

# **MEMORANDUM**

**DATE:** April 16, 2025

**TO:** 

The Granby Board of Selectmen

FROM:

Mike Walsh, Town Manager

**REGARDING:** 

Contract Extension - Paine's/USA Waste - Market Conditions

By way of this memo, please accept the following information related to the corporate changeover as a result of the sale of Paine's to USA Waste.

This memo will also briefly discuss the current market conditions that solid waste is subject to here in Connecticut (please also see the attached CT Mirror article on the subject), and finally, I am seeking the approval of the Board of Selectmen to extend the existing contract in place with USA Waste which will move forward under terms and conditions that are favorable to the Town of Granby for up to the next eight years.

### Background/Market Conditions

- 1. Paine's was a family run business that for 95 years provided excellent solid waste collection and disposal services to municipal communities in the Farmington Valley.
- 2. For environmental reasons, the State of Connecticut DEEP no longer permits new solid waste landfills in the State. Existing permitted landfills in the State are winding down, and the last "Burn Plant" (CRRA/MIRA) is being closed by June 30, 2025 under State law with their municipal contracts being offloaded to other regional municipal entities or private waste disposal companies, with subsides to allow the contracts to be terminated.
- 3. As a result of State actions, the hauling of local municipal waste generally goes to open landfills in places like Pennsylvania and Ohio at substantial cost, annually raising the tipping fees of all municipalities. Over the years, tipping fees per ton have risen from \$55 to \$105 per ton and more today. \$135 per ton in the future should be expected.
- 4. These market conditions have resulted in the consolidation of vendors leaving only those larger, capital rich firms as capable of providing this service. The sale of Paine's to USA Waste is an example of this market consolidation.
- 5. Prior to 1995, the Town of Granby was not a Paine's customer. However, after the issuance of a competitive RFP, Paine's was selected as the lowest bidder in 1995.
- 6. The Town of Granby rolled over each contract after 1995 until 2006 when the Town issued another competitive RFP. This time, only Paine's submitted a bid.
- 7. It should be noted that these solid waste vendors need to be locally based with access to a permitted transfer facility to process all local solid waste economically.
- 8. Since 2006, using this sole bid, the Town of Granby continued to roll over its solid waste collection contract for the following reasons:
  - a. There were no other vendors who were geographically local or competitive

- b. The existing vendor provided excellent service
- c. Any contract rollover increase was predicated on the Consumer Price Index (CPI) or a portion of the CPI
- d. Issuing an RFP could in fact raise the rates that are in place.
- e. If we changed vendors, we would have to repay the vendor (who owns the recycling barrels) the \$350,000 they invested in the 5,000 barrels (which cost \$70 each). As an additional note, the Town owns the trash barrels.

As a result, the prudent strategy followed was to roll over the original competitively bid RFP as long as the rate increases were based on the CPI.

Accordingly, based on this narrative, I respectfully request that the Town of Granby accept the legacy contract offer by Paine's, which is now USA Waste, to increase the in-force contract by half the rate of inflation or 1.5% beginning on July 1, 2025 increasing the monthly solid waste collection charge from \$7.95 to \$8.07 (\$0.12 increase) per barrel collected weekly and the monthly recycling collection charges from \$2.79 to \$2.84 (\$0.05 increase) per barrel collected biweekly.

Collection of solid waste is based on about 4,400 collected barrels monthly with recycling based on about 4,900 collected barrels monthly.

I will be on hand to answer any questions you may have on this item. Thank you.

### The following motion is needed from the Board of Selectmen:

I move that the Board of Selectmen direct Town Manager Mike Walsh to accept the Paine's/USA Waste contract extension offer of an increase based on 50% of the annual CPI-NE for the period beginning July 1, 2025, an increase based on the CPI-NE for July 1, 2026, an increase based on 50% of the CPI-NE for July 1, 2027, and an increase based on the CPI-NE for the periods July 1, 2028 and July 1, 2029.

CC: Kirk Severance, Public Works Director Lisa Pyatt, Public Works Administrator

## **NEWS > CONNECTICUT NEWS**

# CT sends millions of tons of trash to other states. It's an expensive and growing problem.



John Woike / The Hartford Courant

Former Materials Innovation and Recycling Authority (MIRA), File photo

By JOHN MORITZ | CT Mirror

UPDATED: April 14, 2025 at 1:22 PM EDT

Connecticut produces more trash than it can handle.

Nearly three years after dousing the flames at the <u>state's largest waste</u> <u>incinerator</u>, officials are still searching for way to deal with the mess created by the thousands of tons of trash local residents produce each day.

For the most part, the trash that was once burned to create electricity and ash at the <u>Materials Innovation and Recycling Authority</u> in Hartford is now being placed onto tractor-trailers and rail cars and shipped hundreds of miles away to landfills in Pennsylvania and Ohio — a costly and ecologically-damaging solution that has many critics and few fans.

And while state officials have reported some progress getting people to divert things like food scraps and plastic bottles out of the waste stream, the scale of Connecticut's trash problem has only grown.

MIRA's closure in 2022 resulted in 640,000 tons of trash being sent out of state that year. By the next year, Connecticut was exporting 41% of all its municipal solid waste, roughly 940,000 tons of trash, according to the Department of Energy and Environmental Protection.

Connecticut isn't the only state exporting its trash. With limited space in Midwestern landfills, the state's municipalities and haulers are facing rising rates to ship trash beyond its borders. Those costs get passed along to Connecticut residents through taxes and collection fees, according to DEEP Commissioner Katie Dykes.

"It is escalating and it's going to escalate over time," Dykes said. "The crisis is in the sense that we need to take urgent action, because developing new programs, new solutions to regain self sufficiency and replace that disposal capacity that the MIRA plan represented, takes time."



Patrick Raycraft / Hartford Courant MIRA in 2018 after a mechanical failures of two turbines at the then regional refuse-to-energy plant on Hartford's Maxim Road, PATRICK RAYCRAFT | praycraft@courant.com

# Finding — and funding — a plan

The trash problem has also befuddled state lawmakers, who have been largely unsuccessful in their efforts to pass a long-term solution.

Two years ago, municipal leaders objected to a proposal by Gov. Ned Lamont that would have charged cities and towns up to \$5 for every ton of trash they ship out of state, in order to raise money to help build new facilities capable of handling trash within the state. Instead, lawmakers settled on a plan to authorize up to \$500 million in bonding, through the Connecticut Green Bank, should the state ever settle on a plan to build a new waste-to-energy facility. That money remains unspent.

The latest attempt to address the issue this year, House Bill 6917, takes a more modest approach.

The legislation would charge a fee of \$1.50 on every ton of waste shipped out of state. Currently, that fee is only being applied to waste that is burned at the state's four remaining waste-to-energy facilities. In addition, it removes language within state law that diverts up to \$2.8 million collected each year from those existing fees into the state's general fund. Instead, all of that money would go to a sustainable materials management account where it is earmarked for local waste-reduction projects.

"What we're trying to do in this bill is actually to get parity between waste that's processed in and out of state, so that we get a bit more money into that program," said state Rep. John-Michael Parker, D-Madison, who is leading the legislature's efforts on waste this session as co-chair of the Environment Committee.

The bill would also require that large producers of food waste — including supermarkets, wholesalers, food manufacturers and conference centers — adopt their own written policy for the donation of excess food, further reducing what they throw away.

Critics of the legislation, however, argue that adding fees wouldn't serve as an incentive to handle trash in-state if there's nowhere to put it. Beyond Connecticut's existing waste-to-energy facilities, recycling centers and a handful of composting options, the state has no permanent, active landfills accepting household trash.

"You're trying to collect money. Let's have a plan first, and then we can talk about about funding that plan," said Brian O'Connor, the director of public policy for the Connecticut Conference of Municipalities. "There's no long-term strategy from [DEEP] at this point."

In written testimony filed on an early version of the bill, Lewis Dubuque of the National Waste and Recycling Association questioned whether the fee would be applied to other materials beyond municipal solid waste that are disposed of at incinerators or shipped out of state.

"In any event, such a fee will naturally be passed on to the customer and, given the claims that the disposal of material is becoming more expensive in challenging fiscal times, the NWRA questions why the imposition of a new fee on the consumer is warranted," Dubuque said. Dubuque did not respond to multiple requests for additional comment.

For environmental advocates, the bill represents an initial step toward reducing the amount of trash being shipped across state lines to slowly decompose in a landfill, which many see as the worst possible solution.

"If you think about diesel trucks and how much greenhouse gas emissions they're emitting every single day driving from central Connecticut to Ohio and Pennsylvania, that is a significant amount of carbon dioxide, and it's not moving us towards our our climate change goals that we set for ourselves," said Julianna Larue, an organizer with the Sierra Club. "We're going backwards, right?"

In addition to the climate considerations, residents who live in the vicinity of those landfills have said they're fed up dealing with the smell. In some cases they've even pushed to close the facilities.

Lawmakers are also weighing other proposals this session intended to reduce the amount of waste produced in Connecticut and the associated environmental impacts.

House Bill 6229 would ban single-use plastics and polystyrene containers, which critics argue clog up the waste stream, starting in 2026. Past efforts to ban or phase out those plastics have failed in the face of opposition from the restaurant and hospitality industry. Another, Senate Bill 80, seeks to place tougher standards on the burning of medical waste following complaints from residents living close to a waste-to-energy facility in Bristol.

All three bills have passed out of the Environment Committee and are either awaiting fiscal review or have been referred to the Appropriations Committee.

Parker said he expects H.B. 6917 to generate between \$1 million and \$3 million a year for waste diversion efforts. That's far less than what Lamont's original 2023 legislation would have raised — an estimated \$11 million.

"The truth is that some of these projects, you know, cost a lot of money," Parker said. "We're going to be reasonable about what's going to be funded here. It's not going to be the be-all, end-all to the solution."

# **Pilot programs**

Barring a plan to build any major new waste-processing facilities in Connecticut, efforts to confront the trash problem have mostly focused on getting specific items such as food scraps and plastic out of the waste stream. To that end, the Department of Energy and Environmental Protection last month awarded \$15 million in grants to nine municipalities to fund infrastructure projects related to recycling and composting.

In New Haven, for example, the city plans to build a new \$3.3 million sorting facility at the transfer station, within the footprint of the old incinerator.

Starting in 2027, officials will distribute colored, biodegradable trash bags to residents on local garbage routes, instructing those residents to fill the bags with compostable materials like leftover scraps of food or coffee grounds. The bags will be picked up from curbside bins along with other garbage on trash day, then taken to the local sorting station. Once sorted, the organic waste will be sent off to a digester facility to be turned into biogas, and, eventually, compost.

The goal, officials say, is to divert roughly one-fifth of the city's residential trash — the heavy, soggy and dense food scraps — away from Connecticut's overloaded municipal waste stream.

"Most of the trash here ... goes to Bridgeport and is burned," Mayor Justin Elicker said during a press conference announcing the project earlier this month. "That is clearly not the best solution for compostable materials that could be used for such better purposes."

If it were successful, New Haven's program would follow on the heels of larger cities such as New York which began a mandatory composting program on April 1.

In an attempt to encourage towns to find innovative ways to reduce their solid waste stream, lawmakers created the sustainable materials management account in 2022. Since then, the program has awarded about \$5.2 million in funding for local pilot programs focused on organics diversion and pricing models that charge residents based on the amount of trash they throw away.

Some of those pilots have already concluded with DEEP officials reporting promising results. Between 2021 and 2023, Connecticut saw a 368% increase in food scrap diversion, with 37,549 tons of waste sent for composting in the latter year.

Several towns including Middletown, Woodbury, Madison, Kent and others have also opted to continue their program beyond the pilot period, according to DEEP.

Speaking to reporters in New Haven last month, Dykes said lessons from those pilots informed state officials as they were reviewing applications for the most recent round of infrastructure grants — which included the New Haven sorting facility, a food-waste collection program in Manchester and a commercial-scale composting facility in southeastern Connecticut. In addition to the nine projects that were selected for funding, Dykes said a dozen other applications were submitted.

"It just goes to show how many communities and municipalities are really leaning into finding these solutions and want to implement common-sense solutions to recycle and divert organics," Dykes said. "And so we're hopeful that this will just be the beginning of more funding rounds."

Still, some officials overseeing the handling of municipal waste say that local grant-funded programs do not go far enough to address the full scale of the state's waste issues.

Jennifer Heaton-Jones, the executive director of western Connecticut's Housatonic Resources Recovery Authority, said that lawmakers needed to take a more "holistic" approach to addressing the issue including better education campaigns, requiring towns to offer access to food scrap diversion programs and expanding capacity to handle waste locally.

"This is about residents of the state of Connecticut changing their behavior and making better decisions about material management, from their homes to the curb to the transfer station," she said.

Heaton-Jones did praise some aspects of the legislation drafted by lawmakers this year, including \$500,000 to help DEEP enforce a law requiring large producers of food waste to utilize composting facilities and \$250,000 to support an informational campaign run by the Recycle CT Foundation.

"I feel like we're not going to solve the waste issue with the state, obviously, with this bill," Heaton-Jones said. "I mean, there's some good things in it... but we need more than that."

H.B. 6917 also requires that DEEP study the feasibility of a proposal to make the manufacturers of consumer packaging pay for some or all of the costs of handling that material once it's thrown away — also known as extended producer responsibility. Connecticut has EPR programs in place for hard-to-recycle items such as mattresses, tires and mercury thermostats, and advocates argue that the ubiquitous presence of packaging in the waste stream has exacerbated the state's existing trash problems.

That proposal, even as a study, drew objections from waste haulers and recyclers who argued DEEP should first update its nearly decade-old survey of all the material that ends up in Connecticut's waste stream.

The ranking Republican on the Environment Committee, state Rep. Pat Callahan, R-New Fairfield, echoed those concerns at a meeting last month when he said lawmakers should wait for the results of a new assessment before they "figure out what further work needs to be done."

To address some of those concerns, Parker said the language in the bill was adjusted to postpone the packaging study by a year, so it would coincide with DEEP's next waste characterization study.

"The big picture is we're just continuing to move this conversation forward," Parker said, calling the bill "a work in progress."

State Rep. Mary Mushinsky, D-Wallingford, compared the current crisis to the situation facing Connecticut in the late 1980s, when she served as chair of the Environment Committee. At the time, aging landfills such as Hartford's notorious "Mount Trashmore" served as eyesores and sources of pollution in local drinking water.

To close the landfills, Connecticut implemented a mandatory recycling law in 1991 and partnered with private companies to build its network of waste-to-energy facilities with enough capacity to burn as much trash as the state could produce, without needing to import more trash from elsewhere to stay profitable.



Hartford's former landfill. File photo

Lawmakers also established a \$1-per-ton fee — later raised to \$1.50 — on trash sent to those facilities to support their continued operations. That system, she said, worked for nearly three decades until the age of the facilities and the diversion of revenues from fees into the state's general fund caused them to close or reduce their output.

By expanding the fee to trash shipped out of state and using it to fund compost and recycling programs, Mushinsky said she believes Connecticut can again reach a point where it can handle whatever trash is left over, whether through waste-to-energy incineration or some other emerging technology.

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"It's not rocket science, you just need money to do it," Mushinsky said.

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2025 > April > 14