

MATERIALS INNOVATION AND RECYCLING AUTHORITY

FOUR HUNDRED AND FIFTY-THIRD

FEB. 19, 2015

A regular meeting of the Materials Innovation and Recycling Authority Board of Directors was held on Thurs. Feb. 19, 2015, in the Board Room at 211 Murphy Road Hartford, CT 06114. Those present were:

Directors: Chairman Don Stein
Vice-Chairman Dick Barlow
John Adams
Ralph Eno
Jim Hayden
Andy Nunn
Scott Shanley (present after 10:40 a.m.)
Steve Edwards, Southwest Project Ad-Hoc
Bob Painter, CSWS Project Ad-Hoc

Present from MIRA in Hartford:

Tom Kirk, President
Mark Daley, Chief Financial Officer
Laurie Hunt, Director of Legal Services
Peter Egan, Director of Operations and Environmental Affairs
Jeffrey Duvall, Director of Budgets and Forecasting
Tina Mateo, Assistant Director of Budgets and Cash Management
Marianne Carcio, Executive Assistant
Eileen Kearney, Temporary Board Administrator

Others: Alan P. Curto, Esq., Halloran & Sage LLP; John Pizzimenti, USA Hauling; Lee Sawyer, Department of Energy and Environmental Protection and James P. Sandler, Esq., Sandler & Mara, P.C.

Chairman Stein called the meeting to order at 9:35 a.m. and said a quorum was present.

PUBLIC PORTION

Chairman Stein said the agenda allowed for a public portion in which the Board would accept written testimony and allow individuals to speak for a limit of three minutes.

Mr. Lee Sawyer of the Connecticut Department of Energy and Environmental Protection (“DEEP”) introduced himself and asked to speak before the Board. He provided an introduction on the RFP technical update that DEEP has undertaken, noted that he was working with Chairman Stein on setting up a meeting between the Agency and the MIRA Board and that the first meeting has been set for March 10. Mr. Sawyer told the Board that he would be attending Board meetings going forward and would be providing the Board with updates on progress of the RFP. Several of the Directors had

questions on the changes in the proposed state budget and asked for details on the proposed \$1 per ton increase solid waste fee. President Kirk and Chairman Stein provided details on what would be included saying that it excludes recycling and that the cost would be increased to \$2.50/ton total.

APPROVAL OF THE REGULAR JAN. 22, 2015, BOARD MEETING MINUTES

Chairman Stein requested a motion to approve the minutes of the Regular Jan. 22, 2015, Board Meeting. Director Adams made the motion which was seconded by Director Nunn.

The motion to approve the minutes was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Hayden, Director Nunn, Director Painter and Director Edwards voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Jim Hayden	X		
Andrew Nunn	X		
Ad-Hoc			
Bob Painter, CSWS Project	X		
Steve Edwards, Southwest Project Ad-Hoc	X		

RESOLUTION REGARDING CONSTRUCTION QUALITY ASSURANCE SERVICES ASSOCIATED WITH THE HARTFORD LANDFILL

Chairman Stein requested a motion to table the above-referenced item. The motion to table was made by Vice-Chairman Barlow and seconded by and Director Adams.

RESOLVED: That the President is hereby authorized to enter into a Request for Services with Fuss & O’Neill, Inc. to perform Construction Quality Assurance (CQA) services associated with the Phase 2 Area Closure and Photovoltaic System Project, substantially as discussed and presented at this meeting.

President Kirk provided background on the resolution and indicated that due to the value of the Request for Services, it would need eight votes by the Board to approve the resolution. Chairman Stein asked for confirmation that there was no time constraint on the RFS. President Kirk confirmed the Resolution could be postponed.

The motion to table was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Hayden, Director Nunn, Director Painter and Director Edwards voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Jim Hayden	X		
Andrew Nunn	X		
Ad-Hoc			
Bob Painter, CSWS Project	X		
Steve Edwards, Southwest Project Ad-Hoc	X		

BOARD ACTION REGARDING BOARD APPROVAL TO SEND LETTER TO CONNECTICUT OFFICE OF POLICY MANAGEMENT OBJECTING TO LATE FEES AND APPEAL DENIAL TO WAIVE LATE FEES ON VARIOUS CSWS PERMITS RESULTING FROM A LEGISLATIVE REQUIRED CHANGE FROM CRRA TO MIRA

Chairman Stein requested a motion on the above referenced item. The motion to approve was made by Director Adams and seconded by and Director Hayden.

President Kirk provided the background on this proposal and said that it was related to late charges associated with DEEP annual permit fees. He indicated that the delay in paying the invoice was due to new software required as a result of PA 14-94 transition to MIRA and that payment was not mailed out until the first week of July. He said that a request had been made to DEEP to waive the late fee. The response was the agency could not grant it alone and that the request needed be approved by OPM. Mr. Egan provided details on the amount of the fee and the late charges. He said that MIRA used the DEEP formal petition process for the waiver, and that he subsequently received an e-mail response from Dean Applefield, DEEP Counsel, who responded that OPM had no authority to waive these fees and it did not support the waiver by MIRA even if it had the authority. Further discussion continued and President Kirk asked for Board approval to send a letter request to OPM requesting a refund on the interest fee on the penalty or a credit for the amount. Chairman Stein suggested that the letter be addressed to Ben Barnes, be under the Chairman’s signature and Vice-Chairman Barlow suggested that Mike Sullivan, their counsel, be copied on the letter. President Kirk said he would draft the letter; provide it to the Chairman for approval to send out under the Chairman’s signature.

The motion to approve the action was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Hayden, Director Nunn, Director Shanley, and Director Painter voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Jim Hayden	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hoc			
Bob Painter, CSWS Project	X		
Steve Edwards, Southwest Project Ad-Hoc			

RESOLUTION REGARDING – FY 2016 CSWS DIVISION OPERATING AND CAPITAL BUDGET

Chairman Stein requested a motion on the above referenced item. The motion to approve was made by Director Eno and seconded by Director Nunn.

RESOLVED: That the Fiscal Year 2016 Materials Innovation and Recycling Authority Operating and Capital Budget attached hereto as Exhibit A be adopted substantially in the form as presented in Exhibit B attached hereto and discussed at this meeting.

Mr. Daley provided an introduction to the resolution, noted that it had been discussed at the Finance Committee meeting and presented a summary of the changes to the CSWS Division Operating and Capital Budget. He said the changes were: no increase in the tip fee and it would be flat; some adjustments were made to tonnage quantities for members and non-member waste; it included transportation expense; balancing the budget through the tip fee stabilization fund and changes to the opt-out price due to CPI adjustment. For the CPI adjustment, he said that the index had been down for October - December; that there was a 4 cent reduction in the base opt-out and it is \$2 over the established tip fee.

Discussion began on the Governor’s state budget proposal, the effect of the proposed dioxin tax (“Dioxin Tax”) increase that MIRA would pay and Chairman Stein suggested that there be a \$1 per ton adjustment added to the opt-out price if the budget is passed. He also noted the changes that might occur if the proposed state budget was passed and indicated that the Board would need to take action today on this. Discussion began among the Directors on what might need to occur to tip fee opt-out and actions MIRA could take as a result. Mr. Daley suggested several options to consider: based on the state’s actions, wait and see what tax is adopted by the law and leave the MIRA budget at the current tip fee. The second option he noted was that if adopted, MIRA would have to rely more heavily on the tip fee stabilization fund than is currently projected to balance the budget. His final suggestion was, if it is adopted, charge a \$1 increase in our tip fee. President Kirk added that once the Board sets the tip fee in February, the tip fee is set for the year. It can be reduced, but by contract cannot be increased. The Board analyzed actions to take, the timing and effects on contracts. President Kirk also noted that he, Mr. Daley and Ms. Hunt discussed the options to take.

He also discussed the Dioxin Tax, MIRA's history on the matter, that MIRA has been paying it even though it is exempted from doing so due to its statutory tax free status and whether MIRA should consider exploring the option to not pay and the cost savings that this might represent.

Additional discussion continued by the Board on the budget and included sensitivity, postponing turbine and capital maintenance projects and energy prices.

Director Shanley indicated that he thought analysis needed to be done on the value of the competitive market environment on prices that the Authority charges for tip fee; its current pricing model; the effect of service to the transfer stations and whether the Authority needs to revise its strategy for this. Chairman Stein asked that this analysis be included as an agenda action item a future Board meeting.

The Board also discussed the topic of bonding for maintenance, improvements to the plant, its history with the Authority and whether bonding should be considered currently.

In response to a question from Director Adams on the Hartford Pilot host fee, President Kirk noted that Ms. Hunt had reviewed the contact language recently to make sure it was applicable and said that by adopting this budget, MIRA will be continuing a \$1.5M PILOT for the year.

AMENDMENT TO THE RESOLUTION REGARDING – FY 2016 CSWS DIVISION OPERATING AND CAPITAL BUDGET

Chairman Stein requested a motion to amend the resolution in the Board package to include an additional \$1 per ton in the tip fee should the present Governor's budget proposal hold and become law. The motion to approve the amended motion was made by Director Shanley and seconded by and Director Nunn.

RESOLVED: That the Fiscal Year 2016 Materials Innovation and Recycling Authority Operating and Capital Budget attached hereto as Exhibit A be adopted substantially in the form as presented in Exhibit B attached hereto and discussed at this meeting.

FURTHER RESOLVED: That the Disposal Fees proposed in such CSWS budget be increased by one dollar (\$1.00) per ton in order to pass through the increase in the State's Solid Waste Assessment fee that was included in the Governor's Budget proposed for the state's FY 2016 – FY 2017 Biennium.

FURTHER RESOLVED, that if the final state biennial budget does not include all or a part of the increase in the State's Solid Waste Assessment fee, the Authority shall reduce its CSWS FY 2016 Disposal Fees by a comparable amount.

Chairman Stein requested that President Kirk draft a letter to customers communicating the decision of the Board to explain the impact of this \$1 fee and MIRA's position on this. Vice-Chairman Barlow asked that the draft of the letter be circulated to the Board for approval.

The motion to approve the amended resolution was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Hayden, Director Nunn, Director Shanley and Director Painter voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Jim Hayden	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hoc			
Bob Painter, CSWS Project	X		
Steve Edwards, Southwest Project Ad-Hoc			

RESOLUTION REGARDING - AMENDMENT TO FY 2015 CSWS DIVISION OPERATING AND CAPITAL BUDGET

Chairman Stein requested a motion on the above referenced item. The motion to approve was made by Director Nunn and seconded by and Director Hayden.

Whereas, on February 20, 2014 the Connecticut Resources Recovery Authority adopted operating and capital budgets for the Connecticut Solid Waste System (CSWS) for its fiscal year ending June 30, 2015;

WHEREAS, such operating and capital budgets contemplated the transfer of \$7,425,000 in budgeted operating income to the CSWS Improvement Fund;

Whereas, as of December 31, 2014 actual CSWS operating income is \$2.3 million below budget due to deficits in CSWS energy production, wholesale energy prices and CSWS Power Block operating expenses that exceed budget;

Whereas, management is undertaking steps within its control to ensure CSWS operating expenses remain at or below budget;

Whereas, management has identified major maintenance activities intended to be funded from the CSWS Improvement Fund that may be deferred at this time subject to Board approval as a means of partially mitigating the shortfall in operating income.

NOW THEREFORE, be it

RESOLVED: That the fiscal year 2015 CSWS operating and capital budgets are amended by reducing approved transfers to the CSWS Improvement Fund by \$820,000 from \$7,425,000 to \$6,605,000;

Mr. Daley made a presentation on the 2015 CSWS budget and discussed changes that were made to it. A discussion began on costs for transfer station fees. Mr. Shanley noted that an analysis might need to be done on the tip fee cost at transfer stations and discrimination in pricing between direct delivery and transfer stations.

The motion to approve the resolution was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Hayden, Director Nunn, Director Shanley and Director Painter voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Jim Hayden	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hoc			
Bob Painter, CSWS Project	X		
Steve Edwards, Southwest Project Ad-Hoc			

RESOLUTION REGARDING - FINAL DISTRIBUTION OF FUNDS FOR SOUTHWEST CONNECTICUT REGIONAL RECYCLING OPERATING COMMITTEE

Chairman Stein requested a motion on the above referenced item. The motion to approve was made by Director Adams and seconded by and Director Shanley.

WHEREAS, on June 30, 2013 the contractual relationship for recycling disposal between the Materials Innovation and Recycling Authority (the “Authority”) formerly the Connecticut Resources Recovery Authority (“CRRA”) and the Southwest Connecticut Regional Recycling Operating Committee (“SWEROC”) expired; and

WHEREAS, the Authority established the Recycling Division which accounts for SWEROC activities and maintains an operating account, the Stratford Recycling Capital Reserve, and the Commodity Revenue Share Reserve; and

WHEREAS, on October 25, 2012 the Authority Board of Directors (the “Board”) passed a resolution to distribute the funds in the Stratford Recycling Capital Reserve to SWEROC upon removal of all of SWEROC’s property from MIRA’s real property located at 1410 Honeyspot Road in Stratford Connecticut at SWEROC’s expenses; and

WHEREAS, on December 5, 2012 SWEROC members accepted the Board’s October 25, 2015 resolution; and

WHEREAS, SWEROC property remains at the Authority’s Stratford facility which the Authority has determined will cost \$25,000 to remove and discard including facility repairs; and

WHEREAS, on December 2, 2014 SWEROC members requested the distribution of the Recycling Division funds and agreed to pay the Authority an all-in price of \$25,000 in order to satisfy the Board’s October 25, 2012 resolution; and

WHEREAS, all Authority transactions, except for those transactions listed in this resolution, related to SWEROC have been completed; and

WHEREAS, on December 31, 2014 the Recycling Division’s operating account, Stratford Recycling Capital Reserve, and Commodity Revenue Share Reserve have a combined total of \$575,531.08; and

WHEREAS, SWEROC has requested that remaining Recycling Division funds be equitably distributed to the SWEROC member towns based on the tons delivered to the Stratford facility in Fiscal Year 2013.

NOW THEREFORE, be it

RESOLVED: That the amount of \$25,000 be transferred from the Recycling Division operating account to the Property Division General Fund account; and

FURTHER RESOLVED: That the Recycling Division’s operating account, Stratford Recycling Capital Reserve, and Commodity Revenue Share Reserve be closed and the combined total amount of \$550,531.08 together with applicable interest be distributed to the Towns in the percentage values and dollar amounts as follows based upon the tonnage formula previously agreed to by SWEROC members;

Town	Total Tons Delivered Fiscal Year 2013:	Percentage of Tonnage:	Distribution Amount:
Bridgeport	5,338.13	20.56%	\$ 113,171.09
East Haven	1,054.54	4.06%	\$ 22,356.79
Easton	755.47	2.91%	\$ 16,016.35
Fairfield	4,942.28	19.03%	\$ 104,778.87
Milford	4,275.82	16.47%	\$ 90,649.57
Monroe	1,151.94	4.44%	\$ 24,421.72
Orange	931.68	3.59%	\$ 19,752.09
Stratford	3,126.41	12.04%	\$ 66,281.49
Westport	3,648.39	14.05%	\$ 77,347.74
Woodbridge	743.16	2.86%	\$ 15,755.37
Total	25,967.82	100.00%	\$ 550,531.08

President Kirk introduced the topic and provided background on its history. He noted that there was a fund of reserves in the amount of \$25,000 being held for expenses relating to the closure of the project. He said at this time, payment should be expedited in this matter and requested that the Board approve and authorize that checks be issued to the towns. Director Adams asked if the Authority owns the property at the site and President Kirk responded that it did and it was part of the Property Division.

The motion to approve the action was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Hayden, Director Nunn, Director Shanley, and Director Edwards voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Jim Hayden	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hoc			
Bob Painter, CSWS Project			
Steve Edwards, Southwest Project Ad-Hoc	X		

CHAIRMAN AND PRESIDENT’S REPORT

A. Chairman’s Report

Chairman Stein said that he had spoken to Lee Sawyer of DEEP and that he and President Kirk will meet next week with him.

B. President’s Report

President Kirk provided a brief report on electric prices, noted that they were disappointing and they were down substantially in December and the Board discussed this and additional topics including mattress recycling.

He also said that discussions would continue with DEEP on its RFP and said that Mr. Sawyer had indicated that DEEP needs MIRA’s input on a strategic plan. He said that there would be a meeting in April or May on this. He also said that he had told Mr. Sawyer that an updated solid waste management plan should be in place before the RFP took effect. Mr. Sawyer noted that this would be in June or July and that the RFP would be in January.

EXECUTIVE SESSION

Chairman Stein requested a motion to enter into Executive Session to discuss pending litigation. The motion, made by Director Eno was seconded by Director Painter and was approved unanimously.

Chairman Stein asked the following people join the Directors in the Executive Session:

- Tom Kirk
- Mark Daley
- Peter Egan
- Laurie Hunt

The motion to go into Executive Session was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Hayden, Director Nunn, Director Shanley, Director Painter and Director Edwards voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Jim Hayden	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hoc			
Bob Painter, CSWS Project	X		
Steve Edwards, Southwest Project Ad-Hoc	X		

The Executive Session began at 11:15 a.m. and concluded at 12:35 p.m. Chairman Stein noted that no votes were taken in Executive Session.

The meeting was reconvened at 12:40 p.m. The door was opened, and the Board Secretary and all members of the public (of which there were none) were invited back in for the continuation of public session.

ADJOURNMENT

Chairman Stein requested a motion to adjourn the meeting. The motion to adjourn was made by Director Adams, seconded by Director Nunn and was approved unanimously.

There being no other business to discuss, the meeting adjourned at 12:45 p.m.

Respectfully Submitted,

Eileen R. Kearney
Temporary Board Administrator