

CRCOG/Mid-Connecticut Project Regional Solid Waste Options Analysis Final Presentation

Capitol Region
Council of Govts.

November 19, 2008



MSWCONSULTANTS

2

Agenda

1. Review of Alternatives
2. Recommendations

MSWCONSULTANTS

The Big Picture

- CT Solid Waste Master Plan

- 30% current recycling
- 40% by 2015
- 58% by 2024

- Mid-Conn Region Statistics

	CRCOG Towns	Mid-Conn Towns
Number of Towns	29	70
Population	658,000	1,138,000
Refuse Disposed (tons)	495,548	823,413
Recyclables (tons)	48,098	52,543
Recycling Rate	8.8%	6.0%

Norwalk Case Study

- Norwalk and other CRRAs Bridgeport-served towns underwent similar process in 2006
 - Enlisted law firm to conduct procurement to retain confidentiality
- Jointly procured town transfer station operations, transportation, and disposal
 - CRRAs no-bid (but low-balled after the fact)
 - \$74.88/ton T&D bid price for 5-year agreement
 - 5 of 7 towns have opted for private market solution (individual contracts)

Long Term Solid Waste Management System Objectives

- Accountability
- Full Service Provider
- Flexibility
- Reliability
- Stability
- Sustainability
- Diversion Goals



MSWCONSULTANTS

Alternatives - Multi-Town Cooperation

- Many possible groupings of Towns
 - All 70 Mid-Conn Towns
 - 29 CRCOG Towns only
 - Other Groupings
- Considerations
 - More waste flow = better market leverage
 - Rural Towns benefit from grouping with urban/suburban Towns
 - Minimum waste flow target of 500 tpd (140k annually)

MSWCONSULTANTS

Alternatives – Negotiate with CRRA

- Logical solution based strictly on infrastructure
 - \$62/ton disposal is attractive
- Concerns about commitment to customer service
- Considerations
 - Treat CRRA more like a private market competitor
 - Be proactive - define your solution to CRRA

Alternatives – Acquire CRRA Infrastructure

- Concept: Form “Mid-Conn RRA” and acquire CRRA Mid-Conn Project assets
- Pros:
 - Establishes directly accountable organization
 - Makes use of existing infrastructure assets
 - Enables optimization of these assets
- Cons
 - Would CRRA ever divest itself of Mid-Conn Project assets?

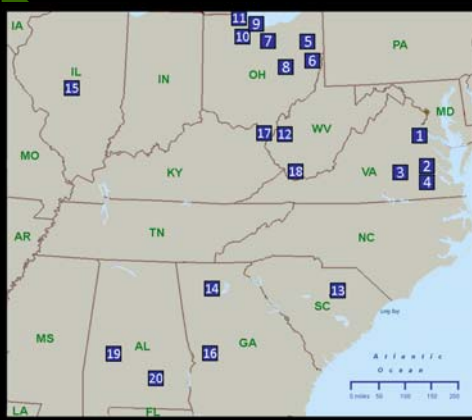
Alternatives – Procurement of Road Haul Transportation & Disposal

- Road-accessible landfills in NY, PA and OH
- Private market already road hauls from CT to these markets
- Approximate T&D Costs: \$65 - \$90



MSWCONSULTANTS

Alternatives – Procurement of Rail Haul Transportation & Disposal



- Rail haul of wastes is happening now
- Rail is most economical transportation method for longer haul
- Increases access to cheap disposal
- Approximate T&D Costs: \$60 - \$80

MSWCONSULTANTS

Alternatives – Collection and Recycling

- Collection

- Implement exclusive collection
- Consider regional collection systems



- Recycling

- Procure processing on open market for dual stream and single stream
- Direct municipal provision of recycling collection
- Consider volume-based pricing

MSWCONSULTANTS

Recommendation: Governance

- ***To solve only the long term disposal issue for Towns collectively, the Norwalk procurement model would be the easiest to pursue***
 - Joint procurement, separate contracts
 - Minimum 10 year disposal term
 - Separate transfer station operation and T&D pricing
 - Transparent pricing, cost escalators and fuel surcharge
- ***To optimize integrated solid waste management, the formation of a “Mid-Conn RRA” would be appropriate***
 - Acquire CRRA assets
 - Hire management team or firm
 - Contract operations

MSWCONSULTANTS

Recommendations: Long Term Disposal

- Define Service Requirements in a draft contract with terms and conditions approved by the Towns
- Optional: Engage CRRA in meaningful, open discussions
- Procure capacity from the Open Market if CRRA negotiations fail



MSWCONSULTANTS

Recommendations: Collection Optimization

- Move towards exclusive collection service
- Evaluate potential for regional service level standardization and collection system integration



MSWCONSULTANTS

Recommendations: Recycling

- Procure processing solution (parallel to disposal solution)
 - Develop contract
 - Engage CRRA
 - Procure processing from open market if necessary
- Move towards direct municipal management of recycling collection
- Longer term: establish volume-based pricing



MSWCONSULTANTS

Final Thoughts

- **There are Many Opportunities to Improve Waste Management in Mid-Conn Region**
 - **Control and Accountability Lead to Optimization**
 - **Bigger is Better**
 - **Use Market Forces**
 - **Towns should drive the solution – the sooner you start the better**

MSWCONSULTANTS

Questions

John Culbertson
(407) 380-8951 office
(407) 580-4017 cell

jculbertson@mswconsultants.us

Rick Schlauder
(717) 731-9708 office
(717) 319-4240 cell

rschlauder@mswconsultants.us

MSWCONSULTANTS

Collection System Observations

- 65% of population served by public or contract refuse collection
 - Remainder must subscribe
- Almost 80% of population served by fully or semi automated refuse collection
 - But only 6% automated for recyclables
- Majority of Towns fund solid waste (including collection) through indirect revenue mechanisms
 - Tip fees, general fund, millage

MSWCONSULTANTS

Processing/Disposal Observations

- Municipal solid waste processed at a MPF and incinerated at the RRF (approx. 800,000 tons per year)
- Hartford landfill closing 12/31/08 - bulky waste no longer accepted by CRRA
 - Ash and by-pass currently going to the Hartford landfill will be diverted to out-of-state landfill for disposal
- Several rail-enabled waste transfer facilities operating in the Mid-Conn region

Processing/Disposal Observations

- 10/17/08 announcement by CRRA of \$62.00 per ton tipping fee for Mid-Conn Towns for next year
 - Competitive rate
 - Excludes bulky waste
- CRRA Financial Management
 - Mid-Conn financial data is challenging to review
 - Limited data available beyond website and publicly released documentation
 - Appearance of disproportionate Administrative/Overhead costs allocated to Mid-Conn Project