

**CONNECTICUT  
RESOURCES  
RECOVERY  
AUTHORITY**

# 2011 Annual Meeting

March 2, 2011



# Welcome

## Thomas D. Kirk, President

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# CRRA Board



## Michael A. Pace, Chairman

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



## Michael J. Jarjura, Vice Chairman

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



## Timothy C. Griswold

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

- **Theodore H. Martland**

- Appointed for experience in business/industry



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# CRRA Board



## David B. Damer

- Appointed for experience in business/industry
  - Retired environmental-policy executive in electric industry
- Nicholas H. Mullane II
    - Appointed in 2010 as CEO of city or town under 50,000 in population
    - First Selectman, Town of North Stonington
  - Ronald F. VanWinkle
    - Appointed in 2010 as CEO of city or town over 50,000 in population
    - Town Manager, Town of West Hartford

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# CRRA Board



Louis J. Auletta Jr.

- Appointed in 2010 for experience in business/industry
- **President and CEO, Bauer, Inc.**



Dorothy Kelly

- Appointed in 2010 for experience in environmental field
- **Consultant/Agent to Ciba Specialty Chemicals, Novartis, INEOS, others**

- John A. Harkins

- Appointed in 2011 as CEO of city or town under 50,000 in population
- **Mayor, Town of Stratford**

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# CRRA Board



## Stephen J. Edwards

- Ad-hoc member representing Southwest Division towns
- Director of Public Works, Town of Westport



## Steven N. Wawruck Jr.

- Appointed in 2010 as Mid-Connecticut Project ad-hoc member
- First Selectman, Town of Windsor Locks

- Dr. Robert Painter

- Appointed in 2010 as Mid-Connecticut Project ad-hoc member
- Member, Hartford Court of Common Council

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# CRRA Board



Warren C. Howe Jr.

- Ad-hoc member representing Wallingford Project towns



Geno Zandri Jr.

- Ad-hoc member representing Wallingford Project towns



Mark Tillinger

- Southwest Division ad-hoc member
- Retired as Global Managing Partner, Accenture

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# Today's Topics

- Today's Solid Waste Situation
- The Solid Waste Management Plan
- A Look Ahead
- CRRA's Evolution
- Legislative & Legal Issues
- Closing Remarks
- Your Questions

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# Today's Solid Waste Situation

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# Today's Solid Waste Situation

- Reduce / reuse
- Recycle
- Compost
- Recover (trash-to-energy)
- Landfill

Most desirable



Least desirable

CGS § 22a-228(b)

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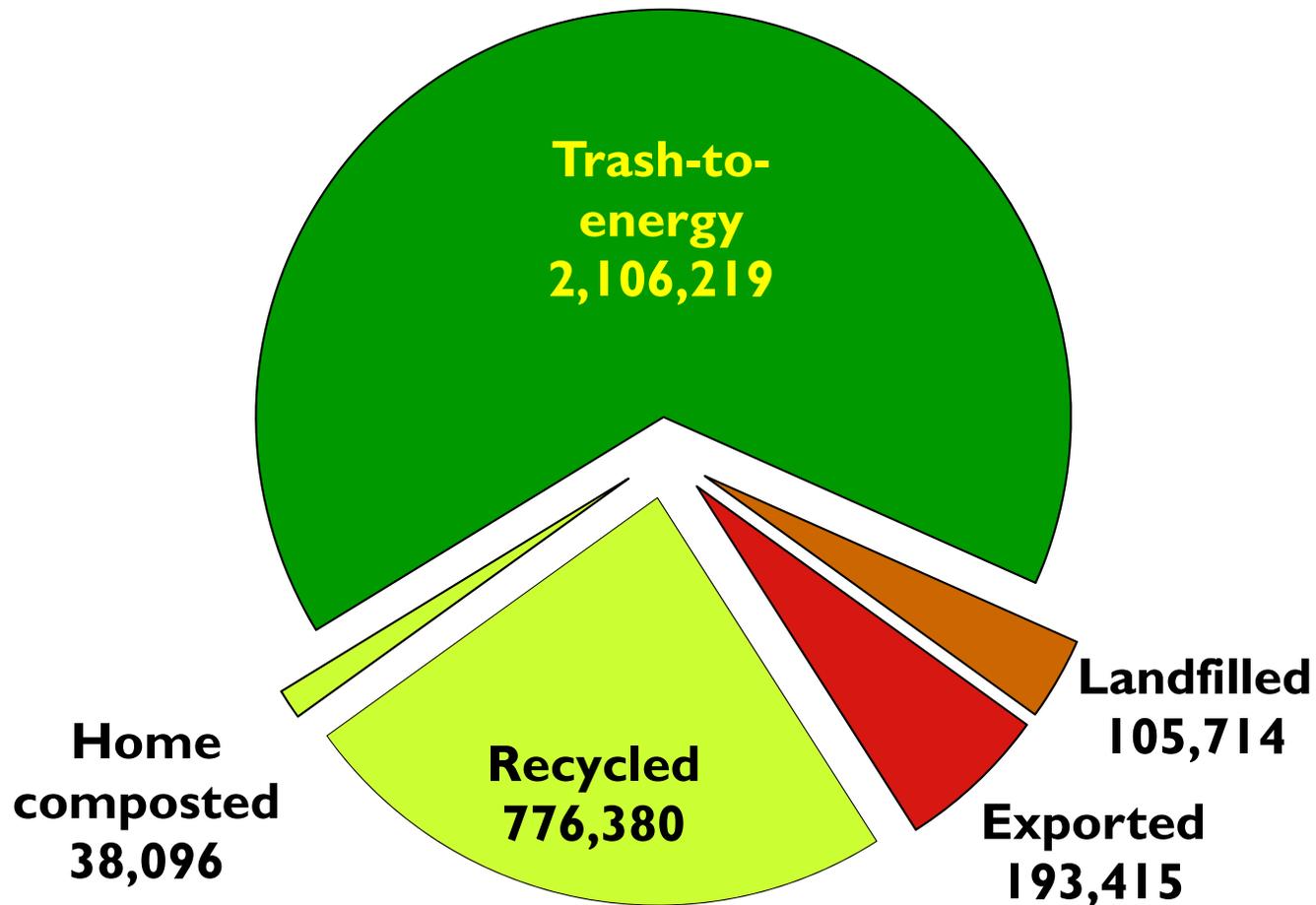
# Today's Solid Waste Situation

- What we throw out:
  - MSW – 3.1 million tons
    - 2.1m to TTE plants
    - 814k recycled, composted or grasscycled
    - 105k to Connecticut landfills
    - 193k to out-of-state landfills
  - C&D – 1.1 million tons (2005 estimate)
    - To volume reduction facilities and out-of-state landfills



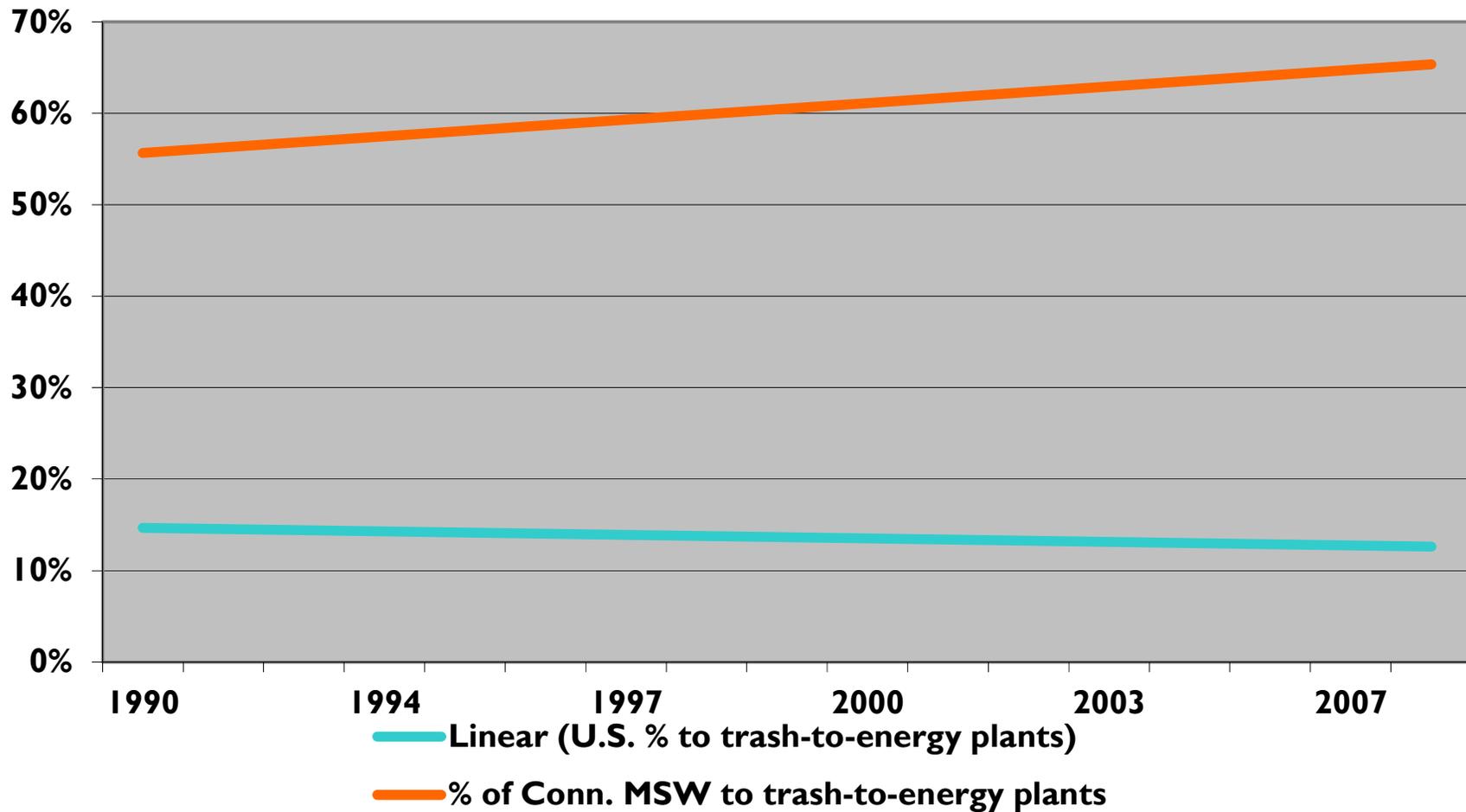
# Today's Solid Waste Situation

## Connecticut MSW Disposal (Tons) FY 2009



# Today's Solid Waste Situation

## Use of Trash-to-Energy in U.S. and Connecticut



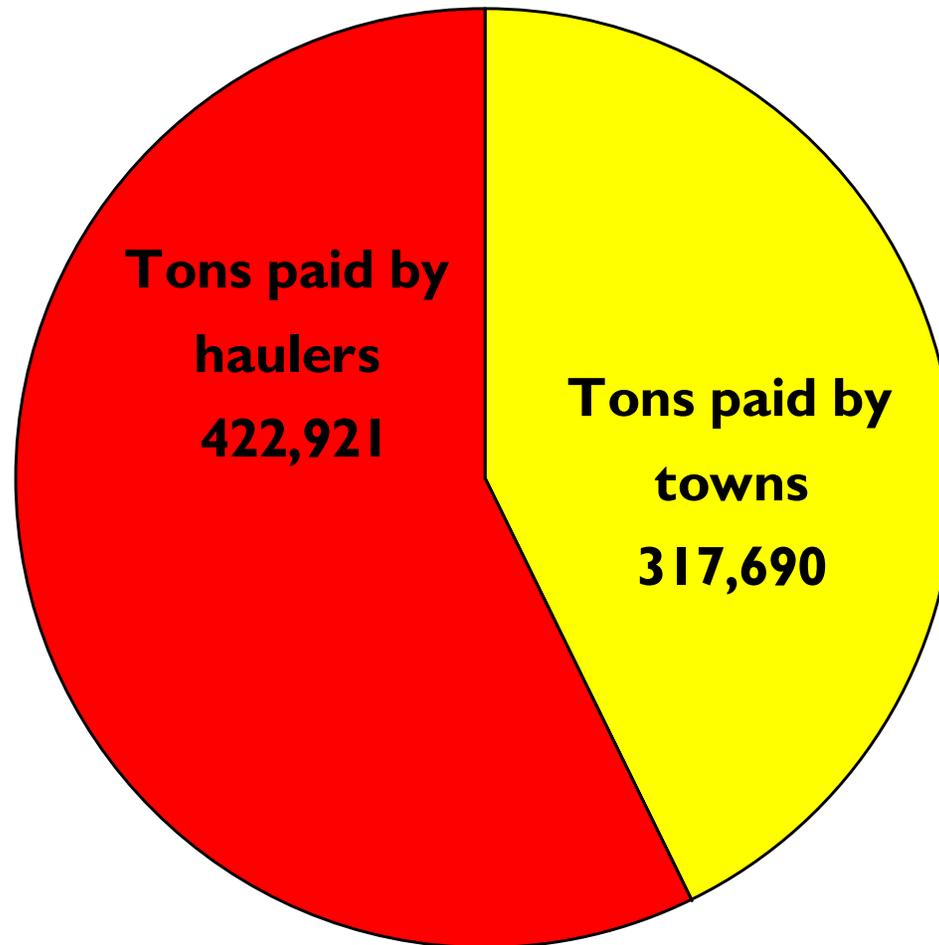
Sources: U.S. Environmental Protection Agency,  
Connecticut Department of Environmental Protection

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# Today's Solid Waste Situation

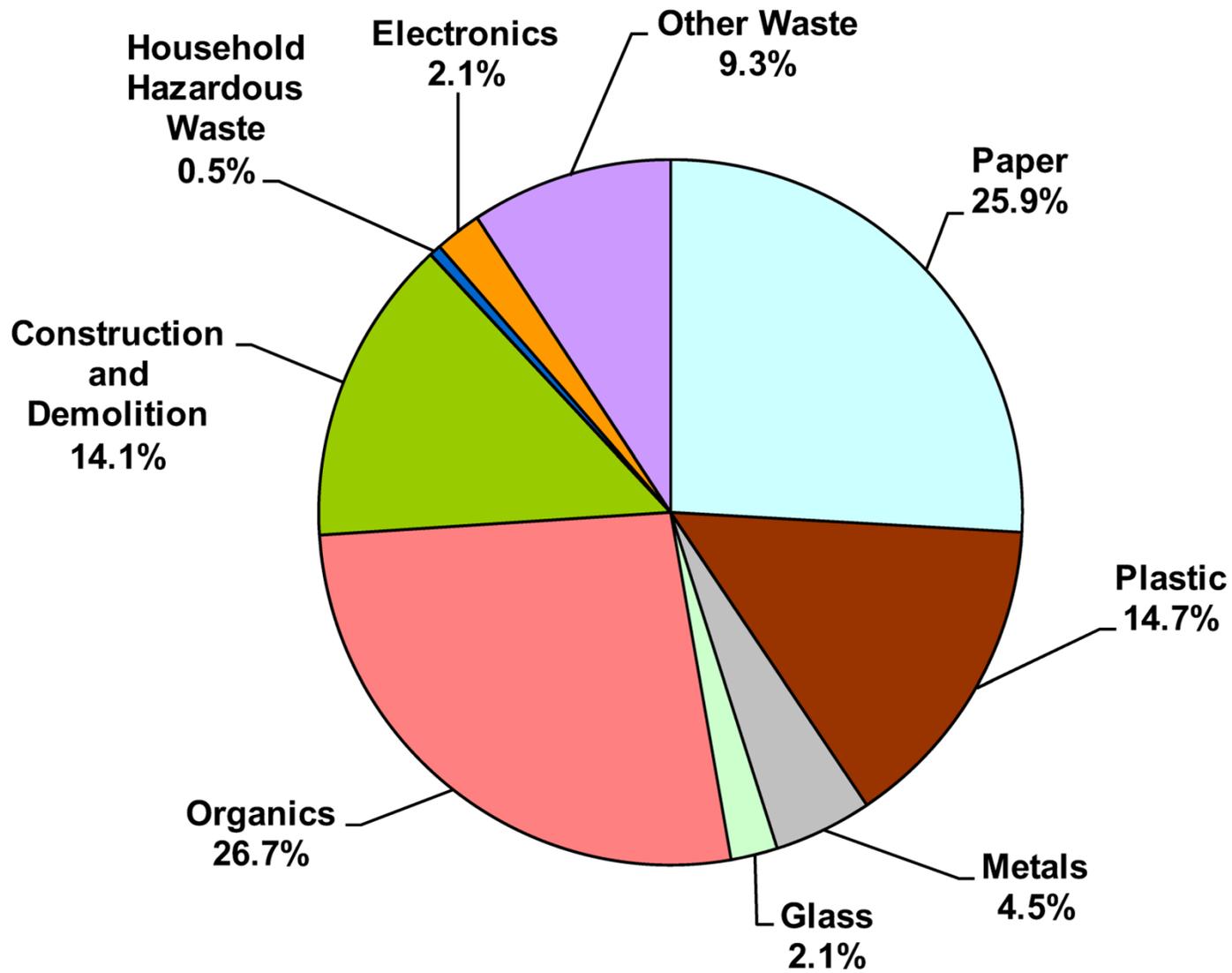
## Mid-Connecticut Project FY 2010



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# Today's Solid Waste Situation



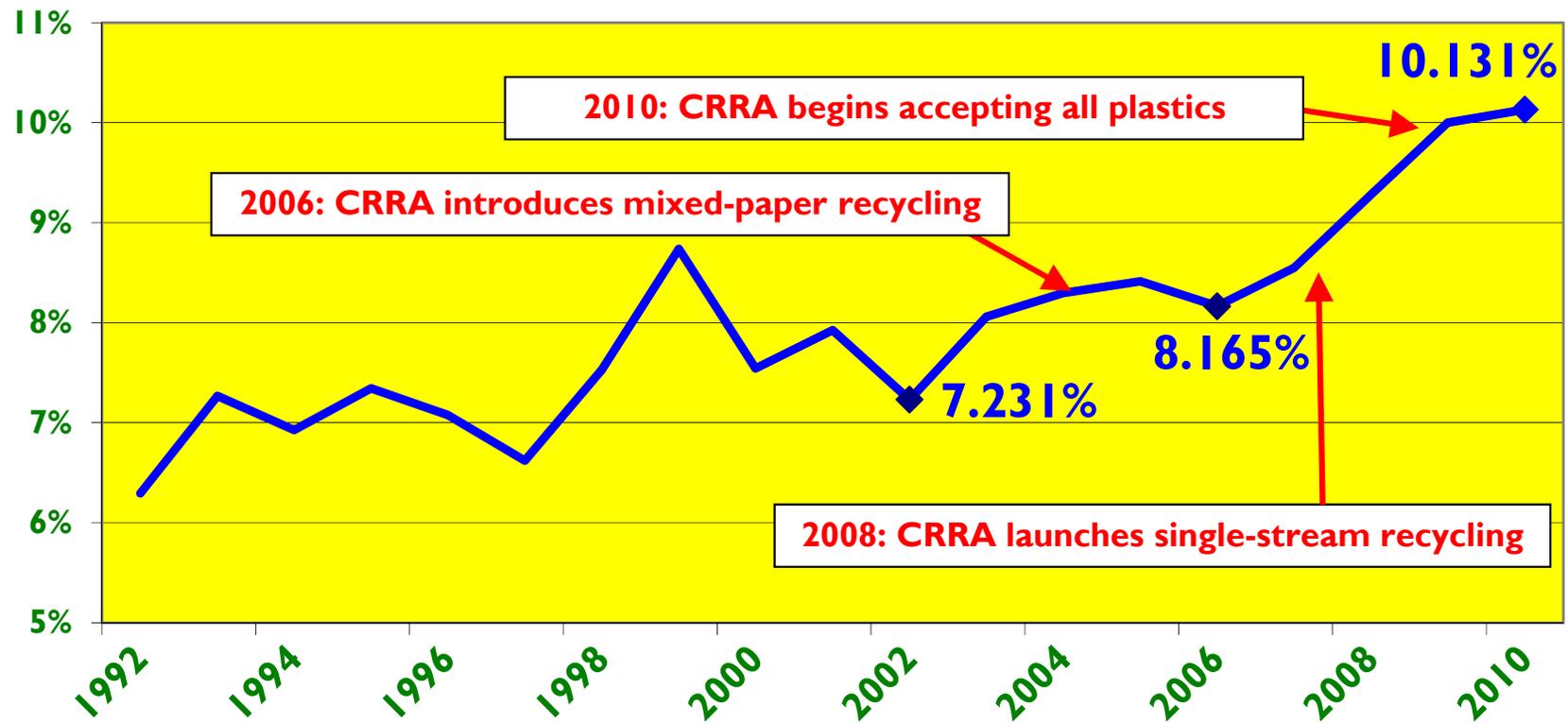
Source: Connecticut Department of Environmental Protection

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# Today's Solid Waste Situation

## Mid-Connecticut Project Recycling Rate FY 1992-2010



$$\frac{\text{Curbside+electronics}}{\text{Curbside+electronics+MSW}} = \text{Recycling Rate}$$

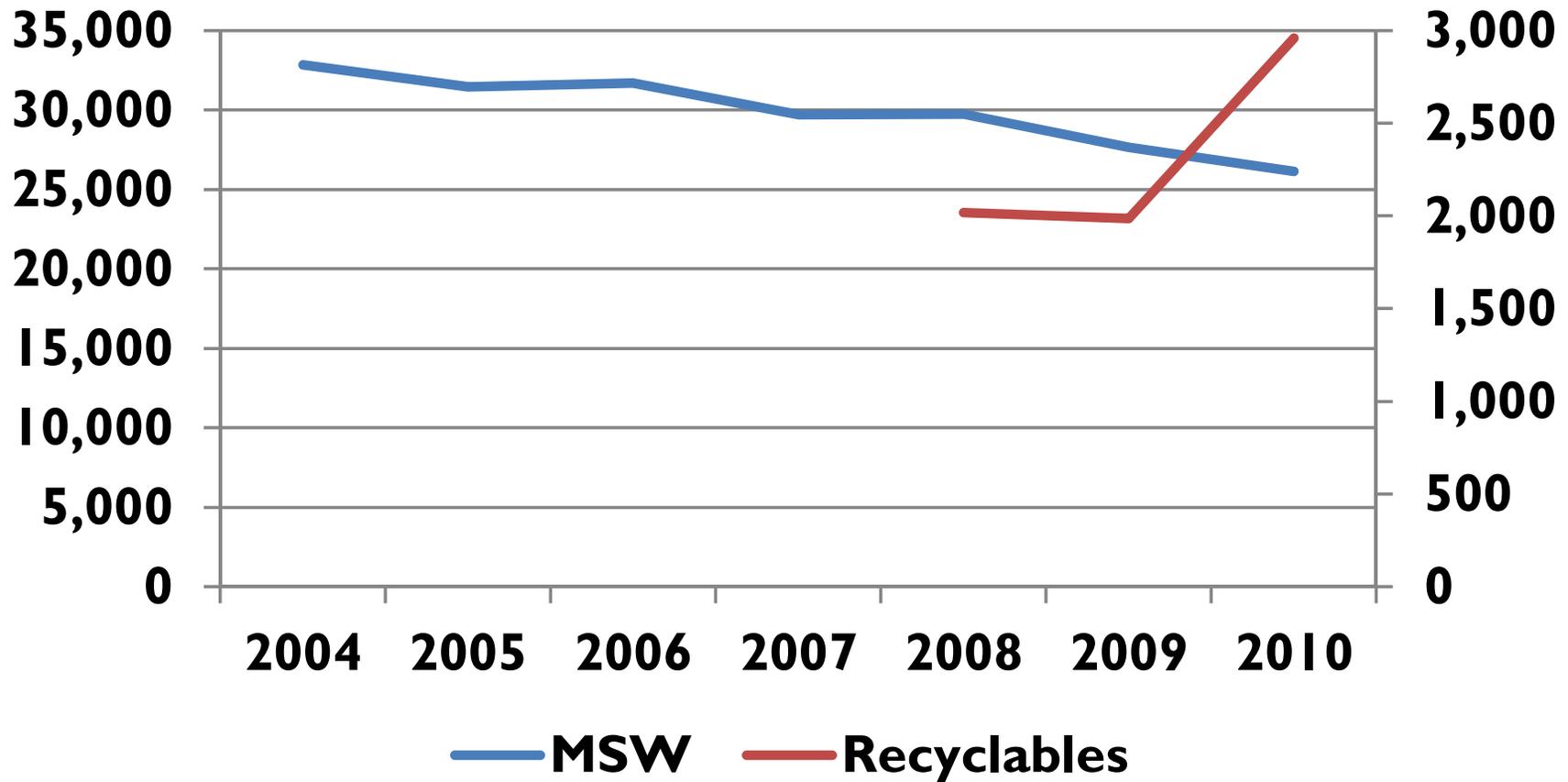
Based only on material delivered to CRRA. Does not include other recyclables.

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# Today's Solid Waste Situation

## Torrington



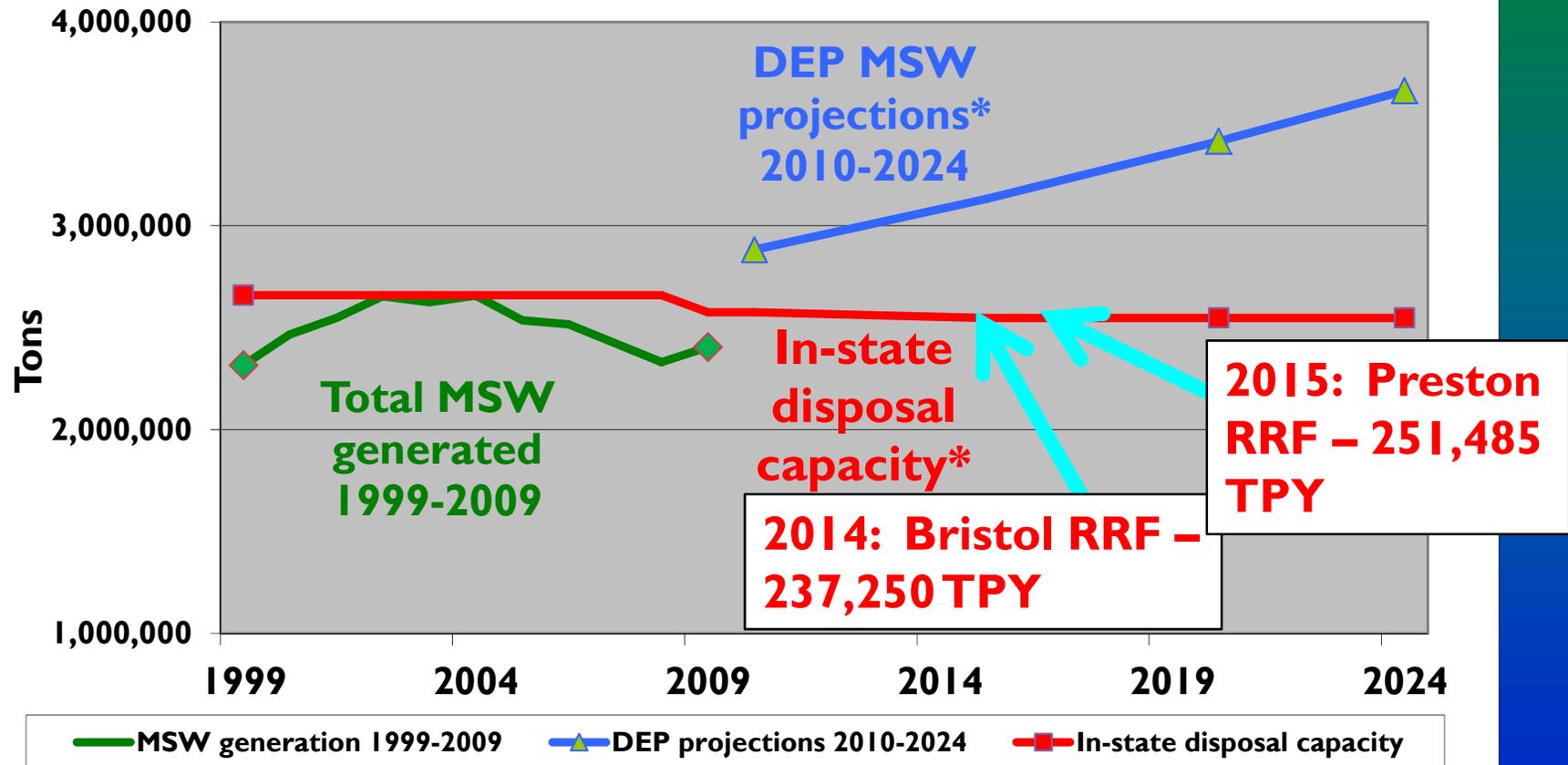
By fiscal year

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# Today's Solid Waste Situation

## Connecticut MSW Generation vs. Capacity



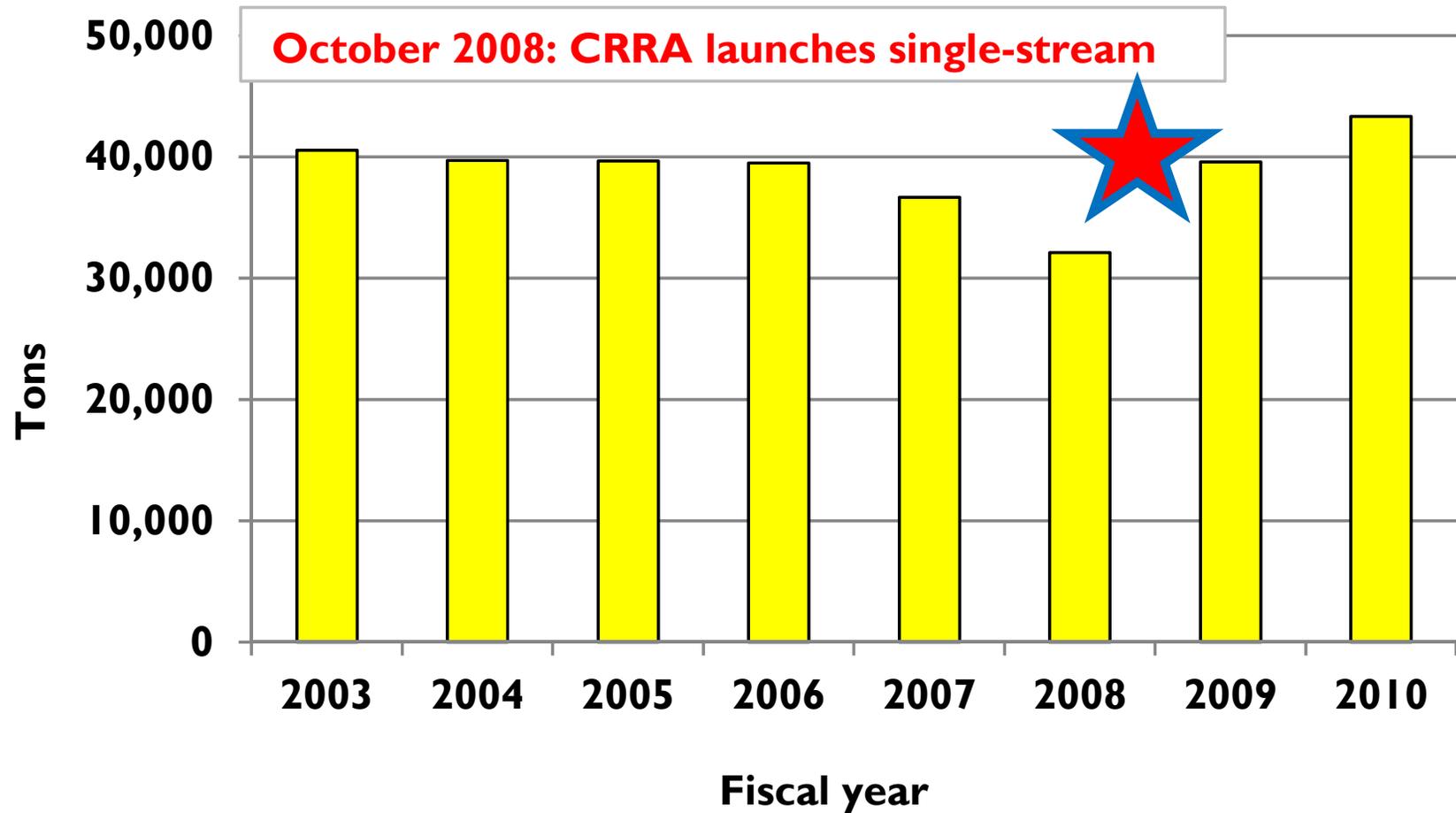
\* DEP projections from Solid Waste Management Plan maintaining current 30% diversion rate through 2024.

\* Assumes Windsor-Bloomfield landfill closes in 2015 and no new disposal capacity is built.



# Today's Solid Waste Situation

## Mid-Connecticut Project Paper Recycling



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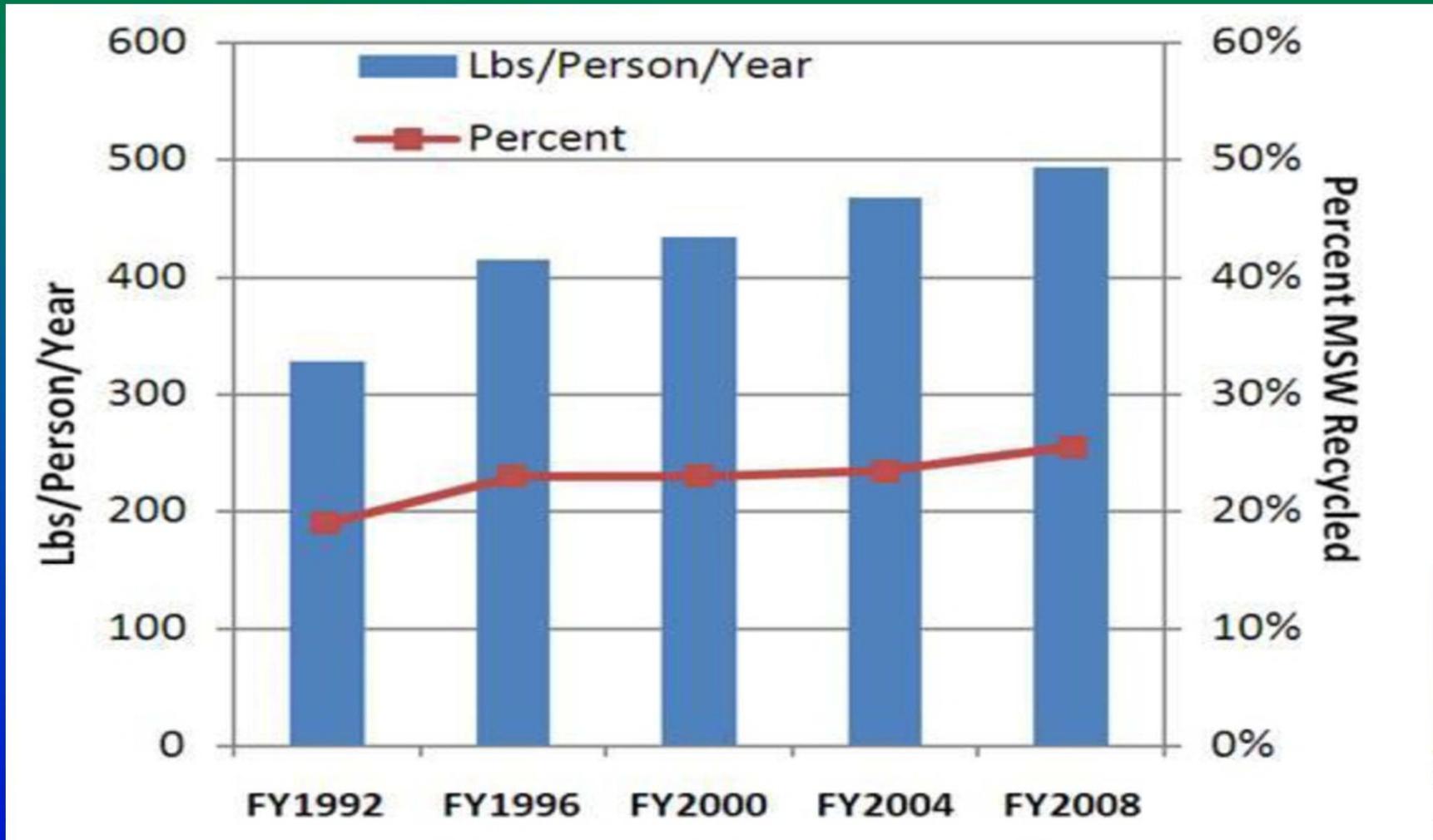
# State Solid Waste Management Plan

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# State Solid Waste Management Plan

- Historic diversion rates



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# State Solid Waste Management Plan

- Target:
  - 58% diversion rate by 2024
    - FY 2009: 25.58%
    - FY 2008: 26.63%

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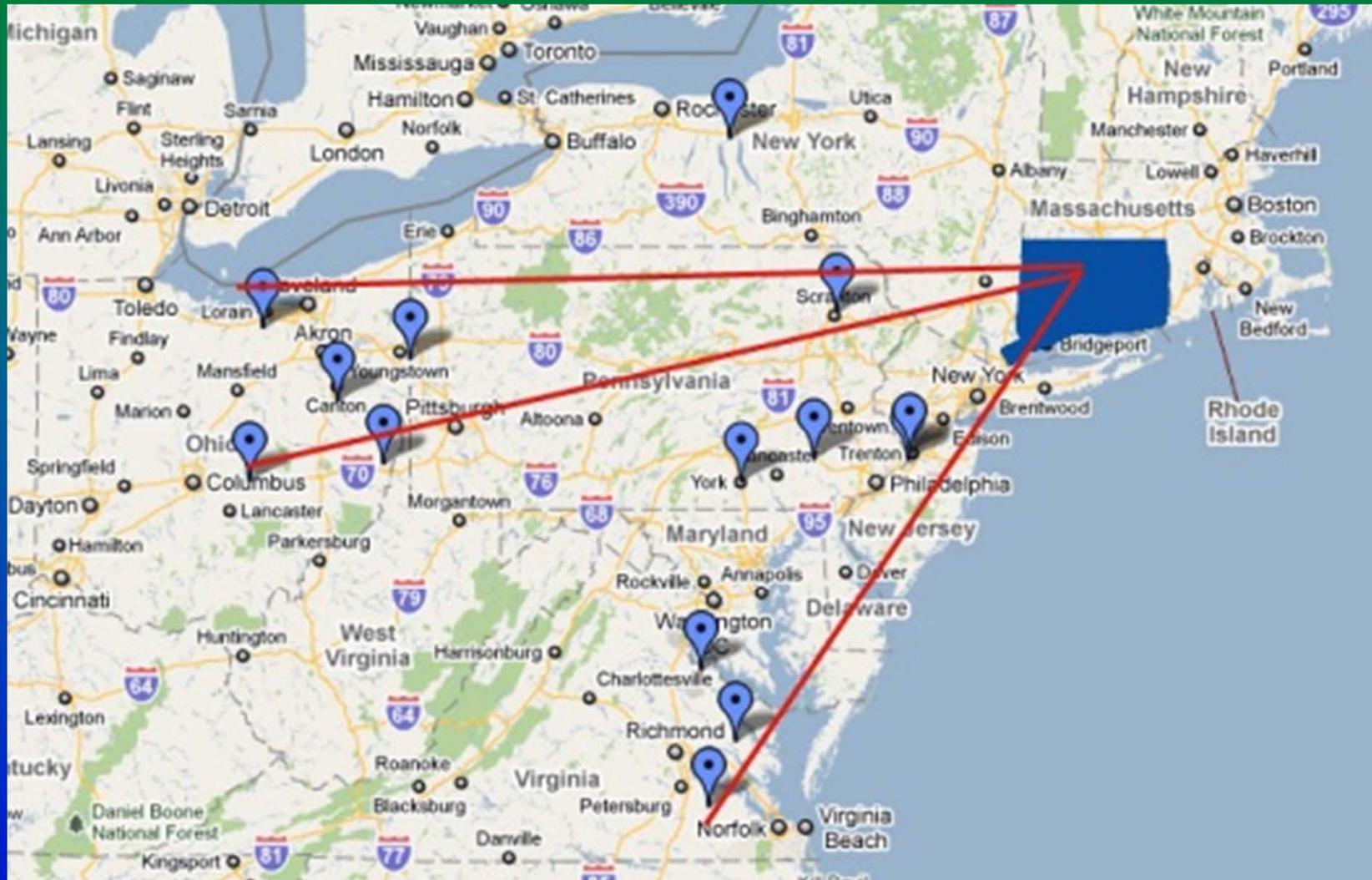


# A Look Ahead

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# A Look Ahead



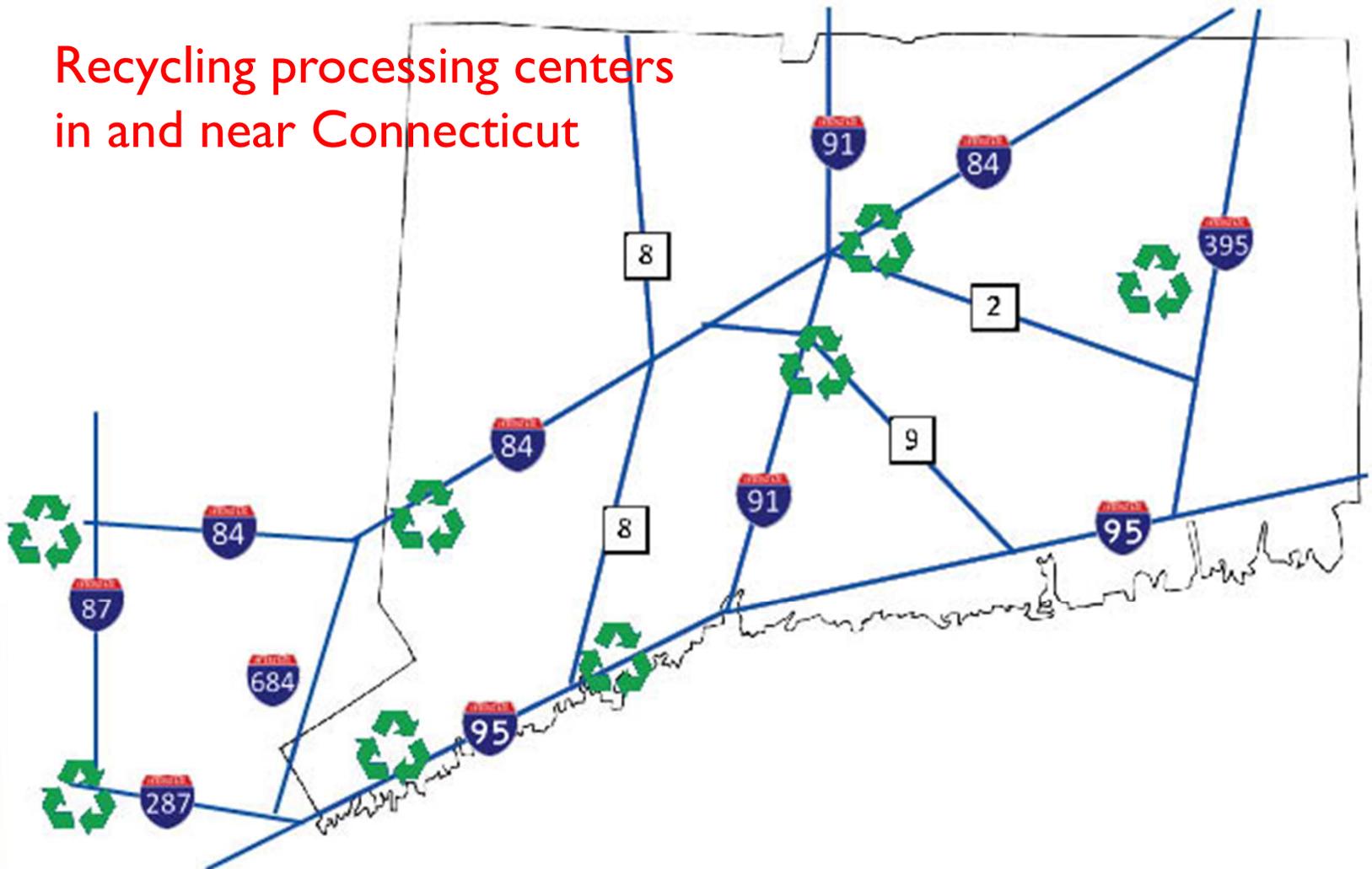
Source: *MSW Management* magazine

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# A Look Ahead

Recycling processing centers  
in and near Connecticut



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# A Look Ahead

- Diesel fuel?
  - February 22, 2010: \$2.832/gallon
  - February 21, 2011: \$3.573/gallon
  - February 28, 2011: \$3.716/gallon
  - Crude prices jumped 8% in last week of February

Source: U.S. Energy Information Administration

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# A Look Ahead

- Trucking to landfills in ...
  - New York – \$80-\$278/ton
  - Ohio – \$97-\$277/ton
  - Pennsylvania – \$63-\$136/ton
  - Virginia – \$86-\$229/ton

Sources: DEP Solid Waste Management Plan, December 2006; South Central Regional Council of Governments, January 2009; Legislative Program Review & Investigation Committee, January 2010

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# A Look Ahead

## New Technologies

- Thermal processing / gasification
  - Uses heat to change the composition of MSW
  - Products:
    - Synthesis gas
      - Can be used to generate electricity
    - Vitrified ash
    - Char

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# A Look Ahead

## New Technologies

- Thermal processing / advanced combustion
  - Similar to existing technology
    - Cleaner emissions
    - Less residue requiring disposal

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# A Look Ahead

## New Technologies

- Advanced mechanical processing with gasification or combustion
  - Removes up to 90% of recoverable materials
  - Products:
    - Biogas
    - Soil amendment for agriculture

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# A Look Ahead

## New Technologies

- Tip fee at an 850,000 TPY facility  
\$59-\$114/ton
- Special Committee: “None of these technologies is ready to merit an investment at this time.”

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# A Look Ahead

## Conclusions

- Capacity will remain constrained
  - CRRA sets local market rate
    - Firm capacity at ~\$60/ton
    - Private facilities may cost more
- Out-of-state capacity plentiful
  - Fuel prices volatile
  - \$70 to \$130/ton truck and rail

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# A Look Ahead

## Conclusion

- Opportunities:
  - Single-stream recycling
  - Pay-as-you-throw
  - Organics separation / composting
  - Privatization
- No new technology on the horizon
- Outlook for disposal prices
  - Flat, if MSW generation rebounds slowly
  - Rising with fuel prices if economy recovers

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# CRRA's Evolution

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# CRRA's Evolution

## Mid-Connecticut Project



- > Waste processing facility, refuse-derived fuel trash-to-energy plant, recyclables processing facilities, and CRRA Trash Museum in Hartford
- > Transfer stations in Essex, Ellington, Torrington and Watertown
- > Canaan, Durham, Lyme, Old Lyme, Middlefield and Tolland deliver trash but not recyclables. Residents may take advantage of Mid-Connecticut Project electronics recycling collections.

## Southwest Division



- > CRRA contracts for towns to deliver trash to mass-burn trash-to-energy plant in Bridgeport
- > Recycling processing center and Garbage Museum in Stratford
- > Greenwich, East Haven deliver recyclables but not trash; Bethany delivers trash but not recyclables

## Southeast Project



- > Mass-burn trash-to-energy facility in Preston

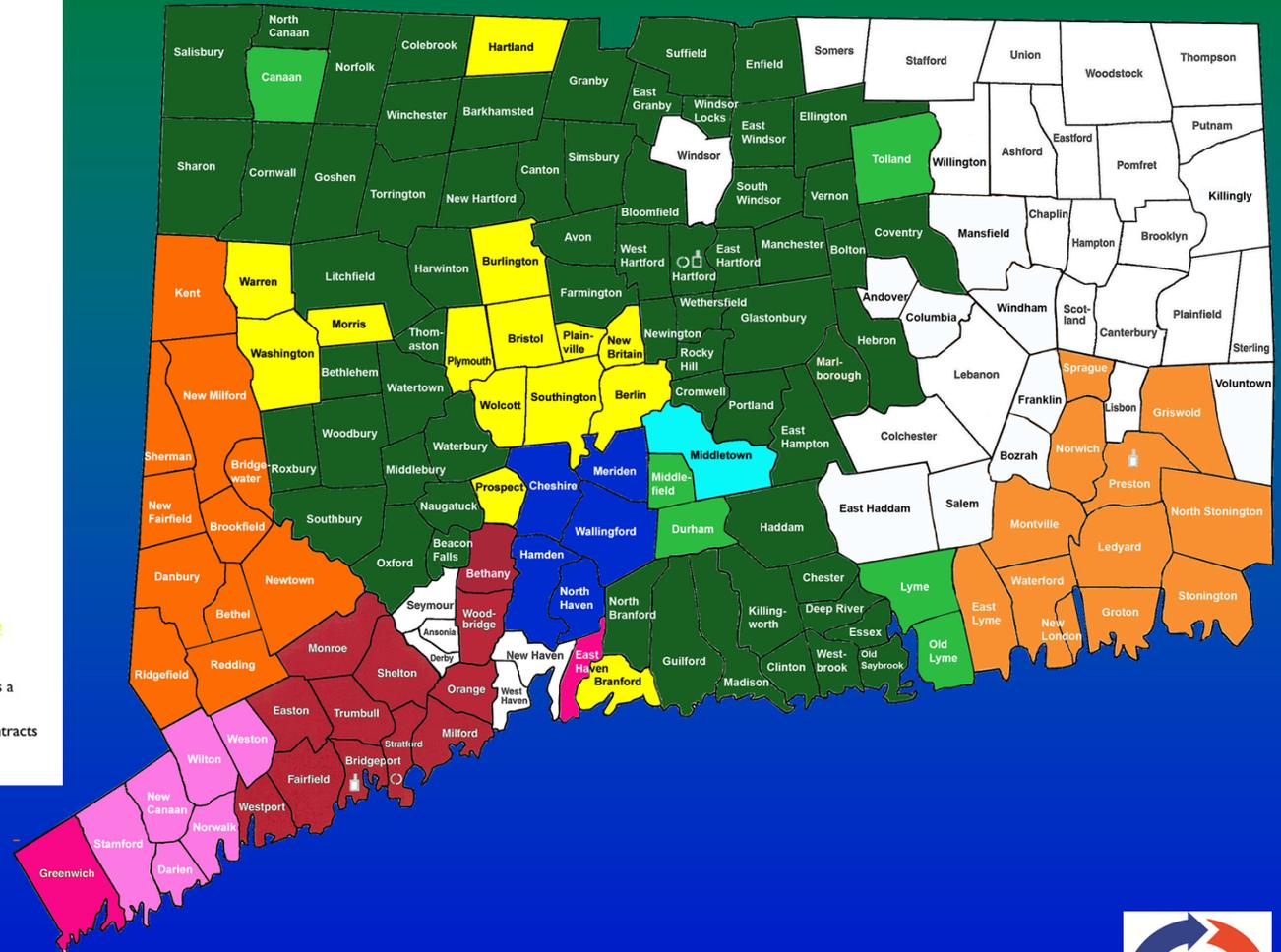
**Norwalk-area towns** jointly contract for transportation and disposal of trash and recyclables.

**Housatonic Resources Recovery Authority** operates a recycling processing center in Danbury and its towns jointly contract for transportation and disposal of trash.

**Bristol Resource Recycling Facility Operating Committee** operates a trash-to-energy plant in Bristol and its towns jointly contract for transportation and disposal of recyclables.

**Eastern Connecticut Resource Recovery Authority** operates a trash-to-energy plant in Lisbon.

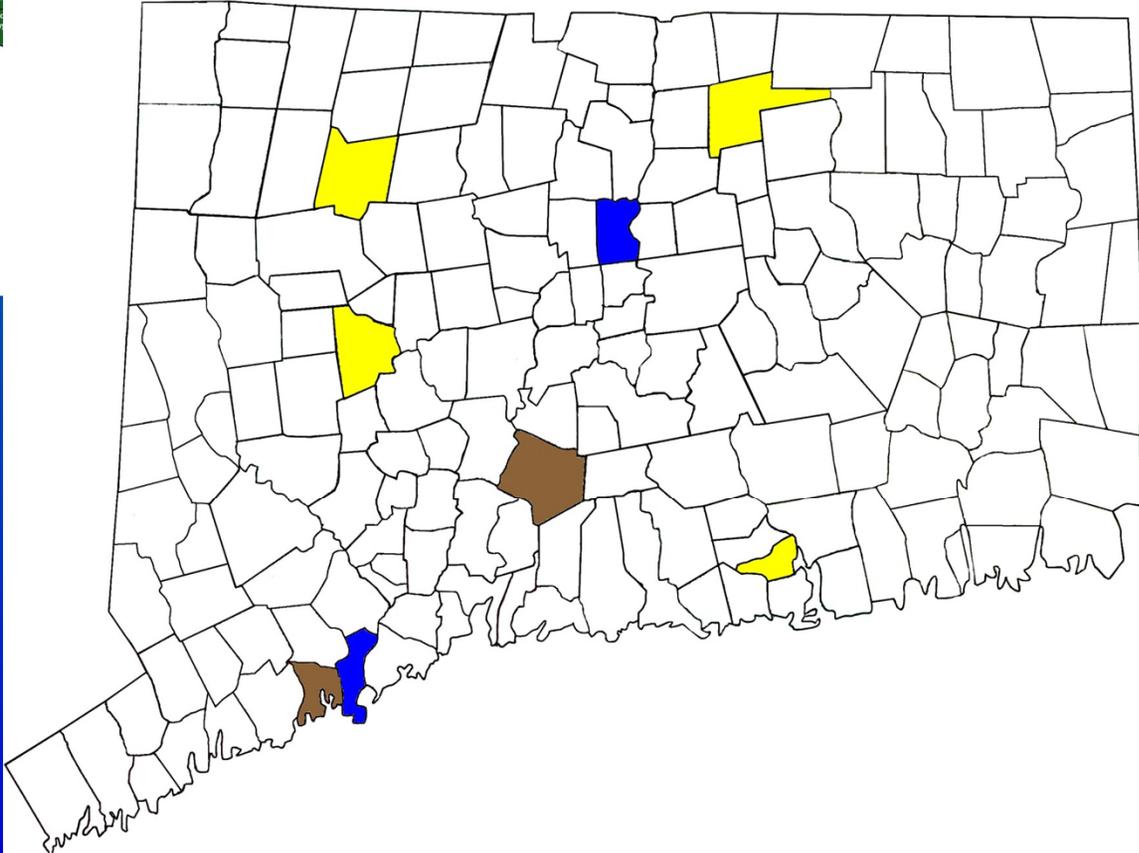
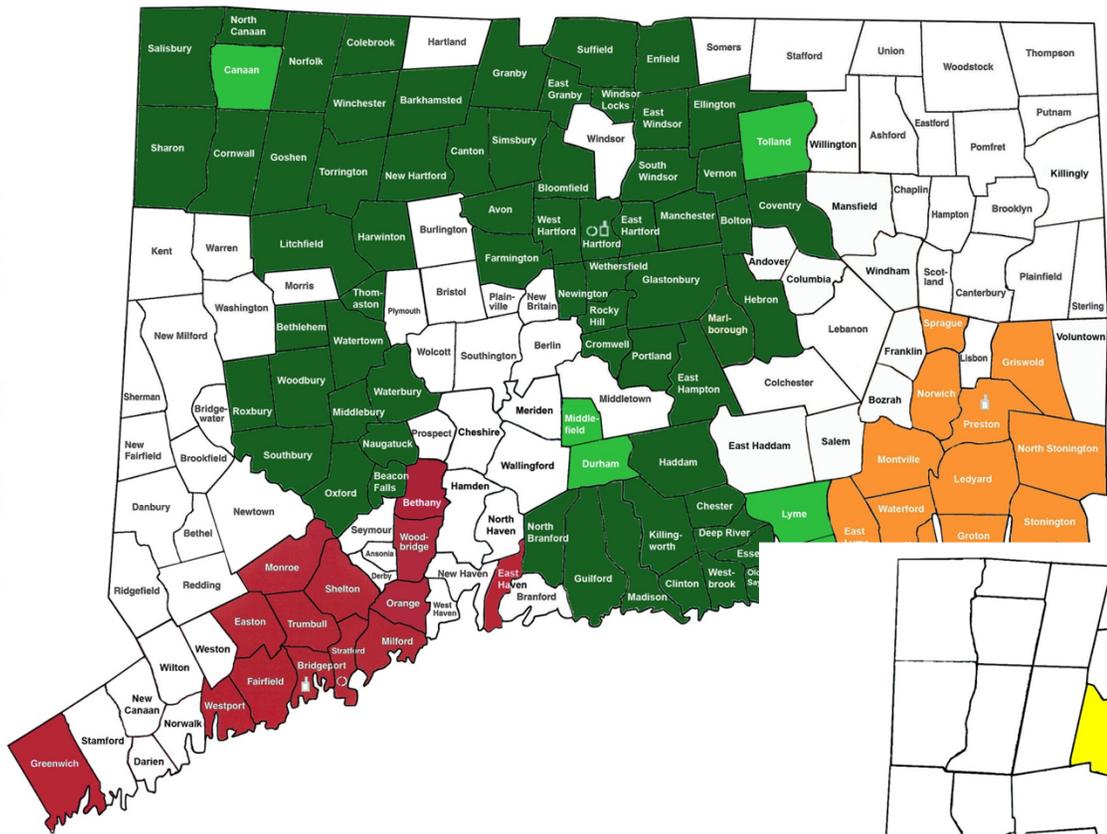
**Cheshire, Hamden, Meriden, North Haven and Wallingford** have contracts to deliver waste to Covanta's Wallingford trash-to-energy plant.



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# ution



# CRRA's Evolution: What's In It For Your Town

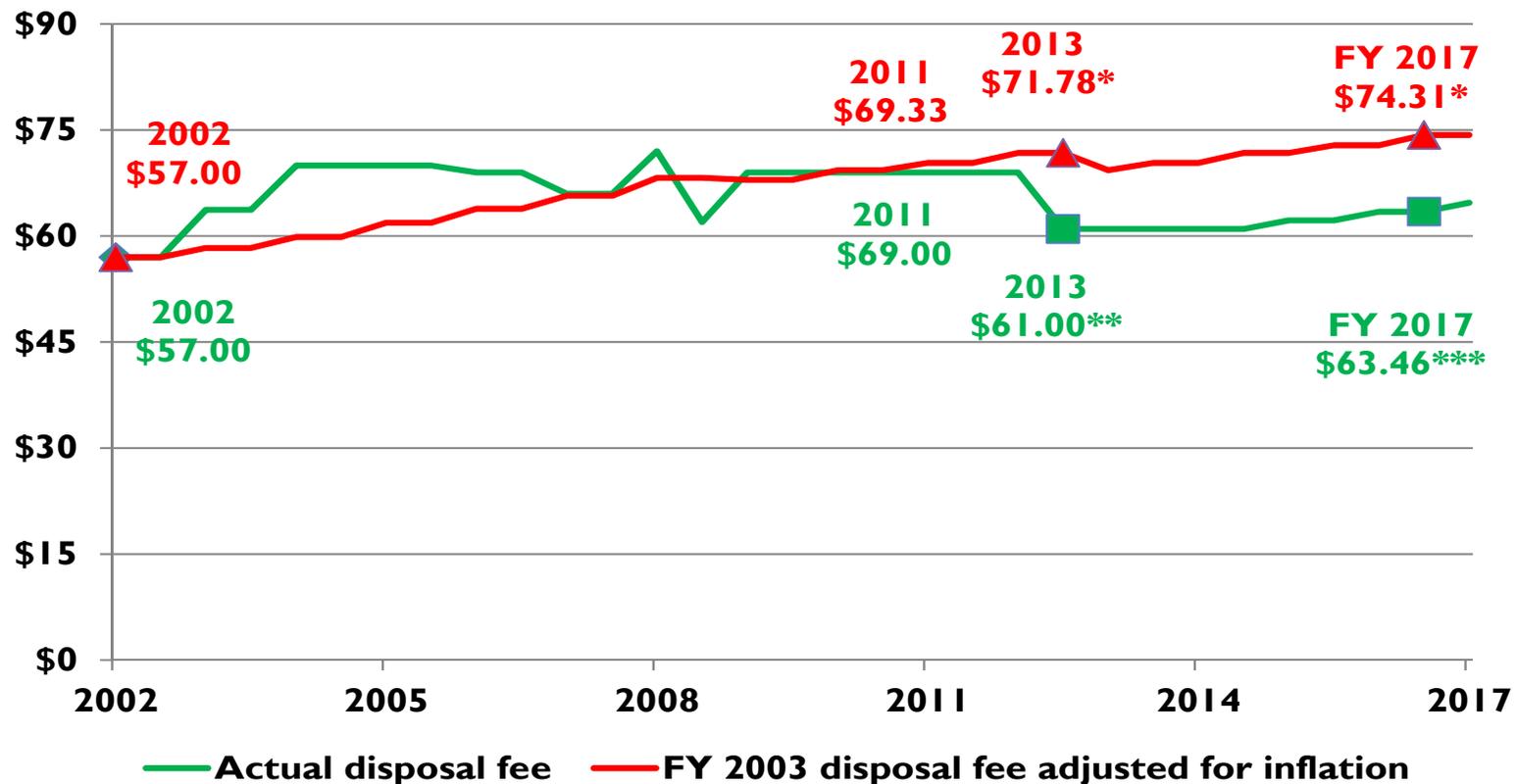
- Net-cost pricing
- Postage-stamp system
- Strategically located facilities
- Menu of services – your choice
- All towns guaranteed service

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# CRRA's Evolution: What's In It For Your Town

Mid-Connecticut Project Disposal Fee vs. Inflation



\* -- Based on 2% annual inflation 2011-2017.    \*\* -- Based on Tier I long-term MSA.  
\*\*\* -- FY 2015-2017 disposal fees based on 2% annual inflation.

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# CRRA's Evolution: What's In It For Your Town

For more information about MSAs:



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# Legislative & Legal Issues

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# Legislative & Legal Issues

- Governance of CRRA
  - SB 208, SB 435: placeholder bills
  - Some Mid-Connecticut CEOs want to consider legislation to:
    - Limit governor's and legislative leaders' appointing authority
    - Drop mandate for finance, environment, energy expertise
    - Guarantee regional representation
    - Guaranteed CRRA Board seat for Hartford
    - Split towns over/under 30,000 population

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# Legislative & Legal Issues

- Governance of CRRA
  - CRRA board's fiduciary responsibility is to the entire state
    - Not to hometown or appointer's region
  - Current board workload is ~20 hours/month
  - CRRA board, CEOs working on changes that would reflect CRRA's evolution
    - Don Stein, Barkhamsted, and Tom Gormley, Middlebury, chair CEOs' subcommittee

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# Legislative & Legal Issues

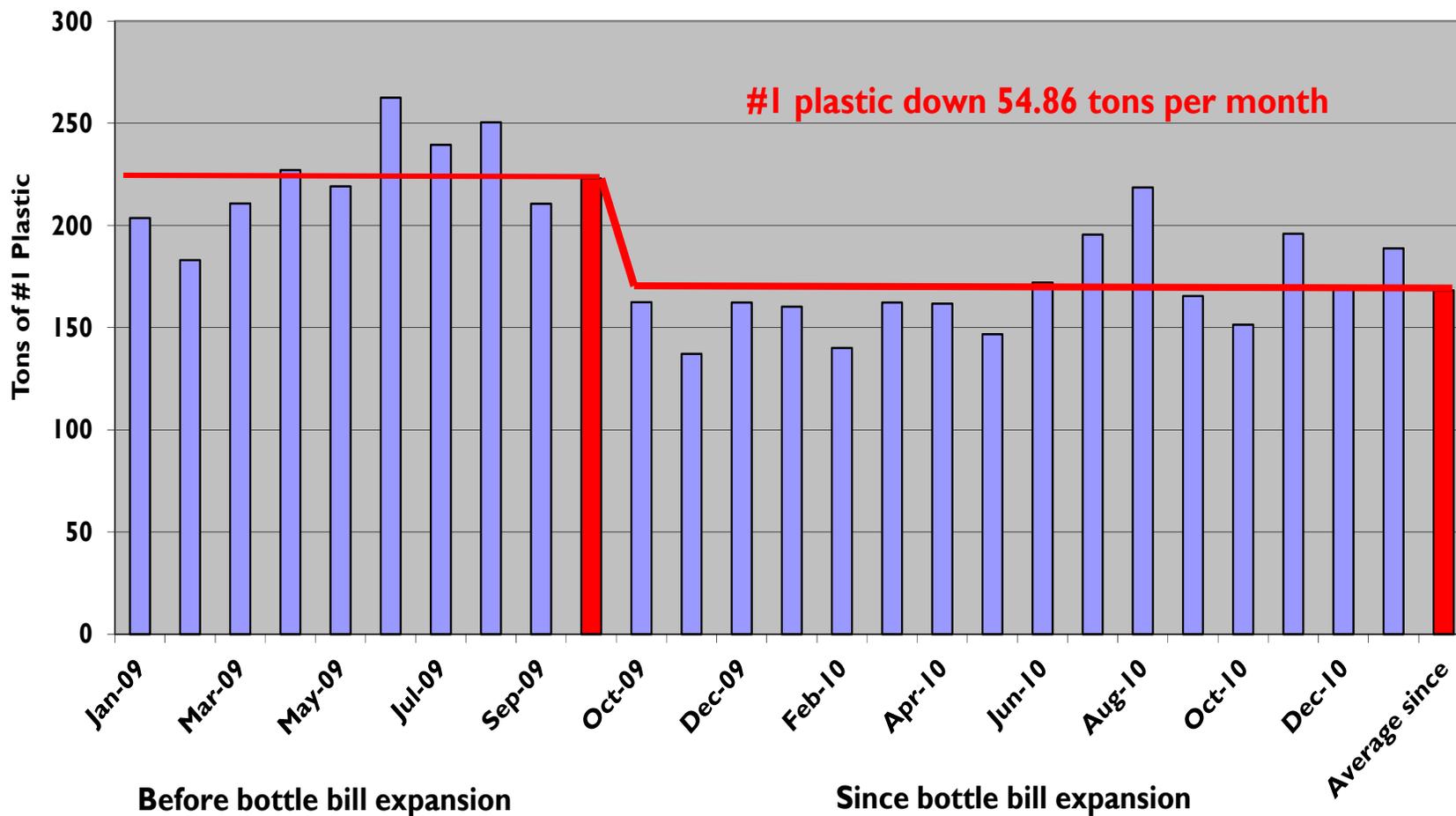
- Bottle-bill expansion
  - HB 5200, SB 57
  - 2009 expansion cut CRRA's PET by 25%
    - Reduced revenues by \$147,000 in FY 2011 alone
    - Further expansion reduces your rebates

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# Legislative & Legal Issues

## Mid-Connecticut Project Recycling



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# Legislative & Legal Issues

- Definition of Class I Renewables
  - SB 102 would add power generated by waste heat from sewage treatment plants
  - Trash-to-energy operators, state's largest renewable generators, should be included
    - Would increase electric revenue and decrease disposal fees
    - Adding 2¢ per kWh reduces Mid-Conn tip fee by \$10/ton

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# Legislative & Legal Issues

- HB 5878 on privatization
  - CRRA required to use private contractors
  - Some O&M agreements are expiring
    - CRRA did exhaustive procurement
    - Replacing two legacy contractors with one
      - New contracts effective December 2011 – May 2012
  - No impact to customers due to transition
  - New contractor will guarantee all jobs

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# Legislative & Legal Issues

- MDC arbitration demand
  - MDC claims CRRA is responsible for certain MDC costs as a result of the expiration of present contract
    - Arbitration expected to conclude in 2011-12
    - CRRA's estimated legal costs: \$900,000
      - Contract requires CRRA to pay both parties arbitration costs

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# Legislative & Legal Issues

- MDC lawsuit
  - MDC claims CRRA improperly bid O&M contract
    - MDC was a disappointed bidder
  - Case scheduled for trial in May
  - IF MDC prevails CRRA will repeat process
    - There will be no changes in MSAs, no impact to town customers
  - Estimated defense costs: \$900,000

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# Closing Remarks

## Chairman Michael A. Pace

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# Your Questions

We are recording today's meeting.  
**Before asking a question**, please  
raise your hand and a microphone  
will be brought to you.

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