



HOUSATONIC RESOURCES RECOVERY AUTHORITY
Special Meeting - Executive Committee
Monday, April 6, 2022, 2022, 10:00 a.m. Via zoom

MINUTES

Chairman Matthew Knickerbocker called the meeting to order via zoom at 10:03 a.m. Members in attendance were J. Speck, H. Rosenthal, (J. Pemberton entered the meeting at 10:04) Also, in attendance J. Heaton-Jones, HRRRA Executive Director, J. Baum HRRRA Staff, P. Bass New Milford, J. Decker from Oak Ridge, F. Antonacci, C. Antonacci, A. Regan from All American Waste

Approval of Minutes

Motion by H. Rosenthal second by M. Knickerbocker to approve the minutes of the Executive Committee meeting of October 25, 2021, as presented. **Vote:** All in favor

Motion by M. Knickerbocker, second by H. Rosenthal, to add item 2a Public Comment to the agenda

Public Comment

F. Antonacci expressed his concerns with the short notice and unexpected fuel surcharge that was sent out to haulers on Thursday, March 31st and implemented April 1st.

Regional Solid Waste and Recycling Agreement

M. Knickerbocker began the discussion by explaining the HRRRA Authority and the HRRRA Executive Committee did not review the increase nor agree to it due to the fact that the methodology is within the contract for Oak Ridge to implement a fuel surcharge per the Regional Solid Waste and Recycling Agreement. M. Knickerbocker asked the Executive Director to then give more details.

J. Heaton-Jones made the following points:

- The contract language does not state the fuel surcharge must be agreed upon or negotiated by the Authority.
- It does not outline how much Oak Ridge may increase the MSWTF, it only states for every .25 above the base rate of \$3.50 they may impose an increase, there is no formula.
- It does not require that Oak Ridge gives notice of a certain number of days.
- It does state "if the documented fuel diesel expenses incurred by Oak Ridge in its operational and transfer station costs exceed \$3.50 per gallon... they may increase the tip fee on a per ton basis to account for the impact and it is to be reviewed on a quarterly basis
- J. Heaton-Jones reviewed the current market rate for fuel from the EIA (U.S Energy Information Administration) and made several phone calls to Oak Ridge to understand the number of trips that are taken to disposal sites and the distance.
- The tip fee is compiled of transfer, transport and both have fuel expenses. J. Heaton-Jones met with John Decker at Oak Ridge and reviewed invoices from their vendors to evaluate if in fact the increases were also impacting the transfer station operational cost. J. Heaton-Jones reviewed invoices from their 3rd party transporters, equipment suppliers, machine shop suppliers, the oil & lube company, the tire company that comes every day, etc. Every invoice showed a fuel surcharge increase, some by the dollar amount and some by a percentage

- Based on the evaluation it was determined that a fuel surcharge was a fair request. The actual dollar amount was not negotiated as it is not in the contract. However, J. Heaton-Jones created a formula based on the information reviewed at Oak Ridge and market rates in order to determine if there was a possible gain at \$2.00. The formula was shared during the meeting.
- J. Heaton-Jones did share the concern with J. Decker the pricing adjustments in the contract are quarterly and not monthly given the market changes on a day-to-day basis.

M. Knickerbocker asked J. Decker to address the Executive Committee. J. Decker made the following points.

- Would have liked to have given notice to the region, but they themselves have had little or no notice from their own vendors and or at the pump.
- They exceeded the base fuel rate in November and held on to the fuel surcharge as long as they could.
- The fuel increases are not just impacting transportation for disposal but also the fuel expenses to run the transfer station.
- Oak Ridge is also in the same situation on the increase surcharge on their hauling business.
- It isn't easy but hopes it's not a surprise
- The \$2.00 does not cover their increases and it should be more.

Following J. Decker's comments to the Executive Committee, M. Knickerbocker asked the Director to finish sharing her analysis.

J Heaton-Jones reviewed the formula she created to determine if the fuel surcharge fee was valid, and fair based on documented fuel prices from the EIA. Based on the information that was shared at a meeting with Oak Ridge at their office and the market price, the numbers indicate the \$2.00 fuel surcharge is reasonable. The Director also noted the current MIRA tip fee is \$105 per ton and will increase to \$111 per ton on July 1st, 2022. The current HRRR rate for private haulers with both transport and fuel surcharges are at \$103.37. When fuel decreases the tip fee will reduce to \$101.37 and if transport reduces it goes back to \$96.87. Taking into account the tip fee increases by contract a \$1.56 per year in July.

A comment was made in the zoom chat that MIRA Recycling rate is at \$0 per ton. J. Heaton-Jones explained that their MSW tip fee is higher to absorb the cost of recycling. Recycling is not free and their tip fee is deceiving.

H. Rosenthal expressed disappointment in the HRRR attorney for the language in the contract that allows Oak Ridge to increase the rate without agreement. And has concerns regarding the other surcharges that have already been implemented.

P. Bass asked if the regional contract will be on the agenda for the full authority meeting on April 28th. He believes all members should have a full understanding. In addition, he requested legal counsel's opinion on the contract in regard to the fuel surcharge including the \$4.50 surcharge on transportation implemented on November 1, 2021.

Motion by M. Knickerbocker, second by J. Pemberton, to go into executive session for the purpose to discuss provisions of the regional solid waste and recycling agreement and discuss contract strategy and invite the Executive Director, J. Heaton-Jones.

Vote: All in favor. The Executive Committee entered executive session at 10:32 a.m. At 10:47 a.m. the Executive Committee invited J. Decker into the session. The Executive Committee came out of executive session at 10:57 a.m.

M. Knickerbocker announced that Oak Ridge has agreed to hold the fuel surcharge to May 1st and thanked Mr. Decker for his partnership that is not in the contract. Going forward it will be reviewed quarterly. The hold is contingent on fuel prices not increasing. If there is another increase the parties will meet.

Adjournment

On a **motion** by J. Speck, second H. Rosenthal the meeting was adjourned at 10:59 a.m. **Vote:** All in favor. **Vote:** All in favor

Full recording of this meeting is posted on the HRRRA website.

Respectfully Submitted,
Jennifer Heaton-Jones
Executive Director