



# Where Will Your Trash Go?

## Comparing CRRA's New Municipal Service Agreements

October 5, 2011



## Agenda

- About CRRA
- Planning for the Transition
- CRRA's Economics
- Comparing the MSAs
- Your Questions



## About CRRA



## About CRRA

- Created in 1973
- Mission: modernize state's solid-waste system
  - From town dumps to trash-to-energy and recycling



#### About CRRA

### The Mid-Connecticut Project

- 70 cities and towns
- Trash-to-energy plant in Hartford
- Recycling processing center in Hartford
- Transfer stations in Ellington, Essex, Torrington, Watertown
- Trash Museum in Hartford



#### About CRRA

### The Mid-Connecticut Project

- Essex transfer station
  - FY 2011 65,430.60 tons MSW
    - For Chester, Clinton, Deep River, Essex, Guilford, Haddam, Killingworth, Lyme, Madison, North Branford, Old Lyme, Old Saybrook, Westbrook
  - FY 2011 7,331.77 tons recyclables
- MSW towns except Haddam and North Branford (direct-haul), Lyme and Old Lyme (non-CRRA recyclers)



#### About CRRA

### The Mid-Connecticut Project

- Essex signed MSA June 20, 1984
  - Expires November 15, 2012



#### About CRRA

### The Mid-Connecticut Project

- Essex's waste stream in FY 2011
  - 3,113.27 tons of MSW
    - 377.87 tons billed to town
  - 691.31 tons of recyclables





#### About CRRA

### The Mid-Connecticut Project



#### About CRRA

### The Mid-Connecticut Project

- $\pm 750,000$  tons of trash per year
- Non-burnable waste =  $\pm 105,000$  tons per year
  - 13% of MSW delivered
  - Trucked to private landfill in Chicopee, Mass.



#### About CRRA

### The Mid-Connecticut Project

- Ash =  $\pm 160,000$  tons per year
  - 20% of MSW delivered
  - Trucked to private landfill in Putnam



### Planning for the Transition



## Planning for the Transition

- 2008: Ask cities and towns what they want
  - Options
  - Shorter terms
  - No full-faith-and-credit pledge



## Planning for the Transition

- April 2010: First draft of new MSA
  - More municipal feedback
- July 2010: Second draft of new MSAs
  - More municipal feedback
- December 2010: Four MSAs offered



## Planning for the Transition

- Southbury
  - 10,504.79 tons of MSW in FY 11
    - 6,530.06 tons billed directly to town
    - 3,974.73 (37.8%) tons billed directly to private haulers
  - 1,613.18 tons of recyclables in FY 11
    - @ \$5/ton, town would receive rebate of \$8,065.90
  - Saved \$111,309.42 in MSW disposal fees



## CRAA's Economics







## CRRA's Economics

- Financial balancing act
  - Too little trash = too little power
  - Revenue shortfall forces disposal fee increase in following year
- Too much trash forces CRRA to export
  - Costs up to \$90/ton
  - CRRA collects only \$69/ton

FY 12 Budget Revenues



## Comparing the MSAs

### CRRA's Economics

## Net Cost of Operation

### Expenditures

Operational expenses  
Transportation costs (waste/ash)  
Taxes and PILOT's  
Debt service (as needed)  
Funding of reserves

### Non-Disposal Fee Revenues

Sale of electricity  
Miscellaneous revenues  
Sale of metals recovered from MSW  
Interest income  
Withdrawals from reserves

### Unfunded Expenditures

Unfunded expenditures  
Weighted delivered MSW tons

### Disposal Fee Revenues

Base disposal fee

Less

Equals

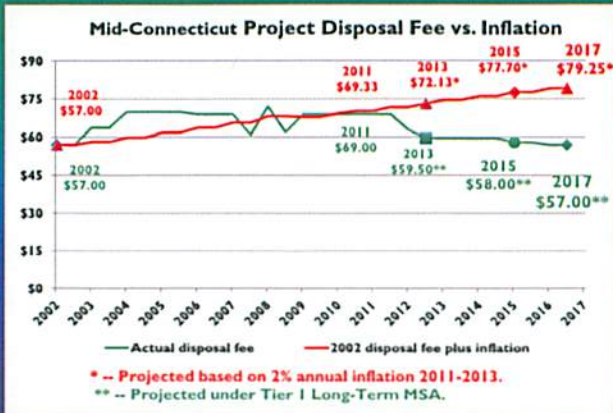
## Comparing the MSAs

MSA	Item	FY13	FY14	FY15	FY16	FY17
Tier 1	Opic-Out	\$61.00	\$61.00*	\$62.00*	**	**
	Long-Term Disposal Fee***	\$59.50	\$59.50	\$59.50	\$58.00	\$57.00
Tier 1	Opic-Out	\$63.00	\$63.00*	\$64.00*	**	**
	Short-Term Disposal Fee***	\$61.50	\$61.50	\$61.50	\$60.00	\$59.00
Tier 2	Opic-Out	N/A	N/A	N/A	N/A	N/A
	Disposal Fee***	\$63.50	\$63.50	\$63.50	\$62.00	\$61.00
Tier 3	Opic-Out	N/A	N/A	N/A	N/A	N/A
	Disposal Fee***	\$59.50	\$59.50	\$59.50	\$58.00	\$57.00
Tier 4	Opic-Out	N/A	N/A	N/A	N/A	N/A
	Disposal Fee***	\$61.50	\$61.50	\$61.50	\$60.00	\$60.00

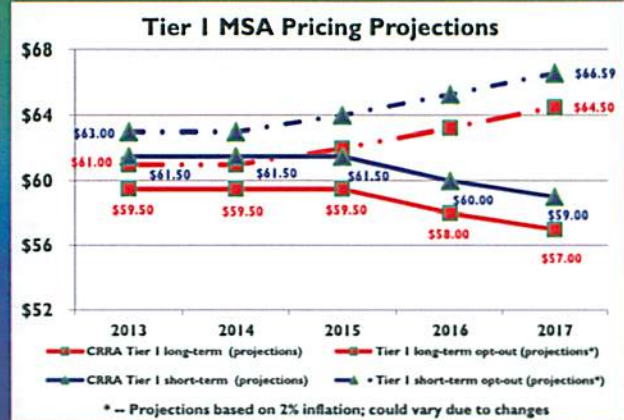
\* Plus any additional opic-out costs.  
\*\* Previous year plus inflation adjustment plus any additional opic-out costs.  
\*\*\* Disposal fees projected as of October 5, 2011.



## Comparing the MSAs Tip Fee History and Projections



## Comparing the MSAs Tip Fee History and Projections



## Comparing the MSAs

MSA Option	Term	Expiration
Tier I Long-Term	15 Years	June 30, 2027
Tier I Short-Term	5 Years	June 30, 2017
Tier 2	3 Years	June 30, 2015
Tier 3	15 Years	June 30, 2027
Tier 4	6 years (plus 2 two-year options)	June 30, 2018

## Comparing the MSAs

MSA Option	CRRA Commitment to Take MSW
Tier I (Both)	Yes
Tier 2	Yes
Tier 3	Yes
Tier 4	Yes

## Comparing the MSAs

MSA Option	Municipality's Commitment of MSW and Recyclables
Tier 1 (Both)	All MSW and residential recyclables* generated within municipality's borders <ul style="list-style-type: none"> <li>Tier 1 towns can opt out of recycling if they can get a better deal</li> </ul>
Tier 2	Minimum commitment of MSW under municipality's control with tonnage cap
Tier 3	Minimum commitment of MSW and residential recyclables* under municipality's control
Tier 4	Minimum commitment of MSW and residential recyclables* under municipality's control

\* "Residential recyclables" are cans, bottles, paper, cardboard and other materials normally picked up at curbside or brought to drop-off area.



## Comparing the MSAs

MSA Option	Consequence If Tonnage Commitment Is Not Met
Tier 1 (Both)	Breach of contract; if not cured within 6 months, termination
Tier 2	Charge for each ton below minimum commitment
Tier 3	(\$15/ton in summer and \$30/ton in winter)
Tier 4	



### Comparing the MSAs

## A Few Words About Flow Control

- CRRA MSAs do not require towns to pass a flow-control ordinance



### Comparing the MSAs

## A Few Words About Flow Control

- If a problem is detected:
  - CRRA will alert hauler
  - If needed, a call from town to hauler usually sufficient
- If problem persists, CRRA enforcement team acts
  - Enforcement officers investigate
  - CRRA has recovered damages from haulers





## Comparing the MSAs

MSA Option	Most-Favored-Nation Status	Recycling Rebate
Tier 1 (Both)	Yes	Yes*
Tier 2	No	No
Tier 3	Yes	Yes*
Tier 4	Yes	Yes*

\* If surplus in recycling program is declared by CRRA Board



## Comparing the MSAs

MSA Option	Transfer Station Use Surcharge	Transfer Station Fuel Surcharge
Tier 1 (Both)	No	Yes
Tier 2	Yes	Yes
Tier 3	No	Yes
Tier 4	No	Yes



### Comparing the MSAs

## Transfer Station Fuel Surcharge

- Surcharge added when diesel costs more than \$5 per gallon
- Add 6.5 cents per ton of MSW for every 10 cents per gallon above \$5
- Example: If diesel costs \$5.60/gallon, add 39 cents per ton to MSW disposal fee



### Comparing the MSAs

## More Information On-line



[www.crra.org](http://www.crra.org)

