



HOUSATONIC RESOURCES RECOVERY AUTHORITY

Friday, December 13, 2019, 10:00 a.m.

The Amber Room Colonnade

1 Stacey Road, Danbury, CT 06811

AGENDA

1. Call to order, determination of quorum, pledge of allegiance
2. Public comment
3. Chairman and members' comments
4. Director's and tonnage reports (*Attachment A*)
5. Administrative approvals
 - a. *Minutes of October 16, 2019 (*Attachment B*)
 - b. *Financial statements through November 30, 2019 (*Attachment C*)
6. Old business
 - a. Recycling market update (*Attachment D*)
 - b. Glass program update
7. New business
 - a. *Review and possibly vote to accept the 2018-19 FY HRRRA audit (*Attachment E*)
 - b. *Hauler Registration Policy for 2020-21
 - c. *Household Hazardous Waste events for 2020 (*Attachment F*)
 - d. *HRRRA Authority Meeting dates for 2020 (*Attachment G*)
 - e. *HRRRA 2020 Legislative Agenda
 - f. CT DEEP & Zero Waste Presentation on PAYT
8. *Adjournment

**Possible action items*

cc: HRRRA members and alternates
Town clerks and FOI list

HRRA Director's Report

October – December 13th, 2019

MSW and Recycling Tonnage Reports

- The MSW and recycling tonnage reports through August 30th are attached.
- MSW tonnage year to date is running at **101%** compared to the same time last year.
- Recycling tonnage is running at **62%** compared to the same time last year.
- E-waste tonnage is running at **84%** compared to the same time last year.
- Glass collected from Bethel, Redding and Ridgefield March 1, 2019 to November 30, 2019 – **122.4 tons**

Public Education Update

Town	School	Classes	# Students
Ridgefield	Veterans Park Elementary School	3	53
Bethel	Anna Rockwell Elementary School	5	116
Danbury	Shelter Rock Elementary School	5	91
New Milford	Sarah Noble Intermediate School	12	276
Redding	Redding Elementary School	3	73
Newtown	Sandy Hook Elementary School	4	88
Danbury	King Street Primary	5	115

The HRRA donated 417 recycling bins to 6 schools in 6 towns in 2019

Meetings /Activities from July – September 15, 2019

- J. Heaton-Jones and Glenn Nanavaty visited all three HRRA transfer stations for a scale house audit on September 30th
- The Ridgefield HHW event on October 5th went well despite several unexpected obstacles and scheduling conflicts with the school. The event processed 454 cars and cost \$29,788
- The HRRA Audit took place the week of October 7th. A review and approval of the audit will be presented at the December 13th HRRA meeting.
- J. Heaton-Jones met with the owners of Urban Mining in mid October. Urban Mining Northeast (UMNE) is a licensed regional producer of Pozzotive®, a postconsumer pozzolan and filler made from recycled glass. Pozzotive® is used in a multitude of applications including: concrete products, paints, coatings, adhesives, polymers, elastomers and many others. The purpose of the meeting was to work with the company as an outlet for the glass program for the HRRA region.
- J. Heaton-Jones attended the October Connecticut Recyclers Coalition meeting.
- The Director attended three conferences/forums in October and November. The NERC conference in Rhode Island that focused on the market for plastics. The NYSAR conference that focused on Product

Stewardship the first day and then the Director attended sessions on markets, glass and public education and outreach.

- The HRRRA facilitated the Danbury HHW on November 2nd. The event processed 713 cars and cost \$43,826.
- The Director met with State Rep. Maria Horn to discuss the future of the Bottle Bill.
- The transition from Newtech to Take 2 has been going well. The Regional Recycling Task Force has met several times since the implementation and have ironed out any concerns and issues. The task force visited the Take 2 Waterbury facility in mid-November.
- J. Heaton-Jones continues to be active on the NERC regional markets committee and the regional glass committee.
- The HRRRA Executive Committee met on December 5th to discuss the future of the recycling tip fee contract and personnel. T. Carlson resigned on November 15th. The Executive Committee discussed whether to hire another full-time employee or two part time employees. The Director is looking into benefit options through the Connecticut Partnership to determine the best direction for the Authority.
- **The next HRRRA Meeting is scheduled for Monday, February 24th**

HRRR/Wheelabrator - MSW Tonnage

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD as % of Prior YTD
Jan	10,412.62	10,204.23	10,816.98	10,909.90	9,521.05	8,709.97	8,193.26	9,060.62	10,256.78	10,745.50	
Feb	9,082.72	9,656.34	9,759.96	8,305.92	7,648.06	7,070.96	7,626.85	7,535.47	8,841.09	8,863.32	
Mar	12,008.02	11,809.91	10,632.01	9,199.49	8,507.43	8,415.64	9,077.68	8,584.21	9,868.75	9,948.73	
Apr	13,461.21	11,212.42	10,269.20	10,373.68	10,330.16	8,796.55	8,669.38	8,853.20	10,547.05	11,502.64	
May	11,285.47	12,081.01	11,825.87	11,536.19	10,632.45	10,095.92	9,103.14	10,209.07	11,650.66	12,115.93	
Jun	12,956.37	12,998.70	11,246.95	11,665.08	9,908.25	10,776.39	9,977.93	10,055.20	11,361.23	11,396.48	
Jul	12,118.43	11,142.45	11,818.05	11,885.87	11,457.12	10,613.73	8,978.65	9,650.28	11,654.85	12,347.13	
Aug	12,195.33	12,835.18	12,154.61	10,442.51	9,504.43	9,308.83	10,088.70	10,065.10	12,294.98	11,546.06	
Sep	11,601.53	12,916.11	10,816.64	10,090.83	9,830.16	9,562.86	9,024.18	9,569.14	10,565.45	10,976.99	
Oct	11,516.97	11,226.64	11,417.38	11,022.28	10,320.11	9,101.82	8,877.85	9,696.31	11,969.58	11,766.79	
Nov	11,829.98	12,497.05	12,158.28	9,445.19	8,872.00	9,051.83	9,570.73	10,864.04	11,660.40	10,886.55	
Dec	11,949.55	11,610.69	10,727.36	10,068.41	10,111.75	9,176.60	9,434.03	9,925.42	10,606.23		
Total Tons YTD	140,418.20	140,190.73	133,643.29	124,945.35	116,642.97	110,681.10	108,622.38	114,068.06	131,277.05	122,096.12	101%
% of WSDA Benchmark Annual Tonnage (115,284)	122%	122%	116%	108%	101%	96%	94%	99%	114%		

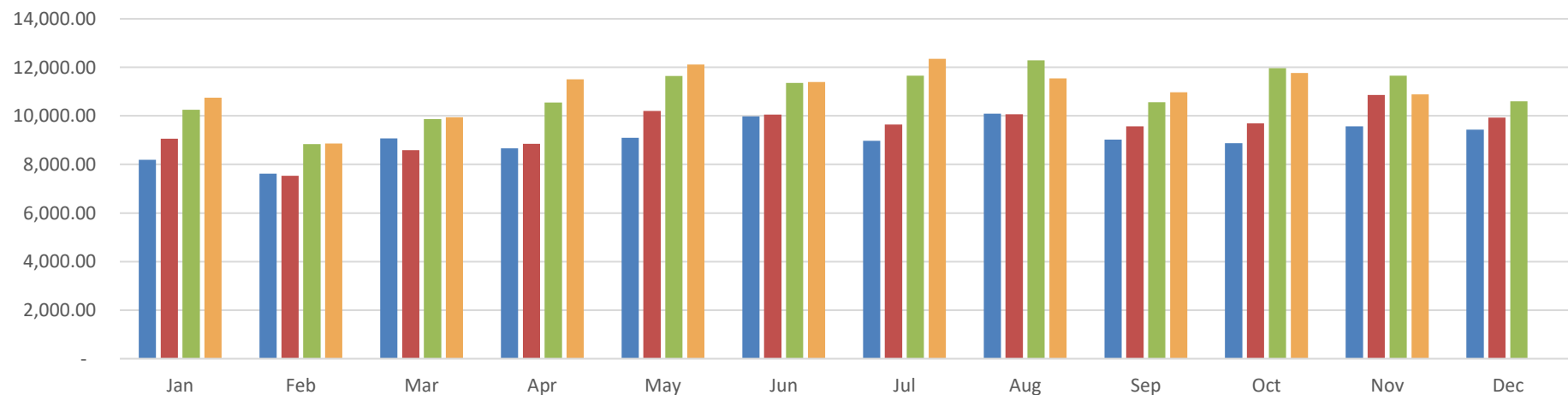
HRRR/WES MSW Program Fee

	Calendar 2010	Calendar 2011	Calendar 2012	Calendar 2013	Calendar 2014	Calendar 2015	Calendar 2016	Calendar 2017	Calendar 2018	Calendar 2019	
Program Fee Earned YTD	\$96,888.56	\$107,946.86	\$102,905.33	\$98,706.83	\$94,480.81	\$110,681.10	\$108,622.38	\$114,068.06	\$131,277.05	\$112,358.98	
Program Fee Pd To HRRR YTD	\$92,369.68	\$107,522.00	\$102,905.00	\$98,707.00	\$94,481.00	\$111,729.59	\$110,343.05	\$102,954.28	\$131,277.05	\$48,165.29	

HRRRA/Wheelabrator - MSW Tonnage Year-to-Date

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD as % of Prior YTD
Jan	10,412.62	10,204.23	10,816.98	10,909.90	9,521.05	8,709.97	8,193.26	9,060.62	10,256.78	10,745.50	
Feb	9,082.72	9,656.34	9,759.96	8,305.92	7,648.06	7,070.96	7,626.85	7,535.47	8,841.09	8,863.32	
Mar	12,008.02	11,809.91	10,632.01	9,199.49	8,507.43	8,415.64	9,077.68	8,584.21	9,868.75	9,948.73	
Apr	13,461.21	11,212.42	10,269.20	10,373.68	10,330.16	8,796.55	8,669.38	8,853.20	10,547.05	11,502.64	
May	11,285.47	12,081.01	11,825.87	11,536.19	10,632.45	10,095.92	9,103.14	10,209.07	11,650.66	12,115.93	
Jun	12,956.37	12,998.70	11,246.95	11,665.08	9,908.25	10,776.39	9,977.93	10,055.20	11,361.23	11,396.48	
Jul	12,118.43	11,142.45	11,818.05	11,885.87	11,457.12	10,613.73	8,978.65	9,650.28	11,654.85	12,347.13	
Aug	12,195.33	12,835.18	12,154.61	10,442.51	9,504.43	9,308.83	10,088.70	10,065.10	12,294.98	11,546.06	
Sep	11,601.53	12,916.11	10,816.64	10,090.83	9,830.16	9,562.86	9,024.18	9,569.14	10,565.45	10,976.99	
Oct	11,516.97	11,226.64	11,417.38	11,022.28	10,320.11	9,101.82	8,877.85	9,696.31	11,969.58	11,766.79	
Nov	11,829.98	12,497.05	12,158.28	9,445.19	8,872.00	9,051.83	9,570.73	10,864.04	11,660.40	10,886.55	
Dec	11,949.55	11,610.69	10,727.36	10,068.41	10,111.75	9,176.60	9,434.03	9,925.42	10,606.23		
Total Tons YTD	140,418.20	140,190.73	133,643.29	124,945.35	116,642.97	110,681.10	108,622.38	114,068.06	131,277.05	122,096.12	101%
% of WSDA Benchmark Tonnage (115,284)											

MSW Tonnage - CY 2016, 2017, 2018, 2019



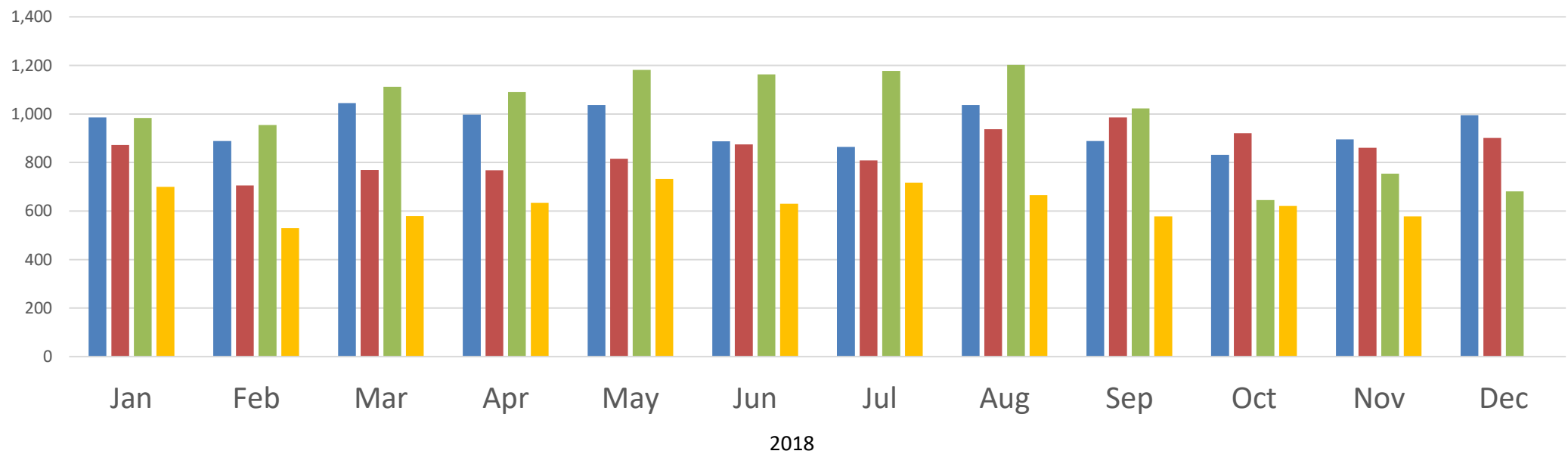
Transfer Station Tonnage By Month/Year

	Newtown TS				Danbury TS				Ridgefield TS			Total HRRR TS		
	2016	2017	2018	2019	2016	2017	2018	2019	2017	2018	2019	2017	2018	2019
January	803.79	950.27	982.59	1,002.41	6,606.53	7,462.73	8,405.51	8,971.96	647.62	868.68	771.13	9,060.62	10,256.78	10,745.50
February	781.73	800.21	855.90	844.91	6,159.69	6,090.42	7,334.32	7,468.26	644.79	650.87	550.15	7,535.42	8,841.09	8,863.32
March	927.90	870.68	906.25	945.78	7,230.78	7,013.76	8,198.48	8,235.01	699.77	764.02	767.94	8,584.21	9,868.75	9,948.73
April	901.22	961.32	978.02	1,053.47	6,864.01	7,011.09	8,663.24	9,493.57	880.79	905.79	955.60	8,853.20	10,547.05	11,502.64
May	976.24	1,079.50	1,012.80	1,133.62	7,146.44	8,231.91	9,774.37	9,960.55	897.66	863.49	1,021.76	10,209.07	11,650.66	12,115.93
June	1,054.19	1,094.92	1,144.93	1,126.44	7,796.85	7,970.15	9,238.29	9,203.35	990.13	978.01	1,066.69	10,055.20	11,361.23	11,396.48
July	1,002.85	1,039.78	1,103.59	1,179.01	7,040.11	7,693.25	9,728.22	10,199.80	917.25	823.04	968.32	9,650.28	11,654.85	12,347.13
August	1,052.01	1,078.03	1,103.31	1,134.35	8,291.78	8,056.60	10,341.61	9,573.29	930.47	850.06	838.42	10,065.10	12,294.98	11,546.06
September	939.80	1,012.80	1,022.77	1,024.63	7,355.58	7,692.85	8,747.68	9,077.36	863.49	794.00	875.00	9,569.14	10,564.45	10,976.99
October	926.41	976.78	1,101.46	1,054.20	7,333.52	7,796.18	9,916.47	9,825.84	923.35	951.65	886.75	9,696.31	11,969.58	11,766.79
November	1,018.74	1,071.60	1,065.06	1,117.60	7,827.14	8,828.15	9,708.42	8,940.54	964.29	886.92	828.41	10,864.04	11,660.40	10,886.55
December	1,003.34	993.69	1,025.22		7,745.49	8,141.78	8,733.40		789.95	847.61		9,925.42	10,606.23	
Total YTD	11,388.22	11,929.58	12,301.90	11,616.42	87,397.92	91,988.87	108,790.01	100,949.53	10,149.56	10,184.14	9530.165	114,068.01	131,276.05	122,096.12
% of Total Tonnage	10.5%	10.5%	9.4%	9.5%	80.5%	80.6%	82.9%	82.7%	8.9%	7.8%	7.8%	100%	100.0%	100.0%
	Newtown TS				Danbury TS				Ridgefield TS			Total HRRR TS		

HRRR/Regional Recycling Facility Tonnage

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2019 YTD as % of 2018 YTD
Jan	681	746	625	771	554	729	702	944	971	986	872	983	700	
Feb	534	630	566	616	537	656	566	756	759	888	705	954	529	
Mar	692	675	593	742	558	715	652	869	901	1,045	769	1,112	579	
Apr	697	604	606	727	518	693	600	995	988	997	768	1,089	634	
May	738	672	729	674	584	742	692	1,089	1,026	1,037	815	1,181	732	
Jun	709	637	832	607	640	790	647	1,010	1,059	887	875	1,163	630	
Jul	681	660	823	543	616	745	975	1,043	1,070	864	808	1,176	717	
Aug	755	609	753	562	721	811	980	975	979	1,037	937	1,202	666	
Sep	638	639	763	563	708	691	998	1,050	1,016	888	986	1,023	578	
Oct	746	639	742	540	656	684	956	1,043	949	832	920	645	620	
Nov	791	640	804	569	715	737	868	915	1,025	895	861	754	578	
Dec	775	837	866	653	801	677	982	1,180	1,229	995	901	681		
Total Tons YTD	8,437	7,988	8,702	7,567	7,608	8,670	9,618	11,869	11,972	11,351	10,217	11,964	6,963	62%

2016 - 2017 - 2018 - 2019 Recycling Tonnage



HRRRA/Regional Recycling Facility Tonnage

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2019 YTD as % of 2018 YTD	
Jan	681	746	625	771	554	729	702	944	971	986	872	983	700		Jan
Feb	534	630	566	616	537	656	566	756	759	888	705	954	529		Feb
Mar	692	675	593	742	558	715	652	869	901	1,045	769	1,112	579		Mar
Apr	697	604	606	727	518	693	600	995	988	997	768	1,089	634		Apr
May	738	672	729	674	584	742	692	1,089	1,026	1,037	815	1,181	732		May
Jun	709	637	832	607	640	790	647	1,010	1,059	887	875	1,163	630		Jun
Jul	681	660	823	543	616	745	975	1,043	1,070	864	808	1,176	717		Jul
Aug	755	609	753	562	721	811	980	975	979	1,037	937	1,202	666		Aug
Sep	638	639	763	563	708	691	998	1,050	1,016	888	986	1,023	578		Sep
Oct	746	639	742	540	656	684	956	1,043	949	832	920	645	620		Oct
Nov	791	640	804	569	715	737	868	915	1,025	895	861	754	578		Nov
Dec	775	837	866	653	801	677	982	1,180	1,229	995	901	681			Dec
Total Tons YTD	8,437	7,988	8,702	7,567	7,608	8,670	9,618	11,869	11,972	11,351	10,217	11,964	6,963	62%	YTD

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	FY YTD
Jan	681	746	625	771	554	729	702	944	971	986	872	983	700	
Feb	534	630	566	616	537	656	566	756	759	888	705	954	529	
Mar	692	675	593	742	558	715	652	869	901	1,045	769	1,112	579	
Apr	697	604	606	727	518	693	600	995	988	997	768	1,089	634	
May	738	672	729	674	584	742	692	1,089	1,026	1,037	815	1,181	732	
Jun	709	637	832	607	640	790	647	1,010	1,059	887	875	1,163	630	
Jul	681	660	823	543	616	745	975	1,043	1,070	864	808	1,176	717	
Aug	755	609	753	562	721	811	980	975	979	1,037	937	1,202	666	
Sep														
Oct														
Nov														
Dec														
Total Tons YTD	5,487	5,233	5,527	5,242	4,728	5,881	5,814	7,681	7,753	7,741	6,549	8,862	5,187	59%

HRRR Recycling Rebate History

	CY 2016			CY 2017		2017 YTD as % of 2016 YTD		CY 2018		2018 YTD as % of 2017 YTD		CY 2019		2019 YTD as % of 2018 YTD		Tonnage	FY	
	Tonnage	Rebate		Tonnage	Rebate			Tonnage	Rebate			Tonnage	Rebate					
Jan	986	\$9,860.00		872	\$4,360.00	-\$5,500.00		983	\$6,144.38	\$1,784.38		700	\$5,247.08	-\$897.30				
Feb	888	\$8,880.00		705	\$3,525.00	-\$5,355.00		954	\$5,963.19	\$2,438.19		529	\$3,967.80	-\$1,995.39		8,888	2009-10	
Mar	1,045	\$10,450.00		769	\$3,845.00	-\$6,605.00		1,112	\$6,949.69	\$3,104.69		579	\$4,341.00	-\$2,608.69		6,821	2010-11	-23%
Apr	997	\$4,985.00		768	\$3,841.10	-\$1,143.90		1,089	\$6,808.41	\$2,967.31		634	\$4,755.60	-\$2,052.81		8,542	2011-12	25%
May	1,037	\$5,185.00		815	\$4,075.00	-\$1,110.00		1,181	\$7,382.31	\$3,307.31		732	\$5,492.55	-\$1,889.76		8,204	2012-13	-4%
Jun	887	\$4,435.00		875	\$4,375.00	-\$60.00		1,163	\$7,270.88	\$2,895.88		630	\$4,725.00	-\$2,545.88		11,422	2013-14	39%
Jul	864	\$4,320.00		808	\$6,060.00	\$1,740.00		1,176	\$8,822.93	\$2,762.93		717	\$3,585.00	-\$5,237.93		11,910	2014-15	4%
Aug	1,037	\$5,185.00		937	\$7,027.50	\$1,842.50		1,202	\$9,017.40	\$1,989.90		666	\$3,328.25	-\$5,689.15		12,108	2015-16	2%
Sep	888	\$4,440.00		986	\$7,395.68	\$2,955.68		1,023	\$7,671.23	\$275.55		578	\$2,890.50	-\$4,780.73		10,315	2016-17	-15%
Oct	832	\$4,160.00		920	\$6,902.48	\$2,742.48		645	\$4,837.65	-\$2,064.83		620	\$3,101.65	-\$1,736.00		11,896	2017-18	15%
Nov	895	\$4,475.00		861	\$5,378.44	\$903.44		754	\$5,651.48	\$273.04		578	\$2,890.50	-\$2,760.98		9,285	2018-19	-28%
Dec	995	\$4,975.00		901	\$5,632.00	\$657.00		681	\$5,108.70	-\$523.30						3,159	2019-20	-194%
	11,351	\$71,350.00		10,217	\$62,417.19	-\$8,932.81		11,964	\$81,628.22	\$19,211.03		6,963	\$44,324.93	62%				

	FY 2016-2017	FY 2017-18	FY 2018-19	FY 2019-20	
July	864	808	1,176	717	
August	1,037	937	1,202	666	
September	888	986	1,023	578	
October	832	920	645	620	
November	895	861	754	578	
December	995	901	681		
January	872	983	700		
February	705	954	529		
March	769	1,112	579		
April	768	1,089	634		
May	815	1,181	732		
June	875	1,163	630		
	10,315	11,896	9,285	3,159 tons	66%
	\$51,576.10	\$78,914.93	\$69,638.40	\$12,467.65 rebate	35%

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E-waste Payments by Municipality by Quarter

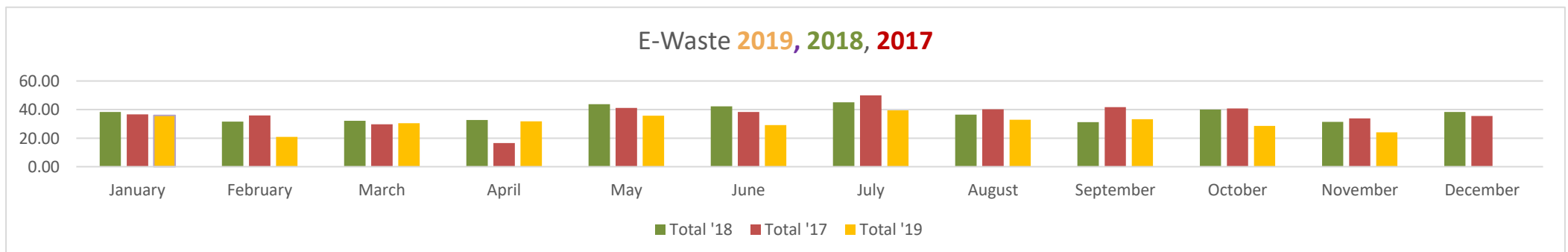
2017	Bethel	Bridgewater	Danbury	New Fairfield	New Milford	Newtown	Redding	Ridgefield	Total
Jan - Mar 2017	\$ 289.65	\$ 44.49	\$ 1,288.02	\$ 324.99	\$ 971.97	\$ 1,168.32	\$ 226.32	\$ 832.89	\$ 5,146.65
Apr- Jun 2017	\$ 221.94	\$ 169.98	\$ 1,614.30	\$ 362.10	\$ 998.55	\$ 1,434.27	\$ 274.20	\$ 844.62	\$ 5,919.96
Jul - Sept 2017	\$ 279.36	\$ 44.91	\$ 1,601.49	\$ 482.82	\$ 1,026.84	\$ 1,326.39	\$ 297.78	\$ 996.75	\$ 6,056.34
Oct - Dec 2017	\$ 222.00	\$ 60.84	\$ 1,176.03	\$ 425.37	\$ 980.58	\$ 1,295.73	\$ 242.16	\$ 866.10	\$ 5,268.81
Reconciliation Check	\$ 844.13	\$ 225.53	\$ 4,694.50	\$ 1,329.40	\$ 3,314.95	\$ 4,313.75	\$ 822.28	\$ 3,006.10	\$ 18,550.64
Total	\$ 1,857.08	\$ 545.75	\$ 10,374.34	\$ 2,924.68	\$ 7,292.89	\$ 9,538.46	\$ 1,862.74	\$ 6,546.46	\$ 40,942.40
2018	Bethel	Bridgewater	Danbury	New Fairfield	New Milford	Newtown	Redding	Ridgefield	Total
Jan - Mar 2018	\$ 450.96	\$ 135.03	\$ 2,179.36	\$ 457.63	\$ 1,683.71	\$ 1,961.33	\$ 444.74	\$ 1,154.32	\$ 8,467.08
Apr- Jun 2018	\$ 341.46	\$ 150.32	\$ 3,301.63	\$ 441.00	\$ 1,575.45	\$ 2,051.09	\$ 608.42	\$ 1,568.42	\$ 10,037.79
Jul - Sept 2018	\$ 734.86	\$ 182.50	\$ 2,000.47	\$ 434.52	\$ 1,595.82	\$ 2,307.23	\$ 467.18	\$ 1,568.13	\$ 9,290.71
Oct - Dec 2018	\$ 514.09	\$ -	\$ 2,153.33	\$ 645.66	\$ 1,511.17	\$ 2,341.49	\$ 330.99	\$ 1,492.79	\$ 8,989.52
Total	\$ 2,041.37	\$ 467.85	\$ 9,634.79	\$ 1,978.81	\$ 6,366.15	\$ 8,661.14	\$ 1,851.33	\$ 5,783.66	\$ 36,785.10
2019	Bethel	Bridgewater	Danbury	New Fairfield	New Milford	Newtown	Redding	Ridgefield	Total
Jan - Mar 2019	\$ 539.08	\$ 139.16	\$ 1,560.99	\$ 471.98	\$ 1,150.52	\$ 1,876.47	\$ 284.31	\$ 1,212.66	\$ 7,235.17
Apr- Jun 2019	\$ 493.08	\$ 68.75	\$ 1,741.99	\$ 523.88	\$ 1,370.92	\$ 1,827.90	\$ 300.09	\$ 1,495.42	\$ 7,822.03
Jul - Sept 2019	\$ 729.28	\$ 123.04	\$ 3,207.60	\$ 723.84	\$ 1,940.80	\$ 2,719.60	\$ 442.88	\$ 1,980.56	\$ 12,300.72
Total	\$ 1,761.44	\$ 330.95	\$ 6,510.58	\$ 1,719.70	\$ 4,462.24	\$ 6,423.97	\$ 1,027.28	\$ 4,688.64	\$ 26,924.80

Ewaste Tonnage

2018	Bethel	Bridgewater	Danbury	Kent	New Fairfield	New Milford	Newtown	Redding	Ridgefield	Total '18	Total '17	Total '16
January	1.62	1.21	11.28	2.62	1.13	4.75	9.38	1.95	4.30	38.24	36.65	50.83
February	2.81	0.00	6.42	0.00	3.21	4.64	7.27	1.97	5.30	31.63	35.83	36.08
March	1.43	1.00	5.64	1.76	1.47	7.82	7.02	1.57	4.34	32.05	29.71	33.69
April	1.43	0.00	9.35	0.00	1.94	4.24	8.56	1.78	5.44	32.74	16.50	48.56
May	1.64	1.49	16.01	2.54	1.53	5.42	7.62	1.28	6.26	43.79	41.07	43.87
June	2.05	1.01	11.73	0.00	2.07	6.68	8.46	2.28	7.89	42.17	38.31	43.20
July	4.15	1.13	9.53	1.92	2.15	5.83	11.23	3.35	5.84	45.13	49.88	47.71
August	2.81	0.00	6.94	2.11	1.63	5.61	9.10	1.51	6.75	36.46	40.22	50.27
September	2.26	1.44	5.22	0.00	1.95	4.98	8.41	1.24	5.75	31.25	41.69	46.43
October	2.28	0.00	10.62	2.35	2.44	4.26	8.33	3.50	6.17	39.95	40.81	45.21
November	1.72	1.53	4.61	0.00	2.93	6.00	7.93	1.18	5.53	31.43	33.77	39.10
December	2.47		7.44	2.49	2.62	5.33	10.13	1.62	6.25	38.35	35.43	50.74
Total Tons	26.67	8.81	104.79	15.78	25.07	65.57	103.44	23.24	69.82	443.18	439.85	535.68
	BE	BW	DA	KE	NF	NM	NE	RE	RI	Total '18	Total '17	Total '16

2019	Bethel	Bridgewater	Danbury	Kent	New Fairfield	New Milford	Newtown	Redding	Ridgefield	Total '19	Total '18	Total '17
January	2.91	1.50	7.73	0.00	2.02	4.34	9.29	2.41	5.71	35.91	38.24	36.65
February	2.27	0.00	3.79	0.00	1.65	2.63	8.21	0.76	1.62	20.93	31.63	35.83
March	1.87	0.96	5.07	2.50	2.35	4.59	5.98	1.09	5.95	30.36	32.05	29.71
April	2.48	0.00	3.38	2.14	2.83	4.28	10.35	1.12	5.10	31.67	32.74	16.50
May	1.95	1.50	6.52	2.54	1.77	5.45	6.62	2.00	7.30	35.65	43.79	41.07
June	2.14	0.00	5.23	0.00	2.67	4.74	6.70	1.69	5.88	29.06	42.17	38.31
July	2.73	0.63	8.26	1.92	3.19	5.21	9.86	2.46	5.28	39.53	45.13	49.88
August	1.55	0.59	7.10	2.33	2.27	4.32	6.58	1.27	6.94	32.95	36.46	40.22
September	2.34	0.00	8.38	2.00	2.03	3.68	8.11	1.60	5.08	33.22	31.25	41.69
October	1.92	0.68	4.74	0.00	2.79	5.03	5.83	0.80	6.71	28.49	39.95	40.81
November	1.80	0.65	5.36		1.70	2.52	6.43	2.05	3.56	24.08	31.43	33.77
December												
Total Tons	23.96	6.51	65.57	13.43	25.28	46.79	83.94	17.26	59.11	341.85	404.84	404.44
	BE	BW	DA	KE	NF	NM	NE	RE	RI	Total '19	Total '18	Total '17

84%
#VALUE!



HRRR Glass Pilot Phase I

2019	Bethel	Redding	Ridgefield	
March	2.88	0	10.30	13.18
April	2.34	4.17	8.83	15.34
May	2.50	4.42	8.44	15.36
June	2.97	0	3.80	6.77
July	2.34	4.42	9.10	15.86
August	2.99	2.12	9.55	14.66
September	3.43	3.82	8.67	15.92
October	5.74	4.74	14.87	25.35
November				0
December				0
	25.19	23.69	73.56	122.44

Bethel	Redding	Ridgefield	
3/11/2019 2.88	4/12/2019 4.17	3/2/2019 6.59	
4/10/2019 2.34	5/15/2019 4.42	3/18/2019 3.71	
5/8/2019 2.50	7/10/2019 4.42	4/2/2019 3.61	
6/24/2019 2.97	7/31/2019 2.12	4/24/2019 5.22	
7/22/2019 2.34	9/7/2019 3.82	5/16/2019 8.44	
8/20/2019 2.99	11/1/2019 4.74	6/13/2019 3.8	
9/24/2019 3.43		7/8/2019 5.39	
24-Oct 2.82		7/17/2019 3.71	
25-Nov 2.92		8/7/2019 4.31	
		8/24/2019 5.24	
		9/7/2019 3.84	
		9/27/2019 4.83	
		10/17/2019 4.81	
		11/1/2019 4.74	
		11/20/2019 5.32	
25.19	23.69	73.56	122.44

Mix Tip Fee	\$73.00	\$8,938.12	Savings not in Mixed Stream
HRRR Rebate	\$5.00	\$612.20	Savings of Rebate
Glass to landfill	\$95.00	\$11,631.80	Savings of Disposal
Glass to aggregate	\$15.00	\$1,836.60	Cost to dispose separately



HOUSATONIC RESOURCES RECOVERY AUTHORITY

SPECIAL MEETING MINUTES

Wednesday, October 16, 2019, 2:00 p.m.

Room 209, Brookfield Town Hall

100 Pocono Road, Brookfield, CT 06804

Members or Alternates Present

Bethel, Matt Knickerbocker	8
Brookfield, Steve Dunn	7
Danbury, Joel Urice	36
New Milford, Pete Bass	12
Newtown, Fred Hurley	12
New Fairfield, Pat DelMonaco	6
Redding, Julia Pemberton	4
Ridgefield, Rudolph Marconi	11
Sherman, Don Lowe	2
	98

Others Present:

Sheldon Conn, Brookfield
Kim Hanson, New Fairfield
Suzanne Von Holt, New Milford
Ken Vallera, All American Waste

Members Absent

Bridgewater
Kent

Call to Order: The meeting was called to order by Chairman M. Knickerbocker at 2:00 p.m. with a quorum of 75 votes present from seven towns. M. Knickerbocker led everyone in the pledge of allegiance. R. Marconi entered the meeting at 2:02 and P. Bass entered the meeting at 2:03pm under item 5 (a) increasing the quorum to 98 votes

Public Comment: No public comment.

Chairman and Members' Comments: No comments shared by the Chairman or HRRRA members.

Administrative Approvals: Minutes - Motion by J. Urice second by F. Hurley to approve the minutes of September 23, 2019 (Attachment A) Vote: **The motion passed unanimously;** with 75 votes in favor

Old Business: Regional Solid Waste and Recycling Agreement Recycling Tip Fee Increase – Executive Committee Recommendation to Full Authority: The Chairman, M. Knickerbocker, informed the Authority that the recommendation of the HRRRA Executive Committee is to approve the request from Oak Ridge Waste and Recycling, LLC to increase the current recycling tip fee from \$65 per ton to \$73 per ton. J. Heaton-Jones presented the specific language in the contract that addressed the recycling tip fee on page 14, Article VII 7.1.(b) followed by Appendix E (page 42) that allows Oak Ridge to increase the tip fee based on their review of market conditions and adjust the tip fee accordingly if conditions have changed from the previous quarter. In addition, it is for Oak Ridge to “notify” the Authority of such change. Bringing the request before the full Authority is viewed as an act of good faith by Oak Ridge as a partner in the contract.

J. Heaton-Jones shared that Oak Ridge's explanation to not increase the recycling tip in June was because of the sensitivity of the increase of the MSW tip fee. Based on markets at the time they should have increased it but was willing to hold the tip fee at \$65 and watch the markets for 90 days in hopes the markets would improve. It is because markets did not improve, they made the decision to increase the tip fee from \$65 to \$73.00 to cover their transportation cost from Danbury to Shelton and their processing cost at the Shelton MRF.

P. Bass shared his concern with the language in the contract and that the Authority has no mechanism by which to deny the request; adding the timing of the request was suspect after securing a tip fee rate increase for MSW in early 2019. He stated for the record that he does not support the request to increase the tip fee. J. Urice and R. Marconi asked for the details of the change in market conditions. J. Heaton-Jones described the ACR calculations used by Oak Ridge and shared their processing and transporting cost compared to the tip fee. J. Urice asked if the change in market conditions warranted the increase in the tip fee. J. Heaton-Jones acknowledged the volatility of the markets and based on market reports agrees the request to increase the tip fee is reasonable.

R. Marconi asked if the removal of glass, was included in Oak Ridge's calculations and questioned the accuracy of the cost of transportation. J. Heaton-Jones pointed out that the glass pilot has not yet regionalized and until the entire region is participating there wouldn't be a positive impact to the ACR.

F. Hurley stated the original tip fee numbers at the time of writing the contract were considered firm. S. Dunn suggested requesting Oak Ridge demonstrate what the material changes have been since the original contract was drafted. Language in the contract states Oak Ridge solely determines whether there has been a material change in market conditions, not HRRRA.

J. Heaton-Jones suggested that language be added to the contract that allows Oak Ridge to increase or decrease the tip fee by a percentage that is equal to the percentage of market change.

Motion by M. Knickerbocker, second by, D. Lowe to accept the Executive Committee recommendation to approve an increase to the recycling tip fee from \$65 per ton to \$73 per ton and for it to be reviewed at the December 13th, 2019 meeting. **Vote: The motion passed;** with 68 votes in favor from Bethel (8), Brookfield (7), Danbury (36), New Fairfield (6) and Ridgefield (11); and 30 votes opposed from New Milford (12), Newtown (12), Redding (4) and Sherman (2).

New Business: **Correction to FY 2018/19 original budget line item (Attachment B)** The Executive Director, J. Heaton-Jones shared a clerical error was discovered during the 2018-19 audit. The \$3,450 in HSA contribution was not included in the sum of staffing. The recommendation by the auditor to simplify correcting the error and balancing the budget was to reduce Life/Short/Term insurance from \$6000 to \$2559. The line item correction will have no net effect on the bottom line of the budget. **Motion** by P. Bass, second by S. Dunn to reduce the 2018-19 budget line item for Life/Short/Term insurance from \$6000 to \$2559 with a total expenditure of \$461,500, creating a balance budget for 2018-19. **Vote: The motion passed unanimously;** with 98 votes in favor.

Adjournment

Motion by S. Dunn, second by D. Lowe, to adjourn the meeting at 2:47a.m. **Vote:** All in favor of adjournment.
Vote: The motion passed unanimously; with 98 votes in favor.

Respectfully submitted,

Tiffany Carlson
Administrative Assistant

Bills Paid Nov 2019

UNION SAVINGS BANK

Type	Date	Num	Name	Memo	Amount
Check	11/01/2019	EFT	ADOBE STORE	Monthly subscription - Stock images for public ec	-31.89
Check	11/02/2019	EFT	STEW LEONARD'S	Cookies for HHW 11-2-19 Event	-6.99
Check	11/04/2019	EFT	CONSTANT CONTACT	Monthly Fee	-47.86
Transfer	11/05/2019		Paypal	Funds Transfer	72.22
Bill Pmt -Check	11/05/2019	3887	ROSE AND KIERNAN, INC.	Insurance	-391.00
Check	11/05/2019	EFT	ANTHEM BLUE CROSS & BLUE SHIELD	1045481000001	-548.45
Check	11/06/2019	EFT	Otesaga Hotel	Final Payment for Hotel - NYSAR Conference	-155.00
Check	11/08/2019	EFT	Misty Vale Deli	HHW November 2 2019 Danbury Food for Work	-238.80
Bill Pmt -Check	11/12/2019	3888	JANCO	2 Ink toner cartridges	-401.00
Bill Pmt -Check	11/12/2019	3889	TOWN OF BROOKFIELD -V	November Rent	-1,350.00
Bill Pmt -Check	11/12/2019	3891	TIFFANY CARLSON	Oct & Nov Expenses	-175.53
Bill Pmt -Check	11/12/2019	3891	HEARST MEDIA SERVICES	Danbury 11-2-19 HHW Event Ad	-2,500.00
Liability Check	11/12/2019	E-pay	COMMISSIONER OF REVENUE SERVICES	6982185-000 QB Tracking # 499190734	-743.84
Liability Check	11/13/2019	E-pay	U.S. TREASURY	06-1199137 QB Tracking # 534386734	-2,971.34
Liability Check	11/14/2019		QUICKBOOKS PAYROLL SERVICE	Created by Payroll Service on 11/12/2019	-5,344.43
Check	11/21/2019	EFT	OMNI HOTELS	Hotel Expense for Boston EPR Forum	-468.54
Bill Pmt -Check	11/25/2019	EFT	LEAF	Monthly Lease Payment	-140.88
Bill Pmt -Check	11/25/2019	3889	COHN BIRNBAUM & SHEA	Legal	-584.00
Bill Pmt -Check	11/25/2019	3890	HEARST MEDIA SERVICES	HHW NewsTimes Ad for Danbury Event	-2,500.00
Bill Pmt -Check	11/25/2019	3891	INFINITY PRINT MAIL & MARKET	Posters for HHW sandwich board signs	-100.00
Bill Pmt -Check	11/25/2019	3892	JEN HEATON-JONES	Travel/Mileage for November	-487.85
Bill Pmt -Check	11/25/2019	3893	MXI	October 5 2019 HHW Event Ridgefield	-26,354.70
Bill Pmt -Check	11/25/2019	3894	Oak Ridge Hauling LLC	Non HHW disposal for 11-2-19 Event	-402.46
Bill Pmt -Check	11/25/2019	3895	PRODUCT STEWARDSHIP INSTITUTE	Annual Membership	-1,200.00
Bill Pmt -Check	11/25/2019	3896	TOWN OF NEW MILFORD - V	HHW Host Fund	-10,000.00
Bill Pmt -Check	11/25/2019	3897	WB Mason	Paper and Batteries	-17.55
Liability Check	11/27/2019		QUICKBOOKS PAYROLL SERVICE	Created by Payroll Service on 11/12/2019	-3,406.01
Total UNION SAVINGS BANK					-60,495.90
TOTAL					-60,495.90

ATTACHMENT C1

Housatonic Resources Recovery Authority
Balance Sheet
As of November 30, 2019

	Nov 30, 19
ASSETS	
Current Assets	
Checking/Savings	
PayPal (Online Credit Card Payment)	250.02
UNION SAVINGS BANK	238,279.09
STIF	16,203.19
VANGUARD	
VANGUARD SHRT TRM INV GR VFSUX	355,716.57
VANGUARD TOTAL BOND MARKET VBTL	177,571.07
Total VANGUARD	533,287.64
Total Checking/Savings	788,019.94
Accounts Receivable	
*ACCOUNTS RECEIVABLE	111,501.94
Total Accounts Receivable	111,501.94
Total Current Assets	899,521.88
TOTAL ASSETS	899,521.88
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
*ACCOUNTS PAYABLE	41,447.60
Total Accounts Payable	41,447.60
Other Current Liabilities	
PAYROLL LIABILITIES	
CT PR TAXES PAYABLE	
CIT	21.11
CT SUI	-107.75
Total CT PR TAXES PAYABLE	-86.64
FED PR TAXES PAYABLE	
FICA	136.06
FIT	89.00
MEDICARE TAX	31.82
Total FED PR TAXES PAYABLE	256.88
SEP LIABILITY	
SEP Admin (This account is for the Directors Assistant P	448.17
SEP LIABILITY - Other	1,307.68
Total SEP LIABILITY	1,755.85
PAYROLL LIABILITIES - Other	2,812.40
Total PAYROLL LIABILITIES	4,738.49
Total Other Current Liabilities	4,738.49
Total Current Liabilities	46,186.09
Total Liabilities	46,186.09
Equity	
RETAINED EARNINGS	774,525.72
Net Income	78,810.07
Total Equity	853,335.79
TOTAL LIABILITIES & EQUITY	899,521.88

Ordinary Income/Expense

Income

	Jul - Nov 19	Budget to Nov 2019	\$ Over Budget	Current % of Budget	Budget to June 2020	\$ Over Budget	FYE % of Budget
GRANTS/DONATIONS	12,000.00	19,500.00	-7,500.00	61.54%	31,500.00	-19,500.00	38.1%
HAULER PERMITS							
REGISTRATION/PERMIT PAYPAL FEE	0.85						
CURRENT HAULER PERMITS	52,000.00	46,250.00	5,750.00	112.43%	46,250.00	5,750.00	112.43%
MUNICIPAL HAULER REGISTRATIONS	35,950.00	35,000.00	950.00	102.71%	35,000.00	950.00	102.71%
PREPAID MUNICIPAL REGISTRATIONS	0.00	0.00	0.00	0.0%	0.00	0.00	0.0%
Total HAULER PERMITS	87,950.85	81,250.00	6,700.85	108.25%	81,250.00	6,700.85	108.25%
HHWDD REIMBURSEMENT							
HHW PARTICIPATING TOWNS	101,356.54	105,000.00	-3,643.46	96.53%	175,000.00	-73,643.46	57.92%
HHWDD REIMBURSEMENT - Other	220.00						
Total HHWDD REIMBURSEMENT	101,576.54	105,000.00	-3,423.46	96.74%	175,000.00	-73,423.46	58.04%
INTEREST INCOME	6,533.76	0.00	6,533.76	100.0%	0.00	6,533.76	100.0%
MISC INCOME	32.01	0.00	32.01	100.0%	0.00	32.01	100.0%
PROGRAM SERVICES FEES							
MSW PROGRAM FEES	115,046.89	95,750.00	19,296.89	120.15%	230,000.00	-114,953.11	50.02%
RECYCLING PROGRAM FEES	15,577.65	17,250.00	-1,672.35	90.31%	45,000.00	-29,422.35	34.62%
Total PROGRAM SERVICES FEES	130,624.54	113,000.00	17,624.54	115.6%	275,000.00	-144,375.46	47.5%
Total Income	338,717.70	318,750.00	19,967.70	106.26%	562,750.00	-224,032.30	60.19%
Gross Profit	338,717.70	318,750.00	19,967.70	106.26%	562,750.00	-224,032.30	60.19%
Expense							
CONTINGENCY	3,786.00	20,000.00	-16,214.00	18.93%	20,000.00	-16,214.00	18.93%
EDUCATION							
PUBLIC EDUCATION	3,943.60	11,500.00	-7,556.40	34.29%	35,000.00	-30,976.65	11.5%
RECYCLING EDUCATOR	0.00	0.00	0.00	0.0%	0.00	0.00	0.0%
STAFF EDUCATION	2,487.48	1,500.00	987.48	165.83%	4,500.00	-2,012.52	55.28%
Total EDUCATION	6,431.08	13,000.00	-6,568.92	49.47%	39,500.00	-32,989.17	16.48%
HHW EXPENSE							
HHW TOWN SHARE	107,782.65	140,000.00	-32,217.35	76.99%	175,000.00	-67,217.35	61.59%
HHW HRRRA SHARE	48,553.92	52,000.00	-3,446.08	93.37%	65,000.00	-16,446.08	74.7%
HHWDD DANBURY AREA TOWNS	0.00	0.00	0.00	0.0%	0.00	0.00	0.0%
Total HHW EXPENSE	156,336.57	192,000.00	-35,663.43	81.43%	240,000.00	-83,663.43	65.14%
INSURANCE							
ERRORS & OMISSIONS	0.00	5,725.00	-5,725.00	0.0%	5,725.00	-5,725.00	0.0%
GENERAL LIABILITY	0.00	1,400.00	-1,400.00	0.0%	1,400.00	-1,400.00	0.0%
SURETY BOND	391.00	450.00	-59.00	86.89%	450.00	-59.00	86.89%
WORKERS COMP	0.00	550.00	-550.00	0.0%	550.00	-550.00	0.0%
Total INSURANCE	391.00	8,125.00	-7,734.00	4.81%	8,125.00	-7,734.00	4.81%
MISCELLANEOUS							
MISC EXPENSE	1,836.87	1,900.00	-63.13	96.68%	2,500.00	236.87	109.48%
PAYROLL PROCESSING SERVICE	63.93	333.31	-269.38	19.18%	800.00	-726.47	9.19%
SERVICE FEES/MEMBERSHIPS	1,219.19	4,000.00	-2,780.81	30.48%	4,000.00	-2,780.81	30.48%

Total MISCELLANEOUS	3,119.99	6,233.31	-3,113.32	50.05%	7,300.00	-3,270.41	55.2%
OFFICE EXPENSES							
COPY EXPENSE	1,558.80	1,858.30	-299.50	83.88%	3,500.00	-1,941.20	44.54%
PHONE/FAX/INTERNET/COPY	0.00	0.00	0.00	0.0%	0.00	0.00	0.0%
RENT	6,750.00	6,750.00	0.00	100.0%	16,200.00	-8,100.00	50.0%
SUPPLIES	763.99	1,583.50	-819.51	48.25%	3,800.00	-3,036.01	20.11%
Total OFFICE EXPENSES	9,072.79	10,191.80	-1,119.01	89.02%	23,500.00	-13,077.21	44.35%
PROFESSIONAL SERVICES							
AUDIT SERVICES	0.00	6,500.00	-6,500.00	0.0%	6,500.00	0.00	100.0%
CONSULTING SERVICES	0.00	0.00	0.00	0.0%	1,800.00	-1,800.00	0.0%
LEGAL SERVICES	1,569.50	12,500.00	-10,930.50	12.56%	20,000.00	-18,430.50	7.85%
Total PROFESSIONAL SERVICES	1,569.50	19,000.00	-17,430.50	8.26%	28,300.00	-20,230.50	28.51%
REIMBURSEMENT FOR COLLECTED FEE							
MUNICIPAL HAULER REG REIMBURSEM	0.00	0.00	0.00	0.0%	0.00	0.00	0.0%
Total REIMBURSEMENT FOR COLLECTED FEE	0.00	0.00	0.00	0.0%	0.00	0.00	0.0%
STAFFING							
DISABILITY INSURANCE	3,941.50	8,700.00	-4,758.50	45.31%	8,700.00	-4,758.50	45.31%
HEALTH INSURANCE	2,742.25	2,742.25	0.00	100.0%	7,332.00	-4,041.30	44.88%
HSA CONTRIBUTION	0.00	0.00	0.00	0.0%	3,450.00	-3,450.00	0.0%
IN LIEU OF MEDICAL INSURANCE	2,999.97	3,333.35	-333.38	90.0%	8,000.00	-5,000.03	37.5%
PAYROLL TAXES							
CT PR TAXES	31.82	262.50	-230.68	12.12%	634.50	-602.68	5.02%
FED PR TAX	4,935.48	4,918.30	17.18	100.35%	11,808.50	-6,206.10	47.44%
Total PAYROLL TAXES	4,967.30	5,180.80	-213.50	95.88%	12,443.00	-6,808.78	45.28%
PENSION	4,613.71	5,716.00	-1,102.29	80.72%	11,432.00	-6,164.45	46.08%
SALARIES							
DIRECTOR SALARY	43,589.60	43,589.60	0.00	100.0%	104,615.00	-52,307.48	50.0%
OTHER SALARIES	17,926.47	19,918.35	-1,991.88	90.0%	47,804.00	-29,877.53	37.5%
SALARIES - Other	0.00	0.00	0.00	0.0%	0.00	0.00	0.0%
Total SALARIES	61,516.07	63,507.95	-1,991.88	96.86%	152,419.00	-82,185.01	46.08%
Total STAFFING	80,780.80	89,180.35	-8,399.55	90.58%	203,776.00	-112,408.07	44.84%
TRAVEL/MILEAGE REIMBURSEMENT	981.79	1,770.40	-788.61	55.46%	4,249.00	-3,254.46	23.41%
Total Expense	262,469.52	359,500.86	-97,031.34	73.01%	574,750.00	-292,841.25	49.05%
Net Ordinary Income	76,248.18	-40,750.86	116,999.04	-187.11%	-12,000.00	68,808.95	-473.41%
Other Income/Expense							
Other Income							
DIVIDENDS	0.00	12,000.00	-12,000.00	0.0%	12,000.00	-12,000.00	0.0%
INVESTMENT GAIN	7,140.38	0.00	7,140.38	100.0%	0.00	7,140.38	100.0%
Total Other Income	7,140.38	12,000.00	-4,859.62	59.5%	12,000.00	-4,859.62	59.5%
Other Expense							
INVESTMENT LOSS	4,578.49	0.00	4,578.49	100.0%	0.00	4,578.49	100.0%
MOVING EXPENSES	0.00	0.00	0.00	0.0%	0.00	0.00	0.0%
Total Other Expense	4,578.49	0.00	4,578.49	100.0%	0.00	4,578.49	100.0%
Net Other Income	2,561.89	12,000.00	-9,438.11	21.35%	12,000.00	-9,438.11	21.35%
Net Income	78,810.07	-28,750.86	107,560.93	-274.11%	0.00	59,370.84	100.0%

PPI Pulp & Paper Week

Monthly Recovered Paper Prices

Yellow Sheet

PRICE WATCH: Recovered Paper - Domestic

September 6, 2019

US\$ per short ton for open market purchases by mills, FOB seller's dock, for delivery this month. (Further specifications below.)

Incorporating Official Board Markets

	Northeast						LA-SF			
	New England	New York	Buffalo	Midwest (Chicago) ³	Southeast ³	Southwest ³	LA	SF	Pacific NW ³	
MIXED PAPER										
Mixed Paper (54)	-5 - 0 (+0)	-5 - 0 (+0)	-5 - 0 (+0)	-5 - 0 (+0)	-5 - 0 (+0)	0 - 5 (+0)	-5 - 0 (+0)	-5 - 0 (+0)	-5 - 0 (+0)	
BROWN GRADES										
Boxb cutt (4) - OBM*	20 - 25 (+0)	20 - 25 (+0)	20 - 25 (+0)	20 - 25 (+0)	15 - 20 (+0)	20 - 25 (+0)	10 - 15 (-5)	0 - 5 (-5)	5 - 10 (-5)	
OCC (11) - OBM*	30 - 35 (+0)	30 - 35 (+0)	30 - 35 (+0)	25 - 30 (+0)	30 - 35 (+0)	25 - 30 (+0)	15 - 20 (-5)	5 - 10 (-5)	10 - 15 (-5)	
DLK (13) - OBM*		45 - 50 (+0)		40 - 45 (+0)	40 - 45 (+0)	40 - 45 (+0)	25 - 30 (-5)	15 - 20 (-5)	15 - 20 (-5)	
GROUNDWOOD										
Sorted Residential Papers & News (56) *	5 - 10 (+0)	5 - 10 (+0)	5 - 10 (+0)	15 - 20 (+0)	15 - 20 (+0)	5 - 10 (+0)	5 - 10 (+0)	0 - 0 (+0)	5 - 10 (+0)	
	Northeast						LA-SF ³			
OMG (10)		45 - 50 (-5)		55 - 60 (-5)	55 - 60 (-5)	55 - 60 (-5)	45 - 50 (-5)		45 - 50 (-5)	
CGS (44)		45 - 50 (-5)		55 - 60 (-5)	55 - 60 (-5)	55 - 60 (-5)	45 - 50 (-5)		45 - 50 (-5)	
SCN (58)		80 - 85 (-5)		85 - 90 (-5)	85 - 90 (-5)	100 - 110 (-5)	80 - 85 (-5)		70 - 75 (-5)	
WBN (24)		220 - 230 (-5)		200 - 210 (-5)	195 - 205 (-5)	220 - 230 (-5)	195 - 205 (+0)		165 - 175 (+0)	
HIGH GRADES										
SOP (37)		90 - 95 (-10)		90 - 95 (-10)	85 - 90 (-10)	90 - 95 (-5)	100 - 110 (-10)		90 - 95 (-5)	
CBS (43)		90 - 95 (-10)		90 - 95 (-10)	85 - 90 (-10)	90 - 95 (-10)	95 - 105 (-10)		90 - 95 (-5)	
SBS heavy print (45)		105 - 115 (-10)		105 - 115 (-10)	95 - 105 (-10)		115 - 125 (-10)			
SWL (40)		200 - 210 (-10)		175 - 185 (-10)	195 - 205 (-10)	210 - 220 (-10)	185 - 195 (-10)		150 - 160 (-10)	
MWL (41) ¹		200 - 210 (-10)		175 - 185 (-10)	195 - 205 (-10)	215 - 225 (-10)	185 - 195 (-10)		155 - 165 (-10)	
SBS light print (45)		185 - 195 (-10)		155 - 165 (-10)	170 - 180 (-10)	180 - 190 (-10)	165 - 175 (-10)			
PULP SUBS										
SBS unprinted (47)		255 - 265 (-10)		250 - 260 (-10)	260 - 270 (-10)	265 - 275 (-10)	250 - 260 (-10)			
HWS (30)		260 - 270 (-10)		265 - 275 (-10)	280 - 290 (-10)	290 - 300 (-10)	275 - 285 (-10)			
HWEC (31)		290 - 300 (-10)		300 - 310 (-10)	300 - 310 (-10)	320 - 330 (-10)	305 - 315 (-10)		265 - 275 (-10)	

PRICE WATCH: Recovered Paper - Export

Open market transactions for delivery this month, US\$. (Further specifications noted at right.)

September 6, 2019

	Destination	New York ¹		LA ²	SF/Oakland	
FAS port of origin (per ton)			Change ⁴			
Mixed Paper (54) ⁴	Asia	7 - 10	(-5)	12 - 15 (-5)	7 - 10 (-5)	
OCC (11)	Asia	62 - 65 (-10)		72 - 75 (-10)	67 - 70 (-10)	
Double Sorted OCC (12)	China	97 - 100 (-5)		107 - 110 (-8)	102 - 105 (-8)	
DLK (13)	China	107 - 110 (-5)		109 - 112 (-3)	104 - 107 (-3)	
Sorted Residential Papers & News (56) ⁵	Asia	27 - 30 (+0)		27 - 30 (-5)	22 - 25 (-5)	
CGS/OMG (44,10)	China	62 - 65 (-10)		72 - 75 (-5)		
SOP (37)	China	142 - 145 (-5)		152 - 155 (-5)	147 - 150 (-5)	
SWL (40) ³	Asia	247 - 250 (-10)		247 - 250 (-10)	242 - 245 (-10)	
CFR to destination port (per tonne) ^{7,8}						
OCC (11)	India	112 - 115 (-10)				
Double-sorted OCC (12)	India	127 - 130 (-5)				
DLK (13)	China	152 - 155 (-5)		152 - 155 (-5)		

SPECIFICATIONS

Prices represent open market purchases agreed to for delivery within 30 days. Contractually indexed transactions (i.e. transactions whose price is determined in whole or in part by a formula in a long-term contract) are excluded. Specifications: baled; full-truckload quantities; exclusive of premium or distress lots. Grades and preparation requirements are as defined in the current ISRI Scrap Specifications Circular (now PS-13).

NOTES

1. "New York" includes ports in Northern New Jersey
2. "LA" includes Long Beach and LA ports
3. SWL prices are for ports in South Korea, Indonesia, and Thailand
4. As of March 2018, the destination of Mixed Paper assessments was changed to Asia from China and Mixed Paper assessments CFR China were discontinued.
5. As of April 2018, the destination of Sorted Residential Papers & News assessments was changed to Asia from China and SRPN assessments CFR China were discontinued.
6. Change reflects the difference between the high of the current month and the high of the previous month.
7. As of October 2018, assessments of SOP CFR China and SWL CFR Asia were discontinued.
8. As of April 2019, assessments of OCC (11) bound for China, SCN (58) bound for non-China asia and all grades FAS Chicago were discontinued.

PPI Pulp & Paper Week

Monthly Recovered Paper Prices

Yellow Sheet

PRICE WATCH: Recovered Paper - Domestic

October 4, 2019

Incorporating Official Board Markets

US\$ per short ton for open market purchases by mills, FOB seller's dock, for delivery this month. (Further specifications below.)

	Northeast						LA-SF		
	New England	New York	Buffalo	Midwest (Chicago) ³	Southeast ³	Southwest ³	LA	SF	Pacific NW ³
MIXED PAPER									
Mixed Paper (54)	-5 - 0 (+0)	-5 - 0 (+0)	-5 - 0 (+0)	-5 - 0 (+0)	-5 - 0 (+0)	-5 - 0 (-5)	-5 - 0 (+0)	-5 - 0 (+0)	-5 - 0 (+0)
BROWN GRADES									
Boxb cutt (4) - OBM*	20 - 25 (+0)	20 - 25 (+0)	20 - 25 (+0)	20 - 25 (+0)	15 - 20 (+0)	20 - 25 (+0)	10 - 15 (+0)	0 - 5 (+0)	5 - 10 (+0)
OCC (11) - OBM*	30 - 35 (+0)	30 - 35 (+0)	30 - 35 (+0)	25 - 30 (+0)	30 - 35 (+0)	25 - 30 (+0)	15 - 20 (+0)	5 - 10 (+0)	10 - 15 (+0)
DLK (13) - OBM*		45 - 50 (+0)		40 - 45 (+0)	40 - 45 (+0)	40 - 45 (+0)	25 - 30 (+0)	15 - 20 (+0)	15 - 20 (+0)
GROUNDWOOD									
Sorted Residential Papers & News (56) ⁴	5 - 10 (+0)	5 - 10 (+0)	5 - 10 (+0)	15 - 20 (+0)	15 - 20 (+0)	5 - 10 (+0)	5 - 10 (+0)	0 - 0 (+0)	5 - 10 (+0)
	Northeast						LA-SF ²		
OMG (10)		45 - 50 (+0)		55 - 60 (+0)	55 - 60 (+0)	55 - 60 (+0)	45 - 50 (+0)		45 - 50 (+0)
CGS (44)		45 - 50 (+0)		55 - 60 (+0)	55 - 60 (+0)	55 - 60 (+0)	45 - 50 (+0)		45 - 50 (+0)
SCN (58)		80 - 85 (+0)		85 - 90 (+0)	85 - 90 (+0)	95 - 105 (-5)	75 - 80 (-5)		65 - 70 (-5)
WBN (24)		220 - 230 (+0)		200 - 210 (+0)	195 - 205 (+0)	220 - 230 (+0)	195 - 205 (+0)		165 - 175 (+0)
HIGH GRADES									
SOP (37)		90 - 95 (+0)		90 - 95 (+0)	85 - 90 (+0)	90 - 95 (+0)	95 - 105 (-5)		90 - 95 (+0)
CBS (43)		90 - 95 (+0)		90 - 95 (+0)	85 - 90 (+0)	90 - 95 (+0)	90 - 100 (-5)		90 - 95 (+0)
SBS heavy print (45)		105 - 115 (+0)		105 - 115 (+0)	95 - 105 (+0)		110 - 120 (-5)		
SWL (40)		190 - 200 (-10)		165 - 175 (-10)	185 - 195 (-10)	200 - 210 (-10)	180 - 190 (-5)		150 - 160 (+0)
MWL (41) ¹		190 - 200 (-10)		165 - 175 (-10)	185 - 195 (-10)	205 - 215 (-10)	180 - 190 (-5)		150 - 160 (-5)
SBS light print (45)		180 - 190 (-5)		150 - 160 (-5)	165 - 175 (-5)	175 - 185 (-5)	160 - 170 (-5)		
PULP SUBS									
SBS unprinted (47)		250 - 260 (-5)		245 - 255 (-5)	255 - 265 (-5)	260 - 270 (-5)	245 - 255 (-5)		
HWS (30)		255 - 265 (-5)		260 - 270 (-5)	275 - 285 (-5)	285 - 295 (-5)	270 - 280 (-5)		
HWEC (31)		285 - 295 (-5)		295 - 305 (-5)	295 - 305 (-5)	315 - 325 (-5)	300 - 310 (-5)		260 - 270 (-5)

* OBM PRICES

Prices for grades designated "OBM" are a continuation of the prices originally published in Official Board Markets ("OBM", "The Yellow Sheet") and are reported on the same basis as published historically in OBM. See www.risi.com/RCPmethodology for a complete description of what has and has not changed about OBM prices. (Price not marked * are consistent with prices published historically in P&PW.)

SPECIFICATIONS

Prices represent open market board and paper mill purchases agreed to for delivery in the indicated month. Contractually indexed transactions are excluded. Specifications: baled; full-truckload quantities; exclusive of delivery charges, premium or distress lots, and of all subsequent charges for packing, handling, destination considerations, or other special charges. Grades and preparation requirements are as defined in the current ISRI Scrap Specifications Circular.

NOTES

1. Preconsumer.
2. The price on the low end of the range is for the Bay Area and the price at the top end of the range is for the Los Angeles area.
3. As of Oct 2012, these region names were changed from a city to a region (e.g. "Chicago" to "Midwest"). This is a change in title, not in methodology. All references to the new names (e.g. "Midwest") as they apply to each price series above are consistent with the legacy names (e.g. "Chicago").
4. ONP #8 can be replaced with SRP #56 in formulas used to derive ONP#6 price.
5. Change reflects the difference between the high of the current month and the high of the previous month.

DISCLAIMER

While the information contained in this report has been obtained from sources believed to be reliable, Fastmarkets RISI does not warrant or guarantee the accuracy and completeness of the information. All prices are best estimates of prices, and are composite prices as opposed to median or average prices.

PRICE WATCH: Recovered Paper - Export

Open market transactions for delivery this month, US\$. (Further specifications noted at right.)

October 4, 2019

	Destination	New York ¹		LA ²	SF/Oakland	
FAS port of origin (per ton)			Change ⁴			
Mixed Paper (54) ⁴	Asia	7 - 10	(+0)	12 - 15 (+0)	7 - 10	(+0)
OCC (11)	Asia	57 - 60	(-5)	67 - 70 (-5)	62 - 65	(-5)
Double Sorted OCC (12)	China	92 - 95	(-5)	102 - 105 (-5)	97 - 100	(-5)
DLK (13)	China	102 - 105	(-5)	107 - 110 (-2)	102 - 105	(-2)
Sorted Residential Papers & News (56) ⁵	Asia	27 - 30	(+0)	27 - 30 (+0)	22 - 25	(+0)
CGS/OMG (44,10)	China	57 - 60	(-5)	67 - 70 (-5)		
SOP (37)	China	137 - 140	(-5)	147 - 150 (-5)	142 - 145	(-5)
SWL (40) ³	Asia	242 - 245	(-5)	242 - 245 (-5)	237 - 240	(-5)
CFR to destination port (per tonne) ^{7,8}						
OCC (11)	India	102 - 105	(-10)			
Double-sorted OCC (12)	India	117 - 120	(-10)			
DLK (13)	China	147 - 150	(-5)	145 - 148 (-7)		

SPECIFICATIONS

Prices represent open market purchases agreed to for delivery within 30 days. Contractually indexed transactions (i.e. transactions whose price is determined in whole or in part by a formula in a long-term contract) are excluded. Specifications: baled; full-truckload quantities; exclusive of premium or distress lots. Grades and preparation requirements are as defined in the current ISRI Scrap Specifications Circular (now PS-13).

NOTES

- "New York" includes ports in Northern New Jersey
- "LA" includes Long Beach and LA ports
- SWL prices are for ports in South Korea, Indonesia, and Thailand
- As of March 2018, the destination of Mixed Paper assessments was changed to Asia from China and Mixed Paper assessments CFR China were discontinued.
- As of April 2018, the destination of Sorted Residential Papers & News assessments was changed to Asia from China and SRPN assessments CFR China were discontinued.
- Change reflects the difference between the high of the current month and the high of the previous month.
- As of October 2018, assessments of SOP CFR China and SWL CFR Asia were discontinued.
- As of April 2019, assessments of OCC (11) bound for China, SCN (58) bound for non-China asia and all grades FAS Chicago were discontinued.

PPI Pulp & Paper Week

Monthly Recovered Paper Prices

Yellow Sheet

PRICE WATCH: Recovered Paper - Domestic

November 5, 2019

US\$ per short ton for open market purchases by mills, FOB seller's dock, for delivery this month. (Further specifications below.)

Incorporating Official Board Markets

	Northeast										LA-SF								
	New England		New York		Buffalo		Midwest (Chicago) ³		Southeast ³		Southwest ³		LA		SF		Pacific NW ³		
MIXED PAPER																			
Mixed Paper (54)	-5 - 0	(+0)	-5 - 0	(+0)	-5 - 0	(+0)	-5 - 0	(+0)	-5 - 0	(+0)	-5 - 0	(+0)	-5 - 0	(+0)		-5 - 0	(+0)	-5 - 0	(+0)
BROWN GRADES																			
Boxb cutt (4) - OBM*	15 - 20	(-5)	15 - 20	(-5)	15 - 20	(-5)	20 - 25	(+0)	10 - 15	(-5)	20 - 25	(+0)	5 - 10	(-5)		0 - 0	(-5)	0 - 5	(-5)
OCC (11) - OBM*	25 - 30	(-5)	25 - 30	(-5)	25 - 30	(-5)	25 - 30	(+0)	30 - 35	(+0)	25 - 30	(+0)	10 - 15	(-5)		0 - 5	(-5)	10 - 15	(+0)
DLK (13) - OBM*			40 - 45	(-5)			40 - 45	(+0)	40 - 45	(+0)	40 - 45	(+0)	20 - 25	(-5)		10 - 15	(-5)	15 - 20	(+0)
GROUNDWOOD																			
Sorted Residential Papers & News (56) *	5 - 10	(+0)	5 - 10	(+0)	5 - 10	(+0)	15 - 20	(+0)	15 - 20	(+0)	5 - 10	(+0)	5 - 10	(+0)		0 - 0	(+0)	5 - 10	(+0)
	Northeast										LA-SF ²								
OMG (10)			35 - 40	(-10)			45 - 50	(-10)	45 - 50	(-10)	50 - 55	(-5)	35 - 40	(-10)				35 - 40	(-10)
CGS (44)			35 - 40	(-10)			45 - 50	(-10)	45 - 50	(-10)	50 - 55	(-5)	35 - 40	(-10)				35 - 40	(-10)
SCN (58)			80 - 85	(+0)			85 - 90	(+0)	85 - 90	(+0)	95 - 105	(+0)	75 - 80	(+0)				65 - 70	(+0)
WBN (24)			215 - 225	(-5)			200 - 210	(+0)	195 - 205	(+0)	215 - 225	(-5)	190 - 200	(-5)				160 - 170	(-5)
HIGH GRADES																			
SOP (37)			85 - 90	(-5)			85 - 90	(-5)	80 - 85	(-5)	85 - 90	(-5)	90 - 100	(-5)				85 - 90	(-5)
CBS (43)			85 - 90	(-5)			85 - 90	(-5)	80 - 85	(-5)	85 - 90	(-5)	90 - 95	(-5)				85 - 90	(-5)
SBS heavy print (45)			100 - 110	(-5)			100 - 110	(-5)	90 - 100	(-5)			105 - 115	(-5)					
SWL (40)			180 - 190	(-10)			155 - 165	(-10)	175 - 185	(-10)	190 - 200	(-10)	170 - 180	(-10)				140 - 150	(-10)
MWL (41) *			180 - 190	(-10)			155 - 165	(-10)	175 - 185	(-10)	195 - 205	(-10)	170 - 180	(-10)				145 - 155	(-5)
SBS light print (45)			175 - 185	(-5)			145 - 155	(-5)	160 - 170	(-5)	170 - 180	(-5)	155 - 165	(-5)					
PULP SUBS																			
SBS unprinted (47)			240 - 250	(-10)			235 - 245	(-10)	245 - 255	(-10)	250 - 260	(-10)	235 - 245	(-10)					
HWS (30)			245 - 255	(-10)			250 - 260	(-10)	265 - 275	(-10)	275 - 285	(-10)	260 - 270	(-10)					
HWEC (31)			275 - 285	(-10)			285 - 295	(-10)	285 - 295	(-10)	305 - 315	(-10)	290 - 300	(-10)				250 - 260	(-10)

* OBM PRICES

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PRICE WATCH: Recovered Paper - Export

Open market transactions for delivery this month, US\$. (Further specifications noted at right.)

November 5, 2019

	Destination	New York ¹	LA ²	SF/Oakland
FAS port of origin (per ton)		Change ⁶		
Mixed Paper (54) ⁴	Asia	2 - 5 (-5)	5 - 8 (-7)	0 - 3 (-7)
OCC (11)	Asia	52 - 55 (-5)	62 - 65 (-5)	57 - 60 (-5)
Double Sorted OCC (12)	China	67 - 70 (-25)	77 - 80 (-25)	72 - 75 (-25)
DLK (13)	China	82 - 85 (-20)	87 - 90 (-20)	82 - 85 (-20)
Sorted Residential Papers & News (56) ⁵	Asia	24 - 27 (-3)	24 - 27 (-3)	19 - 22 (-3)
CGS/OMG (44,10)	China	32 - 35 (-25)	47 - 50 (-20)	
SOP (37)	China	132 - 135 (-5)	142 - 145 (-5)	137 - 140 (-5)
SWL (40) ³	Asia	232 - 235 (-10)	242 - 245 (-10)	227 - 230 (-10)
CFR to destination port (per tonne) ^{7,8}				
OCC (11)	India	92 - 95 (-10)		
Double-sorted OCC (12)	India	105 - 108 (-12)		
DLK (13)	China	117 - 120 (-30)	122 - 125 (-23)	

SPECIFICATIONS

Prices represent open market purchases agreed to for delivery within 30 days. Contractually indexed transactions (i.e. transactions whose price is determined in whole or in part by a formula in a long-term contract) are excluded. Specifications: baled; full-truckload quantities; exclusive of premium or distress lots. Grades and preparation requirements are as defined in the current ISRI Scrap Specifications Circular (now PS-13).

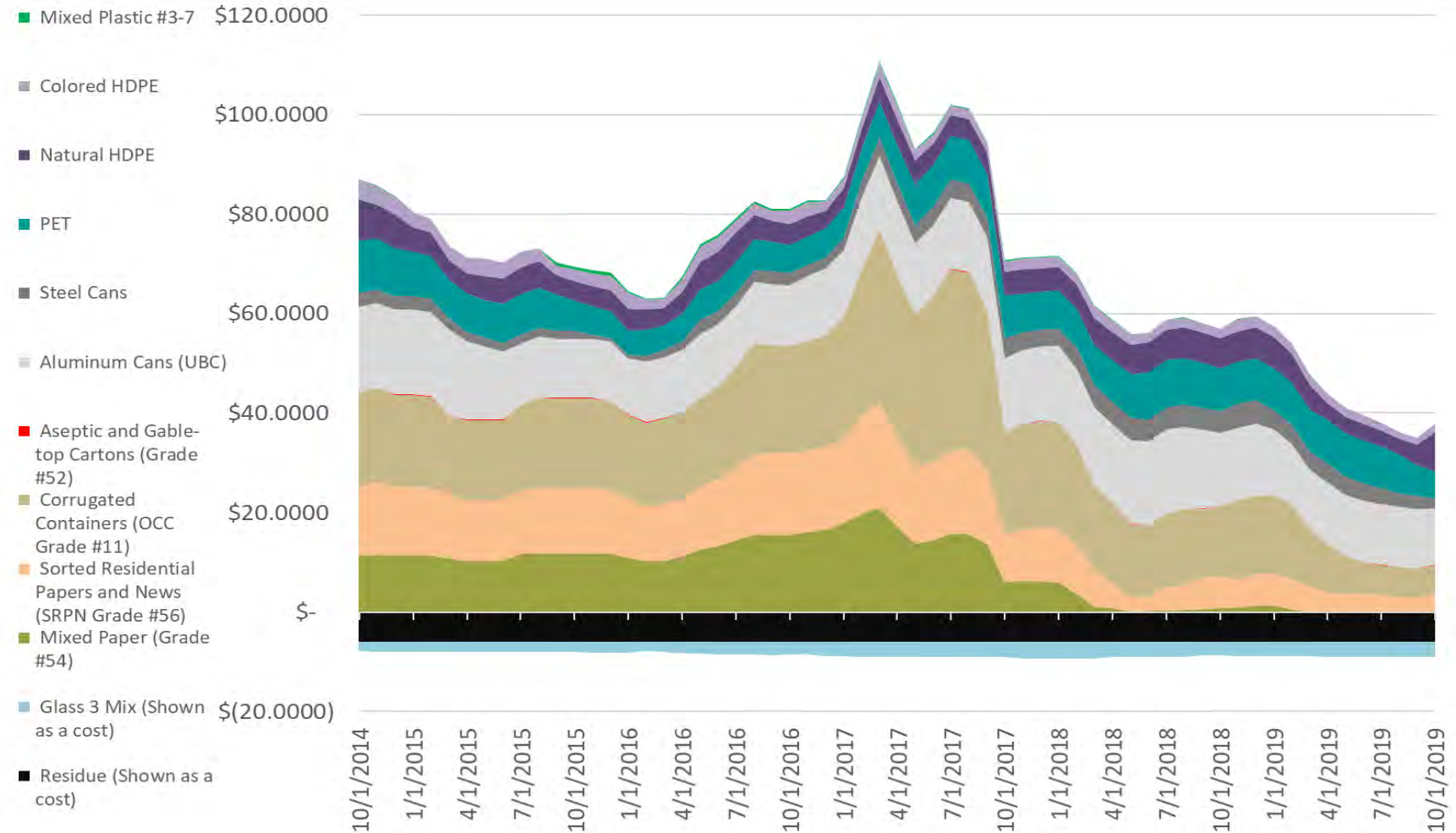
NOTES

1. "New York" includes ports in Northern New Jersey
2. "LA" includes Long Beach and LA ports
3. SWL prices are for ports in South Korea, Indonesia, and Thailand
4. As of March 2018, the destination of Mixed Paper assessments was changed to Asia from China and Mixed Paper assessments CFR China were discontinued.
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7. As of October 2018, assessments of SOP CFR China and SWL CFR Asia were discontinued.
8. As of April 2019, assessments of OCC (11) bound for China, SCN (58) bound for non-China asia and all grades FAS Chicago were discontinued.

ECONOMIC CHALLENGE: DRAMATIC DROP IN RECYCLING REVENUE

2-YEAR COMPARISON

- Mixed Paper has decreased by **99%**
- SRPN has decreased by **63%**
- NHDPE has increased by **65%**
- PET has decreased by **36%**
- Aluminum has decreased by **24%**
- Metals and Plastic currently make up 9% of the stream volume, and 75% of the value



Recovered natural HDPE price rises while PET drops

by RecyclingMarkets.net Staff

In late summer, some curbside plastics saw notable market changes. Meanwhile, prices for paper bales remained constant, albeit low.

The following prices reflect values seen on the Secondary Materials Pricing Index on RecyclingMarkets.net from mid-August to mid-September 2019.

Post-consumer PET beverage bottles and jars dropped again, from 13.63 cents per pound in August to 10.72 cents per pound in September. This time last year recycled PET was trading at an average 16.19 cents per pound.

The price of **post-consumer natural high-density polyethylene (HDPE)** from curbside collection programs was up 18% from August to September. The national average price in mid-September was 25.88 cents per pound, compared with 21.94 cents a month prior. One year ago, this grade was at 38.25 cents per pound.

Meanwhile, the national average price of **color HDPE** dropped slightly to 9.94 cents per pound. In August, the price was 10.00 cents per pound. One year ago, this grade was trading at 14.44 cents per pound.

On the fiber side, **sorted residential papers** (PS 56) pricing remained unchanged over the month, with the grade trading at around \$10 per ton through the period. For comparison, this time last year it was trading around \$31 per ton.

The national average for **corrugated containers** (PS 11) remained in the area of \$27 per ton, compared with \$70 average one year ago and \$155 in September 2017.

Mixed paper (PS 54) continued to trade at a national average low of negative \$2 per ton.

Sorted office paper (PS 37) dropped again, from an average \$101 per ton in August to \$96 per ton in September. This high grade was trading at \$203 one year ago.

The national average price for **sorted, baled aluminum cans** in September was 53.56 cents per pound. It was 54.81 cents per pound a month earlier and 72.44 cents per pound this time last year.

Sorted, baled steel cans are also trading lower, at \$119 per ton, compared with \$191 per ton one year ago.

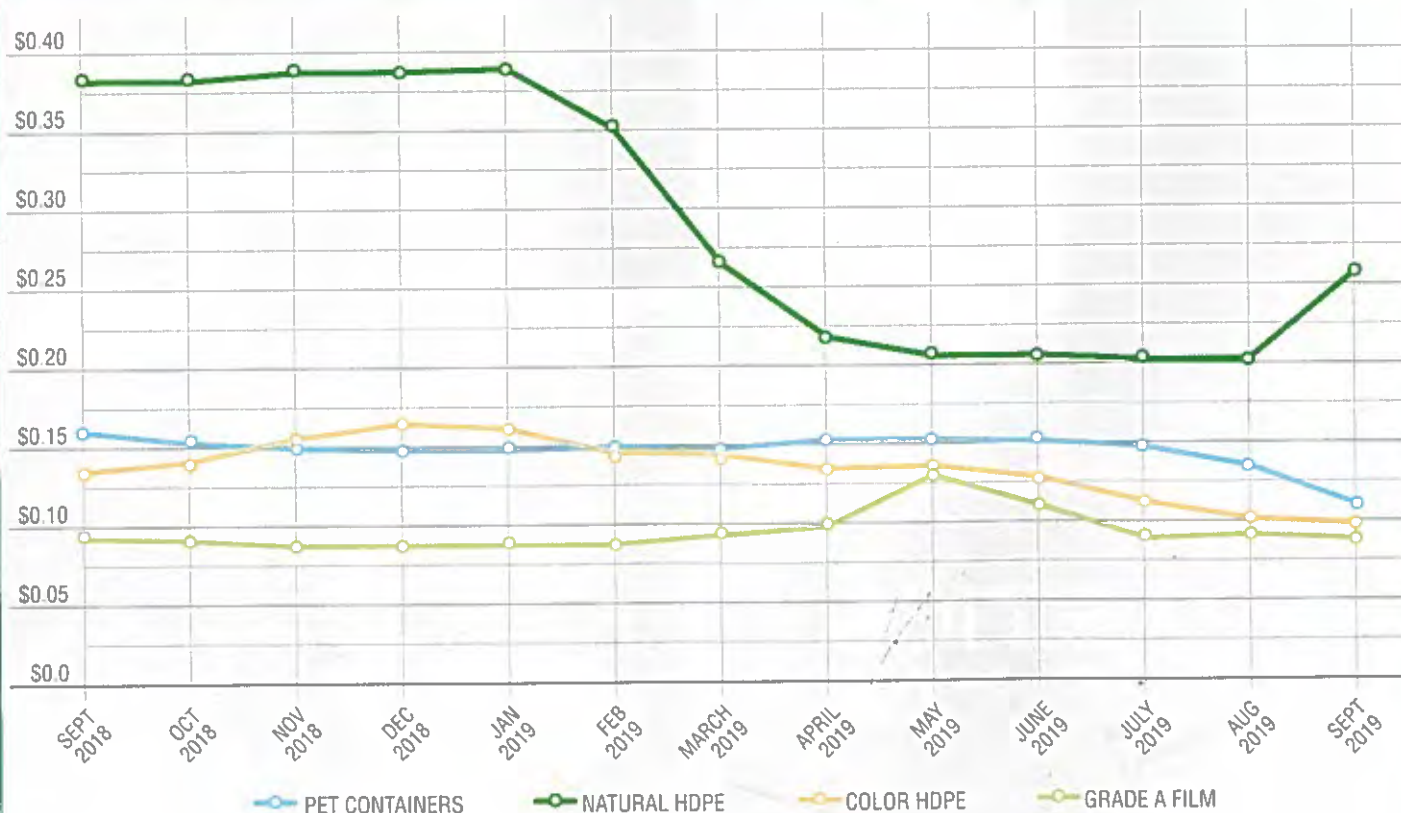
The national average price of **post-consumer polypropylene** remained constant, trading at 12.38 cents per pound. One year ago, this grade was trading at 10.38 cents per pound.

The national average price of film grades remained steady as well, with **Grade A film** trading around 9.00 cents per pound. **Grade B film** is still 4.63 cents per pound, and **Grade C film** is trading at a nominal 1.38 cents per pound.

These prices are as reported on the Secondary Materials Pricing (SMP) Index. This pricing represents what is being paid for post-consumer recyclable materials in a sorted, baled format, picked up at most major recycling centers.

For a free trial to SMP's Online Post-Consumer Pricing Index, visit the Recycling Markets website. You can also contact Christina Boulanger-Bosley at cmb@recyclingmarkets.net or 330-956-8911.

RECOVERED PLASTIC PRICES OVER PAST 12 MONTHS



Source: RecyclingMarkets.net / Resource Recycling

NERC reports drop in value of recovered materials

Posted on December 3, 2019

by [Jared Paben](#)



A survey of over a dozen Northeast MRFs showed a decrease in the value of a ton of recyclables in the third quarter. | Benjamin Clapp/Shutterstock

The blended value of a ton of recyclables in the Northeast U.S. has dropped by about one-fifth, a MRF survey shows.

The Northeast Recycling Council (NERC) [reports](#) the average value of a ton of recyclables, not counting the negative value of residuals, was \$41.55 during the third quarter of 2019. That was down from \$51.65 in the second quarter, or a drop of 20%.

The blended value of a ton of recyclables (counting residuals) was \$34.85 during the third quarter. That was down from \$45.83 during the second quarter, a drop of 24%.

Meanwhile, NERC's report covering the July-to-September time frame estimates the cost to sort and bale a ton of recyclables was \$83. That was up slightly from the estimated processing cost of \$82 for the full year of 2018.

The data comes from a survey of over a dozen publicly owned or operated MRFs in 10 Northeast states. NERC [released the first survey results](#) in August 2019.

Glass resources

Meanwhile, NERC's Glass Committee recently developed two resources on glass recycling: [a glass recovery hierarchy](#) and [Glass Bottle & Fiberglass Manufacturers' Use of Cullet](#) document.

The hierarchy prioritizes glass management options for post-consumer glass, and the second document compiles responses from Northeast manufacturers about their use of cullet.

Signals point to all-out recycled fiber ban in China

Posted on December 3, 2019

by [Colin Staub](#)



This year, through October, just 9.8 million short tons of recovered fiber have been imported into China. | richard pross/Shutterstock

Recent actions by the Chinese government indicate the country will likely ban imports of OCC and almost all other fiber grades in 2021. Such a move would come in the wake of industry-shaking mixed paper and plastic prohibitions already in place.

Top Chinese paper companies were recently summoned to a government meeting to discuss future recovered fiber import restrictions. A key trade association within China says the ban is a surety. And sources report major investment activity across Southeast Asia by companies anticipating a supply void in the coming years.

Meanwhile, the largest paper company in China says it has “already prepared for the worst” when it comes to securing recovered fiber feedstock.

Fiber export insiders say those factors are sparking action among their businesses.

“We’re diversifying, we’re going to try to maximize our sales to other countries,” said Jimmy Yang, CEO of Newport Beach, Calif.-based Newport CH International, a major broker of recovered fiber to China. “We’re expecting volume to drop, that’s just reality – we enjoyed great markets for the past 20 years, and maybe things are going to change now.”

‘In fact this ban will go forward’

Details surrounding upcoming shifts from China on recovered paper imports were laid out this fall by the leader of Kadant, a publicly traded supplier of equipment for recycled paper mills.

During the Westford, Mass.-based company's [third-quarter earnings call](#) on Oct. 30, CEO Jeff Powell described a recent trip to China. Contacts there told Powell they expect more equipment investments "as strategies are finalized to relieve the fiber shortages resulting from the China waste paper ban."

While in China, Powell also met with the head of the China Paper Association, which represents the country's paper industry.

"He tells us that in fact this ban will go forward," Powell said during the earnings call. "They'll continue to reduce the import permits next year and that will be completely eliminated in 2021."

The China Paper Association could not be reached by Resource Recycling for verification.

Yang of Newport CH noted he visited China about three months ago, and during that trip he learned about a meeting between government officials in Beijing and the major paper mill operators in the country, all of whom attended, Yang said.

At the meeting, officials told the companies to anticipate lower import license volumes during the fourth quarter of this year, said Yang, whose business has at times moved up to 90% of its fiber to China. He noted Chinese officials said a ban is coming in 2021 for all paper grades except newsprint, which could continue to enter the country for newspaper production. (An all-out fiber import ban was [first presented](#) by the Chinese government as a possibility in 2018.)

That information led Yang and his colleagues at Newport to conclude the Chinese government may be serious about barring fiber imports altogether.

"Since then, we've seen folks from all the big mills all over the other countries now," said Jim Fagelson, vice president of Newport CH, noting Chinese paper makers are not only installing recycled paper machines in other areas of the world but are also entering supply contracts for fiber feedstock.

"They're in a little bit of a panic," Fagelson added.

A major supply gap

Powell of Kadant noted during the company's earnings call that if China does in fact institute a total ban on imported recovered fiber, paper manufacturers in the country would have to fill a shortfall of 30 million tons of feedstock they used to receive through import channels, assuming they continue similar production levels.

According to Resource Recycling analysis of data from China's General Administration of Customs, in 2016, before [China's import ban](#), the country brought in roughly 31.4 million short tons of recovered fiber. This year, through October, just 9.8 million short tons have been imported into China.

The largest Chinese paper companies are currently working to set up operations in Malaysia, one exporter noted, but they are encountering plenty of obstacles.

To work to fill that gap, a logical step for Chinese paper consumers is to invest in processing in Southeast Asia.

The basic idea is to process raw recovered fiber outside China and move the finished pulp into China for use in fiber products, but there are logistical considerations every step of the way.

"They've got a very short timeline between processing the fiber and shipping it to mainland China to get it in," Powell explained on the earnings call. Otherwise, the quality can start to deteriorate as biological activity begins due to the moisture, Powell said.

Those realities explain why Southeast Asia is a logical intermediary for processing. From Taiwan, for example, it takes roughly two days to ship to China, according to Yang of Newport CH. That means recycled pulp can be shipped in its wet form instead of requiring drying, which incurs additional energy costs. In contrast, pulp shipped from the U.S. would need to be dried to avoid mold or other degradation from moisture during the long travel period.

The largest Chinese paper companies are currently working to set up operations in Malaysia, Yang noted, but they are encountering plenty of obstacles.

“You’re talking about a foreign country, different people, different customs, different culture,” Yang said. “It’s not going to be so easy to expand.”

Powell of Kadant said that by the end of the third quarter of 2019, his company had supplied or received orders to supply 18 recovered fiber processing plants outside China, and he said those facilities should come on-line over the next 12 months.

But those projects are far from filling the projected supply void: The 18 orders Powell said his company has received “only represents about 4 million tons replacement,” far short of the potential 30-million-ton need.

Newport CH’s Fagelson predicted it will take between two and four years from the time of the ban for the market to find balance moving forward.

“It’s a struggle, but ultimately it will play out because the market factors will play in: Tons will shift to other places,” he said.

Nine Dragons moves to secure supply

Despite logistical hurdles, Chinese paper giants are moving to react to the market and additional import action that could be coming.

Hong Kong-headquartered Nine Dragons Paper released a comprehensive [fiscal-year-end report](#) this fall, touching on the year’s numerous challenges.

The company is a massive consumer of recovered paper for production of containerboard materials, printing and writing papers, recycled pulp and more. During the 2019 fiscal year, Nine Dragons sold more than 14.1 million metric tons of paper products, a record high sales volume.

“The extensive and diversified global procurement network of recovered paper has been Nine Dragon Paper’s competitive advantage throughout these years,” wrote Cheung Yan, chairwoman of Nine Dragons, in a letter to shareholders.

Chinese paper giant Nine Dragons is looking to nearly double pulp production capacity in the next year, reaching 1.61 million metric tons per year by 2021.

Cheung touched on the numerous changes going on within the wider Chinese economy currently, including a variety of economic stimulus policies, “supply-side reform,” and general economic growth. She noted that downstream demand for Nine Dragons’ products has been impacted by the trade war between the U.S. and China.

“As for the changes in raw material supply, we have already prepared for the worst,” Cheung wrote.

Citing the Chinese government’s efforts to promote recycling of domestically generated scrap fiber, Cheung said Nine Dragons has “strengthened our efforts in expanding the domestic purchase channels for recovered paper.”

Meanwhile, the fiber giant has “continued to explore opportunities to expand the production capacity of recycled pulp overseas with an aim to fully utilize quality imported recovered paper procured at low price as our raw materials.”

“We believe that this two-pronged approach would help to ensure both the supply and quality of our raw materials,” Cheung wrote.

Investments in American mills

ATTACHMENT D12

To the pulp supply, Cheung referenced the company’s August 2019 restart of its Old Town, Maine virgin pulp mill, which has a production capacity of about 160,000 metric tons per year. Nine Dragons acquired this mill, and three

others in the U.S., in 2018, its first-ever U.S. acquisitions. The company [installed](#) recycled pulp lines at two of the U.S. mills, and currently has 218,000 metric tons of recycled pulp capacity in the U.S.

Nine Dragons plans to upgrade equipment at all four U.S. mills in the next two years, Cheung wrote.

The company is also moving quickly to secure recycled pulp production capacity closer to home. Two months ago, Nine Dragons purchased a Malaysian company with 480,000 metric tons per year of recycled pulp capacity on two machines.

All told, between its U.S. and Malaysian production lines, the paper giant currently has more than 850,000 metric tons per year of pulp capacity.

And it has additional expansion plans, according to the Nine Dragons report, because “the amount of domestic recovered paper is expected not enough to satisfy the entire market demand.”

“The resulting supply gap in recovered paper would bring an impact to the paper manufacturing industry that should not be underestimated,” the report stated.

To avoid such a gap, Nine Dragons is looking to nearly double pulp production capacity in the next year, reaching 1.61 million metric tons per year by 2021.

Most of that increase will come from recycled pulp produced at the company's U.S. mills. According to a production schedule included in the report, Nine Dragons plans to add:

- 240,000 metric tons of recycled pulp capacity at its Biron, Wis. mill by 2020.
- 60,000 metric tons of recycled pulp capacity at its Fairmont, W.Va. mill by 2020 and another 60,000 metric tons by 2021.
- 200,000 metric tons of recycled pulp capacity at its Rumford, Maine mill by 2020 and 80,000 tons of virgin pulp capacity by 2020.
- 115,000 tons of virgin pulp capacity at its Old Town, Maine mill by 2021.

These moves will give Nine Dragons “a better control over the stability of raw material supply as well as the quality and cost efficiencies of production,” Cheung wrote.

Looking at the appetite Nine Dragons and other Chinese companies have for recovered fiber, Yang of Newport CH acknowledged it's hard to imagine all fiber imports into China being cut off. Despite current bans, China remains by far the [largest buyer](#) of U.S. recovered fiber.

But looking to the recent past provides some context.

“We also said the same thing about plastics earlier, and they were serious about plastics,” Yang noted. “We said it about mixed paper. ... When they say they're going to cut it off, they cut it off.”

**HRRA
EXECUTIVE SUMMARY
AUTHORITY MEETING DECEMBER 13, 2019**

	Year Ended June 30,			
	2019	2018	2017	Comments about FY 2019 vs. Prior year
Financial Statement Analysis:				
Total revenues and operating grants	\$ 485,311	\$ 424,628	\$ 362,929	<i>increased MSW tonnage and HHW reimb.</i>
Total expenses	\$ 435,140	\$ 467,481	\$ 393,924	<i>lower legal costs compared to prior year by \$60K offset by small increases in staffing and HHW costs.</i>
Surplus (Deficit)	<u>\$ 50,171</u>	<u>\$ (42,853)</u>	<u>\$ (30,995)</u>	
Unassigned Fund Balance At June 30	\$ 774,841	\$ 724,670	\$ 767,523	
Unassigned Fund Balance as a % of next year's Budget	135%	157%	158%	
		Final Budget	Actual	
Budget Analysis:				
Total revenues		\$ 461,500	\$ 485,311	
Program expenses		461,500	435,140	
Revenues Over Expenses		<u>\$ -</u>	<u>\$ 50,171</u>	

INTERNAL CONTROL COMMENTS:

There was no formal letter issued re: internal control. However, I encourage the Board to continue your oversight of operations through the following monitoring procedures:

- Review of all bank statements and scanned check images
- countersignature on checks
- review of investment account activities
- Bd review of monthly financial statements, specifically budget v. actual results
- Authorization & review of debit transactions
- Authorization & review of payroll transactions including making sure the computation is correct.

Housatonic Resources Recovery Authority

Financial Statements with Independent Auditor's Report

Year Ended June 30, 2019

Housatonic Resources Recovery Authority

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June 30, 2019

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Independent Auditor's Report

The Members of the Board
Housatonic Resources Recovery Authority
Brookfield, Connecticut

We have audited the accompanying financial statements of the governmental activities and major fund of the Housatonic Resources Recovery Authority (the "Authority") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Housatonic Resources Recovery Authority, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-8 and 23-24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Nanavaty, Nanavaty & Davenport, LLP

December 13, 2019

Management's Discussion and Analysis

Housatonic Resource Recovery Authority Management's Discussion and Analysis (Unaudited)

Our discussion and analysis of the Housatonic Resource Recovery Authority's (the "Authority") financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the Authority's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- As a result of the operations the Authority's net position increased by \$50,163 in 2019 compared to a decrease of \$42,511 in 2018.
- The total cost of the Authority's programs and administration was \$435,148 and \$467,139 for 2019 and 2018, respectively.
- During fiscal year 2019, the Authority's revenues from program and administrative fees, and hauler permits decreased from the prior year by \$3,579 to \$256,398 as a result of a decrease in recycling tonnage from the prior year.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 9 and 10) provide information about the activities of the Authority as a whole and represent a longer-term view of the Authority's finances. Fund financial statements start on page 11. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Authority's operations in more detail than the government-wide statements by providing line item expense information about the Authority's general fund.

The Statement of Net Position and the Statement of Activities

Our analysis of the Authority as a whole begins on page 9. One of the most important questions asked about the Authority's finances is "Is the Authority better or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Authority and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Activities report the Authority's net position and changes in them. You can think of the Authority's net position as the difference between assets (what the Authority owns), and liabilities (what the Authority owes), as one way to measure the Authority's financial health, or financial position. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the technology related to the disposal of municipal solid waste and recycled materials, changes in tonnage in the local towns, as well as the continued support of the regional towns, to assess the overall financial health of the Authority.

**Housatonic Resource Recovery Authority
Management's Discussion and Analysis (Unaudited)**

USING THIS ANNUAL REPORT (continued)

Reporting the Authority's Fund Financial Statements

The Authority uses governmental funds to report its operations. The fund financial statements begin on page 11. The Authority's only governmental fund is the general fund.

Governmental funds: The basic services that the Authority provides are reported in the governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view of the Authority's general governmental operations and the basic services that it provides. The information presented in the governmental fund helps readers determine whether there are more or fewer financial resources that can be spent in the near future to finance the Authority's programs. The governmental activities presented in the Statement of Net Position and the Statement of Activities is reconciled to the governmental funds in the Balance Sheet of the general fund.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements can be found on pages 13-22 of this report.

Required Supplemental Information: In addition to the basic financial statements and accompanying notes, this report also presents a Budgetary Comparison Schedule for the General Fund that can be found on pages 23-24 of this report.

FINANCIAL ANALYSIS OF THE AUTHORITY

The following tables and exhibits present condensed information about the Authority's net position, revenues and expenses for fiscal year 2019 compared to 2018:

<u>Table 1</u>	As of June 30,	
	2019	2018
Current assets	\$ 785,238	\$ 728,925
Capital assets, net	3,618	3,626
Total assets	788,856	732,551
Current liabilities	(10,397)	(4,255)
Net position:		
Invested in capital assets	3,618	3,626
Unrestricted	774,841	724,670
Total net position	<u>\$ 778,459</u>	<u>\$ 728,296</u>

**Housatonic Resource Recovery Authority
Management's Discussion and Analysis (Unaudited)**

FINANCIAL ANALYSIS OF THE AUTHORITY (continued)

<u>Table 2</u>	For the Year Ended June 30,	
	2019	2018
Revenues		
Program revenues:		
Charges for services - user fees	\$ 291,848	\$ 291,177
Operating grants and reimbursements	160,799	130,848
	<u>452,647</u>	<u>422,025</u>
General revenues:		
Investment earnings and miscellaneous	32,664	2,603
Total revenues	<u>485,311</u>	<u>424,628</u>
Program expenses		
General government	<u>435,148</u>	<u>467,139</u>
Decrease in net position	50,163	(42,511)
Net position unrestricted - beginning	<u>728,296</u>	<u>770,807</u>
Net position unrestricted - ending	<u><u>\$ 778,459</u></u>	<u><u>\$ 728,296</u></u>

Governmental Activities and General Fund

The Authority's operations are accounted for as Governmental Activities. Net position of the governmental activities increased in 2019. MSW tonnage continued to increase in FY 2018-19. In 2006 MSW tonnage was approximately 149% of the contractual benchmark in the Waste Supply and Disposal Agreement (WSDA). At the end of the 2018-19 FY MSW tonnage coming into the HRRA system was at 116% of the contractual benchmark.

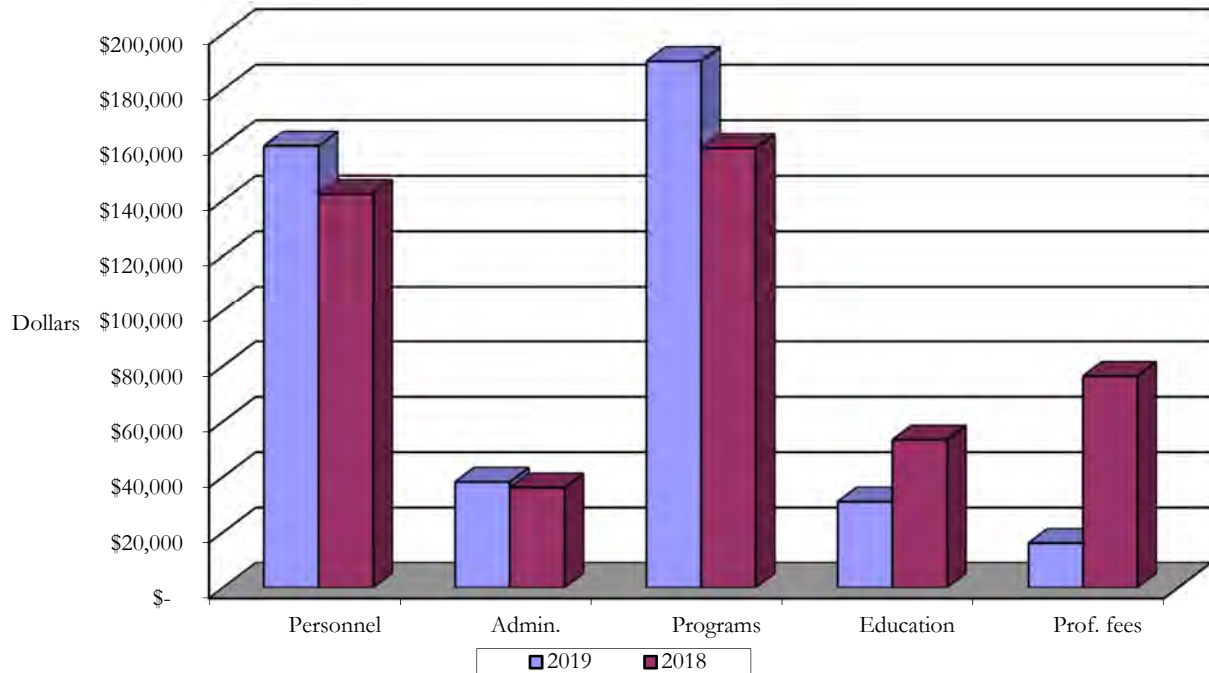
Recycling tonnage for the HRRA member municipalities delivered to the Oak Ridge Transfer Stations, LLC ("Oak Ridge") recycling center decreased by approximately 22% to 9,285 tons in 2018-19. Recycling revenue for 2018-19 was paid at \$7.50/ton.

General revenues include net investment income and gains totaling \$31,915. Total costs of governmental activities decreased for the year ended June 30, 2019 from 2018 due to lower costs for legal expenses offset by increases in staffing, education and Household Hazardous Waste expenses. Total expenditures in the General Fund were different from the total expenses in the Statement of Activities due to depreciation and capital asset additions.

**Housatonic Resource Recovery Authority
Management's Discussion and Analysis (Unaudited)**

FINANCIAL ANALYSIS OF THE AUTHORITY (continued)

Comparison of Expenses



General Fund Budgetary Highlights

Table 3 summarizes the changes in the budget and shows a comparison with the actual results.

Table 3

	Original Budget	Original/Final Budget	Actual	Variance
Revenues:				
Program revenues:				
Charges for services - user fees	\$ 331,250	\$ 331,250	\$ 291,848	(\$ 39,402)
Operating grants and reimbursements	118,250	118,250	160,799	42,549
	449,500	449,500	452,647	3,147
General revenues:				
Investment earnings and other	12,000	12,000	32,664	20,664
Total revenues	461,500	461,500	485,311	23,811
Expenditures:				
General government	461,500	461,500	435,140	26,360
Total expenditures	461,500	461,500	435,140	26,360
Excess of revenues over expenditures	\$ -	\$ -	\$ 50,171	\$ 50,171

**Housatonic Resource Recovery Authority
Management's Discussion and Analysis (Unaudited)**

FINANCIAL ANALYSIS OF THE AUTHORITY (continued)

During the year ended June 30, 2019 the Authority made several line item changes to the general fund budget that did not increase budgeted expenditures. Overall, actual expenditures were below budget by approximately \$26,360 for the year ended June 30, 2019.

Financial Ratios

The following financial ratios should be used to assess the financial stability of the Authority's Governmental Activities over an extended period. These ratios can indicate trends that the Authority administrators and its citizens may need to consider as they establish future budgets and set program and administrative fees.

	2019	2018	2017	2016	2015
Working Capital	\$774,800	\$724,700	\$767,500	\$802,000	\$736,000
Current Ratio	75.5	171.3	165.5	161.4	34.1

“Working Capital” is the amount by which current assets exceed current liabilities at a point in time. The “Current Ratio” which compares current assets to current liabilities, is an indicator of the ability to pay current obligations at a point in time. A ratio greater than 1 is a positive indicator.

	2019	2018	2017	2016	2015
Days in Operating Cash	405	507	567	707	686

“Days in Operating Cash” represents the number of days’ normal operations could continue with no future revenue collection. The ratios of Working Capital and Days in Cash demonstrate a continuing ability to finance operations with cash.

CAPITAL ASSETS AND DEPRECIATION

At June 30, 2019, the Authority had \$6,939 invested in capital assets consisting of office equipment and furniture. These capital assets were purchased during the last two years. Depreciation for the current year is \$1,388.

**Housatonic Resource Recovery Authority
Management's Discussion and Analysis (Unaudited)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Authority established a fiscal year 2019-20 budget that included approximately \$574,750 in revenues, and \$574,750 in proposed expenditures. Overall revenues are expected to be sufficient to finance the current year's operation. The budget was approved for operating expenditures of \$574,750.

Budgeted revenue overall has increased in 2019-20 by \$113,250. Grants and donations were reduced by \$500. Hauler permit fees were set to reflect a similar number of actual permits issued from the 2018-19 FY at \$81,250. Interest Income is expected to be the same. HHW revenue increased by \$40,000 to reflect the Authority's authorization to add additional HHW events in Bethel and Ridgefield for a total of \$175,000. The Oak Ridge recycling rebate was reduced from \$7.50 per ton to at \$5.00 per ton for the 2019-20 FY per the new regional contract. The most significant increase in revenue is the new MSW Program Fee. The 29-year contract with Wheelabrator ended on June 30th and a new Regional Solid Waste and Recycling agreement between HRRA and Oak Ridge took effect July 1, 2019. Oak Ridge will pay HRRA \$2.00 per ton for MSW. Lastly the full authority agreed to allow HRRA to retain the Registration Fees received by Haulers and not pass it through onto them. These fees were designated to a new Household Hazardous Waste Fund to support host communities.

Budgeted expenses overall had an increase for 2019-20 by \$113,250. There were two significant changes in the 2019-20 budget to expenditures. One is the addition of HHW events in Bethel and Ridgefield and a new HHW Fund of \$60,000 that was created to support municipalities that host HHW events. The HRRA will off-set HHW expenses by \$10,000 for each host community. The second change is the Administrative Assistant's hours were increased from 20 hours per week to 35 hours increasing the Assistance salary to reflect the increase in hours. In addition, the Assistant is now eligible per the Personnel Policy for benefits which increases staffing cost.

MSW tonnage in the 2018-19 FY increased for a second year to 133,324.09 tons. Recycling tonnage for the HRRA member municipalities delivered to the Oak Ridge Recycling Center decreased from 11,896 tons in 2017-18 to 9,285 tons in 2018-19. The difference in revenue from 2017-18 FY to 2018-19 FY was \$16,608.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Housatonic Resource Recovery Authority, its member towns and cities and the citizens of those municipalities, with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional information, contact Jennifer Heaton-Jones, Executive Director for the Authority, Old Town Hall, 162 Whisconier Road, Brookfield, Connecticut 06804.

Basic Financial Statements

Housatonic Resources Recovery Authority

Statement of Net Position---Governmental Activities

As of June 30, 2019

Assets:

Cash and cash equivalents	\$ 107,148
Investments	530,726
Accounts receivable	147,364
Capital assets, net of depreciation	3,618
Total assets	<u>\$ 788,856</u>

Liabilities:

Accounts payable and accrued expenses	<u>\$ 10,397</u>
Total liabilities	<u>10,397</u>

Net Position:

Invested in capital assets	3,618
Unrestricted	<u>774,841</u>
Total net position	<u>778,459</u>
Total liabilities and net position	<u>\$ 788,856</u>

See accompanying notes to the basic financial statements.

Housatonic Resources Recovery Authority

Statement of Activities---Governmental Activities

For the Year Ended June 30, 2019

Program Activities	Expenses	Program Revenues		Governmental Activities
		Charges for Services - User Fees	Operating Grants and Reimbursements	
General Government	\$ -	\$ 256,398	25,250	\$ 281,648
Staffing	159,658	-	-	(159,658)
Household Hazardous Waste Expense	155,021	-	135,549	(19,472)
Professional services	16,100	-	-	(16,100)
Education	31,221	-	-	(31,221)
Reimbursement of collected fees	34,950	35,450	-	500
Office expenses	21,661	-	-	(21,661)
Insurance	6,973	-	-	(6,973)
Miscellaneous	5,823	-	-	(5,823)
Travel/mileage reimbursement	2,353	-	-	(2,353)
Depreciation	1,388	-	-	(1,388)
Total governmental activities	<u>435,148</u>	<u>291,848</u>	<u>160,799</u>	<u>17,499</u>
General revenues:				
Investment earnings				31,915
Miscellaneous				749
Total general revenues				<u>32,664</u>
Change in net position				50,163
Net Position---beginning of year				728,296
Net Position---end of year				<u><u>\$ 778,459</u></u>

See accompanying notes to the basic financial statements.

Housatonic Resources Recovery Authority

Balance Sheet---Governmental Fund

As of June 30, 2019

	General Fund
Assets	
Cash and cash equivalents	\$ 107,148
Investments	530,726
Accounts receivable	147,364
Total assets	<u>\$ 785,238</u>
Liabilities and Fund Balance	
Liabilities:	
Accounts payable and accrued expenses	10,397
Total liabilities	<u>10,397</u>
Fund Balance:	
Unassigned	774,841
Total fund balance	<u>774,841</u>
Total liabilities and fund balance	<u>\$ 785,238</u>

Reconciliation of Governmental Fund Balance Sheet to Statement of Net Position:

Total fund balance of governmental fund	\$ 774,841
Add: Capital assets, net of depreciation	3,618
Total net position of governmental activities	<u>\$ 778,459</u>

See accompanying notes to the basic financial statements.

Housatonic Resources Recovery Authority

**Statement of Revenues, Expenditures, and
Changes in Fund Balance---Governmental Fund**

For the Year Ended June 30, 2019

	General Fund
Revenues	
Charges for services - User fees	\$ 291,848
Intergovernmental	135,549
Investment earnings	31,915
Miscellaneous	25,999
Total revenues	<u>485,311</u>
Expenditures	
Current:	
General Government	
Staffing	159,658
Household Hazardous Waste Expense	155,021
Professional services	16,100
Education	31,221
Reimbursement of collected fees	34,950
Office expenses	23,041
Insurance	6,973
Miscellaneous	5,823
Travel/mileage reimbursement	2,353
Total general government	<u>435,140</u>
Excess of revenues over expenditures	50,171
Fund balance--at beginning of year	724,670
Fund balance--at end of year	<u><u>\$ 774,841</u></u>

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balance of Governmental Fund to the Statement of Activities:**

Net change in fund balance - governmental fund	\$ 50,171
Add: Capital outlay for office furniture	1,380
Less: Depreciation expense on capital assets	(1,388)
Change in net position of governmental activities	<u><u>\$ 50,163</u></u>

See accompanying notes to the basic financial statements.

Housatonic Resources Recovery Authority

Notes to Financial Statements

June 30, 2019

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

Reporting Entity

The Housatonic Resources Recovery Authority (the “Authority”) was created in July 1986 in accordance with the Connecticut General Statutes Chapter 103b, Municipal Resource Recovery Authorities. The Authority was established for the purpose of providing municipal solid waste and recycling management for the Housatonic Valley municipalities of Danbury, Bethel, Bridgewater, Brookfield, Kent, New Fairfield, New Milford, Newtown, Redding, Ridgefield and Sherman. The Authority, a jointly governed organization created by the Housatonic Valley municipalities, is a regional authority governed by an eleven-member board comprised of the Chief Elected Officials and other representatives of the member towns and their appointed alternates.

The accompanying statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The financial statements include all organizations, activities, and functions that comprise the Authority. Component units are legally separate entities for which the Authority (primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization’s governing body and either (1) the Authority’s ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the Authority. Using these criteria, the Authority has no component units.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the activities of the Authority.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset with program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to haulers, and program fees from municipal solid waste and recycling tip fees, and 2) operating grants and reimbursements from other governmental units as well as corporate grants for recycling education programs. Other items not included among program revenues are reported as general revenues. The major individual governmental fund of the Authority is the general fund and it has been reported as a separate column in the fund financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Housatonic Resources Recovery Authority

Notes to Financial Statements (continued)

June 30, 2019

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within ninety days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, under accrual accounting.

Revenues such as the per ton program and administrative fees paid by those collectors of municipal solid waste and recyclables within the HRRRA region who use any of the three MSW transfer stations and/or the regional recycling facility associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when the Authority receives the cash.

Fund Accounting

The Authority uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The Authority uses only governmental funds.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The Authority reports the following major governmental funds:

General Fund – The General Fund is used to account for all financial resources of the Authority except those required to be accounted for in another fund. The general fund balance is available to the Authority for any purpose provided it is expended or transferred according to the By-Laws of the Authority.

The financial statements of the Authority are presented in accordance with generally accepted accounting principles (GAAP). The Authority applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Housatonic Resources Recovery Authority

Notes to Financial Statements (continued)

June 30, 2019

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the Notes is organized to provide explanations, including required disclosures, of the Authority's financial activities for the fiscal year ended June 30, 2019.

Budgets and Budgetary Accounting

Formal budgetary accounting is employed as a management control within the Authority for the General Fund. An annual operating budget is adopted each fiscal year in accordance with the Authority's By Laws and amended as required. The General Fund budget is adopted on a modified accrual basis of accounting (GAAP), except that encumbrances and continued appropriations are treated as budgeted expenditures in the year of incidence of the commitment to purchase.

The Authority members are authorized to transfer budget amounts within line items as well as any supplemental appropriations that amend the total expenditures. During the year, some line item transfers were necessary.

Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Authority, available means expected to be received within ninety days of the fiscal year-end.

Expenses/Expenditures

On an accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Cash and Cash Equivalents

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. All cash and cash equivalents are insured or collateralized with securities held by the pledging financial institution segregated from its other assets, in accordance with State Statutes.

Housatonic Resources Recovery Authority

Notes to Financial Statements (continued)

June 30, 2019

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

Investments

The Authority invests excess cash in mutual fund accounts with a national financial institution. The Authority classifies this type of deposit as an investment for financial statement purposes. Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 2 for a discussion of fair value measurements.

Receivables

Receivables at June 30, 2019 consist of accounts receivable for Program Fees. All accounts receivable is deemed collectible in full, and therefore no allowance for doubtful accounts exists.

Capital Assets and Depreciation

Capital assets consist of office furniture and computer equipment reported in the governmental-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets, if any, are valued at estimated fair market value on the date donated. Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the depreciable capital assets are 5 years. Maintenance and repairs are recorded as expenses when incurred.

Net Position

Net position is the net effect of assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is reported as restricted when there are legal limitations imposed on their use by Authority legislation or external restrictions by other governments, creditors, grantors, laws or regulations of other governments. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Housatonic Resources Recovery Authority

Notes to Financial Statements (continued)

June 30, 2019

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

Fund Balance Reporting

The Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) define the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be reported using the fund balance categories listed below:

1. *Non-spendable* - fund balance that is either (a) not in spendable form, or (b) legally or contractually required to remain intact.
2. *Restricted* - fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation
3. *Committed* - fund balance that can be used only for the specific purposes determined by a formal action of the members of the Authority (the Authority's highest level of decision-making authority)
4. *Assigned* - fund balance that is intended to be used by the Authority for specific purposes but does not meet the criteria to be classified as restricted or committed
5. *Unassigned* - fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated transactions and events that occurred through December 13, 2019, the date these financial statements were available to be issued, for recognition and/or disclosure in these financial statements.

Housatonic Resources Recovery Authority

Notes to Financial Statements (continued)

June 30, 2019

NOTE 2 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Deposits and investments consist of the following at June 30, 2019:

Cash in checking	\$ 91,085
Short-Term Investment Fund (STIF)	<u>16,063</u>
	<u>\$ 107,148</u>
Investment in mutual funds	<u>\$ 530,726</u>
Total investments	<u>\$ 530,726</u>

Deposits

The Authority's deposits can include demand and savings accounts and certificates of deposit with Connecticut banks. The Authority policy adopts the State of Connecticut requirements that each depository maintains segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk-based capital ratio.

Investments

The Authority's investments consist of shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open-end money market and mutual funds (with constant fluctuating net asset values) whose portfolios include obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The Authority also invests in shares of the Connecticut Short-term Investment Fund.

Concentrations

The Authority does not have a formal policy; however, their practice has been to maintain a diversified portfolio to minimize risk of loss resulting from over-concentration of assets in a specific issuer.

Housatonic Resources Recovery Authority

Notes to Financial Statements (continued)

June 30, 2019

**NOTE 2 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS
(continued)**

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. At June 30, 2019, the carrying amount of the Authority's deposits in financial institutions was \$107,148 and the bank balance was \$106,681. The entire bank balance was insured at year-end.

The Authority had \$16,063 invested with the State of Connecticut Treasurer's Short - Term Investment Fund ("STIF"). The STIF is an investment pool of high quality, short-term money market instruments (under 60 days). The STIF is rated AAAM by Standard and Poor's. The STIF maintains a designated surplus reserve equal to one-tenth of one percent of the funds value, until it reaches one percent of the value of all investments in the Fund. The funds in the reserve act as a general reserve against losses and are not held in a specific depositor's name. Currently the reserve contains in excess of \$70 million (as of June 30, 2019). Any losses experienced from a security default or a decline in market value of a security will be charged against the reserve.

There is a risk that in the event of a failure of the counterparty to an investment transaction, the Authority will not be able to recover the value of its investment that is the possession of another party. At June 30, 2019, the Authority had \$530,726 invested in mutual fund accounts.

Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted process in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Authority has the following recurring fair value measurements as of June 30, 2019: Mutual funds of \$530,726 that are primarily invested in U.S. Treasury notes are valued using quoted market prices (Level 1 inputs).

NOTE 3 - PENSION PLAN

The Authority has established a Simplified Employee Pension Plan covering all employees. The Authority is required to contribute 7.5% of eligible employee's wages to the plan. Employees vest immediately in their accounts upon entrance into the plan. During the year ended June 30, 2019 the Authority contributed \$9,654 to the plan on eligible wages of \$128,713.

Housatonic Resources Recovery Authority

Notes to Financial Statements (continued)

June 30, 2019

NOTE 4 - CAPITAL ASSETS AND DEPRECIATION

A summary of changes in capital assets is as follows:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Furniture and equipment	\$ 5,559	\$ 1,380	\$ -	\$ 6,939
Accumulated depreciation	(1,933)	(1,388)	-	(3,321)
	<u>\$ 3,626</u>	<u>\$ (8)</u>	<u>\$ -</u>	<u>\$ 3,618</u>

NOTE 5 - RELATED PARTY TRANSACTIONS

During the year the Authority received a total of \$135,549 from the participating regional towns as a reimbursement for the operation of the Household Hazardous Waste Day events. All amounts invoiced were received.

The Authority also leases for office space from the Town of Brookfield, one of its member towns. The terms of the lease are as follows: 5 years commencing on October 1, 2016 for \$81,000 payable as \$1,350 per month starting on September 1, 2016 and on the first of each month thereafter. Either party may terminate the lease at any time by giving notice at least 90 days prior to the effective date of termination. See NOTE 6.

NOTE 6 - COMMITMENTS

Service Agreements

On January 11, 2018, the Authority signed a Regional Solid Waste and Recycling Agreement with Oak Ridge to accept and dispose of municipal solid waste and recycling materials for the region. The Agreement is effective July 1, 2019 for a period of 10 years, with the right to extend this Agreement beyond the initial 10-year term for 3 separate additional 5-year periods. The Agreement includes all terms and fees related to the acceptance and disposal of municipal solid waste and recycling materials. The Recycling Program Fee paid to HRRA is \$7.50 per ton of recycling material delivered to the recycling facility. The MSW Program Fee paid to HRRA is \$2.00 per ton of HRRA MSW delivered to the transfer stations.

The Authority and Oak Ridge negotiated a new Regional Recycling Agreement effective April 1, 2013. The new Agreement required that the Authority be paid a variable rebate based upon the market price of recycling commodities but no less than \$7.50 per ton for the next three years for recycling generated within a member municipality that was delivered to Oak Ridge recycling facility at 307 White Street in Danbury.

Housatonic Resources Recovery Authority

Notes to Financial Statements (continued)

June 30, 2019

NOTE 6 - COMMITMENTS (continued)

The Agreement may be extended by mutual consent for an additional three years to 2019. In March 2016, the Authority extended the Agreement for three more years to June 30, 2019. The amended Agreement requires that the Authority be paid a variable rebate based upon the market price of recycling commodities but no less than \$5.00 per ton for the next three years for recycling generated within a member municipality that was delivered to Oak Ridge recycling facility at 307 White Street in Danbury. In December 2017, HRRA and Oak Ridge signed a Memorandum of Understanding that established the Recycling Rebate at \$7.50 per ton effective January 10, 2018.

On July 1, 1993, the Authority entered into a 26-year commitment with Wheelabrator Environmental Systems, Inc. (WES) to accept solid waste generated by the member towns of the region and to pay the Authority an Administrative Fee collected from the MSW collectors within the region who used the disposal facilities provided under that contract. Effective January 1, 2004, certain terms of the agreement were amended and restated, including a reduction from 4 to 3 in the number of contractually required transfer stations located within the region, a reduction in the overall per ton service fee charged to collectors, a reduction in the put or pay risk to member municipalities for tonnage shortfalls in any particular year, establishment of annual service fee increases based on ½ of the prior year's Consumer Price Index and establishment of a program fee with annual increases to provide the Authority with sufficient revenue for continued operation. This agreement ended on June 30, 2019.

Operating Leases

On May 30, 2017, the Authority signed a lease for office space with the Town of Brookfield. The terms of the lease are as follows: 5 years commencing on October 1, 2016 for \$81,000 payable as \$1,350 per month starting on September 1, 2016 and on the first of each month thereafter. Either party may terminate the lease at any time by giving notice at least 90 days prior to the effective date of termination.

The Authority also has a lease for office equipment for a term of 48 months beginning October 2016. Minimum lease payments under this lease are \$140.88 per month.

NOTE 7 - ECONOMIC DEPENDENCY

A major portion of the Authority's revenues is derived from fees based on throughput in the recycling and municipal solid waste facilities. Declines in the levels of throughput in either facility or a negotiated change in the fee structure could adversely affect the Authority's ability to generate future cash flow from the HRRA Service Agreements.

Housatonic Resources Recovery Authority

Notes to Financial Statements (continued)

June 30, 2019

NOTE 8 - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to public officials, torts, injuries to employees and acts of God. The Authority purchases commercial insurance for all risks of loss. The Authority has had no significant reduction in the coverage on the above insurances from prior year. The Authority has had no settlements on any insurance coverage in the current year or prior year.

The HRRA Service Agreements require that Oak Ridge Transfer Stations, LLC, Oak Ridge Hauling, LLC, and Wheelabrator, indemnify the Authority and the municipalities from any and all damages, and causes of action which may arise from a party's use or entrance into the Transfer station.

NOTE 9 - FUND BALANCE POLICY

During the year the Authority approved a Fund Balance Policy to establish goals and provide guidance concerning the desired level of fund balance maintained by the Authority to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and similar circumstances.

In accordance with the policy, the fund balance will be reviewed by the Executive Committee every year that it is over 200% of the non-reimbursable expenditures for the prior year. Additionally, no part of the fund balance can be spent without the approval of the full authority.

It is the goal of the Authority to achieve and maintain an unassigned fund balance in the general fund at fiscal year-end of not less than 100% of annual operating expenditures. If the unassigned fund balance at fiscal year-end falls below the goal, the Authority shall develop a restoration plan to achieve and maintain the minimum fund balance.

Required Supplemental Information

Housatonic Resources Recovery Authority

Budgetary Comparison Schedule---General Fund

For the Year Ended June 30, 2019

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:					
Charges for services - User fees	\$ 331,250	\$ -	\$ 331,250	\$ 291,848	\$ (39,402)
Intergovernmental	86,250	-	86,250	135,549	49,299
Investment earnings and other	12,000	-	12,000	31,915	19,915
Miscellaneous	32,000	-	32,000	25,999	(6,001)
Total revenues	461,500		461,500	485,311	23,811
Expenditures:					
General government					
Contingency	20,000	(17,054)	2,946	-	2,946
Education	33,500	-	33,500	31,221	2,279
Household Hazardous Waste Expense	138,500	16,566	155,066	155,021	45
Insurance	7,875	-	7,875	6,973	902
Miscellaneous	6,045	-	6,045	5,823	222
Office expenses	23,100	-	23,100	23,041	59
Professional services	28,200	-	28,200	16,100	12,100
Reimbursement for collected fees	40,000	-	40,000	34,950	5,050
Staffing	162,180	86	162,266	159,658	2,608
Travel/mileage reimbursement	2,100	402	2,502	2,353	149
Total recurring expenditures	461,500		461,500	435,140	26,360
Total expenditures	461,500	-	461,500	435,140	26,360
Excess of revenues over expenditures	\$ -	\$ -	\$ -	\$ 50,171	\$ 50,171

See Independent Auditor's Report and notes to required supplemental information.

Housatonic Resources Recovery Authority

Notes to Required Supplemental Information

June 30, 2019

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

Budgets and Budgetary Accounting

Formal budgetary accounting is employed as a management control within the Authority for the General Fund. An annual operating budget is adopted each fiscal year in accordance with the Authority's By-Laws and amended as required. The General Fund budget is adopted on a modified accrual basis of accounting (GAAP), except that encumbrances and continued appropriations are treated as budgeted expenditures in the year of incidence of the commitment to purchase and certain employee benefits are budgeted on the cash basis of accounting.

The Board is authorized to transfer budget amounts within line items, as well as any supplemental appropriations and appropriations of fund balance that amend the total expenditures. During the year, several line item transfers were made that did not increase total budgeted expenditures.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities. There were no encumbrances outstanding at June 30, 2019.

All unencumbered appropriations lapse at the end of each fiscal year.

Housatonic Resources Recovery Authority 2020 Household Hazardous Waste Event

Proposed dates:

- **May 2, 2020**
- **June 6, 2020**
- **September 5, 2020**
- **October 3, 2020**
- **November 7, 2020**
- **Date TBD**

Locations:

Bethel - Walnut Hill Church
Newtown - Public Works
Brookfield - High School
Ridgefield – High School ?
Danbury - Public Works
New Milford – Pettibone School

Topics to address:

1. Removed summer months from the schedule due to heat
2. Added May 2020 (not in budget)
3. Locations for 2020
4. Concern with help at events



**HOUSATONIC RESOURCES RECOVERY AUTHORITY
2020 Meeting Dates**

**Brookfield Town Hall
100 Pocono Rd, Brookfield, CT 06804
Mondays 10:30 a.m.**

4th Monday of the Month

Feb. 24

Apr. 27

Jun. 22

Sept. 28

Dec. 11*

All HRRA meetings are open to the public, and an opportunity for public comment is provided at every meeting.

**December meeting to be held prior to the annual Danbury Chamber Luncheon date TBC on a Friday.*

ATTACHMENT G1

Save Money and Reduce Trash (SMART) Benefits Analysis

Prepared for the

Housatonic Resources Recovery Authority (HRRA)

October 2019



Department of
ENERGY & ENVIRONMENTAL PROTECTION

Today's Presentation

1	Why Should Connecticut Reduce Its Waste?
2	How Could Connecticut Reduce Waste?
3	Baseline Data
4	SMART Benefits Analysis
5	Discussion and Next Steps

Today's Presentation

1	Why Should Connecticut Reduce its Waste?
2	How Could Connecticut Reduce Waste?
3	Baseline Data
4	SMART Benefits Analysis
5	Discussion and Next Steps

Why Should Connecticut Reduce Waste?

1. Materials management is expensive (\$100 million on residential disposal and recycling).

- Capacity Shortfall (exporting 300,000+ tons out of state)
- Aging MIRA Facility
- Shrinking Northeast Capacity
- Expensive WTE Disposal
- Difficult Siting for New Facilities (landfills, incinerators)
- Rising Disposal Costs
- Rising Recycling Costs

2. Waste produces greenhouse gases.

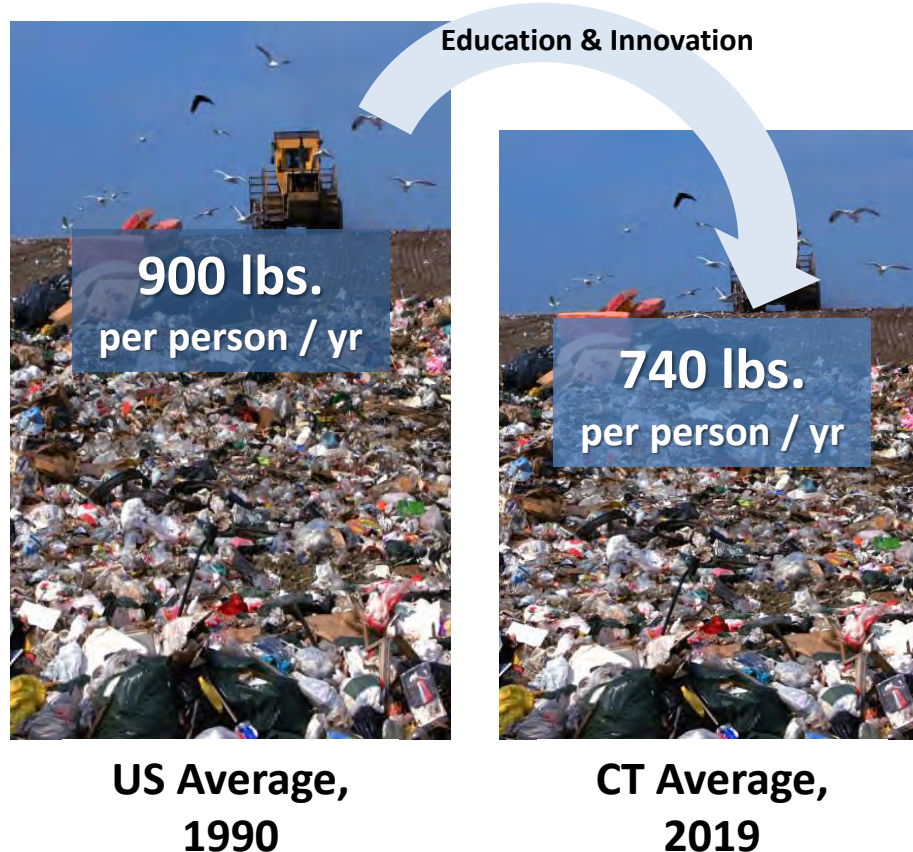
3. Waste diversion creates jobs (36 -200+ for every 10,000 tons of trash diverted).

Today's Presentation

1	Why Should Connecticut Reduce its Waste?
2	How Could Connecticut Reduce Waste?
3	Baseline Data
4	SMART Benefits Analysis
5	Discussion and Next Steps

How Could Connecticut Reduce Waste?

The state has been actively encouraging waste reduction for 30 years or more. It has had some impact.



Bottle Bill (1980)

Computer, Paint and Mattress EPR

Education Campaigns (What's In, What's Out)

Aggressive Waste Reduction Goals

National Packaging Innovation (downgauging, light weighting)

National Recycling Campaigns

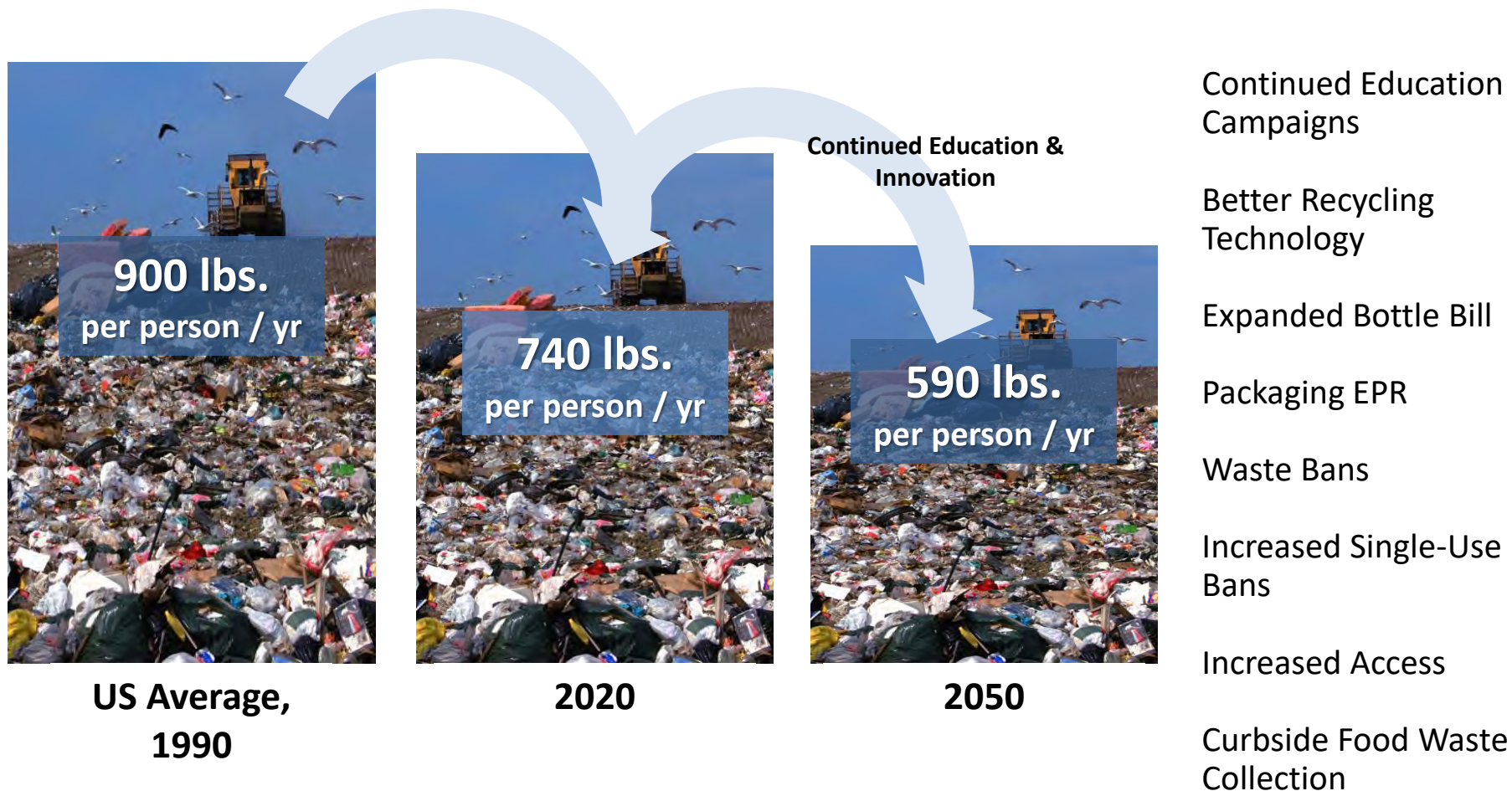
Single-Stream Recycling

Increased Consumer Access (curbside and drop-off recycling)

Other Programs (yard waste, event recycling days, etc.)

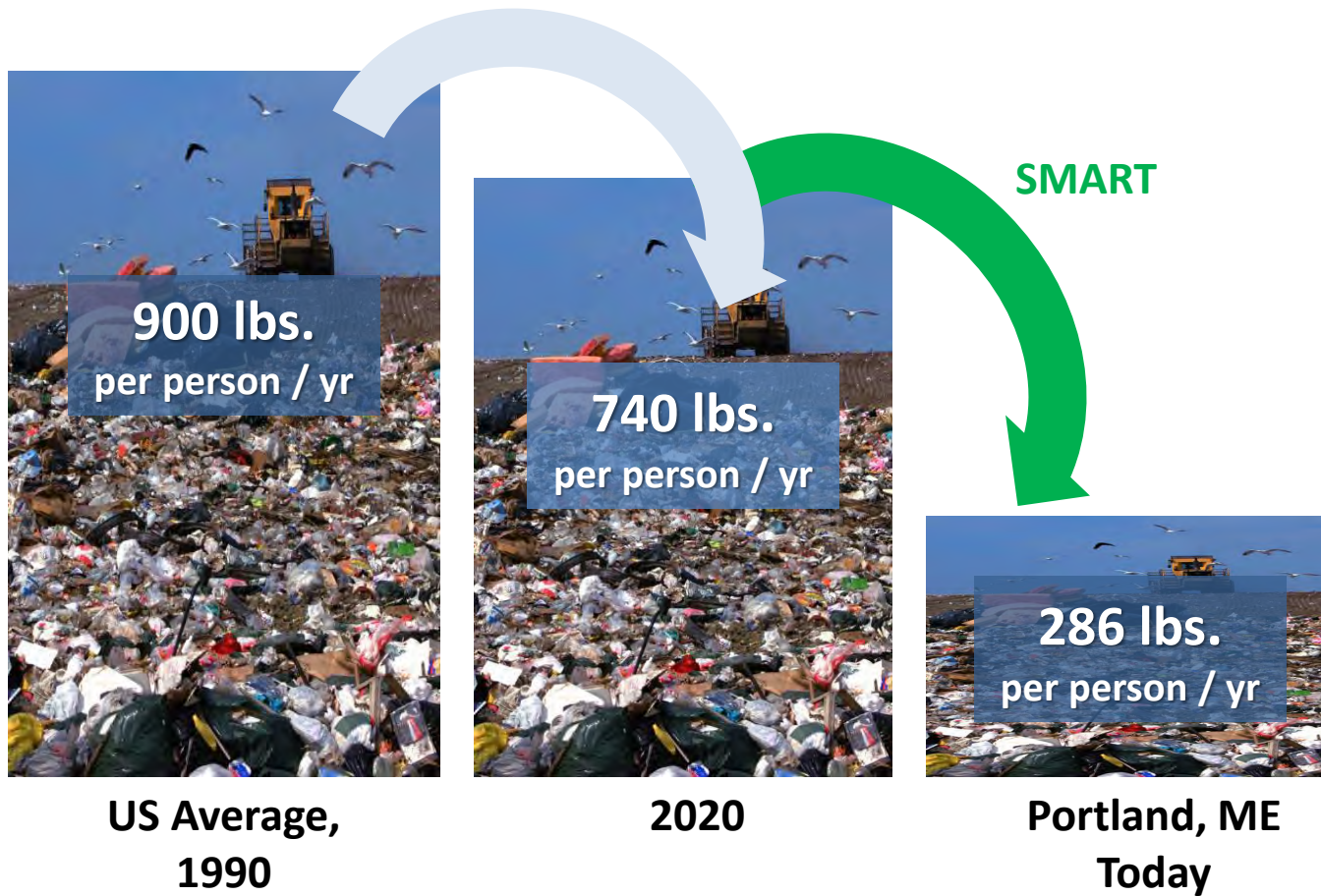
How Could HRRA Reduce Waste?

On the current trajectory, per capita waste should still drop some. This assumes that additional innovation, education, and other policies will hold back the expected increase in packaging waste from online shopping and convenient fast food/take out lifestyles.



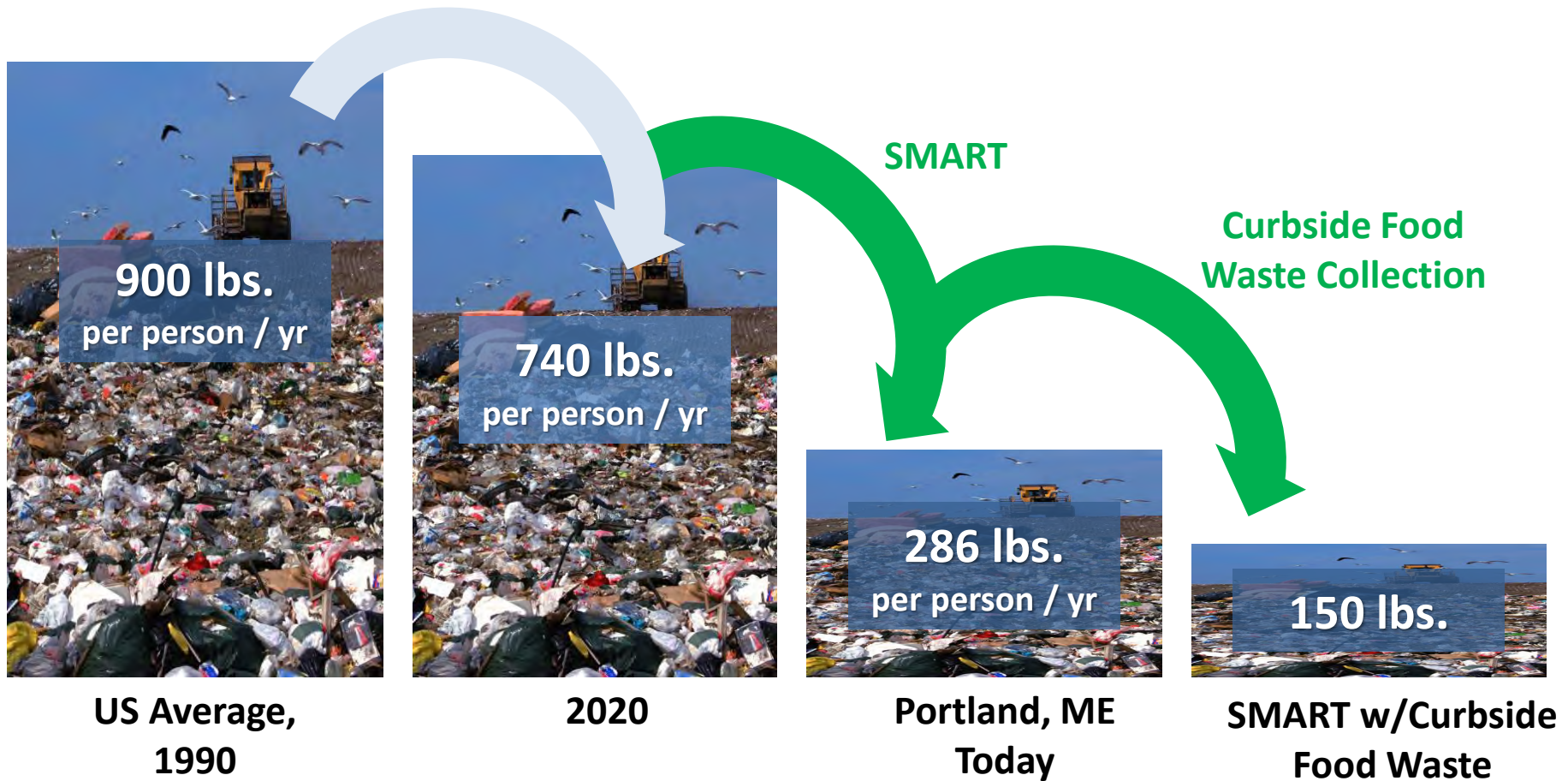
How Could HRRA Reduce Waste?

Portland Maine along with 556 communities in New England throw away 40-60% less waste with SMART programs (there are no exceptions).



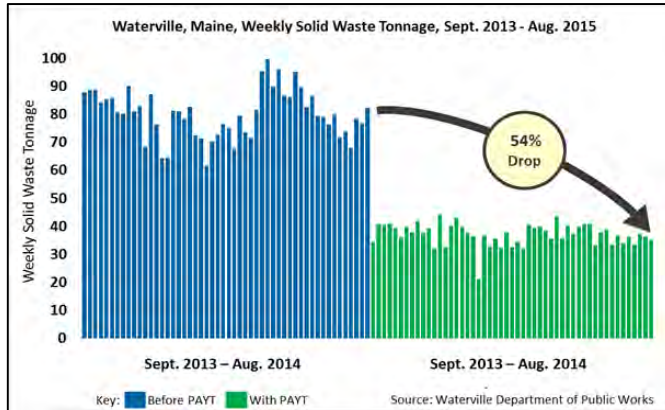
How Could HRRA Reduce Waste?

Curbside food waste collection—and other new program types—can reduce per capita waste even more.

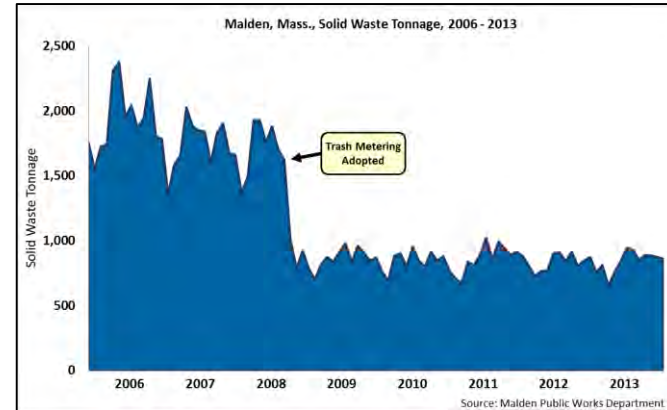


SMART Results

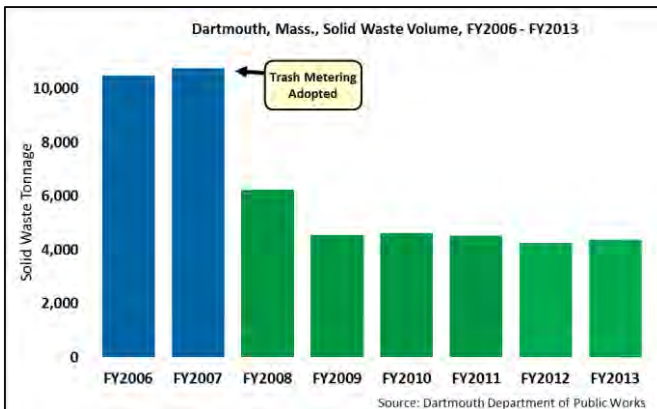
Results are highly consistent. The data spans decades across hundreds of municipalities with diverse demographics.



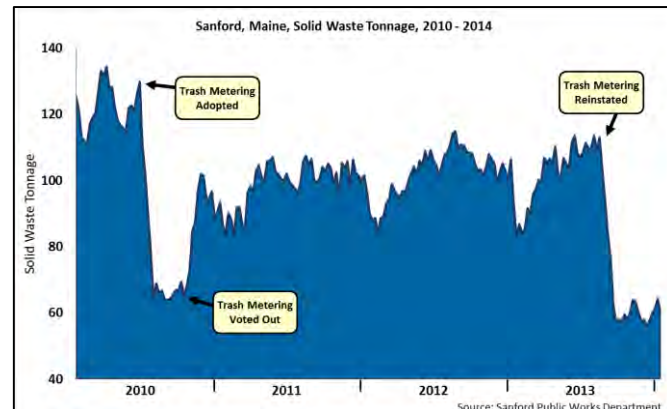
WATERVILLE, MAINE
54% DECLINE IN MSW IN 1 YEAR



MALDEN, MASS.
52% DECLINE IN MSW OVER 5 YEARS



DARTMOUTH, MASS.
59% DECLINE IN MSW



SANFORD, MAINE
POWERFUL MESSAGE

Global SMART Efforts (Selected Examples)

Europe



- ZeroWaste Europe's 1st Category Municipalities must use SMART.
- Low annual per capita disposal (300-500 lbs.) with SMART in:
 - Belgium
 - Austria
 - Switzerland
 - Estonia
 - France
 - Italy
 - Others

SMART – Zurich
Reduced Waste 41%



South Korea



- Seoul reduced waste 42%.

Scandinavia



Taiwan



- Taipei uses bag-based SMART.
 - Reduced waste by 33%
 - Recycling rate is >50%

Japan



- Kyoto reduced waste more than 40%.

Bag-Based SMART

SMART treats trash like any other utility: Residents pay for the service based on how much of it they use. Bag-based SMART is the most effective available way to reduce residential trash, and it works with all collection methods.

1 Cut Fees

The image shows a trash bill from the City of Antwerp. A red 'X' is drawn over the 'Solid Waste \$1,000' line item, indicating a reduction in fees. The bill includes a table of charges and a total amount.

Service	Rate	Amount
Solid Waste	\$1,000	\$1,000
Recycling	\$0.00	\$0.00
Composting	\$0.00	\$0.00
Total		\$1,000

2 Pay per Bag for Trash



- ✓ Residents must use official municipal trash bags
- ✓ Bags are sold at local grocery stores, etc.
- ✓ Money goes to municipality to pay for trash collection and disposal
- ✓ Residents have a financial incentive to reduce waste

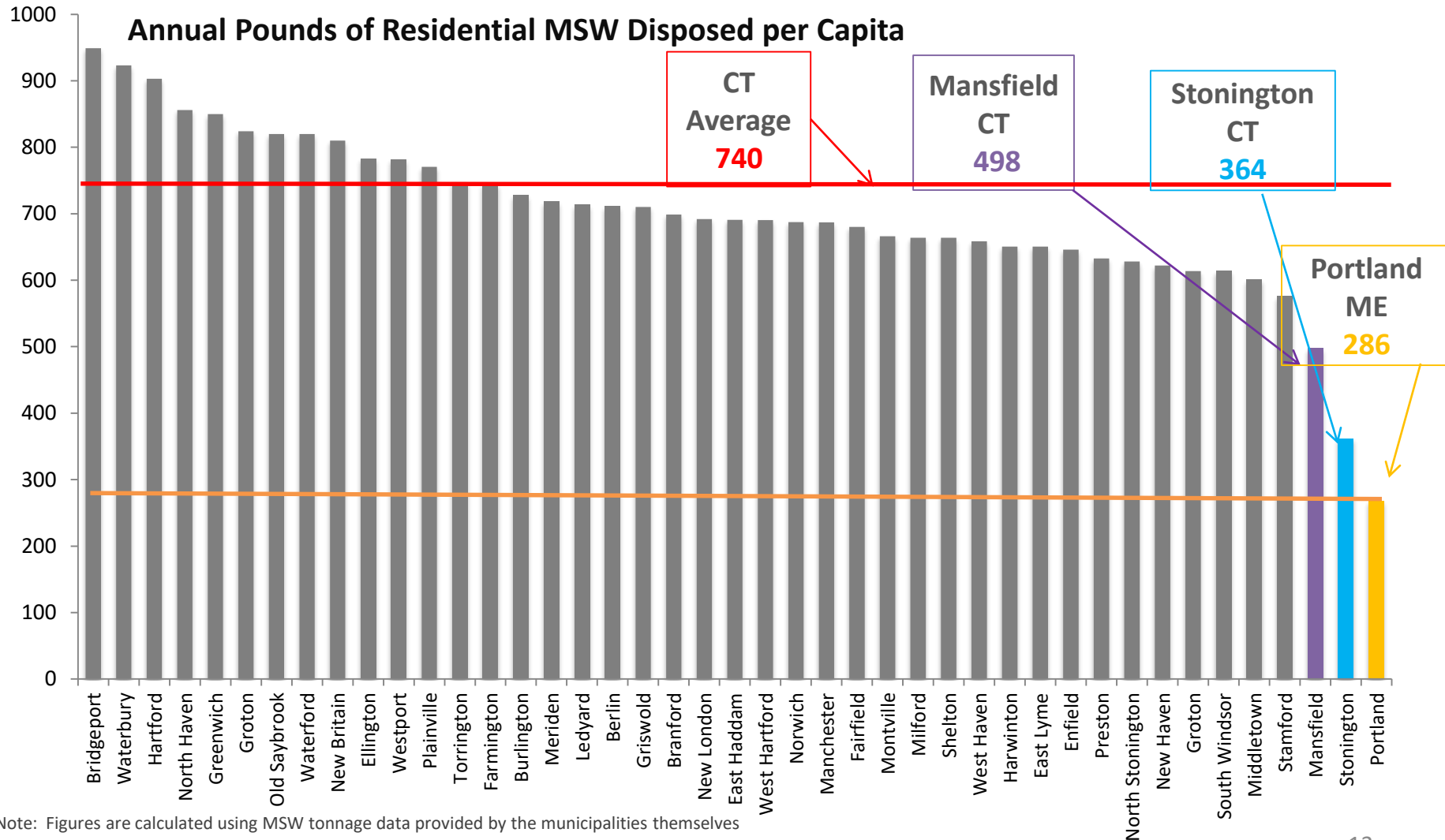
3 Residents Recycle More



- ✓ Recycling and composting increases
- ✓ Solid waste is reduced
- ✓ Collection and disposal costs drop
- ✓ Landfill life is extended
- ✓ The environment is improved

Residential Trash Disposed per Capita (“DEEP Dive” Participants)

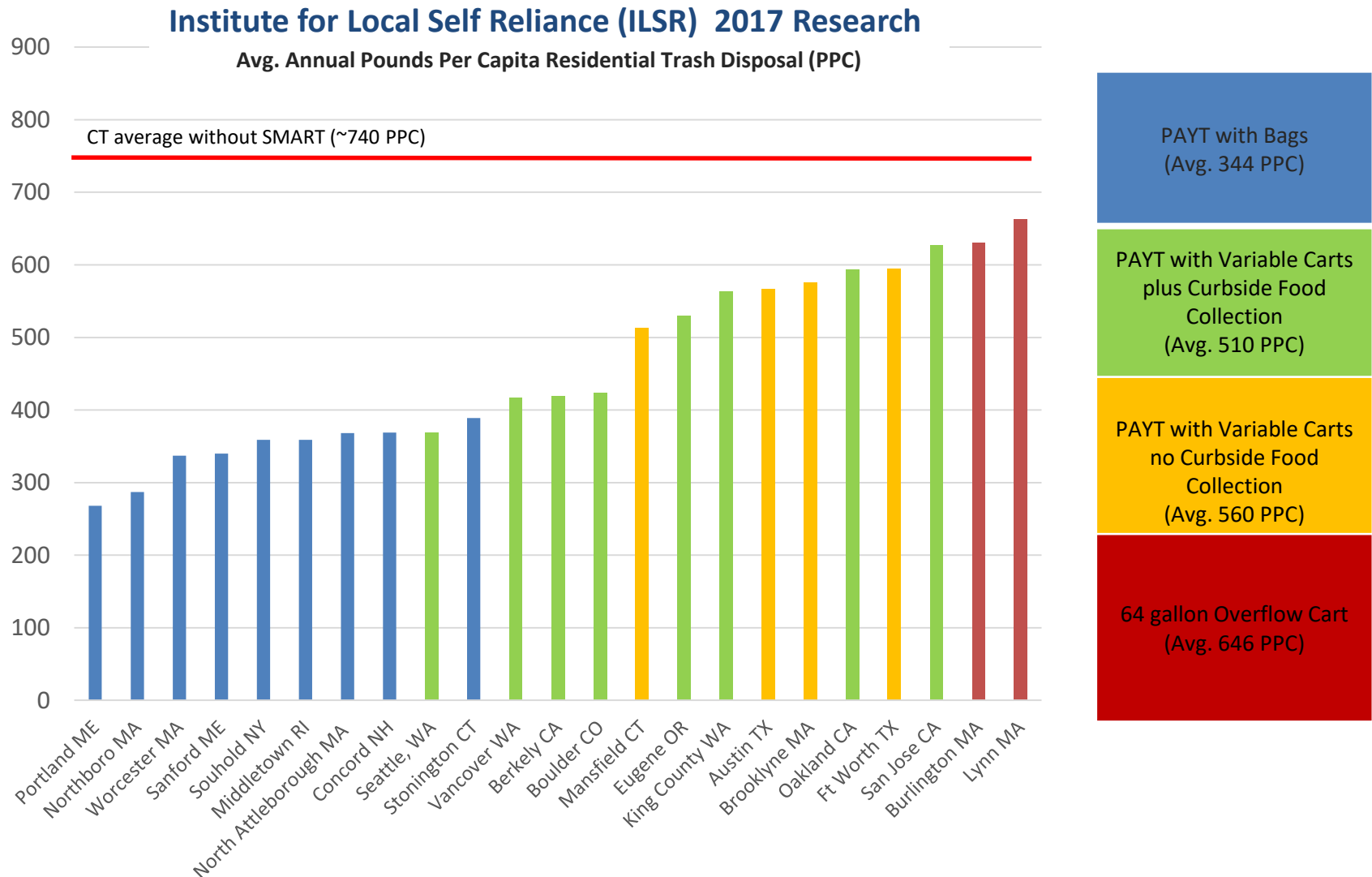
SMART communities dispose of less residential MSW per capita than most Connecticut cities and towns. For example, Portland, ME throws away 268 lbs. per capita.



Note: Figures are calculated using MSW tonnage data provided by the municipalities themselves

Prepared by WasteZero, Inc. for the CT Dept. of Energy & Environmental Protection, 2019

Comparing Different Methods of SMART



Summary of Lessons Learned So Far

40 “DEEP Dives”; 10 additional analyses:

- There was a positive response to the SMART concept from the majority of communities:
 - 83% strong support from Department of Public Works (DPW) officials
 - 79% strong support from the highest elected officials
 - 75% strong interest from both DPW and the highest elected official (in the same municipality)
 - 54% have taken steps (or plan to take steps) to move forward
- Primary barriers:
 - Political fear
 - Hauler resistance (even in communities that have municipal collection)

Potential Pathways

CT DEEP has been exploring various pathways for making SMART the norm across the state. Currently, there are 4 potential pathways for doing this.



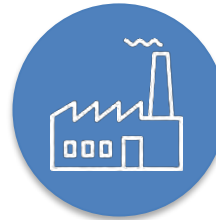
Traditional

Municipalities individually adopt SMART systems, with or without assistance from CT DEEP



Coalition-Led

Government coalitions like regional planning organizations or solid waste planning groups adopt SMART systems for their members



Singular State Approach

State oversees a SMART program



Legislative

The State adopts a waste standard set low enough to require some form of SMART system



Today's Discussion

Coalition-Led Pathway



Government coalitions adopt SMART systems for their members:

- There are 9 **Regional Planning Organizations** (RPOs) and 8 **Solid Waste Planning Groups** (SWPGs) in CT.
- RPOs or SWPGs could devise and adopt SMART systems and provide them for their members.
- SMART participation would be mandatory for subscription and municipal haulers.
- Revenues from the sale of SMART bags would flow to the coalition.
- Revenues could be designed to cover recycling tip fees.
- Each RPO/SWPG would use those funds to pay the tip (trash and recycling) fees.

+ Pros

- Would provide an optimized, uniform solution for a coalition's area of jurisdiction
- Would make SMART adoption easier for municipalities
- Would provide net (new) revenue for coalition to promote or assist with material management programs
- Would provide joint contracting ability

— Cons

- Would require close coordination with WTE facilities and municipalities regarding enforcement; Haulers that cross muni lines, would no longer be able to mix loads
- Would require unanimous consent from member municipalities

Today's Presentation

1	Why Should Connecticut Reduce its Waste?
2	How Could Connecticut Reduce Waste?
3	Baseline Data
4	SMART Benefits Analysis
5	Discussion and Next Steps

HRRA Baseline Data

# of Municipalities	10
Est. # of Effective Households	68,381
Est. Effective Population	176,149
Estimated Average Tip Fee (Trash, per Ton)	\$80

Current Est. Annual Material Generation	Tons	Lbs. per Capita
Residential Trash	67,207	736
Residential Recycling	18,846	229

Municipalities

1. Bethel
2. Bridgewater
3. Brookfield
4. Danbury
5. New Fairfield
6. New Milford
7. Newtown
8. Redding
9. Ridgefield
10. Sherman



Note: When actual data (trash tonnage, etc.) was available, it was used. When not available, it was estimated using CT state averages for towns with municipal curbside collection, subscription curbside collection, or drop-off as appropriate.

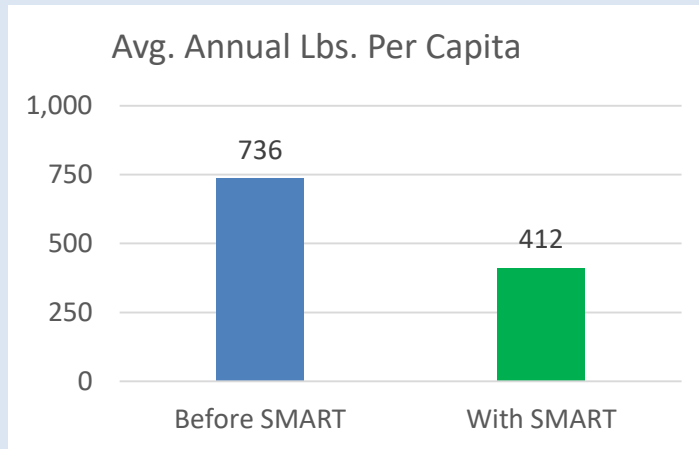
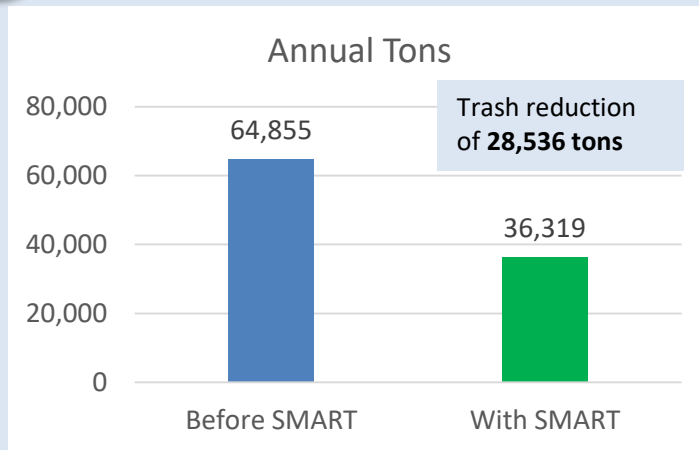
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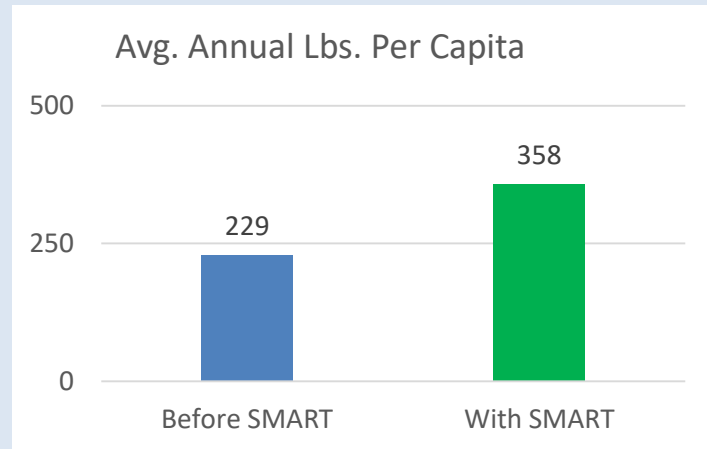
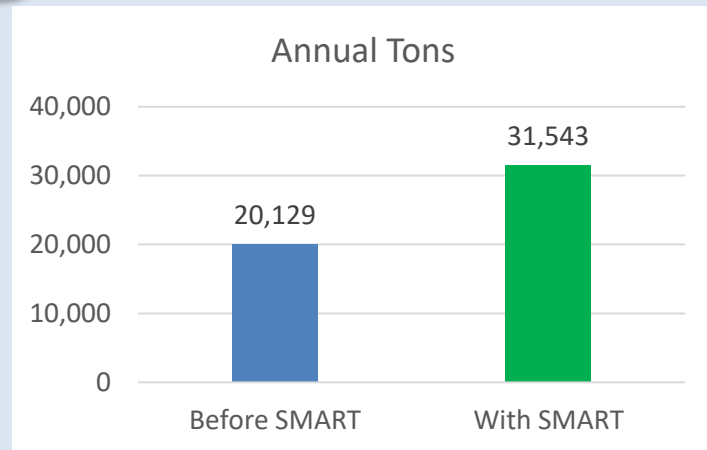
Impact on Annual Trash and Recycling Generation



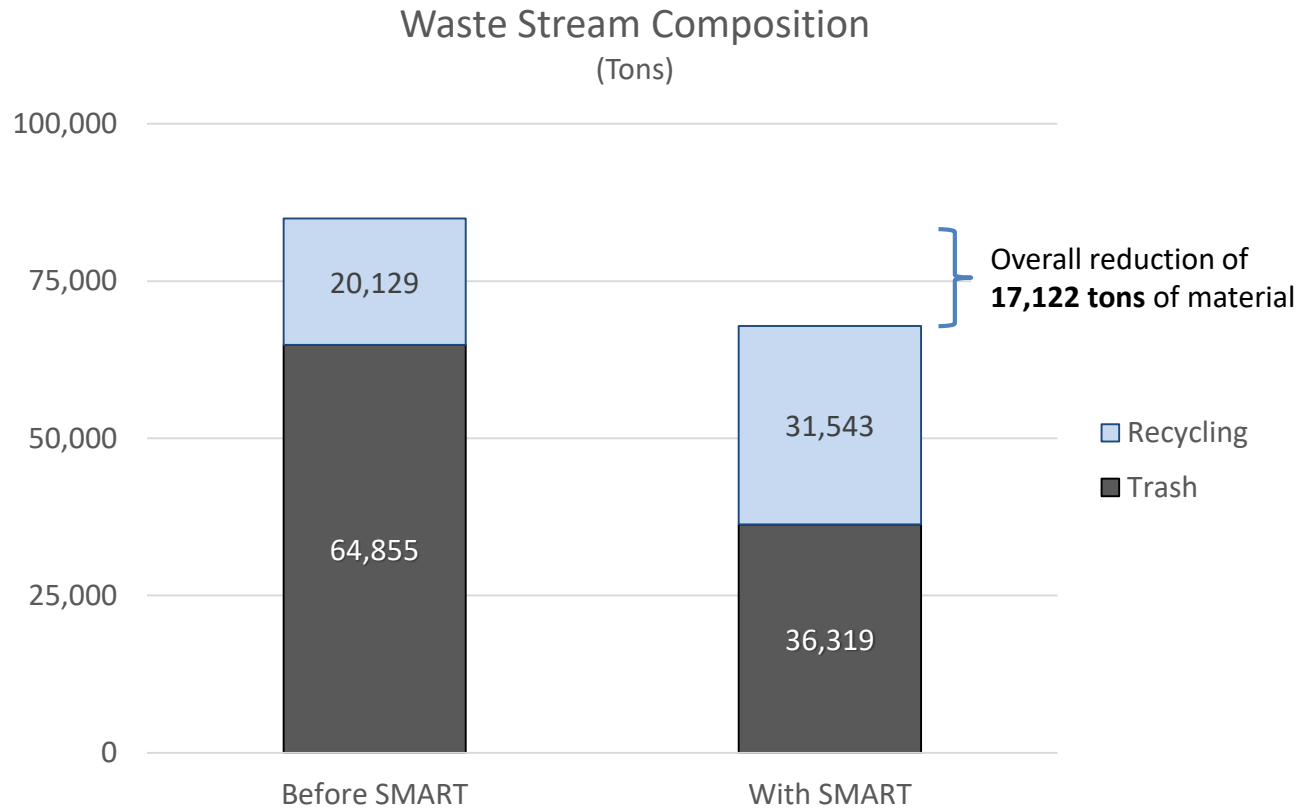
Residential Trash



Residential Recycling

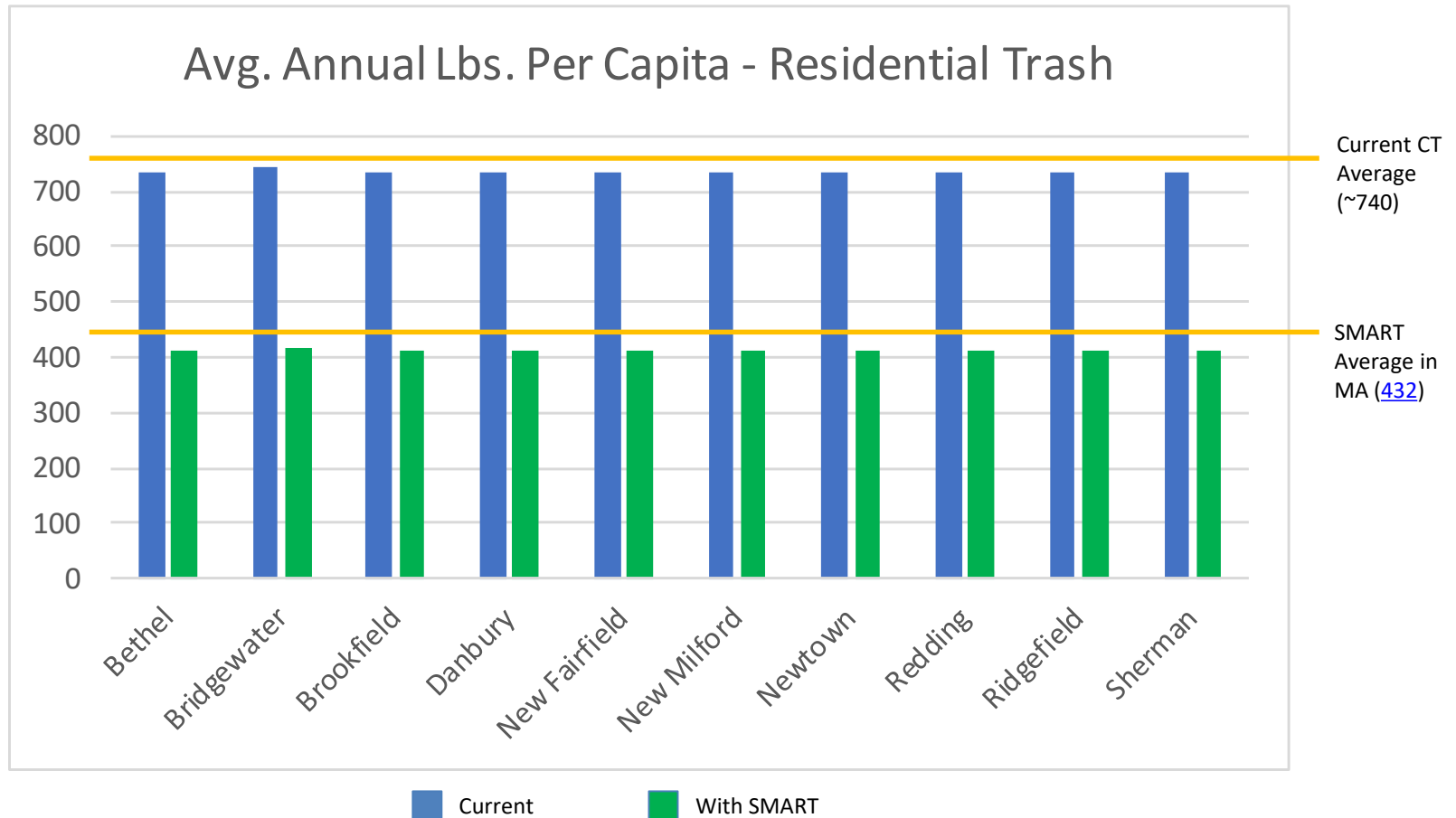


Impact on Annual Waste Stream and Recycling Rate



Recycling Rate: ➔ **24%** ➔ **46%**

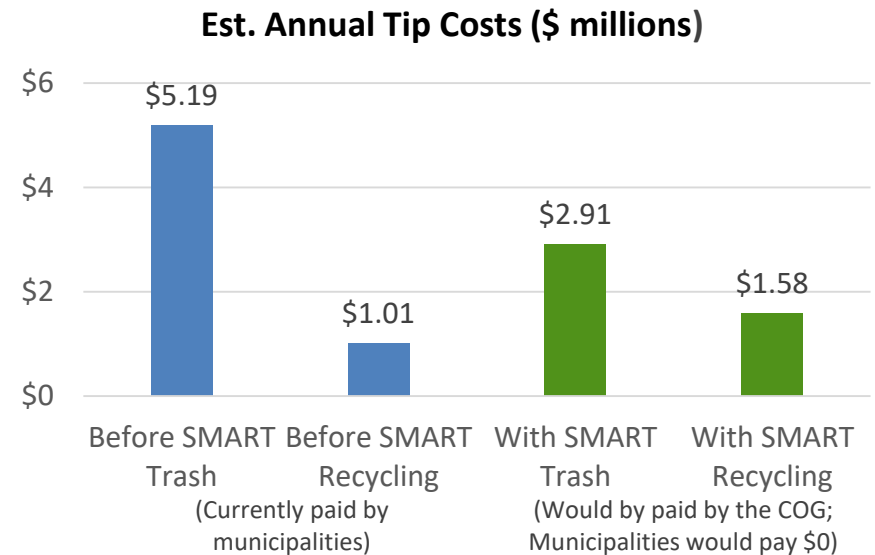
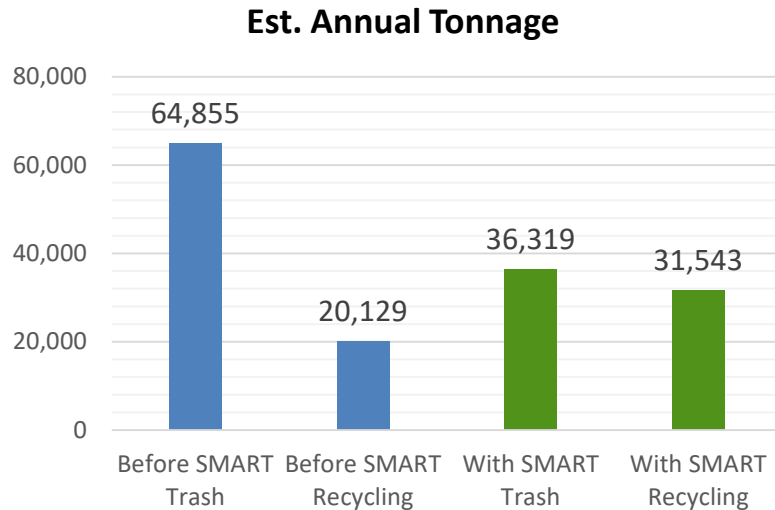
Impact on Per Capita Trash Generation, by Municipality



Note: When actual data (trash tonnage, etc.) was available, it was used. When not available, it was estimated using CT state averages for towns with municipal curbside collection, subscription curbside collection, or drop-off as appropriate.

Estimated Financial Impact on HRRA

Implementing SMART would have the estimated impacts below, assuming a recycling tip fee of \$50 per ton.



Annual Net Financial Impact :

Net Revenue from SMART Bags = \$4,618,000

Tip Cost = \$2,910,000

Recycling Tip Cost = \$1,580,000

Net Revenue = \$128,000

Revenue Assumptions:

- Bag-based SMART
- 30 gal. bag, 60% of bag sales, \$1.75 retail price
- 15 gal. bag, 40% of bag sales, \$0.90 retail price

How SMART Bags Pay for Trash



\$1.75 per Bag

Bag & Bag Distribution	\$0.31
Trash Incineration+ Recycling Cost + extra	\$1.44
Total	\$1.75



\$0.90 per Bag

Bag & Bag Distribution	\$0.21
Trash Incineration + Recycling Sots + extra	\$.69
Total	\$.90

Average HH Financial Impact

SMART shifts disposal costs to users and gives residents more personal control.



The average home will use...







...less than one bag per week

Per HH Spend, PAYT Bags	\$82.33
<i>Per Month</i>	<i>\$6.86</i>
Less Regular Trash Bags	\$27.00
Net per HH Cost	\$55.33
<i>Per Month</i>	<i>\$4.61</i>

Annual Environmental Impact

Reducing annual trash by 29,571 tons would have a very positive environmental impact, per the US EPA's WARM (Waste Reduction Model).

Each year, equivalent to:

	Eliminating 54,000 metric tons of greenhouse gases (MTCO ₂ e)
	Removing 11,000 cars from the roads
	Saving 6,032,000 gallons of gas
	Saving enough energy to power 4,000 homes

Today's Presentation

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Discussion and Next Steps

1. Questions?
2. Comments or Input?
3. Discussion Regarding Next Steps