

**CONNECTICUT
RESOURCES
RECOVERY
AUTHORITY**

Annual Meeting

March 4, 2009

Welcome

Michael A. Pace

Chairman, CRRA Board of Directors
First Selectman, Town of Old Saybrook

CRRA Annual Meeting
March 4, 2009



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



James R. Miron

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

– **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:



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

– Dr. Robert Painter

- Nominated by the Hartford Court of Common Council; awaiting appointment by the Governor and confirmation by the Legislature



CRRA Update

CRRA Today

- To work for and in the best interests of the state and its towns
- To implement the state Solid Waste Management Plan
- To provide at-cost disposal and recycling services for towns, businesses and the people of Connecticut

CRRA Annual Meeting
March 4, 2009



CRRA Update

CRRA Today

- Enron disaster mitigated
- Five years of stable tipping fees
- Improved relationships with customers
- Facilities renovated and maintained to industry standards

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March 4, 2009



CRRA Update

CRRA Today

- Costs reduced
- Recycling increased
- Head count reduced by 12%
- All debt nearly completely retired



CRRA Update

CRRA Today

- To work for and in the best interests of the state and its towns
- To implement the state Solid Waste Management Plan
- To provide at-cost disposal and recycling services for towns, businesses and the people of Connecticut

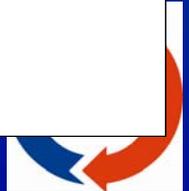
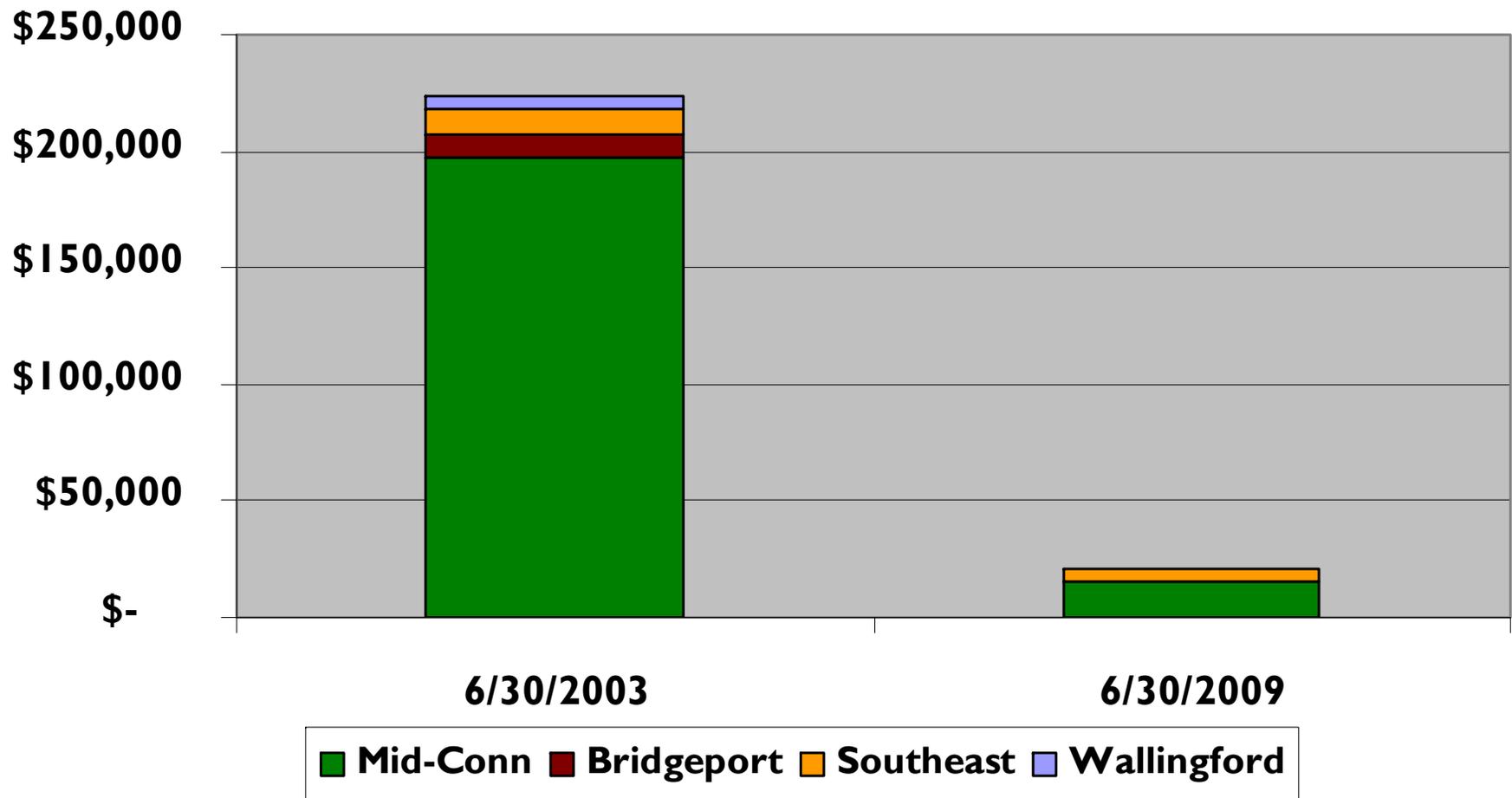
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CRRA Update

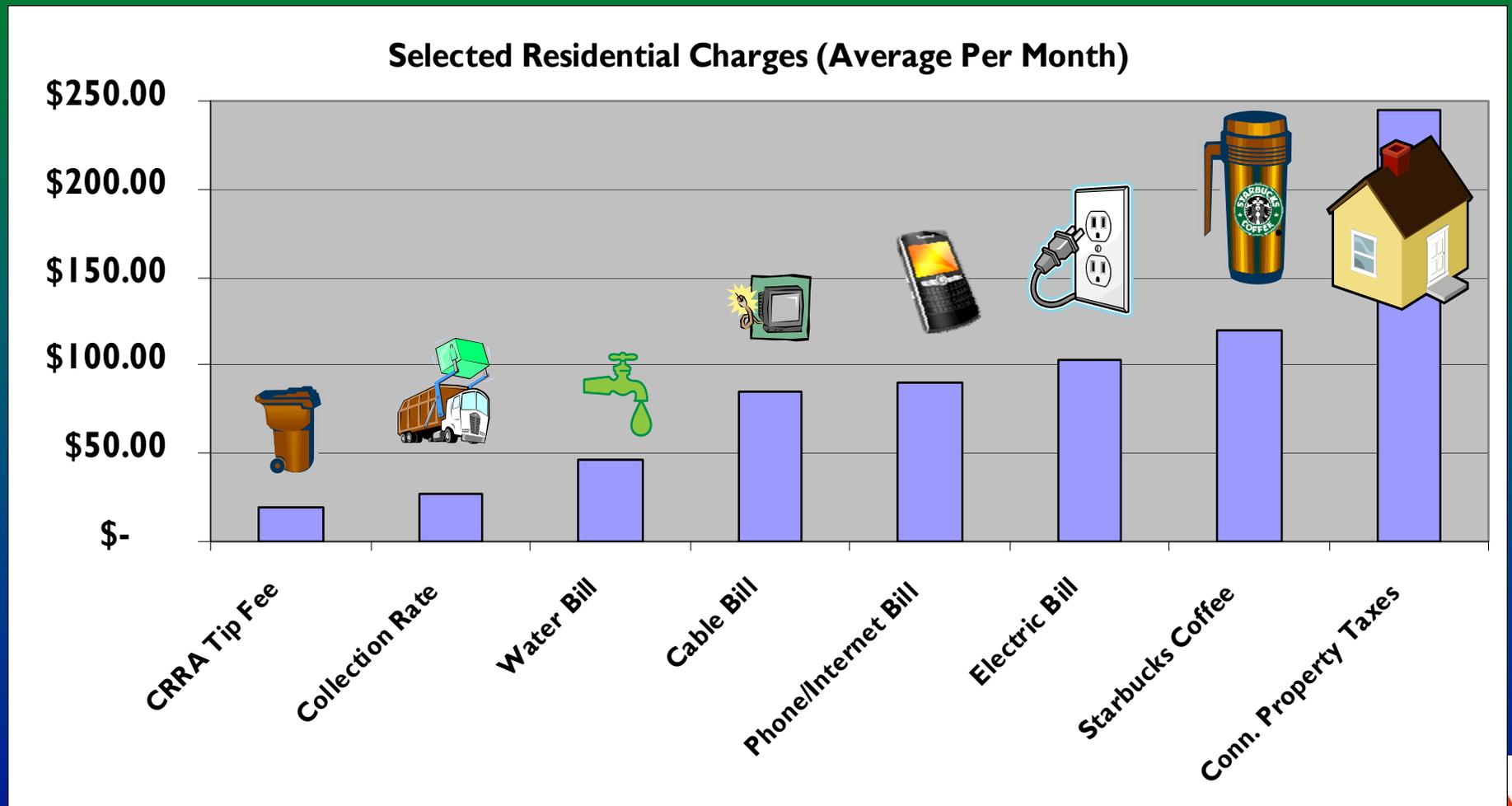
Debt Service

Outstanding Debt for Which CRRA is Responsible



CRRA Update

What Does Trash Disposal Really Cost?



Welcome

Thomas D. Kirk

President, CRRA

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March 4, 2009



Introductions

- Management team



Agenda

- Welcome and Introductions
- CRRA Update
- Southeast Project
- Wallingford Project
- Bridgeport Project
- Mid-Connecticut Project
- For More Information
- Your Questions

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March 4, 2009



State Solid Waste Picture

MSW tonnages down statewide

- Some due to economy
- Some due to private-facility “fire sales”
- Fewer tons delivered under contracts impacts towns
 - Towns could drop below minimum commitments and trigger put-or-pay
 - Fewer tons to cover costs of operations drives up tip fees for Mid-Conn, Southeast and Wallingford Projects
 - All towns should enact and implement flow control where possible

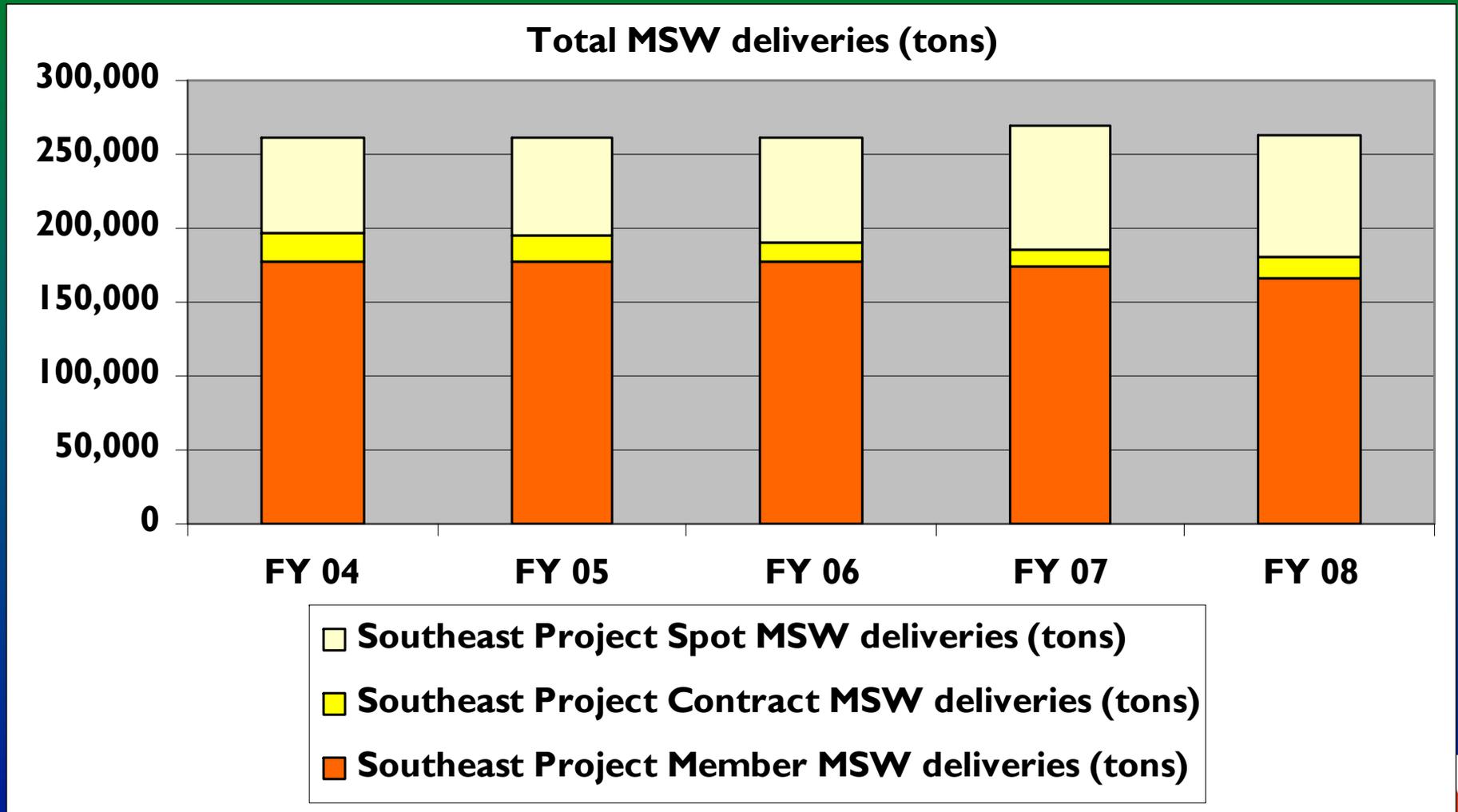


Southeast Project

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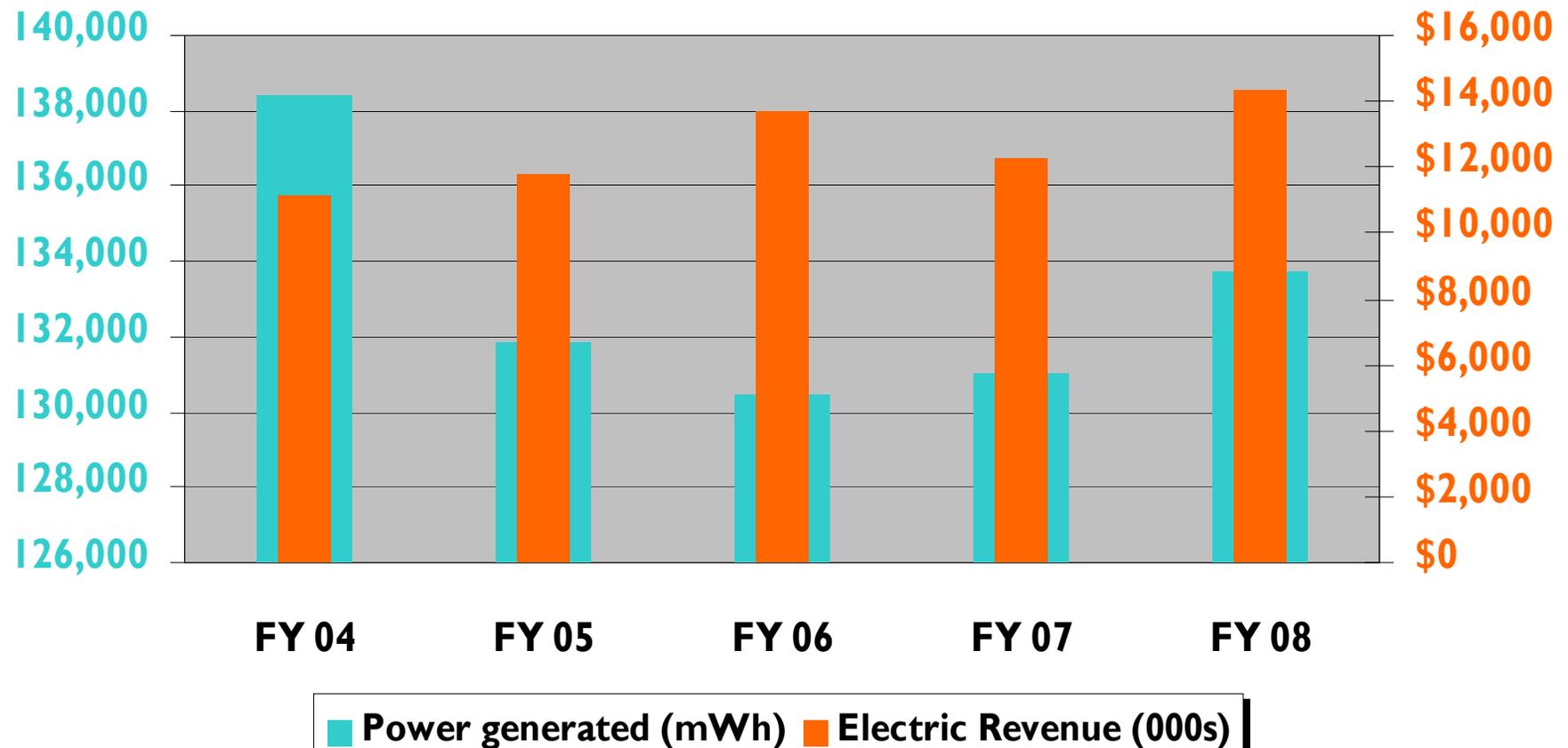


Southeast Project MSW Tonnages



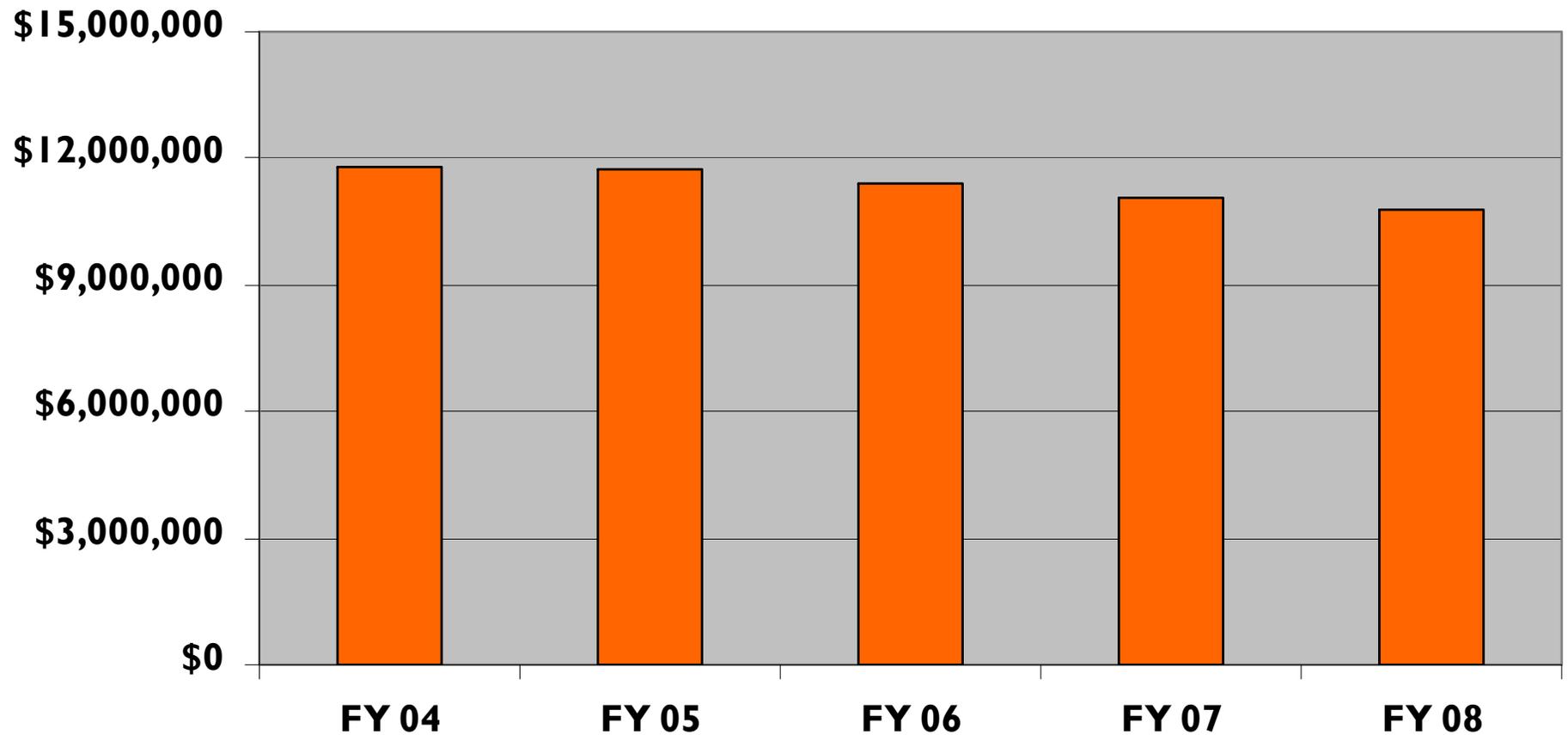
Southeast Project Energy

Electric Generation (mWh) and Revenues



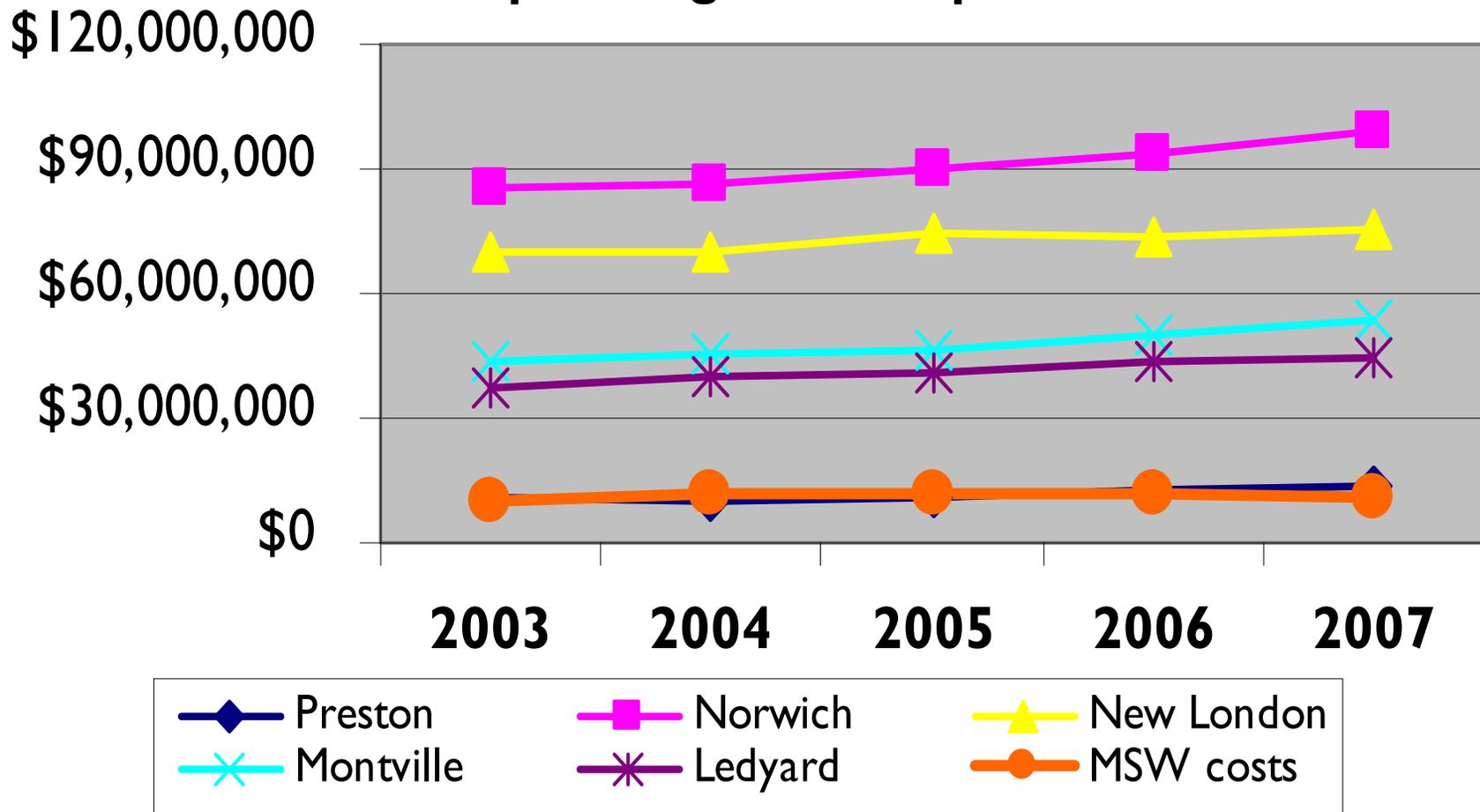
Southeast Project Cost to Towns

Towns' Aggregate Disposal Costs



Southeast Project Cost to Towns

Municipal Budgets vs. Disposal Costs



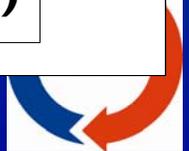
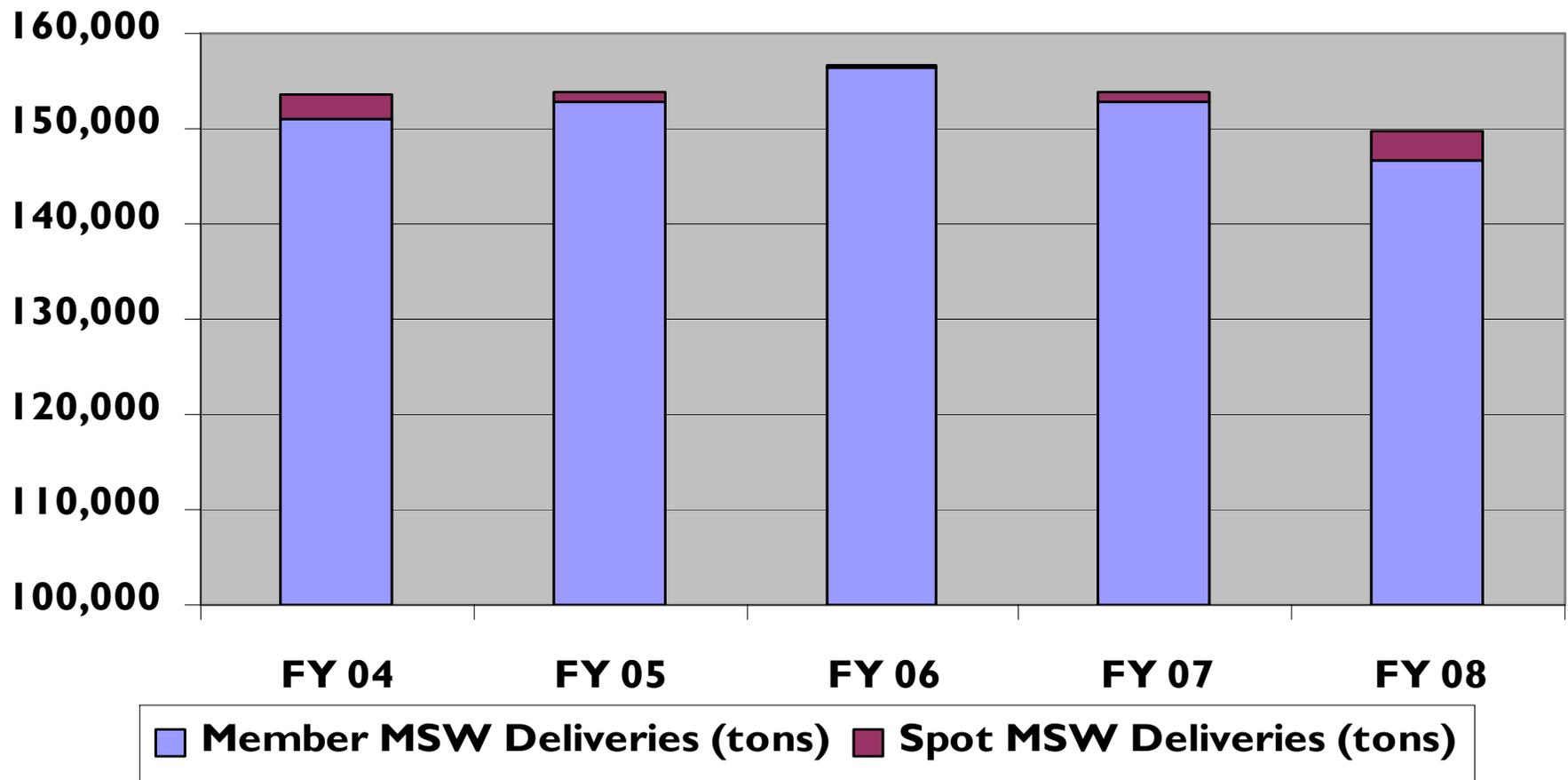
Wallingford Project

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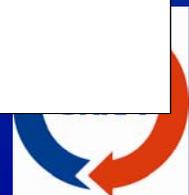
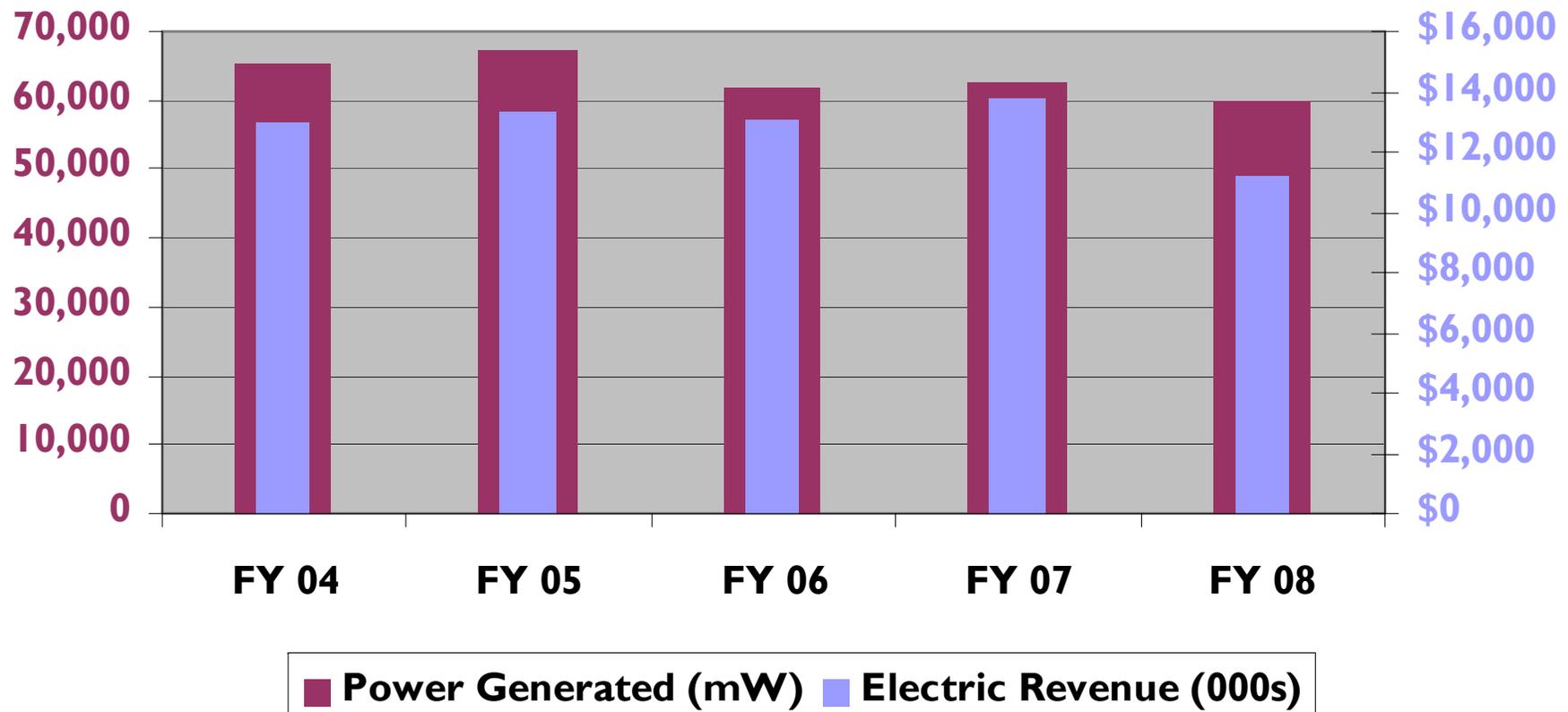
Wallingford Project MSW Tonnages

Total MSW Deliveries



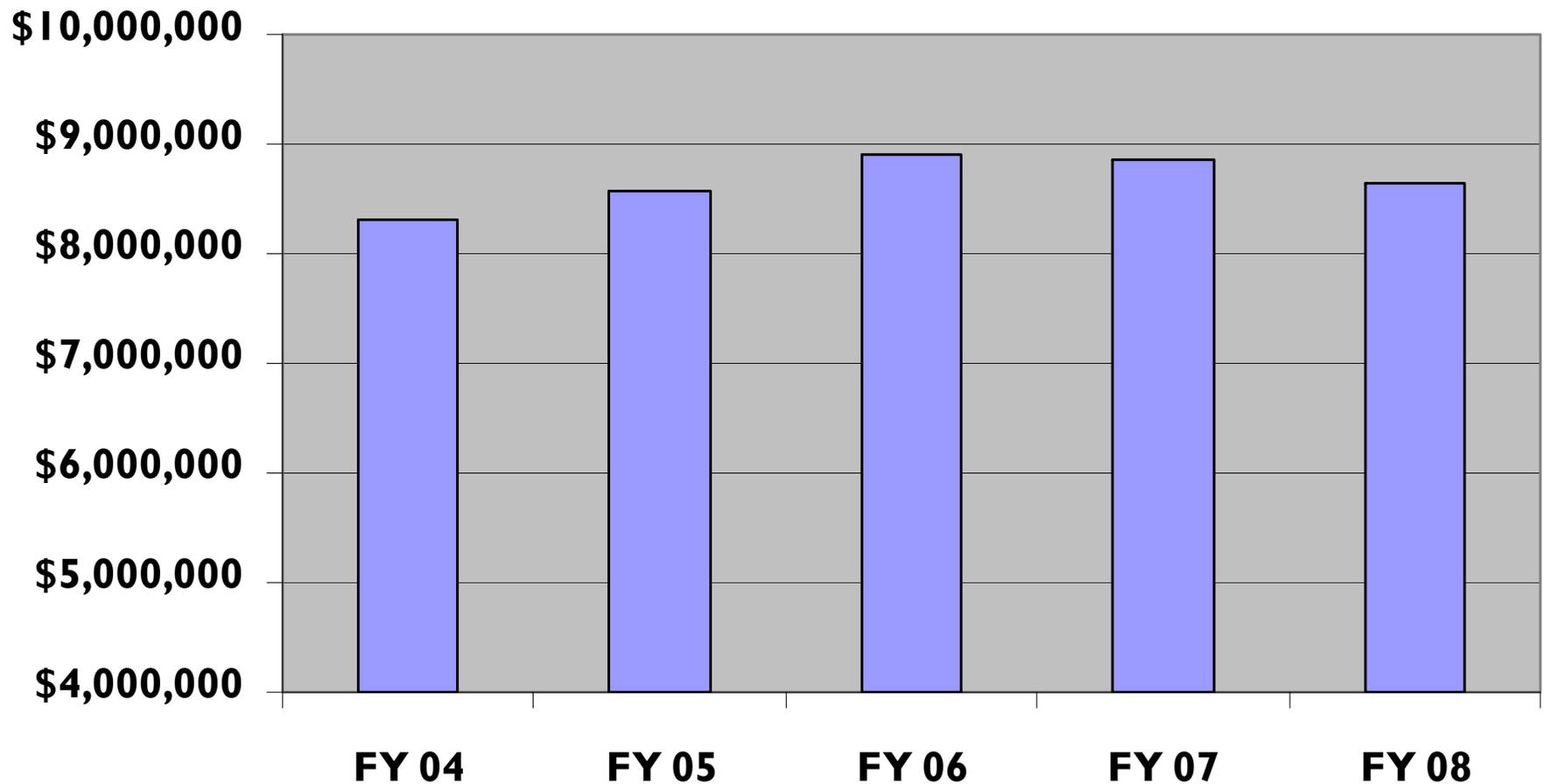
Wallingford Project Energy

Electric Generation (mWh) and Revenues



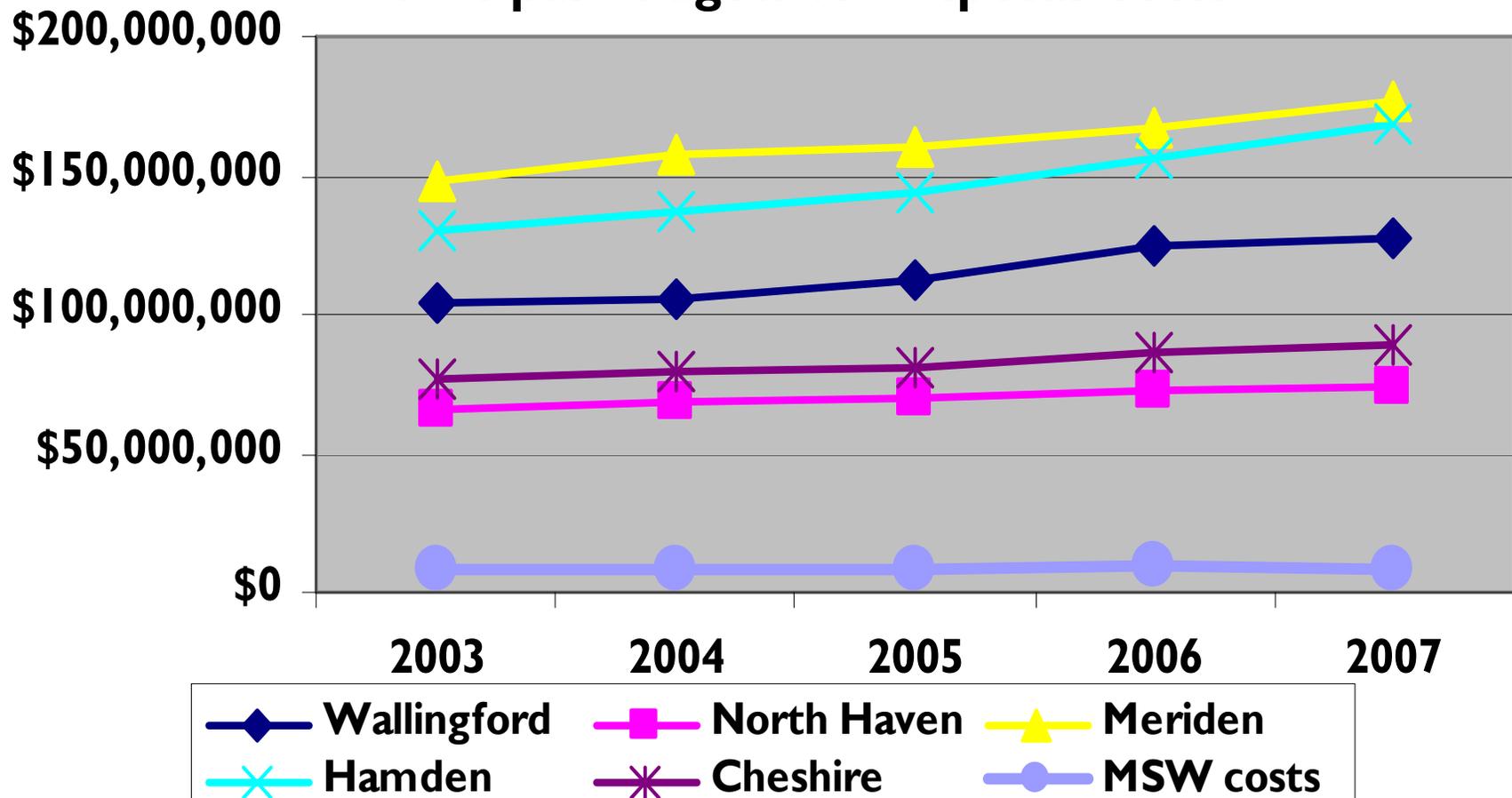
Wallingford Project Cost to Towns

Project Towns' Aggregate Disposal Costs



Wallingford Project Cost to Towns

Municipal Budgets vs. Disposal Costs



Wallingford Project

Project Update

- Covanta will own and operate plant beyond 2010
- 5 towns signed directly with Covanta
 - \$65/ton + COLA for 10 years
- CRRA secures firm 25,000 tons/year capacity
 - \$55/ton + \$1/ton/year escalation
 - CRRA member towns retain **ALL** available capacity at lowest offered price
- Surplus funds to be distributed after audit



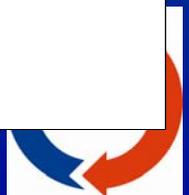
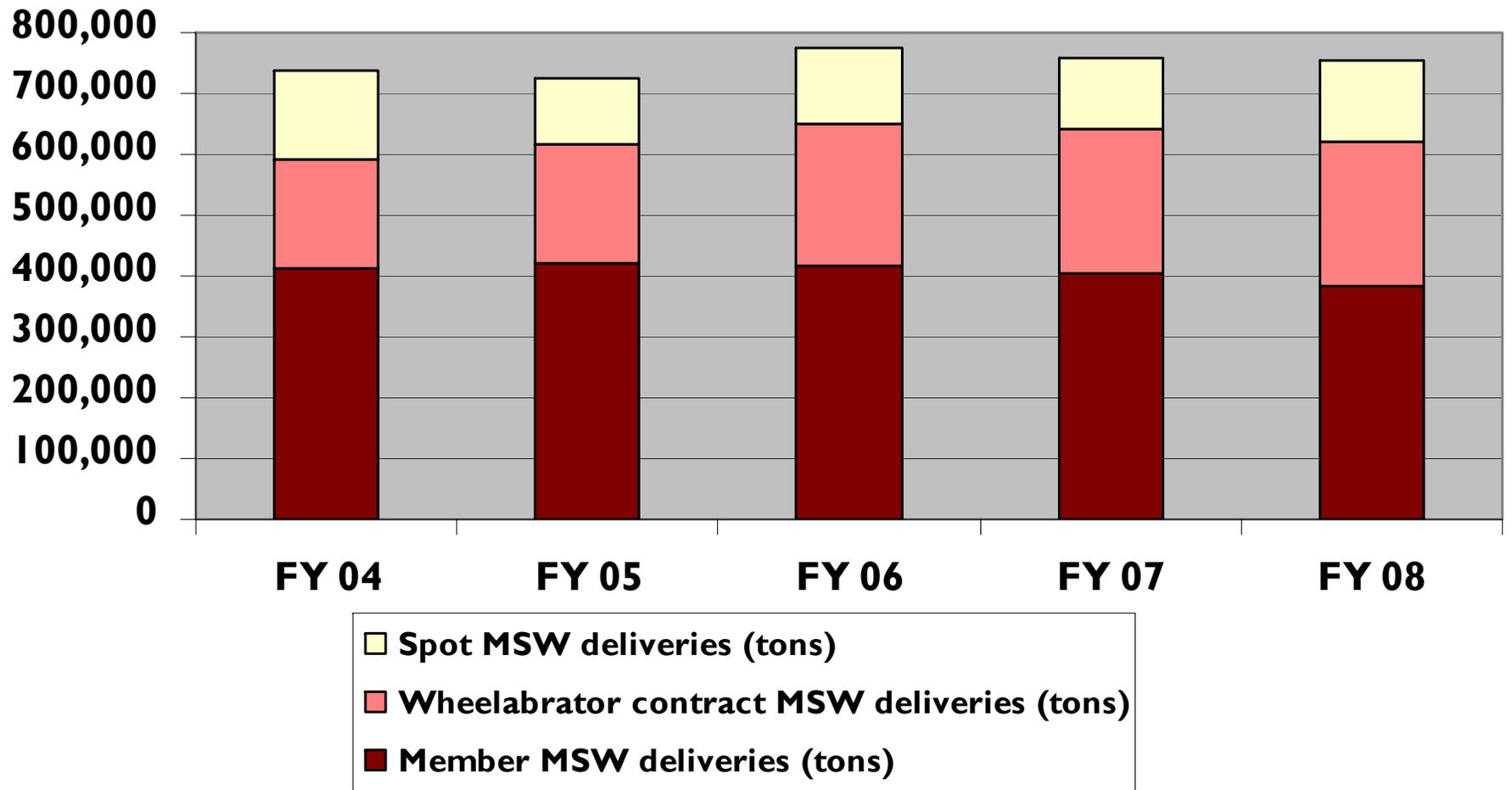
Bridgeport Project

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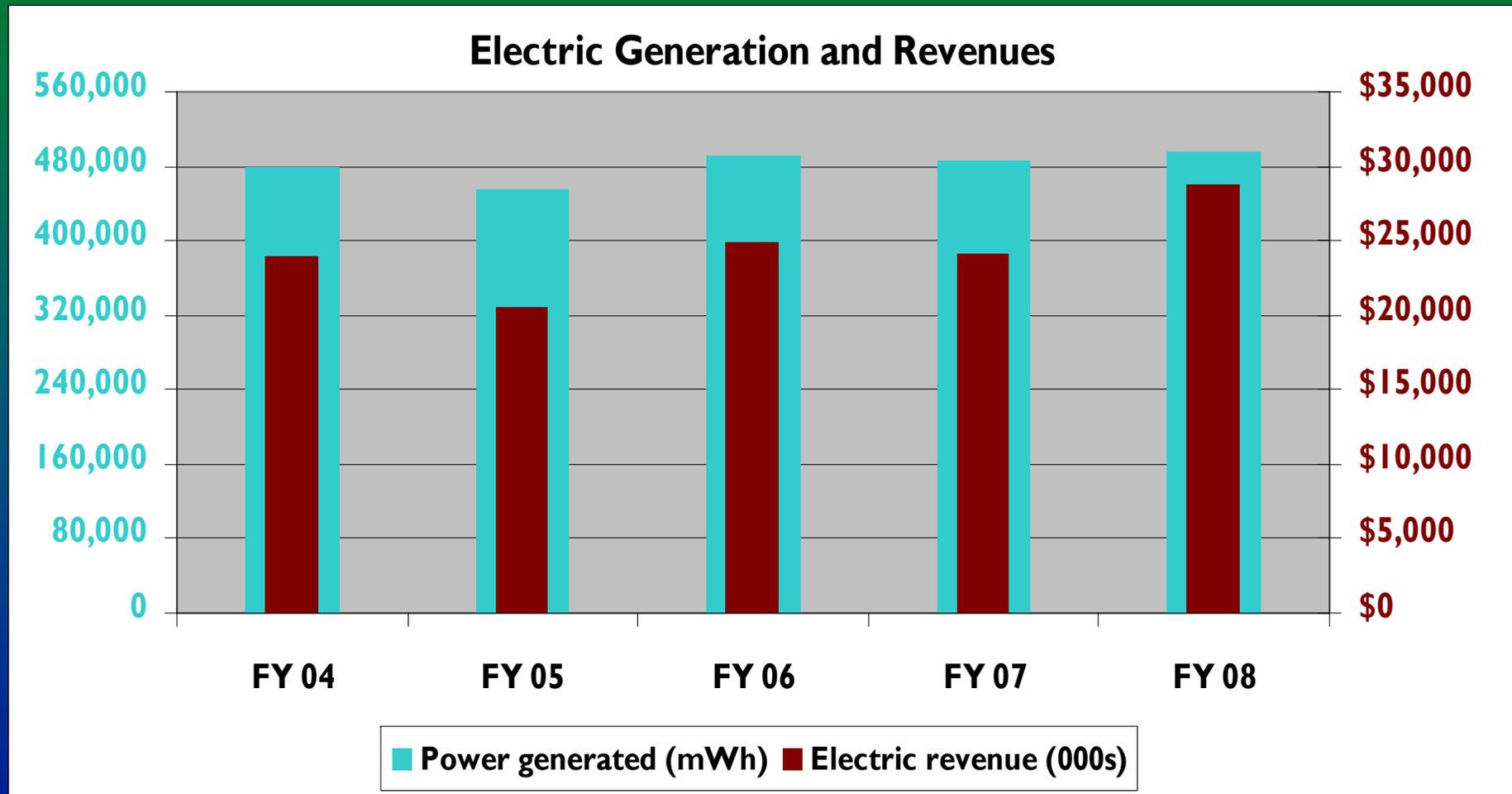


Bridgeport Project MSW Tonnages

Total MSW Deliveries



Bridgeport Project Energy

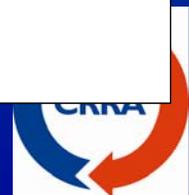
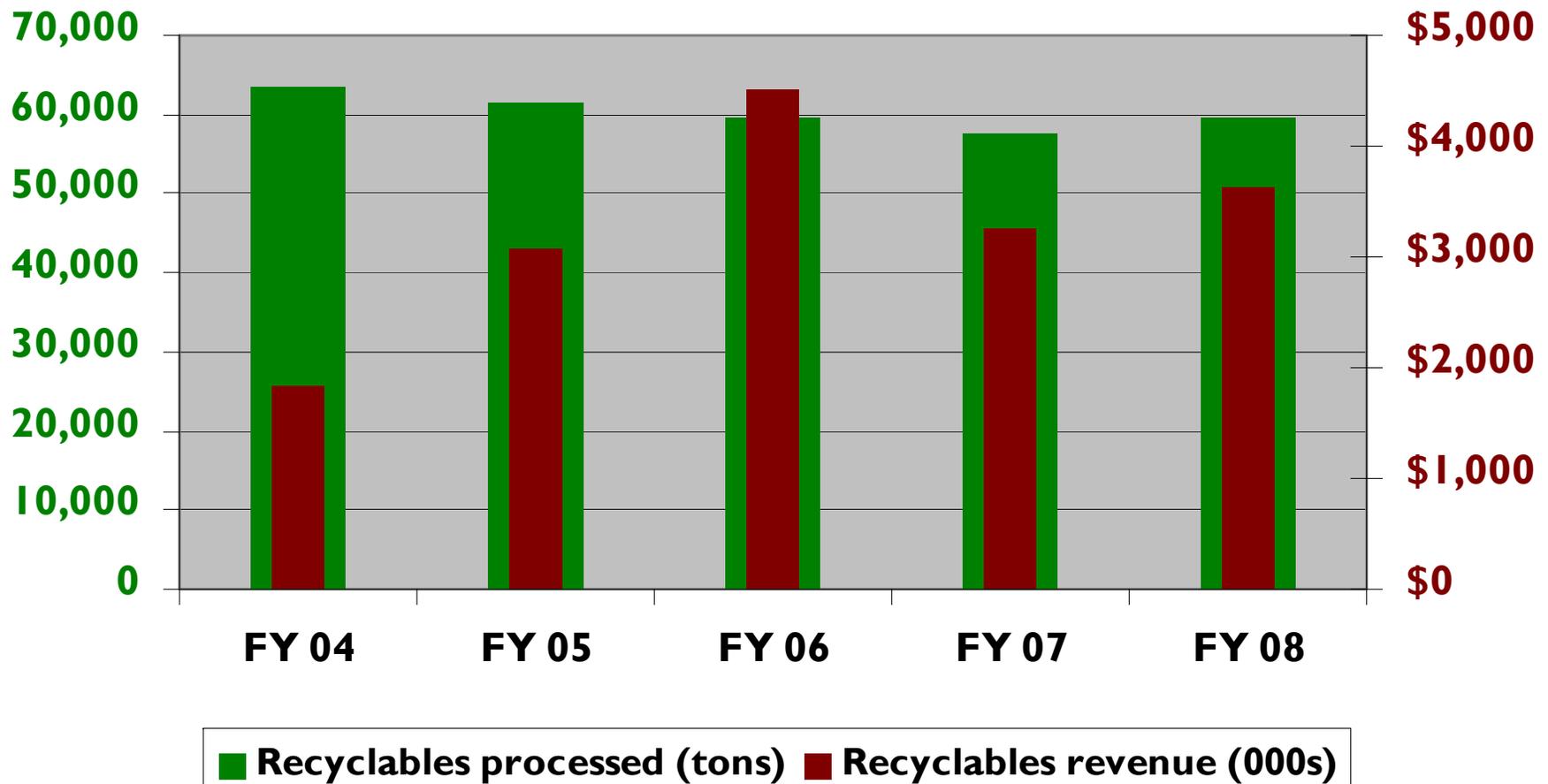


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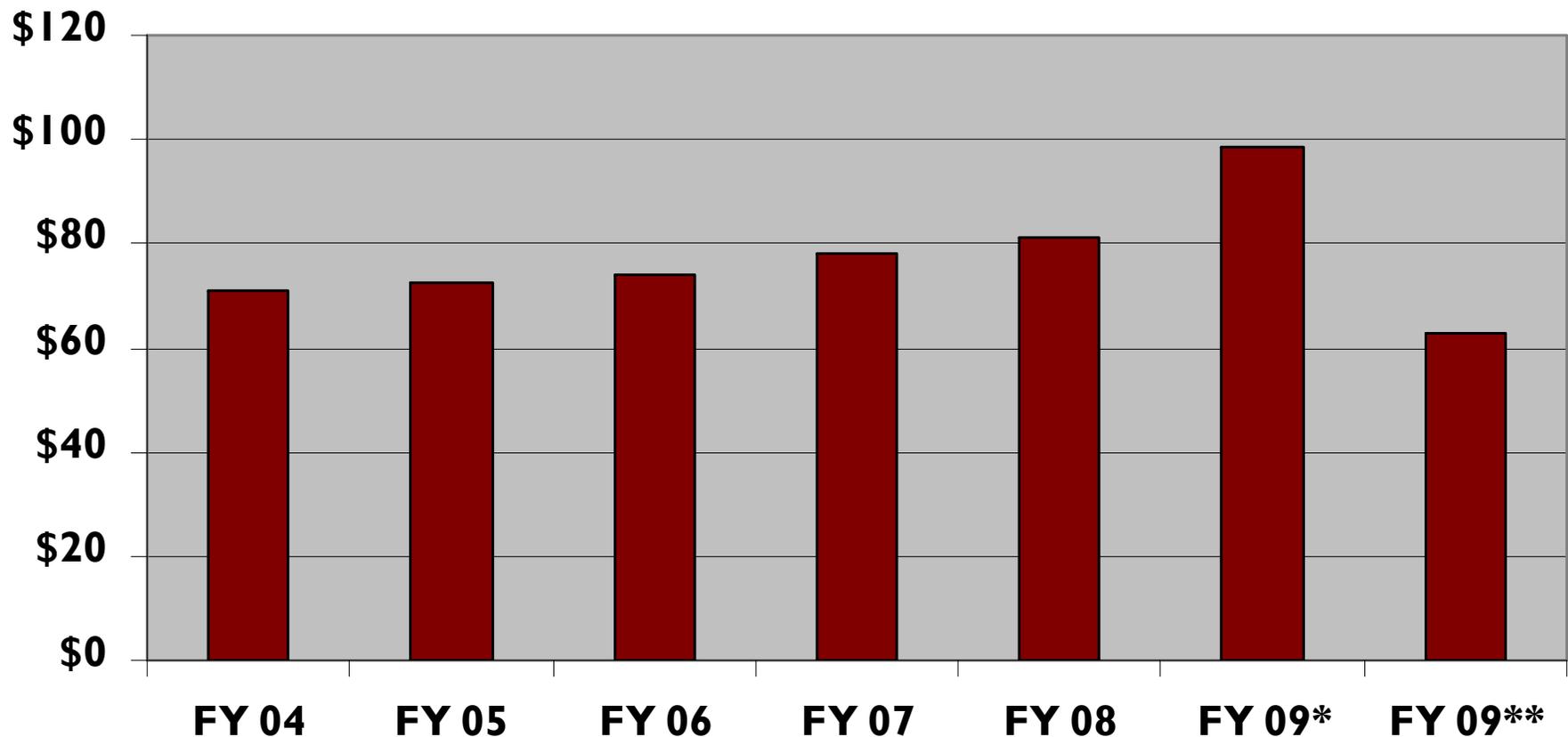
Bridgeport Project Recycling Tonnages

Bridgeport Project Recyclables



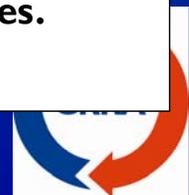
Bridgeport Project Disposal Fees

Bridgeport Project MSW tip fee



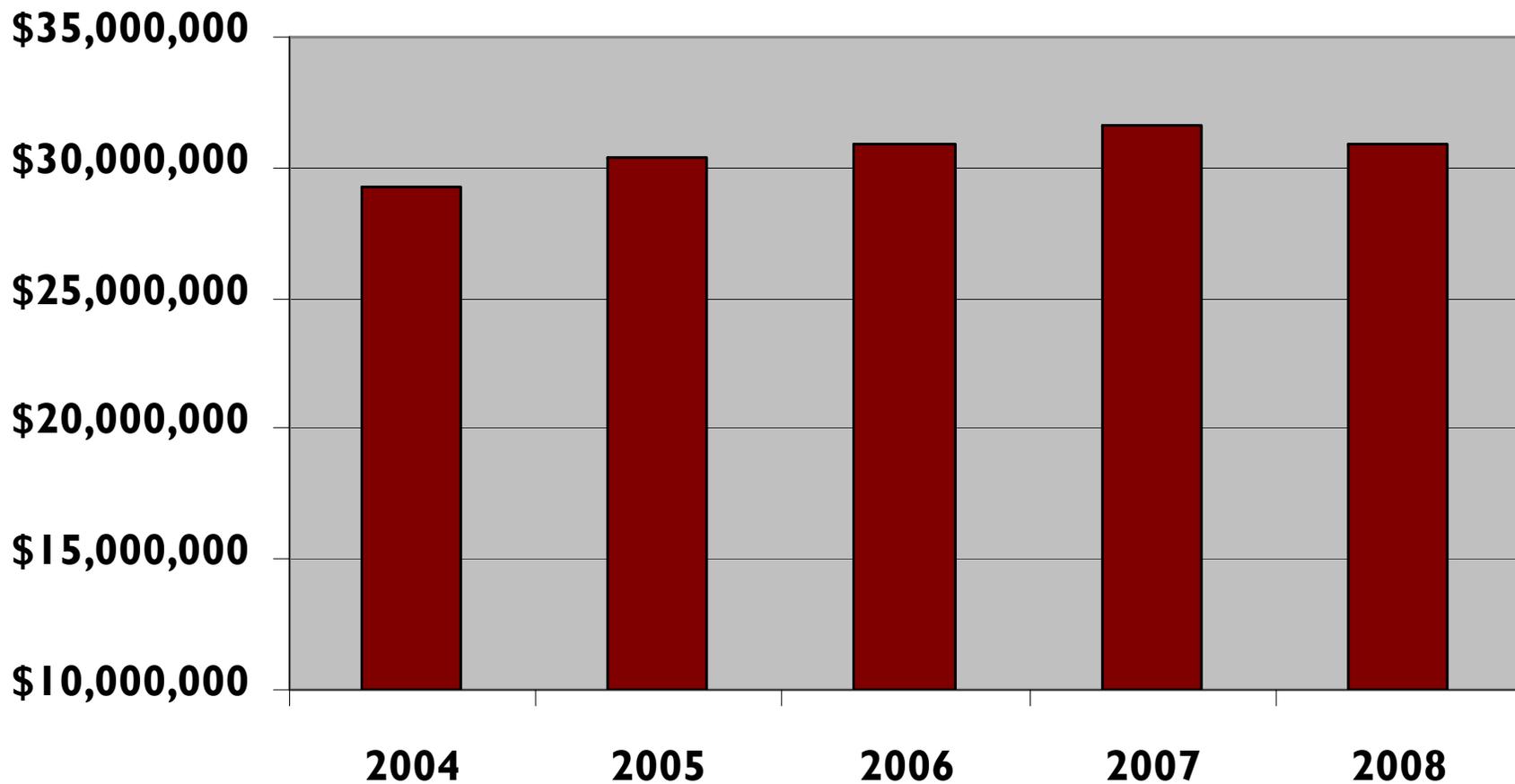
* -- Tip fee July-December 2008 required to raise revenues for end-of-project expenses.

** -- Tip fee January-June under new CRRA disposal-only agreement.

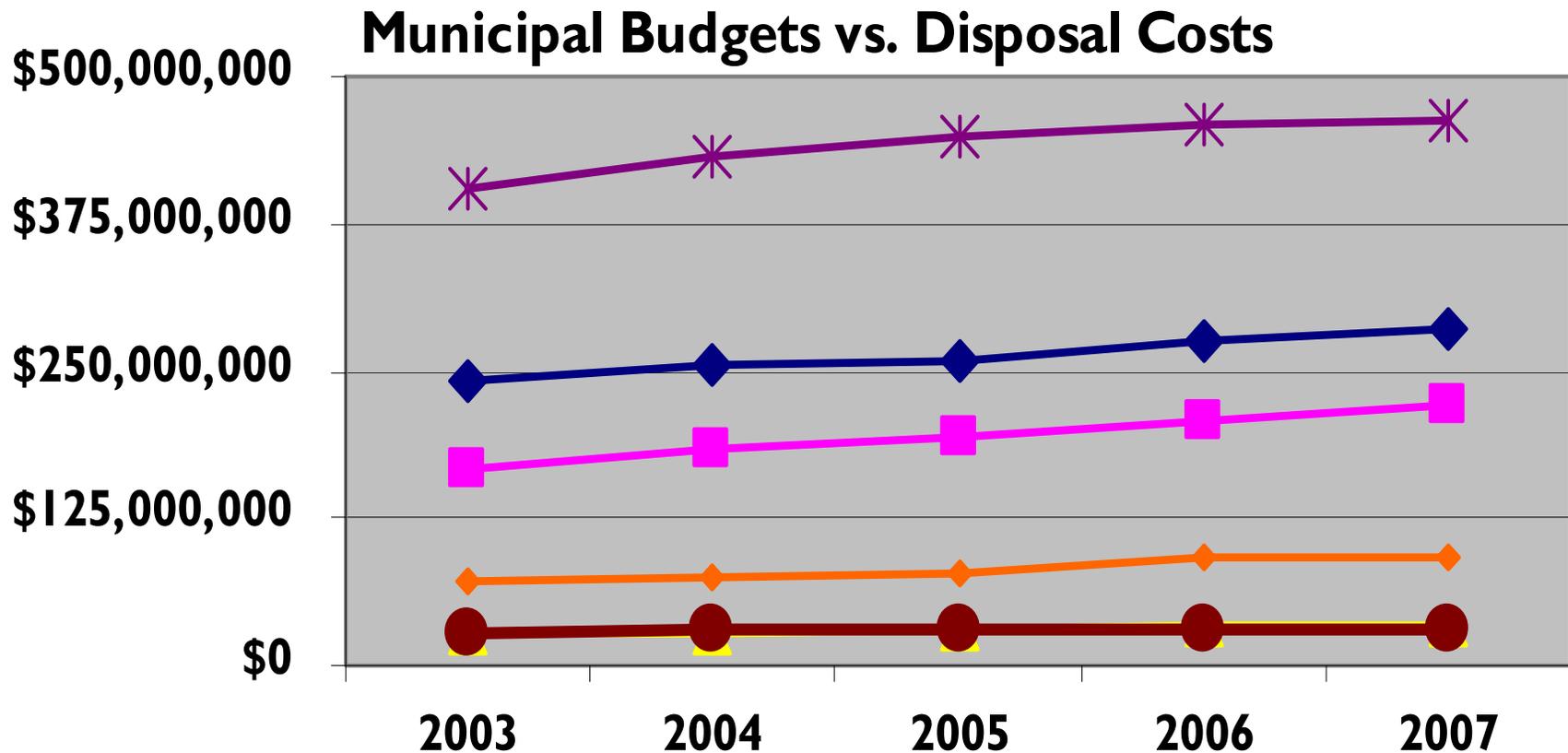


Bridgeport Project Cost to Towns

Project Towns' Aggregate Disposal Costs



Bridgeport Project Cost to Towns



◆ Greenwich ■ Fairfield ▲ Easton
◆ Darien * Bridgeport ● MSW costs

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Bridgeport Project/Southwest Division

Division Update

- Post-Project accounting review to certify surpluses, if any
- New Southwest Division started Jan. 1, 2009
- 12 towns sign for initial price of \$63/ton
 - Includes CRRA administrative costs
- Towns commit to 261,000 tons per year
 - Recycling increase will reduce put-or-pay commitment ton-for-ton
- Renewable for three more five-year terms
 - Towns get most-favored-nations price guarantee

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Bridgeport Project/Southwest Division

Division Update

- SWEROC's future to be determined
 - If SWEROC ends, CRRA will operate facility for municipal and commercial customers
- New facility needed
 - Existing equipment 16 years old
 - Limited menu of recyclables
 - Can't take aseptic packages, oversized containers, aerosol cans as Mid-Conn can
 - Towns want to convert to single-stream
 - “Shovel-ready” retrofit under consideration for federal stimulus \$



Bridgeport Project/Southwest Division

Division Update

- Garbage Museum funding expires June 30
 - Record 32,219 participants in 2008
 - Seeking other sources to keep Museum open
 - Contributions ruled tax-deductible by IRS
 - Grass-roots campaign developing
 - <http://savethegarbagemuseum.blogspot.com/>
 - <http://www.facebook.com/pages/Stratford-CT/Garbage-Museum/33545273964>

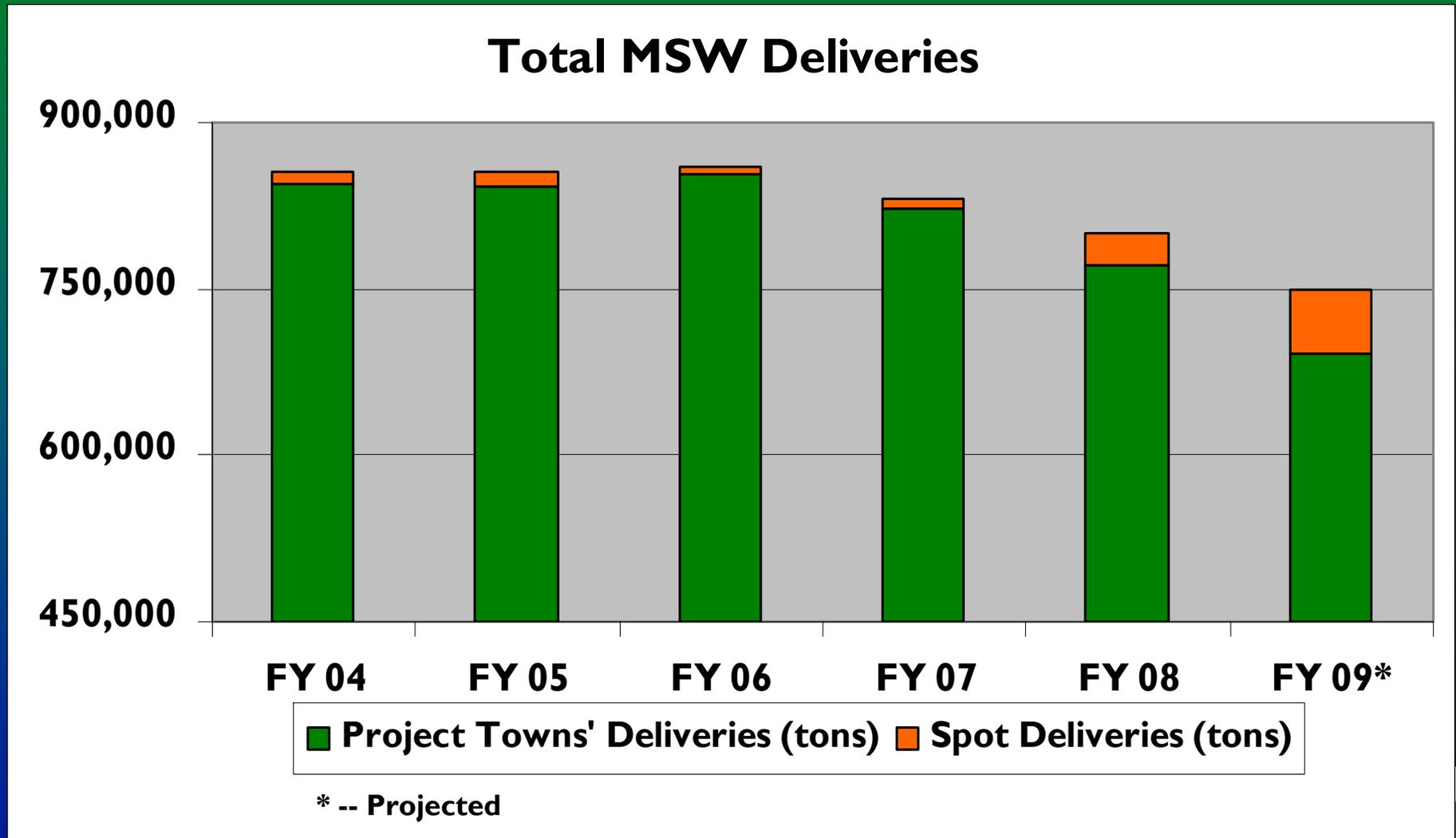


Mid-Connecticut Project

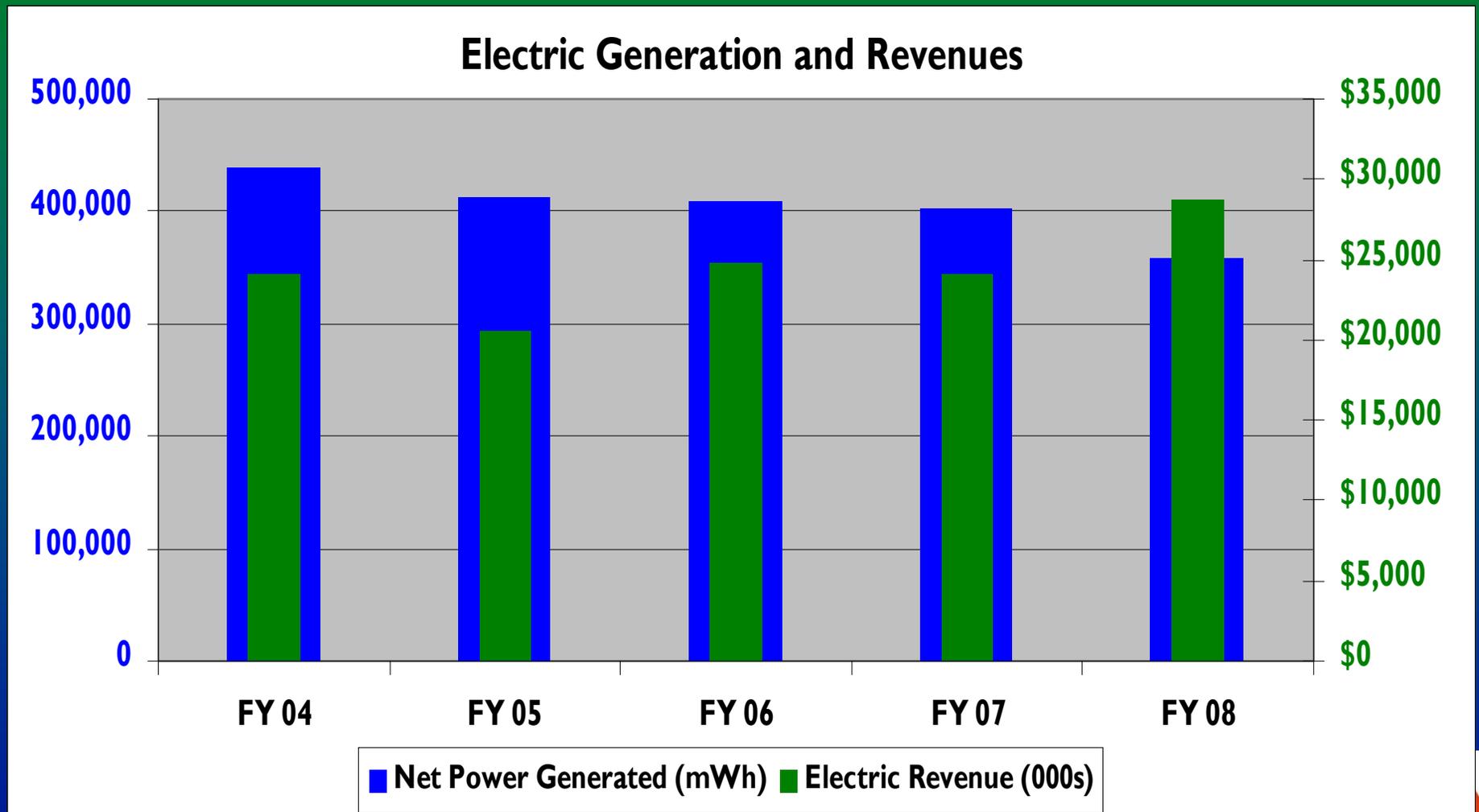
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Mid-Connecticut Project MSW Tonnages



Mid-Connecticut Project Energy

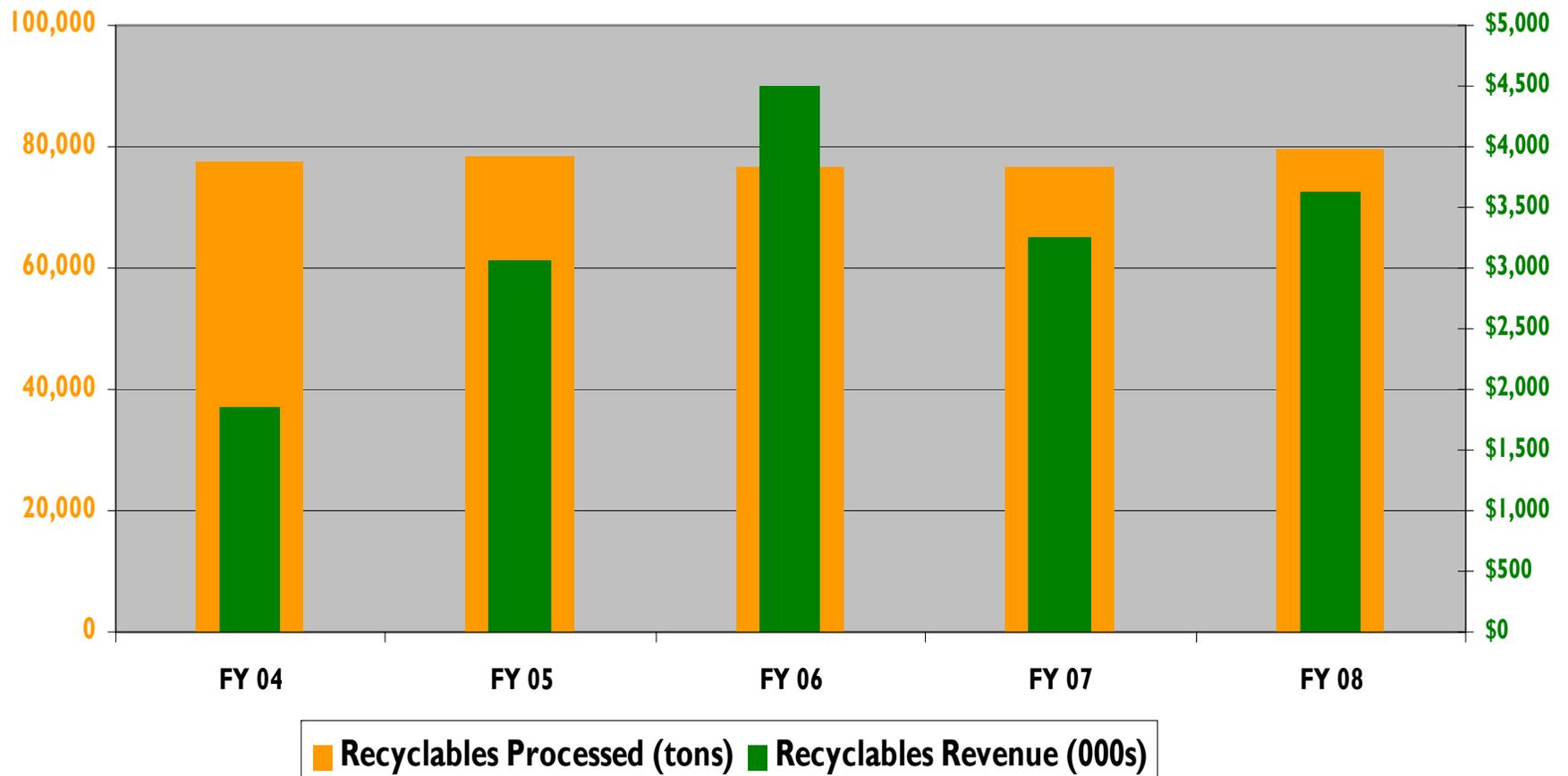


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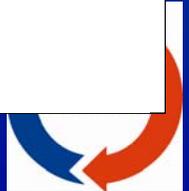
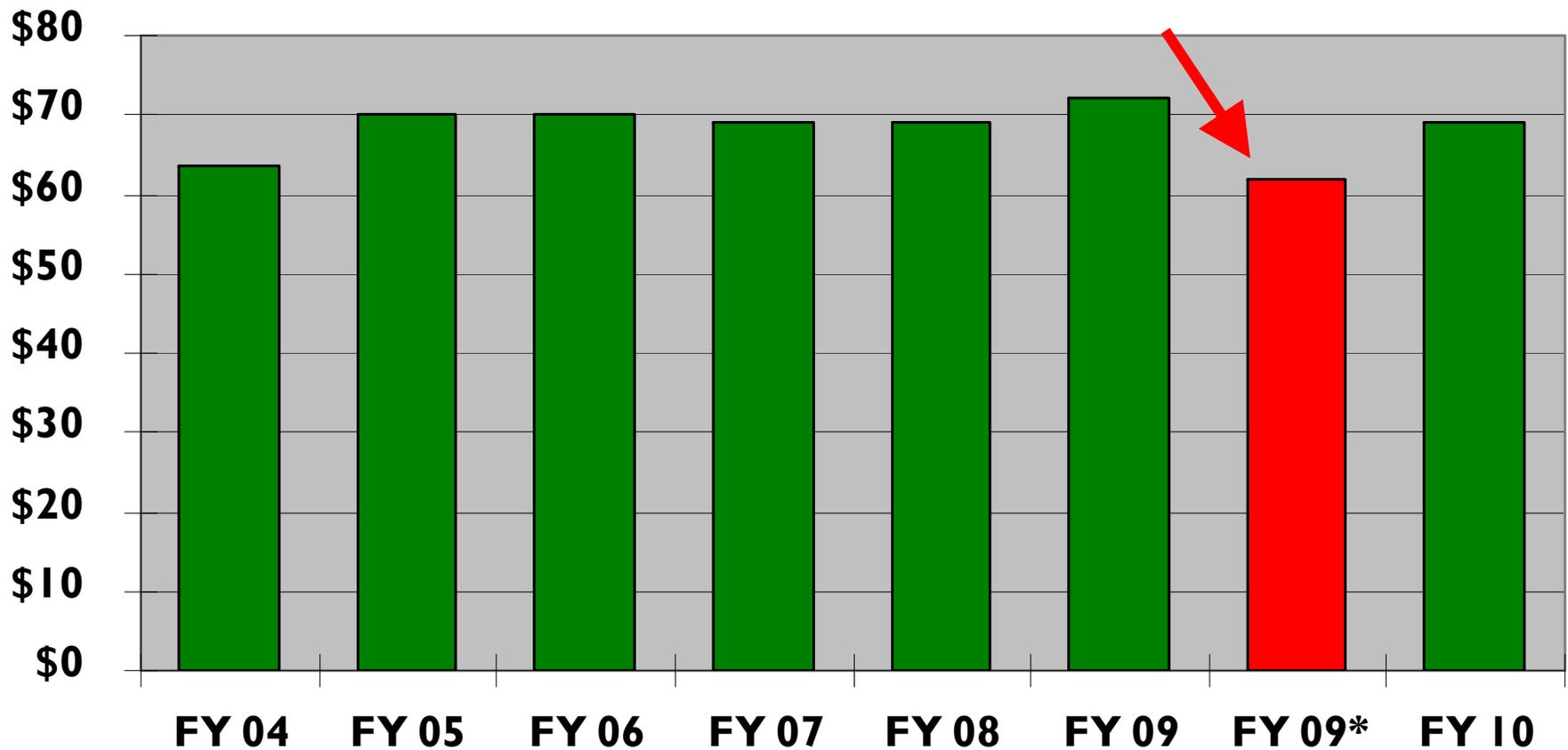
Mid-Connecticut Project Recycling

Mid-Connecticut Project Recyclables



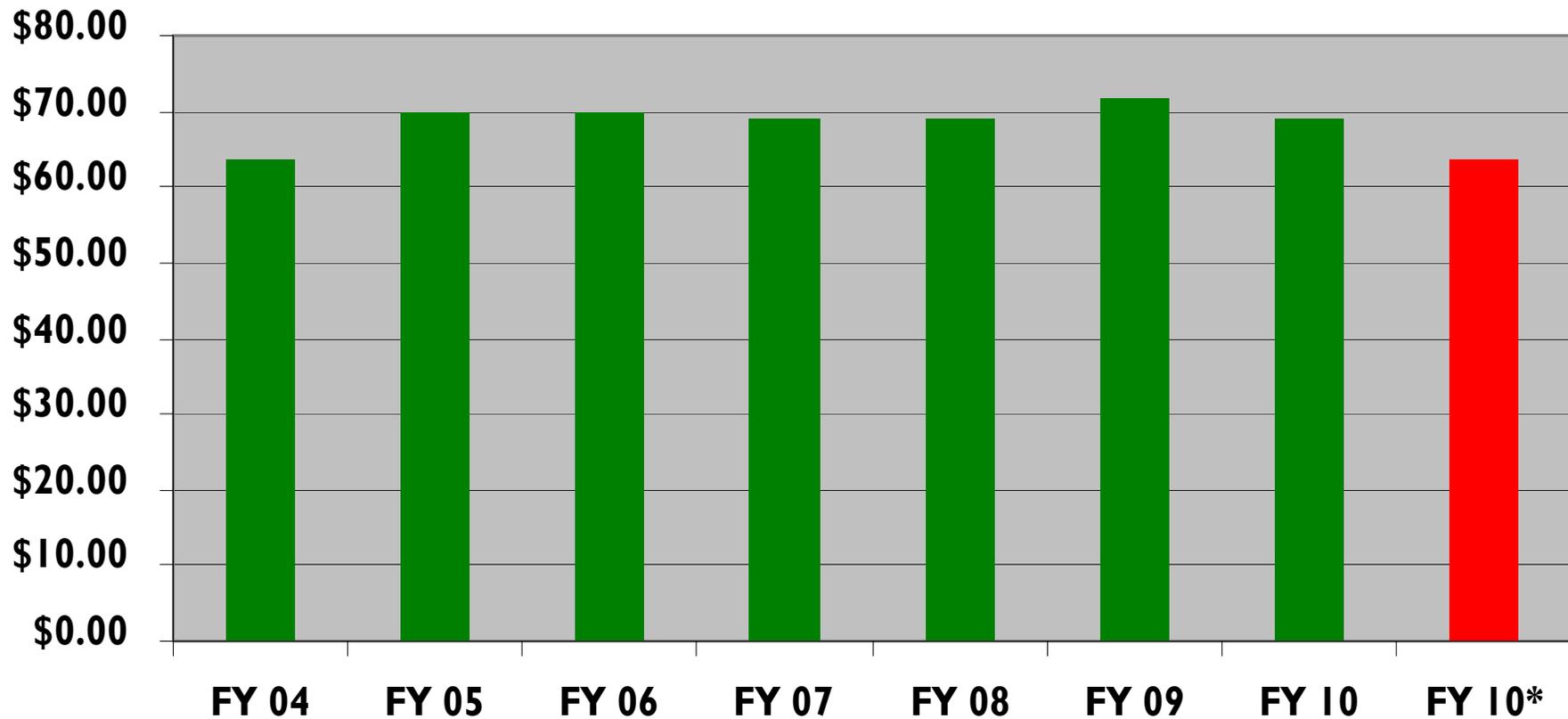
Mid-Connecticut Project Disposal Fees

Mid-Connecticut Project MSW Tip Fee



Mid-Connecticut Project Disposal Fees

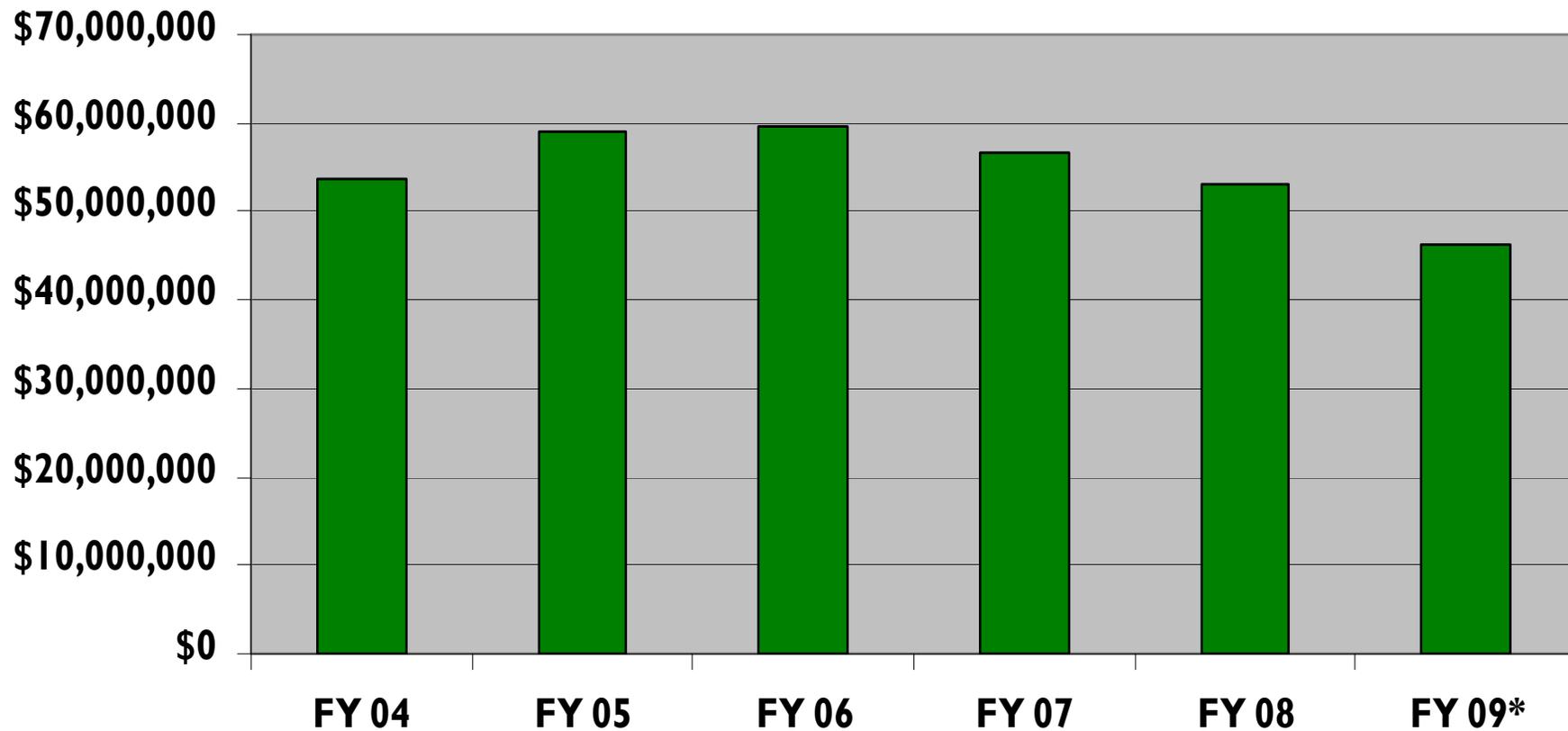
MSW Tip Fee



* -- Tip fee would have been lowered to \$63.50 if FY 08 surplus was used per MSA.

Mid-Connecticut Project Cost to Towns

Towns' Aggregate Disposal Costs

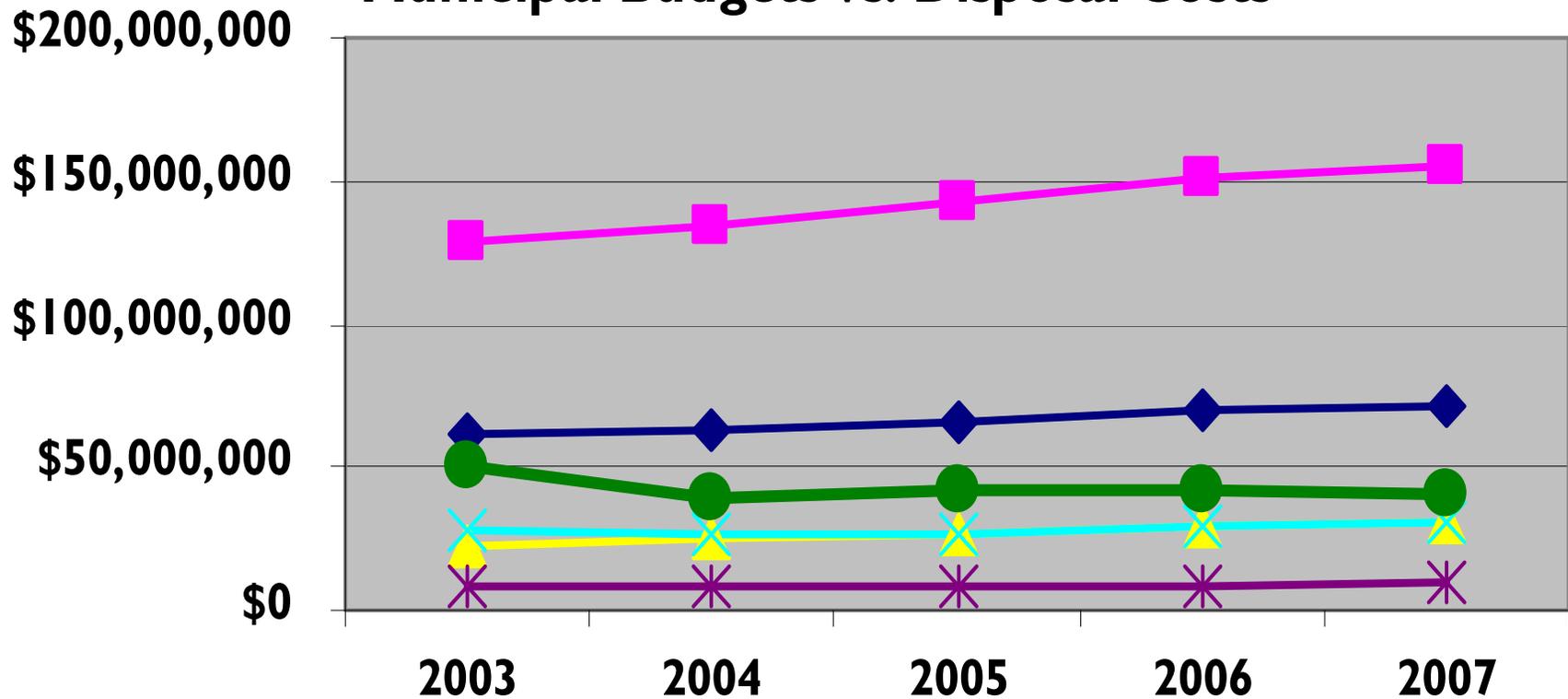


* -- based on projected yearly tonnage, blended tip fee (\$72/\$62)



Mid-Connecticut Project Cost to Towns

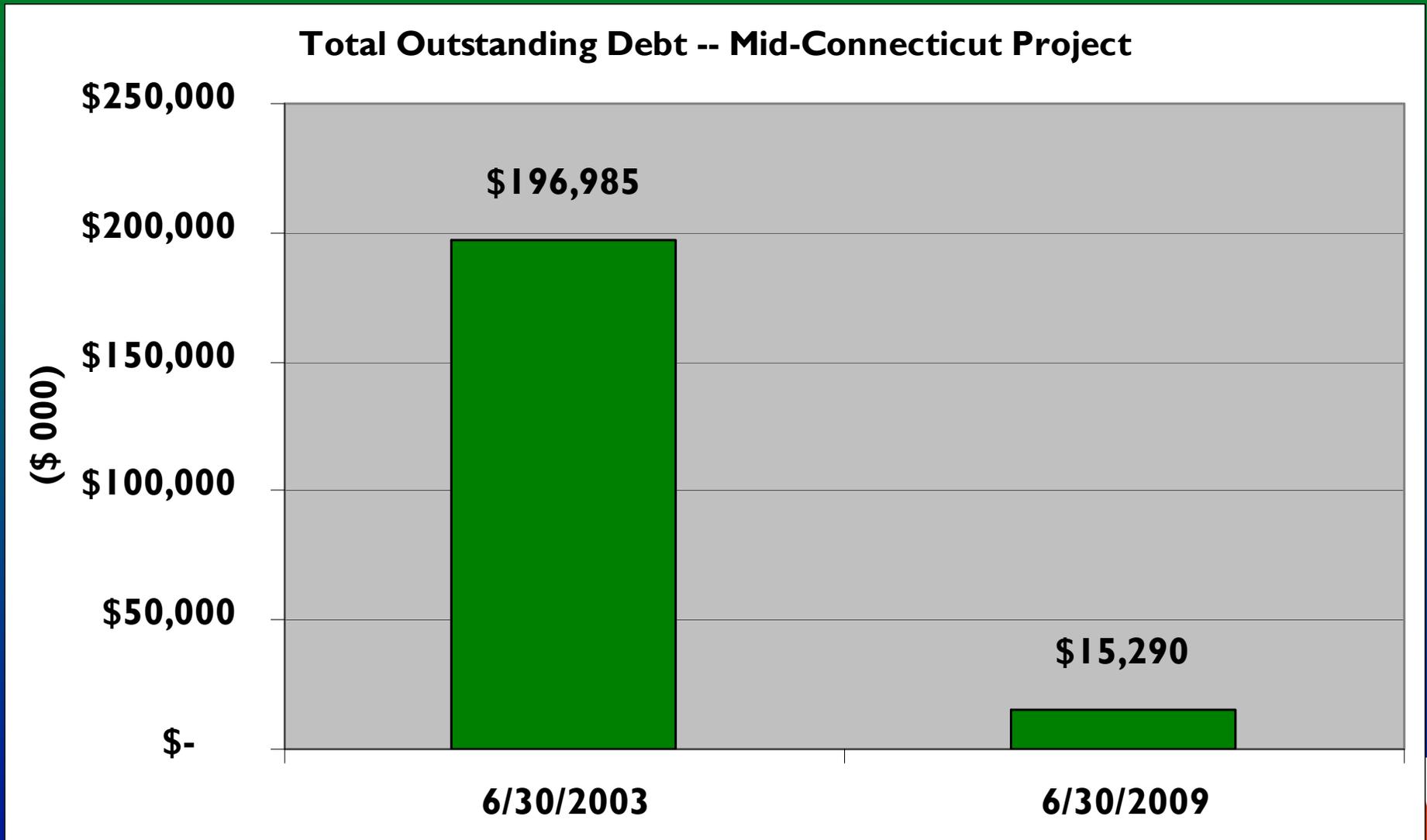
Municipal Budgets vs. Disposal Costs



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Mid-Connecticut Project Debt Service



Mid-Connecticut Project Project Update

- Closure of Hartford landfill
 - Increased costs for ash, non-processibles
 - Costs of operation increased \$17m/year or \$20/ton
 - Impact offset by reduced debt service
 - » Debt paid down early to assure stable tip fee
 - Need Franklin ash landfill to reduce costs
 - Oppose SB 3
- Shredder installed at WPF to process bulky waste
 - Will replace some tons lost to “diversions”

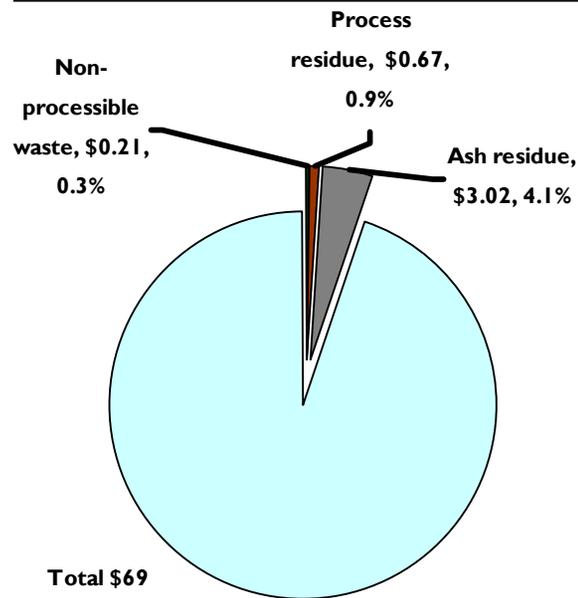


Mid-Connecticut Project

Impact of Landfill Closure on Tip Fee

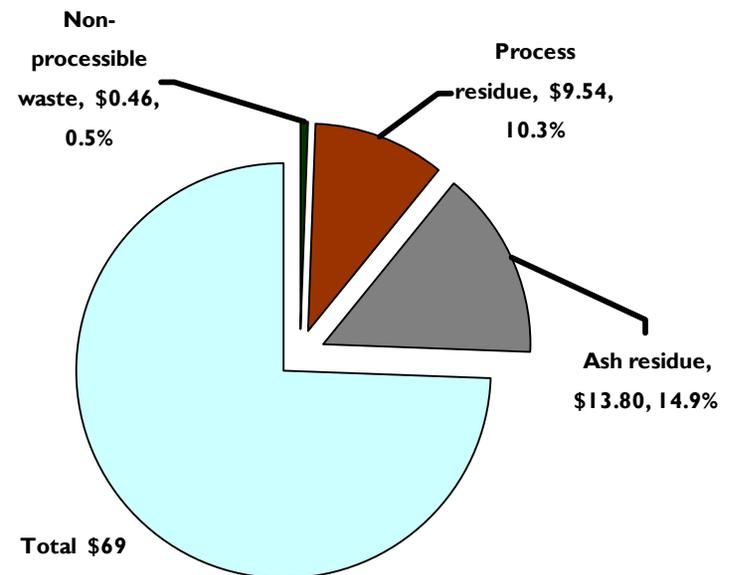
FY 08 -- Before closure of Hartford landfill

Tip fee \$69



FY 10 -- After closure of Hartford landfill

Tip fee \$69



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Mid-Connecticut Project Project Reserves

- Mid-Connecticut Project has dedicated reserve accounts
 - Nine reserves restricted by bond indenture covenants, state regulations or other contracts
 - Three to pay for costs of closure and post-closure care of Project landfills as required by DEP
 - Remainder to pay for known future expenses
 - Example: Rolling stock purchases and maintenance



Mid-Connecticut Project

Project Reserves

- Board reviews all reserve accounts every October
 - Latest review in October Board minutes at http://www.crra.org/pages/pub_rec_board.htm
- After Project ends, auditors will certify accounts
 - Money left as surplus will be distributed to towns per MSAs
- CRRA will offer detailed budget analysis for finance directors in spring 2007



Mid-Connecticut Project

Legal Spending

- Costs of original *New Hartford v. CRRA* case covered by insurance
- Subsequent cases over FY 2008, FY 2009 budgets paid by CRRA
 - Over \$320,000 spent in CY 2008
 - Towns' lawyers have indicated they will contest future budgets
 - CRRA responsible for costs



Mid-Connecticut Project Recycling

- \$3 million retrofit completed three months ahead of schedule
- At least 43 of 64 Project recycling towns now delivering single-stream
- CRRA supporting rollout with customizable flyer, public awareness campaign
 - Education at Trash Museum, Garbage Museum



Mid-Connecticut Project Recycling

- Highlights:
 - Avon recyclables up 18%
 - Glastonbury up 30%
 - Cromwell up 72%
 - Portland up 126%
 - Hartford pilot area (4,400 homes) up 112%
- Solid Waste Management Plan: increase recycling from 30% to 58% by 2024
- Deposits on plastic water bottles will increase recycling rate 0.2%
 - Cost curbside programs over \$300,000/year

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Mid-Connecticut Project Post-2012 Planning

- Project strengths:
 - Project towns can guarantee 800,000 tons per year by exercising flow control
 - Publicly-owned facility with no debt service
 - Transfer stations in place
 - State-of-the-art recycling facility
 - Permitted to handle double its existing through-put
 - Can commit long-term waste flows



Mid-Connecticut Project Post-2012 Planning

- Project weaknesses:
 - RDF technology is expensive
 - Public ownership and public policy often conflict with lowest-cost disposal services
 - Long-haul can cost less per ton but increase congestion on highways
 - Long distance from alternative disposal facilities
 - Near-monopoly in disposal capacity with attendant market pricing power
 - Oligopoly in state collection market



Mid-Connecticut Project Post-2012 Planning

- Project opportunities:
 - Municipal flow control for trash and recycling
 - Towns collect surcharge on flow-controlled commercial trash delivered to town transfer station
 - Public ownership of waste operations
 - Utility regulation of disposal
 - Single-stream recycling
 - Collection and cost optimization
 - Franchising
 - PAYT options



Mid-Connecticut Project Post-2012 Planning

- Project threats:
 - Industry consolidation
 - Collection
 - Disposal
 - Fuel price volatility
 - Continued costs of defending against trial lawyers' actions
 - Post-Project lawsuits
 - Export capability
 - Other states beginning to chafe at imports



Mid-Connecticut Project Post-2012 Planning



The State, Columbia, S.C., March 2, 2009

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Mid-Connecticut Project Future Options

- MSAs expire November 2012
 - Or sooner with one-time revenue opportunities:
 - Suits against Enron-related banks: \$0-20 million
 - *New Hartford* appeal to state Supreme Court: \$8.9 million legal fees paid by towns to lawyers
 - Revenue would accelerate repayment of bonds
 - Project ends, MSAs expire when bonds are paid off
 - CRRA will offer new MSAs to Project towns first
 - Then to non-Mid-Conn towns and private haulers



Mid-Connecticut Project

Future Options

- Keys to ensuring Mid-Conn towns continue to enjoy market- or below-market price:
 - At-cost ash disposal
 - Franklin ash landfill will save \$8/ton on MSW tip fee
 - Reliable, affordable, skilled operations crew
 - Market-testing major contracts
 - WPF operation (MDC) contract will cost \$18m/year in 2010
 - PBF/EGF (Covanta) contract will cost \$15m/year in 2011
 - Efficient technology



Mid-Connecticut Project

Future Options

- RDF technology less efficient than mass-burn
 - New mass-burn plant would cost at least \$300m
 - CRRA evaluating adding mass-burn unit to leverage unused turbine capacity
 - Would provide best return on investment
- Emerging technologies not yet proven on the scale of Mid-Conn
 - Challenges of siting, permitting any type of new facility
- Export options



Conclusion

- CRRA will:
 - Ensure availability of trash and recycling for all towns
 - No town will be turned away
 - Provide all services at net cost of operations
 - Operate openly and transparently and in the best interests of Connecticut's cities and towns and their residents



For More Information

CRRA - Connecticut Resources Recovery Authority - Microsoft Internet Explorer

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Address <http://www.crra.org/>

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CRRA

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[SITE MAP](#) | [GLOSSARY](#) | [CONTACT & LOCATION INFO](#) | [REQUIREMENTS](#)

Connecticut Resources Recovery Authority

Connecticut Resources Recovery Authority, with caption: Where does your garbage go?

Where Does Your Garbage Go?

WELCOME TO CRRA.ORG

The Connecticut Resources Recovery Authority is a quasi-public agency established by the state in 1973 to modernize Connecticut's solid waste disposal. CRRA enabled the state to replace a patchwork of "town dumps" by making a major commitment to waste-to-energy and backing it with recycling and safe, modern, engineered lined landfills.

Today, CRRA's [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 also runs environmental and recycling [educational programs](#) through CRRA Visitors Center & Trash Museum in Hartford and The Children's Garbage Museum in Stratford.

Here at crra.org you'll learn more about our efforts to protect the environment through state-of-the-art waste management, recycling and education.

[TO TOP](#)

What's New!

[ATTORNEY GENERAL BLUMENTHAL SUPPORTS MICHAEL PACE'S REAPPOINTMENT AS CHAIRMAN](#)

[CRRA RECEIVES \\$111 MILLION](#) from the sale of its Enron bankruptcy claim.

Watch for our next [ELECTRONICS RECYCLING COLLECTION](#) series in spring 2005.

CRRA will exhibit at the CPTV Family Science Expo. Click [SPECIAL EDUCATIONAL EVENTS](#) to learn more about this and upcoming events at the CRRA Visitors Center & Trash Museum in Hartford and the CRRA Garbage Museum in Stratford.

Done

Internet

<http://www.crra.org>



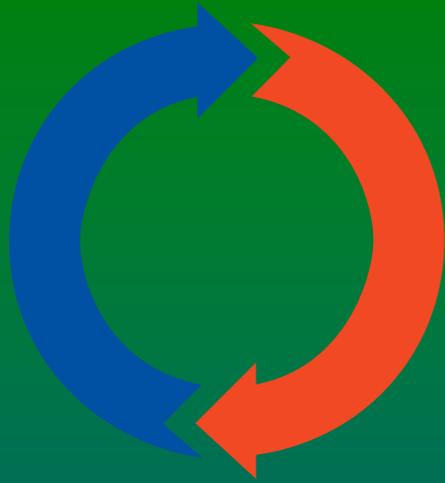
Your Questions

For the benefit of the audience,
please wait for a microphone and
identify yourself before asking
your question.

Thank you for your cooperation.

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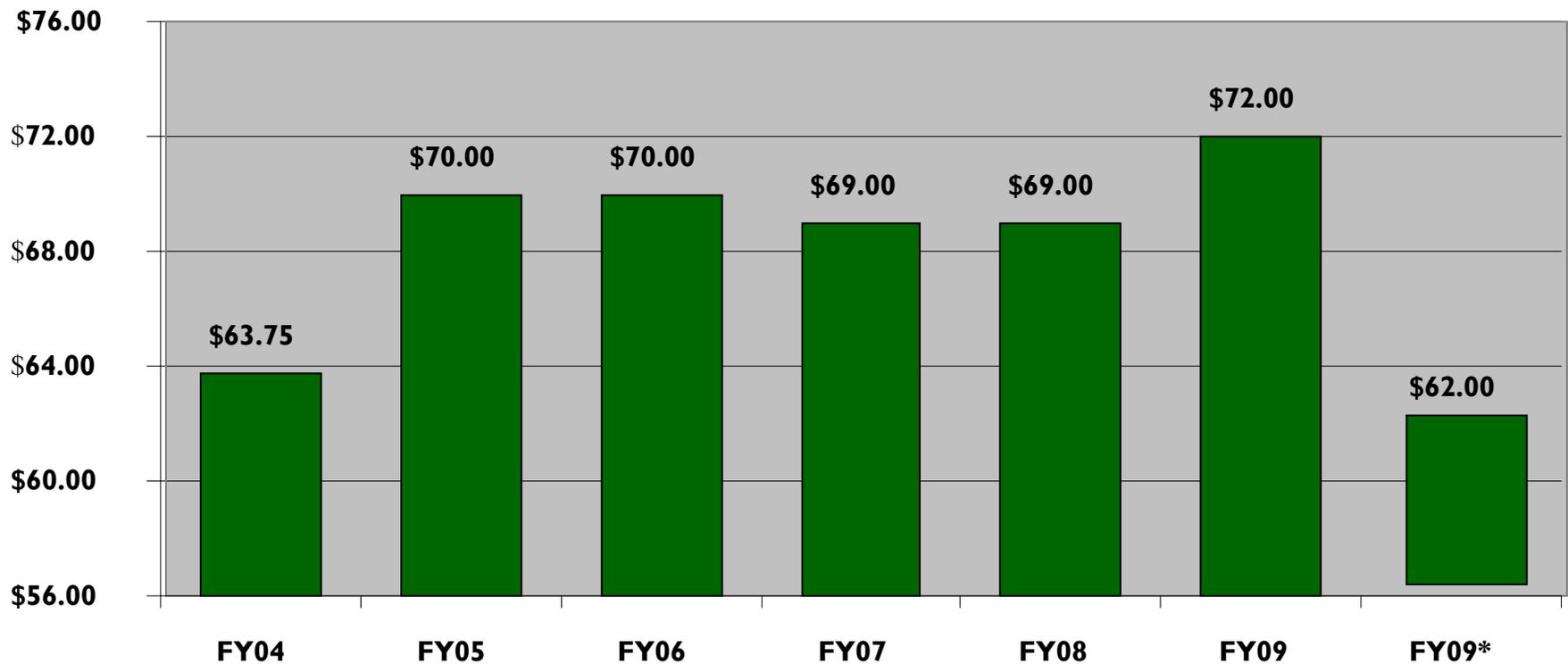
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Mid-Connecticut Project Disposal Fees

Mid-Connecticut Project MSW Tip Fee



Mid-Connecticut Project Disposal Fees

Mid-Connecticut Project MSW Tip Fee

