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Thank you for the opportunity to appear before the State Senate Local Government Committee and testify about the Local Government Unit Debt Act, related statutes and the financings of the Harrisburg Resource Recovery Facility (“RRF”). I am a licensed attorney in the Commonwealth of Pennsylvania and have concentrated my practice in environmental and land use law for 25 years. I am a member of the Board of Directors of the Harrisburg Authority. I was first appointed by Harrisburg City Council in April 2010. That appointment was voided by the Pennsylvania Supreme Court on May 26, 2010. The Supreme Court held that the power to appoint members of the Board of the Harrisburg Authority resided with the Mayor and not City Council. Thereafter, I was reappointed by Mayor Thompson and confirmed unanimously by City Council in the summer of 2010.

I am here today by invitation of Senators Eichelberger and Blake. However, my testimony is in my capacity as a citizen activist. I do not speak for the Board of the Harrisburg Authority.

By way of background, the following sections summarize the history of the Harrisburg Authority, describes the RRF, identifies previous repair and modernization projects, and provides a chart of significant events involving RRF financing, the historical relationship between Dauphin County and the City of Harrisburg for waste management planning, identifies the numerous financings for the RRF that has resulted in over \$325 million in existing debt, and finally, my efforts to raise public awareness of the need for a forensic investigation prior to my appointment to the Board.

History of Harrisburg Authority (as provided in numerous Official Statements for Authority Bonds and Notes)

The Authority, a body corporate and politic under the law of the Commonwealth, was created pursuant to the Municipal Authorities Act. On November 18, 1987, the Council of the City enacted an ordinance adopting and approving an

amendment to the Articles of Incorporation of the Harrisburg Sewerage Authority, a municipality authority created in 1957 under the Municipal Authorities Act, whereby the Harrisburg Sewerage Authority's name was changed to the Harrisburg Water and Sewer Authority and its powers modified. Pursuant to such ordinance, the Harrisburg Water and Sewer Authority was empowered to engage in, finance and construct public works projects relating to water treatment and conveyance systems as well as to continue the original responsibility of the Harrisburg Sewerage Authority to finance improvements to the major sewage collection facilities of the City. On January 23, 1990, the Council of the City enacted an ordinance adopting and approving an amendment to the Articles of Incorporation of the Harrisburg Water and Sewer Authority whereby the Harrisburg Water and Sewer Authority's name was changed to The Harrisburg Authority and its powers modified to include all those powers authorized for a general purpose municipal authority under the Municipal Authorities Act. The amendment to the Articles of Incorporation was filed at Department of State of the Commonwealth on January 30, 1990 and became effective as of that date. Pursuant to this amendment to the Articles of Incorporation, the terms of existence of the Authority was extended to January 1, 2040. The governing body of the Authority is a Board consisting of five members appointed by the Mayor of the City and confirmed by the Council of the City. Board members' terms of office are staggered. None of the Board members of the Authority are members of the Council of the City, nor is any Board member of the Authority an elected official of the City.

The Waste Management Facility

As of 2003, before the retrofit project, the facility consisted of two municipal waste combustors rated at 360 tons per day with heat recovery and steam generation, electricity co-generation facilities, the transfer station and an ash landfill. The RRF was originally constructed in 1969 by the Harrisburg Incinerator Authority as a refuse-fired resource recovery facility and placed into operation in 1972. In December 2000, certain revised federal air quality regulations became applicable to incinerators with a capacity greater than 250 tons per day. The RRF was unable to meet those regulations. On January 9, 2001, the City, EPA and DEP entered into an agreement whereby the RRF reduced its permitted capacity for each combustor to 250 tons per day. Under that agreement, the City was required to cease operations no later than June 18, 2003.

Repair and Modernization Projects

By the late 1980's, the combustors had physically deteriorated, their ability to process waste had declined and the facility experienced certain environmental regulatory compliance difficulties. In 1988, the City entered into Consent Orders

and Agreements with DER to assure compliance with air quality and solid waste regulations. Major capital repairs were completed in 1990 and 1991 to comply with the 1988 COAs and regulations. By 1997, significant additional repairs and modifications to the combustors had again become necessary, in order to reduce air emissions and to comply with an Administrative Order by Consent with EPA, and were performed. Significant repairs were again performed in 1999.

The Authority engaged Barlow Projects, Inc. in November 2000, as engineers to plan and design a thorough modernization of the facility. Barlow produced a Phase I Engineering and Feasibility Study costing approximately \$759,000, funded from the proceeds of the 2002 Notes. The design basis Barlow initially proceeded with proved to be too expensive. Thereafter, in September 2002, the Authority's executive director issued a work order authorizing Phase II retrofit Design Engineering and Feasibility Study. The retrofit project was to be completed by January 2, 2006.

Barlow ran into many issues with subcontractors, had cost overruns and delays in construction as early as September 2004. By March 2005, Barlow was in crisis due to the collapse of the subcontract with the boiler manufacturer apparently due to unanticipated increases in the price of steel. Over the next year and a half, the Barlow contract was amended multiple times, the retainage relied upon for security instead of performance bonds was released and the cost of completion increased substantially.

Barlow was unable to obtain additional financing to complete construction. In December 2005, the Authority entered into an agreement with CIT Financial to provide an additional \$25 million. The details of that transaction are extremely complicated and have been the subject of federal litigation, which is now on appeal to the Third Circuit.

At the end of December 2006, the Authority fired Barlow, terminated the operating agreement with the City and entered into an agreement with Covanta Energy Services to operate the facility.

Covanta eventually entered into a long term contract with the Authority in March 2007 to operate the RRF. Covanta also provided \$25 million to complete the retrofit project.

Relationship Between Dauphin County and City/ RRF Financings

Date	Party	Event	Financed Amount	Eventual Status of financing/Uses of Funds	Comments
1972	Harrisburg Incinerator Authority ("HIA")	Incinerator placed into operation			
1977	Harrisburg Incinerator Authority and City of Harrisburg	HIA sells incinerator to City			
12-4-87	Dauphin County	Incorporates Dauphin County Intermunicipal Solid Waste Authority			Dissolved by County in 2000
1988	Pa Legislature	Enacts Act 101- requires counties to draft ten year waste management plans			
1991	Dauphin County	Enacts Resolution 3-1991. 10 yr waste plan, selects Dauphin Meadows landfill, excludes City incinerator. DEP approves plan 5-6-91. City appeals to Environmental Hearing Board			City represented in appeal by law firm Obermeyer Rebmann Maxwell & Hippell
12-23-93	City of Harrisburg/Harrisburg Authority	City sells incinerator to Harrisburg Authority. City and Authority enter into management agreement for City to operate facility. Application for approval of lease	Guaranteed Resource Recovery Facility Revenue Bonds, Series A- \$31,230,000 Guaranteed Taxable	1993 Series A bonds (\$31,230,000) were refunded by the 1998 Series A bonds (aggregate principal amount \$28,720,000). The 1998	Series A Cost of issuance - \$ 670,703.25. Eckert Seamans Cherin & Mellott - bond counsel- \$250,420.25. Series B Cost of issuance - \$204,296.75. Obermayer,Rebmann, Maxwell & Hippel - underwriters' counsel fee \$195,000

		rental debt- excluded as self-liquidating- under provisions of Local Government Unit Debt Act filed by City of Harrisburg on October 22, 1992. Secretary of DCED, Karen Miller approved application on December 2, 1992. Closing on the 1993 revenue bonds did not occur until December 23, 1993.	Resource Recovery Facility Revenue Bonds, Series B - \$ 9,435,000	Series A bonds (\$ 33,110,000) were partially refunded by 2003 Series A,B,C - the outstanding principal amount as of July 1, 2009 of the 1998 Series A bonds was \$ 11,271,000. 1993 Series B bonds (\$9,435,000) were refunded by 1998 Series D bonds (aggregate principal amount \$8,675,000). 1998 Series D partially refunded with 2000 Notes and remaining bonds refunded by 2003 A,B,C Bonds.	
1995	Dauphin County/ City of Harrisburg	County and City enter into settlement of City's appeal of County's waste plan.			County and Solid Waste Authority required to assist City in obtaining waste stream sufficient to generate revenues to finance retrofit of RRF
11-26-96	Harrisburg Authority	Revenue note used to finance extraordinary repairs and capital	\$3,500,000 Resource Recovery Facility	The 1996 Note was refinanced by the \$	Cost of issuance was \$ 49,350.00, dispersed as follows: <ul style="list-style-type: none"> Eckert Seamans Cherin &

		<p>additions and working capital needs.</p> <p>\$ 2,903,613.00 was transferred to the solid waste revenue fund and was used to pay the following operating expenses:</p> <ul style="list-style-type: none"> • \$ 925,303 utilities costs • \$ 1,347,814 unpaid expenses due to City as management agent of the facility • \$ 630,496 unpaid administrative charge due to City as management agent 	<p>Revenue Note, Series of 1996 (not guaranteed by City)</p>	<p>3,000,000 1997 Series A Revenue Note.</p> <p>The 1997 Series A Revenue Note was refunded by the \$ 3,815,000 1998 Series C Revenue Bonds.</p> <p>The 1998 Series C Revenue Bonds were advance refunded by 2003 A,B,C Bonds</p> <p>Although the City did not initially guarantee the 1996 Revenue Note, ultimately, the City guaranteed the 2003 ABC Bonds.</p>	<p>Mellott -</p> <ul style="list-style-type: none"> • Note Counsel fee \$ 35,000 • Structuring Fee \$ 20,000 • Milt Lopus Associates, Inc. - financial advisor fee \$ 6000 • Rhoads and Sinon, LLP - Bank Counsel fee \$ 1500 • Balaban and Balaban - Authority Solicitor Fee \$ 3000
4-10-97	Harrisburg Authority	<p>Source was April 1, 1996 Pennsylvania Pool Financing Fund, City was applicant as guarantor for Authority. Proceeds used to design, acquire, construct and equip transfer station.</p>	\$7,943,274	Refunded by 1998B bonds	

6-30-97	Harrisburg Authority	Refinanced the 1996 Note.	\$3,000,000 Guaranteed Resource Recovery Revenue Note to Fulton Bank.	The 1997 Note was refunded by the 1998 Series C Guaranteed Resource Recovery Facility Refunding Revenue Bonds, principal amount due was \$2,700,710.	Costs of issuance- \$43,686.37 Eckert Seamans Cherin & Mellott, LLC - Note Counsel Fee \$25,000 Milt Lopus Associates, Inc. - Financial Advisor's Fee - \$10,000 Caldwell & Kearns - Bank Counsel Fee - \$3000 Balaban and Balaban - Authority Solicitor Fee - \$3000
8-27-98	Harrisburg Authority	Self-Liquidating Debt in the amount of \$55,765,000- report prepared by HDR Engineering, Inc.	Series A, \$33,110,000 Guaranteed Resource Recovery Facility Refunding Revenue Bonds. Series B, \$8,585,000 Guaranteed Resource Recovery Facility Refunding Revenue Bonds. Series C, \$3,815,000 Guaranteed Resource Recovery Facility Refunding Revenue Bonds Series D, \$	Series A advanced refunding 1993a series bonds, \$28,720,000 remains outstanding, fund reserves and cost of issuance. The 1998 Series A bonds (\$ 33,110,000) were partially refunded by 2003 Series A,B,C - the outstanding principal amount as of July 1, 2009 of the 1998 Series A bonds was \$ 11,271,000. Series B will prepay the 1997 pool loan of which	Cost of Issuance Series A - \$558,549.07 Eckert Seamans- bond counsel fee \$32,403.25, Float counsel fee \$12,961.30, structuring counsel fee \$16,201.62 Milt Lopus- financial advisor fee \$22,682.28 Obermayer Rebmann- underwriters counsel fee \$32,403.25 Samuel T. Cooper III - bond counsel \$9720.98 Balaban and Balaban - Authority counsel \$9720.98. Series B - \$148,575.61 Eckert Seamans- bond counsel fee \$8401.75, Float counsel fee \$3360.70, structuring counsel fee \$4200.88 Milt Lopus- financial advisor fee \$5881.22 Obermayer Rebmann- underwriters counsel fee \$8401.75 Samuel T. Cooper III - bond counsel \$2520.52 Balaban and Balaban - Authority counsel \$2520.52

			<p>10,255,000 Guaranteed Taxable Resource Recovery Facility Refunding Revenue Bonds</p>	<p>\$7,923,274 remains, fund reserves and cost of issuance. Series B was retired by the 2003 ABC bonds.</p> <p>Series C will refund the 1997 note which has balance of \$2,700,710, fund reserves and cost of issuance. The 1998 Series C Revenue Bonds were advance refunded by 2003 A,B,C Bonds Although the City did not initially guarantee the 1996 Revenue Note, ultimately, the City guaranteed the 2003 ABC Bonds.</p> <p>Series D will advance refund 1993 series B bonds of which \$8,675,000 remain, fund reserves and cost of</p>	<p>Series C - \$3,739,545.23 (source: page 4 of Official Statement- but Exhibit C only has \$15,204.27) Only cost of issuance listed was Financial Security Assurance, Inc. for insurance premium- \$15,204.27 Series D - \$148,921.14 Eckert Seamans- bond counsel fee \$9195.00, Float counsel fee \$3678.00, structuring counsel fee \$4597.50 Milt Lopus- financial advisor fee \$6436.50 Obermayer Rebmann- underwriters counsel fee \$9195.00 Samuel T. Cooper III - bond counsel \$2758.50 Balaban and Balaban - Authority counsel \$2758.50</p>
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				issuance. 1998 Series D partially refunded with 2000 Notes and remaining bonds refunded by 2003 A,B,C Bonds.	
12-6-99	Senator Piccola	EHB granted Senator intervenor status to oppose expansion of Dauphin Meadows landfill			DEP had denied expansion of landfill. Landfill appealed. Landfill ultimately closed
1-5-00	Dauphin County	Newly elected Commissioners John Payne and Lowman Henry adopt Resolution 1-2000 creating task team to investigate feasibility of dissolving County Solid Waste Authority. Task team consists of Commissioner Payne, Mayor Reed and Andrew Giorgione.			
1-31-00	Dauphin County	Dauphin County Court of Common Pleas approves petition of county to appoint Andrew Giorgione of Obermeyer Rebmeyer as special counsel to serve on solid			

		waste issues.			
2-8-00	Dauphin County	Task Force (Commissioner Payne, Mayor Reed, Andrew Giorgione) issue report recommending dissolution of County Solid Waste Authority			
2-9-00	Dauphin County	Patriot News publishes article on effort of newly elected county commissioners to dissolve county's solid waste authority. Commissioners Payne and Henry replace authority solicitor, name Andy Giorgione as new authority solicitor and name city special projects director Dan Lispi to board of waste authority. Payne and Henry pledge to work closely with city.			
2-22-00	Dauphin County	Establishes Office of Municipal waste Management and enters into Intergovernmental Cooperation Agreement with City		Between 2000 and 2007, Dauphin County paid Dan Lispi \$ 217,152.37 and Andrew Giorgione's law firms \$985,459.93.	City Council approved Intergovernmental Cooperation Agreement on March 15, 2000.

4-27-00	Senator Piccola	EHB grants summary judgment in favor of Dauphin Meadows and remands application to expand landfill to DEP for further review.			
September 2000	City/THA	Barlow Projects presents preliminary report outlining retrofit concept that offered a modernization option that, according to Mayor Reed, appeared to be economically feasible.			Initial meeting between Barlow, City and THA was August 8, 2000.
11-16-00	Harrisburg Authority	Board adopts resolution to enter into Professional Services Agreement with Barlow Projects			
11-27-00	Harrisburg Authority	THA signs Barlow contract- exempt from competitive bidding- "involves engineering applications of patented technology to the retrofit of the RRF"- contract price \$300,000			
12-06-00	Harrisburg Authority	Proceeds used for capital project and restructuring	Series A\$4,195,000 Guaranteed	Series A Construction account	Series A Cost of issuance \$168,484.28 Samuel T Cooper III - special

		<p>project. The capital project included funding engineering studies for major retrofit, \$400,000.</p> <p>Barlow Projects identified as Authority's consulting engineer.</p> <p>The restructuring project advance refunding of a portion of 1998B bonds and 1998D bonds. Also proceeds were used to repay debt service on 1998 bonds due in 2000 and 2001. \$4.1 million was used to reimburse THA for \$1.5 million in incurred but unpaid operating expenses, \$2.5 million for current year operating expenses, and \$113,000 for operating reserve.</p>	<p>Resource Recovery Facility Revenue Notes</p> <p>Series B\$21,000,000 Guaranteed Federally Taxable Resource Recovery Facility Revenue Notes</p>	<p>\$800,000 1998B escrow fund \$3,084,473.02</p> <p>Series B used to establish 1998D and 1998 (2001) escrow fund \$9,559,871.96 and pay City guarantee fee \$4,226,909.43</p> <p>2000 Notes paid by 2003ABC Notes.</p>	<p>counsel to THA- fee \$4162.53 Milt Lopus Associates, Inc. - financial advisor to THA- \$4662.04 Eckert Seamans Cherin & Mellott, LLC- note counsel fee \$8325.06, tax analysis counsel fee \$2497.52, structuring counsel fee \$4162.53, float agreement counsel fee \$3330.03 Obermayer Maxwell & Hippel LLP- underwriters' counsel fee - \$8325.06 Rhodes & Sinon- THA counsel- \$2497.52 Financial Security Assurance Inc- bond insurance premium- \$79,243.55</p>
1-9-01	Harrisburg Authority/City	Derating agreement with EPA and DEP to reduce capacity of RRF - RRF must shut down by June 2003.			
7-25-01	Barlow	Issues Phase I Retrofit Design			

		Engineering and Feasibility Study			
8-30-01	Barlow	Issues Revision 1 to Phase I Retrofit Design			
11-15-01	Barlow	Issues Revision 2 to Phase I Retrofit Design			
12-13-01	City	Mayor Reed memorandum to City Council detailing Barlow study and advocating retrofit project			
8-14-02	Harrisburg Authority	Uses of funds: Working capital \$12,210,000 (\$1,149,129 to pay unpaid prior year utility expenses, \$11,085,871 for current year operating expenses including reimbursing city \$5,165,000); Engineering and Design fees, Permitting fees \$1,423,000 (Obermeyer law firm paid \$150,591.31, Barlow Projects paid \$717,274); Capitalized interest \$1,108,872.22 (to pay interest on 2002 notes through Nov. 2004)	\$17,000,000 Guaranteed Federally Taxable Resource Recovery Facility Subordinated Variable Rate Revenue Notes, Series A of 2002		Costs of Issuance \$637,832.40 Eckert Seamans- Underwriters Counsel \$60,000 Eckert Seamans- Authority Special Counsel Fee \$20,000 Rhoads & Sinon Authority Solicitor Fee \$7000 Obermeyer Rebmann Bond Counsel Fee \$ 75,000 Financial Security Assurance Bond Insurance Premium- \$336,330.40 Milt Lopus Associates Financial Advisor Fee \$15,000

8-30-02	City of Harrisburg	City files appeal of DEP's issuance of waste permit for incinerator. City discontinued appeal on 12-4-02.			City of Harrisburg represented by Andrew Giorgione of Obermeyer Rebmann Maxwell & Hippell
9-26-02	THA/Barlow	Phase II work order issued, purpose of phase 2 is to meet permit requirements and develop revenue enhancement options			
12-17-02	Dauphin County	Ordinance 7-2002 adopted, flow control all waste to RRF when retrofit completed. Resolution 27-2002 adopted, requires Department of Solid Waste to amend 10-year waste plan and to implement, administer and enforce the plan.			
2-10-03	Dauphin County	EHB denies motion for summary judgment filed by Dauphin Meadows landfill seeking to overturn DEP's denial of landfill expansion. Dauphin County was granted intervenor status, along with Senator Piccola, to			Dauphin County represented by Andrew Giorgione of Obermeyer Rebmann Maxwell & Hippell

		oppose landfill expansion.			
3-3-03	City of Harrisburg	Intervenes in citizen appeal of waste permit for incinerator			City represented by Andrew Giorgione of Obermeyer Rebmann Maxwell & Hippell
3-20-03	City/County	Intergovernmental Cooperation Agreement renewed for additional three years.			
6-4-03	Harrisburg Authority	The 2003 Restructuring Project consisted of advance refunding or retiring a portion of the 1998A bonds; all of the 1998B bonds, 1998C bonds and 1998D bonds; all of the 2000Notes; funding working capital to assist in paying costs of compliance with EPA/DEP agreements (\$1,950,863.36- which was transferred on 6-6-03 from construction fund to revenue account); funding debt service reserve for 2003 Notes and paying cost of issuance including municipal bond insurance premium.	<p>\$22,555,000 Guaranteed Federally Taxable Resource Recovery Subordinate Revenue and Refunding Revenue Bonds Series A</p> <p>\$29,085,000 Guaranteed Federally Taxable Resource Recovery Subordinate Revenue and Refunding Revenue Bonds Series B</p> <p>\$24,285,000 Guaranteed Resource Recovery Facility Subordinate Refunding</p>		<p>Cost of Issuance (ABC combined) Harrisburg Authority administrative fee \$50,000 Klett Rooney Trustee Counsel Fee \$5000 Eckert Seamans Underwriter Counsel Fee \$82,000 Rhoads & Sinon Authority solicitor fee \$10,000 Obermeyer Rebmann bond counsel fee \$85,000, Tax structuring counsel fee \$20,000, No merit opinion fee \$20,000 Stanley Mitchell Esq. Bond counsel fee \$20,000 Milt Lopus Associates financial advisor fee \$15,000 Barlow & Associates consulting engineer fee \$20,000 Financial Security Assurance Inc bond insurance premium \$1,746,640.81</p>

			Revenue Notes Series C		
6-26-03	THA	Rhodes & Sinon issues legal opinion on conflicts of interest			
6-30-03	Harrisburg Authority/City	Incinerator shuts down pursuant to consent order with EPA and DEP			
8-6-03	Reynolds Construction	Submits proposal to Dan Lispi to serve as THA Owner's representative for retrofit project			
9-18-03	City Council	Buchart Horn issues independent report on Barlow proposed retrofit			
10-10-03	Harrisburg Authority	Local citizens appeal air permit for incinerator			Harrisburg Authority represented by Andrew Giorgione of Obermeyer Rebmann Maxwell & Hippell
10-21-03	Dauphin County	HRG provides review of retrofit project for county. Review of Barlow's September 2003 pro forma, admits they did not examine all assumptions in detail, but HRG felt the values and projections fall within a reasonable range.			

		<p>PFM provides financial review of the retrofit bonds. Review was based upon September 22, 2003 pro forma. PFM wrote its review was subject to review of final documents as they become available. Closing documents do not reveal any additional review submitted by PFM to County.</p>			
10-28-03	Dauphin County	<p>County's law firm, Mette Evans & Woodside provided commissioners with summary report on retrofit project. "Based upon our experience and review of this matter, we have been impressed with the team assembled by the Authority and the City and their approach to this very difficult project. Furthermore, as indicated above, Barlow, based upon a review of its background and experience, has delivered, successfully, similar, albeit</p>			

		smaller, projects in the past."			
11-5-03	City Council	Approves resolution guaranteeing financing of retrofit project			
11-6-03	Dauphin County	Approves secondary guarantee of retrofit project financing			Barlow's final pro forma issued claiming retrofit will result in sufficient revenues to pay stranded debt and retrofit bonds.
12-30-03	Harrisburg Authority	Retrofit project. Proceeds used to finance costs of retrofit; fund debt service reserve for 2003 bonds; provide working capital to authority to pay estimated interest on 1998A bonds, 2002 notes and 2003 notes during construction of retrofit; pay estimated capitalized interest on 2003 bonds; pay transition costs of operating transfer station and maintaining RRF during shutdown; and paying costs of issuance and guarantee fees.	\$96,480,000 Guaranteed Resource Recovery Facility Revenue Bonds Series D consisting of \$31,480,000 subseries D-1 and \$65,000,000 subseries D-2 \$14,500,000 Guaranteed Federally Taxable Resource Recovery Facility Revenue Bonds Series E \$14,020,000 Guaranteed Federally Taxable Resource Recovery Facility		Total costs of issuance \$7,614,314.99 Harrisburg Authority administrative fee \$50,000 Klett Rooney trustee counsel fee \$5000, special counsel fee \$80,000 Eckert Seamans underwriters counsel fee \$205,000, swap legal services Rhodes & Sinon authority solicitor fee \$15,000 Obermeyer Rebmann bond counsel fee, swap counsel fee, litigation opinion fee \$263,370.99 Stanley Mitchell bond counsel fee \$20,000 Milt Lopus Associates financial advisor fee, swap advisor fee \$75,000 IMAGE swap advisor fee \$105,000

			Revenue Bonds Series F		<p>City of Harrisburg guarantee fee \$2,834,544.00</p> <p>Dauphin County guarantee fee \$1,900,000</p>
12-31-03	Barlow Projects	Enters into purchase order with Victory Energy for design, fabrication and supply of three boilers.			Steel prices increased in first quarter of 2004, Victory and its boiler design subcontractor and fabricators were off schedule. Eventually Barlow sent Notice of Default to Victory late February 2005.
1-5-04	Project Team	First of 86 weekly meetings among THA, City, Barlow and contractors			
4-1-04	Barlow Projects	Barlow entered into Professional Consulting Services Agreement with Reynolds Construction Management, Inc.			
4-2-04	City and THA	City and Authority enter into Consulting Agreement with DRL Consulting and Development LLC (Dan Lispi) to, among other things, provide advice and recommendations to assist in decision-making, scheduling, cost control, financing matters and dispute resolution during construction phase of the retrofit project. Payment from resource recovery fund or bond proceeds \$90,000 annually for three years.			
5-6-04	Harrisburg Authority	THA closes on contract with Barlow Projects to			

		supply combustion, boiler and air pollution control systems and supply construction management services; Barlow, in addition to providing final engineering and design work, is assisting in the procurement of the remaining equipment and services necessary to undertake the retrofit.			
6-04	Harrisburg Authority	THA enters into agreement with Reynolds Construction Management as owner's representative.			
1-31-05	Harrisburg Redevelopment Authority	RDA issues \$9 million stadium bonds guaranteed by City. City certifies 2003 retrofit bonds are still self-liquidating			
3-16-05	THA/Barlow	Barlow meeting with Dan Lispi, Barlow in crisis regarding boiler contractor			
4-27-05	THA/Barlow	Amendment No. 3 to Barlow Equipment Contract reduces percentage of retainage held as security for performance			
9-15-05	Harrisburg Authority	EHB grants summary judgment and dismisses 2003 appeal of incinerator air permit filed by local citizens			Harrisburg Authority represented by Andrew Giorgione of Klett Rooney Lieber & Schorling
12-22-05	Harrisburg Authority	Harris Group prepares confidential report for CIT of the costs to complete the Barlow			

		retrofit project.			
1-1-06	Harrisburg Authority	Financial advisor certifies the outstanding indebtedness of the RRF is \$229,895,000.		Balances for each issue: 1998A \$11,970,000 2002A \$17,000,000 2003A \$22,555,000 2003B \$29,085,000 2003C \$24,285,000 2003D-1 \$31,480,000 2003D-2 \$65,000,000 2003E \$14,500,000 2003F \$14,020,000	
12-06	Harrisburg Authority	Barlow fired. THA terminates agreement with City to operate facility.			
1-2-07	Harrisburg Authority	Covanta hired on temporary basis to operate facility			
3-29-07	Harrisburg Authority	THA enters into long term contract with Covanta to operate facility			
8-29-07	Harrisburg Authority	City Council appointments to Board take over			
12-27-07	Harrisburg Authority	Proceeds used as follows: County- \$2,250,000 reimbursement for advance to Covanta County- \$3,100,000 reimbursement for 12-1-07 debt service and swap, cap payments	\$20,961,574.40 Guaranteed Resource Recovery Facility Limited Obligation Notes Series C \$9,033,234.45 Federally Taxable	County paid off Notes in December 2010	

		<p>County- \$1,067,783.00 payment of county's \$4.90/ton administrative fees for 2006 and 2007</p> <p>City- \$250,000 reimbursement for advance to Covanta City- \$600,000 reimbursement of 11-1- 07 debt service payment City- \$3,456,097.99 reimbursement of 6-1-07 and 9-1-07 debt service, swap payments</p> <p>2008 debt service on 2003 notes, bonds - \$9,136,674.00 2008 debt service on 1998A bonds- \$469,836.00 2008 debt service on 2002 notes - \$914,417.86</p> <p>Covanta - \$5,716,728.55 amounts owed under interim operating agreement</p> <p>Public Finance Management (THA financial advisor) \$142,410.00</p> <p>Eckert Seamans (note counsel and THA special counsel fees) \$300,000</p> <p>Mette Evans & Woodside (County special counsel fees) \$207,650.00</p> <p>Goldberg Katzman (THA litigation counsel fee) \$45,308.98</p>	<p>Guaranteed Resource Recovery Facility Limited Obligation Notes Series D</p>		
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		Milt Lopus Associates (THA financial advisor fee) \$ 150,000.00 Foreman & Foreman (THA general counsel fee) \$2925.00 Susquehanna Group Advisors (County financial advisor fee) \$115,000.00 HRG (County consulting engineer) \$35,935.58 HDR (THA consulting engineer) \$38,500.00			
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