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HOUSATONIC RESOURCES RECOVERY AUTHORITY

Executive Committee Meeting

Thursday, April 22, 2010, 9:00 a.m.

Brookfield Town Hall, Room 133, First Floor

MINUTES

Chairman Mike Gill called the meeting to order at 9:02 a.m. Members in attendance at that time were M. Gill, A. O'Connor and R. Marconi. H. Rosenthal entered the meeting at 9:20 a.m. during the agenda item on Municipal Violations of Recycling Services Agreements with HRRRA. M. Boughton was unable to attend. The HRRRA Director was also present during the meeting. The order of items considered on the agenda was changed by unanimous consent to the order presented in these minutes.

Approval of Minutes

Motion by A. O'Connor, second by R. Marconi, to approve the minutes of the Executive Committee meetings of June 18, 2009 as presented. **Vote:** All in favor. (H. Rosenthal was not yet present at the meeting and did not vote on this motion.)

HRRRA Claim of WSDA Violation by Tonnage Diversion from Greensphere

Reports filed with the CT Department of Environmental Protection by the MSW transfer station in Danbury for FY 2007-2009 showed a total of 5,889 tons of MSW originating in HRRRA municipalities was processed through TSI, not Greensphere, in apparent violation of the WSDA between HRRRA and Wheelabrator and its subcontractor Greensphere, Inc. HRRRA sent a letter to Wheelabrator in November 2009, with copies of the DEP reports attached, asking why such tons were not processed through the HRRRA system or for corrective action. The issue was discussed at the Authority's February 2010 meeting and the Executive Committee was authorized to approve a resolution of the issue once such resolution was reached.

Greensphere investigated and determined that the MSW compactors from the Danbury Mom & Pop Recycle Center did not have HRRRA permits and thus were being entered into the computer system as MSW for TSI. The compactor was permitted in March 2010, and Wheelabrator reached a settlement agreement with its subcontractor. In a letter to Wheelabrator dated March 25, 2010, AWD, Inc. agreed to deliver 2,155.62 tons of non-HRRRA waste through Greensphere as make up tonnage for the inadvertently diverted MSW from the past three years. Delivery of the makeup tonnage was to start April 1, 2010 and take approximately one month to complete. The current tip fee and HRRRA program fee would apply. Vin Langone for Wheelabrator accepted the proposed settlement by e-mail, copied to HRRRA, on March 26, 2010.

Even though the proposed settlement was for less than half the tonnage originating in HRRRA municipalities that was processed through TSI as reported on the DEP reports for the past three,

the Executive Committee determined that the expected return on pursuing the remainder of the tonnage and the desire to maintain an amicable working relationship with both Wheelabrator and the new management of Greensphere were sufficient reasons to accept the settlement as proposed.

Motion by A. O'Connor, second by R. Marconi, to accept the settlement of the HRRRA claim to Wheelabrator dated November 16, 2009, as proposed by AWD, Inc. in a letter to Wheelabrator Bridgeport dated March 25, 2010 and as accepted by Vin Langone on behalf of Wheelabrator in an e-mail dated March 26, 2010. **Vote:** All in favor. (H. Rosenthal was not yet present at the meeting and did not vote on this motion.)

Municipal Violations of Recycling Services Agreements with HRRRA

The management of RTI did not accept the tentative agreement worked out between the Director and All American Waste (AAW) to cure the contract violations caused by All American Waste's failure to deliver program recyclables collected from a number of municipal facilities in the region to RTI. While HRRRA lost approximately \$1,600 in revenue from the reported diversions during 2008 and 2009, RTI lost substantially more in tip fees and commodity sales revenue. RTI wants to receive the actual tonnage collected from municipal facilities in the region, not equivalent tonnage capable of dual stream processing as in the tentative agreement. The equivalent tonnage was promised to come to RTI starting January 1, 2010, but as of April 1, 2010, no additional tonnage from AAW had been tipped at RTI. In addition, despite repeated requests to AAW to voluntarily divulge all contracts with HRRRA municipalities, an additional municipality, Kent, was found to be using AAW for cardboard from its transfer station.

The Executive Committee agreed that the Director had already spent too much time trying to work out a compromise acceptable to all parties when the real issue is that several municipalities, i.e. Bethel, Brookfield, Kent, New Fairfield, and New Milford, are in violation of the Recycling Services Agreement each has with HRRRA that commits the municipality to deliver all program recyclables from municipal property/facilities (including school property/facilities) to RTI.

Motion by M. Gill, second by A. O'Connor, to recommend to the Authority that HRRRA send, with advice of counsel, a letter of default to the municipalities involved addressed to the First Selectman/Mayor, copied to the Superintendent of Schools and the Purchasing Agent for both the municipality and the schools. Such letter of default should make the municipalities aware that there are financial penalties associated with defaulting on the Agreement. **Vote:** All in favor. (H. Rosenthal voted on this motion and all motions that followed since he entered the meeting at the start of the discussion of this agenda item.)

RFP for Single Stream Recycling Processing

Chairman Gill and the Director met with RTI Interim CEO Matt Starr and General Manager Dave Dunleavy in early April to discuss the options for updating the region's recycling program to allow for single stream collection and processing and the addition of items to the list of program recyclables, e.g. all plastics, chipboard, boxboard, aseptic containers, etc. One possibility is an amendment to the RTI contract that would allow RTI to serve as a transfer facility for HRRRA program recyclables with the processing and marketing done by a third party off site. The draft RFP is designed to determine the interest of such third parties and whether a deal could be structured that would work for HRRRA, RTI, haulers in the region, the processor and the public. The draft has been reviewed by HRRRA legal counsel. **Motion** by A. O'Connor, second by H. Rosenthal, to recommend approval of the RFP with appropriate changes, e.g. dates, to the Authority. **Vote:** All in favor.

Draft 2010-11 Budget

The Executive Committee reviewed with the Director the proposal in the draft budget for a part time employee for HRRRA to be added to the staff next fiscal year. The Director is seeking this position because the workload requires additional hours, to protect the Authority from the risk posed by a lengthy unanticipated absence with a one person operation, and to start preparing the Authority for the eventual retirement of the Director.

Director's Annual Evaluation

The Executive Committee reviewed the Memo prepared by the Director on her annual performance evaluation documenting goal attainment for the last year and setting priorities for 2010-11. Chairman Gill said that the Director's work and leadership on the paint product stewardship legislation initiative in the State took a lot of time during the past year that was unanticipated when the last goals were set. A. O'Connor noted that the Director had initiated several projects such as the Regional Recycling Task Force and the annual Recycling Poster Contest that require a lot of work but greatly improve public recycling education and provide assistance to the municipal members. H. Rosenthal commented that he reviews the financial statements and the bank statements each month and they are always in good shape. And R. Marconi said that the Director was doing "great work" and that one of her strengths that had helped the Authority save money was a good understanding of the law that limits the use of legal counsel's time and cost.

The Director and Executive Committee confirmed their prior understanding that has guided the Director's medical insurance benefit for the last five years. Due to the difficulty and cost of purchasing medical insurance for a one employee agency, the Executive Committee agreed early in the Director's tenure to a health care policy with a HSA (Health Savings Account) and a \$2,000 deductible. At that time the Committee agreed to make a contribution to the HSA on behalf of the Director each year equal to the amount of the deductible. The HRRRA personnel policy requires that employees receive vision and dental insurance, life insurance and short term disability insurance. Since coverage for those benefits was not available to a one person agency, the Committee also previously agreed to make the maximum contribution allowable by law to the Director's HSA as a substitute for such coverage. In total, the HSA contribution in the current calendar year as allowed by federal law is approximately \$4,000, i.e. \$2,000 to cover the high deductible and \$2,000 as a substitute for dental, vision, life and short term disability insurance coverage. The Director reported that as of March 1, 2010, the start of the new plan year for the HSA, the deductible has been raised to \$2,500 per year.

The Director left the meeting at 9:55 a.m. at the request of the Executive Committee and reentered the meeting at their request at 10:10 a.m.

Chairman Gill reported that the Executive Committee reached the following consensus:

- The Executive Committee is very pleased with the Director's job performance for the past year.
- The request for a part time employee in the 2010-11 FY is approved and the Committee recommends using the higher salary proposed in order to attract quality candidates.
- The Director will receive a 2 ½% salary increase for the 2010-11 FY based on merit. The Director's salary has been at its current level for the past two years.
- The Authority will cover the increased deductible cost of \$500 for the year by increasing its contribution to the Director's HSA.

The Director thanked the Executive Committee for their support and their generosity. She noted that it might not be possible to increase the contribution to her HSA by \$500 next fiscal year since the total contribution for each year is limited by federal law and the Authority is already making the maximum contribution possible.

Draft 2010-11 Budget Continued

The Director was asked to revise the draft budget to include the part time employee and the Director's salary change. In addition, based upon the RFP for single stream recycling, the revenue for next fiscal year may change. The Executive Committee decided to review the revised budget when the revenue number for next year is better known. **Motion** by A. O'Connor, second by H. Rosenthal, to table the draft 2010-11 budget. **Vote:** All in favor.

Adjournment

Motion by A. O'Connor, second by R. Marconi, to adjourn the executive committee meeting at 10:33 a.m. **Vote:** All in favor.

Minutes Respectfully Submitted by,

Cheryl D. Reedy
HRRR Director