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May 30, 2006

Thomas D. Kirk
President
email: tkirk@crra.org

The Honorable M. Jodi Rell
Governor
State of Connecticut
Executive Chambers
State Capitol
Hartford, CT 06106

**RE: Connecticut General Statutes 22a-263
Quarterly Report of Connecticut Resources Recovery Authority Operations
For the Quarter Ending March 31, 2006**

Dear Governor Rell:

This is the quarterly report of operations of the Connecticut Resources Recovery Authority (the "Authority") for the 3rd Quarter of Fiscal Year 2006 (January 1, 2006 through March 31, 2006) as required by Connecticut General Statutes Section 22a-263 (the "Statute").

The Authority is responsible for implementing solid waste disposal and resource recovery systems and facilities throughout the State of Connecticut (the "State") in accordance with the State Solid Waste Management Plan. The Authority is comprised of four separate and distinct, comprehensive solid waste disposal systems located throughout the State. Therefore, the Statute requirements are reported separately for each project.

If you have any questions on these or other matters, or if I may provide additional information, please contact me directly at (860) 757-7777.

Very truly yours,

A handwritten signature in black ink, appearing to read "Thomas D. Kirk".

Thomas D. Kirk
President

cc: Michael A. Pace, Authority Chairman
Andrew M. Sullivan, Jr., Finance Committee Chairman
James P. Bolduc, Chief Financial Officer
Bettina M. Bronisz, Assistant Treasurer & Director of Finance
Laurie Hunt, Esq., Director of Legal Services
Chrono File

A listing of the number and type of waste management service contracts entered into with local government units and persons, and the charges therefore; a listing of the contracts entered into for the services of private industry in the operation of systems and facilities;

Name:	Type of contract:	Charges:
Mid-Connecticut Project Contracts entered into during Quarter Ending 3/31/06		
Bristol Meyers	Sale/Purchase Agmt of Nox Emission Reduction Credits	Revenue to be Received
CK Environmental Inc.	Power Block Facility-Air Emissions Testing Agmt.	\$159,650
Conklin & Soroka, Inc.	Annual Capacity Analysis	\$10,500
Conn. Light & Power Company	Propane Tank Easement	Varies by Assignment
DP East LLC	Cover Soil Letter Agreement (Contaminated Soils)	Revenue to be Received
EAC Operations	Solid Waste Transportation and Disposal Agreement	\$500,000
Merritt Contractors	MSW Floor Repair Agreement	\$597,000
USA Hauling and Recycling, Inc.	Solid Waste Transportation and Disposal Agreement	\$500,000
Waste Management of Mass	Transportation/Disposal Agreement	\$500,000
Southeast Project Contracts entered into during Quarter Ending 3/31/06		
Northeast Utilities System	Energy Curtailments for 2006	Revenue to be Received
Bridgeport Project Contracts entered into during Quarter Ending 3/31/06		
Overhead Door Company of Hartford	Replacement of Overhead Doors-Greenwich, Norwalk & Milford Transfer Stations	\$102,100
Wallingford Project Contracts entered into during Quarter Ending 3/31/06		
CT. Waste Transfer, LLC	Solid Waste Delivery Agreement	Revenue to be Received
EAC Operations	Solid Waste Transportation and Disposal Agreement	\$500,000
USA Hauling and Recycling, Inc.	Solid Waste Transportation and Disposal Agreement	Varies by Assignment
Waste Management of Mass	Transportation/Disposal Agreement	Varies by Assignment
General Contracts entered into during Quarter Ending 3/31/06		
Aon Risk Services, Inc.	Insurance Consulting and Broker Services Agreement	\$450,000
Fuss & O'Neill Technologies	Computer Service Agreement	\$10,000
Grillo Engineering	Engineering Services Agreement	Varies by Assignment
Robert Half International, Inc.-Accountemps	Human Resources Consulting Services Agreement	Varies by Assignment

- **A map showing the location of all facilities owned or leased by the Authority;**

A map showing the facilities owned or leased by the Authority is attached to this letter.

- **A schedule of the amounts of waste received and processed in such facilities;**

Facility:	Tons Received for the Quarter Ending 3/31/06	Tons Processed for the Quarter Ending 3/31/06
Mid-Connecticut	195,360	175,580
Southeast	60,669	59,000
Bridgeport	181,614	176,511
Wallingford	37,702	36,170

- *A listing of the outstanding issues of notes and bonds of the Authority and the payment status thereof;*

FACILITY Series	Original Amount Bonded (\$000)	Principal Outstanding as of Quarter Ending 3/31/06 (\$000)	Debt Service Payment Status:¹
MID-CONNECTICUT:²			
1996 Series A Bonds	\$ 209,675	\$ 69,415	Current
State Loan Borrowings ³	21,500	16,594	Current
SOUTHEAST:⁴			
1998 Series A	87,650	60,430	Current
BRIDGEPORT:			
1999 Series A Bonds	141,695	50,925	Current
2000 Series A Bonds	9,200	3,535	Current
WALLINGFORD:			
1998 Series A Bonds	33,790	13,420	Current

- *A budget showing the administrative expenses of the Authority;*

The administrative expenses section of the adopted project budgets (for the Fiscal Year ending June 30, 2007) for each project is attached to this letter.

- *A report of revenues of the Authority from all sources and of the redistribution of any surplus revenues.*

Facility:	All revenues⁵ received for the Quarter Ending 3/31/06 (\$000)	Redistribution⁶ for the Quarter Ending 3/31/06
Mid-Connecticut	\$21,951	0
Southeast	2,692	0
Bridgeport	12,650	0
Wallingford	6,338	0

¹ On March 11, 2005, the Authority fully defeased the Mid-Connecticut System Bonds, 1997 Series A and 2001 Series A and partially defeased the Mid-Connecticut System Bonds, 1996 Series A using proceeds of the \$111.7 million realized on February 1, 2005 from the sale of its Enron bankruptcy claim.

² In April 2002, the Connecticut General Assembly passed Public Act No. 02-46 authorizing a loan by the State to the Authority of up to \$115 million in support of debt service on the Mid-Connecticut project bonds. During the June 2003 Special Session, the Connecticut General Assembly passed Public Act No. 03-5, which authorized the Authority to borrow up to \$22 million for the period ending June 30, 2004 and an amount not to exceed \$93 million for subsequent fiscal years.

³ On March 24, 2005, the Authority established an irrevocable escrow fund in the amount of \$19.4 million for the payment of future principal and interest due on the State Loan borrowings with proceeds of the \$111.7 million realized on February 1, 2005 from the sale of its Enron bankruptcy claim.

⁴ In addition, the Authority served as a conduit issuer for three series of Corporate Credit Revenue Bonds issued by American Ref-Fuel, the operator of the Southeast project: 1992 Series A Bonds (\$30 million); 2001 Series A Bonds, Subseries I (\$6.75 million); and 2001 Series A Bonds, Subseries II (\$6.75 million). These bonds are not carried on the Authority's books.

⁵ Unaudited quarterly financial statement.

⁶ There was no redistribution of surplus revenues amongst the projects.

CONNECTICUT RESOURCES RECOVERY AUTHORITY PROJECT STATISTICS AND DEMOGRAPHICS

MID-CONNECTICUT PROJECT:

Refuse derived fuel waste-to-energy facility that separates and reduces the volume of waste on the front end by removing recyclable metals and non-combustible material

880,000 tons per year

Population served: 1,025,532

CRRA Regional Recycling Center and Visitors Center

Lined ash disposal area with groundwater monitoring and leachate collection and treatment systems
 Hartford landfill for bulky and non-processible waste
 Transfer Stations: 4

Member Towns
 Contract Towns



BRIDGEPORT PROJECT:

Mass-burn facility (no front-end separation)

760,000 tons per year

Population served: 750,000

CRRA Regional Recycling Center and Garbage Museum in Stratford

Transfer Stations: 8

Member Towns
 Towns that deliver
 Recyclables

SOUTHEAST PROJECT:

Mass-burn facility

219,000 tons per year

Population served: 277,022

Lined ash disposal area with groundwater monitoring and leachate collection and treatment systems

Member Towns
 Non-member Towns with
 Service Agreement
 Towns with American
 Ref-Fuel Service Contract

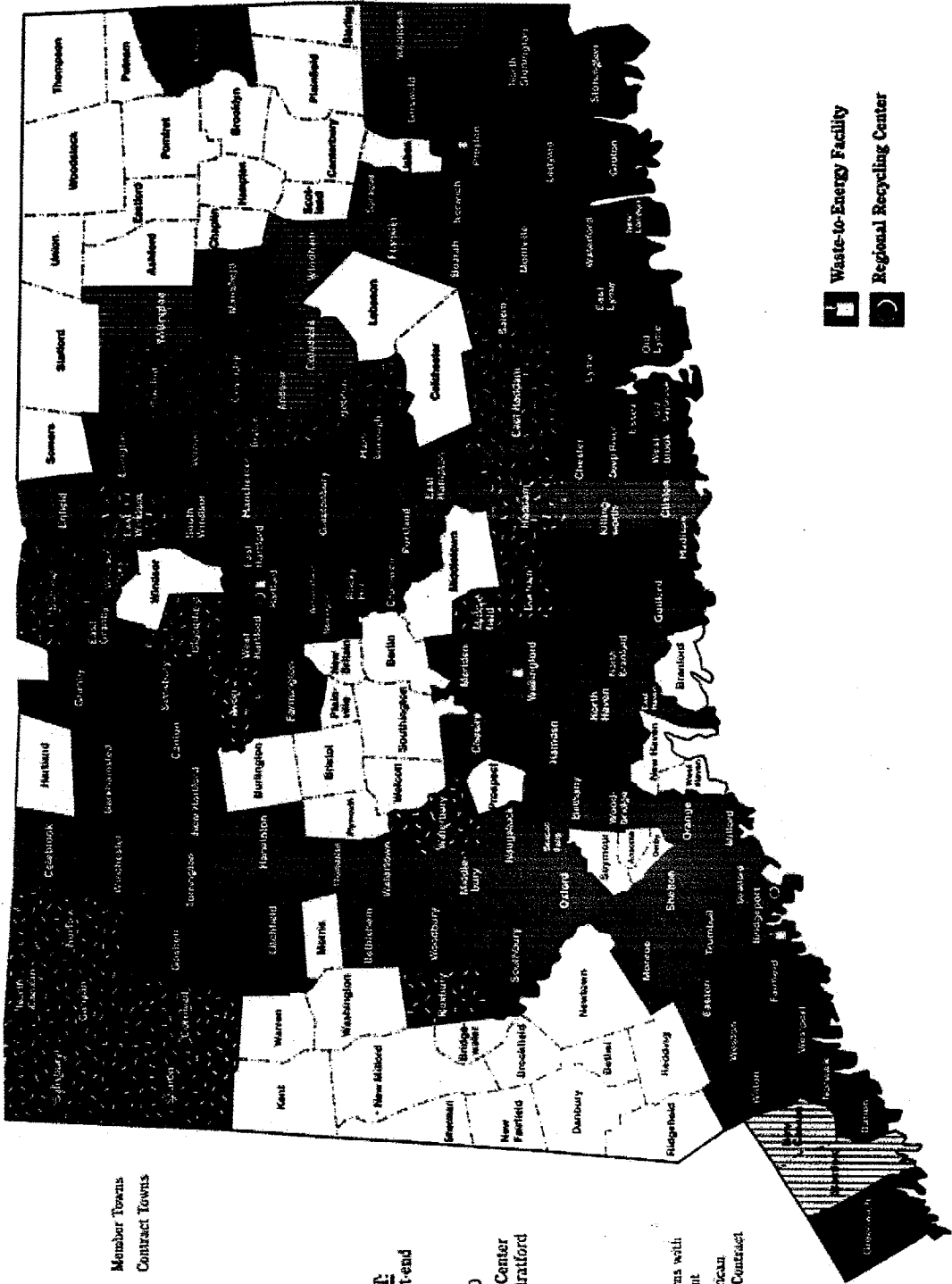
WALLINGFORD PROJECT:

Member Towns

Mass-burn facility

153,300 tons per year

Population served: 198,760



MID-CONNECTICUT PROJECT - GENERAL ADMINISTRATIVE EXPENSES

<u>DESCRIPTION</u>	<u>ADOPTED FY07</u>
Postage & Delivery Fees	\$4,000
Telephone & Pagers	\$20,000
Duplication And Printing	\$5,000
Advertising	\$9,000
Marketing & Public Relations	\$250,000
Office Supplies	\$7,000
Miscellaneous Services	\$5,000
Business Meetings and Travel	\$2,000
Mileage Reimbursement	\$10,000
Building Operations	\$92,000
Grounds Maintenance	\$50,000
Fees/Licenses/Permits	\$1,000
Claims/Losses	\$100,000
Bad Debt Expense	\$10,000
Rental / Lease	\$1,000
Information Technology - Consulting	\$5,000
Legal	\$2,000,000
Financial	\$38,000
Auditor	\$24,000
Insurance, Consulting, Brokerage Serv	\$84,000
Other Consulting Services	\$150,000
Gas	\$9,000
Electricity	\$3,000
Computer Hardware	\$5,000
Computer Software	\$1,000
Contribution to Landfill Devleopment Fund	\$1,400,000
Contribution to Risk Fund	\$3,000,000
Allocation - Salaries	\$2,534,000
Allocation - Overhead	<u>\$2,096,000</u>
Total	\$11,915,000

SOUTHEAST PROJECT - GENERAL ADMINISTRATIVE EXPENSES

<u>DESCRIPTION</u>	<u>ADOPTED FY07</u>
Mileage Reimbursement	\$1,000
Legal	\$40,000
Auditor	\$20,000
Insurance Broker	\$1,000
Local Administration	\$708,500
Allocation - Salaries	\$119,000
Allocation - Overhead	<u>\$97,000</u>
Total	\$986,500

BRIDGEPORT PROJECT – GENERAL ADMINISTRATIVE EXPENSES

DESCRIPTION	ADOPTED FY07
Postage & Delivery Fees	\$2,000
Telephone & Pagers	\$8,000
Copier	\$1,000
Duplication and Printing	\$1,000
Advertising	\$4,000
Office Supplies	\$1,000
Business Meetings and Travel	\$1,000
Mileage Reimbursement	\$5,000
Bad Debt Expense	\$5,000
Legal	\$750,000
Insurance, Consulting and Brokerage Services	\$16,000
Local Administration	\$151,000
Allocation-Salaries	\$580,000
Allocation-Overhead	\$482,000
Total	\$2,007,000

WALLINGFORD PROJECT – GENERAL ADMINISTRATIVE EXPENSES

<u>DESCRIPTION</u>	<u>ADOPTED FY07</u>
Telephone & Pagers	\$500
Advertising	\$1,000
Miscellaneous Services	\$10,000
Business Meetings & Travel	\$500
Mileage Reimbursement	\$1,000
Building Operations	\$5,000
Grounds Maintenance	\$5,000
Bad Debt Expense	\$5,000
Legal	\$125,000
Auditor	\$5,000
Insurance Broker	\$19,000
Other Consulting Services	\$100,000
Electricity	\$4,000
Local Administration	\$50,000
Allocation-Salaries	\$348,000
Allocation-Overhead	\$292,000
Total	\$971,000

GENERAL FUND - ADMINISTRATIVE EXPENSES

<u>EXPENDITURES</u>	<u>ADOPTED FY07</u>
Personnel Services	\$5,993,000
Non-Personnel Services	\$1,670,000
Capital Outlay	\$184,000
Debt Service/Administration	\$244,000
Total Expenditures	\$8,091,000

<u>ALLOCATION</u>	<u>ADOPTED FY07</u>
Mid-Connecticut	\$5,885,000
Bridgeport	\$1,325,000
Wallingford	\$640,000
Southeast	\$216,000
Interest Income	\$25,000
Total Allocations	\$8,091,000

Mid-Connecticut Allocation figures include \$1,084,000 for regional recycling facility and \$171,000 for Jets.
Bridgeport Allocation figures include \$263,000 for regional recycling facility.