

SPECIAL TOWN COUNCIL MEETING

Tuesday, September 19, 1989

7:30 P.M.

Presentation and Discussion of the Municipal Contract
Changes as a result of the Ogden-Martin Contract.

TOWN COUNCIL MEETING

SEPTEMBER 19, 1989

7:30 p.m.

A special meeting of the Wallingford Town Council was held in Council Chambers and called to order at 7:40 p.m. by Chairman Albert Killen. Answering present to the roll called by Town Clerk Kathryn J. Wall were Council Members Bradley, Doherty, Holmes, Papale, Parisi, Solinsky, Zandri and Killen. Also present were Mayor William Dickinson and Adam Mantzaris, Town Attorney.

The Pledge of Allegiance was given to the flag.

Mr. Killen stated this is a special meeting and will be limited to the presentation and discussion of the Municipal Contract Changes as a result of the Ogden Martin Contract. You'll all be given an opportunity to speak, but I ask you to confine yourselves to this one subject matter.

Motion was made by Mrs. Papale to Have a Presentation and Discussion of the Municipal Contract Changes as a Result of the Ogden Martin Contract. Seconded by Mr. Bradley.

Mayor Dickinson stated there will not be a vote tonight. This is just for a discussion and analysis review of what the contract is and the changes in it. In addition, the Host Community Benefits are not contained in any of this. That issue has not been resolved. That is another reason why we don't have anything here for a vote. We want to know exactly what those benefits are before taking a position on the contract.

OVERVIEW AND HISTORY

Phil Hamel stated the towns, including Wallingford, adopted resolutions in late 1981 authorizing the Chief Executive Officers of the municipalities to negotiate with CRRA for provision of waste disposal services. In the early years, some comparisons were done of the various systems available to dispose of waste and it was decided that the best system for this region would be a modular system. New Haven and some surrounding towns had done a nationwide solicitation to find a plant very much like the one we were looking for and a joint determination was made between the towns and CRRA to select one of the two finalists in that competition. That was the VICON (then Citizens Utilities Company) team. Municipal contracts were approved in October 1985 and in November they were signed. Energy contracts with CL&P and American Cyanamid were negotiated and completed. A final VICON contract was signed in 1986 and that was a contract with Wallingford Resource Recovery Associates (WRRRA). At that time that company was owned by VICON. A contract was awarded to Fluor for construction of the facility by WRRRA. Then, of course, everyone knows VICON went bankrupt in 1988. That gave us a great many difficulties in terms of this project.

Phil Hamel stated CRRA did a solicitation of proposals from companies nationwide that operate resource recovery facilities to try to find a replacement operator for VICON. VICON's contract had indicated that they would not only construct the plant but also operate it for 20 years. With the VICON bankruptcy, CRRA

could basically have walked away from the project and defaulted on the contracts. The Industrial Bank of Japan (IBJ) would have been required to take over the plant with it's mortgage. The problem with that would have been that there would have been no service for the five municipalities that were involved. What happened was Ogden was selected as the finalist and was the company offering the most of this project. CRRA negotiated with Ogden and also with IBJ, and as a result of those negotiations Ogden is here this evening. IBJ will be sharing in the extra costs that were incurred during this transition and because of the VICON bankruptcy.

PROJECT STRUCTURE

CRRA Mandate and Role

Bob Wright, Executive Vice President - CRRA, stated CRRA's mandate is to assist the state and municipalities in working out solid waste solutions. Obviously there is a critical problem for towns, not only in this state but in others, to find a means of disposing of their waste. The towns involved in this project are all faced with a critical shortage of landfills. Landfills are generally recognized to be the least environmentally sound means of disposing of waste. These towns and others throughout the state and country have realized this. One important point to put this project in perspective is to take a look at a sister project up in Rutland, Vermont. Up there the town and state confronted the VICON bankruptcy in a very different way—they closed down their plant. None of the towns up there have had service for over a year and many of them are shipping their waste out of state at enormous expense or landfilling it at significant degradation to the ground water surrounding their landfills. The towns in this project are in a very different situation. The lion's share of the work is done at this point. You've got a sound solid waste solution. The most significant issue from this Town's perspective, and I think from the other towns' perspectives, which is remaining and is not on the agenda tonight is the Host Community Benefits. I expect I'll be coming back at some time to talk about that.

Mr. Wright stated the role in this project has been essentially a financing authority. Up to this point, additionally we are going to be charged with overseeing Ogden's efforts in this project and oversees the operation of the landfills that are associated with this project. The towns essentially, to a very large extent, will be out of the solid waste business and CRRA will be overseeing those who are going to remain in the solid waste business.

Wallingford Resource Recovery Associates (WRRRA) Role

Mr. Wright stated WRRRA was essentially a limited partnership that was set up in this Town by VICON as their local operating entity. The only real role it has played and continues to play since the VICON bankruptcy is that it holds a lot of tax benefits. Hence they have the WRRRA and the ownership of WRRRA as valuable because there are tax advantages associated with it. Later when we discuss the equity which Ogden will be putting into the project, that equity will go towards compensating the project for the provision of these tax benefits to Ogden.

Ogden's Role

Sheila Tralins, Director of Implementation - Ogden Projects, stated first I'd like to introduce you to some of the people who are working with Ogden over the next 20 years: Drew Lehman, Manager of Environmental Compliance, John Heiger who will be our Plant Manager at the facility and Walter Tucker who is the Plant Manager at the Bristol facility which has been in operation since 1987. They'll be happy to answer any of your questions later as well.

Ms. Tralins stated we're very happy to have been selected and we think you've made a good choice. We're the leading developer of waste to energy facilities in the United States. The Company was organized as a wholly owned subsidiary in 1984 to use exclusive rights to a German based Martin technology which was used in Europe for over 25 years. There are 125 facilities operating worldwide. This experience in the industry has given us the technical know-how to run plants of different technologies as well, such as the Enercon Technology employed at Wallingford. The Company has been awarded over half of the waste to energy projects on which it has competitively bid and for which awards have been made. In addition, the Company has been selected for 8 projects without any competitive bidding. The Company has 11 projects in operation and 8 more under construction. It has been awarded 6 more for which construction is anticipated to commence in the period 1989-1991. In August the Company went public on the American Stock Exchange when Ogden Corporation, our parent, sold 8% of it's shares to the public. In this brief period of time through September 19, Ogden Projects, Inc. shares have gone from \$14 per share to a high of over \$20 per share. The Company has more large scale municipal solid waste to energy projects in operation or under construction than any other builder/operator of such facilities in the United States.

Ms. Tralins stated let me tell you a little bit about our commitment to the Wallingford project. Ogden Projects of Wallingford (OPW), the subsidiary we have created to run this plant, has contributed \$9.1 million in equity to the Wallingford project for which the Company will receive certain tax benefits. This money serves to benefit you by reducing the costs to the communities. Obviously, if this money were not made available, the municipalities would be required to issue bonds necessary to raise the funds to make up the difference. Currently these monies are in escrow with the Connecticut National Bank which is serving as Escrow Agent pursuant to an Escrow Agreement. The \$9.1 million has been deposited with this Escrow Agent pursuant to the terms of an Escrow Agreement entered into on July 31 among CRRRA, Ogden Projects, WRRRA, IJB and Connecticut National Bank. All parties are currently working towards the satisfaction of all conditions required for breaking escrow. While we're waiting for these conditions to be satisfied to get all of the communities' approvals and certain other conditions, we have entered into an interim operations agreement which was adopted by the CRRRA Board today. This provides for us to take over interim operation of the Wallingford plant effective September 28. We look forward to coming on board and we'll be doing all the things necessary to keep the plant running until we can break that Escrow Agreement and change hats and become the long term operator of the plant. We look forward to working with the communities as long term operator of the facility. We think it is important to be a good neighbor in the communities where we do run plants and we hope to get involved in your community as a responsible corporate citizen.

TECHNOLOGY DESCRIPTION

Mr. Hamel stated the resource recovery plant is designed to burn 420 tons per day of refuse. It's a mass burn plant which means that all refuse is put into the combustion units. It's a cogeneration plant producing both steam and electricity for sale. It serves the five towns of North Haven, Cheshire, Hamden, Meriden and Wallingford. It's located on South Cherry Street in Wallingford. The plant can be expanded by 1/3 to handle 560 tons per day. It operates 7 days per week but only accepts refuse on 6 days, Monday through Saturday. There's a three day storage capacity on the tipping floor and in the pit so that there is enough refuse to burn over weekends when waste is not coming in. As an indication of the amount of energy that is produced by the plant, American Cyanamid will burn 60,000 barrels of oil less per year. Connecticut Light & Power is going to save 50,000 barrels of oil per year because of the energy produced by this plant. The plant has been in operation since last December through startup. Some of the operation was a bit spotty, but the plant has processed an average of some 12,000 tons per month between last December and now. Excess refuse, refuse that couldn't be handled by the plant, has been sent to Bridgeport. Some bypass from Wallingford collectors has been sent to the Wallingford landfill. Because excess waste being delivered to Bridgeport drives up the cost, CRRA and the towns are looking very seriously at finding ways to recycle some of the waste which should be a lower cost than shipping it to Bridgeport. The acceptance tests, as far as I know, have been completed. We are waiting on word from CRRA's consultant as to whether in fact the plant has passed acceptance. The data we have looks very good and it looks like the environmental tests were very successful. In most cases the emissions were far below the standards set by the state. The landfill currently being used is the Wallingford landfill and ash and some bypass waste are being taken to that landfill. At this time that is the only landfill in the system.

MUNICIPAL CONTRACT OVERVIEWTown Responsibilities

Mr. Hamel stated the Town's responsibilities are basically two: provide waste and arrange for the payment of a tip fee for the disposal of that waste. In terms of the provision of waste, Wallingford has committed in the past and is being asked to commit again 23,750 tons per year of waste. For comparison purposes, in the last year that Wallingford operated the landfill we had over 50,000 tons of waste. Some of that is construction and demolition material, but basically the commitment that Wallingford has made was very conservative. If there is a shortfall by the Town, under certain circumstances the Town would have to pay a tip fee for the waste that was not delivered, but only if the entire system did not receive 125,000 tons of waste in a year. If that happens, the difference would be prorated between those towns that were short so that they would have to pay damages to the extent that they contributed to the shortfall. But if anyone in the system provided more waste than they had to, the towns that were short would get credit for that. Now that doesn't really look like a problem, but it is a contract provision. Right now we have more waste coming into the plant than the plant can handle. So I don't see that we're going to be concerned about having a system shortfall. Collection and delivery of waste are municipal responsibilities in that they are not CRRA responsibilities under this contract. It's up to the municipalities to get the

waste to the facility. The municipalities are also responsible for ensuring that acceptable waste gets to the facility, non-processible waste, which includes bulkies and things that cannot be burned at the plant, gets delivered to the landfill and hazardous waste does not get delivered anywhere in the system. Soon, also recyclable waste will not be delivered anywhere in the system once the State law comes into effect that says we cannot deliver recyclable waste. That is the provision of waste responsibility that the municipalities have. The other part which is arranging for payment of the tip fee is tied into the budget process. CRRA, by contract, sets a tip fee 150 days before the end of our fiscal year. In so doing, that works into our budget process. Also, there are contract provisions that if CRRA's costs go up or their revenues go down during the year and there is inadequate cash for them to operate, they could increase the fee during a year. Under the contract there's a Municipal Disposal Fee Stabilization Fund (I call it the Tip Fee Stabilization Fund) set up where we would try to accumulate some funds so that if CRRA runs into a shortfall during the year, they would not have to come back to the municipalities for money during that year but rather would have to add it in somehow into the next year's tip fee. Also, CRRA, under the contract, has a commitment to, if requested by the municipalities, attempt to fund on a short term basis any shortfall that we would run into during the year. The whole process has been designed with the municipal budget process in mind to try to insure that there's going to be one tip fee set per year and that would be the tip fee that remains for the year. That may not always work, but we're hoping that it will work 99% of the time. Another part of the municipal responsibilities is to ensure that private haulers who operate or have a permit or license from a municipality pay for the services that they get. While the private haulers pay directly, the towns are ultimately responsible for anyone delivering waste from their town. There is established again, under this contract, a letter of credit arrangement or security arrangement whereby haulers give to CRRA, before they get a permit, enough money to cover their maximum 90 days during the year. The reason for that is because they could deliver waste for a couple of months before they received a bill. They don't get billed until the end of the first month and by the time that is due it's the end of the second month. So they've already delivered two month's waste. That's why the 90 day security was put in place. Those are the basic town responsibilities.

(Mr. Adams arrive at 8:05 p.m.)

CRRA Responsibility

Mr. Wright stated the fundamental CRRA responsibilities are the commitment to take your waste for 20 years and to dispose of it. When possible the disposal will be at the Wallingford facility. But as Phil mentioned, when that is not possible due to overruns or outages of that facility, we make arrangements to take it away from this facility. We've already started taking some of the waste, under some circumstances, to our Bridgeport facility. We also, under some circumstances, could take the additional waste that could not be processed in Wallingford up to Hartford. One of the advantages to your project is that you're tied into other projects that could also, under some circumstances, provide you service economically rather than say sending it out to Ohio. Additionally, as I mentioned earlier, we are obligated to operate the landfills associated with the project and we have contracted to discharge that obligation with a landfill manager who is currently operating your landfill today.

Moreover, CRRA is charged with the responsibility of enforcing the service contract. That is the contract by which Ogden is bound to this facility. It is important to note, however, through our negotiations and particularly through the diligence of Phil Hamel, the contract also provides a right for the towns, if for some reason you think CRRA is being lax, to enforce that agreement themselves. The additional provision or responsibilities of CRRA in this project have been to provide capital for the original bonding by which this project was financed, and if certain circumstances arise, perhaps to provide additional bonding to make necessary improvements in the future. While we do provide the bonding in these circumstances, it is important to understand that by statute the way CRRA is set up, CRRA does not take the risk--the towns do. This is not a State agency and we are not funded by State tax dollars. However, the bonds that are issued by CRRA are, in certain circumstances, underwritten by the State in the event of such things as State changes of law. That protection adheres to this project and benefits you. If there were a State change of law, to a certain extent, the State would be underwriting this project. Our final responsibility, or final significant responsibility, under these contracts is to provide the towns the system financial data. What this means is quarterly and annually we provide you financial reports so you can see what is going on in the project and why it's costing you what it's costing you.

Changes In Project Risk To Towns

Mr. Hamel stated the next issue is the changes in project risk to the towns. First I'd like to define "Bond Cap" which is in the municipal contract. This is a limitation on CRRA's ability to bond additional monies for various reasons under the contract. When the project was set up, it was set up so they could bond up to \$34 million in additional capital costs for the resource recovery facility without coming back to the towns so long as it was required by certain events. That Bond Cap is a declining amount. It is the principal amount on the original \$34 million that is left outstanding. When the project was developed it was understood and expected that there would be more stringent environmental regulations that would come down over a period of 20 years and there had to be a way to cope with those. So the Bond Cap was basically put in for that type of occurrence. On "Force Majeure" which is an act of God, hurricane, tornado, riot, war, etc. the risk is the same now as it was under the old contract up to that Bond Cap. Generally these events would be covered by insurance. If for some reason they're not and the plant can be fixed within the Bond Cap, then the municipalities are responsible for both increases in operating costs and the capital costs, and again capital costs up to the Bond Cap. That was always the case under this contract. The change is that if a casualty to the project causes or requires a fix that costs more than the Bond Cap, then CRRA and the towns would have to get together. They basically have two options. Let's suppose it happens next year and the Bond Cap is still \$34 million. The cost of fixing the plant is \$44 million. The towns could say okay we'll take the hit on the extra \$10 million. Let's fund it and rebuild the plant and get on with getting rid of our garbage. The other choice would be to terminate the service contract with Ogden. In that case the towns would have to pay debt service on the remainder of the bonds for the rest of the bond term. That would likely be as an add-on to a disposal cost. If the plant were not here anymore because something happened and we couldn't fix it, CRRA is still obligated under the contract to take the waste from the towns. They would take it to the best place they could and there would be a cost for that. In addition to that cost, there would be a cost for debt service on top of that.

The next thing that has to be explained in order to understand the Federal Change of Law Risk is the termination of a letter of credit. Under the prior contracts, the Company was responsible for any additional costs incurred because of non-renewal of a letter of credit. A letter of credit is IBJ's role in this project. What they've done basically is say if these bonds are not paid off for any reasons, we will pay them off. There are also other agreements with other parties where the bank is going to get reimbursed, but the bank has the irrevocable letter of credit for a period of time and if nobody else pays the bonds the bank has to pay them. If those letters of credit expire and are not renewed by IBJ, now the risk falls on the towns. If that happened in the past, the risk would have been born by the Company and the towns would not have been affected. If a letter of credit is not renewed and CRRA cannot find another credit support of equal rating (IBJ is AAA), the bonds would have to be redeemed or purchased. Under those circumstances, the interest rate would increase to the bank rate because IBJ would have to pay off the bonds and then they would hold the loan. The bank rate would be prime or prime +1 as part of a negotiated agreement. If CRRA could find another bank with a AAA rating to take over the letter of credit, everything would be fine and the bonds would just stay where they are. Also, the principal on the bonds could be accelerated where the principal would have to be paid off faster than over the remaining 20 years. If CRRA did find another bank to provide credit support, that bank might take the Federal Change of Law Risk, but that's not too likely. Under the non-renewal circumstances, CRRA should attempt to refinance at a tax exempt rate rather than pay the bond rate using the special Capital Reserve Fund of the State. Bob Wright referred to that earlier when he talked about the towns being protected against the State change of law. That's the mechanism by which they are protected. That would continue to protect the towns from the State change of law as well as from the increased interest and possible accelerated principal payments. If the bonds couldn't be remarketed for some reason, then the towns might choose to continue paying the bank rate as long as the service contract is in effect. If the contracts are terminated for CRRA fault, then the towns would have to pay at the bank rate. There are two letters of credit on \$9 million which expire in 18 months. I don't believe that IBJ is going to renew those, but I'm not certain of that. On the remaining \$41 million the letter of credit expires on December 1996.

Right now the towns in the project have exactly the same risk as they always had under federal change of law. The towns are responsible up to the Bond Cap and then the Company and IBJ are responsible. However, if CRRA has to issue more bonds, and they probably will to cover some of the expenses during this interim period or one of the three letters of credit is not renewed, CRRA may assume the Federal Change of Law Risk such that if the plant cannot be made to comply with new federal requirements within the Bond Cap, the towns would generally have the same options as they would with a Force Majeure. That is basically if it's going to cost more to bring the plant up to the new federal requirement, then the towns could choose to put in that money. If they chose not to, then they might be stuck with the debt service. But only with respect to any new bonds that are issued or those on which the letter of credit has expired. If there is still an outstanding letter of credit, then the towns are not at risk. Also it might be possible in any refinancing situation, or any new financing situation, to avoid the town assumption of risk for Federal Change of Law termination event, by placing the risk on bond holders. The bond attorney says that's possible. The problem with that is it would likely affect both the interest

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rate and the ability to market the bonds. Obviously, if somebody wants to go out and buy bonds and with one bond they have to take a risk, they might well choose another bond where they don't have to take a risk.

PROJECT COSTS

Mr. Hamel stated the towns are contracting for a service and they are contracting with CRRA. The way the costs are determined for the tip fee is that all project costs are estimated, then all project revenues are estimated and subtracted from project costs. The way this project is structured and the way things work in the world, the cost is always greater than the revenue. The difference is divided by the number of tons that will come into the system and that is how the tip fee is determined. There are fixed capital costs. We know what debt service is and we'll know if any additional bonds are issued what that debt service will be. Operating and maintenance is fixed by contract. There is an amount in the contract which Ogden will be paid annually for operating and maintaining this plant. That amount escalates according to a formula based on the CPI. I believe it is 90% of the CPI. There are some other reasons why it could increase. If there are events such as a change in law or a tornado or something which increase costs of operation, those increased costs will be passed through. The costs can't be made up. They have to be reasonable and they have to be documented. An auditor has to be able to look at them and say they're real. Electric revenues are fixed over most of the 20 year period by contract with CL&P. We know how rapidly they escalate, and they do escalate very rapidly. There is a guaranteed production of energy from this plant. The operator has assumed the risk of insuring that a certain amount of energy will be produced. If it's not produced, the operator has to pay for it. We have a pretty good idea what the CRRA costs are. They are administrative, consultant and legal. They've been excessive because of the amount of consulting work that had to be done in terms of this transition and because of the amount of legal work that has to be done. But we have a pretty good idea what those costs will be over the years. There are some pass-throughs in the contract, such as the cost of insurance, and there are landfill costs. Basically those are the costs that get folded in. The tip fee for this year has been set at \$45. The tip fee can be affected by a number of factors such as inflation. The operating and maintenance cost is tied to the CPI. If we have double digit inflation, the operating and maintenance cost is going to go up more rapidly than if we had a low rate of inflation. Oil prices is another factor. The sale of steam to Cyanamid is tied to the price of energy for Cyanamid. If oil prices were to take another large drop, the revenues for this project from the sale of steam would also drop. There are uncontrollable circumstances such as a federal or state change of law, a tornado, a war. Any of those could impact price. Other costs such as the landfill operation or environmental regulations could drive that price up. The cost of monitoring at the landfill has increased by a factor of 5. It's gone up 5 times in one year and we expect it to go up more. So those are some of the variable which can affect the tip fee.

Mr. Wright stated I was here about 6 months ago and the issue of tip fees came up. The question was what are the projections. The first thing we do when we discuss tip fees is state they are always estimates. The key criticism that has been made about this project is several years ago the projections were a lot lower than they are now. That is true. The response to that charge is we're guilty or the project's guilty. The reason for it is you had a bargain basement

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operator. We took a chance, with all the towns wanting us to, to try and get an unusually and incredibly cheap project. At the time it was the right decision. It didn't work out and what you now have is a project with a quality industry leader that is very competitively priced for companies that are solvent and can really do the job that we're hiring them for. At one early meeting the president of Ogden projected that this project would probably be the least expensive in the State of Connecticut. I think he may very well be proved to be right. One of the primary reasons for that is you have a remarkably good energy contract and that energy contract starts paying you great amounts the further you go into this process. In other words, the rise in the rate that CL&P will pay to the project is very dramatic. It goes up quite a lot. The tip fee projections we have now don't differ significantly from the ones we discussed the last time I was here. We're still looking at a \$45 tip fee this year trailing up into the low \$60's over the 20 year period of this project. I think that's not only very competitive with the projections of other projects in the State, it's probably better than most if not all. We do expect to be refining those numbers. The reason we can't give you fixed numbers is we don't have a crystal ball. The primary uncertainty we see now is where things will settle out with Fluor, the contractor who actually ended up building the project. They have raised some claims against us and we've raised some claims against them. We're still sorting things out with IBJ. I can report that things look better now on that front than they did several months ago. But as we found out in our dealings with both Fluor and IBJ, until you actually have a signed agreement and you're holding some of their children for ransom you probably don't have a real deal. So I'm not going to claim that all those costs are now fixed. I can, however, reiterate that our projections are now what they were the last time we met; they start at \$45 and trail up into the low \$60's over the 20 year life of the project.

Mr. Hamel stated the information I've been giving you on project costs, none of that has changed from the prior contract. The one thing that has changed is that the Policy Board and CRRA have agreed to charge special rates for certain categories of waste such as tires. I think you'll understand that because the Town was charging a special rate for tires. Special rates have been established for waste that costs a lot more to dispose of.

SCHEDULE

Mr. Hamel stated under the terms of the Escrow Agreement we are trying to get municipal approvals by October 18.

CLOSING COMMENTS

Mr. Wright stated you have basically solved the biggest problem that this whole development was made to address. When you look at some of the surrounding towns like New Haven and Stratford you see that the tip fee at the New Haven landfill is over \$120 per ton. Stratford is paying approximately \$95 per ton. Regional privately operated landfills, such as the one in New Milford, charge \$65. That price is only guaranteed for 6 months and it's never gone down. The key issue facing you on this contract was and is finding a stable means of disposing of your solid waste. I think that solution is here. You now have a contract which you are being asked to approve with the company that we think may very well be the premiere operator. Your asset, the plant, will be well taken care of.

While we encourage, expect and are happy to answer questions, it seems to me that most of the concerns about the operation of the plant have been addressed. There are still concerns, and I understand they're significant to you and if I was in your shoes they would be significant to me, regarding the compensation to your Town for hosting the project. As those of you who have been involved in that project know, those discussions are on-going. While CRRA hasn't signed up for every proposal you have put forward, we are supporting the notion that your host benefits should be increased. But I'm advised that that's a topic for another evening. Thank you and we're ready for questions.

QUESTION AND ANSWER

Mr. Bradley stated before we get into this I'd like to request one administrative thing and that is all tape recordings of this meeting be held indefinitely.

Mr. Bradley asked is this contract considered the Service Contract?

Mr. Hamel replied no it's not. The Service Contract is the contract between CRRA and Ogden. The changes in this contract have been made to reflect the changes in the Service Contract.

Mr. Bradley asked who makes up the Company and who are the players in it?

Mr. Hamel replied the Company is Wallingford Resource Recovery Associates, LP (Limited Partnership). At one time VICON owned the entire Company through control of the general partners and I'm not sure if there was any limited partner. At this time, Ogden owns the limited partnership and right now a company called Challenge Energy in New York owns the general partnership. When we break escrow on the \$9.1 million, Ogden will become owner of the two companies that are the general partners.

Ms. Tralins replied Ogden is currently a 98% owner and will become 100% owner upon breaking of the escrow.

Mr. Bradley asked what does Challenge Energy do?

Mr. Hamel replied Challenge Energy is basically a paper company that took this project over sometime in 1988 prior to the VICON bankruptcy. Really their only role, in fact I don't think they have a role at the moment. Maybe Bob can address that.

Mr. Wright replied it is just an entity set up to preserve the tax benefits. They don't perform any services or functions. They were essentially set up to do what they do which is own a portion of this to preserve the tax benefits for the prior owner, VICON.

Mr. Bradley asked why was the additional \$9.1 million needed?

Mr. Hamel replied the \$9.1 million is an equity contribution from Ogden which comes into this project for the benefit of the project. Some of it will be used to pay off part of the transition costs and some of it will come directly for

the benefit of the municipalities. The reason Ogden is contributing it is they will receive tax benefits that have been preserved since 1985 in which they still can use under the law.

Mr. Bradley asked who is responsible for that loan?

Ms. Tralins replied it's not a loan it's a contribution from us to you upon breaking of the escrow by becoming a participant in the project and in the community.

Mr. Zandri stated the first question I'd like to ask is how are we planning on reviewing this contract as a Council? I suggest we review it page by page. Before we get started I'd like to ask has anyone in the Town Attorney's office reviewed this document?

Adam Mantzaris replied yes I have.

Mr. Zandri asked as you read through this document, is there anything that you would advise us on prior to us going through it, that you see any problems with?

Attorney Mantzaris replied I really can't say. The major risk that I see in this contract or project is the Federal Change of Law Risk. After letters of credit expire if they are not renewed and if there's no possibility to refinance, that risk is that the five towns would have to continue paying the debt service which was estimated at one of the meetings at about \$35 per ton presently. Although it wouldn't be presently because now we have a letter of credit under which the bank would pay if the Federal Change of Law Risk came about, but after 7 years and if there is no refinancing, the towns would have to pay the debt service and not have the trash disposal service because the plant, of course, would not be operating. So they would have to pay the debt service and also provide for getting rid of their garbage. Although it seems unlikely, that is the biggest problem I see in this agreement. I don't see it as a problem, I see it as a major risk or the largest risk in the contract. Outside of that there are no other areas that I can specifically point to and say these are problems and the Town should not entertain approving this contract.

Mr. Zandri asked on that particular topic of risk, would you then make a recommendation that that portion of the contract be changed more favorable to the Town?

Attorney Mantzaris replied I could make the recommendation I suppose, but I see no practical possibility that it could be changed. No company is going to put up a \$50 million plant (I know Phil mentioned the Bond Cap being \$34 million but the project has spent around \$50 million) and expect that if the federal law changes to make that plant inoperable, that they would just say well that's too bad we'll have to pay for it. I know under the original agreement that's what VICON undertook to do, but practically speaking from a business point of view today, I don't know if that's going to be possible to effect that change. It certainly would be in the Town's interest to have that change, but I don't see that that's a practical or realistic possibility.

Mr. Zandri stated I tend to agree with you as far as a company not wanting to take that responsibility and as a Councilman I feel the same way as far as putting the Town into a position to take that responsibility as well. That's one of the major stumbling blocks that I see in this contract right off the bat. I just wanted to make my position clear on that.

Mr. Killen stated the Town Attorney's position would have to be on the legality of it. Whether we want to take a risk or not is up to us. He's limited as to whether it's legal or not. Whether he advised us to take it or not would have no bearing whatsoever. We have to put our best foot forward.

Mr. Wright stated the issue is the issue of federal change of law which, in this project in particular, has received very close scrutiny. I can say on behalf of CRRA that the Federal Change of Law Risk posture for these towns is superior. It's better than any other project in the State of Connecticut. The reason it's better is because in all other projects the towns take the Federal Change of Law Risk after the project is accepted. In this project for at least the first 7 year's, the lion's share of the risk under these contracts is going to rest on the Company and IBJ. Incidentally, in the Company and IBJ's contracts it rests primarily with IBJ. Moreover, I can state that we are unfamiliar with any contract nationwide where that risk is allocated as favorably to the towns. Now Ogden's experience with these contracts and with contracts across the country is broader than mine. Perhaps Sheila can advise as to whether I'm wrong on this, but I do think the Federal Change of Law Risk is uniquely favorable to these towns even though it's not entirely shifted from them.

Ms. Tralins stated I agree.

Mr. Bradley asked has Tom Myers the Comptroller reviewed this from the financial aspect as far as bonds, bond caps, letters of credit, renewals?

Mayor Dickinson replied to my knowledge he hasn't review this contract.

Mr. Bradley asked do you think he should?

Mayor Dickinson replied he could advise us and we have been advised there would be a footnote on a financial page that we would have an exposure in the event of certain circumstances as far as payment of bonds. But I don't think the Comptroller would be saying we should or shouldn't do it. He can say that is an indebtedness that would be mentioned on any financial page. If the question to him is would this be of interest to those who purchase securities or something that Wall Street would want to know about, then yes I would assume that would be the case. By the same token, they would be concerned if we had no plans to take away the garbage or deal with the refuse. They're going to worry about anything that affects the Town's fiscal situation and certainly this does. But if you're looking for the Comptroller to say we couldn't sell any more bonds if this were on a financial page, I don't know because I can't answer for him. But we can certainly get that answer. But no he hasn't gone through all of this contract.

Mr. Bradley stated I would appreciate it if he would review it and offer any comments.

Mr. Holmes stated Phil spoke before that CRRA had passed along some pretty high costs to the project which were attributed to the increase in consulting fees and things of that nature. What provisions in the contract will assure us that these costs will be kept down? That CRRA will use their best efforts to minimize their costs rather than continuing to submit such high bills to the project.

Mr. Hamel replied first of all let me say that I don't believe that any of the costs incurred were unnecessary. In order to get from where we were when VICON went bankrupt to where we are today with new contracts requires lawyers, consultants, engineering consultants to go over technical portions of documents. I was not implying that any cost was squandered. In terms of specific protection, I'm not familiar with any in this contract. Basically whatever the costs are according to this contract, we pay. I'm not familiar with any specific protection in the contract.

Mr. Holmes asked but what controls their costs? So, what you're saying is CRRA in effect controls it's own costs.

Mr. Hamel replied yes.

Mr. Holmes asked wasn't there language proposed originally to limit that?

Mr. Hamel replied there has been language proposed to limit it, but it was not included in this draft.

Mr. Holmes asked at who's request?

Mr. Hamel replied CRRA's.

Mr. Holmes asked why?

Mr. Wright replied CRRA is in a very similar position to people who run municipal governments. Just as I don't think any of you could take personal responsibility if you had cost overruns, nor would any town officials willingly expose themselves to liability from people who could claim that you wasted my tax money. We're in the same position. We are an entity that receives tax monies from the State. We can't take a risk. There cannot be a gap in our costs that is not filled. If there is an opportunity for someone to say that was a cost that was too much and we want to sue CRRA and not pay it, if you won then there would be a gap. There would be a sum of money which could not be paid. And we have no means of acquiring funds to pay that. On the other hand, if the allegation or implication is that we can just go around and run up costs willy-nilly, we are governed exclusively and entirely by a board which is comprised of state officials and legislators. There is a local member from Wallingford on that board and, as I found out for approximately 6 hours today, they go over what we do very carefully. Additionally, our costs and financial projections are reviewed by your Policy Board and we consult with them before setting the coming year tip fees and setting our coming year expenses. While I think what Phil said is true that this year's costs have been unusually high, I think that is entirely a reflection of the fact that you had an extremely significant workout. You had a project that the primary obligor went bankrupt.

There are a wide range of contracts which had to be renegotiated and we had to find a new operator. Very complex arrangements. I understand that the costs for this year have been high, but I would vigorously dispute and argue with anyone who claimed they were excessive.

Mr. Holmes asked if you decided to hire outside consultants to provide a service, who's authority do you need to get that, your own or the Policy Board's?

Mr. Wright replied it would depend on the circumstances, the consultant, and for what purpose. I can say that we've made a regular practice of conferring with the Policy Board on all major decisions whether we were contractually obligated to or not. On the other hand, let me give you one example where that would not be the case that we have looked at just today. One town has called us and said that if the Wallingford Host Community Benefit is raised by one penny they won't vote for it. We may very well at CRRA be in the position of having to sign an agreement by which we increase the Wallingford Host Community Benefit without that town's approval. They certainly are not going to like it, in fact they have advised us they will pull out of the project, but I think that's an empty threat. But under a circumstance like that we would have the authority, and I think the obligation, to go forward with that contract irrespective. I think you're ultimate protection is the ultimate protection that electors in any town have against their public officials. You are going to have to throw the bums out. The Governor appoints many people to the board and there are other people who appoint various other members to our board and they call the shots. If there is a significant problem with the way our organization is managed, I think the recourse is to the people who nominate our board and appoint them.

Mr. Holmes stated I'd still like to see some language put in to that effect that they have to use their best efforts to minimize the costs.

Mr. Wright replied it's funny I go through this long soliloquy where I basically say forget it. We are looking at a way we can do it consistent with our legislative limitations. We're actually limited. We can't enter into contracts unless our council can say this is a self-sustaining project, there aren't gaps in the financing. But I do think this is an important issue for you all and we are trying to come up with something that will satisfy you and satisfy our lawyers. I'm hopeful I can report back to you. I think what will probably happen though is that this contract will have to go as is and perhaps we can enter into a side letter with some language which I hope will make you more comfortable. I can't guarantee it, but I can tell you that we're not just dodging your question. We are looking at it seriously. Personally, I'm not offended at saying we'll make best efforts to be reasonable. It seems small enough to me. We'll have it checked out and if we can do it we will provide you with that sort of assurance.

Mr. Holmes asked what is Ogden Martin's exposure in this project? It seems that the exposure exclusively falls on the towns themselves to come up with any shortfalls and things of that nature. It seems to me to be just a win-win situation for Ogden Martin with no exposure whatsoever.

Ms. Tralins replied I would be less than forthright if I didn't say that we certainly are in the business to make a profit. However, we do have significant exposure to the extent that, for instance, we provide something that no other company that I'm aware of in the industry provides and that is a parent guarantee. This assures high levels of performance in a number of areas under the Service Contract. For instance, we have to meet environmental guarantees, we have to meet energy guarantees and we have to process a certain level of garbage on a regular basis. Your lawyers were very tough and they have made these guarantees very high. If we don't meet them, we have to pay significant levels of damages as a result. That can subject us to a good deal of liability here.

Mr. Holmes asked but if you do incur those liabilities, won't that become part of your costs which will in fact be passed along to the towns through an increase in tip fees?

Ms. Tralins replied no those are not pass-through costs. Those come out of our pocket. There are designated pass-throughs in the Service Contract. They are specified and they are limited. We cannot pass-through any costs that we incur while running the contract. There is a very narrow range of costs that are subject to pass-through.

Mr. Holmes stated there's some in Section 6.06 and one of them is insufficient energy revenues caused by deflation of energy values where some other event or circumstance excusing performance by Cyanamid or CL&P under their agreements with the Company to purchase energy produced by the facility. I'm taking that as if the bottom fell out of the oil market once again, we would be subjected to increased costs from our end to make up that difference. Is that correct?

Ms. Tralins replied the fact of the matter is it has been the Company's position that if we provide or produce the energy as promised under the contract to reach the levels that we have guaranteed, and something under which we have no control decreases the value of the energy that is produced, that is not a risk that we should be made to take.

Mr. Wright stated let me follow up on that to dispel the notion that you're necessarily going to have a big risk if the bottom falls out of the oil market. The risk that Ogden has is they're going to take in garbage, burn it and make a certain amount of energy. That energy is steam. It's not very different than heating a tea kettle. You're going to burn the garbage, it heats up water and makes steam. The steam can either be sold to Cyanamid for its purposes or the steam can spin a turbine which will make electricity which we sell to CL&P. I mentioned earlier that you had an outstanding agreement which was negotiated long before I got to CRRA for the sale of electricity to CL&P. One of the outstanding features of that is were the bottom to fall out of the oil market such that the sale of steam to Cyanamid were not as profitable as it was originally envisioned to be, we can under certain contractual provisions shift toward making more electricity and selling more electricity to CL&P. CL&P doesn't get out of it's obligations under those sorts of circumstances and as I mentioned earlier the price that they are committed contractually to pay for your electricity is extremely generous. What would happen is Ogden would actually be committed toward producing that steam and what we would do is

endeavor to switch the sales provisions from Cyanamid over to CL&P so that you would be protected. I'm not saying that under absolutely all circumstances you're protected, but it is pretty solid and we do have provisions by which we can get out of that situation and protect you.

Mr. Holmes stated you had mentioned that we seem to enjoy some very favorable contract language in regard to the change in federal law requirements. Could you elaborate on how we seem to be faring so well when it seems we could be stuck with debt service on a plant that's not working and also the disposal costs for waste.

Mr. Wright replied what essentially happened in this project is that the first time around, largely due to efforts of some of you, the contract that was negotiated with the original vendor, VICON, was more or less unheard of. The protection's there where VICON always takes the Federal Change Of Law Risk. I think what happened is that certain of the towns thought well that's probably just the normal way. That wasn't normal at all. That was remarkable. In fact I think it reflected VICON's economic condition. When you don't have anything, you don't have anything to lose. So sure we'll give you a guarantee; I mean I could give you my personal guarantee on that it, just wouldn't be any good. The fact of the matter is that for financially responsible companies, like for instance an Ogden, they never take that risk. We had another deal which we negotiated with Ogden in which the Federal Change of Law Risk runs like this: prior to the plant going into service Ogden takes the Federal Change of Law Risk. That is to say while they're constructing it if some federal change of law says no more of these plants shut it down, it's their risk and they swallow it. But once that plant is accepted the risk is shouldered entirely by the towns. That is the case, and some of them aren't even that favorable, for all other projects in the State. I'm pretty well certain that's the case in Bristol that post-acceptance the Federal Change of Law Risk is the towns not Ogden's. The situation you've got here is during the early years of this project the lion's share of that risk is shouldered by the Company and by IBJ. I don't think it takes a major scholar in regulatory law to say that the real risk of these things closing down is in the early years. For the first 7 years of the operation of this project, if EPA comes to a revelation that they're going to shut all these plants down, the lion's share of the risk is born by the Company and IBJ, not you. In all other cases of which we are aware, from the point of acceptance forward that risk rests entirely with the towns. In your case for the first 7 years, the lion's share of that risk is not born by the towns, it's born by the Company and IBJ.

Mr. Solinsky asked where does the Stabilization Fund money stay?

Mr. Hamel replied there is no money in it now. We expect to use some of the \$9 million and put it into that fund. That fund would be administered by CRRRA. They would invest it and all the interest earnings on it would go back into the fund. The maximum amount of that fund and the minimum would be controlled by the Policy Board.

Mr. Solinsky asked would that money be used solely for this project?

Mr. Hamel replied yes that money would be used solely for this project.

Mr. Solinsky asked could you explain how the tip fee changes or rises?

Mr. Hamel replied under some circumstances if there were a deflation in the value of oil or natural gas, because Cyanamid's price is pegged to the energy they're buying and they're buying both, the value of the steam would go down. But it could rise according to inflation. It could rise according to some catastrophic circumstance. I don't want to wish it on it, but let's say Ogden went bankrupt. Something that is unexpected and unforeseen and there's no way to provide for it in a contract could increase the costs. It could be a flood, a hurricane, a war, a riot. Inflation will increase the costs. How much I don't know because you have to also then look at the offset in terms of the rise in the electricity price and how much electricity you're selling. But all of these things can affect the tip fee. Environmental law can certainly affect the tip fee. If the federal government says that in order to keep our air clean or whatever we've got to install some expensive gadget, then that's what we're going to have to do. That will be included in the price of disposing of refuse. So there are any number of scenarios.

Mr. Solinsky stated that's all ways that we have no control over. In the contract there is a formula for how the tip fee can rise.

Mr. Hamel stated it's the cost of operation, less revenues and you get a differential. There's an amount of money left that's now paid by project revenues and those revenues include energy revenues and certain investment revenues. Any revenue for this project goes on the revenue side. Now the differential is then divided by the number of tons coming into the system and that's how your tip fee is determined.

Mr. Solinsky asked regarding the cost of operation, does CRRA put some of the cost of their staff onto this project as a cost of operation?

Mr. Hamel replied yes.

Mr. Solinsky asked how is that figured in?

Mr. Hamel stated I think Bob should explain that. I'm not sure how they keep their records, but it's allocated according to the number of hours they put in.

Mr. Wright stated we actually keep time sheets much as a private attorney would and we allocate our time on a minute by minute basis on which project staff is working for. You can expect that on a regular basis that people who are permanently stationed at the Wallingford facility, their salaries and benefits will be billed to this project. Additionally, when you have a special circumstance like the one right now where you have someone else allocated to the project, the salary and the benefits associated with the expenditure of time are charged to the project. I've been working on the project for approximately half of my time for the last year. That's how it's done. It's done on an hour or minute by minute recordkeeping basis and the allocation is direct.

Mr. Solinsky asked what is the amount for this contract year that CRRA estimated that their costs would be?

Mr. Wright asked for fiscal year 1989-1990?

Mr. Solinsky replied yes.

Mr. Wright stated I don't have that figure in front of me, but I can get that and supply it to you though.

Mr. Solinsky stated now the tip fee has risen in the past year 3 or 4 times. It started at \$16 when we had the landfill and then it went to \$29?

Mr. Hamel replied if I remember correctly I think it was \$27.50 the first time. Then it went to \$41 and then \$45.

Mr. Solinsky asked so now it's at \$45 for this next contract year?

Mr. Hamel replied right. It began July 1 at \$45. We began a new fiscal year, it was established at \$45 and that's what it has remained at and I believe that's what it will remain at.

Mr. Solinsky asked so it doesn't look like the tip fee will rise for this next year?

Mr. Hamel replied I have no expectation that it will unless Bob has some.

Mr. Wright replied for the current fiscal year which started on July 1 through June we expect no additional increase. I expect there will be an increase come next June, but we don't expect it to be as high as the last one. We wouldn't expect it to be \$4, but again there are no guarantees. What I would say to you though is one of the things we're looking at, that is probably fairly far afield from our discussion here and is only in the idea stages, is in order to give an incentive to people to recycle, we were considering perhaps a differential rate for materials which can be and which cannot be recycled in order to give people a proper incentive to try and start recycling materials. As soon as we are able to start offering recycling services, if in fact the Policy Board requests that we do so, we would seek to implement something like that. What would probably happen would be we would just charge less for people who wanted to deliver recyclables and not have them burned but have them recycled. Other than that we're not expecting a rise in this year's tip fee.

Mr. Solinsky asked you expect the tip fee to rise \$4 in June?

Mr. Wright replied I think what I actually said, and I'm sure I went out further on a limb than my Board would like me to, our current projections when we were talking about the projected tip fees earlier are that it wouldn't go quite that much. But again we have not finally settled the litigation with Fluor, we haven't finally settled with IBJ and the amounts of money on the table in those negotiations is significant. So you really can't make any promises I guess.

Mr. Solinsky asked so what you're saying is before this contract is signed the tip fee could rise in this contract starting in October?

Mr. Wright replied no, we think we are on a financially sound basis for the current fiscal year. We were talking about the fiscal year starting next July 1. There will be a rise there. Even if we were to get very unfavorable settlements with Fluor and IBJ, we would try to pursue other avenues rather than

coming back to you for a tip fee rise during the current year again. And let's make sure we get this on tape, nothing is ever certain. There are contingencies in this contract for nuclear war and everything else. Something crazy could happen, but there's nothing within our contemplation.

Mr. Solinsky stated the point I'm getting at is in New Haven it's \$90 or \$100 or more and in other towns it's more so, \$45 looks good right now. But are you being realistic. You say there's going to be a rise in July of \$4. So if the contract runs from October to October that's almost half a year of \$4 a rise. Should this be \$47 or \$48?

Mr. Killen stated the contracts run from July 1 to the end of June.

Mr. Wright stated the tip fee we published of \$45, and I think we advised you all of this last March, is to be in effect from July 1, 1989 through June 30, 1990. So we're not contemplating a rise in October or any other time during the year. As I mentioned, we may try to come back with a differential tip fee scheme but that will be in order to encourage recycling, not ladling additional costs on you.

Mr. Solinsky stated but the cost of operations is a very vague area and CRRA can add up a lot of costs to that.

Mr. Wright stated I understand what your saying. We're an audited entity. A big accounting firm takes a look at our books every year and one of the matters they investigate are our project funds and our means of allocating our costs. You only get charged for the time that's spent on your project. And unless the board is considering giving me a million dollar raise, which has never been suggested, I don't think that our administrative costs would be significant enough under any envisionable scenario to cause the need for an immediate rise in the tip fee. Again, if Ogden were to go bankrupt next week, and they're a \$70 million company and there's no indication that they would, but if something crazy were to happen and we were to go through this process again starting now, sure there would be additional costs but we're doing everything we can to keep the tip fee stable. We don't like the jumps around any more than you do.

Mr. Solinsky asked who pays for the other four towns to haul their bulky waste to another site? Will CRRA dispose of their bulky waste?

Mr. Wright replied yes I think we've obligated to.

Mr. Solinsky asked where would you place that bulky waste?

Mr. Wright replied I'll defer to Phil who can give you the contractual provision for this.

Mr. Hamel stated right now the other towns are sending their bulky waste to private bulky waste landfills because of a prohibition on the use of the Wallingford landfill. My understanding is that it is CRRA's intent to dispose of that waste at the Wallingford landfill once it's available to them and that would be after acceptance. There is limited space there and CRRA has been looking into some way of either volume reduction or of doing some recycling of bulky wastes. But at the moment the only place that would be available to them to dispose of the bulkies would be the Wallingford landfill.

Mr. Solinsky asked so at the moment the other towns are sending their bulky waste to another site?

Mr. Hamel replied yes because CRRA does not have access to the Wallingford site for other towns until after acceptance.

Mr. Solinsky asked so after acceptance other towns' bulky waste would be going into our landfill?

Mr. Hamel replied that is correct.

Mr. Parisi asked on Page 1-10 in Paragraph (k), we all know the plant has been running. Has it been generating any steam and electricity?

Mr. Hamel replied yes it has.

Mr. Parisi asked has it been sold?

Mr. Hamel replied yes it has been sold.

Mr. Parisi asked where has that money been going to?

Mr. Hamel replied I'm not sure that it's all been billed, but according to this contract all revenues from this project are project revenues and they all come back to this project.

Mr. Parisi stated also by this contract they should be billed every 30 days. Am I correct?

Mr. Hamel replied perhaps under the terms of the agreements, but because we have not yet officially reached acceptance there is a question on the billing rates for CL&P because their rate changes after acceptance. It goes to the higher rate after acceptance. Prior to acceptance they only pay in avoided costs.

Mr. Parisi stated but that's all prior agreements. The point is that it should be billed and there should be an income. Would that income go into the Stabilization account?

Mr. Hamel replied that money would be used, I believe, to defray current expenses. The way the tip fee is derived is that all revenues are subtracted from all expenditures and then the towns pay the difference. Those revenues are counted in against project costs from day one.

Mr. Parisi stated Tom Solinsky referred to that Stabilization account and you said you thought some of the \$9.1 million would be put in there. How does that fund replenish itself? Do you just keep putting money in as someone takes it out?

Mr. Hamel replied there are a number of ways. One of the ways is the way we suggested that from the equity contribution, which is a cash contribution by Ogden, some of that money would be used to defray the costs of the transition and some money would be put in the fund. All tips fees are estimates. It's like a town budget. If there's any surplus at the end of a year, that money would automatically go into the tip fee Stabilization Fund.

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Mr. Parisi stated but also in here it says that if there was money left over at the end of the year and that all the expenses were deemed less than something or other then the money would be redistributed back to the towns.

Mr. Hamel stated the Policy Board sets a maximum on the tip fee Stabilization Fund. Say they say it's going to have a million dollars in it and it's got a million. What happens then is that any excess over a million is built in to next year's revenue against the tip fee so that everybody's tip fee is reduced by the amount of excess. The other source of money for the Tip Fee Stabilization Fund is the State Tip Fee Grant Program. The State set up a grant program to encourage towns to go into resource recovery.

Mr. Parisi stated if they do.

Mr. Hamel replied to the best of my knowledge there is money appropriated for that first year Tip Fee Grant. Legislation says there is money for the second year as well. I don't think there will be enough money for that, but there should be enough money for the first year.

Mr. Parisi stated it's interesting because your estimates are \$45 now and \$65 in 20 years. I understand those are estimates and it's like an average of \$1 a year in the tip fee which would be wonderful if it could stay that way. But quite frankly I doubt that very much sitting here right now.

Mr. Wright stated let me respond to that. In our review I was trying to think of the big risks and I listed the big risks that are currently facing us. The big risk that I think is down the line and may cause this project some additional costs is the life of your landfill isn't forever, it's for several years. Thereafter the project is going to have to find a home to dispose of its ash. There was state legislation passed this year to provide for the siting of additional ash dumps, but that's going to be an additional cost. On the other hand, as I also mentioned earlier, this project has a very favorable energy rate. It goes up so dramatically in the out years of the contract that the huge increases that other projects will face will be at least in part offset by the fact that your energy sales go up so dramatically.

Mr. Parisi stated on Page 4-19, Paragraph (f) tells me that the towns have the right to stipulate what roads will in fact be used to approach the disposal plant. This, quite frankly Mr. Hamel, doesn't agree with what you told me at a meeting several months ago when you said that there was no control. I'm a little confused because this appears to be original language.

Mr. Hamel replied I may not have made myself clear in speaking to you. What I think I said was that the Town on it's own can't control it and the only provision was a contract provision.

Mr. Parisi stated but this existed in the contract. I wasn't told that and I don't understand why.

Mr. Hamel replied if I didn't communicate with you I apologize. I thought I had but perhaps I didn't. The Town Council, at your request, did pass a resolution and that resolution has been passed on to CRRA.

Mr. Parisi stated it was passed as a recommendation by this Council. I can see the new language on the following page.

Mr. Hamel replied that's the enforcement part of it.

Mr. Parisi stated but it was not made clear that night and I found that a little upsetting as I read through the contract.

Mr. Hamel replied again if I didn't communicate properly I apologize.

Mrs. Papale stated in the beginning of this meeting I think it was brought about by Councilman Zandri that maybe we should go page by page. It seems we've covered a little bit already. I think it's time now that if we're going to do it that way we should start. I do have one question though. I realize we are not here tonight to vote on the contract. This is just a presentation and discussion. But if any of the Councilmen do have recommendations, how would we go about that. Do we just give you our recommendations? Do we vote on the recommendations tonight, not on the contract just on a recommendation?

Mr. Killen stated well the recommendation would be to change the contract and that would call for a vote. We're going to have to put the recommendations all together and meet again to take a vote on it. So any recommendations can be put forth here and they'll show up in our minutes. We'll have to meet again on this thing because it is not on the agenda for a vote this evening. There's no way you can vote to adopt any of the recommendations this evening.

Mr. Zandri asked wouldn't we have to come to a consensus on a recommendation put forward by anybody from the Council?

Mr. Killen replied when the time comes that we're prepared to vote on this someone will have to make a motion that such and such section be amended by changing the words to read so and so. It will have to be seconded and voted on.

Mr. Zandri stated what's the point unless we can come to a consensus as we go along on the recommendations. How are they going to go and work with our recommendations at that point. I mean we can all come up with 5 different recommendations on the same paragraph of this contract.

Mr. Killen replied that's part of the problem with negotiations and is one of the reasons we're having such a great time with our Host Community Benefits because of the fact that everyone has different ideas on it. How do you melt it all down. That's why the name of the game most of the time is to have a negotiator negotiate for you and not have everybody and his brother get into the act, but I can understand where everyone's coming from.

Mr. Zandri stated when it comes time to vote on this contract, I don't think at that point in time you're going to be able to say I'm going to accept this contract with these recommendations or modifications. There's going to be a contract put in front of you and you're going to say yes or no to it. You can present these recommendations to them now and it's up to them to go back, look at our recommendations and come up with a contract if they agree or don't agree with our recommendations. At that point we would either accept it or reject it.

Mr. Killen stated I'm faced with the same quandary you are Geno. In fact I asked that question during our recess; what's going to happen if what we're doing tonight is repeated in the other four communities and everyone comes up with a myriad of suggestions. How are we ever going to reach one conclusion? I don't know the answer to that.

Mr. Zandri asked is this contract between CRRA and the Town of Wallingford?

Mr. Hamel replied it is between CRRA and the Town of Wallingford, however, there is a requirement in this project that all contracts be the same.

Mr. Zandri stated good luck.

Mr. Hamel stated if I could just interject, if the Council is going to make formal recommendations I personally would very much appreciate it if we could get those before the Council considers whether they want to approve this contract. Because at that point it's going to be so late that we won't have time to bring any of those recommendations to the other towns. So if you choose to make formal recommendations by vote, I would appreciate it if you could do it at a meeting in the very near future.

Mr. Killen stated that is what I figured we would get to this evening to see how much of a change there seemed to be. If it's such that we're going to need 2, 3 or 4 meetings, then I will call the next one for the first possible day which might be Thursday or Friday. I realize time is of the essence, but I have no idea until this Council decides which way they want to go.

Mrs. Papale stated let's say I had a recommendation and no one agreed with my recommendation. Would that go to them or would it have to be a majority vote?

Mr. Killen replied this Council is going to have to put forward by the vote as recommended by the Charter. Five votes would have to carry it on each and every recommendation. I don't know how many different recommendations we're going to make. But if you want to start from the beginning, and again I'm going to ask for an 11:00 curfew on this because I've been through this thing all afternoon to review it and after awhile you get punchy and after that time if anyone can make sense out of it, they're really kidding themselves I believe.

Page 1-3

Mr. Parisi asked who is OPW Associates?

Ms. Tralins replied it's the subsidiary that we have created, Ogden Projects of Wallingford, Inc. to run the facility.

Mr. Parisi asked why would you have a subsidiary?

Ms. Tralins replied it's just the format of how we operate our facilities so that everything is separated between each of the projects. It's the corporate format we use for running the different plants. We have separate subsidiaries created that are solely responsible for the operations of that particular facility and the officers.

Mr. Parisi asked are they in fact by corporate law divorced from the main organization?

Ms. Tralins replied no. They are a wholly owned subsidiary of Ogden Projects, Inc.

Mr. Wright replied this is a common way of setting up project. In fact the group we had in here before did this as well. Bridgeport is set up this way and other projects that we're aware of are set up this way. What happens when you have it broken down in this fashion is the operations of Ogden Projects of Wallingford don't affect the operations of Oregon or something. The key though when you see a subsidiary set up is you say well how is that subsidiary capitalized. Are you setting up a little tiny company so that they won't have enough capital in order to meet their obligations? The way we protected against that is that the guarantee is backed up by the parent company so that for the things we really need when we need the financial muscle behind it, that financial muscle, in accordance with our arrangements, is provided by the parent company and as a result we're not concerned when they . . .

Mr. Parisi asked it isn't the set up where companies set up satellites or what have you to cloud legal recourse?

Mr. Wright replied no, we took very careful review of that. We spent a lot of time on that.

Mr. Bradley stated on Paragraph F in three different places it mentions three different contracts, one in 1985, second one in 1985 and one in 1986. Is there a reason why the actual dates are left off?

Mr. Hamel replied it's just a research question. Somebody has to just go back and look at the covers of those and see what the actual dates were. In putting this together people just didn't do it yet that's all.

Mr. Bradley asked have those contracts been finalized?

Mr. Hamel replied that's the Municipal Contract and the First and Second Amendments. They are in place so it's just a question of filling in the dates.

Mr. Holmes stated in this contract it refers to a number of exhibits which I don't believe are appended to this particular contract.

Mr. Hamel replied the exhibits referred to generally here are exhibits to the Service Contract.

Mr. Holmes asked would those exhibits be of help to us?

Mr. Hamel replied if you have questions I can answer the questions. The exhibits are going to be very thick and I'm not sure you want to go through them. It includes things like technical specifications to the contract and stuff like that. But we can make them available to you.

Mr. Wright stated if you want them we'll get them for you.

Page 1-5

Mr. Zandri stated on Paragraph (e) this paragraph basically wants to commit all acceptable solid waste generated within the community be delivered to this project. My recommendation would be that that paragraph be deleted.

Mr. Killen asked do you have reasons for that Geno so we all know where you're coming from please?

Mr. Zandri stated I just feel first of all that everybody's trash belongs to the individual that has that trash and if somewhere down the road let's say 5 years from now there's a cheaper and better way to get rid of it, I don't see why we should be committing the residents of this Town to a 20 year project.

Mr. Hamel replied in order to go out and build a plant that costs \$50 million you need to have a supply of refuse to make sure the plant is going to continue operating. That's the whole basis for the put or pay guarantee on the part of the municipality. Without customers, CRRRA could not go out and fund one of these projects. So from CRRRA's standpoint and from a legal standpoint from their perspective I think it's required.

Mr. Wright replied we can't finance the project for you if you can't commit to sending a certain amount of your waste to the project. If you want to say that even if we don't send you the waste, we'll still pay our allocated portion of the debt service I suppose we can live with that. The situation you're basically in is not entirely different from building a school. I don't think you have too many contractors who will build you a school and, if you find a cheaper way of educating your kids three year's down the line, swallow the remaining debt service on the school. Neither will we.

Mr. Bradley asked I thought I heard on several occasions, and correct me if I'm wrong, that number one the Authority does have the right in the contract to make up any shortfall in the tonnage being delivered to the plant?

Mr. Wright replied I think you're bringing up a good point and we should elaborate further on that. If you were to default on your obligation to continue delivering waste to the project, our first recourse isn't going to be to nail the Town of Wallingford to the wall. Our first recourse is going to be to go and try and get waste from some other town or some other source to defray your obligation. But ultimately the security for that obligation is going to have to be the Town's.

Mr. Bradley stated I believe it was also represented on another occasion that if a municipality was to even drop out of the project through the renegotiation of this contract, that there are several towns in line to pick up the slack.

Mr. Wright replied if you vote not to accept this contract, I am very comfortable with the representation that before the close of that minute in which you vote not to go forward with this there will be people expressing interest to us. In fact we have had expressions of interest from several communities already who have heard that some towns may be thinking of dropping out. So yes if you decided not to go forward with the contract now, we can give you that assurance. We'll be able to get somebody else in. If you decide to

default on your obligation and just stop delivering garbage 7 years from now, my crystal ball is no better than anyone else's. I don't know what the situation will be, however, we will commit to try and find somebody else to provide garbage before seeking to impose penalties on you.

Mr. Bradley asked so you're more concerned with the long range outlook than the short term?

Mr. Wright replied sure. If the Town of Wallingford decides it wants to get out of this project, I'm very confident that we'll be able to get someone else to step up to those obligations.

Mr. Killen stated I'm not here to engage in debate, but whoever's going to make recommendations please keep track of them. One of the problems we've had in the past was the fact that we're being told we're allowing other communities to bring garbage into the Town and burn it, but at least we were in companionship with them. If we're going to follow this, it seems like the other communities are going to be burning it here and we gain nothing from it one way or the other. So that's one of the things you might want to keep in mind if we do away with this. That's just my own thought on this and I'm open to rebuttal.

Mr. Zandri asked Adam could you explain Paragraph (g) to me on Page 1-5?

Attorney Mantzaris replied what do you mean explain Geno? This section I think is our representations to represent that we are authorized to enter into a long term contract. We will pay the fees and we pledge our full faith and credit, which means our taxing power, to see that those fees are paid.

Mr. Zandri asked so what you're saying is "full faith and credit of the municipality for the payment of such fees and charges" that's everything associated with this contract?

Attorney Mantzaris replied all of Wallingford's obligations, yes. We will tax if necessary to see that they're paid.

Mr. Parisi asked can we get a copy of the Service Contract?

Mr. Hamel replied we can get them for everyone if you want them.

Page 1-9

Mr. Killen stated under Paragraph (j) it says facility operation shall include a processing of at least a specified amount of acceptable solid waste and production of at least a specified amount of steam and electricity. Why the terms "specified" instead of the specifics?

Mr. Hamel replied you would have to ask the lawyers who wrote this. I don't know. The specific amount of waste is 125,000 tons per year. The energy is defined in one of the exhibits to the Service Contract, which is Exhibit B. There's a trade off between steam and energy, but basically I think it's 48 million kilowatt-hours per year for electricity or an equivalent amount of steam and electricity.

Mr. Killen stated what I'm getting at is these figures are available just as you said the dates are available to someone putting this together. Why can't they put them together for our perusal? We're being asked to act on this as a bunch of laymen and "specified" means a heck of a lot. Specified by whom, where and when?

Mr. Hamel replied I'm not sure there's a legal reason for putting it in here and the representations. I just don't know. I think it would be difficult to specify the amount of energy because of the complex formula.

Mr. Killen stated then don't use the term "specified".

Mr. Hamel stated I think the reason it's "specified" is because it's in an exhibit to the contract.

Mr. Killen asked then where does it appear? Everything hinges on something else that we don't know that we're party to. If I put a blank check in front of you and you sign it Phil, I'd accept your resignation right after that. You'd be a damn fool. You've already been asked for the Service Contract because people have problems with that. Here's an opportunity for someone to put a figure in here.

Mr. Hamel replied we'll have the Service Contract for you by the end of the week.

Mr. Killen stated I know, but it won't change "specified". I'm going to be asked to vote on this particular thing.

Mr. Wright stated I understand what you're saying Mr. Chairman and it is confusing. What happens here is that many portions, if not most portions of the Service Contract, are made reference to in this contract. While I wasn't one of the attorneys drafting it, my assumption is that rather than just attach a copy of the Service Contract to this contract, or just repeat every provision of the Service Contract within this contract, they chose that as a means of notation to save them work. However, that doesn't relieve you of your obligation to protect the citizens of Wallingford. I think in order to give you the ability to do that we ought to get you copies of the Service Contract posthaste and we'll do so.

Mr. Killen stated thank you Bob.

Mayor Dickinson asked is it possible for us to fill in or provide that figure that is specified? Is there a figure?

Mr. Hamel replied the problem with that is that under certain conditions those numbers could change. That may be the reason why it was specified "as specified in the Service Contract." For instance, if a fourth unit were ever built on here, the amount of waste and the amount of energy would change. There are some circumstances under which the amount of waste and or energy produced might be diminished by some amount. So to put a specific amount in here might not work over the long run.

Page 1-8

Mr. Solinsky asked on Page 1-8, Paragraph (i) does Company mean WRRRA?

Mr. Hamel replied yes and that's defined.

Page 1-9

Mr. Solinsky stated on Page 1-9 on the last part of Paragraph (i) it says "certain other borrowings". What would those be?

Mr. Hamel replied I think "certain other borrowings" probably means any other borrowings done by the Authority. There's also a provision that says if we get into a Force Majeure event like a hurricane . . .

Mr. Solinsky stated these are borrowings already taken place. It says "was financed".

Mr. Hamel replied the initial bonds are defined as \$34 million. In fact, the Authority has issued something in the neighborhood of \$50 million for this project. The reason for the initial bond definition is that that was the limit on the Bond Cap, the \$34 million. Because they mention initial bonds as a defined term, in order to get in all the indebtedness of the Authority for this project, they had to say "and certain other borrowings".

Mr. Bradley stated I have a question on the change in language on the actual acceptance date versus effective date in Paragraph (j) on Page 1-9. I know the definition for effective date says it means the date of execution and delivery of the Service Contract. That has already been executed right?

Mr. Hamel replied no. The Service Contract will not be executed until the breaking of the escrow which is expected to be in November. And this contract, although it may be signed prior to that, will not become effective until the Service Contract is executed.

Mr. Bradley asked the plant's been operating for how long now?

Mr. Hamel replied since last December.

Mr. Bradley stated so we're coming up on a year almost that the plant has been operating. I also notice that it's in here to maintain the facility for a period of at least 20 years. Shouldn't that be downward adjusted by one year?

Mr. Hamel replied I don't believe so because the Ogden Service Contract will be the same term, 20 years.

Mr. Bradley stated let me step back then to actual acceptance date. What was actual acceptance date?

Mr. Hamel replied that has not been determined yet because actual acceptance . .

Mr. Bradley stated no. Actual acceptance date was changed to effective date so I'm assuming actual acceptance date was in the old contract and actual acceptance date had some meaning. What was the meaning of that?

Mr. Hamel replied the definition should be in here. The actual acceptance date was the date on which the plant was deemed to be accepted.

Mr. Wright replied my recollection is that the actual acceptance date in the contract was designated to be the day after the appropriate acceptance tests were completed. So you had a situation where the tests would get completed, it would take several months to complete the evaluation and to receive and evaluate the test data. So you would have a situation where the builder finished everything he had to do, but we didn't know whether we were going to accept the plant until several months thereafter. The situation we're going to end up in here is one where the contractor will have completed all of the tests a while back and Ogden won't be coming in until a period that may be after that. So whereas it was appropriate under the old circumstance, when you were going to have VICON just continuing to operate it, to have them responsible under the Service Contract from the acceptance date, Ogden may not even have been operating the facility from that date. Ogden's obligations are going to start on the day that Ogden signs up as opposed to the old situation where VICON was going to provide the startup and then just continue operating. That was the reason for the change from actual acceptance date to the effective date.

Mr. Parisi stated on the 7th line from the bottom of Page 1-9, it says waste shall include an amount equal to debt service and then repayment of advances made by the company pursuant to Article 13 of the Service Contract. Now am I to understand that the Company is the Town of Wallingford?

Mr. Holmes replied the Company is WRRRA.

Mr. Hamel replied the Company is Wallingford Resource Recovery Associated, LP.

Mr. Parisi asked who's that?

Mr. Holmes stated WRRRA was an entity created during the time of VICON. WRRRA is technically still in existence, correct?

Mr. Hamel replied right.

Mr. Holmes stated which will be consumed by Ogden. So in effect you could substitute Ogden for WRRRA?

Mr. Hamel replied yes, or the Company.

Mr. Parisi asked so they have made advances on . . .

Mr. Hamel replied no. Under certain circumstances if CRRA is unable to finance, and I started before to explain this, if there's a hurricane or tornado and it's not entirely covered by insurance and there is a cost for it, and CRRA is not able to come up with the money, the Company may advance funds in which case they will have to be repaid in order to fix the plant and get it running again.

Mr. Parisi stated so in other words this would be answered by the Service Contract? The answer to that question would be in the Service Contract?

Mr. Hamel replied yes you would have to read Article 13.

Page 1-10

Mr. Zandri stated on the last paragraph I'd like to make a recommendation that the tonnage requirement there be reduced. The reason for that is with recycling coming in we'd be fighting ourselves by committing ourselves to the amount of tonnage that's in this contract. I feel that if the State is saying we have a crisis and they're the ones that are recommending these plants be put up all over the place, they should be responsible to make sure that there's enough trash to operate these facilities and not put that burden of responsibility on the towns.

Mr. Killen asked do you have a specific figure in mind Geno to reduce it to?

Mr. Zandri replied well I would recommend it be as low as possible.

Mr. Hamel stated if I may comment on that. I believe it is as low as possible. The entire business deal for this project has always been based on the figure of 125,000 tons. Now in fact we are receiving substantially more than that today. And we expect that it will be reduced some by recycling, but at the same time that we get recycling going there is likely to be additional growth in the waste stream. So we're not at all certain that even after recycling we won't have this plant totally filled up. Wallingford's commitment is 23,750 tons. If Wallingford didn't want to commit that much, they could take a look at that and then CRRA would have to look and see how they would respond. But given the amount of waste that we've generated in this Town, I think that's a fairly conservative commitment. That's less than half of the waste we have generated when we ran the scales.

Mr. Zandri replied if that's the position you're going to take, then you shouldn't have any worries at all to reducing the tonnage requirement. If you're getting twice that amount over there now, you shouldn't have any problems cutting it in half.

Mr. Hamel stated the problem is that while CRRA may be very confident they're going to have adequate waste, I'm not sure that the bond holders would be and I'm not sure that Ogden would be. They need a contractual commitment for a certain amount of waste.

Mr. Zandri stated all my comment is that instead of the towns obligating themselves let the State obligate themselves. Again that's my recommendation.

Mr. Bradley stated Phil you said this 125,000 did take into consideration recycling?

Mr. Hamel replied to the best of my knowledge it does. Again, the Town of Wallingford's commitment, and I can't speak for the other towns except that I know the other towns are in relatively the same position, is less than half the waste it received over it's scales when it was operating the landfill.

Mr. Bradley asked do we know what that tonnage is, the estimate as far as recycling? What that number is?

Mr. Hamel replied well if you assume 25%, I expect that we'll still be providing some 30,000 tons minimum to CRRRA. Again, we can do a better analysis of that if you'd like. But from what we see today it appears that we're not going to have any problems with it in terms of meeting our 23,000 tons.

Mr. Wright stated let me hop in here for a second. As Phil mentioned the last time that Wallingford ran the scales for it's own dump, you got in over 50,000 tons and you're committed to provide 23,000 tons. Theoretically if you were able to achieve 50% recycling, you could still meet your obligation. I think that Councilman Zandri's point is very sharp. You're very quick and I do think that what you're saying is hey if we're getting so much waste in here now, what's the problem with the State stepping up to take that risk. If I were in your shoes I probably would have said, or at least hope I'd be smart enough to say, the same thing. The problem that actually falls out of that is a little more. Well I think this is how it would work. The bond holders have to be protected. A mortgage has been taken out and it has to be paid off. It's paid off in two ways. One by the energy revenues that are produced at the plant, the sales of steam and electricity. The other way is through tip fees. In order to ensure that effectively the mortgage payment or debt service is paid, what you do is find out the expenses for the year and they are X. Say half of X is paid for by the energy revenues. The other half of X has to be paid for by the tip fees. So what you do is figure out the number of tons that are committed and you divide that number into the remaining expenses. There would be fewer tons guaranteeing the payment of the debt service and for that reason the tipping fee would actually rise. It's a very good point. I think that under the contracts though that it would actually have probably an effect that you Council people wouldn't want.

Mr. Bradley stated that's a concern I have that initially 125,000 tons may seem fine, but I'm going to look seven years down the road like you did on my previous question. Maybe we might get a lot better at recycling.

Mr. Wright replied as a matter of fact we're hopeful that we'll get as much recycling as we can. Again though, what we've got is a huge project and, like any significant capital undertaking of the Town, you can't say well we'll pay for it as long as we need it and once we figure out we don't need it the guy who built it can swallow the payments from there. Let's say that everybody's having great success recycling. There's still going to be towns that have to dispose of some portion of their waste. What we'll do is endeavor to bring in another town to shoulder that portion of the burden and in fact I think we'd be obligated to try and search out another source of the waste. We would like to encourage the Town to recycle as much as we can because we think it's the right thing to do. But your point is well taken. The unfortunate fact is that it's a large capital project and the bonds do have to get paid.

Mr. Holmes asked to pick up on this a little bit further, you said that what Wallingford was putting into it's landfill was in the neighborhood of 50,000 tons per year?

Mr. Hamel replied yes a little over that.

Mr. Holmes asked how much of that was acceptable waste that could go into the incinerator?

Mr. Hamel replied we don't have a specific number on that. But I'd say it was probably in the neighborhood of 80%, 70%-80%.

Mr. Holmes asked 70%-80% was acceptable?

Mr. Hamel replied right.

Mr. Holmes stated just to elaborate a little further, even though we had a lot of tonnage going in, not all of it was acceptable to the incinerator. If you compound that by recycling, do you still feel that we'll have enough waste generated to meet our commitment?

Mr. Hamel replied yes and again I think that you have to also assume, as there has been in the past, that there will be some growth in terms of waste generation. It is, I suppose, possible in the future that the federal government could pass packaging regulations and people could get so conscious of waste generation that the Town might not make it. Again, it's like anything else. There's no absolute guarantee. But given what we know today, it appears that the Town would have an adequate supply of waste even with recycling.

Mr. Holmes asked how much acceptable waste is going into the incinerator now from Wallingford? Do we have those figures?

Mr. Hamel replied I don't have them now, but we can get them for you.

Mr. Holmes asked and into the landfill?

Mr. Hamel replied it's going both places and we can get numbers from both places to find out how much there is.

Mr. Holmes stated if you could get those figures to us before we execute these agreements I'd appreciate it.

Mr. Wright replied sure.

Mr. Parisi asked are we entitled to know what the financial figures are for the generation of steam and electricity that were produced in the last 8 or 9 months, or is that private information?

Mr. Hamel replied that's public information, but I'm not sure that I have it.

Mr. Wright replied we can get you the amount of the electricity that was produced and the amount of steam that was produced, and get you a couple of financial scenarios for how much revenue that produced. The reason I can't give you the exact figure of how much revenue was produced is because, as Phil stated, once the plant is deemed actually accepted the amount we get paid for electricity goes up. Since that call hasn't yet been made by the consulting engineer, we don't know. What I'd like to do is to get you the amount of electricity, the amount of steam we produce, and the minimum amount of revenue that could be associated with that just so we can have the most conservative possible figure.

Mr. Parisi stated that's fair enough.

Page 2-3

Mr. Bradley stated Phil on the definition of Applicable Law, I don't see that in the summary that was prepared by you in Article 2 - Definitions? I don't see that pointed out in your summary. Could you give me a little explanation on what that means?

Mr. Hamel replied what it means is just what common sense would say it means. It means the law that applies at the time. It just means the law that applies at any given point in time.

Mr. Bradley asked during the duration of this contract?

Mr. Hamel replied yes. Probably the reason I didn't use it in the Summary is because, in terms of including it in the definitions, I'm not sure that I've used this term any where in the Summary. Or I thought it would be understood by just the terminology.

Mr. Bradley stated well you deal with a lot of things in there, required testing of the facility or the performance of any obligations. I don't know what you're referring to as far as required testing of the facility. Is this just the one time test or the on-going testing that relates to applicable law?

Mr. Hamel replied it can mean any testing that's why it says from time to time. Any required testing of the plant. Whatever the law is then that is current is the law that applies to the testing that may be required at that time.

Mr. Wright replied what that means is that not only the tests that are in place today, but also any tests in the future. If they're required at the time, we're going to have to do them. The concept is one that you take the applicable law at a particular time. If we were to say for instance that Ogden's obligations were frozen today, they would only have to do tests that are required today. Six years down the line they may have a much more thorough going regimen which they require. The applicable law at the time will require much more additional greatly augmented tests. Ogden has been smart to say that we're going to have to pay them more if they have to do more. But essentially the term is as Phil explained, you pick any particular time the laws may be different. The concept of applicable law means that any one particular time or place that the laws are in effect at that time or place are the applicable laws.

Mr. Killen asked any further questions? Section 2 should not require too many questions because 2 is really self-explanatory or is intended to be self-explanatory.

Mr. Bradley replied well I guess we can make that comment and anyone around here can make that comment.

Mr. Killen stated I'm just saying it should be. But I'm asking if anyone has questions on any other parts of 2 because of that reason, otherwise we should be able to go beyond that, but we can always come back to it.

Page 2-4

Mayor Dickinson stated I have a question on Bond Cap. The last section (3) states in the event the Authority cannot issue indebtedness and the Company advances funds the bond cap would include an amount equal to that amount of Authority indebtedness that would have resulted. I'm not quite sure how that operates.

Mr. Hamel replied the reason for that is in all cases we try to measure debt service against a tax exempt bond issue. If the Company issued debt, their debt would be at a higher rate. What we would do would be then to look at how much principal could we have paid if we were paying that amount on a tax exempt issue. It works to the towns favor. Let me give you a specific example. There's a capital project that costs \$1,000 and because the company issued or advanced the funds, the debt service on that is \$150. Whereas if we had done it through tax exempt financing, the debt service would have been \$100. What we would do would be to look at it as though the principal amount were \$150,000 rather than \$100,000 because we're paying a higher debt service. So that when we apply it against the bond cap we'd be applying a higher amount because of higher interest costs. That's basically the way that was designed to work. We're not penalized because the Authority is unable to issue bonds or because the Company has to make an advancement in terms of our bond cap measurement

Mayor Dickinson stated I'm just confused by its stating that an amount equal to that amount of Authority indebtedness that would have resulted. That doesn't reduce it, from the \$150 to \$100?

Mr. Hamel replied but you have to continue further. It states if such indebtedness had or could have been issued in annual debt service payments equivalent to those debt service payments required to repay the advances made by the Company. The way the principal amount is measured is according to the large amount as though the Authority had issued the debt.

Mayor Dickinson stated I can look at it. I don't want to delay a lot of time on it.

Mr. Bradley stated I just want to say something on definitions and correct me if I'm wrong. I know one of you is an attorney and you guys deal with this every day. My interpretation of the definitions are extremely important and set the tone of the contract. I think something the Mayor brings up is a very valid point here and I don't think definitions should be taken lightly.

Mr. Killen replied I don't think anyone's taking them lightly Ed. My remark earlier wasn't directed at you. It's just as I said referring to the entire Section 2, it's intent was definitions. The problem with a definition normally would be you get a synonym for something and you know where you're going. This is written in legal terms and it isn't that simple. I concur with you on that.

Mr. Bradley stated again I'd like to have Tom Myers review the Bond Resolution or definition in it's entirety.

Vincent Avallone interrupted and asked if the Council would have any objections to members of the audience asking questions after each section of the contract. Maybe the questions from one or two of us in the audience might assist this Council. I apologize for interrupting.

Mr. Killen replied there is no need to apologize Vinny. My problem has been that I can't decide who the one or two are going to be all the time. If one or two can raise a question, then every one can and time seems to be of the essence. That's why I'm trying to get this Council through with it because we have to accept it by a deadline. As far as I'm concerned I'll stay here 24 hours a day until this is completed.

Mr. Avallone stated that's one of the questions, why is there a deadline?

Mr. Killen stated I'll defer to my fellow Council members.

Mr. Solinsky replied yes if they go by the sections as we go by them and they are questions and not statements.

Mr. Bradley stated I would concur with that.

Mr. Killen stated you're limited to questions and you are not permitted to debate, only to the extent that you don't understand something.

Ron Gregory stated Mr. Chairman I just want to remind you that the last time a Council went through contracts they were done in a hurry and the people were not given input. Later the people were told where were you when we signed this. So we're here tonight and we're willing to ask questions.

Mr. Killen stated Ron you're making a statement please.

Mr. Gregory stated okay. I know you failed to recognize me earlier and I'd like the record to note that.

Page 2-15

Mr. Gregory asked on Page 2-15 under Force Majeure, can someone explain to me why under acts of God we suddenly have the failure of private utilities to service the trash plant? It's in other places in the contract too. There seems to be a major concern about utilities, whether water or CL&P or whatever, servicing the trash plant. Is there some fear here that we should be aware of?

Mr. Hamel replied I think this point came out in negotiations between CRRA and Ogden and it was an Ogden request. Basically what Ogden is saying is that if they are unable to operate, through no fault of their own because the utility does not provide proper service, they can't be held accountable for that. That's why that was added in as part of the negotiating process.

Mr. Gregory asked then who does become accountable, the towns? There are provisions in this contract that say the Town now is responsible for certain risks including this Force Majeure and I'm just worried why utilities is suddenly an act of God and why the Town of Wallingford should be responsible for a problem in that regard.

Mr. Hamel replied well basically under the contract the towns have always born the Force Majeure risk. This is an expansion of that risk, but it's a risk that the Company is unwilling to take because they have no control over the utilities.

Mr. Wright stated I think part of the concern was who are providing the utilities here. The ones we're talking about are the Wallingford Electric Company's provision of electric service and the water service which is also provided by the Town.

Mr. Gregory asked so if in fact Wallingford has a drought and if in fact it is true that 250,000 gallons of water are going to that trash plant a day for ash and steam, enough to serve 760 homes in this Town, and the water is shut off, then all of the towns in this project are going to be responsible for any losses that Ogden suffers? There's something that's an act of God concerning us. There's a drought. We should we assume the liability.

Mr. Hamel replied the contractual obligations don't require that the towns pay for any losses that Ogden suffers. What they require is that the towns continue to pay a service fee to Ogden. In the case of a Force Majeure, Ogden has a responsibility to reduce it's expenses, if it can, and to almost mitigate against any effects. We're not talking about damages here we're talking about just paying Ogden for it's costs of maintaining staff and what have you.

Mr. Gregory stated so am I to understand that under the new contract, because it wasn't in the old contract, the people in the respective municipalities are now going to pay in case there is a drought beyond their control. Ogden doesn't assume that risk, but we now assume the risk of paying it. Is that true? This is another risk, and by the way it is not mentioned in any of your summaries, not one. It appears several times in this contract so it must be important. Is it that important?

Mr. Hamel replied I'm not sure I see it as a terribly significant risk in view of some of the other risks that we're talking about.

Mr. Gregory asked could you take it out then?

Ms. Tralins replied clearly in a situation like this it is neither your fault or our fault. It is our position that the community is in a better position to take this risk given the situation of most Force Majeure events where there may be a money fix or some other fix which can be achieved through the community. And they are the ones that have the power to raise the funds to solve the problem. Certainly Ogden would be in a position to mitigate any of the harmful effects that occur from a Force Majeure and to cooperate with the community in any way it could to overcome the particular problem that was besetting the plant. However, these risks which are totally beyond our control are not those that we ever take.

Mr. Gregory stated no but I guess the towns are expected to take under the new contract.

Page 2-17

Mr. Gregory stated on Page 2-17 there's a blank "Minimum Tonnage means _____". You mean when this contract was drafted you didn't know what the minimum tonnage was expected to be?

Mr. Hamel replied it's just another blank that wasn't filled in. That's the 23,750 tons per year. We know what the amount is, it just was not put in here.

Mr. Gregory stated I'm just mentioning that because if the Council gives authorization to accept the contract with blanks in it, it's a little bit risky.

Page 2-19

Mr. Gregory stated on Page 2-19 on Outstanding Indebtedness, all of this is new and later on in the contract the towns are responsible for certain outstanding indebtedness because of federal or state changes of law and everything else. It says something about plus all amounts then owed to the credit institution by the Company under the reimbursement agreement, etc. Can someone explain what Outstanding Indebtedness means here in lay terms? Does this have anything to do with any loans that are going back and forth here or anything? What are we talking about? It's important because later on the town assumes the risk. Can CRRA borrow money?

Mr. Hamel replied CRRA can borrow money under the terms of this contract if it needs to. The reason for putting in outstanding indebtedness, I believe, is that there has to be a distinction made between certain kinds of bonds. And there is also I think a term debt service in here, but I'd have to go back and check it. The bond attorney put this in in order to make a distinction later on in the contract. I'd have to go back and research it. I know I looked at it and understood it when I looked at it, but right now I'd be hard pressed to find it. What I can do though is try to get an answer for you.

Mr. Wright replied your original question was what is outstanding indebtedness and it means the outstanding bonds on the project as well as LOC fees. There are other costs as well, but in a nutshell that's the lion's share of it.

Mr. Gregory replied I don't know if I'm satisfied with that, but you people have to be satisfied.

Page 2-21

Mr. Gregory stated later in the contract CRRA or Ogden or whoever can reject recyclable materials. It says recyclable materials means any item of solid waste which is required by any provision of any Recycling Act to be separated from solid waste, etc. Do we have such an act in existence now that's effective now? Does this mean federal as well as state? It says any act.

Mr. Hamel replied Recycling Act is capitalized and you have to go and then look at the definition of Recycling Act. It means any applicable law so it does mean any law or judgment.

Mr. Gregory stated if I might just suggest that the Council be aware of this definition later when the contract says that CRRA can reject Recyclable Materials and you don't really know what they are. In 20 years the definition could change and you could end up with everything being recycled or nothing being recycled. You should be aware of that.

Page 2-23

Mr. Gregory stated on Page 2-23 on State change of law, one of the major changes in this contract is that the towns are going to assume a certain risk because of State change of law and federal change of law. Prior in these definitions you took out change of law or something. Why is there a new definition for State change of law and why is it so extensive compared to what we had before? The first 6 lines are the same and then you go into all kinds of language and it goes on for pages. There's got to be a reason why CRRA felt it was so important to include this very important definition for which we are assuming a risk.

Mr. Hamel replied there are two reasons for the change. One is that there now must be a distinction between federal change of law and State change of law. The reason is that if there is what is now defined in here a change of State law, which is basically a State change of law perhaps a little narrower than defined here, then the State is responsible for paying off the bonds and not the towns. That's not the condition under the federal change of law. Before when the Company was responsible for paying off the bonds, then it didn't matter. If there was a change of law the towns were not impacted by it. The reason the definitions have been modified is because they have been changed to conform to the definition in the Service Contract which was changed through negotiations. It makes sense in some cases to have the definitions conform and that's why they were changed here.

Page 2-26

Mr. Gregory asked can you explain to me why on Page 2-26 they came up with a figure of \$27,400 for something that materially adversely affects this project?

Mr. Hamel replied yes I can. As a matter of fact that started back in 1985 in negotiations with VICON and that number then was \$25,000. Because all escalation in the current Service Contract is January 1, 1989, the \$25,000 was escalated and brought up to date and that's how it arrived at \$27,400.

Mr. Gregory stated there is a \$25,000 still remaining later in this contract, maybe it's a clerical error.

Mr. Hamel replied that may be. I'd appreciate it if you'd point it out to us.

Mr. Gregory stated it's somewhere near the end I think.

Pages 2-26 - 2-29

Mr. Gregory stated system costs are very important because that's what we're going to be basing our tipping fee on. Beginning on Page 2-26 we have the definition of system costs and then it goes over to Page 2-29 and number 19 says

all other costs and expenses which have been or will be incurred by the Authority under this agreement (in it's present amended and restated form, etc.). What does this mean?

Mr. Hamel replied what it means is all other costs which have been incurred by the system. Basically that's the representation that has been made. The tip fee is a reflection of all system costs and system costs mean costs that have been incurred by the Authority in order to provide service to these 5 municipalities. So any costs which they incur become part of system costs.

Mr. Gregory stated its fairly vague. I would suggest that the Council study what a system cost is because our tipping fees for the next 20 years is going to depend on these definitions and they have added some parts to this definition. Any time they've underlined something they've added it and I'm sure they've added it for a very good reason. We don't always know what that very good reason is. I think that finishes me for Section 2.

Page 2-19

Mr. Bradley stated I'd like to go back to Page 2-19. I don't know if the question was asked under outstanding indebtedness. The credit institution you said was IBJ. And the Company?

Mr. Wright replied no the Company is not part of the credit institution.

Mr. Bradley stated no I'm asking who is the Company? In this case it would be Ogden?

Mr. Hamel replied the Company is Ogden.

Mr. Wright replied Ogden Projects of Wallingford.

Mr. Bradley stated at some time IBJ did loan \$6 million to VICON, I believe it was during the bankruptcy.

Mr. Hamel replied yes.

Mr. Bradley stated Ron picked up on it and I believe it's further on into the contract, it sounds like we may be incurring some of that indebtedness.

Mr. Wright replied no.

Mr. Bradley asked can you explain why?

Mr. Wright replied essentially IBJ is going to end up swallowing approximately \$3.5 million to \$4 million of its debt. They are going to be receiving at the escrow break \$2.5 million from the Ogden payment and that is going to take care of the loans they made.

Mr. Bradley asked how much was that again on the escrow?

Mr. Wright replied \$2.5 million.

Mr. Bradley stated so that will cover the \$6 million.

Mr. Wright replied they have to take a write-off for the rest.

Page 4-1

Mr. Zandri stated on Page 4-1, for the same reasons I stated before, I believe Paragraphs (a) and (b) should be deleted. This is again committing all the trash to this project.

Mr. Bradley stated on Paragraph (b) I believe the title is misworded. "The" should be removed.

Page 4-3

Mr. Gregory stated Page 4-3, Paragraph (4) is the section that says the Authority has the right to reject any of the following items including recyclable materials, for which the definition is very vague in the Definitions, and any truckloads that have 50% of recyclable materials also. I think a lot of the references to recycling materials are cause for concern and they may be jumping the gun by putting them in.

Page 4-4

Mr. Gregory asked on Page 4-4 beginning with, "The Authority may agree with Company to exclude materials," if you read that whole paragraph I think there could be a lot more power given to the Policy Board than what CRRA is giving you in that contract language.

Mr. Wright stated can we go back to the comment which was that the definition of Recyclable Materials was vague. I think if you turn back to Page 2-21 it is fairly clear. It says it's any item under the solid waste under any provision of any recycling act which requires us to separate out those materials. All the real obligation is that if we're proscribed from burning something and we're required to recycle it, that we recycle it. I don't know how we could reword that without requiring us to break the law. CRRA wants to recycle what it can and it especially wants to recycle what it's obligated to. That does not go to your latest point though Ron and I didn't mean to cut you off. Your last point was the Policy Board should have gotten more power.

Mr. Gregory replied yes on Page 4-4. That's something someone would have to look at on the Council and hammer out some more language.

Mr. Hamel replied the reason for this particular mechanism was that if the Authority and it's consultants and the Company agree that an item ought to come out of the waste stream because it will cause air quality violations or ash violations, the prudent course is to take it out first and argue about it later. We're talking about the environment and if there's agreement between their consultants then we ought to take it out. And then if it's not right we'll let it go back in. So I think the intent of this was to protect the environment. I disagree with you because it takes awhile to set up a Policy Board meeting and get everybody there and then maybe not everybody's going to agree with it the

first meeting because they don't have all the data. In the meantime the environment can be suffering. So I think the mechanism is right. I disagree with you on that.

Mr. Gregory asked isn't the word "practicable" rather loose? I think it could be tightened up. I don't see why notice can't be given immediately to the Police Board at least.

Mr. Parisi stated you say that you would violate the quality of the air or whatever, but then further down if the Policy Board does not agree to the exclusion, the exclusion shall terminate promptly following disapproval by the Policy Board which means you would start burning again.

Mr. Hamel replied you have to follow that language; disapproval by the Policy Board of the exclusion if the Authority does not choose to arbitrate the issue. If they do, then it's the conclusion of arbitration. If the Authority felt we would violate air quality standards and the Company felt it, we would wind up going to arbitration. If the towns convinced the arbitrator that they were wrong, then they would have to burn it if their consultants prevailed in that arbitration.

Mr. Parisi stated it doesn't sound as though it's going to serve any real purpose, if in fact at the end of the line we can make you burn it. What purpose does it solve?

Mr. Wright replied what it serves is this. The Authority, and I'm sure Ogden as well, don't want to be in a position of having to do something bad to you. What this really is discussing is if we think the air is being polluted by something we're burning, we don't want to burn it. I don't think you want us to burn it.

Mr. Parisi stated I'm not going to argue with that. I agree with you 100%. I think that would be very commendable if you could take that stance. The problem I have is that it's not consistent and in fact you could be proven wrong.

Mr. Wright replied what I think happens is if we think something is going to start polluting the air and violating air standards, we want to get rid of it. The danger, I would think, from your perspective is that CRRA or Ogden just can't live up to it's contractual obligations so it's trumping up some phony air concern. So then what you do at that point is say we disapprove of this. And under that circumstance, if we don't choose to arbitrate it we're going to have to start burning it again. If we really want to stick to our guns we can arbitrate it and then somebody's going to decide whether in fact we are right or we're wrong in excluding some portion of your waste stream.

Mr. Parisi stated I understand what you're getting at. My point would be then what would you do? Take this stuff, put it aside, cover it up and wait for a final decision. Would we sit and wait until there's a final determination and then whoever wins burn it or bury it or whatever?

Mr. Hamel replied basically we're talking about a item like for instance sheet rock. Sheet rock is not allowed at the plant right now. The reason it isn't is because it puts SO2 into the flue gasses. There's an environmental risk of cutting it in. The only provision here is against an arbitrary decision

possibly being made. This circumstance only occurs when the Company doesn't clearly demonstrate that air quality will be violated where in fact it's only by agreement of the Authority and the Company. The mechanics are such that any time CRRRA says we can't take one kind of your waste at the facility that they've been taking, it means a disruption in the collection system. This provision is only so that the Policy Board can challenge. The likelihood is that if CRRRA's consultant comes in and says guys this is going to put sulfur dioxide in the air and we're going to cause acid rain, the Policy Board is going to say okay take it out. Why would they say anything else? Unless they don't believe that that's the case, in which case they would challenge it and it would go to arbitration and the towns' consultants and CRRRA's consultants would fight it out.

Mr. Parisi asked will the stuff sit along outside somewhere and wait or will it be burned?

Mr. Hamel replied what will happen to it is it will be put in the landfill. That's what's happening to sheet rock and there's nothing wrong with that. You only get the sulfur dioxide if you burn it. You don't get it by putting it into the landfill.

Mr. Wright stated it would depend on what the character of the waste is. If you have a hazardous waste or something that nobody had formally recognized as a hazardous waste, we'd have to take it off to a hazardous waste dump. If it was the sort of thing that you could break up and recycle, we might try to break it up and recycle. If was the sort of thing amenable to landfilling as Phil just described, that's where it would go. We would have to make a determination on the appropriate disposal of it.

Mr. Parisi asked who would pay for the cost of transporting that to another site?

Mr. Hamel replied the towns. It would be a system cost.

Mr. Wright replied that is a system cost. If we're currently collecting enough money to defray the cost, we'll just pay for it out of the money we're collecting. If we need some additional money we may seek to recoup it through whatever the required increase would be in the next year. Or we could finance it somehow for you.

Mr. Doherty stated my question is along this line, where is the protection to the host community if we want to exclude materials that we think are injurious to the Town of Wallingford? It says here the Authority may exclude. What about the host town? Where can we step in there if we feel there's something dangerous.

Drew Lehman stated I work at Ogden Projects and I am the Manager for Environmental Compliance. We're obviously very concerned as you would be about excluding particular types of waste which might cause exceedences of air omissions or problems in terms of the solid waste handling system. We have a program nationwide that is targeted towards keeping out unacceptable items which could possibly cause exceedences of air emissions in permit standards. So we share your concern in that regard. Municipal solid waste and the amount of

materials and types of materials are carefully circumscribed by the State of Connecticut in the solid waste permit and in the air permit. So there are items such as wallboard which have caused problems. We've learned from our operating experience at other facilities. The high visibility of the receiving area and the charging floor allows us to effectively screen out materials which we've learned over time have caused problems. I don't know if that addresses your concern.

Mr. Doherty replied I'd like to see some way or mechanism in the contract here where the Town can approach Ogden on this if it feels in any way. The other four towns don't have the plant. They don't have this concern.

Mr. Hamel stated what I was saying before is that the Health Department can go in and take a look at this and also call in DEP if there's a suspected violation. So I think there are enforcement mechanisms.

Mr. Wright stated this contract is nice but I think you have a much bigger stick through your public health regulations in Town. If we do something wrong or there's something going on that is endangering health, I think you're better off just staying with your overarching laws and not limiting your right. Contracts are one thing, laws are another. Laws win every time. You have something in your pocket now much better than you could ever get here through your health regulations.

Ms. Tralins stated one other point, short of enacting laws you can feel certain, and I think our national experience as well in this area is proven, if you'd like to talk to some other communities that host solid waste plants they can tell you as well. I would be more than happy to give anyone on the board some phone numbers of people to call and ask questions about plants that are run by Ogden Martin. You're welcome to call our plant managers and express your concerns. We always work with our communities and we're certainly the first ones that would like to know if there's a particular article of waste in the waste stream that you have detected as causing a problem which could cause us not to meet our environmental guarantees or cause a problem in the community. We would encourage you to contact us if you have those concerns and we also would encourage you to talk to Bob Wright or CRRA as your agent in that situation.

Mr. Killen stated one last question and then we're going to call it quits for the evening.

Mr. Gregory stated if I could just ask two questions.

Pages 4-6 and 4-7

Mr. Gregory stated on Pages 4-6 and 4-7 the Town has to pay a certain amount towards removing or taking care of unacceptable and hazardous waste that's brought to the facility. My question to the Council, and I don't expect an answer now, is do you think the Town should have any liability if CRRA or its designees bring unacceptable waste or hazardous waste to their own facility, either 50% or 100%. Those two pages need very careful reading. You may feel that even Wallingford shouldn't have to pay because CRRA should have some duty on site.

Page 4-19

Mr. Gregory stated Mr. Parisi raised the question earlier of the truck routes. First of all we've been told that the truck route scenario is unenforceable. Under this provision the Policy Board must request CRRA to take action, before they may take action at our expense, to enforce it. Do you think the fact that we have the traffic coming into us, and there are four other votes from other towns, that maybe there will never be a request by the Policy Board to enforce any truck routes? Do you think maybe that should be tightened up?

NEXT MEETING

Mr. Killen asked when would the Council like to convene again? You people have a schedule, I presume, of going to other municipalities. When would you be available to us because you're on the firing line?

Mr. Hamel replied Bob and I can be here Thursday of this week. I don't think Sheila can, but somebody can be here from Ogden.

Mr. Killen stated I cannot make it but I don't know about others. It looks like 3 cannot make it. If the rest of you care to go forward with this, it's entirely up to you people.

Mr. Hamel stated probably the next available date would be September 27. I'm just speaking for myself. We have presentations in Hamden and Cheshire Monday and Tuesday nights and may not be much good to you Wednesday night.

Mr. Wright stated you have significant and good concerns and frankly I don't think we're going to get as close a scrutiny in other towns. I'm hopeful that some of the examination you give these contracts will assist the other towns. So I'd like to schedule it as soon as possible. We can make it Wednesday if you can.

Mr. Killen stated then the meeting will be Wednesday, September 27, at 7 p.m.

Motion to adjourn was made by Mr. Parisi, seconded by Mr. Bradley.

VOTE: Holmes was absent; all other ayes; motion duly carried.

Meeting adjourned at 11:10 p.m.

Meeting recorded and transcribed by:
Katrina M. Manley, Council Secretary

Town Council Meeting

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September 19, 1989

Approved:

Albert E. Killen, Chairman

Date

Kathryn J. Wall, Town Clerk

Date