

**HOUSATONIC RESOURCES RECOVERY AUTHORITY**

**REGULAR MEETING MINUTES**

**Thursday, January 11, 2018, 10:30 a.m.**

**Room 133, Brookfield Town Hall**

**100 Pocono Rd, Brookfield, CT 06804**

**Members or Alternates Present**

Bethel, Matthew Knickerbocker	8
Brookfield, Steve Dunn	7
Danbury, Joel Urice	36
New Fairfield, Susan Chapman	6
New Milford, Pete Bass	12
Newtown, Herbert Rosenthal	12
Redding, Jeff Hansen	4
Ridgefield, Rudolph Marconi	11
Sherman, Don Lowe	2
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**Members Absent:** Bridgewater, Kent

**Others Present:**

Jodi Barnell  
Pat Del Monaco  
Bob McNamara  
Robert Metzler, HRRRA Legal Counsel  
Kevin Nolan, Winters Bros.  
Dan Rosenthal  
Ken Vallera, All American Waste  
Brookfield, Sheldon Conn  
Newtown, Fred Hurley  
New Fairfield, Kim Hanson  
New Milford, Suzanne Von Holt  
Newtown, Fred Hurley  
Michael Galvin  
Joe Lucchetti

**Call to Order:**

The meeting was called to order by Chairman Marconi at 10:33 a.m. with a quorum of 98 votes present from 9 municipalities. He led everyone in the pledge of allegiance.

**Public Comment:**

There were no public comments.

**Chairman and Members' Comments:**

R. Marconi welcomed new members to the Authority and greeted new office hire, Tiffany Carlson. R. Marconi read a thank you note from Cheryl Reedy, past Assistant Director, for retirement event held 11/10/17. He also noted, Auditor, Glenn Nanavaty was unable to attend the meeting due to a personal emergency. The audit will not be presented at this meeting and will be postponed to the February 22<sup>nd</sup> regular scheduled meeting.

**Director's Report:**

J. Heaton-Jones highlighted the following items from her written report:

- MSW is running at 105% of the same time last year, which is an increase of 5446 tons. Recycling tonnage is running at 90% of the same time last year. J. Heaton-Jones discussed in detail the recycling tonnage decrease from 2016 to 2017. A detailed graph and spreadsheet (attachment A8) was presented to the Authority showing what each hauler brought into the HRRRA system by month and year. There were 7 haulers that had a decrease in recycling from 2016 to 2017. It was pointed out that All American Waste had the most significant decrease of 1714 tons. Members asked the director to reach out to All American Waste to discuss how might they bring the

material back into the HRRR system. J. Heaton-Jones shared that she has reached out to All American Waste several times in the past few months to reconcile the agreement that AAW and HRRR had for 2016-17 FY that provided HRRR a \$5 per ton rebate for any material that took outside the region. That agreement expired June 30, 2017 and was not renewed. Members asked if the Director could obtain data from CT DEEP that would show how much material AAW has collected within the region and where it went. The director informed the Authority that she has reached out to CT DEEP for the data, however the person who collected data for the state is no longer with CT DEEP and she has not been replaced. In the mean time J. Heaton-Jones will continue to work with AAW and the state to get the information needed to resolve the issue of the missing tonnage and loss revenue.

- There were 13 public education programs conducted which comprised 9 schools, 38 classrooms, and 746 students.
- R. Bennett took a full-time position with Little Scientist in November. Her last day at HRRR was November 24<sup>th</sup>.
- HRRR offered several free Backyard Composting workshops throughout the region in October and November as part of the CT DEEP grant that was received last year. These workshops will continue in February and March 2018. HRRR purchased backyard composting containers for participants to purchase below retail cost. Going forward J. Heaton-Jones will offer these workshops out of the HRRR office cutting down on travel time and costs. New dates will be posted on HRRR website.
- HRRR also purchased recycling bins for classrooms as part of the CT DEEP grant. These bins will be distributed to schools in need and who have participated in the HRRR Recycling Education program. Bins available on first come, first serve basis. School Administration will need to fill out an application for the bins that ensure their commitment to recycling in their schools.
- Danbury HHW event took place on Saturday, November 4<sup>th</sup>. The Authority served 863 cars. The event cost \$44,695.44.
- J. Heaton-Jones encouraged members to attend the Connecticut Recycling Coalition Conference next Wednesday, January 17<sup>th</sup> at the Aqua Turf. HRRR members you will get a discounted rate.
- J. Heaton-Jones participated in Recycle CT's state-wide launch for a public outreach recycling campaign called "What's In? What's Out?" in Hartford on November 15<sup>th</sup>, America Recycles Day. She spoke on behalf of municipalities. The purpose of this campaign is to have one set of rules state-wide so that it's easier to provide residents consistent and uniformed information they need to recycle more effectively. The Recycle CT Foundation worked closely with recycling coordinators in cities and towns throughout the state and the six MRF's that accept recycled material to create the universal list. Information about the changes to the recycling regulations can be found at [www.recyclect.com](http://www.recyclect.com). The website contains material that cities and towns can share with residents.
- Bob Hanna from the New Milford transfer station hosted a demonstration of the Trash Tracker. The machine is designed to help facilitate the acceptance of material. It weighs and accepts payments. Fred Hurley provided feedback on the presentation and how Trash Tracker would be helpful to transfer stations.
- The 11<sup>th</sup> annual Billboard Contest is underway. Templates are printed and ready for distribution to the schools. Please mark your calendars for the award ceremony on April 25<sup>th</sup> at 5:30pm at Union Savings Bank.

### **Administrative Approvals:**

#### **a) Minutes, September 28, 2017**

**Motion** by S. Dunn, second by D. Lowe, to approve the minutes of the September 28, 2017 (attachment B). **Vote:** Abstentions – M. Knickerbocker, P. Bass, H. Rosenthal and J. Hansen. Remaining in favor. (62 yes votes.) S. Dunn identified an error in the September 28, 2017 minutes. S. Dunn pointed out that the draft minutes erroneously state to “transfer the account to a Vanguard high yield corporate VWEAX investment fund and he will work with H. Rosenthal in the decision-making process,” however the minutes should be corrected to say “transfer from a Vanguard high-yield corporate VWEAX investment fund to a Vanguard low risk, category 1 or 2 high grade fund and he will work with H. Rosenthal in the decision-making process.

#### **Minutes, October 10, 2017**

**Motion** by J. Urice, seconded by S. Dunn, to approve the minutes of the October 10, 2017. **Vote:** Abstentions – M. Knickerbocker, P. Bass, H. Rosenthal and J. Hansen. Remaining in favor. (62 yes votes.)

#### **b) Financial Statements:**

**Motion** by M. Knickerbocker, second by S. Dunn, to approve the financial statements through December 31, 2017 (attachment C), as presented. **Vote:** All in favor. (98 yes votes.) During discussion of financials J. Heaton-Jones identified as of December 31, 2018, the Authority is overbudget on legal expenses. Discussion continued resulting in a **Motion** by H. Rosenthal, second by D. Lowe to transfer funds from Contingency \$20,000, Recycling Educator \$10,095.88, Salaries-Other \$3455.00 and Pension \$1947.75, to Professional Services – legal, to address the estimated shortfall of legal fees and therefor pay legal counsel the balance due of \$16,517.70. **Vote:** All in favor. (98 yes votes.) Further discussion from J. Heaton-Jones addressed that there is an estimated \$5000-\$7000 of legal work needed to complete the execution of the final agreement and municipal agreements with individual towns. R. Metzler also offered to assist in the legal counsel for the Super MRF and CT DEEP approval of the agreement. Members agreed that it was Winters Bros responsibility to provide legal counsel for the permitting of their facility.

### **Old Business:**

#### **a) Recycling Rebate Update:**

J. Heaton-Jones reported the Memorandum of Understanding concerning the single stream recycling service agreement between HRRRA and Winters Bros to reduce the recycling rebate from \$7.50 per ton to \$6.25 per ton and to increase the recycling tip fee from \$25.00 per ton to \$37.50 per ton expired on 1/10/18. J. Heaton-Jones spoke with Winters Bros. CEO John Decker prior to the meeting. J. Decker reported that market conditions are still impacting the company negatively and requested to extend the MOU to 90 days with a 30-day review on the 10<sup>th</sup> of the month and would adjust prices accordingly depending upon market conditions. Discussion resulted in a **Motion** by J. Urice, second by P. Bass to extend the MOU to 60 days

with a plan to review conditions at the February 22<sup>nd</sup> HRRR meeting. **Vote:** All in favor. (98 yes votes.)

**b) Household Hazardous Waste Days – Adding Permanent 3<sup>rd</sup> Date:**

J. Heaton-Jones reviewed the data from the HHW event hosted in July 2017 in Brookfield attachment D. and recommended to authority to add a third HHW Day to the annual schedule. J. Heaton-Jones also recommended to the Authority having staff explore the feasibility of reciprocal agreements with neighboring towns outside the region to provide addition service to residents for the disposal of HHW throughout the year. **Motion** by J. Urice, second by M. Knickerbocker to add an additional HHW event to the annual HHW calendar and to be hosted by the Town of Brookfield, pending individual municipal budget approval. **Vote:** All in favor. (98 yes.)

**New Business:**

**a) 2016-17 FY HRRR Audit:**

**Motion** by H. Rosenthal, second by P. Bass to table the 2016-17 HRRR Audit to the February 22<sup>nd</sup>, 2018 HRRR meeting. **Vote:** All in favor. (98 yes votes.)

**b) HRRR 2018 Legislative Agenda:**

J. Heaton-Jones recommended that HRRR's legislative agenda focus on supporting Tire EPR, the reform of the Bottle Bill, exploring Packaging EPR and HHW EPR. J. Heaton-Jones reported details about the state task force that studied the methods of reducing consumer packaging and her concern regarding their recommendations to legislators. Much of the report issued from the task force she did not feel was in the best interest of Municipalities. J. Heaton-Jones offered to share a link to the report with members. **Motion** by J. Urice, second by M. Knickerbocker, to support the HRRR Staff to investigate the 2018 Legislative agenda recommended by the Director. **Vote:** All in favor. (98 yes votes.)

**Regional Solid Waste and Recycling Agreement:**

Presentation by R. Metzler, HRRR Legal Counsel covering key points of the final draft agreement between HRRR and Winters Bros.

The Negotiating Committee met with Winters. Bros and its Counsel 5 times in September, October, November and December and exchanged numerous drafts in preparation for those meetings.

- a. During the meetings, Winters Bros. negotiated in good faith and presented reasonable positions in the negotiations throughout.
- b. In October, the Winters met with Rudy Marconi to introduce John Decker, the new President of Winters Bros. and representative of a new group of investors that acquired a significant minority interest in Winters Bros.
- c. They explained that members of the Winters Family continue to own a majority of the equity and controlling interest in Winters Bros.
- d. A limited liability company was formed to be a holding company to hold all of the membership interests in Winters Bros., and the equity interests by the individuals and several private equity organizations are held in the holding company.

2. The agreement provides for basically the same MSW disposal and recycling processing services as current agreements; negotiated version very similar to the draft presented to the authority in executive session in August.
  - a. Difference from Wheelabrator – Winters has no resources recovery facility
    - i. Winters must contract for full MSW requirements (Sec. 3.2);
    - ii. Agreement requires following DEEP “hierarchy” for disposal Contained in DEEP’s Comprehensive Materials Management Strategy; (Sec. 3.3)
    - iii. RRF – then – landfill
    - iv. “Deemed Available” (Sec. 3.4)
      1. Price “commercially reasonable,” price available to others
      2. Term (duration) reasonable
      3. Facility has capacity available
      4. Location – transportation cost commercially reasonable.
3. TIP FEES
  - a. MSW - \$85 per ton, includes transfer and transportation to disposal site same as August draft
    - i. Escalation – Difference Instead of escalation at 25% of CPI change, now \$1.00 per ton for years 2 thru 5, and \$1.50 per ton for years 6 thru 10 (Sec. 7.2(a)).
    - ii. NEW – Additional Increases if existing taxes and gov’t charges increase (Sec. 7.2(d)), and if diesel fuel costs increase above \$3.50 per gal.;
    - iii. Parties will negotiate in good faith to adjust financial terms if there are material changes to tonnage volumes (up or down) (Sec. 7.2(f)).
    - iv. The Potential 20% Tip Fee Discount for Collector “Pay as You Throw” was dropped. Winters agreed to use commercially reasonable efforts “to cooperate with HRRRA to assist the Participating Municipalities to meet their statewide obligations, including recycling goals but will also cooperate with HRRRA to encourage Collectors to adopt “Pay as You Throw.”
  - b. RECYCLING - \$25 per ton – Same as current arrangement, same as August draft
    - i. Adjusted by Winters based on markets, after consultation with HRRRA (Sec 7.1(b) and Appendix E)
  - c. “OTHER ACCEPTABLE WASTE” (“Construction & Demolition”)
    - i. Winters Sets Tip Fee Rate – not currently subject to HRRRA
    - ii. Included only so HRRRA and municipalities can keep track of and report tonnage
4. PROGRAM FEES
  - a. MSW PROGRAM FEE - \$2 per ton, (Sec. 1.14) same as August draft; Adjusted upward in increments of \$0.25 per Ton only if the Tip Fee is adjusted at the \$1.50 per Ton level in years 6 – 10. Different than August draft. Payment terms – HRRRA to be paid \$15,000 per calendar month – true up against payment by Collectors on a quarterly basis.
  - b. RECYCLING PROGRAM FEE - \$5 per Ton (Sec. 9.1; Appendix C)
    - i. ADJUSTMENT – different than August draft - No adjustment for the first five years. Thereafter adjustment will be based on a formula designed to measure the average costs and revenues from the sale and disposal of outbound recyclable materials (called the “Facility ACR”) based on an assumed current

Facility ACR of \$103 per Ton. If the Facility ACR goes over \$140 per Ton, the Program Recyclables Fee will increase by \$0.50 for each \$1.00 increase over \$145; If the Facility ACR goes below \$60.00 per Ton, the Program Recyclables Fee will decrease on a dollar for dollar basis, but not below a \$0.00 floor.  
Applied quarterly.

- c. C&D PROGRAM FEE – Different than August draft. As expected, the Committee received strong pushback from Winters. The Negotiating Committee agreed to delete the C&D Program fee in exchange for an increased funding of educational programs:
  - d. WINTERS TO FUND EDUCATIONAL PROGRAMS (Sec. 9.1(b)) – Different than August draft. Winters Bros. agreed to pay \$6,000 per calendar quarter
5. ENVIRONMENTAL – Responsibilities will be essentially the same as under the old arrangements, with one major exception: Insurance - Because landfills are a likely disposal site for at least some of the HRRR MSW, WB to have HRRR and Participating Municipalities as additional insureds on all insurance policies of all disposal sites prior to disposal at the respective sites. (Sections 15.1 and 18.1) In addition, WB to provide certificates of insurance. Additionally, WB to have HRRR and the Participating Municipalities named as additional insureds on WB's insurance policies. (Section 13.1)
6. TRANSFER STATIONS – Essentially the same as under the current situation.
  - a. Same 3 – Danbury (Section 10.4), Newtown (Section 10.2) and Ridgefield (Section 10.3); Newtown and Ridgefield to Lease their existing Transfer Stations to HRRR, HRRR grants a license to WB to operate the transfer stations. Ridgefield and Newtown have signed off on the terms of the leases (Appendix F and Appendix G.)
  - b. Fair and Equal Access to the Transfer Stations
  - c. Danbury Recycling Center – Same – 307 White Street; Shelton
  - d. MRF – Same;
  - e. Last Minute Change Pages Inspection of each Town transfer station prior to Effective Date, allocation of responsibility for structural issues, before and after Effective Date; remove – “Gross” negligence
7. NEW COMPUTER SYSTEM – Required because Wheelabrator currently maintains the computer system being used (Sec. 10.10)
  - a. HRRR to have real time access to transfer station scale and billing information
    - i. HRRR must have oversight of information to monitor Winters' billing of competitor haulers
    - ii. Important because of the potential conflicts of interest in WB billing its smaller competitor local collectors
8. MOST FAVORED TIP FEES – (Sec. 7.3)
  - a. Winters not to charge any registered Collector less at the Transfer Stations for waste alleged to have been generated outside the HRRR Region.
  - b. Disincentive for Collectors to inaccurately declare the origin of waste delivered.
9. NO COLLECTION OR ACCEPTANCE OF HRRR WASTE OUTSIDE THE AGREEMENT (Sec. 7.4)

- a. If Winters must allocate to HRRRA the tonnage of any Acceptable Solid Waste accepted or collected in violation and taken outside the System, Winters to allocate the tonnage to the appropriate Participating Municipality.

10. WASTE REDUCTION AND MATERIAL RECOVERY CENTER (Sec. 10.6)

- a. "Super MRF" – picks recyclables from MSW
- b. HRRRA to support for permit application
- c. Contained in Winters' proposal

11. ANAEROBIC DIGESTER – for organic wastes

- a. HRRRA to support Winters' expressed intention

**Motion** – M. Knickerbocker, second by J. Urice (read by R. Metzler) **Vote:** Abstentions – D. Lowe. D. Lowe expressed for the record his abstention was due to being newly elected and was not involved in the negotiations prior to this meeting and vote. Remaining in favor. (96 yes votes.)

**Action by the Members:**

The Housatonic Resources Recovery Authority ("HRRRA") taken by a vote of the Members at a meeting duly called and held on January 11, 2018 at the Brookfield, Connecticut.

**RESOLVED**, that HRRRA be and it hereby is authorized to enter into a certain Regional Solid Waste and Recycling System Agreement (the "Regional Agreement") with Winters Bros. Transfer Stations of CT, LLC ("Winters Bros.") in form and substance substantially as presented to this meeting, including certain "change pages" relating to Sections 10.2 and 10.3 thereof relating to the Newtown Transfer Station and the Ridgefield Transfer Station, which Regional Agreement provides for Winters Bros. accept at the Transfer Stations, the White Street Facilities or the MRF, as those terms are defined therein, and dispose of or process and sell, as applicable deliveries by Collectors of all amounts of HRRRA Acceptable Solid Waste at its sole cost and expense, all in the manner as set forth in Articles III, IV and V and as otherwise provided in the Regional Agreement; and

**RESOLVED**, that HRRRA be and it hereby is authorized to enter into certain Municipal Regional Solid Waste and Recycling System Agreements (each a "Municipal Agreement") with each of HRRRA's municipal Members that seeks to become "Participating Municipality" in the form and substance substantially as set forth in Appendix D to the Regional Agreement, which Municipal Agreements set forth the respective responsibilities of the Participating Municipalities, on one hand, and of HRRRA on the other, in connection with the operation of the HRRRA System as defined in the Municipal Agreement; and

**RESOLVED**, that HRRRA be and it hereby is authorized to enter into a Real Estate Lease with the Town of Newtown (the "Newtown Real Estate Lease") in form and substance substantially as set forth in Appendix F to the Regional Agreement and a Transfer Station Lease with the Town of Ridgefield (the "Ridgefield Transfer Station Lease") in form and substance substantially as set forth in Appendix G to the Regional Agreement; and

**RESOLVED**, that each of the officers of HRRRA be and they hereby are, authorized to execute the Regional Agreement on behalf of HRRRA as soon as reasonably practicable; and

**RESOLVED**, that each of the officers of HRRRA be and they hereby are, authorized to execute a Municipal Agreement with each municipal member of HRRRA as soon as reasonably practicable after any such municipal member of HRRRA presents such a Municipal Agreement to HRRRA executed by such municipal member; and

**BE IT FURTHER RESOLVED**, that each of the officers of HRRRA be and they hereby are, authorized to execute the Newtown Real Estate Lease and the Ridgefield Transfer Station Lease on behalf of HRRRA as soon as reasonably practicable.

**Adjournment:**

On a motion by M. Knickerbocker, second by J. Urice, the meeting was adjourned at 12:32 p.m. **Vote:** All in favor of adjournment. (98 yes votes.)

Respectfully submitted,

Tiffany Carlson  
Administrative Assistant