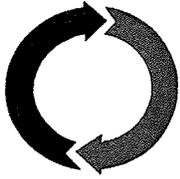


**CRRA
BOARD MEETING
JANUARY 27, 2005**



**CONNECTICUT
RESOURCES
RECOVERY
AUTHORITY**

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

MEMORANDUM

TO: CRRA Board of Directors
FROM: Kristen Greig, Secretary to the Board/Paralegal
DATE: January 20, 2005
RE: Notice of Meeting

There will be a regular meeting of the Connecticut Resources Recovery Authority Board of Directors held on Thursday, January 27, 2005 at 9:30 a.m. The meeting will be held in the Board Room of 100 Constitution Plaza, 6th Floor, Hartford, Connecticut.

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

Connecticut Resources Recovery Authority
Board of Directors' Meeting

Agenda

January 27, 2004

9:30 AM

I. Pledge of Allegiance

II. Public Portion

A public portion from 9:30 to 10:00 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 November 18, 2004 Regular Board Meeting Minutes (Attachment 1).
2. Board Action will be sought for the approval of the November 23, 2004 Special Board Meeting Minutes (Attachment 2)
3. Board Action will be sought for the approval of the December 16, 2004 Regular Board Meeting Minutes (Attachment 3).

IV. Finance

1. Board Action will be sought for the approval of the Wallingford Project Operating & Capital Budget for FY'06 (Attachment 4).
2. Board Action will be sought for the approval of the Bridgeport Operating & Capital Budget for FY'06 (Attachment 5).
3. Board Action will be sought for the approval of an Increase in Legal Expenditures (Attachment 6).

V. Project Issues

A. Mid-Connecticut

1. Board Action will be sought regarding Loose Residential Mixed Paper Purchase and Sale Agreement with Recycle America Alliance, L.L.C. (Attachment 7).

2. Board Action will be sought regarding an Extension of the Mid-Connecticut Project Project Loose Paper Transloading Agreement with Murphy Road Recycling and Murphy Road Realty (Attachment 8).
3. Board Action will be sought regarding an Agreement with FCR Redemption, Inc., the Mid-Connecticut Project's Container Processing Facility Operator (Attachment 9).

B. Bridgeport

1. Board Action will be sought regarding Settlement Agreement for the Bridgeport Project (Attachment 10).
2. Board Action will be sought regarding an Agreement with Enviro Express, Inc. to Deliver City of Stamford Acceptable Solid Waste to CRRA's Bridgeport Project Resources Recovery Facility (Attachment 11).
3. Board Action will be sought regarding an Agreement with the City of Stamford to Deliver its Acceptable Solid Waste to CRRA's Bridgeport Project Resources Recovery Facility (Attachment 12).
4. Board Action will be sought regarding an Amendment to the Contract for the Operation of an Intermediate Processing Center to Serve the Municipalities of the Southwest Connecticut Regional Recycling Operating Committee ("SWEROC") (Attachment 13).
5. Board Action will be sought regarding an Amendment to the Supplement to Amended and Restated Agreement by and among SWEROC and CRRA (Attachment 14).

C. General

1. Board Action will be sought regarding Waste Export and Diversion Hauling and Disposal Services for Mid-Connecticut and Wallingford Projects (Attachment 15).
2. Board Action will be sought regarding Spot Waste Delivery Services for the Mid-Connecticut and Wallingford Projects (Attachment 16).

VI. Chairman's Report

1. Board Action will be sought for Appointment of Board Committees (Attachment 17).

TAB 1

CONNECTICUT RESOURCES RECOVERY AUTHORITY

THREE HUNDRED EIGHTIETH MEETING

NOVEMBER 18, 2004

A Regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, November 18, 2004 at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Chairman Michael Pace

Directors: Stephen Cassano, Vice-Chairman (Present until 12:00 p.m.)
Mark Cooper
James Francis
Michael Jarjura (Present beginning at 9:55 a.m.)
Edna Karanian
Mark Lauretti (Present beginning at 10:10 a.m.)
Theodore Martland
Raymond O'Brien
Veronica Airey-Wilson (Ad-Hoc for Mid-Connecticut Project)
Timothy Griswold (Ad-Hoc for Mid-CT Project)
(Present until 11:45 a.m.)
Sherwood Lovejoy (Ad-Hoc for Bridgeport Project)

Present from the CRRA staff:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Rob Constable, Controller
Peter Egan, Director of Environmental Affairs & Development
Floyd Gent, Director of Operations
Ron Gingerich, Development, Environmental Compliance & IT Manager (Present beginning at 10:30 a.m.)
Laurie Hunt, Director of Legal Services
Paul Nonnenmacher, Director of Public Affairs
Donna Tracy, Executive Assistant
Kristen Greig, Secretary to the Board/Paralegal

Also in attendance were: Brian Anderson of AFSCME Council 4, David Arruda of MDC, William Bennett of AFSCME Local 1026, Larry Dorman of AFSCME Council 4, Bob Facey AFSCME Local 3713, Frank Marci of USA Hauling & Recycling, Chip Ross of Local 184, Christine Stuart of the Journal Inquirer, Joyce Tentor of HEJN, Jerry Tyminski of SCRRA

Chairman Pace called the meeting to order at 9:35 a.m. and noted that a quorum was present.

PLEDGE OF ALLEGIANCE

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

NEW AD-HOC DIRECTOR

Chairman Pace introduced a new Ad-Hoc Director representing the Mid-Connecticut Project, Veronica Airey-Wilson. The Board members introduced themselves and welcomed Director Airey-Wilson. Director Airey-Wilson stated it was a pleasure to join the Board of Directors and noted that the work done at CRRA was very important to the City of Hartford.

PUBLIC PORTION

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

Mr. Bob Facey introduced himself as the President of Local 3713 of AFSCME Council 4 and stated that he represented the professional engineering group of the MDC. Mr. Facey asked the following questions:

- What is your intent in respect to the public employees of the Metropolitan District that are doing work for you at the CRRA facilities? What is the intent of sub-contracting that out, privatizing that type of work, and what is your overall goal and what do you see as your objective along those lines?
- What is the actual cost difference between the municipalities' tipping fees and spot waste fees based on spot waste market? Is there a large difference?
- Does CRRA plan to reduce or increase tipping fees within the next couple of years? What is the forced thought, budgetary means, what are the things CRRA is looking to do in respect to what has been done previously?
- When do contracts with member towns expire?

Chairman Pace responded to the misuse of the term "privatization," that CRRA was looking to contract with a contractor and MDC was one of CRRA's contractors. Chairman Pace stated that CRRA had made every effort to evaluate the MDC contract and have MDC management bring efficiencies into it. Chairman Pace noted that effort had been going on for several years.

Chairman Pace stated that the CRRA Board was in place to make sure tip fees were the lowest they could possibly be and would continue looking for further reductions to benefit the taxpayers in the State of Connecticut and the municipalities. That would require efficiencies within the operation and means of increasing revenue flows.

Mr. Facey asked what the difference was between what CRRA charged member towns and spot waste fees paid by non-member towns. Mr. Kirk explained that CRRA was required by law to set the tip fee at an amount that paid for all of the operating costs and the pay back of the bonds. Mr. Kirk further explained that tip fees in the private sector were set by market rates. Mr. Kirk stated the market rate in Central Connecticut was \$70.00, higher in western Connecticut, and approximately \$74.00 in southwestern Connecticut. Mr. Kirk added that market rates fluctuated in response to a supply and demand curve and the cost of exporting waste. Mr. Kirk stated that CRRA's tip fees for the Mid-Connecticut project were \$70.00 which was in line with market rates.

Mr. Facey asked if it was more enticing to build the market from outside the State of Connecticut to lower spot fees outside the state and have that build up the market inside Connecticut. Chairman Pace responded that CRRA's first responsibility was to the State of Connecticut and to address the market needs of the municipalities.

Vice-Chairman Cassano added that the DEP was moving forward with a serious effort to develop a statewide solid waste disposal plan. Vice-Chairman Cassano stated that answers to most of Mr. Facey's questions would be answered in that plan.

Mr. William Bennett introduced himself as the president of the supervisor's union at MDC. Mr. Bennett stated that he represented the workers of MDC who lost their jobs or were forced to take pay cuts. Mr. Bennett stated that CRRA claimed to be the "new and transparent" CRRA, but recent actions looked more like the old CRRA. Mr. Bennett asked what CRRA's plans were with the privatizing of the facility and displacement of the MDC workers.

Chairman Pace responded that CRRA has tried to work with MDC for the last two years. Chairman Pace stated that CRRA has been totally transparent and said he hoped Mr. Bennett would hold the MDC board to the same standard. Chairman Pace stated that CRRA would be totally open with its business plan as it unfolded and noted that CRRA was again coming out of arbitration with MDC. Chairman Pace stated that CRRA had proposed many options to MDC management, all of which were rejected. Chairman Pace said he understood that the displaced workers were employees of MDC, which was why CRRA took two years to try to reach a resolution.

Ms. Joyce Tentor stated that she was representing the Hartford Environmental Justice Network. Ms. Tentor stated that there was a public hearing held regarding the Hartford Landfill where Mr. Paul Nonnenmacher represented CRRA. Ms. Tentor stated that there was still a lot of animosity regarding the landfill and thanked and commended Mr. Nonnenmacher for the excellent job he did at that meeting.

Chairman Pace stated that the new Board of Directors was sensitive to environmental justice, which showed in their decision to close the Hartford Landfill. Chairman Pace stated that this Board continued to look at the facilities and the towns there were affected by the facilities to see what could be done to increase the efficiency of those facilities.

Ms. Tentor stated that the original intent of her comment was to encourage the CRRA Board to bring on a member from the City of Hartford, but Director Airey-Wilson, who is a Councilwoman in the City of Hartford, satisfied that suggestion. Ms. Tentor stated that having a Hartford resident on the Board would diffuse some of the disconnect between the City of Hartford and CRRA.

Mr. Brian Anderson introduced himself as a political representative for AFSMCE Council 4, which represents the MDC employees working at CRRA facilities. Mr. Anderson presented a letter from Mr. Sal Luciano, the Executive Director of AFSCME Council 4. Mr. Anderson stated that there had been several questions asked at previous Board meetings and again at this meeting that he did not feel were being answered. Mr. Anderson asked what CRRA's intention was for the public employees. Mr. Anderson noted that the CRRA Board were public appointees and said CRRA had the responsibility to tell the public employees what their intentions were. Mr. Anderson stated that CRRA was being secretive in its refusal to answer that question.

Chairman Pace stated that he appreciated Mr. Anderson's comments and asked that he bring those same comments to the MDC Board. In response to Mr. Anderson's comment regarding being secretive, Chairman Pace said that he hoped Mr. Anderson would also make that comment to the MDC Board. Chairman Pace stated that if MDC would try to resolve this matter with CRRA, perhaps Mr. Anderson would have more accurate information.

Chairman Pace stated that CRRA Board had worked diligently to try to resolve this matter with MDC. Chairman Pace noted that the workers Mr. Anderson was referring to were contracted through MDC, which is why CRRA made efforts through mediation and arbitration. Chairman Pace stated that CRRA's goal was not to displace the workers, but to get MDC to work with CRRA so tip fees could be kept at market rates.

APPROVAL OF THE MINUTES OF THE SEPTEMBER 23, 2004 REGULAR BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the September 23, 2004 Regular Board Meeting. The motion was made by Director O'Brien and seconded by Director Martland.

Chairman Pace referred the Board to page 11 of the minutes where there was a discussion regarding odor control issues. Chairman Pace asked if the resolution to be acted upon regarding roll-up doors was in response to that discussion. Mr. Gent responded in the affirmative. Chairman Pace noted that when the Board was aware of a problem, the Board and management took immediate action to resolve it. Chairman Pace stated that some of the odor control issues were a result of MDC operations. Chairman Pace stated he would like MDC to be aware of the issues so they could assist East Hartford and be a good neighbor.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O'Brien	X		
Non Eligible Voters			
Veronica Airey-Wilson, Ad-Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

APPROVAL OF THE MINUTES OF THE OCTOBER 15, 2004 SPECIAL BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the October 15, 2004 Special Board meeting. The motion was made by Director O'Brien and seconded by Director Martland.

The motion previously made and seconded was approved. Vice-Chairman Cassano abstained from the vote as he was not present at the meeting.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano			X
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O'Brien	X		
Non Eligible Voters			
Veronica Airey-Wilson, Ad-Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

APPROVAL OF THE MINUTES OF THE OCTOBER 21, 2004 REGULAR BOARD MEETING

Chairman Pace requested a motion to approve the minutes of the October 21, 2004 Regular Board meeting. The motion was made by Director O’Brien and seconded by Director Martland.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Non Eligible Voters			
Veronica Airey-Wilson, Ad-Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

RESOLUTION REGARDING CHANGES TO CERTAIN PROJECT RESERVE ACCOUNTS

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

RESOLVED: That the CRRA Board of Directors recognizes that there are insufficient assets to continue the classification of the Mid-Connecticut Project Landfill Replacement Reserve Portion of this fund as Board designated and due to this circumstance, the Mid-Connecticut Project portion of the unrestricted funds be dissolved.

Director Cooper seconded the motion.

Director O’Brien noted that the above-referenced resolution was recommended by the Finance Committee. Mr. Bolduc stated that the audit showed undesignated unrestricted reserves on the net asset statement, which was not permissible under GAAP. Mr. Bolduc stated that this particular reserve had been set up for landfill replacement efforts for approximately \$1.8 million,

but when the reserve was set up there was no cash to fund the reserve. The resolution was part of an ongoing effort to clean up the net asset reserve categories.

Chairman Pace asked when the reserve was set up. Mr. Bolduc responded that it was prior to the constitution of the current Board.

Director Airey-Wilson asked if the Board intended to set up this kind of account in the future. Chairman Pace stated that the account would be reestablished when there were funds available to allocate to the reserve. Mr. Bolduc stated that as the net assets were available it would be the Board's prerogative to designate the assets as they were available. Mr. Bolduc recognized that this was an important account.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Laretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Veronica Airey-Wilson, Ad-Hoc, Mid-Connecticut	X		
Timothy Griswold, Ad Hoc, Mid-Connecticut	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

RESOLUTION REGARDING THE ADOPTION OF AN ISSUANCE AND RETIREMENT OF BONDS, NOTES AND OTHER OBLIGATIONS OF THE AUTHORITY PROCEDURE

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

RESOLVED: That the Issuance and Retirement of Bonds, Notes and Other Obligations of the Authority Procedure of the Connecticut Resources Recovery Authority be adopted substantially in the form as presented and discussed at this meeting.

Director Martland seconded the motion.

Director O'Brien noted that the resolution was recommended by the Finance Committee and requested confirmation that the procedure had been publicly noticed. Mr. Bolduc confirmed that the procedure had been noticed and there were no comments.

Mr. Bolduc explained that the procedure was required by statute. Mr. Bolduc explained that the policy did exist but had not been revised in many years. Mr. Bolduc explained that the policy outlined the general guidelines for the issuance and retirement of bonds and notes.

Chairman Pace noted that the procedure established limits, which required the approval of both the President and the Board.

Director O'Brien stated that he would like the motion to include a correction of the Board approval date on page 5.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Non Eligible Voters			
Veronica Airey-Wilson, Ad-Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

RESOLUTION REGARDING FINANCE COMMITTEE RECOMMENDATION TO BOARD OF DIRECTORS REGARDING THE PURCHASE OF THE EPICOR E-PROCUREMENT MODULE

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

RESOLVED: That the Board of Directors authorizes the purchase of the Epicor E-Procurement module at a cost not to exceed \$76,000.

Costs include:

- Procurement with 20 named users: \$35,000
- Annual maintenance (18% of software price): \$6,000
- Implementation and training costs: Implementation for our size company is estimated to be between \$25,000 and \$35,000 depending upon our specific requirements

Benefits include:

- Improve internal and external communications allowing for improved catalog management, workflow routing, and document exchanges
- Routine purchases/contracts can be cataloged for easier requisitioning
- Better information and automation to improve out efficiencies
- Better integration of functions and planning; requisitioning through vouchering
- Standardize and monitor the procurement function
- Reporting capability will eliminate the need for individual department to create and maintain off line reports
- Automated approvals based on the characteristics of the request, using the current paper based system, the order approval process is cumbersome and slow with few gauges for timely follow-through or accountability
- Integrated into financials; i.e. requisitioner will have current account budget information available at time of requisition
- Define departmental roles and assure cross checks are in place
- Greater efficiency in purchasing process, from requisition through approvals and payment
- Electronic history retained on all items
- Paperless, separate hard copies no longer need by every department
- Document (contracts, spreadsheets, memos) can be attached and viewed as needed through the entire process
- Process visible to CRRA employees; i.e. no need to call accounting for order details or copies

Director Cooper seconded the motion.

Director O'Brien pointed out that the above-referenced resolution was recommended by the Finance Committee.

Mr. Bolduc stated that the Policies & Procurement Committee had rewritten the Procurement Policy to ensure CRRA was in compliance with the applicable statutes and requirements. Management then sought and got authorization to hire a Purchasing Manager to simplify purchasing and implement the Procurement Policy. Mr. Bolduc explained that the final step was purchasing a computerized system for putting out purchase requisitions, modifying the purchase order procedure and ensuring compliance.

Mr. Bolduc explained that the procurement system was compatible with the accounting software. Mr. Bolduc noted that the system would give CRRA the efficiency and control procedures it was looking for.

Director O'Brien stated that he appreciated that the benefits were listed in the resolution so they public knew why the money was spent. Chairman Pace highlighted some of the key benefits.

Chairman Pace asked if the cost was budgeted. Mr. Bolduc responded in the affirmative.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Non Eligible Voters			
Veronica Airey-Wilson, Ad-Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

RESOLUTION REGARDING THE ADOPTION OF THE FISCAL YEAR 2006 GENERAL FUND OPERATING AND CAPITAL BUDGET

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

RESOLVED: That the fiscal year 2006 General Fund Operating and Capital budget be adopted substantially in the form as presented and discussed at this meeting.

The motion was seconded by Director Martland.

Mr. Bolduc explained that the General Fund budget had to be voted on now because the portion allocated to the Southeast Project had to be approved by the SCRRRA Board by the end

of December. Mr. Bolduc noted that there were some minor corrections from the budget presented to the Finance Committee.

Mr. Bolduc stated that CRRA was very conscious of the cost impact on the towns so management made great efforts to keep the General Fund costs down. Mr. Bolduc noted that the General Fund encompassed general operating costs which were not related to a specific project.

Mr. Constable handed out a correction to the Personnel section. Mr. Constable noted that there was a \$9,000 change to the Social Security limit. Mr. Constable stated that he recommended that the budget be adopted with that modification.

Mr. Constable stated that the hand-out also explained that there was only a 1.1% change in the Personnel section because there was an overstatement of payroll and Social Security in the 2005 budget. Mr. Constable stated that there was actually a 5.8% increase over the restated 2005 payroll budget.

Chairman Pace asked for an explanation of how increases in payroll were handled. Mr. Constable stated that the Compensation Plan consisted of two increases—a 2% increase at the mid-year review and up to 4% for merit increases which may or may not be given depending on performance. For budgeting purposes, however, Mr. Constable stated that payroll figures were determined by the full potential amount of the increase.

Chairman Pace asked for more information regarding the \$112,000 increase in Capital Outlay. Mr. Constable stated that CRRA currently leased its copiers for approximately \$25,000 per year and the Capital Outlay figure assumed the purchase of those copiers. Mr. Constable stated that there would be a cost-benefit analysis done prior to the purchase.

Chairman Pace noted that under the Debt Service/Administration section, the savings from the move from the 17th and 18th floors was reflected in the Rental/Lease Expense section.

Director O'Brien commended the staff for getting corrections from the Finance Committee to the Board Package in a timely manner.

Mr. Bolduc noted that CRRA was trying to be very sensitive to the impact on the towns and the tip fees while also trying to be sensitive to the needs of the employees.

Mr. Bolduc stated that CRRA was beginning to give the individual departments more responsibility in budgeting and cost accounting.

Director Airey-Wilson noted that there was a significant increase in Other Consulting Services. Mr. Bolduc stated that biggest piece of the increase was the future landfill options study.

Regarding the repayment of the office relocation, Vice-Chairman Cassano asked if the proposed FY06 amount was the last of the payments for the move from Allyn Street. Mr.

Bolduc stated that the original costs were still being amortized and noted that there were approximately 3-4 more years of payments remaining.

Director O'Brien made a motion amend the resolution to incorporate the changes detailed in the hand-out. Director Martland seconded the motion to amend. The motion to amend was approved unanimously.

The amended motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Non Eligible Voters			
Veronica Airey-Wilson, Ad-Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

RESOLUTION REGARDING THE ADOPTION OF THE FISCAL YEAR 2006 CONNECTICUT RESOURCES RECOVERY AUTHORITY SOUTHEAST PROJECT OPERATING AND CAPITAL BUDGETS

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

RESOLVED: That the fiscal year 2006 Connecticut Resources Recovery Authority portion of the Operating and Capital Budgets related to the Southeast Project be adopted as substantially presented and discussed at this meeting.

The motion was seconded by Director Francis.

Mr. Bolduc noted that there would be a small adjustment to the Southeast Project budgets as a result of the previously mentioned \$9,000 change in the General Fund budget.

Mr. Bolduc explained that the SCRRA Board set the tip fee for the Southeast Project. As a result, CRRA presented its portion of the Southeast Project to the SCRRA Board for their approval. SCRRA added its direct costs and those combined became the Southeast Project Budget which would be approved by the SCRRA Board.

Mr. Bolduc stated that the CRRA portion of the budget had been already been reviewed by the SCRRA Executive Committee and the SCRRA Board.

Mr. Bolduc noted that the Southeast Project was starting to generate surpluses as a result of electric revenues. Mr. Bolduc stated that the project term extended through 2015 with a possible extension and the SCRRA Board was being very proactive about future option studies.

Mr. Bolduc said that it was CRRA's fiduciary responsibility to ensure there were enough reserves to meet the day-to-day working capital requirements and noted that CRRA used approximately 4-6 months worth of working capital as a guide.

Mr. Bolduc explained that there was \$100,000 in the SCRRA portion of the budget allocated for future option studies. Mr. Bolduc stated that the SCRRA Board would be using those funds for future option studies on issues related to the Southeast Project. Mr. Tyminski stated that future option studies would be used to determine when the landfill would reach capacity and how to deal with ash and bulky waste in the future. Director O'Brien pointed out that the intent was that SCRRA would be working in synergy with CRRA to ensure studies by the two organizations were not duplicated. Mr. Tyminski agreed that SCRRA's efforts would be coupled with CRRA, but their efforts would be concentrated on issues facing the Southeast Project.

Mr. Constable stated that there was a line item for working capital of approximately \$280,000 and noted that the SCRRA Board was currently evaluating their own budget which could affect that figure. Mr. Constable said the SCRRA Board was looking to maintain the current tip fee of \$60.00.

Director Martland asked if the two Indian facilities delivered waste to the Project. Mr. Tyminski responded that Mohegan Sun delivered approximately 9,000 tons per year of burnable waste through the town of Montville. Mr. Tyminski stated that Mohegan Sun had been a very good neighbor, especially in regards to the landfill. Chairman Pace asked what Mohegan Sun paid for disposal and asked if that figure was negotiable. Mr. Tyminski responded that the tip fee was the same as member towns because the agreement between Mohegan Sun and Montville allowed Mohegan Sun to dispose under Montville's Municipal Service Agreement and as a result, any negotiation would have to be done through Montville.

Chairman Pace asked if debt would be pre-paid. Mr. Bolduc responded that the Southeast Bonds became callable without a premium charge just 3 days ago at a 7 1/5% rate. Mr. Bolduc stated that CRRA was looking to call those bonds in with American Ref-Fuel's approval. Mr. Bolduc said American Ref-Fuel also had a \$30 million bond on their books, for which CRRA was the conduit issuer, which American Ref-Fuel was looking to refinance. Mr.

Bolduc stated that discussions were beginning regarding how the Project could share in the benefit of that refinance.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Non Eligible Voters			
Veronica Airey-Wilson, Ad-Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

EXECUTIVE SESSION

Chairman Pace requested a motion to go into Executive Session to discuss pending litigation, contract negotiations and personnel matters. The motion made by Director O'Brien and seconded by Director Cooper was approved unanimously. Chairman Pace requested that the following people remain for the Executive Session:

- | | |
|-------------------------------|-------------------|
| Chairman Michael Pace | Tom Kirk |
| Vice Chairman Stephen Cassano | Jim Bolduc |
| Mark Cooper | Peter Egan |
| James Francis | Laurie Hunt, Esq. |
| Michael Jarjura | Ron Gingerich |
| Edna Karanian | |
| Mark Lauretti | |
| Theodore Martland | |
| Raymond O'Brien | |
| Veronica Airey-Wilson | |
| Timothy Griswold | |
| Sherwood Lovejoy | |

The Executive Session began at 10:50 a.m. and concluded at 12:15 p.m. Chairman Pace noted that no votes were taken in Executive Session.

Chairman Pace reconvened the Board meeting at 12: 15 p.m.

RESOLUTION REGARDING DELIVERY OF COVER SOILS TO THE HARTFORD LANDFILL

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

RESOLVED: That the President is hereby authorized to enter into a contract with TRC Environmental Corporation for delivery of contaminated soil to be used as daily cover at the Hartford Landfill, and as approved by the Connecticut Department of Environmental Protection, substantially as discussed and presented at this meeting.

Director Cooper seconded the motion.

Chairman Pace stated that the use of these soils increased revenue and reduced costs.

Director Lauretti asked if the soils had to be approved by the DEP. Mr. Egan responded that the DEP approved each increment of contaminated soil before CRRA accepted it at the Landfill.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Veronica Airey-Wilson, Ad-Hoc, Mid-Connecticut	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

RESOLUTION REGARDING AGREEMENT FOR THE OPERATION OF THE ESSEX TRANSFER STATION FOR RECYCLABLE MATERIALS BETWEEN THE CONNECTICUT RESOURCES RECOVERY AUTHORITY, THE CONNECTICUT RIVER ESTUARY REGIONAL PLANNING AGENCY (“CRERPA”), AND THE MUNICIPALITIES

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

RESOLVED: The President is authorized to enter into an agreement for the operation of the Essex Transfer Station for recyclable materials between the CRRA, Connecticut River Estuary Regional Planning Agency (“CRERPA”), and the CRERPA Towns, substantially as presented and discussed at this meeting.

Director Cooper seconded the motion.

Mr. Kirk stated that this was a routine annual agreement with the Connecticut River Estuary Regional Planning Agency. Mr. Kirk said that CRRA worked closely with that organization to maximize recycling in the member towns.

Chairman Pace disclosed, for the record, that he is the Chairman of the Board of Valley Selectmen and noted that Old Saybrook is a member of CRERPA. Chairman Pace pointed out the Old Saybrook paid \$0.80 per ton to support those activities.

Mr. Gent added that the Contract Summary should state that the term of the agreement extends through 2012, not 2004.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Veronica Airey-Wilson, Ad-Hoc, Mid-Connecticut	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

RESOLUTION REGARDING AN AGREEMENT FOR THE INSTALLATION OF HIGH SPEED ROLL-UP DOORS IN THE RDF STORAGE AREA AT THE WASTE PROCESSING FACILITY

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

RESOLVED: That the President is hereby authorized to execute an agreement with Bode Equipment Company to install two Dynaco High Speed Roll-Up Doors in the east and west entrances to the RDF storage area located at the Mid-Connecticut Waste Processing Facility, substantially as presented and discussed at this meeting.

Director Jarjura seconded the motion.

Mr. Kirk stated that the doors were of a very high quality, because there had been problems in the past with doors being inoperative and expensive to repair. Mr. Kirk stated that these doors would be significantly more reliable and though they were expensive, the doors were critical to maintaining performance and controlling odors. Mr. Kirk stated that management did a lot of research on various products and vendors and determined that these doors best suited CRRA's needs.

Chairman Pace highlighted that these doors were the only ones in the North American market with this design, which showed the extent to which CRRA was willing to go to for the public's interest.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Veronica Airey-Wilson, Ad-Hoc, Mid-Connecticut	X		
Non Eligible Voters			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

CHAIRMAN’S AND COMMITTEE REPORT

Policies & Procurement Committee

RESOLUTION REGARDING THE ADOPTION OF THE REVISED “VEHICLE USAGE POLICY”

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

RESOLVED: That the Board of Directors hereby adopts the revised “Vehicle Usage Policy” substantially as discussed and presented at this meeting.

Director Cooper seconded the motion.

A corrected policy was handed out because a page was missing from the Board package.

Director O’Brien noted that this policy was approved by the Policies & Procurement Committee and did not require public notice because it was an internal procedure.

Mr. Kirk stated that there were only minor changes to address CRRA’s need to enforce contracts when necessary. Mr. Kirk said the changes would allow enforcement personnel to track vehicles without the CRRA sign on the door. Mr. Kirk explained that the changes were minor so they did not compromise the Board’s intent of maintaining control of company vehicles.

Chairman Pace pointed out that it had been said that there had been a 5% leakage and said that CRRA was in the process of determining why that leakage occurred and who was monitoring the scales at the time of the leakage. Chairman Pace stated the revision gave CRRA a means of enforcement to be sure the public’s interest was protected.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		

Non Eligible Voters			
Veronica Airey-Wilson, Ad-Hoc, Mid-Connecticut			
Timothy Griswold, Ad Hoc, Mid-Connecticut			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

RESOLUTION REGARDING THE APPROVAL OF THE CONNECTICUT RESOURCES RECOVERY AUTHORITY POLICY REGARDING HIRING, COMPENSATION, PROMOTION AND DISMISSAL PROCEDURES

The above-reference matter was tabled to be discussed at a subsequent meeting.

Organizational Synergy & Human Resources Committee

RESOLUTION REGARDING HUMAN RESOURCES COMMITTEE RECOMMENDATION TO BOARD OF DIRECTORS REGARDING RENEWAL OF HEALTH/DENTAL/LIFE/LONG-TERM & SHORT-TERM DISABILITY INSURANCE PROGRAMS

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

RESOLVED: That the Board of Directors authorizes the renewal of the health, dental, life, long-term disability and short-term disability insurance through Anthem and The Standard Insurance for the period of January 1, 2005 through December 31, 2005 for an estimated premium not to exceed \$670,000.

Director Cooper seconded the motion.

Director Francis explained that there were six bids submitted for the health insurance programs. Director Francis noted that even with changes made to co-insurance payments and co-pays, the rates were higher than in 2005.

Director Francis stated that the Committee recommended that management continue with Anthem.

Mr. Bolduc stated that CRRA was doing what it could to maintain costs and noted that there would be some changes implemented in employee contributions and deductible amounts while being careful to phase these changes in gradually. Mr. Bolduc said CRRA would be looking at some options to work with other quasi-public agencies in the state.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Mark Cooper	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Non Eligible Voters			
Veronica Airey-Wilson, Ad-Hoc, Mid-Connecticut			
Sherwood Lovejoy, Ad Hoc, Bridgeport			

ADDITION TO THE AGENDA

Chairman requested a motion to suspend the rules to add an item to the agenda. Director O'Brien made the following motion:

RESOLVED: That the Board requests and authorizes the Chairman to respond in writing to the letter from Mr. Luciano in a timely manner and to provide copies of the response to the Board in the next Board package. The Board requests that the Chairman address the misuse of the term privatization in the letter and the Public Comment.

Director Francis seconded the motion.

Chairman Pace stated that responding would offer another opportunity to communicate and develop a better understanding between the parties.

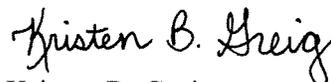
The motion previously made and seconded was approved unanimously.

ADJOURNMENT

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

There being no other business to discuss, the meeting was adjourned at 12:19 p.m.

Respectfully submitted,



Kristen B. Greig
Secretary to the Board/Paralegal

TAB 2

CONNECTICUT RESOURCES RECOVERY AUTHORITY

THREE HUNDRED EIGHTY-FIRST MEETING

NOVEMBER 23, 2004

A Special telephonic meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, November 23, 2004 at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Chairman Michael Pace

Directors: Stephen Cassano, Vice-Chairman (Present until 11:45 a.m.)
James Francis
Michael Jarjura
Edna Karanian
Mark Lauretti (Present until 11:45 a.m.)
Theodore Martland
Raymond O'Brien
Andrew Sullivan
Veronica Airey-Wilson (Ad-Hoc for Mid-Connecticut Project) (Present until 11:45 a.m.)

Present from the CRRA staff:

Jim Bolduc, Chief Financial Officer
Peter Egan, Director of Environmental Affairs & Development
Laurie Hunt, Director of Legal Services
Kristen Greig, Secretary to the Board/Paralegal

Chairman Pace called the meeting to order at 11:05 a.m. and noted that a quorum was present.

EXECUTIVE SESSION

Chairman Pace requested a motion to go into Executive Session to discuss litigation matters. The motion made by Director Martland and seconded by Director O'Brien was approved unanimously. Chairman Pace requested that the following people remain for the Executive Session:

Chairman Michael Pace
Vice Chairman Stephen Cassano
James Francis
Michael Jarjura
Edna Karanian
Mark Lauretti
Theodore Martland
Raymond O'Brien
Andrew Sullivan
Veronica Airey-Wilson

Jim Bolduc
Peter Egan
Laurie Hunt, Esq.
Kristen Greig

The Executive Session began at 10:08 a.m. and concluded at 11:47 a.m. Chairman Pace noted that no votes were taken in Executive Session.

Chairman Pace reconvened the Board meeting at 11:47 a.m.

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CONNECTICUT RESOURCES RECOVERY AUTHORITY TO AUTHORIZE A SETTLEMENT WITH THE ESTATE OF RESOURCE TECHNOLOGY CORPORATION

Chairman Pace requested a motion regarding the referenced item. Director Martland made the following motion:

WHEREAS, the Connecticut Resources Recovery Authority (the "Authority") entered into a certain Lease and Operating Agreement for Landfill Gas Conversion at the Shelton Landfill with Resource Recovery Associates Limited Partnership ("RRALP"), originally dated February 4, 1992 and amended February 18, 1992, May 29, 1992, and June 24, 1994, when RRALP assigned its rights and obligations to Resource Technology Corporation ("RTC"), and as further amended on June 24, 1994; and

WHEREAS, an involuntary bankruptcy proceeding was commenced against RTC in the United States Bankruptcy Court in the Northern District of Illinois Eastern Division in or about November 1999, and subsequently converted to a Chapter 11 bankruptcy proceeding, with RTC acting as a debtor in possession; and

WHEREAS, the Authority and the debtor in possession subsequently asserted and litigated various claims against each other; and

WHEREAS, a trustee (the "Trustee") for the estate of RTC (the "Estate") was appointed; and

WHEREAS, the Authority's insurer, American International Group ("AIG"), which had been paying for the Authority's defense in the matter, then disclaimed responsibility for the payment of certain outstanding legal expenses and has refused to pay additional legal expenses incurred; and

WHEREAS, the Authority's claim for damages against the Estate remains to be litigated, and the Estate currently retains the right to appeal the order and judgment entered in favor of the Authority on the Estate's adversary claim against the Authority; and

WHEREAS, the parties now wish to avoid further litigation and settle all remaining issues between them by entering into a formal settlement agreement, which, when executed, will be subject to and conditioned upon the approval of the Bankruptcy Court; and

WHEREAS, the Authority and the Estate have negotiated a letter agreement (the "Letter Agreement"), which contains the terms to be included in a formal Settlement Agreement and

which provides, among other things that: the Authority's claim against the Estate shall be a general, non-priority unsecured claim in the amount of \$2.5 million; the Authority and the Trustee will agree upon which Estate property, if any, the Trustee intends to recover and remove from the Landfill; subsequent opportunity for any lienholder claiming an interest in any Estate property remaining at the Landfill to remove such property; the requirement that the Estate sell and the Authority purchase all Estate property remaining at the Landfill thereafter for \$1,000; the Authority and the Estate will each provide a general release of all claims against the other (excluding claims arising under the Settlement Agreement); and

WHEREAS, the Board of Directors of the Authority has reviewed the proposed Letter Agreement and determined that it is in the best interests of the Authority to enter into the Letter Agreement, so as to settle all remaining matters between the Authority and the Estate and avoid further litigation;

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

Section 1. That the Board of Directors of the Authority hereby approves the Letter Agreement substantially in accordance with the terms of such Letter Agreement presented to the Board of Directors of the Authority, but subject to the agreement by AIG to pay all related legal expenses that remain unpaid, to reimburse the Authority for its payment of \$61,000.00 in legal expensed authorized by the Board's May 2004 resolution and to pay all legal expenses to be incurred in connection with bringing the proposed settlement to its conclusion.

Section 2. That the President of the Authority is authorized and shall have the discretion to defer the dispute over legal expenses with AIG by waiving this resolution's requirement that AIG agree to pay those expenses before settlement is authorized.

Section 3. That the President is authorized and shall have the discretion to compromise any aspect of CRRA's claim for legal expenses against AIG.

Section 4. That the President of the Authority is hereby authorized to take all actions and to execute any and all agreements in connection with the Letter Agreement, and to proceed with a settlement with the Estate substantially in accordance with the terms of the Letter Agreement.

Section 5. This resolution shall take effect immediately.

Director O'Brien seconded the motion.

Director O'Brien made a motion to amend Sections 2 and 3 of the resolution to read as follows:

Section 2. That the President of the Authority is authorized and shall have the discretion to defer the dispute over legal expenses with AIG by waiving this resolution's requirement that AIG agree to pay those expenses before settlement is authorized,

provided that he shall obtain the prior approval of the Chairman of the Board or of the Chairman of the Finance Committee.

Section 3. That the President is authorized and shall have the discretion to negotiate any aspect of CRRA's claim for legal expenses against AIG, provided that he shall obtain the prior approval of the Chairman of the Board or of the Chairman of the Finance Committee.

The motion to amend the resolution was seconded by Director Martland.

Director O'Brien stated that the Board thoroughly reviewed the resolution and settlement letter in Executive Session.

Director O'Brien noted that Vice-Chairman Cassanno, Director Lauretti and Director Airey-Wilson expressed their support for the resolution prior to disconnecting from the conference call.

The amended motion previously made and seconded was approved unanimously.

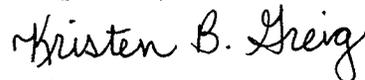
Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		

ADJOURNMENT

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

There being no other business to discuss, the meeting was adjourned at 11:51 a.m.

Respectfully submitted,



Kristen B. Greig
Secretary to the Board/Paralegal

TAB 3

CONNECTICUT RESOURCES RECOVERY AUTHORITY

THREE HUNDRED EIGHTY-SECOND MEETING

DECEMBER 16, 2004

A telephonic meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, December 16, 2004 at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Chairman Michael Pace

Directors: Stephen Cassano, Vice-Chairman (Present beginning at 9:42 a.m.)
Benson Cohn
Mark Cooper
James Francis
Michael Jarjura (present beginning at 10:00 a.m.)
Edna Karanian
Mark Laretti (Present beginning at 9:40 a.m.)
Theodore Martland
Raymond O'Brien
Andrew Sullivan
Timothy Griswold (Ad-Hoc for Mid-Connecticut Project)

Present from the CRRA staff:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Bettina Bronisz, Assistant Treasurer & Director of Finance
Laurie Hunt, Director of Legal Services
Donna Tracy, Executive Assistant

Also Present: Christine Stuart of the Journal Inquirer (Present beginning at 9:42 a.m.)

Chairman Pace called the meeting to order at 9:34 a.m. and noted that a quorum was present.

RESOLUTION AUTHORIZING THE ISSUANCE OF \$30 MILLION CORPORATE CREDIT RESOURCE RECOVERY REFUNDING BONDS – 2005 SERIES (SOUTHEAST PROJECT)

Chairman Pace requested a motion regarding the referenced item. Director Sullivan made the following motion:

WHEREAS, the Connecticut Resources Recovery Authority (the “Authority”) has previously issued, pursuant to an Indenture of Trust, dated January 15, 1992 (the “Original Indenture”), by and between the Authority and Connecticut National Bank, as trustee, \$30,000,000 aggregate principal amount of its Corporate Credit Bonds/Tax

Exempt Interest (American REF-FUEL Company of Southeastern Connecticut Project – 1992 Series A) (“1992 Series A Bonds”)(and

WHEREAS, pursuant to a Loan Agreement, dated January 15, 1992 (the “Original Loan Agreement”), the Authority loaned the proceeds of the 1992 Series A Bonds to American REF-FUEL Company of Southeastern Connecticut (the “Company”) to reimburse the Company for a portion of the costs associated with the acquisition, construction, equipping, installation, start-up and performance testing of a solid waste disposal and resource recovery facility in the Town of Preston, Connecticut; and

WHEREAS, the 1992 Series A Bonds are secured solely by a promissory note of the Company and a Corporate Guaranty Agreement, dated April 30, 2001, from American Ref-Fuel Company LLC to the trustee, State Street Bank and Trust Company (as successor to Connecticut National Bank); and

WHEREAS, the Finance Committee, upon the advice of the Chief Financial Officer of the Authority, recommended by motion passed at its December 9, 2004 regular meeting, the issuance of \$30,000,000 aggregate principal amount of its Corporate Credit Bonds/Tax Exempt Interest (American REF-FUEL Company of Southeastern Connecticut – 2005 Refunding Series) (“2005 Refunding Bonds”) to refund the 1992 Series A Bonds, as permitted by Chapter 446e, Section 22-269a of the Connecticut General Statutes and Board of Directors Policy No. 15 of the Authority; and

WHEREAS, pursuant to Section 501 of the Amended and Restated Bylaws of the Authority, a quorum of the Board of Directors of the Authority (the “Board”), acting with the advice of the Chief Financial Officer pursuant to Board of Directors Policy No. 15, has considered the matter of refunding the 1992 Series A Bonds.

NOW THEREFORE, be it

RESOLVED: That the Board hereby authorizes the issuance of \$30,000,000 aggregate principal amount of the 2005 Refunding Bonds to be [dated as the date of issue].

FURTHER RESOLVED: That the Board shall submit a copy of this resolution to the Treasurer of the State of Connecticut (the “State Treasurer”) with all deliberate speed so as to facilitate the approval of the State Treasurer, pursuant to Chapter 446e, Section 22-269a of the Connecticut General Statutes and shall take such other measures necessary to secure the approval of the State Treasurer.

FURTHER RESOLVED: That the Board authorizes the Authority to enter into certain legal agreements to permit the issuance of the 2005 Refunding Bonds, including, but not limited to, a First Supplemental Indenture of Trust (the “First Supplemental Indenture” and, together with the Original Indenture, the “Indenture”), between the Authority and U.S. Bank National Association, as Trustee (the “Trustee”); a First Amendment to Loan Agreement (collectively, with the Original Loan Agreement, the “Loan Agreement”) a Preliminary Official Statement relating to the offering and sale of

the 2005 Refunding Bonds; a Bond Purchase Agreement among the Authority, the Company and Banc of America Securities LLC, a nationally-recognized bond dealer; and a Letter of Instructions and Indemnity from the Authority to the Trustee, U.S. Bank, National Association (as successor to State Street Bank and Trust Company).

FURTHER RESOLVED: That the proceeds of the 2005 Refunding Bonds shall be made available to the Company, pursuant to the terms of the Loan Agreement, for use with other funds made available to the Company, to refund the 1992 Corporate Credit Bonds.

FURTHER RESOLVED: That the 2005 Refunding Bonds are to be issued in a single series and in book-entry only form, maturing November 15, 2022, bearing interest, subject to optional redemption prior to maturity and having the terms, all to be set forth in the First Supplemental Indenture.

FURTHER RESOLVED: That the 2005 Refunding Bonds shall be secured by a promissory note of the Company and a Parent Company Guarantee from American Ref-Fuel Company LLC to the Trustee.

FURTHER RESOLVED: That the President and other officers of the Authority be, and hereby are, authorized to take all such further actions and execute such further documents on behalf of the Authority to accomplish the issuance, sale, performance and delivery of the 2005 Refunding Series Bonds as contemplated hereby, and as otherwise might be necessary and appropriate, and of the terms and conditions of any and all the aforesaid documents.

This resolution shall take effect immediately.

Director O'Brien seconded the motion.

Director Sullivan stated that the resolution was being recommended by the Finance Committee. Director Sullivan explained that American Ref-Fuel was going to benefit from the refinance, but CRRA had to approve the action as a conduit issuer. Director Sullivan stated that the Southeast Project would get the benefit of a \$200,000 fee from the refinance.

Director Sullivan said that, in addition to the fee, the Finance Committee was recommending the resolution because there was a potential for future transactions in which CRRA would require American Ref-Fuel's approval.

Director Martland asked if the State Treasurer's Office was satisfied with the refinance. Ms. Bronisz stated that the State Treasurer's Office would have to approve the refinance, but said it should be perfunctory because it would result in economic savings, not new debt.

Chairman Pace pointed out that the fee would only benefit the Southeast Project.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Non Eligible Voters			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CONNECTICUT RESOURCES RECOVERY AUTHORITY TO AUTHORIZE THE ISSUANCE OF SUBORDINATED INDEBTEDNESS UNDER THE GENERAL BOND RESOLUTION IN THE FORM OF A LOAN NOT TO EXCEED \$20,000,000 FOR THE FISCAL YEAR ENDING JUNE 30, 2006 AND SUBSEQUENT FISCAL YEARS FROM THE STATE OF CONNECTICUT FOR THE BENEFIT OF THE MID-CONNECTICUT PROJECT

Chairman Pace requested a motion regarding the above captioned matter. Director Sullivan made the following motion:

WHEREAS, the Connecticut Resources Recovery Authority (the "Authority") has been duly established and constituted as a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut, to carry out the purposes of Chapter 446e of the Connecticut General Statutes, Sections 22a-260 et. seq., as amended (the "Act"); and

WHEREAS, the Authority has, from time to time, issued bonds, pursuant to certain powers and duties expressly provided for in the Statute, and pursuant to the terms of its Resolution Authorizing the Issuance of Mid-Connecticut System Bonds, adopted on March 13, 1985, as amended (the "General Bond Resolution"), for the purpose of financing its Mid-Connecticut Project, a Waste Processing Facility and Power Block Facility of the Authority, pursuant to the powers vested in the Authority under the Statute (the "Mid-Connecticut Project"); and

WHEREAS, Section 2(a) of Public Act No. 03-5, as the same is codified under Section 22a-268d of the Act provides that the Authority may, upon the approval of two-thirds of the appointed directors of the Authority and subsequent approval of the State Treasurer and the Secretary of the Office of Policy and Management ("OPM"), borrow from the State of

Connecticut (the "State"), for the fiscal years ending June 30, 2003 and June 30, 2004, an amount not to exceed twenty-two million dollars (\$22,000,000) and, for the fiscal years ending subsequent to June 30, 2004, an amount in the aggregate not to exceed ninety-three million dollars (\$93,000,000), which borrowing shall be for the purposes of supporting the repayment of debt issued by the Authority on behalf of the Mid-Connecticut Project, and shall be collateralized, as determined by the State Treasurer and the Secretary of OPM, to the extent possible under the Act; and

WHEREAS, the Act requires that any loan from the State to the Authority for such purpose as stated above shall be subordinate to all bonded indebtedness of the Authority; and

WHEREAS, on February 27, 2003, the Board of Directors of the Authority (the "Board"), adopted a resolution authorizing the members of the Steering Committee of the Board, the President and the Chief Financial Officer of the Authority (the "Officials") to, among other items: (i) submit an application to the State Treasurer and the Secretary of OPM for loans in an amount not to exceed \$115,000,000 in accordance with the provisions of the Act; and (ii) negotiate and document such financing in connection with the Mid-Connecticut Project; and

WHEREAS, on April 10, 2003, the Board adopted a resolution supplementing the February 27, 2003 resolution, and authorizing the Officials, pending the final determination by the State as to the original \$115,000,000 application, to enter into an interim financing arrangement with the State in the form of a loan in an amount not to exceed twenty-two million dollars (\$22,000,000), the proceeds of which shall be expended by the Authority for the purpose of supporting the repayment of debt service on the Mid-Connecticut Project during the remainder of the Authority's fiscal year 2003 and fiscal year 2004; and

WHEREAS, on May 5, 2003, the Authority filed its Financial Mitigation Plan, as required to access any borrowing under the Act, with the State Treasurer and the Secretary of OPM (the "Financial Mitigation Plan"); and

WHEREAS, on June 27, 2003, the Authority and the State entered into an interim financing arrangement in the form of a credit facility from the State to the Authority in the aggregate amount of \$2,000,000 (the "\$2,000,000 Loan"), which \$2,000,000 Loan was issued pursuant to the terms of a Master Loan Agreement, dated as of June 27, 2003, by and between the Authority and the State, and evidenced by a Promissory Note, in the aggregate amount of \$2,000,000, dated June 27, 2003; and

WHEREAS, on July 24, 2003, the Authority and the State entered into a second interim financing arrangement in the form of a credit facility from the State to the Authority in the aggregate amount of \$2,171,149 (the "\$2,171,149 Loan"), which "\$2,171,149 Loan was issued pursuant to the terms of a Master Loan Agreement, dated as of July 24, 2003, by and between the Authority and the State, and evidenced by a Promissory Note, in the aggregate amount of "\$2,171,149, dated July 24, 2003; and

WHEREAS, Article II, Section 2.3 and 2.10 of the General Bond Resolution authorizes the Authority to issue Bonds and/or Additional Bonds (as the same is defined to include

Subordinated Indebtedness in the form of bonds, notes or other evidences of indebtedness issued pursuant to the General Bond Resolution and not secured by the Special Capital Reserve Fund), for the purpose of providing sufficient funds for the Mid-Connecticut Project; and

WHEREAS, Article II, Section 2.9(3) of the General Bond Resolution authorizes the Authority to issue such Additional Bonds for the purpose of paying or refunding any Series of Outstanding Bonds; and

WHEREAS, on October 29, 2003, the Authority and the State entered into an aggregate \$22,000,000 financing arrangement, consisting of (i) the reclassification of both the \$2,000,000 Loan and the \$2,171,149 Loan as Subordinated Indebtedness under the General Bond Resolution, and (ii) the issuance of an additional \$17,828,851 of indebtedness, classified as Subordinated Indebtedness under the General Bond Resolution (the "\$22,000,000 Loan"), all pursuant to the terms of an Amended and Restated Master Loan Agreement, dated as of October 29, 2003; and

WHEREAS, on December 18, 2003, the Board adopted a resolution authorizing the Officials to: (i) submit an application to the State Treasurer and the Secretary of OPM for loans in an amount not to exceed \$93,000,000 in accordance with the provisions of the Act, to support the repayment of debt issued by the Authority on behalf of the Mid-Connecticut Project for the fiscal years ending subsequent to June 30, 2004; and (ii) submit to the State Treasurer and the Secretary of OPM, those items required under the provisions of the Act to access such loans including, but not limited to the First Supplement to the Financial Mitigation Plan, substantially in the form attached to such December 18, 2003 resolution; and

WHEREAS, on December 18, 2003, the Authority filed its First Supplement to the Financial Mitigation Plan with the State Treasurer and the Secretary of OPM; and

WHEREAS, the State Treasurer and the Secretary of OPM accepted the application of the Authority for such \$93,000,000 loan, with the understanding that the Authority would use a maximum of \$20,000,000 of such available funds for the fiscal year ending June 30, 2005; and

WHEREAS, on January 22, 2004, the Board adopted a resolution authorizing the Officials to enter into an interim financing arrangement with the State in the form of a loan in an amount not to exceed twenty million dollars (\$20,000,000), the proceeds of which shall be expended by the Authority for the purpose of supporting the repayment of debt service on the Mid-Connecticut Project for the fiscal year ending June 30, 2005 and subsequent fiscal years; and

WHEREAS, on March 1, 2004, the Authority and the State entered into a loan in an amount not to exceed \$20,000,000 for the purpose of paying a portion of the debt service payments on its outstanding Bonds issued for the Mid-Connecticut Project for the fiscal year ending June 30, 2005 and subsequent fiscal years, classified as Subordinated Indebtedness under the General Bond Resolution (the "\$20,000,000 Loan"), all pursuant to the terms of a Master Loan Agreement, dated as of March 1, 2004; and

WHEREAS, the Authority desires to pay a portion of the debt service payments for the fiscal year ending June 30, 2006 and subsequent fiscal years, on its outstanding Bonds issued for the Mid-Connecticut Project, through a loan from the State, in an aggregate amount not to exceed \$20,000,000, which loan shall constitute a further portion of the remaining \$93,000,000 available to the Authority under the Act for the fiscal years ending subsequent to June 30, 2004 (the "Loan"); and

WHEREAS, such Loan shall not be utilized until the \$20,000,000 Loan is fully exhausted; and

WHEREAS, such Loan shall be issued: (i) in accordance with the terms, conditions and limitations of the Act, and (ii) pursuant to the General Bond Resolution, as supplemented by that certain Supplemental Resolution Authorizing the Issuance of \$20,000,000 Subordinated Indebtedness, in the form attached hereto as Exhibit A (the "Supplemental Resolution"), executed in accordance herewith and constituting an Additional Bond and Subordinated Indebtedness under the terms and provisions of the General Bond Resolution; and

WHEREAS, the Board wishes to authorize the negotiation and documentation of the Loan including, but not limited to (i) the execution of the Supplemental Resolution as contemplated under the provisions of Article II and Section 10.2 of the General Bond Resolution, to support the repayment of debt issued by the Authority on behalf of the Mid-Connecticut Project and (ii) the filing of its Second Supplement to the Financial Mitigation Plan with the State Treasurer and the Secretary of OPM; and

WHEREAS, unless otherwise defined herein or in the body of this resolution, each capitalized term set forth herein shall have the meaning ascribed to it in the General Bond Resolution.

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

Section 1. That the action of the Officials of the Authority, in entering into the Loan from the State, in an amount not to exceed \$20,000,000, for the purpose of paying a portion of the debt service payment on its outstanding Bonds issued for the Mid-Connecticut Project for the fiscal year ending June 30, 2006 and subsequent fiscal years, be and the same is hereby authorized and approved.

Section 2. That the Authority's acceptance of the Loan shall be authorized pursuant to both the Act and the General Bond Resolution, and shall be classified as an Additional Bond and Subordinated Indebtedness under the General Bond Resolution, the proceeds of which shall, pursuant to Section 2.9(3) of the General Bond Resolution, be used and expended for the Mid-Connecticut Project for the purpose of paying debt service on the Authority's Outstanding Bonds.

Section 3. That the Board hereby authorizes the adoption of the Supplemental Resolution, attached hereto as Exhibit A; and further authorizes the President, for and in the

name of and on behalf of the Authority, to execute, acknowledge and deliver the Supplemental Resolution, and the execution of such Supplemental Resolution by the President shall be conclusive evidence of the approval of the Authority.

Section 4. That the Loan shall be secured by a pledge of the Revenues of the Authority for the Mid-Connecticut Project granted, created or authorized by the General Bond Resolution (except the Special Capital Reserve Fund), subordinate, however to the pledge of the Revenues of the Mid-Connecticut Project granted under its 1996 Series A Bonds, 1997 Series A Bonds, and Subordinated 2001 Series A Bonds, as well as any other Bonds (including Subordinated Indebtedness) other than any Additional Bonds issued by the Authority in the form of Subordinated Indebtedness pursuant to the General Bond Resolution and in accordance with the provisions of Section 22a-268d (as the same may be amended) of the Act.

Section 5. That the Board hereby authorizes the Officials to enter into negotiations with the State Treasurer and the Secretary of OPM to establish the terms of such Loan, which terms shall include the maturity date of such Loan (which maturity date shall be no later than June 30, 2012), interest rate, repayment terms, security and other terms of the Loan provided, however, that the repayment of such Loan shall be subordinate to the repayment of any Outstanding Bonds of the Authority, all in accordance with the terms and provisions of the Act, and substantially in the form of the Term Sheet attached hereto as *Exhibit B* (the "Term Sheet") and made a part hereof, all in such manner as the Officials shall determine to be in the best interests of the Authority.

Section 6. That the Board hereby authorizes the Officials, for and in the name of and on behalf of the Authority, to take such actions and to negotiate any and all such loan instruments including, but not limited to a Master Loan Agreement, a Promissory Note, and any and all certificates or other documents required pursuant to the Act or the General Bond Resolution (collectively, the "Loan Documents"), all substantially in accordance with the attached Term Sheet, and in such form as such Officials shall approve, subject to the advice of bond counsel to the Authority, as are deemed necessary, appropriate and advisable and in the Authority's best interests in order to effectuate such Loan.

Section 7. That the Board hereby authorizes the Chairman of the Board and the President, for and in the name of and on behalf of the Authority, to execute, acknowledge and deliver the Loan Documents, and the execution of such Loan Documents, by the Chairman of the Board and the President shall be conclusive evidence of the approval of the Authority.

Section 8. That any two of the Chairman of the Board of Directors, the Chairman of the Finance Committee, the President and the Chief Financial Officer, acting together, are further hereby authorized, for and in the name of and on behalf of the Authority, to approve, execute or submit, as appropriate, any and all of the Authority's requisition forms for the disbursement of Loan funds as submitted to the State Treasurer and Secretary of OPM during the term of the Loan, in such form and substance satisfactory to the Authority and the State Treasurer and Secretary of OPM.

Section 9. That the Officials, in connection with the Loan, shall submit to the State Treasurer and the Secretary of OPM, those items required under the provisions of the Act including, but not limited to a Second Supplement to the Financial Mitigation Plan substantially in the form attached hereto as Exhibit C and made a part hereof, all as previously reviewed and approved by the Board, as well as any other items reasonably requested by the State Treasurer and the Secretary of OPM in order to effectuate the Loan.

Section 10. That the designated Officials are authorized and directed to perform and take such other actions as may be desirable, necessary, proper or convenient to accomplish the intent and purposes expressed herein, and the performance thereof by such Officials shall be conclusive as to the approval by the Authority of the terms thereof.

Section 11. This resolution shall take effect immediately.

Date: December __, 2004

The motion was seconded by Director O'Brien.

Director Sullivan pointed out that the Finance Committee discussed this resolution at length. Director Sullivan stated that the resolution had to be adopted because the State had to be notified of potential future State Loan disbursements. Director Sullivan said because CRRA was not certain it would receive the proceeds from the sale of the Enron bankruptcy claim before the tip fees were required to be set in February, CRRA would proceed with the State Loan request as if the Enron funds did not exist. Once the Enron proceeds are received, a letter would be sent withdrawing the request for a disbursement from the State.

Mr. Bolduc reviewed the process of requesting a disbursement from the State and stated that he expected to see a motion to withdraw this action at February's Board meeting after the Enron proceeds were received.

Dr. Martland asked if this was discussed with the Treasurer's office. Mr. Bolduc responded in the affirmative and added that the matter was also discussed with the Office of Policy and Management.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		

Raymond O'Brien	X		
Andrew Sullivan	X		
Timothy Griswold	X		
Non Eligible Voters			

RESOLUTION FOR APPOINTMENT OF CORPORATE SECRETARY

Chairman Pace requested a motion regarding the above captioned matter. Director Martland made the following motion:

RESOLVED: That the Chairman, with the approval of the CRRA Board of Directors, hereby appoints Laurie Hunt, Esq., Corporate Secretary of the Authority, to be the custodian of the Seal of the Authority, to keep or cause to be kept minutes of all meetings of the Directors and Ad Hoc members, and to perform all such other functions and duties as the President or Board may delegate to her from time to time.

The motion was seconded by Director O'Brien.

Mr. Kirk stated that the Secretary to the Board had acted as Corporate Secretary in the past. Mr. Kirk stated that it was more appropriate to have CRRA's General Counsel act as Corporate Secretary.

Chairman Pace asked Mr. Kirk to explain the function of the Corporate Secretary beyond keeper of the corporate seal and recording documents. Mr. Kirk responded that the Corporate Secretary is an officer of the corporation and has managerial responsibility. Mr. Kirk stated that person should be a member of the management team because the corporate seal was used to certify corporate documents and loans.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Mark Laretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		

Non Eligible Voters			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

Chairman Pace stated that he had responded to the letter presented on behalf of Council 4 at the previous meeting. The letter was reviewed by the members of the Executive Committee prior to sending and copies were also sent to the Board of Directors. Director Martland asked if a copy was sent to the Governor's office. Mr. Kirk responded that he spoke with Governor Rell's General Counsel who informed Mr. Kirk that Governor Rell would like to be copied on the response. Mr. Kirk said a copy was sent to the Governor's office.

EXECUTIVE SESSION

Chairman Pace made a motion to go into Executive Session to discuss pending litigation, contract negotiations and personnel matters with appropriate staff. The motion, which was seconded by Director O'Brien was approved unanimously. Chairman Pace requested that the following people remain for the Executive Session in addition to the Directors:

Tom Kirk
 Jim Bolduc
 Laurie Hunt, Esq.
 Bettina Bronisz

The Executive Session began at 9:52 a.m. and concluded at 10:20 a.m. Chairman Pace noted that no votes were taken in Executive Session.

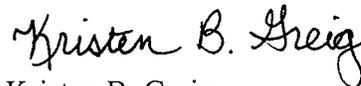
Chairman Pace reconvened the Board meeting at 10:20 a.m.

ADJOURNMENT

Chairman Pace 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 10:21 a.m.

Respectfully submitted,



Kristen B. Greig
 Secretary to the Board/paralegal

Recorded by:
 Donna Tracy
 Executive Assistant

Exhibit A

P&C Draft of 11/23/04

CONNECTICUT RESOURCES RECOVERY AUTHORITY

A Supplemental Resolution
Authorizing the Issuance of
\$20,000,000
Subordinated Indebtedness
for the Benefit of the
Mid-Connecticut Project

Adopted: December ____, 2004

**A SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF
\$20,000,000 SUBORDINATED INDEBTEDNESS FOR THE BENEFIT OF
THE MID-CONNECTICUT PROJECT**

BE IT RESOLVED by the Board of Directors of the Connecticut Resources Recovery Authority (the "Authority"), on the ___ day of December, 2004, pursuant to the General Bond Resolution adopted by the Authority on March 13, 1985 entitled "Resolution Authorizing the Issuance of Mid-Connecticut System Bonds," as supplemented and amended (hereinafter referred to as the "General Bond Resolution"), as follows:

**ARTICLE I
DEFINITIONS, AUTHORITY AND PLEDGE**

Section 1.1. Short Title. This supplemental resolution may hereafter be cited by the Authority and is herein sometimes referred to as the "2006 Supplemental Resolution".

Section 1.2. Ratification of General Bond Resolution. Except as hereby expressly supplemented, the General Bond Resolution is in all respects ratified and confirmed, and all terms, provisions and conditions thereof shall be and remain in full force and effect, and this 2006 Supplemental Resolution and all of its terms, provisions and conditions shall be deemed to be a part of the General Bond Resolution.

Section 1.3. References. All references in the General Bond Resolution or to "this Resolution" or words of similar import and the terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in the General Bond Resolution and the 2006 Supplemental Resolution, shall be deemed to refer to the General Bond Resolution, as supplemented by this 2006 Supplemental Resolution unless the context indicates otherwise.

Section 1.4 Definitions. (A) All terms not otherwise defined in this 2006 Supplemental Resolution shall have the same meanings in this 2006 Supplemental Resolution as those terms are given in Article I of the General Bond Resolution, unless the context otherwise requires.

(B) The following definitions in Article I of the General Bond Resolution are hereby supplemented to read as follows:

"Act" means the Connecticut Solid Waste Management Services Act, constituting Public Act No. 73-459 of the General Assembly of the State of Connecticut, January 1993 Session, codified as Chapter 446(e), Section 22a-257 (formerly Section 19-524p) *et seq.*, as amended to the date of this Supplemental Resolution.

"Business Day" means any day on which banks located in the cities of Hartford, Connecticut, New York, New York, or where the principal office the Trustee is

located, are not required or authorized to remain closed and on which the New York Stock Exchange is not closed.

“Certificate of Interest Rate Calculation” means that certain certificate setting forth the applicable interest rate on the Loan, as executed by the State Treasurer.

“Day” means any day of the week regardless of whether it is a Business Day.

“Loan” means that certain \$20,000,000 loan, evidenced by the Promissory Note issued as Subordinated Indebtedness under the General Bond Resolution, from the State of Connecticut to the Authority for the benefit of the Mid-Connecticut Project, authorized pursuant to the Act and this 2006 Supplemental Resolution, and secured by the Loan Agreement.

“Loan Agreement” means that certain Master Loan Agreement, dated as of _____, 2005, and evidencing the Loan.

“Loan Documents” means the Loan Agreement, the Promissory Note, this 2006 Supplemental Resolution, together with any and all certificates and/or documents evidencing the Loan.

“Promissory Note” or “Note” means that certain promissory note in the maximum aggregate amount of \$20,000,000, all as more particularly set forth in Section 2.3(e) herein.

“Trustee” means U.S. Bank National Association, successor to State Street Bank and Trust Company, successor in interest to Shawmut Bank Connecticut, N.A. (formerly known as The Connecticut National Bank) and its successor or successors hereafter appointed in the manner provided in the General Bond Resolution.

“2006 Subordinated Indebtedness/Loan Repayment Account” means the account so designated in the Subordinated Indebtedness Debt Service Fund, established pursuant to Section 3.1 herein, and in accordance with the terms and provisions of Section 5.11 of the General Bond Resolution.

“2006 Supplemental Resolution” means the resolution adopted by the Authority on December __, 2004 entitled “Resolution of the Board of Directors of the Connecticut Resource Recovery Authority to Authorize the Issuance of Subordinated Indebtedness Under the General Bond Resolution in the Form of a Loan not to Exceed \$ _____ for the Fiscal Year Ending June 30, 2006 and Subsequent Fiscal Years from the State of Connecticut for the Benefit of the Mid-Connecticut Project.”

ARTICLE II
AUTHORIZATION, TERMS AND ISSUANCE
OF SUBORDINATED INDEBTEDNESS

Section 2.1. Authorization for Loan; Determination of Necessity.

(a) In accordance with and subject to the terms, limitations and conditions established in the General Bond Resolution and in this 2006 Supplemental Resolution, the Authority hereby authorizes the borrowing of the Loan, and the issuance of the Promissory Note constituting an Additional Bond and Subordinated Indebtedness under the General Bond Resolution, to be designated Mid-Connecticut System 2006 Subordinated Note in the aggregate principal amount not to exceed \$20,000,000.

(b) In accordance with Section 2.5(2)(iv) of the General Bond Resolution, the Authority is of the opinion and hereby determines that the borrowing of the Loan and the issuance of the Promissory Note are necessary to provide sufficient funds to be used and expended to pay a portion of the debt service payments on its outstanding Bonds issued for the Mid-Connecticut Project.

Section 2.2 Pledge/Subordination.

(a) The Loan and the Promissory Note evidencing the same shall be secured by a pledge of the Revenues of the Mid-Connecticut Project granted, created or authorized by the General Bond Resolution (except the Special Capital Reserve Fund).

(b) The obligations of the Authority under the Loan Agreement, including the Promissory Note, and the pledge pursuant to subsection (a) of this Section 2.2 shall be subject and subordinate to the pledge of the Authority's Revenues of the Mid-Connecticut Project granted under its 1996 Series A Bonds, 1997 Series A Bonds, and Subordinate 2001 Series A Bonds, as well as any other Bonds (including Subordinated Indebtedness), other than any Additional Bonds (including, but not limited to, that certain \$22,000,000 loan from the State in the form of Subordinated Indebtedness, dated October 29, 2003 and that certain \$20,000,000 loan from the State in the form of Subordinated Indebtedness, dated March 1, 2004) issued by the Authority in the form of Subordinated Indebtedness pursuant to the General Bond Resolution and in accordance with the provisions of Section 22a-268d (as the same may be amended) of the Act.

(c) Any Additional Bonds issued by the Authority in the form of Subordinated Indebtedness pursuant to the General Bond Resolution and in accordance with the provisions of Section 22a-268d (as the same may be amended) of the Act (including, but not limited to, that certain \$22,000,000 loan from the State in the form of Subordinated Indebtedness, dated October 29, 2003 and that certain \$20,000,000 loan from the State in the form of Subordinated Indebtedness, dated March 1, 2004) shall be issued on a parity with the Promissory Note and secured by an equal pledge of the Revenues of the Authority for the Mid-Connecticut Project, which pledge shall be subordinate to all other Bonds and Subordinated Indebtedness.

Section 2.3. Details of the Loan.

(a) Purpose. In accordance with the Act, and pursuant to Section 2.9(3) of the General Bond Resolution, the proceeds of the Loan shall be used for the purpose of paying debt service on the Authority's Outstanding Bonds.

(b) Principal Amount. The Loan shall be in the maximum aggregate principal amount of TWENTY MILLION AND NO/100 DOLLARS (\$20,000,000.00).

(c) Maturity Date. The Loan shall mature on the earlier of (i) the date of final payment of any and all principal and interest on the Loan, or (ii) June 30, 2012 (the "Maturity Date").

(d) Prepayment. The Authority may prepay advances on the Loan in whole or in part at any time without any prepayment penalty or fee.

(e) Promissory Note. All advances under the Loan shall be evidenced by that certain Promissory Note, dated as of _____, in the original maximum aggregate principal amount of \$20,000,000 (the "Promissory Note").

(f) Payment of Interest/Principal.

(i) Each advance under the Promissory Note shall bear interest from the date of such advance in accordance with an interest rate calculation set forth by the State Treasurer of the State of Connecticut in the form of a Certificate of Interest Rate Calculation, which rate shall be equal to a variable rate of interest, as determined for each calendar month, and tied to the average effective yield of the State Treasurer's Short Term Investment Fund or the interest rate of any borrowing by the State that may be required to fund the Loan, plus twenty-five basis points. Under no circumstances shall such variable rate exceed 6% per annum.

(A) Commencing on the first Business Day of the second month after any advance hereunder, and on the first Business Day of each subsequent month thereafter during the term of the Loan, interest shall be paid in arrears on the outstanding principal balance of that advance under the Promissory Note at the Interest Rate set forth in that certain Certificate of Interest Rate Calculation.

(B) Commencing on the first Business Day of the second calendar month following any advance hereunder, and on the first Business Day of each and every calendar month thereafter until the Maturity Date, principal shall be paid in consecutive equal monthly installments in amounts sufficient to amortize the outstanding principal balance of the advance through the Maturity Date.

(g) Source of Loan Payments. Funds necessary to meet the Authority's payment obligations of principal and interest due under the Note shall be withdrawn by the Trustee from

the 2006 Subordinated Indebtedness/Loan Repayment Account in accordance with the procedures and provisions set forth in Section 5.11 of the General Bond Resolution.

(h) Requisitions and Advances. Advances of the Loan shall be made in compliance with the following procedure and subject to the following conditions:

(i) For each advance request, the Authority shall be required to complete and submit to the State of Connecticut a form Requisition for Payment in the form set forth in the Loan Agreement (the "Request for Advance") setting forth the amount requested. Each Request for Advance shall be submitted by written notice to the State of Connecticut not less than five (5) Business Days prior to the date the Authority desires deposit of the same with the Trustee under the General Bond Resolution, and shall be accompanied by such documents as the State of Connecticut may reasonably require, in form and substance acceptable to State of Connecticut. Each Request for Advance shall be executed by those properly authorized officials of the Authority, that being any two of the following signatories: Chairman of the Board of Directors, Chairman of the Finance Committee, President and/or Chief Financial Officer.

(ii) In accordance with the provision of Section 2.15(B)(1) of the General Bond Resolution, advances under the Loan shall be requested by the Authority pursuant to (i) above, with the proceeds of such advance being deposited by the State of Connecticut with the Trustee under the General Bond Resolution not less than two (2) Business Days prior to the end of each calendar month, for deposit directly into the Debt Service Fund, for credit to the Interest Account and the Principal Installment Account of the Debt Service Fund as established under the General Bond Resolution.

Section 2.4. Execution and Delivery.

(a) To the extent applicable, the Promissory Note evidencing the Loan shall be executed in the form and manner set forth in Section 2.8 of the General Bond Resolution. Subject to Trustee's receipt and/or delivery of the applicable items set forth in Section 2.7, 2.12 and 2.14 of the General Bond Resolution, the Promissory Note shall be delivered to the State of Connecticut.

(b) The Loan shall be evidenced by the Promissory Note and the balance of the Loan Documents. The Chairman of the Board of Directors and the President of the Authority are hereby authorized, for and in the name of and on behalf of the Authority, to execute, acknowledge and deliver the Loan Documents, and the execution of the Loan Documents by the Chairman of the Board and the President of the Authority shall be conclusive evidence of the approval of the Authority.

ARTICLE III CREATION OF SPECIAL FUNDS AND ACCOUNTS

Section 3.1 Creation of Special Funds and Accounts. There is hereby created and established in the Subordinated Indebtedness Debt Service Fund, the 2006 Subordinated

Indebtedness/Loan Repayment Account. No Subordinated Indebtedness Reserve Fund shall be established pursuant to this 2006 Supplemental Resolution.

Section 3.2 2006 Subordinated Indebtedness/Loan Repayment Account.

(a) The 2006 Subordinated Indebtedness/Loan Repayment Account shall be funded from Revenues of the Authority on deposit in the Revenue Account and deposited in the Subordinated Indebtedness Debt Service Fund in accordance with the provisions of Section 5.4 of the General Bond Resolution.

(b) Amounts on deposit in the 2006 Subordinated Indebtedness/Loan Repayment Account shall be used to fund principal and interest payments under the Loan in accordance with the provisions of Section 2.3(f) and (g) of this Supplemental Resolution.

**ARTICLE IV
EVENTS OF DEFAULT**

Section 4.1. Events of Default. Notwithstanding anything to the contrary contained in Section 8.2 of the General Bond Resolution, failure of the Authority to: (i) pay, when due, any installment of principal or interest due under the Note or the other Loan Documents, or pay any other amount due to the State of Connecticut under any document, agreement or instrument delivered pursuant to the Loan, or (ii) observe or perform any other term, covenant or agreement to be observed or performed by it under the Loan Documents, or any other agreements or instruments or documents required in connection with the Loan, or as a condition to making advances under the Loan, shall not constitute an event of default under Section 8.2 of the General Bond Resolution unless such default shall continue for a period of forty-five (45) days after receipt by the Authority of notice of such default from the State of Connecticut.

**ARTICLE V
MISCELLANEOUS**

Section 5.1 Notices. All notices shall be deemed given when delivered or four Business Days after mailing by registered mail, return receipt requested, postage prepaid, or sent by telegram, addressed as follows:

(a) to the Authority, to the President, Connecticut Resources Recovery Authority, 100 Constitution Plaza, 6th Floor, Hartford, Connecticut 06103;

(b) to the Trustee, to U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103, Attention: Corporate Trust Administration;

(c) to the State of Connecticut, to State of Connecticut Office of the State Treasurer, 55 Elm Street, Hartford, Connecticut 06106, Attention: State Treasurer; and State of Connecticut, Office of Policy and Management, 450 Capitol Avenue, Hartford, Connecticut 06106, Attention: Secretary OPM.

Any notice party may by like notice, designate in writing any further or different addresses to which subsequent notices, demands, directions, certificates, opinions of counsel, requests, instruments or other communications hereunder shall be sent.

Section 5.2 Conflict. All resolutions or parts of resolutions or other proceedings of the Authority in conflict herewith be and the same are repealed insofar as such conflict exists.

Section 5.3 Trustee Self-Dealing. The Trustee is hereby authorized, in making or disposing of any investment permitted by the General Bond Resolution, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or dealing as principal for its own account.

Section 5.4 No Recourse. No recourse shall be had for the payment of the principal of or interest on the Loan or for any claim based thereon or on this 2006 Supplemental Resolution against any member or officer of the Authority or any person executing the Loan Documents and neither the members of the Authority nor any person executing the Loan Documents shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 5.5 Amendment to the General Bond Resolution. Subsequent to the initial adoption of the General Bond Resolution, in 1985, there have become effective certain amendments such that the following provisions of the General Bond Resolution are of no further force or effect:

- (a) Section 2.12(2)
- (b) Section 7.11(E)
- (c) Section 7.17
- (d) Section 7.20(B)
- (e) Section 7.24 (with the exception of the first sentence thereof)
- (f) the third and fourth sentences of Section 7.25
- (g) Section 7.27(C)

Section 5.6 Effective Date. This 2006 Supplemental Resolution shall take effect immediately upon its adoption.

IN WITNESS WHEREOF, the Connecticut Resources Recovery Authority has caused these presents to be signed in its name by its duly authorized officer, and to evidence its acceptance of the trusts hereby created, U.S. Bank National Association, as Trustee under this 2006 Supplemental Resolution has caused these presents to be signed in its name and behalf by its duly Authorized Officer, as of the date first written above.

Executed this ___ day of _____, 2005

**CONNECTICUT RESOURCES
RECOVERY AUTHORITY**

By: _____
Name: Thomas Kirk
Title: President

**U.S. BANK NATIONAL
ASSOCIATION, as Trustee**

By: _____
Authorized Officer

STATE OF CONNECTICUT)
 : ss.: Hartford, Connecticut, _____, 2005
COUNTY OF HARTFORD)

Before me personally appeared Thomas Kirk, the President of Connecticut Resources Recovery Authority, the signer of the foregoing instrument who acknowledged the same to be his free act and deed as such President and the free act and deed of Connecticut Resources Recovery Authority.

Commissioner of the Superior Court

STATE OF CONNECTICUT)
 : ss.: Hartford, Connecticut, _____, 2005
COUNTY OF HARTFORD)

Before me personally appeared _____, to me known, who, being by me duly sworn, did depose and say that s/he is a Vice President of U.S. Bank National Association, the Trustee described in and which executed the above instrument and that he signed his name thereto and acknowledged the same to be his free act and deed as such Vice President, and the free act and deed of U.S. Bank National Association.

Commissioner of the Superior Court

Exhibit B

**CONNECTICUT RESOURCES RECOVERY AUTHORITY
Mid-Connecticut Project
\$20,000,000 Subordinated Indebtedness**

TERM SHEET

BORROWER: Connecticut Resources Recovery Authority (the "Authority")

LENDER: State of Connecticut (the "State")

FACILITY: \$20,000,000 subordinate note (the "Loan")

INTEREST RATE: A variable rate of interest, as determined for each calendar month, and tied to the average effective yield of the State Treasurer's Short Term Investment Fund or the interest rate of any borrowing by the State that may be required to fund the Loan, plus twenty-five basis points. Notwithstanding the foregoing, in no event shall such variable rate exceed 6% per annum.

REPAYMENT SCHEDULE: Payments of interest on the Loan from commencement of the initial advance. Payments of principal to be made in accordance with a repayment plan established by the State.

TERM: Earlier of the date of final payment of principal and interest or June 30, 2012 (the "Maturity").

PURPOSE: To support the repayment of Bonds issued by the Authority on behalf of the Mid-Connecticut Project (the "Project").

ADVANCES: Monies will be advanced on a monthly basis, in advance and as needed, to fund or support debt service payments for the Project. Funds will be advanced upon the Authority's presentation of a detailed Requisition, in form and substance acceptable to the State, and satisfaction of all conditions set forth in a Master Loan Agreement. No advances shall be made if there is an existing default under the Master Loan Agreement, unless such advance shall operate to cure such default.

ADVANCE DENOMINATIONS: So much as needed to fund debt service shortfalls for the Project for the succeeding month.

SOURCE OF
REPAYMENT:

Payments of principal and interest under the Loan shall be made solely from the revenues of the Project.

PLEDGE:

The Loan shall be secured by a pledge of Project Revenues of the Authority granted, created or authorized by the General Bond Resolution (except the Special Capital Reserve Fund), subordinate, however to the pledge of the Revenues of the Project granted under its 1996 Series A Bonds, 1997 Series A Bonds and Subordinated 2001 Series A Bonds, as well as any other Bonds (including Subordinated Indebtedness) other than any Additional Bonds (including, but not limited to, that certain \$22,000,000 loan from the State in the form of Subordinated Indebtedness, dated October 29, 2003 and that certain \$20,000,000 loan from the State in the form of Subordinated Indebtedness, dated March 1, 2004) issued by the Authority in the form of Subordinated Indebtedness pursuant to the General Bond Resolution and in accordance with the provisions of Section 22a-268d (as the same may be amended) of the Act.

CONDITIONS FOR
LOAN:

The Authority shall submit the following Project-specific (unless otherwise indicated) materials to both the State Treasurer and the Secretary of the Office of Policy and Management, all in accordance with the provisions of the Act, as amended:

- (i) Financial Mitigation Plan, or such supplements, as more particularly described in the Act, to include, but not be limited to the following:
 - plan to minimize tipping fees for municipalities that have entered into solid waste disposal contracts with the Authority;
 - efforts Authority has made to reduce general administration and costs;
 - Authority's efforts to renegotiate vendor contracts;
 - Authority's efforts to increase the price paid for the sale of steam or electricity;
 - efforts made by the Authority to assess the viability of the sale of hard assets of the Project;
 - analysis of the staffing levels, performance and qualifications of staff and members of the Board;
- (ii) Budget for the Project for fiscal year 2006 and, when available, proposed budget for the Mid-Connecticut Project for the ensuing fiscal year;

- (iii) Three-Year Financial Plan for fiscal years 2006, 2007, and 2008;
- (iv) Cash Flow Analysis showing need for current and future borrowing through fiscal year 2012; and
- (v) Certified Audit of the Authority for fiscal year ended June 30, 2004, and annually thereafter.

SUBORDINATION:

The Loan shall be subject and subordinate to all existing and future bonded indebtedness of the Authority

CONDITIONS TO ADVANCES:

- 1. No defaults or events of default under the Master Loan Agreement or General Bond Resolution, unless such advance shall operate to cure such default.
- 2. Continued accuracy of all representations.
- 3. Satisfactory completion of required Requisition.

REPRESENTATIONS:

- 1. Due formation and existence of the Authority.
- 2. Due authorization, execution and delivery of a Master Loan Agreement, Supplemental Resolution and Promissory Note by the Authority.
- 3. Accuracy and completeness of information concerning the Authority that is provided to the State.
- 4. The execution and delivery of the Master Loan Agreement, Supplemental Resolution and the Note will not conflict or constitute a breach of or default under any law, administrative regulation, judgment, decree, indenture, loan agreement, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject.

COVENANTS:

- 1. The Authority will maintain its revenues and other sources of funding, including tip fees, sufficient to repay the debt service on the Loan when due.
- 2. Payment of principal and interest on the Promissory Note when due.
- 3. Authority to provide any financial information concerning the Authority or the Project as requested by the State.

4. Authority will keep proper books, records and accounts with respect to all transactions relating to the Project and will permit the State to inspect the books and records.
5. Authority shall submit, on a quarterly basis, reports detailing the status of the financial mitigation plan to the State Treasurer, the Secretary of OPM and to the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding.
6. Authority shall enter into discussions with municipalities that have entered into solid waste disposal services contracts with the Mid-Connecticut Project to determine the interest of said municipalities in extending the contracts beyond the fiscal year ending June 30, 2012. The Authority shall include the status of such discussions in the quarterly reports required pursuant to the Act.
7. For the term of the Loan, the Authority shall be subject to the provisions of Section 4-67 of the Connecticut General Statutes.

OPTIONAL
PREPAYMENT:

Authority shall have the option, to prepay all or any portion of the outstanding balance of the Loan, and at any time, from its own accounts. The Authority shall consult with the State Treasurer and the Secretary of the State Office of Policy and Management regarding the utilization of the proceeds received in connection with claims made or recoveries by the Authority in connection with litigation of the Enron claims. Such proceeds and recoveries shall be used to repay advances under the Loan, to mitigate the need for anticipated future advances under the Loan and/or to mitigate tip fees.

EVENTS OF DEFAULT:

1. Failure to pay principal or interest on the Loan when due.
2. Material inaccuracy of any representation as set forth in the Master Loan Agreement.
3. Failure to comply with any other covenant set forth in the Master Loan Agreement or Supplemental Resolution and failure to cure within 30 days after notice from the State.

4. Failure to pay when due any other amount required under the Master Loan Agreement or the Promissory Note.
5. An event of default called by the Trustee under the Authority's General Bond Resolution shall occur, provided: (i) any applicable notice and cure period shall have expired, and (ii) the Trustee and/or holders of not less than 25% in principal amount of the Bonds outstanding shall have taken actionable steps afforded those parties pursuant to the General Bond Resolution.

REMEDIES:

1. Acceleration of the Promissory Note.
2. Payment of all costs and expenses to enforce payment of the Promissory Note.

CLOSING DOCUMENTS:

1. Executed copy of Master Loan Agreement
2. Executed Note
3. Certified copy of General Bond Resolution and supplements to date regarding bonds issued pursuant to the General Bond Resolution
4. Certified copy of resolution authorizing the Authority to enter into Loan
5. Executed Supplemental Resolution
6. Opinion of counsel to Authority, satisfactory to the State and its counsel, as to the validity and enforceability of Promissory Note and Master Loan Agreement
7. Confirmation that representations and warranties of the Authority are true, complete and correct in all material respects
8. Signature and Litigation Certificate
9. Certificate of accuracy of information provided to State
10. Financial Mitigation Plan, or such supplements, as more particularly described in the Act, to include, but not be limited to the following:

- plan to minimize tipping fees for municipalities that have entered into solid waste disposal contracts with the Authority;
 - efforts Authority has made to reduce general administration and costs;
 - Authority's efforts to renegotiate vendor contracts;
 - Authority's efforts to increase the price paid for the sale of steam or electricity;
 - efforts made by the Authority to assess the viability of the sale of hard assets of the Project;
 - analysis of the staffing levels, performance and qualifications of staff and members of the Board;
11. Adopted Budget for the Project for fiscal year 2006; and, when available, proposed budget for the Mid-Connecticut Project for the ensuing fiscal year;
 12. Three-Year Financial Plan for fiscal years 2006, 2007 and 2008;
 13. Cash Flow Analysis showing need for current and future borrowing through fiscal year 2012; and
 14. Certified Audit of the Authority for fiscal year ended June 30, 2004
 15. Such other documents or certificates as may be reasonably deemed necessary by counsel or pursuant to the General Bond Resolution to render its opinion or by the State or its counsel as are required in similar transactions or to otherwise conform to the provisions of this Term Sheet

TAB 4

**RESOLUTION REGARDING THE ADOPTION OF THE
WALLINGFORD PROJECT FISCAL YEAR 2006 OPERATING AND
CAPITAL BUDGETS AND TIP FEES**

RESOLVED: That the fiscal year 2006 Wallingford Project Operating budget in the amount of \$22,708,000 and the Capital Budget in the amount of \$651,000 be adopted as substantially presented and discussed at this meeting.

FURTHER RESOLVED: That the member tip fees for municipal solid waste be set at \$57.00 per ton and a tip fee of \$68.00 per ton be set for non-contracted waste for fiscal year 2006.

Fiscal Year 2006 Wallingford Project Operating & Capital Budget

January 18, 2005

Attached is the proposed fiscal year 2006 operating budget and capital budget, five-year capital plan. Graphical projections through fiscal year 2010 are also included. The attached resolution was adopted by the Wallingford Policy Board at their January 12, 2005 meeting and recommended by the Authority Finance Committee.

EXECUTIVE SUMMARY

1. Tip Fees

Based upon the recommendation of the Wallingford Finance Committee the proposed member MSW tip fee for FY06 would be increased by \$1 per ton or 1.8% over FY05. The table below shows the tip fee increases over the last several years.

Fiscal Year	Member MSW Tip Fee	% Change
2004	\$55.00	0.0%
2005	\$56.00	1.8%
2006 (Proposed)	\$57.00	1.8%

2. Tonnage

The estimated MSW deliveries in the FY06 proposed budget are based upon recent historical levels. The table below compares the FY06 budget assumptions to actual FY04 tonnages.

Description	FY04	FY06	% Change
Total Member Deliveries	162,928	164,000	0.7%
Member Deliveries to Plant	150,566	157,000	4.3%
Spot Deliveries	2,470	0	-100.0%
Tons Processed	142,083	145,000	2.1%
Tons Diverted	12,363	7,000	-43.4%
Tons Exported	10,941	12,000	9.4%

3. The estimated blended price per Kwh is \$.2242 for FY06, based on the Electric Sales Agreement which is up 1.9% from FY05.
4. The proposed budget assumes an interest rate of 2.25%.

5. The proposed budget assumes a contribution to the Future Planning Reserve in the amount of \$2,805,000.
6. The proposed budget anticipates \$651,000 in Construction expenditures
7. The proposed budget incorporates an additional \$168,000 for inflation escalation for those contracts associated with indices. Assumes an inflation rate of 2.5%.

DETAILED EXPLANATIONS (*comparison of FY05 and FY06 budgets*)

1. REVENUES

- a. Service Charges Solid Waste – Member
 - Increase is the result of both the proposed \$1 per ton tip fee increase and the estimated increase in member deliveries.
- b. Service Charges Solid Waste – Spot
 - The proposed budget assumes no spot deliveries due to the lack of available plant processing capacity.
- c. Electricity
 - The estimated increase in electricity sales is the result of the estimated blended rate increase and the slightly higher energy generation estimate.
- d. Use of Bond Proceeds
 - The budget does not anticipate the use of the Debt Service Reserve Fund in FY06 as the 1991 Series One Bonds were redeemed in FY05.

2. EXPENDITURES

- a. General Administration
 - No change from the FY05 budget assumptions.
- b. Debt Service
 - Reflects the redemption of the 1991 Series One Bonds

- c. Resource Recovery Facility
 - Assumes a contribution to the Future Planning Reserve in the amount of \$2,805,000.
- d. Ash Disposal
 - The budget assumes a decrease in ash generation (assumes FY05 capital project for the fly ash conditioning system to be completed) which is offset by anticipated increases in ash disposal costs (based upon anticipated increase in indices). In addition, budget assumes an increase in the base contract hauling rate as a result of the current level of diesel fuel prices.
- e. Waste Transport
 - Remains relatively unchanged from the FY05 budget assumptions. The costs vary depending on whether or not haulers are diverted away from the project (least cost option) or waste is exported directly from the facility.
- f. Recycling
 - FY06 budget includes \$5,000 for advertising.
- g. Landfill Wallingford
 - Reflects the elimination of contributions to the landfill post-closure reserve. Reserve is fully funded.

Risk Assessment

The member deliveries are already in excess of the plant capacity. The project waste transfer costs will continue to rise as waste volumes increase and the expense associated with disposing of this excess waste also rises. Increased enforcement will aid in turning away non-member waste. The project's need for additional economical disposal options continues to be a priority for this project. Short-term disposal solutions include the Windsor/Bloomfield Landfill.

Recommendation

Adopt a member tip fee of \$57.00 per ton for fiscal year 2006 and tip fee of \$68.00 per ton for non-contracted deliveries.

CONNECTICUT RESOURCES RECOVERY AUTHORITY

**PROPOSED
WALLINGFORD PROJECT
OPERATING & CAPITAL BUDGET
FISCAL YEAR 2006**

January 27, 2005

WALLINGFORD PROJECT PROPOSED FY06 BUDGET

ASSUMPTIONS		ACTUAL FY04	ADOPTED FY05	PROPOSED FY06
Tip Fees	Municipal Tip Fee	\$55.00	\$56.00	\$57.00
	Spot Tip Fee	\$57.37	\$60.00	n/a
Power Production	Kwh/ton of MSW Processed	459	450	450
	Total KWH Produced	65,177,632	65,250,000	65,250,000
	Vendor Guarantee (VG)	48,000,000	48,000,000	48,000,000
	KWH Over VG	17,177,632	17,250,000	17,250,000
	Average Rate / Kwh	\$0.2220	\$0.2201	\$0.2242
Delivery/Processing	Total Member MSW Tons	<u>162,928</u>	<u>163,000</u>	<u>164,000</u>
	Member MSW Tons to Plant	150,566	155,000	157,000
	Non-Member MSW Tons	<u>2,470</u>	<u>2,000</u>	<u>0</u>
	Total MSW Tons	<u>153,035</u>	<u>157,000</u>	<u>157,000</u>
	MSW Processed	142,083	145,000	145,000
Ash Residue	Ash Residue Rate	32.26%	34.00%	32.00%
	Ash Tons	45,835	49,300	46,400
	Ash Disposal Fee	\$37.03	\$37.92	\$39.14
	Ash Hauling Fee	\$22.26	\$22.92	\$28.60
Operating Fees	Annual Operating Fee (AOF)	\$48.33	\$48.29	\$51.15
	AOF-Additional Service Fee	\$10.00	\$10.24	\$10.59
	AOF-Transfer Fee	\$9.77	\$10.00	\$10.34
Waste Transportation				
Metals	Tons Delivered	76	75	76
	Total Loads	24	19	24
	Rate Per Load	\$125.00	\$150.00	\$130.00
Bulky Waste / NPW	Tons Delivered	256	350	256
	Total Loads	54	106	54
	Rate Per Load	\$125.00	\$150.00	\$130.00
	Rate Per Ton	\$75.00	\$85.00	\$75.00
Residential Drop Off	Tons Delivered	2,818	2,800	2,900
	Total Loads	1,251	1,215	1,287
	Rate Per Load	\$48.93	\$50.40	\$53.42
Diversion / Exports	Out-of-State Export Tonnage	10,941	12,000	12,000
	Rate Per Ton	\$65.17	\$85.00	\$85.00
	In State Diversion Tonnage	12,363	8,000	7,000
	Rate Per Ton (1)	\$8.75	\$20.00	\$25.00
Miscellaneous	Inflation Estimate	2.61%	2.50%	2.50%

(1) Represents the difference between the per ton fee paid by the hauler and the actual disposal rate.

n/a = Not used in calculation of budget.

WALLINGFORD PROJECT PROPOSED FY06 BUDGET

REVENUE AND EXPENDITURE SUMMARY

REVENUES

Account	Description	ACTUAL FY04	ADOPTED FY05	PROPOSED FY06
71-001-000-40101	Service Charge Solid Waste - Members	\$8,312,665	\$8,680,000	\$8,949,000
71-001-000-40103	Service Charge Solid Waste - Spot	\$141,699	\$120,000	\$0
71-001-000-43101	Electricity	\$12,946,323	\$12,845,500	\$13,080,000
71-001-000-45150	Miscellaneous Income	\$54,511	\$15,000	\$0
71-001-000-xxxxx	Permit Fees	\$12,700	\$0	\$12,000
71-001-000-xxxxx	Fines	\$19,000	\$0	\$10,000
71-001-000-46101	Interest Income	\$275,906	\$349,900	\$457,000
71-001-000-40807	Use of Tip Fee Stabilization Fund	\$0	\$0	\$0
71-001-000-48202	Use of Bond Proceeds (DSRF)	\$0	\$499,700	\$0
	Total Revenues	\$21,762,804	\$22,510,100	\$22,508,000

EXPENDITURES

Account	Description	ACTUAL FY04	ADOPTED FY05	PROPOSED FY06
71-001-501-xxxxx	General Administration	\$623,138	\$838,950	\$839,000
71-001-502-xxxxx	Debt Service/Administration	\$5,691,425	\$5,534,500	\$4,875,000
71-001-503-xxxxx	Resources Recovery Facility (a)	\$8,617,842	\$10,287,465	\$11,799,000
71-001-504-xxxxx	Ash Disposal	\$2,725,323	\$2,999,500	\$3,143,000
71-001-505-xxxxx	Waste Transport	\$1,114,929	\$1,409,700	\$1,417,000
71-001-506-xxxxx	Recycling	\$31,935	\$55,000	\$60,000
71-001-801-xxxxx	Landfill - Wallingford	\$911,015	\$1,384,985	\$375,000
	Total Expenditures	\$19,715,607	\$22,510,100	\$22,508,000
	Balance	\$2,047,197	\$0	\$0

(a) Includes excess revenues of \$1.4 million to be contributed to the Tip Fee Stabilization Fund in FY05.

DSRF = Debt Service Reserve Fund

WALLINGFORD PROJECT PROPOSED FY06 BUDGET

EXPENDITURE DETAIL

Account	Description	ACTUAL FY04	ADOPTED FY05	PROPOSED FY06
GENERAL ADMINISTRATION				
71-001-501-52101	Postage and Delivery Fees	\$89	\$500	\$0
71-001-501-52104	Telephone & Pagers	\$517	\$1,000	\$500
71-001-501-52115	Advertising	\$572	\$0	\$1,000
71-001-501-52302	Miscellaneous Services	\$1,337	\$10,000	\$5,000
71-001-501-52305	Business Meetings & Travel	\$173	\$500	\$500
71-001-501-52355	Mileage Reimbursement	\$576	\$1,000	\$1,000
71-001-501-52404	Building Operations	\$433	\$2,500	\$7,500
71-001-501-52602	Bad Debt Expense	\$0	\$5,000	\$5,000
71-001-501-52856	Legal	\$91,119	\$125,000	\$125,000
71-001-501-52859	Financial	\$5,142	\$0	\$0
71-001-501-52863	Auditor	\$2,040	\$0	\$5,000
71-001-501-52875	Insurance Broker	\$12,367	\$13,500	\$22,000
71-001-501-52899	Other Consulting Services	\$900	\$5,000	\$0
71-001-501-53304	Electricity	\$1,416	\$2,500	\$1,500
71-001-501-53309	Other Utilities	\$0	\$500	\$0
71-001-501-57820	Local Administration	\$37,699	\$41,600	\$43,000
71-001-501-57840	Allocation-Salaries	\$266,089	\$349,140	\$347,000
71-001-501-57850	Allocation-Overhead	\$202,669	\$281,210	\$275,000
	Subtotal	\$623,138	\$838,950	\$839,000 0.0%
DEBT SERVICE/ADMINISTRATION				
71-001-502-52856	Legal	\$0	\$10,000	\$0
71-001-502-52899	Other Consulting	\$900	\$0	\$0
71-001-502-55523	Interest - 91 Series	\$104,234	\$56,400	\$0
71-001-502-55527	Interest - 98 Series A	\$903,755	\$755,600	\$597,000
71-001-502-55560	Principal - 91 Series	\$0	\$593,750	\$0
71-001-502-55560	Principal - 98 Series A	\$0	\$4,078,750	\$4,238,000
71-001-502-55560	Principal Repayment	\$4,682,500	\$0	\$0
71-001-502-55585	Trustee Fees	\$36	\$40,000	\$40,000
	Subtotal	\$5,691,425	\$5,534,500	\$4,875,000 -11.9%

WALLINGFORD PROJECT PROPOSED FY06 BUDGET

EXPENDITURE DETAIL

Account	Description	ACTUAL FY04	ADOPTED FY05	PROPOSED FY06
RESOURCES RECOVERY FACILITY				
71-001-503-52115	Advertising	\$1,049	\$0	\$0
71-001-503-52404	Building Operations	\$85	\$0	\$0
71-001-503-52415	Grounds Maintenance	\$0	\$2,500	\$3,000
71-001-503-52502	Fees/Licenses	\$4,185	\$4,500	\$5,000
71-001-503-52506	Solid Waste Tax (Dioxin Tax)	\$195,849	\$217,500	\$218,000
71-001-503-52507	Payments in Lieu of Taxes	\$1,171,588	\$1,230,200	\$1,220,000
71-001-503-52640	Insurance Premiums	\$289,478	\$453,300	\$422,000
71-001-503-52649	Tip Fee Stabilization Contribution	\$837,985	\$1,468,415	\$0
71-001-503-xxxxx	Future Planning Reserve Contribution	\$0	\$0	\$2,805,000
71-001-503-52701	Contract Operating Charges	\$6,117,623	\$6,241,050	\$6,606,000
71-001-503-52858	Engineering	\$0	\$25,000	\$25,000
71-001-503-56605	Construction	\$0	\$645,000	\$495,000
	Subtotal	\$8,617,842	\$10,287,465	\$11,799,000 14.7%
ASH DISPOSAL				
71-001-504-52706	Contract Hauling - Ash	\$1,022,565	\$1,130,000	\$1,327,000
71-001-504-52711	Disposal Fees - Ash	\$1,702,758	\$1,869,500	\$1,816,000
	Subtotal	\$2,725,323	\$2,999,500	\$3,143,000 4.8%
WASTE TRANSPORT				
71-001-505-52704	Transfer Fees	\$106,909	\$120,000	\$124,000
71-001-505-52705	Metals/Non-Processibles Hauling	\$30,518	\$48,500	\$29,000
71-001-505-52707	Contract Hauling - Other	\$62,976	\$61,200	\$69,000
71-001-505-52710	Disposal Fees (Export / Diversion)	\$914,526	\$1,180,000	\$1,195,000
	Subtotal	\$1,114,929	\$1,409,700	\$1,417,000 0.5%
RECYCLING				
71-001-506-52115	Advertising	\$2,635	\$0	\$5,000
71-001-506-52617	Electronics Collections	\$29,300	\$45,000	\$45,000
71-001-506-xxxxx	Fluorescent Bulb Collections	\$0	\$10,000	\$10,000
	Subtotal	\$31,935	\$55,000	\$60,000 9.1%
LANDFILL - WALLINGFORD				
71-001-801-52302	Miscellaneous Services	\$0	\$7,200	\$7,000
71-001-801-52415	Grounds Maintenance	\$22,844	\$55,660	\$46,000
71-001-801-52502	Fees/Licenses/Permits	\$15,725	\$19,125	\$19,000
71-001-801-52650	Postclosure Reserve	\$750,000	\$1,000,000	\$0
71-001-801-52709	Other Operating Charges	\$302	\$0	\$0
71-001-801-52858	Engineering	\$32,071	\$21,000	\$21,000
71-001-801-52901	Environmental Testing	\$100,328	\$126,000	\$126,000
71-001-801-56605	Construction	(\$10,255)	\$156,000	\$156,000
	Subtotal	\$911,015	\$1,384,985	\$375,000 -72.9%

Postclosure Reserve Funding Analysis

Wallingford Landfill FY06 Postclosure Reserve Projection Analysis

12/27/2005

Reserve Earnings Rate Assumption: 4.00%
 Annual Inflation Rate Assumption: 2.50%

Fiscal Year	Post Year	Reserve Opening Balance	Reserve Contributions	Estimated Reserve Interest	Estimated Current Costs (1)	Inflation Adjusted Costs	Reserve Closing Balance
05		\$5,320,056	\$1,000,000	\$126,401	\$0	\$0	\$6,446,457
06	1	\$6,446,457	\$0	\$128,929	\$0	\$0	\$6,575,386
07	2	\$6,575,386	\$0	\$131,508	\$0	\$0	\$6,706,894
08	3	\$6,706,894	\$0	\$268,276	\$0	\$0	\$6,975,170
09	4	\$6,975,170	\$0	\$279,007	\$0	\$0	\$7,254,177
10	5	\$7,254,177	\$0	\$290,167	\$0	\$0	\$7,544,344
11	6	\$7,544,344	\$0	\$301,774	\$275,200	\$335,304	\$7,510,813
12	7	\$7,510,813	\$0	\$300,433	\$275,200	\$343,687	\$7,467,558
13	8	\$7,467,558	\$0	\$298,702	\$275,200	\$352,279	\$7,413,981
14	9	\$7,413,981	\$0	\$296,559	\$275,200	\$361,086	\$7,349,454
15	10	\$7,349,454	\$0	\$293,978	\$275,200	\$370,113	\$7,273,319
16	11	\$7,273,319	\$0	\$290,933	\$275,200	\$379,366	\$7,184,886
17	12	\$7,184,886	\$0	\$287,395	\$275,200	\$388,850	\$7,083,431
18	13	\$7,083,431	\$0	\$283,337	\$275,200	\$398,572	\$6,968,196
19	14	\$6,968,196	\$0	\$278,728	\$275,200	\$408,536	\$6,838,388
20	15	\$6,838,388	\$0	\$273,536	\$275,200	\$418,749	\$6,693,174
21	16	\$6,693,174	\$0	\$267,727	\$275,200	\$429,218	\$6,531,683
22	17	\$6,531,683	\$0	\$261,267	\$275,200	\$439,949	\$6,353,002
23	18	\$6,353,002	\$0	\$254,120	\$275,200	\$450,947	\$6,156,175
24	19	\$6,156,175	\$0	\$246,247	\$275,200	\$462,221	\$5,940,201
25	20	\$5,940,201	\$0	\$237,608	\$275,200	\$473,776	\$5,704,033
26	21	\$5,704,033	\$0	\$228,161	\$275,200	\$485,621	\$5,446,573
27	22	\$5,446,573	\$0	\$217,863	\$275,200	\$497,761	\$5,166,675
28	23	\$5,166,675	\$0	\$206,667	\$275,200	\$510,205	\$4,863,136
29	24	\$4,863,136	\$0	\$194,525	\$275,200	\$522,961	\$4,534,701
30	25	\$4,534,701	\$0	\$181,388	\$275,200	\$536,035	\$4,180,054
31	26	\$4,180,054	\$0	\$167,202	\$275,200	\$549,435	\$3,797,821
32	27	\$3,797,821	\$0	\$151,913	\$275,200	\$563,171	\$3,386,563
33	28	\$3,386,563	\$0	\$135,463	\$275,200	\$577,251	\$2,944,775
34	29	\$2,944,775	\$0	\$117,791	\$275,200	\$591,682	\$2,470,884
35	30	\$2,470,884	\$0	\$98,835	\$275,200	\$606,474	\$1,963,245
			\$1,000,000		\$6,880,000	\$11,453,251	

(1) Costs in nominal dollars

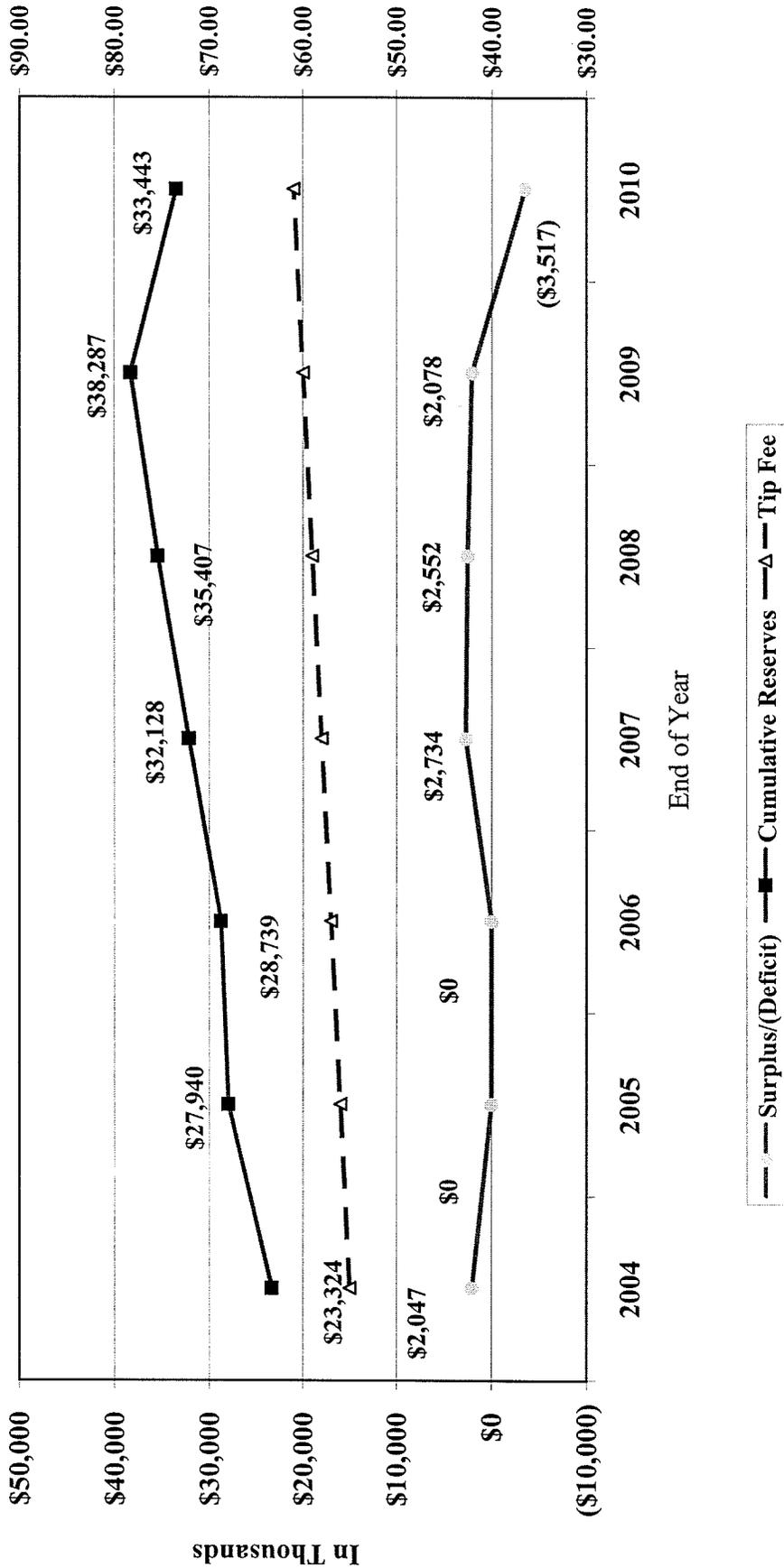
RESERVE BALANCES AND INTEREST EARNINGS PROJECTIONS

Reserve Estimates	FY05 Estimate	FY06 Estimate	FY07 Estimate	FY08 Estimate	FY09 Estimate	FY10 Estimate
Unrestricted						
Operating (B)	\$16,741,091	\$17,091,000	\$17,548,000	\$20,750,000	\$23,842,000	\$26,529,000
Risk (C)	\$1,047,107	\$1,047,000	\$1,047,000	\$1,047,000	\$1,047,000	\$1,047,000
Estimated Surplus	\$0	\$2,734,000	\$2,552,000	\$2,552,000	\$2,078,000	\$0
Interest Earnings	\$349,900	\$457,000	\$468,000	\$540,000	\$609,000	\$621,000
Trustee Accounts						
Customer Deposit Cash Ac	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Debt Service Funds	\$430,000	\$430,000	\$430,000	\$430,000	\$430,000	\$430,000
Debt Service Reserve	\$608,000	\$608,000	\$608,000	\$608,000	\$608,000	\$608,000
Revenue Fund	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Rebate	\$106,000	\$106,000	\$106,000	\$106,000	\$106,000	\$106,000
Subtotal	\$20,322,098	\$20,779,000	\$23,981,000	\$27,073,000	\$29,760,000	\$28,237,000
Interest Rate		2.25%	2.25%	2.25%	2.25%	2.25%
Restricted						
Tip Fee Stabilization (D)	\$7,617,622	\$7,789,000	\$7,968,000	\$8,151,000	\$8,339,000	\$8,531,000
Interest Earnings		\$171,000	\$179,000	\$183,000	\$188,000	\$192,000
Use of Funds		\$0	\$0	\$0	\$0	(\$3,517,000)
Subtotal	\$7,617,622	\$7,960,000	\$8,147,000	\$8,334,000	\$8,527,000	\$5,206,000
Landfill Postclosure (E)	\$5,320,056	\$6,446,000	\$6,575,000	\$6,707,000	\$6,975,000	\$7,254,000
Contributions	\$1,000,000	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$126,401	\$129,000	\$132,000	\$268,000	\$279,000	\$290,000
Subtotal	\$6,446,457	\$6,575,000	\$6,707,000	\$6,975,000	\$7,254,000	\$7,544,000

Assumptions

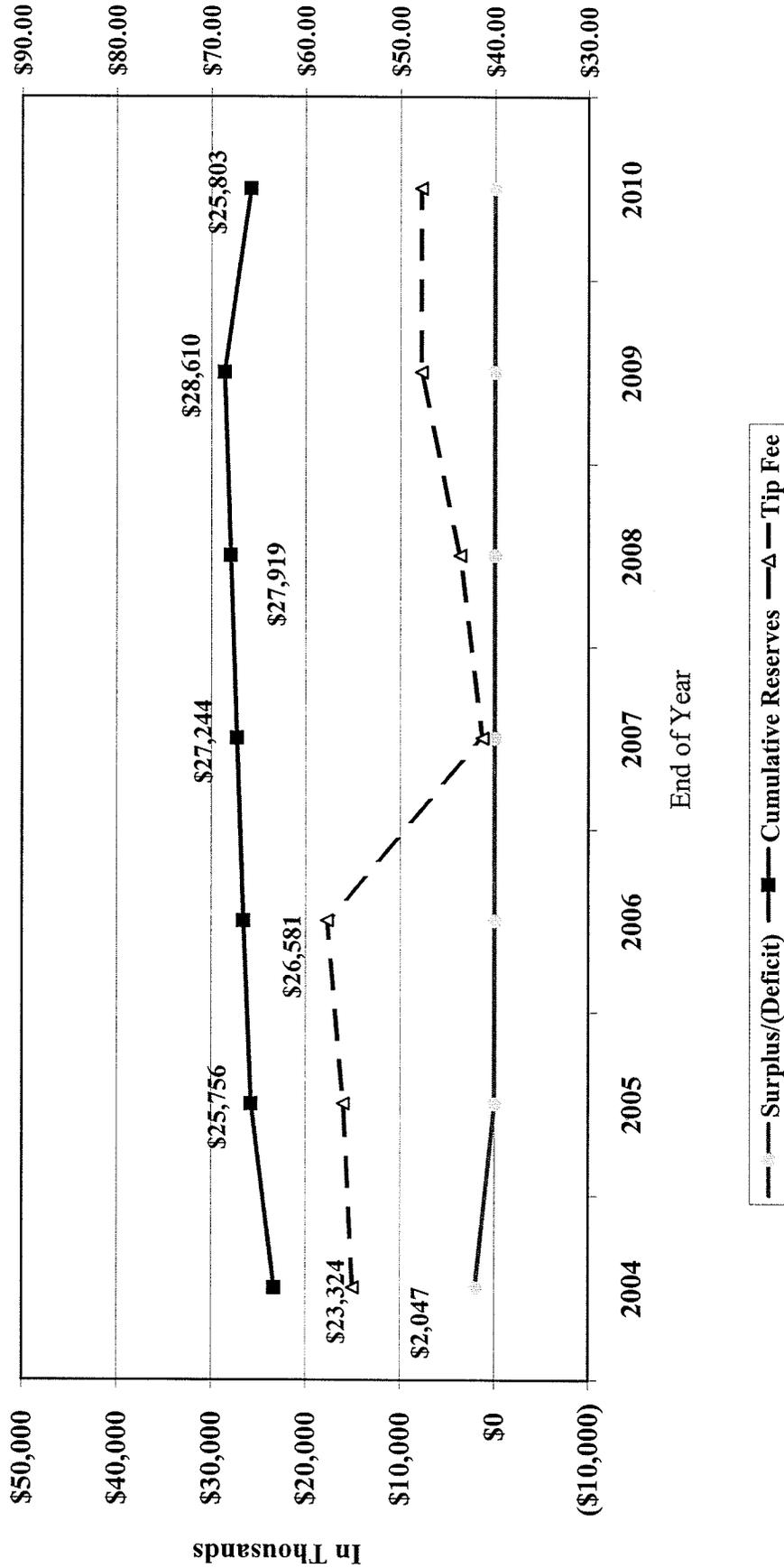
- (A) Balances as of June 30.
- (B) Represents general operating account. Includes interest earnings from the operating account and risk fund and estimated surpluses.
- (C) Interest earnings to accumulate in operating account.
- (D) Account required by contract, retains interest earnings.
- (E) Account established to pay for 30 years post closure costs associated with the Wallingford landfill. Refer to postclosure worksheet for details.

**Wallingford Project - December 2004 Projections
Surplus/(Deficit) and Reserve Balance Projections
Tip Fee Escalating \$1 Per Ton Per Year Through 2010**



Reserves include operating account, risk reserve and tip fee stabilization fund.

**Wallingford Project - December 2004 Projections
Surplus/(Deficit) and Reserve Balance Projections
Tip Fee Set At Cost Through 2010**



Reserves include operating account, risk reserve and tip fee stabilization fund.

Proposed FY06 Wallingford Project Capital Improvement Budget

January 27, 2005

Connecticut Resources Recovery Authority
Wallingford Project
Capital Improvement Budget for Fiscal Year 2006 and Four Year Capital Plan

1/12/05

Facility Expenditures	Adopted FY04	Actual FY04	Adopted FY05	Proposed FY06	Projected FY07	Projected FY08	Projected FY09	Projected FY10
Resource Recovery Facility	\$600	\$0	\$645	\$495	\$700	\$100	\$100	\$0
Wallingford Landfill	\$162	\$20	\$156	\$156	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$762	\$20	\$801	\$651	\$700	\$100	\$100	\$0
Funding Source (1)	\$285	\$20	\$801	\$651	\$700	\$100	\$100	\$0
Additional Funding Requirements (2)	(\$477)	\$0	\$0	\$0	\$0	\$0	\$0	\$0

(1) Expenditures are to be funded from future operating budgets.

(2) Additional funds would come from the operating account, should construction occurs.

Facility / Capital Project Description	Adopted FY04	Actual FY04	Adopted FY05	Proposed FY06	Projected FY07	Projected FY08	Projected FY09	Projected FY10
Resource Recovery Facility								
Fly Ash Conditioning System	\$450	\$0	\$450	\$0	\$0	\$0	\$0	\$0
Ash Loadout Building	\$0	\$0	\$0	\$0	\$200	\$0	\$0	\$0
Metals Recovery (Ash)	\$100	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Plant Improvements	\$50	\$0	\$50	\$50	\$100	\$100	\$100	\$0
Nox Control System	\$0	\$0	\$0	\$0	\$400	\$0	\$0	\$0
Carbon Injection	\$0	\$0	\$100	\$0	\$0	\$0	\$0	\$0
Boiler Generator Tube Bank Upgrades	\$0	\$0	\$45	\$45	\$0	\$0	\$0	\$0
Dolomitic Lime System	\$0	\$0	\$0	\$400	\$0	\$0	\$0	\$0
Subtotal	\$600	\$0	\$645	\$495	\$700	\$100	\$100	\$0
Landfill								
Road Improvements; Landsurface Repair	\$150	\$20	\$150	\$156	\$0	\$0	\$0	\$0
Install Gas Monitoring Probes	\$12	\$0	\$6	\$0	\$0	\$0	\$0	\$0
Subtotal	\$162	\$20	\$156	\$156	\$0	\$0	\$0	\$0

TAB 5

**RESOLUTION REGARDING THE ADOPTION OF THE BRIDGEPORT
PROJECT FISCAL YEAR 2006 OPERATING AND CAPITAL
BUDGETS AND TIP FEES**

RESOLVED: That the fiscal year 2006 Bridgeport Project Operating Budget in the amount of \$53,504,000 and the Capital Budget in the amount of \$319,000 be adopted substantially in the form as presented and discussed at this meeting.

FURTHER RESOLVED: That the fiscal year 2006 member tipping fees for the market component be set at \$68.00 per ton and the minimum commitment component be set at \$8.00 per ton for an all-inclusive fee not to exceed \$76.00, unless the Authority receives and approves an executed agreement from the City of Stamford by January 27, 2005 in which event the member tipping fees for the market component be set at \$66.00 per ton and the minimum commitment component be set at \$8.00 per ton for an all-inclusive fee not to exceed \$74.00.

SOLID WASTE ADVISORY BOARD RESOLUTION

**RESOLUTION REGARDING THE ADOPTION OF THE BRIDGEPORT
PROJECT FISCAL YEAR 2006 OPERATING AND CAPITAL
BUDGETS AND TIP FEES**

RESOLVED: That the fiscal year 2006 Bridgeport Project Operating Budget in the amount of \$53,504,000 and the Capital Budget in the amount of \$319,000 be adopted substantially in the form as presented and discussed at this meeting.

FURTHER RESOLVED: That the fiscal year 2006 member tipping fees for the market component be set at \$68.00 per ton and the minimum commitment component be set at \$8.00 per ton for an all-inclusive fee not to exceed \$76.00, unless the Authority receives and approves an executed agreement from the City of Stamford by January 27, 2005 in which event the member tipping fees for the market component be set at \$66.00 per ton and the minimum commitment component be set at \$8.00 per ton for an all-inclusive fee not to exceed \$74.00.

**SOUTHWEST CONNECTICUT REGIONAL RECYCLING
OPERATING COMMITTEE RESOLUTION**

**RESOLUTION REGARDING THE ADOPTION OF THE BRIDGEPORT
PROJECT FISCAL YEAR 2006 OPERATING AND CAPITAL
BUDGETS AND TIP FEES**

RESOLVED: That the fiscal year 2006 Bridgeport Project Operating Budget for recycling in the amount of \$3,061,000 and the Capital Budget in the amount of \$77,000 be adopted substantially in the form as presented and discussed at this meeting.

FURTHER RESOLVED: That the fiscal year 2006 member tipping fees for recyclables remain at zero dollars per ton.

Fiscal Year 2006 Bridgeport Project Operating & Capital Budget

January 27, 2005

Attached are two proposed fiscal year 2006 operating budgets and five-year capital plan. The Proposed I budget assumes the Authority is able to contract for additional waste and the Proposed II budget assumes the Authority is unsuccessful in obtaining additional waste. The Authority is optimistic that we will be successful in contracting for additional waste and therefore except for the summary page of the budget all comparisons are made to the Proposed I budget. Graphical projections through fiscal year 2009 are also included. Attached are the resolutions adopted by the Solid Waste Advisory Board and Southwest Connecticut Regional Recycling Operating Committee on January 13, 2005. The Authority Finance Committee recommended that the attached resolution be submitted to the Board of Directors for adoption.

EXECUTIVE SUMMARY

1. Tip Fees

Over the last five years, the tip fee has increased gradually to avoid a large increase as a result of the loss of the municipal share fund. This proposed budget includes an MSW tip fee increase for the market component of \$1.50 per ton or 2.3% over the FY05 rate. The table below shows the tip fee increases over the last several years:

Fiscal Year	Minimum Commitment	Member MSW Tip Fee	% Change
2004	\$8.00	\$63.00	1.6%
2005	\$8.00	\$64.50	2.4%
2006 (Proposed I)	\$8.00	\$66.00	2.3%
2006 (Proposed II)	\$8.00	\$68.00	5.4%

2. Tonnage

The estimated member MSW deliveries in the FY06 proposed budget are based upon recent historical levels. Contract deliveries are estimated to increase by approximately 50,000 tons due to the new contract with the City of Stamford. The table below compares the FY06 budget assumptions to actual FY04 tonnages.

MSW Deliveries (Tons)	FY04	FY06	% Change
Member	412,607	415,000	0.6%
Contract	170,332	220,000	29.2%
Diversions	10,148	10,000	-1.5%

3. The proposed budget assumes an interest rate of 2.25% on fund balances.
4. The proposed budget anticipates \$319,000 in Construction expenditures

DETAILED EXPLANATIONS (*comparison of FY05 and FY06 budgets*)

1. REVENUES

- a. Service Charges Solid Waste – Member
 - Increase is the result of the proposed \$1.50 per ton tip fee increase.
- b. Service Charges Solid Waste – Contract
 - The proposed budget assumes new deliveries from the City of Stamford (75,000 tons) which is offset slightly by a reduction in Waste Management deliveries (reduced by 25,000 tons) as allowed under their new contract.
- c. Recycling Sales
 - Reflects the continuance of favorable recycling market conditions.
- d. Interest Income
 - The estimated increase is based upon higher working capital levels and an improved interest earning rate (2.25% on fund balances, reflective of market conditions).
- e. Use of Board Designated Reserves
 - The construction projects associated with the Future Use of the Shelton Landfill are scheduled to begin in FY07.

2. EXPENDITURES

- a. General Administration

- The FY06 budget assumes higher legal costs due to pending litigation.
- b. Resource Recovery Facility
- The proposed FY06 budget assumes higher contract operating charges and increased dioxin taxes due to the higher contract tonnage estimates. These costs are offset slightly due to lower insurance premium estimates.
- c. Waste Transport
- The increase is primarily driven by higher tonnage estimates and by escalated subsidies.
- d. Regional Recycling
- The proposed FY06 budget assumes higher contract operating charges due to the higher contract tonnage estimates and higher construction costs associated with HVAC and paving improvements at the Stratford facility.
- e. Shelton Landfill
- The annual operations and maintenance costs are estimated to be 16.2% less than FY05 costs. The proposed FY06 budget includes a contribution to the Shelton Landfill Future Use reserve of \$279,000 and the Postclosure Reserve contribution includes an additional \$200,000 as compared to the FY05 budget.
- f. Waterbury Landfill
- The proposed FY06 budget includes funding of the closure reserve of \$400,000 and funding of the Postclosure Reserve of \$400,000.
- g. Transfer Stations
- Additional funds are included in the FY06 budget for construction activities at the transfer stations including overhead door replacement, roof replacement, tipping floor repairs, and compactor repairs.

Risk Assessment

1. As the project nears completion, it is important for the towns to understand the associated costs involved with the termination of the existing town contracts. This includes funding reserves required by the existing project agreements. It will also be important that the Authority and the towns reduce or eliminate potential post project liabilities. An evaluation is currently underway to determine what liabilities, if any, will exist post project. Although this budget does not reflect any costs associated with post project liabilities, future budgets may require a contribution to reserves.

CONNECTICUT RESOURCES RECOVERY AUTHORITY

**PROPOSED
BRIDGEPORT PROJECT
OPERATING & CAPITAL BUDGET
FISCAL YEAR 2006**

January 27, 2005

BRIDGEPORT PROJECT - PROPOSED FY06 OPERATING BUDGET

ASSUMPTIONS

ASSUMPTION	DESCRIPTION	ACTUAL FY04	ADOPTED FY05	PROJECTED FY06
Pricing Summary	<u>Municipal Solid Waste (MSW)</u>			
	Member Town Tip Fee	\$63.00	\$64.50	\$66.00
	Member Town Minimum Commitment Charge	\$8.00	\$8.00	\$8.00
	Orange Tip Fee	\$62.55	\$61.95	\$63.01
	Bethany Tip Fee	\$68.12	\$70.97	\$74.63
	East Haven / Woodbridge Tip Fee	\$68.71	\$71.26	\$74.67
	Bridgeport Tip Fee	\$58.90	\$60.26	\$61.81
	Waste Mgmt Tip Fee (Contract Tier 1)	\$64.34	\$61.25	\$62.40
	Waste Mgmt Tip Fee (Contract Tier 2)	N/A	\$60.00	\$61.13
	Commercial Haulers Tip Fee (Contract)	\$69.00	\$69.00	\$69.00
	Stamford Tip Fee (Contract)	N/A	N/A	\$62.62
	Average Contract Tip Fee	\$64.90	\$62.18	\$63.08
	CRRA Projects Diversion Tip Fee	\$61.00	\$63.50	\$66.00
	<u>Recycables</u>			
	Member Town Tip Fee	\$0.00	\$0.00	\$0.00
	Stamford/N.Canaan Tip Fee	\$7.69	\$3.75	\$0.56
Tonnage Summary	<u>Municipal Solid Waste (MSW)</u>			
	Member	412,607	380,900	415,000
	Waste Mgmt (Contract Tier 1)	150,020	125,000	125,000
	Waste Mgmt (Contract Tier 2)	N/A	25,000	0
	Commercial Haulers (Contract)	20,312	25,000	20,000
	Stamford (Contract)	N/A	N/A	75,000
	Total Contract	170,332	175,000	220,000
	CRRA Project Diversions	10,148	55,000	10,000
	Total Project MSW	593,086	610,900	645,000
	Wheelabrator Resco	143,429	109,100	85,000
	Total MSW Processed	733,771	720,000	730,000
	Orange MSW	5,772	5,200	6,000
	Bethany MSW	1,043	1,500	1,000
	East Haven MSW	13,761	13,100	14,000
	Woodbridge MSW	3,584	3,500	4,000
	Bridgeport Municipal MSW	66,841	64,100	67,000
	Weston MSW	5,521	4,000	6,000
	Wilton MSW	9,264	8,000	9,000
	<u>Recycables</u>			
	Member	49,764	47,000	50,000
	Stamford/N. Canaan	7,304	7,500	7,000
	FCR	6,422	6,000	6,000
	Total Recyclables	63,490	60,500	63,000
Ash Residue	Ash Rate (% of MSW Processed)	23.7%	24.5%	24.0%
	Total Ash Generation	174,266	176,400	175,200
	Ash Hauling Rate	\$14.70	\$14.91	\$15.21
	Ash Disposal Rate	\$29.62	\$30.59	\$31.24
	Ash Disposal Reimbursement Fee 0 - 207,192 Tons	\$23.13	\$23.56	\$24.35
Other Operating	<u>Municipal Solid Waste (MSW)</u>			
	RESCO Per Ton Processing Fee (Unadjusted)	\$55.75	\$56.79	\$58.70
	Orange Per Ton Municipal Subsidy	\$3.91	\$3.96	\$4.04
	Weston Per Ton Hauling Subsidy	\$10.82	\$11.14	\$11.35
	Wilton Per Ton Hauling Subsidy	\$10.50	\$11.50	\$10.70
	Wilton & Weston Per Ton Municipal Subsidy	\$4.24	\$4.31	\$4.39
	Norwalk Per Ton Municipal Subsidy	\$1.41	\$1.44	\$1.46
	<u>Recycables</u>			
	Per Ton Revenue Share (50% Sharing)	\$41.06	\$25.00	\$32.50
	FCR Per Ton Processing Fee	\$35.45	\$36.12	\$37.66
	FCR Facility Rent (Monthly)	\$48,540	\$49,462	\$51,569
	FCR Equipment Rent (Monthly)	\$41,159	\$41,159	\$41,159
	FCR Per Ton Fee (Percentage Rent)	\$8.71	\$8.87	\$9.25
	Residue Rate	2.44%	3.50%	3.50%
Miscellaneous	Inflation Escalator	2.88%	2.50%	2.50%
	Contract Escalator 75% of Inflation Estimate	2.16%	1.88%	1.88%

N/A = Not Applicable

BRIDGEPORT PROJECT - PROPOSED FY06 OPERATING BUDGET

REVENUE & EXPENDITURE SUMMARY

REVENUES

ACCOUNT	DESCRIPTION	ACTUAL FY04	ADOPTED FY05	PROPOSED I FY06	PROPOSED II FY06
34-001-000-40101	Service Charges Solid Waste - Members	\$30,097,516	\$28,396,100	\$31,247,000	\$31,964,000
34-001-000-40102	Service Charges Solid Waste - Contracts	\$11,555,790	\$14,373,800	\$14,537,000	\$9,840,000
34-001-000-41105	Ash Disposal Reimbursement Fees	\$4,030,762	\$4,156,000	\$4,266,000	\$4,266,000
34-001-000-42101	Recycling Sales	\$2,606,881	\$1,387,900	\$1,837,000	\$1,837,000
34-001-000-45101	Rental Income	\$1,167,341	\$1,136,200	\$1,197,000	\$1,197,000
34-001-000-45150	Miscellaneous Income	\$98,658	\$0	\$3,000	\$3,000
34-001-000-xxxxx	Permit Fees	\$7,650	\$0	\$8,000	\$8,000
34-001-000-46101	Interest Income	\$73,137	\$51,000	\$203,000	\$203,000
34-403-000-48401	Use of Postclosure Reserve	(\$785)	\$0	\$0	\$0
34-318-000-48401	Use of Board Designated Reserves (1)	\$63,660	\$760,000	\$0	\$0
Total Revenues		\$49,700,610	\$50,261,000	\$53,298,000	\$49,318,000

EXPENDITURES

ACCOUNT	DESCRIPTION	ACTUAL FY04	ADOPTED FY05	PROPOSED I FY06	PROPOSED II FY06
34-001-501-xxxxx	General Administration	\$976,069	\$1,109,300	\$1,191,500	\$1,191,500
34-001-502-xxxxx	Debt Service/Administration	\$2,147,947	\$2,124,650	\$2,128,000	\$2,128,000
34-001-503-xxxxx	Resources Recovery Facility	\$31,208,121	\$33,150,259	\$35,205,000	\$31,225,000
34-001-504-xxxxx	Ash Disposal	\$7,810,997	\$8,026,200	\$8,138,000	\$8,138,000
34-001-505-xxxxx	Waste Transport	\$499,016	\$478,200	\$520,000	\$520,000
34-001-506-xxxxx	Regional Recycling	\$2,387,067	\$2,527,730	\$2,884,000	\$2,884,000
34-001-508-xxxxx	Recycling Education	\$167,664	\$171,100	\$177,000	\$177,000
34-001-701-xxxxx	Landfill - Shelton	\$1,118,009	\$2,263,361	\$1,862,500	\$1,862,500
34-001-702-xxxxx	Landfill - Waterbury	\$7,106	\$117,700	\$847,000	\$847,000
34-001-7xx-xxxxx	Transfer Stations	\$225,727	\$292,500	\$345,000	\$345,000
Total Expenditures		\$46,547,723	\$50,261,000	\$53,298,000	\$49,318,000
Balance		\$3,152,887	\$0	\$0	\$0

(1) Shelton Landfill Future Use Reserve

BRIDGEPORT PROJECT - PROPOSED FY06 OPERATING BUDGET

EXPENDITURE DETAIL

ACCOUNT	DESCRIPTION	ACTUAL FY04	ADOPTED FY05	PROPOSED I FY06	PROPOSED II FY06
GENERAL ADMINISTRATION					
34-001-501-52101	Postage & Delivery Fees	\$2,479	\$3,600	\$3,000	\$3,000
34-001-501-52104	Telephone & Pagers	\$6,368	\$9,300	\$7,000	\$7,000
34-001-501-52106	Copier	\$3,024	\$3,500	\$3,000	\$3,000
34-001-501-52108	Duplication and Printing	\$292	\$0	\$0	\$0
34-001-501-52115	Advertising	\$956	\$1,000	\$2,000	\$2,000
34-001-501-52201	Office Equipment	\$2	\$0	\$0	\$0
34-001-501-52202	Office Supplies	\$221	\$300	\$500	\$500
34-001-501-52302	Miscellaneous Services	\$82	\$300	\$500	\$500
34-001-501-52303	Subscriptions and Publications	\$19	\$0	\$0	\$0
34-001-501-52305	Business Meetings and Travel	\$157	\$770	\$500	\$500
34-001-501-52355	Mileage Reimbursement	\$8,425	\$6,000	\$9,000	\$9,000
34-001-501-52505	Claims/Losses	\$67,975	\$0	\$0	\$0
34-001-501-52602	Bad Debt Expense	\$0	\$5,000	\$5,000	\$5,000
34-001-501-52612	Fuel	\$0	\$100	\$0	\$0
34-001-501-52856	Legal	\$53,095	\$85,000	\$200,000	\$200,000
34-001-501-52862	Arbitrator	\$1,250	\$0	\$0	\$0
34-001-501-52875	Insurance, Consulting and Brokerage Services	\$10,033	\$10,900	\$13,000	\$13,000
34-001-501-52899	Other Consulting	\$7,483	\$0	\$0	\$0
34-001-501-54482	Computer Hardware	\$2,663	\$2,000	\$3,000	\$3,000
34-001-501-54483	Computer Software	\$0	\$1,000	\$1,000	\$1,000
34-001-501-57820	Local Administration	\$183,305	\$100,000	\$111,000	\$111,000
34-001-501-57840	Allocation-Salaries	\$359,013	\$491,930	\$468,000	\$468,000
34-001-501-57850	Allocation-Overhead	\$269,227	\$388,600	\$365,000	\$365,000
	Subtotal	\$976,069	\$1,109,300	\$1,191,500 7.4%	\$1,191,500
DEBT SERVICE/ADMINISTRATION					
34-001-502-52859	Financial	\$5,142	\$0	\$0	\$0
34-001-502-55517	Interest - 1999 Guaranteed Borrowing	\$172,256	\$145,500	\$116,000	\$116,000
34-001-502-55535	Interest - 00 Series	\$313,250	\$259,150	\$204,000	\$204,000
34-001-502-55560	Principal - 1999 Guaranteed Borrowing	\$562,500	\$610,000	\$663,000	\$663,000
34-001-502-55560	Principal - 00 Series	\$1,082,500	\$1,095,000	\$1,130,000	\$1,130,000
34-001-502-55585	Trustee Fees	\$12,299	\$15,000	\$15,000	\$15,000
	Subtotal	\$2,147,947	\$2,124,650	\$2,128,000 0.2%	\$2,128,000

BRIDGEPORT PROJECT - PROPOSED FY06 OPERATING BUDGET

EXPENDITURE DETAIL

ACCOUNT	DESCRIPTION	ACTUAL FY04	ADOPTED FY05	PROPOSED I FY06	PROPOSED II FY06
RESOURCES RECOVERY FACILITY					
34-001-503-52502	Fees/Licenses/Permits	\$4,125	\$4,200	\$5,000	\$5,000
34-001-503-52506	Solid Waste Tax (Dioxin Tax)	\$809,259	\$916,350	\$968,000	\$855,000
34-001-503-52507	Payment in Lieu of Taxes	\$2,269,995	\$2,321,100	\$2,419,000	\$2,419,000
34-001-503-52508	Municipal Subsidies	\$20,409	\$20,600	\$24,000	\$24,000
34-001-503-52640	Insurance	\$203,292	\$368,500	\$251,000	\$251,000
34-001-503-52701	Contract Operating Charges	\$27,901,041	\$29,516,509	\$31,538,000	\$27,671,000
34-001-503-52858	Engineering	\$0	\$3,000	\$0	\$0
	Subtotal	\$31,208,121	\$33,150,259	\$35,205,000 6.2%	\$31,225,000
ASH DISPOSAL					
34-001-504-52706	Contract Hauling-Ash	\$2,561,901	\$2,630,100	\$2,665,000	\$2,665,000
34-001-504-52711	Disposal Fees-Ash	\$5,249,096	\$5,396,100	\$5,473,000	\$5,473,000
	Subtotal	\$7,810,997	\$8,026,200	\$8,138,000 1.4%	\$8,138,000
WASTE TRANSPORT					
34-001-505-52509	Transfer/Transport Subsidies	\$499,016	\$478,200	\$520,000	\$520,000
	Subtotal	\$499,016	\$478,200	\$520,000 8.7%	\$520,000
REGIONAL RECYCLING					
34-001-506-52104	Telephone & Pagers	\$2,187	\$0	\$3,000	\$3,000
34-001-506-52115	Advertising	\$8,153	\$0	\$10,000	\$10,000
34-001-506-52202	Office Supplies	\$240	\$3,080	\$3,000	\$3,000
34-001-506-52404	Building Operations	\$84,277	\$64,580	\$90,000	\$90,000
34-001-506-52409	Other Repairs and Maintenance	\$0	\$21,000	\$25,000	\$25,000
34-001-506-52415	Grounds Maintenance	\$0	\$5,130	\$5,000	\$5,000
34-001-506-52502	Fees/Licenses/Permits	\$3,500	\$3,000	\$4,000	\$4,000
34-001-506-52615	Office Temporaries	\$19,043	\$0	\$0	\$0
34-001-506-52617	Electronic Recycling	\$5,129	\$19,500	\$30,000	\$30,000
34-001-506-52701	Contract Operating Charges	\$1,896,163	\$1,968,540	\$2,147,000	\$2,147,000
34-001-506-52707	Contract Hauling-Other	\$0	\$5,130	\$0	\$0
34-001-506-52710	Disposal Fees-Solid Waste	\$84,871	\$105,880	\$110,000	\$110,000
34-001-506-52858	Engineering	\$1,990	\$5,130	\$5,000	\$5,000
34-001-506-53301	Gas	\$0	\$0	\$0	\$0
34-001-506-53304	Electricity	\$23,426	\$28,690	\$29,000	\$29,000
34-001-506-53309	Other Utilities	\$15,909	\$19,480	\$20,000	\$20,000
34-001-506-56605	Construction	(\$8,391)	\$10,000	\$77,000	\$77,000
34-001-506-57820	Local Administration	\$17,379	\$0	\$17,000	\$17,000
34-001-506-57840	Allocation-Salaries	\$134,229	\$148,230	\$175,000	\$175,000
34-001-506-57850	Allocation-Overhead	\$98,962	\$120,360	\$134,000	\$134,000
	Subtotal	\$2,387,067	\$2,527,730	\$2,884,000 14.1%	\$2,884,000
RECYCLING EDUCATION					
34-001-508-xxxxx	Education Expenses	\$167,664	\$171,100	\$177,000	\$177,000
	Subtotal	\$167,664	\$171,100	\$177,000	\$177,000

BRIDGEPORT PROJECT - PROPOSED FY06 OPERATING BUDGET

EXPENDITURE DETAIL

ACCOUNT	DESCRIPTION	ACTUAL FY04	ADOPTED FY05	PROPOSED I FY06	PROPOSED II FY06
LANDFILL - SHELTON					
34-001-701-52104	Telephone & Pagers	\$3,915	\$4,000	\$4,000	\$4,000
34-001-701-52302	Miscellaneous Services	\$0	\$2,000	\$2,000	\$2,000
34-001-701-52404	Building Operations	\$1,389	\$2,500	\$2,500	\$2,500
34-001-701-52407	Project Equipment Maintenance	\$11,653	\$58,500	\$62,000	\$62,000
34-001-701-52415	Grounds Maintenance	\$50,583	\$73,500	\$73,000	\$73,000
34-001-701-52502	Fees/Licenses/Permits	\$20,188	\$33,300	\$33,000	\$33,000
34-001-701-52650	Post Closure Reserve	\$650,000	\$800,000	\$1,000,000	\$1,000,000
34-001-701-52701	Contract Operating Charges	\$123,813	\$180,000	\$155,000	\$155,000
34-001-701-52709	Other Operating Charges	\$9,517	\$2,000	\$2,000	\$2,000
34-001-701-52858	Engineering	\$10,048	\$63,500	\$58,000	\$58,000
34-001-701-52901	Environmental Testing	\$110,956	\$161,000	\$50,000	\$50,000
34-001-701-53304	Electricity	\$17,912	\$43,200	\$43,000	\$43,000
34-001-701-53309	Other Utilities	\$2,472	\$3,700	\$3,000	\$3,000
34-001-701-55582	Letter of Credit Fees	\$6,302	\$7,000	\$7,000	\$7,000
34-001-701-56605	Construction	\$35,601	\$15,000	\$50,000	\$50,000
34-001-701-56669	Future Use Reserve (a)	\$63,660	\$760,000	\$279,000	\$279,000
34-001-701-58403	Contingency	\$0	\$54,161	\$39,000	\$39,000
	Subtotal	\$1,118,009	\$2,263,361	\$1,862,500 -17.7%	\$1,862,500
LANDFILL - WATERBURY					
34-001-702-52104	Telephone & Pagers	\$0	\$500	\$1,000	\$1,000
34-001-702-52302	Miscellaneous Services	\$0	\$3,000	\$3,000	\$3,000
34-001-702-52502	Fees/Licenses/Permits	\$2,700	\$2,700	\$3,000	\$3,000
34-001-702-52655	Closure Reserve	\$0	\$100,000	\$400,000	\$400,000
34-001-702-52650	Post Closure Reserve	\$0	\$0	\$400,000	\$400,000
34-001-702-52858	Engineering	\$0	\$5,000	\$20,000	\$20,000
34-001-702-52901	Environmental Testing	\$4,406	\$6,500	\$20,000	\$20,000
	Subtotal	\$7,106	\$117,700	\$847,000 619.6%	\$847,000
TRANSFER STATIONS					
34-001-xxx-52404	Building Operations	\$225	\$0	\$0	\$0
34-001-xxx-52502	Fees/Licenses/Permits	\$26,376	\$24,000	\$27,000	\$27,000
34-001-xxx-52508	Municipal Subsidy	\$17,728	\$11,500	\$13,000	\$13,000
34-001-xxx-52858	Engineering	\$0	\$6,000	\$6,000	\$6,000
34-001-xxx-52901	Environmental Testing	\$94,342	\$107,000	\$107,000	\$107,000
34-001-xxx-56605	Construction	\$87,056	\$144,000	\$192,000	\$192,000
	Subtotal	\$225,727	\$292,500	\$345,000 17.9%	\$345,000

(a) FY06 expense is a contribution to the reserve. All other years are withdrawal of funds.

BRIDGEPORT PROJECT - PROPOSED FY06 OPERATING BUDGET

EXPENDITURE DETAIL

ACCOUNT	DESCRIPTION	ACTUAL FY04	ADOPTED FY05	PROPOSED I FY06	PROPOSED II FY06
TRANSFER STATION - DARIEN					
34-001-710-52404	Building Operations	\$225	\$0	\$0	\$0
34-001-710-52502	Fees/Licenses/Permits	\$2,875	\$2,800	\$3,000	\$3,000
34-001-710-52858	Engineering	\$0	\$1,000	\$1,000	\$1,000
34-001-710-52901	Environmental Testing	\$12,304	\$15,000	\$15,000	\$15,000
34-001-710-56605	Construction	\$7,769	\$4,000	\$14,000	\$14,000
	Subtotal	\$23,173	\$22,800	\$33,000 44.7%	\$33,000
TRANSFER STATION - FAIRFIELD					
34-001-711-52502	Fees/Licenses/Permits	\$2,750	\$2,800	\$3,000	\$3,000
34-001-711-52858	Engineering	\$0	\$1,000	\$1,000	\$1,000
34-001-711-52901	Environmental Testing	\$20,518	\$15,000	\$15,000	\$15,000
34-001-711-56605	Construction	\$29,130	\$8,000	\$18,000	\$18,000
	Subtotal	\$52,398	\$26,800	\$37,000 38.1%	\$37,000
TRANSFER STATION - GREENWICH					
34-001-712-52502	Fees/Licenses/Permits	\$5,938	\$5,500	\$6,000	\$6,000
34-001-712-52858	Engineering	\$0	\$1,000	\$1,000	\$1,000
34-001-712-52901	Environmental Testing	\$12,304	\$15,000	\$15,000	\$15,000
34-001-712-56605	Construction	\$7,400	\$12,000	\$52,000	\$52,000
	Subtotal	\$25,642	\$33,500	\$74,000 120.9%	\$74,000
TRANSFER STATION - MILFORD					
34-001-713-52502	Fees/Licenses/Permits	\$5,325	\$4,900	\$5,000	\$5,000
34-001-713-52858	Engineering	\$0	\$1,000	\$1,000	\$1,000
34-001-713-52901	Environmental Testing	\$12,304	\$15,000	\$15,000	\$15,000
34-001-713-56605	Construction	\$19,895	\$67,000	\$40,000	\$40,000
	Subtotal	\$37,524	\$87,900	\$61,000 -30.6%	\$61,000

BRIDGEPORT PROJECT - PROPOSED FY06 OPERATING BUDGET

EXPENDITURE DETAIL

ACCOUNT	DESCRIPTION	ACTUAL FY04	ADOPTED FY05	PROPOSED I FY06	PROPOSED II FY06
TRANSFER STATION - NORWALK					
34-001-714-52502	Fees/Licenses/Permits	\$2,888	\$2,800	\$3,000	\$3,000
34-001-714-52508	Municipal Subsidy	\$17,728	\$11,500	\$13,000	\$13,000
34-001-714-52858	Engineering	\$0	\$1,000	\$1,000	\$1,000
34-001-714-52901	Environmental Testing	\$12,304	\$15,000	\$15,000	\$15,000
34-001-714-56605	Construction	\$22,862	\$24,000	\$36,000	\$36,000
	Subtotal	\$55,782	\$54,300	\$68,000 25.2%	\$68,000
TRANSFER STATION - SHELTON					
34-001-715-52502	Fees/Licenses/Permits	\$1,100	\$600	\$1,000	\$1,000
34-001-715-52901	Environmental Testing	\$0	\$2,000	\$2,000	\$2,000
34-001-715-56605	Construction	\$0	\$4,000	\$3,000	\$3,000
	Subtotal	\$1,100	\$6,600	\$6,000 -9.1%	\$6,000
TRANSFER STATION - TRUMBULL					
34-001-716-52502	Fees/Licenses/Permits	\$2,750	\$2,300	\$3,000	\$3,000
34-001-716-52858	Engineering	\$0	\$1,000	\$1,000	\$1,000
34-001-716-52901	Environmental Testing	\$12,304	\$15,000	\$15,000	\$15,000
34-001-716-56605	Construction	\$0	\$16,000	\$22,000	\$22,000
	Subtotal	\$15,054	\$34,300	\$41,000 19.5%	\$41,000
TRANSFER STATION - WESTPORT					
34-001-717-52502	Fees/Licenses/Permits	\$2,750	\$2,300	\$3,000	\$3,000
34-001-717-52901	Environmental Testing	\$12,304	\$15,000	\$15,000	\$15,000
34-001-717-56605	Construction	\$0	\$9,000	\$7,000	\$7,000
	Subtotal	\$15,054	\$26,300	\$25,000 -4.9%	\$25,000
	Total Transfer Stations	\$225,727	\$292,500	\$345,000	

BRIDGEPORT PROJECT - PROPOSED FY06 RECYCLING BUDGET

RECYCLING PROGRAM OVERVIEW

ASSUMPTIONS		ACTUAL FY04	ADOPTED FY05	PROPOSED FY06
Tip Fees	Member Recyclables	\$0.00	\$0.00	\$0.00
	Recyclables - Stamford/N. Canaan	\$7.69	\$3.75	\$0.56
	Recyclables - New Haven	\$0.00	\$0.00	\$0.00
Delivery/Processing	CRRA Member Recyclables	49,764	47,000	50,000
	CRRA Recyclables -Stamford/N. Canaan	7,304	7,500	7,000
	CRRA Recyclables - New Haven	0	0	0
	FCR Spot Recyclables	6,422	6,000	6,000
	Total	63,490	60,500	63,000
Recycling Sales	Per Ton Sales Revenue (50%)	\$41.06	\$25.00	\$32.50
Residue	Recycling Residue Rate	2.44%	3.50%	3.50%
Other Operating	Operating Payment to FCR	\$35.45	\$36.12	\$37.66
	Basic Rent	\$48,540	\$49,462	\$51,569
	Equipment Rent	\$41,159	\$41,159	\$41,159
	Percentage Rent	\$8.71	\$8.87	\$9.25
Misc.	Inflation Estimate	2.47%	2.50%	2.50%
	75% of Inflation Escalator	1.85%	1.88%	1.88%

REVENUE & EXPENDITURE SUMMARY

ACCOUNT	DESCRIPTION	ACTUAL FY04	ADOPTED FY05	PROPOSED FY06
REVENUES				
34-001-000-42101	Recycling Sales	\$2,606,881	\$1,387,900	\$1,837,000
34-001-000-45101	Rental Income	\$1,167,341	\$1,136,200	\$1,197,000
	Total Revenues	\$3,774,222	\$2,524,100	\$3,034,000
EXPENDITURES				
34-001-506-52104	Telephone & Pagers	\$2,187	\$0	\$3,000
34-001-506-52115	Advertising	\$8,153	\$0	\$10,000
34-001-506-52202	Office Supplies	\$240	\$3,080	\$3,000
34-001-506-52404	Building Operations	\$84,277	\$64,580	\$90,000
34-001-506-52409	Other Repairs and Maintenance	\$0	\$21,000	\$25,000
34-001-506-52415	Grounds Maintenance	\$0	\$5,130	\$5,000
34-001-506-52502	Fees/Licenses/Permits	\$3,500	\$3,000	\$4,000
34-001-506-52615	Office Temporaries	\$19,043	\$0	\$0
34-001-506-52617	Electronic Recycling	\$5,129	\$19,500	\$30,000
34-001-506-52701	Contract Operating Charges	\$1,896,163	\$1,968,540	\$2,147,000
34-001-506-52707	Contract Hauling-Other	\$0	\$5,130	\$0
34-001-506-52710	Disposal Fees-Solid Waste	\$84,871	\$105,880	\$110,000
34-001-506-52858	Engineering	\$1,990	\$5,130	\$5,000
34-001-506-53304	Electricity	\$23,426	\$28,690	\$29,000
34-001-506-53309	Other Utilities	\$15,909	\$19,480	\$20,000
34-001-506-56605	Construction	(\$8,391)	\$10,000	\$77,000
34-001-506-57820	Local Administration (SWEROC)	\$17,379	\$0	\$17,000
34-001-506-xxxxx	SWEROC Education	\$167,664	\$172,600	\$177,000
34-001-506-57840	Allocation-Salaries	\$134,229	\$148,230	\$175,000
34-001-506-57850	Allocation-Overhead	\$98,962	\$120,360	\$134,000
	Total Expenditures	\$2,554,731	\$2,700,330	\$3,061,000
	SURPLUS/(DEFICIT)	\$1,219,491	(\$176,230)	(\$27,000)

BRIDGEPORT PROJECT - PROPOSED FY06 OPERATING BUDGET

EXPENDITURES

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>ACTUAL FY04</u>	<u>ADOPTED FY05</u>	<u>PROPOSED FY06</u>
<u>SOLID WASTE ADVISORY BOARD</u>				
	Stenographer Services	\$323	\$0	\$1,000
	Legal Services	\$10,606	\$0	\$10,000
	Other Consulting	<u>\$166,376</u>	<u>\$100,000</u>	<u>\$100,000</u>
	Subtotal	\$177,305	\$100,000	\$111,000

BRIDGEPORT PROJECT - PROPOSED FY06 OPERATING BUDGET

EXPENDITURES

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>ACTUAL FY04</u>	<u>ADOPTED FY05</u>	<u>ADOPTED FY06</u>
<u>SOUTHWESTERN CONNECTICUT REGIONAL RECYCLING OPERATING COMMITTEE</u>				
	Stenographer Services	\$105	\$0	\$1,000
	Auditor	\$12,000	\$0	\$6,000
	Legal Services	\$5,276	\$0	\$10,000
	Other Consulting	\$0	\$0	\$0
	Subtotal	\$17,381	\$0	\$17,000
	Education Expenses	\$167,664	\$172,600	\$177,000
	Subtotal	\$167,664	\$172,600	\$177,000
	Total	\$185,045	\$172,600	\$194,000

Bridgeport Postclosure Reserve Funding Analysis

Shelton Landfill Postclosure Reserve Funding Analysis

Reserve Earnings Rate Assumption: 4.50%
 Annual Inflation Rate Assumption: 3.00%

Fiscal Year	Post Year	Reserve Opening Balance	Reserve Contributions	Estimated Reserve Interest	Estimated Current Costs	Inflation Adjusted Costs	Reserve Closing Balance
03	3	\$2,305,415					\$2,308,014
04	4	\$2,308,014	\$650,000		\$0	\$0	\$2,910,789
05	5	\$2,910,789	\$800,000	\$65,493	\$0	\$0	\$3,776,282
06	6	\$3,776,282	\$1,000,000	\$84,966	\$0	\$0	\$4,861,248
07	7	\$4,861,248	\$900,000	\$109,378	\$0	\$0	\$5,870,626
08	8	\$5,870,626	\$900,000	\$264,178	\$0	\$0	\$7,034,804
09	9	\$7,034,804	\$900,000	\$316,566	\$0	\$329,000	\$7,922,371
10	10	\$7,922,371	\$0	\$356,507	\$466,425	\$573,644	\$7,705,233
11	11	\$7,705,233	\$0	\$346,735	\$461,425	\$584,519	\$7,467,449
12	12	\$7,467,449	\$0	\$336,035	\$441,425	\$575,960	\$7,227,525
13	13	\$7,227,525	\$0	\$325,239	\$424,425	\$570,392	\$6,982,372
14	14	\$6,982,372	\$0	\$314,207	\$424,425	\$587,503	\$6,709,075
15	15	\$6,709,075	\$0	\$301,908	\$409,425	\$583,742	\$6,427,242
16	16	\$6,427,242	\$0	\$289,226	\$376,925	\$553,527	\$6,162,940
17	17	\$6,162,940	\$0	\$277,332	\$388,925	\$588,284	\$5,851,989
18	18	\$5,851,989	\$0	\$263,339	\$376,925	\$587,237	\$5,528,091
19	19	\$5,528,091	\$0	\$248,764	\$376,925	\$604,854	\$5,172,002
20	20	\$5,172,002	\$0	\$232,740	\$376,925	\$623,000	\$4,781,742
21	21	\$4,781,742	\$0	\$215,178	\$346,925	\$590,617	\$4,406,304
22	22	\$4,406,304	\$0	\$198,284	\$353,925	\$620,610	\$3,983,978
23	23	\$3,983,978	\$0	\$179,279	\$339,425	\$613,039	\$3,550,218
24	24	\$3,550,218	\$0	\$159,760	\$339,425	\$631,430	\$3,078,547
25	25	\$3,078,547	\$0	\$138,535	\$339,425	\$650,373	\$2,566,708
26	26	\$2,566,708	\$0	\$115,502	\$339,425	\$669,885	\$2,012,325
27	27	\$2,012,325	\$0	\$90,555	\$339,425	\$689,981	\$1,412,899
28	28	\$1,412,899	\$0	\$63,580	\$214,725	\$449,586	\$1,026,893
29	29	\$1,026,893	\$0	\$46,210	\$214,725	\$463,074	\$610,029
30	30	\$610,029	\$0	\$27,451	\$214,725	\$476,966	\$160,514
			\$5,150,000		\$7,566,325	\$12,617,224	

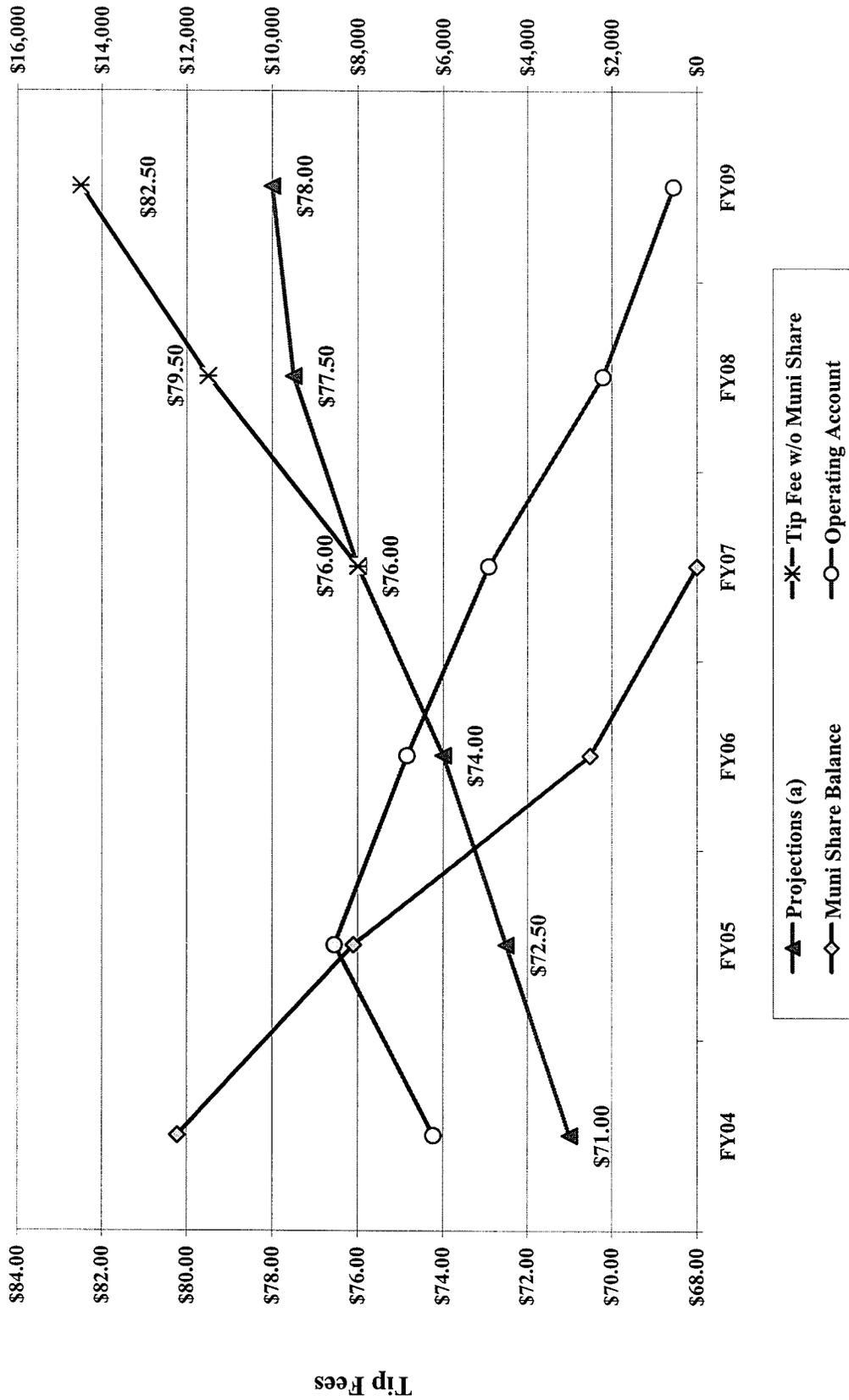
BRIDGEPORT PROJECT PROPOSED FY06 BUDGET RESERVE BALANCES AND INTEREST EARNINGS PROJECTIONS

Reserve Estimates	FY04	FY05	FY06	FY07	FY08	FY09
Unrestricted	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
Operating (B)	\$6,228,483	\$6,228,483	\$8,544,197	\$6,847,197	\$4,924,097	\$2,214,299
Estimated Surplus / (Deficit)		\$2,127,700	(\$1,900,000)	(\$2,120,100)	(\$2,827,798)	(\$1,779,897)
Interest Earnings		\$188,014	\$203,000	\$197,000	\$118,000	\$111,000
Ending Balance	\$6,228,483	\$8,544,197	\$6,847,197	\$4,924,097	\$2,214,299	\$545,402
Restricted						
Shelton Landfill Postclosure (C)		\$2,910,789	\$3,776,282	\$4,861,248	\$5,870,626	\$7,034,804
Contributions		\$800,000	\$1,000,000	\$900,000	\$900,000	\$900,000
Interest Earnings		\$65,493	\$84,966	\$109,378	\$264,178	\$316,566
Less Withdrawal						(\$329,000)
Ending Balance	\$2,910,789	\$3,776,282	\$4,861,248	\$5,870,626	\$7,034,804	\$7,922,371
Waterbury LF Postclosure (D)		\$0	\$0	\$300,000	\$604,500	\$931,703
Contributions		\$0	\$300,000	\$300,000	\$300,000	\$100,000
Interest Earnings		\$0	\$0	\$4,500	\$27,203	\$41,927
Ending Balance	\$0	\$0	\$300,000	\$604,500	\$931,703	\$1,073,629
Waterbury LF Closure (C)		\$202,377	\$309,180	\$725,137	\$0	\$0
Contributions		\$100,000	\$400,000	\$0	\$0	\$0
Interest Earnings		\$6,803	\$15,957	\$16,316	\$0	\$0
Less Withdrawal		\$0	\$0	(\$741,453)	\$0	\$0
Ending Balance	\$202,377	\$309,180	\$725,137	\$0	\$0	\$0
Shelton Future Use Reserve (D)		\$548,487	\$560,828	\$858,724	\$469,000	\$0
Contributions		\$0	\$279,000	(\$400,000)	(\$469,000)	\$0
Interest Earnings		\$12,341	\$18,896	\$10,321	\$0	\$0
Less Withdrawal						\$0
Ending Balance	\$548,487	\$560,828	\$858,724	\$469,000	\$0	\$0
Interest Rate		2.25%	2.25%	2.25%	2.25%	2.25%

Assumptions

- (A) Balances as of June 30.
- (B) Represents general operating account. Includes interest earnings from the operating account and risk fund and estimated surpluses.
- (C) Account established to pay for 30 years post closure costs associated with the Wallingford landfill. Refer to postclosure worksheet for details.
- (D) Account restricted by contract, permit or another third party, retains interest earnings.

Bridgeport Project Tip Fee Projections



(a) Projections are the same as 12/03

TAB 6

**RECOMMENDED BOARD RESOLUTION REGARDING ADDITIONAL
PROJECTED LEGAL EXPENDITURES**

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

WHEREAS, the Board of Directors, on September 23, 2004, authorized certain amounts for payment of fiscal year 2005 projected legal fees; and

WHEREAS, CRRA has incurred greater than anticipated legal expenses in connection with the settlement of its Enron bankruptcy claim and certain other matters;

NOW THEREFORE, it is RESOLVED: That the following additional amounts be authorized for payment of projected legal fees to be incurred through June 30, 2005:

<u>Firm:</u>	<u>Amount:</u>
Anderson Kill & Olick	\$100,000
Halloran & Sage	\$150,000

TAB 7

**RESOLUTION REGARDING LOOSE RESIDENTIAL MIXED PAPER
PURCHASE AND SALE AGREEMENT WITH RECYCLE AMERICA
ALLIANCE, L.L.C.**

RESOLVED: The President is authorized to enter into an agreement with Recycle America Alliance, L.L.C. for the purchase of CRRA's loose residential mixed paper from its Mid-Connecticut Project, substantially as presented and discussed at this meeting.

Connecticut Resources Recovery Authority

Contract Summary for Agreement Entitled

Loose Residential Mixed Paper Purchase and Sale Agreement Mid-Connecticut Regional Recycling Project

Presented to the CRRA Board on: January 27, 2005

Vendor/ Contractor(s): Recycle America Alliance, L.L.C.

Effective Date: February 1, 2005

Contract Type/Subject matter: Loose Residential Mixed Paper Purchase and Sale Agreement

Facility (ies) Affected: Mid-Ct Regional Recycling Project

Term: February 1, 2005 – January 31, 2007
CRRA can terminate on or after February 1, 2006 with 60 day advance written notice

Term Extensions: CRRA & contractor may agree in writing to extend the term for any additional period

Scope of Services: Recycle America Alliance will pay CRRA \$56.11 per ton, including transportation costs, for all paper generated by member towns and delivered to CRRA's Hartford facility and transfer stations in Essex, Torrington & Watertown (no recyclables at Ellington). Estimated tons are 56,000 tons paper per year.

Purchase Price: CRRA receives \$56.11/ton of Loose Residential Mixed Paper

Contract Dollar Value: \$3.1 million per year

Amendment(s): Not applicable

Other Pertinent Provisions: None

**Connecticut Resources Recovery Authority
Mid-Connecticut Regional Recycling Project –
Loose Residential Mixed Paper Purchase and Sale
Agreement with Recycle America Alliance, L.L.C.**

January 27, 2005

EXECUTIVE SUMMARY

CRRA plans to issue an RFP to combine the container recycling operation and the paper recycling operation into a common facility located at the Mid-Connecticut Regional Recycling Facility at Murphy Road in Hartford. Once these operations are combined, the separate contracts for the container operation, the loose paper transloading operation, and loose paper purchase and sale agreement will not be necessary. Since the schedule for completing the combined container and paper operation will take anywhere from twelve to eighteen months, the existing contracts needed to be extended or reissued for bids. The current loose paper purchase agreement with the Newark Group, Inc. expires on January 31, 2005 with no defined term for a contract extension.

CRRA determined that it was in its best interest to bid this contract versus negotiating an extension of the existing agreement.

As a result, CRRA issued a Request for Bids in December 2004 to receive competitive prices from qualified companies to purchase and transport loose paper from the Mid-Connecticut Regional Recycling Center on Murphy Road and the Essex, Torrington and Watertown Transfer Stations.

The highest price per ton was offered by Recycle America Alliance, a Waste Management affiliate. Their guaranteed price of \$56.11 per ton is substantially higher than the current price of \$18.00 per ton. As a result, CRRA's Mid-Connecticut Project revenues from loose paper would increase from approximately \$1 million per year to \$3.1 million per year, an increase of \$2 million, or 200% as compared to the current contract.

The term of this agreement allows CRRA to end its arrangement with Recycle America in conjunction with the Murphy Road Recycling Transloading Agreement and the FCR Operating Agreement to allow for a smooth transition upon CRRA's selection of a new vendor to operate the regional recycling center. The RFP for the operation of the regional recycling center is expected to be issued in the very near future.

DISCUSSION

The following table shows the bid results of the RFB for the purchase and transportation of loose residential mixed paper.

Bid Results - Loose Residential Mixed Paper Purchase Agreement

Name of Bidders	Price Per Ton Paid To CRRA
Recycle America Alliance	\$56.11
FCR	\$50.50
Newark Group - Blended Price	\$38.83
Newark Group - Hartford Site Price	\$40.13
Newark Group- Transfer Station Price	\$35.43
Newark Group- - Alternative Price	60% of OBM for #6 News
Brant-Allen	\$35.00
F&G Murphy Road Recycling	\$30.00
Metro Waste Paper Recovery	\$24.25

The prices received were very favorable compared to the current price of \$18.00 per ton. Based upon the Recycle America Alliance price of \$56.11 per ton, the revenues would be approximately \$3.1 million as compared to \$1 million under the current contract.

FINANCIAL SUMMARY

The current FY 2005 budget for the Mid-Connecticut Project would be favorably impacted by approximately \$900,000. For FY 2006, the potential benefit would be approximately \$2.1 million. Such estimates are based upon 56,000 tons of delivered paper per year. Please see the table below illustrating the comparison.

Estimated Benefit to Mid-Ct Project		
Bidder	FY05	FY06
Recycle America Alliance	\$1,309,233	\$3,142,160
Current Vendor (Newark Group)	\$420,000	\$1,008,000
Benefit	\$889,233	\$2,134,160

LOOSE RESIDENTIAL MIXED PAPER PURCHASE AND SALE AGREEMENT

This LOOSE RESIDENTIAL MIXED PAPER PURCHASE AND SALE AGREEMENT (the "Agreement") is made and entered into as of this 1st day of February, 2005 (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, having its principal offices at 100 Constitution Plaza, 6th Floor, Hartford, Connecticut 06103 (hereinafter "CRRA") and **RECYCLE AMERICA ALLIANCE, L.L.C.**, a Delaware limited liability company, having its principal offices at 495 Blake Street, New Haven, Connecticut 06515 (hereinafter "Contractor").

PRELIMINARY STATEMENT

CRRA is a quasi-public agency of the State of Connecticut (the "State") and responsible for the development, implementation and operation of solid waste management projects and services in the State. In connection with these responsibilities, CRRA receives, processes and markets recyclable materials, including but not limited to, post-consumer commingled old newspapers, old magazines and old corrugated cardboard (hereinafter "Loose Paper"). CRRA receives and processes its Loose Paper at CRRA's paper recycling facility located at 123 Murphy Road, Hartford, Connecticut (the "Recycling Facility"), and at CRRA's three transfer stations [Essex transfer station located at Town Dump Road, Essex, Connecticut, CRRA's Torrington transfer station located at Old Dump Road, Torrington, Connecticut, and/or CRRA's Watertown transfer station located at Echo Lake Road, Watertown, Connecticut] (the "CRRA Transfer Stations"). Contractor desires to purchase and transport CRRA's Loose Paper under the terms and conditions of this Agreement.

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 agree as follows.

ARTICLE 1 PURCHASE AND TRANSPORTATION OF LOOSE PAPER

Section 1.01 - Purchase Period and Amounts. Subject to the other terms and provisions hereof, Contractor agrees to purchase from CRRA and CRRA agrees to sell to Contractor for the period starting on February 1, 2005 and ending on January 31, 2007, Loose Paper which shall be picked up by Contractor in accordance with Section 1.02 below. For purposes of this Agreement, a ton shall equal 2,000 pounds. Contractor shall have the obligation to purchase from CRRA and transport the quantity of Loose Paper tonnage that CRRA supplies to Contractor from its Recycling Center and/or CRRA Transfer Stations.

Section 1.02 - Delivery And Title. At the direction of CRRA, Contractor shall pick up Loose Paper from CRRA's Recycling Facility and/or CRRA Transfer Stations, and Contractor shall transport the foregoing loads of Loose Paper to Contractor's selected facility(s) approved by CRRA in writing and in advance of any delivery by Contractor (the "Receiving Facilities"). Title to the Loose Paper sold herein shall pass from CRRA to Contractor when Contractor receives delivery of the Loose Paper from the Recycling Facility and/or CRRA Transfer Stations.

Section 1.03 – Environmental Operating Permits. Contractor shall obtain copies of applicable environmental operating permits from the owner/operator of all Receiving Facilities [for information purposes only, Connecticut requires operating permits pursuant to Connecticut General Statutes Section 22a-208a] prior to any deliveries of Loose Paper to any Receiving Facilities, and, upon its receipt, Contractor shall forward copies of all foregoing permits to CRRA. When renewing or entering into new contractual arrangements with the owner/operator of the Receiving Facilities, Contractor shall obtain copies of the applicable environmental permits from the owner/operator of said Receiving Facilities prior to any deliveries of Loose Paper, and, upon its receipt, Contractor shall forward copies of all foregoing permits to CRRA.

ARTICLE 2 COMPENSATION AND PAYMENT

Section 2.01- Price. Contractor shall pay CRRA the per ton prices for the Loose Paper supplied by CRRA hereunder as detailed in the Payment Rate Schedule attached hereto as **Exhibit A**.

Section 2.02 - Payment Procedure. Contractor will provide top loading trucks to the Recycling Center and/or CRRA Transfer Stations into which CRRA shall load the Loose Paper. CRRA shall have the responsibility to weigh the Loose Paper prior to Contractor removing their top loading trucks from the Recycling Center or CRRA Transfer Stations. Upon Contractor's delivery of the loads to its Receiving Facilities, Contractor shall weigh the load(s). Provided that no adjustment is greater than five (5%) percent, Contractor will make an adjustment to the weight of the load when wet paper is provided by CRRA. Within fifteen (15) days after the end of each month, Contractor shall determine the total weight of the loads of Loose Paper supplied by CRRA to Contractor in the immediately preceding calendar month, provide CRRA with an invoice that calculates the sums due CRRA for said month, and remit payment to CRRA of said sum due for the immediately preceding calendar month. Payment shall be made to: CRRA, Accounting Department, 100 Constitution Plaza, 6th Floor, Hartford, CT 06103. If payment in full of any sum due under any invoice is not made on or before the close of business on the fifteenth (15th) day of the following calendar month, a delayed-payment charge of one percent (1%) on the unpaid amount will be imposed for each subsequent thirty (30) day period during which the delinquent amount remains unpaid.

ARTICLE 3
TERM OF AGREEMENT

Section 3.01 - Term. The term of this Agreement shall commence on the Effective Date and shall terminate on January 31, 2007. At CRRA's sole and absolute discretion, CRRA may, on and after February 1, 2006, terminate this Agreement for any reason by providing Contractor with SIXTY (60) Day advance written notice. CRRA and Contractor may mutually agree in writing to extend the term of this Agreement for any additional period.

ARTICLE 4
MISCELLANEOUS

Section 4.01 - Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties hereto and concerning the subject matter hereof, and supersedes any previous agreements, written or oral, between the parties hereto and concerning the subject matter hereof

Section 4.02 - 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.

Section 4.03 - Assignment. 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.

Section 4.04 - No Waiver. Failure to enforce any provision of this Agreement or to require at any time performance of any provision hereof shall not be construed to be a waiver of such provision, or to affect the validity of this Agreement or the right of any party to enforce each and every provision in accordance with the terms hereof. No waiver of any provision of this Agreement shall affect the right of CRRA or Contractor thereafter to enforce such provision or to exercise any right or remedy available to it in the event of any other default involving such provision or any other provision. Making payment or performing pursuant to this Agreement 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 so paying or performing.

Section 4.05 - 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.

Section 4.06 - Status of Parties. Nothing in this Agreement shall be construed or interpreted as creating a partnership, a joint venture, an agency, a master-servant relationship, an employer-employee relationship or any other relationship between CRRA and Contractor other than that of a seller and a purchaser of Loose Paper.

Section 4.07 - Notices. 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, 6th Floor
Hartford, Connecticut 06103
Attention: Enforcement/Recycling Director

With a copy to:

Connecticut Resources Recovery Authority
100 Constitution Plaza, 6th Floor
Hartford, Connecticut 06103
Attention: President

(b) If to Contractor:

Recycle America Alliance, L.L.C.
495 Blake Street
New Haven, CT 06515
Attention: Mr. Dennis Soriano

Section 4.08 - Brokers. Each party represents and warrants that there are no brokerage commissions or finder's fee due to anyone in connection with the transactions contemplated by this Agreement. Each party agrees to indemnify and hold harmless the other party against any claim for such brokerage commission or finder's fee, including all costs and reasonable attorneys' fees incurred in the defense of same.

Section 4.09 - Benefit and Burden. This Agreement shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.

Section 4.10 - Severability. CRRA and Contractor hereby understand and agree that if any part, term or provision of this Agreement is held by any court to be invalid, illegal or in conflict with any applicable law, the validity of the remaining portions of this Agreement shall not be

affected, and the rights and obligations of the parties shall be construed and enforced as if this Agreement did not contain the particular part, term or provision held to be invalid, illegal or in conflict with any applicable law.

Section 4.11 - Usage. 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. 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 unless the particular Article, Section or Subsection is specifically referenced.

Section 4.12 - Captions. 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.

Section 4.13- 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.

Section 4.14 – Contractor Indemnification. Contractor shall at all times defend, indemnify and hold harmless CRRA and its board of directors, officers, agents and employees from and against any and all claims, damages, losses, judgments, workers' compensation payments 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, or (b) Contractor or any of its directors, officers, agents, employees, 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 Contractor or any of its directors, officers, agents, employees, subcontractors or materialmen. Contractor further undertakes to reimburse CRRA for damage to property of CRRA caused by Contractor or any of its directors, officers, agents, employees, subcontractors or materialmen, or by faulty, defective or unsuitable material or equipment used by it or any of them. The existence of insurance shall in no way limit the scope of this indemnification. Contractor's obligations under this Section 4.14 shall survive the termination of this Agreement.

Section 4.15 – Non-Discrimination. Contractor agrees to the following: (1) Contractor agrees and warrants that in the performance of the Services for CRRA 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.

Section 4.16 – Accounting Obligations. Contractor shall maintain books and accounts pertaining to its performance of this Agreement in accordance with generally accepted accounting principles and practices. CRRA, during normal business hours and for the duration of this Agreement, shall have access to such books and accounts to the extent required to verify Contractor's performance of this Agreement.

Section 4.17 – Audit. Upon reasonable notice from the CRRA, Contractor agrees to allow CRRA to audit Contractor's records, books, and accounts pertaining to this Agreement. Any such audit will be conducted at Contractor's premises and Contractor will be expected to produce any pertinent information requested by CRRA.

Section 4.18 – CRRA Junk Mail Option. As of the Effective Date of this Agreement, CRRA does not accept junk mail or other household mixed papers ("Junk Mail") at its Recycling Center and CRRA Transfer Stations. However, CRRA, in cooperation with its Member Municipalities, may in the future accept Junk Mail at its Recycling Center and/or CRRA Transfer Stations. At the exclusive option, discretion, and direction of CRRA, Contractor shall accept said Junk Mail at the Receiving Facility(s) as Loose Paper at the per ton prices detailed in the Payment Rate Schedules attached hereto as **Exhibit A**.

ARTICLE 5
INSURANCE

Section 5.01 - Required Insurance. Contractor shall procure and maintain, at its own cost and expense, throughout the term of this Agreement 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 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) Workers' Compensation with statutory limits and Employers' Liability limits of not less than five hundred thousand (\$500,000.00) dollars each accident for bodily injury by accident or five hundred thousand (\$500,000.00) dollars for each employee for bodily injury by disease.

Section 5.02 - Certificates. Contractor shall submit to CRRA a certificate or certificates for each required insurance referenced in Section 5.01 above certifying that such insurance is in full force and effect and setting forth the information required by Section 5.03 below. 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 5.01 above, a certificate or certificates containing the information required by Section 5.03 below and certifying that such insurance has been renewed and remains in full force and effect.

Section 5.03 - Specific Requirements. All policies for each insurance required hereunder shall: (i) name CRRA as an additional insured (this requirement shall not apply to workers' compensation insurance); (ii) include a standard severability of interest clause; (iii) provide for not less than thirty (30) days' prior written notice to CRRA by registered or certified mail of any cancellation, restrictive amendment, non-renewal or change in coverage; (iv) hold CRRA free and harmless from all subrogation rights of the insurer; and (v) provide that such required insurance hereunder is the primary insurance and that any other similar insurance that CRRA may have shall be deemed in excess of such primary insurance.

Section 5.04 - Issuing Companies. All policies for each insurance required hereunder shall be issued by insurance companies that are either licensed by the State of Connecticut and have a Best's Key Rating Guide of A- VII or better, or otherwise deemed acceptable by CRRA in its sole discretion.

Section 5.05 - Umbrella Liability Insurance. Subject to the terms and conditions of this Article 5, Contractor may submit to CRRA documentation evidencing the existence of umbrella liability insurance coverage in order to satisfy the limits of coverage required hereunder for commercial general liability insurance, automobile liability insurance and employers' liability insurance.

Section 5.06 - Contractor's Subcontractors. Contractor shall either have its subcontractors covered under the insurance required hereunder, or require such subcontractors to procure and maintain the insurance that Contractor is required to procure and maintain under this Agreement.

Section 5.07 - No Limitation on Liability. No provision of this Article 5 shall be construed or deemed to limit Contractor's obligations under this Agreement to pay damages or other costs and expenses.

Section 5.08 - Other Conditions. CRRA shall not, because of accepting, rejecting, approving, or receiving any certificate of insurance required hereunder, incur any liability for: (i) the existence, non-existence, form or legal sufficiency of the insurance described on such certificate, (ii) the solvency of any insurer, or (iii) the payment of losses.

ARTICLE 6 PERFORMANCE BOND

Section 6.1 - Performance Bond. Prior to its performance under this Agreement, Contractor shall furnish CRRA with a Performance Bond in the amount of ONE MILLION AND NO/100 (\$1,000,000.00) DOLLARS ("**Bond**"). The Bond shall be in the form set forth in **Exhibit B** 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. Contractor shall automatically renew the Bond 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 certified 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 an Event of Default by Contractor under 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 and surety, subject to the requirements set forth in this Section 6.1. 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. Throughout the term of this Agreement, CRRA shall pay Contractor for the cost of the Bond, and Contractor shall invoice CRRA with the cost of the Bond and provide CRRA sufficient written evidence to establish the invoice price of the Bond.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

CONNECTICUT RESOURCES
RECOVERY AUTHORITY

By: _____
Thomas D. Kirk
Its President
Duly Authorized

RECYCLE AMERICA ALLIANCE, L.L.C.

By: _____
Its
Duly Authorized

EXHIBIT A

PAYMENT RATE SCHEDULE

ALL PRICING SHALL BE F.O.B.

Purchase And Transport Paper On A Daily Basis; Available Tons Per Month (approximate): 4,100 to 4,600 ⁽¹⁾

Term	Price Per Ton Paid to CRRA	Destination Location(s)
2/1/05 to 1/31/07	\$ _____	1) _____ 2) _____ (list names and addresses of facilities)

⁽¹⁾ CRRA makes no warranty or representation that such quantities of loose paper accurately reflects future quantities of such loose paper.

EXHIBIT B

PERFORMANCE BOND

CONTRACTOR (Name and Address): SURETY (Name and Principal
Place of Business):

Recycle America Alliance, L.L.C.
495 Blake Street
New Haven, CT 06515

OWNER (Name and Address):

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

LOOSE RESIDENTIAL MIXED PAPER PURCHASE AND SALE AGREEMENT

Date: February 1, 2005
Description (Name and Location):

CRRA Mid-Connecticut Project
Regional Recycling RRC
123 Murphy Road
Hartford, CT

BOND

Date: February 1, 2005
Amount: ONE MILLION AND NO/100 (\$1,000,000.00) 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 Loose Residential Mixed Paper Purchase And Sale Agreement (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. Damages, whether actual or liquidated 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 Services or part of the Services are 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. This Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut as such laws are applied to contracts between Connecticut residents entered into and to be performed entirely in Connecticut.

12. 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 herefrom and provisions conforming 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.

13 Definitions.

- 13.1. 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.
- 13.2. 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
RECYCLE AMERICAN ALLIANCE	Company:

By: _____

By: _____

Its
Address:

Its
Address:

TAB 8

**RESOLUTION REGARDING EXTENSION OF MID-CONNECTICUT
PROJECT LOOSE PAPER TRANSLOADING AGREEMENT WITH
MURPHY ROAD RECYCLING AND MURPHY ROAD REALTY**

RESOLVED: The President is authorized to enter into an extension agreement with Murphy Road Recycling, LLC and Murphy Road Realty, LLC to continue loose paper transloading at the Mid-Connecticut Project Paper Facility, substantially as presented and discussed at this meeting.

Connecticut Resources Recovery Authority

Contract Summary for Amendment to the Regional Recycling, Access and Scale Use Agreement Mid-Connecticut Regional Recycling Project

Presented to the CRRA Board on: January 27, 2005

Vendor/ Contractor(s): Murphy Road Recycling, L.L.C. & Murphy Road Realty LLC

Effective Date: February 1, 2005

Contract Type/Subject matter: Amendment for Loose Residential Paper Transloading

Facility (ies) Affected: Mid-Ct Regional Recycling Project

Term: February 1, 2005 – January 31, 2007
CRRA can terminate on or after February 1, 2006 with 60 days advance written notice

Term Extensions CRRA & contractor may agree in writing to extend the term for two, four-year periods

Scope of Services: To transload approximately 40,000 tons of residential paper generated by member towns and delivered to Murphy Road Recycling's facility onto trailers supplied by the contractor purchasing the paper.

Scope Exclusions: Approximately 16,000 tons per year of Residential paper is delivered direct to the Essex, Torrington and Watertown Transfer Stations are excluded from this contractor's Scope. The contractor purchasing the loose Paper will be responsible for transportation of the paper from those transfer stations as well as from the Murphy Road Recycling site in Hartford.

Service Price: CRRA pays Murphy Road Recycling, L.L.C. \$8.00 per ton

Contract Dollar Value: \$320,000.00 per year

Other Pertinent Provisions: None

**Connecticut Resources Recovery Authority
Mid-Connecticut Regional Recycling Project
Amendment to Regional Recycling,
Access and Scale Use Agreement**

January 27, 2005

Executive Summary/Discussion

As a result of the desire of CRRA to continue its Transloading agreement with Murphy Road Recycling LLC and Murphy Road Realty LLC, the following Amended Agreement has been prepared, subject to your approval. The changes to the original Agreement are, as follows:

1. The original contract term had an initial term going to January 31, 2005, with CRRA's right to exercise two five-year extensions that would potentially extend the contract to January 31, 2015. In Section 1 the initial term is extended to January 31, 2007, and the two extension options are for four-year extensions. Thus, the potential, maximum duration of this Agreement remains the same.
2. The transloading fee has been increased from \$4 per ton to \$8 per ton. The \$4 per ton fee was initially established as part of a comprehensive settlement of a number of legal actions and real estate transactions with the past owner and operator, as well as the current owner and operator, of the Murphy Road recycling facility. When the \$4 per ton fee was established, CRRA was selling the unbaled, transloaded paper for \$18 per ton. CRRA has obtained a new sales price of \$56 – a more than 200% increase. The \$4 per ton fee has remained in effect for several years, and the present owner and operator have long maintained that this fee does not cover the costs of transloading. The \$8 per ton fee is fixed for two years, with CRRA having the unilateral right to terminate the transloading agreement after the first year upon 60 days notice. The net impact of the new fee and sales price will be a substantial increase in revenues to CRRA.
3. In Section 5 of the Agreement, CRRA, which owns the transloading payloader, has increased the maintenance costs to be born by Murphy Road for any single repair, from \$750 to \$1,000. This takes into account that the payloader is older, and may have greater maintenance needs.

4. Finally, there are some minor changes in the notice and signature provisions to reflect the fact that CRRA has a new General Counsel, and that this Amendment will be signed in 2005.

Financial Summary

Since the FY 05 budget has a transloading cost of \$4/ton, the increase in the transloading fee to \$8/ton will result in approximately \$67,000 in increased costs through the end of FY 05. This increased cost of transloading is more than offset by the estimated \$889,233 increase in recycling revenues for FY 05 generated from the new loose paper purchase and sale agreement.

**AMENDED
REGIONAL RECYCLING, ACCESS
AND SCALE USE AGREEMENT**

AGREEMENT effective as of the 31st day of March, 2003 by and among **CONNECTICUT RESOURCES RECOVERY AUTHORITY ("CRRA")**, a political subdivision of the State of Connecticut having an address at 100 Constitution Plaza, Hartford, Connecticut 06103, **MURPHY ROAD RECYCLING, LLC, ("Recycling")**, a Connecticut limited liability company having an address at 143 Murphy Road, Hartford, Connecticut, and **MURPHY ROAD REALTY, LLC ("Realty")**, a Connecticut limited liability company having an address at 143 Murphy Road, Hartford, Connecticut.

WITNESSETH

WHEREAS, CRRA is a party to a 1990 Regional Recycling Center Construction and Service Agreement and its amendments (hereinafter the "Recycling Agreement"), concerning the construction and operation of a recycling facility at 123 Murphy Road, Hartford, Connecticut (hereinafter the "Recycling Facility"); and

WHEREAS, CRRA is a leasee of certain premises in which the Recycling Facility is located, pursuant to a Lease that is attached as Appendix 16 to said Recycling Agreement (hereinafter the "Lease"); and

WHEREAS, the initial term of said Recycling Agreement and Lease will terminate by the end of May 31 2003; and

WHEREAS, CRRA will be terminating the Recycling Agreement with the current operator, effective at the close of business on March 31, 2003; and

WHEREAS, Recycling desires that the operation of the Recycling Facility be continued after the close of business on March 31, 2003; and

WHEREAS, CRRA desires to continue using the Recycling Facility for purposes of transloading municipal paper after March 31, 2003, which transloading activity is more particularly described in a May 9, 2002 Memorandum of Decision by the Honorable Robert Satter in Connecticut Resources Recovery Authority vs. Allied Waste Industries, Inc., et al, PJR CV 02-0812896S, until such time as **CRRA** elects to transfer such transloading activity to its premises at 211 Murphy Road in Hartford, Connecticut, or to such other location as it shall desire; and

WHEREAS, CRRA desires an access agreement to use a portion of the 123 Murphy Road property in Hartford, owned by **Realty** for truck access to facilitate transloading activity, if it moves said operation to **CRRA's** premises at 211 Murphy Road; and

WHEREAS, Recycling desires to have an access and scale agreement to utilize the scale and certain property owned by **CRRA** on 211 Murphy Road in Hartford;

NOW, THEREFORE, the parties hereto do hereby agree, as follows:

1. Transloading. The initial term of this Agreement shall be from April 1, 2003 through January 31, 2007. **Recycling** will transload **CRRA's** municipal paper during April 1, 2003 through January 31, 2005 at the price of Four Dollars (\$4.00) per ton. **Realty** will permit this transloading activity to be conducted at the premises on 123 Murphy Road in Hartford, in the same location, as shown on Exhibit A, and manner, and with the same ingress and egress, that the municipal paper is currently transloaded. **CRRA** will not be charged any rent for its use of this space. For the period of time extending from February

1, 2005 through January 31, 2007, Recycling will transload CRRA's municipal paper at the price of Eight Dollars (\$8.00) per ton. **CRRA**, in its sole discretion, unless sooner terminated as hereinafter provided, may exercise two (2) successive four (4) year options to renew this transloading agreement, after the expiration of the initial term on January 31, 2007, by giving written notice to **Realty**, at least sixty (60) days prior to the expiration of the term then in effect, but it shall be at a price to be negotiated by the parties in good faith, as follows: On December 1, 2005, **CRRA** and **Recycling** shall enter into a sixty (60) day negotiation period to establish a transloading fee for the first four-year option, and on December 1, 2009, **CRRA** and **Recycling** shall enter into a sixty (60) day negotiation period to establish a transloading fee for the second four-year option. If the parties are unsuccessful in entering into a new transloading fee, then the transloading fee currently in effect will continue into the new period, unless **Recycling** exercises its right to unilaterally terminate the transloading agreement. On or after February 1, 2006 of the initial term, and during each of the renewal periods, **Recycling** shall have the right to unilaterally terminate the transloading agreement by giving written notice to **CRRA** at least (1) one year in advance of the proposed termination date. At CRRA's sole and absolute discretion, CRRA may, on and after February 1, 2006 of the initial term, and during each of the renewal period,, terminate this Agreement for any reason by providing Contractor with Sixty (60) Days advance written notice.

2. Commercial Recycling. **Recycling** will be entitled to use the Recycling Facility for commercial recycling after March 31, 2003, without a sharing of any revenue with **CRRA**, and without any approval of customers by **CRRA**. **CRRA** shall cease commercial recycling operations at the Recycling Facility after March 31, 2003. CRRA

represents it has no written contracts with any commercial customers utilizing the Recycling Facility. Commercial customers utilizing the Recycling Facility shall automatically become customers of **Recycling**, unless **Recycling** notifies such customers in writing that it does not wish to accept their products. **Recycling** assumes no liability for the operation of the business conducted at the Recycling Facility that occurred prior to April 1, 2003.

3. Permits. CRRA shall permit **Recycling** to operate its recycling business for transloading and commercial recycling at the Recycling Facility under **CRRA's** existing permits, in accordance with the Facility Agreement included as Exhibit B hereto. **Recycling** shall be solely responsible for and will defend, indemnify and hold **CRRA** and its officers, directors, agents, servants, employees and contractors harmless from and against any and all claims, costs and liabilities, including attorneys' fees and costs, arising out of or in connection with **Recycling's** operation and use of the Recycling Facility, while it is operating under **CRRA's** permits. **Recycling** shall promptly seek to obtain its own permits, through transfer of **CRRA's** permits or other appropriate application, to operate the Recycling Facility, and once they obtain such permits, **CRRA** may withdraw the use of its permits or shall withdraw them, if required for the new permit(s) granted to **Recycling** to be valid. **CRRA** will provide reasonable cooperation and support necessary for **Recycling** to obtain all permits from the Connecticut Department of Environmental Protection which are necessary for the operation of their business(es) at the Recycling Facility; provided that this cooperation shall not impose any costs and/or expenses on **CRRA**, and **Recycling** will protect **CRRA** from, and/or provide **CRRA** reimbursement from any such costs and/or expenses.

4. Environmental Warranty. **Recycling** and **Realty** represent to **CRRA** that except as set forth in the Phase I and Phase II Environmental Studies of 117 and 123 Murphy Road that was performed for Realty, which **CRRA** acknowledges that it has received and read, they are unaware of any environmental contamination or pollution that has occurred at the Recycling Facility, during its operation as a recycling facility, which would subject **CRRA** to any claim or lawsuit by any third party or any governmental agency. **Realty** and **Recycling** represent that they have not received any notifications of environmental contamination by any governmental agency or any claims of environmental contamination by third parties that involve the Recycling Facility. **Realty** and **Recycling** will be solely responsible for and will defend, indemnify and hold **CRRA** and its officers, directors, agents, servants, employee and contractors harmless from and against any and all claims, costs and liabilities, including attorney's fees and costs, arising out of or in connection with **Realty's** and **Recycling's** operation and use of the Recycling Facility, and shall bear all costs of remediation ordered by any governmental agency.

5. Payloader. As long as **CRRA** continues to have its municipal paper transloaded at the Recycling Facility, it shall provide **Recycling** with the use of the front end payloader (Unit No. 812, Loader, Serial No. 0808, Model # Cat 966, No. 4YG009-9, and hereinafter, the "Payloader") that has been specially equipped for such transloading without cost to Recycling. **Recycling** may use the Payloader for other purposes, provided that CRRA's transloading has first been performed, and **Recycling** shall provide proper maintenance of the Payloader, during such time as it is in its possession. For purposes of this provision, the term "maintenance" shall not include capital or major improvements which consists of repairs or replacements which cost in excess of One

Thousand (\$1,000.00) Dollars for any single repair or replacement. **Recycling** represents that it has inspected the Payloader, and will assume its operation, as is. **CRRA** shall continue to own the Payloader and shall be entitled to remove the Payloader from the Recycling Facility at such time as the municipal paper transloading operation has been moved by **CRRA** to another location outside of the Recycling Facility, in accordance with the terms of this Agreement. **Recycling** will be solely responsible for, and will defend, indemnify and hold **CRRA** and its officers, directors, agents, servants, employees and contractors harmless from and against any and all claims, costs and liabilities, including attorneys' fees and costs arising out of, or in connection with **Recycling's** use of the Payloader. **Recycling** shall name **CRRA** as an insured in any and all insurance policies insuring the Payloader and/or its use and personnel.

6. Lease Payments. **CRRA** shall not be responsible for any further lease rents and/or payments for the period of April 1 through May 31, 2003 under the Lease, except proration of real estate taxes for that period of time that precedes April 1, 2003, which Allied Waste Industries, Inc. has represented to **CRRA**, and **CRRA** herein represents, is the obligation of American Disposal Services of Missouri, Inc., the prior operator of the Recycling Facility. **Realty** and **Recycling** shall indemnify and save **CRRA** and its officers, directors, agents, servants, employees and contractors harmless against and from such rents and payments, including the payment of costs and attorneys' fees in the event that **CRRA** is sued by the prior landlord for failure to pay rent or other payments due under the Lease during the period of April 1 through May 31, 2003. As set forth above, **CRRA** shall not be charged any rent in connection with the municipal paper transloading to be performed by **Recycling**.

7. Access and Scale Use Agreement. The parties hereto shall enter into the Access and Scale Use Agreement, appended hereto as Exhibit C, upon the signing of this agreement.

8. Baling Option for Municipal Paper. If, during the initial term of this agreement, **CRRA** desires to have **Recycling** bale **CRRA**'s municipal paper, in lieu of transloading, then **Recycling** will charge a baling/processing fee of \$40 per ton, subject to the following:

(i) if the resale price of the baled paper does not cover the agreed-upon processing/baling fee **Recycling** will bear the first \$10.00 per ton shortfall and **CRRA** will bear any shortfall beyond the first \$10.00 per ton and will pay **Recycling** an amount sufficient to insure that the processing/baling fee is \$30.00 per ton;

(ii) if the resale price of the baled paper is in excess of the agreed-upon processing/baling fee **Recycling** and **CRRA** will each be entitled to one-half the net profit on resale.

CRRA shall be responsible for marketing the baled paper and **Recycling** shall carry out the resale of the baled paper in accordance with the terms agreed to by **CRRA** and its customer(s). **Recycling** shall receive the payments on account of the resale and shall account to **Recycling** on a monthly basis for any amounts due from it or to it. **CRRA** and **Recycling** shall each pay over one to the other any amounts due within ten (10) days of delivery of such accounting. **CRRA** shall have full access to all books and records of **Recycling** relating to the sale of said paper and to payments made or to be made under this section upon forty-eight (48) hours notice. **Recycling** will maintain adequate records to permit **CRRA**'s auditors to determine whether **CRRA** has been given proper payment

under this section. **CRRA** shall have the right to unilaterally terminate the referral of municipal paper to the Recycling Facility for baling/processing by giving written notice to **Recycling** at least thirty (30) days prior to the proposed termination date.

9. Insurance. **Realty** and **Recycling** shall maintain adequate insurance on the Recycling Facility to protect **CRRA's** interests expressed in this Agreement, shall make **CRRA** a co-insured on all insurance policies pertaining to the real estate and operation of the Recycling Facility, and shall submit copies of all such insurance policies to **CRRA's** Risk Manager.

10. Headings. The headings used herein are for convenience only and are not to be construed in interpreting this Agreement.

11. Counsel. All parties to this Agreement have been represented by counsel in connection with the drafting, negotiation and execution of this Agreement, and counsel for each of the undersigned parties has reviewed this Agreement with their respective clients.

12. Preparation of the Agreement. All parties to this Agreement are equally responsible for the drafting of this Agreement and no one party shall be deemed the drafter of this agreement for purposes of construing any provision of the Agreement.

13. 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 negotiate in good faith and 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 the determination, implement and give effect to the intentions of the parties as reflected herein, however any such provision which shall

prove to be invalid, illegal or void shall in no way affect, impair or invalidate any other provisions hereof, and all other terms and provisions of this Agreement, however or whether they shall be amended, modified, supplemented or otherwise affected by such action, shall remain in full force and effect.

14. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors, assigns, administrators, and trustees of the parties hereto.

15. Amendment. This Agreement may not be amended except by written agreement signed by all of the parties hereto, or their respective successors..

16. Authority. **CRRA, Recycling and Realty** represent to each other that the signatories to this Agreement have been authorized and have the power to enter into this Agreement and to consummate the provisions provided for by this Agreement.

17. Governing Law. This Agreement shall be construed, enforced and governed in all respects by the laws of the State of Connecticut.

18. Arbitration. All claims, controversies, and disputes concerning either party's performance of its obligations under this Agreement shall be finally decided by a single arbitrator in binding arbitration in accordance with the applicable rules of the American Arbitration Association (AAA), as modified by the provisions of this Agreement. Either **CRRA or Recycling** (or **Realty**, to the extent the matter relates to the 123 Murphy Road real estate) may initiate arbitration proceedings by giving notice of a dispute and a request to arbitrate to the other party and to the Regional Director of the AAA with jurisdiction in Hartford, Connecticut. Prior to the initiation of arbitration, the party claiming a dispute shall provide the other party with written notice of any alleged default

of this Agreement and an opportunity to correct same within thirty (30) days from the date of receipt of the notice. An arbitrator shall be selected at random from a list provided by the AAA. If no arbitrator on the list is willing to serve or **CRRA** and **Recycling** (or **Realty**, as applicable) cannot agree on an arbitrator within five (5) Business Days of receipt of said list from the AAA, then an arbitrator shall be selected by the AAA. No individual who is, or has at any time been, an officer, employee, representative, or consultant of **CRRA**, **Recycling**, or **Realty**, or who is otherwise an interested party, shall be an arbitrator without the express written consent of **CRRA**, **Recycling**, and, if applicable, **Realty**. The costs of arbitration shall be shared equally by the parties and each party shall bear its own costs and attorneys' fees unless the arbitrator determines that the action or defense of the losing party was frivolous, in which event the arbitrator may order that all or a portion of the successful party's attorney's fees and other costs shall be paid by the losing party. All arbitration proceedings shall be held in Hartford, Connecticut, and the arbitrator shall determine the scope of discovery and the rules applicable to the proceedings. The determination of the arbitrator shall be final and binding. The determination shall be in the form of a written award, with written findings of fact, and may be entered into and specifically enforced by any court of appropriate jurisdiction. During resolution of any dispute under this provision, there shall be no interference with CRRA's transloading activities, the transloading rate, or the Access and Scale Use Agreement. If the arbitrator does not issue a decision within sixty (60) days of his/her selection, either party, by written notice, may demand the appointment of a new arbitrator. All legal issues arising in connection with a dispute to be determined by the arbitrator shall be governed by the laws of the State of Connecticut.

19. Notices. All notices required under this Agreement shall be given in writing and either hand-delivered or sent by certified or registered mail, postage prepaid, return receipt requested, at the following addresses, and, if mailed, they shall be deemed as given on the third day following such mailing which is not a Saturday, Sunday, or day on which United States Mail is not delivered.

(a) If to **CRRA**:

President
Connecticut Resources Recovery Authority
100 Constitution Plaza, 17th Floor
Hartford, CT 06103-1722

with a copy to:

Attorney Laurie Hunt
Connecticut Resources Recovery Authority
100 Constitution Plaza, 17th Floor
Hartford, CT 06103-1722

(b) If to **Recycling** or **Realty**:

Mr. Frank Antonacci
143 Murphy Road
Hartford, CT 06114

with a copy to

John D'Amico, Esq.
C/O Updike, Kelly & Spellacy P.C.
One State Street
Hartford, CT 06123-1277

Any party may, by like notice, designate any further or different addresses to which subsequent notices shall be sent. Any notice hereunder signed on behalf of the notifying

party by a duly authorized attorney at law shall be valid and effective to the same extent as if signed on behalf of such party by a duly authorized officer or employee.

20. Allied Agreements. The parties acknowledge that each will be negotiating separate agreements with Allied Waste Industries, Inc. and/or its subsidiaries or affiliates with respect to issues that involve the Recycling Facility. The parties agree that they shall not take any action that will impede, interfere, or prevent the implementation of these separate agreements, and each party will provide notice of any reasonable actions, including the execution of documents, that need to be taken by the other to effectuate these separate agreements. It is understood and agreed, however, that "reasonable actions", as that term is used herein, shall not require an alteration of the terms of this Agreement, or require new or substantial costs to either party.

21. Effective Date. The effective date of this Agreement shall be March 31, 2003.

22. Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

TAB 9

**RESOLUTION REGARDING AGREEMENT WITH FCR REDEMPTION,
INC. THE MID-CONNECTICUT PROJECT'S CONTAINER
PROCESSING FACILITY OPERATOR**

RESOLVED: The President is authorized to enter into an extension agreement with FCR, Inc. the Mid-Connecticut Project's container processing facility operator, substantially in the form as discussed at this meeting.

Connecticut Resources Recovery Authority

Contract Summary for Second Amendment to Agreement entitled

Agreement Between FCR Redemption, Inc. and CRRA

Presented to the CRRA Board on: January 27, 2005

Vendor/ Contractor(s): FCR Redemption, Inc.

Effective date: July 1, 2005

Contract Type/Subject matter: Second Amendment to Agreement Between FCR and CRRA

Facility (ies) Affected: Container Processing Facility of Mid-Ct Project

Extension of Term: July 1, 2005 to January 31, 2007
CRRA can terminate on or after February 1, 2006 with 60 advance written notice

Term Extensions: Not applicable

Contract Dollar Value: Additional \$8,000 per month until CRRA terminates. Total contract amount dependent upon termination date

Amendment(s): Not applicable

Scope of Services: To continue to provide for the operation and maintenance of the Container Processing Facility after June 30, 2005.

Other Pertinent Provisions: To clearly define FCR's obligation to maintain the facility in good working order until they vacate, for FCR to bear all costs of demobilization, and for FCR to fully cooperate with the new vendor to ensure a smooth and orderly transition.

Connecticut Resources Recovery Authority Mid-Connecticut Project – Container Processing Facility

Second Amendment to Agreement with FCR Redemption, Inc.

January 27, 2005

EXECUTIVE SUMMARY

The proposed Second Amendment with FCR, Inc. to extend the Agreement for the Operation of the Mid-Connecticut Project container recycling facility is intended to more clearly define FCR's obligations and to allow this Agreement to be co-terminous with the loose paper transloading agreement and the loose paper purchase and sale agreement.

CRRA determined that it would be in its best interests to extend this agreement for a period not to exceed two years rather than issue an RFP in recognition of the fact that the recycling facility operation is a large-scale undertaking which would require substantial mobilization efforts on behalf of a new vendor potentially causing interruption of service for the member towns and CRRA's other customers.

CRRA plans to issue an extensive RFP to combine the container recycling operation and the paper recycling operation into a common facility located at the Mid-Connecticut Regional Recycling Facility at Murphy Road in Hartford in the very near future. Once these operations are combined, the separate contracts for the container operation, the loose paper transloading operation, and loose paper purchase and sale agreement will not be necessary. Since the schedule for completing the combined container and paper operation will take anywhere from twelve to eighteen months, the existing contracts needed to be extended or reissued for bids. The current agreement with FCR does not have a provision to extend the term and will expire on June 30, 2005.

DISCUSSION

The Second Amendment extends the Agreement as summarized above and also provides for the following:

- 1) An additional \$8,000 monthly payment to FCR beginning July 1, 2005 until termination in recognition of general cost increases
- 2) Clarifies that FCR will maintain the facility and its equipment in good working order until they vacate the premises upon expiration
- 3) Ensures that FCR will bear all costs and expenses of its de-mobilization from the site upon 60-day termination notice

- 4) Makes certain that FCR will cooperate with a new vendor during the 60-day transition period prior to the termination of the contract

FINANCIAL SUMMARY

The current FY 2005 budget for the Mid-Connecticut Project would not be impacted. The FY 2006 projected budget would be impacted by the expenditure of an additional \$8,000 per month payment to FCR until termination of the contract.

SECOND AMENDMENT

This SECOND **AMENDEMENT** dated as of _____, 2005 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, the Parties entered into an Agreement (hereinafter the "**Settlement Agreement**"), dated June 3, 2003 to resolve certain outstanding issues under both the Facility Agreement and the Settlement Letter; and

WHEREAS, the Parties entered into an Amended Agreement (the "**Amended Agreement**") dated as of May 27, 2004, which, among other things, amended the Settlement Agreement by revoking Schedule A thereof and substituting monthly payments from CRRA to FCR; and

WHEREAS, CRRA has exercised, and FCR has accepted, both of its one-year options to extend the Facility Agreement, pursuant to Section 3.2 of said Facility Agreement, as amended by the Amended Agreement; and

WHEREAS, under Section 3.2 of the Facility Agreement, as amended, the term of the Facility Agreement, including all optional extension periods, will expire on May 21, 2005; and

WHEREAS, the Parties now desire to extend the term of the Facility Agreement by approximately an additional 20 months, until January 21, 2007, to enable said Agreement to be co-terminous with other recycling agreements on an adjoining

property, and to amend the payments due from CRRA to FCR pursuant to Section 2 of the Amendment Agreement;

NOW THEREFORE, in consideration of good and valuable consideration, the Parties agree as follows:

1. Amendment to Facility Agreement.

a. The definition of "Operating Year", as set forth in Section 2.1 of the Facility Agreement and amended by the Amended Agreement, is hereby further amended, to read as follows:

"**Operating Year**" means each twelve (12) month period during the term of this Service Agreement commencing on July 1 and ending on the following June 30, except that the first Operating Year shall commence on the Commencement Date and end on June 30, 1998, and the last Operating Year shall be a seven (7) month period ending at the close of business on January 31, 2007, provided however, in the event that CRRA exercises its right to terminate the Facility Agreement early, as set forth in Section 3.2 hereof, the final Operating Year shall be that period commencing on the then most recent June 30 and ending at the close of business on the termination date."

b. Section 3.2 of the Facility Agreement, which was amended by the Amended Agreement, is hereby further amended to read as follows:

"Section 3.2. Term of this Service Agreement. The term of this Service Agreement shall commence on the Commencement Date, and shall continue until January 31, 2007; provided that, on and after February 1, 2006, CRRA shall have the sole and exclusive right to terminate this Agreement; provided that CRRA first provide sixty (60) day written notice of its intent to terminate.

2. Amendment to Amended Agreement. Section 2 of the Amended Agreement is hereby amended to read as follows:

FCR hereby represents that with appropriate maintenance along with the additional monthly payments, provided for below, the baler in the Facility can accommodate the recycling obligations under the Facility Agreement through January 31, 2007 without a retrofit. This representation is based on a best

judgment after inspection of the baler, and should not be deemed to be a guaranty of FCR, with any monetary or other obligations with respect to this representation, that the baler will accommodate such recycling obligations; nor should acceptance of this representation by CRRA be deemed a waiver of any rights it may have if the baler is no longer able to accommodate such recycling obligations due to any failure of FCR to comply with any of its other obligations under the Facility Agreement. Based on this representation, Schedule A of the Settlement Agreement is hereby revoked and, in lieu of retrofitting of the baler and in settlement of the items set forth in such Schedule A, CRRA has made monthly payments to FCR of \$7,000 per month for the months of April 2004 through and including January 2005, and will continue to make such payments of \$7,000 per month, payable on the first day of the month, with the last payment due on June 1, 2005. CRRA will make monthly payments to FCR of \$15,000 per month for the remaining months of the term, payable on the first day of the month, with the first payment due on July 1, 2005 and the last payment due on January 1, 2007 or, in the event that CRRA exercises its right to terminate the Facility Agreement early pursuant to Section 3.2 thereof, the last payment shall be due on the first day of the month preceding such termination, and shall be prorated according to the number of days between the first of the month and the termination date. The Seven thousand dollars (\$7,000) of these monthly payments is to cover: 1) the costs of 3 employees, at a cost of \$5,300 per month, who would not otherwise be required if retrofit were done; 2) \$1,200 per month of additional maintenance costs on two ferrous densifiers and Harris-Selco Baler; and 3) \$500 per month for excess residue fees to CRRA and/or lost revenue on excess residue that could be sold as recyclable commodities. With the exception of these three items, the terms of the Facility Agreement shall govern as to whether other baler maintenance costs are payable or reimbursable. CRRA also agrees to pay any and all expenses to replace the baler liner when and if such replacement is necessary. The additional \$8,000 per month payments payable during the remaining months of the term are in recognition of general increases in costs, and also in recognition of FCR's obligations, verified by FCR herein, that: 1) FCR will cooperate with any new vendor and CRRA during the 60-day period prior to the expiration or earlier termination of this Agreement, to ensure a smooth and orderly transition prior to vacating the premises; 2) FCR will maintain the facility and its equipment in good working order until the expiration or earlier termination of this Agreement; and 3) FCR will bear all costs and expenses of its de-mobilization from the site upon the expiration or earlier termination of this Agreement. The

monthly payments specified herein shall be deemed obligations of CRRA under the Facility Agreement, subject to Article X of the Facility Agreement in the event of any alleged default.

3. Continuation of Facility Agreement and Settlement Agreement. The Parties intend and agree that this Agreement constitutes an amendment to the Facility Agreement and the Settlement Agreement, as amended by the Amendment Agreement, but except as amended hereby, all other provisions, obligations and/or payments due under the Facility Agreement and Settlement Agreement remain in effect.

4. 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.

5. 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.

6. 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: _____

Date: _____

Its President
Duly Authorized

TAB 10

**Resolution Regarding Settlement Agreement for the
Bridgeport Project**

RESOLVED: That the President is hereby authorized to enter into a Settlement Agreement with Bridgeport RESCO Company, L.P. for the Bridgeport Resources Recovery Facility substantially in accordance with the terms and conditions presented at this meeting.

Contract Summary Settlement Agreement

Presented to CRRA Board on: **January 27, 2005**

Vendors/Contractors: **Bridgeport RESCO Company, LP
[dba Wheelabrator Bridgeport, L.P.] (“RESCO”)**

Effective Date: **January 28, 2005**

Contract Type/Subject Matter: **Settlement Agreement**

Facilities Affected: **Bridgeport Resources Recovery Facility**

Term: **January 28, 2005 – December 30, 2008**

Term Extensions: **None**

Scope of Services: **Full and final settlement of any claims asserted by
RESCO that arise out of or relate to the
Refinancing Savings Dispute, the Arbitration and
the Stamford Dispute under the Solid Waste
Disposal Agreement, as amended, between CRRA
and RESCO.**

Service Fees: **CRRA shall pay RESCO a lump sump
of \$1,850,000 on July 1, 2005.**

SUMMARY OF DISPUTE WITH BRIDGEPORT RESCO COMPANY, LP OVER 1999 REFINANCING OF THE BRIDGEPORT PROJECT

In 2001, Bridgeport RESCO Company, LP (“RESCO”) initiated an arbitration proceeding against the Authority relating to the 1999 Bond Refinancing of the Bridgeport project. RESCO claimed that the parties had agreed that any savings that resulted from the refinancing would be shared between the Authority and RESCO on a 50/50 basis. RESCO claimed that in fact when the refinancing was completed the Authority had received 100% of the benefits of the refinancing, and further claimed that the refinancing in fact cost RESCO hundreds of thousands of dollars. RESCO claimed that it was entitled to approximately \$12M to correct for errors made during the refinancing process and to equalize the sharing of the savings at 50/50 (collectively the “Refinancing Savings Dispute”).

The Authority responded to the arbitration demand by denying that RESCO was due any money at all. The refinancing was a heavily negotiated transaction. RESCO is a sophisticated party who was ably represented by one of New York’s largest law firms. In addition, the documents underlying the transaction set forth the parties’ agreement that the calculations used to determine each party’s share of the savings were accurate and agreed upon by the parties.

After doing depositions and filing motions with the arbitrators in 2002, from the end of 2002 until the end of 2003 the parties engaged in settlement discussions in an effort to resolve the dispute. When a settlement could not be reached by the end of 2003, the parties proceeded back to arbitration. Hearings on RESCO’s claim took place in September and October of 2004. At the beginning of the hearing, RESCO revised its claim seeking approximately \$10M based on two errors that it claimed occurred during the calculation of savings prior to the 1999 refinancing. RESCO is seeking approximately \$5M in connection with each alleged error. The Authority has continued to defend against these claims and has argued to the arbitrators that RESCO had before it all of the information necessary to understand the transaction and should receive nothing.

In November 2004, the parties submitted briefs to the arbitrators and conducted closing arguments. The arbitrators asked for a second round of briefs to be filed by January 18, 2005.

At around the same time, the City of Stamford conditionally awarded to CRRA the contract for the disposal of the City’s municipal solid at the Bridgeport Project. After CRRA notified RESCO of this conditional award, RESCO raised questions about either the Authority’s right to bring the Stamford waste to the Bridgeport project or the Authority’s liability for additional costs if RESCO had to divert other waste from the Bridgeport project in order to make room for the Stamford waste (the “Stamford Dispute”).

Given the Stamford Dispute and the unresolved Refinancing Savings Dispute, in early December 2004, the Authority and RESCO began discussing a potential settlement that would resolve both matters. Since that time, the parties have exchanged draft settlement agreements and the attached Settlement Agreement is substantially the final version of such an agreement subject to the sign-off by both parties. The settlement would resolve the Refinancing Savings Dispute with a one-time payment from the Authority to RESCO on July 1, 2005. In addition, RESCO would withdraw any other claims it had raised in connection with the Stamford Dispute

as long as RESCO has the right to divert at its sole discretion and cost the Stamford waste to another permitted disposal facility. The Authority has reviewed the proposed settlement with SWAB. SWAB members support entering into the settlement. SWAB's only request is that the waste diversion plan that had been discussed between the Authority and RESCO over the last year, the purpose of which is to reduce lines at the Bridgeport project, be finalized. The Authority is currently working with RESCO on finalizing that plan.

HARTFORD: 631335.01

97451-00002

SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") dated as of January, 2005 is by and between the Connecticut Resources Recovery Authority (the "Authority" or "CRRA") Wheelabrator Bridgeport L.P. f/k/a Bridgeport RESCO Company, L.P. ("RESCO").

WHEREAS, the Authority and RESCO have entered into a Solid Waste Disposal Agreement ("SWDA") dated as of November 15, 1985, as amended by Amendment No. 1 to the Solid Waste Agreement dated as of May 1, 1988 ("Amendment No. 1"), and as amended by Amendment No. 2 and Consolidation Agreement dated as of June 1, 1999 ("Amendment No. 2"), and

WHEREAS, the Authority and RESCO have entered into a Term Sheet – 1999 Refinancing of Project Bonds dated July 16, 1999 (the "Term Sheet"), and

WHEREAS, a dispute has arisen between the Authority and RESCO regarding the Term Sheet, Amendment No. 2 and Schedule P to Amendment No. 2 regarding how the refinancing savings discussed in the Term Sheet (the "Refinancing Savings") were shared between the parties and should be shared between the parties (the "Refinancing Savings Dispute"), and

WHEREAS, the Authority and RESCO are currently engaged in an arbitration before the American Arbitration Association entitled Bridgeport RESCO Company, L.P. v. Connecticut Resources Recovery Authority, Case No. 12Y 181 004111 (the "Arbitration"), regarding the Refinancing Savings Dispute, and

WHEREAS, CRRA is in negotiations with the City of Stamford for a contract (the "Stamford Contract") to dispose of the City of Stamford's municipal solid waste (the "Stamford Waste") and recyclable material either at the Bridgeport facility operated by RESCO pursuant to the SWDA or at such other facility that RESCO may direct, and

WHEREAS, the parties have a dispute under the SWDA as to the Authority's right to utilize the capacity of the Bridgeport facility that will be necessary to process the Stamford Waste and the Authority's responsibility for costs associated with the diversion of other waste from the Bridgeport facility in order for RESCO to accept the Stamford Waste at the Bridgeport facility (the "Stamford Dispute"); and

WHEREAS, the parties wish to resolve both the Refinancing Savings Dispute and the Stamford Dispute, and

WHEREAS, the parties wish to avoid the expense and uncertainty of further litigation and/or arbitration between them on these disputes.

NOW, THEREFORE, in consideration of the foregoing premises and the agreements and covenants contained herein, the parties hereto agree as follows:

1. On July 1, 2005, CRRA shall pay to RESCO \$1, 850,000.00 (One Million, Eight Hundred Fifty Thousand Dollars), by wire transfer to an account designated by RESCO, in full and final settlement of any claims RESCO asserted or could have asserted or that arise out of or relate to the Refinancing Savings Dispute, the Arbitration and, provided RESCO is permitted to direct the Stamford Waste as described in paragraph 2 hereof, the Stamford Dispute.

2. If the Authority enters into the Stamford Contract, the terms of such Stamford Contract shall provide that RESCO may direct, in its sole discretion at any time, any Stamford Waste to a waste disposal facility other than the Bridgeport facility permitted to accept the Stamford Waste of RESCO's choosing. RESCO agrees that any MSA Acceptable Waste, including the Stamford Waste, either delivered, or that would have been delivered but for RESCO's direction to deliver the waste elsewhere as set forth above, to the Bridgeport facility by or on behalf of the Authority shall be deemed to have been processed at the Bridgeport facility, and Disposal Fees under Article VII shall be calculated accordingly, even if the total MSA Acceptable Waste delivered to the Bridgeport facility by or on behalf of the Authority exceeds the annual Authority Capacity. To the extent RESCO redirects any Stamford Waste to another facility, RESCO shall immediately provide CRRA with notice that the waste is being redirected elsewhere, including the facility to which it is being directed. RESCO shall also provide to CRRA within seven (7) days of the waste being delivered to the other facility, scale or weight receipts or tickets stating the amount of Stamford Waste delivered to the other facility. RESCO further agrees that any redirection of the Stamford Waste will not result in any reduction in the level of service in disposing of such Stamford Waste. In addition, in the event that RESCO redirects any Stamford Waste to another permitted facility, RESCO shall protect, indemnify and hold harmless CRRA, pursuant to Section 8.08 of the SWDA, for and against all liabilities, actions, damages, claims, demands, judgments, losses, costs, expenses, suits or actions and attorneys' fees arising out of the processing or disposing of the Stamford Waste at the redirected facility. RESCO also expressly confirms that CRRA shall not be liable for any costs pursuant to Section 5.02(b) of the SWDA as a result of the deliveries of the Stamford Waste and other waste delivered by the Authority the total MSA Acceptable Waste delivered to the Bridgeport facility by the Authority exceeds 631,500 tons (the Authority Capacity plus 65,000 tons pursuant to Section 5.02(b)(iii).

3. RESCO agrees to follow the procedures set forth in the MSW Diversion Plan for the Bridgeport Project attached hereto as Exhibit A.

4. RESCO will immediately withdraw with prejudice its claims in the Arbitration. The parties agree that the Arbitration will be dismissed with prejudice with each party bearing its own costs and expenses.

5. RESCO, on behalf of itself and its affiliates, related corporations, parents, predecessors, successors, subsidiaries, divisions, shareholders, directors, officers, insurers, employees, attorneys and agents for and in consideration of the payment to be paid by the Authority pursuant to paragraph 1 above, does hereby remise, release and forever discharge the Authority, its successors and assigns, or its affiliates, predecessors, successors, directors, officers, employees, attorneys and agents, of and from all dues, sums of money, accounts, debts, obligations, reckonings, promises, covenants, agreements, contracts, endorsements, bonds, specialties, controversies, suits, causes of action, trespasses, variances, judgments, extents,

executions, damages, claims or demands, in law or in equity, which RESCO ever had, now had, or hereafter can, shall, or may have arising out of the Refinancing Savings Dispute, the Arbitration, or, provided RESCO is permitted to direct the Stamford Waste as described in paragraph 2 hereof, the Stamford Dispute, except to the extent related to a breach by CRRA of its obligations under this Agreement.

6. The Authority, on behalf of itself and its affiliates, related entities, parents, predecessors, successors, divisions, directors, officers, insurers, employees, attorneys and agents for and in consideration of the execution of this Agreement by RESCO, does hereby remise, release and forever discharge RESCO, its successors and assigns, and its affiliates, predecessors, successors, subsidiaries, divisions, shareholders, directors, officers, employees, attorneys and agents, of and from all dues, sums of money, accounts, debts, obligations, reckonings, promises, covenants, agreements, contracts, endorsements, bonds, specialties, controversies, suits, causes of action, trespasses, variances, judgments, extents, executions, damages, claims or demands, in law or in equity, which the Authority ever had, no had, or hereafter can, shall, or may have arising out of the Refinancing Savings Dispute, the Arbitration and the Stamford Dispute.

7. Each party represents and warrants to the other party that it has the full legal right, authority and ability to enter into this Agreement, that it has obtained all necessary consents and approvals to the execution and performance by it hereof and this Agreement has been validly executed and delivered by such party and is a valid and binding obligation of such party, enforceable against such party in accordance with its terms.

8. Capitalized terms used herein by not defined herein shall have the meaning given to them in the SWDA.

WITNESS, the execution hereof as of the date first above written.

CONNECTICUT RESOURCES RECOVERY
AUTHORITY

By: _____

Its: _____

Dated: _____

WHEELABRATOR BRIDGEPORT, L.P.

By: _____

Its: _____

Dated: _____

TAB 11

**RESOLUTION REGARDING AN AGREEMENT WITH
ENVIRO EXPRESS, INC. TO DELIVER CITY OF STAMFORD
ACCEPTABLE SOLID WASTE TO CRRA'S BRIDGEPORT
PROJECT RESOURCES RECOVERY FACILITY**

RESOLVED: That the President is hereby authorized to enter into a contract with Enviro Express, Inc. for the delivery of the City of Stamford's Acceptable Solid Waste to the Bridgeport Project Resources Recovery Facility, substantially as discussed and presented at this meeting.

Connecticut Resources Recovery Authority
Contract Summary for Contract
entitled

Bridgeport Solid Waste Delivery Agreement

Presented to the CRRA Board on: January 27, 2005

Vendor/ Contractor(s): Enviro Express, Inc.

Effective date: December 20, 2004

Contract Type/Subject matter: Solid Waste Delivery Agreement for Stamford MSW on a Short-term Basis

Facility (ies) Affected: Bridgeport Project

Original Contract: This is the original contract

Term: 90 days commencing on December 20, 2004

Term Extensions: Not applicable

Scope of Services: Enviro Express shall deliver Stamford MSW from City of Stamford transfer station to the Bridgeport Project Resources Recovery Facility

Tip Fee: \$62.00 per ton

Contract Dollar Value: \$1.1 million (Estimate based upon \$62.00 per ton tip fee for 18,750 tons [3 month's of Stamford MSW tonnage])

Amendment(s): Not applicable

Other Pertinent Provisions: Stamford agrees to pay CRRA directly for the disposal costs incurred with this contract

**Connecticut Resources Recovery Authority
Bridgeport Project
Enviro Express Solid Waste Delivery Agreement for the
Bridgeport Project**

January 27, 2005

EXECUTIVE SUMMARY

CRRA has entered into a 90-day agreement with Enviro Express, Inc. for the delivery of the City of Stamford's Acceptable Solid Waste on a short-term basis to the Bridgeport Project Resources Recovery Facility.

The City of Stamford, in a separate letter agreement with CRRA, has agreed to pay CRRA directly for all costs incurred for the disposal of its MSW at the Bridgeport Project at a tip fee of \$62.00 per ton.

In accordance with Section 5.11 (Market Driven Purchases and Sales) of CRRA's Procurement Policies and Procedures, effective January 22, 2004, this is to report to the CRRA Board of Directors that CRRA has entered into this market driven transaction, and to seek Board approval of the transaction.

DISCUSSION

CRRA entered into this interim waste delivery arrangement with Enviro Express to provide the City of Stamford with a disposal site for its MSW. Stamford had terminated its contract with its contractor prior to execution of a contract with CRRA and therefore required emergency service in order to prevent a waste disposal crisis for the City.

By way of background, Stamford had issued an RFB for waste disposal and transportation services in August and selected the lowest bidder who was unable to perform the services. Since CRRA had submitted the next lowest bid, Stamford conditionally awarded the bid to CRRA. Subsequently, CRRA accepted the award conditioned upon SWAB and CRRA board approval and final execution of a mutually agreeable contract between Stamford and CRRA.

At a meeting on January 14, 2005, CRRA and Stamford concluded negotiations on a three year disposal agreement. CRRA is waiting on Stamford to issue a revised contract reflecting such negotiations.

FINANCIAL SUMMARY

For the FY 2005 Bridgeport Project budget, this 90-day agreement will generate approximately \$1.1 million in revenue for the Bridgeport Project Budget.

BRIDGEPORT SOLID WASTE DELIVERY AGREEMENT

This BRIDGEPORT SOLID WASTE DELIVERY AGREEMENT (the "Agreement") is made and entered into as of this 20th day of December, 2004, 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, Hartford, Connecticut 06103-1722 (hereinafter "CRRA") and Enviro Express, Inc., having its principal offices at 555 Wordin Avenue, Bridgeport, CT 06605, (hereinafter "Hauler", the term "Hauler" also includes any affiliates, subsidiaries, related entities, employees and/or agents).

Preliminary Statement

Pursuant to the terms and conditions set forth below, CRRA is willing to accept "Acceptable Solid Waste," as defined in CRRA's Bridgeport Project Permitting, Disposal and Billing Procedures ("Procedures"), attached hereto as **Exhibit A** and made a part hereof, generated within the corporate boundaries of Stamford, CT ("Stamford") and delivered by Hauler to CRRA's Bridgeport resources recovery facility located at 6 Howard Avenue, Bridgeport, Connecticut (the "Designated Facility").

NOW, THEREFORE, in consideration of CRRA issuing to Hauler a permit to dispose of Stamford's Acceptable Solid Waste at the Designated Facility, the mutual covenants, promises and representations contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CRRA and Hauler hereby agree as follows.

Terms and Conditions

1. All terms that are not defined in this Agreement shall have the same respective meanings assigned to such terms in the Procedures attached hereto as **Exhibit A** and made a part hereof. The Procedures are hereby made a part of this Agreement in their entirety.
2. The disposal services provided herein by CRRA to Hauler are only applicable to Stamford's Acceptable Solid Waste delivered by Hauler that originates solely from Stamford's Transfer Station.
3. Prior to delivering any Acceptable Solid Waste to the Designated Facility, Hauler shall obtain all permits that are required by the Procedures and shall comply with all other pre-delivery requirements set forth therein and in the applications (including instructions) for such permits. Hauler shall also, at all times, comply with the Procedures, including any amendments thereto that are made by CRRA from time to time.

4. [Reserve]
5. [Reserve]
6. During the term of this Agreement, Hauler shall deliver to the Designated Facility all of Stamford's Acceptable Solid Waste originating from Stamford's Transfer Station.
7. CRRA shall invoice Hauler and Hauler shall pay to CRRA a Service Fee of sixty-two and 00/100 (\$62.00) dollars for each ton of Acceptable Solid Waste originating from Stamford's Transfer Station during the term of this Agreement and delivered to the Designated Facility by Hauler pursuant to this Agreement. Hauler agrees to invoice Stamford for disposal services hereunder in accordance with CRRA's invoices to Hauler, and to direct Stamford to pay CRRA's invoiced Service Fees directly to CRRA. CRRA acknowledges and agrees that payment in full of all invoiced Service Fees from Stamford shall constitute payment in full by Hauler hereunder.
8. In the event that Hauler fails to comply with any of its obligations under this Agreement, such failure shall constitute an event of default on the part of the Hauler hereunder and CRRA shall have the right to: 1) to suspend CRRA's performance under the agreement; 2) to take such commercially reasonable steps as appropriate to protect CRRA's interests; and/or 3) to exercise any remedy(s) available at law or in equity to CRRA.
9. Hauler shall at all times defend, indemnify and hold harmless CRRA, any Operator and their respective directors, officers, employees and agents on account of and from and against any and all liabilities, actions, claims, damages, losses, judgments, workers' compensation payments, costs and expenses (including but not limited to attorneys' fees and court costs) arising out of injuries to the person (including death), damage to property or any other damages alleged to have been sustained by: (a) CRRA, any operator, or any of their respective directors, officers, employees, agents or subcontractors, or (b) Hauler 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 Hauler, any of its affiliates, directors, officers, employees, agents or subcontractors. Hauler's obligations under this paragraph 9 shall survive the termination or expiration of this Agreement.
10. Hauler further undertakes to reimburse CRRA for damage to property of CRRA caused by Hauler or its subcontractors. The existence of insurance shall in no way limit the scope of this indemnification. Hauler's obligations under this paragraph 10 shall survive the termination or expiration of the Agreement.
11. Stamford shall pay any invoices rendered by CRRA 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 thirty (30) days from the date of such invoice. If Stamford does not pay a foregoing invoice within the foregoing thirty (30) day period, Hauler shall pay such foregoing invoice rendered by CRRA 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, not paid by Stamford, within an additional thirty (30) day period of Stamford's failure to pay such invoice. If Hauler fails to do so, CRRA, at its sole discretion, may immediately deny Hauler any further access to the Facility and/or revoke its permit for the same until Hauler pays in full to CRRA all past due invoices including any interest thereon.

12. Any Acceptable Solid Waste delivered by Hauler must comply with the requirements for Acceptable Solid Waste set forth in the Procedures as set forth in Exhibit A. If Hauler does not comply with these requirements set forth in this paragraph 12, CRRA, at its sole discretion, may deny Hauler temporarily or permanently any further access to the Designated Facility and/or revoke its permit for the same.
13. This Agreement may not be assigned in whole or in part by the Hauler, and shall be void if so assigned, except upon express written consent of CRRA. In the event of a dissolution of or merger involving Hauler, Hauler shall promptly provide CRRA with written notice of such event, including the effective date thereof.
14. This Agreement shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.
15. This Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut as such laws are applied to contracts between Connecticut residents entered into and to be performed entirely in Connecticut.
16. The term of this Agreement shall commence on December 20, 2004 (the "Commencement Date") and shall continue for 90 days thereafter (the "Term"). This Agreement shall become effective on the Commencement Date.
17. This Agreement constitutes the entire agreement and understanding between the parties hereto and concerning the subject matter hereof and supercedes any and all previous agreements, written or oral, between the parties hereto and concerning the subject matter hereof.
18. Hauler agrees to modify the terms of this Agreement if CRRA requests such reasonable modifications necessitated by CRRA's financing purposes.

12/17/2004 FRI 18:20 FAX 860 757 7743 CRRA Legal Dept

004/005

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

ENVIRO EXPRESS, INC.
[NAME OF HAULER]

CONNECTICUT RESOURCES
RECOVERY AUTHORITY

By: *[Signature]*

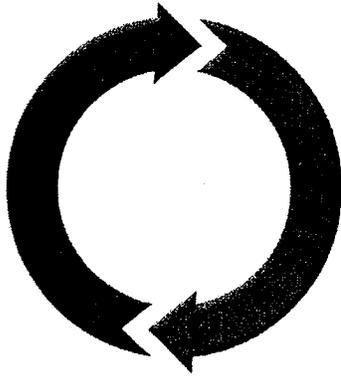
Its V.P.
Duly Authorized

By: *[Signature]*

Thomas D. Kirk
Its President
Duly Authorized

EXHIBIT A

Bridgeport Project Permitting, Disposal And Billing Procedures



**CONNECTICUT
RESOURCES
RECOVERY
AUTHORITY**

BRIDGEPORT PROJECT

**PERMITTING, DISPOSAL AND BILLING
PROCEDURES**

Effective July 1, 2004

CONNECTICUT RESOURCES RECOVERY AUTHORITY
BRIDGEPORT PROJECT
PERMITTING, DISPOSAL AND BILLING PROCEDURES

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1. GENERAL

1.1 Definitions

As used in these procedures, the following terms shall have the meanings as set forth below:

- (a) **“Acceptable Solid Waste”** shall include Solid Waste generated by and collected from residential, commercial, institutional, industrial and other establishments located within the corporate limits of any Participating Municipality, and deemed acceptable by the Authority in accordance with all applicable federal, state and local laws as well as these procedures for processing by and disposal at the Waste Facilities. Pursuant to subsection (7) below the Authority may agree in writing that Solid Waste originating from sources outside Participating Municipalities be deemed Acceptable Solid Waste, so long as it otherwise complies with the requirements specified herein. Acceptable Solid Waste shall include but is not limited to the following:
- (1) Scrap wood not exceeding six (6) feet in length or width or four (4) inches in thickness;
 - (2) Single trees and large tree limbs not exceeding six (6) feet in length or four (4) inches in diameter and with branches cut to within six (6) inches of the trunk or limb, as the case may be;
 - (3) Metal pipes, tracks and banding or cable and wire not exceeding three (3) feet in length and one and a half (1 1/2) inches in diameter;
 - (4) Cleaned and emptied calls or drums not exceeding five (5) gallons in capacity and with covers removed;
 - (5) Automobile tires without rims exclusively from the residential Solid Waste stream and in limited quantities, if any to be determined by the Authority on a day-to-day basis;
 - (6) 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;
 - (7) Non-processible Waste as defined herein; and
 - (8) Any other Solid Waste deemed acceptable by the Authority in its sole discretion. Acceptable Solid Waste shall not include any unacceptable Non-Processible Waste, Recycling Residue, Recyclables or other materials required to be recycled in accordance with Connecticut General Statutes, and/or Special Waste unless such foregoing unacceptable waste is

approved by the Authority in accordance with these procedures for disposal at any of the Waste Facilities or any materials or waste that are or may in the future be required by law and/or regulation to be recycled.

- (b) **“Account”** shall mean a statement of transactions during a fiscal period arising from a formal business arrangement between the Authority and a person, firm or Participating Municipality providing for the use the Facilities and the services in connection therewith.
- (c) **“Authority”** or **“CRRRA”** shall mean the Connecticut Resources Recovery Authority, a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut.
- (d) **“Bulky Waste”** shall mean construction, demolition and/or land clearing debris.
- (e) **“By-Pass Waste”** shall include Acceptable Solid Waste that is ordinarily processed at the Facility but is instead diverted by the Authority for disposal at any other site designated by the Authority.
- (f) **“Designee”** shall mean
 - (1) in the case of a Participating Municipality, a company/entity contracted for and/or licensed by said Participating Municipality to haul waste generated within the boundaries of said Participating Municipality; or
 - (2) in the case of the Authority, any company/entity contracted or authorized by the Authority to haul waste.
- (g) **“Facility”** shall mean the Authority's Bridgeport resources recovery facility located at 8 Howard Avenue in Bridgeport, Connecticut.
- (h) **“Facilities”** shall mean the Waste Facilities.
- (i) **“Hazardous Waste”** shall include any material or substance which is, by reason of its composition or its characteristics or its delivery to the Facility (a) defined as hazardous waste in the Solid Waste Disposal Act, 42 U.S.C. §6901 et seq., and any regulations, rules or policies promulgated hereunder, (b) defined as hazardous waste in Section 22a-115 of the Connecticut General Statutes, (c) defined as special nuclear material or by-product material in Section 11 of the Atomic Energy Act of 1954, 42 U.S.C. §2014, and any regulations, rules or policies promulgated hereunder, or (d) regulated under Section 6(e) of the Toxic Substances Control Act, 15 U.S.C. §2605; (e) and any regulations, rules or policies promulgated thereunder, as any of the statutes referred to in clauses (a) through (d) above may be amended; provided, however, that Hazardous Waste shall not include such insignificant quantities of any of the wastes covered by clauses (a), (b) and (d) as are customarily found in normal household, commercial and industrial waste to the extent such insignificant quantities are

permitted by law to be treated and disposed of at the Facility or at sanitary landfills, as applicable. Hazardous Waste shall also include such other waste as deemed by the Authority in its sole discretion to be "Hazardous Waste."

- (j) **"Landfill"** shall mean any real property used by any Participating Municipality and the Authority for the disposal of Recycling Residue, By-Pass Waste, Non-Processible Waste, Special Waste and residue from the processing and/or incineration of Acceptable Solid Waste at the Facility.
- (k) **"Member Municipality"** shall mean a Municipality that has contracted with the Authority for waste management services.
- (l) **"Mixed Load"** shall mean Solid Waste from more than one Participating Municipality stored and carried in a single vehicle, roll-off box or trailer and delivered to any of the Facilities.
- (m) **"Municipal Solid Waste Management Services Contract"** or **"MSA"** shall mean the contract between the Authority and a Participating Municipality for the processing and disposal at the Facilities of all Acceptable Solid Waste generated by the Participating Municipality within its boundaries.
- (n) **"Non-Processible Waste"** shall include Acceptable Solid Waste that cannot be processed at the Facility and is normally disposed of at a Landfill, provided that the individual items of such Acceptable Solid Waste are 2,000 pounds or less in weight and physically of such size as to fit without compaction into an area having dimensions of three (3) feet by six (6) feet by seven (7) feet, including but not limited to the following:
 - (1) Household furniture, chairs, tables, sofas, mattresses, appliances and rugs;
 - (2) Individual items such as blocks of metal that would in the Authority's sole discretion and determination cause damage to the Waste Facilities if processed and/or incinerated therein;
 - (3) Bathroom fixtures, such as toilets bathtubs and sinks;
 - (4) 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
 - (5) Any other Acceptable Solid Waste deemed by the Authority in its sole discretion to be Non-Processible Waste.
- (o) **"Operator"** or **"Operators"** shall mean the organization or personnel in such organization under contract with the Authority for the operation of any of the Facilities.

- (p) **“Participating Municipality”** shall mean any town, city, borough or other political subdivision of and within the State of Connecticut, having legal jurisdiction over solid waste management within corporate limits, and which has executed a Municipal Solid Waste Management Services Contract or made special arrangements with the Authority for the processing and disposal of Acceptable Solid Waste at the Facilities.
- (q) **“Permittee”** shall mean those persons, organizations, corporations, firms, governmental agencies, or other entities who have submitted a permit application to the Authority and have been authorized to use the Facilities by the Authority.
- (r) **“Permit Number”** shall mean the vehicle identification number assigned by the Authority to a Permittee’s waste transportation vehicle for use at the Facilities.
- (s) **“Private/Non-Commercial Hauler”** shall mean a person or firm who does not derive income from the collection, transportation or disposal of waste.
- (t) **“Project”** shall mean the Facilities constituting the Authority's Bridgeport Project.
- (u) **“Recyclables”** shall mean those items to be received in a commingled or segregated state and processed at the IPC, to include, and only include, segregated newspaper and cardboard, junk mail and magazines, co-mingled glass food and beverage containers, metal food and beverage containers, Plastic Containers, and such other items to be designated by SWEROC and the Authority and consented to by Vender, which consent shall not be unreasonable withheld. Such other items may include, but not be limited to, office paper and computer paper. In no case shall “Recyclable” be deemed to include any material or substance defined as a Hazardous Waste.
- (v) **“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.
- (w) **“Transfer Station”** shall mean any of the following facilities, including all roads appurtenant thereto, owned and/or operated by the Authority for receiving Acceptable Solid Waste from any Participating Municipality for transport to a destination of ultimate disposal: the Authority's solid waste transfer stations located in Greenwich, Darien, Norwalk, Westport, Fairfield, Trumbull and Milford.
- (x) **“Unacceptable Waste”** shall include:

- (1) Explosives, pathological or biological waste, hazardous chemicals or materials, paint and solvents, regulated medical wastes as defined in the EPA Standards for Tracking and Maintaining Medical Wastes, 40 C.F.R. Section 259.30 (1990), radioactive materials, oil and oil sludges, dust or powders, cesspool or other human waste, human or animal remains, motor vehicles, liquid waste (other than liquid Solid Waste derived from food or food by-products), and hazardous substances of any type or kind (including without limitation those substances regulated under 42 U.S.C. §6921-6925 and the regulations thereto adopted by the United States Environmental Protection Agency pursuant to the Resource Recovery Conservation and Recovery Act of 1976, 90 Stat. 2806 et. seq. 42 U.S.C. §6901 et. seq.), other than such insignificant quantities of the foregoing as are customarily found in normal household and commercial waste and as are permitted by state and federal law;
 - (2) Any item of waste that is either smouldering or on fire;
 - (3) 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;
 - (4) Any other items of waste that would be likely to pose a threat to health or safety, or damage the processing equipment of the Facilities (except for ordinary wear and tear), or be in violation of any judicial decision, order, or action of any federal, state or local government or any agency thereof, or any other regulatory authority, or applicable law or regulation;
 - (5) Any Solid Waste that is deemed by the Authority in its sole discretion to be not in conformance with the requirements for Acceptable Solid Waste or Non-Processible Waste as set forth in these procedures; and
 - (6) Any other waste deemed by the Authority in its sole discretion for any reason to be Recyclables and/or Unacceptable Waste, including but not limited to waste generated by a source which is not authorized by the Authority to deliver waste to any of the Facilities.
- (y) **“Waste Facilities”** shall mean the Facility and all Transfer Stations of the Project.
- (z) **“Waste Hauler”** shall mean a person or firm, including a “collector” as defined in Section 22a-220a(g) of the Connecticut General Statutes, whose main source of income is derived from the collection, transportation, and/or disposal of waste.

1.2 Preamble

These procedures may be amended by the Authority from time to time. Anyone obtaining a new permit or renewal of an existing permit should contact the Authority at (860) 757-7700 in order to obtain a copy of the procedures in effect. Additional copies of these procedures may be obtained at the cost of reproduction and postage. The procedures are also available on the Authority's website at www.CRRA.org.

1.3 General Principles of Interpretation

- (a) The captions contained in these procedures have been inserted for convenience only and shall not affect or be effective to interpret, change or restrict the express terms or provisions of these procedures.
- (b) The use of the masculine gender refers to the feminine and neuter genders and the use of the singular includes the plural, and vice-versa, whenever the context of these procedures so requires.
- (c) The Authority reserves the right to amend these procedures and the definitions herein from time to time as it deems necessary in its sole discretion.
- (d) These procedures are intended to comply and be consistent with each Municipal Solid Waste Management Services Contract for the Project. In the event of any conflict between these procedures and any Municipal Solid Waste Management Services Contract for the Project, the latter shall control.

2. PERMITTING

2.1 Permit Application

- (a) These procedures constitute the Authority's minimal requirements for use of the Facilities. The Operators and each Participating Municipality having jurisdiction over any of the Facilities may have or impose additional requirements for such use, all of which requirements must be met and complied with by each applicant and Permittee hereunder. In the event that any provisions of these procedures conflicts with any such additional requirements, the more stringent requirement will control and prevail, and to the extent such more stringent requirement is not set forth in these procedures, it shall be deemed to be incorporated by reference and made a part of these procedures as if it had been fully set forth herein.
- (b) Any Waste Hauler, Private Non-Commercial Hauler, Participating Municipality, or any other person or entity that desires to use the Facilities shall obtain a permit in accordance with these procedures before delivering to and/or removing waste from the Facilities.

- (c) Each applicant for a permit shall complete a permit application and provide to the Authority all of the necessary information requested thereon, including but not limited to:
- (1) The identification of each vehicle owned, leased or operated by the applicant or its agents and employees and to be used by the applicant;
 - (2) Origin of all waste that applicant will collect; and
 - (3) All certificates of insurance that the applicant is required to provide pursuant to Section 3 hereof.

In connection with the foregoing, each applicant shall also execute and submit to the Authority all documents attached to the permit application, including but not limited to:

- (1) A Solid Waste Delivery Agreement (if applicable);
- (2) An Attestation Agreement;
- (3) An Indemnification Agreement;
- (4) Credit Agreement; and
- (5) A security deposit in the form and amount acceptable to the Authority or any other document required by the Authority at the Authority's sole and absolute discretion.

2.2 Submission of Permit Application

- (a) Upon applicant's completion of the permit application and execution of all documents attached thereto, the applicant shall submit such permit application and documents and pay the applicable permit fees to the Authority.
- (b) Pursuant to the submission of a Permit Application to the Authority, each applicant and Permittee hereby agrees to cooperate with the Authority or the Authority's Designee in any matter affecting the orderly operation of the Facilities and to fully abide by and comply with these procedures. In addition to the foregoing, each applicant and Permittee acknowledges and agrees that any failure to cooperate with the Authority or the Authority's Designee to abide by or comply with these procedures shall result in fines and/or suspension or revocation of disposal privileges at the Facilities.

2.3 Guaranty of Payment

- (a) Permittee shall submit along with its permit application a guaranty of payment satisfactory to the Authority in all respects and in the form of either a letter of credit,

a suretyship bond, cash, or a cashier's check and in an amount sufficient to cover at least two (2) months' of waste disposal charges as estimated by the Authority.

- (b) At its sole and absolute discretion, the Authority may review a Permittee's guaranty amount under Section 2.3(a) above and require the Permittee to increase its guaranty amount in the event the average monthly delivery rate of Permittee varies by 10% or more. The Authority shall review a Permittee's guaranty amount as detailed in the foregoing sentence at least semi-annually.
- (c) If Permittee submits to the Authority either a letter of credit or suretyship bond, Permittee shall within sixty (60) days before the expiration of the same renew such letter of credit or suretyship bond and furnish the renewed letter of credit or suretyship bond to the Authority. If the Permittee's letter of credit or suretyship bond is canceled, terminated, or deemed inadequate by the Authority, Permittee shall immediately submit to the Authority a new letter of credit or suretyship bond that complies with the requirements of this Section 2.3.
- (d) If Permittee fails to comply with any of the requirements of this Section 2.3, the Authority may deny the Permittee any further access to the Facility and/or revoke and/or suspend the Permittee's permit for the same.

2.4 Issuance and Renewal of Permit

- (a) Provided that the applicant has submitted its permit application and all other documents required to be submitted hereunder to the Authority, applicant has paid to the Authority the applicable permit fees and such Permit Application and documents are complete and satisfactory in all respects to the Authority, then the Authority may issue a permit to the applicant.
- (b) Upon the issuance of a permit:
 - (1) The Permittee shall be assigned an Account number;
 - (2) All of the vehicles listed on the Permittee's permit application shall be assigned a decal with a Permit Number, which decal shall be prominently and permanently affixed by the Permittee in a location clearly visible to the scalehouse operator and as designated by the Authority;
 - (3) Each Permittee's Roll-off Boxes and Trailers shall be assigned a decal and the decal shall be prominently and permanently affixed by the Permittee in a location clearly visible to the scalehouse operator, as designated by the Authority; and
 - (4) Trucks arriving at the scale house without the assigned Authority Permit Number displayed shall be denied access to the Facility.

- (c) Permits issued during the fiscal year of July 1 through June 30 are effective and valid until the end of such year unless otherwise revoked by the Authority. Permits cannot be assigned or transferred. In order to effectively renew an existing permit, the Permittee shall complete and submit to the Authority a renewal permit application together with the pertinent renewal fee for the same within twenty (20) days before the end of each fiscal year. The renewal fees to be paid by each Permittee hereunder shall be determined by the Authority on an annual basis. Any Permittee who fails to perform its renewal obligations under this Section 2.4(c) shall be denied access to the Facilities by the Authority until such Permittee performs such renewal obligations.
- (d) At its sole and absolute discretion, the Authority may issue a Permittee a Temporary Permit for a vehicle not currently authorized under Section 2. A Temporary Permit may be issued for a substitute vehicle due to an emergency breakdowns and/or the use of a demonstration vehicle. Temporary Permits are valid for up to six (6) days and may be issued once every 60 days, per company. During any time period when a Permittee's vehicle is denied disposal privileges, no Temporary Permits will be granted to the Permittee.

2.5 Tare Weights

- (a) Tare weights of all vehicles, trailers and roll-off boxes shall be established after delivery of the first load under a new permit at the Facility. Such tare weights shall be obtained at the direction and under the procedures set forth by the Facility's scale house.
- (b) After the initial tare weights have been obtained, the Authority and/or the Operator may require the verification of tare weights on a random basis to verify the weight records. Haulers shall cooperate with the Authority and/or the Operator to provide such data as required.
- (c) Haulers may request spot tare weight checks for their trucks only if the spot checks do not negatively impact the operations of the Facility as determined by the Authority at its sole and absolute discretion.
- (d) At the direction of the Authority or the Authority's Designee, haulers failing to comply with the foregoing tare weight procedures shall be billed as follows:
 - (1) The vehicles last known tare weight; or
 - (2) A maximum 22 net tons.
- (e) If hauler fails to comply with the terms of this Section 2.5 and hauler(s) is billed in accordance with subsection (d) above, then hauler's disposal privileges shall be denied until hauler complies with the terms of this Section 2.5.

2.6 Miscellaneous

- (a) If the Permittee acquires any vehicle that is not authorized under the Permittee's permit, then the Permittee shall submit an amended permit application to the Authority pursuant and subject to the above procedures set forth in this Section 2.
- (b) Permittee is responsible for all charges, costs, expenses, disposal fees, and fines incurred under its permit.
- (c) If Permittee's permit is lost or stolen, Permittee is responsible for all costs, charges, expenses, disposal fees and fines incurred until said Permittee notifies the Authority in writing of the lost or stolen permit.
- (d) Permittee shall give the Authority advance written notice of any changes in such Permittee's business operation that would have a material effective on Permittee's delivery schedules or weight records and shall include the effective dates of such changes. Such changes of Permittee's business operation shall include, but not be limited to, the following:
 - (1) Changes in name or mailing address;
 - (2) Changes in phone number; or
 - (3) Change in physical location of Permittee's business.
 - (4) Changes in the Permittee's business structure, including but not limited to the acquisition of other hauling companies, that would impact Permittee's volume of waste deliveries to the Waste Facilities.

2.7 Municipal Permits

If Participating Municipality requires haulers to register or obtain a permit to haul, all Permittees shall be required to register with such Participating Municipality from which it will collect from and deliver waste. Each Participating Municipality may establish its own permit, registration, and/or inspection requirements, which must be followed by the Permittees in addition to these procedures.

3. INSURANCE

3.1 Insurance

- (a) Each Permittee shall procure and maintain, at its own cost and expense, throughout the term of any permit issued to such Permittee, the following insurance, including any required endorsements thereto and amendments thereof:
 - (1) Commercial general liability insurance alone or in combination with, commercial umbrella insurance with a limit of not less than one million

(\$1,000,000.00) 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).

- (2) Business automobile liability insurance alone or in combination with commercial umbrella insurance covering any auto (including owned, hired, and non-owned autos), with a limit of not less than one million (\$1,000,000.00) dollars each accident.
 - (3) Workers' compensation insurance with statutory limits and employers' liability limits of not less than five hundred thousand (\$500,000.00) dollars each accident for bodily injury by accident and five hundred thousand (\$500,000.00) dollars for each employee for bodily injury by disease.
- (b) Each applicant or Permittee shall submit along with its permit or permit renewal application to the Authority an executed original certificate or certificates for each above required insurance certifying that such insurance is in full force and effect and setting forth the requisite information referenced in Section 3.1(c) below. Additionally, each Permittee shall furnish to the Authority within thirty (30) days before the expiration date of the coverage of each above required insurance a certificate or certificates containing the information required in Section 3.1(c) below and certifying that such insurance has been renewed and remains in full force and effect.
- (c) All policies for each insurance required above shall:
- (1) Name the Authority as an additional insured (this requirement shall not apply to automobile liability or workers' compensation insurance);
 - (2) Include a standard severability of interest clause;
 - (3) Provide for not less than thirty (30) days' prior written notice to the Authority by registered or certified mail of any cancellation, restrictive amendment, non-renewal or change in coverage;
 - (4) Hold the Authority free and harmless from all subrogation rights of the insurer; and
 - (5) Provide that such required insurance hereunder is the primary insurance and that any other similar insurance that the Authority may have shall be deemed in excess of such primary insurance.
- (d) All policies for each insurance required above shall be issued by insurance companies that are either licensed by the State of Connecticut and have a Best's Key

Rating Guide of A-or better, or otherwise deemed acceptable by the Authority in its sole discretion.

- (e) Subject to the terms and conditions of this Section 3.1, any applicant or Permittee may submit to the Authority documentation evidencing the existence of umbrella liability insurance coverage in order to satisfy the limits of coverage required hereunder for commercial general liability, business automobile liability insurance and employers' liability insurance.
- (f) If any Permittee fails to comply with any of the foregoing insurance procedures, then the Authority may in its sole discretion deny such Permittee any further access to the Facilities and/or suspend or revoke its permit for same.
- (g) No provision of this Section 3.1 shall be construed or deemed to limit any Permittee's obligations under these procedures to pay damages or other costs and expenses.
- (h) The Authority shall not, because of accepting, rejecting, approving, or receiving any certificates of insurance required hereunder, incur any liability for:
 - (1) The existence, nonexistence, form or legal sufficiency of the insurance described on such certificates;
 - (2) The solvency of any insurer; or
 - (3) The payment of losses.
- (i) For purposes of this Section 3, the terms applicant or Permittee shall include any subcontractor thereof.

3.2 Indemnification

Permittee shall at all times defend, indemnify and hold harmless the Authority, any Operator and their respective directors, officers, employees and agents on account of and from and against any and all liabilities, actions, claims, damages, losses, judgments, fines, workers' compensation payments, costs and expenses (including but not limited to attorneys' fees and court costs) arising out of injuries to the person (including death), damage to property or any other damages alleged to have been sustained by: (a) the Authority, any Operator, or any of their respective directors, officers, employees, agents or subcontractors or (b) Permittee or any of its directors, officers, employees, agents or subcontractors, or (c) any other person, to the extent any such injuries, damage or damages are caused or alleged to have been caused in whole or in part by the acts, omissions or negligence of Permittee or any of its directors, officers, employees, agents or subcontractors. Permittee further undertakes to reimburse the Authority for damage to property of the Authority caused by Permittee or any of its directors, officers, employees, agents or subcontractors. The existence of insurance shall in no way limit the scope of this indemnification. Permittee's obligations under this Section 3.2 shall survive the termination or expiration of Permittee's permits.

4. OPERATING AND DISPOSAL PROCEDURES

4.1 Delivery of Acceptable Solid Waste

Each Permittee shall deliver Acceptable Solid Waste to those Waste Facilities designated by the Authority, or as otherwise allowed pursuant to a Bridgeport Solid Waste Delivery Agreement executed by the Authority and the Permittee.

4.2 Access to the Facility

Access to the Facility by vehicles delivering Acceptable Solid Waste from outside the City of Bridgeport shall be by State Highway or Interstate Highway entrances to I-95 and proceeding to I-95 off-ramps closest to the destination. From the off-ramps, vehicles shall use only roads that access the Facility. Road shall not be used for through-access to the Facility. More restrictive criteria may be promulgated as required by local conditions and shall be strictly adhered to by all Permittees.

4.3 Temporary Emergency Access to the Facility

The Authority staff, in their sole discretion and subject to any conditions or restrictions that they deem appropriate, may on a case-by-case basis allow a Permittee temporary emergency access to the Facility for the purpose of delivering Acceptable Solid Waste to the same with a vehicle, roll-off box or trailer that is not authorized pursuant to these procedures to do so; provided, that such Permittee notifies the Authority staff at least twenty-four (24) hours in advance of Permittee's need for such temporary emergency access.

4.4 Hours for Delivery

- (a) The operating hours, including the list of holidays, can be obtained by contacting the Authority's Billing Department at (860)-757-7700 or visiting the Authority's website at www.CRRA.org.
- (b) The Authority may, with at least thirty (30) days prior written notice, change the hours of operation for any of the Facilities. Holiday and emergency closings and any schedule of make-up hours will be posted as needed at each of the Facilities.

4.5 Disposal Procedures

- (a) Subject to any terms and conditions that the Authority may require, the Authority may direct that Non-Processible Waste and/or Special Waste be delivered directly to either a Landfill or any other site.
- (b) Only vehicles with mechanical or automatic unloading/dumping capability will be allowed access to the Facilities. Only vehicles with back-up lights and audible warning signals that are properly functioning and in compliance with all applicable federal, state and local laws or regulations shall be allowed access to the Facilities.

- (c) The doors of all vehicles shall be clearly marked with the business name and address of the Permittee. Any vehicle that is not properly marked shall be denied access to the Facilities.
- (d) All vehicle traffic will be directed by the Operator.
- (e) No vehicles shall approach any scale until directed by the Operator. Each vehicle shall have its driver side window completely rolled down from the time such vehicle drives onto the inbound scale until it has discharged its load and passed over or by the outbound scale.
- (f) The speed limit on all roadways of the Facilities is 15 m.p.h., unless otherwise posted.
- (g) When directed, a driver shall proceed with caution to the tipping floor or bay and deposit loads. Drivers shall proceed promptly yet safely to deposit loads in order to minimize vehicle waiting time.
- (h) Unacceptable Waste shall not be delivered by any Permittee or vehicle to any of the Facilities. In the event that Unacceptable Waste is delivered to any of the Facilities, the Authority and its agents, employees or Operators may choose to reload the Unacceptable Waste back on to the offending vehicle. In connection therewith, the Authority may at its sole discretion, issue a verbal and written warning to the Permittee of the offending vehicle and/or charge such Permittee a reloading fee of five hundred (\$500.00) dollars. The Authority may impose a reloading charge of one thousand (\$1,000.00) dollars for each subsequent violation. The Authority may revoke the permit of any Permittee who fails to pay a reloading charge. In addition to the foregoing remedies for the delivery of Unacceptable Waste, the Authority may
 - (1) Detain the driver and the offending vehicle until representatives from DEP have inspected the Unacceptable Waste and made recommendations, and/or
 - (2) Take whatever corrective action the Authority in its sole discretion deems necessary at the sole cost and expense of the Permittee whose vehicle delivered the Unacceptable Waste, including but not limited to excavating, loading, transporting and disposing of the Unacceptable Waste, revoking such Permittee's permit and imposing against such Permittee any fines or charges.
- (i) All trucks must remain tarped until they are in the disposal area and out of the operation's way.
- (j) No drainage of roll-off boxes is allowed on the premises of any Facilities.
- (k) Roll-off boxes shall not be turned around on site.

- (l) All vehicles and roll-off boxes/trailers shall be covered, not leaking, and maintained in a safe and sanitary condition.
- (m) Drivers must latch and unlatch packers in the disposal area.
- (n) Drivers who wish to hand clean their truck blades must do so in areas designated by the Operators.
- (o) Upon the direction of the Operators, vehicle drivers shall discharge loads in a specially designated area to facilitate load verification.
- (p) Hand sorting, picking over or scavenging dumped waste is not permitted at any time.
- (q) All vehicles and personnel shall proceed at their own risk on the premises of all Facilities.
- (r) No loitering is permitted at any of the Facilities.
- (s) Smoking of tobacco products is prohibited at all Facilities except in designated smoking area(s). The possession and/or drinking of alcohol as well as the possession and/or use of drugs at any time while on the premises of any of the Facilities is strictly prohibited.
- (t) At all times while on Facilities' premises, the drivers shall comply with the Operator's instructions.
- (u) Other procedures for the Facilities may be promulgated over time by the Authority and when issued must be strictly obeyed.
- (v) Anyone violating any provision of Sections 22a-220, 22a-220a(f) or 22a-250 of the Connecticut General Statutes or any other federal, state or local law or regulation shall be reported by the Authority to the appropriate authorities.

4.6 Weight Tickets

- (a) The driver of each truck disposing of waste shall be presented a weight ticket from the scale house attendant. The ticket shall indicate date, hauler's company name, vehicle and container identification numbers, gross weight, tare weight, net weight, origin of waste and time. Each driver will be responsible for identifying the community for which he is hauling.
- (b) If a driver fails to sign for or receive a weight ticket, the appropriate hauling company shall be billed for such delivery as if a weight ticket had been signed and received.

- (c) Drivers are responsible for checking weight tickets for accuracy. All discrepancies should be brought to the attention of the Authority and/or the scale operator as soon as possible. CRRA assumes no responsibility for unreported errors.
- (d) At the discretion and request of the Authority, the Permittee/hauler shall disclose to the Authority the quantity of Acceptable Solid Waste from each Participating Municipality in the Acceptable Mixed Load(s) for which Permittee/hauler is hauling.
- (e) The Permittee/hauler shall use its best efforts to identify and provide the Authority written evidence of the origin of the Acceptable Solid Waste in its Acceptable Mixed Loads to enable the Authority to properly determine each Participating Municipality's volume of delivered Acceptable Solid Waste.

4.7 Delivery of Mixed Loads of Acceptable Solid Waste From Multiple Participating Municipalities

- (a) Delivery of Mixed Loads of Acceptable Solid Waste from Multiple Participating Municipalities ("Acceptable Mixed Loads") will be accepted by the Authority only if the following criteria are met:
 - (i) The Acceptable Mixed Loads do not contain any Acceptable Solid Waste that originated from a non Participating Municipality.
 - (ii) The entire Acceptable Mixed Load must contain Acceptable Solid Waste that would otherwise have been billed to the Permittee.
 - (iii) At the discretion and request of the Authority, the Permittee/hauler shall disclose to the Authority the quantity of Acceptable Solid Waste from each Participating Municipality in the Acceptable Mixed Load(s) for which Permittee/hauler is hauling.
 - (iv) The Permittee/hauler shall use its best efforts to identify and provide the Authority written evidence of the origin of the Acceptable Solid Waste in its Acceptable Mixed Loads to enable the Authority to properly determine each Participating Municipality's volume of delivered Acceptable Solid Waste.
 - (v) Permittee/hauler shall not deliver any Acceptable Mixed Load to any Waste Facility unless all of the Acceptable Solid Waste in the Acceptable Mixed Load is authorized to be disposed of at such Waste Facility.

- (vi) Any delivery of an Acceptable Mixed Load must be billed in its entirety to the Permittee/hauler that delivers the Acceptable Mixed Load to the Waste Facility.

5. BILLING

5.1 Payment of Invoices

Invoices shall be issued by the Authority and payable as follows: The Authority shall issue an invoice to each Permittee, at a minimum, an invoice to each Permittee on a monthly basis, and each Permittee shall pay such invoice within twenty (20) days from the date of such invoice or within the time specified in Permittee's specific contract with the Authority.

5.2 Liability for Payment of Invoices

Any Permittee who delivers waste to the Facility by means of any vehicle, roll-off box or trailer that is owned, leased or operated by such Permittee or by any other Permittee, person or entity shall be responsible for the payment of any invoice issued by the Authority in connection with such delivery of waste, and the subsequent disposal or processing thereof by the Authority.

5.3 Past Due Invoices

- (a) If a Permittee fails to pay in full any invoice issued by the Authority pursuant to Section 5.1 on or before the close of business of the twentieth (20th) day following the date of such invoice, then such invoice shall be deemed past due and a delayed payment charge of one percent (1%) of the amount past due shall be imposed commencing on the thirtieth (30th) day following the invoice date and continuing on a monthly basis following such thirty (30) day period until such invoice is paid in full. If a Permittee's specific contract language with the Authority differs from the foregoing, then the specific contract language of Permittee shall prevail.
- (b) In accordance with Connecticut General Statutes Section 22a-220c(c), if a hauler is delinquent in paying any invoice to the Authority for three consecutive months, then the Authority must notify any municipality served by hauler of hauler's delinquency.

5.4 Miscellaneous

If any Permittee falls to pay any invoice under this Section 5 by the due date for such invoice, then the Authority may in its sole discretion deny such Permittee any further access to the Facilities and/or suspend or revoke its permit for the same until such Permittee pays in full to the Authority all past due invoices including any interest thereon. Additionally, the Authority may in its sole discretion pursue any remedies available to it at law or in equity, including but not limited to procuring the amounts owed from such Permittee's guaranty of payment, in order to collect such amounts. In connection therewith, the Permittee shall also be liable for all costs, expenses or attorneys' fees incurred by the

Authority in collecting the amounts of past due invoices owed by such Permittee to the Authority, whether or not suit is initiated.

5.5 Return Check Policy

- (a) For each check returned to the Authority, the Permittee will be charged a processing fee of \$50.00. In addition, Permittee must immediately submit a replacement check in the full amount by either a bank or certified check and/or may be denied access to the facilities until such payment is received and processed by the Authority.
- (b) Permittees who have two returned checks within a four (4) month billing period will be required to submit all future payments by either bank or certified check for minimum period of six (6) months or longer.

5.6 Disputes on Billing

In the event of a dispute on any portion of any invoice, the Permittee shall be required to pay the full amount of the disputed charge(s) when due, and the Permittee shall, within thirty (30) days from the date of the disputed invoice, give written notice of its dispute to the Authority. Such notice shall identify the disputed bill/invoice, state the amount in dispute and set forth a detailed statement of the grounds on which such dispute is based. No adjustment shall be considered or made by the Authority for the disputed charge(s) until notice is given as aforesaid.

6. SANCTIONS

6.1 Sanctions

- (a) Permittee must adhere to the terms of these Procedures. In addition to the other remedies available to the Authority hereunder, the Authority may at its sole discretion impose the sanctions, as liquidated damages, against any Permittee who violates any provision of these Procedures. See Appendix A attached hereto for examples of violations and their applicable sanctions but this is not a complete listing of all violations and applicable sanctions.
- (b) In the event that an individual/Permittee disrupts the operation of, or creates a disturbance or acts in an unsafe or unruly manner at any of the Facilities, then the Authority may in its sole discretion prohibit such individual from entering the premises of all or any part of the Project for a period to be determined by the Enforcement/Recycling Director.
- (c) The Authority may in its sole discretion reduce the sanctions authorized in Appendix A if the Authority determines that the circumstances involving the offense warrant such reduction.

- (d) In addition to any other violations of these procedures, sanctions shall be imposed by the Authority for the following:
- (1) Any breach by Permittee of any of its obligations under these procedures or any agreement between Permittee and the Authority for the delivery of Acceptable Solid Waste by Permittee to the Project;
 - (2) Delivery of waste from a municipality and representing that such waste is from another municipality; and
 - (3) Delivery of an Acceptable Mixed Load(s) of Acceptable Solid Waste that does not conform to the requirements of Section 4.7 herein.
- (e) If a Permittee does not commit a violation during the six (6) month period following the Permittee's most recent violation, then the Permittee's record may be considered clear and any subsequent violation after the six (6) month period may be considered the Permittee's first violation.

6.2 Appeal Process

A Permittee/Hauler will have the right to appeal a monetary violation imposed against it by CRRA to the Appeal Committee.

The following process must be followed to preserve your appeal rights:

- (a) Within 10 days of the date of the monetary violation, Permittee/Hauler must contact the CRRA Field Manager of Enforcement/Recycling in writing via certified mail to 211 Murphy Road, Hartford CT 06114 or facsimile at 860-278-8471 to request the incident report and supporting documentation ("Incident Report") on the violation of issue.
- (b) The Field Manager of Enforcement/Recycling will send Permittee/Hauler the Incident Report via certified mail/return receipt; with a cover letter noting the date your request was received.
- (c) Within 5 days of the receipt of the Incident Report, if Permittee/Hauler has contradicting evidence or other information ("Permittee/Hauler Information") that would contest the Incident Report, Hauler/Permittee must send a letter to the Director of Enforcement/Recycling at 100 Constitution Plaza, Hartford CT 06103, via certified mail/return receipt, explaining the reason for the appeal with a copy of the Permittee/Hauler Information.
- (d) No appeal will be granted if Permittee/Hauler has not submitted evidence which contradicts the Incident Report.
- (e) No appeal will be granted if Permittee/Hauler has not responded in the timeframe outlined above.

- (f) The Appeal Committee shall consist of three (3) members: CRRRA Director of Operations or designee, CRRRA Controller or designee, and an impartial uninvolved ad hoc hauler member selected from a list of haulers registered to use the CRRRA facilities. The hauler selected will be from the facility for which the monetary violation was issued.
- (g) The Appeal Committee will review the Incident Report and Permittee/Hauler Information. The Appeal Committee will notify Permittee/Hauler within 30 business days to come to the CRRRA Headquarters. CRRRA will conduct an open meeting to discuss the appeal. Within a reasonable time thereafter, the Appeal Committee will issue a decision, by majority vote, whether to grant the appeal. If there is a tie due to abstention, the appeal will be granted. This decision is final.
- (h) If an appeal is granted, the Appeal Committee, in its decision will determine by majority vote, the adjustment, if any, to the violation. If there is a tie due to abstention, no adjustment will be made. The Appeal Committee may decrease or dismiss the sanction, but at no time will a sanction be increased.

7. LEGAL

7.1 Consistency with Municipal Solid Waste Management Services Contract

It is intended that these procedures be consistent with the Municipal Solid Waste Management Services Contract and with the applicable provisions of law. If any inconsistency should nevertheless appear, the applicable provisions of the Municipal Solid Waste Management Services Contract or the laws of the State of Connecticut shall control.

7.2 Governing Law

These Procedures shall be governed by and construed in accordance with the laws of the State of Connecticut as such laws are applied to contracts between Connecticut residents entered into and to be performed entirely in Connecticut.

APPENDIX A

Number of Violations	Safety Violations	Maintenance Violations	Hazardous Waste Violation	Non-Processible Waste Violation	Unacceptable & Misrepresentation of Origin Violation	Truck Route Violation
Examples of Violations (Not limited to)	Speeding; No back-up alarm; Unsecured door	Motor Vehicle Operation; Failure to Follow Instructions; No Tarp	Any Delivery of Hazardous Waste or medical waste to Facilities	Household furniture, white metals, scrap metals, Bulky Waste	Any Delivery of Unacceptable Waste or Misrepresentation of Origin of Delivered Waste.	Any Use of Permittee's Vehicle On Non-Authorized Truck Route
1 st	\$250.00	Written Warning to the Permittee	\$1,000.00	Written Warning to the Permittee	Written Warning to the Permittee	Written Warning to the Permittee
2 nd	\$500.00	\$100.00	\$1,500.00	\$100.00	\$500.00	\$250.00
3 rd	\$1,000.00	\$250.00	\$2,000.00	\$250.00	\$1,000.00	\$500.00
4 th	\$1,500.00	\$750.00	\$3,000.00	\$750.00	\$1,500.00	\$1,000.00
5 th	\$2,000.00	\$1,250.00	\$4,000.00	\$1,000.00	\$2,000.00	\$1,500.00
6 th	\$2,500.00	\$2,500.00	\$5,000.00	\$1,500.00	\$2,500.00	\$3,000.00

Notes:

1. First, all Violations are done **By Location**.
2. Second, Violations are done **By Type**.
3. The above list of **Types** does not include a complete list of violations. It is meant to illustrate the types of offenses that may constitute a violation.
4. Disposal privileges may be denied or suspended for serious or repeated violations.
5. Reloading charges may be applicable for certain waste violations and are payable to either CRRRA or the waste-to-energy facility operator, in accordance with the respective waste-to-energy project agreements.

TAB 12

**RESOLUTION REGARDING AN AGREEMENT WITH THE
CITY OF STAMFORD TO DELIVER ITS ACCEPTABLE
SOLID WASTE TO CRRA'S BRIDGEPORT PROJECT
RESOURCES RECOVERY FACILITY**

RESOLVED: That the President is hereby authorized to enter into a contract with the City of Stamford to deliver its Acceptable Solid Waste to the Bridgeport Project Resources Recovery Facility, substantially as discussed and presented at this meeting.

Connecticut Resources Recovery Authority
Contract Summary for Contract
entitled

Agreement Between City of Stamford and CRRA for Disposal of Stamford's
Acceptable Solid Waste

Presented to the CRRA Board on: January 27, 2005

Vendor/ Contractor(s): City of Stamford

Effective date: Upon signature

Contract Type/Subject matter: Solid Waste Delivery Agreement for Stamford MSW

Facility (ies) Affected: Bridgeport Project

Original Contract: This is the original contract

Term: Three years with a one-year extension option at Stamford's sole discretion

Term Extensions: Not applicable

Scope of Services: Processing and disposal of Stamford MSW at the Bridgeport Project

Tip Fee: \$62.00 per ton escalated 2% per year

Contract Dollar Value: \$14.3 million (Estimate for three years)

Amendment(s): Not applicable

Other Pertinent Provisions:

**Connecticut Resources Recovery Authority
Bridgeport Project
Stamford Acceptable Solid Waste Deliveries to
Bridgeport Project**

January 27, 2005

EXECUTIVE SUMMARY

CRRA proposes to enter into a three year agreement with the City of Stamford for delivery of its Acceptable Solid Waste from its transfer station to the Bridgeport Project Resources Recovery Facility. In September 2004, CRRA responded to the City of Stamford's RFB for disposal and transportation of its Acceptable Solid Waste from its transfer station for a term of three years with a one year option to extend. One of CRRA's bids was for disposal only at a tip fee of \$62.00 per ton at the Bridgeport Project Resources Recovery Facility.

DISCUSSION

Stamford initially selected the lowest bidder who was unable to perform the services. Since CRRA had submitted the next lowest bid, Stamford conditionally awarded the bid to CRRA. Stamford had terminated its contract with its previous contractor prior to execution of a contract with CRRA and therefore required emergency services beginning December 20, 2004 in order to prevent a waste disposal crisis for the City. As a result, CRRA has been accepting Stamford's waste for disposal under a short-term 90-day agreement with its hauler Enviro Express, Inc. until a final contract was agreed upon and executed by both Stamford and the Authority.

The Authority has been working with Stamford to finalize a mutually agreeable contract. At a meeting on January 14, 2005, CRRA and Stamford concluded negotiations on a three year disposal agreement. CRRA is waiting on Stamford to issue a revised contract reflecting such negotiations.

FINANCIAL SUMMARY

For the FY 2005 Bridgeport Project budget, this agreement would generate approximately \$2.0 million in revenue for the Bridgeport Project Budget. Based upon Stamford's estimated waste deliveries of 75,000 tons per year, the Bridgeport Project is

projected to realize approximately \$14 million in revenue over a three-year contract and \$19 million per year over a four-year term. Please refer to the table below.

Stamford Disposal Fees to Bridgeport Project (1)

	Tip Fee Per Ton	Revenue
Year 1	\$62.00	\$4,650,000
Year 2	\$63.24	\$4,743,000
Year 3	\$64.50	\$4,837,860
Year 4 (Optional)	\$63.25	\$4,743,620
Total		\$18,974,480

(1) Estimated 75,000 tons per year

TAB 13

**RESOLUTION REGARDING AN AMENDMENT TO CONTRACT FOR
THE OPERATION OF AN INTERMEDIATE PROCESSING CENTER
TO SERVE THE MUNICIPALITIES OF THE SOUTHWEST
CONNECTICUT REGIONAL RECYCLING OPERATING
COMMITTEE ("SWEROC")**

RESOLVED: That the President is authorized to enter into the Third Amendment to Contract for the Operation of an Intermediate Processing Center substantially in accordance with the terms and conditions presented at this meeting.

Connecticut Resources Recovery Authority

Contract Summary for Third Amendment to the Contract for the Operation of an Intermediate Processing Center among FCR, CRRA and SWEROC

Presented to the CRRA Board on: January 27, 2005

Vendor/Contractor(s): Fairfield County Recycling, Inc. ("FCR")

Effective date: January 28, 2005

Contract Type/Subject matter: Third Amendment to the Contract for the Operation of the Stratford Intermediate Processing Center ("IPC")

Facility (ies) Affected: Stratford IPC Serving the Southwest Connecticut Regional Recycling Operating Committee ("SWEROC")

Term: No change

Contract Dollar Value: Not applicable

Scope of Service: To allow junk mail and magazines to be included with the deliveries of newspaper

Other Pertinent Provisions: None

**THIRD AMENDMENT TO CONTRACT FOR THE OPERATION OF AN
INTERMEDIATE PROCESSING CENTER TO SERVE THE MUNICIPALITIES
OF THE SOUTHWEST CONNECTICUT REGIONAL RECYCLING OPERATING
COMMITTEE**

This Third Amendment to Contract for the Operation of an Intermediate Processing Center to Serve the Municipalities of the Southwest Connecticut Regional Recycling Operating Committee (the "Third Amendment") is made and entered into as of this 28th day of January, 2005 (the "Effective Date"), by and among the CONNECTICUT RESOURCES RECOVERY AUTHORITY, a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut, and having a principal place of business at 100 Constitution Plaza, Hartford, Connecticut 06103 (the "Authority"), THE SOUTHWEST CONNECTICUT REGIONAL RECYCLING OPERATING COMMITTEE, an operating committee established pursuant to Conn. Gen. Stat. §22a-221, having a principal place of business at 1410 Honeyspot Road Extension, Stratford, Connecticut 06497 ("SWEROC"), and FAIRFIELD COUNTY RECYCLING, INC., a Delaware corporation, having its principal place of business at 1300 Honeyspot Road Extension, Stratford, Connecticut 06497 ("Vendor").

Preliminary Statement

The Authority, SWEROC, and Vendor entered into a certain Contract for the Operation of an Intermediate Processing Center to Serve the Municipalities of the Southwest Connecticut Regional Recycling Operating Committee, dated as of December 16, 1991, whereby Vendor is operating the Authority's regional recycling intermediate processing center located in Stratford, Connecticut (the "Initial Contract"). The Initial Contract was amended by a First Amendment thereto by and among the Authority, SWEROC, and Vendor, dated as of December 18, 1997 (the "First Amendment"), and by a Second Amendment thereto by and among the Authority, SWEROC, and Vendor, dated as of January 28, 1998 (the "Second Amendment"). (The Initial Contract, the First Amendment, and the Second Amendment are hereinafter collectively referred to as the "Contract.") The Authority, SWEROC, and Vendor 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 herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and pursuant to Section 7.23 of the Initial Contract, the Authority, SWEROC, and Vendor hereby agree to amend the Contract as follows.

Terms and Conditions

1. Definitions. Except as otherwise set forth herein, words or terms bearing initial capital letters that are used and not defined in this Third Amendment shall have the same respective meanings assigned to such words or terms in the Contract. The term "Contract" as used in the Initial Contract shall mean the Initial Contract, the First Amendment, the Second Amendment, and this Third Amendment.

2. Deliveries of Junk Mail and Magazines. Section 7 of the Second Amendment is hereby deleted in its entirety and the following is inserted in lieu thereof:

"7. Deliveries Of Junk Mail and Magazines. The term "Recyclables", as defined in the Initial Contract, is hereby amended to include junk mail and magazines, and any such junk mail and magazines that is delivered separate or mixed with newspaper shall be accepted and processed by Vendor in accordance with the terms and conditions of the Contract and any amendments thereto. Such junk mail and magazines shall not include chipboard or plastic bags."

3. Ratification. Except as specifically amended by this Third Amendment, all of the terms, covenants, and provisions of the Contract 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

SOUTHWEST CONNECTICUT REGIONAL
RECYCLING OPERATING COMMITTEE

By: _____
Sherwood Lovejoy
Its President
Duly authorized

FAIRFIELD COUNTY RECYCLING, INC.

By: _____
Sean P. Duffy
Its Vice President
Duly authorized

TAB 14

**RESOLUTION REGARDING AN AMENDMENT TO THE
SUPPLEMENT TO AMENDED AND RESTATED AGREEMENT BY
AND AMONG SWEROC AND CRRA**

RESOLVED: That the Supplement to Amended and Restated Agreement by and among SWEROC and CRRA (SWEROC Museum and Operations Supplement) is amended to extend the agreement from January 28, 2005 to June 30, 2005, substantially in the form as discussed at this meeting.

Connecticut Resources Recovery Authority SWEROC Educational Facility Operating Agreement

January 27, 2005

Executive Summary

Since 1999, CRRA has operated the Stratford education center under an agreement with the Southwest Connecticut Regional Recycling Operating Committee (SWEROC). Under this agreement, which was extended in 2002, CRRA has also performed certain administrative functions for SWEROC.

The education center is managed by Sotora Montanari, who also oversees the education center at the Mid-Connecticut Project Visitors Center, and staffed by two part-time educators and a part-time temporary. Other CRRA employees, most notably from Operations, Finance & Accounting and Public Affairs, provide support to SWEROC and the education center.

In FY 2004 CRRA's expenditures for these functions totaled \$169,397. SWEROC paid CRRA \$168,386 for providing these services.

The education center provides great public relations value to CRRA. In 2004, more than 20,000 people visited the center to learn about recycling, the environment and the waste-to-energy process, while the center and its staff were featured in positive newspaper stories and television segments, enhancing CRRA's image.

The agreement expires January 31, 2005. CRRA has proposed and the SWEROC board has ratified an amendment to the agreement that would extend the agreement through June 30, 2005. The short-term extension was proposed to provide time to draft a longer-term extension that will accurately reflect the services provided to SWEROC, as functions provided originally provided by some CRRA divisions are now provided by other divisions. Both the short-term extension before the Board today and the longer-term extension will ensure that all CRRA's costs associated with the education center and SWEROC administration are covered by SWEROC.

January 13, 2005

Mr. Sherwood Lovejoy
President
Southwest Connecticut Regional Recycling
Operating Committee
1410 Honeyspot Road Extension
Stratford, CT 06497

RE: Amendment to Supplement To Amended And Restated Agreement

Dear Mr. Lovejoy:

Reference is hereby made to a certain Amended and Restated Agreement by and among the Southwest Connecticut Regional Recycling Operating Committee ("SWEROC") and the Connecticut Resources Recovery Authority ("CRRA"), dated June 27, 1991 (the "Agreement"). Said Agreement was supplemented by a certain letter agreement entitled Supplement To Amended And Restated Agreement by and between SWEROC and CRRA dated January 22, 1999 (the "Supplement Letter Agreement No. 1"), and said Agreement was supplemented by a certain letter agreement entitled Supplement To Amended And Restated Agreement by and between SWEROC and CRRA dated December 18, 2002 (the "Supplement Letter Agreement No. 2"). The Agreement, Supplement Letter Agreement No. 1, Supplement Letter Agreement No. 2 are hereinafter collectively known as the Agreement. SWEROC and CRRA now desire to amend the Agreement by extending its term in accordance with the terms and conditions set forth herein.

In consideration of the mutual covenants, promises, and representations contained herein, the parties hereto agree to amend the Agreement as follows:

1. Except as otherwise set forth herein, all terms bearing initial capital letters that are used but not otherwise defined herein shall have the same respective meanings assigned to such terms in the Agreement.

January 13, 2005

2. The term of the Agreement as detailed in the second paragraph of the Supplement Letter Agreement is hereby extended from January 28, 2005, through June 30, 2005.
3. Except as specifically amended by this Amendment To Agreement, all of the terms, covenants, and provisions of the Agreement are hereby ratified and confirmed in all respects, and are declared to be and shall remain in full force and effect.

If the foregoing terms and conditions are acceptable, please indicate your acceptance of the above terms and conditions by signing below.

Very truly yours,

Paul R. Doyle
Its Counsel

Agreed to and accepted by:

SOUTHWEST REGIONAL RECYCLING
OPERATING COMMITTEE

CONNECTICUT RESOURCES
RECOVERY AUTHORITY

By: _____
Sherwood Lovejoy
Its President
Duly Authorized

By: _____
Thomas D. Kirk
Its
Duly Authorized

**CONNECTICUT RESOURCES RECOVERY AUTHORITY
SWEROC ACTIVITIES BUDGET**

REVENUE AND EXPENDITURE SUMMARY

REVENUES

Account	Description	ACTUAL FY04	RESTATED FY04	FY05 YTD - DEC
41-001-000-45150	Miscellaneous Income	\$168,386	\$168,386	\$86,300
Total Revenues		\$168,386	\$168,386	\$86,300

EXPENDITURES

Account	Description	ACTUAL FY04	RESTATED FY04	ACTUAL FY05
41-001-501-xxxxx	Education	\$183,476	\$157,120	\$82,642
41-001-502-xxxxx	Accounting / Finance	\$0	\$4,357	\$0
41-001-xxx-xxxxx	Operations	\$0	\$7,920	\$0
Total Expenditures		\$183,476	\$169,397	\$82,642
Balance		(\$15,090)	(\$1,011)	\$3,658

* Restated FY04 adjusted to normalize time spent on SWEROC.

TAB 15

**Resolution Regarding Waste Export and Diversion Hauling and Disposal Services for
Mid-Connecticut and Wallingford Projects**

RESOLVED: That the President is hereby authorized to enter into agreements with USA Hauling and Recycling, Energy Answers Corporation, Waste Management of Massachusetts, Santaro Development and CWPM, LLC for waste export and diversion services for the Mid-Connecticut and Wallingford Resources Recovery Facilities substantially in accordance with the terms and conditions presented at this meeting.

Contract Summary
Waste Export and Diversion Hauling and Disposal Services for
Mid-Connecticut and Wallingford Projects

Presented to CRRA Board on: January 27, 2005

Vendors/Contractors: USA Hauling and Recycling, Waste Management of Massachusetts, Energy Answers Corporation, Santaro Development and CWPM

Effective Date: January 1, 2005

Contract Type/Subject Matter: MSW hauling and disposal

Facilities Affected: Mid-Connecticut and Wallingford Resources Recovery Facilities

Term: January 1, 2005 – December 30, 2005

Term Extensions: None

Scope of Services: To provide waste transportation and disposal export and diversion services on an on-call, as needed basis for the Mid-Connecticut and Wallingford Projects.

Service Fees: Per ton transportation costs for export services (inclusive of transportation and disposal) range from a low of \$73.00/ton to a high of \$90.00/ton for waste exports and for diversion transportation services range from of \$12.00/ton to \$19.00/ton.

Annual Cost: Based upon historical export data the annual cost of exports FY05 are budgeted at:
Mid-Connecticut: \$4.2 million
Wallingford: \$1.2 million

Waste Export and Diversion Hauling and Disposal Services for Mid-Connecticut and Wallingford Projects

EXECUTIVE SUMMARY

For a number of years, the Authority has contracted with private waste haulers for the transportation and disposal of surplus MSW received by the Mid-Connecticut and Wallingford RRFs to out-of-state and in-state disposal sites. The Authority frequently requires the use of multiple haulers during diversion and export periods, particularly during major plant outages. Therefore the Authority contracts with multiple haulers to ensure availability of haulers when needed.

The current contracts expired December 31, 2004. In October a Request for Proposals was issued to receive competitive quotes for waste export and diversion transportation and disposal services. The Authority received five bids. Based upon the results of the bids, Operations staff is recommending that the Board of Directors provide authorization to enter into agreements with the following firms for “on-call” waste export and diversion transportation and disposal services:

- USA Hauling & Recycling, Inc.,
- Energy Answers Corporation
- Waste Management of Massachusetts
- Santaro Development
- CWPM, LLC

DISCUSSION

Frequently the Authority’s contracted waste deliveries exceed the Mid-Connecticut and Wallingford plants’ permitted capacity and/or operational ability to process it, particularly during plant maintenance outages. During these periods of surplus waste the Authority will 1) divert waste to other in-state disposal sites (Bridgeport, Preston, Bristol, Windsor/Bloomfield Landfill) and/or 2) export the waste to out-of-state disposal sites.

The Authority received five bids. The results of these bids are presented in the following tables.

Waste Export Services Contract Year – January 1, 2005-December 31, 2005 – Price Per Ton

Company	Ellington	Essex	Torrington	Watertown	Mid-CT RRF	Wallingford
USA Hauling	\$70.00	NB	NB	NB	NB	NB
Waste Management	\$71.50	\$80.00	\$74.00	\$74.00	\$80.00	\$82.00
EAC Operations	\$73.50	\$82.00	\$72.00	\$72.25	\$82.00	\$82.00
Santaro Development	\$73.00	\$76.00	\$73.00	\$73.00	\$83.00	\$90.00
CWPM, LLC	\$83.00	\$83.00	\$82.00	\$83.00	\$83.00	\$90.00

The bid documents also asked firms to provide prices for the cost of in-state transportation from various CRRA facilities to other in-state disposal sites. Only one firm provided prices for the in-state transportation services.

In-state Waste Diversion Transportation Services Contract Year – January 1, 2005 – December 31, 2005 - Per Ton

Company	From Wallingford RRF to Mid-CT	Mid-CT to Windsor Landfill	From Wallingford RRF to Preston RRF	From Wallingford RRF to Bridgeport RRF
CWPM, LLC	\$16.00	\$12.00	\$23.00	\$19.00

TAB 16

**Resolution Regarding Spot Waste Delivery Services for the
Mid-Connecticut and Wallingford Projects**

RESOLVED: That the President is hereby authorized to enter into agreements with A.J. Waste Systems, LLC, USA Hauling and Recycling, Inc., and CWPM, LLC for the delivery of spot waste on an as needed basis for the Mid-Connecticut and Wallingford Resources Recovery Facilities substantially in accordance with the terms and conditions presented at this meeting.

Contract Summary
Spot Waste Deliveries
Mid-Connecticut and Wallingford Projects

Presented to CRRA Board on: January 27, 2003

Vendors/Contractors: USA Hauling and Recycling, CWPM, LLC, A.J. Waste Systems

Effective Date: January 1, 2005

Contract Type/Subject Matter: On-call spot waste delivery services

Facilities Affected: Mid-Connecticut and Wallingford Resources Recovery Facilities

Term: January 1, 2005 – December 30, 2005

Term Extensions: None

Scope of Services: To provide spot waste delivery services on an on-call, as needed basis for the Mid-Connecticut and Wallingford Projects.

Per Ton Revenue: Tip fees to be paid:
CWPM: \$48.00/ton for MSW
USA Hauling: \$46.00/ton for MSW and \$20.00/ton for RDF
A.J. Waste Systems: \$40.40/ton MSW (Wallingford only)

Annual Revenue: FY05 budgets for the Mid-Connecticut and Wallingford Resources Recovery Facilities project revenues of \$108,000 and \$120,000, respectively, through the sale of spot waste capacity.

Spot Waste Deliveries for Mid-Connecticut and Wallingford Projects

EXECUTIVE SUMMARY

For the past several years the Authority has contracted with private waste haulers for the delivery of spot waste (MSW, RDF, and woodchips) to the Mid-Connecticut and Wallingford Resources Recovery Facilities. The current contracts for this service expired on December 31, 2004.

In October, a Request for Proposals was issued to receive competitive quotes for spot waste capacity. The term of the agreement is for one year for “on-call” service during periods when additional waste is needed at the plants. The Authority received bids from two firms. Staff is recommending that the Board of Directors provide authorization to enter into one-year agreements with three firms for this service: USA Hauling and Recycling, CWPM, LLC, and A.J. Waste Systems

DISCUSSION

On occasion, primarily during the winter months, the Authority’s waste deliveries or RDF availability may not meet the plants’ operational needs. During these periods the Authority will authorize, on an “as-needed” basis, additional deliveries of MSW, RDF and/or woodchips.

The Authority received bids from two firms. The following charts summarize the bid results.

Contract Year – January 1, 2005-December 31, 2005 – Mid-Connecticut Project

Company and Material	Price Per Ton
USA Hauling & Recycling - MSW	\$46.00
USA Hauling & Recycling - RDF	\$20.00
USA Hauling & Recycling - Woodchips	\$00.00
CWPM, LLC - MSW	\$48.00
CWPM, LLC - Woodchips	\$00.00
A.J. Waste Systems - MSW	\$49.49

Based on current operations, the need for spot waste is minimal. However, it is prudent to enter into these agreements to ensure the availability of a fuel supply in the event of unusual or unpredictable circumstances.

FINANCIAL SUMMARY

The FY 05 budgets for the Wallingford and Mid-Connecticut plants project revenues of \$120,000 and \$108,000 respectively, through the sale of spot waste capacity.

TAB 17

RESOLUTION REGARDING APPOINTMENT OF BOARD COMMITTEES

RESOLVED: Pursuant to the Bylaws and CRRA's enabling statute, the Board hereby extends the following Committee to have such powers and responsibilities as the Board of Directors shall determine from time to time. Said Committee shall be established for a one (1) year period.

EXECUTIVE COMMITTEE comprising as members: Michael A. Pace, as committee chair, Andrew M. Sullivan, Jr., Stephen T. Cassano and Benson R. Cohn.

FURTHER RESOLVED: Pursuant to the Bylaws and CRRA's enabling statute, the Board hereby extends the following committees and members to have such powers and responsibilities as the Board of Directors shall determine from time to time. These Committees shall be established for a one (1) year period.

ORGANIZATIONAL SYNERGY AND HUMAN RESOURCES COMMITTEE comprising as members: Stephen T. Cassano, as committee chair, Mark Cooper and James Francis.

FINANCE COMMITTEE comprising as members: Andrew M. Sullivan, Jr. as committee chair, Benson R. Cohn, James Francis, Edna Karanian, Mark A. Laretti, Theodore H. Martland and Raymond J. O'Brien.

POLICIES & PROCUREMENT COMMITTEE comprising as members: Benson R. Cohn, as committee chair, Theodore H. Martland, as vice-chair, Michael J. Jarjura and Raymond J. O'Brien.