



FOR IMMEDIATE RELEASE

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**CRRA to Replace MDC as Operator of Transfer Station
Essex Change to Save \$1,000 a Day; Mediation Comes to an End**

HARTFORD, Conn. – As part of its ongoing effort to reduce costs, the Connecticut Resources Recovery Authority is changing contractors at its Essex transfer station. CRRA is replacing the Metropolitan District with Plainville-based CWPM, a move with which CRRA expects to begin saving up to \$1,000 a day.

“Several years ago, CRRA learned that MDC was overcharging for work it performs at Mid-Connecticut Project facilities, but rather than unilaterally switch contractors, as is our right, we have worked extensively with MDC to try to find a mutually agreeable solution to our differences,” said Thomas D. Kirk, president. “However, it is evident that MDC will not accept any arrangement which would cause it to lose control over any jobs. Because we have a fiduciary responsibility to our customers and owners, namely the communities we serve, we are left with no choice but to begin making these changes.”

In 2000, an arbitration panel ruled that MDC’s practice of billing CRRA for indirect costs or overhead was unfair to CRRA. The arbitration panel also upheld a clause in the CRRA/MDC contract, which allows CRRA to replace MDC for reasons of cost, quality or responsiveness. CRRA replaced MDC at its Torrington and Watertown transfer stations and began saving \$1 million a year.

Today CRRA formally notified MDC that as of Friday, May 21, MDC will no longer operate the Essex transfer station per the 30-day notice requirement in the contract. MDC also operates CRRA’s Ellington transfer station; its Hartford waste processing facility, which turns trash into fuel for generating electricity; and CRRA’s Hartford landfill.

“Over the last two years, the board and I have worked diligently to resolve this issue, said Michael A. Pace, CRRA chairman. “The legislature has directed us to look at all our costs, and over all, using MDC costs CRRA significantly more than other contractors. MDC’s comments on this issue and recent actions lead us to believe MDC will use all of its immense resources, including its vast web of political and legislative connections, to fight us on this issue. In fact, they just hired a third lobbying firm specifically for this purpose. But we have to do what’s right for our cities and towns, and this is the right thing to do.”

CRRA to Replace MDC

April 16, 2004

Page 2

During the seven-month mediation process, CRRA offered a number of innovative solutions, all of which were rejected by MDC, Kirk said. “We even offered to take on all their union employees, and their union contracts, so that nobody would be put out of a job, but MDC declined,” Kirk said. “And if MDC lays off any workers as a result of our changing contractors, we will urge those contractors to hire these experienced workers.”

“We want to stress that our issue is with management, not the unions and not the workers,” Pace added.

CRRA and MDC are still involved in other arbitration cases over the manner in which MDC calculates indirect costs, and the amount MDC owes CRRA for past overcharges; and CRRA’s replacement of MDC at the Torrington and Watertown transfer stations.

In the wake of the Enron bankruptcy, in which CRRA’s Mid-Connecticut Project lost \$220 million, the legislature reconstituted CRRA, forming a new board of directors, which, in turn, hired a new senior management team. Since then, the new CRRA has been working to mitigate the impact of the Enron bankruptcy on tip fees. With the help of an aggressive cost-cutting program, the negotiation of a new power sale agreement, vigorous pursuit of recovery in bankruptcy and other Enron-related litigation and a state loan, CRRA has been able to set a market-competitive tip fee of \$70 per ton at the Mid-Connecticut Project for the upcoming fiscal year.

CRRA’s Mid-Connecticut Project serves these towns:

Avon	Durham	Hartford	Norfolk	Southbury
Barkhamsted	East Granby	Harwinton	North	Suffield
Beacon Falls	East Hampton	Hebron	Branford	Thomason
Bethlehem	East Hartford	Killingworth	North Canaan	Tolland
Bloomfield	East Windsor	Litchfield	Old Lyme	Torrington
Bolton	Ellington	Lyme	Old Saybrook	Vernon
Canaan	Enfield	Madison	Oxford	Waterbury
Chester	Essex	Manchester	Portland	Watertown
Clinton	Farmington	Marlborough	Rocky Hill	West Hartford
Colebrook	Glastonbury	Middlebury	Roxbury	Westbrook
Cornwall	Goshen	Middlefield	Salisbury	Wethersfield
Coventry	Granby	Naugatuck	Sharon	Winchester
Cromwell	Guilford	New Hartford	Simsbury	Windsor Locks
Deep River	Haddam	Newington	South Windsor	Woodbury

The Connecticut Resources Recovery Authority is a quasi-public agency whose mission is to work for – and in – the best interests of the municipalities of the state of Connecticut. CRRA’s new board of directors and new management team develop and implement environmentally sound solutions and best practices for solid waste disposal and recycling management on behalf of municipalities.

CRRA’s four waste-to-energy projects serve 119 cities and towns across Connecticut. CRRA also runs educational programs through its Visitors Center in Hartford and Garbage Museum in Stratford. For more information about CRRA and its activities, visit <http://www.crra.org>.