

CRRA LEGAL ISSUES

Status of Documents

The CRRA Master Coordination Agreement with CCSWA and the Tier 1-4 Municipal Solid Waste Agreements with the Municipalities (“MSA’s”) are completed documents; however, the Master Coordination Agreement must be approved by the CRRA Board which, I am informed, will take it up during a teleconference scheduled for August 1.

Fixed Disposal Fee Issue

The disposal fees quoted by CRRA for each Tier of MSA, even for the first Contract Year, are only estimates subject to the Authority’s actual calculation of its annual Net Cost of Operation for each Contract Year; however, CCSWA was able to persuade CRRA to offer a set of five-year rather than one-year estimates.

Term of Agreements

The different Tiers of MSA’s have different initial terms as indicated below:

Tier 1 Long-Term	15 years
Tier 1 Short-Term	5 years
Tier 2	3 years
Tier 3	15 years
Tier 4	six years, two 2-year extension options (if both parties agree to extend)

The Master Coordination Agreement between CCSWA and CRRA remains in effect as long as any MSA with a CCSWA member municipality remains in effect.

Permit and Indemnification Issues

There are no permit issues or indemnification issues.

Minimum and Maximum Solid Waste Tonnage Restrictions

Tiers 2-4 require the Municipality to specify for each calendar quarter, a Scheduled Delivery minimum of Acceptable Solid Waste tonnage and a Delivery Cap maximum of Acceptable Solid Waste tonnage (and pay penalties of up to \$30/ton for a quarterly failure to operate within the minimums and maximums initially agreed upon). The minimum and maximum quarterly delivery tonnages will be negotiated between CRRA and the Municipality before the MSA is executed by the parties. CRRA has provided no official guidance on what level of minimum and maximum quarterly delivery tonnages it will accept, but since CRRA will undoubtedly want to sign up as many municipal customers as possible, the Municipality should have considerable leverage in insisting on reasonable tonnage figures which are consistent with its historical delivery data.

In addition, the Tier 2-4 MSA’s also contain a workable mechanism for reducing the original minimum and maximum thresholds as the result of increased recycling and other waste reduction activities, something that CRRA added at CCSWA’s urging. At first, CRRA was unwilling to provide this reduction feature where it was not the beneficiary of

the increased recycling or other waste reduction activity, but it has now added this provision to the Tier 2 MSA, which does not provide for recycling services by CRRA.

Initially, the Tier 2-4 MSA's allowed CRRA in its discretion to switch from quarterly minimum and maximum Acceptable Solid Waste tonnage thresholds to monthly thresholds. The Authority was persuaded to drop this provision from all of such MSA's.