



To produce each week's Sunday newspapers, 500,000 trees must be cut down.

Members.aol.com/ramola15/funfacts.html



Once an aluminum can is recycled, it can become part of a new can within 60 days.

Aluminum.org



Junk mail destroys 62 million trees each year.

Phillupdbag.com



Plastic bottles take 700 years to begin decomposing in landfills.

Earth911.org



Please recycle.

Together.

We are making a difference.



**CONNECTICUT
RESOURCES
RECOVERY
AUTHORITY**

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2008 A REPORT TO THE STATE FROM CRRA



**CONNECTICUT
RESOURCES
RECOVERY
AUTHORITY**



Michael A. Pace



Thomas D. Kirk

To the People of Connecticut:

This is the fifth edition of our annual “A Report to the State from CRRRA,” just one of many initiatives we have undertaken to make CRRRA a model for openness and transparency. Those initiatives started in earnest back in 2002 with the appointment of a new Board of Directors. At that time we began a continuous initiative to ensure the people of Connecticut would be able to see and hear what CRRRA was doing and why. We even invited CT-N to televise our Board meetings.

Today, our public-outreach activities are more diverse than ever. In 2007:

- We held our fourth Annual Meeting for CRRRA cities and towns, held a series of meetings for Mid-Connecticut Project towns and met individually or in small groups with chief executives of 24 additional towns.
- We made presentations to regional councils of governments all across Connecticut.
- We launched a blog (www.crra-blog.blogspot.com) as a means of sharing answers to questions and interesting information about CRRRA, recycling and the environment. That’s in addition to all the information on our Web site, www.crra.org.
- We staffed exhibits at the Legislative Office Building, the Connecticut Conference of Small Towns Connecticut’s Town Meeting and the Connecticut Conference of Municipalities’ Annual Convention & Expo, where we spoke with dozens of legislators and municipal officials.
- Our Board members and senior management appeared on radio and television programs to discuss issues of importance to CRRRA cities and towns.
- We launched an innovative initiative in which people in southern and southwestern Connecticut who may want to attend a Board meeting but can’t get to Hartford can participate via videoconference hookup at our Garbage Museum in Stratford.

Why do we go to such great lengths to be accessible? That’s simple. As we’ve said time and time again, CRRRA is the towns. Our board – mostly local elected officials – makes decisions in the best interests of the towns. The decisions we make affect us just the same way they affect you. Some of you haven’t always agreed with our decisions, but we hope you at least will understand our motives.

We hope you will take a few minutes to read this report to get an idea of the services we provide you and to think about the challenges we – you and CRRRA – face in 2008.

As always, should you have any questions about CRRRA or any of its operations, please call us at 860.757.7700.

Sincerely,

Michael A. Pace
Chairman

Thomas D. Kirk
President

CRRRA partners with municipalities and their communities to reduce waste, turn trash into energy efficiently and increase environmental and recycling awareness through education.

In 2007, we continued to increase awareness among the public about recycling through our educational outreach programs, which included cameos from our new junk mail recycling mascot Phillip D. Bag. We processed your garbage with record-setting efficiency and opened a new state-of-art recycling processing center in Hartford, making it easier for residents of the Mid-Connecticut Project cities and towns to recycle a wider variety of materials. We began capping the Hartford landfill early to shield the waste and ash from the air and water and prepare the area for planting. And we started to look ahead, researching the possibility of converting to single-stream recycling, a more efficient system for haulers and residents alike.

These are only a few of the ways we are working with you – the people of Connecticut’s cities and towns – to protect our environment. We experienced great success in 2007 and, with continued collaboration, we will continue to make progress in preserving our surroundings. Together, we are all the CRRRA.

Reduce. Reuse.

Recycle.



Education

We reach out to **INCREASE** public awareness.

CRRA continues to be the leader in teaching people – especially young people – about recycling and protecting the environment through solid waste management.

Though recycling has been the law in Connecticut since 1987, motivating people to recycle requires continuous education. For this reason, we established the Trash Museum in Hartford in 1992 and the Garbage Museum in Stratford in 1994. And it's the reason our

educators make dozens of visits each year to schools and community events, bringing the message of “reduce, reuse, recycle, recover and rethink” to people across the state.

In 2007, we set a record for participation in our education programs. More than 53,000 people came to our museums and enjoyed our outreach programs. 2007 was the second year our programs experienced record participation, and we're anticipating a “three-peat” in 2008.



Environmental Protection

CRRA protects our **NATURAL SURROUNDINGS** in several ways.

1. Our trash-to-energy plants use state-of-the-art emissions control systems that neutralize or capture several substances, including mercury, nitrogen oxide and fine particulates, keeping our air clean. All our emissions testing results are on our Web site (please visit www.crta.org/pages/emissions.htm).
2. Our recycling efforts conserve energy and natural resources. We saved over 2.7 million BTUs of energy; over 477,000 cubic feet of landfill space; over 5,800 tons of iron ore and 3,200 tons of coal used for making steel; over 28,000 tons of sand, limestone, soda ash and feldspar used for making glass; reduced greenhouse gas emissions by over 95,000 tons, or the equivalent of removing over 15,000 cars from the road; and saved over 5.8 million seedlings that would have been planted and grown for 10 years.
3. In 2007, we added pollution-control equipment to 15 diesel-powered trucks and pieces of heavy equipment used at our Mid-Connecticut Project waste processing facility and the Hartford landfill, reducing the amount of pollution in and around our capitol city.

4. In 2007, more than a full year before it reaches its permitted capacity, we began capping the Hartford landfill. CRRA is installing a state-of-the-art geosynthetic cap that will prevent storm water from leaching through the landfill, meaning all the waste and ash in the landfill will be encapsulated, shielding it from the air and water. On top of the cap we will plant grass and other appropriate vegetation on a layer of soil, making the landfill appropriate for passive recreation such as walking trails.
5. Even after the landfill is closed, our gas collection system will continue to operate, generating enough clean power for approximately 1,500 homes while capturing odors before they can migrate to surrounding neighborhoods.



The Hartford landfill is, in fact, already a wildlife habitat. The Hartford Audubon Society visits the landfill as part of its summer and Christmas bird counts, and each time, society members observe species of grassland birds and other unusual species, including merlin, horned lark, Savannah sparrow and American pipet.



We are your recycling PARTNER. Recycling



If every American recycled just one-tenth of their newspapers, we would save about 25,000,000 trees a year.



Recycling one aluminum can saves enough energy to run a TV for three hours — or the equivalent of a half a gallon of gasoline.

Source: Members.aol.com/ramola15/funfacts.html



www.phillupdbag.com



CRRRA is the state's leader in recycling. We proved that once again in 2007 with the opening of our new \$6 million recycling processing center in Hartford. With the new center up and running, the residents of our 70 Mid-Connecticut Project cities and towns can recycle a wider variety of materials, including boxboard (such as shoe boxes, cereal boxes and shirt cardboard), oversized plastic, glass and metal containers, junk mail, magazines, other kinds of mixed paper and aerosol cans.

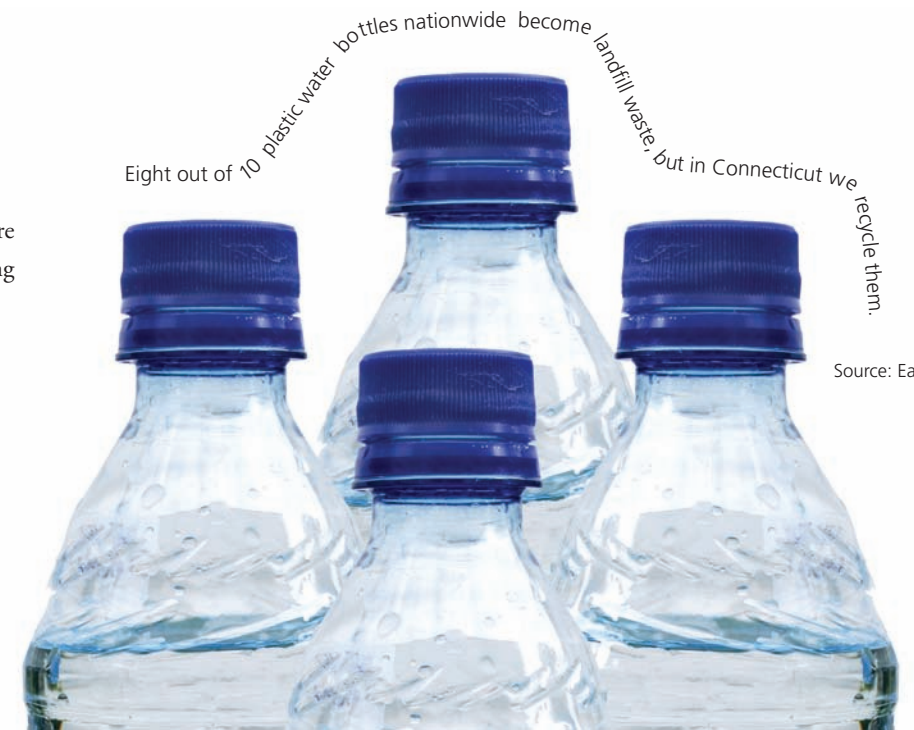
In 2007, we also began planning the retrofitting of our southwest Connecticut recycling center in Stratford, where we plan to introduce state-of-the-art technology in the months ahead.

Last year, our two recycling facilities processed 89,388 tons of paper and cardboard, 8,769 tons of plastics, 25,098 tons of glass, 503 tons of aluminum and 4,668 tons of steel free of charge to our towns.

We are now paying each participating Mid-Connecticut Project town \$10 for every ton of recyclables they deliver to us. How are we able to do this? The revenues we receive from selling these commodities generates more than enough to cover the costs of our recycling operations, so we share that revenue with our towns.

This year, however, we expect to see a legislative proposal that, if enacted, would damage our recycling programs' finances. Expanding the bottle bill to include plastic water bottles would remove valuable materials from curbside bins and drop-off centers, cutting into our revenues. Furthermore, curbside recycling is convenient and effective. Please encourage your legislators to strengthen and expand curbside recycling instead.

At CRRRA, we have been teaching Connecticut about recycling for more than 15 years. In 2007, we introduced another means of spreading our message: our recycling expert, Phillip D. Bag, "Phil," as we call him, has his own Web site and made dozens of appearances in 2007 – including on CPTV, WTIC-AM and WZMX-FM and at various community events – where he brought CRRRA and paper recycling education to new audiences.



Eight out of 10 plastic water bottles nationwide become landfill waste, but in Connecticut we recycle them.

Source: Earth911.org

Operational Performance

We process your trash with record-setting **EFFICIENCY**.

Our trash-to-energy plants continued to operate efficiently in 2007. Our Bridgeport Project facility processed 752,339 tons of garbage, while our Wallingford Project plant processed 139,997 tons, our Southeast Project plant in Preston processed 260,656, and our Mid-Connecticut Project plant in Hartford processed 747,015 tons.

In September, October, November and December, our Mid-Conn plant set project records by processing more than 85 tons per hour during each month. We achieved that efficiency through our investments in maintenance and new equipment, including upgrades for our shredding equipment that turns trash into refuse-derived fuel for our power plant, and by better managing the contractors who operate the plant.

In 2007, CRRA received a Risk Control Achievement Award from the Connecticut Interlocal Risk Management Agency. CIRMA honored CRRA for its successful efforts to promote employee and contractor safety at its offices and waste management facilities. CRRA implemented employee training, office ergonomic measures and safety practices at its facilities that reduced the number of claims by 50 percent and our costs by 60 percent.

Despite these successes, we are always looking for ways to improve our operations. For example, a new fly ash conditioning system added to the Wallingford trash-to-energy plant has produced a 3 percent reduction in ash generation, saving more than \$220,000 in transportation and disposal of ash and 100,000 gallons of diesel fuel.

Trash-to-energy has two significant benefits. First, it conserves landfill space. By recycling what we can and turning what we can't recycle into power, we reduce the volume of material that goes into landfills by about 90 percent. Second, trash-to-energy generates power. In 2007, our Mid-Conn plant generated 361,128 mWh, our Bridgeport plant generated 496,014 mWh, our Preston plant generated 134,114 mWh and our Wallingford plant generated 59,588 mWh – all with a fuel source that is local and plentiful.

Our enforcement team also ensures that towns are not paying to dispose of other people's waste. CRRA made headlines this year by catching five haulers illegally disposing of out-of-town trash at the Greenwich transfer station.



Finances

We achieve financial success through **OPEN COMMUNICATION**.

Watching our dollars carefully is a priority. As you can see on the accompanying charts, we finished on or slightly below budget in the fiscal year ending June 30, 2007. We also received a clean opinion on our FY 2007 audit (view the audit at www.crra.org/documents/publicrecords/audits/CRRA_annual_financial_report_auditor_fy_2007.pdf).

Also in 2007, our Consolidated Annual Financial Report (available at www.crra.org/documents/public_records/cafr/cafr_fy_2006.pdf) was honored by the Government Finance Officers Association. That was the 14th straight year that we received that honor, which highlights our commitment to openness and transparency in all of our affairs.

TOTAL OUTBOUND TONNAGES FOR RECYCLABLE COMMODITIES

	Mid-Connecticut Commodity Tonnage	Stratford Commodity Tonnage	Total
Fiber	53,116.28	36,272.57	89,388.85
Steel	2,486.66	2,181.47	4,668.13
Aluminum	244.07	251.15	
Aluminum Foil	N/A	8.42	503.64
PET	2,495.23	2,292.16	4,787.39
HDPE	2,287.36	1,694.54	3,981.9
Glass	12,222.69	12,875.39	25,098.08
Aseptic	179.57	N/A	197.57
Total	73,031.86	55,575.70	128,607.56

Looking Forward

2008 looks to be a crucial year for CRRA, with several major issues on the horizon.

Bridgeport Project

Our Bridgeport Project trash-to-energy contract ends on December 31, so we are working to provide trash-disposal options for towns in southwestern Connecticut. CRRA, on behalf of those towns, is negotiating with Wheelabrator to extend the current agreement or negotiate a new one or provide those towns with affordable disposal options.

When the current agreement expires at the end of 2008, Wheelabrator can take control of the Bridgeport plant for one dollar. Without a new contract, Wheelabrator will be able to charge whatever the market will bear. Mayors and first selectmen in southwestern Connecticut are concerned that their disposal costs will skyrocket and want the Department of Public Utility Control or other state entity to regulate privately-owned disposal facilities in the same way DPUC regulates telephone, water, electricity and other vital public services. They have enlisted the support of the Attorney General, as well as several legislative leaders.

In the meantime, we are looking into upgrading our Stratford recycling facility. Provisions in our existing recycling contract allow our southwestern recycling towns to opt out of the CRRA recycling system, and some have decided to do that. We intend to continue operating that facility and provide opportunities for non-CRRA towns to join our recycling system.

Single-stream Recycling

Over the last year, more and more of our customers – both private haulers and municipalities – have expressed interest in converting to single-stream recycling. In our current dual-stream system, homeowners separate their fiber – newspapers, cardboard, junk mail, catalogs and other types of paper – from their containers (bottles, cans and aseptic packages) before collection. These materials are collected by trucks with two compartments: one for fiber and one for containers. In a single-stream system, everything goes into one recycling barrel, and recycling trucks only need a single compartment. This system is more efficient for haulers and more effective for everyone, because tonnages increase dramatically.

The Connecticut Department of Environmental Protection's goal is for the state to recycle 58 percent of its solid waste by the year 2024, nearly double what we recycle today. A single-stream system will help us reach that goal.

Closing and Replacing the Hartford Landfill

Late this year, the Hartford landfill, which opened in 1940 (you can read its history at www.crta.org/pages/facts_hartford_landfill.htm), will reach its permitted capacity. Since 1988, it has received combustor ash and waste that our Mid-Conn plant is unable to turn into energy. Now, the Mid-Connecticut Project is responsible for the costs of closing the landfill, as well as post-closure monitoring and maintenance as required by DEP. According to our latest estimates, those costs will total as much as \$45 million and will significantly impact the Mid-Connecticut trash disposal fees. Meanwhile, the ash and non-processible material will continue to flow. Adding in the cost of transporting ash and non-processible waste to another site, closing the Hartford landfill will cost a total of \$113 million throughout the remainder of the Project.

We are looking for a new ash landfill site in Connecticut. Our search continues to progress, and we hope to make an announcement in the first half of 2008. If everything goes according to plan, the new ash landfill could be open in 2011.

The City of Hartford, which owns the landfill, must decide how to use it after we close it. One possibility is to turn it into a passive recreation site with walking trails and interpretive signage.

Wallingford Project

We have been working with the five towns that comprise our Wallingford Project to determine how they will dispose of their trash after the Project ends in 2010. This Project has been subsidized by a very generous power contract that pays approximately 24 cents per kilowatt hour, compared to the current market rate of about 8 cents. The towns understand that their trash bills will rise significantly once the Project ends.

To their credit, those towns have begun developing post-Project options early, and our work with them has focused on three general areas: continuing to utilize the Wallingford plant after Covanta, its operator, takes control in 2010, purchasing the plant outright or building a regional intermodal transfer station and hauling waste to another facility.

Mid-Connecticut Project

In 2012, the Mid-Connecticut Project, the largest of CRRA's four trash and recycling systems, ends. Those 70 towns are already asking about the future.

One fact is without question: because we tightened our oversight of our contractors, an engineering study just found that the Mid-Connecticut trash-to-energy facility is in its best condition in 15 years and, with routine maintenance and normal capital investment, will continue to perform efficiently for decades to come.

The capacity and condition of this plant make it the cornerstone of the state's trash disposal system. By 2017, it could be the only remaining publicly-owned disposal facility in the state. We hope it will act as a governor on what other facilities charge to get rid of garbage.

Enron-related litigation will impact Mid-Connecticut Project costs both positively and negatively. The \$35.9 million judgment in *New Hartford v. CRRA* drained reserves we had

established for costs associated with closing the Hartford landfill. As a result, disposal fees will increase; however, if our appeal to the Connecticut Supreme Court is successful, those dollars will go back to their intended purpose. And if we are successful in our remaining Enron-related suits, we expect those actions could bring in tens of millions more dollars to further mitigate those costs.

Uniform Disposal Fee

With three of our projects coming to an end in the next few years, our board and senior management have spent a great deal of time looking at our future business model. Projects were created to finance the construction of trash-to-energy plants, with towns banding together to guarantee enough waste to pay off bonds used to build the plants. But with the plants built and the bonds retired, the project-based model will no longer be necessary, so we are designing a statewide system with a postage-stamp rate moving forward. Just as it costs the same amount to mail a letter in Wyoming as it does in Connecticut, we would like a uniform disposal fee across the state, so that delivering a ton of waste to the Bridgeport plant would cost the same as delivering a ton to the Hartford plant or the Torrington transfer station.

Reducing waste disposal costs. Turning waste into energy. Increasing recycling capacity. Together we are making a difference.

