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HOUSATONIC RESOURCES RECOVERY AUTHORITY

MEETING MINUTES

Thursday, February 18, 2010 10:30 a.m.

Room 133, Brookfield Town Hall

Members or Alternates Present and Voting:

Brookfield, William Davidson	7
Danbury, Joel Urice	35
Kent, Bruce Adams	1
New Fairfield, Mike Gill	6
Newtown, Fred Hurley	12
Redding, Larry Kulowiec	4
Ridgefield, Rudolph Marconi	11
Sherman, Andrea O'Connor	<u>2</u>
	78

Others Present:

Cheryl Reedy, HRRRA Director
 Bob Metzler, HRRRA Counsel
 Vin Langone, WCI
 Dave Dunleavy, RTI
 Matt Starr, AWD/RTI
 Scott Tenney, Hudson Baylor
 Phil LoPresti, LoPresti & Sons Carting
 Frank Becker, LoPresti & Sons Carting
 Jim Davenport, owner of Danbury transfer station property

Members Not Present

Bethel, Matthew Knickerbocker
 Bridgewater, William Stuart
 New Milford, Patricia Murphy

Call to Order: The meeting was called to order by Chairman Gill at 10:30 a.m. with a quorum of 67 votes from seven towns present. R. Marconi entered the meeting at 11:00 a.m. during agenda item 5, bringing the total votes to 78 from eight municipalities.

Public Comment : None

Chairman's and Members' Comments

- Chairman Gill thanked Vice Chairman Marconi for chairing the last meeting in M. Gill's absence. The Chairman also welcomed and introduced new members/alternates to HRRRA, i.e. First Selectman W. Davidson as the HRRRA member from Brookfield and First Selectman B. Adams as the HRRRA alternate from Kent.
- J. Urice noted that two members of the Authority are running for Governor, an overly representative number from an eleven member Authority.

Director's Report

C. Reedy highlighted the following items from the written Director's Report:

- Tonnage is apparently leaking from the Danbury transfer station with the decrease almost 16% of MSW tonnage coming into that transfer station in the first two months of 2010 compared with the same time in 2009. Anecdotal reports are that most of the leakage is going to New York transfer stations right across the border, e.g. Somers Sanitation transfer station in Somers, NY and Welsh Sanitation transfer station in Hopewell Junction, NY.
- Noted that if leakage of MSW from Danbury transfer station continues unabated that municipalities and the region are at risk of falling below the minimum guaranteed tonnage in the Waste Supply and Disposal Agreement (WSDA). The trend merits careful tracking and consideration of all available alternatives including franchising collection, flow control if public ownership of the transfer station is obtained, and making the tip fee more competitive to attract waste back into the system.
- C. Reedy is taking a leadership role on behalf of municipalities and regions represented on the CT Product Stewardship Council on the proposed paint product stewardship legislation for this session.
- Terry Brotherton left AWD and affiliated companies in late 2009. Mathew Starr, a resident of Kent, has been appointed as the Interim CEO and is in attendance at the meeting.
- The transfer station sale process is moving quite slowly and is still a few months from completion.
- Bethel has joined the five other municipalities participating in the May HHW collection in Newtown.
- The Director specifically reported in detail all hauler concerns brought to her attention after an article appeared in the NewsTimes about Brookfield's interest in looking at franchising MSW collection in town.

W. Davidson clarified that the Town of Brookfield is only going to study the possibility of franchising residential MSW collection, not necessarily do it. Brookfield will eventually do what is best for its residents and for the region. During his recent campaign Mr. Davidson found that the number 2 issue for Brookfield voters with whom he spoke was for waste collection franchising or at least limiting the number of garbage trucks on the road due to pollution, litter, wear and tear on the roads, neighborhood aesthetics of having trash cans out on the street every day when neighbors use haulers with different collection days, etc.

M. Gill asked the experts in attendance at the meeting why haulers were taking waste to New York. Mat Starr said the price in NY is \$65/ton while by contract HRRR waste is over \$80/ton. V. Langone said he thought Wheelabrator was starting to see a lot of waste come back into CT.

Consent Action Items

- a) **Motion** by J. Urice, second by A. O'Connor to approve the minutes of the November 19, 2009 as presented. **Vote:** All in favor except for M. Gill and W. Davidson who abstained because they were not present at the meeting.
- b) **Motion** by A. O'Connor, second by J. Urice, to approve the financial statements as presented through January 31, 2010. **Vote:** All in favor.
- c) **Motion** by M. Gill, second by A. O'Connor, to approve the E-Waste Collection and Recycling Agreement dated February 18, 2010 between HRRR and WeRecycle!. **Vote:** All in favor. C. Reedy noted that the Agreement contains a one page Adoption Agreement to be approved in each town that wants to take advantage of the pricing in HRRR/WeRecycle! agreement according to the appropriate process in that municipality. J. Urice reported that the agreement had been reviewed by Danbury's Corporation Counsel. In response to a question, R. Metzler, HRRR legal counsel, said that once a municipality signs on to the agreement, it will be binding on the municipality for the term of the agreement, i.e. three years. The agreement will automatically be renewed unless the municipality

gives notice to HRRRA and WeRecycle! at least thirty days in advance of the termination date, i.e. June 30, 2013. M. Gill noted that New Fairfield has had a contract with WeRecycle! for four years for collection of residential and municipal electronics at the town's Drop Off Center, but the deal negotiated between HRRRA and WeRecycle! is more cost effective. F. Hurley from Newtown offered his personal and professional thanks to HRRRA for this Agreement available to towns in the region and noted that he eagerly awaits approval of the Adoption Agreement in Newtown. C. Reedy noted that municipalities that use another town's local transfer station, i.e. Brookfield and Sherman, may still want to approve a local Adoption Agreement to take advantage of the pricing and service for special one day collections that could be held in their respective towns.

Old Business:

- a. *All American Waste claim settlement* – All American Waste (AAW) won contracts to collect some or all program recyclables from municipal facilities at the New Fairfield Public Schools, the New Milford Public Schools, the Brookfield Public Schools, the Town of Bethel and the Town of New Milford. All HRRRA municipalities have a legally binding Recycling Services Agreement that requires the municipalities to deliver all program recyclables generated by/at municipal buildings and facilities, including school facilities to RTI. All American Waste is not delivering the program recyclables collected from the above listed municipal facilities to RTI, meaning that each of the above municipalities is in violation of its Recycling Services Agreement with HRRRA. These violations started in 2008 and continued through 2009. In New Fairfield and New Milford, the bid specifications that AAW must follow require the company to deliver to RTI. Bethel and Brookfield did not provide copies of their bid specifications to HRRRA for review. But, whether in the bid specifications or not, the communities remain in violation of their agreement with HRRRA due to the actions of their recycling collector AAW.

New Fairfield and New Milford purchasing staff asked HRRRA to pursue a resolution directly with AAW on their behalf. HRRRA has worked with AAW to identify and estimate the tonnage diverted from RTI over the past year by all HRRRA municipalities in which AAW collects from municipal facilities. AAW desires to cease violating the bid requirements and the municipal contracts between HRRRA and its member communities but collects single stream recyclables that cannot be processed at RTI. We estimate that for 2008 and 2009, 65.71 tons of program recyclables were diverted from RTI by AAW. The lost program fee revenue to HRRRA was \$1,651.31. AAW has contractual commitments to continue recycling collection from most if not all the municipalities involved.

The Director has arrived at the following tentative settlement with AAW, which would cure the breach of the Recycling Services Agreement between HRRRA and New Fairfield, New Milford, Brookfield and Bethel. AAW would pay HRRRA's lost program fees. To make both HRRRA and RTI whole on a going forward basis, effective January 1, 2010, AAW will deliver 2 tons per month of program recyclables able to be processed in a dual stream facility as replacement tonnage for the program recyclables collected from municipal facilities in the aforementioned towns for the duration of its collection agreements with said towns/schools.

The Authority directed staff to proceed to formalize such a settlement and authorized the Executive Committee to approve the settlement on behalf of the Authority and report such settlement to the Authority upon completion.

Phil LoPresti, from the audience, noted for the record that LoPresti & Sons Carting, Inc. is the hauler for the Bethel Public Schools and does deliver such recyclables to RTI. The violation in Bethel was for collection of recyclables from town facilities.

b. *Waste Supply and Disposal Agreement (WSDA) claim settlement* – All MSW generated within the HRRR region that is tipped at the transfer station in Danbury is required to flow through Wheelabrator's (WES) subcontractor, Greensphere, to WES and be counted as tonnage delivered by HRRR to WES. Quarterly reports filed with CT DEP by the Danbury transfer station report that 5,889.05 tons of MSW generated within HRRR municipalities during 2007 through 2009 flowed through TSI rather than Greensphere, in violation of the WSDA. HRRR has asked Wheelabrator to investigate this possible violation of the WSDA and ensure that its subcontractor Greensphere comes into compliance in the future and reimburses, either financially or through non-HRRR tonnage) both WES and HRRR for lost revenue as a result of this diversion. Revenue lost to HRRR is approximately \$3,000. M. Gill asked that V. Langone, M. Starr and C. Reedy resolve this issue as quickly as possible and move on. All agreed that could be done. The Authority authorized the Executive Committee to review and approve, on its behalf, any resolution reached among the parties.

c. *RTI Agreement default and/or termination* – **Motion** by M. Gill, second by A. O'Connor, to go into executive session for the purpose of discussing pending litigation with respect to the RTI Agreement defaults and/or termination, and to invite into the executive session the HRRR Director and HRRR legal counsel. **Vote:** All in favor. The Authority entered executive session at 11:25 a.m. and came out of executive session at 11:52 a.m. **Motion** by R. Marconi, second by J. Urice, to adopt the following resolution:

Be it resolved that HRRR finds that numerous events of default have continued uncured for at least sixty days and some for as long as 12 months since the initial notice of default was sent by HRRR to Recycling Technologies, Inc. (RTI) and Automated Waste Disposal, Inc. (AWD) pursuant to the Regional Recycling Center Service Agreement by and between RTI and HRRR dated as of March 13, 1991, as amended and Automated Waste Disposal, Inc. pursuant to Parent Company Agreement Supplement No. 1 between AWD and HRRR dated October 21, 1994.

Be it further resolved that HRRR continues to authorize its staff, legal counsel and Chairman jointly to pursue all possible remedies for such defaults or any additional defaults that may occur and to otherwise protect the Authority's legal interests with respect to the RTI and Parent Company Agreements.

Vote: All in favor.

New Business

a. *RTI 2010-11 tip fee* – **Motion** by F. Hurley, second by J. Urice, to set the RTI tip fee, the same as it has been since 2007-08, at \$39/ton for the 2010-11 fiscal year as recommended by the Director.

Vote: All in favor.

b. *RTI Marketing Plan submission* - **Motion** by M. Gill, second by A. O'Connor not to accept the RTI Materials Marketing Plans dated July 12, 2007, April 8, 2009, and December 15, 2009 because they do not meet the minimum requirements of the Regional Recycling Center Service Agreement between RTI and HRRR as outlined in Appendix 7.

Adjournment

Motion by J. Urice, second by A. O'Connor, to adjourn the meeting at 11:55 a.m.. **Vote:** No one opposed.

Minutes Respectfully Submitted,

Cheryl D. Reedy
HRRR Director