

THE HARRISBURG AUTHORITY

RESOLUTION NO. 2010-018

WHEREAS, The Harrisburg Authority (the "Authority") is a body corporate and politic duly organized and validly existing under the provisions of the Municipality Authorities Act of 1945 of the Commonwealth of Pennsylvania, approved May 2, 1945, P.L. 382, as amended, 53 P.S. Section 301 et seq. (the "Act"), having been duly organized by the City of Harrisburg, Dauphin County, Pennsylvania (the "City"); and

WHEREAS, the Authority desires to amend, authorize and approve the Resource Recovery Facility Operating Expense Budget for calendar year 2011 previously approved on December 1, 2010 via Resolution No. 2010-014.

NOW THEREFORE, BE IT RESOLVED by the Board of this Authority, as follows:

The Board of the Authority hereby amends and approves the Resource Recovery Facility Operating Expense Budget for calendar year 2011. A copy of the Amended Resource Recovery Facility Operating Expense Budget for calendar year 2011 shall be incorporated herein and attached to this Resolution.

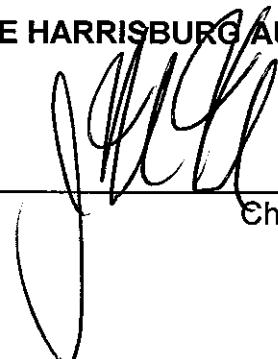
Duly adopted this 21st day of December, 2010 by the Board of The Harrisburg Authority in lawful session duly assembled.

THE HARRISBURG AUTHORITY

ATTEST:

Michelle J. V. Jones
Assistant Secretary

By: _____



Chairman

CERTIFICATE

I, the undersigned Secretary of The Harrisburg Authority, certify that the foregoing Resolution was adopted by a majority vote of the entire Board of the Authority at a meeting duly convened according to law and held on December 21, 2010, at which meeting a quorum was present; said Resolution was adopted by an aye or nay vote; said resolution and the vote thereon showing how each member voted have been recorded in the minutes of said Board; and said Resolution remains in effect, unaltered and unamended as of the date of this Certificate.

IN WITNESS WHEREOF, I set my hand and official seal of the Authority, this 21st day of December, 2010.



Assistant Secretary

(SEAL)

The Harrisburg Authority
Resource Recovery Facility
2011 Budget

Approved 12/21/10

	Approved 2010 Budget	Amended 2010 Budget	Approved 2011 Budget	Amended 2011 Budget
Ordinary Revenue				
Expenses				
Income				
4700 · Operating Revenue				
4702 · Tipping Fees				
4702.1 - Harrisburg MSW	7,600,000.00	7,600,000.00	7,760,000.00	(1) 7,760,000.00
4702.2 - Dauphin County MSW	9,025,000.00	8,988,600.00	9,294,600.00	(2) 9,294,600.00
4702.3 - Perry County MSW	368,300.00	368,300.00	0.00	0.00
4702.4 - Cumberland County MSW	810,000.00	810,000.00	0.00	0.00
4702.x1 - Other Counties MSW	0.00	0.00	3,205,290.00	(3) 1,724,500.00
4702.6 - Spot MSW	1,350,400.00	1,350,400.00	1,320,100.00	(4) 1,320,100.00
4701.4 - Bulky Waste	124,000.00	124,000.00	281,900.00	(5) 281,900.00
4702.7 - C&D	1,155,000.00	1,155,000.00	1,250,600.00	(6) 1,250,600.00
4702.5 - Residual & Special Waste	90,000.00	90,000.00	242,900.00	(7) 242,900.00
4712 - Specialty	360,000.00	360,000.00	0.00	0.00
4702.8 - Finance Charge - 1.5%penalty	18,500.00	18,500.00	20,000.00	20,000.00
Total 4702 · Tipping Fees	20,901,200.00	20,864,800.00	23,375,390.00	21,894,600.00
4705 · Electricity Sales	4,009,600.00	4,419,800.00	4,435,200.00	(8) 4,164,900.00
4706A · Ferrous Sales - Resource Recovery Facility	532,500.00	434,700.00	650,000.00	(9) 650,000.00
4707 · NSF Fees	1,000.00	1,000.00	1,300.00	1,300.00
Total Operating Revenue	25,444,300.00	25,720,300.00	28,461,890.00	26,710,800.00
Other Revenue				
4100 · Nonoperating revenue				
4200A · Interest income (.50% 2010/2011)				
4230A · Solid Waste Revenue	0.00	0.00	15,000.00	15,000.00
4240A · Operation Reserve	0.00	0.00	2,700.00	2,700.00
4250A · Trust Closure Interest Income	1,000.00	1,000.00	9,460.00	9,460.00
4280A · 1998 A-D Interest Income	750.00	750.00	4,500.00	4,500.00
4282A · 2002 Interest Income	750.00	750.00	0.00	0.00
4283A · 2003 Interest Income	5,250.00	5,250.00	300.00	300.00
4284A · 2003 Retrofit Interest Income	23,500.00	23,500.00	360.00	360.00
4286A - RRF Construction Completion	0.00	0.00	270.00	270.00
Total 4200A · Interest income	31,250.00	31,250.00	32,590.00	32,590.00
4300A · Gain/loss on investments				
4330A · Gain / Loss - 1998	0.00	0.00	0.00	0.00
4334A · Gain / Loss - 2003 DEF	0.00	0.00	0.00	0.00
Total 4300A · Gain/loss on investments	0.00	0.00	0.00	0.00
Total 4100A · Nonoperating revenue	31,250.00	31,250.00	32,590.00	32,590.00
Total Other Revenue	31,250.00	31,250.00	32,590.00	32,590.00
Total Revenue	25,475,550.00	25,751,550.00	28,494,480.00	26,743,390.00
Expenses				
6000 · Operating expenses				
6500 · Operating Expenses for RRF & LF				
6501.0 · Waste Transfer & Ash Disposal				
6501.8 · Ash Disposal	1,425,000.00	1,409,000.00	1,376,700.00	(10) 1,376,700.00
6501.0B · Ash Transfer LCSWMA	598,500.00	228,900.00	0.00	0.00
6501.0C · Ash Transfer CCSWA	718,200.00	824,900.00	0.00	0.00
6501.x1 - Ash Management/Transport	0.00	0.00	1,069,400.00	(11) 1,069,400.00
6501.0D · Transfer Waste	805,000.00	805,000.00	936,900.00	(12) 936,900.00
Total 6501.0 · Waste Transfer & Ash Disposal	3,546,700.00	3,267,800.00	3,383,000.00	3,383,000.00
6501 · Covanta				
6501.15 · Electric Sales Commission	240,600.00	265,200.00	266,100.00	(13) 249,900.00
6501.18 · Ferrous Sales Commission	266,300.00	217,400.00	325,000.00	(14) 325,000.00
6501 · Covanta Operating Agreement (Northeast CPI)	11,424,000.00	11,200,500.00	11,424,400.00	(15) 11,424,400.00
6501.1 - Covanta Excess Processing Fee	107,600.00	107,600.00	533,700.00	(16) 533,700.00
Total 6501 · Covanta Operating Agreement	12,038,500.00	11,790,700.00	12,549,200.00	12,533,000.00

**The Harrisburg Authority
Resource Recovery Facility
2011 Budget**

	Approved 2010 Budget	Approved Amended 2010 Budget	Approved 2011 Budget	Amended 2011 Budget
6501B · Equipment Leases	34,000.00	34,000.00	34,000.00	(17) 34,000.00
6502 · Fees to Municipalities				
6502.1 · Swatara Township (Ash Host)	68,400.00	68,400.00	75,100.00	(18) 75,100.00
6502.2 · Perry County	25,200.00	25,200.00	25,000.00	(19) 25,000.00
6502.3 · Dauphin County	632,100.00	632,100.00	640,200.00	(20) 640,200.00
6502.4 · Cumberland County	65,000.00	65,000.00	59,000.00	(21) 59,000.00
6502.X · Schuylkill County	0.00	0.00	14,400.00	(22) 14,400.00
Total 6502 · Fees to Municipalities	790,700.00	790,700.00	813,700.00	813,700.00
6504 · Environmental Steward / DEP Fees				
6504.1 · Environmental Stewardship Fee \$.25/Ton Fee	19,000.00	19,000.00	20,800.00	(23) 20,800.00
6504.2 · Disposal Fee \$4.00/Ton	76,000.00	76,000.00	83,400.00	(24) 83,400.00
6502.5 · Recycling Fee (\$2.00/Ton)	507,160.00	507,160.00	548,700.00	(25) 548,700.00
Total 6504 · Environmental / DEP Fees	602,160.00	602,160.00	652,900.00	652,900.00
6505 · Utilities				
6505.1 · Electricity	29,700.00	29,700.00	20,800.00	(26) 20,800.00
6505.1A · Miscellaneous Utility Costs	405,310.00	5,300.00	3,800.00	(27) 3,800.00
6505.1B · Prior Years' Utility Costs	0.00	400,010.00	0.00	(28) 0.00
6505.2 · Natural Gas	396,000.00	396,000.00	285,000.00	(29) 285,000.00
6505.3C · Sewer Charges	357,000.00	452,000.00	331,000.00	(30) 331,000.00
6505.4C · Sewer Maintenance Charge	70,800.00	67,800.00	49,600.00	(31) 49,600.00
6505.5C · Water Charges	567,800.00	870,000.00	365,200.00	(32) 365,200.00
6505.6C · Water Ready-to-Serve	23,900.00	26,500.00	28,100.00	(33) 28,100.00
6505.xx · Effluent Water Usage Charge	0.00	0.00	4,400.00	(34) 44,000.00
6505.x1 · Effluent Water Main Charge	0.00	0.00	700.00	(35) 7,000.00
6505.x2 · Reuse Chemicals	0.00	0.00	101,000.00	(36) 101,000.00
6505.7 · Fuel Oil	110,000.00	110,000.00	110,000.00	(37) 110,000.00
Total 6505 · Utilities	1,960,510.00	2,357,310.00	1,299,600.00	1,345,500.00
6506 · Insurance				
6506.1 · Public Officials Liability	9,610.00	9,610.00	10,100.00	10,100.00
6506.2 · Boiler/Property Ins	276,000.00	276,000.00	263,800.00	263,800.00
6506.3 · Pollution Liability	18,900.00	18,900.00	17,200.00	17,200.00
6506.6 · Covanta ins Reimbursement	75,455.00	75,455.00	86,000.00	86,000.00
6506 · Insurance - General Liability	37,500.00	37,500.00	39,400.00	39,400.00
Total 6506 · Insurance	417,465.00	417,465.00	416,500.00	(38) 416,500.00
6510 · Compliance Monitoring				
6510.1 · Susquehanna River Basin Comm	500.00	500.00	500.00	(39) 500.00
Total 6510 · Compliance Monitoring	500.00	500.00	500.00	500.00
6511 · NSF Expenses	1,000.00	1,000.00	1,000.00	1,000.00
6512 · 1109 Post Closure Trust	680,000.00	180,000.00	0.00	(40) 0.00
6514 · Permit Expenses				
6514 · Permit Fees				
6514.2 DEP Landfill Annual Op Report Fee	3,100.00	3,100.00	2,800.00	(41) 2,800.00
6514.3 DEP RRF Annual Report Fee	1,000.00	1,000.00	700.00	(42) 700.00
6514.3A - DEP Emissions Fee	0.00	0.00	16,000.00	(43) 16,000.00
6514.4 · AWTF - IU Annual Fee	4,000.00	4,000.00	2,300.00	(44) 2,300.00
Total 6514 · Permit Fees	8,100.00	8,100.00	21,800.00	21,800.00
6514.5 · Landfill Engineering				
6514.5A - Landfill Expansion	350,000.00	0.00	0.00	0.00
6514.5C · Ash Disposal	60,000.00	60,000.00	60,000.00	(45) 60,000.00
Total 6514.5 · Landfill Engineering	410,000.00	60,000.00	60,000.00	60,000.00
6514.6 · Boiler/Pressure Vessel Certs	1,000.00	1,000.00	1,000.00	(46) 1,000.00
6514.8 · Landfill Testing Costs	25,000.00	25,000.00	25,700.00	(47) 25,700.00
Total 6514 · Permit Expenses	444,100.00	94,100.00	108,500.00	108,500.00
Total 6000 · Operating expense - all	20,515,635.00	19,535,735.00	19,258,900.00	19,288,600.00
Net Ordinary Income	4,959,915.00	6,215,815.00	9,235,580.00	7,454,790.00

The Harrisburg Authority
Resource Recovery Facility
2011 Budget

	Approved 2010 Budget	Amended 2010 Budget	Approved 2011 Budget	Amended 2011 Budget
Other Expense				
6100 · Nonoperating expense				
6425 · Bank Fees				
6420 · Revenue A/C- Bank Charges	1,000.00	1,000.00	0.00	0.00
6424 · 1998A-D Bank Fees	1,000.00	1,000.00	20.00	20.00
Total 6425 · Bank Fees	2,000.00	2,000.00	20.00	20.00
6440 · Bank & Trustee Fees				
6442 · RRF - 1998 A-D	9,000.00	9,000.00	6,580.00	6,580.00
6444 · RRF - 1998 A-C DS Fund	3,000.00	3,000.00	0.00	0.00
6445 · RRF - 2002A	6,000.00	6,000.00	2,600.00	2,600.00
6449 · RRF - 2003 D-F (Retrofit)	13,000.00	13,000.00	0.00	0.00
6450 · RRF - 2003 A-C (Restructuring)	12,000.00	12,000.00	0.00	0.00
6451 · RRF - 2000 Escrow	5,000.00	5,000.00	4,770.00	4,770.00
6453 RRF - 2003 ABC Bank of America	22,000.00	22,000.00	10,614.00	10,614.00
6455 · Miscellaneous Expenses	4,000.00	4,000.00	12,000.00	12,000.00
6457 DerivActiv Evaluation	5,000.00	0.00	0.00	0.00
6459 · RRF - 2003DEF Bank of America	22,000.00	22,000.00	10,800.00	10,800.00
6460 · Commerce Bank - LOC #1805	20,000.00	20,000.00	0.00	0.00
6461 · Commerce Bank - LOC #1565	3,000.00	3,000.00	0.00	0.00
6462 · RRF - 2007 Series C&D	4,000.00	4,000.00	0.00	0.00
6463 · Trustee Fees - Other	15,000.00	15,000.00	0.00	0.00
Total 6440 · Trustee Fees	143,000.00	138,000.00	47,364.00	47,364.00
Total 6100 · Nonoperating expense	145,000.00	140,000.00	47,384.00	47,384.00
6600 · Miscellaneous Expenses				
6602 · Operational Contingency	500,000.00	0.00	0.00	0.00
6603 - DEP Air Violations	1,700,000.00	125,000.00	50,000.00 (48)	50,000.00
6604 - CEM Fines	75,000.00	50,000.00	50,000.00 (49)	50,000.00
6605 - Operating Expense for Indenture Reserve	6,000,000.00	3,613,300.00	0.00 (50)	0.00
Total 6600 · Miscellaneous Expenses	8,275,000.00	3,788,300.00	100,000.00	100,000.00
6700 · Professional Fees				
6701 · Insurance Consultant	15,000.00	15,000.00	12,000.00 (51)	12,000.00
6702 · Legal Fees				
6702B · Special Counsel	100,000.00	100,000.00	250,000.00 (52)	250,000.00
6702C · Litigation Counsel	500,000.00	500,000.00	0.00 (53)	0.00
6702 · General Counsel	100,000.00	100,000.00	500,000.00 (54)	500,000.00
Total 6702 · Legal Fees	700,000.00	700,000.00	750,000.00	750,000.00
6703 · Engineering Fees				
6703A · County Engineering Fees	6,000.00	40,000.00	26,000.00 (55)	26,000.00
6703D · RRF Negotiation	150,000.00	150,000.00	50,000.00 (56)	50,000.00
6703E · RRF Annual Report	4,000.00	15,000.00	12,500.00 (57)	12,500.00
6703 · Engineering Fees - Other	40,000.00	40,000.00	40,000.00 (58)	40,000.00
Total 6703 · Engineering Fees	200,000.00	245,000.00	128,500.00	128,500.00
6704 - Facilities Management				
6704 - Facilities Management	219,000.00	219,000.00	250,000.00 (59)	250,000.00
Total 6704 - Facilities Management	219,000.00	219,000.00	250,000.00	250,000.00
6705 · Authority Administration Fees				
6705C · Authority Admin Fees	327,800.00	300,000.00	300,000.00 (60)	300,000.00
Total 6705 · Authority Admin Fees	327,800.00	300,000.00	300,000.00	300,000.00
6709 - RRF Management Audit & Appraisal	0.00	110,000.00	0.00 (61)	0.00
6700 · Professional Fees - Arbitrage, Energy, Other	100,000.00	150,000.00	150,000.00 (62)	150,000.00
Total 6700 · Professional Fees	1,561,800.00	1,739,000.00	1,590,500.00	1,590,500.00
6800 · RRF Maintenance/Improvements				
6800A · General Site Maintenance	90,000.00	90,000.00	100,000.00 (63)	100,000.00
6801 · Supplies/Uniforms/Postage	0.00	0.00	3,000.00 (64)	3,000.00
Total 6800 · RRF Maintenance/Improvements	90,000.00	90,000.00	103,000.00	103,000.00
Total Other Expense	10,071,800.00	5,757,300.00	1,840,884.00	1,840,884.00
Total Expenses	30,587,435.00	25,293,035.00	21,099,784.00	21,129,484.00
Income/(Loss) Prior to Debt Service	(5,111,885.00)	458,515.00	7,394,696.00	5,613,906.00

The Harrisburg Authority
Resource Recovery Facility
2011 Budget

	Approved 2010 Budget	Approved Amended 2010 Budget	Approved 2011 Budget	Amended 2011 Budget
6913 - Debt Service Payments				
6913.1 - DS 1998A	600,170.00	600,170.00	558,250.00 (a)	558,250.00
6913.2 - DS 2002A	1,640,564.00	1,640,564.00	1,645,376.00 (a)	1,645,376.00
6913.3 - DS 2003A	1,294,525.00	1,294,525.00	1,294,525.00 (a)	1,294,525.00
6913.4 - DS 2003B	1,170,671.00	1,170,671.00	1,192,485.00 (a)	1,192,485.00
6913.5 - DS 2003C	1,214,250.00	1,214,250.00	1,214,250.00 (a)	1,214,250.00
6913.6 - DS 2003D-1	3,275,305.00	3,275,305.00	1,652,700.00 (a)	1,652,700.00
6913.7 - DS 2003D-2	3,822,000.00	3,822,000.00	3,250,000.00 (a)	3,250,000.00
6913.8 - DS 2003E	2,099,205.00	2,099,205.00	2,099,458.00 (a)	2,099,458.00
6913.9 - DS 2003F	2,029,490.00	2,029,490.00	2,031,490.00 (a)	2,031,490.00
6913B - Covanta Loan	2,550,000.00	2,550,000.00	2,725,222.00 (b)	2,725,222.00
6913C - PNC Loan (Working Capital Loan)	34,685,000.00	34,685,000.00	700,000.00 (c)	700,000.00
6913A - DS 2003DEF (Replenishment)	3,026,820.00	3,026,820.00	0.00	0.00
6913D - DS 2003ABC (DSRF)	1,792,380.00	1,792,380.00	5,217,253.00 (d)	5,217,253.00
6913E - DS 2003D (DSRF) Subaccount	2,687,450.00	2,687,450.00	7,999,967.00 (d)	7,999,967.00
6913F - DS 2003E (Replenishment)	707,687.00	707,687.00	0.00	0.00
6913G - DS 2003F (DSRF) Subaccount	1,684,835.00	1,684,835.00	2,000,000.00 (d)	2,000,000.00
6913H - DS 2002A (DSRF)	799,912.00	799,912.00	800,000.00 (d)	800,000.00
6913I - DS 2003 CAP (Reimbursement)	569,232.00	569,232.00	0.00	0.00
6913J - DS 2003 SWAP (DSRF) Subaccount	1,067,624.00	1,067,624.00	860,000.00 (d)	860,000.00
6913K - DS 2003E (DSRF) Subaccount	1,035,343.00	1,035,343.00	999,994.00 (d)	999,994.00
6913L - DS2002A (Reimbursement)	396,732.00	396,732.00	0.00	0.00
6913M - Covanta Loan - Arrears (2010 missed pymts)	0.00	0.00	1,946,336.00 (e)	1,946,336.00
6913N - ASG/FSA/AGM Bond Insurance Policies	0.00	0.00	3,302,670.00 (f)	3,302,670.00
6913O - City of Harrisburg	0.00	0.00	5,521,082.00 (g)	5,521,082.00
6913P - County of Dauphin	0.00	0.00	8,270,101.00 (h)	8,270,101.00
Total 6913 Debt Service Payments	<u>68,149,195.00</u>	<u>68,149,195.00</u>	<u>55,281,159.00</u>	<u>55,281,159.00</u>
Income/(Loss) After Debt Service	<u>(73,261,080.00)</u>	<u>(67,690,680.00)</u>	<u>(47,886,463.00)</u>	<u>(49,667,253.00)</u>

Operating Budget Assumptions:

- 293,480 total tons will be received at the HRRF in 2011 up from 271,080 tons budgeted in 2010 and in line with tons projected to be received in 2010.
- The HRRF has a design capacity of 800 tons per day or 292,000 tons per year. The agreement between THA and Covanta includes a processing guarantee/availability of 85% or 248,200 tons. Based on 2010 performance and discussions with Covanta for 2011 it is expected that 274,360 tons will be processed or 93.9% of the designed processing capacity.
- Assumes all 19,120 tons of Bulky and C/D waste received at the HRRF will be transferred to a landfill for disposal.
- Estimated CPI is +2%.

(1) Harrisburg MSW: \$7,760,000 = 38,800 tons @ \$200.00. Based on 37,200 tons in 2010 plus 1,200 tons recaptured through proper manifesting plus a 1% increase in tons. No increase in tip fee.

(2) Dauphin MSW: \$9,294,600 = 126,650 tons @ \$72.60 from January 1 to May 31 and \$73.95 from June 1 to December 31 which is a 2% CPI increase on the base fee prior to the admin fee. Tons are based on 125,400 tons in 2010 plus a 1% increase in 2011.

(3) Other Counties MSW: \$1,724,500 Amended to correct the average per ton tip fee rate. 5,350 tons from Perry, 19,600 tons from Cumberland, 7,200 tons from Schuylkill, and 12,000 tons from Northumberland Counties for a total of 44,150 tons. The HRRF is an approved facility in the MSW plans of each of these Counties. This MSW is not flow controlled to the HRRF like Harrisburg and Dauphin County.

(4) Spot MSW: \$1,320,100 = 61,400 tons @ \$21.50. Tonnage is based on availability of processing capacity for spot waste in 2011. Tip fee is market driven.

(5) Bulky Waste: \$281,900 = 2,220 tons @ \$127.00. Based on 2,200 tons in 2010 plus 1% increase in tons. Tip fee reflects a 2.4% increase on 2010 rate.

(6) C/D: \$1,250,600 = 16,900 tons @ \$74.00. Based on 16,700 tons in 2010 plus 1% increase in tons. Tip fee reflects a 5.7% increase on 2010 rate.

(7) Residual & Special Waste: \$242,900 = 2,160 tons of Residual Waste @ \$68.00 and 1,200 tons of Special Waste @ \$80.00. Residual Waste tons are based on 1,800 tons in 2010 plus 20% increase in tons in 2011 and Special Waste tons are based on projected tonnage for 2011. Residual and Special Waste tip fees are market driven. Average tip fee and tons received for Special Waste are below program expectations due to the financial situation surrounding the RRF and handling limitations at the RRF.

(8) Electric Sales: \$4,164,900. Amended due to the inability to repair the 8th stage blading prior to Fall 2011. Repair was previously budgeted to occur Spring of 2011. Assumes first three quarters of 2011 the turbine operation will be with the damaged 8th stage and the last quarter of the year the turbine is operated at 100% of capacity yielding a 10% improvement in gross electric generation. First thirty six weeks of the year with damaged 8th stage selling 66,816 MWs, then three weeks for repairs with no generation, and then the remainder of the year at full capacity and selling 27,248 MWs. For the year, a total of 94,064 net MWs are sold at an average price of \$44.28/MW. Electric is sold to PJM grid.

- (9) Ferrous Sales-RRF:** \$650,000 based on processing 274,360 tons of waste with a ferrous yield of 2.4% or 6,500 tons sold @ net price of \$100 per ton.
- (10) Ash Disposal:** \$1,376,700 based on 274,360 tons processed resulting in 30.4% ash or 83,400 tons of ash. Use 83,400 tons disposed off site with 25% to LCSWMA and 75% to CCSWA.
- (11) Ash Management/Transport:** \$1,069,400 = 83,400 tons of ash with 20,850 tons or 25% shipped to LCSWMA and 62,550 tons or 75% shipped to CCSWA.
- (12) Transfer Waste:** \$936,900 based on 19,120 tons of Bulky and C/D waste transferred and disposed for \$49.00/ton.
- (13) Covanta Electric Sales Commission:** \$249,900 which is 6% of \$4,164,900 in electric sales per the O&M Agreement. Amended to reflect the change to the Electric Sales line item.
- (14) Covanta Ferrous Sales Commission:** \$325,000 which is 50% of \$650,000 ferrous sales per O&M Agreement.
- (15) Covanta Operating Agreement:** \$11,424,400 based on current service fee of \$933,363/month plus 2% (est. CPI) = \$952,030/mo.
- (16) Covanta Excess Processing Fee:** \$533,700 based on Covanta processing 274,360 tons or 26,160 more tons than the 85% guarantee of 248,200 in the O&M Agreement at \$20.40 per excess ton processed (\$20/ton plus 2% CPI adjustment).
- (17) Equipment Leases:** \$34,000 fixed term truck lease.
- (18) Swatara Twp. Host Fee:** \$75,100 which is \$.90 per ton for the 83,400 ash tons into the THA landfill.
- (19) Perry County Admin Fee:** \$25,000 which is \$4.00 for 6,250 tons of MSW and C/D waste estimated to be received at the HRRF from Perry County.
- (20) Dauphin County Admin Fee:** \$640,200 which is \$4.90 for 130,650 tons of MSW and C/D waste estimated to be received at the HRRF from Dauphin County.
- (21) Cumberland County Admin Fee:** \$59,000 which is \$2.50 per ton for 23,600 tons of MSW and C/D waste estimated to be received at the HRRF from Cumberland County.
- (22) Schuylkill County Admin Fee:** \$14,400 which is \$2.00 per ton for 7,200 tons of MSW estimated to be received at the HRRF from Schuylkill County.
- (23) Environmental Stewardship Fee:** \$20,800 to the Commonwealth of PA which is 83,400 tons of ash into the Landfill @ \$.25 per ton.
- (24) Disposal Fee:** \$83,400 to the Commonwealth of PA which is 25% of the 83,400 tons of ash into the Landfill @ \$4.00 per ton.
- (25) Recycling Fee:** \$548,700 to the Commonwealth of PA which is 274,360 tons of waste processed at the HRRF @ \$2.00 per ton.
- (26) Electricity:** \$20,800 based on 2010 usage and three week turbine outage in 2011.
- (27) Miscellaneous Utilities:** \$3,800 based on '10 refuse service billings.

- (28) Prior Years' Utility Costs:** \$0 based on paying off all prior years' balances in 2010.
- (29) Natural Gas:** \$285,000 based on usage of 30,000 mcfs at \$9.50/mcf of natural gas as auxiliary boiler fuel.
- (30) Sewer Charge:** \$331,000 reuse system operational Jan 1. Based on 95,044,500 gallons @ \$3.481/1000.
- (31) Sewer Maintenance Charge:** \$49,600. Based on 95,044,500 gallons @ \$.52215/1000.
- (32) Water Charge:** \$365,200. Based on 63,513,000 gallons @ \$5.75/1000 a reduction in the water charge of approx. \$500,000 versus 2010 cost.
- (33) Water RTS:** \$28,100 set fee.
- (34) Effluent Water Usage Charge:** \$44,000. New fee due to reuse system based on 135,050,000 gallons @ \$.3241/1000. Amended to correct the per gallon cost.
- (35) Effluent Water Maintenance Charge:** \$7,000. New fee due to reuse system based on 135,050,000 gallons @ \$.0486/1000. Amended to correct the per gallon cost.
- (36) Reuse System Chemicals:** \$101,000. Chemical expense for new reuse system.
- (37) Fuel Oil:** \$110,000 based on 2010 usage.
- (38) Insurance:** \$416,500 based on renewal pricing plus 5%.
- (39) Susquehanna River Basin Commission:** \$500 fixed fee.
- (40) Post Closure Trust:** \$0 fully paid.
- (41) DEP Landfill Annual Operating Report Fee:** \$2,800 annual DEP report fee.
- (42) DEP RRF Annual Report Fee:** \$700 annual DEP report fee.
- (43) DEP RRF Emissions Fee:** \$16,000 annual fee for emissions from a Title V facility.
- (44) AWTF-IU Annual Fee:** \$2,300 annual AWTF fee.
- (45) Ash Disposal:** \$60,000 engineering relative to ash landfill operations, surveying, and groundwater assessment plan.
- (46) Boiler/Pressure Vessels Certificates:** \$1,000 for required boiler/pressure vessel certificates.
- (47) Landfill Testing Costs:** \$25,700 for DEP required groundwater, leachate, outfall, etc. testing.
- (48) DEP Prior Air Violations:** \$50,000 for Community Environmental Projects (CEPs) in 2011 for prior air violations.
- (49) CEMS Fines:** \$50,000 for air emissions penalties from the second quarter 2009 through the first quarter 2010. Covanta is responsible for air violations effective second quarter 2010.

(50) Operating Expense for Indenture Reserves: \$0. Requirement of 1/6 of 2011 operating expenses of \$19,241,500 is \$3,206,900, therefore no additional funding required since \$3,613,300 is on deposit to reflect 1/6th of \$21,679,735 in 2010.

(51) Insurance Consultant: \$12,000 reflects RRF portion of insurance consultant fee for marketing business insurance marketing.

(52) Special Counsel: \$250,000 for matters such as energy, bond, waste flow, etc.

(53) Litigation Counsel: \$0 This line item has been combined with general counsel.

(54) General Counsel: \$500,000 for general and litigation counsel relative to such matters as arbitration, turbine, and other miscellaneous legal needs.

(55) County Engineering Fees: \$26,000 for preparation of monthly HRRF report to Dauphin County.

(56) RRF Negotiations: \$50,000 budgeted for engineering assistance in HRRF contract/agreement negotiations.

(57) RRF Annual Report: \$12,500 for indenture required engineer's annual report on HRRF condition and operations.

(58) Engineering Fees – Other Projects: \$40,000 for steam and miscellaneous projects and engineering tasks.

(59) Facilities Management: \$250,000 THA Facilities Site Manager salary and benefits and the Facility Director consulting agreement.

(60) Authority Administration Fees: \$300,000 for office space, supplies, information technology, and applicable portion of staff salaries and fringes.

(61) RRF Management Audit & Appraisal: \$0. Project completed in 2010.

(62) Professional Fees – Other Projects: \$150,000 for energy and financial consulting relative to HRRF.

(63) General Site Maintenance: \$100,000 for upkeep of site structures, equipment, grounds and roads.

(64) Uniforms/Postage/Office Supplies: \$3,000 for Site Manager uniform rental, postage, office supplies.

2011 Debt Service Payments

- a.) Principal and interest (P&I) payments on annual outstanding debt.
- b.) Principal and interest (P&I) payments on the Retrofit Construction Loan.
- c.) Anticipated interest payment due on the PNC Loan (secured by the County of Dauphin) to replace the Working Capital Loan (2007 C&D Notes).
- d.) Debt Service Reserve Fund (DSRF) payments to replenish the "required debt service balances" that have been depleted and are a requirement of the Indentures.
- e.) Principal and interest (P&I) & late fee payments for balances in arrears on the Retrofit Construction Loan for 2010.
- f.) Payments due to the Bond Insurer for draws on insurance policy to cover 2010 debt payments.
- g.) Debt payments made on behalf of THA by the City of Harrisburg in 2009 and 2010 as 1st Guarantor.
- h.) Debt payments made on behalf of THA and the City of Harrisburg in 2009 and 2010 as 2nd Guarantor.