

**MIRA**  
**REGULAR BOARD MEETING**  
**Feb. 19, 2015**

## **Materials Innovation and Recycling Authority**

100 Constitution Plaza

Hartford, Connecticut 06103

Telephone (860)757-7700 - Fax (860)757-7743

# **MEMORANDUM**

**TO:** MIRA Board of Directors

**FROM:** Eileen R. Kearney, Temporary Board Administrator

**DATE:** Feb. 12, 2015

**RE:** Notice of Regular Board Meeting

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There will be a Regular Meeting of the Connecticut Resources Recovery Authority Board of Directors on Thurs. Feb. 19, 2015, at 9:30 a.m. The meeting will be available to the public in the Board Room at 211 Murphy Road, Hartford, CT 06114.

Please notify this office of your attendance at (860) 757-7787 at your earliest convenience.

Materials Innovation Recycling Authority  
Regular Board of Directors Meeting

Agenda  
Feb. 19, 2015  
9:30 AM

I. Pledge of Allegiance

II. Public Portion

A ½ hour public portion will be held and the Board will accept written testimony and allow individuals to speak for a limit of three minutes. The regular meeting will commence if there is no public input.

III. Minutes

1. Board Action will be sought for Approval of the Regular Jan. 22, 2015, Board Meeting Minutes. (Attachment 1).

IV. Policy and Procurement Committee Reports

1. Board Action will be sought for Resolution Regarding - Construction Quality Assurance Services Associated with the Hartford Landfill (Attachment 2).
2. Board Action will be sought 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.

V. Finance Committee Reports

1. Board Action will be sought for the Resolution Regarding – FY 2016 CSWS Division Operating and Capital Budget (Attachment 3).
2. Board Action will be sought for Resolution Regarding - Amendment to FY 2015 CSWS Division Operating and Capital Budget (Attachment 4).
3. Board Action will be sought for Resolution Regarding - Final Distribution of Funds for Southwest Connecticut Regional Recycling Operating Committee (Attachment 5).

VI. Chairman and President's Reports

VII. Executive Session

An Executive Session will be held to discuss pending litigation, trade secrets, personnel matters, security matters, pending RFP's, and feasibility estimates and evaluations.

# TAB 1

**MATERIALS INNOVATION AND RECYCLING AUTHORITY**

**FOUR HUNDRED AND FIFTY-SECOND**

**JAN. 22, 2015**

A regular meeting of the Materials Innovation and Recycling Authority Board of Directors was held on Thurs. Jan. 22, 2015, in the Board Room at 211 Murphy Road Hartford, CT 06114. Those present were:

Directors: Chairman Don Stein  
Vice-Chairman Dick Barlow (present by phone)  
John Adams  
Ralph Eno  
Joel Freedman  
Jim Hayden  
Andy Nunn  
Scott Shanley  
Steve Edwards, Southwest Project Ad-Hoc (present by phone)  
Bob Painter, CSWS Project Ad-Hoc

Present from CRRA in Hartford:

Tom Kirk, President  
Mark Daley, Chief Financial Officer  
Laurie Hunt, Director of Legal Services  
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: John Pizzimenti, USA Hauling; Daniel Mara, Esq., Sandler & Mara, PC; Ann M. Catino, Esq., Halloran & Sage, LLP; Miguel A. Escalera, Esq., Kainen, Escalera & McHale, PC and John B. Farley, Esq., Halloran & Sage LLP

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.

As there were no members of the public present wishing to speak, Chairman Stein proceeded with the meeting agenda.

**APPROVAL OF THE SPECIAL TELEPHONIC DEC. 9, 2014, BOARD MEETING MINUTES**

Chairman Stein requested a motion to approve the minutes of the Special Telephonic Dec. 9, 2014, Board Meeting. Director Hayden 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 Freedman, Director Hayden, Director Nunn, Director Shanley, Director Painter and Director Edwards voted yes.

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

Ms. Hunt noted that a correction needed to be made to the minutes to add Director Nunn to the page 3 roll call for the vote to approve the CSWS South Meadows Units 5 and 6 Power Purchase Agreement.

Chairman Stein requested a motion to approve the amended minutes of the Special Telephonic Dec. 9, 2014, Board Meeting. Director Nunn made the motion which was seconded by Director Shanley.

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

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

**APPROVAL OF THE REGULAR TELEPHONIC DEC. 18, 2014, BOARD MEETING MINUTES**

Chairman Stein requested a motion to approve the minutes of the Regular Telephonic Dec. 18, 2014, Board Meeting. Director Eno made the motion which was seconded by Director Adams.

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

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

Ms. Hunt noted that a correction needed to be made to the minutes to on page 3 to remove Mr. Freedman as the individual requesting the motion and to replace him with Chairman Stein as the person making the motion to approve the Resolution.

Chairman Stein requested a motion to approve the amended minutes of the Dec. 18, 2014, Board Meeting. Director Nunn made the motion which was seconded by Director Shanley.

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

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

**RESOLUTION REGARDING FY 2016 PROPERTY DIVISION OPERATING AND CAPITAL BUDGET**

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

**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 began discussion on the background of the resolution noting that it related to the current year budget. He said that Exhibit A was a comparison of: first, year over year comparison of primary budget line items; second, drill down of three key areas including the jets, 211 Murphy Road and Non Personnel Services and third, capital projects. For Exhibit B, he noted that the presentation focuses on the current year budget.

In Exhibit B (Property Division FY'16 Proposed Operating and Capital Budgets), he presented the highlights. He said that there was a 3.4% increase in total operating revenue due to a \$410,000 increase in the jets capacity payment for FY'16 and this was due to an increase in ISO New England's payment rate estimate for FSA 6. In addition, he said there was a 23% reduction from FY'15 to FY'16 in operating expenses due to reductions in personnel and non-personnel services and the jets operation cost. He noted that the jet operation charges reduced significantly due to: the cost of jet fuel to run the jets and a decrease in funding for DERCS each time we run those assets. He said that this results in a healthy increase in the income for the Division as it increases from \$2,300,000 in the FY'15 budget to \$3,500,000 in the FY'16 budget. He said that the distribution of that income was to three areas: first, to the improvement fund (\$787,000) for the capital projects that are included in Exhibit A, \$720,000 to the tip fee stabilization fund which is the current estimate that would be needed in the FY'16 budget to get



that total fund up to the authorized target of \$7,000,000 and the remainder of just over \$2,000,000 would go to the Property Division's General Fund for future anticipated needs subject to further action to the Board. He further noted that two main examples of this would be the potential retrofit of the jets and a longer term need for participation in and eventually implementing redevelopment of CSWS.

He then presented the highlights in further detail. He said that the increase in revenues was largely due to the capacity payment which is a \$410,000 increase. He said that the capacity rating of the assets stayed the same from FY'15 budget to this year's budget (roughly 160 MW). He said that the reserve payment and real time energy were held flat to last year's budget as those are the most unpredictable areas in the budget. He said that the VARS from the jets had been reduced based on the current year's experience. He said that revenue from the South Central facility capacity was reduced based on a reduced anticipated need to divert waste to Wallingford. He said that there was an operating expense decrease of 23%, that personnel services was reduced by \$208,000 due to the steps the Authority was taking with regard to those costs by holding salaries, meeting the targets in the statutes for the personnel count and due to the changing of allocations. For jets operating charges, he said there was a reduction of \$576,000 on the cost of fuel. For this he said that there were two elements (as were discussed at the Finance Committee meeting): first, the per gallon price that is being estimated is being reduced by roughly a quarter to reflect an average of what has been paid over the last number of years and what is currently being paid. Second, he said that there is a larger element of this in the run time estimate for the jets. In last year, he said that MIRA had budgeted twenty-one hours of run time which was a higher budget necessary in FY'15 due to cyclical testing that occurs of these assets in a five year cycle. With all these factors together, he said that the income goes up by \$1.3 million.

He discussed jet sustainability. He said that there had been some progress that MIRA is doing. Since the Board discussion at the November meeting, the engineering report on the feasibility of technology to bring the assets in compliance with the air quality regulations that currently require our trading order (runs out in 2017), has been received and accepted. He noted that the conclusion is that feasible technology exists to retrofit them to comply with the most stringent air standard requirements. He noted that the cost for that is \$13.6 million and the Authority will now proceed with the Board's requested cost benefit and cash flow analysis of whether it makes sense to spend this money. He said that the next big milestone is February 2 when ISO does its next auction for capacity payments for FCA 10 which will take the Authority to 2019. The Authority knows that after expiration of our trading order, MIRA gets a very large increase in our capacity payment to \$12,000,000. He also said that after February 2, MIRA will know if the following year is in that same range and this will be important information to know before this analysis can be finished and a recommendation made as to whether or not to proceed with the retrofit.

He discussed the DEEP proposal for phased compliance with the trading order requirements. He said that this discusses the options to the owners as to these types of assets. He added that the agency proposes to provide for a phase out of the assets or a phase in of the assets to come into compliance. He indicated that, as a result, if this is adopted, MIRA will have a period of a number of years after the trading order expires to complete a retrofit or delist them from the assets that ISO calls upon to put energy up onto the grid. Also, he said that January 2017 will be when the final regulation will come out. Mr. Daley then said that MIRA should stay on course with what it is currently doing and stay on top of the status of this regulation.

Chairman Stein noted that, based on a statement in Mr. Daley's report concerning that an economic analysis is needed, he thinks that MIRA needs to do at least a ten year look at cash flow and cost benefit and the numbers. He said that when you look at this year and next year and the \$13,600,000 cash flow analysis, you need to make a decision. Mr. Kirk interjected that the best time to do that would be after the next FCA auction and ideally MIRA would like to look at whether DEEP is successful in its phase in regulation. He continued by saying the fact that DEEP is on the Authority's side in this, is good news and noted that this change in regulation may have to go through public hearing. He indicated that it's not a sure thing and if it happens the Authority will have all of the information that is needed to put together a fairly accurate technical and financial analysis for future years.

Chairman Stein asked if assumptions can be made and can the Authority fine tune it when it gets final data. Mr. Daley and Mr. Kirk responded affirmatively and said that is what the Authority will do, but there will not be much value in doing so until after February 2. Mr. Daley continued to discuss the effects of the regulation change. Mr. Daley then said that the way the proposal reads is recognition of the contribution that these intermittent assets really have to the overall goal to keep these kinds of emissions below the federal requirements and that to try to have one regulation for all assets that hits the federal target doesn't work. He said this was because these provide such little contributions to do it in one regulation is very difficult and imposes burdens on these kinds of assets. He said the proposal separates the regulations between these intermittent assets and the larger contributors to air quality issues that are trying to be dealt with.

Director Adams asked what the implication be if DEEP does not meet the January 1, 2017 deadline for this regulation. Mr. Kirk responded it is not clear, but it makes the Authority's decision a lot more difficult because assumptions would have to be in the value of whether to spend \$13,600,000 or delisting the unit. He then interjected that one thing to add to the delisting decision, is ISO is not part of the decision yet, it may have some concern about these units going away and this delisting may not be simple.

Mr. Kirk then interjected that the DEEP regulatory decision will create the schedule. Mr. Daley said that by undertaking a "Show of Interest" for the retrofit now for ISO's FCA 10, we have put the Authority into ISO's "pipeline" for review of these kinds of projects and we meet the deadline that is required to do that which is also in February, 2017. He continued and said by doing this, MIRA has taken the steps to get in ISO NE's review process so that we don't miss that, depending on the outcome of DEEP. He said that there is very little cost in doing that so MIRA can stay on course in case the decision is made as there is a short construction period in which to do the work.

Director Shanley asked if there was a state statutory requirement for a new technology to be on line for CSWS and how long it would take to meet compliance. Discussion continued on the topic and the results of when DEEP comes out with its RFP. Dr. Painter noted that he had been doing his own research on the new technology, the length of time it would take to be finalized and what his research indicates. Mr. Kirk interjected that he had been asked by Director Painter to keep the Board apprised on these new technologies and that short reports will be presented throughout the year to the Board at its meetings. A further discussion continued on waste to energy, developments in Europe and states doing research, energy generation from the jets and the effects on the future.

Mr. Daley then noted that on page 18 of the CAFR, it is noted that December 31, 2017 is the date DEEP is to make a selection and instruct MIRA to contract with a developer.

Director Adams asked for an update on the Trash Museum in the budgeting process and what is being assumed. Mr. Daley indicated that the Trash Museum is funded by a presumed repurposing of the educators to a customer service function. Due to this he said, that a decision was made to have a transition year so that this would be available to the Recycle Connecticut Foundation should it want to do something with it or have other plans. Chairman Stein said that a conversation had occurred this week with Mr. Mackey McCleary about the status of the Foundation; that volunteers had been found; there is no Executive Director yet; there is no one to do the role of raising money; DEEP is working on it and Mackey had said by the time that DEEP had an Executive Director and was ready to go, MIRA would probably need to maintain the Trash Museum facility for a year. Mr. Kirk also said that DEEP is using SEC fines money and ticket money as initial funding money for this project to get this Foundation on its feet and that he was encouraged by this discussion. Chairman Stein said he was impressed that DEEP was further along on the progress than he expected, but an Executive Director is still needed make sure that the organization is a going concern, more money needs to be raised and the Foundation is able to take over the project. Mr. Kirk added that Mr. McCleary was concerned that MIRA would not make irreversible decisions at the Trash Museum before the Foundation had the chance to look at these resources and assets and see the Foundation’s interest. Mr. Daley then updated the status of the repurposing, noting that the costs for the Museum had been reallocated to the Authority budget which is the reason that the Museum is not seen in the Property Division budget. He also added that the staff at the facility are available to do this kind of activity, but the expectation that has been communicated out is to slow down on reserving the use of the facility and/or reserve it on a contingency basis in case something changes in FY’16, and this message has been transmitted to the educators.

A brief discussion began on fuel prices. Chairman Freedman asked if it made as much sense of oil at 40 versus oil at 80 for jet fuel.

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

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

## CHAIRMAN AND PRESIDENT'S REPORT

### A. Mackey Departure, MIRA Board Appointments and DEEP

Chairman Stein noted to the Board that he had spoken to Mr. Mackey McCleary and Lee Sawyer and was told that Mackey is leaving the Department of Energy and Environmental Protection ("DEEP") and taking a position in Rhode Island. He was told that Lee Sawyer would be point person at DEEP for the project and getting the RFP moving. Chairman Stein indicated that he would like to set up a meeting with DEEP in early March (possibly the 10<sup>th</sup>), intends to set up regular meetings with the Authority and would like himself, Director Adams, Vice Chairman Barlow, Director Shanley, Director Painter, Mr. Kirk and Mr. Egan to attend the meeting. He also said that he would call Tom Mounds (Governor's Liaison for Board appointments) to discuss the status of MIRA Board appointments.

Vice Chairman Barlow indicated his wish to write DEEP about the progress to date on CSWS and to stress the urgency regarding the ten year plan regarding the Hartford facility. Chairman Stein asked if the Board was concerned about the issue, did it need to document its concern and to indicate that MIRA is concerned with progress, is ready willing and able to discuss the matter and is ready to get together as soon as possible.

Discussion began on Bill 1494. Mr. Kirk said that he had sent Mackey information in this past week or so, which had been created by Mr. Daley and discussed financing hurdles associated with the Bill, particularly the well thought out and debated issues of the commitment of waste to a project. He noted, that as important as it may have been when the legislators put the bill together, it creates many hurdles for financing and may be a non-starter for some private outfits that don't have access to assured waste flows or subsidized or guaranteed energy payments. He said that those are historically the two components of a financeable project. Mr. Kirk pointed this out to the DEEP and noted that this session is the last opportunity to approach this matter before the DEEP makes any technical changes to Bill 1494 and if there are any technical changes that need to be made, it needs to take place now. Mr. Kirk said he would send the correspondence that Mackey was sent to the Board today. Vice Chairman Barlow said that he wants a letter sent regarding this to the Environmental Chairs. He said his concern was time will pass, changes in Commissioners and several governors will occur before the deadline comes for the MIRA's action and there will be no recognition of the Authority's actions in this regard. Mr. Kirk said that he will send an e-mail regarding this to Mackey on behalf of the Board inquiring about RFP progress and if the Board thinks it makes sense to send to the Co-Chairs, he will do so. He said that the letter would be addressed to the Commissioner and that the Deputy Commissioner and Lee Sawyer would be copied on it.

### B. President's Report

Mr. Kirk presented his report by saying that power prices are disappointing, production numbers have improved, the plant is running a little bit better and that December was a very difficult month, but of late, the Authority seems to have gotten the pressure parts under control particularly in the last few weeks. He said that there is good news on the production side and not so good news on the pricing side. He said that there will not be a surplus this month unless there is a major electrical price change. He

noted that when discussion takes place in this meeting on CSWS budget, he will discuss the latest report from MIRA's consultants on the latest forecast on the forward pricing curve for the next fiscal year.

Chairman Stein asked a question. He said when you read the financials, revenues are down, power pricing levels are down, and production is up. He said that the Authority is half way through the fiscal year and what does the crystal ball say about where it will be at the end of the year. Director Eno said that the MIRA will have to take mid-course corrective actions to bring the budget back in line before the end of the fiscal year. Mr. Daley said that MIRA is looking at potential midcourse corrections that have to be phased in. On the expense side, he said the overages are in the PBF and that is the focus. NAES has addressed that. He continued by saying that the Authority will be pairing back on planned projects that will be funded from reserves. He said that at the next Board meeting, there will be a recommended budget adjustment on the expense side on the order of \$900,000 reduction on deposits to the improvement fund reserve and some other adjustment to bring the expense side down. He continued to say that MIRA is trying to look at production and direct resources accordingly. In the FY'16 budget, the major thrust has been to realign resources to the PBF and to try to ensure that the power goes to the grid. Director Eno said that the reality of that kind of a step is, ultimately that it may have effects on the Authority because MIRA is taking some corrective steps off of the table to stabilize the operation of the Authority long range and this is really the only option to bring the budget back into line. Mr. Daley responded that these are difficult choices. Director Eno responded that it is bad choices all around. Chairman Stein said that there will need to be a Board agenda item for the next meeting a projection on the corrections and other possible corrections, if there are any. Mr. Daley agreed to provide this for the agenda for the next Board meeting in February. Chairman Stein responded that at that point, the Authority will be five months away from the end of the fiscal year and we'll know a little bit more about the winter itself.

Director Painter asked why MIRA does not use the electricity that MIRA generates in its own facilities. Mr. Kirk responded that we do. The facilities' power is supplied before the meter. He said, that a couple of years ago, when MIRA concluded the MDC contract, MIRA moved processing to the evening shift because the WPF processing consumed 3 or 4 MW and MIRA wanted to do that as much as possible in off-peak hours because the power is being sold during peak hours at a higher price. He continued by saying MIRA is not eligible for "net metering". There was a director question regarding clarification on further information about the solar landfill. Can we send it to municipal buildings in the cities? Mr. Kirk responded no, the legislation was not going to permit the municipality of Hartford to use net metering at this facility. The ability to net meter was diminished by a ruling by the DEEP and PURA such that an already installed and permitted facility like MIRA's solar was not eligible for the net metering to be used by the municipalities. He continued by saying if it had been built today, there would be a better chance of using that net metering – their intent was to use net metering as an incentive to develop more power and not as a reward for those who were smart enough to develop it a little bit earlier.

Mr. Daley then said that a power contract has just been entered into at a six month price of 6.7 cents per kilowatt hour for the first 20 megawatts of CSWS power and that goes through June 30. He said this is 45% of CSWS power at that high level and it provides a better opportunity for budget surplus at the back half of the year to make up for deficits in power sales in the first half of the year. Mr. Shanley asked for clarification on the 45% figure and Mr. Daley responded that this is what 20

megawatts works out at. Mr. Kirk noted that given the very recent, unexpected drop in gas futures pricing, the Board was very prescient to lock in at that price.

**EXECUTIVE SESSION**

Chairman Stein requested a motion to enter into Executive Session to discuss pending litigation. The motion, made by Director Shanley was seconded by Director Freedman and was approved unanimously. Chairman Stein asked the following people join the Directors in the Executive Session:

Tom Kirk  
 Mark Daley  
 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 Freedman, Director Hayden, Director Nunn, Director Shanley, Director Painter and Director Edwards voted yes.

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

The Executive Session began at 10:30 a.m. and concluded at 11:23 a.m. Chairman Stein noted that no votes were taken in Executive Session.

The meeting was reconvened at 11:26 a.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.

**CHAIRMAN AND PRESIDENT’S REPORT –continued-**

Mr. Kirk continued his discussion on the President’s Report. He discussed the market for waste, noted that it was the most impactful revenue stream and had little control. He said it was most impactful for the budget for the plant. He reviewed how the market for spot and contract waste has changed over the past couple of years.

He then introduced a slide presentation on the Evolution of the Trash Market.

Mr. Kirk then discussed how customers deliver trash to CSWS. Chairman Stein asked a question concerning the cost per ton of subsidizing those facilities. Mr. Kirk said that this was the key issue here, the price was \$14/ton for haul and the true additional cost was \$15 - \$17 per ton for every ton the customer takes it to a transfer station. He added that the reason that's important is, you come to the conclusion that if MIRA has space in the plant, it's very much to our advantage to fill that with a direct delivery customer even if it's a private hauler, over a town that delivers into Essex, Watertown or Torrington.

Director Shanley provided his views on non-discriminatory pricing saying that pricing might be good for some towns or a subsidy might be better for others. Further discussion continued on the current business model and Director Painter suggested that an alternative business plan for MIRA might be considered. Director Eno asked what would the Authority's operation look like if it were to be a direct delivery model - the additional vehicular traffic coming and going. Further discussion continued among the Directors regarding whether the communities needed to use transfer stations or pay the higher price. Mr. Kirk responded not enough garbage is locally available for 100% direct delivery to make sense. He said that MIRA can't get to 700,000 tons without the use of transfer stations or without subsidizing towns, say Litchfield, to drive an extra 25 miles; that it can be done either way and is basically a toss-up, use a transfer station or give them money to drive privately. He said that if there were 700,000 tons or more available locally, MIRA would be \$8 or \$10 a ton cheaper. Discussion continued on alternatives and Director Shanley commented that when MIRA builds a new waste energy plant it might be a 400,000 ton plant. Mr. Kirk noted that there is a need to balance the advantage of size and size of the trash energy plant is very helpful in keeping costs down, with the availability of garbage to make them avoid long runs of garbage be that transfer stations or subsidies to have people drive longer and this is the point that he was trying to make. Director Freedman commented that the issue is, Manchester would be lost and the business model that MIRA had twenty years ago doesn't work as well in this market. Chairman Stein noted that for the towns that are not direct delivery, they'd be facing a \$10 increase and a town like Manchester would see an \$8 - \$10 differential. He then asked if the Authority has a mechanism within its contracts to implement that or is that ruled out based on the various MSAs and contracts we have signed. Mr. Kirk responded that the Authority has what is called a non-discriminatory provision in the contracts and it's undergirded by our Most Favored Nation status. He added that MIRA could possibly adjust through its transfer station surcharges where applicable and the ability to charge money from the towns that use the transfer stations. Director Shanley asked for further information. He said that the language accurately reflects the costs of delivering trash from a more remote location to the plant. Director Shanley asked who is doing this. Mr. Kirk responded that right now, the Authority socializes those costs over all users. He said that historically, that was a necessary choice made by the project. It is certainly less so today. Some towns that don't even have contracts with MIRA and that East Hartford is a good example -- all of their commercial is coming to us, every ton of it is coming to us because we are the right price and right locations. Director Shanley asked for further details on who is doing this and Mr. Kirk responded that five or six different haulers pick up in East Hartford. Additional discussion continued on this topic.

Director Painter asked the Chairman if he thought that because there is such a dramatic shift in thinking that Board has, if, at the next Executive Session, the Board should have a summary of what this might look like. He added, I think if the Board is looking to the future of this organization, that is a very big part of what this might look like and he would like to see this information and then the Board could talk about it more intelligently. Chairman Stein commented that he thinks that Board has to explore the contract language of the MSAs to see what could or could not be done do based on MIRA's current contracts. Mr. Kirk responded that the Board can do that because Ms. Hunt can weigh in on what we can do regarding the "Most Favored Nation Clause". Director Eno commented that the Most Favored Nation Clause causes most significant difficulties if MIRA has to deal with a town that wanted to direct deliver by them a lower contract rate and MIRA couldn't do it without giving everybody else the same rate.

Mr. Kirk then introduced the topic of transfer stations and interjected that if a town has a transfer station, it opens up a world of competitive possibilities; those competitive possibilities will be priced according to the market and it may or may not do better. He then noted that one of the things to consider, Director Eno, if the Board is going to look at this business plan moving forward is, there are two categories of waste: privately controlled and municipal. He said that although there may be restrictions through the Most Favored Nation status paragraphs in the contract about municipal waste, MIRA also as a policy offers the municipal rate to our private haulers. He continued and said that so, although it is not a lot of tons, there are private haulers that drive in Essex and Watertown and essentially provide MIRA with \$40 revenue even though they are paying a \$64 price. He said that MIRA doesn't necessarily have to continue to give them a socialized cost, it could, perhaps charge them \$5 more and some tons might be lost, but that's really a balancing act. Director Eno responded that due to the geography of those transfer stations, he didn't think you'd lose much because what are the other options. Mr. Kirk responded that is what it all boils down to: geography determines your destiny; what are the options and what are the prices of those option and said that the real message here is that the desirability of customers are not all the same. Director Freedman asked if it is large town vs. small town. Mr. Kirk commented that it depends mostly on whether or not you choose to utilize the transfer station. He said that Manchester direct drives and Hebron used to use direct drive. He noted that MIRA would love to get Hebron back because it's \$64 at the scale as opposed to \$45 if they went through Essex.

Mr. Kirk then said that the crux of the challenge here for MIRA is what Director Shanley noted how does a quasi-public operate like private business? Should it run this place the way that it would be by Wheelabrator, different towns would have different prices and it would be determined by what will the market bear. He added another point - is there somewhere else they can go and what that the price is going to be or is a quasi-public really capable of saying to Litchfield, you don't have a whole lot of options there other than going down to Danbury, therefore your price is \$70. But East Hartford can haul up to Willimantic, so your price is \$60. He said that I don't know if a quasi can or should do that. Director Eno commented that there has to be some way to adjust this arrangement so the towns without a lot of ties, MIRA could direct and give them some level of advantage to while holding the others



harmless. He said that the fine line that would cause that difficulty is the Most Favored Nation clause and perhaps the best way to do it in the interest of our member towns, is some agreement to revise the MSAs that are in place. He added that you've got a lot of fifteen year towns out there that probably wouldn't be happy with a major adjustment if it were going to cost them more substantial amounts of money and that maybe there's a way to attract people without having to make a mess of the lion's share of the operation.

Chairman Stein summarized the discussion and said that it sounds like there's a pricing model or a suggestion by Bob Painter to look at a future meeting of adding a topic on pricing management and that looks like that's at Executive Session discussion and the Board has to look at both pricing strategies and contractual and legal issues associated with the fifteen year MSAs or even the five year MSAs.

Mr. Daley added that on the topic of contracts, one item that is on the horizon is, hauler contracts which expire June 30, 2015 which is right before this next budget starts. He said the hauler contracts provide the gate rate and, in some cases, for those haulers that come through those transfer stations, the gate rate is an item to start looking at. Mr. Kirk pointed out that this is MIRA's first opportunity, that our hauler contracts are typically one year; it is looking at two or three year runs, but it is yet to be determined. He also said that as they all expire in June, it may be that the Authority should consider charging the haulers a little bit extra or prohibiting them from using transfer stations when they could direct deliver. Also, he indicated that waste is very valuable when you need it and MIRA will take \$40 tons when MIRA needs tons; that it doesn't want to push our customers to other providers, but there may be ways to maximize our revenue on our private side that are easier than messing with our municipal customers. Director Adams asked a question on when Wallingford goes down, what other plants could the waste go to and are they at capacity. Mr. Kirk responded that all the plants are always at capacity, the anticipated fix for Covanta is to move some of the Wallingford tons into Bristol, but the bulk of it going to Preston.

Chairman Stein asked a procedural question on setting tip fee at the next Board meeting, that Director Freedman had told him that he could not attend and the Chairman asked the tip fee needed to be voted on and would that require 8. Mr. Kirk responded that it does not require 8, but to set the budget, a majority of the quorum votes is needed.

Additional items in President's report were presented by Mr. Kirk.

A. New office

Mr. Kirk reported on efforts to find new office space. He said the broker has given him a list of a couple dozen or so locations and that he will be breaking down the list to a shorter list. He said his goal was to have the list done by May or June. He said geographically, the area being looked at is from Rocky Hill to Windsor (north to south) and East Hartford to Farmington (east to west). He also indicated that he was including towns that are not a member of MIRA.

B. Web site update

Mr. Kirk noted that the web site needed to be updated. He said that the Authority embarked a couple of months ago on a complete recomposition of the website to reflect the many changes rather

than trying to maintain the old one. He also said that Director Adams had sent him an e-mail of specific items that he noted needed to be revised. He said that the obvious fixes have been made. He added that although he doesn't have a schedule for it, there will be a new kick off of a website sometime this year.

#### C. Turbine 6

Mr. Kirk discussed plans for turbine 6 overhaul and said that it could be postponed for one year. He said that this postponement was part of reducing FY 2016 budget contributions to the improvement fund from \$14,000,000 to \$9,400,000. Mr. Kirk commented that MIRA has postponed them before and is confident that it can get an engineering report that says it can be postponed this one for a year.

#### D. CSWS and Bonding

Mr. Daley discussed CSWS costs and tip fee to opt-out; that this had been discussed extensively at the December Finance Meeting and included the price assumptions for the power revenue that is in the CSWS budget. He noted that what had been done was to view the most recent bid prices that were received on December 9 for the contracted energy as the most indicative information that MIRA has as to the prices that the Authority will get. He said that the Authority accepted a bid for the first 20 MW and had assumed it would also get that price for the rest of its plant production.

He also discussed calculation methods for this and noted that yesterday he had received the La Capra current forward prices (5.05 cents) which are now below MIRA's accepted bid prices (about 4/10 of a cent lower than MIRA's bid prices). He said that this is the business model we have to live within for the CSWS he doesn't feel that anything needs to be changed. He also said that to offset volatility, MIRA will have the tip fee stabilization fund available.

Director Adams asked about the potential for utilizing bonding that was floated when we originally did our ten year plan? Mr. Daley discussed the steps were initially taken by the Authority. He said that he wouldn't necessarily take it off the table, but certain steps would need to be taken before it can do so, such as put a Special Capital Reserve Fund ("SCRFF") into place to back up the bond which the Authority will need. In addition, he said that some of the things that the Authority needs to work on is waste contracted to the facility as the key benchmark as to the viability of the operation and, its ability to repay the debt, and have the comfort level that is needed to put a SCRFF behind it. He also said that an additional factor are a dozen or so contracts expiring in a couple of years. He said that his view has been not to pursue that and try to make the organization work until we are in a better position to get a SCRFF. Director Shanley responded, that's the position that MIRA was in two or three years, that is why it didn't even consider it. We took a lot of criticism with the question of not bonding. MIRA's response which was in its ten year plan said ok, the Authority will consider bonding and that's what was put out there as a possible option.

Further discussion continued on the business plan. Chairman Stein commented that the ten year plan is actually only good for one year. Mr. Daley noted that DEEP had asked why our plan didn't incorporate the bond issue. Mr. Kirk remarked that revenue bonds debt repayment would negate any advantage from a bond issue.

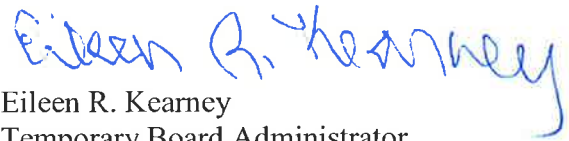
Chairman Stein asked for an action item that the tip fee be finalized by the end of February. He said that by then MIRA would then be able to announce the tip fee and the composition of the budget can go longer. He asked that both the budget plan and tip fee be included as discussion items for the next Board meeting.

**ADJOURNMENT**

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

There being no other business to discuss, the meeting adjourned at 12:30 p.m.

Respectfully Submitted,



Eileen R. Kearney  
Temporary Board Administrator

**TAB 2**

**RESOLUTION REGARDING CONSTRUCTION QUALITY  
ASSURANCE SERVICES TO SUPPORT THE PHASE 2 AREA  
CLOSURE AND PHOTOVOLTAIC SYSTEM PROJECT AT  
THE HARTFORD LANDFILL**

**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.

# **Materials Innovation and Recycling Authority**

## **Contract Summary for Contract entitled**

### **Construction Quality Assurance Services Hartford Landfill**

#### **Phase 2 Closure and Photovoltaic System Project**

Presented to the MIRA Board on: February 19, 2015

Vendor/ Contractor(s): Fuss & O'Neill, Inc.

Effective date: Upon Execution

Contract Type/Subject matter: Request for Services (RFS), pursuant to a 3 year engineering services agreement.

Facility (ies) Affected: Hartford Landfill

Original Contract: 3 Year Engineering Services Agreement

Term: Upon completion of services, currently estimated to be approximately 1 month from the date of execution

Contract Dollar Value: \$5,200

Amendment(s): Not applicable

Term Extensions: Not applicable

Scope of Services: Fuss & O'Neill, Inc. will provide documentation and reporting services associated with the closure the MSW Disposal Area at the Hartford Landfill in conformance with the CTDEEP permit and regulatory requirements.

Other Pertinent Provisions: N/A

**Materials Innovation and Recycling Authority  
Hartford Landfill  
Construction Quality Assurance Services  
Phase 2 Closure and Photovoltaic System Project**

*February 19, 2015*

**Executive Summary**

This is to request that the MIRA Board of Directors authorize the President to execute a Request for Services with Fuss & O'Neill, Inc. ("F&O") to provide engineering services associated with the Construction Quality Assurance Program (CQAP) for the Phase 2 Closure and Photovoltaic System Project at the Hartford Landfill.

**Discussion**

In September 2014, MIRA executed an RFS with F&O to complete Construction Quality Assurance Services associated with the final phase of capping of the Hartford Landfill. These services consisted primarily of assembling documentation for, and preparation of a Closure Certification Report for submission to CTDEEP for approval. The estimated cost for these services was \$47,900.

The Closure Certification Report was submitted to CTDEEP on December 4, 2014. To date, MIRA has expended \$5,200.00 above the original estimate to prepare the final report. On February 9, 2015 CTDEEP formally approved the Hartford Landfill Closure Report. Management is requesting the Board authorize expenditure of an additional \$5,200 in services above the original \$47,900 estimate to cover the additional costs associated with preparing the final certification report. This authorization will bring the total approved FY 2015 expenditures for Construction Quality Assurance Services to \$53,100.

**Financial Summary**

MIRA will pay Fuss & O'Neill on a time-and-materials basis not to exceed a total project cost of \$5,200. MIRA has sufficient funds in the Hartford Landfill Closure Reserve to pay for this work.

**TAB 3**



### **ATTACHMENT 3**

**RESOLUTION FOR THE MATERIALS INNOVATION AND RECYCLING AUTHORITY BOARD OF DIRECTORS**

**REGARDING ADOPTION OF THE FISCAL YEAR 2016 CSWS DIVISION OPERATING AND CAPITAL BUDGETS**

**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.**

**MATERIALS INNOVATION AND RECYCLING AUTHORITY**

**FISCAL YEAR 2016  
CONNECTICUT SOLID WASTE SYSTEM DIVISION  
PROPOSED OPERATING BUDGET**

**February 19, 2015**

# MIRA - CONNECTICUT SOLID WASTE SYSTEM (CSWS)

## ASSUMPTIONS

	DETAILS	ACTUAL FY14	ADOPTED FY15	PROPOSED FY16
<b>POWER</b>	kwh/ton of RDF Produced	532	590	541
	Total kwh Sold	360,566,155	395,000,000	375,000,000
	Weighted Average Rate Per kwh (a)	\$ 0.0702	\$ 0.0516	n/a
	Contract rate	n/a	n/a	\$ 0.05412
	Non-Contract rate	n/a	n/a	varies by month
	Capacity Payment	\$ 1,479,439	\$ 1,686,000	\$ 1,788,000
	Renewable Energy Credits (REC) II	\$ 26,067	\$ 146,000	\$ 115,000
<b>DELIVERIES</b>				
MSW	Participating Towns	380,381	377,000	378,500
	Hauler Contract	93,606	94,000	155,000
	Other Contract	162,435	153,000	100,000
	Municipal Bulky Waste	424	600	500
	Spot - MSW	40,960	87,000	61,000
Other (Spot)	Ferrous Residue (Inbound)	10,108	10,000	10,000
	Recycling Residue	8,355	5,000	5,415
	Total MSW	696,269	726,600	710,415
Mattresses/Box Spring	Mattress/Box Spring (number of unit)	751	800	1,000
<b>RECYCLING OPERATIONS</b>				
	Recycling Delivery Credit per Ton	\$ 10.00	\$ 10.00	\$ 10.00
Delivery/Processing	CSWS Acceptable Recyclables (tons)	54,544	45,000	47,000
	Contractor Sourced Acceptable Recyclables (tons)	8,441	10,000	10,000
	Total Recyclable Materials	62,985	55,000	57,000
Recycling Sales	Container Per Ton Sales Revenue	\$ 25.83	\$ 17.00	\$ 25.00
	Paper Per Ton Sales Revenue	\$ 5.15	\$ 14.00	\$ 6.00
	Single Stream Acceptable Recyclables per Ton	\$ 14.00	n/a	n/a
	Dual Stream Acceptable Recyclables per Ton	\$ 14.05	n/a	n/a
	CSWS Container Per Ton Sales Revenue	\$ 25.13	n/a	n/a
	CSWS Paper Per Ton Sales Revenue	\$ 7.34	n/a	n/a
	CSWS Commercial Tons	\$ 38.56	n/a	n/a
	FCR Container Per Ton Sales Revenue	\$ 5.57	n/a	n/a
	FCR Paper Per Ton Sales Revenue	\$ 1.47	n/a	n/a
	FCR Commercial Tons	\$ 10.67	n/a	n/a
	CSWS Acceptable Recyclables per Ton	(a)	\$ 8.50	\$ 8.50
	Contractor Sourced Acceptable Recyclables per Ton	(a)	\$ 7.50	\$ 7.50
	Contractor Sourced Sales Revenue	(a)	\$ 2.00	\$ 3.00
Others	Residue Rate - Containers & Paper	7.15%	8.00%	9.50%
	Excess Residue Tons - CSWS Recyclables	(a)	1,350	2,350

(a) Established in FY15.

n/a Not Applicable

# MIRA - CONNECTICUT SOLID WASTE SYSTEM (CSWS)

ASSUMPTIONS		DETAILS	ACTUAL FY14	ADOPTED FY15	PROPOSED FY16
<b>FACILITY OPERATIONS</b>					
Tons Processed	Total MSW Processed		685,714	708,000	701,000
	RDF Consumed		677,279	669,000	693,000
Residue Rates	Ash Rate (Per Ton of RDF)		25.71%	25.11%	25.11%
	Ash Rate (Per Ton of MSW)		25.12%	23.73%	24.82%
	Process Residue Rate (Per Ton of MSW)		0.00%	0.00%	0.00%
	Ferrous Metals Rate (Outbound) (Per Ton of MSW)		2.63%	2.50%	3.00%
	Ferrous Residue Rate (Inbound) (Per Ton of MSW)		1.50%	1.98%	2.00%
	Non-processible Waste - Out-of-State		0.10%	5.00%	0.10%
Other	Ferrous Residue Revenue (per ton price)	\$	81.08	\$ 75.00	\$ 75.00
	Ferrous Metals including post combustion (Outbound)		19,048	18,000	21,000
	Scrap Metal/Maintenance Metal Revenue (price per ton)	(a)	\$	250.00	\$ 267.00
	Scrap Metal/Maintenance Metal Revenue (Outbound)	(a)		450	675
<b>MUNICIPAL PAYMENTS</b>					
Fees	Essex TS Host Benefit (per ton)	\$	0.550	\$ 0.560	\$ 0.570
	Torrington TS Host Benefit (per ton)	\$	0.550	\$ 0.560	\$ 0.570
	Watertown TS Host Benefit (per ton)	\$	0.550	\$ 0.560	\$ 0.570
	Hartford Host Benefit (per ton)		n/a	\$ 0.560	n/a
Deliveries (Tons/Loads)	Essex TS Host Benefit		66,525	67,000	67,000
	Torrington TS Host Benefit		54,289	55,000	54,000
	Watertown TS Host Benefit		108,174	113,265	110,000
	Hartford Host Benefit		693,658	723,000	709,415
<b>WASTE TRANSPORT</b>					
Fees	Essex per ton MSW	\$	14.02	\$ 14.00	\$ 14.35
	Essex per ton Recyclables (f)	\$	21.02	\$ 21.00	\$ 21.52
	Torrington per ton MSW	\$	12.65	\$ 12.62	\$ 12.93
	Torrington per ton Recyclables (f)	\$	22.98	\$ 22.95	\$ 23.52
	Watertown per ton MSW	\$	14.02	\$ 14.00	\$ 14.35
	Watertown per ton Recyclables (f)	\$	21.02	\$ 21.00	\$ 21.52
	Sharon/Salisbury per ton MSW	\$	9.16	\$ 9.39	\$ 9.46
	RRDD#1 per load MSW	\$	106.85	\$ 109.52	\$ 110.34
	Ash to Other (blended rate per ton T&D)	\$	60.07	\$ 62.23	\$ 61.64
	Non-processible Waste to Other (per ton T&D)	\$	97.41	\$ 100.51	\$ 102.71
	South Central Facility	\$	62.00	\$ 59.00	\$ 65.00
	Southeast Project	\$	58.00	\$ 58.00	\$ 58.00
	Other Location	\$	45.00	\$ 50.00	\$ 62.00
Hauled Tons	Essex MSW		58,711	60,000	59,000
	Essex Recyclables (f)		7,814	7,000	8,000
	Torrington MSW		47,546	50,000	47,000
	Torrington Recyclables (f)		6,742	7,000	7,000
	Watertown MSW		102,407	107,500	104,000
	Watertown Recyclables (f)		5,767	5,800	6,000
	Sharon/Salisbury MSW		3,010	2,400	3,000
	RRDD#1 per load MSW		180	200	200
MSW Byproduct Tons	Ash to Other		174,101	168,000	174,000
	Non-processible Waste to Other		615	600	600
Diverted MSW Tons	South Central Facility		2,194	1,000	1,000
	Southeast Project		-	-	-
	Other Location		417	2,600	-
	Total Diverted MSW Tons		2,611	3,600	1,000

n/a Not Applicable

# MIRA - CONNECTICUT SOLID WASTE SYSTEM DIVISION (CSWS)

## REVENUES

ACCOUNT	DESCRIPTION	ACTUAL FY14	ADOPTED FY15	PROPOSED FY16
49-001-000-40101	Service Charges Solid Waste-Participating Town	\$ 23,560,059	\$ 23,700,000	\$ 23,811,000
49-001-000-40109	Service Charges Solid Waste-Other Contracts	\$ 8,578,005	\$ 7,962,000	\$ 5,040,000
49-001-000-40110	Service Charges Solid Waste-Hauler Contracts	\$ 5,896,159	\$ 5,876,000	\$ 9,920,000
49-001-000-40103	Service Charges Solid Waste - Spot	\$ 2,104,654	\$ 4,800,000	\$ 2,851,000
49-001-000-40111	Member Service Fee	\$ 51,471	\$ 52,000	\$ 52,000
49-001-000-49104	Metal Sales	\$ 1,700,530	\$ 1,350,000	\$ 1,755,225
49-001-000-49106	Municipal Bulky Waste & Mattresses/Box Spring	\$ 62,308	\$ 75,000	\$ 73,000
49-001-000-42101	Recycling Facility	\$ 1,290,605	\$ 1,231,720	\$ 1,234,316
49-001-000-xxxxx	Electricity	\$ 26,806,167	\$ 22,214,000	\$ 22,515,059
49-001-000-45150	Miscellaneous Income	\$ 24,114	\$ -	\$ 21,000
49-001-000-46101	Interest Income	\$ 18,719	\$ 10,000	\$ 10,000
<b>TOTAL OPERATING REVENUES</b>		<b>\$ 70,092,790</b>	<b>\$ 67,271,000</b>	<b>\$ 67,282,600</b>

## EXPENDITURES

ACCOUNT	DESCRIPTION	ACTUAL FY14	ADOPTED FY15	PROPOSED FY16
49-001-501-57871	Administrative Expenses	\$ 2,577,470	\$ 3,590,000	\$ 3,271,618
49-001-501-xxxxx	Operational Expenses	\$ 2,702,395	\$ 3,228,000	\$ 3,444,678
49-001-xxx-xxxxx	Assessment, Fees, Subsidies, & PILOTs	\$ 3,383,283	\$ 2,651,000	\$ 2,687,000
49-001-505-xxxxx	Waste Transport	\$ 13,577,549	\$ 13,725,000	\$ 13,848,620
49-001-xxx-xxxxx	MIRA Facilities Operating Expenses	\$ 1,210,165	\$ 1,195,000	\$ 1,146,000
49-001-xxx-xxxxx	NAES Contract Operating Charges	\$ 28,070,519	\$ 27,846,000	\$ 29,485,000
49-001-xxx-52719	NAES On-Site Incentive Compensation	\$ 1,067,397	\$ 906,000	\$ 919,000
49-001-501-xxxxx	NAES Management Fees & Charges	\$ 1,283,766	\$ 1,207,000	\$ 1,195,000
49-001-xxx-xxxxx	Transfer Stations	\$ 1,625,316	\$ 1,700,000	\$ 1,700,000
49-001-501-59105	Murphy Road Operations Center	\$ 175,000	\$ 139,000	\$ 127,300
49-001-506-xxxxx	Recycling Facility	\$ 879,651	\$ 888,000	\$ 926,170
<b>TOTAL OPERATING EXPENDITURES</b>		<b>\$ 56,552,511</b>	<b>\$ 57,075,000</b>	<b>\$ 58,750,386</b>
<b>NET INCOME / (LOSS)</b>		<b>\$ 13,540,279</b>	<b>\$ 10,196,000</b>	<b>\$ 8,532,214</b>

## DISBURSEMENT OF CSWS NET INCOME

ACCOUNT	DESCRIPTION	ACTUAL FY14	ADOPTED FY15	PROPOSED FY16
49-001-502-55560	Debt Service Fund	(a)	\$ 2,100,000	\$ -
49-001-501-52686	Contribution to CSWS General Fund	(a)	\$ 500,000	\$ -
49-001-501-52687	Contribution to CSWS Improvement Fund	\$ 5,909,004	\$ 7,425,000	\$ 9,452,004
49-001-501-52675	Contribution to CSWS Risk Fund Reserve	\$ 249,996	\$ 191,000	\$ -
49-001-501-52680	Contribution to CSWS Legal Reserve	\$ 500,004	\$ 100,000	\$ -
49-001-501-52683	Contribution to MIRA Severance Reserve	\$ 430,000	\$ 85,000	\$ -
49-001-000-47216	CSWS Tip Fee Stabilization Fund	\$ (533,334)	\$ (205,000)	\$ (919,790)
<b>TOTAL DISBURSEMENT OF CSWS NET INCOME</b>		<b>\$ 6,555,670</b>	<b>\$ 10,196,000</b>	<b>\$ 8,532,214</b>
<b>BALANCE</b>		<b>\$ 6,984,609</b>	<b>\$ -</b>	<b>\$ -</b>

(a) Established in FY15.

# MIRA - CONNECTICUT SOLID WASTE SYSTEM DIVISION (CSWS)

## TIP FEES

ACCOUNT	DESCRIPTION	ACTUAL FY14	ADOPTED FY15	PROPOSED FY16
MSW	Tier 1 Short-term	\$ 63.00	\$ 64.00	\$ 64.00
	Tier 1 Long-term / Tier 3	\$ 61.00	\$ 62.00	\$ 62.00
	Tier 2	\$65.00 - \$67.50	\$ 66.00	\$ 66.00
	Other Contracts Tip Fee	(b)	(b)	(b)
	Hauler Contracts Tip Fee	\$ 63.00	\$ 64.00	\$ 64.00
	Municipal Bulky Waste	\$ 85.00	\$ 85.00	\$ 85.00
	Spot	(c)	(c)	(c)
Other	Mattresses/Box Spring Surcharge (per unit)	\$ 30.00	\$ 30.00	\$ 30.00
	Ferrous Residue (Inbound)	\$ 40.00	\$ 45.00	\$ 40.00

(b) Rate based on negotiated contract.

(c) Rate based on market condition.

## EXPENDITURE DETAILS

ACCOUNT	DESCRIPTION	ACTUAL FY14	ADOPTED FY15	PROPOSED FY16
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### ADMINISTRATIVE EXPENSES

INDIRECT & DIRECT SALARIES/LABOR & BENEFITS - ADMINISTRATION \$ 2,577,470 \$ 3,590,000 \$ 3,271,618

### OPERATIONAL EXPENSES

49-001-501-xxxxx DIRECT SALARIES/LABOR & BENEFITS - OPERATIONAL \$ 1,399,307 \$ 1,798,000 \$ 1,910,678

#### ASSET PROTECTION & STATUTORY COMPLIANCE

49-001-501-52115	Legal Notices	\$ 1,040	\$ 15,000	\$ 7,500
49-001-501-52502	Fees/Licenses/Permits	\$ 480	\$ 750	\$ 1,000
49-001-501-52505	Claims/Losses	\$ (209,005)	\$ 50,000	\$ 50,000
49-001-501-52602	Bad Debt Expense	\$ (20,000)	\$ 500	\$ 500
49-001-501-52856	Legal	\$ 179,133	\$ 100,000	\$ 100,000
49-001-501-52863	State Audit	\$ 30,000	\$ -	\$ -
49-001-501-52864	Operational Auditing	\$ 9,875	\$ -	\$ -
49-001-501-52640	WPF and PBF Insurance Premium	\$ 1,119,951	\$ 1,003,000	\$ 1,166,000
49-001-501-52875	Insurance Broker	\$ 104,059	\$ 89,000	\$ 60,000

Subtotal Asset Protection & Statutory Compliance \$ 1,216,013 \$ 1,258,000 \$ 1,385,000

#### ENGINEERING, TECHNOLOGY, AND EQUIPMENT/FACILITY

49-001-501-52899	Engineering & Technology Consulting Services	\$ 8,999	\$ 30,000	\$ 30,000
49-001-501-54482	Computer Hardware	\$ -	\$ 2,000	\$ 1,500
49-001-501-54483	Computer Software	\$ -	\$ 500	\$ 500

Subtotal Engineering, Technology, and Equipment/Facility \$ 8,999 \$ 32,500 \$ 32,000

# MIRA - CONNECTICUT SOLID WASTE SYSTEM DIVISION (CSWS)

## EXPENDITURE DETAILS

ACCOUNT	DESCRIPTION	ACTUAL FY14	ADOPTED FY15	PROPOSED FY16
<b>OTHER OPERATING EXPENSES</b>				
49-001-501-52101	Postage & Delivery Fees	\$ 1,318	\$ 4,500	\$ 4,100
49-001-501-52108	Printing Services	\$ 11,491	\$ 5,000	\$ 5,000
49-001-501-52118	Customer Service	\$ -	\$ 10,000	\$ -
49-001-501-52202	Office Supplies	\$ 2,417	\$ 4,000	\$ 4,000
49-001-501-52211	Protect Clothing/Safety Equipment	\$ 500	\$ 3,000	\$ 4,400
49-001-501-52302	Miscellaneous Services	\$ 41	\$ 4,000	\$ 1,000
49-001-501-xxxxx	Meetings & Training		\$ 2,000	\$ 15,500
49-001-501-52401	Vehicle Repair/Maintenance	\$ 8,116	\$ 15,000	\$ 16,000
49-001-501-52612	Fuel for Vehicles	\$ 16,000	\$ 17,000	\$ 17,000
49-001-501-52615	Temporary Agency Services	\$ 37,460	\$ 55,000	\$ -
49-001-501-52859	Financial Services	\$ -	\$ 20,000	\$ 50,000
<b>Subtotal Other Operating</b>		\$ 78,076	\$ 140,000	\$ 117,000
<b>Subtotal Operational Expenses</b>		\$ 2,702,395	\$ 3,228,000	\$ 3,444,678
<b><u>DEBT SERVICE</u></b>				
49-001-502-55560	Principal Repayment	(a)	\$ 2,100,000	\$ -
49-001-502-55525	Interest	(a)	included above	\$ -
49-001-502-55585	Bank/Trustee Fees	(a)	included above	\$ -
<b>Subtotal Debt Service</b>		\$ -	\$ 2,100,000	\$ -
<b><u>ASSESSMENT, FEES, SUBSIDIES, &amp; PILOTS</u></b>				
49-001-501-52507	City of Hartford PILOT	\$ 2,221,503	\$ 1,500,000	\$ 1,500,000
49-001-xxx-52508	Transfer Station Host Community Benefit Fees	\$ 140,949	\$ 147,000	\$ 147,500
49-001-602-52506	Solid Waste Assessment (Dioxin)	\$ 1,020,831	\$ 1,004,000	\$ 1,039,500
<b>Subtotal Assessment, Fees, Subsidies, &amp; PILOTS</b>		\$ 3,383,283	\$ 2,651,000	\$ 2,687,000
<b><u>WASTE TRANSPORT</u></b>				
49-001-505-52701	Contract Operating Charges (excludes recycling transportation)	\$ 2,943,729	\$ 3,021,000	\$ 2,996,620
49-001-505-52710	Disposal Fees - Solid Waste Bypass	\$ 184,886	\$ 189,000	\$ 65,000
49-001-505-52711	Ash Disposal	\$ 10,393,081	\$ 10,454,820	\$ 10,725,360
49-001-505-52716	Non-Processible Disposal Fees	\$ 55,853	\$ 60,500	\$ 61,640
<b>Subtotal Waste Transport</b>		\$ 13,577,549	\$ 13,725,000	\$ 13,848,620

(a) Established in FY15.

# MIRA - CONNECTICUT SOLID WASTE SYSTEM DIVISION (CSWS)

## EXPENDITURE DETAILS

ACCOUNT	DESCRIPTION	ACTUAL FY14	ADOPTED FY15	PROPOSED FY16
<b><u>MIRA FACILITIES OPERATING EXPENSES</u></b>				
49-001-601-52104	Telecommunications	\$ 1,400	\$ 1,500	\$ 1,600
49-001-601-52404	Building Operations	\$ 4,128	\$ 8,500	\$ 7,000
49-001-601-53304	Electricity	\$ 62	\$ -	\$ -
49-001-601-54482	Computer Hardware	\$ -	\$ 500	\$ 500
49-001-601-52407	Project Equipment Maintenance	\$ 5,818	\$ 5,000	\$ 6,500
49-001-601-52502	Fees/Licenses/Permits	\$ 10,250	\$ 10,500	\$ 8,000
49-001-601-52709	Other Operating Charges	\$ 36,139	\$ 35,200	\$ 36,100
49-001-601-52858	Engineering Consultants	\$ 31,687	\$ 55,000	\$ 38,100
49-001-601-52901	Environmental Testing	\$ 7,933	\$ 5,000	\$ 5,000
	<b>Subtotal MIRA WPF Operating Expenses</b>	<b>\$ 97,533</b>	<b>\$ 121,000</b>	<b>\$ 103,000</b>
49-001-602-52502	Fees/Licenses/Permits	\$ 329,431	\$ 439,600	\$ 345,000
49-001-602-52720	Power Products Management Fee	\$ 66,000	\$ 90,000	\$ 75,100
49-001-602-52858	Engineering Consultants	\$ 11,511	\$ 17,000	\$ 33,100
49-001-602-52901	Environmental Testing	\$ 106,976	\$ 111,700	\$ 102,300
49-001-602-53304	Electricity	\$ 260,195	\$ 115,000	\$ 128,000
49-001-602-52404	Building Operations	\$ 2,713	n/a	n/a
49-001-602-53309	Other Utilities	\$ 335,806	\$ 300,000	\$ 360,000
	<b>Subtotal MIRA PBF Operating Expenses</b>	<b>\$ 1,112,632</b>	<b>\$ 1,073,000</b>	<b>\$ 1,043,500</b>
	<b>Total MIRA Facilities Operating Expenses</b>	<b>\$ 1,210,165</b>	<b>\$ 1,195,000</b>	<b>\$ 1,146,000</b>
<b><u>NAES CONTRACT OPERATING CHARGES</u></b>				
49-001-601-52701	WPF Operating & Maintenance (O&M) Fees	\$ 5,072,577	\$ 5,431,000	\$ 5,244,300
49-001-601-52718	WPF Labor & Overhead	\$ 5,416,361	\$ 5,811,000	\$ 5,906,000
49-001-601-xxxxx	<b>Subtotal NAES WPF Contract Operating Charges</b>	<b>\$ 10,488,938</b>	<b>\$ 11,242,000</b>	<b>\$ 11,150,000</b>
49-001-602-52701	PBF Operating & Maintenance (O&M) Fees	\$ 10,492,397	\$ 8,922,000	\$ 10,543,500
49-001-602-52718	PBF Labor & Overhead	\$ 7,089,184	\$ 7,682,000	\$ 7,791,200
49-001-602-xxxxx	<b>Subtotal NAES PBF Contract Operating Charges</b>	<b>\$ 17,581,581</b>	<b>\$ 16,604,000</b>	<b>\$ 18,335,000</b>
	<b>Total NAES Contract Operating Charges</b>	<b>\$ 28,070,519</b>	<b>\$ 27,846,000</b>	<b>\$ 29,485,000</b>
<b><u>NAES ON-SITE INCENTIVE COMPENSATION</u></b>				
49-001-601-52719	WPF On-Site Personnel Incentive Compensation	\$ 475,458	\$ 387,600	\$ 393,000
49-001-602-52719	PBF On-Site Personnel Incentive Compensation	\$ 591,939	\$ 518,500	\$ 526,000
	<b>Subtotal NAES On-Site Incentive Compensation</b>	<b>\$ 1,067,397</b>	<b>\$ 906,000</b>	<b>\$ 919,000</b>
<b><u>NAES MANAGEMENT FEES &amp; CHARGES</u></b>				
49-001-501-52641	Operator Reimbursement - Insurance Premium	\$ 85,079	\$ 103,000	\$ -
49-001-501-52703	Management Fee	\$ 821,628	\$ 791,950	\$ 803,000
49-001-501-52717	Engineering, accounting, and regulation expenses	\$ 377,059	\$ 312,000	\$ 392,000
	<b>Subtotal NAES Management Fees &amp; Charges</b>	<b>\$ 1,283,766</b>	<b>\$ 1,207,000</b>	<b>\$ 1,195,000</b>

n/a Not Applicable



# MIRA - CONNECTICUT SOLID WASTE SYSTEM DIVISION (CSWS)

## EXPENDITURE DETAILS

ACCOUNT	DESCRIPTION	ACTUAL FY14	ADOPTED FY15	PROPOSED FY16
<b><u>TRANSFER STATION - ELLINGTON (d)</u></b>				
49-001-610-52104	Telecommunications	\$ 720	\$ 1,000	\$ 1,000
49-001-610-52404	Building Operations	\$ 1,873	\$ 11,000	\$ 5,500
49-001-610-52415	Ground Maintenance	\$ -	\$ 7,000	\$ 2,500
49-001-610-53304	Electricity	\$ 4,390	\$ 1,500	\$ 4,500
49-001-610-52502	Fees/Licenses/Permits	\$ 5,000	\$ 2,500	\$ 2,500
<b>Subtotal Ellington TS</b>		\$ 11,983	\$ 23,000	\$ 16,000
<b><u>TRANSFER STATION - ESSEX</u></b>				
49-001-611-52104	Telecommunications	\$ 1,989	\$ 2,500	\$ 2,100
49-001-611-52404	Building Operations	\$ 6,552	\$ 10,100	\$ 12,500
49-001-611-52407	Project Equipment Maintenance	\$ 3,322	\$ 10,500	\$ 11,500
49-001-611-52502	Fees/Licenses/Permits	\$ 1,050	\$ 1,550	\$ 1,550
49-001-611-52701	Contract Operating Charges	\$ 524,000	\$ 531,750	\$ 532,800
49-001-611-52858	Engineering Consultants	\$ 312	\$ 8,000	\$ 8,000
49-001-611-52901	Environmental Testing	\$ 2,688	\$ 2,100	\$ 2,450
<b>Subtotal Essex TS</b>		\$ 539,913	\$ 567,000	\$ 570,900
<b><u>TRANSFER STATION - TORRINGTON</u></b>				
49-001-612-52104	Telecommunications	\$ 2,280	\$ 2,350	\$ 2,600
49-001-612-52404	Building Operations	\$ 2,752	\$ 10,100	\$ 9,000
49-001-612-52407	Project Equipment Maintenance	\$ 7,056	\$ 10,500	\$ 11,500
49-001-612-52502	Fees/Licenses/Permits	\$ 1,050	\$ 1,550	\$ 1,550
49-001-612-52701	Contract Operating Charges	\$ 502,494	\$ 510,000	\$ 511,000
49-001-612-52858	Engineering Consultants	\$ 1,728	\$ 8,000	\$ 8,000
49-001-612-52901	Environmental Testing	\$ 1,508	\$ 3,000	\$ 2,450
<b>Subtotal Torrington TS</b>		\$ 518,868	\$ 546,000	\$ 546,100
<b><u>TRANSFER STATION - WATERTOWN</u></b>				
49-001-613-52104	Telecommunications	\$ 1,257	\$ 1,700	\$ 1,700
49-001-613-52404	Building Operations	\$ 15,151	\$ 8,500	\$ 10,000
49-001-613-52407	Project Equipment Maintenance	\$ 9,671	\$ 10,500	\$ 11,500
49-001-613-52502	Fees/Licenses/Permits	\$ 1,050	\$ 1,550	\$ 1,550
49-001-613-52701	Contract Operating Charges	\$ 524,000	\$ 531,750	\$ 532,800
49-001-613-52858	Engineering Consultants	\$ 1,247	\$ 8,000	\$ 8,000
49-001-613-52901	Environmental Testing	\$ 2,179	\$ 1,500	\$ 1,450
<b>Subtotal Watertown TS</b>		\$ 554,552	\$ 564,000	\$ 567,000
<b><u>MURPHY ROAD OPERATIONS CENTER</u></b>				
49-001-501-59105	CSWS Share of Murphy Rd Operations Center	\$ 175,000	\$ 139,000	\$ 127,300
<b>Subtotal Murphy Rd Operations Center</b>		\$ 175,000	\$ 139,000	\$ 127,300

(d) Ellington TS closed in January 2013

**MIRA - CONNECTICUT SOLID WASTE SYSTEM DIVISION (CSWS)**

**REVENUE & EXPENDITURE DETAILS**

ACCOUNT	DESCRIPTION	ACTUAL FY14	ADOPTED FY15	PROPOSED FY16
<b>RECYCLING FACILITY</b>				
<b>REVENUES</b>				
49-001-000-42101	Recycling Sales	\$ 1,290,605	\$ 1,231,720	\$ 1,234,316
<b>EXPENDITURES</b>				
49-001-506-52115	Legal Notices	\$ 335	\$ 3,000	\$ 500
49-001-506-52118	Customer Relations	\$ 1,079	\$ 10,000	\$ -
49-001-506-52305	Bus. Meetings & Travel	\$ -	\$ 500	\$ 500
49-001-506-52355	Mileage Reimbursement	\$ -	\$ 500	\$ 500
49-001-506-52404	Building Operations	\$ 599	(e)	(e)
49-001-506-52407	Project Equipment Maintenance	\$ 19,395	\$ 23,000	\$ 25,500
49-001-506-52502	Fees/Licenses/Permits	\$ 7,000	\$ 4,300	\$ 4,250
49-001-506-52620	Recycling Delivery Rebate	\$ 389,489	\$ 400,000	\$ 400,000
49-001-506-52701	Contract Operating Charges	\$ 1,080	\$ 1,000	\$ 1,000
49-001-506-52707	Transportation Expense	\$ 436,693	\$ 429,000	\$ 465,920
49-001-506-52858	Engineering Consultants	\$ 18,381	\$ 12,000	\$ 23,000
49-001-506-52901	Environmental Testing	\$ 5,600	\$ 4,800	\$ 5,000
<b>Total Expenditures</b>		\$ 879,651	\$ 888,000	\$ 926,170
<b>Balance</b>			\$ 343,720	\$ 308,146

(e) Transferred to the Property Division.

# MATERIALS INNOVATION AND RECYCLING AUTHORITY



FINAL PROPOSED

Exhibit B

CSWS Division  
FY 2016 Budget  
Development

February 19, 2015  
MIRA Board of  
Directors



# SUMMARY PROPOSED BUDGET

■ Total Operating Revenues -	\$67.3 Million
■ Total Operating Expenses -	\$58.8 Million
■ Operating Income Before Reserve Contributions -	\$8.5 Million
■ Proposed Reserve Contributions	
■ CSWS Debt Service Fund -	\$0.0 Million
■ CSWS General Fund:	\$8.5 Million
■ CSWS Improvement Fund -	\$9.4 Million
■ CSWS Risk Fund -	\$ 0
■ CSWS Legal Fund -	\$ 0
■ CRRRA Severance Fund -	\$ 0
■ CSWS Tip Fee Stabilization Fund -	\$ (0.9 Million)
■ CSWS General Fund Retained -	\$ 0
■ Maintain Tip Fee at FY 2015 Level	

# SUMMARY PROPOSED BUDGET

<ul style="list-style-type: none"> <li>■ <b>Cost of Operation -</b> <ul style="list-style-type: none"> <li>• Operating Expense Budget - \$58,750,386 (\$1,675,386, 2.9% Increase)</li> <li>• Reserve Contributions - \$9,452,004 (\$948,996, 9.1% Reduction)</li> <li>• Net Increase - \$726,390 / 1.1%</li> </ul> </li> </ul>	\$68,202,390
<ul style="list-style-type: none"> <li>■ <b>Non Disposal Fee Revenue -</b> <ul style="list-style-type: none"> <li>• \$99,400, 0.0% Increase</li> <li>• Includes Member Service Fees (Tier 2) 26,000 Tons @ \$2.00 / Ton</li> </ul> </li> </ul>	\$43,471,600
<ul style="list-style-type: none"> <li>■ <b>Net Cost of Operation -</b> <ul style="list-style-type: none"> <li>• \$1,030,000 / 4.35% Increase from FY 2015</li> </ul> </li> </ul>	\$24,730,790
<ul style="list-style-type: none"> <li>■ <b>Add: Cost of Service Discounts -</b> <ul style="list-style-type: none"> <li>• Tier 1 Long - 204,000 Tons @ \$2.00 / Ton; and</li> <li>• Tier 3 - 2,500 Tons @ \$2.00 / Ton</li> </ul> </li> </ul>	\$ 413,000
<ul style="list-style-type: none"> <li>■ <b>Deduct: Deficit Funded by Stabilization Fund -</b></li> </ul>	\$ (919,790)

*MIRA "shall set the Base Disposal Fee such that the product of the Base Disposal Fee and the Aggregate Tons, shall produce funds estimated as sufficient to pay the estimated Net Cost of Operation"*

# SUMMARY PROPOSED BUDGET

- **Total Rate Base -** **\$24,224,000**
  - Net Cost of Operation & Cost of Service Discounts
- **Aggregate Tons -** **378,500**
  - Service Discounted (Tier 1 Long & Tier 3) - 206,500
  - Gate Rate (Tier 1 Short) - 146,000
  - Service Fee (Tier 2) - 26,000
  - Total - **378,500**
- **Uniform Base Disposal Fee -** **\$64.00 / Ton**

Contract	Proposed Disposal Fee	Base Opt Out Disposal Fee	Total Opt Out (With Additional Opt Out Costs)
Tier 1 Long	\$62.00	\$61.96	\$64.09
Tier 1 Short	\$64.00	\$63.96	\$66.09
Tier 2	\$66.00	n/a	n/a
Tier 3	\$62.00	n/a	n/a

- **Total Member Disposal Fees -** **\$23,811,000**
  - \$111,000 / 0.47%
  - Increase from FY 2015



# OPERATING EXPENSE BUDGET

## ■ Transfer Stations -

• Ellington -	\$ 16,000
• Essex -	\$ 571,000
• Torrington -	\$ 546,000
• Watertown -	\$ 567,000
• Total -	\$1,700,000

**\$ 1,700,000**

0% Increase from FY 2015

## ■ Waste Transportation -

• MSW From Essex -	\$ 846,650
• MSW From Torrington -	\$ 607,570
• MSW From Watertown -	\$ 1,492,400
• MSW From Salisbury -	\$ 28,000
• MSW From RRDD#1 -	\$ 22,000
• Solid Waste Bypass -	\$ 65,000
• Ash Disposal -	\$10,725,360
• Non-Processible -	\$ 61,640
• Total -	\$13,848,620

**\$13,848,620**

0.9% Increase from FY 2015

## ■ Trash to Energy Facility -

• Waste Processing -	\$11,646,000 (\$105,000 / 0.9% Reduction)
• Power Block -	\$19,904,000 (\$1,708,000 / 9.4% Increase)
• Facility Contractor -	\$ 1,195,000 (\$12,000 / 0.1% Reduction)
• Total -	\$32,745,000 (1,591,000 5.1% Increase)

**\$32,745,000**

5.1% Increase from FY 2015

# OPERATING EXPENSE BUDGET

## ■ Recycling Facility -

• Transport From Essex -	\$ 172,160
• Transport From Torrington -	\$ 164,640
• Transport From Watertown -	\$ 129,120
• Direct O&M Expenses -	\$ 60,250
• Recycling Rebate -	\$ 400,000
• Total	\$ 926,170

**\$926,170**

3.0% Increase from FY 2015

## ■ Indirect Expense-

• Authority Budget Allocation-	\$3,271,618
• MIRA Direct Personnel-	\$1,910,678
• MIRA Direct Non Personnel -	\$1,534,000
• Assessment, Fees and Taxes -	\$2,687,000
• Murphy Road Ops Center -	\$ 127,300
• Total	\$9,530,596

**\$9,530,596**

0.8% Reduction from FY 2015

## ■ Total Operating Expense Budget -

**\$58,750,386**



# RECOMMENDED RESERVE CONTRIBUTIONS

Operating Income Before Reserve Contributions -	\$ 8,532,214
CSWS Debt Service Fund -	\$ 0
CSWS General Fund:	\$ 8,532,214
<ul style="list-style-type: none"> <li>CSWS Improvement Fund -</li> </ul>	\$9,452,004
<p>Total available funding based on current draft budget parameters. Exceeds initial estimated need for Improvement Fund. Work being prioritized.</p>	
<ul style="list-style-type: none"> <li>CSWS Risk Fund -</li> </ul>	\$ 0
<p>There will be in excess of \$440,000 in this fund as of 6/30/2015. Based on review with the Risk manager, this is viewed as sufficient in comparison to the deductibles of all insurance policies other than business interruption. No contributions to this fund are recommended for FY 2016.</p>	
<ul style="list-style-type: none"> <li>CSWS Legal Fund -</li> </ul>	\$ 0
<p>There will be in excess of \$600,000 in this fund as of 6/30/2015 This is viewed as sufficient in comparison to prior actual CSWS legal expenses No contributions to this fund are recommended for FY 2016.</p>	
<ul style="list-style-type: none"> <li>MIRA Severance Fund -</li> </ul>	\$ 0
<p>There will be approximately \$900,000 in this fund as of 6/30/2015. This is viewed as sufficient in comparison to total FY 2016 Personnel Services. No contributions to this fund are recommended for FY 2016.</p>	
<ul style="list-style-type: none"> <li>CSWS Tip Fee Stabilization Fund -</li> </ul>	\$ (919,790)
<p>No draw expected based on current draft budget parameters.</p>	
<ul style="list-style-type: none"> <li>CSWS General Fund Retained -</li> </ul>	\$ 0
<p>No surplus to retain based on current draft budget parameters</p>	

# COST OF OPERATION

(CHANGE FROM FY 2015 BUDGET)

## Operating Expenses

■ Increase to PBF Budgets (Net)-	\$1,708,000
■ Increase Ash Disposal -	\$ 272,540
■ Increase MIRA Facility Insurance -	\$ 163,000
■ Increase Direct MIRA Personnel Services-	\$ 112,678
■ Reduced Authority Budget -	(\$ 318,382)
■ Reduced WPF Budget (Net) -	(\$ 105,000)
■ Reduced NAES Insurance -	(\$ 103,000)
■ Other Reductions (Net)-	(\$ 54,450)
■ Net Increase to Operating Expense Budget -	\$1,675,386

## Reserve Contributions

■ Reduce Contribution to Severance Reserve -	( \$85,000)
■ Reduce Contribution to Legal Reserve -	(\$100,000)
■ Reduce Contribution to Risk Reserve -	(\$191,000)
■ Reduce Contribution to General Fund Reserve -	(\$500,000)
■ Reduce Contribution to Improvement / Debt Reserve -	( \$72,996)
■ Net Reduction to Reserve Contributions -	(\$948,996)

## ■ Net Increase in Cost of Operation -

Funded by Increase in use of Tip Fee Stabilization - \$714,790

Funded by Member Disposal Fee - \$111,000

Funded by Non Disposal Fee Revenue - \$(99,400)

\$726,390

# NON DISPOSAL FEE REVENUE

<ul style="list-style-type: none"> <li>■ <b>Energy Sales -</b> <ul style="list-style-type: none"> <li>• Capacity Payments &amp; RECs - \$ 1,903,000</li> <li>• Real Time Market - \$11,130,235</li> <li>• Contract Sales - \$ 9,481,824</li> <li>• Total - \$22,515,059</li> </ul> </li> </ul>	<p><b>\$22,515,059</b> \$301,059, 1.4% Increase</p>
<ul style="list-style-type: none"> <li>■ <b>Other Recovered Products -</b> <ul style="list-style-type: none"> <li>• Inbound CSWS Base @ \$8.50 / Ton - \$ 399,500</li> <li>• Inbound FCR Base @ \$7.50 / Ton - \$ 105,000</li> <li>• Revenue Share (Container Sales) - \$ 372,180</li> <li>• Revenue Share (Paper Sales) - \$ 165,828</li> <li>• FRC Residue Disposal / Other - \$ 191,808</li> <li>• Other Recycling / Waste Revenue - \$ 73,000</li> <li>• Metal Sales - \$1,755,225</li> <li>• Total - \$3,062,541</li> </ul> </li> </ul>	<p><b>\$3,062,541</b> \$405,600, 15.3% Increase</p>
<ul style="list-style-type: none"> <li>■ <b>Contract Waste -</b> <ul style="list-style-type: none"> <li>• Hauler Contracts - \$9,920,000</li> <li>• Other Contracts - \$5,040,000</li> <li>• Total - \$14,960,000</li> </ul> </li> </ul>	<p><b>\$14,960,000</b> \$1,122,000, 8.1% Increase</p>
<ul style="list-style-type: none"> <li>■ <b>Spot Waste -</b></li> </ul>	<p><b>\$2,851,000</b> \$1,949,000, 40.6% Reduction</p>
<ul style="list-style-type: none"> <li>■ <b>Other (Interest / Service Fees)</b></li> </ul>	<p><b>\$ 83,000</b> \$21,000, 25% Increase</p>
<ul style="list-style-type: none"> <li>■ <b>Total Non Disposal Fee Revenue -</b></li> </ul>	<p><b>\$43,471,600</b></p>



# KEY DRIVERS

## Trash to Energy Operations:

■ Total MSW Deliveries - 710,415

■ "Aggregate Tons" -	378,500
■ Hauler Contract -	155,000
■ Other Contract -	100,000
■ Spot -	76,415
■ Municipal Bulky -	500
■ Total -	<u>710,415</u>

■ Total MSW to RDF Production Rate - 97.5%

■ Total RDF - 693,000

■ RDF to KWH Production Rate - 541 kwh / ton

■ Energy Production - 375,000,000 kwh

■ Contract / Non Contract Energy Price - \$.0549 / kwh

■ RDF to Ash Production Rate - 25.1%

■ Ash to Disposal - 174,000 tons

■ Ash Disposal Cost Per Ton - \$61.64

## Recycling Operations:

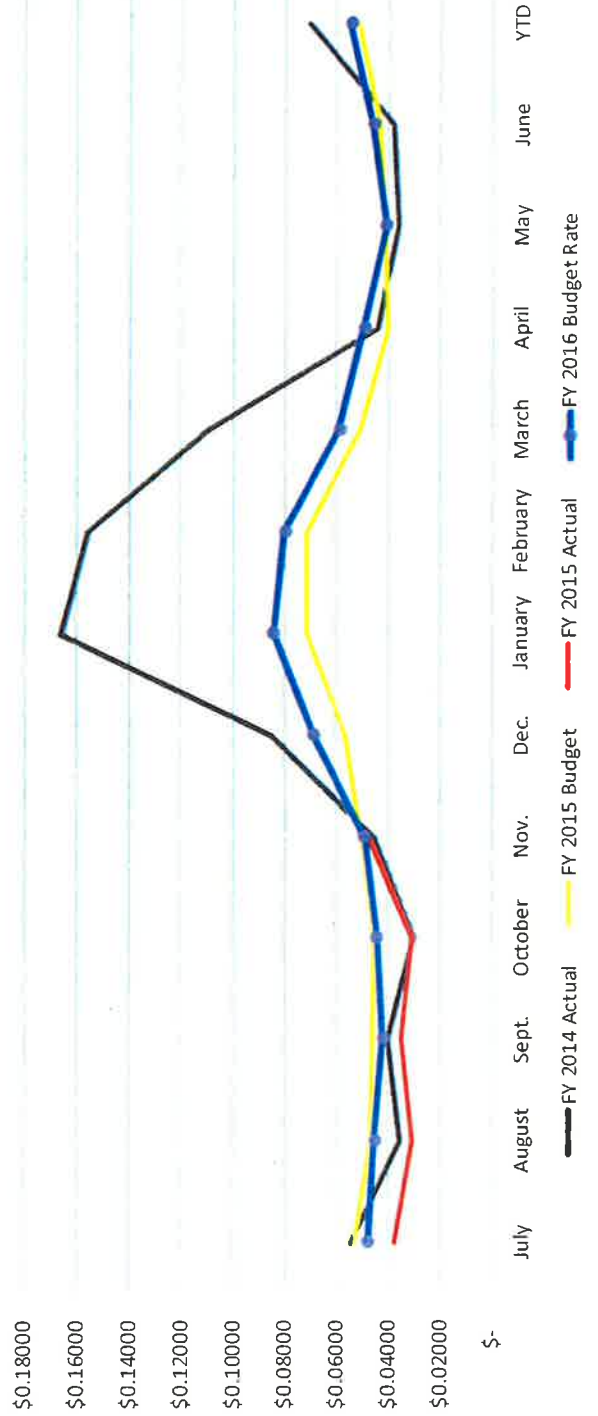
■ CSWS Sourced Recyclables - 47,000 tons

■ FCR Sourced Recyclables - 10,000 tons

**CSWS Contract and Non Contract Energy Sales - FY 2016 Budget**

FY 2016	Bid Price		Average	Weighted Average Monthly Bid	Budget Production	Contracted 1st 20 MWH	Non Contracted Remainder	Contract Revenue	Non Contract Revenue	Total Budget Revenue
	On-Peak \$/MWh	Off-Peak \$/MWh								
July	53.09261	32.70449	42.898552	0.04264	32,700,000	14,880,000	17,820,000	\$ 805,306	\$ 759,845	\$ 1,565,150
August	46.60782	29.94442	38.276120	0.03804	32,700,000	14,880,000	17,820,000	\$ 805,306	\$ 677,873	\$ 1,483,178
Sept.	37.57877	26.68568	32.132222	0.03194	31,450,000	14,400,000	17,050,000	\$ 779,328	\$ 544,577	\$ 1,323,905
October	39.20330	29.01270	34.107999	0.0339	29,000,000	14,880,000	14,120,000	\$ 805,306	\$ 478,668	\$ 1,283,974
Nov.	52.16954	38.50517	45.337355	0.04506	31,850,000	14,400,000	17,450,000	\$ 779,328	\$ 786,297	\$ 1,565,625
Dec.	90.68607	71.21940	80.952737	0.08046	33,100,000	14,880,000	18,220,000	\$ 805,306	\$ 1,465,981	\$ 2,271,287
January	124.71922	93.85983	109.289527	0.10863	33,500,000	14,880,000	18,620,000	\$ 805,306	\$ 2,022,691	\$ 2,827,996
February	116.38164	86.87262	101.627132	0.10101	29,800,000	13,440,000	16,360,000	\$ 727,373	\$ 1,652,524	\$ 2,379,896
March	73.68933	53.05247	63.367902	0.06299	33,500,000	14,880,000	18,620,000	\$ 805,306	\$ 1,172,874	\$ 1,978,179
April	46.13963	34.70201	40.420819	0.04018	21,650,000	14,400,000	7,250,000	\$ 779,328	\$ 291,305	\$ 1,070,633
May	36.09320	25.67823	30.885717	0.0307	33,500,000	14,880,000	18,620,000	\$ 805,306	\$ 571,634	\$ 1,376,940
June	48.36798	31.21548	39.791731	0.03955	32,250,000	14,400,000	17,850,000	\$ 779,328	\$ 705,968	\$ 1,485,296
Total	63.03845	45.85946	54.448956	54.12	375,000,000	175,200,000	199,800,000	\$ 9,481,824	\$ 11,130,235	\$ 20,612,059

**Budget / Actual CSWS Electric Prices**



**TAB 4**

## **ATTACHMENT 4**

### **RESOLUTION FOR THE MATERIALS INNOVATION AND RECYCLING AUTHORITY BOARD OF DIRECTORS REGARDING AMENDMENT OF THE FY 2015 CSWS DIVISION OPERATING AND CAPITAL BUDGET**

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;

**Background Information**  
**Amendment of the FY 2015 CSWS division operating and capital budget**

CSWS Energy Sales have struggled for the first six months of fiscal year 2015 (through period ending December 31, 2014). For this period, actual energy prices derived from the wholesale energy market have averaged \$.0368 per kilowatt hour which is 26% below the budgeted average rate for this period of \$.0496 per kilowatt hour. The deficit in price is compounded by a deficit in production. Through December 31<sup>st</sup>, CSWS has sold a total of 182.8 million kilowatt hours of electricity which is 7% below budget. Price and production deficits result in a current shortfall of \$3.1 million in energy sales revenue. Recognizing the need to protect against wholesale energy price volatility, MIRA recently completed the process of contracting a fixed price for the first 20 megawatts of power exported from CSWS. The first contract price period is for the second six months of fiscal year 2015 (from January 1, 2015 through June 30, 2015). During this period, the fixed contract price averages \$.067 per kilowatt hour which is well above the budgeted average price for this period of .0528 per kilowatt hour.

Deficits have also been experienced in the PBF operating expense budget. Additional resources are needed (based on operational experience) for boiler, bag house and ash processing maintenance, lime and feed water maintenance. Management is taking steps internally and in concert with the facility operator to ensure total CSWS operating expenses will remain at or below budget as of the close of FY 2015. Management is also addressing this need through realignment of resources in the proposed FY 2016 budget.

Exhibit A represents the forecast deficit in energy sales revenue for the full fiscal year recognizing the effect of fixed price contracted energy sales and assuming the non-contracted portion is sold in the wholesale energy market at the prices originally budgeted. Exhibit A also assumes the plant produces power at budget for the second half of the fiscal year. In other words, Exhibit A recognizes the surplus in energy sales revenue resulting from contracted energy sales and otherwise assumes performance at budget levels. Under these circumstances (considered best case at this stage) the deficit in energy sales revenue will reduce from \$3.1 million presently to approximately \$1.8 million at year end (contracted sales are \$1.3 million better than budget for this period).

Exhibit B assumes that price and production are 10% below budget for the second six months of the year. In this case, the deficit in energy sales revenue will rise from \$3.1 million to \$3.4 million.

Exhibit C lists WPF capital expenditure reductions being implemented in connection with the reduction in distributions to the CSWS Improvement Fund. Exhibit C also lists PBF operating expense reductions being made.

It is expected that a deficit in yearend operating income (after reserves / transfers) will remain after the above noted steps have been taken. The size of the deficit will be a function of electric sales performance. The remaining deficit will be funded in accordance with the Board established flow of funds procedure.



Materials Innovation and Recycling Authority  
 Background Information - FY 2015 Budget Amendment  
 CSWS Electricity Generation Revenue

Exhibit A

Forecast Year End Budget versus Actual Shortfall: **Best Case (No Further Price / Production Shortfalls)**

FY 2015	Price			Production			Generation Revenue			Cumulative Deficit (4)
	Budget	Actual / Forecast (1)	Variance	Budget	Actual / Forecast (2)	Variance	Budget	Actual / Forecast (3)	Variance	
July	\$ 0.0530	\$ 0.0375	\$ (0.0155)	35,550,000	30,133,282	(5,416,718)	\$ 1,884,150	\$ 1,128,823	\$ (755,327)	\$ (755,327)
August	\$ 0.0467	\$ 0.0302	\$ (0.0165)	35,550,000	33,158,728	(2,391,272)	\$ 1,659,395	\$ 1,000,712	\$ (658,683)	\$ (1,414,010)
Sept.	\$ 0.0459	\$ 0.0346	\$ (0.0113)	35,550,000	32,021,050	(3,528,950)	\$ 1,631,745	\$ 1,107,865	\$ (523,880)	\$ (1,937,890)
October	\$ 0.0455	\$ 0.0307	\$ (0.0148)	27,650,000	28,883,660	1,233,660	\$ 1,258,075	\$ 887,200	\$ (370,875)	\$ (2,308,765)
Nov.	\$ 0.0500	\$ 0.0471	\$ (0.0029)	31,600,000	31,717,110	117,110	\$ 1,580,000	\$ 1,493,593	\$ (86,407)	\$ (2,395,172)
Dec.	\$ 0.0562	\$ 0.0411	\$ (0.0151)	31,600,000	26,871,660	(4,728,340)	\$ 1,775,920	\$ 1,103,283	\$ (672,637)	\$ (3,067,808)
January	\$ 0.0710	\$ 0.0692	\$ (0.0018)	35,550,000	35,550,000	-	\$ 2,524,050	\$ 2,459,751	\$ (64,299)	\$ (3,132,108)
February	\$ 0.0710	\$ 0.0695	\$ (0.0015)	35,550,000	35,550,000	-	\$ 2,524,050	\$ 2,471,868	\$ (52,182)	\$ (3,184,290)
March	\$ 0.0510	\$ 0.0588	\$ 0.0078	31,600,000	31,600,000	-	\$ 1,611,600	\$ 1,857,502	\$ 245,902	\$ (2,938,388)
April	\$ 0.0398	\$ 0.0563	\$ 0.0165	23,700,000	23,700,000	-	\$ 943,260	\$ 1,334,380	\$ 391,120	\$ (2,547,268)
May	\$ 0.0411	\$ 0.0518	\$ 0.0107	35,550,000	35,550,000	-	\$ 1,461,105	\$ 1,841,718	\$ 380,613	\$ (2,166,655)
June	\$ 0.0430	\$ 0.0531	\$ 0.0101	35,550,000	35,550,000	-	\$ 1,528,650	\$ 1,886,292	\$ 357,642	\$ (1,809,013)
YTD	\$ 0.0516	\$ 0.0488	\$ (0.0028)	395,000,000	380,285,490	(14,714,510)	\$ 20,382,000	\$ 18,572,987	\$ (1,809,013)	\$ (1,809,013)

	Contract / Non - Contract Breakdown (January through June)		Revenue	
	Price	Production	Contract	Non Contract
January	\$ 0.0710	\$ 20,670,000	\$ 14,880,000	\$ 1,467,570
February	\$ 0.0710	\$ 22,110,000	\$ 13,440,000	\$ 1,569,810
March	\$ 0.0510	\$ 16,720,000	\$ 14,880,000	\$ 852,720
April	\$ 0.0398	\$ 9,300,000	\$ 14,400,000	\$ 370,140
May	\$ 0.0411	\$ 20,670,000	\$ 14,880,000	\$ 849,537
June	\$ 0.0430	\$ 21,150,000	\$ 14,400,000	\$ 909,450
Total			\$ 992,181	\$ 2,459,751

Assumptions:

Forecast:

- 1 - Price for Real Time sales above contracted 20MW is at budget.  
 Price shown for January through June is weighted average  
 Real Time / Contract price.
- 2 - Production budget for January through June is met.
- 3 - Actual generation revenue will exceed budget by \$1.3 million for January through June.  
 This represents the difference between budget price and contract price for this period.
- 4 - Deficit in generation revenue will reduce from \$3.1 million in December to \$1.8 million in June.  
 The forecasted deficit will worsen if Real Time prices or production is lower than budget  
 for period January through June.

Materials Innovation and Recycling Authority  
 Background Information - FY 2015 Budget Amendment  
 CSWS Electricity Generation Revenue

Forecast Year End Budget versus Actual Shortfall: Continued Price / Production Shortfalls

	Price			Production			Generation Revenue			Cumulative Deficit (4)
	Budget	Actual / Forecast (1)	Variance	Budget	Actual / Forecast (2)	Variance	Budget	Actual / Forecast (3)	Variance	
FY 2015	\$ 0.0530	\$ 0.0375	\$ (0.0155)	35,550,000	30,133,282	(5,416,718)	\$ 1,884,150	\$ 1,128,823	\$ (755,327)	\$ (755,327)
July	\$ 0.0467	\$ 0.0302	\$ (0.0165)	35,550,000	33,158,728	(2,391,272)	\$ 1,659,395	\$ 1,000,712	\$ (658,683)	\$ (1,414,010)
August	\$ 0.0459	\$ 0.0346	\$ (0.0113)	35,550,000	32,021,050	(3,528,950)	\$ 1,631,745	\$ 1,107,865	\$ (523,880)	\$ (1,937,890)
Sept.	\$ 0.0455	\$ 0.0307	\$ (0.0148)	27,650,000	28,883,660	1,233,660	\$ 1,258,075	\$ 887,200	\$ (370,875)	\$ (2,308,765)
October	\$ 0.0500	\$ 0.0471	\$ (0.0029)	31,600,000	31,717,110	117,110	\$ 1,580,000	\$ 1,493,593	\$ (86,407)	\$ (2,395,172)
Nov.	\$ 0.0562	\$ 0.0411	\$ (0.0151)	31,600,000	26,871,660	(4,728,340)	\$ 1,775,920	\$ 1,103,283	\$ (672,637)	\$ (3,067,808)
Dec.	\$ 0.0710	\$ 0.0652	\$ (0.0058)	35,550,000	31,995,000	(3,555,000)	\$ 2,524,050	\$ 2,085,829	\$ (438,221)	\$ (3,506,029)
January	\$ 0.0710	\$ 0.0653	\$ (0.0057)	35,550,000	31,995,000	(3,555,000)	\$ 2,524,050	\$ 2,087,722	\$ (436,328)	\$ (3,942,357)
February	\$ 0.0510	\$ 0.0572	\$ 0.0062	31,600,000	28,440,000	(3,160,000)	\$ 1,611,600	\$ 1,627,186	\$ 15,586	\$ (3,926,771)
March	\$ 0.0398	\$ 0.0568	\$ 0.0170	23,700,000	21,330,000	(2,370,000)	\$ 943,260	\$ 1,212,473	\$ 269,213	\$ (3,657,558)
April	\$ 0.0411	\$ 0.0508	\$ 0.0097	35,550,000	31,995,000	(3,555,000)	\$ 1,461,105	\$ 1,625,265	\$ 164,160	\$ (3,493,398)
May	\$ 0.0430	\$ 0.0518	\$ 0.0088	35,550,000	31,995,000	(3,555,000)	\$ 1,528,650	\$ 1,657,768	\$ 129,118	\$ (3,364,280)
June	\$ 0.0516	\$ 0.0472	\$ (0.0044)	395,000,000	360,535,490	(34,464,510)	\$ 20,382,000	\$ 17,017,720	\$ (3,364,280)	\$ (3,364,280)
YTD										

	Contract / Non - Contract Breakdown (January through June)					
	Price		Production		Revenue	
	Non Contract	Contract	Non Contract	Contract	Non Contract	Contract
January	\$ 0.0639	\$ 0.06668	17,115,000	14,880,000	\$ 1,093,649	\$ 992,181
February	\$ 0.0639	\$ 0.06712	18,555,000	13,440,000	\$ 1,185,665	\$ 902,058
March	\$ 0.0459	\$ 0.06753	13,560,000	14,880,000	\$ 622,404	\$ 1,004,782
April	\$ 0.0358	\$ 0.06696	6,930,000	14,400,000	\$ 248,233	\$ 964,240
May	\$ 0.0370	\$ 0.06668	17,115,000	14,880,000	\$ 633,084	\$ 992,181
June	\$ 0.0387	\$ 0.06784	17,595,000	14,400,000	\$ 680,927	\$ 976,842
Total					\$ 2,085,829	\$ 2,087,722

Assumptions.:

Forecast:

- 1 - Price for Real Time sales above contracted 20MW is only 90% of budget. January through June is weighted average Real Time / Contract price. 90%
- 2 - Production is only 90% of budget for January through June. 90%
- 3 - Actual generation revenue will be \$0.3 million less than budget for January through June.
- 4 - Deficit in generation revenue will increase from \$3.1 million in December to \$3.4 million in June.

**Materials Innovation and Recycling Authority  
Background Information - FY 2015 Budget Amendment**

**Exhibit C**

**WPF Capital Expenditure Reductions**

	Remaining Budget	Projects to be Scheduled	Budget Reduction
Trommels 119/120 /219/220 replace screens/rings	\$ 450,000	\$ 258,344	\$ 191,656
CV-140/240 rebuilt box	\$ 75,000	\$ -	\$ 75,000
CV-103 rebuild and head shaft modification	\$ 250,000	\$ -	\$ 250,000
CV-500 lines back walls and structure	\$ 200,000	\$ -	\$ 200,000
Paving and Tipping Floor Repairs	\$ 150,000	\$ 150,000	\$ -
Admin. Building HVAC roof unit	\$ 11,165	\$ -	\$ 11,165
11G / 21G new picking station manipulators	\$ 92,179	\$ -	\$ 92,179
Total	\$ 1,228,344	\$ 408,344	\$ 820,000

**PBF Operating Expenditure Reductions**

	Remaining Budget	Projects to be Scheduled	Budget Reduction
Sit Blower Repairs	\$ 350,000	\$ -	\$ 350,000
Total*	\$ 350,000	\$ -	\$ 350,000

\*Funds to be reallocated for other operational expenditure overages or additional PBF capital outage work.

**TAB 5**

## ATTACHMENT 5

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

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 ("CRRRA") 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, 2012 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

# RECYCLE: IT'S SECOND NATURE

RECEIVED

DEC 11 2014

MIRA  
OFFICE OF THE PRESIDENT

December 8, 2014

Mr. Thomas Kirk  
President and CEO  
Materials Innovation and Recycling Authority  
100 Constitution Plaza  
Hartford, CT 06103

Re: **STRATFORD RECYCLING MUSEUM SWEROC CLOSEOUT**

Dear Tom,

As you know, MIRA holds funds on behalf of the Southwest Regional Recycling Operating Committee ("SWEROC"). As the contractual relationship between MIRA and SWEROC has terminated, these funds should now be distributed to SWEROC. SWEROC has museum exhibits and other property in the MIRA recycling facility, formerly the Garbage Museum, and is obligated to clear the facility of this property. MIRA has held distribution of the funds pending disposition of the property.

On Tuesday, December 2, 2014, SWEROC held a special meeting at our former recycling museum in Stratford to discuss the final closeout of the museum. SWEROC determined that it had removed such of the museum property that was of use, and as it had no further use of any of the remaining property determined to abandon it. A motion was moved and approved to accept MIRA's offer to debit the SWEROC funds being held by MIRA at an all-in price of \$25,000.00 (the "Settlement Amount") to settle any remaining liability of MIRA or their contracted agent to clean out the museum.

Resolution of this outstanding issue will enable MIRA to distribute the remaining SWEROC funds. Accordingly, you are instructed to distribute, on behalf of SWEROC, all remaining funds held by you on behalf of SWEROC, net of the Settlement Amount, to the member municipalities of SWEROC as at June 30, 2013, ratably in accordance with the tons of acceptable recyclables delivered by or on behalf of such municipalities for the fiscal year ended June 30, 2013.

If you have any questions please feel free to give me a call.

Sincerely,



Stephen J. Edwards  
SWEROC President

Cc: E. Lorimer, Finn Dixon & Herling LLP



SOUTHWEST CONNECTICUT REGIONAL RECYCLING OPERATING COMMITTEE (SWEROC)  
1410 Honeyspot Road Ext. • Stratford, CT 06497 • phone 203-381-9571 or 1-800-455-9571 • fax 203-377-1930

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