

**CONNECTICUT  
RESOURCES  
RECOVERY  
AUTHORITY**

**CONNECTICUT'S RECYCLING LEADER**

**Annual Meeting**

**February 3, 2010**

# Welcome

Michael A. Pace

Chairman, CRRA Board of Directors

First Selectman, Town of Old Saybrook

CRRA Annual Meeting  
February 3, 2010



# Introductions

- Board members:



Raymond J. O'Brien

- Appointed for experience in environmental field
- Member, Town Council, Town of New Milford



Mark A. Lauretti

- Appointed as CEO of city or town under 50,000 in population
- Mayor, City of Shelton



Alan J. Desmarais

- Appointed for experience in public finance
- Director of Finance, Town of Manchester

– Linda R. Savitsky

- Appointed for experience in public finance
- Career as municipal finance director, in OPM municipal finance section



# Introductions

- Board members:



## Timothy G. Griswold

- Appointed for experience in energy field
- **First Selectman, Town of Old Lyme**

- Theodore H. Martland

- Appointed for experience in business/industry



## Michael J. Jarjura

- Appointed as CEO of city or town over 50,000 in population
- **Mayor, City of Waterbury**

- David B. Damer

- Appointed for experience in business/industry



# Introductions

- Board members:

- Nicholas H. Mullane II

- Appointed as CEO of city or town under 50,000 in population
    - **First Selectman, Town of North Stonington**



## Stephen J. Edwards

- Ad-hoc member representing Bridgeport Project towns
    - **Director of Public Works, Town of Westport**



## Warren C. Howe Jr.

- Ad-hoc member representing Wallingford Project towns



## Geno Zandri Jr.

- Ad-hoc member representing Wallingford Project towns



# Welcome

Thomas D. Kirk

President, CRRA

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# Introductions

- Management team:
  - Jim Bolduc, Chief Financial Officer
  - Laurie Hunt, Director of Legal Services
  - Peter Egan, Director of Environmental Affairs & Development
    - Also Acting Director of Operations
  - Tom Gaffey, Director of Recycling, Enforcement & Supply Management
  - Bettina Ferguson, Director of Finance & Asst. Treasurer
  - Paul Nonnenmacher, Director of Public Affairs
  - Mike Bzdyra, Government Relations Liaison
  - Ron Gingerich, Manager of Development, Environmental Affairs & Information Technology
  - Jeff Duvall, Manager of Budgets

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# Please Use a Microphone

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by CRRA for Webcasting.

After the presentation, please wait for  
a microphone and identify yourself  
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Thank you for your cooperation.



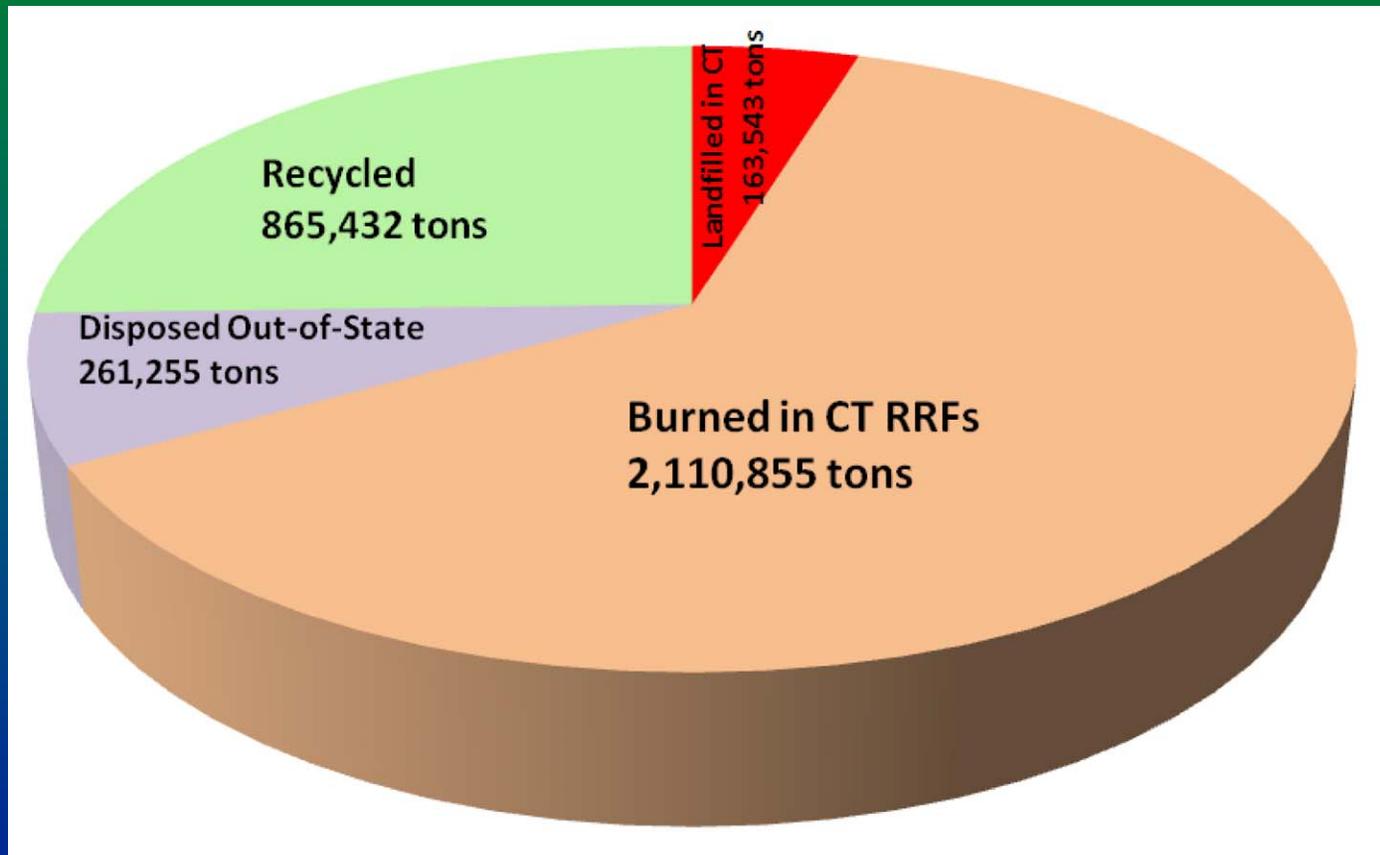
# Today's Topics

- Welcome and Introductions
- **Statewide Situation**
- Project Reports
- Issues Resolved in 2009
- Issues to Watch in 2010
- For More Information
- Your Questions



# Statewide Situation

Where the trash went in FY 2008



Source: [http://www.ct.gov/dep/cwp/view.asp?a=2714&q=453366&depNav\\_GID=1645](http://www.ct.gov/dep/cwp/view.asp?a=2714&q=453366&depNav_GID=1645)

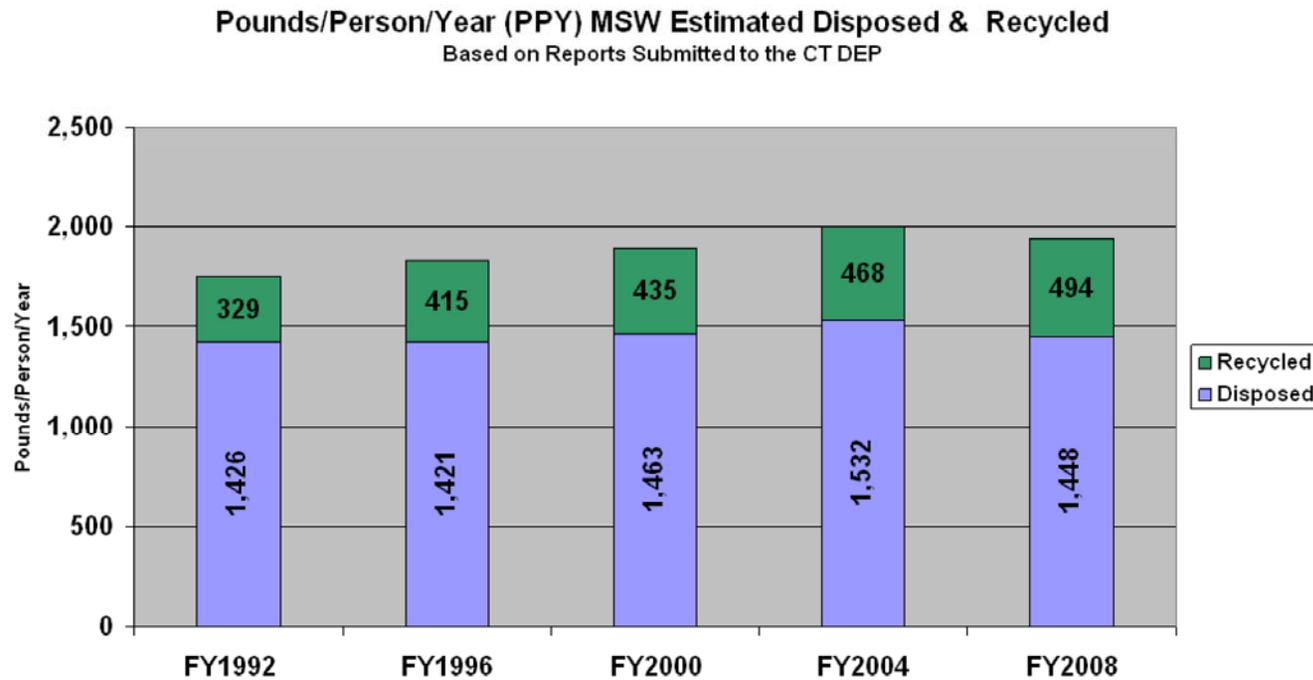
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# Statewide Situation

## Historical generation per-person

Figure 3 – Historic Summary - Pounds/Person/Year Connecticut MSW Estimated Disposed & Recycled FY1992 through FY2008<sup>2</sup>

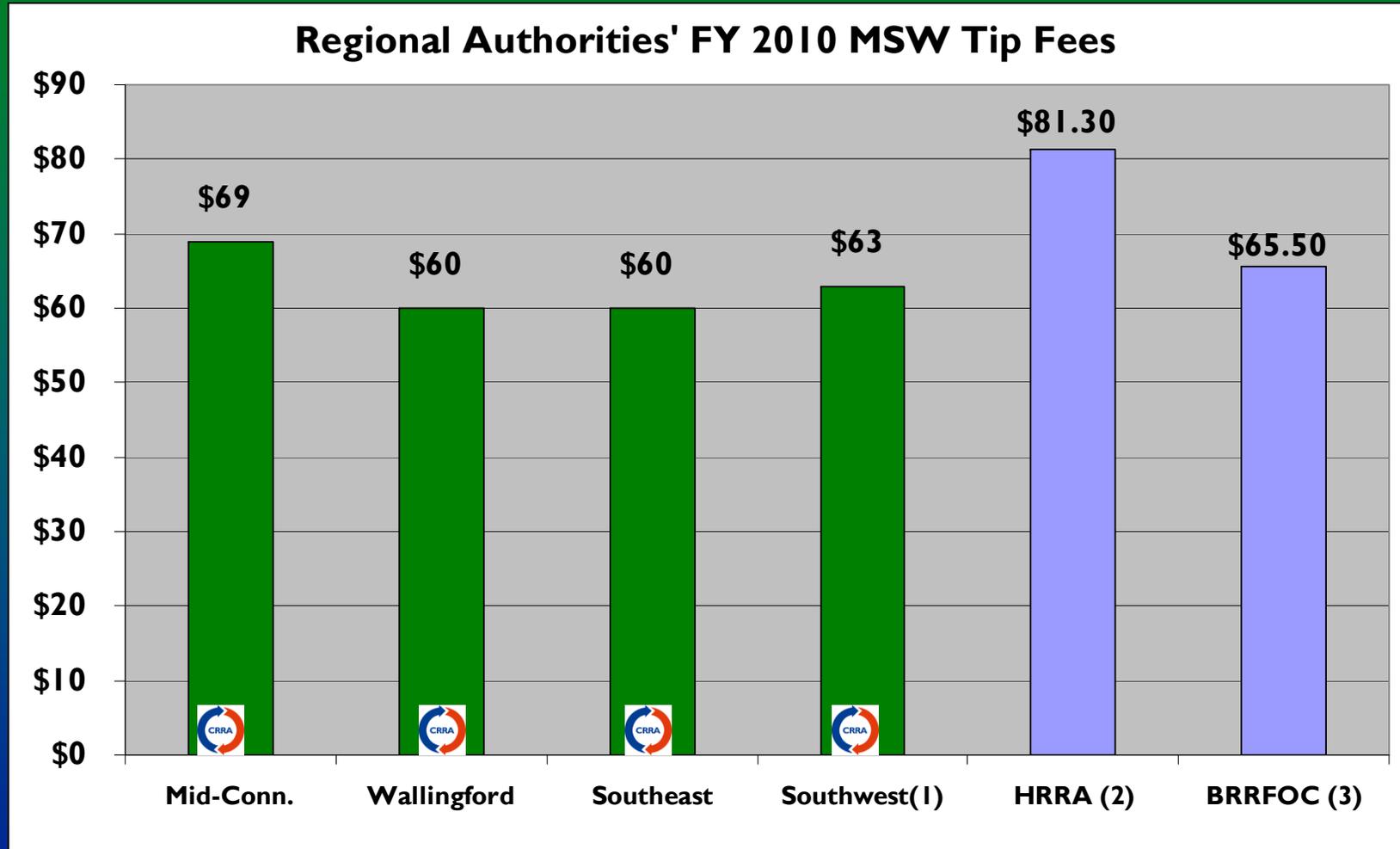


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# Statewide Situation



- (1) – Southwest towns pay transportation, transfer station operation and maintenance in addition, adding \$15 to \$25 per ton to cost.  
(2) – HRRRA towns pay \$39 per ton to deliver recyclables.  
(3) – BRRFOC towns pay \$33.50 per ton to deliver recyclables.

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# Project Reports

- Bridgeport Project / Southwest Division / SWEROC
- Southeast Project
- Wallingford Project
- Mid-Connecticut Project



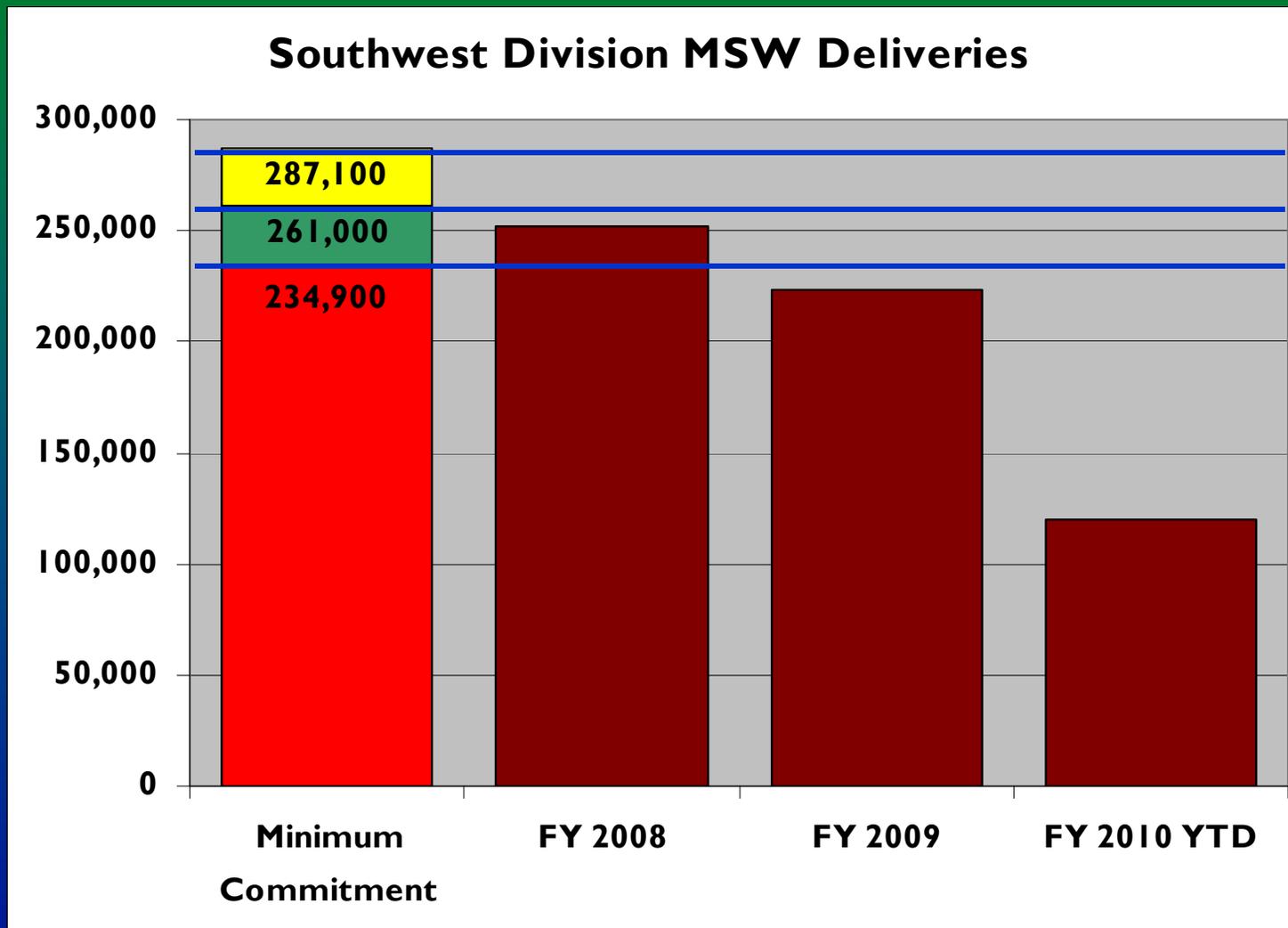
# Bridgeport Project

## Southwest Division / SWEROC

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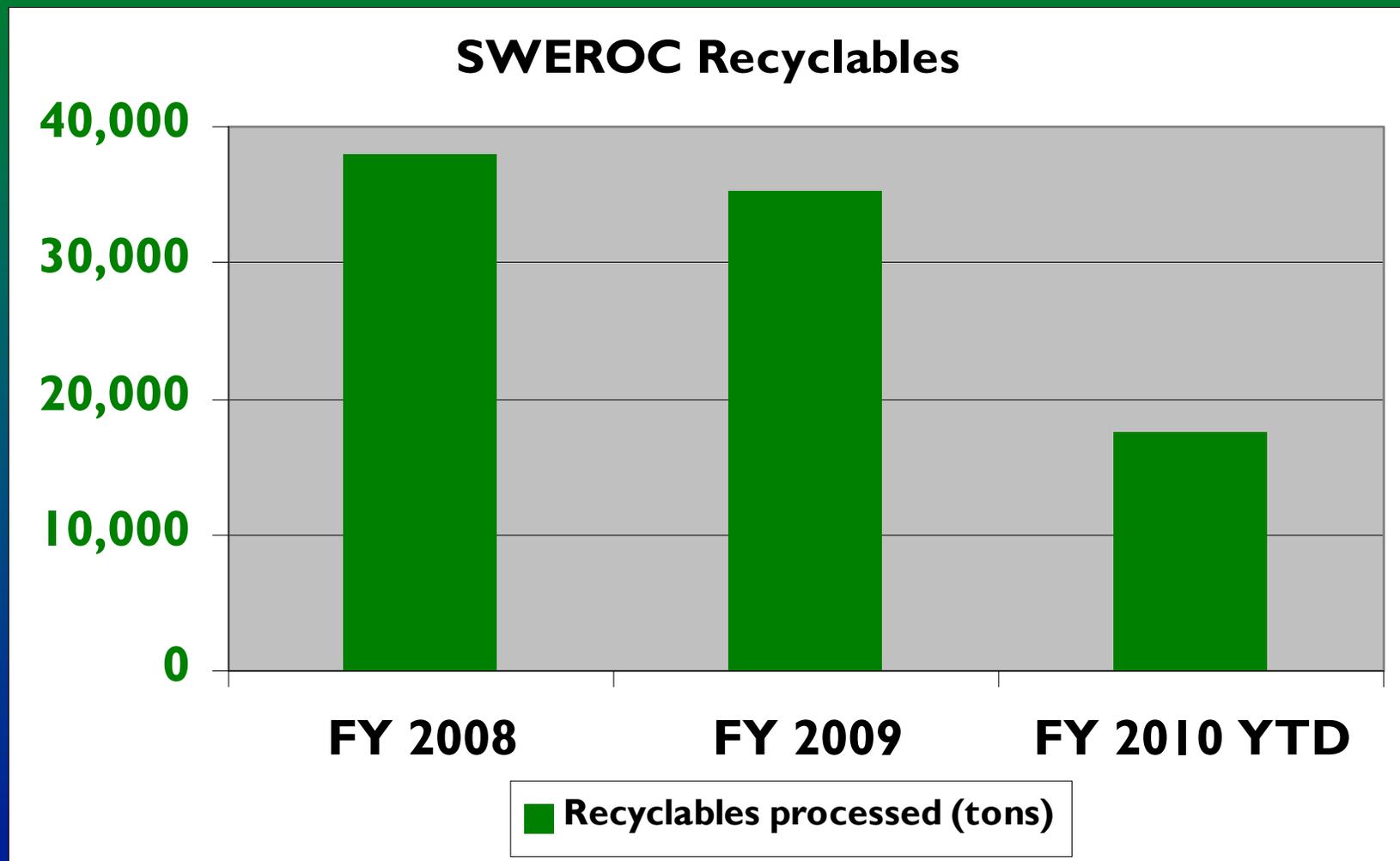
# Southwest Division/SWEROOC MSW Tonnages



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# Southwest Division/SWEROOC Recycling Tonnages



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# Southwest Division/SWEROOC

## Division Update

- Surpluses from former Bridgeport Project distributed to member towns in 2009
  - Additional distributions will depend on the sale of the Waterbury landfill and remaining lawsuits
- FY 2011 disposal fee: \$64.16/ton (1.8% increase)
  - Includes CRRA administrative fee of \$2.05/ton



# Southwest Division/SWEROOC

## Division Update

- Stratford recycling center requires retrofit for single-stream capability
  - Financing requires minimum 40,000 TPY
  - Cost: \$7.5 million
  - Towns would get \$0/ton tip fee and rebates
  - Need towns' commitments by June 2010
  - Alternatives include truck transfer from Stratford to CRRA Hartford facility or private facility



# Southwest Division/SWEROOC

## Division Update

- Garbage Museum no longer funded by SWEROOC nor subsidized by trash fees
  - Museum operating with donations and admission fees
  - Seeking other sources to keep Museum open
    - Contributions ruled tax-deductible by IRS

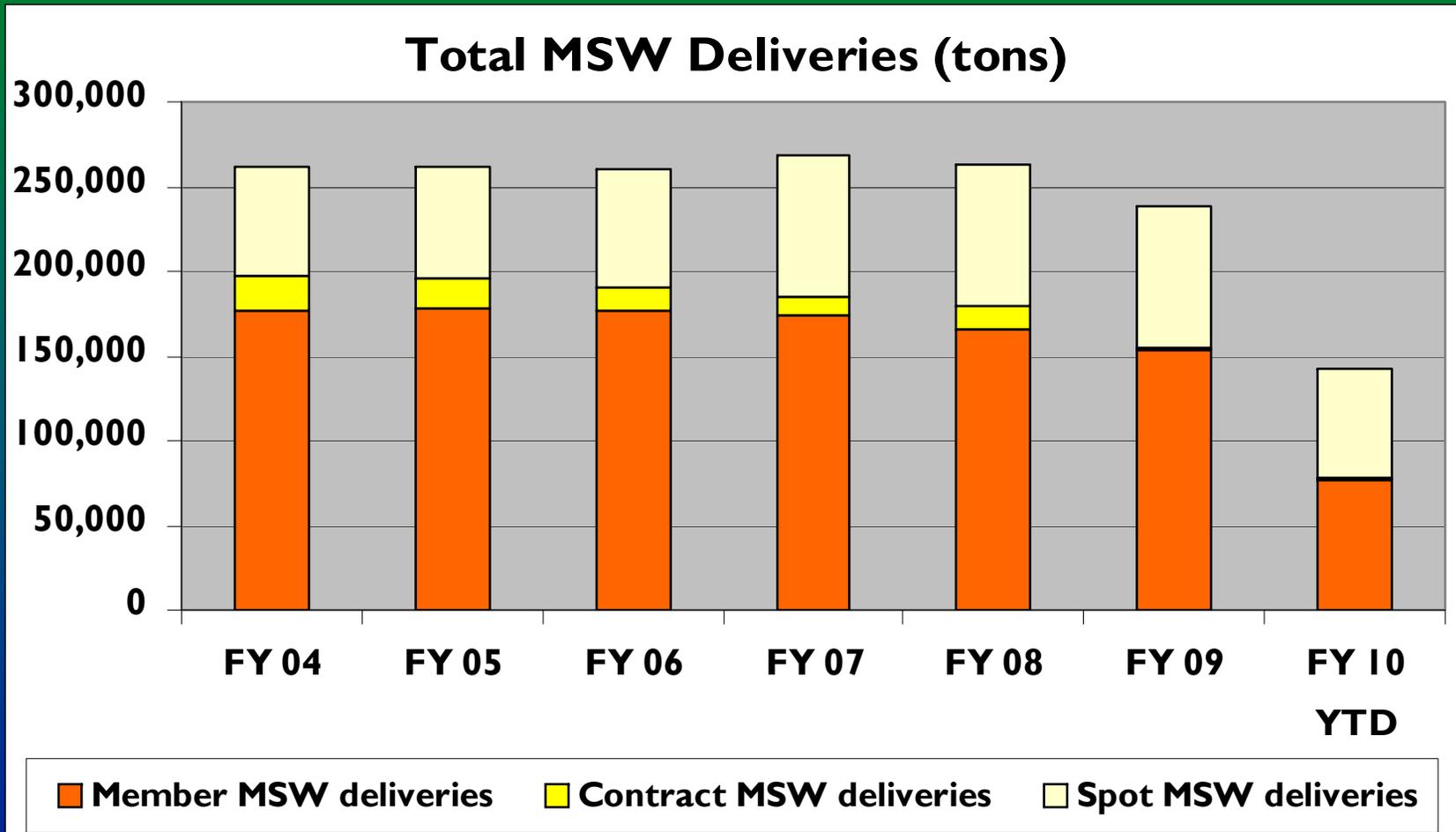


# Southeast Project

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# Southeast Project MSW Tonnages

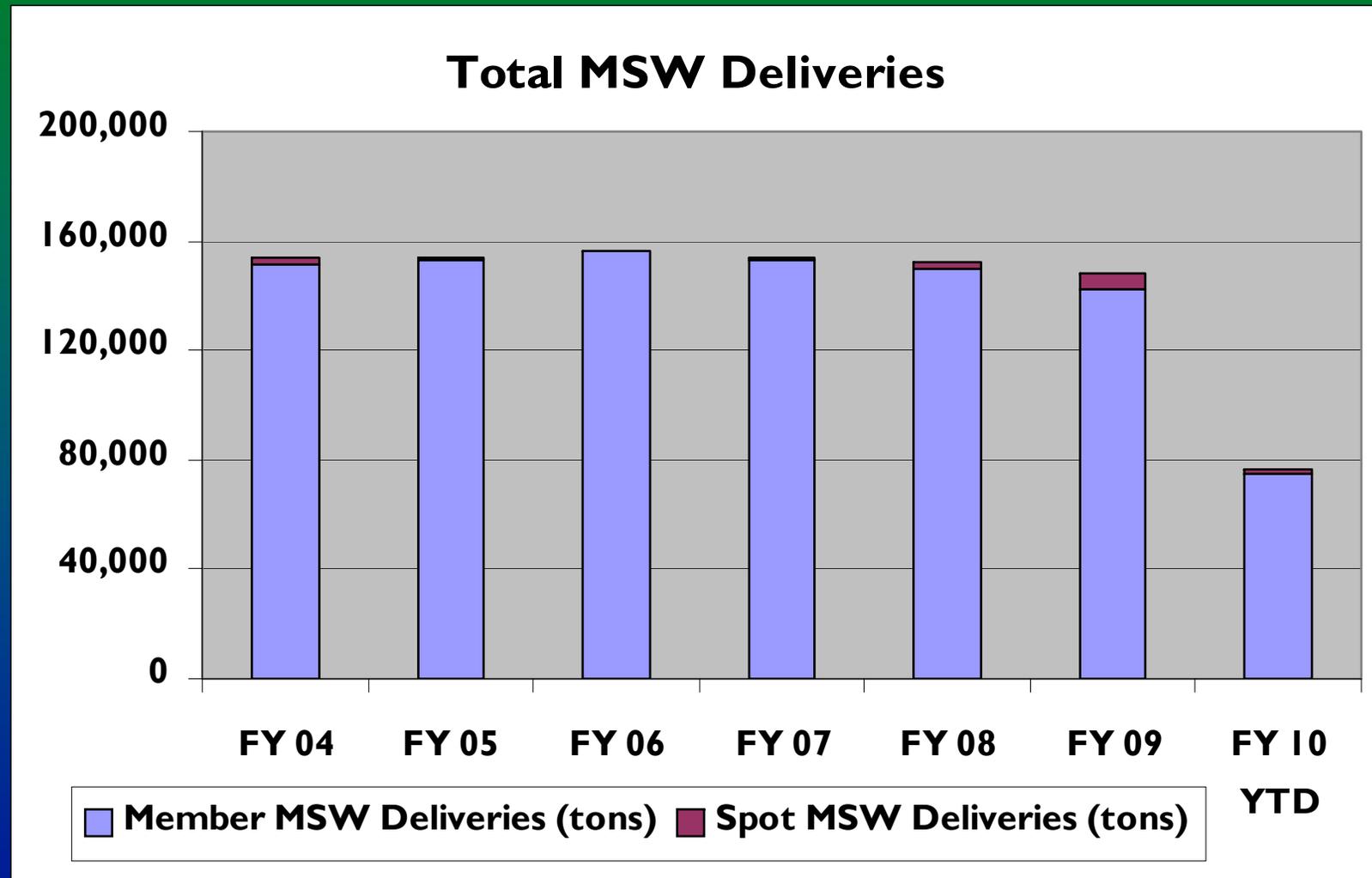


# Wallingford Project

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# Wallingford Project MSW Tonnages



# Wallingford Project

## Future

- Covanta owns trash-to-energy plant as of July 1, 2010
  - 5 Project towns contract directly with Covanta effective July 1
    - \$65/ton plus COLA for 10 years
  - CRRA retains access to full plant capacity through right of first refusal
    - Lowest price must be offered first to CRRA
    - Capacity becomes system asset
    - Additional 25,000 tons capacity reserved for CRRA at \$55/ton



# Mid-Connecticut Project

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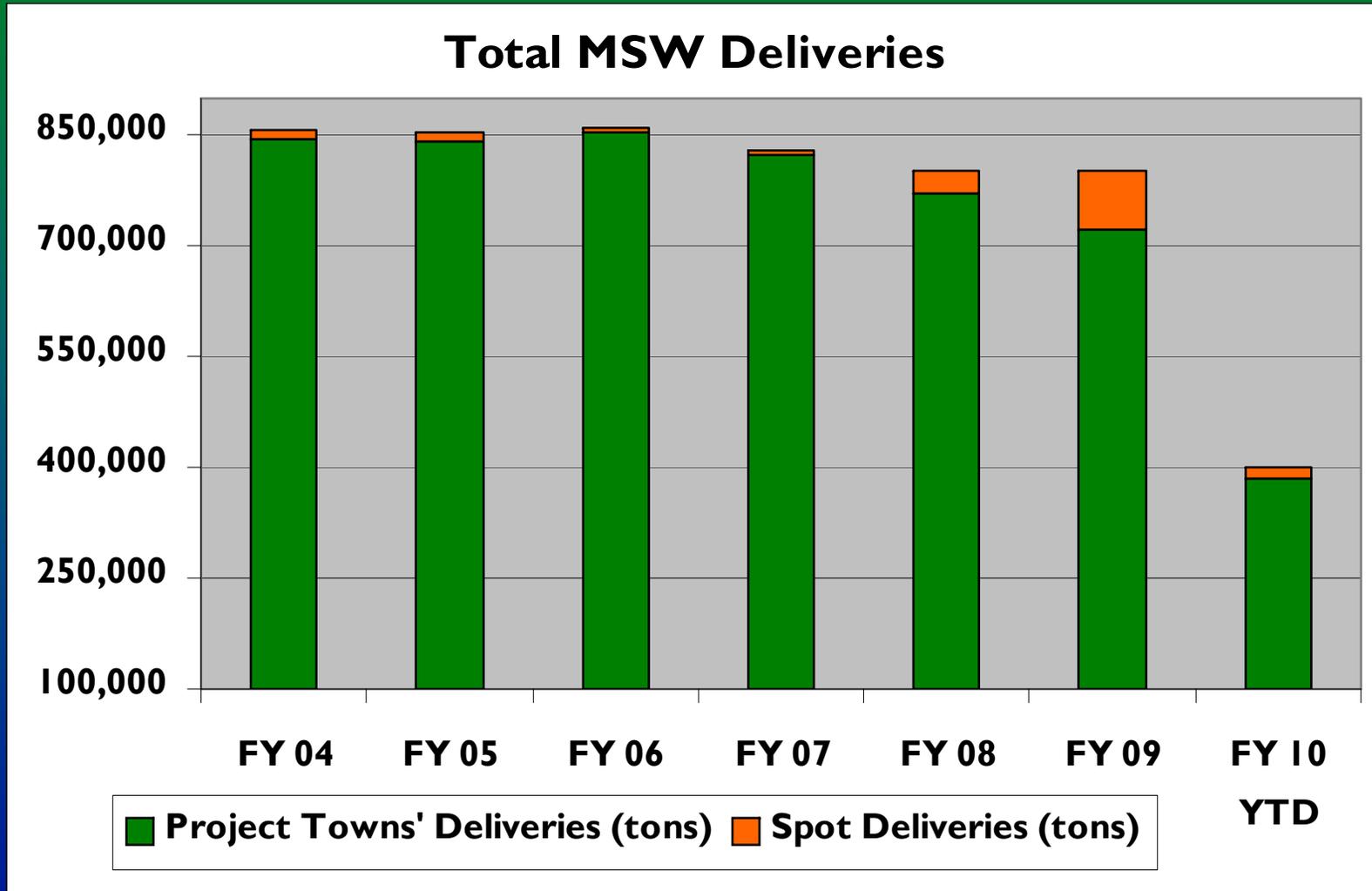
# Mid-Connecticut Project

## Service Issues

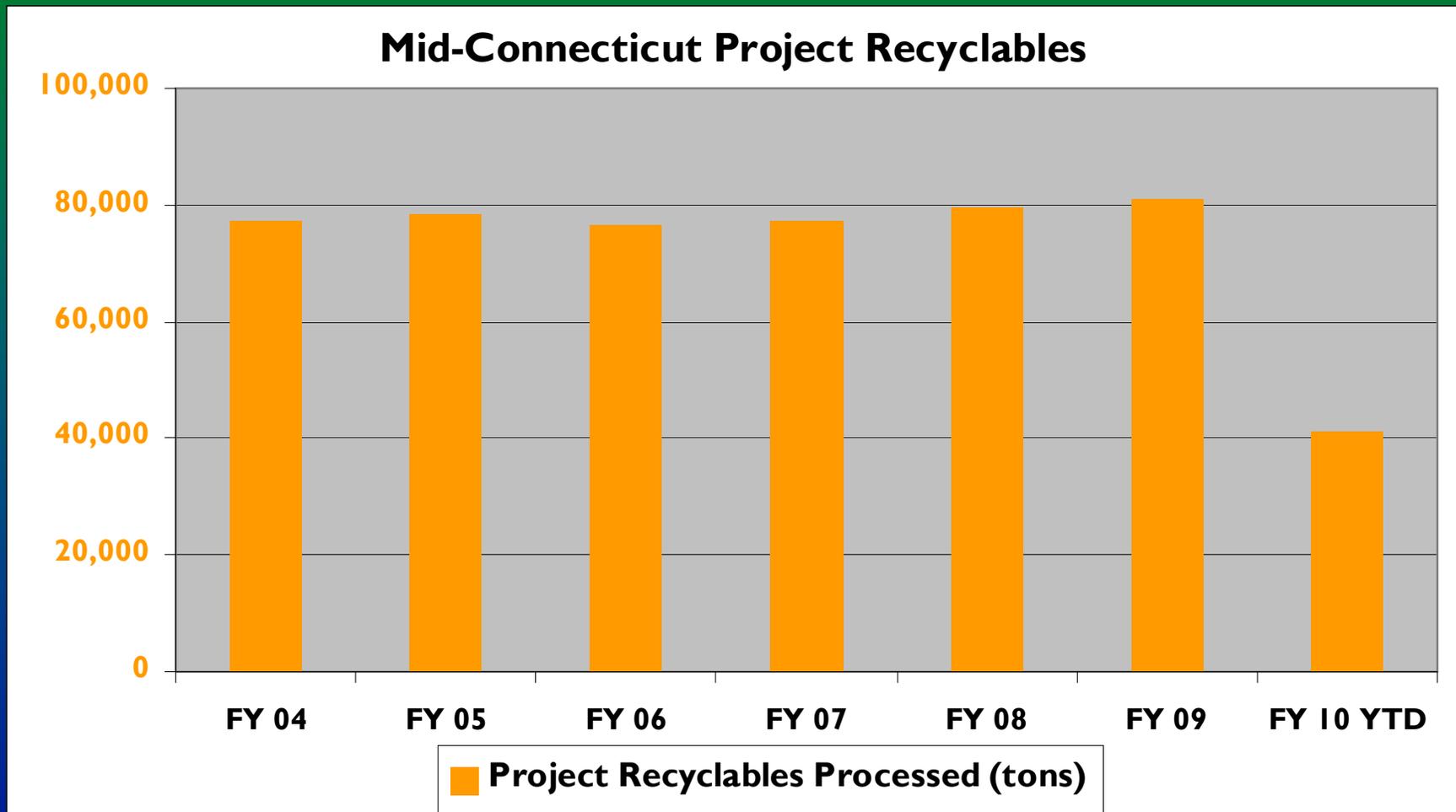
- Service Issues:
  - Bulky accepted at WPF now that Hartford landfill has closed
  - Mattresses:
    - Presently accepting as part of bulky waste loads
    - New fiscal year will have new mattress pricing and may encourage segregated delivery
    - CRRA intends to continue to provide at-cost disposal for mattresses from Project towns
    - Present bulky waste tip fee does not cover the expense of mattress disposal



# Mid-Connecticut Project MSW Tonnages



# Mid-Connecticut Project Recycling



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# Mid-Connecticut Project

## FY 2011 Tip Fee Guidance

- FY 2010 tip fee: \$69/ton
  - \$63 with credit from distribution of excess reserves
    - 18 towns opted to defer \$6/ton credit to FY 2011
- Note:
  - New pricing includes 14% reductions in headcount and other cost reductions
    - Administration (overhead) costs ~3%



# Mid-Connecticut Project

## FY 2011 Tip Fee Guidance

- FY 2011 tip fee
  - Proposed budget to Finance Committee Feb. 18
    - Full board Feb. 25 will set tipping fee at net cost
  - Must complete closure of Hartford landfill
    - Legislature committed \$13m in bond money
      - \$3m delivered to date
      - \$10 million awaiting action by State Bond Commission



# Mid-Connecticut Project Franklin Ash Landfill Initiative

- State needs publicly owned landfill to replace Hartford landfill
- State has USA's most rigorous design and siting requirements



# Mid-Connecticut Project Franklin Ash Landfill Initiative

- Franklin site chosen after three-year search of entire state
  - DEP had previously identified Franklin site
  - Few, if any, viable sites remain
- Would save taxpayers \$200 million over 30-year life (saving towns \$7 to \$9/ton of trash)
- Statute required host fee of ~\$3 million/year



# Mid-Connecticut Project Franklin Ash Landfill Initiative

- March 2008: CRRA begins outreach and education process in Franklin and surrounding towns
  - Public meetings, mailings, news stories, Web site
- May 2008: Substitute SB 357 passes Senate 33-0
  - “Talked to death” in House in final hour of session



# Mid-Connecticut Project Franklin Ash Landfill Initiative

- April 2009: Franklin voters approve non-binding referendum
  - 401-97
- June 2009: Legislature passes SB 3
  - 95-51 in House, 27-4 in Senate
- June 2009: Governor vetoes SB 3, deferring to scientific evaluation process

(Thank you to all town officials who contacted Governor Rell in support of the landfill!)



# Mid-Connecticut Project Franklin Ash Landfill Initiative

- Aug. 24: Testing confirms Franklin meets the state's rigorous criteria and is the best site
- Aug. 26:
  - AG joins opponents and speaks at Capitol rally
    - Promises legal action to block landfill
  - Governor, who had vetoed SB 3, sends letter of opposition to be read at rally



# Mid-Connecticut Project Franklin Ash Landfill Initiative

- Aug. 27: CRRA regular board meeting
  - Decision: whether to proceed?
  - \$300K would be needed Sept. 1 to continue permitting process
    - Legislature opposed
    - Governor now opposed
    - Attorney General promising legal battle
    - Board votes to suspend development, investigate additional alternatives
    - Site remains viable, may be considered if alternatives are not viable or reasonable



# Mid-Connecticut Project

## Trash-to-Energy Plant Capital Projects

- \$14m in last five years
  - Projects to improve efficiency and lower costs of operation and maintenance
    - Improvements to odor-control system
    - Replacement of control process interface
    - Re-engineering of conveyor systems
    - Repair and replacement of rear-stage turbine diaphragms to optimize heat rate
    - Replacement of Inconel-overlay pressure parts and installation of nickel-based proprietary overlay in lower waterwalls
    - Repower of shredder drives to 1250 HP



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- **Issues Resolved in 2009**
- Issues to Be Resolved in Future
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# Issues Resolved in 2009

- Franklin Ash Landfill Initiative
- *New Hartford v. CRRA*
- Recycling
  - Bottle bill expansion
  - Single-stream expansion



# Issues Resolved in 2009

## *New Hartford v. CRRA*

- May: Connecticut Supreme Court upholds \$35.8m judgment
  - Money distributed to towns in 2008
    - Towns' lawyers collect \$8.9m from towns
  - Impact to tipping fee: \$11.68/ton higher for each of 4 years
- June 2009: Towns' lawyers drop challenge to FY 2009 budget



# Issues Resolved in 2009

## Recycling

- Bottle bill expansion
  - Water bottles now covered by deposits
  - When prices rebound, projects expect to lose \$1m with diversion of plastic to deposit system
- Single-stream introduction
  - Available in all or parts of 64 towns served by CRRA Mid-Connecticut Project
  - Mid-Conn recycling rate has increased each year since introduction
  - Stratford facility can be retrofitted to single-stream within 12 months of decision



# Issues Resolved in 2009

## Recycling

- Mid-Connecticut Project pays per-ton recycling bonuses to each participating town
- **REMEMBER: EVERY TON RECYCLED IS A TON YOU DON'T PAY TIPPING FEE TO DISPOSE !!!!**



# One Town's MSW Costs

	At 6% recycling rate		At 20% recycling rate	
Total tons MSW delivered in FY 2010	14,572		13,526	
MSW tons billed to town*	8,658	\$597,402	7,981	\$550,689
Recycling tons delivered	1,086		3,382	
<b>Total MSW bill</b>		<b>\$597,402</b>		<b>\$550,689</b>

\* -- At current FY 2010 municipal disposal fee of \$69



# One Town's MSW Costs

	At 6% recycling rate		At 20% recycling rate	
Total tons MSW delivered in FY 2010	14,572		13,526	
MSW tons billed to town*	8,658	\$597,402	7,981	\$550,689
Recycling tons delivered @ \$5/ton rebate	1,086	\$5,430	3,382	\$16,910
<b>Total MSW bill</b>		<b>\$591,972</b>		<b>\$533,779</b>
<b>Savings of</b>			<b>9.8%</b>	<b>\$58,193</b>

\* -- At current FY 2010 municipal disposal fee of \$69



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# Issues to Watch in 2010

- Ash Disposal
- Legislation
- SWEROC
- MDC
- Mid-Connecticut Project Future
- Legal Action



# Issues to Watch in 2010

## Ash Disposal

- Alternatives to publicly-owned ash landfill are being developed and evaluated
  - Recycling/re-use
  - Out-of-state ash disposal
  - Reconsideration of Franklin site
- Alternatives will cost substantially more than anticipated Franklin ash landfill cost



# Issues to Watch in 2010

## Legislation

- Governance
  - CRCOG is sponsoring a new solid waste authority
  - CCSWA's leaders have requested Legislature to transfer Mid-Connecticut Project facilities to its new waste authority
  - AFSCME has asked Legislature to study disbanding CRRA



# Issues to Watch in 2010

## Legislation

- Fees
  - Potential increase in Solid Waste Assessment (“dioxin tax” now \$1.50/ton), other fees that would increase disposal costs to towns



# Issues to Watch in 2010

## SWEROC

- Towns in or out?
  - Opportunities for non-participating towns at Stratford facility
- Retrofit of recycling processing center?
  - Would expand single-stream recycling
- Garbage Museum must be self-sustaining
  - Still needs major funding sources



# Issues to Watch in 2010

## MDC

- CRRA has paid bills in full on time
- MDC now claims CRRA owes millions in costs MDC might incur after contract expires
  - Issue is under arbitration
  - Project towns should not be responsible for costs if CRRA does not prevail



# Issues to Watch in 2010

## Mid-Connecticut Project Future

- Mid-Connecticut Project Special Committee
  - To insure CRRA plans effectively for post-project options
  - Committee membership:
    - Representatives of Hartford, East Hartford, Windsor Locks, Canton and Barkhamsted
    - Five representatives of CRRA
  - Next meeting: March 24, 2010
    - Information on CRRA Web site

[http://www.crra.org/pages/mid-conn\\_special\\_committee.htm](http://www.crra.org/pages/mid-conn_special_committee.htm)

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# Issues to Watch in 2010

## Mid-Connecticut Project Future

- RFQ for operation and maintenance of facilities issued 2009
- CRRA preparing RFP for operator contracts
  - WPF contract (MDC) expires November 2011
  - PBF (Covanta) contract expires May 2012



# Issues to Watch in 2010

## Mid-Connecticut Project Future

- CRRA developing new MSA
  - Initial term 5 years
    - No full-faith-and-credit
    - No put-or-pay or minimum commitment
    - Free recycling
    - Net cost of operation
  - Towns can also choose lower-tier contracts or spot contracts (will require tonnage commitments)
  - Draft MSAs will be circulated for comment this spring (return comments by April 30)



# Issues to Watch in 2010

## Legal Action

- Bridgeport Project
  - Combe Fill South Landfill
    - Claim against CRRA, towns settled in 2009
    - Other claims still could be made
  - *Hennessey v. CRRA and City of Milford*
    - Worker injured at Milford transfer station in 2007
    - CRRA defense paid by insurance



# Issues to Watch in 2010

## Legal Action

- Bridgeport Project
  - *RTC v. CRRA*
    - RTC former operator of Shelton landfill gas system
      - RTC in bankruptcy, has no \$ to pay CRRA's counterclaim
      - Could be dispute over ownership of gas collection system
  - *Vidal v. CRRA*
    - Contractor employee injured at Norwalk transfer station in 2007
    - CRRA defense paid by Wheelabrator's insurance



# Issues to Watch in 2010

## Legal Action

- Mid-Connecticut Project
  - *Estate of ONE/CHANE v. CRRA*
    - Bankruptcy trustee sued CRRA for \$20m in 2008
      - Alleged breach of contract
      - Under 1999 agreement, CRRA would have paid ONE/CHANE \$10m if CRRA pursued expansion of the Hartford landfill
        - » CRRA dropped expansion initiative
    - Trial scheduled for June



# Issues to Watch in 2010

## Legal Action

- Mid-Connecticut Project
  - *AIG v. CRRA*
    - AIG paid settlement to Hartford property owners in *Incredible Motels* action against CRRA
    - AIG has sued demanding reimbursement
    - CRRA has filed counterclaim alleging bad faith
    - Trial scheduled for summer



# Issues to Watch in 2010

## Legal Action

- Mid-Connecticut Project
  - Enron Global
    - Remaining defendants have had motions to dismiss CRRA's action pending since fall 2008



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- Blog: <http://crra-blog.blogspot.com/>
- Twitter: <http://twitter.com/CRRA>
- E-mail: [crrainfo@crra.org](mailto:crrainfo@crra.org)
- Telephone: 860-757-7700



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