

**CAPITOL REGION COUNCIL OF
GOVERNMENTS,
HARTFORD, CONECTICUT**

**REVIEW OF EXPRESSIONS OF INTEREST
FOR LONG TERM SOLID WASTE
MANAGEMENT**

July 29, 2009

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TABLE OF CONTENTS

1. INTRODUCTION.....	1
2. COVANTA ENERGY CORPORATION.....	1
3. CPWM, LLC.....	4
4. EASTERN CONNECTICUT RESOURCE RECOVERY AUTHORITY.....	6
5. ENVIROSOLUTIONS.....	8
6. TRANSLOAD AMERICA.....	10
7. WILLIMANTIC WASTE PAPER COMPANY.....	13
8. SUMMARY.....	15
9. CONCLUSIONS.....	17

List of Tables

Table 2-1 Covanta-Owned Facilities Available to Serve Mid-Conn Region.....	2
Table 3-1 CPWM-Owned Facilities Available to Serve the Mid-Conn Region.....	5
Table 4-1 ECRRA-Owned Facilities Available to Serve the Mid-Conn Region.....	6
Table 5-1 Envirosolutions-Owned Facilities Available to Serve the Mid-Conn Region.....	8
Table 6-1 Transload-Owned Facilities Available to Serve the Mid-Conn Region.....	11
Table 7-1 Willamantic-Owned Facilities Available to Serve the Mid-Conn Region.....	14
Table 8-1 Facility and Resource Summary of Responding Organizations.....	16

List of Figures

Figure 2-1 Covanta Facility Locations.....	3
Figure 3-1 CWPM Facility Locations.....	5
Figure 4-1 ECRRA Facility Locations.....	7
Figure 5-1 Envirosolutions Facility Locations.....	9
Figure 6-1 Transload Facility Locations.....	11
Figure 7-1 Willimantic Facility Locations.....	14

TABLE OF CONTENTS

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REVIEW OF EXPRESSIONS OF INTEREST FOR LONG TERM SOLID WASTE MANAGEMENT

1. INTRODUCTION

On June 3, 2009, the Capitol Region Council of Governments (CRCOG) issued a Request for Information (RFI) for Long-term Waste Transfer, Transportation, Disposal and Processing/Recycling Services. By the due date of July 8, 2009, CRCOG received Expressions of Interest (EOIs) from the following six entities (listed in alphabetic order):

- ◆ Covanta Energy Corporation (Covanta) in Wallingford, CT;
- ◆ CWPM, LLC in Plainville, CT;
- ◆ The Eastern Connecticut Resource Recovery Authority (ECRRA) of Middletown, CT;
- ◆ Envirosolutions in Newark, NJ;
- ◆ Transload America in South Orange, NJ; and
- ◆ Willimantic Waste Paper Company (Willimantic) in Willimantic, CT

MidAtlantic Solid Waste Consultants (MSW Consultants) has previously assisted CRCOG in analyzing available options for long-term solid waste management for the CRCOG communities as well as for the additional Towns in the Mid-Connecticut Region (Mid-Conn Region) that are currently under contract with the Connecticut Resource Recovery Authority (CRRA). CRCOG has requested that MSW Consultants review the responses received, summarize notable elements of the responses, and offer professional opinion on the prospects for proceeding with a more formal solicitation. MSW Consultants has completed this effort in the absence of formal communications with respondents, nor have references checks been performed by MSW Consultants. Rather, our review is based on the information presented in the responses supplemented by our prior awareness of some of the respondents and our professional experience in the waste management industry.

This letter is organized into separate sections and contains our findings. Sections 1 through 6 contain information on each of the six respondents individually, and are intended to be a concise reporting of the content of each response. A summary table is contained in Section 7. Section 8 contains our conclusions and is offered for the consideration of CRCOG and the Mid-Conn Towns.

2. COVANTA ENERGY CORPORATION

2.1 OVERVIEW

Covanta Energy (Covanta) is a leading domestic owner/operator of waste-to-energy (WTE) facilities. Covanta and its subsidiaries develop, construct, own and/or operate facilities and related infrastructure for the conversion of municipal solid waste (MSW) into energy and independent power production in the U.S. and abroad. Covanta owns and/or operates 60 power generation facilities worldwide.

Financial results for Covanta Holding Corporation (publicly traded parent company) reflect net income of \$139.2 million on operating revenues of \$1.66 billion for the twelve month period ending December 31, 2008. Covanta is a large, international, financially stable company with proven

REVIEW OF EXPRESSIONS OF INTEREST

technology and operating capabilities serving the waste industry. Covanta’s EOI supports its ability to obtain appropriate insurance, financing, and performance bonding for a large scale engagement.

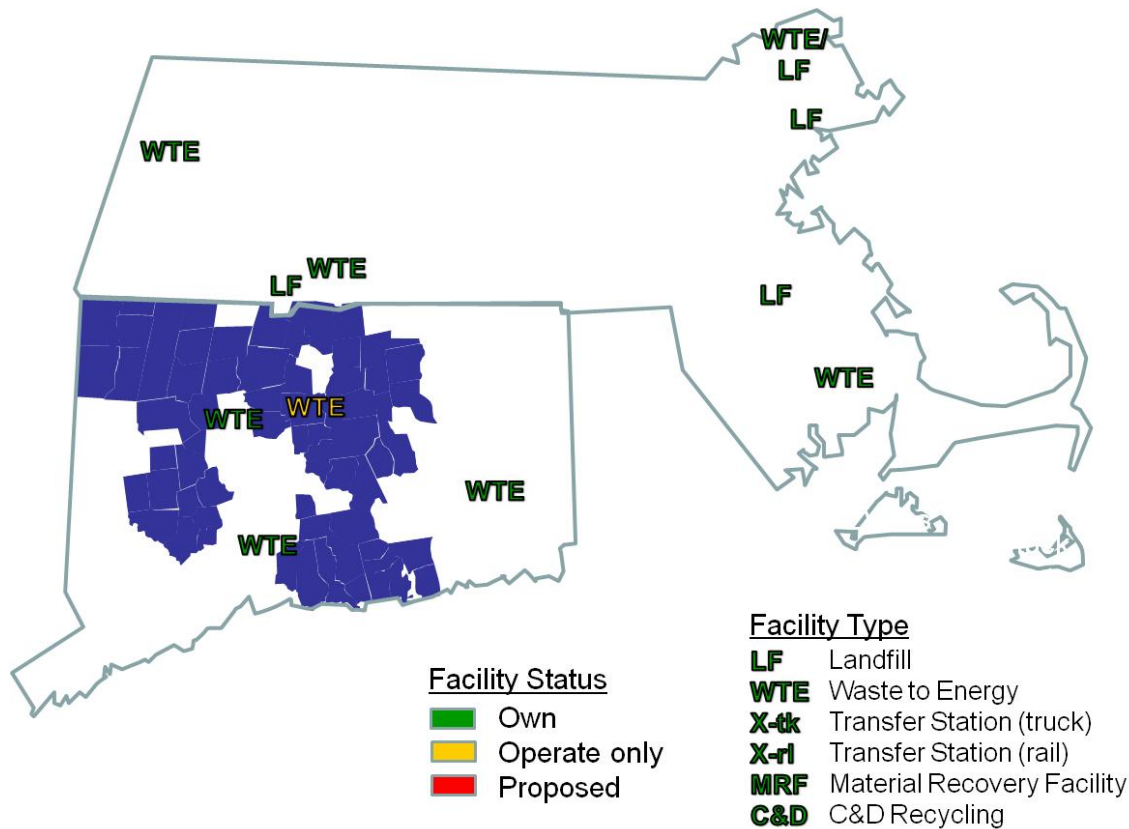
Covanta owns three WTEs in Connecticut, and also currently operates the Mid-Conn WTE plant in Hartford under contract to the CRRA. Covanta’s response also provided information on WTE facilities and landfills in surrounding states that could accept wastes from the Mid-Conn region. Table 2-1 and Figure 2-1 summarize the location of the facilities mentioned in the EOI as being capable of serving the Mid-Conn Region in some capacity.

Table 2-1 Covanta-Owned Facilities Available to Serve Mid-Conn Region

Facility	Location	Capacity
Local Office	Wallingford, CT	
Wallingford Waste-to-Energy Facility	Wallingford, CT	420 tpd
Bristol Waste-to-Energy Facility	Bristol, CT	650 tpd
SECONN Waste-to-Energy Facility	Preston, CT	689 tpd
Springfield Waste-to-Energy Facility	Springfield, MA	408 tpd
Waste-to-Energy Facility	Pittsfield, MA	NP
Haverhill Waste-to-Energy Facility	Haverhill, MA	NP
West Wareham Waste-to-Energy Facility	West Wareham, MA	NP
Peabody Ash Landfill	Peabody, MA	NP
Ward Hill Neck Ash Landfill	Haverhill, MA	NP
Bondi Island Ash Landfill	Agawam, MA	NP
CWM Ash Landfill	Carver, MA	NP

REVIEW OF EXPRESSIONS OF INTEREST

Figure 2-1 Covanta Facility Locations



Although not shown in the table or figure, Covanta also reported owning and operating four transfer stations ranging from 520 to 1,600 tons per day (tpd), although none in Connecticut.

2.2 QUESTIONS FOR CRCOG

Covanta offered the following comments/questions to be addressed by CRCOG in any formal request for proposal process.

- ◆ Please provide an anticipated time-line from RFI through November 2012 including milestone dates and objectives.
- ◆ Please provide anticipate tonnages by communities that are available for contract.
- ◆ Is there a matrix by town which indicates type of recycling (dual stream, single stream, voluntary, subscription) and current recycling rates for communities included in this RFI?
- ◆ Have CRCOG or the communities considered purchasing assets of CRRA?

2.3 MSW CONSULTANTS COMMENTARY ON COVANTA

Covanta has the size, financial capability, experience, and local presence to participate in a solution for the Mid-Conn region, possibly to serve the entire region. It is not clear from the EOI if Covanta could accommodate all Mid-Conn region wastes within its existing network of WTE facilities or if it would have to partner with another firm for incremental disposal capacity, but this is likely not an

REVIEW OF EXPRESSIONS OF INTEREST

issue. The most significant omission in the EOI is that Covanta did not indicate any transfer capability within reasonable distance from the Mid-Conn region. Cost-effective transfer and transportation of wastes would be needed to reach Covanta-owned WTEs. Covanta would also need to partner with transportation providers and recyclables processors to manage the growing recyclables stream expected to come out of the region in the coming years in support of higher state recycling goals.

3. CPWM, LLC

3.1 OVERVIEW

CWPM is a Connecticut Limited Liability Company located in Plainville, Connecticut that provides refuse removal and recycling services to numerous contractors, residents, municipalities and commercial accounts throughout the state of Connecticut. The company is owned and managed by members of the Manafort family and reflects the combined business assets of Connecticut Waste Processing, a former operating unit of Manafort Brothers, Inc., and PM Services, formerly a subsidiary of a national waste management services company.

CWPM's primary business activities include:

- ◆ Operation of publicly owned transfer stations, including three of the Mid-Connecticut stations now serving member municipalities and the New Haven transfer station.
- ◆ Hauling of waste and recyclables.
- ◆ Responsibility for waste disposal and recyclables processing and marketing.
- ◆ Operation of two CTDEP permitted volume reduction facilities, including a Construction and demolition/bulky waste facility in Berlin and a fiber recycling/transfer facility in Plainville.
- ◆ Ash residue transportation and disposal (serving the Covanta Bristol Waste-to-Energy Facility).
- ◆ Operation via large waste collection business serving public and private customers throughout the State.

The company has been serving member towns of the Mid-Connecticut Project for eight years, providing transfer station operations and hauling services for waste, recyclables, and process residue. All of these services have been awarded to CWPM in response to competitive procurements or the Project.

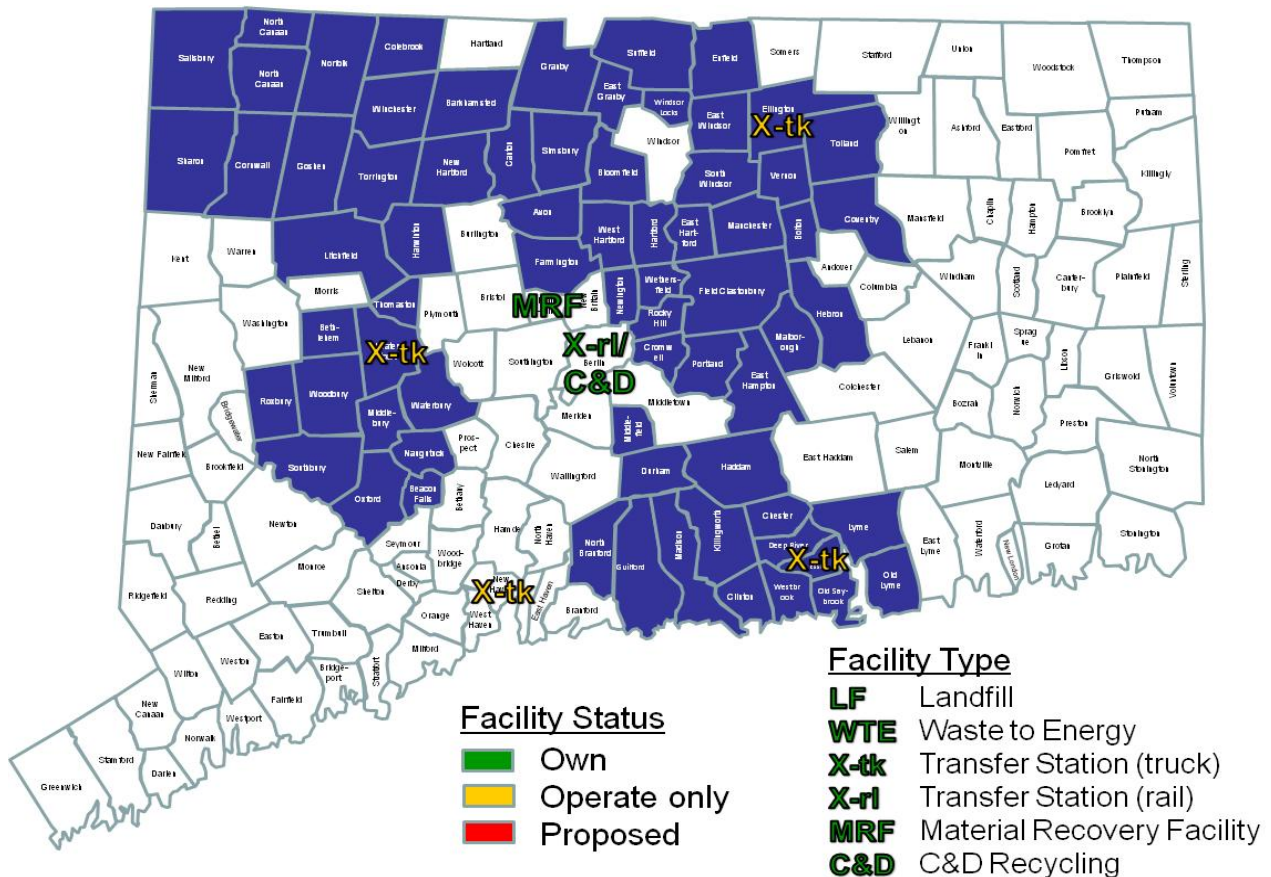
Table 3-1 and Figure 3-1 summarize CWPM-owned facility assets that are described in the EOI as being available to serve the Mid-Conn region.

REVIEW OF EXPRESSIONS OF INTEREST

Table 3-1 CPWM-Owned Facilities Available to Serve the Mid-Conn Region

Facility	Location	Capacity
Headquarters	Plainville, CT	36 mgmt & admin employees
Hauling Operations	Plainville, CT	100 drivers; 21 maintenance staff
Fiber Recycling and Transfer	Plainville, CT	Unspecified
C&D Bulk Volume Reduction and Transfer	Berlin, CT	350 tpd permitted; 350 tpd expansion expected

Figure 3-1 CWPM Facility Locations



3.2 QUESTIONS FOR CRCOG

CWPM offered the following comments/questions to be addressed by CRCOG in any formal request for proposal process.

REVIEW OF EXPRESSIONS OF INTEREST

- ◆ Any full RFP needs to include a full listing of Town convenience centers, volumes of waste received, and other relevant facility information.
- ◆ CWPM suggests that a unified hauling system serving all Mid-Conn Towns would offer a more cost-effective solution than the current piecemeal system.

3.3 MSW CONSULTANTS COMMENTARY ON CWPM

CWPM appears to be a well established waste management company specializing in hauling and facility operations. They have demonstrated experience working with Connecticut public entities and within the waste market dynamics of central Connecticut. However, CWPM does not appear to be a candidate to provide a comprehensive solution that includes transfer, disposal, and recycling (or at the very least CWPM would require multiple teaming partners to supply comprehensive services to the entire region as a prime contractor). Rather, CWPM's primary interest appears to be providing hauling and transportation for the region, and it is likely they would attempt to join a prime contractor to respond to a full RFP (or else would bid only on the collection/haul component if the RFP allowed it).

4. EASTERN CONNECTICUT RESOURCE RECOVERY AUTHORITY

4.1 OVERVIEW

The Eastern Connecticut Resource Recovery Authority ("ECRRA") was established as a public Authority under State law in 1990. ECRRA owns and operates a 500 ton per day mass burn resource recovery facility located in Lisbon, Connecticut (this facility is operated by Wheelabrator). ECRRA's response indicates that an expansion to this facility is already "permitted under [its] host community agreement with the Town of Lisbon" and that the footprint for a third processing line and some infrastructure for the new line are already developed. The City of Middletown is currently the sole municipal member of ECRRA; R. S. Lynch and Company serves as the ECRRA managing entity.

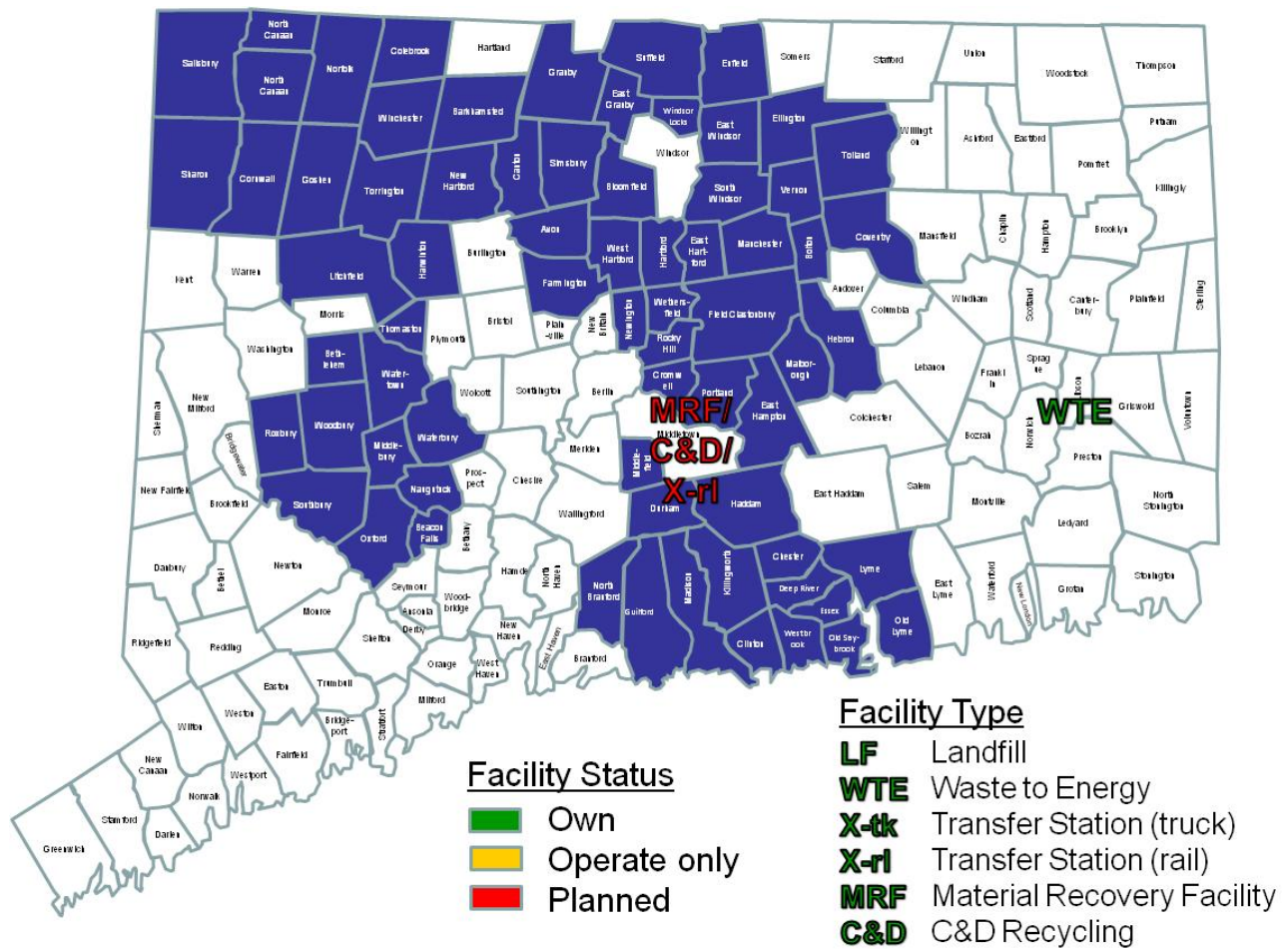
In addition to expanding their existing waste-to-energy facility, ECRRA is also currently engaged in the planning and development of one new waste recycling and disposal facility (the Middletown Bale-to-Rail Project) in order to offer long term waste transfer, transportation and processing/disposal/recycling services to Mid-Conn Towns whose current CRRA contracts expire in 2012. ECRRA indicates that its waste-by-rail partner in this project is Transload America, another of the respondents to the RFI. Table 4-1 and Figure 4-1 show the facilities currently owned or proposed by ECRRA for use in serving the Mid-Conn region.

Table 4-1 ECRRA-Owned Facilities Available to Serve the Mid-Conn Region

Facility	Location	Capacity
Mass Burn RRF	Lisbon, CT	500 tpd
MRF/ Bale-to-rail transfer station (proposed)	Middletown, CT	1,500 tpd

REVIEW OF EXPRESSIONS OF INTEREST

Figure 4-1 ECRRA Facility Locations



4.2 QUESTIONS FOR CRCOG

ECRRA did not request any additional information from CRCOG.

4.3 MSW CONSULTANTS COMMENTARY ON ECRRA

Although the ECRRA would not immediately be capable of serving the entire Mid-Conn region, its past success and the geographic location of its facilities (assuming successful development of the bale-to-rail project) makes a compelling case for future participation in serving the Mid-Conn Region’s waste management needs. Based on the low tip fees charged by ECRRA for its services, MSW Consultants can conclude that the organization has maintained a close focus on value for its member Town, and has successfully managed a wide range of contracts for the development and operation of its facility infrastructure. There is no reason ECRRA could not do the same to benefit a subset of Mid-Conn Towns.

REVIEW OF EXPRESSIONS OF INTEREST

Although CROCOG and the Mid-Conn Towns may prefer finding a single entity capable of serving the entire region, it would be advisable to engage ECRRA in any discussions and to enable a viable proposal from ECRRA if at all possible. Absent this action, it should be expected that ECRRA will begin to directly solicit new member towns to secure additional waste flow. Doing so will increase host community fee revenues to Middletown, and also secure lower unit prices for various hauling, facility operation, and disposal services that will directly benefit the ECRRA's member(s) – as well as reduce overall solid waste management costs for the targeted Mid-Conn Towns.

5. ENVIROSOLUTIONS

5.1 OVERVIEW

Envirosolutions is a privately-held, vertically integrated waste management company reporting \$200 million annual revenue. Envirosolutions has operations in five states and the District of Columbia, and provides a full slate of waste management services including collection, transfer and transport (both rail and truck), and disposal of all solid waste types. Of particular interest, Envirosolutions offers baling and rail-based transportation of municipal solid wastes and C&D debris, and cites its baling and bale-wrapping technology as a differentiating, value-added service.

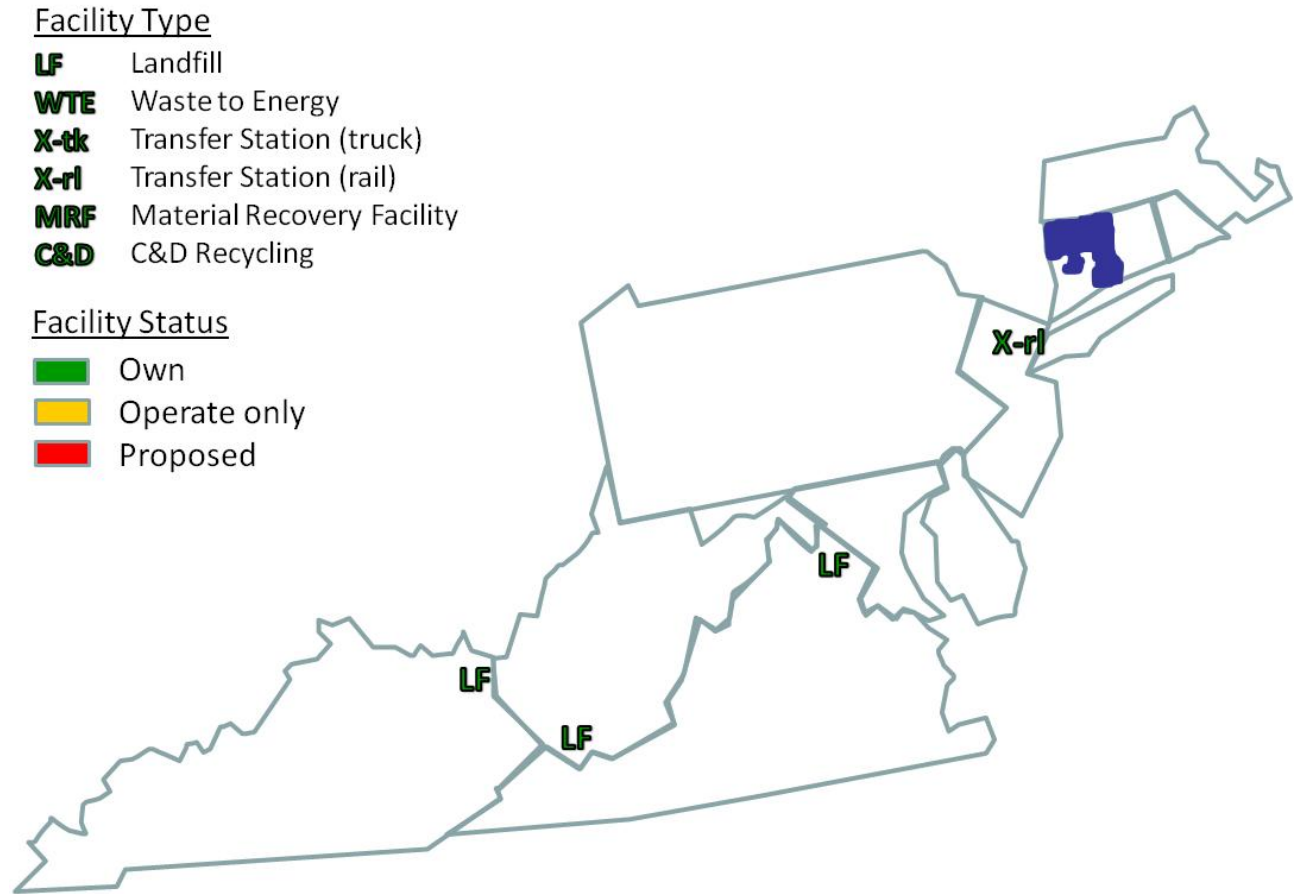
However, not all of its facility operations are proximate enough to the Mid-Conn Region to provide service. Table 5-1 and Figure 5-1 illustrate the facilities that could serve the Mid-Conn Region.

Table 5-1 Envirosolutions-Owned Facilities Available to Serve the Mid-Conn Region

Facility	Location	Capacity
No facilities located in CT		
Submitting Office	Newark, NJ	
ESIX Rail Logistics		500 gondola cars
Lorton C&D Landfill	Lorton, VA	
Copper Ridge Landfill	Capels, WV	2,100 tpd
Big Run Landfill	Ashland, KY	Unlimited

REVIEW OF EXPRESSIONS OF INTEREST

Figure 5-1 Envirosolutions Facility Locations



5.2 QUESTIONS FOR CRCOG

Envirosolutions offered the following comments/questions to be addressed by CRCOG in any formal request for proposal process.

- ◆ Current and historical solid waste volumes being collected by each municipality;
- ◆ Transfer station/processing facility where each municipality delivers its solid waste;
- ◆ Current and historical recycling commodities and volumes collected by each municipality;
- ◆ Transfer station/processing facility where each municipality delivers its recycling commodities;
- ◆ All available municipal transfer stations and processing facilities for delivery or solid waste and recycling commodities, their facility sizes (land & building), permitted capacities and current and historical volumes being handled.

Envirosolutions also specifies a minimum 5 year contract term with multiple 5 year option periods as being a requirement to make any project worthwhile and economically viable. Ideally, an initial contract term of 10 years would be preferred due to the large capital requirements necessary to implement a long-term rail-based disposal solution.

REVIEW OF EXPRESSIONS OF INTEREST

5.3 MSW CONSULTANTS COMMENTARY ON ENVIROSOLUTIONS

Envirosolutions clearly demonstrates experience owning and operating large-scale transfer stations with both truck and rail loading, as well as rail logistics support. And, with 8,000+ tons per day of available landfill capacity, Envirosolutions is capable of receiving and processing waste flows in excess of the capacity that would be required by the Mid-Conn Region, for both municipal solid waste (bulky and non-bulky) and C&D debris. The company's business plan would appear to focus precisely on the type of integrated solution being sought by the Mid-Conn Region, and MSW Consultants speculates that the company would actively attempt to participate in the development of a long-term solution.

However, there are currently a number of gaps that Envirosolutions would need to fill to successfully offer a comprehensive solution:

- ◆ **Local Transfer:** Envirosolutions does not have any local transfer station capacity in or around the Mid-Conn Region. Envirosolutions would therefore require either (a) one or more partners with local rail transfer capability, or (b) would need one or more suitable sites and sufficient lead time to develop waste-to-rail transfer capabilities.
- ◆ **Recyclables Processing:** Envirosolutions does not appear to have focused on recycling within its current vertically integrated network of facilities. It is likely that the company would need to team with a recycling partner to develop a new facility or otherwise receive and process source-separated recyclables at an existing facility. Development of recyclables processing could require yet another site and lead time for development (unless recyclables could be railed or otherwise transferred to a more distant processor at centralized transfer stations).
- ◆ **Performance of Bale to Rail Technology:** Envirosolutions touts its MSW baling technology in its submitted company literature, and reports that the technology is operable within its current active projects. MSW Consultants believes baling technology, while attractive from a performance standpoint, has not been demonstrated over a sufficiently long time horizon to confirm its operating performance, long-term cost-competiveness, and acceptance by rail carriers compared to traditional bulk handling techniques for waste materials (especially intermodal rail transport). Thus, it will be important for any long-term solution to incorporate appropriate contingencies or other performance guarantees if bale to rail technology is employed.

Envirosolutions is privately held, and provided the requested financial statements in response to the RFI. These statements are marked confidential and were not reviewed by MSW Consultants. Envirosolutions demonstrated its ability to obtain performance bonding, and MSW Consultants notes that its ability to secure a large project with Mid-Conn Towns would be financially beneficial as it grows economies of scale.

6. TRANSLOAD AMERICA

6.1 OVERVIEW

Transload America (Transload) is a privately-held, vertically integrated waste management company that bills itself as North America's leading rail-based waste management company. The company owns and operates transfer stations across the country, and feeds waste to its network of four landfills located from Utah to Ohio to Alabama. Transload currently uses its bale wrapping technology to seal municipal solid waste and ship the waste from a transfer station in Stamford, CT.

REVIEW OF EXPRESSIONS OF INTEREST

Although not mentioned in Transload’s response, the ECRRA response indicated that it is in discussions with Transload for the development of the Middletown bale-to-rail facility discussed in Section 3.

Transload has submitted its response in apparent partnership with Urbasher, a large European company with significant access to waste processing technologies and (presumably) capital for project development. MSW Consultants did not review in detail all materials for both Transload and Urbasher in their entirety.

Table 6-1 and Figure 6-1 illustrate the Transload facilities that could serve the Mid-Conn Region.

Table 6-1 Transload-Owned Facilities Available to Serve the Mid-Conn Region

Facility	Location	Capacity
Submitting Office	South Orange, NJ	
TLA - Rail Logistics	Jacksonville, FL	652 gondola cars
Central Landfill	Alliance, OH	5,000 tpd
Brundidge Landfill	Brundidge, AL	7,500 tpd

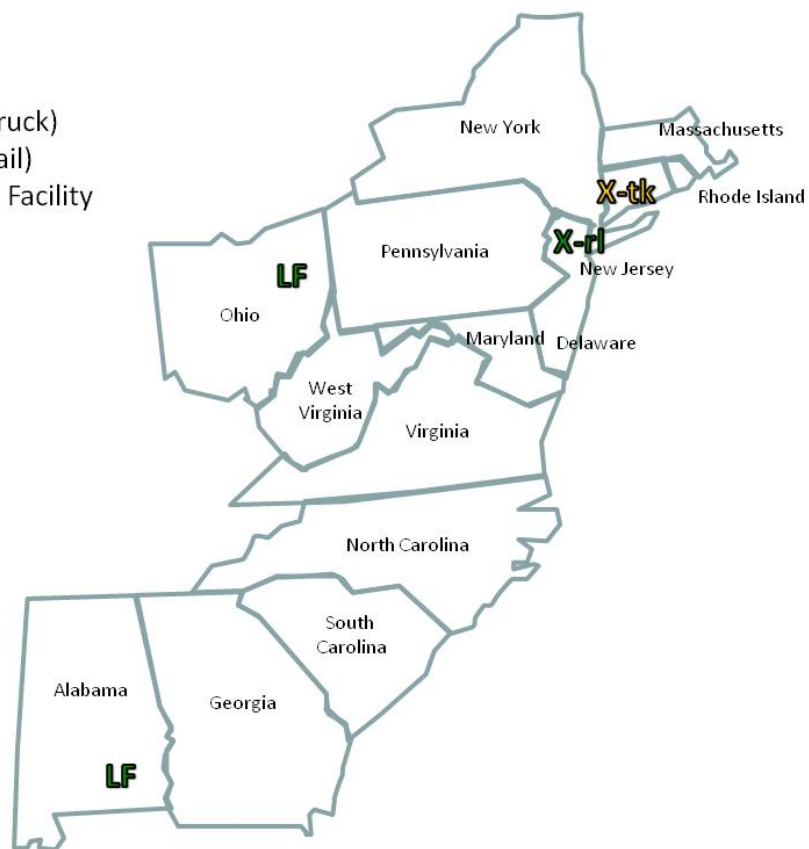
Figure 6-1 Transload Facility Locations

Facility Type

- LF** Landfill
- WTE** Waste to Energy
- X-tk** Transfer Station (truck)
- X-rl** Transfer Station (rail)
- MRF** Material Recovery Facility
- C&D** C&D Recycling

Facility Status

- Own
- Operate only
- Proposed



REVIEW OF EXPRESSIONS OF INTEREST

6.2 QUESTIONS FOR CRCOG

If CRCOG opts to move forward with a procurement, Transload indicated it would engage the various stakeholders in a standard due diligence and review process which would include a wide variety of topics including, but not limited to:

- ◆ Waste Stream - amount, quality and consistency of the incoming waste stream over time;
- ◆ Flow control participation and enforcement;
- ◆ Permitting needs and requirements;
- ◆ Existing and potential facility locations and logistical opportunities and issues; and
- ◆ Financing considerations including credit and bonding potential.

Transload also mentions several other details that should be considered by CRCOG:

- ◆ **Recyclables Processing Fee Structure:** Transload mentions the use of a cost-plus basis for processing recyclables, with a subsequent split of any material revenues that are generated from the sale of recovered materials.
- ◆ **Concession Pricing for Long Term Disposal:** In addition to traditional pricing structures based on per ton fees, Transload mentions the prospect of a “concession” pricing structure. Under this structure, it appears that Transload would make a one-time lump sum payment to CRCOG (or the appropriate authority) in exchange for long term exclusive rights to develop and manage the transfer and disposal program for the Mid-Conn region (presumably with a per-ton tip fee charge on all wastes delivered). This offer was unique among the RFI respondents.

The items above should be addressed in any subsequent procurement.

6.3 MSW CONSULTANTS COMMENTARY ON TRANSLOAD

Transload (and Urbasher) clearly demonstrates experience owning and operating large-scale transfer stations with both truck and rail loading, as well as rail logistics support. The company already has a presence in Stamford, Connecticut, where its bale wrap technology is in place, and is engaged in discussions to develop another project in Middletown (with ECRRA). With 12,500 tons per day of available landfill capacity on the East Coast, Transload is capable of receiving and processing waste flows in excess of the capacity that would be required by the Mid-Conn Region, for both municipal solid waste (bulky and non-bulky) and C&D debris. The company’s business plan would appear to focus precisely on the type of integrated solution being sought by the Mid-Conn Region, and MSW Consultants speculates that the company would actively attempt to participate in the development of a long-term solution.

However, there are currently a number of gaps that Transload would need to fill to successfully offer a comprehensive solution:

- ◆ **Local Transfer:** Transload does not have any local transfer station capacity in or around the Mid-Conn Region. Transload would therefore require either (a) one or more partners with local rail transfer capability, or (b) would need one or more suitable sites and sufficient lead time to develop waste-to-rail transfer capabilities.
- ◆ **Recyclables Processing:** Transload does not appear to have focused on recycling within its current vertically integrated network of facilities, although it is assumed that its partner, Urbasher, could supplement this requirement. Transload may nonetheless need to team with a

REVIEW OF EXPRESSIONS OF INTEREST

recycling partner to develop a new facility or otherwise receive and process source-separated recyclables at an existing facility. Development of recyclables processing could require another site and lead time for development (unless recyclables could be railed or otherwise transferred to a more distant processor at centralized transfer stations).

- ◆ **Performance of Bale to Rail Technology:** Transload touts its MSW baling technology in its submitted company literature, and reports that the technology is operable within its current active projects. MSW Consultants believes baling technology, while attractive from a performance standpoint, has not been demonstrated over a sufficiently long time horizon to confirm its operating performance, long-term cost-competiveness, and acceptance by rail carriers compared to traditional bulk handling techniques for waste materials (especially intermodal rail transport). Thus, it will be important for any long-term solution to incorporate appropriate contingencies or other performance guarantees if bale to rail technology is employed.

Transload is privately held, and provided the requested financial statements in response to the RFI. These statements are marked confidential and were not reviewed by MSW Consultants. Transload demonstrated its ability to obtain performance bonding, and MSW Consultants notes that its ability to secure a large project with Mid-Conn Towns would be financially beneficial as it grows economies of scale.

7. WILLIMANTIC WASTE PAPER COMPANY

7.1 OVERVIEW

Serving eastern Connecticut, Massachusetts, and Rhode Island, Willimantic Waste Paper Co., Inc. (Willimantic) is a family owned and managed Connecticut corporation specializing in collection, hauling, recycling, and transfer of wastes. The company's response indicates 1,700 tpd of vertically integrated capacity from collection through transfer of wastes and recyclables, although it does not own disposal capacity or waste-to-energy facilities. The company currently provides:

- ◆ Collection of wastes and recyclables from at least 10 municipalities, including transfer and disposal;
- ◆ Recyclables processing and/or marketing to 45 CT municipalities;
- ◆ Long hauling of ash from three CT waste-to-energy facilities;
- ◆ Transfer of C&D and MSW at its own transfer facilities.

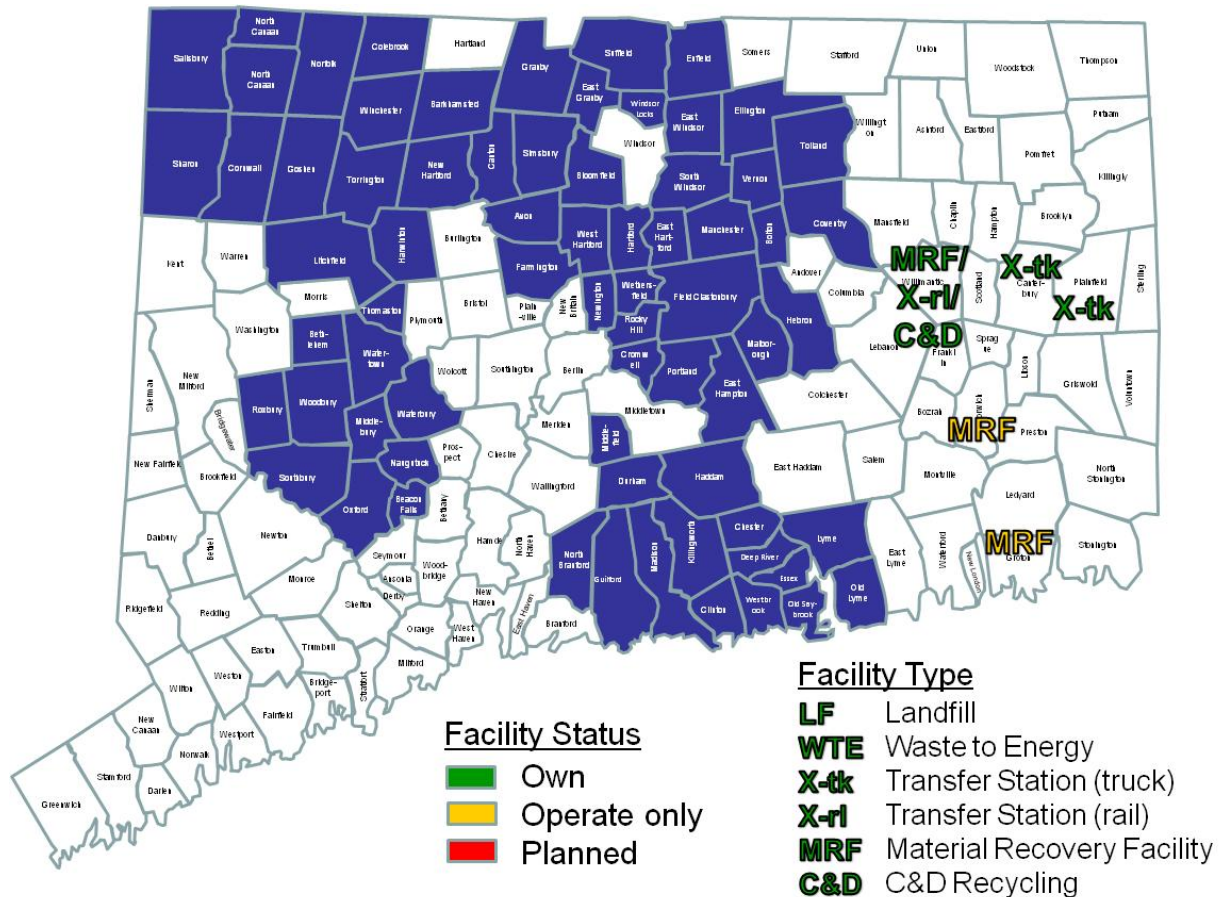
The company also mentions being engaged in scrap metal recycling and tire scrap management. Table 7-1 and Figure 7-1 show the facilities currently available to serve the Mid-Conn Region.

REVIEW OF EXPRESSIONS OF INTEREST

Table 7-1 Willamantic-Owned Facilities Available to Serve the Mid-Conn Region

Facility	Location	Capacity
Headquarters	Willamantic, CT	
Collection Operations	Canterbury, CT	120 trucks
Single Stream MRF	Willamantic, CT	
Fiber Recycling	Norwich, CT	
C&D Recycling	Willamantic, CT	
Scrap Metal Recycling	Willamantic, CT	
MSW Baling/Transfer Station	Willamantic, CT	
Rail Transfer Station	Willamantic, CT	
Transfer Station	Canterbury, CT	
Transfer Station	Plainfield, CT	
Total		1,700 tpd

Figure 7-1 Willimantic Facility Locations



REVIEW OF EXPRESSIONS OF INTEREST

7.2 QUESTIONS FOR CRCOG

Willimantic provided two comments for consideration by CRCOG to the extent a full procurement is pursued:

- ◆ Provide a town by town listing of the tons of each material stream (including MSW, bulky waste and recyclables) for which disposal and/or processing is needed so that proposers can develop an adequate technical solution.
- ◆ Provide flexibility in the procurement to allow either (a) individual municipalities to select the vendor(s) that provide the best solution to each individual municipality, or (b) allow proposers to propose on only certain facets of the solid waste management system they could best provide (for example, separate hauling from recyclables processing from disposal, etc.).

7.3 MSW CONSULTANTS COMMENTARY ON WILLIMANTIC

It does not appear that Willimantic could reasonably provide a comprehensive solution to the entire Mid-Conn region. However, Willimantic appears to have developed a successful vertically integrated waste management capability in their current geographic service areas. It is likely that the company could provide either (a) certain services to the entire Mid-Conn Region (such as hauling or possibly recyclables processing), or (b) all services to a subset of the Mid-Conn Towns (specifically, the eastern-most towns that are closest to Willimantic's network of existing facilities). At a minimum, MSW Consultants hypothesizes that Willimantic will likely try to team with another provider to participate in a full procurement.

8. SUMMARY

This RFI was issued for a number of reasons, but one of the most important was to enable CRCOG to better understand the availability of private organizations to provide a full slate of waste management and recycling services to the Mid-Conn region in its entirety. Respondents provide a wide range of services and facilities, which are shown in Table 8-1. The columns in Table 8-1 are defined below.

- ◆ **Collection:** At least one of the respondents provides curbside and on-site collection of wastes and recyclables from residential and commercial customers, municipalities, and construction/demolition job sites.
- ◆ **Hauling:** Hauling services denote companies that own/operate a fleet of semi trucks and trailers that haul wastes and/or ash from processing facilities to landfills for final disposal (or to other processing facilities for further processing).
- ◆ **Landfill:** This column indicates if the respondent owns its own landfill and has represented availability for disposed wastes;
- ◆ **WTE:** Indicates if the respondent owns one or more waste-to-energy facilities that could be available for receiving disposed wastes;
- ◆ **Xfer/Truck:** Indicates if the respondent owns and/or operates commercial transfer stations (i.e., facilities that receive wastes from commercial collection vehicles) for shipment of consolidated wastes to a remote disposal/processing facility by truck.

REVIEW OF EXPRESSIONS OF INTEREST

- ◆ **Xfer/Rail:** Indicates if the respondent owns and/or operates commercial transfer stations (i.e., facilities that receive wastes from commercial collection vehicles) for shipment of consolidated wastes to a remote disposal/processing facility by rail (or by truck).
- ◆ **Facility Operations:** Indicates if the respondent operates any type of waste management facility under contract to the facility owner.
- ◆ **MRF/F&C:** This denotes material recovery facilities (MRF) that process fiber and commingled containers (F&C) for recovery and resale to end markets.
- ◆ **MRF/C&D:** Denotes material recovery facilities (MRF) that process construction and demolition (C&D) debris for recovery and resale to end markets, and volume-reduce the remaining residue for transfer, haul and disposal at a remote landfill.

Table 8-1 Facility and Resource Summary of Responding Organizations

Company	Collection	Hauling	Landfill	WTE	Xfer/Truck	Xfer/Rail	Facility Operations	MRF/ F&C	MRF/C&D
Covanta			Own/ Oper	Own/ Oper	Own/ Oper		✓		
CWPM		✓			Oper		✓		
ECRRA				Own		Plan			
EnviroSolutions	✓	✓	Own/ Oper		Own/ Oper	Own/ Oper			Own/ Oper
Transload			Own/ Oper		Own/ Oper	Own/ Oper	✓		Own/ Oper
Willamantic	✓	✓			Own/ Oper	Own/ Oper	✓	Own/ Oper	Own/ Oper

Key: Own = owned and operated; Oper = operate only; Plan = proposed or planned

As shown in the above table, collectively the six respondents provide experience and owned infrastructure to satisfy every service that would be needed by the Mid-Conn region. This should improve the confidence of CRCOG and the Mid-Conn region that there are multiple options available to them in the event a full procurement takes place.

In further support of this premise, MSW Consultants notes that several large, vertically integrated waste management companies opted not to submit an expression of interest in response to the RFI. In the opinion of MSW Consultants, there are at least three other companies known to have the experience, availability of suitable waste and recyclables facility infrastructure, and financial means to offer a viable, comprehensive long-term solution to the Mid-Conn Region. While it is not possible to guarantee these companies will opt to propose, MSW Consultants can reasonably speculate that additional participants will emerge if a thoughtful and detailed RFP is issued.

It is also of interest that the Connecticut Regional Resource Authority (CRRA) submitted only a one-page letter in response to the RFI. CRRA's letter indicated that "CRRA management and staff

REVIEW OF EXPRESSIONS OF INTEREST

have already been meeting regularly to consider how [CRRA] may best continue to serve the interest of the State, its municipalities, and residents after the Mid-Connecticut Project comes to an end,” and that the “CRRA has a statutory obligation to establish a special committee to [evaluate potential future economical and environmentally sound waste disposal options].”

9. CONCLUSIONS

MSW Consultants draws the following conclusions from this RFI process.

- ◆ **CRRA Mid-Conn Project Infrastructure Optimization:** The CRRA did not provide a response to the RFI, instead submitting a brief (one-page) letter citing only that it has a statutory obligation to establish a special committee to explore potential future economical and environmentally sound waste disposal options for the Mid-Conn Region when the current contracts expire in 2012. However, it should be noted that the Mid-Conn Project’s installed base of waste management facilities could provide excellent value to the region for the foreseeable future if appropriate contractual arrangements can be secured. MSW Consultants continues to recommend that CRCOG and the Mid-Conn Towns make every effort to negotiate a customer-driven, long-term contractual agreement with the CRRA that meets the needs of all Mid-Conn Towns. If this cannot be achieved, a secondary option would be to use other means to obtain ownership and/or control of the Mid-Conn Project facility assets, either in whole or in part, prioritized by (1) transfer stations, (2) waste-to-energy facility, and (3) material recovery facility.
- ◆ **Reasonable Competition Exists:** In the absence of a responsive proposal from CRRA (or absent CRCOG’s ability to exert direct control over CRRA waste management facility assets), redundant solutions exist in the private market. The respondents to the RFI, in combination with other large vertically integrated waste management providers that chose not to respond, can provide multiple, competitive options for the Mid-Conn Region’s long term waste management needs.
- ◆ **Transfer Stations Needed:** Based strictly on the responses to the RFI, potentially the biggest gap in an alternative Mid-Conn regional solid waste management system is the lack of locally sited transfer stations. CRRA owns the only four commercial-grade MSW transfer stations serving the region right now, although prior study identified at least four potential sites in the Mid-Conn region that could presumably be developed into MSW transfer stations with sufficient lead time and permitting cooperation from the host towns:
 - ◆ Airport Road C&D Transfer Station (rail-enabled) in Portland;
 - ◆ Bablyon Recycling Facility (rail-enabled) in Suffield;
 - ◆ All Waste C&D Recycling (rail-enabled) in Hartford; and
 - ◆ Murphy Road Recycling (ships recyclables by rail) in Hartford.

Two of the respondents to the RFI own (or are planning to develop) transfer stations that are conveniently located to a subset of the Mid-Conn Towns. However, significant opportunities exist for one or more Towns in the outlying areas of the Mid-Conn region to facilitate the development of redundant transfer stations, presumably while recouping a host facility fee to make such a new facility worthwhile.

REVIEW OF EXPRESSIONS OF INTEREST

- ◆ **Flexibility in the RFP Structure:** Should a full RFP proceed, MSW Consultants believes it will be important to allow flexibility in the proposals accepted for consideration. The Mid-Conn Region solid waste market has operated under a regulatory framework for the past 20 years, so market forces have not been allowed to evolve and provide responsive solutions to the region. Therefore, any procurement should strive to enable the widest range of current market participants to offer partial or full solutions, which collectively can be managed by CRCOG and the Mid-Conn Towns to serve as a complete solution.

Note: In the interest of full disclosure, it should be noted that MSW Consultants performed independent market analyses of two of Transload's landfills (Ohio and Alabama) on behalf of bond underwriters in 2006-07 and 2007-08. Although the analyses and reports were performed on behalf of third parties as part of a financial due diligence process, Transload funded the projects and MSW Consultants was under direct contract with Transload. MSW Consultants is not under contract with Transload at the current time, nor is MSW Consultants aware of future potential to be retained by Transload.