



MEMORANDUM

TO: MIRA Board of Directors
FROM: Donald S. Stein, Chairman
DATE: March 11, 2021
RE: Notice of Special Telephonic Meeting

There will be a *special telephonic* meeting of the Board of Directors of the Materials Innovation and Recycling Authority (MIRA) on *Monday March 15, 2021 at 9:00 a.m.*

MIRA offices are presently closed to the public due to the Corona Virus outbreak. Members of the public may attend the meeting telephonically by calling (929) 205-6099, entering meeting ID 869 0684 8233#, then entering the password 340902# when prompted.

The purpose of this meeting will be:

- I. Pledge of Allegiance
- II. Public Comment – 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.
- III. Board Action will be sought for a Resolution Regarding an Amendment to Several Municipal Service Agreements (*Attachment 1*).
- IV. Executive Session to discuss:
 - a. Pending RFPs pursuant to Conn. Gen. Stat. Section 1-210(b)(24) and Feasibility Estimates and Evaluations relative to prospective public supply contracts, pursuant to Conn. Gen. Stat. Section 1-210(b)(7), including MIRA RFP's and prospective contracts for Operation, Maintenance and Optional Redevelopment of the CSWS Recycling Facility; Brokerage of Recycled Commodities from the CSWS Recycling Facility; and the potential impact of same upon the FY 2021 and draft FY2022 CSWS operating and capital budget scenarios; and Trade Secrets, pursuant to Conn. Gen. Stat. Section 1-210(b)(5)(A), regarding MIRA's economic challenges, competitive requirements, and budgetary planning.
- V. Board Action will be sought for a Resolution Regarding either 1) an Agreement for Operation, Maintenance and Optional Re-development of, and Brokerage of Recycled Commodities from, the Connecticut Solid Waste System Recycling Facility; or 2) an Agreement for Transfer of Recyclables from the Connecticut Solid Waste System Recycling Facility (*Attachment 2*).

- VI. Board Action will be sought for a Resolution Regarding Additional Authorizations and Amendments Associated with the FY 2022 CSWS Division Operating and Capital Budgets (*Attachment 3*).
- VII. Board Action will be sought for a Resolution Regarding an Initiative to Convene MIRA Member Towns to Develop Plans for a Long-Term Solution for Solid Waste Management (*Attachment 4*).

Tab 1

**RESOLUTION REGARDING AN AMENDMENT TO MUNICIPAL SERVICE
AGREEMENTS**

WHEREAS, the Municipal Solid Waste Management Services Agreements (“MSA’s”) with the towns of North Branford, and Durham and Middlefield (collectively, “the Towns”) provide that the obligation of the Towns to deliver their Acceptable Recyclables to the Authority and the obligation of the Authority to accept such Acceptable Recyclables without charge will terminate on June 30, 2021; and

WHEREAS, the Towns have asked to continue to deliver their recyclables to the Authority without charge, and the Authority believes it is in the Authority’s interest to continue to receive the Towns’ recyclables;

NOW, THEREFORE, it is hereby

RESOLVED: That the President is authorized to offer and execute amendments to the MSAs with the Towns, providing for the continued commitment of the Towns to deliver, and the Authority to accept without charge, the Towns’ Acceptable Recyclables, through June 30, 2027.

Tab 2

Resolution and Contract Summary

Sims Municipal Recycling

**RESOLUTION REGARDING
AGREEMENTS WITH SIMS MUNICIPAL RECYCLING FOR
OPERATION, MAINTENANCE AND OPTIONAL REDEVELOPMENT
OF, AND BROKERAGE OF RECYCLED COMMODITIES FROM, THE
CONNECTICUT SOLID WASTE SYSTEM RECYCLING FACILITY**

WHEREAS: At its May 28, 2020 special telephonic meeting, the Materials Innovation and Recycling Authority (MIRA) Board of Director's adopted a resolution directing management to immediately issue a Request For Proposals to ensure continued operation and potential redevelopment of the Connecticut Solid Waste System ("CSWS") Recycling Facility located at 211 Murphy Road, Hartford, CT, which resolution was necessitated by the unsuccessful conclusion of the Department of Energy and Environmental Protection's "Resource Rediscovery" initiative to redevelop the CSWS; and

WHEREAS: MIRA issued a Request For Proposals for Operation, Maintenance and Optional Redevelopment of the Connecticut Solid Waste System Recycling Facility on June 15, 2020, and a Request for Proposals for Brokerage of Recycled Commodities from the Connecticut Solid Waste System Recycling Facility on August 25, 2020, and

WHEREAS: MIRA received two proposals for Operation, Maintenance and Optional Redevelopment of the Recycling Facility from entities also proposing Brokerage of Recycled Commodities, one proposal for the operation and maintenance of the Recycling Facility from an entity not proposing an optional redevelopment or brokerage services, one proposal for use of the Recycling Facility as a transfer operation, and two proposals solely for the provision of brokerage services; and

WHEREAS: MIRA evaluated such proposals pursuant to the evaluation criteria which included experience, reasonableness of submitted plans, budgets, management fees and incentive compensation, reasonableness of any proposed exceptions to contract terms and any impact upon CSWS capacity to process recyclable material; and

WHEREAS, this Board has considered and discussed the future of the CSWS Recycling Facility, and has concluded that continued operation of the Facility in the near term, paired with minimal capital expenditure and use of reserves to mitigate required municipal tip fee increases, while maintaining long term redevelopment possibilities, is in the best interests of the state of Connecticut and the municipalities served; and

WHEREAS, Sims Municipal Recycling of New York, LLC, submitted proposals in response to MIRA's RFP for Operation, Maintenance and Optional Redevelopment of the CSWS Recycling Facility and RFP for Brokerage of Commingled Recyclables from the CSWS Recycling Facility that accomplish the aforementioned goals;

NOW, therefore, it is

RESOLVED: That the President is hereby authorized to enter into an Agreement with Sims Municipal Recycling of New York, LLC for Operation, Maintenance and Optional Redevelopment of the CSWS Recycling Facility, substantially as presented and discussed at this meeting; and

FURTHER RESOLVED: That the President is hereby authorized to enter into an Agreement with Sims Municipal Recycling of New York, LLC for Brokerage of Recycled Commodities from the CSWS Recycling Facility, substantially as presented and discussed at this meeting.

Materials Innovation and Recycling Authority

Contract Summary for Operation, Maintenance and Optional Redevelopment of the Connecticut Solid Waste System Recycling Facility with

Sims Municipal Recycling

Presented to the MIRA Board on: March 15, 2021

Vendor/ Contractor(s): Sims Municipal Recycling of New York, LLC

Effective date: Upon execution by both parties

Contract Type/Subject matter: Agreement for Operation, Maintenance and Optional Redevelopment of the Connecticut Solid Waste System Recycling Facility

Facility Affected: Connecticut Solid Waste System Recycling Facility

Term: Transition Period to start no later than upon execution of the Agreement. O&M Contract Period commences May 1, 2021 and ends June 30, 2027 co-terminus with Municipal Service Agreements. Amended Agreement term providing for optional redevelopment of the facility is a maximum of 30 years commencing July 1, 2027.

MIRA retains the right, in its sole discretion, to terminate the Agreement each year following development of the CSWS budget and setting of the Tip Fees. If MIRA terminates the Agreement after the first contract year (year ending June 30, 2022), MIRA will pay Sims a termination fee of \$400,000. If MIRA terminates the Agreement after the second contract year, MIRA will pay Sims a termination fee of \$250,000, with Sims retaining the right to redevelop the facility, with MIRA's approval, through June 30, 2027.

Term Extensions: Optional redevelopment subject to submission and approval of plans and specifications, due diligence, marketing, financing and negotiation of Amended Agreement.

Contract Dollar Amount: Operating and maintenance costs subject to annual adoption of CSWS budget and funded in the same manner as the contract operator of the waste-to-energy facility. Management fee is \$15 per ton each year. Maximum incentive compensation is \$230,000 per year subject to CPI increases and contingent on commodity quality.

Scope of Services: Under the O&M Agreement, Contractor will receive and process Acceptable Recyclables at the Recycling Facility in accordance with all environmental permits to optimize materials recovery to the extent allowed by the refurbished equipment and enable the sale of recyclable commodities that meet or exceed industry specifications. This includes routine maintenance, predictive and preventative maintenance, overseeing major maintenance and repairs, managing Recycling Facility

outages, conducting administrative tasks including but not limited to developing annual budgets, overseeing payroll, implementing and effective purchasing system for the Facility Operations, arranging for buildings and grounds maintenance, implementing security measures and implementing personnel training, safety and fire prevention programs.

Other Contract Terms:

The Agreement provides incentive based compensation to maximize throughput and safety and minimize residue and rejected loads. Maximum annual incentive based compensation is \$230,000.

Although the Agreement requires that Sims provide support to MIRA in the event diversion of recyclables is necessary (e.g., due to an operational disruption), the obligation for procuring transportation, securing capacity at alternate permitted facility(ies), and the associated costs is ultimately the responsibility of MIRA.

Materials Innovation and Recycling Authority

Contract Summary for Brokerage of Recycled Commodities from the Connecticut Solid Waste System Recycling Facility with

Sims Municipal Recycling

Presented to the MIRA Board on: March 15, 2021

Vendor/ Contractor(s): Sims Municipal Recycling of New York, LLC

Effective date: Upon execution by both parties

Contract Type/Subject matter: Agreement for Brokerage of Recycled Commodities from the
Connecticut Solid Waste System Recycling Facility

Facility Affected: Connecticut Solid Waste System Recycling Facility

Term: Transition Period to start no later than upon execution of the Agreement.
The Brokerage Contract Period commences upon execution of the
Agreement and ends June 30, 2027 co-terminus with the Municipal
Service Agreements. In the event that MIRA terminates the O&M
Agreement with Sims, this agreement will also be terminated.

Term Extensions: None

Contract Dollar Amount: Contractor is paid a fixed Brokerage Fee of \$1.65 per ton of commodity
received at End Market Facilities. MIRA otherwise retains all net
revenue from the sale of recycled commodities.

Scope of Services: Via the Brokerage Agreement, Contractor will provide all broker
services necessary to export recovered products from the Recycling
Facility to end markets. Specific tasks include but are not limited to
continuously identifying and soliciting interest from end markets;
coordinating for the transportation of recovered products to end markets,
maintaining records of financial transactions executed in connection with
the Brokerage Activities, and provide administrative tasks associated
with the broker services including assisting with annual budget and plan
development, reporting and personnel matters.

Resolution and Contract Summary

Murphy Road Recycling

**RESOLUTION REGARDING
AN AGREEMENT WITH MURPHY ROAD RECYCLING FOR TRANSFER OF
RECYCLABLES FROM THE CONNECTICUT SOLID WASTE SYSTEM
RECYCLING FACILITY**

WHEREAS: At its May 28, 2020 special telephonic meeting, the Materials Innovation and Recycling Authority (MIRA) Board of Director's adopted a resolution directing management to immediately issue a Request For Proposals to ensure continued operation and potential redevelopment of the Connecticut Solid Waste System ("CSWS") Recycling Facility located at 211 Murphy Road, Hartford, CT, which resolution was necessitated by the unsuccessful conclusion of the Department of Energy and Environmental Protection's "Resource Rediscovery" initiative to redevelop the CSWS; and

WHEREAS: MIRA issued a Request For Proposals for Operation, Maintenance and Optional Redevelopment of the Connecticut Solid Waste System Recycling Facility on June 15, 2020, and a Request for Proposals for Brokerage of Recycled Commodities from the Connecticut Solid Waste System Recycling Facility on August 25, 2020, and

WHEREAS: MIRA received two proposals for Operation, Maintenance and Optional Redevelopment of the Recycling Facility from entities also proposing Brokerage of Recycled Commodities, one proposal for the operation and maintenance of the Recycling Facility from an entity not proposing an optional redevelopment or brokerage services, one proposal for use of the Recycling Facility as a transfer operation, and two proposals solely for the provision of brokerage services; and

WHEREAS: MIRA evaluated such proposals pursuant to the evaluation criteria which included experience, reasonableness of submitted plans, budgets, management fees and incentive compensation, reasonableness of any proposed exceptions to contract terms and any impact upon CSWS capacity to process recyclable material; and

WHEREAS, this Board has considered and discussed the future of the CSWS Recycling Facility, and has concluded that a managed shutdown of the Facility and conversion to a Transfer Station, without foreclosing the potential for future redevelopment of the Facility, is in the best interests of the state of Connecticut and the municipalities served; and

WHEREAS, Murphy Road Recycling, LLC, submitted a proposal in response to the transfer operation option included in MIRA's RFP for Operation, Maintenance and Optional Redevelopment of the CSWS Recycling Facility that accomplishes the aforementioned goals;

NOW, therefore, it is

RESOLVED: That the President is hereby authorized to enter into an Agreement for the Transfer of Recyclables from the CSWS Recycling Facility with Murphy Road Recycling, LLC, substantially as presented and discussed at this meeting.

Materials Innovation and Recycling Authority

Contract Summary for Transfer of Recyclables from the Connecticut Solid Waste System Recycling Facility with

Murphy Road Recycling

Presented to the MIRA Board on:	March 15, 2021
Vendor/ Contractor(s):	Murphy Road Recycling, LLC
Effective date:	Upon execution by both parties
Contract Type/Subject matter:	Agreement for Transfer of Recyclables from the Connecticut Solid Waste System Recycling Facility
Facility Affected:	Connecticut Solid Waste System Recycling Facility
Term:	Transition Period will start upon execution of contract. Transfer Agreement Period commences May 1, 2021 and ends June 30, 2027 co-terminus with Municipal Service Agreements. MIRA has an option to terminate the contract at its sole discretion upon 90 days written notice.
Term Extensions:	None
Contract Dollar Amount:	O&M fee of \$600,000 per year to conduct operation of transloading activities at MIRA's Recycling facility. A transportation fee of \$30.00 per ton to convey recyclables from MIRA's Recycling Facility to other recycling facilities. A processing fee of \$85.00 per ton to process the recyclables at the alternate recycling facilities, which processing fee may be adjusted based on the average commodity rate received from the sale of the recovered material.
Scope of Services:	Under the Transfer Agreement, perform transloading of recyclables delivered to the facility in accordance with all environmental permits, transporting the recyclables to alternate recycling facilities where the recyclables will be processed for subsequent marketing and sale of the recovered commodities to end markets.
Other Contract Terms:	MRR is undertaking a \$30MM refurbishment of its recycling facility in Berlin, CT, which refurbishment will result in the installation of state-of-the-art processing equipment, and is projected to be complete in early 2022. MRR will commit in the Agreement that this refurbishment will be undertaken.

Narrative Discussion Regarding Solicitation Process and Responses

Materials Innovation and Recycling Authority Connecticut Solid Waste System

Agreements for Operation, Maintenance, Brokerage Services, and Transfer of Recyclables for the Connecticut Solid Waste System Recycling Facility

March 15, 2021

Executive Summary

The term of the Agreement with the current operator of MIRA's Recycling Facility in Hartford ends on April 30, 2021.

On June 15, 2020 MIRA issued a Request for Proposals for the Operation, Maintenance and Optional Redevelopment of the Connecticut Solid Waste System Recycling Facility, and on August 25, 2020 MIRA issued a Request for Proposals for Brokerage of Recycled Commodities from the Connecticut Solid Waste System Recycling Facility.

Proposers had the option of submitting proposals for one, or the other, or both, RFPs.

Proposals for the Operation and Maintenance RFP were due on October 19, 2020, and Proposals for the Brokerage Services were due on October 26, 2020.

Management has presented below a summary of the solicitation process and the responses received. Management has further provided information comparing the most favorable Operation, Maintenance and Brokerage Services response (Sims Municipal Recycling), and the most favorable Transfer response (Murphy Road Recycling). MIRA management has drafted two Resolutions for the Board of Director's consideration. A Resolution in the event that the Board of Directors chooses to contract with Sims Municipal Recycling of New York, LLC, and a Resolution in the event that the Board of Directors chooses to contract with Murphy Road Recycling, LLC.

Background

The existing agreement for operations, maintenance and cooperative marketing services for MIRA's Recycling Facility was signed in 2013 with FCR. In addition to performing operations and maintenance of the facility, FCR also brokers the recovered products generated at the

Recycling Facility. The final extension period under this agreement ends April 30, 2021. This date was originally June 30, 2021 but was advanced to April 30, 2021 as an outcome of a legal settlement with FCR.

At its Special Board Meeting on May 28, 2020, MIRA's Board of Directors directed management to immediately issue a Request For Proposals to ensure continued operation and potential redevelopment of the CSWS Recycling Facility after the termination of the Agreement with FCR.

Solicitation Approach

To provide for all options for the continued operation of the CSWS Recycling Facility until the conclusion of MIRA's Municipal Services Agreements on June 30, 2027 and marketing of the Recovered Products therefrom, the solicitation was divided into two interrelated RFP's, contemplating two separate agreements.

The first RFP for the Operation, Maintenance And Optional Redevelopment Of The Connecticut Solid Waste System Recycling Facility, RFP21-OE-002 (the "Operations RFP"), provided for two operational contract options:

- the operation, maintenance and optional redevelopment of the Recycling Facility, including a fee based operations and maintenance agreement ("O&M Agreement") which includes an at-risk long term redevelopment option ("Redevelopment Option"); and
- a transfer operation agreement ("Transfer Agreement") which allowed a proposer to trans-load CSWS recyclables to an alternate recycling facility for processing.

The second RFP provided for the Brokerage Of Recovered Products From The Connecticut Solid Waste System Recycling Facility, RFP21-OE-003 (the "Brokerage RFP"). Respondents to this Brokerage RFP could also be respondents to the Operations RFP, but this was issued as a separate RFP in anticipation that some respondents to the Operations RFP might not be able to provide brokerage services (or vice versa). This also allowed for the possibility that the Operations RFP would not result in any respondents and that MIRA would have to potentially consider operating the facility with a combination of MIRA staff and temporary labor and use a broker to market the Recovered Products.

The RFPs were advertised on MIRA's website and the DAS State Contracting Portal. An advertisement regarding the availability of the RFPs was advertised in Resource Recycling Magazine. In addition, email notices regarding the availability of the RFPs were sent to:

- The six firms who had submitted proposals for O&M services or attended a site tour in the 2013 RFP that resulted in the Existing RF Agreement. A seventh firm who previously only submitted for brokerage services in 2013 was only notified about the brokerage RFP;
- The Current Operator;

- Sacyr Environment, an associated company of Sacyr Rooney, with whom MIRA had recently engaged in negotiation for redevelopment of the CSWS via the Connecticut DEEP's Resource Rediscovery RFP;
- Casella, a party to the agreement to operate the CSWS Recycling Facility prior to the current agreement;
- Haulers under contract to MIRA who also operate recycling processing facilities; and
- Twelve firms who had purchased recyclables from the CSWS Recycling facility this past year (sent specific email notice regarding brokerage RFP only).

Operations RFP

The Operations RFP was issued June 15, 2020.

MIRA received notices of interest via email from eight firms:

- Casella Resource Solutions
- GFL Environmental
- Murphy Road Recycling
- NAES Corporation
- Oakridge Waste and Recycling
- Sacyr Environment
- Sims Municipal Recycling
- Willimantic Waste Paper Recycling

Two of those firms (Casella Resource Solutions and GFL Environmental) withdrew prior to mandatory pre-proposal site tours.

Individual site tours were conducted for each of the remaining six firms.

Responses were received by the October 19, 2020 deadline from the following firms

- Murphy Road Recycling
- NAES Corporation
- Sacyr Environment
- Sims Municipal Recycling

Brokerage RFP

The brokerage RFP was issued August 25, 2021.

MIRA received notices of interest from the following firms:

- Cellmark
- Continental Paper Grading

- Oakridge Waste and Recycling
- Sacyr Environment
- Sims Municipal Recycling

Casella Resource Solutions also expressed interest but later withdrew.

Individual site tours were conducted for each of the remaining five firms.

Responses were received by the October 26, 2020 deadline from the following firms:

- Cellmark
- Continental Paper Grading
- Sacyr Environment
- Sims Municipal Recycling

Evaluation of Proposals

After the deadline for responses from both the Operations RFP and the Brokerage RFP, responses had been received from six firms:

- Cellmark – submitted a proposal for the Brokerage Agreement only (but neither the O&M Agreement nor the Redevelopment Option)
- Continental Paper Grading – submitted a proposal for the Brokerage Agreement (but neither the O&M Agreement nor the Redevelopment Option)
- Murphy Road Recycling – submitted a proposal for the Transfer Agreement option under RFP21-OE-002
- NAES – submitted a proposal for the O&M Agreement but neither the Redevelopment Option nor the Brokerage Agreement;
- Sacyr Environment – submitted a proposal for the O&M Agreement, the Redevelopment Option, and the Brokerage Agreement
- Sims Municipal Recycling - submitted a proposal for the O&M Agreement, the Redevelopment Option, and the Brokerage Agreement

In accordance with MIRA's Procurement Policies and Procedures, MIRA's President identified Tom Gaffey, Director of Recycling and Enforcement; Mark Daley, Chief Financial Officer; Peter Egan, Director of Operations and Environmental Affairs; Jeff Duvall, Director of Budgets and Forecasting; and Roger Guzowski, Contract and Procurement Manager (collectively the "Evaluation Team") to evaluate the Proposals that were received.

Discussion of Responses

With these proposals, MIRA secured all the options that were contemplated and intended when MIRA issued the RFPs. A discussion of the various options follows.

- *MIRA may run the Recycling Facility on its own and contract only the brokerage services. There are two proposals that may be used this way:*
 - MIRA / Continental Paper; or
 - MIRA / Cellmark Recycling

This option would save between \$600,000 and \$1.3 million in management fees, incentive fees and home office expenses depending on the option that otherwise would be chosen. However, it would require MIRA to staff the operation within its current headcount limit of 45. Based on the proposed FY 2022 budget, there are 16 permanent positions unoccupied and available within this headcount limit. Also, based on the three proposals received to operate the Recycling Facility, we could permanently staff the necessary management, supervisory and maintenance positions. However, we would need up to 70 additional temporary employees above the maximum headcount for equipment operators, sorters and laborers. MIRA would also have to develop a comprehensive health and safety program to ensure compliance with OSHA standards, including safety and training programs for mechanics, hydraulic equipment operators, picking station operators and other employees to replicate the services otherwise provided by proposers via the Operations RFP. Cellmark proposed to pay MIRA a prevailing market price for fiber which would be not less than the Official Board Markets high side index, and a sliding per ton or per pound fee for all non-fiber. Continental Paper proposed to pay MIRA as a function of the revenue it actually earns with a floor price based on market indexes. Each of these fee structures would need to be specified much further than they are in the proposals. This would be considered the least comprehensive option regarding contracting with the private sector as anticipated in MIRA's enabling legislation.

- *MIRA may contract for operation of the Recycling Facility only through MSA expiration (June 30, 2027). There are two pairings of proposals that may be used this way:*
 - MIRA contracting with NAES & Continental Paper
 - MIRA contracting with NAES & Cellmark

NAES proposed a management fee, incentive fee and home office support cost for this option totaling \$750,000. While this fee proposal initially appears competitive there is additional bonus payments incorporated into the NAES salary budgets that total \$613,418 and contribute to a much higher O&M expense estimate than any other operator proposal. Incorporating this bonus into the management and incentive fee puts NAES at the most expensive fee structure (\$1,363,418) and deducting it from their O&M leaves NAES as the most expensive estimated O&M budget of \$8.88 million. Transition cost including rolling stock and a fixed mobilization fee is estimated at \$2.11 million. Facility refurbishment is estimated at \$2.5 million for FY 2022

and \$0.5 million for FY 2023. NAES proposed to run the Recycling Facility through MSA expiration but stated it has no interest in redeveloping the facility. NAES did not submit for brokerage services so NAES would have to be paired with one the two “stand-alone” proposals for brokerage services shown above. Both Sims and Sacyr submitted for brokerage services, but those proposals are contingent on them also being awarded the O&M Agreement. NAES’s experience in operating recycling facilities is considerably less extensive than the other operator proposals. This option represents a more comprehensive use of the private sector but would not provide a potential pathway to redevelopment.

- *MIRA may contract for operation of the Recycling Facility through MSA expiration and commence a process for its long term redevelopment. There are two proposals for this:*
 - MIRA contracting with Sims for O&M, brokerage and optional redevelopment
 - MIRA contracting with Sacyr for O&M, brokerage and optional redevelopment

Sims

The management fee, incentive fee and home office support cost proposed for this option would total \$1,305,000. Sims proposed to run the Recycling Facility through MSA expiration (June 30, 2027). Sims further stated it was very interested in redeveloping the facility and would begin the planning process required in the agreement far in advance of the CY 2026 deadline. Sims has superior experience and presented a clear transition, refurbishment and operating plan. The Sims O&M proposal is paired with a competitive brokerage fee proposal of a flat \$1.65 per ton throughout the agreement (approximately \$85,000 per year). All other recycling commodity net revenue is MIRAs. Sims estimated transition costs were proposed at \$1.93 million including rolling stock, onboarding personnel, spare parts, tools and inventory. Its estimated O&M budget is \$6.3 million pending completion of proposed capital refurbishments of \$6.3 million to occur over the first two or three years, after which it’s O&M budget is estimated to decline by \$600,000.

MIRA identified Sims as the preferred proposer and requested that it provide an equipment leasing option to lower transition and initial capital costs. Sims provided such changes which are reflected in the Fiscal Year 2022 Recycling Proposal Comparison Not Including Fiscal Year 2021 Transition Expenses. This reduced capital investment option does not anticipate a projected O&M budget decline after the first two or three years.

Sacyr

The management fee, incentive fee and home office support cost for this option comes in at a competitive \$860,000. Sacyr proposed to run the Recycling Facility through MSA expiration and stated it has high interest in redeveloping the facility and sending plans and specifications before January 1, 2026. Sacyr’s experience is exclusively overseas. Sacyr estimated it could run the facility with a total staff of 51 and total O&M budget of \$3.84 million. This assumed a first year capital refurbishment program of \$4.70 million which included rolling stock (which would

be required during transition) of \$1.17 million. The ongoing capital refurbishment estimate averages \$456,000 per year (6 year total of \$2.74 million). The Sacyr O&M proposal is paired with a brokerage fee proposal consisting of 6% of gross revenue with a minimum fee of \$384,633 and a maximum fee of \$2,580,490. All other recycling commodity net revenue is MIRA's. Sacyr's brokerage fee structure substantially offsets the competitive nature of its O&M fee structure. Sacyr relies more heavily on subcontractors than the other proposals.

- *MIRA may suspend operation of the Recycling Facility as an intermediate processing facility and instead transfer the material elsewhere for processing. There is one proposal for this option:*
 - MIRA contracting with Murphy Road Recycling (MRR)

MRR proposed a transfer operation where MIRA deliveries received at the Torrington and Watertown transfer stations are in-turn transported by MIRA to the MRR facility in Berlin CT; MIRA deliveries received at the Essex transfer station are in-turn transported by MIRA to Willimantic Waste's recycling facility in Windham, and MIRA deliveries to the Recycling Facility are in-turn transferred by MRR to its Berlin facility for a Transportation Fee of \$30 per ton.

Additionally, a Base Processing Fee of \$85 per ton would be charged for all deliveries to the Berlin and Willimantic facilities, and be subject to an adjustment based on a proposed Average Commodity Rate formula ("ACR" Adjustment). The formula has both fixed and variable components, and the ACR Adjustment could increase or decrease the Base Processing Fee. As an example, based on index prices and sales data for the 12-month period ending November 2020 this ACR Adjustment would result in a savings of \$0.28 per ton.

Additionally, MIRA would pay a Management Fee of \$600,000 per year which include the cost of MRR performing the transfer activities at MIRA's recycling facility. MRR proposes to supply the necessary equipment and staff from its existing operations.

MRR took exception to the proposed Transfer Agreement contained in the RFP and stated it would agree to an appropriate agreement, similar to the agreements that MIRA has in place for O&M of its transfer stations. MRR has since provided a proposed Agreement. Amid their exceptions, MRR reserved the right to use the balers on site and to use the facility for employee break areas, maintenance, parts storage, equipment storage etc. but MRR will not accept responsibility for any expense related to the facility (building, pavement, facilities).

This Transfer option does not reduce currently permitted recycling capacity in the state of Connecticut; rather, this option retains MIRA's Recycling Facility permitted processing capacity of approximately 174,000 tons per year, in the event that an initiative to refurbish the facility with state of the art equipment is undertaken in future years.

MRR is undertaking a \$30MM refurbishment of its recycling facility in Berlin, CT, which refurbishment will result in state-of-the-art processing equipment, and is projected to be complete in early 2022. Initially, MIRA's recyclables will be transloaded to both MRR's Berlin facility, as well as Willimantic Waste's recycling facility in Willimantic, but ultimately, most if not all of MIRA's recyclables will likely be managed at MRR's Berlin facility.

Summary of Proposal Prices

Attached is a spreadsheet that presents a Fiscal Year 2022 price proposal comparison, but not including Fiscal Year 2021 transition expenses.

This spreadsheet reflects the estimated operating and capital budgets provided by each proposer, their quoted management fees including incentives and home office expenses, together with all other Recycling Facility operating expenses, revenue and broker fee estimates. Estimated tip fees are provided on a stand-alone basis for Recycling operations only, and for the full MSW tip fee as developed under the Municipal Service Agreements, assuming recovery of initial Facility refurbishment costs in one year, or as amortized over a 15 year period.

Also attached are two cost comparison charts for the period FY 2022 through FY2027. The first chart compares a projection of the annual recycling net cost of the Sims proposal versus the MRR proposal. The second chart compares the net cost per aggregate ton of MSW of the Sims proposal versus the MRR proposal.

Overview of Bidders' Experience

- Cellmark – extensive brokerage experience but requires an O&M partner. Would require MIRA to coordinate between multiple contractors to provide both operations and brokerage services.
- Continental Paper Grading – extensive brokerage experience but requires an O&M partner. Would require MIRA to coordinate between multiple contractors to provide both operations and brokerage services.
- Murphy Road Recycling – Only proposed for transfer option. Extensive experience operating recycling facilities in Connecticut. Proposal included business exceptions to the entire form of the Agreement included in the RFP. MRR is undertaking a \$30MM refurbishment of its recycling facility in Berlin, CT, which refurbishment will result in state-of-the-art processing equipment, and is projected to be complete in early 2022.
- NAES – extensive experience operating power plants; some experience operating a mixed waste processing facility; no demonstrated experience operating a stand-alone recycling facility. Would require a brokerage partner and would require MIRA to

coordinate between multiple contractors to provide both operations and brokerage services.

- Sacyr Environment – extensive experience operating mechanical-biological treatment facilities and recycling facilities in Europe. No U.S. facilities to date. Proposed extensive use of subcontractors to provide the operations services and brokerage services.
- Sims Municipal Recycling – extensive experience operating similar MRF facilities in New York, New Jersey and Florida. Parent company one of the largest metals recyclers in the US with existing facilities in Connecticut and throughout the region.

Summary of Discussion with Sims References, November 20, 2020:

Bridget Anderson from the Bureau of Recycling & Sanitation within the NYC Department of Sanitation referred to Sims as “a solid partner” and indicated “that there are no red flags.” Sim’s operates the City-owned Brooklyn MRF facility (a dual stream MRF) and accepts City-collected material at that facility and others in the region.

Raymond Schauer, Director of Facility Contract Operations for the Solid Waste Authority of Palm Beach County indicated that Sims is “doing a great job” for them. Sims assisted the authority with a transition of the authority-owned dual-stream MRF from a long-term operator to a new contract and that Sims “is really good to work with.”

After reviewing the proposals received and the options detailed above, MIRA conducted follow up discussions via zoom with three firms:

- Murphy Road Recycling
- Sacyr Environment
- Sims Municipal Recycling

Subsequent to the ZOOM discussions, MIRA requested additional information from both Sims and MRR. In particular, and based on direction from MIRA’s Board of Directors, management asked both Sims and MRR if they would agree to a provision in the contract whereby MIRA can terminate the contract on an annual basis, at its sole discretion, following development of the annual CSWS budget and tip fee.

MRR agreed to allow MIRA to terminate for convenience with a ninety (90) day notice.

Sims agreed to allow MIRA to terminate the Agreement after the first contract year, provided that MIRA pay Sims a termination fee of \$400,000. Further, Sims agreed to allow MIRA to direct MIRA to cease O&M activities after the second contract year provided that MIRA pay Sims a termination fee of \$250,000, but allow Sims to have an exclusive right to redevelop the facility through June of CY2027.

Selection of Recycling Facility Operator

MIRA management has drafted two Resolutions for the Board of Director's consideration. A Resolution in the event that the Board of Directors chooses to contract with Sims Municipal Recycling of New York, LLC, and a Resolution in the event that the Board of Directors chooses to contract with Murphy Road Recycling, LLC.

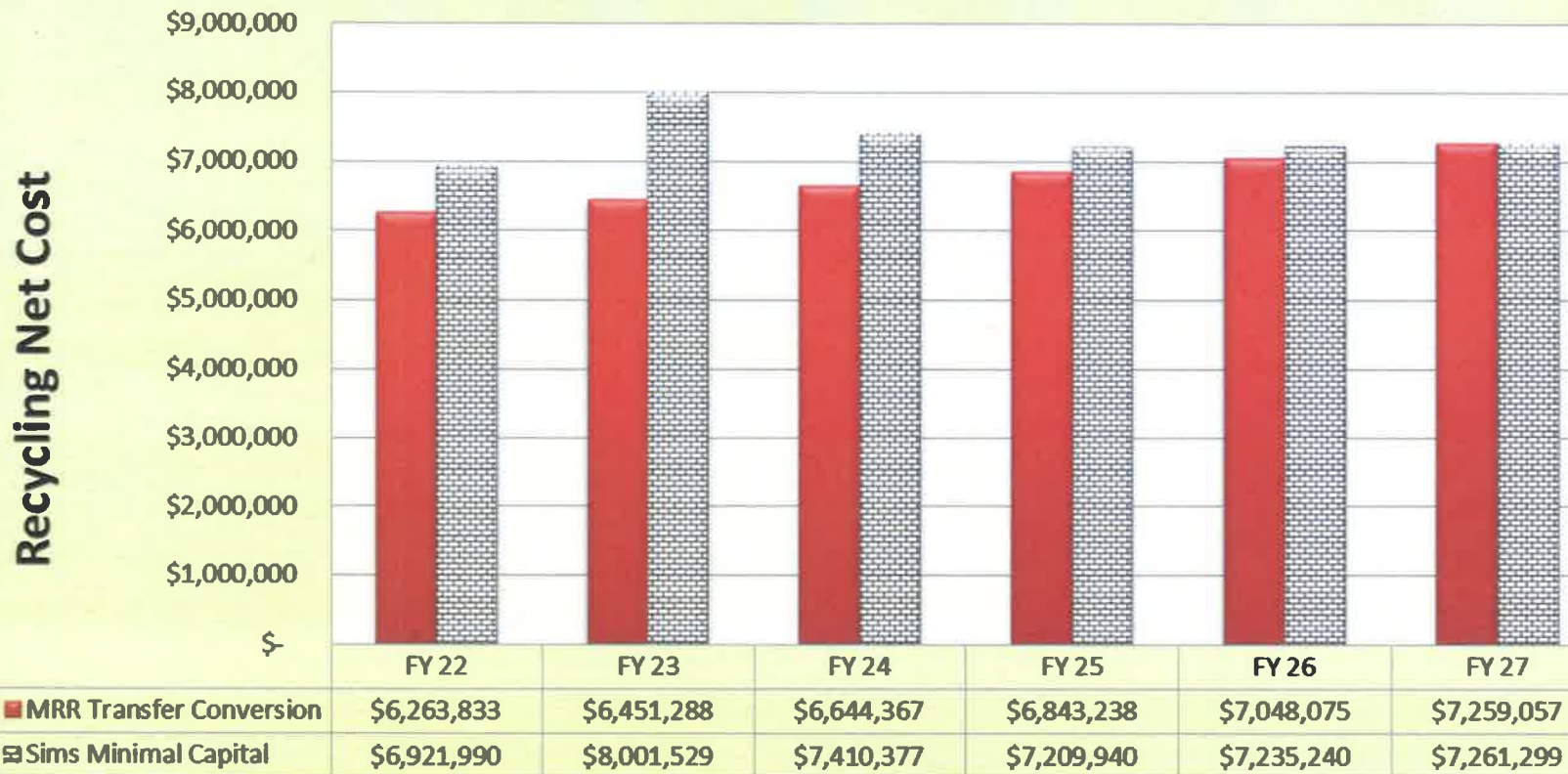
Recycling Operations with Amortized Capital (15 Years)					Commodity Brokerage		Revised
Stand Alone Recycling Facility	Murphy Road Recycling	NAES Corporation (1)	Sacyr Environment	Sims Municipal Recycling	CellMark	Continental Paper Grading	Sims Municipal Recycling
Facility Operations	\$ 5,663,833	\$ 8,885,839	\$ 3,843,322	\$ 6,300,000			\$ 6,612,385
Management Fee	\$ 600,000	\$ 1,363,418	\$ 859,796	\$ 1,305,000			\$ 1,145,500
Recycling Transportation	\$ 662,177	\$ 662,177	\$ 662,177	\$ 662,177			\$ 662,177
Residue Transportation		\$ 93,291	\$ 93,291	\$ 93,291			\$ 93,291
Direct O&M	\$ 206,450	\$ 206,449	\$ 206,450	\$ 206,450			\$ 206,450
Total O&M	\$ 7,132,460	\$ 11,211,174	\$ 5,665,036	\$ 8,566,918			\$ 8,719,803
Major Maintenance / Capital	\$ -	\$ 166,000	\$ 361,286	\$ 369,833			\$ 26,833
Operations & Maintenance Total	\$ 7,132,460	\$ 11,377,174	\$ 6,026,322	\$ 8,936,751			\$ 8,746,636
Commodity Sales	\$ -	\$ 1,315,151	\$ 1,315,151	\$ 1,315,151	\$ 1,315,151	\$ 1,315,151	\$ 1,315,151
Commodity Broker Fee	\$ -	\$ (85,333)	\$ (384,634)	\$ (76,756)	\$ (85,333)	\$ (371,690)	\$ (76,755)
Net Sales	\$ -	\$ 1,229,819	\$ 930,517	\$ 1,238,395	\$ 1,229,819	\$ 943,461	\$ 1,238,396
Net Cost	\$ 7,132,460	\$ 10,147,356	\$ 5,095,805	\$ 7,698,356			\$ 7,508,240
Recycling Net Cost/Ton (55,000 Tons)	\$ 129.68	\$ 184.50	\$ 92.65	\$ 139.97			\$ 136.51
Unsubsidized Tier 1 Long Term Tip Fee	\$ 120.85	\$ 127.65	\$ 116.25	\$ 122.12			\$ 121.69

Recycling Operations with Unamortized Capital					Commodity Brokerage		Revised
Stand Alone Recycling Facility	Murphy Road Recycling	NAES Corporation (1)	Sacyr Environment	Sims Municipal Recycling	CellMark	Continental Paper Grading	Sims Municipal Recycling
Facility Operations	\$ 5,663,833	\$ 8,885,839	\$ 3,843,322	\$ 6,300,000			\$ 6,612,385
Management Fee	\$ 600,000	\$ 1,363,418	\$ 859,796	\$ 1,305,000			\$ 1,145,500
Recycling Transportation	\$ 662,177	\$ 662,177	\$ 662,177	\$ 662,177			\$ 662,177
Residue Transportation		\$ 93,291	\$ 93,291	\$ 93,291			\$ 93,291
Direct O&M	\$ 206,450	\$ 206,449	\$ 206,450	\$ 206,450			\$ 206,450
Total O&M	\$ 7,132,460	\$ 11,211,174	\$ 5,665,036	\$ 8,566,918			\$ 8,719,803
Major Maintenance / Capital	\$ -	\$ 2,490,000	\$ 5,419,288	\$ 5,547,500			\$ 402,500
Operations & Maintenance Total	\$ 7,132,460	\$ 13,701,174	\$ 11,084,324	\$ 14,114,418			\$ 9,122,303
Commodity Sales	\$ -	\$ 1,315,151	\$ 1,315,151	\$ 1,315,151	\$ 1,315,151	\$ 1,315,151	\$ 1,315,151
Commodity Broker Fee	\$ -	\$ (85,333)	\$ (384,634)	\$ (76,756)	\$ (85,333)	\$ (371,690)	\$ (76,755)
Net Sales	\$ -	\$ 1,229,819	\$ 930,517	\$ 1,238,395	\$ 1,229,819	\$ 943,461	\$ 1,238,396
Net Cost	\$ 7,132,460	\$ 12,471,356	\$ 10,153,807	\$ 12,876,023			\$ 7,883,907
Recycling Net Cost/Ton (55,000 Tons)	\$ 129.68	\$ 226.75	\$ 184.61	\$ 234.11			\$ 143.34
Unsubsidized Tier 1 Long Term Tip Fee	\$ 120.85	\$ 132.90	\$ 127.66	\$ 133.81			\$ 122.54

FY 2022 – FY 2027 Recycling Projection

1

Recycling Facility Net Cost Forecast (FY 2022 - FY 2027)



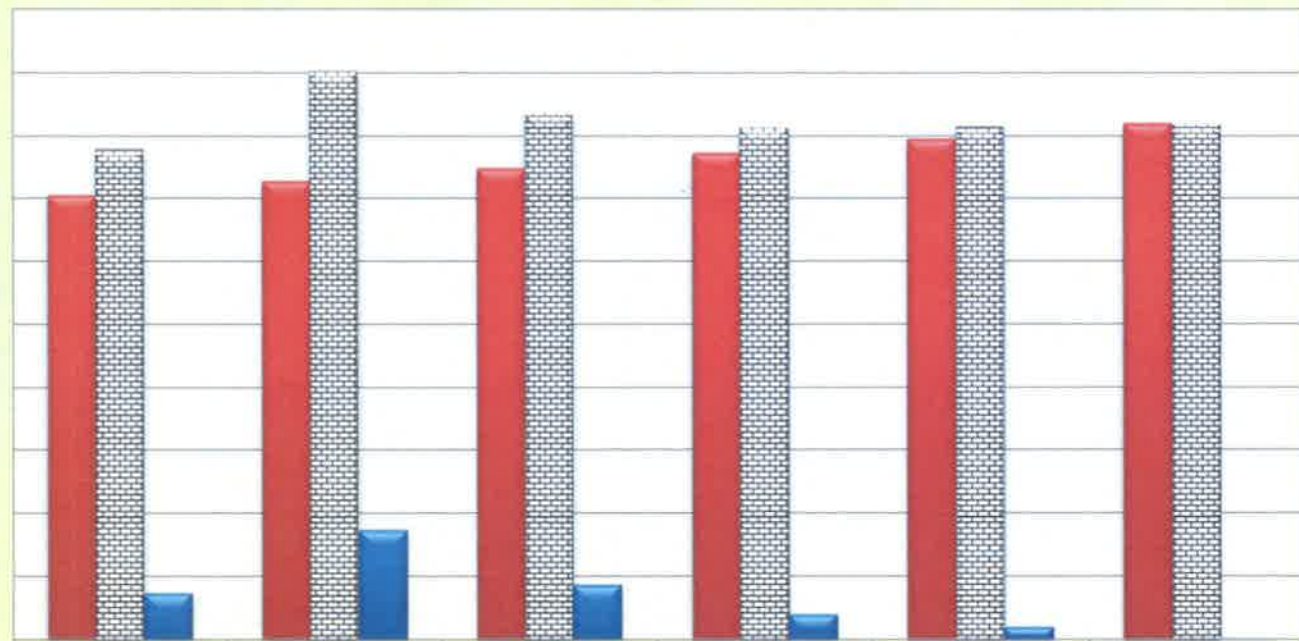
FY 2022 – FY 2027 Recycling Projection

2

Recycling Facility Net Cost Forecast (FY 2022 - FY 2027)

Net Cost Per Aggregate Ton

\$20.00
\$18.00
\$16.00
\$14.00
\$12.00
\$10.00
\$8.00
\$6.00
\$4.00
\$2.00
\$-



■ MRR Per Aggregate Ton
▨ Sims Per Aggregate Ton
■ Variance

	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27
■ MRR Per Aggregate Ton	\$14.14	\$14.56	\$15.00	\$15.44	\$15.91	\$16.38
▨ Sims Per Aggregate Ton	\$15.62	\$18.06	\$16.72	\$16.27	\$16.33	\$16.39
■ Variance	\$1.49	\$3.50	\$1.73	\$0.83	\$0.42	\$0.01

Tab 3

Attachment 3

This Attachment Contains Two Alternate Resolutions and Associated Budgets

- 1. Budget and Resolution if MIRA contracts with Sims Municipal Recycling**
- 2. Budget and Resolution if MIRA Contracts with Murphy Road Recycling**

**Budget and Resolution if MIRA contracts with
Sims Municipal Recycling**

ALTERNATE RESOLUTION A – SIMS Minimal Capital

**RESOLUTION FOR THE MATERIALS INNOVATION AND RECYCLING AUTHORITY BOARD OF DIRECTORS
REGARDING ADOPTION OF THE FISCAL YEAR 2022 CSWS DIVISION OPERATING AND CAPITAL BUDGETS**

WHEREAS: The Connecticut Department of Energy and Environmental Protection's Request for Proposals process known as Resource Rediscovery that was intended to provide for the long term redevelopment of the Connecticut Solid Waste System's ("CSWS") Waste to Energy ("WTE") Facility and its Recycling Facility concluded unsuccessfully; and

WHEREAS: Such unsuccessful conclusion obligates the Materials Innovation and Recycling Authority ("Authority") to evaluate its options to otherwise continue providing municipal solid waste and recycling management services to the CSWS Participating Municipalities; and

WHEREAS: The Authority desires to provide such services in a manner that is supportive of the State's evolving waste management policies and is as cost efficient for the CSWS Participating Municipalities as possible under the circumstances; and

WHEREAS: Having considered available information and evolving policies, the Authority has concluded that, in the absence of major refurbishment, a managed shutdown and conversion of the WTE Facility into a Transfer Station is in the best interest of the State and Participating Municipalities and should be undertaken during Fiscal Year 2022 with the intent that waste combustion at the WTE Facility concludes effective July 1, 2022 ("WTE Facility Conversion"); and

WHEREAS: Having considered available information and evolving policies, the Authority has further concluded that interim operation of the Recycling Facility, on a year-to-year basis, is in the best interests of the State and Participating Municipalities and should be undertaken during Fiscal Year 2022 while the feasibility for further interim refurbishments are assessed and the Recycling Facility potentially operated through June 30, 2027 ("Recycling Facility Preservation") with the intent that plans and specifications for an optional long term redevelopment of the Recycling Facility be completed by the private sector no later than January 1, 2026 with construction completed by the private sector no later than December 31, 2027 ("Recycling Facility Redevelopment"); and

WHEREAS: the Recycling Facility Preservation and WTE Facility Conversion will increase the CSWS Cost of Operation and reduce its Non-Disposal Fee Revenue which places significant upward pressure on municipal tipping fees; and

WHEREAS: the Authority desires to mitigate such increases to the extent feasible as a means to preserve an organized base of demand, known as the CSWS Participating Municipalities, necessary for future solid waste management infrastructure projects in the State; and

WHEREAS: the Authority intends to use its Tip Fee Stabilization Fund and Additional Use of Reserves to mitigate such increases to the extent feasible but believes additional financial support may be necessary to avoid erosion of such organized demand which may occur through optional termination of Municipal Service Agreements by CSWS Participating Municipalities; and

WHEREAS: the Authority has established a pilot "Pay as You Throw" program available to CSWS Participating Municipalities which may be implemented to reduce municipal tipping fees; and

WHEREAS: the Authority has explored options for State financial support as a means to alter the WTE Conversion or Recycling Facility Preservation outcomes described above, or to further mitigate tip fee increases, the likelihood of which will not be determined before conclusion of the current legislative session; and

WHEREAS: At its February 24, 2021 meeting, the Authority adopted its CSWS tip fee schedule reflecting CSWS Recycling Facility Capital Improvements and Additional Use of Reserves that were subject to further authorization of this Board; and

WHEREAS: concurrent with the adoption of this resolution the Authority's Board of Directors has separately authorized the President to enter into Agreements with Sims Municipal Recycling of New York, LLC for Operation, Maintenance and Optional Redevelopment of the CSWS Recycling Facility and Brokerage of Recycled Commodities from the CSWS Recycling Facility.

NOW, THEREFORE BE IT:

RESOLVED: That Management is directed to issue a Request for Proposals ("RFP") for Operation, Maintenance and Optional Redevelopment of the WTE Facility as a Transfer Station effective July 1, 2022 and such other RFPs as may be necessary in support of such transition including, but not limited to, services provided through the Torrington, Watertown and Essex Transfer Stations; and

FURTHER RESOLVED: That the following Fiscal Year 2022 CSWS Operating and Capital Budgets attached hereto as Exhibit A (presentation form) and Exhibit B (budget line items) are hereby adopted and authorized for expenditure as presented and discussed at this meeting:

- CSWS Operating Expense Budget totaling \$68.027 million;
- CSWS Waste to Energy Facility Major Maintenance Budget totaling \$5.405 million; and
- CSWS Tip Fee Stabilization Funding of \$7.171 million.

FURTHER RESOLVED: That the following Fiscal Year 2022 CSWS Capital Budget attached hereto as Exhibit A (presentation form) and Exhibit B (budget line items) is hereby adopted:

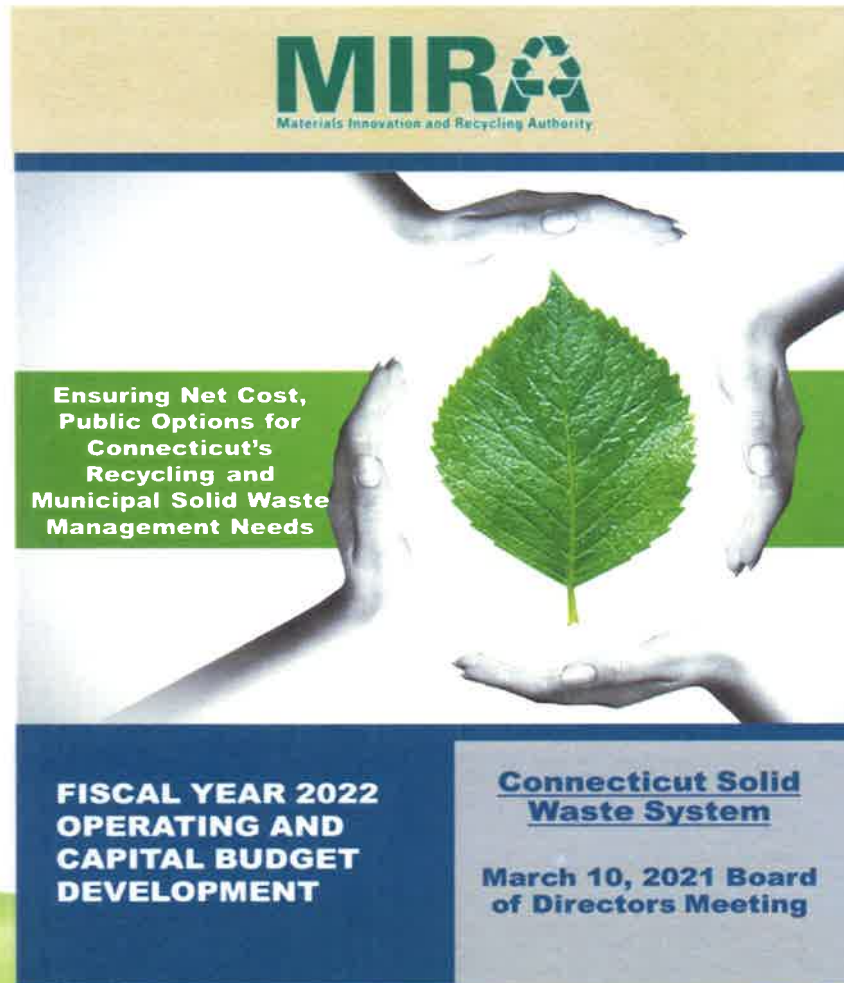
- CSWS Recycling Facility Improvement / Major Maintenance Budget totaling \$0.403 million; and
- Additional use of Reserve of \$0.961 million.

FURTHER RESOLVED: That the Board of Directors hereby encourages the Department of Energy and Environmental Protection to propose and support financial assistance intended to avoid or delay the WTE Conversion, and / or to advance and ensure undertaking of the Recycling Facility Redevelopment, should that be more closely aligned with evolving State waste management policies.

FURTHER RESOLVED: That the Board of Directors hereby encourages the CSWS Participating Municipalities to consider implementing a Pay as You Throw program to mitigate tip fee increases and enhance diversion of waste from combustion in FY 2022 and from landfilling commencing FY 2023.

MATERIALS INNOVATION AND RECYCLING AUTHORITY

EXHIBIT A FINAL (RECYCLING OPERATIONS)



► Recommended Budget:

- Summary Draft Budget
- Participating Town Fees
- Non-Participating Town Fees
- Operating Expense Budget
- Improvements & Major Maintenance Budget
- Reserve Contributions
- Non Disposal Fee Revenue
- Key Drivers

Summary Draft Budget

2

- Total Operating Revenues - \$65.70 Million
- Total Operating Expenses - \$68.02 Million
- Operating Loss Before Reserve Contributions - \$ (2.32) Million
- Proposed Reserve Contributions:
 - CSWS Improvement Fund - \$ 0.30 Million
 - CSWS Major Maintenance Fund - \$ 5.51 Million
 - CSWS Risk Fund - \$ 0
 - CSWS Legal Fund - \$ 0
 - MIRA Severance Fund - \$ 0
 - CSWS Tip Fee Stabilization Fund - \$ (7.17) Million
 - **Potential Additional Use of Reserve - \$ (0.96) Million**
- \$14.00 Per Ton Increase From FY 2021 Adopted Tip Fee
- Will Exceed Opt Out Tip Fee Provisions of MSAs

Participating Town Fees

3

- Cost of Operation - \$73,834,150
 - Operating Expense Budget - \$68,026,650 (\$5,444,214 / 8.7% increase)
 - Reserve Contributions - \$5,807,500 (\$9,411,500 / 61.8% reduction)
 - Waste to Energy Facility - \$5,405,000
 - **Recycling Facility (Subject to further Board Authorization) - \$402,500**
 - Total Cost of Operation \$73,834,150 (\$3,967,286 / 5.1% reduction)
- Non Disposal Fee Revenue - \$19,145,404
 - \$14,992,167 / 43.9% reduction
 - Includes \$28,000 Member Service Fees (Tier 2 @ \$2.00 / Ton)
- Net Cost of Operation - \$54,688,746
 - \$11,024,881 / 25.2% increase
- Add: Cost of Service Discounts - \$ 851,756
 - Tier 1 Long – 425,878 Tons @ \$2.00 / Ton; and
- Deduct: Deficit Funding - \$ (8,131,656)
 - Adopted Property Division Income Distribution to Tip Fee Stabilization - \$7,170,656
 - **Potential Additional Use of Reserve (Subject to further Board Authorization) - \$961,000**
- Note: Equivalent Subsidy of Uniform Base Disposal Fee - \$ (18.35 / ton)

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"

Participating Town Fees

4

- **Total Rate Base -** **\$47,408,846**
 - Net Cost of Operation + Cost of Service Discounts - Deficit Funding
- **Aggregate Tons -** **443,078**
 - Service Discounted (Tier 1 Long) – 425,878
 - Gate Rate (Equivalent Tier 1 Short) – 3,200
 - \$2 Service Fee (Tier 2) – 14,000
 - Total - **443,078**
 - Reflects a 18,576 ton (4.4%) increase from FY 2021
- **Uniform Base Disposal Fee -** **\$107.00 / Ton**

Contract	FY 2022 Proposed Disposal Fee	FY 2022 Base Opt Out	FY 2022 Total Opt Out (With Additional Opt Out Costs)
Tier 1 Long	\$105.00	\$ 65.95	\$ 68.09
Tier 1 Short	\$107.00	\$ 68.94	\$ 71.08
Tier 2	\$109.00	n/a	n/a

- **Total Member Disposal Fees -** **\$46,557,590**

\$7,893,725 / 20.4%
 Increase from FY 2021

Non - Participating Town Fees

5

- **Municipal Solid Waste**
 - Hybrid Hauler / ICW Average Rate = \$93 per ton
- **Recycling**
 - No deliveries currently authorized
- **Diversions**
 - Estimated T&D to Alternate Disposal Site of \$110.00 per ton
 - Less Non Participating Direct Disposal Fee of \$93.00
 - Equals Estimated Diversion Surcharge of \$17.00 per ton

Operating Expense Budget

6

- **Transfer Stations -**

\$ 2,198,077

0.3% Increase from FY 2021

○ Ellington -	\$ 16,200
○ Essex -	\$ 790,283
○ Torrington -	\$ 603,211
○ Watertown -	<u>\$ 788,383</u>
○ Total -	\$2,198,077

- **Waste Transportation -**

\$12,612,312

4.0% Reduction from FY 2021

○ MSW From Essex -	\$ 722,145
○ MSW From Torrington -	\$ 1,012,522
○ MSW From Watertown -	\$ 628,965
○ MSW From RRDD#1 -	\$ 0
○ MSW From Ellington -	\$ 43,000
○ Metals from RRF -	\$ 1,445,000
○ Solid Waste Bypass -	\$ 9,320
○ Ash Disposal -	\$ 8,712,660
○ Non-Processible -	<u>\$ 38,700</u>
○ Total -	\$ 12,612,312

- **Trash to Energy Facility -**

\$36,834,523

2.0% Increase from FY 2021

○ Waste Processing -	\$12,100,326 (0.7% Increase)
○ Power Block -	\$23,476,387 (4.0% Increase)
○ Facility Contractor -	<u>\$ 1,257,810 (1.6% Increase)</u>
○ Total -	\$36,834,523 (2.0% Increase)

Operating Expense Budget

7

- Recycling Facility -

\$8,719,803

\$7,757,513 (806%) Increase

○ Contract Operator Charges -	\$7,757,885
○ Transport From Essex -	\$ 182,240
○ Transport From Torrington -	\$ 303,669
○ Transport From Watertown -	\$ 176,268
○ Transport Residue to WPF -	\$ 93,291
○ MIRA Direct O&M Expenses -	\$ 206,450
○ Recycling Rebate -	\$ 0
○ Total	\$8,719,803

- Indirect Expense -

\$7,661,935

10.9% Reduction from FY 2021

○ Authority Budget Allocation-	\$2,482,915
○ MIRA Direct Personnel-	\$1,470,582
○ MIRA Direct Non Personnel -	\$1,343,347
○ Assessment, Fees and Taxes -	\$2,365,091
○ Murphy Road Ops Center -	\$ 0
○ Total	\$7,661,935

- Total Operating Expense Budget -

\$68,026,650

Improvement / Major Maintenance Budget

8

- Total Contributions are \$5,807,500:
- Overall \$9,411,500 / 61.8% reduction from FY 2021 adopted budget.
- Major Maintenance – \$5,507,500
- **Capital Improvements - \$300,000**

Power Block Facility (\$7,029,000 / 57.5% reduction) to:

Replace Primary/Secondary Superheaters	\$	2,000,000
Replace Waterwall Tube Panels	\$	1,100,000
Bag House Major Repairs & Bag Replacement	\$	600,000
Major Grate Rebuild	\$	325,000
Gen Bank Tube Replacement	\$	300,000
Auger Bin & Feed System	\$	240,000
Building & Site Repairs	\$	250,000
Other Systems	\$	375,000
Power Block Total	\$	5,190,000

Waste Processing Facility (\$2,490,000 / 92.1% reduction) to:

Dozer Repairs	\$	100,000
Roof Repairs	\$	65,000
100 Line Back Walls	\$	50,000
Waste Processing Facility Total	\$	215,000

Recycling Facility increased from \$0 to:

Building & Structural components	\$	102,500
Conveyors	\$	300,000
Recycling Facility Total	\$	402,500

Reserve Contributions

9

• Operating Income Before Reserve Contributions -		\$ (2,323,656)
• CSWS General Fund Retained:		\$ 0
▪ CSWS Improvement Fund -	\$ 300,000	
▪ CSWS Major Maintenance Fund -	\$ 5,507,500	
▪ CSWS Risk Fund - There is presently in excess of \$896,000 in this fund . Increase from FY 2021 reflects interest earnings. Evaluate relative to increase in SIR / deductibles.	\$ 0	
▪ CSWS Legal Fund - There is presently in excess of \$638,000 in this fund . This is viewed as sufficient in comparison to prior actual CSWS legal expenses No contributions to this fund are recommended for FY 2022.	\$ 0	
▪ MIRA Severance Fund - There is presently in excess of \$2,580,000 in this fund. This is viewed as sufficient relative to total exposure. No CSWS contributions to this fund are currently recommended .	\$ 0	
▪ CSWS Tip Fee Stabilization Fund - Estimated distribution of all FY 2022 Property Division income.	\$ (7,170,656)	
▪ Additional Use of Reserve - (Pending Further Board Authorization)	\$ (961,000)	
▪ Rounding Balance-	\$ 500	

Non Disposal Fee Revenue

10

○ Energy Sales -		\$13,212,096
		\$3,470,677 / 20.8% Reduction
✱ Capacity Payments -	\$ 1,705,846	
✱ Class II RECs -	\$ 3,221,750	
✱ Real Time Market -	\$ 8,284,500	
✱ Total -	\$13,212,096	
○ Other Recovered Products -		\$1,552,894
		\$2,428,110 / 61.0% Reduction
✱ Non-participating Town Tip Fees -	\$ 0	
✱ Recycling Facility Paper Sales -	\$ 908,441	
✱ Recycling Facility Sales Plastic -	\$ 674,769	
✱ Recycling Facility Metal Sales -	\$ 340,131	
✱ Recycling Facility Glass Sales -	\$ (608,190)	
✱ Recycling Facility brokerage Fee -	\$ (76,756)	
✱ Recycling Sub-total	\$1,238,395	
✱ Municipal Bulky & Mattresses -	\$ 246,000	
✱ Metal Sales -	\$ 68,500	
✱ Total Other Recovered Products-	\$1,552,894	
○ Non Participating Town Waste -		\$4,330,013
		\$9,054,437 / 67.6% Reduction
✱ Hauler & ICW Contracts-	\$ 4,328,313	
✱ Transfer Station Surcharge -	\$ 0	
✱ Diversion Reimbursements -	\$ 1,700	
✱ Spot Ferrous Residue -	\$ 0	
✱ Total -	\$ 4,330,013	
○ Other (Interest / Service Fees)		\$ 50,400
○ Total Non Disposal Fee Revenue -		\$19,145,403

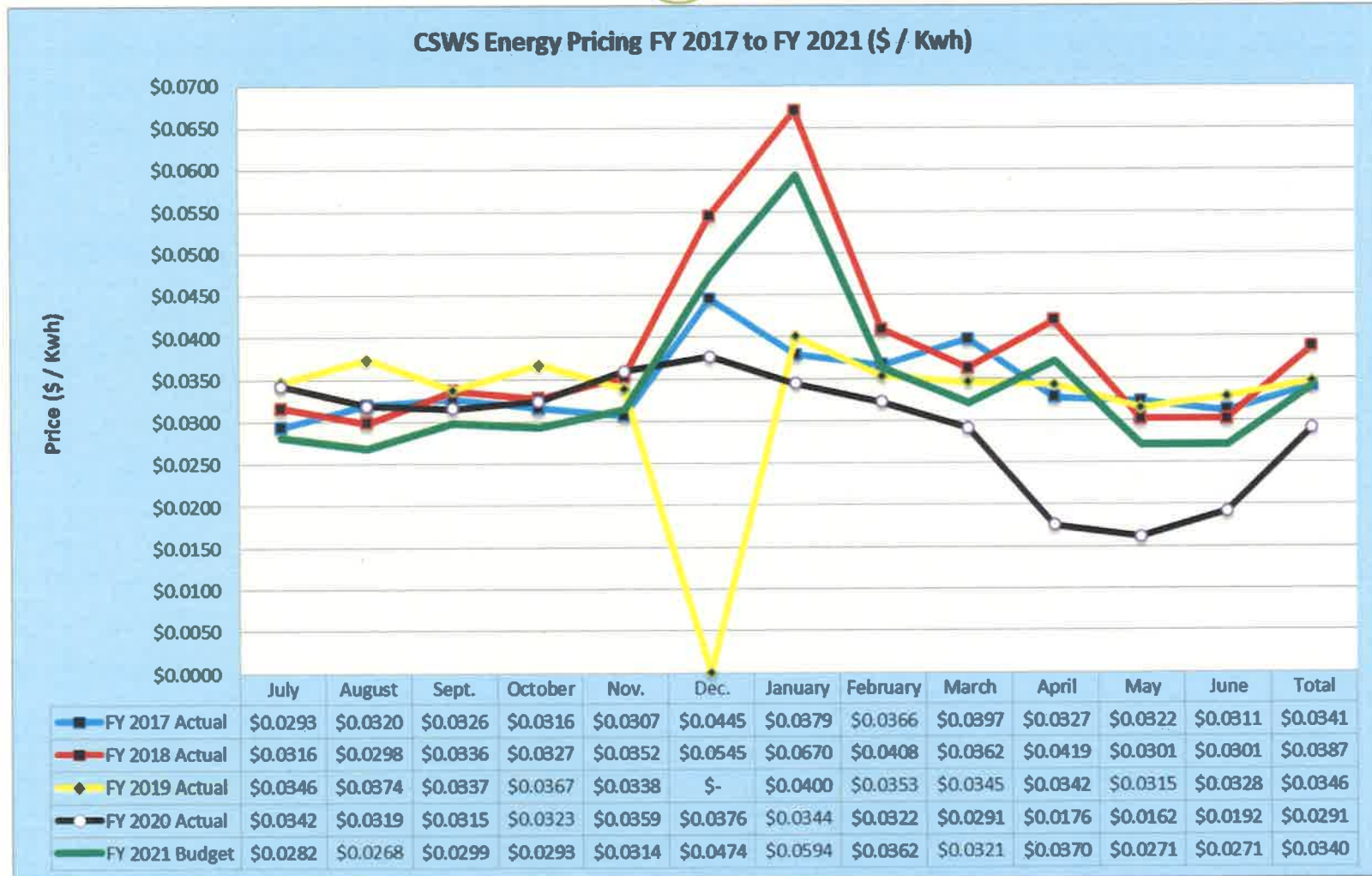
Waste to Energy Key Drivers

11

- **Total MSW Deliveries -** **500,100**
 - "Aggregate Tons" - **443,078 (18,563 ton / 4.4% increase)**
 - Hauler Contract - **31,500 (53,500 ton / 62.9% decrease)**
 - Other Contract - **15,041 (57,905 ton / 79.4% decrease)**
 - Spot (Residue) - **8,481 (9,558 ton / 53.0% decrease)**
 - Municipal Bulky - **2,000 (0 ton / 0% increase)**
 - Total - **500,100 (102,400 ton / 17.0% decrease)**
- **Total MSW to RDF Production Rate -** **98.4%**
- **Total RDF -** **492,000**
- **RDF to KWH Production Rate -** **534.55 kwh / ton**
- **Energy Production -** **263,000,000 kwh**
 - 53 million Kwh (17.5%) decrease
- **Contract / Non Contract Energy Price -** **\$.0315 / kwh**
 - \$.0025 / Kwh (7.4%) decrease
- **RDF to Ash Production Rate -** **26.11%**
 - Reduced from 26.22%
- **Ash to Disposal -** **129,000 tons**
 - Decreased by 26,196 tons (16.9%)
- **Ash Disposal Cost Per Ton -** **\$67.54**
 - Increased by \$0.15 per ton from FY 2021 rate of \$67.39

Waste to Energy Key Drivers

12



Recovered Products Key Drivers

13

Product	Composition	Tons	Price	Revenue / (Expense)
Recycling Residue	15.42%	8,481.00	\$ (11.00)	\$ (93,291)
Mixed Paper	42.21%	23,215.50	\$ 16.00	\$ 371,448
OCC #11	14.15%	7,782.50	\$ 69.00	\$ 536,993
Ferrous (NonAluminum)	1.82%	1,001.00	\$ 111.00	\$ 111,111
Aluminum	0.36%	198.00	\$ 1,000.00	\$ 198,000
Plastic-Pet	1.85%	1,017.50	\$ 200.00	\$ 203,500
Plastic-HDPE Natural	0.58%	319.00	\$ 1,092.00	\$ 348,348
Plastic- HDPE Pigmented	0.78%	429.00	\$ 212.08	\$ 90,982
Plastic- HDPE Mixed	0.47%	258.50	\$ 100.00	\$ 25,850
Plastic-Rigid Mixed	0.41%	225.50	\$ 27.00	\$ 6,089
Glass- Mixed	18.43%	10,136.50	\$ (60.00)	\$ (608,190)
Scrap Metals	0.94%	517.00	\$ 60.00	\$ 31,020

Recovered Products Key Drivers

14

Other	Quantity	Rate	Revenue
Municipal Bulky Waste	2,000 tons	\$120.00	\$240,000
Mattresses	200 units	\$30.00 each	\$ 6,000
Total			\$246,000

WTE Facility Metals Revenue Shares	Tons	Rate	Revenue
Pre Burn Metals	14,150	\$ 00.00	\$ 0
Post Burn Metals	300	\$ 30.00	\$ 9,000
White Goods	50	\$ 90.00	\$ 4,500
Scrap and Maintenance Metals	500	\$110.00	\$ 55,000
Total Metal Revenue Shares	15,000	\$ 13.67	\$ 68,500

**Budget and Resolution if MIRA contracts with
Murphy Road Recycling**

ALTERNATE RESOLUTION B – MRR Transfer Conversion

**RESOLUTION FOR THE MATERIALS INNOVATION AND RECYCLING AUTHORITY BOARD OF DIRECTORS
REGARDING ADOPTION OF THE FISCAL YEAR 2022 CSWS DIVISION OPERATING AND CAPITAL BUDGETS**

WHEREAS: The Connecticut Department of Energy and Environmental Protection's Request for Proposals process known as Resource Rediscovery that was intended to provide for the long term redevelopment of the Connecticut Solid Waste System's ("CSWS") Waste to Energy ("WTE") Facility and its Recycling Facility concluded unsuccessfully; and

WHEREAS: Such unsuccessful conclusion obligates the Materials Innovation and Recycling Authority ("Authority") to evaluate its options to otherwise continue providing municipal solid waste and recycling management services to the CSWS Participating Municipalities; and

WHEREAS: The Authority desires to provide such services in a manner that is supportive of the State's evolving waste management policies and is as cost efficient for the CSWS Participating Municipalities as possible under the circumstances; and

WHEREAS: Having considered available information and evolving policies, the Authority has concluded that, in the absence of major refurbishment, a managed shutdown and conversion of the WTE Facility into a Transfer Station is in the best interest of the State and Participating Municipalities and should be undertaken during Fiscal Year 2022 with the intent that waste combustion at the WTE Facility concludes effective July 1, 2022 ("WTE Facility Conversion"); and

WHEREAS: Having considered available information and evolving policies, the Authority has further concluded that a managed shutdown and conversion of the Recycling Facility into a Transfer Station on a year-to-year basis, and in order to maintain the permitted solid waste processing capacity and the potential to redevelop MIRA's Recycling Facility, is in the best interest of the State and Participating Municipalities and should be undertaken during Fiscal Year 2021 with the intent that processing of Acceptable Recyclables at the Recycling Facility concludes effective May 1, 2021 ("Recycling Facility Conversion"); and

WHEREAS: the Recycling Facility Conversion and WTE Facility Conversion will increase the CSWS Cost of Operation and reduce its Non-Disposal Fee Revenue which places significant upward pressure on municipal tipping fees; and

WHEREAS: the Authority desires to mitigate such increases to the extent feasible as a means to preserve an organized base of demand, known as the CSWS Participating Municipalities, necessary for future solid waste management infrastructure projects in the State; and

WHEREAS: the Authority intends to use its Tip Fee Stabilization Fund and Additional Use of Reserves to mitigate such increases to the extent feasible but believes additional financial support may be necessary to avoid erosion of such organized demand which may occur through optional termination of Municipal Service Agreements by CSWS Participating Municipalities; and

WHEREAS: the Authority has established a pilot "Pay as You Throw" program available to CSWS Participating Municipalities which may be implemented to reduce municipal tipping fees; and

WHEREAS: the Authority has explored options for State financial support as a means to alter the WTE Conversion or Recycling Facility Conversion outcomes described above, or to further mitigate tip fee

increases, the likelihood of which will not be determined before conclusion of the current legislative session; and

WHEREAS: At its February 24, 2021 meeting, the Authority adopted its CSWS tip fee schedule reflecting CSWS Recycling Facility Capital Improvements and Additional Use of Reserves that were subject to further authorization of this Board; and

WHEREAS: concurrent with the adoption of this resolution the Authority's Board of Directors has separately authorized the President to enter into an Agreement with Murphy Road Recycling, LLC providing for the conduct of Transfer Station activities at the site of the Recycling Facility.

NOW, THEREFORE BE IT:

RESOLVED: That Management is directed to issue a Request for Proposals ("RFP") for Operation, Maintenance and Optional Redevelopment of the WTE Facility as a Transfer Station effective July 1, 2022 and such other RFPs as may be necessary in support of such transition including, but not limited to, services provided through the Torrington, Watertown and Essex Transfer Stations; and

FURTHER RESOLVED: That the following Fiscal Year 2022 CSWS Operating and Capital Budgets attached hereto as Exhibit A (presentation form) and Exhibit B (budget line items) are hereby adopted and authorized for expenditure as presented and discussed at this meeting:

- CSWS Operating Expense Budget totaling \$66.439 million;
- CSWS Waste to Energy Facility Major Maintenance Budget totaling \$5.405 million; and
- CSWS Tip Fee Stabilization Funding of \$7.171 million.

FURTHER RESOLVED: That the following Fiscal Year 2022 CSWS Capital Budget attached hereto as Exhibit A (presentation form) and Exhibit B (budget line items) is hereby adopted:

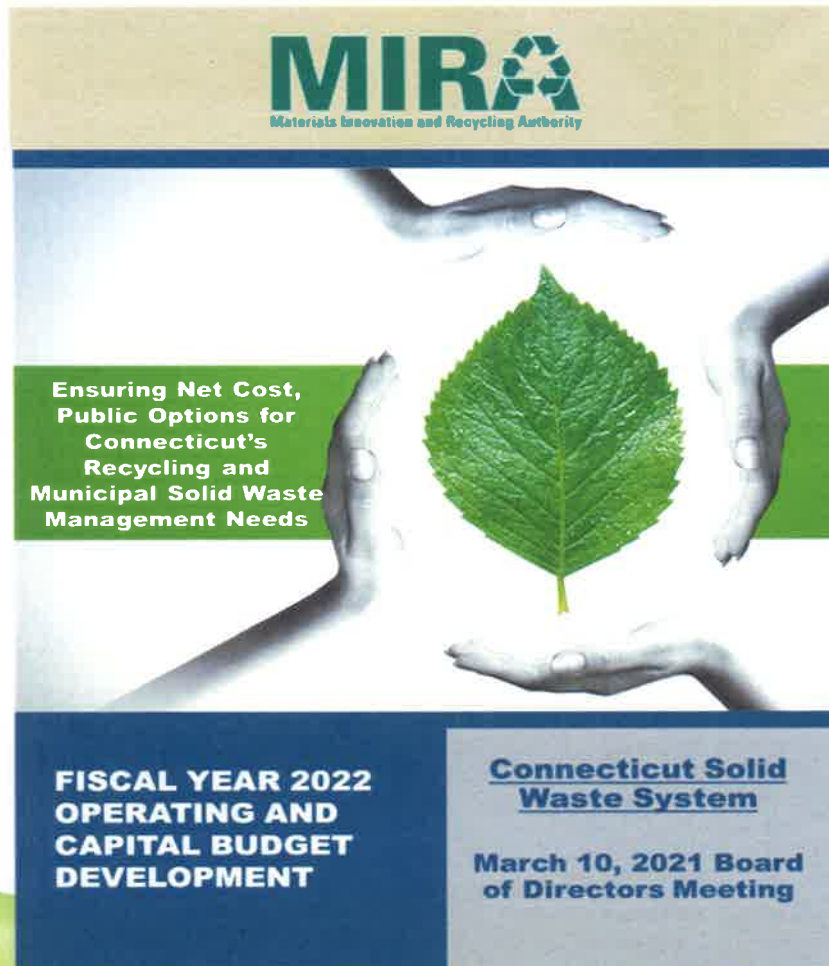
- CSWS Recycling Facility Improvement / Major Maintenance Budget totaling \$0 million; and
- Additional use of Reserve of \$0.209 million.

FURTHER RESOLVED: That the Board of Directors hereby encourages the Department of Energy and Environmental Protection to propose and support financial assistance intended to avoid or delay the WTE Conversion or the Recycling Facility Conversion should that be more closely aligned with evolving State waste management policies.

FURTHER RESOLVED: That the Board of Directors hereby encourages the CSWS Participating Municipalities to consider implementing a Pay as You Throw program to mitigate tip fee increases and enhance diversion of waste from combustion in FY 2022 and from landfilling commencing FY 2023.

MATERIALS INNOVATION AND RECYCLING AUTHORITY

EXHIBIT A FINAL (RECYCLING TRANSFER)



► Recommended Budget:

- Summary Draft Budget
- Participating Town Fees
- Non-Participating Town Fees
- Operating Expense Budget
- Improvements & Major Maintenance Budget
- Reserve Contributions
- Non Disposal Fee Revenue
- Key Drivers

Summary Draft Budget

2

- Total Operating Revenues - \$64.46 Million
- Total Operating Expenses - \$66.44 Million
- Operating Loss Before Reserve Contributions - \$ (1.98) Million
- Proposed Reserve Contributions:
 - CSWS Improvement Fund - \$ 0 Million
 - CSWS Major Maintenance Fund - \$ 5.40 Million
 - CSWS Risk Fund - \$ 0
 - CSWS Legal Fund - \$ 0
 - MIRA Severance Fund - \$ 0
 - CSWS Tip Fee Stabilization Fund - \$ (7.17) Million
 - **Potential Additional Use of Reserve - \$ (0.21) Million**
- \$14.00 Per Ton Increase From FY 2021 Adopted Tip Fee
- Will Exceed Opt Out Tip Fee Provisions of MSAs

Participating Town Fees

3

- Cost of Operation - \$71,844,307
 - Operating Expense Budget - \$66,439,307 (\$3,856,871 / 6.2% increase)
 - Reserve Contributions - \$5,405,000 (\$8,964,000 / 62.4% reduction)
 - Waste to Energy Facility - \$5,405,000
 - **Recycling Facility (Subject to further Board Authorization) - \$0**
 - Total Cost of Operation \$71,844,307 (\$5,957,129 / 7.7% reduction)
- Non Disposal Fee Revenue - \$17,907,009
 - \$16,230,562 / 47.5% reduction
 - Includes \$28,000 Member Service Fees (Tier 2 @ \$2.00 / Ton)
- Net Cost of Operation - \$53,937,298
 - \$10,273,433 / 23.5% increase
- Add: Cost of Service Discounts - \$ 851,756
 - Tier 1 Long – 425,878 Tons @ \$2.00 / Ton; and
- Deduct: Deficit Funding - \$ (7,379,708)
 - Adopted Property Division Income Distribution to Tip Fee Stabilization - \$7,170,656
 - **Potential Additional Use of Reserve (Subject to further Board Authorization) - \$209,052**
- Note: Equivalent Subsidy of Uniform Base Disposal Fee - \$ (16.66 / ton)

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"

Participating Town Fees

4

- Total Rate Base - \$47,409,346
 - Net Cost of Operation + Cost of Service Discounts - Deficit Funding
- Aggregate Tons - 443,078
 - Service Discounted (Tier 1 Long) – 425,878
 - Gate Rate (Equivalent Tier 1 Short) – 3,200
 - \$2 Service Fee (Tier 2) – 14,000
 - Total - 443,078
 - Reflects a 18,576 ton (4.4%) increase from FY 2021
- Uniform Base Disposal Fee - \$107.00 / Ton

Contract	FY 2022 Proposed Disposal Fee	FY 2022 Base Opt Out	FY 2022 Total Opt Out (With Additional Opt Out Costs)
Tier 1 Long	\$105.00	\$ 65.95	\$ 68.09
Tier 1 Short	\$107.00	\$ 68.94	\$ 71.08
Tier 2	\$109.00	n/a	n/a

- Total Member Disposal Fees -
\$46,557,590
 \$7,893,725 / 20.4%
 Increase from FY 2021

Non - Participating Town Fees

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- **Municipal Solid Waste**
 - Hybrid Hauler / ICW Average Rate = \$93 per ton
- **Recycling**
 - No deliveries currently authorized
- **Diversions**
 - Estimated T&D to Alternate Disposal Site of \$110.00 per ton
 - Less Non Participating Direct Disposal Fee of \$93.00
 - Equals Estimated Diversion Surcharge of \$17.00 per ton

Operating Expense Budget

6

- **Transfer Stations -**

\$ 2,198,077

0.3% Increase from FY 2021

○ Ellington -	\$ 16,200
○ Essex -	\$ 790,283
○ Torrington -	\$ 603,211
○ Watertown -	<u>\$ 788,383</u>
○ Total -	\$2,198,077

- **Waste Transportation -**

\$12,612,312

4.0% Reduction from FY 2021

○ MSW From Essex -	\$ 722,145
○ MSW From Torrington -	\$ 1,012,522
○ MSW From Watertown -	\$ 628,965
○ MSW From RRDD#1 -	\$ 0
○ MSW From Ellington -	\$ 43,000
○ Metals from RRF -	\$ 1,445,000
○ Solid Waste Bypass -	\$ 9,320
○ Ash Disposal -	\$ 8,712,660
○ Non-Processible -	<u>\$ 38,700</u>
○ Total -	\$ 12,612,312

- **Trash to Energy Facility -**

\$36,834,523

2.0% Increase from FY 2021

○ Waste Processing -	\$12,100,326 (0.7% Increase)
○ Power Block -	\$23,476,387 (4.0% Increase)
○ Facility Contractor -	<u>\$ 1,257,810 (1.6% Increase)</u>
○ Total -	\$36,834,523 (2.0% Increase)

Operating Expense Budget

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- **Recycling Facility -**

\$7,132,460

\$6,170,170 (641%) Increase

○ Contract Operator Charges -	\$6,263,833
○ Transport From Essex -	\$ 182,240
○ Transport From Torrington -	\$ 303,669
○ Transport From Watertown -	\$ 176,268
○ Transport Residue to WPF -	\$ 0
○ MIRA Direct O&M Expenses -	\$ 206,450
○ Recycling Rebate -	\$ 0
○ Total	\$7,132,460

- **Indirect Expense -**

\$7,661,935

10.9% Reduction from FY 2021

○ Authority Budget Allocation-	\$2,482,915
○ MIRA Direct Personnel-	\$1,470,582
○ MIRA Direct Non Personnel -	\$1,343,347
○ Assessment, Fees and Taxes -	\$2,365,091
○ Murphy Road Ops Center -	\$ 0
○ Total	\$7,661,935

- **Total Operating Expense Budget -**

\$66,439,307

Improvement / Major Maintenance Budget

8

- Total Contributions are \$5,405,000:
- Overall \$9,814,000 / 64.5% reduction from FY 2021 adopted budget.
- Major Maintenance – \$5,405,000

Power Block Facility (\$7,029,000 / 57.5% reduction) to:

Replace Primary/Secondary Superheaters	\$	2,000,000
Replace Waterwall Tube Panels	\$	1,100,000
Bag House Major Repairs & Bag Replacement	\$	600,000
Major Grate Rebuild	\$	325,000
Gen Bank Tube Replacement	\$	300,000
Auger Bin & Feed System	\$	240,000
Building & Site Repairs	\$	250,000
Other Systems	\$	375,000
Power Block Total	\$	5,190,000

Waste Processing Facility (\$2,490,000 / 92.1% reduction) to:

Dozer Repairs	\$	100,000
Roof Repairs	\$	65,000
100 Line Back Walls	\$	50,000
Waste Processing Facility Total	\$	215,000

Reserve Contributions

9

- Operating Income Before Reserve Contributions - \$ (1,974,708)
- CSWS General Fund Retained: \$ 0
 - CSWS Improvement Fund - \$ 0
 - CSWS Major Maintenance Fund - \$ 5,405,000
 - CSWS Risk Fund - \$ 0

There is presently in excess of \$896,000 in this fund .
Increase from FY 2021 reflects interest earnings.
Evaluate relative to increase in SIR / deductibles.
 - CSWS Legal Fund - \$ 0

There is presently in excess of \$638,000 in this fund .
This is viewed as sufficient in comparison to prior actual CSWS legal expenses
No contributions to this fund are recommended for FY 2022.
 - MIRA Severance Fund - \$ 0

There is presently in excess of \$2,580,000 in this fund.
This is viewed as sufficient relative to total exposure.
No CSWS contributions to this fund are currently recommended .
 - CSWS Tip Fee Stabilization Fund - \$ (7,170,656)

Estimated distribution of all FY 2022 Property Division income.
 - Additional Use of Reserve - \$ (209,052)

(Pending Further Board Authorization)

Non Disposal Fee Revenue

10

○ Energy Sales -		\$13,212,096
		\$3,470,677 / 20.8% Reduction
✕ Capacity Payments -	\$ 1,705,846	
✕ Class II RECs -	\$ 3,221,750	
✕ Real Time Market -	<u>\$ 8,284,500</u>	
✕ Total -	\$13,212,096	
○ Other Recovered Products -		\$314,500
✕ Non-participating Town Tip Fees -	\$ 0	
✕ Recycling Facility Paper Sales -	\$ 0	
✕ Recycling Facility Sales Plastic -	\$ 0	
✕ Recycling Facility Metal Sales -	\$ 0	
✕ Recycling Facility Glass Sales -	\$ 0	
✕ Recycling Facility brokerage Fee -	<u>\$ 0</u>	
✕ Recycling Sub-total	\$ 0	
✕ Municipal Bulky & Mattresses -	\$ 246,000	
✕ Metal Sales -	<u>\$ 68,500</u>	
✕ Total Other Recovered Products-	\$ 314,500	
○ Non Participating Town Waste -		\$4,330,013
		\$9,054,437 / 67.6% Reduction
✕ Hauler & ICW Contracts-	\$ 4,328,313	
✕ Transfer Station Surcharge -	\$ 0	
✕ Diversion Reimbursements -	\$ 1,700	
✕ Spot Ferrous Residue -	<u>\$ 0</u>	
✕ Total -	\$ 4,330,013	
○ Other (Interest / Service Fees)		<u>\$ 50,400</u>
○ Total Non Disposal Fee Revenue -		\$17,907,009

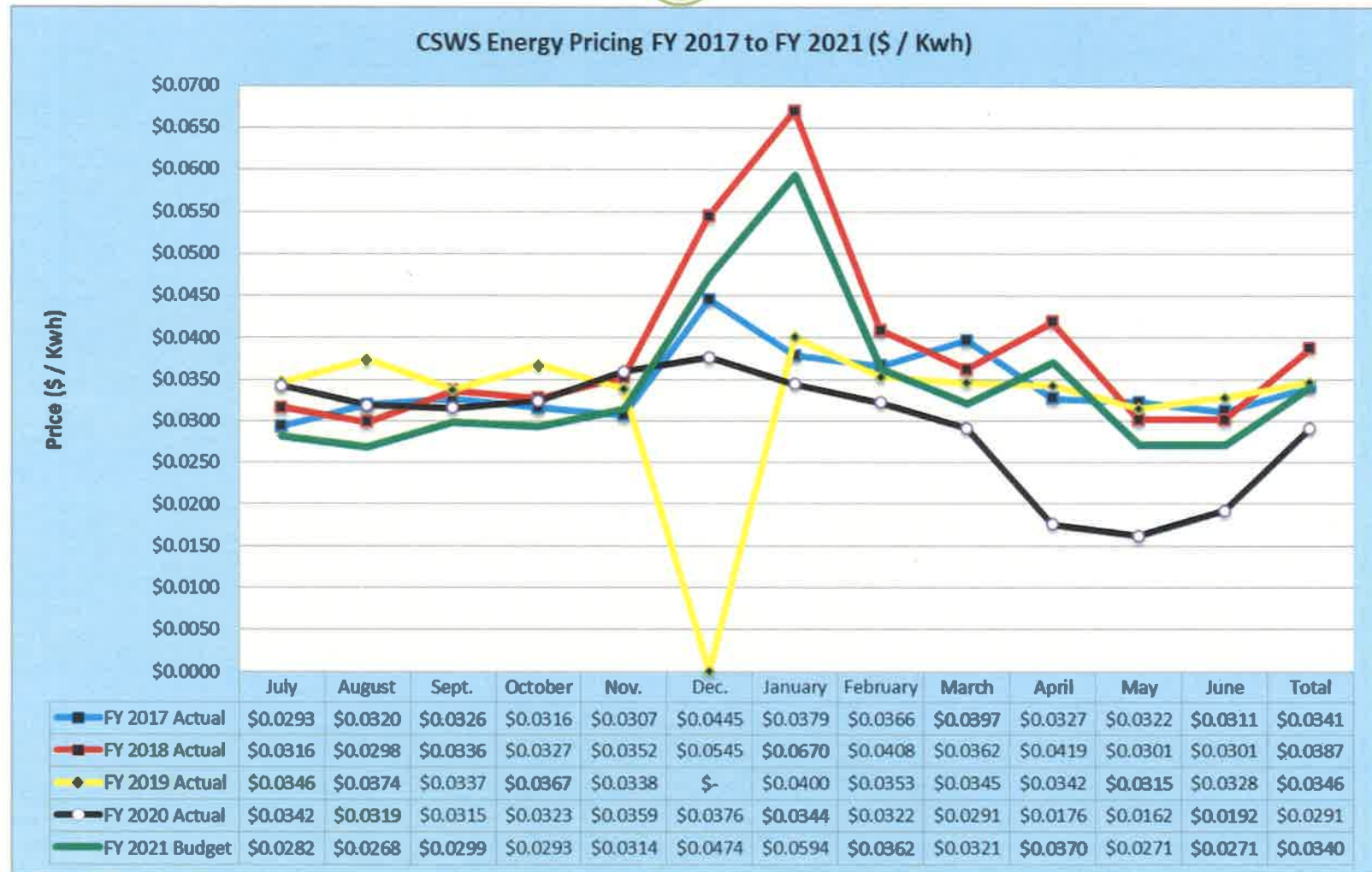
Waste to Energy Key Drivers

11

• Total MSW Deliveries -	500,100
○ "Aggregate Tons" -	443,078 (18,563 ton / 4.4% increase)
○ Hauler Contract -	31,500 (53,500 ton / 62.9% decrease)
○ Other Contract -	15,041 (57,905 ton / 79.4% decrease)
○ Spot (Residue) -	8,481 (9,558 ton / 53.0% decrease)
○ Municipal Bulky -	2,000 (0 ton / 0% increase)
○ Total -	500,100 (102,400 ton / 17.0% decrease)
• Total MSW to RDF Production Rate -	98.4%
• Total RDF -	492,000
• RDF to KWH Production Rate -	534.55 kwh / ton
• Energy Production -	263,000,000 kwh
○ 53 million Kwh (17.5%) decrease	
• Contract / Non Contract Energy Price -	\$.0315 / kwh
○ \$.0025 / Kwh (7.4%) decrease	
• RDF to Ash Production Rate -	26.11%
○ Reduced from 26.22%	
• Ash to Disposal -	129,000 tons
○ Decreased by 26,196 tons (16.9%)	
• Ash Disposal Cost Per Ton -	\$67.54
○ Increased by \$.15 per ton from FY 2021 rate of \$67.39	

Waste to Energy Key Drivers

12



Recovered Products Key Drivers

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Other	Quantity	Rate	Revenue
Municipal Bulky Waste	2,000 tons	\$120.00	\$240,000
Mattresses	200 units	\$30.00 each	\$ 6,000
Total			\$246,000

WTE Facility Metals Revenue Shares	Tons	Rate	Revenue
Pre Burn Metals	14,150	\$ 00.00	\$ 0
Post Burn Metals	300	\$ 30.00	\$ 9,000
White Goods	50	\$ 90.00	\$ 4,500
Scrap and Maintenance Metals	500	\$110.00	\$ 55,000
Total Metal Revenue Shares	15,000	\$ 13.67	\$ 68,500

Tab 4

RESOLUTION FOR THE MATERIALS INNOVATION AND RECYCLING AUTHORITY BOARD OF DIRECTORS REGARDING CONVENING MEMBER TOWNS TO DEVELOP PLANS FOR A LONG-TERM SOLUTION FOR SOLID WASTE MANAGEMENT

WHEREAS: The Request for Proposal process known as Resource Rediscovery that was intended to provide for the long-term redevelopment of the Connecticut Solid Waste System's ("CSWS") Waste to Energy ("WTE") Facility and its Recycling Facility concluded unsuccessfully; and

WHEREAS: Such unsuccessful conclusion obligates the Materials Innovation and Recycling Authority ("Authority") to evaluate its options to otherwise continue providing municipal solid waste and recycling management services to the CSWS Participating Municipalities; and

WHEREAS: Environmental justice advocates oppose any future development of WTE facilities, and in particular, any redevelopment of the WTE Facility; and

WHEREAS: There is essentially no possibility of siting additional landfill disposal capacity within the state of CT; and

WHEREAS: Having considered available information and evolving policies, the Authority has concluded that, in the absence of major refurbishment, a managed shutdown and conversion of the WTE Facility into a Transfer Station is in the best interest of the State and Participating Municipalities and should be undertaken during Fiscal Year 2022 with the intent that waste combustion at the WTE Facility concludes effective July 1, 2022; and

WHEREAS: There is insufficient time available to complete the required environmental justice process necessary for obtaining permits for the conversion of the WTE Facility into a Transfer Station by July 1, 2022; and

WHEREAS: The Department of Energy and Environmental Protection ("DEEP") Commissioner Katie Dykes has expressed the desire for the Participating Municipalities to continue to work together to aggregate sufficient scale for a more sustainable and cost-effective waste management system; and

WHEREAS: DEEP is adding a staff person to assist Participating Municipalities in developing a plan to transition from interim transfer operations to the desired long-term solution.

NOW, THEREFORE BE IT:

RESOLVED: That Management is directed to issue an invitation to Participating Municipalities at the annual Town Meeting on Wednesday, March 16, 2021 to participate in a planning process, as described by DEEP Commissioner Dykes and facilitated by the DEEP staff person, to define feasible alternatives for waste and recycling services currently provided by the Authority in the near-term and providing a pathway to a reliable, just, and sustainable long-term alternative; and

FURTHER RESOLVED: That Management is directed to work with DEEP to define the cost and environmental implications of closing and vacating the WTE Facility to help inform the planning process.