

SWEROC President Steve Edwards called the meeting to order at 9:15 a.m.

CRRA MUSEUM REPORT

Ms. Montanari indicated the YTD numbers may be found in the report packet distributed. The expectation is to exceed yearly participation for the third year in a row. In addition, Ms. Montanari reviewed admission fees collected as well as invoices outstanding as reflected in the report. She reported that receipts collected to form participants and groups to date equaled \$9021.00 with an additional \$5,250.00 outstanding. Booked groups for the remainder of the year should generate \$23,000.00 excluding public walk-ins. Ms. Montanari projected total receipts just south of \$40,000.00 for the year.

In addition, the application submitted to the IRS to obtain a 501(c)3 designation has not yet been granted. This has limited the museum in its ability to apply for grants and donations, as this designation is required by most organizations and corporations. As a result, the only grant available is the Institute of Museum and Library Services (IMLS) . Environmental Education Association (EEA) does not allow us to apply for their grant since we are not an environmental agency, school or 501(c)3. As a result, Ms. Montanari is working to partner with the schools in order to apply for this grant as well. Additional fundraisers are planned for the Spring to encourage additional sponsorships. We fully expect to do our best to fund the museum as best as possible.

Mr. Nonnenmacher added that given the uncertain status of SWEROC going forward, the future of the museum is in question currently, but he and Ms. Montanari are working diligently to keep the museum active as it is a necessary part of the trash system in this part of state. In the interim, DEP has been contacted to determine what assistance may be available. The legislature has also been contacted for assistance toward granting the 501(c)3 designation. Mayors and First Selectman from this region will also be contacted to solicit their assistance in support of obtaining this designation from a Federal level. The outstanding fees being collected will keep the museum in operation through the summer of 2009 as the status of the SWEROC is determined. We remain committed to do whatever is possible to keep the museum alive.

President Edwards asked if there were any outreach efforts toward private donations. Mr. Nonnenmacher stated our procurement policy and state statutes are unclear regarding solicitation of contributions and from whom we can solicit. President Edwards suggested to Mr. Nonnenmacher when checking on legality to determine whether SWEROC could potentially accept donations on behalf of the museum or create a separate entity as a 501(c)3. Mr. Nonnenmacher stated this option has been investigated and while SWEROC could seek donations, they could not be designated as a 501(c)3 therefore CRRA would have to secure this designation.

President Edwards suggested a session with the respective SWEROC CEOs and Mayors since they may be of assistance as they are made aware of the benefits of the museum and potentially consider budgetary support. Mr. Boman stated he would bet that it would be a surprise to the Mayors that they had decided not to fund the museum.

Mr. Nonnenmacher concluded that the museum is up against the perfect storm of the economy, recycling markets and the state tax situation and it couldn't be a worse time for this to be happening. President Edwards reminded everyone that "Green" is really popular now and the position that Mayor's want to be supportive of. Ms. Montonari also stated that school systems throughout the region have adopted the museum into their curriculum. It is far easier and less costly for those school districts to utilize the museum than to develop their own curriculum. Mr. Bowman followed up on that point and urged the CRRA staff to also contact the individual school Superintendents.

TONNAGE REPORT

Tom Gaffey stated the tonnage report has remained fairly consistent from the fiscal YTD from last year up about .1%. Total recyclables received including the spot market deliveries are down just 3.3%. These numbers are not a big change from last year . President Edwards added that the actual deliveries report is now provided electronically on the website at www.crra.org.

TREASURY REPORT

Jeff Duvall confirmed all Spring billings have been completed. As far as all the recent activity with regard to recycling and solid waste, there is one old issue to be addressed relating to the Town of Easton. Clean Harbors had reported 22 households of material with only 3 cars coming through. Easton believes the number is actually 2.2 households, but Clean Harbors will not back off the 22. So, in this situation there is \$995.00 to be paid for liabilities less \$100.00 in billings, so Mr. Duvall is requesting permission from the Board to write off the remaining \$895.00 difference and clean-up the old receivables. President Edwards suggested that SWEROC should give thought in going forward how we are going to deal with this in the future.

MOTION TO APPROVE WRITE-OFF OF \$885.00 CLEAN HARBORS BILLING:

Motion made by Ben Barnes

Second by Hal Alvord

MOTION PASSED UNANIMOUSLY

Mr. Duvall stated as of December 31, 2008, the Clean Harbors contract ends and intends to bill the towns directly. President Edwards polled members who would be interested in having collections. Stamford indicated interest in having a collection held in the Spring. Mr. Lorimer suggests setting up a contract on behalf of the towns with SWEROC, not the managing entity, for the purpose of the bid. President Edwards cautioned not to contract for services beyond June since there is still uncertainty as to what towns will remain with SWEROC. Mr. Duvall is also discussing additional options with Clean Harbors regarding the possibility of providing collections for the next six months. Mr. Nagy asked what other vendors bid the last time. Mr. Duvall responded that were there were three requests for information and two bid including Clean Harbors. The other bidder was twice the price as Clean Harbors. Mr. Egan suggests looking on the DAS website to see if a state contract is available which may provide an opportunity to secure a more favorable price.

FINANCIAL VARIANCE REPORT

Mr. Duvall reported recycling YTD is showing \$410,000 above budget. Costs are coming in very close to what we have budgeted except for electronics events which is much lower than we budgeted due to the new contract we negotiated. Our portion of recycling revenue sharing is \$68.22 as of September. The recycling markets have since taken a nosedive so I went back to the budget number which was set at \$47.00. Unsure as to whether the market is going to rebound in the coming months, however I am currently projecting a \$300,000 surplus as opposed to the \$410,000 we show at the end of September primarily driven by our revenue share. . President Edwards asked if our markets were fairly secure for the completion of the six-month term and was FCR locked in at certain prices or at severe risk. Mr. Gaffey responded that it appears that we have a good fiber contract which is important but certainly the other commodities have nosedived in the last three weeks so commodity revenue share will absolutely decrease as we go forward if the markets don't show rapid improvement. Mr. Duvall added that CRRA has seen significant reduction in all commodities including in the metals market. President Edwards pointed out that CRRA's revenue projection is back to the \$47.00 per ton budget number and asked if that would be for the remaining part of the year. Mr. Gaffey responded yes, Mr. Duvall stated to date it is actually worse and that he believed that the markets will not stay completely depressed but that were responding to instantaneous reactions and it will come back but we just don't know when.

ELECTRONICS RECYCLING COLLECTIONS SCHEDULE

Mr. Gaffey reported there were two recycling events this fall, one in Norwalk on September 13, 2008 and one in Trumbull on October 11th which produced approximately 200 cars each where about 46000 pounds were collected.

We also had municipal electronics pickups occurred in Shelton, Greenwich and Orange in early Fall.

No events scheduled for spring. Mr. Gaffey asked any members who are interested in holding collections to send him an email.-

RECYCLING MARKETS

Mr. Gaffey reiterated recycling markets are down due to worldwide recession and credit market restrictions, primarily due to China shutting down their mills because they have an oversupply of fiber. So the markets have reacted with precipitous declines in pricing. Mr. Gaffey reminded the Board that at the last meeting we reported that the newspaper prices were approximately \$145 per ton. Currently, if you are lucky enough to get the material to the pier in New York or New Jersey, you may get it taken away for nothing after you net out the transportation costs. The metal, plastics and all of the commodity markets similarly suffered precipitous declines.

SWEROC

Mr. Gaffey further informed the Board that Sean Duffy of FCR reported to the Executive Committee last week that this has steep of a decline has never happened before this rapidly. Mr. Gaffey stated that this happened once before when paper markets nosedived in 1997 did ultimately recover. There is no reason to believe that this situation is any different and that markets will recover and will rebound. The question is how long it will take to weather the storm. It's reasonable to assume that we will be stuck in a downward market trend during the next six months to a year. Consequently, with the revenue impact of the declining market prices, Mr. Gaffey stated that the prospect of rebates formerly offered in past FCR proposals CRRA put forward for SWEROC's consideration no longer exist. The Executive Committee met last week with Sean Duffy on the phone and examined options including extension of the current contract and negotiate a longer term contract later. Mr. Gaffey emphasized an extension make sense since you do not want to be negotiating a contract at the worst possible times of the markets. Mr. Gaffey passed out a synopsis of the market conditions that was prepared by Mr. Duffy of FCR. President Edwards agreed with Mr. Gaffey that the last thing we want to do is negotiate a new contract when the markets are as they are right now. He reported that the Executive Committee did ask Mr. Duffy to continue working on various scenarios including the extension.

President Edwards said that although we were hoping to come together on a recommendation in the short term, the market conditions will not permit that which will unfortunately leave everybody hanging and probably result in a six month extension. The efforts to work with Mr. Duffy will continue but will not include the single stream option since a long-term contract would be necessary to fund the retrofit of the facility. Ms. Bardon asked if there was any consideration of implementing single stream when the market is down and markets are rejecting loads. Mr. Edwards said that was somewhat discussed but the discussion mostly revolved around the funding to capitalize the \$6 - \$7 million single stream retrofit. That would require a long-term contract and the stability required in the markets to support a long-term contract is currently not there. Mr. Edwards concluded that we cannot put that proposal on the table until markets recover. At that time it would be advantageous to have single stream available. Mr. Gaffey pointed out that the current market conditions have had no impact on bales being rejected or downgraded from single stream facilities. CRRA has not had any bales downgraded from the single stream facility in Hartford. CRRA has actually seen minimal contamination in Hartford. Mr. Kirk emphasized that is due to the system that CRRA invested in at the Hartford facility vs. a cheap and dirty single stream facility where contamination may be an issue. Mr. Gaffey reminded members that the same system was proposed by FCR's Sean Duffy to be installed in Stratford. President Edwards cautioned towns that are opting out of SWEROC to be very careful of the deals they are weighing as to what they are opting into since those deals are affected by the same market. Mr. Bowman stated that this becomes a budget question for the future.

SWEROC FUTURE MEMBERSHIP AND CONTRACT STRUCTURE

Discussion covered item above

APPROVAL OF OCTOBER 1, 2008 MEETING MINUTES

President Edwards requested a motion to approve the October 1, 2008, meeting. Mr. Baker made the motion, which was seconded by Mr. Boman. The motion to approve the minutes as amended was approved unanimously with Mr. Thurkettle abstaining.

ADJOURNMENT

President Edwards requested a motion to adjourn. The motion made by Mr. Cottell and seconded by Mr. Delvecchio was approved unanimously. The meeting was adjourned at 10:05 a.m.

Respectfully Submitted,

Thomas P. Gaffey
Director of Recycling & Enforcement



Lisa M. Bremmer
Executive Assistant