. §§4321 et seq., Safe Drinking Water Act of 1974, as amended, 42 U.S.C. §§300(f) et seq., any similar, implementing or successor law, including, without limitation, laws enacted by the State of Connecticut or any other state, and any amendment thereto, or rule, regulation, order or directive issued thereunder.

"Facility Operator" means CRRA's employee or agent responsible for the supervision of the Mid-Connecticut Facility.

"Ferrous Metals" means the magnetically recovered ferrous metals recovered from the Facility that are sent through ferrous air chutes to remove some of the loose paper and other contamination contained in the metals prior to being transported to the WPF ferrous load-out area by conveyor.

"Governmental Approval" means any permit (including but not limited to the Permits), license, variance, certificate, consent, letter, clearance, closure, exemption, decision or action or approval of a Governmental Authority.

"Governmental Authority" means any international, foreign, federal, state, regional, county, or local Person or body having governmental, or quasi-governmental authority, or any instrumentality or subdivision thereof.

"Guarantor" means _____.

"Hazardous Waste" means waste that is defined or listed as a hazardous waste in the Solid Waste Disposal Act, 42 U.S.C., §6901, et. seq., as amended, Connecticut General Statutes §22a-115, as amended, and/or any regulations, rules or policies promulgated thereunder.

"Landfill Operator" means CRRA's employee or agent responsible for the supervision of the Hartford Landfill.

"Legal Requirement" means any treaty, convention, statute, law, regulation, ordinance, Governmental Approval, injunction, judgment, order, consent decree, or other requirement of any Governmental Authority.

"MSW Metal Residue" means the non-metallic residue/MSW contamination residue sorted from the Ferrous Metals and returned to the Facility by Contractor under the terms of this Agreement.

"Municipal Solid Waste or MSW" means solid waste generated by and collected from residential, commercial, institutional, industrial, and other establishments deemed acceptable by CRRA in accordance with all applicable federal, state, and local laws.

"Operating Year" means each successive, twelve month period during the term of this Agreement, with the first Operating Year commencing on July 1, 2003, and ending on June 30, 2004, with each subsequent Operating Year commencing on July 1 and ending on the following June 30. Where this Agreement specifies amounts or

quantities with respect to an Operating Year, the amounts or quantities shall be prorated for any Operating Year that is less than a twelve Schedule month period.

"Operations Plan" means the procedures and requirements set forth in **Schedule 2** that govern the following: (a) the loading of Ferrous Metals into Contractor's vehicles and/or containers at the Facility; (b) the loading of Scrap Metals into Contractor's vehicles and/or containers at the Landfill; (c) the weighing of such vehicles and/or containers at the Facility and Landfill; and (d) Contractor's transportation/disposal of such trailers and/or containers from the Facility and Landfill to the appropriate market location(s) or Disposal Site(s).

"PBF" the Mid-Connecticut Power Block Facility that is a component part of the Mid-Connecticut Facility or Facility.

"Permits" means all permits, consents, licenses, approvals or authorizations issued by any governmental body having jurisdiction over the transportation/disposal of Ferrous Metals and Scrap Metals hereunder.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the indoor or outdoor environment, including, without limitation, the abandonment or discarding of barrels, drums, containers, tanks or other receptacles containing or previously containing any Hazardous Waste.

"Scrap Metals" means scrap metals and white goods, including but not limited to, refrigerators, air conditioners, and other major appliances.

"Service Fees" means the per Ton amounts as set forth in **Schedule 1**.

"Solid Waste" means all materials or substances that are generally discarded or rejected as being spent, useless, worthless or in excess to the owners at the time of such discard or rejection, including but not limited to trash, garbage, refuse, rubbish, discarded materials from residential,

commercial, municipal and industrial activities, yard waste and vegetative waste but not including Hazardous Waste.

"Ton" means a "short ton", or 2,000 pounds.

"Uncontrollable Circumstance" means any of the following acts, events or conditions that have had, or may reasonably be expected to have, a material adverse effect on the rights or the obligations of either party under this Agreement, or a material adverse effect on the operation or use of the Facility, if such act, event or condition is beyond the reasonable control of CRRA or Contractor, respectively, and not the result of willful or negligent action or a lack of reasonable diligence, of the party relying thereon as justification for not performing an obligation or complying with any condition required of such party under this Agreement and is the proximate cause of such failure to perform or comply: an act of God, epidemic, landslide, lightning, earthquake, hurricane, fire, explosion, storm, flood or similar occurrence, an act of war, blockade, insurrection, riot, civil disturbance or similar occurrence.

"WPF" the Mid-Connecticut Waste Processing Facility that is a component part of the Mid-Connecticut Facility or Facility.

1.2 **CONSTRUCTION**. For purposes of this Agreement:

- (a) Capitalized terms used herein shall have the meanings set forth herein;
- (b) Whenever nouns or pronouns are used in this Agreement, the singular shall mean the plural, the plural shall mean the singular, and any gender shall mean all genders or any other gender, as the context may require;
- (c) Words which have well-known technical or trade meanings are used herein in accordance with such recognized meanings unless otherwise specifically provided;
- (d) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with "generally accepted accounting principles", and the term "generally accepted accounting principles" with respect to any computation required or permitted hereunder shall mean such accounting principles which are generally accepted at the date or time of such computation;

(e) The words "herein", "hereof" and "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular Article, Section or Subsection;

(f) Reference to any particular party shall include that party's employees and the authorized agents of that party;

(g) All references to agreements are references to the agreements as the provisions thereof may be amended, modified or waived from time to time; and

(h) The captions contained in this Agreement have been inserted for convenience only and shall not affect or be effective to interpret, change or restrict the terms or provisions of this Agreement.

1.3 COVENANTS AND REPRESENTATIONS

1.3.1 Covenants and Representations of Contractor

Contractor represents, warrants and covenants to CRRA that:

(a) Contractor is a corporation duly organized and validly existing in good standing in the jurisdiction of its incorporation and is duly qualified to transact business in each and every jurisdiction where such qualification is required to enable Contractor to perform its obligations under the terms of this Agreement. No Act of Bankruptcy has been commenced by or against Contractor or, if applicable, Guarantor. Contractor has full power, authority and legal right to enter into and perform its obligations hereunder, and the execution and delivery of this Agreement by Contractor, and the performance of all its obligations under this Agreement have been authorized by all required actions of Contractor, all as required by the charter, by-laws and applicable laws that regulate the conduct of Contractor's affairs. The execution and delivery of this Agreement by Contractor and the performance of all its obligations set forth herein do not conflict with and will not, nor with the passage of time or the giving of notice, constitute a breach of or an event of default under any charter, by-laws or resolutions of Contractor or any agreement, indenture, mortgage, trust, contract, permit or instrument to which Contractor is a party or by which Contractor is bound. This Agreement has been duly executed and delivered by Contractor and, as of the date hereof, constitutes a legal, valid and binding obligation of Contractor, enforceable against Contractor in accordance with its terms, except as

enforcement thereof may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or other laws relating to or limiting creditors' rights generally or by the application of general principles of equity concerning remedies.

(b) Contractor is not currently in breach of or in default under the Permits or any Applicable Laws that would materially adversely affect Contractor's ability to perform hereunder, and Contractor has obtained all required Permits, approvals, and registrations necessary to transport Ferrous Metals and Scrap Metals.

(c) There is no action, suit or proceeding, at law or in equity, before or by any court or similar governmental authority pending or, to the knowledge of Contractor, threatened against Contractor or, if applicable, Guarantor from which an unfavorable decision, ruling or finding would materially adversely affect or enjoin the performance by Contractor of its obligations hereunder or the other transactions contemplated hereby, or that in any way would materially adversely affect the validity or enforceability of this Agreement, Contractor's or, if applicable, Guarantor's financial condition, or any other agreement or instrument entered into by Contractor in connection with the transaction contemplated hereby.

(d) Contractor shall diligently (1) defend itself against any and all actions and causes of action pending (or threatened) against it that would, irrespective of the merits thereof, materially adversely affect the ability of Contractor to perform its obligations and observe its covenants and representations hereunder, and (2) prosecute any and all claims, which if waived or permitted to lapse, would materially adversely affect the ability of Contractor to perform its obligations and observe its covenants and representations hereunder; provided, however, that Contractor shall provide to CRRA notice of all such actions, causes of action and claims within seven (7) days of Contractor's receipt or filing thereof, as the case may be.

1.3.2 Covenants and Representations of CRRA

CRRA represents, warrants and covenants to Contractor that:

(a) CRRA is duly organized and validly existing in good standing under the laws of the State of Connecticut and is duly qualified and has the power, authority and legal right,

to enter into and perform its obligations set forth in this Agreement.

(b) The execution, delivery and performance of this Agreement by CRRA (1) has been duly authorized by the governing body of CRRA, (2) does not require any consent, approval or referendum of voters, and (3) will not violate any judgment, order, law or regulation applicable to CRRA or any provisions of CRRA's charter, by-laws or resolutions.

(c) The execution and delivery of this Agreement by CRRA, and the performance of all its obligations set forth herein do not conflict with, and will not, nor with the passage of time or the giving of notice, constitute a breach of or an event of default under any charter, by-laws or resolutions of CRRA or any agreement, indenture, mortgage, trust, contract, permit or instrument to which CRRA is a party or by which CRRA is bound. This Agreement has been duly executed and delivered and, as of the date hereof, constitutes a legal, valid and binding obligation of CRRA, enforceable against CRRA in accordance with its terms, except as enforcement thereof may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or other laws relating to or limiting creditors' rights generally or by the application of general principles of equity concerning remedies.

(d) There is no action, suit or proceeding, at law or in equity, before or by any court or similar governmental authority, pending or, to the knowledge of CRRA, threatened against CRRA that in any way would materially adversely affect the validity or enforceability of this Agreement, or any other agreement or instrument entered into by CRRA in connection with the transaction contemplated hereby.

(e) Although Contractor is solely responsible for obtaining all Permits required to effectuate the performance of its obligations under this Agreement, CRRA shall cooperate with Contractor in any and all reasonable efforts to procure and maintain any Permits that shall be necessary for Contractor to perform its obligations under the terms of this Agreement.

2. SERVICES

2.1 SCOPE

2.1.1 General

Contractor shall transport, process, market, and dispose of certain Ferrous Metals generated at the Facility and certain Scrap Metals generated at the Landfill to market site(s) and/or Disposal Site(s) in accordance with the terms and conditions of this Agreement and specifically **Schedule 2**, and Contractor shall, at its sole cost and expense, furnish all labor, material and equipment necessary to perform these services (the "Services").

2.1.2 **Commencement of Services**

On or before July 1, 2003, CRRA shall issue to Contractor the Notice to Proceed, and Contractor shall commence the performance of the Services in accordance with the terms of this Agreement on the Commencement Date.

2.1.3 **Ferrous Metals And Scrap Metals Provided by CRRA**

CRRA shall provide Contractor with Ferrous Metals and Scrap Metals in accordance with the terms and conditions of this Agreement, provided that CRRA shall have the right, but not the obligation: (i) to institute any technological processes that reduce the amount of Ferrous Metals and Scrap Metals needed to be transported/disposed of under this Agreement, and (ii) to recycle such Ferrous Metals and Scrap Metals. CRRA makes no guarantee as to the amount or availability of the Ferrous Metals and Scrap Metals from the Facility and the Landfill respectively that will provided to Contractor under this Agreement.

2.1.4 **Access to Facility and Landfill**

CRRA hereby grants to Contractor, during the Facility's and the Landfill's normal hours of operation or any other hours as may be approved by the Facility Operator, the Landfill Operator and/or CRRA, access to only those areas of the Facility and Landfill necessary for Contractor to perform its obligations under this Agreement, provided that: (a) Contractor shall not interfere with any other operations being conducted at the Facility and Landfill by either CRRA, the Facility Operator, or the Landfill Operator or any other person or entity; and (b) Contractor is in compliance with all of the terms and conditions of this Agreement. If Contractor fails to comply with any of the foregoing conditions of access, CRRA shall provide Contractor with written notice of such failure and Contractor shall have thirty (30) days from the date of such notice to cure such

failure. Notwithstanding the foregoing, in the event that any failure by Contractor to comply with any of the foregoing conditions of access causes an emergency situation that either interferes with any of the operations being conducted at the Facility or Landfill by either CRRA, the Facility Operator, the Landfill Operator, or any other person or entity (other than an interruption in the continuous loading and transport of Ferrous Metals and Scrap Metals by Contractor hereunder) or presents a safety or security hazard to the Facility and Landfill or to any personnel of CRRA, the Facility Operator, or the Landfill Operator working at the Facility or Landfill, then CRRA shall immediately notify Contractor of such failure and emergency situation, and upon Contractor's receipt of such notice Contractor shall take immediate action to cure such failure. If Contractor does not immediately cure such failure, then CRRA shall have the right, without any obligation to do so, to immediately cure such failure causing such emergency situation, and Contractor shall reimburse CRRA for any and all reasonable costs and expenses incurred by CRRA in taking such curative action. If, within the foregoing thirty (30) day cure period: (i) Contractor does not cure such failure, (ii) Contractor does not reimburse CRRA in full for any and all reasonable costs and expenses incurred by CRRA in taking any curative action, or (iii) CRRA, by taking any curative action, is unable to cure such failure, then such failure shall constitute a Contractor default hereunder and CRRA shall have the right to revoke the access granted to Contractor herein and to terminate this Agreement in accordance with Section 7.2 herein. Any payment obligations of Contractor under this Section 2.1.4 shall survive the termination of this Agreement.

2.1.5 **Notice of Facility Maintenance or Shutdown**

CRRA shall provide Contractor with five (5) business days advance written notice of any planned maintenance or shut-down of the Facility. CRRA shall also, as soon as practicable, notify Contractor of the date on which the Facility shall go back on-line from the planned maintenance or shut-down. CRRA agrees that, during the term of this Agreement, it shall provide Contractor with a copy of the annual schedule of planned Facility shutdowns as soon as the same is made available to CRRA.

2.1.6 **Storage of Rolloff Boxes Or Trailers at the Facility**

CRRA covenants and agrees that, during the term of this Agreement, it shall provide sufficient space on the Facility Property for the storage by Contractor of an adequate number of rolloff containers or trailers to perform the Services. The type of containers or trailers must be approved prior to their use by CRRA and must conform to the requirements of the Facility. Presently the minimum number of rolloff containers or trailers required at the Facility at all times is SIX (6).

2.2 TRANSPORTATION SERVICES

2.2.1 General

Contractor shall transport Ferrous Metals from the Facility to the Disposal Sites for disposal and/or to market sites for sale. Contractor shall transport Scrap Metals from the Landfill to the Disposal Sites for disposal and/or to market sites for sale.

2.2.2 Equipment

Contractor shall acquire, and use to perform the Services hereunder, such quantity of trucks and trailers necessary to perform such Services. All trucks, containers and trailers used by Contractor in the performance of the Services hereunder shall comply with all Applicable Laws governing the transportation of Ferrous Metals and Scrap Metals hereunder, and all such trucks, containers and trailers shall be drip-proof and covered throughout the entire trip from the Facility/Landfill to the Disposal Sites/market sites. The cover shall enclose the entire length and width of the body of the container and shall ensure that no Ferrous Metals and Scrap Metals or dust emanates from or under the cover. All drivers employed by Contractor shall insure that there is no Ferrous Metals and Scrap Metals on the truck frame, body or cab prior to leaving the Ferrous Metals and Scrap Metals reception and load-out area at the Facility/Landfill. Contractor shall maintain all vehicles used in the performance of the Services in good condition and working order. CRRA shall have the right to refuse admittance to the Facility Property and/or the Landfill Property of any Contractor vehicle that in CRRA's discretion is not so maintained. All vehicles shall have Contractor's name painted on the outside of each vehicle in letters at least six (6") inches high or bear

such other means of identification as may be acceptable to CRRA, Facility Operator, and the Landfill Operator. Any vehicle, container, trailer or other equipment that requires maintenance or repair shall be removed from the Facility Property and/or Landfill Property promptly by Contractor at its sole cost and expense. No refueling shall be permitted on the Facility Property or the Landfill Property.

2.2.3 Operations

(a) CRRA shall cause Facility Operator to load the Ferrous Metals into Contractor's rolloffs or trailers. All loading of Ferrous Metal shall be done in accordance with the Operations Plan and the Permits. Contractor shall fully cooperate with CRRA and Facility Operator in coordinating and scheduling the loading of Contractor's containers at the Facility. Contractor covenants and agrees that it shall, at all times during the term of this Agreement, provide an adequate number of trailers so as to insure that no interruption of the Facility's Ferrous Metals loading operations occurs during the term of this Agreement.

The Contractor shall load the Scrap Metals into Contractor's rolloffs or trailers at areas designated by CRRA at the Landfill. All loading of Scrap Metals shall be done in accordance with the Operations Plan and the Permits. Contractor shall fully cooperate with CRRA and Landfill Operator in coordinating the loading of Contractor's containers at the Landfill. Within forty-eight (48) hours of CRRA or the Landfill Operator notifying Contractor to pick up Scrap Metals, Contractor covenants and agrees that it shall load, remove, and transport the Scrap Metals to a Disposal Site and/or market site within the foregoing forty-eight (48) hour time period.

(b) Contractor shall transport Ferrous Metals and Scrap Metals from the Facility and Landfill at such times and in the manner set forth in the Operations Plan and the Permits. Contractor shall have a continuing obligation to protect against spillage or leakage of the Ferrous Metals and Scrap Metals from its trailers and/or containers at all times during the loading, removal, and transportation and delivery to the Disposal Sites of the Ferrous Metals and Scrap Metals from the Facility and Landfill respectfully.

(c) Contractor shall implement the Operations Plan and shall provide notice to the Facility Operator, Landfill Operator, and CRRA of any difficulties in such

implementation. The parties shall cooperate in making temporary or permanent modifications to the Operations Plan that do not impair or hinder the operations of the Facility or Landfill or increase the costs of the Facility Operator, Landfill Operator, CRRA or Contractor.

(d) Contractor shall be fully responsible for the clean-up of any Ferrous Metals or Scrap Metals that are spilled during the loading of or from the transportation on any public or private road, railway or property. Contractor must act immediately, diligently and with all due dispatch to respond to the spill and to initiate clean-up activities in accordance with all Applicable Laws, and Contractor shall indemnify CRRA for and hold CRRA harmless against any and all claims or damages arising from or in connection with any such spill or clean-up activities. If clean-up of a spill is not initiated with all due haste by Contractor, CRRA, at its option but without any obligation to do so, may perform any clean-up not performed by Contractor and may deduct from any amount otherwise due to Contractor hereunder the costs incurred by CRRA in connection with any such clean-up.

2.2.4 **Method of Transportation of Ferrous Metals and Scrap Metals**

Upon the Commencement Date, the Contractor shall transport Ferrous Metals and Scrap Metals hereunder, along the routes designated in the Operations Plan, to the Disposal Sites for the entire term of this Agreement.

2.2.5 **Disposal Sites**

Prior to its acceptance of any MSW Metal Residue, Contractor shall provide CRRA with written evidence of its authorization to dispose Ferrous Metals and Scrap Metals at the Disposal Site(s) and CRRA shall deem the Disposal Site(s) satisfactory to CRRA at its sole and absolute discretion. Said Disposal Site(s) must be properly certified by all federal, state, and local governmental agencies. CRRA must provide Contractor with written approval of any proposed Disposal Site(s) that Contractor proposes. At CRRA's discretion, Contractor shall coordinate and obtain the permission of the owner/operator of the Disposal Site(s) to allow CRRA, or its agents, to inspect the Disposal Site(s) at any time during the term of this Agreement.

3. **SERVICE FEES AND PAYMENTS**

3.1 **SERVICE FEES**

CRRA shall pay Contractor pursuant to the schedule of fees set forth in **Schedule 1** for each Ton of Ferrous Metals and Scrap Metals transported and disposed of by Contractor in accordance with the terms and conditions of this Agreement.

3.2. **BILLING AND PAYMENT**

On or before the tenth (10th) day of each month, Contractor shall issue to CRRA an itemized invoice for the charges due Contractor pursuant to Subsection 3.1 for all Ferrous Metals and Scrap Metals transported by Contractor hereunder in the immediately preceding month, which invoice shall include, at a minimum, the following information: (i) billing period; (ii) for each load of Ferrous Metals and Scrap Metals: the date of transportation, truck number, tonnage amount, the weight ticket number issued by the Facility\Landfill for such load, a copy of the weight ticket issued by the Disposal Sites for such load; and (iii) the amount(s) of the applicable per Ton Service Fees due. The Ferrous Metals\Scrap Metals tonnage set forth on all invoices to be prepared and submitted by Contractor hereunder shall be based upon weight tickets issued by the Facility Operator, Landfill Operator, or the operator of another scale approved by CRRA. Except as otherwise set forth herein, all of Contractor's invoices submitted under this Agreement shall be paid by CRRA not later than forty-five (45) days from the date of CRRA's receipt thereof. In the event CRRA disputes all or any portion of any invoice, CRRA may withhold payment of the disputed amount. Invoices shall be payable at the address specified for Contractor herein or at such other address as Contractor may specify pursuant to Section 10.

During periods of revenue sharing (when Contractor is required to pay CRRA for the Ferrous Metal and Scrap Metal), the Contractor shall submit a monthly statement to CRRA that contains the following information:

- (a) the date of service;
- (b) total weight of each load of Ferrous Metals and Scrap Metals transported;
- (c) the Facility or Landfill scale weight ticket number or copies of the weight tickets;
- (d) total number of capacitors removed from Scrap Metals received at the Landfill, the per unit cost

- for the removal of capacitors, and total cost of capacitor removal;
- (e) the listing of loads that qualify for light load charge-back and total cost of light;
 - (f) the load charge-back;
 - (g) to verify the current "Rounded Index Value", a copy of the American Metal Market value for #2 Bundle, Philadelphia High Side Index Price as adjusted and published monthly based upon the Monday issue following the first Friday of every month; and
 - (h) a check payable to "CRRA" for CRRA's share of the proceeds from the marketed metals.

4. INDEMNIFICATION

4.1 GENERAL INDEMNITY

Contractor shall at all times protect, defend, indemnify and hold harmless CRRA and its board of directors, officers, agents and employees from and against any and all liabilities, actions, claims, damages, losses, judgments, workers' compensation payments, costs and expenses (including but not limited to attorneys' fees) arising out of injuries to the person (including death), damage to property or other damages alleged to have been sustained by: (a) CRRA or any of its directors, officers, agents or employees, including the Facility Operator and the Landfill Operator or (b) Contractor or any of its directors, officers, employees, agents or subcontractors, or (c) any other person, to the extent any such injuries, damage or damages are caused or alleged to have been caused in whole or in part by the acts, omissions or negligence of Contractor or any of its directors, officers, employees, agents or subcontractors. Contractor further undertakes to reimburse CRRA for damage to property of CRRA caused by Contractor or any of its directors, officers, employees, agents or subcontractors. The existence of insurance shall in no way limit the scope of this indemnification. Contractor's obligations under this Section 4 shall survive the termination or expiration of this Agreement.

4.2 CONTRIBUTION INDEMNITY AND WAIVER

Contractor shall also indemnify, defend and hold harmless, and hereby waives any claim for contribution against CRRA and/or any of its directors, officers, agents and employees, for any Environmental Claim arising in whole or in part from

the performance under this Agreement by Contractor, or any of its directors, officers, agents, employees, subcontractors, representatives or partners, irrespective of whether such performance is negligent or willful or breaches any term or provision of this Agreement.

4.3 SCOPE

For purposes of Subsections 4.1 and 4.2 above, (i) the term Contractor shall mean and include Contractor, and/or any of its directors, officers, employees, agents, subcontractors, representatives or partners, and (ii) the term CRRA shall mean and include the Facility Operator and the Landfill Operator, and/or any of its directors, officers, employees, agents, subcontractors, representatives or partners.

4.4 SURVIVAL

The indemnities contained in this Section 4 of this Agreement shall survive the cancellation, expiration or termination of this Agreement.

5. INSURANCE AND PERFORMANCE SECURITY

5.1 INSURANCE

(a) Maintenance. At all times during the term of this Agreement, Contractor shall, at its sole cost and expense, procure and maintain the insurance as set forth in Subsection 5.2 with insurance companies authorized to do business in the State of Connecticut each such company shall have a Best's Key Rating of at least A- VII or, if this rating criterion cannot be satisfied, shall be acceptable to CRRA in its sole discretion. Contractor shall name CRRA and Operator as additional insureds (this requirement shall not apply to workers' compensation insurance or employers' liability insurance). All policies shall include a standard severability of interest clause and shall hold all insureds free of and harmless from all subrogation rights of the insurers, regardless of any breach by CRRA, Southeast Operator, Wallingford Operator, or Contractor of any warranties, declarations or conditions contained in such policies. All policies shall provide that the required insurance hereunder is the primary insurance and that any other similar insurance that CRRA, Southeast Operator, or Wallingford Operator may have shall be deemed in excess of such primary insurance.

(b) List of Policies, Certificates. Upon execution of this Agreement, Contractor shall submit to CRRA a certificate or certificates for each required insurance referenced in Section 5.2 below certifying that such insurance is in full force and effect and setting forth the information required in this Section 5. Additionally, Contractor shall furnish to CRRA within thirty (30) days before the expiration date of the coverage of each required insurance set forth in Section 5.2 below, a certificate or certificates containing the information required by this Section 5 and certifying that such insurance has been renewed and remains in full force and effect.

(c) Notice of Cancellation or Change. Such policies shall contain an endorsement to the effect that the insurer will notify CRRA by registered or certified mail not less than thirty (30) days prior to the effective date of any cancellation, restrictive amendment, non-renewal, or change in any provision of such policy or policies or suspension of any coverage thereunder.

(d) Deductibles. No policy required to be purchased by Contractor pursuant to this Section 5 shall be subject to a deductible or similar provision limiting or reducing coverage. If any person is owed, pursuant to any policy required hereunder, any sum which is subject to a deductible, Contractor shall pay such deductible.

(e) Payment by CRRA. Should Contractor fail to obtain, maintain or renew any of the insurance required by this Section 5, or to pay the premium therefor, then and in any of said events CRRA may, at its option, but without obligation to do so, upon ten (10) business days prior notice to Contractor of CRRA's intention to do so, procure such insurance, and the amounts paid shall be deducted from any Service Fees due to Contractor hereunder.

5.2 REQUIRED COVERAGE

Contractor shall obtain and maintain, at its own cost and expense, the following insurance, including any required endorsements thereto and amendments thereof:

(a) Commercial General Liability insurance alone or in combination with Commercial Umbrella insurance with a limit of five million (\$5,000,000.00) dollars each occurrence covering liability arising from premises, operations, independent contractors, products-completed

operations, personal injury and advertising injury, and liability assumed under an insurance contract (including the tort liability of another assumed in a business contract).

- (b) Business Automobile Liability insurance alone or in combination with Commercial Umbrella insurance covering any auto or vehicle (including owned, hired, and non-owned autos or vehicles), with a limit of one million (\$1,000,000.00) dollars each accident, and including pollution liability coverage equivalent to that provided under the ISO pollution liability broadened coverage for covered autos endorsement (CA 99 48), and the Motor Carrier Act endorsement (MCS 90) shall be attached.
- (c) Contractor's Pollution Legal Liability insurance with a limit of five million (\$5,000,000.00) dollars.
- (d) Workers' Compensation with statutory limits and Employers' Liability limits of one million (\$1,000,000.00) dollars each accident for bodily injury by accident or one million (\$1,000,000.00) dollars for each employee for bodily injury by disease.

5.3 PERFORMANCE SECURITY

Upon Contractor's execution of this Agreement, Contractor shall furnish CRRA with a performance bond or a letter of credit in the amount of THREE HUNDRED THOUSAND AND NO/100 (\$300,000.00) DOLLARS (the "Bond") to guarantee its performance of the Services under this Agreement. The Bond shall be in one of the forms set forth in **Schedule 3** and **Schedule 4** and shall be issued and executed by a surety acceptable to CRRA. Contractor shall maintain the Bond in full force and effect during the term of this Agreement. The Bond shall be automatically renewed by Contractor on an annual basis, unless not later than ninety(90) days prior to the then current expiration date of the Bond, Contractor notifies CRRA by registered mail that the surety of the Bond elects not to renew such Bond. Failure to maintain or renew the Bond under the aforesaid terms shall constitute a default by Contractor under Section 7.2 of this Agreement. If the surety on the Bond furnished by Contractor is declared a bankrupt or becomes insolvent or its right to do business is terminated in the State of Connecticut or it ceases to meet the above requirements or the surety elects not to renew the Bond due to no fault of Contractor,

Contractor shall immediately substitute another bond (or letter of credit) and surety, subject to the requirements set forth in this Section 5.3. In the event Contractor fails to perform any of its obligations under this Agreement, CRRA shall have the right, in addition to all other rights and remedies available to CRRA hereunder or otherwise, to exercise any or all of CRRA's rights and remedies under the Bond.

[If CRRA, in its sole discretion, determines that a Proposer is not sufficiently capitalized to discharge its obligations hereunder, CRRA will require the following]:

5.4 CORPORATE GUARANTY

Contractor shall furnish CRRA with and maintain in full force and effect during the term of this Agreement a corporate guaranty. **[from an entity CRRA, in its sole discretion, deems to be adequately capitalized]**, which guaranty shall be in the form set forth in **Schedule 4** (the "Guaranty"). In the event Contractor fails to perform any of its obligations under this Agreement, CRRA shall have the right, in addition to all other rights and remedies available to CRRA hereunder or otherwise, to exercise any or all of CRRA's rights and remedies under the Guaranty.

6. UNCONTROLLABLE CIRCUMSTANCES

6.1 GENERAL

In the event either party is rendered unable, wholly or in part, by an Uncontrollable Circumstance, to carry out any of its obligations under this Agreement, then the obligations of such party, to the extent affected by such an Uncontrollable Circumstance and to the extent that such party is using its best efforts to mitigate damages caused by such Uncontrollable Circumstance and to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused by the Uncontrollable Circumstance but for no longer period. In the event that either party is unable to perform due to an Uncontrollable Circumstance for a period of ninety (90) days or more, the other party may terminate this Agreement in accordance with Section 7.2 hereof.

6.2 NOTICE

Either party shall notify the other by telephone on or as soon as possible after the date of experiencing an Uncontrollable Circumstance, followed as soon as practicable by a written notice of:

(a) the Uncontrollable Circumstance and cause(s) thereof (if known);

(b) its estimated duration and impact, if any, on the performance of any obligations under this Agreement;

(c) the measures being taken to remove or mitigate the effect of such Uncontrollable Circumstance.

Additionally, such party shall provide prompt written notice to the other of the cessation or avoidance of such Uncontrollable Circumstance.

7. DEFAULT AND TERMINATION; DAMAGES

7.1 DEFAULT IN PAYMENT

In the event CRRA defaults in the payment of any sum when due hereunder, unless such default is cured within thirty (30) days after CRRA's receipt of written notice thereof from Contractor, Contractor may terminate this Agreement by written notice to CRRA of such intention.

7.2 CONTRACTOR DEFAULT

In the event Contractor fails to perform any of its obligations hereunder, CRRA shall provide Contractor with written notice of such failure and Contractor shall have thirty (30) days from the date of Contractor's receipt of such notice to cure such failure; provided, however, that in the event such failure disrupts the continuous loading and transport of Ferrous Metals and/or Scrap Metals by Contractor hereunder, then CRRA shall have the right to immediately cure such failure causing such disruption, and Contractor shall reimburse CRRA for any and all reasonable costs and expenses incurred by CRRA in taking such curative action within thirty (30) days after the receipt by Contractor of an invoice from CRRA for such costs and expenses. If: (i) Contractor does not cure such failure within the foregoing thirty (30) day period, (ii) Contractor breaches or defaults under any material representation,

warranty, agreement or covenant contained herein or (iii) Contractor commits an Act of Bankruptcy, CRRA may terminate this Agreement by written notice to Contractor of such intention and/or pursue any and all other rights and/or remedies that CRRA may have against Contractor at law or in equity or hereunder. Any payment obligations of Contractor under this Section 7.2 shall survive the cancellation, expiration or termination of this Agreement.

8. **COMPLIANCE WITH LAWS**

Each party agrees that in the performance of its respective obligations hereunder, it will, and in the case of Contractor, Contractor will require its subcontractors to, qualify under, and comply with any and all Applicable Laws now in force and which may hereafter, during the term of this Agreement, be passed and become effective, applicable to it and its employees performing said obligations.

9. **TERM**

- (a) The term of this Agreement shall begin on the date hereof and shall terminate, unless otherwise terminated or extended in accordance with the terms and provisions hereof, on June 30, 2004.
- (b) CRRA shall have three (3) divisible one (1) year options to extend the initial term of this Agreement a total of three (3) additional years. At its sole and absolute discretion, CRRA may exercise its foregoing three (3) divisible options to extend by providing written notice thereof to Contractor for each one (1) year option at least sixty (60) days prior to the expiration of such initial term and any extension thereto. The total length of the term of this Agreement, including all optional extension periods, shall not exceed four years.

10. **NOTICES**

10.1 **GENERAL**

All notices, demands, requests, proposals, consents or other communications whatsoever which this Agreement contemplates, authorizes, requires or permits any party to give to the other party, except as provided in Subsection 10.2, shall be in writing and shall be personally delivered or sent by overnight express mail service or registered or certified

mail, return receipt requested, addressed to the respective party as specified in this Subsection 10.1. Any notice shall be deemed delivered on the date of personal delivery, the day after such notice is sent via overnight express mail service or, if by registered or certified mail, on the fifth (5th) business day after deposit in the mail.

Notices to Contractor shall be addressed and sent to:

Attention: _____

Notices to CRRA shall be addressed and sent to:

Connecticut Resources Recovery Authority
100 Constitution Plaza, 17th Floor
Hartford, Connecticut 06103
Attention: President

With a copy to:

Connecticut Resources Recovery Authority
100 Constitution Plaza, 17th Floor
Hartford, Connecticut 06103
Attention: Ms. Virginia Raymond

Any party may from time to time designate an alternative address by notice to the other party given in accordance with this subsection.

10.2 ROUTINE NOTICES

Except when expressly required by this Agreement to be in writing, routine communications and advises relating to day to day operations of the parties at the Facility may be given orally or in writing, but need not be in the form of a formal written notice to be operative.

10.3 EMERGENCY NOTIFICATION

Contractor shall immediately notify CRRA, the Facility Operator [for Facility event], and the Landfill Operator [for Landfill event] by telephone and telecopier facsimile of the occurrence of a property lien, spill, fire, explosion or other emergency or accident requiring notification of any governmental entity, and Contractor shall be responsible for

complying with all applicable legal requirements concerning notification with respect to such event. Contractor shall notify CRRA immediately of the occurrence of a notice of violation or other regulatory action arising out of this Agreement. Such notification shall be made formally by written notice to CRRA indicating the nature of any action affecting this Agreement and describing all corrective and remedial action undertaken or planned.

11. **SUBCONTRACTORS**

Contractor shall consult with CRRA before hiring any subcontractors to perform any services hereunder. Contractor shall require all of its subcontractors to abide by the terms and conditions of this Agreement. Moreover, the subcontracts between Contractor and such subcontractors shall specifically provide that, in the event of a default by Contractor under this Agreement, CRRA may directly enforce such subcontracts and make payments thereunder. Contractor shall provide CRRA with copies of all such subcontracts and all other contracts, amendments, books, records, accounts, correspondence and other materials necessary to enforce such subcontracts. Also the subcontracts between Contractor and its subcontractors shall specifically include CRRA as a third party beneficiary and shall provide that such subcontractors shall not be excused from any of their obligations under such subcontracts by reason of any claims, setoffs, or other rights whatsoever that they may have with or against Contractor other than through such subcontracts.

12. **WAIVER**

The waiver by any party of any breach or violation of any term or condition of this Agreement shall only be valid if in writing and signed by the waiving party and shall not be deemed to be or construed as a waiver by such party of any other term or condition or of any subsequent breach or violation of the same or any other term or condition.

13. **ASSIGNMENT**

This Agreement shall not be assigned, transferred, pledged or hypothecated by any party without the prior written consent of the other party or such assignment shall be void. Any transfer (including a series of transfers over any period of time) of ten percent (10%) or more of the shares, assets or other interests of Contractor by sale, assignment,

bequest, inheritance, operation of law or other disposition, including but not limited to such a transfer to or by a receiver or trustee in federal or state bankruptcy, insolvency, or other proceedings, shall be deemed an assignment of this Agreement. Contractor shall provide CRRA with written notice of any such proposed event that would constitute an assignment hereunder at least thirty (30) days prior to the date of such proposed event.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns, and the assignor under any assignment of this Agreement shall remain responsible for the performance of its obligations hereunder as though no assignment shall have occurred.

14. **RELATIONSHIP OF THE PARTIES**

Nothing in this Agreement shall be deemed to constitute any party a partner, agent or legal representative of the other party or to create any employment, agency or fiduciary relationship between the parties.

15. **GOVERNING LAW**

This Agreement shall be governed by, and construed, interpreted and enforced 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; provided, however, that in the event of a conflict between the laws of the State of Connecticut and a permit issued by any federal, state or local governmental authority, the terms of such permit shall control.

16. **AGENT FOR SERVICE**

Contractor irrevocably: (a) agrees that any suit, action or other legal proceeding arising out of this Agreement must be brought in the courts of record of the State of Connecticut or the courts of the United States located within the State of Connecticut; (b) consents to the jurisdiction of each such court in any such suit, action or proceeding; and (c) waives any objection which it may have to the laying of the venue of any such suit, action or proceeding in any of such courts. During the term of this Agreement Contractor designates The Secretary of State for the State of Connecticut, whose business address is 30 Trinity Street,

Hartford, Connecticut 06106, as its agent (the "Agent") to accept and acknowledge on Contractor's behalf service of any and all process in any such suit, action or proceeding brought in any such court, and Contractor agrees and consents that any such service of process upon Agent shall be taken and held to be valid personal service upon Contractor whether or not Contractor shall then be doing, or at any time shall have done, business within the State of Connecticut and that any such service of process shall be of the same force and validity as if service were made upon Contractor according to the laws governing the validity and requirements of such service in the State of Connecticut, and Contractor waives all claims of error by reason of service on the Agent instead of Contractor. Agent shall not have any power or authority to enter any appearance or to file any pleadings in connection with any suit, action or other legal proceeding.

17. **SEVERABILITY**

In the event that any provision of this Agreement shall for any reason be determined to be invalid, illegal, or unenforceable in any respect, the parties hereto shall attempt to agree to such amendments, modifications or supplements of or to this Agreement or such other appropriate actions as shall, to the maximum extent practicable in light of such determination, implement and give effect to the intentions of the parties as reflected herein, and the other provisions of this Agreement shall, as so amended, modified or supplemented, or otherwise affected by such action, remain in full force and effect.

18. **MODIFICATION**

This Agreement may not be amended, modified, or supplemented except by a writing signed by the parties hereto that specifically refers to this Agreement. Any oral representations or letters by the parties or accommodations shall not create a pattern or practice or course of dealing contrary to the written terms of this agreement unless this Agreement is formally amended, modified, or supplemented.

19. **ENTIRETY**

This Agreement supersedes all prior representations, negotiations and verbal or written communications by and between the parties hereto relating to the subject matter hereof and constitutes the entire agreement among the parties hereto in respect thereof.

20. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts by the parties hereto. Each such counterpart so executed shall be deemed to be an original and all such executed counterparts shall constitute but one and the same instrument.

21. **CONTRACTS WITH THIRD PARTIES**

Contractor shall provide CRRA with copies of any agreements, and any modifications or revisions to any agreement, promptly upon the execution thereof (or upon the execution of this Agreement, if applicable) that Contractor has with a third party for the transportation of Ferrous Metals and/or Scrap Metals pursuant to this Agreement.

22. **NON-DISCRIMINATION**

Contractor agrees to the following: (1) Contractor agrees and warrants that in the performance of any services for CRRA hereunder Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, sexual orientation, mental retardation or physical disability, including, but not limited to, blindness, unless it is shown by Contractor that such disability prevents performance of the services involved, in any manner prohibited by the laws of the United States or of the State of Connecticut. Contractor further agrees to take affirmative action to insure that applicants with job related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, sexual orientation, mental retardation, or physical disability, including, but not limited to, blindness, unless it is shown by Contractor that such disability prevents performance of the services involved; (2) Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of Contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Connecticut Commission on Human Rights and Opportunities (the "Commission"); (3) Contractor agrees to provide each labor union or representative of workers with which Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which Contractor has a contract or understanding, a notice to be

provided by the Commission, advising the labor union, workers' representative and vendor of Contractor's commitments under Sections 4a-60 and 4a-60a of the Connecticut General Statutes and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) Contractor agrees to comply with each applicable provision of Sections 4a-60, 4a-60a, 46a-68e, and 46a-68f, inclusive, of the Connecticut General Statutes and with each regulation or relevant order issued by the Commission pursuant to Sections 46a-56, 46a-68e, and 46a-68f of the Connecticut General Statutes; and (5) Contractor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts concerning the employment practices and procedures of Contractor as related to the applicable provisions of Sections 4a-60, 4a-60a and 46a-56 of the Connecticut General Statutes. If this Agreement is a public works contract, Contractor agrees and warrants that it will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials in such public works project.

23. **CONTRACTOR'S EMPLOYEES**

All persons employed by Contractor shall be solely subject to the direction of and responsible to Contractor and shall not be deemed to be employees of CRRA or Operator.

24. **MECHANIC'S LIENS**

Contractor shall claim no interest in the Facility, the Facility Property, the Landfill, the Landfill Property, or any equipment, fixtures, materials or improvements of CRRA located or to be located thereon, and Contractor shall not file any mechanic's liens or other liens or security interests against CRRA or any of its properties, including but not limited to the Facility Property and the Landfill Property. Contractor shall defend, indemnify and hold harmless CRRA against all costs associated with the filing of such liens or security interests by Contractor or its subcontractors or materialmen. Before any subcontractor or materialman of Contractor commences any Services hereunder, Contractor shall deliver to CRRA an original waiver of mechanic's liens properly executed by such subcontractor or materialman. If any mechanic's lien is filed against CRRA or any of its properties in connection with the Services hereunder, Contractor shall cause the same to be canceled and discharged of record within fifteen (15) days after the

filing of such lien and, if Contractor fails to do so, CRRA may, at its option and without any obligation to do so, make any payment necessary to obtain such cancellation or discharge and the cost thereof, at CRRA's election, shall be either deducted from any payment due to Contractor hereunder or reimbursed to CRRA promptly upon demand by CRRA to Contractor.

25. **ADVERSE PARTIES**

CRRA and Contractor desire that no person or entity with which CRRA has had an adverse business relationship and no corporation or other business entity directly or indirectly controlling or controlled by or under direct or indirect common control with such persons or entity (any of the foregoing persons, corporations or entities is hereinafter referred to as an "Adverse Party"), have any direct or indirect financial or ownership interest in or managerial influence over Contractor or any of its affiliates or on Contractor's performance under this Agreement. If any individual or entity seeks to participate as an owner or in the performance of Contractor's obligations under this Agreement or to participate in any way in any future project or venture with Contractor or any of its affiliates, Contractor shall notify CRRA of Contractor's intent to enter into such relationship. Contractor shall not enter into such relationship if CRRA disapproves of such relationship because the proposed individual or entity is an Adverse Party. CRRA shall notify Contractor of its disapproval, if at all, no later than fifteen (15) days after CRRA's receipt of notice from Contractor of its intent to enter into such relationship. Any failure by Contractor to comply with the terms of this Section 25 shall constitute a default by Contractor under this Agreement.

26. **WITHHOLDING TAXES AND OTHER PAYMENTS**

No FICA (social security) payroll tax, state or federal income tax, federal unemployment tax or insurance payments, state disability tax or insurance payments or state unemployment tax or insurance payments shall be paid or deposited by CRRA with respect to Contractor, nor be withheld from payment to Contractor by CRRA. No workers' compensation insurance has been or will be obtained by CRRA on account of the services to be performed hereunder by Contractor, or its employees, agents, subcontractors or materialmen. Contractor shall be responsible for paying or providing for all of the taxes, insurance and other payments

described in this Section 26, and Contractor hereby agrees to indemnify and hold CRRA harmless against any and all such taxes, insurance and payments or other payments which CRRA may be required to pay in the event that Contractor's status hereunder is determined to be other than that of an independent contractor.

IN WITNESS WHEREOF, this Agreement is executed as of the date hereinabove set forth.

CONNECTICUT RESOURCES
RECOVERY AUTHORITY

By: _____
Thomas D. Kirk
Its President
Duly Authorized

CONTRACTOR:

By: _____
Its
Duly Authorized

SCHEDULES TO AGREEMENT

- Schedule 1 - Service Fees
- Schedule 2 - Operations Plan
- Schedule 3 - Performance Bond
- Schedule 4 - Letter of Credit
- Schedule 5 - Guaranty

SCHEDULE 1

“Index Value” shall mean the #2 Bundle, Philadelphia High Side Index Price as published by the American Metal Market.

“Rounded Index Value” shall mean the #2 Bundle, Philadelphia High Side Index Price as published by the American Metal Market rounded down to the nearest whole dollar and adjusted monthly based upon the Monday issue following the second Friday of every month.

“Processing Fee” shall mean the per gross ton (2000 lbs) fee charged to CRRA by Contractor or paid to CRRA by Contractor when the Rounded Index Value is equal to the Index Values presented in the following table. For each \$1.00 increase or decrease in the Rounded Index Value, the Bidder should consider pricing proposals for:

- (a) A base not to exceed charge to CRRA when the Index Value is equal to or less than \$52.00
- (b) Gradual reduction in the processing fee up to \$59.00.
- (c) Revenue sharing or continued reductions in the processing fee for every \$1.00 change in the Index Value when greater than or equal to \$60.00.

Rounded Index Value	Processing Fee
>= \$60	
\$59	
\$58	
\$57	
\$56	
\$55	
\$54	
\$53	
<=\$52	(not to exceed price)

NOTE: The above pricing shall apply to Scrap Metals from the Landfill and Ferrous Metals from the WPF.

ALTERNATE PRICING PROPOSAL I

The Bidder may present its own Rounded Index Value table based upon the economics of your particular company, i.e., the bidder wants to offer revenue sharing at a different market price than the one presented by CRRA on the previous page. If the Bidder chooses to submit this alternate pricing proposal, please note that:

- (a) CRRA expects that during downturns in the metals market the Bidder will provide a floor price/charge that will not be exceeded regardless of how low the metals market goes; and

(b) CRRA fully expects that at some point there will be some revenue sharing (CRRA will be paid some price for its metals) when metals markets are higher.

Rounded Index Value	Processing Fee

ALTERNATIVE PRICING PROPOSAL II

The Bidder may submit, on a separate piece of paper, other alternative pricing proposals the Bidder would like CRRA to consider. Please make certain these pricing proposal(s) are clearly labeled as **Alternative Pricing Proposal II**.

TRANSPORTATION BACK-CHARGE

Indicate here the per ton price Bidder will charge CRRA for metals loads received that are under 18 tons (36,000 pounds)

\$ _____

CAPACITOR, CFC, HCFC REMOVAL CHARGE

Indicate here the per unit price (per appliance) CRRA will be charged for the proper removal and disposal of capacitors, CFCs and HCFCs contained in the Scrap Metals recovered and marketed from the Landfill:

\$ _____ Per Unit Cost (per appliance)

SCHEDULE 2

OPERATIONS PLAN

The Contractor(s) selected shall be solely responsible for the cost and expense of providing all vehicles (own, lease or otherwise provide), all personnel, labor, equipment, tools, materials, fuel, equipment maintenance and repair and any other items necessary to perform the transportation and disposal services consistent with the physical layout of the Facility and the Landfill.

Contractor(s) shall provide all personnel necessary to properly perform its duties under the Agreement. All Contractor(s) personnel engaged in the performance of Services under the Agreement shall be properly trained, provided with the requisite safety equipment and clothing, and licensed to perform the work required. All personnel used by the Contractor(s) shall be skilled in the tasks they are assigned to perform and shall comply with all Applicable Laws and with all rules and regulations of the Facility and the Landfill.

The selected Contractor(s) shall be available to provide the Services 24 hours a day, 7 days a week, and 365 days a year.

The Contractor selected shall be solely responsible for the cost and expense of providing all vehicles (own, lease or otherwise provide), personnel, labor, equipment, tools, materials, fuel, equipment maintenance and repair and any other items necessary to perform the transportation, marketing and disposal services consistent with the physical layout of the Facility.

Contractor shall provide all personnel necessary to properly perform its duties under the Agreement. All Contractor personnel engaged in the performance of Services under the Agreement shall be properly trained, equipped with the requisite safety equipment and clothing and licensed to perform the Service required. All personnel used by the Contractor shall be skilled in the tasks they are assigned to perform and shall comply with all Applicable Laws and with all rules and regulations of the Facility and the Hartford Landfill.

During the term of the Agreement, CRRA shall make available to Contractor all pre-combustion Ferrous Metal extracted during the processing of MSW received at the Facility.

Contractor shall guarantee trailer availability at all times needed to perform the Services under this Agreement. Contractor shall provide a sufficient number of empty transport trailers, 100 cubic yards each in size, at a location on the Facility Property to receive Ferrous Metal from the metals load-out conveyor system. It is estimated the Contractor shall need stationed and available, on the Facility site, approximately six (6) trailers per day, Monday through Saturday.

On occasion, waste processing will be performed on Sundays due to high waste deliveries and inventories. When CRRA or its Operator makes the determination to perform Sunday processing, the Contractor shall be notified and will be required to have on site sufficient trailers to accept the Ferrous Metal that results from a Sunday's processing. CRRA or its Operator will make every effort to provide the Contractor with at least 24-hours notice prior to Sunday processing.

The Contractor shall promptly, on a daily basis, remove from the Facility filled trailers and transport all Ferrous Metal to Contractor's processing facility.

Contractor may, if it so elects, return to the Facility for disposal the non-metallic residue/MSW contamination ("MSW Metals Residue") received from the WPF Ferrous Metal. This MSW Metals Residue may include up to thirty-five percent (35%) of the material (by weight) deposited from the metals load-out conveyor system into Contractor's trailers. Contractor shall not be charged a tipping fee for the MSW Metals Residue returned to the WPF during the term of the Agreement. Contractor shall be charged a tipping fee of \$15.00 per ton for MSW Metals Residue returned that is in excess of 35% of the pre-combustion metals deposited (by weight) into Contractor's trailers for removal from the Facility.

The Contractor shall not arrange for the delivery of any waste to the Facility that is not MSW Metals Residue received from the Facility. The Contractor shall ensure that only the waste materials co-mingled with the Ferrous Metal received and removed by Contractor is returned to the Facility by the Contractor as MSW Metals Residue. Waste materials delivered to the Facility by Contractor which CRRA or its agents determine are materials other than MSW Metals Residue, shall be grounds for immediate termination of the Agreement.

When Contractor vehicles have been loaded with Ferrous Metals, Contractor personnel shall securely place container lids or covers in secured position prior to a vehicle's departure from the Facility property.

When on the Facility and Hartford Landfill properties, Contractor's personnel shall work under the direction of CRRA and its Operator. The Contractor's personnel shall cooperate fully with all CRRA and Operator rules, regulations, policies and procedures with respect to on-site activities including but not limited to traffic flow, loading and unloading activities, work inspections, environmental regulations and health and safety requirements.

Each of the Contractor's incoming and outgoing trailers, whether filled with pre-combustion Ferrous Metal from the WPF, Scrap Metal from the Landfill, or MSW Metals Residue, shall be weighed at the Facilities' scales. The amount of metals provided to the Contractor from the Facility and Hartford Landfill shall be determined through the use of the certified scales at the Facility and Landfill. The scales are operated and maintained by the Operator of the Facility and the Landfill and shall at least annually be certified as accurate in accordance with the standards set by Applicable Laws. CRRA shall cause the Facility and Landfill Operators to provide Contractor drivers with weight tickets from the certified scales at the Facility and Landfill for all metals provided to the Contractor. The Contractor may have its representatives present at the Facility and/or the Landfill at any time to observe and verify the accuracy of the weighing of the metals or MSW Metals Residue in accordance with the provisions of Section 3.2 of **Exhibit 1 - Agreement for Metals Recovery and Marketing Services.**

Contractor's vehicles must conform to each facilities' scale dimensions of 70'x12'.

Contractor shall be responsible for securing and maintaining all necessary or required local, state, and federal registrations, permits, licenses, certificates, and approvals necessary for Contractor to perform the Services described in **Exhibit 1 - Agreement for Metals Recovery and Marketing Services.**

Contractor shall promptly notify CRRA of any notices of violation, citations, suits, regulatory proceedings, prosecutions, received by or commenced against Contractor or its authorized subcontractors in connection with the performance of its obligations under the Agreement. Contractor shall immediately notify CRRA of any motor vehicle accidents in which the Contractor or its authorized subcontractors are involved in the performance of Contractor's obligations under the Agreement.

The Contractor shall operate vehicles on the Facility and Landfill Properties entirely at the Contractor's risk and neither

CRRA nor its Operators shall be responsible or liable for damage to any of Contractor's vehicles or equipment on or off of the Facility and Landfill Properties. The Contractor shall name CRRA and the Operators as additional insured on the applicable insurance coverage required under **Exhibit 1 - Agreement for Metals Recovery and Marketing Services**.

The Contractor shall cooperate fully in establishing and maintaining a schedule for Services during the entire term of the Agreement.

The Contractor(s) shall use only properly licensed and permitted disposal sites operating in accordance with, and pursuant to, all applicable governmental regulations, statutes, permitting requirements, and any other such requirement. Prior to the transportation and disposal of any Ferrous Metals or Scrap Metals, the Contractor(s) shall provide CRRA with written evidence of the authorization it obtained from the disposal site(s) it desires to transport and dispose of the Ferrous Metals and Scrap Metals. CRRA shall, at its sole and absolute discretion, either approve or disapprove the Contractor's desired disposal site(s). The Contractor(s) shall coordinate and obtain the permission of the owner/operator of the disposal site(s) to allow CRRA, or its agents, to inspect the disposal sites at any time during the term of the Agreement.

Contractors shall remove from the Landfill property all of the Scrap Metals, including but not limited to any refrigerators, freezers, and air conditioners, received and stored in the Landfill Storage Area. Contractor shall remove all Scrap Metal from the Landfill by loading such Scrap Metal into Contractor vehicles and transporting loaded vehicles to the Contractor's facility for processing and marketing. Contractor shall be contacted by CRRA or its Landfill Operator whenever a sufficient amount of Scrap Metal has been stockpiled in the Landfill Storage Area for transport by the Contractor. Contractor shall remove the stockpiled Scrap Metals within 48 hours from the time Contractor is notified by CRRA or its Landfill Operator.

Contractor may elect to remove appliances having capacitors or containing CFCs or HCFCs from the Landfill property and transport the appliances to another site where Contractor shall remove capacitors, CFCs and HCFCs from the appliances provided that:

- Appliances are removed and transported in accordance with all applicable laws and regulations.
- Capacitors, CFCs and HCFCs are:
 1. Removed from appliances in accordance with all

- applicable laws and regulations.
2. Transported and disposed of in accordance with the Disposal Standards.
 3. Contractor provides CRRA documentation evidencing that proper transport and disposal has been performed within five working days of disposal.

Contractor may elect to perform on-site capacitor, CFCs, and HCFCs removal. If Contractor so chooses, it must perform the removal in accordance with all applicable laws and regulations and that:

- Capacitors, CFCs and HCFCs are:
 1. Transported and disposed of in accordance with the Disposal Standards.
 2. Contractor provides CRRA documentation evidencing that proper transport and disposal has been performed within five working days of disposal.

Whether Contractor elects to remove capacitors, CFCs and HCFCs on site or at a remote site, Contractor shall be responsible for the cost of transportation to such off-site facility as well as the costs associated with the proper disposal of removed capacitors, CFCs and HCFCs. Under either disposal option, Contractor shall provide CRRA with documentation evidencing such transport and disposal within 30-days after such disposal. Contractor shall verify with CRRA the number of appliances from which CFCs and HCFCs are to be extracted and, thereafter, commence such extraction process by means of pumping the CFCs and HCFCs from the appliances. Once the CFCs and HCFCs are removed, the Freon lines of the appliances will be resealed. Contractor shall properly transport and dispose of all the removed CFCs and HCFCs in accordance with the **Agreement for Metals Recovery and Marketing Services**.

The Contractor shall provide Ferrous Metal Services covered by the **Agreement for Metals Recovery and Marketing Services** during normal hours of Facility operation. Normal hours of operation are Monday through Friday from 6:00 a.m. to 4:00 p.m. and on Saturdays from 6:00 a.m. to 2:00 p.m. Contractor shall not have access to the Facility on Sundays (unless Sunday processing has been scheduled due to high waste deliveries and inventories and the Contractor has been directed to provide sufficient trailers to accommodate the scheduled Sunday processing) as well as New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day Thanksgiving Day and Christmas Day.

The Contractor shall provide Scrap Metal services covered by the **Agreement for Metals Recovery and Marketing Services** on an

on-call, as needed basis during normal hours of operation at the Landfill. Normal hours of operation are 7:00 a.m. to 3:00 p.m. Monday through Friday and 7:30 a.m. to 12:00 noon on Saturdays. The Landfill is closed on Sundays as well as New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Contractor shall provide for the marketing and sale of Ferrous Metal and non-ferrous metals, Scrap Metals and white good received at the Facility and Landfill and for the transportation of the end product to appropriate markets.

Contractor shall be responsible for coordinating Services so as not to interfere with any operations of either the Facility or Landfill. The Contractor shall only store its equipment, trailers and other property in Facility and Landfill areas designated by CRRA or its Operator.

Contractor shall provide and maintain records and reports regarding the processing, marketing and disposal of all materials hereunder within ten (10) working days after the end of each month during the term of the **Agreement for Metals Recovery and Marketing Services**. Contractor shall submit to CRRA written verification of the quantities of Ferrous Metal and nonferrous pre-combustion metals removed by Contractor from the Landfill and the Facility.

If an environmental event occurs involving metals received by Contractor from CRRA pursuant to the terms of the Agreement and Contractor is required to report such event to any governmental regulatory authority or authorities having jurisdiction over the event, the Contractor shall, simultaneously with its submittal of any report or other documentation to such authority or authorities, provide CRRA with copies of such report or other documentation.

Contractor shall be responsible for obtaining and maintaining all licenses and permits necessary to provide the Services outlined in the **Agreement for Metals Recovery and Marketing Services**. Contractor shall comply with all applicable laws, regulations, ordinances, permits and orders relating to the storage, processing, hauling and marketing of metals.

The Contractor(s) shall use only properly licensed and permitted Disposal Sites operating in accordance with, and pursuant to, all applicable governmental regulations, statutes, permitting requirements, and any other such requirement. Prior to the transportation and disposal of any MSW Metal Residue to the Disposal Site(s), the Contractor(s) shall provide CRRA with

written evidence of the authorization it obtained from the Disposal Site(s) to which it desires to transport and dispose of the MSW Metal Residue. CRRA shall, at its sole and absolute discretion, either approve or disapprove the Contractor's desired Disposal Site(s). The Contractor(s) shall coordinate and obtain the permission of the owner/operator of the Disposal Site(s) to allow CRRA, or its agents, to inspect the Disposal Sites at any time during the term of the Agreement.

The Contractor(s) shall transport the Ferrous Metals, Scrap Metals, and the MSW Metal Residue in accordance with this Agreement to the market sites and/or Disposal Sites along routes designated by CRRA at CRRA's sole and absolute discretion.

SCHEDULE 3

PERFORMANCE BOND

CONTRACTOR (Name and Address):
Principal

SURETY (Name and
Place of Business):

OWNER (Name and Address):

Connecticut Resources Recovery Authority
100 Constitution Plaza, 17th Floor
Hartford, Connecticut 06103

AGREEMENT FOR METALS RECOVERY AND MARKETING SERVICES

Date: July 1, 2003

Amount: \$300,000.00

Description (Name and Location):

Mid-Connecticut Resources Recovery Facility	Hartford Landfill
300 Maxim Road	180 Liebert Street
Hartford, CT 06114	Hartford, CT 06102

BOND

Date: July 1, 2003

Amount: THREE HUNDRED THOUSAND AND NO/100 (\$300,000.00) DOLLARS

TERMS AND CONDITIONS

1. The Contractor and the Surety jointly and severally bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Agreement for Metals Recovery And Marketing Services (the "Agreement"), the terms of which are incorporated herein by reference. Any singular reference to the Contractor, the Surety, the Owner or any other party herein shall be considered plural where applicable.

2. If the Contractor performs the Agreement, the Surety and the Contractor shall have no obligation under this Bond, except to participate in conferences as provided in Subparagraph 3.1.
3. If there is no Owner Default (as hereinafter defined), the Surety's obligation under this Bond shall arise after:
 - 3.1. The Owner has notified the Contractor and the Surety at its address described in Paragraph 10 below, that the Owner is considering declaring a Contractor Default (as hereinafter defined) and has requested and attempted to arrange a conference with the Contractor and the Surety to be held not later than fifteen (15) days after the receipt of such notice to discuss methods of performing the Agreement. If the Owner, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Agreement, but such an agreement shall not waive the Owner's right, if any, to subsequently declare a Contractor Default; and
 - 3.2. The Owner has declared a Contractor Default (as hereinafter defined) and formally terminated the Contractor's right to complete the Agreement. Such Contractor Default shall not be declared earlier than twenty (20) days after the Contractor and the Surety have received notice as provided in Subparagraph 3.1.
4. When the Owner has satisfied the conditions of Paragraph 3, the Surety shall promptly and at the Surety's expense take one of the following actions:
 - 4.1. Arrange for the Contractor, with the consent of the Owner, to perform and complete the Agreement; or
 - 4.2. Undertake to perform and complete the Agreement itself, through its agents or through independent contractors; or
 - 4.3. Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Agreement, arrange for a contract to be prepared for execution by the Owner and the contractor selected with the Owner's concurrence, to be secured with a

performance bond executed by a qualified surety equivalent to the bond issued on the Agreement, and pay to the Owner the amount of damages described in Paragraph 6; or

4.4. Waive its right to perform and complete, arrange for completion or obtain a new contractor and with reasonable promptness under the circumstances:

4.4.1. After investigation, determine the amount for which it may be liable to the Owner and, as soon as practicable after the amount is determined, tender payment therefor to the Owner; or

4.4.2. Deny liability in whole or in part and notify the Owner citing reasons therefor.

5. If the Surety does not proceed as provided in Paragraph 4 with reasonable promptness, the Surety shall be deemed to be in default on this Bond fifteen (15) days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Subparagraph 4.4 and the Owner refuses the payment tendered or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.

6. After the Owner has terminated the Contractor's right to complete the Agreement, and if the Surety elects to act under Subparagraph 4.1, 4.2 or 4.3 above, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Agreement, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Agreement. To the limit of the amount of this Bond, the Surety is obligated without duplication for:

6.1. The responsibilities of the Contractor for correction of defective work and completion of the Agreement;

6.2. Additional legal and delay costs resulting from the Contractor's Default and resulting from the actions or failure to act of the Surety under Paragraph 4; and

- 6.3. Liquidated damages, or if no liquidated damages are specified in the Agreement, actual damages caused by delayed performance or non-performance of the Contractor.
7. The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Agreement. No right of action shall accrue on this Bond to any person or entity other than the Owner or its successors and assigns.
8. The Surety hereby waives notice of any change, including changes of time, to the Agreement or to related subcontracts, purchase orders and other obligations.
9. Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two (2) years after Contractor Default or within two (2) years after the Contractor ceased working or within two (2) years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.
10. Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page of this Bond.
11. When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the Agreement was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted here from and provisions confirming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.
12. Definitions.
- 12.1. Contractor Default: Failure of the Contractor, which has neither been remedied nor waived, to perform or otherwise to comply with any of the terms of the Agreement.
- 12.2. Owner Default: Failure of the Owner, which has neither been remedied nor waived, to

perform or otherwise to comply with the terms of the Agreement or to perform and complete or comply with the other terms hereof.

CONTRACTOR AS PRINCIPAL

SURETY

Company:

By: _____

By: _____

Its

Its

SCHEDULE 4

LETTER OF CREDIT

To Be Issued By A Connecticut Bank
Or By A National Banking Association

Irrevocable Standby Letter of Credit No. _____ Issuance Date: _____, 2003

Beneficiary: _____ Expiration Date: _____, 200__

Connecticut Resources Recovery Authority
100 Constitution Plaza, 17th Floor
Hartford, CT 06103

Gentlemen:

We hereby establish our Irrevocable Standby Letter of Credit No. _____ in favor of the "Beneficiary", Connecticut Resources Recovery Authority, at the request and for the account of [Contractor's name and address], for the sum or sums up to the aggregate amount of THREE HUNDRED THOUSAND AND NO/100 (\$300,000.00) DOLLARS available for payment against your draft(s) at sight on us.

Drafts must be drawn and presented to us at this office not later than our close of business on _____, 200__ or any duly extended expiration date, and each draft must bear the following clause: "Drawn Under Letter of Credit No. _____."

Drafts must be accompanied by a certified statement from the Beneficiary that [Contractor's name] has failed to satisfy or perform one or more of its obligations or breached one or more of its covenants or representations under a certain Agreement For Metals Recovery And Marketing Services between [Contractor's name] and Beneficiary, dated as of July 1, 2003, as amended.

Partial drawings hereunder are permitted.

We hereby agree with you that drafts drawn under and in compliance with the above terms of this Letter of Credit shall be duly and promptly honored on due presentation and delivery to us on or before the above-referenced expiration date or any duly extended expiration date.

The term "Beneficiary" includes any successor by operation of law of the named Beneficiary including, without limitation, any liquidator, rehabilitator, receiver or conservator.

Except as expressly stated herein, this undertaking is not subject to any agreement, condition or qualification. The obligation of [name of the issuing Connecticut Bank or National Banking Association] under this Letter of Credit is the individual obligation of [name of the issuing Connecticut Bank or National Banking Association] and is in no way contingent upon reimbursement with respect thereto.

It is a condition of this Letter of Credit that it is deemed to be automatically extended without amendment for one (1) year from the expiration date stated above, or any future expiration date, unless not later than ninety (90) days prior to the expiration date stated above or the then current expiration date we notify you by registered mail that we elect not to renew this Letter of Credit for any such additional period.

We hereby agree that all drafts drawn under and in compliance with the terms of this Letter of Credit shall be duly honored by us at your first demand, notwithstanding any contestation or dispute between you and [Contractor's name], if presented to us in accordance with the provisions hereof.

This Letter of Credit is subject to and governed by the laws of the State of Connecticut, the decisions of the courts of that state, and the Uniform Customs and Practice for Documentary Credits (1993 Revision) International Chamber of Commerce Publication No. 500 and in the event of any conflict, the laws of the State of Connecticut and the decisions of the courts of that state will control. If this Letter of Credit expires during an interruption of business of this bank as described in Article 17 of said Publication 500, [name of issuing Connecticut Bank or National Banking Association] hereby specifically agrees to effect payment if this Letter of Credit is drawn against within thirty (30) days after the resumption of business from such interruption.

Very truly yours,

Authorized Signature for
[name of issuing Connecticut Bank
or National Banking Association]

SCHEDULE 5

GUARANTY

This Guaranty made and dated as of _____, 2003 (the Guaranty") from a corporation duly organized and existing under the laws of the State of _____ (the Guarantor") to the Connecticut Resources Recovery Authority (the "Authority"), a public instrumentality and political subdivision of the State of Connecticut (the "State"),

WITNESSETH:

WHEREAS, the Authority intends to enter into an agreement with the ("Company") for the transportation of Ferrous Metals and Scrap Metals from its Mid-Connecticut resources recovery facility and its Hartford Landfill to the Disposal Sites in accordance with the Agreement For Metals Recovery And Marketing Services between the Authority and the Company dated as of July 1, 2003 (the "Agreement");

WHEREAS, the Guarantor will receive a material and direct benefit from the execution of said Agreement;

NOW THEREFORE, in consideration of the execution and delivery of the Agreement, and intending to be legally bound hereby, the Guarantor does hereby agree as follows:

ARTICLE I

REPRESENTATIONS AND WARRANTIES

Section 1.1. Guarantor Representations and Warranties. _____, as Guarantor, hereby represents and warrants that:

(1) The Guarantor has been duly incorporated and validly exists as a corporation in good standing under the laws of the State of _____ and is not in violation of any provision of its certificate of incorporation or its by-laws, has power to enter into this Guaranty and, by proper corporate action, has duly authorized the execution and delivery of this Guaranty.

(2) Neither the execution and delivery of this Guaranty, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the terms and conditions of this Guaranty is prevented or limited by or conflicts with or results in a breach of or violates the terms, conditions or provisions of any contractual or other restriction on the Guarantor, or constitutes a breach under any of the terms of its Certificate of Incorporation or by-laws, or violates any agreement or instrument of whatever nature to which the Guarantor is now a party or by which the Guarantor or its property is bound, or constitutes a default under any of the

foregoing or violates any federal, state or local law, rule or regulation applicable to the Guarantor.

(3) The assumption by the Guarantor of its obligations hereunder will result in a material financial benefit to the Guarantor.

(4) This Guaranty constitutes a valid and legally binding obligation of the Guarantor, enforceable in accordance with its terms.

(5) There is no action or proceeding pending or to the best of its knowledge threatened against the Guarantor before any court or administrative agency that would adversely affect the ability of the Guarantor to perform its obligations under this Guaranty and all authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery of this Guaranty or in connection with the performance of the Guarantor's obligations hereunder have been obtained as required hereunder or by law.

(6) Neither the nature of the Guarantor or any subsidiary of the Guarantor or of any of their respective businesses or property, nor any relationship between the Guarantor or any subsidiary and any other person, nor any circumstance in connection with the execution or delivery of the Agreement, is such as to require the consent, approval, or authorization of or filing, registration, or qualification with any governmental authority on the part of the Guarantor or any subsidiary, as a condition of the execution and delivery of the Agreement or any agreement or document contemplated thereby or the performance thereof.

(7) The Guarantor is familiar with the terms of the Agreement and consents to the terms thereof.

ARTICLE II GUARANTY

Section 2.1 Agreement to Perform and Observe Obligations of Company under the Agreement. The Guarantor hereby unconditionally and irrevocably guarantees to the Authority the full and prompt performance and observance of each and all of the covenants and agreements required to be performed and observed by the Company, including any obligation to pay damages, under the Agreement, including all amendments and supplements thereto.

Section 2.2 Guaranty Absolute and Unconditional. The obligations of the Guarantor hereunder are absolute and unconditional and shall remain in full force and effect until the Company shall have fully and satisfactorily discharged all of its obligations under the Agreement, and irrespective of any assignment of the Agreement or of any termination of the Agreement except in accordance with the express provisions thereof (and payment of all amounts due thereunder), and shall not be affected by (a) any set-off, counterclaim, recoupment, defense (other than payment itself) or other right that the Guarantor may have against the Authority, (b)

the failure of the Authority to retain or preserve any rights against any person (including the Company) or in any property, (c) the invalidity of any such rights which the Authority may attempt to obtain, (d) the lack of prior enforcement by the Authority of any rights against any person (including the Company) or in any property, (e) the dissolution of the Company, (f) any claim by the Company or the Guarantor of impossibility of performance of the Agreement, (g) any claim by the Company or the Guarantor of commercial frustration of purpose with respect to the Agreement, or (h) any other circumstance which might otherwise constitute a legal or equitable discharge of a guarantor or limit the recourse of the Authority to the Guarantor; nor shall the obligations of the Guarantor hereunder be affected in any way by any modification, limitation or discharge arising out of or by virtue of any bankruptcy, arrangement, reorganization or similar proceedings for relief of debtors under federal or state law hereinafter initiated by or against the Company or the Guarantor. The Guarantor hereby waives any right to require, and the benefit of all laws now or hereafter in effect giving the Guarantor the right to require, any such prior enforcement as referred to in (d) above, and the Guarantor agrees that any delay in enforcing or failure to enforce any such rights shall not in any way affect the liability of the Guarantor hereunder, even if any such rights are lost; and the Guarantor hereby waives all rights and benefits which might accrue to it by reason of any of the aforesaid bankruptcy, arrangement, reorganization, or similar proceedings and agree that its liability hereunder for the obligations of the Company under the Agreement shall not be affected by any modification, limitation or discharge of the obligations of the Company or the Guarantor that may result from any such proceeding. This Section 2.2 shall not constitute a waiver of any rights of the Company under the Agreement.

Section 2.3 Waivers by the Guarantor. The Guarantor hereby waives all notices whatsoever with respect to this Guaranty, including, but not limited to, notice of the acceptance of this Guaranty by the Authority and intention to act in reliance hereon, of its reliance hereon, and of any defaults by the Company under the Agreement except as provided therein. The Guarantor hereby consents to the taking of, or the failure to take from time to time, without notice to the Guarantor, any action of any nature whatsoever with respect to the obligations of the Company under the Agreement and with respect to any rights against any person (including the Company) or in any property, including, but not limited to, any renewals, extensions, modifications, postponements, compromises, indulgences, waivers, surrenders, exchanges and releases. To the extent permitted by law, the Guarantor hereby waives the benefit of all laws now or hereafter in effect in any way limiting or restricting the liability of the Guarantor hereunder.

Section 2.4 Agreement to Pay Attorney's Fees and Expenses. The Guarantor agrees to pay to the Authority on demand all reasonable costs and expenses, legal or otherwise (including counsel fees), which may be incurred in the successful enforcement of any liability of the Guarantor under this Guaranty. No delay in making demand on the Guarantor for performance of the obligations of the Guarantor under this Guaranty shall prejudice the right of the Authority to enforce such performance.

Section 2.5 Consent to Assignment. It is understood and agreed that all or any part of the right, title and interest for the Authority in and to this Guaranty may be assigned by the

Authority to a trustee. The Guarantor consents to any such assignment and the Guarantor further agrees that the trustee, acting under the aforesaid assignment and in accordance with this Guaranty, shall be entitled to proceed first and directly against the Guarantor under this Guaranty without first proceeding against any other party.

ARTICLE III SPECIAL COVENANTS

Section 3.1 Maintenance of Corporate Existence; Consolidation, Merger, Sale or Transfer. The Guarantor covenants that it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all its assets and will not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it; provided, however, that the Guarantor may consolidate with or merge into another entity, or permit one or more other entities to consolidate with, or merge into it, or sell or otherwise transfer to another entity all or substantially all of its assets as an entirety and thereafter dissolve if the successor entity (if other than the Guarantor) assumes in writing all the obligations of the Guarantor hereunder and, if such successor entity is other than an affiliate of the Guarantor, has a net worth immediately after such consolidation, merger, sale or transfer at least equal to that of the Guarantor immediately prior to such event, and, if required, is duly qualified to do business in the State of Connecticut.

If a consolidation, merger or sale or other transfer is made as permitted by this Section 3.1, the provisions of this Section 3.1 shall continue in full force and effect and no further consolidation merger or sale or other transfer shall be made except in compliance with the provisions of this Section 3.1.

Section 3.2 Assignment. Without the prior written consent of the Authority, this Guaranty may not be assigned by the Guarantor, except pursuant to Section 3.1 hereof.

Section 3.3 Qualification in Connecticut. The Guarantor agrees that, so long as this Guaranty is in effect, if required, the Company will be duly qualified to do business in Connecticut and, if necessary, in order for the Guarantor to perform its obligations as required hereunder, the Guarantor will qualify to do business in Connecticut.

Section 3.4 Agent for Service. The Guarantor irrevocably: (a) agrees that any suit, action or other legal proceeding arising out of this Guaranty may be brought in the courts of the State of Connecticut or the courts of the United States located within the State of Connecticut; (b) consents to the jurisdiction of each such court in any suit, action or proceeding; and (c) waives any objection which it may have to the laying of the venue of any such suit, action or proceeding in any such courts. During the term of this Guaranty the Guarantor irrevocably designates the Secretary of the State of the State of Connecticut, whose address is Hartford, Connecticut, as its agent to accept and acknowledge in its behalf service of any and all process in any suit, action or proceeding brought in any such court and agrees and consents that any such service of process upon either agent shall be taken and held to be valid personal service upon the

Guarantor whether or not the Guarantor shall then be doing, or at any time shall have done, business within the State of Connecticut, and that any such service of process shall be of the same force and validity as if service were made upon the Guarantor according to the laws governing the validity and requirements of such service in such state, and waives all claims of error by reason of any such service. Such agents shall not have any power or authority to enter any appearance or to file any pleadings in connection with any suit, action or other legal proceeding against the Guarantor or to conduct the defense of any such suit, action or any other legal proceeding.

ARTICLE IV

MISCELLANEOUS

Section 4.1 Binding Effect. This Guaranty shall inure to the benefit of the Authority and its successors and assigns and shall be binding upon the Guarantor and its successors and assigns.

Section 4.2 Amendments, Changes and Modifications. This Guaranty may not be amended, changed or modified or terminated and none of its provisions may be waived, except with the prior written consent of the Authority and of the Guarantor.

Section 4.3 Execution in Counterparts. This Guaranty may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Guaranty.

Section 4.4 Severability. If any clause, provision or Section of this Guaranty shall be held illegal or invalid by a court, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof, and this Guaranty shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained herein. In case any agreement or obligation contained in this Guaranty is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligations of the Guarantor to the fullest extent permitted by law.

Section 4.5 Captions. The captions or headings in this Guaranty are for convenience only and in no way define, limit or describe the scope or intent of any sections of this Guaranty.

Section 4.6 Governing Law. This Guaranty shall be governed by, and construed in accordance with, the laws of the State of Connecticut.

ARTICLE V TERM OF GUARANTY

Term. This Guaranty shall remain in full force and effect from the date hereof until all obligations of the Company under the Agreement have been fully performed.

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be executed in its name and in its behalf by its duly authorized officers as of the ____ day of _____, 2003.

Accepted and agreed this ____ of _____, 2003.

[GUARANTOR]

By: _____

Title:

CONNECTICUT RESOURCES RECOVERY AUTHORITY

By: _____

Name:

Title:

TAB 6

**RESOLUTION REGARDING THE INSTALLATION OF A
TEMPORARY MEMBRANE COVER AT THE HARTFORD
LANDFILL**

RESOLVED: That the President is hereby authorized to execute the agreement entitled "Installation of Temporary Membrane Cover Agreement" with TDI Contracting, LLC, substantially as presented and discussed at this meeting.

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

Installation of Temporary Membrane Cover Agreement

Presented to the CRRA Board on: June 19, 2003

Vendor/ Contractor(s): TDI Contracting, LLC

Effective date: Upon Execution

Contract Type/Subject matter: Construction

Facility (ies) Affected: Hartford Landfill

Original Contract: N/A

Term: 30 days from date of Notice to Proceed

Contract Dollar Value: \$83,980.00

Amendment(s): N/A

Term Extensions: N/A

Scope of Services: Installation of Temporary Membrane Liner in the Phase 1 Ash Area of the Hartford Landfill.

Other Pertinent Provisions: This construction activity is required by the Hartford Landfill solid waste permit-to-operate.

**Connecticut Resources Recovery Authority
Hartford Landfill
Installation of Temporary Membrane Cover**

June 19, 2003

Executive Summary

On May 28, 2002, the Connecticut DEP issued its approval for a vertical expansion over the Phase 1 Lined Ash Area at the Hartford Landfill. One of the requirements of the permit is that CRRA install a Temporary Membrane Cover over inactive portions of the ash area. On June 3, 2003, CRRA opened competitive bids for furnishing and installing a Temporary Membrane Cover over a recently inactive portion of the ash area. This is to seek Board approval to enter into a contract with the low bidder for this work.

Discussion

The vertical expansion allows for 575,000 cubic yards of additional capacity within the 16 acre Phase 1 Lined Ash Area by increasing the maximum elevation of the ash fill by approximately 40 feet. Due to slope, access, and ash delivery truck maneuvering limitations, the filling of the ash area must follow a strict sequence as described in the Operations and Management Plan. As filling of the ash area progresses, CRRA is required to install a Temporary Membrane Cover over inactive areas in order to minimize ash leachate generation. CRRA recently completed filling activities in ash cell 3, and based on the fill sequence drawings will not fill in cell 3 again for several years. Therefore, as required by its permit, CRRA must now cover approximately 3.4 acres of cell 3 with Temporary Membrane Cover.

Ash leachate is generated when rain contacts ash residue. The Temporary Membrane Cover is an impermeable barrier, in this case a relatively thin piece of plastic (6 mil – linear low density polyethylene), that is installed in a way that segregates clean rainwater from ash contact rainwater, and discharges the clean rainwater to the stormwater drainage system outside of the lined ash area. Based on average precipitation rates, the Temporary Membrane Cover installed during this project will reduce leachate production by approximately 3.4 million gallons per year.

Financial Summary

Five bidders submitted bids for the installation of the Temporary Membrane Cover at the Hartford Landfill. The bidders and corresponding bid prices are:

<u>Bidder</u>	<u>Bid Price</u>
1) TDI Contracting, LLC	\$83,980
2) Weise Construction & Env. Services	\$95,835
3) Botticello, Inc.	\$98,000
4) Earth Technology, Inc.	\$118,000
5) Chenango Contracting, Inc.	\$128,338

CRRA staff conducted a review of the bids and found all were submitted in substantial conformance with the bid requirements. References for TDI Contracting, LLC and its subcontractor were checked and found to be satisfactory.

CRRA budgeted \$80,000 for this work. Although the bid is \$3,980 more than the amount budgeted, there are sufficient funds in the Hartford Landfill budget to cover the difference.

At this time, Board approval is sought to authorize the President to enter into a contract with TDI Contracting, LLC for the installation of the Temporary Membrane Cover.

TAB 7

**RESOLUTION REGARDING THE EXTENSION OF THE
ON-CALL EQUIPMENT SERVICES CONTRACTS FOR THE
ELLINGTON, HARTFORD, SHELTON, AND
WALLINGFORD LANDFILLS**

RESOLVED: That the President is hereby authorized to execute a one-year extension to the On-Call Equipment Services Contracts for Earth Technology, Inc., Infantino's Property Services, Park Trucking & Contracting, LLC, and R. L. Rogers & Sons, Inc., substantially as presented and discussed at this meeting.

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

**Agreements for On Call Equipment Services at Ellington, Hartford, Shelton, and
Wallingford Landfills**

Presented to the CRRRA Board on: June 19, 2003

Vendor/ Contractor(s): Earth Technology, Inc.
Infantino's Property Services
Park Trucking & Contracting, LLC
R. L. Rogers & Sons, Inc.

Effective date: July 1, 2003

Contract Type/Subject matter: Heavy Equipment and Labor Services at Landfills

Facility (ies) Affected: Ellington Landfill
Hartford Landfill
Shelton Landfill
Wallingford Landfill

Original Contract: April 24, 2002

Term: June 30, 2003

Contract Dollar Value: N/A

Amendment(s): One (1) to date (extended term through June 30, 2003). This will be the second.

Term Extensions: This amendment will extend the term from July 1, 2003 through June 30, 2004.

Scope of Services: Perform work on an as-needed basis at the landfills listed above.

Other Pertinent Provisions: A publicly solicited RFQ for a new three year service agreement for these services will be conducted during FY'04, for a term to begin July 1, 2004. (These existing agreements were awarded based on a public notice RFQ process conducted during fiscal year 2002.)

Connecticut Resources Recovery Authority Hartford, Ellington, Shelton, and Wallingford Landfills On-Call Equipment Services Contracts

June 19, 2003

Executive Summary

In November 2001, CRRA requested competitive bids for heavy equipment and labor rates for work at each of the above referenced CRRA landfills. Pursuant to the request for bids, the CRRA Board of Directors approved contracts for each landfill with each of four successful bidders. The term of the contracts ends on June 30, 2003. This is to seek Board approval to extend the term of each of the contracts for an additional 12 months, through the end of fiscal year 2004.

Discussion

The Scope of Work for these contracts is currently undefined. Scopes of Work are developed by CRRA using the format included in the contract documents as the need for work arises. The contract for each landfill is designed to allow CRRA to define a scope of work, and receive competitive prices from one or more of the vendors under contract, in much the same way as the RFS process works for the Engineering Services Agreements.

These contracts allow CRRA to competitively bid work from a pool of pre-qualified vendors with the insurance, equipment, manpower, and skill necessary to complete work as directed by CRRA. These contracts have allowed CRRA to competitively and responsively perform work at its landfills such as emergency leachate seep repairs and storm water management using competitive bid pricing.

The four vendors currently under contract with CRRA for On Call Equipment Services at each of the four landfills are:

- 1) Earth Technology, Inc.
- 2) Infantino's Property Services
- 3) Park Trucking & Contracting, LLC
- 4) R. L. Rogers & Sons, Inc.

Each of these vendors was contacted and each has agreed to extend its contracts through the end of fiscal year 2004, at the current time and material rates.

Financial Summary

These Service Agreements do not include a specific dollar amount. Expenditure of funds is conducted pursuant a Request for Services for a particular scope of work, provided that money is available in the facility budget for the particular activity. In the event the amount of the service for a particular scope of work is greater than \$50,000, Board of Director approval will be sought prior to executing the RFS.

**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

June 19, 2003

Executive Summary

At the April 17, 2003 Board of Directors meeting, CRRA staff sought approval to reduce the delivery hours at the Hartford Landfill. Specifically, the Landfill would open at 8:30 am rather than at 6:30 am for deliveries of bulky waste from commercial and municipal waste haulers. At the April 2003 meeting, the Board of Directors tabled the motion and requested that CRRA staff provide additional information regarding the potential impact that this might have on either member municipalities or waste hauling companies. CRRA reviewed its waste tracking database to determine the number and frequency of shipments that are delivered to the landfill prior to 8:30 am, and the source of these shipments; staff then polled several member communities and waste haulers to learn what type of impacts, if any, they felt might occur.

Very few shipments of bulky waste arrive at the Hartford Landfill between the hours of 6:30 am and 8:30 am (3.6 per day). Of the six towns that had the most shipments to the Landfill between those hours, most thought the change would not be a problem or would be only a minor problem or inconvenience. Of the four waste hauling companies that had the most shipments to the Landfill between 6:30 am and 8:30 am, most thought the change would be a slight to moderate problem, but manageable.

The April 17, 2003 Board Memo is attached herewith.

Discussion

To gauge the potential impacts of the proposal to change the opening time at the Hartford Landfill from 6:30 am to 8:30 am, staff of the Environmental Services Division identified the towns and haulers that had shipments arrive at the Hartford Landfill between those hours for the first three quarters of Fiscal Year 03. During that period, there were 232 days on which the Hartford Landfill was open to accept shipments. For those 232 days, there were a total of 829 shipments arriving between 6:30 am and 8:30 am, an average of 3.6 per day during the two hours.

Division staff contacted officials of the six towns and four haulers that had the highest number of shipments arriving at the Landfill between 6:30 am and 8:30 am. The six towns contacted accounted for 572 of the 829 shipments (69%) and the four haulers accounted for 465 of the 829 shipments (56%).

Officials from three of the towns said the change in hours would have no impact on them because private haulers are responsible for waste pickup and it would be up to the haulers to make the necessary adjustments. Officials from two of the towns said there might be an impact if the haulers that service their transfer stations are not able to have empty

dumpsters available when their transfer stations open. The official from one town said that there would be some impact, but that the town and haulers could adjust accordingly.

Representatives of two of the four haulers that were contacted said that the later opening would be a minor problem (“an inconvenience” and “a bump in the road”), but would not necessarily have a big impact on their operations. Representatives of the two other haulers said the change would be a problem or somewhat of a problem. Two of the haulers service town-owned transfer stations and were concerned that the later opening time would make it somewhat difficult to have empty dumpsters at the transfer stations when they opened in the morning.

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.

TAB 8

**RESOLUTION REGARDING A SPOT WASTE SERVICES
AGREEMENT WITH THE TOWN OF WINDSOR**

RESOLVED: The President is authorized to enter into an agreement with the Town of Windsor substantially in accordance with the terms and conditions discussed at this meeting.

Connecticut Resources Recovery Authority
Contract Summary For
Spot Waste Services
with the Town of Windsor

June 13, 2003

The attached agreement is being presented to the CRRA Board of Directors for adoption at the June meeting. This agreement will give CRRA an in-state disposal site for the excess waste currently being delivered to the CRRA Projects. The disposal costs are competitive to the current rates being paid by CRRA. The FY04 budget assumes the Mid-Connecticut Project would pay a diversion rate (disposal cost only) of \$60 and \$61 to the Southeast and Bridgeport Projects respectively. This agreement would allow CRRA to dispose of the excess waste for \$59 per ton.

The following is a summary of the contract terms:

Presented to CRRA Board of Directors on: June 19, 2003

Vendor/Contractor: Town of Windsor

Effective Date: July 1, 2003

Contract Type/Subject Matter: Spot Waste Services from CRRA to the Windsor/Bloomfield Landfill

Facilities Affected: All of CRRA Projects

Original Agreement Signed: New Agreement

Term: June 30, 2006 (includes two one year extensions)

Contract Rates: \$59 (disposal cost only) for each ton of Acceptable Waste (MSW) and \$46 (disposal cost only) for each ton of Process Residue delivered to the Windsor/Bloomfield Landfill.

Annual Commitments: Minimum 20,000 tons
 Maximum 25,000 tons

FY03 year-to-date CRRA has diverted or exported in excess of 76,000 tons.

CONTRACT
Between
CONNECTICUT RESOURCES RECOVERY AUTHORITY
And
THE TOWN OF WINDSOR
A MUNICIPALITY OF
THE STATE OF CONNECTICUT
TO PROVIDE SPOT WASTE SERVICES

PREAMBLE

THIS CONTRACT, is made and dated as of 1st day of July, 2003 (the "Effective Date") by and between the **CONNECTICUT RESOURCES RECOVERY AUTHORITY** (the "Authority"), a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut (the "State") with its main offices at 100 Constitution Plaza, 17th Floor, Hartford, Connecticut 06103, and the **TOWN OF WINDSOR** (the "Municipality"), a municipality and political subdivision of the State with municipal offices at Town Hall, 275 Broad Street, Windsor, Connecticut 06095 acting by and through its local legislative body, the municipal authority having legal jurisdiction over solid waste management within the corporate limits of the Municipality.

WITNESSETH:

WHEREAS, the Municipality has received and reviewed such information and materials as it considers necessary or appropriate for the execution of this Contract and has taken such action as is necessary, acting pursuant to its charter and/or the Connecticut General Statutes or Special Acts, as a condition to the execution of the Contract so as to cause this Contract to be enforceable on its terms and binding on the Municipality; and

WHEREAS, the Authority desires to deliver Authority Waste from the Authority System to the Municipality's Windsor/Bloomfield Landfill.

NOW, THEREFORE, in the consideration of the undertakings and agreements hereinafter set forth, the Authority and the Municipality agree as follows:

ARTICLE I

DEFINITIONS

SECTION 101. Definitions. As used in this Contract, the words and terms listed in this Section shall have the following meanings:

“Acceptable Waste” shall mean Solid Waste generated by and collected from residential, commercial, institutional, industrial and other establishments located within the corporate limits of the Member Municipalities and Contract Municipalities, and deemed acceptable by the Authority in accordance with all applicable federal, state and local laws as well as the Mid-Connecticut Project Permitting, Disposal and Billing Procedures attached hereto as **Exhibit A** and made a part hereof. Acceptable Waste shall include but is not limited to the following: (i) scrap wood not exceeding six (6) feet in length or width or four (4) inches in thickness; (ii) single trees and large tree limbs not exceeding six (6) feet in length or four (4) inches in diameter and with branches cut to within six (6) inches of the trunk or limb, as the case may be; (iii) metal pipes, tracks and banding or cable and wire not exceeding three (3) feet in length and one and a half (1.5) inches in diameter; (iv) cleaned and emptied cans or drums not exceeding five (5) gallons in capacity and with covers removed; and (v) paper butts or rolls, plastic or leather strappings or similar materials not exceeding three (3) feet in length or three (3) inches in thickness and cut in half lengthwise. Provided, however, that Acceptable Waste shall not include the following: (i) any other materials required to be recycled in accordance with C.G.S. 22a-241(b); and (ii) Non-Processible Waste unless the Municipality provides prior written authorization to the Authority to deliver Non-Processible Waste.

“Authority Contractor” shall mean the entity(s) with whom Authority contracts with to collect and transport Authority Waste to the Windsor/Bloomfield Landfill for disposal.

“Authority Service Payments” shall have the meaning set forth in Section 201 of this Contract.

“Authority System” shall mean the Authority’s resources recovery facilities (in Hartford, Bridgeport, Preston and Wallingford), transfer stations, recycling facilities, disposal sites and any alternative site or sites chosen by the Authority for processing or disposing of waste.

“Authority Waste” shall mean Acceptable Waste and Process Residue collected by Authority or an Authority Contractor.

“Authorized Representative of the Municipality” shall mean the town manager of the Municipality or his or her appointee.

“Billing Period” shall mean a calendar month and shall end on the last working day of

each calendar month on which the offices of the Authority are open for business.

“Bulky Waste” shall mean construction, demolition and/or land clearing debris.

“Contaminated Soil” shall mean cover soils and sediments (hereinafter also “Soil” or soil) that is classified as “hazardous waste” or as containing “hazardous waste” under the Resources Conservation and Recovery Act, 42 U.S.C. §6901 et seq., as amended, or under section 22a-115 and 22a-449(c) of the Connecticut General Statutes and all such implementing regulations.

“Contract Municipalities” shall mean those municipalities with whom the Authority has executed a municipal solid waste agreement to have the municipality deliver solid waste to the Authority System.

“Contract Year” shall mean the twelve-month period commencing at 12:01 a.m., prevailing time, on July 1 of each year.

“Effective Date” shall mean July 1, 2003.

“Expiration Date” shall mean June 30, 2004.

“Member Municipalities” shall mean the 44 original member towns of the Mid-Connecticut Facility.

“Month” shall mean a calendar month.

“Municipalities” shall mean the Municipality and any other users of the Authority System.

“Municipality” shall mean the town indicated on page one of this Contract.

“Non-Processible Waste” shall mean Solid Waste that cannot be processed at the Mid-Connecticut Facility and is normally disposed of at a landfill, provided that the individual items of such Solid Waste are 2,000 pounds or less in weight and physically of such size as to fit without compaction into an area having dimensions of three (3) feet in height, six (6) feet in width and seven (7) feet in length, including but not limited to the following: (i) household furniture, chairs, tables, sofas, mattresses, appliances and rugs; (ii) liquid and semi-solid waste derived from food and food by-products; (iii) bathroom fixtures, such as toilets, bathtubs and sinks; (iv) purged and emptied propane, butane and acetylene tanks with valves removed exclusively from the residential solid waste stream and in limited quantities, if any, to be determined by the Authority on a day-to-day basis; and (v) any other Solid Waste deemed by the Authority in its sole discretion to be Non-Processible Waste, but shall in no event include Bulky Waste, White Metals, Contaminated Soil or Scrap/Light Weight Metals.

“Process Residue” shall mean the residue generated during the Mid-Connecticut Facility’s process of shredding and screening the Acceptable Waste it accepts through ¾ inch to 1 inch diameter holes located within the waste trommels of the Mid-Connecticut Facility. Process Residue typically consists of dirt, sand, stone, glass, organic material, metal, or any material able to pass through the ¾ inch to 1 inch diameter trommel holes.

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

“Solid Waste” shall mean unwanted and discarded solid materials consistent with the meaning of that term pursuant to Section 22a-260(7) of the Connecticut General Statutes excluding semi-solid, liquid materials collected and treated in a municipal sewerage system.

“State” shall mean the State of Connecticut.

“Unacceptable Waste” shall mean (i) explosives, pathological or biological waste, hazardous chemicals or materials, paint and solvents, regulated medical wastes as defined in the EPA Standards for Tracking and Maintaining Medical Wastes, 40 C.F.R. Section 259.30 (1990), radioactive materials, oil and oil sludges, dust or powders, cesspool or other human waste, human or animal remains, motor vehicles, liquid waste (other than liquid waste derived from food or food by-products), and hazardous substances of any type or kind (including without limitation those substances regulated under 42 U.S.C. 6921-6925 and the regulations thereto adopted by the United States Environmental Protection Agency pursuant to the Resource Recovery Conservation and Recovery Act of 1976, 90 Stat. 2806 et. seq., U.S.C. 6901 et. seq.), other than such insignificant quantities of the foregoing as are customarily found in normal household and commercial waste and as are permitted by state and federal law; (ii) any item of waste that is either smoldering or on fire; (iii) waste in quantities and concentrations which require special handling in their collection and/or processing such as bulk items, junked automobiles, large items of machinery and equipment and their component parts, batteries or waste oil; (iv) any other items of waste that would be likely to pose a threat to health or safety, or damage the processing equipment of the Mid-Connecticut Facility (except for ordinary wear and tear), or be in violation of any judicial decision, order, or action of any federal, state or local government or any agency thereof, or any other regulatory authority, or applicable law or regulation; (v) Bulky Waste; (vi) Contaminated Soil; (vii) Non-Processible Waste; (viii) Scrap/Light Weight Metals; (ix) White Metals; (x) any Solid Waste that is deemed by the Authority in its sole discretion not to be in conformance with the requirements for Acceptable Waste as set forth in the Mid-Connecticut Project Permitting, Disposal and Billing Procedures; and (xi) any other waste deemed by the Authority in its sole discretion to be Unacceptable Waste.

“Week” shall mean a calendar week.

“White Metals” shall mean large appliances or machinery, refrigerators, freezers, gas/electric stoves, dish washers, clothes washers and dryers, microwaves, copiers, computers, vending machines, air conditions, industrial equipment and venting hood fans, and any other material deemed the Authority in its sole discretion to be White Metals.

“Windsor/Bloomfield Landfill” shall mean the Municipality's solid waste landfill located at 500 Huckleberry Road, Windsor, Connecticut.

Section 102. General Definitions and Construction. As used in this Contract, except as otherwise expressly provided, all accounting terms not otherwise defined herein shall have the meanings assigned to them in accordance with generally accepted accounting principles. Wherever nouns or pronouns are used in the Contract, the singular shall mean the plural, the plural shall mean the singular and any gender shall mean all genders or any other gender, as the context may require.

ARTICLE II

AUTHORITY SERVICE PAYMENTS

Section 201. Authority Service Payments.

- (a) The Municipality shall impose and the Authority shall pay Service Payments with respect to Authority Waste delivered by the Authority and/or Authority Contractors to the Windsor/Bloomfield Landfill and accepted by the Municipality at the Windsor/Bloomfield Landfill in accordance with this Contract.
- (b) The Authority Service Payment for each Contract Year will, subject to Section 204, shall equal the following:
 - 1. From July 1, 2003 through June 30, 2004, the Authority shall pay the following Service Payments to the Municipality: (i) FIFTY-NINE (\$59.00) DOLLARS per ton of Acceptable Waste; and (ii) FORTY-SIX (\$46.00) DOLLARS per ton of Process Residue.
 - 2. For each fiscal year beginning in the 2005 fiscal year, the Authority shall pay the Service Payment amounts delineated in the foregoing Paragraph 1 above with the following consumer price index added thereto:

$$SF = SF_{n-1} \times \left[1 + .75 \times \frac{(CPI_n - CPI_{n-1})}{CPI_{n-1}} \right]$$

where SF_{n-1} is the service fee for the immediately preceding Contract Year; CPI_n is, for any Contract Year, CPI for the month of June immediately preceding such Contract Year; and " CPI_{n-1} " is, for any Contract Year, CPI for the month of June immediately preceding the Contract Year that immediately precedes such Contract Year. For purposes of this Contract, the term "Contract Year" shall mean the twelve (12) month period commencing on July 1st and ending on the following June 30th, and the term "CPI" shall mean the Consumer Price Index for All Urban Consumers (Cross Classification of Region and Population Size Class, Northeast/Size Class B/C Index, All Items) (December, 1996 = 100) as published by the U.S. Department of Labor, Bureau of Labor Statistics (the "Index"). In the event that the United States Department of Labor changes the base reference period for determining the Index, the adjustments as set forth above shall continue to be calculated with December, 1996 as the base reference period using figures or conversion formulas that the United States Department of Labor may publish at the time such base reference period is changed. In the event the Index is modified by the U.S. Congress or the U.S. Department of Labor or is no longer published or applicable, any appropriate conversion formulas published by the United States Department of Labor shall be used by the parties hereto in order to translate calculations hereunder from the Index to a mutually agreeable substitute index.

- (c) Any excess or deficient payments made by the Authority in the previous Contract Year will be credited or debited to the Authority's account, as appropriate.
- (d) The Authority Service Payments accrued by the Authority shall be deemed to be current operating expenses of the Authority.

Section 202. Bills to Authority. On or before the fifteenth day following the end of any Billing Period for which payments are requested to be made, the Municipality shall submit to the Authority a bill setting forth the date of all deliveries, the identity of all Authority Contractors including their Authority permit numbers, the origin of delivery, the type of waste delivered, the quantity in tonnage of each delivery (reported in gross, tare, and net) as recorded on the Windsor/Bloomfield Landfill scale, and the cost of Authority Waste delivered to the Windsor/Bloomfield Landfill for the Authority's account during said Billing Period. Within thirty (30) days following the date of such bill, the Authority, after approving said bill, shall pay to the Municipality the full amount of such bill. All bills shall set forth the actual tons of Authority Waste delivered for the Authority during such Billing Period.

Section 203. Failure to Pay Bill. If payment in full of any bill rendered by the Municipality is not made on or before the close of business on the thirtieth (30) day following the date of such bill, a delayed-payment charge of one and half percent (1.5%) on the unpaid amount due will be imposed for each subsequent thirty (30) day period during which the delinquent amount remains unpaid. The Municipality may, whenever any amount due remains unpaid subsequent to the twentieth day after the due date, discontinue accepting Authority Waste from the Authority or its authorized agents. No such discontinuance shall relieve the Authority from any of its obligations under this Contract.

Section 204. Acceptance of Authority Waste At Windsor/Bloomfield Landfill. Effective July 1, 2003, the Authority and/or an Authority Contractor may deliver to the Windsor/Bloomfield Landfill Authority Waste during the Windsor/Bloomfield Landfill's normal operating hours of 8:00 am – 4:00 pm, Monday through Friday. The Authority shall have no obligation hereunder to pay for any Authority Waste delivered to and disposed of in the Windsor/Bloomfield Landfill pursuant to this Section 204 unless such Authority Waste is delivered for the Authority's account. For the purposes of this Section, a delivery of Authority Waste for the Authority's account is valid only if an Authority employee or authorized agent completes delivery and the Authority verifies such delivery. In the event Authority Waste is delivered for the Authority's account under this Section 204, the Municipality shall charge the Authority the rates detailed in Section 201 herein.

Within sixty (60) days of the conclusion of any Contract Year, the Municipality shall provide the Authority with a statement detailing all Authority Waste that was delivered to the Windsor/Bloomfield Landfill by the abovementioned Authority Contractors or by the Authority or its agents and credited to the Authority. Said statement shall include the date of all deliveries, the identity of all Authority Contractors including their Authority permit numbers, the origin of delivery, the type of waste delivered, and the quantity in tonnage of each delivery (reported in gross, tare, and net) as recorded on the Windsor/Bloomfield Landfill scale. The Municipality shall maintain records of all deliveries for three (3) years after the expiration of this Contract.

Section 205. Acceptable Waste and Process Residue Tonnage Requirements. The Authority shall adhere to the following daily maximum tonnage delivery caps: (i) daily cap of 150 tons of Acceptable Waste; and (ii) daily cap of 90 tons of Process Residue. The Authority shall adhere to the following annual minimum delivery guarantee and annual maximum delivery cap of Authority Waste: (i) annual minimum tonnage guarantee of 20,000 tons; and (ii) annual maximum delivery cap of 25,000 tons.

Section 206. Scale Inspection Rights. At its discretion and at its own expense, the Authority may, with reasonable notice and during normal operating hours, hire qualified contractor(s) to inspect and verify the accuracy of the Windsor/Bloomfield Landfill scale.

ARTICLE III

MISCELLANEOUS

Section 301. Effective Date and Duration of Contract. This Contract shall be in full force and effect and be legally binding upon the Authority and Municipality on the Effective Date and shall remain in full force and effect through the Expiration Date. The Authority and Municipality shall have the option, which must be mutually agreeable, to extend the term of this Contract for two (2) divisible one (1) year extensions. If either or both of the foregoing extension options are exercised by both parties, the Authority shall have the right to review and reconsider the annual minimum and maximum tonnage requirements of Section 2.05.

Section 302. Disputes on Billing. In the event of any dispute as to any portion of any bill, the Authority shall pay the full amount of the disputed charges when due and shall, within twenty (20) days from the date of the disputed bill, give written notice of the dispute to the Municipality. Such notice shall identify the disputed bill, state the amount in dispute and set forth a full statement of the grounds on which such dispute is based. No adjustment shall be considered or made for disputed charges until notice is given as aforesaid.

Section 303. Notices, Documents and Consents. All notice or communications which are required or desired to be given or made pursuant to this Contract shall be sufficiently given or made if actually received or if sent by certified or registered mail or overnight mail, return receipt requested, to the party for whom intended at the address of such party stated above or at such other address of which such party shall have given written notice and shall be deemed given on the date so mailed.

Section 304. Conformity with Laws. Each party hereto agrees to abide and conform to all applicable laws of the United States of America, the State or any political subdivision thereof having any jurisdiction over the Authority System and/or this Contract. Nothing in this Section, however, shall prevent any party hereto from contesting in good faith the validity or applicability of any law through any appropriate legal proceedings.

Section 305. Nonassignability. Except as specifically set forth in this Contract, no party to this Contract may assign any interest in this Contract to any person without the consent of the other party, and the terms of this Contract shall inure to the benefit of and be binding upon the respective successors of each party hereto. Nothing herein contained, however, shall be construed as preventing the reorganization of any party hereto nor as preventing any other body corporate and politic succeeding to the rights, privileges, powers, immunities, liabilities, disabilities, functions and duties of a party hereto, as may be authorized by law, in the absence of any prejudicial impairment of any obligation imposed pursuant to this Contract.

Section 306. Amendments. This Contract may be amended from time to time only by written agreement, duly authorized and executed by the parties to this Contract.

Section 307. Severability. If any provision of this Contract shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not

affect any of the remaining provisions of this Contract and this Contract shall be construed and enforced as if such invalid or unenforceable provision had not been contained within this Contract.

Section 308. Execution of Documents. This Contract shall be executed in two (2) or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all deeds, documents or other instruments, and take such other actions as are necessary to give effect to the terms of this Contract.

Section 309. No Third Party Beneficiaries. This Contract is intended to be solely for the benefit of the parties hereto and their permitted successors and permitted assignees and is not intended to and shall not confer any rights or benefits on any other third party not a signatory hereto.

Section 310. Waiver. No waiver by either party of any term or condition of this Contract shall be deemed or construed as a waiver of any other term or condition, nor shall a waiver of any breach be deemed to constitute a waiver of any other breach, whether of the same or of a different article, section, subsection, paragraph, clause, phrase, or other provision of this Contract. Making payments pursuant to this Contract during the existence of a dispute shall not be deemed to and shall not constitute a waiver of any claims or defenses of the party making such payment.

Section 311. Entirety. This Contract merges and supersedes all prior negotiations, representations, and agreements between the parties hereto relating to the subject matter hereof and constitutes the entire agreement between the parties hereto in respect thereof.

Section 312. Force Majeure. Neither party to this Contract shall be deemed in default under this Contract to the extent that any delay or failure in the performance of its obligations results, without its fault or negligence, from any cause beyond its reasonable control such as acts of God, acts of civil or military authority, embargoes, epidemics, war, riots, insurrections, fires, explosions, earthquakes, floods, adverse weather conditions beyond the normal seasonal average of the State of Connecticut, strikes beyond the control of the parties, acts of governmental agencies or officials, and changes in laws, statutes, regulations or ordinances. If such force majeure condition occurs and will materially delay or impair performance hereunder, then the party whose performance is delayed or impaired by such condition shall use all reasonable efforts to mitigate damage/arising from said condition and give prompt written notice to the other party as to the nature and anticipated extent of the delay or impairment.

Section 313. Indemnification. To the extent permitted by law, the Authority shall at all times, indemnify, defend and hold harmless the Municipality and its directors, officers, agents and employees on account of and from any and all claims, damages, losses, judgments, workers' compensation payments, expenses and counsel fees arising out of injuries to the person (including death), damage to property or other damages alleged to have been sustained by: (a) the Municipality or any of its directors, officers, agents or employees, or (b) the Authority or any of its directors, officers, employees, agents, subcontractors or materialmen, or (c) any other person,

to the extent any such injuries, damage or damages are caused or alleged to have been caused in whole or in part by the acts, omissions or negligence of the Authority or any of its directors, officers, employees, agents, subcontractors or materialmen. The Authority further undertakes to reimburse the Municipality for damage to property of the Municipality caused by the Authority or any of its directors, officers, employees, agents, subcontractors or materialmen or by faulty, defective, or unsuitable materials or equipment used by it or any of them. The Authority's obligations under this Section 313 shall survive the termination or expiration of this Contract.

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

Witness:

TOWN OF WINDSOR

By: _____

Its _____
Duly Authorized

CONNECTICUT RESOURCES
RECOVERY AUTHORITY

By: _____

Thomas D. Kirk
Its President
Duly Authorized

TAB 9

Resolution Regarding an Equipment Lease Between CRRA and CWPM, LLC

RESOLVED: That the President be authorized to enter into an Equipment Lease with CWPM, LLC for the lease of CRRA rolling stock equipment associated with the operation of the Torrington and Watertown transfer stations substantially in accordance with the terms and conditions discussed at this meeting.

**Connecticut Resources Recovery Authority
Contract Summary**

Presented to CRRA's Board of Directors June 19, 2003.

Vendor/Contractor: CWPM, LLC

Type of Contract: Facility Operator

Effective Date: June 1, 2003

Facility(ies): Torrington and Watertown Transfer Stations,
Mid-Connecticut Project

Original Agreement Term: June 11, 2001 – June 30, 2004 with two (2) one (1) year
extensions at CRRA's option

Amendments: Amendment 1, executed September 20, 2001: Changed the
rolling stock equipment payments Contractor was required
to make to CRRA upon conclusion of the base agreement
in June, 2004 from \$95,000 to \$100,600 and from \$47,500
to \$50,300 and made minor changes to the list of
equipment turned over to the Contractor.

Amendment 2, executed December 9, 2001: Transferred
ownership of the rolling stock equipment to the Contractor.

Proposed Amendment 3: Amendment 3 will:

1. Transfer ownership of the rolling stock equipment back to CRRA
2. Extend the term of the base Agreement an additional two years until June 30, 2006
3. Contractor has the option to purchase the rolling stock equipment at the end of the term of the base Agreement for \$149,000

Proposed Equipment Lease: The Equipment Lease:

1. Allows the Contractor to lease from CRRA the rolling stock equipment provided by CRRA under the Agreement for the operation of the Torrington and Watertown transfer stations
2. Seeks to impose liability of equipment to Contractor
3. Provides monthly rental payments to CRRA of \$4,138.89 (\$149,000 divided by 36 months)
4. Ends with the term of the contract extension (June 30, 2006) at which time the Contractor has the option to purchase the rolling stock equipment for \$149,000

Comments: A primary reason for the transfer of ownership of the rolling stock equipment to the Contractor (Amendment 2 to original agreement) was to relieve CRRA from the liability associated with the ownership of the equipment. However, under the terms of Amendment No. 3, liability will shift back to CRRA. Subsequent to the Board of Directors authorization on April 17, 2003 to enter into Amendment No. 3, but prior to the actual execution of the Amendment No. 3 by the Contractor or CRRA, the state legislature passed "vicarious liability" legislation. It is anticipated the legislation will be signed by the Governor. The effective date for this legislation is October 1, 2003. CRRA will be indemnified by the Contractors insurance and, provided CRRA's equipment qualifies under the statute, CRRA will be afforded additional protection under the statute.

**AMENDMENT NO. 3 TO AGREEMENT FOR WASTE TRANSPORTATION
AND TRANSFER STATION AND ROLLING STOCK OPERATION
AND MAINTENANCE SERVICES**

This Amendment No. 3 To Agreement For Waste Transportation And Transfer Station And Rolling Stock Operation And Maintenance Services (the "Amendment No. 3") is made and entered into as of this 1st day of June, 2003 (the "Effective Date"), 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, and having a principal place of business at 100 Constitution Plaza, 17th Floor, Hartford, Connecticut 06103 (hereinafter "CRRA") and **CWPM LLC**, a Connecticut limited liability company, having a principal place of business at 25 Norton Place, P.O. Box 415, Plainville, Connecticut 06062 (hereinafter the "Contractor").

Preliminary Statement

Pursuant to a certain Agreement For Waste Transportation And Transfer Station And Rolling Stock Operation And Maintenance Services between CRRA and Contractor, dated June 11, 2001, Contractor has been performing certain transportation services and operation and maintenance services (the "Initial Agreement"). The Initial Agreement was amended pursuant to a Amendment No. 1 between CRRA and Contractor, dated September 20, 2001 (the "Amendment No. 1"), and pursuant to a Amendment No. 2 between CRRA and Contractor, dated December 9, 2001 (the "Amendment No. 2"), and the Initial Agreement together with the Amendment No. 1 and the Amendment No. 2 are hereinafter collectively referred to as the "Agreement". CRRA and Contractor now desire to amend the Agreement in accordance with the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual covenants, promises and representations herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and pursuant to Section 9.14 of the Initial Agreement, CRRA and Contractor hereby agree to amend the Agreement as follows.

Terms and Conditions

1. **Section 2.10.1.** Pursuant to Section 2.10.1 of the Agreement, as amended by Amendment No. 1 and Amendment No. 2, CRRA transferred ownership to certain equipment to Contractor. For an itemization of said equipment transferred see **Schedule A** to this Amendment No. 3. As a result of negotiations pertaining to this Amendment No. 3, Contractor agrees to transfer ownership of the foregoing equipment to CRRA effective as soon as is possible but in no event later than July 1, 2003. See **Schedule A** attached hereto and made a part hereof for an itemization of the equipment to be transferred by Contractor to CRRA pursuant to the terms of this Amendment No. 3. Since the Contractor transfers ownership of

the foregoing equipment to CRRA pursuant to Paragraph 1 of this Amendment No. 3, all references to Contractor paying CRRA certain fixed prices for the equipment in Section 2.10.1 in the Initial Agreement and Section 1. of Amendment No. 2 are hereby deleted in their entirety; and the reference to CRRA paying Contractor additional compensation for the equipment in Section D. of **Exhibit 2** in the Initial Agreement is deleted in its entirety.

2. **Section 4.1.** In accordance with Section 4.1 of the Initial Agreement and in consideration for Contractor transferring the foregoing equipment to CRRA pursuant to Paragraph 1 of this Amendment No. 3, CRRA hereby provides the requisite notice to Contractor that it shall exercise its two (2) one (1) year options to extend the term of the Initial Agreement from July 1, 2004 through June 30, 2006. At the end of the Agreement's term on June 30, 2006, the Contractor shall have the option, at its sole and absolute discretion, to purchase the foregoing equipment detailed in **Schedule A** attached hereto for ONE HUNDRED FORTY-NINE THOUSAND AND NO/100 (\$149,000.00) DOLLARS. The Contractor may exercise the foregoing option to purchase the foregoing equipment by providing CRRA with written notice of its decision to exercise said purchase option no later than one hundred twenty (120) days prior to June 30, 2006. The closing for said purchase option shall take place no later than September 30, 2006.
3. **Additional Activities Election Notice.** If CRRA issues an additional Activities Election Notice to Contractor pursuant to Section 2.2 of the Initial Agreement, then Contractor shall have the right to purchase from CRRA any rolling stock/equipment provided by CRRA to Contractor to assist Contractor in its performance of the additional Services based upon the per unit prices negotiated in Paragraph 2 of this Amendment No. 3.
4. **Ratification.** Except as specifically amended by this Amendment No. 3, all of the terms, covenants and provisions of the Agreement are hereby ratified, confirmed and declared to be and remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the day and year first written above.

CONNECTICUT RESOURCES
RECOVERY AUTHORITY

By: _____

Thomas D. Kirk
Its President
Duly authorized

CWPM LLC

By: _____

Its
Duly authorized

SCHEDULE A

B. Torrington Transfer Station Hauling Equipment

Equipment Listing		
<u>Activity</u>	<u>Equipment Description</u>	<u>Equipment Year & Model</u>
Torrington Station		
MSW Hauling	8200 Tractor - 4101	
MSW Hauling	8200 Tractor - 4100	1995 International
MSW Hauling	8200 Tractor - 4102	1995 International
MSW Hauling	8200 Tractor - 4107	1995 International
MSW Hauling	8200 Tractor - 4109	1996 International
MSW Hauling	8200 Tractor - 4105	1996 International
MSW Hauling	9100 Tractor -	1996 International
MSW Hauling	8200 Tractor - 4139	2001 International
		1997 International
MSW Hauling	CPS TSV-45 Trailer - 4313	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4318	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4317	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4316	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4315	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4306	1993 Hale
Recycling-B/C Hauling	CPS TSV-45 Trailer - 4319	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4321	1993 Hale
MSW Hauling	CPS TSV-46 Trailer - 4352	1994 Hale
MSW Hauling	CPS TSV-45 Trailer - 4323	1992 Hale
		1994 Hale

C. Watertown Transfer Station Hauling Equipment

Equipment Listing

<u>Activity</u>	<u>Equipment Description</u>	<u>Equipment Year & Model</u>
Watertown Station Operations	938 Front End Loader 206 Excavator 214 Backhoe 5800P Sweeper 355-D Sweeper 800 Snow Blower Weed Eater Leaf Blower Compressor Pressure Washer	1993 Caterpillar 1991 Caterpillar 1994 JCB 1988 Advance 1997 Tennant 1991 White 1994 1991 MTD 1990 Speed-Aire 1993 Dayton
MSW Hauling	LT-9000 Tractor - 4120	1993 Ford
MSW Hauling	LT-9000 Tractor - 4122	1993 Ford
MSW Hauling	LT-9000 Tractor - 4126	1994 Ford
MSW Hauling	LT-9000 Tractor - 4124	1994 Ford
MSW Hauling	LT-9000 Tractor - 4125	1994 Ford
MSW Hauling	LT-9000 Tractor - 4127	1994 Ford
MSW Hauling	8200 Tractor - 4103	1996 International
MSW Hauling	8200 Tractor - 4138	1997 International
MSW Hauling	8200 Tractor - 4137	1997 International
MSW Hauling	8200 Tractor - 4140	1997 International
MSW Hauling	Tractor - 4134	1998 Freightliner
MSW Hauling	Tractor - 4133	1998 Freightliner
MSW Hauling	CPS TSV-45 Trailer - 4300	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4314	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4309	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4312	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4310	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4305	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4311	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4324	1994 Hale
Recycling-B/C Hauling	CPS TSV-45 Trailer - 4325	1994 Hale
Recycling-Fiber Hauling	CPS TSV-45 Trailer - 4326	1994 Hale
MSW Hauling	CPS TSV-45 Trailer - 4328	1994 Hale
MSW Hauling	CPS TSV-45 Trailer - 4320	1994 Hale

EQUIPMENT LEASE

This EQUIPMENT LEASE (the "Lease") is made and entered into as of this 1st day of July, 2003 (the "Commencement Date"), 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, and having a principal place of business at 100 Constitution Plaza, 17th Floor, Hartford, Connecticut 06103 (hereinafter "Lessor") and **CWPM LLC**, a Connecticut limited liability company, having a principal place of business at 25 Norton Place, P.O. Box 415, Plainville, Connecticut 06062 (hereinafter the "Lessee").

1. EQUIPMENT Lessor hereby leases to Lessee and Lessee hereby leases from the Lessor certain equipment described on Schedule A attached hereto and made a part hereof (hereinafter "Equipment"), on the terms and conditions hereof.

2. RENTAL Lessee shall pay to Lessor during the term of this Lease a monthly lease payment of FOUR THOUSAND ONE HUNDRED THIRTY-EIGHT AND 89/100 (\$4,138.89) DOLLARS per month for the lease of the Equipment. The first payment shall be made upon the Commencement Date of this Lease as defined below and on the same day of each month thereafter, during the Term of this Lease. If a court or arbitrator with jurisdiction over any disputes involving Lessor and the Metropolitan District Commission with respect to the Lessor Facilities (a) orders Lessor to terminate this Lease, (b) issues a temporary or permanent injunction or restraining order against Lessor prohibiting or hindering Lessor's performance of this Lease, or (c) otherwise imposes conditions or restrictions on Lessor's performance of this Lease that renders such performance uneconomical for Lessor or has a material adverse effect on Lessor, then Lessor shall reimburse Lessee the total amount of the foregoing monthly lease payments that Lessee had paid to Lessor under this Lease.

3. TERM This Lease term shall commence as of the Commencement Date and the Lease shall continue until June 30, 2006 (the "Termination Date"). The Lease term may be extended upon mutual agreement by the parties.

4. TITLE The Equipment is, and shall at all times remain Lessor's property, and the Lessee shall have no right, title or interest therein. Lessee shall affix and keep any such signs or labels requested by Lessor in a prominent place on the Equipment. Lessor is hereby authorized by Lessee, at Lessee's expense, to cause this Lease, or any statement or other instrument in respect to this Lease showing the interest of Lessor in the Equipment, including statements or instruments providing for a security interest, chattel mortgage or equivalent thereto to be filed, recorded and refiled and re-recorded in the appropriate jurisdictions within the United States. Lessee shall execute any statement or instrument requested by Lessor for such purpose or perfection, and agrees to pay or reimburse Lessor for any searches, filings, recordings or stamp fees or taxes resulting from the filing or recording of any such instrument or statement. Lessee shall, at its expense, protect and defend Lessor's title against all persons claiming against or through Lessee at all times, keeping the Equipment free from any legal process or encumbrance whatsoever, including but not limited to liens, attachments, levies, and executions, and shall give Lessor immediate written notice thereof and shall indemnify Lessor from any loss caused thereby.

5. PERSONAL PROPERTY The Equipment is, and at all times shall be and remain, personal property, notwithstanding that the Equipment or any part thereof may now be, or hereafter become, in any manner affixed of, or attached to real property or any improvements thereon.

6. DISCLAIMER OF WARRANTIES Lessor disclaims and Lessee releases Lessor from any liability for loss, damage or injury to Lessee or third parties as the result of any defects, latent or otherwise, in the Equipment or arising from the Lessor's negligence or application of the laws of strict liability. Lessor leases this Equipment "as is". Lessee acknowledges that the Lessor has made no representations and has no obligations in connection with the design, performance or selection of the Equipment. Since Lessee has previously had control and possession of the Equipment, Lessee shall make no claims on account of any Equipment dissatisfaction against Lessor or any other party.

7. CARE AND USE Lessee, at its own cost and expense, shall maintain and keep the Equipment in good condition, repair and working order, and shall maintain and use the Equipment lawfully and shall not alter the Equipment without Lessor's prior written consent.

8. REDELIVERY Upon expiration or earlier termination of this Lease, Lessee shall return the Equipment to the Lessor in good repair, condition, and working order [ordinary wear and tear resulting from proper use thereof only excepted] in a manner reasonably designated by Lessor. If such Equipment is not immediately returned to the Lessor upon termination of this Lease, the Lessee shall continue to hold and lease the Equipment hereunder and the Lease shall be extended indefinitely as to the term at the same monthly rental until delivered as demanded.

9. RISK OF LOSS Lessee shall bear all risk of loss and damage to the Equipment from any cause. The occurrence of loss or damage shall not relieve the Lessee of any obligation hereunder. In the event of loss or damage, Lessee, at Lessor's option, shall place the damaged Equipment in good repair, condition and working order, or replace lost or damaged Equipment with like equipment in good repair, condition, and working order.

10. INSURANCE Lessee shall procure and maintain, at its own cost and expense, throughout the term of this Lease and any extension thereof, the following insurance, including any required endorsements thereto and amendments thereof:

- (a) Commercial general liability insurance alone or in combination with, commercial umbrella insurance with a limit of not less than twenty-five million (\$25,000,000.00) dollars each occurrence covering liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insurance contract (including the tort liability of another assumed in a business contract).
- (b) Business automobile liability insurance alone or in combination with commercial umbrella insurance covering any auto or vehicle (including owned, hired, and non-owned autos or vehicles), with a limit of not less than one million (\$1,000,000.00) dollars each accident, and including pollution liability coverage equivalent to that provided under the ISO pollution liability broadened coverage for covered autos

endorsement (CA 99 48), and the Motor Carrier Act endorsement (MCS 90) shall be attached.

- (c) Workers' compensation insurance with statutory limits and employers' liability limits of not less than one million (\$1,000,000.00) dollars each accident for bodily injury by accident and one million (\$1,000,000.00) dollars for each employee for bodily injury by disease.

All policies for the above insurance required herein shall name CRRA as an additional insured (this requirement shall not apply to workers' compensation insurance). If Lessee shall fail to provide such insurance coverage or proof of coverage, then Lessor may, at Lessor's option, obtain coverage for part or all of the term of this Lease, the premiums for which shall be payable by the Lessee as additional rent.

11. INDEMNITY Lessee shall indemnify and hold Lessor harmless against any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities including attorney's fees arising out of, connected with or resulting from the Equipment or the Lease, including without limitation, the manufacturer, selection, delivery, possession, use, operation or return of the Equipment. In addition to the foregoing, Lessee's use of the Equipment for work outside the scope of Lessee's responsibilities under a certain Agreement For Waste Transportation And Transfer Station And Rolling Stock Operation And Maintenance Services dated June 11, 2001, between Lessor and Lessee shall be solely at the risk of Lessee and Lessee shall have all liability for such use and Lessee shall hold Lessor harmless from any liability resulting from said work.

12. DEFAULT If Lessee defaults in any payment or other performance required under this Lease, Lessor may exercise any or more of the following options:

- (a) Declare the entire balance of rent hereunder immediately due and payable;
- (b) To sue for and recover all rents or other monies due;
- (c) To require the Lessee to assemble all Equipment at the Lessor's expense to a place reasonably designated by the Lessor; and
- (d) To remove any physical obstructions for removal of the Equipment from the place where the Equipment is located and take possession of any or all items of Equipment without demand or notice, wherever the same may be located, with or without court order or retaking hearing or other process of law, it being understood that facility of repossession in the event of default is a basis for the financial accommodation reflected by this Lease. Lessee hereby waives any and all damages occasioned by retaking. Lessor may, at its option, use, store, repair or lease all Equipment so removed and sell it or otherwise dispose of any such Equipment at a private or public sale, including exhibition and sale at Lessee's premises at reasonable business hours without the necessity of removal.

If any payment is not made by Lessee when due hereunder, Lessee shall pay to Lessor not later than one month thereafter an amount calculated at the lesser rate of 5% of any delayed payment or such lower rate or amount allowed by law in addition to all other remedies.

Remedies under this Lease and by law are cumulative and the exercise of any one remedy shall not be deemed to be an election of such remedy or to preclude the exercise of any other remedy. No failure on the part of the Lessor to exercise and no delay in exercising any remedy or right shall operate as a waiver thereof.

13. ASSIGNMENT Neither this Lease, the Equipment or any interest in or use is assignable by the Lessee without the Lessor's prior written consent or such assignment shall be void.

14. NOTICE Notices required under this Lease shall be sufficient if given personally or mailed to the party involved at its respective address set forth herein or such other address as the party may provide from time to time in writing. Any such notice mailed shall be effective when deposited in United States or Canadian mail, as the case may be, duly addressed with appropriate postage prepaid.

15. CAPTIONS Captions are used in this Lease for convenience only and are not intended to be used in the construction or interpretation of this Lease.

16. TIME IS OF ESSENCE Time is of the essence in this Lease.

17. ENTIRE AGREEMENT This Lease contains the entire agreement between the Lessor and Lessee. No modification of this Lease shall be effective unless in writing and executed by a duly authorized officer of the Lessor.

18. GOVERNING LAW This Lease shall be construed in accordance with and governed by laws of the State of Connecticut.

19. EQUIPMENT EXPENSES. For the term of this Lease, Lessee shall be liable to pay for all maintenance and repair costs for said equipment in Schedule A. Lessor shall be liable to reimburse Lessee for the insurance costs, as required in Paragraph 10 herein, and registration costs of the Equipment.

20. EQUIPMENT OPERATORS. Throughout the term of this Lease, Lessee shall be obligated to provide Lessor a current listing of all its employees and/or agents, with their Connecticut driver's license numbers and home addresses, that utilize/operate the equipment listed in Schedule A. Throughout the term of this Lease, Lessee shall be obligated to report immediately to Lessee any accidents its employees or agents have with said Equipment in Schedule A. Lessee shall indemnify and hold Lessor harmless for any employees or agents it utilizes to utilize/operate the Equipment that are not qualified drivers and/or qualified in any other aspect to operate/utilize the Equipment.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the day and year first written above.

CONNECTICUT RESOURCES
RECOVERY AUTHORITY

By: _____

Thomas D. Kirk
Its President
Duly authorized

CWPM LLC

By: _____

Its
Duly authorized

SCHEDULE A

B. Torrington Transfer Station Hauling Equipment

Equipment Listing		
<u>Activity</u>	<u>Equipment Description</u>	<u>Equipment Year & Model</u>
Torrington Station		
MSW Hauling	8200 Tractor - 4101	1995 International
MSW Hauling	8200 Tractor - 4100	1995 International
MSW Hauling	8200 Tractor - 4102	1995 International
MSW Hauling	8200 Tractor - 4107	1996 International
MSW Hauling	8200 Tractor - 4109	1996 International
MSW Hauling	8200 Tractor - 4105	1996 International
MSW Hauling	9100 Tractor -	1996 International
MSW Hauling	8200 Tractor - 4139	2001 International
MSW Hauling		1997 International
MSW Hauling	CPS TSV-45 Trailer - 4313	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4318	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4317	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4316	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4315	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4306	1993 Hale
Recycling-B/C Hauling	CPS TSV-45 Trailer - 4319	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4321	1994 Hale
MSW Hauling	CPS TSV-46 Trailer - 4352	1992 Hale
MSW Hauling	CPS TSV-45 Trailer - 4323	1994 Hale

C. Watertown Transfer Station Hauling Equipment

Equipment Listing		
<u>Activity</u>	<u>Equipment Description</u>	<u>Equipment Year & Model</u>
Watertown Station Operations	938 Front End Loader 206 Excavator 214 Backhoe 5800P Sweeper 355-D Sweeper 800 Snow Blower Weed Eater Leaf Blower Compressor Pressure Washer	1993 Caterpillar 1991 Caterpillar 1994 JCB 1988 Advance 1997 Tennant 1991 White 1994 1991 MTD 1990 Speed-Aire 1993 Dayton
MSW Hauling	LT-9000 Tractor - 4120	1993 Ford
MSW Hauling	LT-9000 Tractor - 4122	1993 Ford
MSW Hauling	LT-9000 Tractor - 4126	1994 Ford
MSW Hauling	LT-9000 Tractor - 4124	1994 Ford
MSW Hauling	LT-9000 Tractor - 4125	1994 Ford
MSW Hauling	LT-9000 Tractor - 4127	1994 Ford
MSW Hauling	8200 Tractor - 4103	1994 Ford
MSW Hauling	8200 Tractor - 4138	1996 International
MSW Hauling	8200 Tractor - 4137	1997 International
MSW Hauling	8200 Tractor - 4140	1997 International
MSW Hauling	Tractor - 4134	1997 International
MSW Hauling	Tractor - 4133	1998 Freightliner 1998 Freightliner
MSW Hauling	CPS TSV-45 Trailer - 4300	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4314	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4309	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4312	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4310	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4305	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4311	1993 Hale
MSW Hauling	CPS TSV-45 Trailer - 4324	1993 Hale
Recycling-B/C Hauling	CPS TSV-45 Trailer - 4325	1994 Hale
Recycling-Fiber Hauling	CPS TSV-45 Trailer - 4326	1994 Hale
MSW Hauling	CPS TSV-45 Trailer - 4328	1994 Hale
MSW Hauling	CPS TSV-45 Trailer - 4320	1994 Hale

TAB 10

Resolution Regarding the Creation of CRRA Employee Positions to Operate the Mid-Connecticut Project Scales and Provide Enhanced Waste Enforcement Activities

RESOLVED: That the President be authorized to implement a program to operate the Mid-Connecticut Project scales with CRRA employees and provide enhanced waste enforcement activities, as deemed necessary, substantially in accordance with the proposal discussed at this meeting.

Connecticut Resources Recovery Authority
Proposal to Replace Contract Scale Operators with CRRA Employees

Proposal

The Mid-Connecticut Project consists of seven (7) scales. CRRA proposes the replacement of contract workers at five (5) of the seven Mid-Connecticut scale houses. CRRA would provide for replacement of up to six (6) contracted employees with up to eight (8) new CRRA employees at:

- Waste Processing Facility – 2 employees
- Essex Transfer Station – 1 employee
- Ellington Transfer Station – 1 employee
- Torrington Transfer Station – 1 employee
- Watertown Transfer Station – 1 employee

The seventh CRRA employee is needed to reduce overtime and provide lunch, vacation and sick leave coverage.

This proposal currently leaves the Hartford Landfill scale with a contract worker due to unknown conclusions regarding changes in its current operation and because the majority of material the currently delivered to the landfill is CRRA material (process and ash residue), not commercial hauler waste.

CRRA already operates the seventh Mid-Connecticut scale located at the regional recycling facility on Murphy Road.

The Wallingford Project Advisory Board approved \$75,000 for the hiring of a dedicated enforcement officer. The money for this position was not placed in the Project FY04 budget, but the Advisory Board's Resource Recovery Project Coordinator has indicated that if CRRA wished to fill this position the funds needed for FY04 could come out of the Project's reserve. CRRA regularly has members of its limited enforcement staff at the Wallingford facility. The addition of a dedicated enforcement officer (13th staff person), paid for by the Wallingford Project, would free-up existing personnel to perform enforcement activities at other CRRA sites.

Purpose of Proposal

The purpose of this proposal is to:

- Reduce expenses
- Provide control over CRRA's "cash register"
- Protect and maintain CRRA assets (buildings, property and equipment)
- Enhance enforcement of CRRA regulations regarding waste flow, acceptable waste, hauler activities and contract worker performance

As Mid-Connecticut tip fees rise in the years to come, it is critical CRRA have first-hand knowledge of waste flow activity into its facilities. It is important to note that in years past; CRRA operated its scales and provided enforcement activities. Until 1998-99 CRRA maintained a scale and enforcement staff of 12 people.

TAB 11

TAB 12

**RESOLUTION REGARDING ENVIRONMENTAL
MONITORING, LABORATORY ANALYSIS, AND
REPORTING AT THE SHELTON LANDFILL FOR FISCAL
YEAR 2004**

RESOLVED: That the President is hereby authorized to enter into a Request for Professional and Technical Services ("RFS") with Environmental Risk Limited under existing Environmental Engineering Services Agreement No. 020120 for completion of environmental monitoring, laboratory analysis, and reporting for the Shelton Landfill for Fiscal Year 2004, substantially as discussed and presented at this meeting.

Connecticut Resources Recovery Authority

Contract Summary for Contract entitled

Environmental Monitoring, Laboratory Analysis and Reporting at the Shelton Landfill for FY'04

Presented to the CRRRA Board on: June 19, 2003

Vendor/ Contractor(s): Environmental Risk Limited

Effective date: July 1, 2003

Contract Type/Subject matter: Request for Professional and Technical Services ("RFS"). Environmental monitoring at the Shelton Landfill.

Facility (ies) Affected: Shelton Landfill

Original Contract: Environmental Engineering Services Agreement No. 020120

Term: One (1) Year - July 1, 2003 through June 30, 2004

Contract Dollar Value: \$102,500.00

Amendment(s): Not applicable

Term Extensions: Not applicable

Scope of Services: Quarterly sampling, laboratory analysis, and reporting services for site groundwater, surface water, and untreated leachate. Monthly sampling, laboratory analysis, and reporting services for treated leachate. Annual sampling, laboratory analysis, and reporting services for site stormwater discharges. All work is required by various, applicable permits issued to the site by the Department of Environmental Protection.

Other Pertinent Provisions: None

**Connecticut Resources Recovery Authority
Shelton Landfill
Environmental Monitoring, Laboratory Analysis, and
Reporting for FY'04**

June 19, 2003

Executive Summary

CRRA is required to conduct regular (monthly, quarterly, and annual) environmental monitoring, laboratory analysis and reporting activities associated with various environmental permits for the Shelton Landfill. CRRA contracts these services out to a qualified environmental consulting firm, and is seeking to enter into a Request for Professional and Technical Services ("RFS") with Environmental Risk Limited of Bloomfield, Connecticut to provide these services to CRRA for fiscal year 2004.

In accordance with Article IV, Section 2(d) (Request for Professional and Technical Services or RFS) and Article IV, Section 6 (Award of Contract) of CRRA's Procurement Policies and Procedures, effective November 21, 2002, this is to request approval of the CRRA Board of Directors to enter into the RFS.

Discussion

Various permits issued by the Connecticut Department of Environmental Protection (CTDEP) require CRRA to monitor environmental media in and around the Shelton Landfill. Environmental monitoring requirements include quarterly sampling and analysis of site groundwater, surface water, and untreated and treated ash residue leachate under permit numbers LF0000052 and SP0001459, as well as under RCRA hazardous waste regulations which govern the closed hazardous waste land disposal unit located within the Shelton Landfill. Monthly monitoring of treated ash residue leachate is required under a "Special Permit to Discharge to the Sanitary Sewer of the Town of Stratford." Additionally, annual monitoring of stormwater discharges from the site is required under the "General Permit for the Discharge of Stormwater Associated with Industrial Activity." Each monitoring program also has local, state, and/or federal reporting requirements associated with it.

For monitoring to be conducted during fiscal year 2004, CRRA solicited cost proposals from five firms with which CRRA has a three-year engineering services agreement. The five firms were: Environmental Risk Limited, Fuss & O'Neill, HRP Associates, SCS Engineers, and TRC Environmental Corporation. All five firms were provided with a written scope of services, an opportunity to visit the site and ask questions, and one (1) addendum documenting the questions asked and CRRA's responses to those questions. CRRA received cost proposals from all five firms before the submission deadline of 3:00 p.m. on June 4, 2003. Of the five cost proposals

that were received, the cost proposal of \$102,500.00 submitted by Environmental Risk Limited was the lowest, and has been deemed as the most favorable qualified bid.

In addition to sampling and reporting, the scope of services includes performing all analytical laboratory testing. Incorporation of the laboratory testing into the scope of services in lieu of CRRA procuring this service separately provides the dual benefits of obtaining a proposal for laboratory services without having to go out for a proposal separately, and assigning to the selected firm the responsibilities of managing the testing laboratory subcontractor and acquiring the analytical data.

For fiscal year 2003, CRRA employed HRP Associates, Inc. to conduct the environmental monitoring at the Shelton Landfill under an RFS. HRP Associates, Inc. was also the CTDEP-approved consultant for a groundwater Zone-of-Influence Study that CRRA was required to perform at the Shelton Landfill pursuant to a Consent Order between CRRA and the CTDEP. Although the Zone-of-Influence Study was an activity separate and distinct from the quarterly environmental monitoring, the results from the quarterly environmental monitoring were integral to, and incorporated in, the Zone-of-Influence Study. Employing the same consulting firm for both the quarterly environmental monitoring program and the Zone-of-Influence study provided a greater level of consistency between the two programs than would have occurred if two separate consultants were used. Since the Zone-of-Influence Study has been completed, there is no concern on CRRA's part with changing consultants.

Financial Summary

The cost proposals, in order of lowest cost to highest cost, are summarized as follows:

FIRM	PROPOSED COSTS
Environmental Risk Limited ("ERL")	\$ 102,500.00
Fuss & O'Neill, Inc. ("F&O")	\$ 112,500.00
HRP Associates, Inc. ("HRP")	\$ 120,779.00
TRC Environmental Corporation ("TRC")	\$ 125,930.00
SCS Engineers, PC ("SCS")	\$ 130,356.00

A more-detailed cost summary sheet is attached.

For fiscal year 2003, the monitoring costs for substantially the same scope of services was \$121,500.00. Therefore, there will be a cost savings of approximately \$19,000.00 in the monitoring costs for fiscal year 2004 (when compared to fiscal year 2003) by contracting with Environmental Risk Limited.

The environmental monitoring budget for the Shelton Landfill for fiscal year 2004 is \$151,000.

**Summary of Proposed Environmental Monitoring, Laboratory Analysis, and Reporting Costs
For the Shelton Landfill for FY2004**

		ERL Cost	F&O Cost	HRP Cost	SCS Cost	TRC Cost
Task 1:	Quarterly Environmental Monitoring, Analysis, Reporting and Annual Reporting (Ground Water, Surface Water, and Untreated Leachate)					
1.A	Sampling and Documentation of Field Activities	\$ 22,550.00	\$ 21,300.00	\$ 32,200.00	\$ 34,818.00	\$ 42,728.00
1.B	Quarterly Laboratory Analysis	\$ 49,970.00	\$ 58,900.00	\$ 45,762.00	\$ 57,461.00	\$ 45,512.00
1.C	Quarterly Reports - Water Quality Monitoring	\$ 9,750.00	\$ 12,000.00	\$ 22,152.00	\$ 12,087.00	\$ 11,826.00
1.D	Non-Sampled Well Condition Survey & Water Elevations	Incl. Under 1.A	\$ 600.00	Incl. Under 1.A	\$ 695.00	\$ 1,686.00
1.E	Interim Quarterly Event Monitoring	\$ 3,650.00	\$ 3,400.00	\$ 5,250.00	\$ 4,049.00	\$ 5,913.00
1.F	Annual Reports - Water Quality Monitoring	\$ 4,500.00	\$ 4,100.00	\$ 7,900.00	\$ 5,399.00	\$ 9,063.00
	Task 1 Subtotal =	\$ 90,420.00	\$ 100,300.00	\$ 113,264.00	\$ 114,509.00	\$ 116,728.00
Task 2:	Sanitary Discharge Monitoring, Laboratory Analysis and Reporting					
2.A	Sanitary Discharge Sampling	\$ 3,470.00	\$ 3,100.00	\$ 2,100.00	\$ 3,450.00	\$ 3,351.00
2.B	Laboratory Analysis	\$ 1,450.00	\$ 2,900.00	\$ 1,289.00	\$ 2,108.00	\$ 1,044.00
2.C	Reporting	\$ 2,850.00	\$ 2,400.00	\$ 500.00	\$ 5,533.00	\$ 827.00
	Task 2 Subtotal =	\$ 7,770.00	\$ 8,400.00	\$ 3,889.00	\$ 11,091.00	\$ 5,222.00
Task 3:	Stormwater Discharge Sampling, Analysis and Reporting					
3.A	Stormwater Sampling	\$ 1,435.00	\$ 700.00	\$ 775.00	\$ 776.00	\$ 1,225.00
3.B	Laboratory Analysis	\$ 2,125.00	\$ 2,700.00	\$ 2,051.00	\$ 2,555.00	\$ 2,658.00
3.C	Reporting	\$ 750.00	\$ 400.00	\$ 800.00	\$ 1,425.00	\$ 97.00
	Task 3 Subtotal =	\$ 4,310.00	\$ 3,800.00	\$ 3,626.00	\$ 4,756.00	\$ 3,980.00
	PROPOSED TOTAL COSTS FOR TASKS 1					
	THROUGH 3 FOR FISCAL YEAR 2004 =	\$ 102,500.00	\$ 112,500.00	\$ 120,779.00	\$ 130,356.00	\$ 125,930.00

TAB 13

**Resolution Regarding A Municipal Solid Waste Delivery Agreement with
the Town of Mansfield**

RESOLVED: The President is authorized to enter into a solid waste disposal agreement for the Southeast Resources Recovery Facility with the Town of Mansfield, Connecticut in accordance with the terms and conditions discussed at this meeting.

**Connecticut Resources Recovery Authority
Contract Summary**

Customer: Town of Mansfield

Contract Type: Municipal solid waste delivery agreement

Facility(ies): Southeast Resources Recovery Facility

Term, Original Contract: February 1, 1994 – June 30, 1998

Term, Second Contract: July 1, 1998 – June 30, 2003

Term, Third Contract: July 1, 2003 – June 30, 2008

Disposal Fees: For the contract year ending June 30, 2004, \$64.00 per ton;
For the contract year ending June 30, 2005, \$66.00 per ton;
For the contract year ending June 30, 2006, \$68.00 per ton;
For the contract year ending June 30, 2007, \$70.00 per ton; and
For the contract year ending June 30, 2008, \$72.00 per ton.

Revenue: Historically, Mansfield delivers approximately 7000 tons per year to the Preston plant. Estimated revenue for FY 04, \$448,000; FY05, \$462,000; FY06, \$476,000; FY07, \$490,000; and FY08, \$504,000

Comments: As with all CRRA projects, municipalities that were not original project member towns are charged a higher disposal fee than the fee charged to member towns. The Southeast Project's FY04 disposal fee for member towns was set at \$60.00/ton. The Mansfield contract begins at \$64.00/ton, a premium of \$4.00/ton.

SOLID WASTE DELIVERY AGREEMENT

THIS 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 **TOWN OF MANSFIELD**, a Connecticut municipal corporation, having its principal offices at 4 South Eagleville Road, Storrs, Connecticut 06268 (hereinafter "Municipality").

Preliminary Statement

Pursuant to the terms and conditions set forth below, CRRA is willing to accept Acceptable Waste generated within the corporate boundaries of the Municipality and delivered by the Municipality or its Designees to a disposal facility designated by CRRA.

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 Municipality hereby agree as follows:

Terms and Conditions

1. For purposes of this Agreement, (i) the term "Wesi Projects" shall mean the resources recovery projects operated by Wheelabrator Environmental Systems, Inc., or Riley Energy Systems of Lisbon Corporation and located in Lisbon, Connecticut, Peekskill, New York, Millbury, Massachusetts and North Andover, Massachusetts; (ii) 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, but excluding those 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; (iii) the term "Solid Waste" shall mean unwanted and discarded solid material consistent with the meaning of that term pursuant to Section 22a-260(7) of the Connecticut General Statutes, excluding semi-solid, liquid material collected and treated in a municipal sewerage system; (iv) the term "Procedures" shall mean the rules and procedures established by CRRA for the facilities of the System and/or the operators of such facilities, which Procedures are hereby incorporated by reference and made a part hereof as if such Procedures had been attached in their entirety to this Agreement. If Municipality's waste is delivered to the SCRRA's Preston Facility, then in that event the term "Procedures" shall include the rules and procedures established by SCRRA and/or its operator of the Preston Facility, which rules and regulations are hereby incorporated by reference and made a part hereof as if they have been attached in their entirety to this agreement; (v) the term "Acceptable Waste" shall

mean Solid Waste generated by and collected from residential, commercial, institutional, industrial and other establishments located within the corporate limits of the Municipality, and deemed acceptable by CRRA or SCRRA in accordance with all applicable federal, state and local laws as well as the Procedures for processing by and disposal within the System, but excluding any Solid Waste that is or may in the future be required by law or regulation to be recycled; (vi) the term "Designee" shall mean private waste haulers or other private businesses which have contracts with or licenses from the Municipality to haul Acceptable Waste only from within the boundaries of the Municipality, and which have satisfied the bonding and other requirements applied to private entities delivering Acceptable Waste to the System; (vii) the term "System" shall mean CRRA's resources recovery facilities, transfer stations, and disposal sites, including but not limited to the Southeastern Connecticut Regional Resources Recovery Facility located at 132 Military Highway, Preston, Connecticut (the "Preston Facility"), and any alternative site or sites chosen by CRRA for the processing or disposal of waste. Prior to delivering any Acceptable Waste to the System, Municipality shall obtain, and cause all of its Designees to obtain, all permits that are required by the Procedures, and Municipality and such Designees shall at all times comply with the Procedures, including any amendments thereto that are made by CRRA or SCRRA from time to time.

2. During the term of and in accordance with this Agreement, the Municipality shall deliver to the System all Acceptable Waste that is generated within the corporate boundaries of the Municipality and under control of the Municipality. All Acceptable Waste deliverable hereunder shall be delivered to a disposal facility or facilities designated by CRRA. Prior to the Municipality or any of its Designees commencing deliveries hereunder, CRRA shall notify the Municipality in writing of the disposal facilities of the System to which the Municipality and such Designees shall deliver Acceptable Waste hereunder. CRRA may from time to time and in its sole and absolute discretion designate a different disposal facility of the System to accept deliveries of Acceptable Waste hereunder. In the event of such a designation, Municipality and its Designees shall deliver Acceptable Waste, as the case may be, to such disposal facility. CRRA shall make all reasonable efforts to provide the Municipality with maximum prior notice of any redirection herein.
3. For each ton of Acceptable Waste which is delivered to the System by Municipality or its designees pursuant to paragraph 2 of this Agreement and acceptable by CRRA or SCRRA, Municipality shall pay to CRRA or SCRRA the following per ton service fees: (i) For the time period of July 1, 2003, through June 30, 2004, a per ton service fee of Sixty-Four and 00/100 (\$64.00) dollars; (ii) For the time period of July 1, 2004, through June 30, 2005, a per ton service fee of Sixty-Six and 00/100 (\$66.00) dollars; (iii) For the time period of July 1, 2005, through June 30, 2006, a per ton service fee of Sixty-Eight and 00/100 (\$68.00) dollars; (iv) For the time period of July 1, 2006, through June 30, 2007, a per ton service fee of Seventy and 00/100 (\$70.00) dollars; and (v) For the time period of July 1, 2007, through June 30, 2008, a per ton service fee of Seventy-

Two and 00/100 (\$72.00) dollars. Municipality's obligation to pay the per ton service fees as set forth above shall survive the termination or expiration of this Agreement. If Municipality fails to pay any amount on any invoice hereunder by the due date for the same, CRRA or SCRRA, if applicable, shall have the right to refuse to accept any further deliveries of Acceptable Waste by Municipality and its Designees hereunder.

4. Any Acceptable Waste delivered by Municipality or its Designees to any disposal facility of the System must comply with the respective requirements for Acceptable Waste set forth in the Procedures and in Exhibit A attached hereto and made a part hereof.
5. This Agreement may not be assigned in whole or in part by either party without the prior written consent of the other party or such assignment shall be void.
6. This Agreement shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.
7. This Agreement shall be governed by, and construed, interpreted and enforced 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.
8. The term of this Agreement shall commence on July 1, 2003 (the "Commencement Date") and shall continue until June 30, 2008. This Agreement shall become effective on the Commencement Date, subject to the approval of CRRA's Board of Directors. Prior to the expiration of the term of this Agreement and subject to the Municipality's right to terminate the Agreement in paragraph 11 below, the parties hereto shall make good faith efforts to renew this Agreement upon terms and conditions mutually agreed upon by such parties.
9. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed via certified first class mail return receipt requested postage prepaid or overnight express mail service to the pertinent address below.

(a) If to CRRA:

Connecticut Resources Recovery Authority
100 Constitution Plaza, 17th Floor
Hartford, Connecticut 06103
Attention: President

(b) If to Municipality:

Town of Mansfield
4 South Eagleville Road
Storrs, Connecticut 06268
Attention: Town Manager

(c) If to SCRRA:

SCRRA
132 Military Highway
Preston, Connecticut 06365
Attention: Executive Director

10. Prior to delivering any "Acceptable Waste" to the System, Municipality and its Designees shall obtain all permits that are required by the Procedures, and Municipality and its Designees shall at all times comply with the Procedures, including any amendments thereto that are made by CRRA or SCRRA from time to time.
11. Municipality shall at all times defend, indemnify and hold harmless CRRA and SCRRA, any Operator and their respective directors, officers, employees and agents on account of and from and against any and all liabilities, actions, claims, damages, losses, judgments, workers' compensation payments, costs and expenses (including but not limited to attorneys' fees and court costs) arising out of injuries to the person (including death), damage to property or any other damages alleged to have been sustained by: (a) CRRA, SCRRA, any operator, or any of their respective directors, officers, employees, agents or subcontractors, or (b) Municipality or any of its directors, officers, employees, agents, subcontractors or its Designees, or (c) any other person, to the extent any such injuries, damage or damages are caused or alleged to have been caused, in whole or in part, by the acts, omissions or negligence of Municipality any of its affiliates, directors, officers, employees, agents, subcontractors, or its Designees.

Municipality further undertakes to reimburse CRRA or SCRRA for damage to property of CRRA or SCRRA caused by Municipality, any its affiliates any of its directors, officers, employees, agents, subcontractors, or its Designees. The existence of insurance shall in no way limit the scope of this indemnification. Municipality's obligations under this Section shall survive the termination or expiration of this Agreement.

12. Municipality shall pay any invoice rendered by CRRA or SCRRA for any charges and costs incurred in connection with this Agreement, including but not limited to disposal charges, penalties, fines, interest charges, attorneys fees and adjustments, within twenty (20) days from the date of such invoice.

13. The parties acknowledge that SCRRA is a third party beneficiary to this agreement and, as such, it is entitled to enforce the terms of such agreement as may be appropriate, including, if necessary, in the Superior Court of the State of Connecticut. The reference to SCRRA and its Procedures in this agreement apply only to the extent that Municipality shall deliver Acceptable Waste to SCRRA's Preston Facility.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the day and year first written above.

TOWN OF MANSFIELD

CONNECTICUT RESOURCES
RECOVERY AUTHORITY

By: _____

Its Town Manager
Duly Authorized

By: _____

Thomas D. Kirk
Its President
Duly Authorized

EXHIBIT A

Requirements Regarding Acceptable Waste.

Municipality agrees that the Acceptable Waste to be delivered to the System shall meet each of the following requirements:

- (a) Must be Acceptable Waste emanating from within the corporate boundaries of the Municipality;
- (b) Must not be of such a quality or other nature as to materially impair the operation or capacity of the System or any portion thereof, normal and reasonable wear and usage excepted;
- (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 that are a part of the System or any portion thereof;
- (d) Must not be of such a quality or other nature as to create flammable or explosive conditions in the System or any portion thereof;
- (e) Must not contain chemical or other properties which are deleterious, as determined by CRRA, to any part of the System or capable of causing material damage to any part of the System 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 System is not intended to be used for the transportation, storage or disposal of hazardous waste, and Municipality agrees to use its best efforts to take all necessary or appropriate actions to ensure that hazardous waste is not delivered to the System and that no part of any of the System becomes classified as a hazardous or toxic materials storage or processing facility.

Compliance with Requirements.

Municipality shall cause all Acceptable Waste at any time delivered directly to the System by it to comply with all requirements of CRRA or SCRRA. 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. Municipality shall permit no new deliveries and shall discontinue existing deliveries of Acceptable Waste by Municipality, which include any Acceptable Waste that does not comply with such requirements of CRRA or SCRRA. CRRA or SCRRA may, from time to time, make a determination of the respects in which Acceptable Waste delivered to the System by Municipality is not in compliance with such requirements then in effect. CRRA shall provide Municipality with notice of any such determination. Any such determination shall be considered final and binding sixty (60) days after such notice.

TAB 14

**Resolution Regarding A Municipal Solid Waste Delivery Agreement with
the Town of Salem**

RESOLVED: The President is authorized to enter into a solid waste disposal agreement for the Southeast Resources Recovery Facility with the Town of Salem, Connecticut in accordance with the terms and conditions discussed at this meeting.

**Connecticut Resources Recovery Authority
Contract Summary**

Customer: Town of Salem

Contract Type: Municipal solid waste delivery agreement

Facility(ies): Southeast Resources Recovery Facility

Term, Original Contract: March 29, 1994 – June 30, 1998

Term, First Amendment: July 1, 1998 – June 30, 2003 The original contract was amended to allow for the continued delivery of solid waste by the Town of Salem to the Southeast Resources Recovery Facility.

Term, Second Amendment: July 1, 2003 – June 30, 2008 The original contract is again being amended to allow for the continued delivery of solid waste by the Town of Salem to the Southeast Resources Recovery Facility.

Disposal Fees: For the contract year ending June 30, 2004, \$64.00 per ton;
For the contract year ending June 30, 2005, \$66.00 per ton;
For the contract year ending June 30, 2006, \$68.00 per ton;
For the contract year ending June 30, 2007, \$70.00 per ton; and
For the contract year ending June 30, 2008, \$72.00 per ton.

Revenue: Historically, Salem delivers approximately 1000 tons per year to the Preston plant. Estimated revenue for FY 04, \$64,000; FY05, \$66,000; FY06, \$68,000; FY07, \$70,000; and FY08, \$72,000

Comments: As with all CRRA projects, municipalities that were not original project member towns are charged a higher disposal fee than the fee charged to member towns. The Southeast Project's FY04 disposal fee for member towns was set at \$60.00/ton. The Salem amendment begins at \$64.00/ton, a premium of \$4.00/ton.

**SECOND AMENDMENT TO
SOLID WASTE DISPOSAL CONTRACT BETWEEN THE CONNECTICUT
RESOURCES RECOVERY AUTHORITY AND THE TOWN OF SALEM**

This SECOND AMENDMENT TO SOLID WASTE DISPOSAL CONTRACT BETWEEN THE CONNECTICUT RESOURCES RECOVERY AUTHORITY AND THE TOWN OF SALEM (the "Second Amendment") is made and entered into as of the 30th day of June, 2003 (the "Commencement 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 "Authority") and **TOWN OF SALEM**, a municipality and political subdivision of the State of Connecticut, with municipal offices located at Town Office Building, 270 Hartford Road, Salem, Connecticut 06420 (the "Municipality").

PRELIMINARY STATEMENT

Authority and Municipality entered into a Solid Waste Disposal Contract Between The Connecticut Resources Recovery Authority And The Town Of Salem dated as of March 29, 1994 (the "Initial Contract"). The Initial Contract was subsequently amended by a First Amendment To Municipal Solid Waste Disposal Contract between Authority and Municipality, dated as of June 29, 1998 (the "First Amendment"), and the Initial Agreement together with the First Amendment are hereinafter collectively referred to as the "Contract." Authority and Municipality now desire to amend the Contract in accordance with the terms and conditions set forth below.

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, 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 Second Amendment shall have the same respective meanings assigned to such words or terms in the Contract.
2. **Term.** The first sentence of Section 201 of the Initial Contract is hereby deleted in its entirety and the following is inserted in its place:

Commencing on April 4, 1994, the Authority shall provide to the Municipality Solid Waste Disposal services as described in this Article II until June 30, 2008.

3. **Service Payments.** Section 301 of the Contract is hereby amended by inserting the following additional language at the end of said Section 301:

For the Contract Year ending June 30, 2004, \$64.00 per ton;
For the Contract Year ending June 30, 2005, \$66.00 per ton;
For the Contract Year ending June 30, 2006, \$68.00 per ton;
For the Contract Year ending June 30, 2007, \$70.00 per ton; and
For the Contract Year ending June 30, 2008, \$72.00 per ton.

4. **Effective Date and Duration of Contract.** The second sentence of Section 402 of the Initial Contract is hereby deleted in its entirety and the following is inserted in its place:

This Contract shall remain in force and effect through June 30, 2008.

5. **Ratification.** Except as specifically amended by this Second Amendment, all of the terms, covenants and provisions of the Contract 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 Second 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

TOWN OF SALEM

By: _____
Its
Duly Authorized

TAB 15

Resolution Regarding An Ash Residue Disposal Agreement Extension with Wheelabrator Putnam, Inc.

RESOLVED: The President be authorized to enter into a contract extension with Wheelabrator Putnam, Inc., for the disposal of ash residue from the Wallingford and Southeast Resources Recovery Facilities through December 31, 2008 substantially in accordance with the terms and conditions discussed at this meeting.

**Connecticut Resources Recovery Authority
Contract Summary for
Agreement for Ash Residue Disposal Services**

Presented to the CRRA Board of Directors on: June 19, 2003

Vendor/Contractor: Wheelabrator Putnam, Inc.

Effective Date: July 1, 2003 (Extension of existing agreement amendment #1)

Contract Type/Subject Matter: Ash residue disposal

Facilities Affected: Southeast and Wallingford Resources Recovery Facilities

Original Agreement Signed: November 9, 1998

Extension Term: December 31, 2008

Contract Cost:

Facility	FY04	FY05	FY06	FY07	FY08
Southeast (1)	\$3,310,617	\$3,354,720	\$3,414,729	\$3,476,907	\$3,540,531
Wallingford (2)	\$2,918,440	\$2,978,710	\$3,040,940	\$3,204,640	\$3,170,300

(1) Based on approximate annual deliveries of 72,300 tons

(2) Based on approximate annual deliveries of 49,000 tons

Comments: In November 1997, CRRA signed an agreement with Wheelabrator Putnam, Inc., for the disposal of Bridgeport ash residue at its landfill located in Putnam, Connecticut. This base contract contained provisions that enabled CRRA to opt at some future date to dispose of the ash residue generated at the Wallingford and Southeast Resources Recovery Facilities. CRRA exercised this option in November 1999 by executing the First Amendment to the Agreement. The term of the First Amendment is June 30, 2003 unless CRRA provides Wheelabrator Putnam written notification that it wishes to exercise its option to extend the contract through December 2008 (term of the base agreement), or any portion thereof.

At the time the First Amendment was executed, the disposal fee for both projects was set at \$34.00/ton escalated annually by the CPI.

Connecticut Resources Recovery Authority
Ash Residue Transportation and Disposal Services For the Southeast and Wallingford Resources
Recovery Facilities

The Authority currently has a contract with Wheelabrator Putnam, Inc. for the disposal of ash residue generated at the Southeast and Wallingford Projects. This contract expires June 30, 2003 unless the Authority provides Wheelabrator Putnam written notification prior to June 30 that it wishes to exercise its option to extend the contract through December 31 2008, or any portion thereof.

To facilitate the Authority's decision regarding a contract extension with Wheelabrator, the Authority issued a Request for Proposals on April 28, 2003 to test the market. Summarized in the following tables is a per ton cost comparison between the bids received and the current contracts for service.

Table 1 – Wheelabrator Putnam Disposal and Transportation Fees (1)

Facility/Activity	FY04	FY05	FY06	FY07	FY08
Southeast Disposal	\$37.30/ton	\$37.87/ton	\$38.46/ton	\$39.06/ton	\$39.67/ton
Southeast Transportation	\$8.29/ton	\$8.53/ton	\$8.77/ton	\$9.03/ton	\$9.30/ton
Total	\$45.79/ton	\$46.40/ton	\$47.23/ton	\$48.09/ton	\$48.97/ton
Wallingford Disposal	\$37.30/ton	\$37.87/ton	\$38.46/ton	\$39.06/ton	\$39.67/ton
Wallingford Transportation	\$22.26/ton	\$22.92/ton	\$23.60/ton	\$24.30/ton	\$25.03/ton
Total	\$59.56/ton	\$60.79/ton	\$62.06/ton	\$63.36/ton	\$64.70/ton

(1) The Authority has a contract with the Wheelabrator Putnam, Inc., for the disposal of the ash residue generated at the Southeast and Wallingford facilities. The transportation of the ash from the Southeast facility to the Putnam Landfill is provided by Waste Management under a separate contract with the Southeast Connecticut Regional Resources Recovery Authority. The transportation contract with Waste Management expires in December 31, 2003. CRRRA has a separate contract with DW Transport and Leasing for the transportation of Wallingford ash to the landfill. This contract expires June 30, 2006. Therefore, for the purpose of comparing the current contract prices to the bids received, the costs for transportation services for the Southeast and Wallingford facilities past December 2003 and June 2006 respectively, have been escalated by an estimated increase in the CPI of 3.0%.

Table 2 – Wallingford Project Pricing Results of Bids Received May 21, 2003

Company Name	FY04	FY05	FY06	FY07	FY08
DW Transport & Leasing	\$62.54/ton	\$63.54/ton	\$65.08/ton	\$67.03/ton	\$69.04/ton
CWPM, LLC	\$76.00/ton	\$78.00/ton	\$80.00/ton	\$82.00/ton	\$84.00/ton
Synagro	No Bid				
Waste Management	No Bid				

Table 3 – Southeast Project Pricing Results of Bids Received May 21, 2003

Company Name	FY04	FY05	FY06	FY07	FY08
DW Transport & Leasing	\$46.05/ton	\$46.87/ton	\$47.71/ton	\$49.14/ton	\$50.62/ton
CWPM, LLC	\$66.00/ton	\$68.00/ton	\$70.00/ton	\$72.00/ton	\$74.00/ton
Synagro	No Bid				
Waste Management	No Bid				

Table 4 – Southeast Current Price Compared to Low Bid

Facility or Company	FY04	FY05	FY06	FY07	FY08
Southeast Current Contracts	\$45.79/ton	\$46.40/ton	\$47.23/ton	\$48.09/ton	\$48.97/ton
DW Transport & Leasing	\$46.05/ton	\$46.87/ton	\$47.71/ton	\$49.14/ton	\$50.62/ton

Table 5 – Wallingford Current Price Compared to Low Bid

Facility or Company	FY04	FY05	FY06	FY07	FY08
Wallingford Current Contracts	\$59.56/ton	\$60.79/ton	\$62.06/ton	\$63.36/ton	\$64.70/ton
DW Transport & Leasing	\$62.54/ton	\$63.54/ton	\$65.08/ton	\$67.03/ton	\$69.04/ton

Based upon the results of the bidding process, it is recommended that the Board of Directors authorize an extension of the existing Agreement with Wheelabrator Putnam, Inc. through December 31, 2008.

TAB 16

**RESOLUTION AUTHORIZING THE APPROVAL OF THE REVISED BYLAWS
OF CONNECTICUT RESOURCES RECOVERY AUTHORITY**

RESOLVED: That the Board hereby affirmatively approves and endorses the new Bylaws of the Connecticut Resources Recovery Authority as presented and discussed at this meeting.

Memorandum

To: President Thomas Kirk
From: Ann Stravalle-Schmidt
Paul Doyle
Date: June 6, 2003
Re: Revised Bylaws of CRRA

I. Bylaws of CRRA

As you will remember, the Board Members were given at the May, 2003, Board Meeting a draft of the Revised Bylaws of CRRA dated May 12, 2003, that were recently revised by the Policy & Procurement Committee.

The Policy & Procurement Committee considered the comments from Board Members at its June 5, 2003, Committee Meeting. Enclosed please find a clean copy and a black lined copy of the revised Bylaws of CRRA that incorporate the comments of Board Members.

Since Bylaws do not need to be advertised for notice purposes, the Policy & Procurement Committee anticipates the Board will discuss and approve this version of the Bylaws at the June 19, 2003 Board Meeting.

Assuming the Board approves these revised Bylaws at its June 19, 2003, Board meeting, the revised Bylaws could take effect immediately. We suggest the Bylaws take effect June 20, 2003.

Therefore, it is recommended that the Board of Directors approve the attached resolution to approve the revised Bylaws of CRRA at its June 19, 2003, Board meeting.

AMENDED AND RESTATED
BYLAWS
OF
CONNECTICUT RESOURCES RECOVERY AUTHORITY
EFFECTIVE JUNE 20, 2003

Table of Contents

ARTICLE I - AUTHORITY FOR BYLAWS.....1

 101. Authority.....1

ARTICLE II - DEFINITIONS1

 201. Definitions1

ARTICLE III - BOARD OF DIRECTORS2

 301. Authority, Membership, Terms, Vacancies2

 302. Appointment of Chairperson3

 303. Ad Hoc Members.....3

 304. Duties.....3

 305. Chairperson.....4

 306. Vice Chairperson4

 307. Resignation, Removal.....4

 308. Delegation of Powers.....4

 309. Standing and Special Committees4

ARTICLE IV - OFFICERS5

 401. Appointment5

 402. President5

 403. Delegation.....5

 404. Acting President.....5

 405. Chief Financial Officer5

 406. Secretary5

 407. Additional Duties.....6

 408. Standards of Conduct.....6

 409. Resignation6

ARTICLE V - MEETINGS OF BOARD OF DIRECTORS.....6

 501. Regular Meetings.....6

 502. Special Meetings.....6

 503. Notice of Monthly or Special Meeting, Waiver7

 504. Quorum, Transaction of Business.....7

 505. Temporary Borrowing for Mid-Connecticut Project.....8

 506. Organization8

 507. Executive Session8

 508. Recessed Meeting9

 509. Method of Voting9

 510. General Standards of Conduct for Directors, Ad Hoc Members.....9

 511. No Invalidity.....10

<u>ARTICLE VI - PERSONNEL AND PROCUREMENT POLICIES</u>	10
ARTICLE VII - FINANCIAL INFORMATION	10
701. Fiscal Year	10
702. Budget Process.....	10
703. Director Expenses	11
ARTICLE VIII - AMENDMENT OR REPEAL OF BYLAWS	11
801. Amendment or Repealer	11
ARTICLE IX - INDEMNIFICATION OF OFFICERS OR DIRECTORS	11
901. Indemnification.....	11
902. Payment of Current Expenses.....	12
<u>ARTICLE X - SEAL, PLACE OF BUSINESS AND RECORDS</u>	12
1001. Seal of Authority.....	12
1002. Office of the Authority	12
1003. Records of the Authority	12

ARTICLE I
AUTHORITY FOR BYLAWS

101. Authority. These Bylaws are adopted pursuant to the Act and the General Statutes Section 22a-265(6) and supplement and implement certain provisions of the Act.

ARTICLE II
DEFINITIONS

201. Definitions. Unless the context shall otherwise require, the following words and terms shall have the following meanings (if there is a conflict between these Bylaws and the Act, the Act shall govern):

(a) "Act" means Chapter 446e of the General Statutes of Connecticut, Section 22a-257 *et seq.*, as amended from time to time, commonly known as the "Connecticut Solid Waste Management Services Act" or the Authority's enabling act.

(b) "Ad Hoc Member" or "Ad Hoc Members" means an individual or individuals appointed pursuant to Section 22a-261(g) of the Act. Pursuant to the Act, the term "Ad Hoc Member" does not include Director.

(c) "Authority" means the Connecticut Resources Recovery Authority, a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut, created and established by the Act.

(d) "Board" means the Board of Directors of the Authority.

(e) "Chairperson" means the Chairperson of the Authority as referred to in Section 22a-261(c) of the Act and Article III of these Bylaws.

(f) "Director" or "Directors" means an individual or individuals appointed to the Board pursuant to Section 22a-261 of the Act and Article III of these Bylaws or an individual who is a voting ex-officio member of the Board, pursuant to Section 22a-261 of the Act and Article III of these Bylaws. Pursuant to the Act, the term "Director" does not include Ad Hoc Member.

(g) "Executive Session" means a meeting of the Board or a committee of the Board at which the public is excluded for one or more of the purposes described in Section 1-200(6) of the Freedom of Information Act.

(h) "Freedom of Information Act" means Section 1-200 *et seq.* of the General Statutes, as amended from time to time, commonly known as the "Freedom of Information Act".

(i) "General Statutes" means the General Statutes of Connecticut, Revision of 1958, as amended.

(j) "Municipal Official" means the first selectman, mayor, city or town manager or chief financial officer of a municipality that has entered into a solid waste disposal services contract with the Authority and pledged the municipality's full faith and credit for the payment of obligations under such contract.

(k) "President" means the President of the Authority appointed by the Chairperson with the approval of the Directors pursuant to Section 22a-261(d) of the Act who shall be the Chief Executive Officer of the Authority.

(l) "Project" means one of the four (4) waste management systems operated by the Authority and more commonly known as: (i) the Bridgeport Project; (ii) the Mid-Connecticut Project; (iii) the Southeast Project; or (iv) the Wallingford Project.

(m) "Vice Chairperson" means the Vice Chairperson of the Authority elected pursuant to Article III of these Bylaws.

ARTICLE III **BOARD OF DIRECTORS**

301. Authority, Membership, Terms, Vacancies.

(a) The powers of the Authority shall be vested in and exercised by the Board which may exercise all such authority and powers of the Authority and do all such lawful acts and things as are permitted by the Act or these Bylaws. The Board shall consist of thirteen (13) Directors defined by the Act as follows:

- (i) Three (3) appointed by the Governor, one (1) of whom shall be a Municipal Official of a municipality having a population of fifty thousand (50,000) or less and one (1) of whom shall have extensive, high-level experience in the energy field;
- (ii) Two (2) appointed by the president pro tempore of the Senate, one (1) of whom shall be a Municipal Official of a municipality having a population of more than fifty thousand (50,000) and one (1) of whom shall have extensive high-level experience in public or corporate finance or business or industry;
- (iii) Two (2) appointed by the speaker of the House of Representatives, one (1) of whom shall be a Municipal Official of a municipality having a population of more than fifty thousand (50,000) and one (1) of whom shall have extensive high-level experience in public or corporate finance or business or industry;
- (iv) Two (2) appointed by the minority leader of the Senate, one (1) of whom shall be a Municipal Official of a municipality having a population of fifty thousand (50,000) or less and one (1) of whom shall have extensive high-level experience in public or corporate finance or business or industry;

- (v) Two (2) appointed by the minority leader of the House of Representatives, one (1) of whom shall be a Municipal Official of a municipality having a population of fifty thousand (50,000) or less and one (1) of whom shall have extensive, high-level experience in the environmental field;
- (vi) Two (2) voting ex-officio members, who shall be the Secretary of the Office of Policy and Management and the State Treasurer, or their designees.

(b) No Director may be a member of the General Assembly. Not more than two (2) Directors appointed by the Governor shall be members of the same political party. The appointed Directors shall serve for terms of four (4) years each, provided, of the Directors first appointed for terms beginning on June 1, 2002: (A) two (2) of the Directors appointed by the Governor, one (1) of the Directors appointed by the president pro tempore of the Senate, one (1) of the Directors appointed by the speaker of the House of Representatives, one (1) of the Directors appointed by the minority leader of the Senate, and one (1) of the Directors appointed by the minority leader of the House of Representatives shall serve an initial term of two (2) years and one month; and (B) the other appointed Directors shall serve an initial term of four (4) years and one month. The appointment of each Director for a term beginning on or after June 1, 2004, shall be made with the advice and consent of both houses of the General Assembly. Notwithstanding the foregoing, a Director's term shall end upon the Director's death or resignation. Any vacancy occurring other than by expiration of term shall be filled in the same manner as the original appointment for the balance of the unexpired term.

302. Appointment of Chairperson. Pursuant to Section 22a-261(c) of the Act, the Governor shall designate one of the Directors to serve as Chairperson of the Board, with the advice and consent of both houses of the General Assembly. The Chairperson of the Board shall serve as Chairperson at the pleasure of the Governor.

303. Ad Hoc Members. Pursuant to Section 22a-261(g) of the Act, if the legislative body of a municipality that is the site of a Project (i.e. a host community) passes a resolution requesting the Governor to appoint a resident of such municipality to be an Ad Hoc Member, the Governor shall make such appointment upon the next vacancy for the Ad Hoc Members representing such Project. Pursuant to Section 22a-261(g) of the Act, the Governor shall appoint with the advice and consent of the General Assembly Ad Hoc Members to represent each Project provided at least one-half (1/2) of such members shall be chief elected officials of municipalities, or their designees. Each Project shall be represented by two (2) such members. The Ad Hoc Members shall be electors from a municipality or municipalities in the area to be served by the Project and shall vote only on matters concerning such Project. The terms of the Ad Hoc Members shall be four (4) years.

304. Duties. The Directors and Ad Hoc Members shall perform the duties imposed on them by the Act and by these Bylaws.

305. Chairperson The Chairperson shall perform the duties of a Director imposed by the Act, by these Bylaws and by resolution of the Directors, and shall preside at all meetings of the Directors.

306. Vice Chairperson. A Vice Chairperson may be elected by a majority vote of the Board. The Vice Chairperson shall preside over meetings of the Board of Directors in the absence of the Chairperson. In the absence or incapacity of the Vice Chairperson, or in case of his or her resignation or death, the Directors shall select, from their regular number, an acting Vice Chairperson during the time of such absence or incapacity or until such time as the Directors shall select a new Vice Chairperson. The Vice Chairperson shall serve until his or her successor is elected.

307. Resignation; Removal. Any appointed Director who fails to attend three (3) consecutive meetings of the Board or who fails to attend fifty percent (50%) of all meetings of the Board held during any calendar year shall be deemed to have resigned from the Board. For the purposes of this Section, Board meetings shall be deemed to include regular and special meetings. Any director may resign at any time by delivering notice to the Authority. A resignation is effective when the notice is delivered unless the notice specifies a later effective date. If a resignation is made effective at a later date and the Authority accepts the future effective date, the Board may fill the pending vacancy before the effective date, provided, that the successor is not permitted to take office until the effective date. The appointing authority for such Director may remove any such Director for inefficiency, neglect of duty or misconduct in office in the manner provided by Section 22a-261(1) of the Act.

308. Delegation of Powers. The Directors may, by resolution, delegate to the President such powers of the Authority, as they believe necessary, advisable or desirable to permit the timely performance of the administrative functions of the Authority and to carry out the plans, policies, procedures and decisions of the Directors, pursuant to Section 22a-277 of the Act.

309. Standing and Special Committees. The Directors and Ad Hoc Members may delegate from time to time, as necessary or convenient, in conformity with the provisions of the Act or these Bylaws, committees comprised of three (3) or more Directors at least one (1) of whom shall be a Municipal Official, and at least one (1) of such Directors shall not be a State employee. An Ad Hoc Member shall be eligible to serve only on a special committee concerning the Project relating to his or her appointment. Such committee or committees shall have, and may exercise, all such authority as the Directors may delegate, including the power to adopt a resolution upon a majority vote of the Members of the Committee at which a quorum is present. The Chairperson shall recommend the name of all standing committees and shall appoint a committee chairperson and all members of such committees. The Chairperson shall be an ex-officio voting member of all committees. A quorum for the transaction of business or the exercise of any power of a committee shall consist of a majority of the members of the committee other than the Chairperson. A committee shall have the power to act by a majority of the members present at any meeting at which a quorum is in attendance. Each committee may elect a committee secretary and vice chairperson and shall maintain at all times minutes of its meetings including its considerations, deliberations, decisions and resolutions, and shall distribute copies of such minutes to committee members and to the Board as appropriate.

ARTICLE IV

OFFICERS

401. Appointment. The Board shall have the power to create positions for and employ such officers as it may deem to be in the interests of the Authority and in accordance with Section 22a-265 of the Act, and shall define the powers and duties of all such officers. All such officers shall be subject to the orders of the Board and serve at its discretion. Such officers shall include a President, appointed by the Chairperson in accordance with Section 22a-261(d) of the Act and Section 402 of these Bylaws. The Board shall be responsible for determining compensation for each officer. The act of appointment of an officer does not in and of itself create contract rights for such officer of the Authority.

402. President. The Chairperson shall, with the approval of the Directors, appoint a President of the Authority who shall be an employee of the Authority and be paid a salary prescribed by the Directors. The President shall supervise the administrative affairs and technical activities of the Authority in accordance with the directives of the Board, and shall perform all duties incident to the office of the President, including those duties imposed by the Act, by these Bylaws and by resolution of the Authority. The authorization of the President with respect to the Authority or certification as to the proceedings of the Authority or any of the official documents and papers of the Authority on file in the Authority's office shall be deemed to be conclusive and binding on the Authority.

403. Delegation. The President may, with the approval of the Directors, assign or delegate to the officers and employees of the Authority, any of the powers that, in the opinion of the President, may be necessary, desirable or appropriate for the prompt and orderly transaction of the business of the Authority.

404. Acting President. The Directors, by a majority vote, may by resolution appoint some other person to serve as Acting President and perform the duties of the President in the event of the death, inability, absence or refusal to act of the President. Such person shall be subject to all of the same restrictions placed upon the President.

405. Chief Financial Officer. The Chairperson shall, with the approval of the Directors, appoint a Chief Financial Officer of the Authority who shall be an employee of the Authority and paid a salary prescribed by the Directors. The Chief Financial Officer shall direct the finance, accounting, budgetary, treasury and cash management functions of the Authority and shall perform such other duties as the Board shall delegate from time to time. The Chief Financial Officer shall perform his or her duties in a manner consistent with the directives of the Board, these Bylaws and all applicable statutes and regulations.

406. Secretary. The Chairperson shall, with the approval of the Directors, appoint a secretary who shall be an employee of the Authority. The Secretary shall be the custodian of the Seal of the Authority, shall keep or cause to be kept, minutes of all meetings of the Directors and Ad Hoc Members and shall have such other duties as shall be delegated to the Secretary from time to time.

407. Additional Duties. In addition to such powers and duties as are specified in the Act, these Bylaws and by the Board, the President and other officers of the Authority shall have the authority and shall be required to perform such other duties and functions which may by law and general usage pertain to the particular office and as may from time to time be required, unless the Board or the Act expressly state otherwise.

408. Standards of Conduct. An officer with discretionary authority shall discharge such authority: (i) in good faith; (ii) with the care an ordinarily prudent person in like position would exercise under similar circumstances; and (iii) in a manner the officer reasonably believes to be in the best interests of the Authority. In discharging such duties, an officer is entitled to rely on information, opinions reports or statements, including financial statements and other financial data, if prepared or presented by: (i) one or more officers or employees of the Authority whom the officer reasonably believes to be reliable and competent in the matters presented; or (ii) legal counsel, public accountants or other persons as to matters the officer reasonably believes are within the person's professional or expert competence. An officer cannot so rely in good faith if he has knowledge concerning the matter in question that makes reliance otherwise permitted by this section unwarranted.

409. Resignation. An officer may resign at any time by delivering notice to the Authority. A resignation is effective when the notice is delivered unless the notice specifies a later effective date. If a resignation is made effective at a later date and the Authority accepts the future effective date, the Board may fill the pending vacancy before the effective date, provided, that the successor is not permitted to take office until the effective date. An officer's resignation does not affect the Authority's contract rights, if any, with the officer.

ARTICLE V

MEETINGS OF BOARD OF DIRECTORS

501. Regular Meetings. In accordance with Section 22a-263 of the Act, the Directors and Ad Hoc Members of the Authority shall meet at least monthly at the call of the Chairperson for the transaction of any lawful business of the Authority. The monthly meetings shall be held at such time and place as shall be designated in a written or printed notice of meeting given to the Directors and Ad Hoc Members at least three days prior thereto by the Chairperson or Vice Chairperson or President acting on behalf of the Chairperson. A schedule of regular monthly meetings of the Directors shall be filed not later than January 31 of each year in the office of the Secretary of the State and no meeting shall be held sooner than thirty (30) days after such schedule has been filed. A schedule of regular monthly meetings of the Directors and Ad Hoc Members shall be made available to the public through the internet by posting such schedule not more than seven (7) days after the schedule of meetings is established. The Board may permit any or all Directors to participate in a meeting by any means of communication by which all Directors participating may simultaneously hear each other during the meeting so long as the public is able to participate in such meeting.

502. Special Meetings. The Chairperson may, when he or she deems it expedient, and shall, whenever requested by any three Directors, call a special meeting of the Board for the purposes of transacting any business designated in the notice. A written or printed notice for a special meeting shall be given to each Director and Ad Hoc Member at least twenty-four hours

prior to the hour appointed for such special meeting. At such special meeting, no business shall be considered other than as designed in the notice. A notice of a call of a special meeting of the Directors and Ad Hoc Members shall be filed with Secretary of the State's Office as required by General Statutes Section 1-225(d). The Board may permit any or all Directors to participate in a meeting by any means of communication by which all Directors participating may simultaneously hear each other during the meeting so long as the public is able to participate in such meeting.

503. Notice of Monthly or Special Meeting; Waiver. Notices of each meeting of the Authority shall be in writing and may be given by U.S. mail, facsimile, e-mail, or other delivery to each Director and Ad Hoc Member in person or addressed to the last known business or residence address of such Directors and Ad Hoc Members. Whenever any notice is required to be given by law or by these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent thereto. If any person present at a meeting does not protest the lack of proper notice, prior to or at the commencement of the meeting, such person shall be deemed to have waived notice of such meeting.

504. Quorum; Transaction of Business.

(a) Seven (7) Directors of the Authority shall constitute a quorum for the transaction of any business or the exercise of any power of the Authority, provided, the following individuals shall be present in order for a quorum to be in attendance: (a) at least one (1) ex-officio Director appointed to the Board pursuant to Section 22a-261(c) of the Act and Section 301(a), (v) of these Bylaws (or the designee of such ex-officio Director); and (b) at least two (2) Directors appointed to the Board in their capacity as a Municipal Official pursuant to Section 22a-261(c) of the Act. Only Directors, and not Ad Hoc Members, shall be counted in determining whether a quorum is present. For the transaction of any business or the exercise of any power of the Authority, and except as otherwise provided in the Act or these Bylaws, the Authority shall have power to act by a majority of the Directors present at any meeting at which a quorum is in attendance.

(b) The following actions require the affirmative vote of at least two-thirds (2/3) of the Directors:

- (i) Adoption of the annual plan of Solid Waste Management Operations prepared in conjunction with the Department of Environmental Protection pursuant to Section 22a-264 of the Act;
- (ii) Establishment of the maximum number of employees of the Authority prior to employing more than forty-five (45) persons; and
- (iii) Adoption of rules and procedures for purchasing and contracting operations pursuant to Section 22a-266(c) of the Act; and
- (iv) Adoption of contracts involving a period of over five (5) years in duration or for which the annual consideration is greater than fifty thousand dollars (\$50,000) pursuant to Section 22a-268 of the Act;

(c) The affirmative vote of at least two-thirds (2/3) of the Directors present and eligible to vote are required for the adoption of a resolution to sit in Executive Session pursuant to the Freedom of Information Act and Section 507 of these Bylaws.

(d) The affirmative vote of at least two-thirds (2/3) of the Directors and Ad Hoc Members present and eligible to vote are required for the addition of an agenda item at a regular meetings of the Board for subsequent business not already included in the meeting agenda on file at the principle office of the Authority twenty-four (24) hours in advance of such meeting.

505. Temporary Borrowing for Mid-Connecticut Project. Pursuant to Section 22a-268d of the Act, a two-thirds (2/3) vote of the Directors appointed pursuant to Section 301(a), (i) through (v) of these Bylaws, with the subsequent approval of the State Treasurer and the Secretary of the Office of Policy and Management, may authorize a temporary borrowing from the State of Connecticut of up to one hundred fifteen million dollars (\$115,000,000) for the purposes of supporting the repayment of debt issued by the Authority on behalf of the Mid-Connecticut Project.

506. Organization. At each meeting of the Directors and Ad Hoc Members, the Chairperson, or in his or her absence the Vice Chairperson, or in the absence, abstention or recusal of both, a Director chosen by a majority of the Directors then present, shall act as presiding officer of said meeting. The Secretary or another officer or employee of the Authority designated by the President shall act as secretary of the meeting. The secretary of each meeting shall prepare and maintain or cause the preparation and maintenance of the minutes of all business transacted at such meeting.

507. Executive Session.

(a) The Directors may make a determination to sit in Executive Session. An affirmative vote of at least two-thirds (2/3) of the Directors present and eligible to vote on such matter, taken at a public meeting and stating the reasons for such Executive Session, shall be necessary to approve such a resolution. The purpose and the conduct of the executive session shall be in accordance with the Freedom of Information Act and these Bylaws.

(b) The members of any committee of the Board may make a determination to sit in Executive Session. An affirmative vote of at least two-thirds (2/3) of the committee members present and eligible to vote on such matter, taken at a public meeting and stating the reasons for such Executive Session, shall be necessary to approve such a resolution. The purpose and the conduct of the Executive Session shall be in accordance with the Freedom of Information Act and these Bylaws.

(c) An Executive Session may be called for one or more of the following purposes:

(i) Discussion concerning the appointment, employment, performance, evaluation, health or dismissal of a public officer or employee, provided

that such individual may require that discussion be held at an open meeting;

- (ii) Strategy and negotiations with respect to pending claims or pending litigation to which the Authority or a member thereof, because of the member's conduct as a member of such agency is a party until such litigation or claim has been finally adjudicated or otherwise settled;
- (iii) Matters concerning security strategy or the deployment of security personnel, or devices affecting public security;
- (iv) Discussion of the selection of a site or the lease, sale or purchase of real estate when publicity regarding such site, lease, sale, purchase or construction would cause a likelihood of increased price until such time as all of the property has been acquired or all proceedings or transactions concerning same have been terminated or abandoned; and
- (v) discussion of any matter which would result in the disclosure of public records or the information contained therein described in Section 1-210.

508. Recessed Meeting. The Directors and Ad Hoc Members may recess a regular or special meeting. A Director or Ad Hoc Member absent from a regular or special meeting at which a resolution is passed for a recessed meeting shall be notified at least one hour prior to the hour appointed for such reconvening of the recessed meeting.

509. Method of Voting. Unless otherwise required by the General Statutes, voting by the Directors and Ad Hoc Members shall be by voice vote or roll call at the discretion of the Chairperson. A tally of votes shall be taken and recorded in the Minutes of the meeting. A Director who is present at a meeting of the Board or a committee of the Board when corporate action is taken is deemed to have assented to the action unless: (i) the Director's dissent or abstention from the action taken is entered in the minutes of the meeting; or (ii) the Director delivers written notice of dissent or abstention to the Chairman before the adjournment of the meeting or to the Authority immediately after adjournment of the meeting. The right of dissent or abstention shall not be available to a Director who votes in favor of the action taken.

510. General Standards of Conduct for Directors, Ad Hoc Members. Each Director and Ad Hoc Member shall discharge his or her duties as a Director or Ad Hoc Member respectively, including duties as a member of any committee: (i) in good faith; (ii) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (iii) in a manner such individual reasonably believes to be in the best interests of the Authority. In discharging a Director's or Ad Hoc Member's duties, such individual is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by: (i) one or more officers or employees of the Authority whom the Director or Ad Hoc Member reasonably believes to be reliable and competent in the matters presented; (ii) legal counsel, public accountants or other persons as to matters the Director or Ad Hoc Member reasonably believes are within the person's professional or expert competence; or (iii) a committee of the Board of which the Director or Ad Hoc Member is not a member if the

Director or Ad Hoc Member reasonably believes the committee merits confidence. A Director or Ad Hoc Member is not acting in good faith if he or she has knowledge concerning the matter in question that makes reliance, otherwise permitted, unwarranted.

511. No Invalidity. Failure to follow any procedure provided for in these Bylaws shall not render any action taken by the Directors ineffective unless it is ineffective under law. It is intended that these Bylaws be consistent with the Act and with the Freedom of Information Act. If any inconsistency should nevertheless appear, the provisions of the applicable law shall control.

ARTICLE VI **PERSONNEL AND PROCUREMENT POLICIES**

601. The Directors shall establish from time to time such rules and regulations as may be necessary to provide an adequate and systematic procedure for handling the personnel affairs of the administrative staff of the Authority and for handling the procurement policies of the Authority.

ARTICLE VII **FINANCIAL INFORMATION**

701. Fiscal Year. The Fiscal Year of the Authority shall commence on the first day of July and end on the last day of the following June.

702. Budget Process. The President shall recommend to the Directors for their evaluation and adoption a fiscal year budget for the following: (i) Authority General Fund and Capital Improvement Budget – at least fifteen (15) days before the regular meeting of the Directors in February; (ii) Southeast Project Operating Budget – at least fifteen (15) days before the regular meeting of the Directors in November; (iii) Bridgeport Project Operating Budget – at least fifteen (15) days before the regular meeting of the Directors in January; (iv) Wallingford Project Operating Budget – at least fifteen (15) days before the regular meeting of the Directors in January; and (v) Mid-Connecticut Operating Budget – at least fifteen (15) days before the regular meeting of the Directors in February. Such proposed budgets shall contain an estimate of all revenues and receipts anticipated from all sources in the ensuing fiscal year, the estimated expenditures necessary for the operation of the various activities of the Authority for that year and a balanced relation between the total estimated expenditures and total anticipated revenues and receipts. The Directors shall review the proposed budget, modify it where appropriate, and then adopt a final budget no later than the budget deadlines established for each Project agreement. After adoption of the final budget, the President shall ensure the proper allocation of the budget to an established chart of accounts. Budget appropriations allocated to the accounts of the Authority shall not be exceeded without the prior approval of the Directors. The President may transfer funds within the line items for each Project without limit as long as each line item of each Project and the grand total of each fund is not exceeded without the prior approval of the Directors.

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

703. Director Expenses. As provided by Section 22a-261(e) of the Act, Directors and Ad Hoc Members shall be entitled to reimbursement by the Authority for actual and necessary expenses incurred during the performance of their official duties. All reimbursements shall be made in a manner consistent with the Authority's Travel Policy and Expense Reporting.

ARTICLE VIII

AMENDMENT OR REPEAL OF BYLAWS

801. Amendment or Repeal. These Bylaws may be repealed or amended, or new Bylaws may be adopted, only by the affirmative vote of the majority of a quorum of the full Board of Directors of the Authority at any regular or special meeting in a manner consistent with the Act. Action by the Board to adopt or amend a bylaw that changes a required voting requirement for the Board not fixed by the Act must meet the same quorum requirement and be adopted by the same vote required to take action under the quorum and voting requirement then in effect or proposed to be adopted, whichever is greater. The Authority may adopt rules for the conduct of its business, and the adoption of such rules shall not constitute an amendment of these Bylaws, unless specifically so stated.

ARTICLE IX

INDEMNIFICATION OF OFFICERS OR DIRECTORS

901. Indemnification. The Authority shall indemnify any Officer, Director, representative or Ad Hoc Member who is a party, or who is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, administrative or investigative by reason of the fact that he or she is or was serving as Director, Officer, representative or Ad Hoc Member of the Authority, against judgments, fees, amounts paid in settlement and expenses, including attorneys' fees, actually and reasonably incurred by him and the person whose legal representative he or she is, in connection with such action, suit or proceeding, or any appeal therein - as long as the Officer, Director, representative, or Ad Hoc Member was not wanton or willful. The Authority shall not so indemnify any such person unless it shall be concluded:

- (i) by the Directors, by a consent in writing signed by a majority of those Directors who were not parties to such action, suit or proceeding; or
- (ii) by independent legal counsel selected by a consent in writing signed by a majority of those Directors who were not parties to such action, suit or proceeding,

that such person, and the person whose legal representative he or she is, acted in good faith and in a manner he or she reasonably believed to be within his or her statutory authority, and he or she was not wanton or willful, including without limitation, Section 22a-261(n) of the Act. In the event that there are less than three Directors not parties to the action, suit or proceeding in question, then the matter of indemnification shall be submitted to an independent third party selected unanimously by the remaining Directors, or, if this is not possible, by a majority vote of the entire Board, subject to the qualification that, so long as there is at least one Director not a party to the action or proceeding, a third party will not be chosen unless deemed acceptable to

that Director.

902. Payment of Current Expenses. Expenses which may be indemnified under Article IX, Section 901 of these Bylaws incurred in defending an action, suit or proceeding, may be paid by the Authority in advance of the final disposition of such action, suit or proceeding upon agreement by or on behalf of the Officer, Director, representative, Ad Hoc Member, employee or agent, or his or her legal representative, to repay such amount if he or she is later found not entitled to be indemnified by the Authority as authorized in Section 901 above. Such reimbursement shall be in a manner consistent with Section 1-125 of the General Statutes.

ARTICLE X

SEAL, PLACE OF BUSINESS AND RECORDS

1001. Seal of the Authority.

(a) The official seal of the Authority shall be circular in form and shall have inscribed thereon the following words and figures: "Connecticut Resources Recovery Authority, 1973" and such additional matter as may be approved from time to time by the Directors of the Authority pursuant to the Act.

(b) In the execution on behalf of the Authority Of any instrument document, writing, notice or paper, it shall not be necessary, unless specifically required by law, to affix the official seal of the Authority, and such instrument, document, writing, notice, or paper when executed without the seal affixed shall be of the same force and effect and is binding on the Authority as if the official seal had been affixed in each instance. The use of the seal shall be symbolic only.

(c) The official seal need not be impressed on any instrument, document, writing, notice, or paper, but the same shall be sufficiently sealed if the official seal or a facsimile thereof is engraved, imprinted or otherwise reproduced thereon.

(d) The Secretary, or in the absence of the Secretary, a designee appointed by the President or Chairperson, may certify as to the official seal or its facsimile as of any date or with respect to any instrument, document, writing, notice, or paper, and any such certification shall be conclusive as to the form of the official seal and that any instrument, document, writing, notice, or paper has been duly and properly sealed by the Authority.

1002. Office of the Authority. The main office of the Authority shall be maintained at 100 Constitution Plaza, Hartford, Connecticut, or at such other place or places within the State as the Authority may designate. The Authority shall not be required to hold any of its meetings at such office. The Authority may maintain other offices in the State.

1003. Records of the Authority. The-records of the Authority shall be kept and maintained pursuant to Section 22a-263 of the Act and in such a manner and for that period of time as the Directors, acting upon the advice of the Authority's counsel and accountants deem appropriate. The written records of the Authority will be made available to the public as required by the Freedom of Information Act. Records of the Authority shall be maintained in accordance with State of Connecticut guidelines.

**AMENDED AND RESTATED
BYLAWS
OF
CONNECTICUT RESOURCES RECOVERY AUTHORITY**

EFFECTIVE JUNE 20, May __, 2003

Table of Contents

<u>ARTICLE I - AUTHORITY FOR BYLAWS</u>	<u>1-1</u>
101. Authority.....	1-1
<u>ARTICLE II - DEFINITIONS</u>	<u>1-1</u>
201. Definitions.....	1-1
<u>ARTICLE III - BOARD OF DIRECTORS</u>	<u>2-2</u>
301. Authority, Membership, Terms, Vacancies.....	2-2
302. <u>Appointment of Chairperson</u>	3-3
303. Ad Hoc Members.....	3-3
304. <u>Duties</u>	3-3
305. Chairperson.....	4-4
306. <u>Vice Chairperson</u>	4-4
307. Resignation, Removal.....	4-4
308. <u>Delegation of Powers</u>	4-4
309. Standing and Special Committees.....	4-4
<u>ARTICLE IV - OFFICERS</u>	<u>5-5</u>
401. Appointment.....	5-5
402. <u>President</u>	5-5
403. Delegation.....	5-5
404. <u>Acting President</u>	5-5
405. Chief Financial Officer.....	5-5
406. <u>Secretary</u>	5-5
407. Additional Duties.....	6-6
408. <u>Standards of Conduct</u>	6-6
409. Resignation.....	6-6
<u>ARTICLE V - MEETINGS OF BOARD OF DIRECTORS</u>	<u>6-6</u>
501. Regular Meetings.....	6-6
502. <u>Special Meetings</u>	7-7
503. Notice of Monthly or Special Meeting, Waiver.....	7-7
504. <u>Quorum, Transaction of Business</u>	7-7
505. Temporary Borrowing for Mid-Connecticut Project.....	8-8
506. <u>Organization</u>	8-8
507. Executive Session.....	8-8
508. <u>Recessed Meeting</u>	9-9
509. Method of Voting.....	9-9
510. <u>General Standards of Conduct for Directors, Ad Hoc Members</u>	9-9
511. No Invalidity.....	10-10

<u>ARTICLE VI - PERSONNEL AND PROCUREMENT POLICIES</u>	10-10
ARTICLE VII - FINANCIAL INFORMATION	10-10
701. Fiscal Year	10-10
702. Budget Process.....	10-10
703. Director Expenses.....	11-11
ARTICLE VIII - AMENDMENT OR REPEAL OF BYLAWS	11-11
801. Amendment or Repealer.....	11-11
ARTICLE IX - INDEMNIFICATION OF OFFICERS OR DIRECTORS	11-11
901. Indemnification.....	11-11
902. Payment of Current Expenses.....	12-12
<u>ARTICLE X - SEAL, PLACE OF BUSINESS AND RECORDS</u>	12-12
1001. Seal of Authority.....	12-12
1002. Office of the Authority	12-12
1003. Records of the Authority	13-13

ARTICLE I
AUTHORITY FOR BYLAWS

101. Authority. These Bylaws are adopted pursuant to the Act and the General Statutes Section 22a-265(6) and supplement and implement certain provisions of the Act.

ARTICLE II
DEFINITIONS

201. Definitions. Unless the context shall otherwise require, the following words and terms shall have the following meanings (if there is a conflict between these Bylaws and the Act, the Act shall govern):

(a) "Act" means Chapter 446e of the General Statutes of Connecticut, Section 22a-257 *et seq.*, as amended from time to time, commonly known as the "Connecticut Solid Waste Management Services Act" or the Authority's enabling act.

(b) "Ad Hoc Member" or "Ad Hoc Members" means an individual or individuals appointed pursuant to Section 22a-261(g) of the Act. Pursuant to the Act, the term "Ad Hoc Member" does not include Director.

(c) "Authority" means the Connecticut Resources Recovery Authority, a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut, created and established by the Act.

(d) "Board" means the Board of Directors of the Authority.

(e) "Chairperson" means the Chairperson of the Authority as referred to in Section 22a-261(c) of the Act and Article III of these Bylaws.

(f) "Director" or "Directors" means an individual or individuals appointed to the Board pursuant to Section 22a-261 of the Act and Article III of these Bylaws or an individual who is a voting ex-officio member of the Board, pursuant to Section 22a-261 of the Act and Article III of these Bylaws. Pursuant to the Act, the term "Director" does not include Ad Hoc Member.

(g) "Executive Session" means a meeting of the Board or a committee of the Board at which the public is excluded for one or more of the purposes described in Section 1-200(6) of the Freedom of Information Act.

(h) "Freedom of Information Act" means Section 1-200 *et seq.* of the General Statutes, as amended from time to time, commonly known as the "Freedom of Information Act".

(i) "General Statutes" means the General Statutes of Connecticut, Revision of 1958, as amended.

(j) "Municipal Official" means the first selectman, mayor, city or town manager or chief financial officer of a municipality that has entered into a solid waste disposal services contract with the Authority and pledged the municipality's full faith and credit for the payment of obligations under such contract.

(k) "President" means the President of the Authority appointed by the Chairperson with the approval of the Directors pursuant to Section 22a-261(d) of the Act who shall be the Chief Executive Officer of the Authority.

(l) "Project" means one of the four (4) waste management systems operated by the Authority and more commonly known as: (i) the Bridgeport Project; (ii) the Mid-Connecticut Project; (iii) the Southeast Project; or (iv) the Wallingford Project.

(m) "Vice Chairperson" means the Vice Chairperson of the Authority elected pursuant to Article III of these Bylaws.

ARTICLE III **BOARD OF DIRECTORS**

301. Authority, Membership, Terms, Vacancies.

(a) The powers of the Authority shall be vested in and exercised by the Board which may exercise all such authority and powers of the Authority and do all such lawful acts and things as are permitted by the Act or these Bylaws. The Board shall consist of thirteen (13) Directors defined by the Act as follows:

- (i) **Three (3)** appointed by the Governor, one (1) of whom shall be a Municipal Official of a municipality having a population of fifty thousand (50,000) or less and one (1) of whom shall have extensive, high-level experience in the energy field;
- (ii) **Two (2)** appointed by the president pro tempore of the Senate, one (1) of whom shall be a Municipal Official of a municipality having a population of more than fifty thousand (50,000) and one (1) of whom shall have extensive high-level experience in public or corporate finance or business or industry;
- (iii) **Two (2)** appointed by the speaker of the House of Representatives, one (1) of whom shall be a Municipal Official of a municipality having a population of more than fifty thousand (50,000) and one (1) of whom shall have extensive high-level experience in public or corporate finance or business or industry;
- (iv) **Two (2)** appointed by the minority leader of the Senate, one (1) of whom shall be a Municipal Official of a municipality having a population of fifty thousand (50,000) or less and one (1) of whom shall have extensive high-level experience in public or corporate finance or business or industry;

- (v) **Two (2)** appointed by the minority leader of the House of Representatives, one (1) of whom shall be a Municipal Official of a municipality having a population of fifty thousand (50,000) or less and one (1) of whom shall have extensive, high-level experience in the environmental field;
- (vi) **Two (2)** voting ex-officio members, who shall be the Secretary of the Office of Policy and Management and the State Treasurer, or their designees.

(b) No Director may be a member of the General Assembly. Not more than two (2) Directors appointed by the Governor shall be members of the same political party. The appointed Directors shall serve for terms of four (4) years each, provided, of the Directors first appointed for terms beginning on June 1, 2002: (A) two (2) of the Directors appointed by the Governor, one (1) of the Directors appointed by the president pro tempore of the Senate, one (1) of the Directors appointed by the speaker of the House of Representatives, one (1) of the Directors appointed by the minority leader of the Senate, and one (1) of the Directors appointed by the minority leader of the House of Representatives shall serve an initial term of two (2) years and one month; and (B) the other appointed Directors shall serve an initial term of four (4) years and one month. The appointment of each Director for a term beginning on or after June 1, 2004, shall be made with the advice and consent of both houses of the General Assembly. Notwithstanding the foregoing, a Director's term shall end upon the Director's death or resignation. Any vacancy occurring other than by expiration of term shall be filled in the same manner as the original appointment for the balance of the unexpired term.

302. Appointment of Chairperson. Pursuant to Section 22a-261(c) of the Act, the Governor shall designate one of the Directors to serve as Chairperson of the Board, with the advice and consent of both houses of the General Assembly. The Chairperson of the Board shall serve as Chairperson at the pleasure of the Governor.

303. Ad Hoc Members. Pursuant to Section 22a-261(g) of the Act, if the legislative body of a municipality that is the site of a Project (i.e. a host community) passes a resolution requesting the Governor to appoint a resident of such municipality to be an Ad Hoc Member, the Governor shall make such appointment upon the next vacancy for the Ad Hoc Members representing such Project. Pursuant to Section 22a-261(g) of the Act, the Governor shall appoint with the advice and consent of the General Assembly Ad Hoc Members to represent each Project provided at least one-half (1/2) of such members shall be chief elected officials of municipalities, or their designees. Each Project shall be represented by two (2) such members. The Ad Hoc Members shall be electors from a municipality or municipalities in the area to be served by the Project and shall vote only on matters concerning such Project. The terms of the Ad Hoc Members shall be four (4) years.

304. Duties. The Directors and Ad Hoc Members shall perform the duties imposed on them by the Act and by these Bylaws.

305. Chairperson The Chairperson shall perform the duties of a Director imposed by the Act, by these Bylaws and by resolution of the Directors, and shall preside at all meetings of the Directors.

306. Vice Chairperson. A Vice Chairperson may be elected by a majority vote of the Board. The Vice Chairperson shall preside over meetings of the Board of Directors in the absence of the Chairperson ~~and, in case of the incapacity, resignation or death of the Chairperson, shall perform the duties of the Chairperson until such time as a new Chairperson is designated by the Governor.~~ In the absence or incapacity of the Vice Chairperson, or in case of his or her resignation or death, the Directors shall select, from their regular number, an acting Vice Chairperson during the time of such absence or incapacity or until such time as the Directors shall select a new Vice Chairperson. The Vice Chairperson shall serve until his or her successor is elected.

307. Resignation; Removal. Any appointed Director who fails to attend three (3) consecutive meetings of the Board or who fails to attend fifty percent (50%) of all meetings of the Board held during any calendar year shall be deemed to have resigned from the Board. For the purposes of this Section, Board meetings shall be deemed to include regular and special meetings. Any director may resign at any time by delivering notice to the Authority. A resignation is effective when the notice is delivered unless the notice specifies a later effective date. If a resignation is made effective at a later date and the Authority accepts the future effective date, the Board may fill the pending vacancy before the effective date, provided, that the successor is not permitted to take office until the effective date. The appointing authority for such Director may remove any such Director for inefficiency, neglect of duty or misconduct in office in the manner provided by Section 22a-261(1) of the Act.

308. Delegation of Powers. The Directors may, by resolution, delegate to the President such powers of the Authority, as they believe necessary, advisable or desirable to permit the timely performance of the administrative functions of the Authority and to carry out the plans, policies, procedures and decisions of the Directors, pursuant to Section 22a-277 of the Act.

309. Standing and Special Committees. The Directors and Ad Hoc Members may delegate from time to time, as necessary or convenient, in conformity with the provisions of the Act or these Bylaws, committees comprised of three (3) or more Directors at least one (1) of whom shall be a Municipal Official, and at least one (1) of such Directors shall not be a State employee. An Ad Hoc Member shall be eligible to serve only on a special committee concerning the Project relating to his or her appointment. Such committee or committees shall have, and may exercise, all such authority as the Directors may delegate, including the power to adopt a resolution upon a majority vote of the Members of the Committee at which a quorum is present. The Chairperson shall recommend the name of all standing committees and shall appoint a committee chairperson and all members of such committees. The Chairperson shall be an ex-officio voting member of all committees. A quorum for the transaction of business or the exercise of any power of a committee shall consist of a majority of the members of the committee **other than the Chairperson**. A committee shall have the power to act by a majority of the members present at any meeting at which a quorum is in attendance. Each committee may elect a committee secretary and vice chairperson and shall maintain at all times minutes of its

meetings including its considerations, deliberations, decisions and resolutions, and shall distribute copies of such minutes to committee members and to the Board as appropriate.

ARTICLE IV **OFFICERS**

401. Appointment. The Board shall have the power to create positions for and employ such officers as it may deem to be in the interests of the Authority and in accordance with Section 22a-265 of the Act, and shall define the powers and duties of all such officers. All such officers shall be subject to the orders of the Board and serve at its discretion. Such officers shall include a President, appointed by the Chairperson in accordance with Section 22a-261(d) of the Act and Section 402 of these Bylaws. The Board shall be responsible for determining compensation for each officer. The act of appointment of an officer does not in and of itself create contract rights for such officer of the Authority.

402. President. The Chairperson shall, with the approval of the Directors, appoint a President of the Authority who shall be an employee of the Authority and be paid a salary prescribed by the Directors. The President shall supervise the administrative affairs and technical activities of the Authority in accordance with the directives of the Board, and shall perform all duties incident to the office of the President, including those duties imposed by the Act, by these Bylaws and by resolution of the Authority. The authorization of the President with respect to the Authority or certification as to the proceedings of the Authority or any of the official documents and papers of the Authority on file in the Authority's office shall be deemed to be conclusive and binding on the Authority.

403. Delegation. The President may, with the approval of the Directors, assign or delegate to the officers and employees of the Authority, any of the powers that, in the opinion of the President, may be necessary, desirable or appropriate for the prompt and orderly transaction of the business of the Authority.

404. Acting President. The Directors, by a majority vote, may by resolution appoint some other person to serve as Acting President and perform the duties of the President in the event of the death, inability, absence or refusal to act of the President. Such person shall be subject to all of the same restrictions placed upon the President.

405. Chief Financial Officer. The Chairperson shall, with the approval of the Directors, appoint a Chief Financial Officer of the Authority who shall be an employee of the Authority and paid a salary prescribed by the Directors. The Chief Financial Officer shall direct the finance, accounting, budgetary, treasury and cash management functions of the Authority and shall perform such other duties as the Board shall delegate from time to time. The Chief Financial Officer shall perform his or her duties in a manner consistent with the directives of the Board, these Bylaws and all applicable statutes and regulations.

406. Secretary. The Chairperson shall, with the approval of the Directors, appoint a secretary who shall be an employee of the Authority. The Secretary shall be the custodian of the Seal of the Authority, shall keep or cause to be kept, minutes of all meetings of the Directors and

Ad Hoc Members and shall have such other duties as shall be delegated to the Secretary from time to time.

407. Additional Duties. In addition to such powers and duties as are specified in the Act, these Bylaws and by the Board, the President and other officers of the Authority shall have the authority and shall be required to perform such other duties and functions which may by law and general usage pertain to the particular office and as may from time to time be required, unless the Board or the Act expressly state otherwise.

408. Standards of Conduct. An officer with discretionary authority shall discharge such authority: (i) in good faith; (ii) with the care an ordinarily prudent person in like position would exercise under similar circumstances; and (iii) in a manner the officer reasonably believes to be in the best interests of the Authority. In discharging such duties, an officer is entitled to rely on information, opinions reports or statements, including financial statements and other financial data, if prepared or presented by: (i) one or more officers or employees of the Authority whom the officer reasonably believes to be reliable and competent in the matters presented; or (ii) legal counsel, public accountants or other persons as to matters the officer reasonably believes are within the person's professional or expert competence. An officer cannot so rely in good faith if he has knowledge concerning the matter in question that makes reliance otherwise permitted by this section unwarranted.

409. Resignation. An officer may resign at any time by delivering notice to the Authority. A resignation is effective when the notice is delivered unless the notice specifies a later effective date. If a resignation is made effective at a later date and the Authority accepts the future effective date, the Board may fill the pending vacancy before the effective date, provided, that the successor is not permitted to take office until the effective date. ~~{The Board may remove any officer other than the President at any time with or without cause. An officer's removal does not affect the officer's contract rights, if any, with the Authority. NEED TO DETERMINE WHETHER TO INCLUDE THIS PROVISION.}~~ An officer's resignation does not affect the Authority's contract rights, if any, with the officer.

ARTICLE V

MEETINGS OF BOARD OF DIRECTORS

501. Regular Meetings. In accordance with Section 22a-263 of the Act, the Directors and Ad Hoc Members of the Authority shall meet at least monthly at the call of the Chairperson for the transaction of any lawful business of the Authority. The monthly meetings shall be held at such time and place as shall be designated in a written or printed notice of meeting given to the Directors and Ad Hoc Members at least three days prior thereto by the Chairperson or Vice Chairperson or President acting on behalf of the Chairperson. A schedule of regular monthly meetings of the Directors shall be filed not later than January 31 of each year in the office of the Secretary of the State and no meeting shall be held sooner than thirty (30) days after such schedule has been filed. A schedule of regular monthly meetings of the Directors and Ad Hoc Members shall be made available to the public through the internet by posting such schedule not more than seven (7) days after the schedule of meetings is established. The Board may permit any or all Directors to participate in a meeting by any means of communication by which all

Directors participating may simultaneously hear each other during the meeting so long as the public is able to participate in such meeting.

502. Special Meetings. The Chairperson may, when he or she deems it expedient, and shall, whenever requested by any three Directors, call a special meeting of the Board for the purposes of transacting any business designated in the notice. A written or printed notice for a special meeting shall be given to each Director and Ad Hoc Member at least twenty-four hours prior to the hour appointed for such special meeting. At such special meeting, no business shall be considered other than as designed in the notice. A notice of a call of a special meeting of the Directors and Ad Hoc Members shall be filed with Secretary of the State's Office as required by General Statutes Section 1-225(d). The Board may permit any or all Directors to participate in a meeting by any means of communication by which all Directors participating may simultaneously hear each other during the meeting so long as the public is able to participate in such meeting.

503. Notice of Monthly or Special Meeting; Waiver. Notices of each meeting of the Authority shall be in writing and may be given by U.S. mail, facsimile, e-mail, or other delivery to each Director and Ad Hoc Member in person or addressed to the last known business or residence address of such Directors and Ad Hoc Members. Whenever any notice is required to be given by law or by these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent thereto. If any person present at a meeting does not protest the lack of proper notice, prior to or at the commencement of the meeting, such person shall be deemed to have waived notice of such meeting.

504. Quorum; Transaction of Business.

(a) Seven (7) Directors of the Authority shall constitute a quorum for the transaction of any business or the exercise of any power of the Authority, provided, the following individuals shall be present in order for a quorum to be in attendance: (a) at least one (1) ex-officio Director appointed to the Board pursuant to Section 22a-261(c) of the Act and Section 301(a), (v) of these Bylaws (or the designee of such ex-officio Director); and (b) at least two (2) Directors appointed to the Board in their capacity as a Municipal Official pursuant to Section 22a-261(c) of the Act. **Only Directors, and not Ad Hoc Members, shall be counted in determining whether a quorum is present.** For the transaction of any business or the exercise of any power of the Authority, and except as otherwise provided in the Act or these Bylaws, the Authority shall have power to act by a majority of the Directors present at any meeting at which a quorum is in attendance.

(b) The following actions require the affirmative vote of at least two-thirds (2/3) of the Directors:

- (i) Adoption of the annual plan of Solid Waste Management Operations prepared in conjunction with the Department of Environmental Protection pursuant to Section 22a-264 of the Act;

- (ii) Establishment of the maximum number of employees of the Authority prior to employing more than forty-five (45) persons; and
- (iii) Adoption of rules and procedures for purchasing and contracting operations pursuant to Section 22a-266(c) of the Act; and
- (iv) Adoption of contracts involving a period of over five (5) years in duration or for which the annual consideration is greater than fifty thousand dollars (\$50,000) pursuant to Section 22a-268 of the Act;

(c) The affirmative vote of at least two-thirds (2/3) of the Directors **present and eligible to vote** are required for the adoption of a resolution to sit in Executive Session pursuant to the Freedom of Information Act and Section 507 of these Bylaws.

(d) The affirmative vote of at least two-thirds (2/3) of the Directors and Ad Hoc Members **present and eligible to vote** are required for the addition of an agenda item at a regular meetings of the Board for subsequent business not already included in the meeting agenda on file at the principle office of the Authority twenty-four (24) hours in advance of such meeting.

505. Temporary Borrowing for Mid-Connecticut Project. Pursuant to Section 22a-268d of the Act, a two-thirds (2/3) vote of the Directors appointed pursuant to Section 301(a), (i) through (v) of these Bylaws, with the subsequent approval of the State Treasurer and the Secretary of the Office of Policy and Management, may authorize a temporary borrowing from the State of Connecticut of up to one hundred fifteen million dollars (\$115,000,000) for the purposes of supporting the repayment of debt issued by the Authority on behalf of the Mid-Connecticut Project.

506. Organization. At each meeting of the Directors and Ad Hoc Members, the Chairperson, or in his or her absence the Vice Chairperson, or in the absence, abstention or recusal of both, a Director chosen by a majority of the Directors then present, shall act as presiding officer of said meeting. The Secretary or another officer or employee of the Authority designated by the President shall act as secretary of the meeting. The secretary of each meeting shall prepare and maintain or cause the preparation and maintenance of the minutes of all business transacted at such meeting.

507. Executive Session.

(a) The Directors may make a determination to sit in Executive Session. An affirmative vote of at least two-thirds (2/3) of the Directors present and eligible to vote on such matter, taken at a public meeting and stating the reasons for such Executive Session, shall be necessary to approve such a resolution. The purpose and the conduct of the executive session shall be in accordance with the Freedom of Information Act and these Bylaws.

(b) The members of any committee of the Board may make a determination to sit in Executive Session. An affirmative vote of at least two-thirds (2/3) of the committee members **present and eligible to vote** on such matter, taken at a public meeting and stating

the reasons for such Executive Session, shall be necessary to approve such a resolution. The purpose and the conduct of the Executive Session shall be in accordance with the Freedom of Information Act and these Bylaws.

(c) An Executive Session may be called for one or more of the following purposes:

- (i) Discussion concerning the appointment, employment, performance, evaluation, health or dismissal of a public officer or employee, provided that such individual may require that discussion be held at an open meeting;
- (ii) Strategy and negotiations with respect to pending claims or pending litigation to which the Authority or a member thereof, because of the member's conduct as a member of such agency is a party until such litigation or claim has been finally adjudicated or otherwise settled;
- (iii) Matters concerning security strategy or the deployment of security personnel, or devices affecting public security;
- (iv) Discussion of the selection of a site or the lease, sale or purchase of real estate when publicity regarding such site, lease, sale, purchase or construction would cause a likelihood of increased price until such time as all of the property has been acquired or all proceedings or transactions concerning same have been terminated or abandoned; and
- (v) discussion of any matter which would result in the disclosure of public records or the information contained therein described in Section 1-210.

508. Recessed Meeting. The Directors and Ad Hoc Members may recess a regular or special meeting. A Director or Ad Hoc Member absent from a regular or special meeting at which a resolution is passed for a recessed meeting shall be notified at least one hour prior to the hour appointed for such reconvening of the recessed meeting.

509. Method of Voting. Unless otherwise required by the General Statutes, voting by the Directors and Ad Hoc Members shall be by voice vote or roll call at the discretion of the Chairperson. A tally of votes shall be taken and recorded in the Minutes of the meeting. A Director who is present at a meeting of the Board or a committee of the Board when corporate action is taken is deemed to have assented to the action unless: (i) the Director's dissent or abstention from the action taken is entered in the minutes of the meeting; or (ii) the Director delivers written notice of dissent or abstention to the Chairman before the adjournment of the meeting or to the Authority immediately after adjournment of the meeting. The right of dissent or abstention shall not be available to a Director who votes in favor of the action taken.

510. General Standards of Conduct for Directors, Ad Hoc Members. Each Director and Ad Hoc Member shall discharge his or her duties as a Director or Ad Hoc Member respectively, including duties as a member of any committee: (i) in good faith; (ii) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and

(iii) in a manner such individual reasonably believes to be in the best interests of the Authority. In discharging a Director's or Ad Hoc Member's duties, such individual is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by: (i) one or more officers or employees of the Authority whom the Director or Ad Hoc Member reasonably believes to be reliable and competent in the matters presented; (ii) legal counsel, public accountants or other persons as to matters the Director or Ad Hoc Member reasonably believes are within the person's professional or expert competence; or (iii) a committee of the Board of which the Director or Ad Hoc Member is not a member if the Director or Ad Hoc Member reasonably believes the committee merits confidence. A Director or Ad Hoc Member is not acting in good faith if he or she has knowledge concerning the matter in question that makes reliance, otherwise permitted, unwarranted.

511. No Invalidity. Failure to follow any procedure provided for in these Bylaws shall not render any action taken by the Directors ineffective unless it is ineffective under law. It is intended that these Bylaws be consistent with the Act and with the Freedom of Information Act. If any inconsistency should nevertheless appear, the provisions of the applicable law shall control.

ARTICLE VI

PERSONNEL AND PROCUREMENT POLICIES

601. The Directors shall establish from time to time such rules and regulations as may be necessary to provide an adequate and systematic procedure for handling the personnel affairs of the administrative staff of the Authority and for handling the procurement policies of the Authority.

ARTICLE VII

FINANCIAL INFORMATION

701. Fiscal Year. The Fiscal Year of the Authority shall commence on the first day of July and end on the last day of the following June.

702. Budget Process. The President shall recommend to the Directors for their evaluation and adoption a fiscal year budget for the following: (i) Authority General Fund and Capital Improvement Budget – at least fifteen (15) days before the regular meeting of the Directors in February; (ii) Southeast Project Operating Budget – at least fifteen (15) days before the regular meeting of the Directors in November; (iii) Bridgeport Project Operating Budget – at least fifteen (15) days before the regular meeting of the Directors in January; (iv) Wallingford Project Operating Budget – at least fifteen (15) days before the regular meeting of the Directors in January; and (v) Mid-Connecticut Operating Budget – at least fifteen (15) days before the regular meeting of the Directors in February. Such proposed budgets shall contain an estimate of all revenues and receipts anticipated from all sources in the ensuing fiscal year, the estimated expenditures necessary for the operation of the various activities of the Authority for that year and a balanced relation between the total estimated expenditures and total anticipated revenues and receipts. The Directors shall review the proposed budget, modify it where appropriate, and then adopt a final budget no later than the budget deadlines established for each Project agreement. After adoption of the final budget, the President shall ensure the proper allocation of

the budget to an established chart of accounts. Budget appropriations allocated to the accounts of the Authority shall not be exceeded without the prior approval of the Directors. The President may transfer funds within the line items for each Project without limit as long as each line item of each Project and the grand total of each fund is not exceeded without the prior approval of the Directors.

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

703. Director Expenses. As provided by Section 22a-261(e) of the Act, Directors and Ad Hoc Members shall be entitled to reimbursement by the Authority for actual and necessary expenses incurred during the performance of their official duties. All reimbursements shall be made in a manner consistent with the Authority's Travel Policy and Expense Reporting.

ARTICLE VIII

AMENDMENT OR REPEAL OF BYLAWS

801. Amendment or Repeal. These Bylaws may be repealed or amended, or new Bylaws may be adopted, only by the affirmative vote of the majority of a quorum of the full Board of Directors of the Authority at any regular or special meeting in a manner consistent with the Act. Action by the Board to adopt or amend a bylaw that changes a required voting requirement for the Board not fixed by the Act must meet the same quorum requirement and be adopted by the same vote required to take action under the quorum and voting requirement then in effect or proposed to be adopted, whichever is greater. The Authority may adopt rules for the conduct of its business, and the adoption of such rules shall not constitute an amendment of these Bylaws, unless specifically so stated.

ARTICLE IX

INDEMNIFICATION OF OFFICERS OR DIRECTORS

901. Indemnification. The Authority shall indemnify any Officer, Director, representative or Ad Hoc Member who is a party, or who is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, administrative or investigative by reason of the fact that he or she is or was serving as Director, Officer, representative or Ad Hoc Member of the Authority, against judgments, fees, amounts paid in settlement and expenses, including attorneys' fees, actually and reasonably incurred by him and the person whose legal representative he or she is, in connection with such action, suit or proceeding, or any appeal therein - as long as the Officer, Director, representative, or Ad Hoc Member was not wanton or willful. The Authority shall not so indemnify any such person unless it shall be concluded:

- (i) by the Directors, by a consent in writing signed by a majority of those Directors who were not parties to such action, suit or proceeding; or
- (ii) by independent legal counsel selected by a consent in writing signed by a majority of those Directors who were not parties to such action, suit or proceeding,

that such person, and the person whose legal representative he or she is, acted in good faith and in a manner he or she reasonably believed to be within his or her statutory authority, and he or she was not wanton or willful, including without limitation, Section 22a-261(n) of the Act. In the event that there are less than three Directors not parties to the action, suit or proceeding in question, then the matter of indemnification shall be submitted to an independent third party selected unanimously by the remaining Directors, or, if this is not possible, by a majority vote of the entire Board, subject to the qualification that, so long as there is at least one Director not a party to the action or proceeding, a third party will not be chosen unless deemed acceptable to that Director.

902. Payment of Current Expenses. Expenses which may be indemnified under Article IX, Section 901 of these Bylaws incurred in defending an action, suit or proceeding, may be paid by the Authority in advance of the final disposition of such action, suit or proceeding upon agreement by or on behalf of the Officer, Director, representative, Ad Hoc Member, employee or agent, or his or her legal representative, to repay such amount if he or she is later found not entitled to be indemnified by the Authority as authorized in Section 901 above. Such reimbursement shall be in a manner consistent with Section 1-125 of the General Statutes.

ARTICLE X

SEAL, PLACE OF BUSINESS AND RECORDS

1001. Seal of the Authority.

(a) The official seal of the Authority shall be circular in form and shall have inscribed thereon the following words and figures: "Connecticut Resources Recovery Authority, 1973" and such additional matter as may be approved from time to time by the Directors of the Authority pursuant to the Act.

(b) In the execution on behalf of the Authority Of any instrument document, writing, notice or paper, it shall not be necessary, unless specifically required by law, to affix the official seal of the Authority, and such instrument, document, writing, notice, or paper when executed without the seal affixed shall be of the same force and effect and is binding on the Authority as if the official seal had been affixed in each instance. The use of the seal shall be symbolic only.

(c) The official seal need not be impressed on any instrument, document, writing, notice, or paper, but the same shall be sufficiently sealed if the official seal or a facsimile thereof is engraved, imprinted or otherwise reproduced thereon.

(d) The Secretary, or in the absence of the Secretary, a designee appointed by the President or Chairperson, may certify as to the official seal or its facsimile as of any date or with respect to any instrument, document, writing, notice, or paper, and any such certification shall be conclusive as to the form of the official seal and that any instrument, document, writing, notice, or paper has been duly and properly sealed by the Authority.

1002. Office of the Authority. The main office of the Authority shall be maintained at 100 Constitution Plaza, Hartford, Connecticut, or at such other place or places

within the State as the Authority may designate. The Authority shall not be required to hold any of its meetings at such office. The Authority may maintain other offices in the State.

1003. Records of the Authority. The records of the Authority shall be kept and maintained pursuant to Section 22a-263 of the Act and in such a manner and for that period of time as the Directors, acting upon the advice of the Authority's counsel and accountants deem appropriate. The written records of the Authority will be made available to the public as required by the Freedom of Information Act. Records of the Authority shall be maintained in accordance with State of Connecticut guidelines.

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LegalContractsForms/Policiesprocedures/AmendRestaBylawsCRRADraftMay12, 2003

TAB 17

SECOND DRAFT
MOVING FORWARD
BUILDING A NEW BUSINESS PLAN

Michael A. Pace
Chairman
CRRA

The Chairman and the Steering Committee seek the consent of the Board of Directors on the development of a new comprehensive Business Plan for CRRA. The Plan will be structured in the following segments:

- 6 months
- 12 months
- 18 months
- Two to ten years

The purpose of the Business Plan will be to guide CRRA's Board and staff in conducting the Authority's business over what will prove to be its most crucial period since its inception 30 years ago. The task for drafting and implementing the Plan will be assigned to the CRRA President and the Chief Financial Officer.

The Steering Committee believes there must be a clear understanding of the economic realities facing municipal customers, contractors, and the recycling and waste industry itself as CRRA forecasts and addresses the events and trends that may affect our organization.

In doing so, the Committee further believes that it is essential to have the knowledge base and internal capability to anticipate and respond to challenges; particularly to our customers.

Furthermore, we must be mindful of the approach CRRA takes in dealing with our private sector contractors who—in certain circumstances—are also our competitors. If we do, we can maintain the widest array of competitive options for our towns while assuring accountability and best practices across the board.

Strategic planning spurs innovation while assuring responsibility

In an ever-changing environment, this Business Plan will allow the Board of Directors to address the elements of the problems we face by mixing practical (pragmatic) solutions with innovative (creative) technology. It will also provide the timelines and benchmarks the Board will need to mark our progress along the way.

Thus, the Chairman offers the Steering Committee and the Board the following elements and components to be included in the documents to be developed by July 1, 2003.

SECOND DRAFT

As CRRA emerges from a year of financial, legal, legislative, management, economic, and philosophical change, problems have been replaced with action, with results-oriented corrective actions.

This Business Plan should provide the CRRA staff and Board with a fact-based perspective needed to act in a systematic way—making choices armed with the benefit of pertinent data, an analysis of issues, and a review of alternative solutions.

By maintaining a holistic perspective as we address distinct and individual problems, we can provide the best possible direction for the Authority's four waste management projects. In that way, we can gain the knowledge needed to:

- Improve operations;
- Strengthen management information systems;
- Manage human resources;
- Broaden in-house activity and task assignment;
- Balance outsourcing needed for tasks not assigned in-house; and
- Enhance the delivery of services.

Cost savings, revenue enhancements

With the public's demand and our responsibility to perform efficiently and effectively, it is critical to explore cost savings and revenue enhancements. Thus we must specifically identify services and how we provide them; so that we can then explore the savings and efficiencies that can be achieved when current practices are compared with possible alternatives. In a similar fashion, we need to measure the value that is added—or lost—by contracting CRRA services, both in terms of financial and operational considerations.

Staffing

It will be necessary to equate staffing levels to our expected work volume. This calls for a staffing plan that features an objective system which measures performance output and quality of outcomes. Then, management will have what it needs to set goals for staffing levels, productivity, and compensation.

So the basis for charting and reviewing CRRA's future will:

- Focus on strategic planning with tactical initiatives;
- Improve management's focus and directed commitment;
- Develop teamwork and organizational synergy;
- Enhance the process for continuous improvement; and
- Coordinate specifics of the structured annual plan to the strategic plan.

SECOND DRAFT

Performance review and audit

A performance review and audit of all departments and their (inter-and intra-departmental) functions needs to take place. A thorough evaluation of company processes and employee performance should be completed in such a manner as to facilitate a Corrective Action Plan and Continuous Improvement Plan.

One goal of this audit will be to gauge the cost factors and values of each function, and its efficient use of resources. The results of this study should be presented in both qualitative and quantitative terms. This type of exercise should:

- Help management and the Board identify best practices, the conservation of resources, and eliminate the inefficient use of resources.
- Assist the Board in understanding costs and benefits for all units of output (tons, kilowatt hours, etc) for each component of CRRA's business (municipal solid waste, paper, glass, metals, ash, etc.), and the benefits, risks, and appropriateness of new services that could or should be incorporated into CRRA's business model.
- Compare and contrast CRRA's performance with that of similar organizations both public and private.
- Identify and develop models for organizational synergy to assure optimum communications and functional corrections without duplicating efforts or conflicting actions.
- Evaluate the competency of management's ability to collect data, assess reports, and offer remedies for improvement.

Document control

It is imperative to evaluate CRRA's document control system—from development and review to routing, approval, execution, and storage. Integrity of process and security of content are mandatory to protect legal mandates, assure public confidence, and chronicle CRRA's historical record of business dealings.

Teambuilding

A teambuilding model should be explored with an eye toward identifying the specific tasks and positions needed at CRRA (both in-house and contracted) matching the case-specific skills and personal characteristics of those employed to the stated mission of each position.

Best practices and statutory compliance

To ensure best practices and prudent decisions, a review of the current practices and compliance with governing state law is recommended for the following functions:

SECOND DRAFT

- Case management
- Budget development
- Budget management
- Debt Management
- Contract management
- Financial analysis and reporting

Working with a holistic perspective, while analyzing individual elements and components, CRRA seeks to improve:

- Organizational structure;
- Inter-and intra- organizational activities;
- Inter-and intra-departmental activities;
- Efficiency and effectiveness;
- Use of resources (human, financial, time);
- Flexibility for personnel assignment and re-assignment (cross-training);
- Expanded career paths;
- Employee job satisfaction;
- Information processing; and
- Identified voids in reporting and information sharing.

As we move forward, the Board of Directors needs to focus on developing and clearly stating its preferences and needs for reports from the CRRA management and staff—in terms of form and substance. Specifically:

- Subject matter/ title
- Content/ terms and relationships thereof
- Means of presentation
- Assignment of development and presentation
- The relationship of the presenter to decision making

Business disruption planning

CRRA needs to identify the hardships that would be created by the disruption of key Authority functions. We need the ability to forecast potential direct and indirect costs due to the interruption or loss of key CRRA operations.

This should assist us to minimize the cost and impact of any disruption, as well as to minimize exposure to loss and impact to CRRA credibility. Such a plan **MUST** be documented in written form and be tested to ensure reliability and continuity of operations.

The assessment of risk and the purchase of financial coverage is only one aspect of a business disruption plan. Other aspects must include the quality and assurance of service

SECOND DRAFT

delivery and of any alternatives or contingencies. Thus, the plan should address the following:

- Minimizing exposure to disruptions
- Maximizing pre-emptive measures to ensure the integrity of systems/facilities
- Minimizing potential downtime
- Maximizing the use of parallel systems and operations
- Minimizing potential financial losses
- Maximizing the spread of risk
- Establishing a minimum level of organizational stability for the term of disruption
- Establishing protocols for orderly recovery
- Reducing reliance on any one—or two few—individuals or contractors for critical functions
- Protecting organizational assets
 - **Fiscal:** manage, allocate, protect, leverage, audit
 - **Physical:** manage, maintain, protect, enhance, recover
 - **Intellectual:** protect and leverage
- Planning for and establishing protocols for staff and public safety
- Minimizing legal liability
- Maximizing regulatory agency input and coordination.

In conclusion, these activities and resulting plans must be focused and results-oriented. They must reflect public policy, incorporate CRRA policy, and be collaboratively developed and universally shared among employees and stakeholders. They must reflect time-guidance implementation and a “built in” patience factor to accomplish long term initiatives and protect from shortcutting or sidetracking of resources for CRRA’s core businesses and responsibilities.

From: "Benson R. Cohn" <bcohn@ntplx.net>
To: "Thomas Kirk" <tkirk@crra.org>
Date: 4/16/03 7:41AM
Subject: Draft Business Plan

Michael told me to give my comments on the draft business plan directly to Angelica for inclusion, but I think she will need you help to do so. I am, therefore, routing the comments through you.

1. As a matter of clarity and policy the objective of service to our municipal clients should be explicitly stated at the outset and should be more explicitly apparent throughout. We need to shake off the widely held view that the old leadership had lost sight of who thei client was.
2. The key operations people should be participants on the development of the plan along with the CFO. This will support team building and should result in a plan that covers both financial and operational issues.
3. An element of the plan process should be the development of critical issues and and critical dates. Much of what must be planned will be governed by this list.
4. Part of the plan should be a competitive strategy for the organization and for each plant a la Michael Porter's Competitive Strategies. This is especially relevant to the individual plants as the contract dates come around. The technique consists of specifically identifying who the competitors are, who has what competitive advantages and disadvantages, what the plant's cost structure is relative to the competing alternatives, etc.

TAB 18

RESOLUTION REGARDING FCR SETTLEMENT

WHEREAS, CRRA and FCR Redemption, Inc. ("FCR") are currently involved in litigation and arbitration concerning the Hartford Container Recycling Facility; and

WHEREAS, CRRA and FCR have reached a global settlement of all disputes relating to said litigation and arbitration; and

WHEREAS, as part of the settlement, CRRA and FCR have agreed upon a procedure to permit a much-needed retrofit of the baler at the Container Recycling Facility; now, therefore, be it

RESOLVED, that the Board hereby approves the procurement procedure for the baler retrofit, set forth in Section 2 of the global settlement, pursuant to Article II, Section 1(b), Subsections 5 and 7

Perakos & Zitser, P.C.

LAW OFFICES

44 CAPITOL AVENUE SUITE 302
HARTFORD CONNECTICUT 06106-1706

TELEPHONE (860)560-0550
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Peter G. Perakos, II
Barry S. Zitser

Steven E. Perakos (1920-1983)

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e-mail BZitser@perakos-zitser.com

JUNE 5, 2003

Board of Directors
Connecticut Resources Recovery Authority
211 Murphy Road
Hartford, CT 06114

RE: FCR Settlement Agreement

Honorable Board Members:

I am happy to report that a global Settlement Agreement has been reached with FCR Redemption, Inc., on all outstanding disputes involving the Hartford container recycling facility. Unlike the three-year controversy with Allied Waste Industries, Inc., the resolution was achieved in one-twentieth the time, and at less than one-twentieth the litigation and expert costs. This spirit of cooperation will permit CRRA not only to enhance a very successful recycling operation, but also to go forward with the planning to move its profitable transloading operations to 211 Murphy Road.

The purpose of this letter is to request formal Board approval for the procedure set forth in the Settlement Agreement for the retrofitting of CRRA's baler used in the container facility. While it is the undersigned's opinion that FCR has the right under Article IX of the Agreement For Operation And Maintenance Of Container Processing Facility (Facility Agreement) to pursue this retrofit without adherence to CRRA's procurement policy, President Kirk has determined that due to the size of this project, CRRA should have some additional supervisory authority with respect to this retrofit.

Accordingly, Section 2 of the Settlement Agreement not only provides for a capping of the costs to be incurred by CRRA for the retrofitting, but also requires FCR to provide CRRA with three vendor quotes, as well as engineering plans. CRRA will then have up to 60 days in which to enter into contracts for such retrofitting. In the event that CRRA does not enter into such contracts within that timeframe, FCR may determine to do so, but only upon ten days written notice, and subject to the agreed-upon cost cap. CRRA, however, will still have the right to stop FCR from going forward by filing an arbitration request if it determines this to be in CRRA's best interests.

June 6, 2003
Page 2

The above procedure was the result of intensive negotiations to facilitate a much-needed retrofit, while providing CRRA with greater supervisory control than set forth in the existing Facility Agreement. This procedure not only recognizes that FCR was selected to run the container facility because of its special capability and unique experience, but it is also an essential component of the settlement of the pending litigation and arbitration between the parties. Under CRRA's procurement policy, it is the undersigned's opinion that Article II, Section 1(b), Subsections 5 and 7 would permit this innovative resolution with a two-thirds approval of the Board.

Accordingly, it is respectfully requested that the Board adopt the attached resolution.

Very truly yours,

Barry S. Zitser

June 6, 2003
Page 3

AGREEMENT

This **AGREEMENT** dated as of June 3, 2003 is between **FCR REDEMPTION, INC. ("FCR")** and **CONNECTICUT RESOURCES RECOVERY AUTHORITY ("CRRA")** and collectively with FCR, the "**Parties**").

WITNESSETH

WHEREAS, the Parties have entered into a Container Processing Facility Agreement for Operation and Maintenance dated February 22, 1997 (the "**Facility Agreement**"), pursuant to which FCR agreed to operate the Mid-Connecticut regional recycling facility located at 211 Murphy Road, Hartford, Connecticut owned by CRRA (the "**Facility**"), and CRRA compensates FCR for its services; and

WHEREAS, CRRA and FCR executed a letter agreement dated January 2, 2003 pursuant to which they resolved certain outstanding issues under the Facility Agreement (the "**Settlement Letter**"); and

WHEREAS, CRRA and FCR desire to resolve certain outstanding issues under both the Facility Agreement and the Settlement Letter;

NOW THEREFORE, in consideration of good and valuable consideration, the Parties agree as follows:

1. **Payments.** CRRA shall pay FCR \$50,000 within 30 days from the date hereof as full payment related to issues concerning the so-called "eddy current separator.

2. **Retrofit and Funding of Baler.** The Parties agree that the current baler in the Facility requires significant retrofit. The specifics of such retrofit and the estimated total cost thereof are set forth on Schedule A attached hereto. FCR shall obtain three quotes from vendors for such retrofit with the goal of having received all quotes within 30 days from the date hereof. Once the quotes have been obtained, FCR shall promptly submit copies to CRRA, along with a set of engineer's design and proposal drawings, and CRRA shall directly negotiate with the vendors and execute agreements with them. CRRA shall make a good faith effort to enter into contracts to accomplish the retrofit within 30 days after having received all quotes from FCR and shall promptly send copies of such contracts to FCR; provided that if CRRA has not entered into such contracts

within said 30 days, it shall provide a letter to FCR explaining why there has been delay, and will be granted up to an additional 30 days in which to enter into such contracts. If CRRA fails to enter into such a contract within the 60 day period, FCR shall give CRRA 10 days written notice if FCR desires to enter into a contract with one of the three proposed vendors. Unless CRRA files a Request for Arbitration, which shall solely relate to the items on Schedule A, within said 10 day notice period, FCR shall have the right to enter into the proposed contract, and will be reimbursed by CRRA for the costs of such contract pursuant to Section 9, in an amount not to exceed \$330,000. At the conclusion of the retrofit, through either contracts entered into by CRRA or FCR, a set of sealed as-built plans shall be provided to both CRRA and FCR. FCR shall not be responsible for any expenses relating to an engineering peer review of the design, proposal and/or as-built drawings.

CRRA agrees to provide the funding for such retrofit in an amount not to exceed \$330,000 (including existing equipment trade-ins). If acceptable quotes received by FCR for such retrofit exceed \$330,000, then FCR shall have the option to fund such excess and in the absence of FCR so agreeing, the Parties shall mutually and in good faith agree on whether to scale down the retrofit so that the entire cost does not exceed \$330,000 or pursue another alternative.

3. Notifications for Required Work. The Parties agree to jointly prepare and finalize within 45 days after the date hereof, a protocol of communications between the Parties regarding the proposal, review, approval and execution of proposed capital expenditures at the Facility, in accordance with the Facility Agreement. Such protocol shall be in a form appropriate for facsimile transmission, and in accordance with the Facility Agreement.

4. Receipt of Non-Recyclables From Town Vehicles And Resulting Penalties. CRRA agrees, after review and approval by FCR, to distribute written materials to (a) all vehicles delivering materials to the Facility and/or (b) the originating transfer stations with respect to such vehicles, specifying the potential penalties that may be levied against any carrier and/or its parent company for the intentional or inadvertent delivery of loads containing non-recyclable materials, including waste oil. CRRA also agrees to notify the appropriate individual(s) in each town that participates in the Facility, as well as communities that have contracts with CRRA with respect to the Facility, of their delivery requirements under the

Facility Agreement. CRRA agrees to use reasonable and good faith efforts to enforce the requirements under the Facility Agreement regarding the delivery of non-recyclables by member towns and contract communities and, when necessary and appropriate, pursue and enforce provisions against members, towns, contract communities and haulers that violate these requirements.

If CRRA, pursuant to Section 4.3 of the Facility Agreement determines that a delivery is not acceptable after unloading, it shall pay to FCR \$80 out of any \$200 handling fee imposed upon the hauler, and 40% of any handling fee in excess of \$200.

5. Waste Oil. In order to remedy the problem of waste oil being delivered at the Facility, CRRA agrees to investigate and report to FCR within 45 after the date hereof the feasibility of providing alternative waste oil facilities at the transfer stations and shall work with regulatory authorities to ensure appropriate and environmentally sound waste oil depositories are provided to its member towns, contract communities and haulers.

In addition, CRRA agrees to work cooperatively with FCR to provide for the environmentally sound deposit and removal of motor oil delivered to the Facility. CRRA agrees to reimburse FCR for all properly documented vendor costs for properly disposing or recycling waste oil delivered to the Facility for the 90-day period after the date hereof. At the conclusion of such 90-day period, CRRA agrees to reimburse FCR for the properly documented vendor costs for properly disposing or recycling waste oil that is delivered to the Facility in excess of fifty five (55) gallons in any thirty (30) day period.

6. Issues Under Settlement Letter. Within 60 days from the date hereof, CRRA shall have (a) completed all items listed in Schedule A to the Settlement Letter that have not been completed as of the date hereof or (b) executed binding contracts with third parties to cause such items to be completed promptly after the execution thereof. None of the foregoing shall be at any cost, expense or liability to FCR.

7. AAA Arbitration. CRRA hereby agrees to promptly withdraw its April 11, 2003 demand for arbitration with respect to the Facility Agreement as filed with the American Arbitration Association in East Hartford, Connecticut, File #12 181 00358 03, as well as the judicial proceedings filed in

Superior Court in the Judicial District of Hartford seeking a restraining order and temporary injunction against FCR Redemption, Inc.

8. Option to Extend. FCR hereby accepts CRRA's March 20, 2003 Notice of Option to Extend the Agreement by one (1) year up to and through May 21, 2004.

9. Disputes Arising From This Agreement. The Parties intend and agree that this Agreement constitutes an amendment to the Facility Agreement, but except as amended hereby, all other provisions of the Facility Agreement remain in effect.

10. Discussions Regarding Transloading At The Facility. Within 90 days from the date hereof, the parties agree to jointly discuss and explore a plan for utilizing a portion of the facility by CRRA for the transloading of residential paper. These discussions shall include and be controlled by an acknowledgement of FCR's responsibility to fulfill its contractual rights and duties under this and the original Agreement. FCR shall give its consent to CRRA utilizing a portion of the facility for transloading of residential paper unless such transloading would have an adverse impact on FCR's responsibility to fulfill its contractual rights and duties under this and the original Agreement. The adverse impact of CRRA's use of a portion of the facility for the transloading of residential paper upon FCR's responsibilities, rights and duties under this and the original Agreement shall be determined by the parties mutually. CRRA shall be solely responsible for any and all costs and/or expenses to the parties relating to and/or as a result of the transloading of residential paper at the Facility

11. Multiple Counterparts; Facsimile Signatures. This agreement may be executed by facsimile signatures and may be executed in multiple counterparts, and it shall not become effective and binding until one such counterpart is signed by all the Parties and all exhibits thereto are signed by the respective Parties and until such time as all of the Parties are in possession of signed copies of the same.

12. Binding Effect. This Agreement shall be binding upon, and shall inure to, the benefit of the Parties, their heirs, executors, administrators, personal representatives, successors, predecessors, parents,

subsidiaries, or sister corporations, assigns officers, directors, partners, employees, attorneys and agents.

13. Release of Parties. Upon the execution and delivery of this Agreement, neither Party shall have any further obligation or liability to the other Party with respect to any repair and maintenance items under the Facility Agreement ~~referenced herein and with respect to the period prior to the~~ date hereof, including but not limited to any matters contained in the various letters to and from the Parties with respect to alleged defaults under the Facility Agreement and resolved herein, and each Party releases the other Party from any claims in connection with or arising from the foregoing. Notwithstanding anything herein that may be construed to the contrary, and without limiting any other limitations on the foregoing releases, the foregoing releases shall not apply to any matters contained in this Agreement, including but not limited to those matters set forth in the Settlement Letter described herein and still to be completed.

14. Governing Law. This Agreement shall be construed and governed by the laws of the State of Connecticut, without regard to its conflicts of laws principles.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the

date first set forth above.

FCR REDEMPTION, INC.

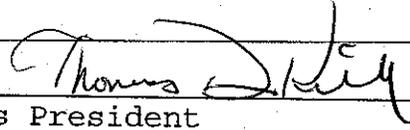
By: _____

Its
Duly Authorized

Date: _____

CONNECTICUT RESOURCES RECOVERY AUTHORITY

By:



Its President
Duly Authorized

Date:

6/3/03

Schedule A

Baler Retrofit

	<u>Proposed Modification</u>	<u>Estimated Cost</u>
1.	Raise light Sort Platform 4'	
2.	Extend Light Sort Platform 12'	
3.	Extend Baler Feed Conveyor 12' on tail to accommodate the new storage bins and at head to fit into new 2 ram baler	
4.	Extend Light sort Conveyor 14'	
5.	Move Eddy Current and vibrating feeder to the end of the light sort line add chute work for glass fines to be directed to a self dumping hopper. Trash and aluminum would be the negative sort from the light sort line onto the Eddy Current and the trash would be deposited directly on the 900 trash conveyor.	
6.	Add a blower for aluminum into an existing bin	
7.	Modify existing 900 trash conveyor to fit	
8.	Extend height of existing bins by adding to the sides adding storage capacity	
9.	Add (2) new Bins: (1) for Tin, (1) additional Plastic	
10.	Extend or add additional conveyor to take tin into the new Tin bin (eliminate tin densifiers)	
11.	Replace existing baler with a Harris Model L-100S-2-10/7, 2-Ram with bale separation bale door.	
12.	Take out vibration screen and bridge gap w/slide or conveyor to light sort feed.	
13.	Electric installation	
14.	Engineering Services	
15.	Contingency	
	Total Estimate	\$330,000

TAB 19

**RESOLUTION RE: AUTHORIZATION FOR PAYMENT OF ANDERSON KILL
AND OLICK**

RESOLVED: That the President of CRRA is hereby authorized to pay Anderson Kill and Olick up \$240,000 to reimburse Anderson Kill for fees and expenses incurred, up until May 31, 2003, but not paid, which exceed the June 2002 authorized amount of \$300,000 for work with the Attorney General's Office in the matter of In re: Enron Corp., et al. (Chapter 11, Case No. 01-16034(AJG)) ("Bankruptcy Case"),

And to further pay for the additional work in the amount of \$26,500 for fees and expenses incurred, up until May 31, 2003, not anticipated on the CL&P issues which arose in the Bankruptcy Case and in discussions with CL&P to obtain monies owed to CRRA.

FURTHER RESOLVED: That the President of CRRA is hereby authorized to pay Anderson Kill an additional \$115,000 for preliminary motions and appeal in bankruptcy action on the condition Anderson Kill inform CRRA when it is within \$50,000 of this authorized expenditure.