

**MIRA**  
**REGULAR BOARD MEETING**  
**Oct. 22, 2015**

Materials Innovation Recycling Authority  
Regular Board of Directors Meeting

Agenda  
Oct. 22, 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 Sept. 17, 2015, Board Meeting Minutes (Attachment 1).

IV. Finance Committee Reports

1. Board Action will be sought for Resolution Regarding Concerning the Transfer of Southeast Project Flow of Funds Responsibilities to the Southeastern Connecticut Regional Resource Recovery Authority (Attachment 2).
2. Board Action will be sought for Resolution Authorizing the Final Distribution of Wallingford Project Funds (Attachment 3).
3. Board Action will be sought for Resolution Adopting the FY 2017 Authority Budget (Attachment 4).

V. Policy and Procurement Committee Reports

1. Board Action will be sought for Resolution Regarding Municipal Services Agreement with East Hartford (Attachment 5).

VI. Organizational Synergy & Human Resources Report

VII. Chairman and President's Reports

VIII. 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.

IX. Legal

1. Resolution Regarding Additional Projected Legal Expenditures (Attachment 6).

## **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:** Moira Kenney, Assistant HR Manager/Board Administrator

**DATE:** Oct. 16, 2015

**RE:** Notice of Regular Board Meeting

---

There will be a Regular Meeting of the Connecticut Resources Recovery Authority Board of Directors on Thurs. Oct. 22, 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.

**TAB 1**

**MATERIALS INNOVATION AND RECYCLING AUTHORITY**

**FOUR HUNDRED AND FIFTY-EIGHTH**

**SEPT. 17, 2015**

A regular meeting of the Materials Innovation and Recycling Authority Board of Directors was held on Thurs. Sept. 17, 2015, in the Board Room at 211 Murphy Rd. Hartford, CT 06103. Those present were:

Directors: Chairman Don Stein  
Vice-Chairman Dick Barlow  
John Adams  
Marilynn Cruz-Aponte  
Ralph Eno  
Joel Freedman  
Jim Hayden  
Andy Nunn (present by telephone from 10:20 a.m. – 10:25 a.m.)  
Scott Shanley

Present from MIRA in Hartford:

Tom Kirk, President  
Mark Daley, Chief Financial Officer  
Dave Bodendorf, Senior Environmental Engineer  
Laurie Hunt, Director of Legal Services  
Moira Kenney, Assistant HR Manager/Board Administrator

Others Present: Al DiVincentis, Esq. and Ann Catino, Esq., Halloran & Sage; Miguel Escalera, Esq., Kainen, Escalera & McHale, John Pizzimenti, USA Hauling; Lee Sawyer, CT DEEP; Mike VanDeventer, MahoneySabol.

Chairman Stein called the meeting to order at 9:40 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 who wished to address the Board the Chairman proceeded with the regularly scheduled agenda.

**EXECUTIVE SESSION**

Chairman Stein requested a motion to enter into Executive Session to discuss pending litigation, trade secrets, personnel matters, security matters, pending RFP's and feasibility estimates. The motion was made by Vice-Chairman Barlow and seconded by Director Shanley and was approved unanimously.

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

Tom Kirk  
Mark Daley  
Peter Egan  
Laurie Hunt  
Al DiVincentis, Esq  
Miguel Escalera, Esq.

The motion was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Cruz-Aponte, Director Eno, Director Freedman, Director Hayden, Director Painter, and Director Shanley voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Marilynn Cruz-Aponte	X		
Ralph Eno	X		
Joel Freedman	X		
Jim Hayden	X		
Scott Shanley	X		
<b>Ad-Hoc</b>			
Bob Painter, CSWS Project	X		

The Executive Session began at 8:35 a.m. and concluded at 9:40 a.m. Chairman Stein noted that no votes were taken in Executive Session.

The meeting was reconvened at 9:40 a.m. The door was opened, and the Board Secretary and all members of the public were invited back in for the continuation of public session.

**APPROVAL OF THE SPECIAL JULY 7, 2015, BOARD MEETING MINUTES**

Chairman Stein requested a motion to approve the minutes of the Special July 7, 2015, Board Meeting. Director Adams made the motion which was seconded by Director Shanley.

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

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Marilynn Cruz-Aponte	X		
Ralph Eno	X		
Joel Freedman	X		
Jim Hayden	X		
Scott Shanley	X		
<b>Ad-Hoc</b>			
Bob Painter, CSWS Project			X

**APPROVAL OF THE REGULAR JULY 23, 2015, BOARD MEETING MINUTES**

Chairman Stein requested a motion to approve the minutes of the Regular July 23, 2015, Board Meeting. Director Adams made the motion which was seconded by Director Hayden.

The motion to approve the minutes as corrected was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Cruz-Aponte, Director Eno, Director Freedman, Director Hayden, and Director Shanley voted yes. Director Painter abstained.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Marilynn Cruz-Aponte	X		
Ralph Eno	X		
Joel Freedman	X		
Jim Hayden	X		
Scott Shanley	X		
<b>Ad-Hoc</b>			
Bob Painter, CSWS Project			X

**REVIEW AND RECOMMEND RESOLUTION ADOPTING AND APPROVING MIRA'S ANNUAL INDEPENDENT AUDIT FOR FISCAL YEAR 2015**

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

**RESOLVED:** That the Board hereby accepts the Annual financial report for the Fiscal Year Ending June 30, 2015, substantially as discussed and presented at this meeting.

Director Freedman said the Finance Committee discussed the audit at length. Mr. Daley said Mike VanDeventer, partner at MahoneySabol is present for any questions the Board may have. He said there are a few open items, including the legal notes which need to be finalized, notes for the financial statement and a management representation letter.

Mr. Daley said the audit was well done and the financial records are starting to reflect the reshaping of MIRA. He said there are large swings in the numbers with regards to the Southwest Division and the close out of the Wallingford Project, as well as the volatility of the energy market.

Mr. Vandeventer said the audit went smoothly and MIRA management was well prepared for the auditors. He said an unmodified clean opinion was issued on MIRA's financial statements and no deficiencies or material weaknesses were discovered.

The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Cruz-Aponte, Director Eno, Director Freedman, Director Hayden, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Marilynn Cruz-Aponte	X		
Ralph Eno	X		
Joel Freedman	X		
Jim Hayden	X		
Scott Shanley	X		
<b>Ad-Hoc</b>			
Bob Painter, CSWS Project			

**REVIEW AND RECOMMEND RESOLUTION INCREASING THE CSWS TIP FEE STABILIZATION FUND AND MODIFYING THE ASSOCIATED CSWS FLOW OF FUNDS PROCEDURE**

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

**WHEREAS,** The Authority has previously established a tip fee stabilization fund within its Property Division intended to be drawn upon by the Connecticut Solid Waste System (CSWS) during periods of relatively low wholesale energy prices and refunded to the Property Division during periods of relatively high energy prices as a means to mitigate inflationary pressures on CSWS solid waste disposal fees; and

**WHEREAS,** The Authority has previously adopted procedures for the monthly flow of funds within the CSWS and Property Division that establish and govern the criteria under



which funds may be drawn from, and must be refunded to, such tip fee stabilization fund; and

**WHEREAS**, The Authority has previously authorized and approved a maximum tip fee stabilization fund value of seven million dollars (\$7,000,000.00) which maximum value has been attained; and

**WHEREAS**, the combined effects of low wholesale energy prices, reduced energy production and increasing major maintenance costs associated with the CSWS have been estimated in an updated long term financial plan to necessitate increasing the maximum tip fee stabilization fund value and modifying the criteria under which such funds are drawn upon.

**NOW THEREFORE**, be it

**RESOLVED**: The Board of Directors approves the Property Division Flow of Funds procedure attached hereto as Exhibit A.

**RESOLVED**: The Board of Directors approves the CSWS Flow of Funds procedure attached hereto as Exhibit B.

**RESOLVED**: Effective with the disbursement of receipts for the period ending September 30, 2015 and continuing through and including the disbursement of receipts for the period ending June 30, 2016, the Board of Directors authorizes all Property Division receipts remaining within the Property Division Clearing Account after disbursement to the Property Division Operating STIF to be transferred directly to the CSWS Tip Fee Stabilization Fund in lieu of the Property Division general fund and the maximum tip fee stabilization fund value is hereby increased by the amount of such transfers.

Director Shanley said the Finance Committee agreed unanimously to forward this resolution to the full Board.

The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Cruz-Aponte, Director Eno, Director Freedman, Director Hayden, Director Painter and Director Shanley voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Marilynn Cruz-Aponte	X		
Ralph Eno	X		
Joel Freedman	X		
Jim Hayden	X		
Scott Shanley	X		
<b>Ad-Hoc</b>			
Bob Painter, CSWS Project	X		

**REVIEW AND APPROVE RESOLUTION TRANSFERRING FUNDS FROM PROPERTY DIVISION'S GENERAL FUND TO CSWS IMPROVEMENT FUND**

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

**WHEREAS**, on March 26, 2015 this Board of Directors resolved to dissolve certain Short-Term Investment Fund ("STIF") reserves in the amount of \$398,564 and deposit these funds into the Property Division's General Fund; and

**WHEREAS**, these funds are not pledged to other activities and can be used at the discretion of the Board; and

**WHEREAS**, CSWS operating income has been adversely affected by lower than anticipated wholesale electric pricing, lower than anticipated production and higher than anticipated ancillary expenses related to the spring turbine outage; and

**WHEREAS**, this impact to budgeted income has adversely affected the rollover CSWS Improvement Funds from Fiscal Year 2015 to Fiscal Year 2016 and prevented the September and October budgeted contributions to the CSWS Improvement Fund totaling \$1,371,072; and

**WHEREAS**, this funding is needed to maintain the outage maintenance scheduled for this fall; and

**WHEREAS**, the Board desires to off-set this funding shortfall with the \$398,564 that it resolved to transfer to the Property Division General Fund on March 26, 2015.

**NOW THEREFORE**, be it

**RESOLVED:** that \$398,564 be transferred from the Property Division's General Fund account into the CSWS Improvement Fund account as part of the approved Fiscal Year 2016 budgeted contributions into the CSWS Improvement Fund; and

**FURTHER RESOLVED:** that this transfer shall reduce the budgeted contributions from CSWS operating revenues by \$398,564.

Mr. Daley said this resolution is a direct transfer from the property division general fund to the CSWS improvement fund. He said the amount was previously moved to the general fund by approval of the Board when an unneeded litigation reserve was closed. He said at that time management had noted that a subsequent request to move those funds into the CSWS improvement fund was possible depending on how the year ended financially and this move is now being requested with this resolution. Director Shanley said the Finance Committee agreed providing management with more flexibility by increasing the cap so that more money could go into the tip fee stabilization fund for improvements if need be was prudent. The Board agreed.

The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Cruz-Aponte, Director Eno, Director Freedman, Director Hayden, Director Painter and Director Shanley voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Marilynn Cruz-Aponte	X		
Ralph Eno	X		
Joel Freedman	X		
Jim Hayden	X		
Scott Shanley	X		
<b>Ad-Hoc</b>			
Bob Painter, CSWS Project	X		

**REVIEW AND RECOMMEND RESOLUTION AUTHORIZING PAYMENT OF A \$5.00 PER TON RECYCLING REBATE FOR CSWS MEMBERS**

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

**WHEREAS,** the Authority has encouraged municipalities to recycle to the maximum extent possible by not charging a tipping fee for the acceptance of recyclables at the Authority's regional recycling facilities since commencing operations; and

**WHEREAS**, the Board of Directors adopted the Fiscal Year 2015 Connecticut Solid Waste System Budget anticipating that a rebate of \$10.00 per ton of acceptable recyclables delivered from member municipalities would be possible; and

**WHEREAS**, applicable CSWS MSA provisions provide for a rebate of surplus funds derived from CSWS recycling operations and relieve Tier 1 customers of recycling commitments in the event a \$10.00 per ton rebate is not provided; and

**WHEREAS**, the Connecticut Solid Waste System operations only generated sufficient revenues to rebate \$5.00 per ton delivered by the municipalities and therefore the Authority reduce the budgeted rebate expenditure from \$10.00 per ton to \$5.00 per ton; and

**WHEREAS**, the Authority has accrued sufficient funds for such a rebate and the Fiscal Year 2015 audit has been performed and the auditors have confirmed that the funds are accrued and available.

**NOW THEREFORE**, be it

**RESOLVED**: That the Board of Directors approves the use of \$218,772.45 to provide a \$5.00 per ton rebate to the Connecticut Solid Waste System municipalities with contractual recycling commitments based on their pro-rata share of acceptable recycling tonnage delivered to the CSWS Regional Recycling Center system during Fiscal Year 2015 as shown on Exhibit A.

Director Freedman said there is diversity of views concerning this matter among the Board. He said he feels the rebate should be \$5.00. Director Hayden said he would suggest \$0.

Director Cruz-Aponte suggested that a discussion be held with the communities concerning the reality of the depressed recycling market. After some discussion the Board and management agreed that a communication concerning the difficult market would be distributed.

The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Cruz-Aponte, Director Eno, Director Freedman, Director Hayden, Director Painter and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Marilynn Cruz-Aponte	X		
Ralph Eno	X		
Joel Freedman	X		
Jim Hayden	X		
Scott Shanley	X		
<b>Ad-Hoc</b>			
Bob Painter, CSWS Project	X		

**REVIEW AND RECOMMEND RESOLUTION AUTHORIZING FY2016 TEMPORARY SERVICES FOR CSWS**

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

**WHEREAS**, the Board of Directors adopted the Fiscal Year 2016 Connecticut Solid Waste System Budget which included funding for personal services related to directly allocated personal services; and

**WHEREAS**, the budget contemplated all directly allocated services would be fulfilled by regular MIRA employees; and

**WHEREAS**, the Authority currently does not have the budgeted compliment of permanent employees to meet its CSWS scalehouse/enforcement needs and now needs to employee temporary services within the CSWS budget; and

**WHEREAS**, the Board must approve unbudgeted expense accounts that exceed \$5,000 annually; and

**WHEREAS**, the Authority has sufficient funds budgeted in the CSWS personnel services account to offset these unbudgeted temporary staffing services expenses.

**NOW THEREFORE**, be it

**RESOLVED:** That the President is hereby authorized to procure temporary services for the CSWS Division in excess of \$5,000 provided that the CSWS Division's total expenses do not exceed the CSWS Division budget adopted by the Board on February 19, 2015.

Director Freedman said this resolution is a small item which authorizes a change in the budget. He said management will fund a replacement for an employee which is currently out. Director Shanley said there was formerly no line item for this matter necessitating this resolution. Mr. Kirk said there is no cost for this item as it will be offset by the savings in personnel.

The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Cruz-Aponte, Director Eno, Director Freedman, Director Hayden, Director Painter and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Marilynn Cruz-Aponte	X		
Ralph Eno	X		
Joel Freedman	X		
Jim Hayden	X		
Scott Shanley	X		
<b>Ad-Hoc</b>			
Bob Painter, CSWS Project	X		

**REVIEW AND RECOMMEND RESOLUTION REGARDING 1) CONSTRUCTION CONTRACT ASSOCIATED WITH CONNECTION OF THE HARTFORD LANDFILL SOLAR ARRAY TO 50 JENNINGS ROAD, HARTFORD (CITY DPW BUILDING), AND 2) POWER PURCHASE AGREEMENT WITH THE CITY OF HARTFORD**

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

**WHEREAS**, in July 2015 the Board of Directors approved a Power Purchase Agreement (“PPA”) with the City of Hartford for the sale of solar energy directly to the City of Hartford (“City”) and a Settlement Agreement with the City for the settlement of all claims associated with MIRA’s operation (including closure) of the Hartford Landfill; and

**WHEREAS**, the PPA authorization included a contribution by MIRA of \$162,500 for the design and construction of the physical connection of the Solar Energy Generating Facility to the City Public Works facility; and

**WHEREAS**, the Settlement Agreement authorization includes a payment by MIRA of \$693,000 to the City; and

**WHEREAS**, MIRA issued a Request for Proposals for the physical connection that resulted in one proposal from a qualified proposer which increases the design and

construction cost to approximately \$419,129, which includes approximately \$30,000 in design cost; and

**WHEREAS**, MIRA and the City have agreed that it would benefit both parties to proceed with the physical connection with both parties sharing equally in the cost of design and construction above the \$162,500 contribution by MIRA;

**NOW, THEREFORE, BE IT:**

**RESOLVED:** That the Board of Directors authorizes the President to draw \$693,000 for the settlement from the Mid-Connecticut Post Project Closure Reserve; and

**FURTHER RESOLVED:** That the Board of Directors authorizes the President to pay \$549,685.50 of the settlement drawn from the Mid-Connecticut Post Project Closure Reserve to the City; and

**FURTHER RESOLVED:** That the Board of Directors authorizes the President to transfer the remaining \$143,314.50 of the settlement drawn from the Mid-Connecticut Post Project Closure Reserve to the Landfill Operating Account; and

**FURTHER RESOLVED:** That the Board of Directors authorizes the President to enter into an Agreement with Electrical Energy Systems Corporation for \$389,129, to be paid out of the Landfill Operating Account for construction of facilities for Medium Voltage Interconnection From MIRA PV To Hartford DPW; and

**FURTHER RESOLVED:** That the Board of Directors authorizes the President to utilize \$30,000 from the Landfill Operating Account as a contingency against additional project costs; and

**FURTHER RESOLVED:** That 50% of any unused contingency will be refunded to the City from the Landfill Operating Account, substantially as discussed and presented at this meeting;

Mr. Kirk said this is an item which has been discussed for the past year. He said MIRA and the City of Hartford are maximizing the value of the solar array on the Hartford Landfill by allowing the City to power the Jennings Road facility with before the meter power. He said it saves electric costs for Hartford and provides MIRA with a better price today than it would have recovered selling directly to the grid as wholesale power.

Mr. Kirk said this resolution allows MIRA to arrange the responsibilities for the construction of the interconnection from the solar array to the Jennings Road building, limits some costs and lays out all necessary contingencies.

Vice-Chairman Barlow asked what party is responsible for maintenance and repairs. Mr. Kirk replied that MIRA owns the solar array but the interconnection is owned by the City of Hartford and repairs would be their responsibility.

Director Adams said State Law required MIRA to build an interconnection rather than utilizing zero net metering.

The motion was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director Nunn, Director Painter and Director Shanley voted yes. Director Cruz-Aponte recused herself from the vote.

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

**REVIEW AND RECOMMEND RESOLUTION REGARDING PURCHASE OF A CATERPILLAR 980H WHEEL LOADER FOR THE WASTE PROCESSING FACILITY**

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

**WHEREAS**, the Materials Innovation and Recycling Authority (the "Authority"), a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut, is authorized to purchase, acquire and lease personal property for use in its facilities and operations, and to enter into contracts in connection therewith; and

**WHEREAS**, the Authority desires to lease, purchase, and finance a Caterpillar 980H Wheel Loader from Caterpillar Financial Services Corporation and an authorized Caterpillar dealer ("Caterpillar") by entering into a Governmental Equipment Lease-Purchase Agreement (the "Agreement") with Caterpillar;

**NOW, THEREFORE**, it is hereby

**RESOLVED**: That i) the Agreement, including all schedules and exhibits attached thereto, is approved in substantially the form presented and discussed at this meeting, with any Approved Changes (as defined below), ii) the Authority enter in the Agreement with Caterpillar, and iii) the Agreement when executed will constitute a binding obligation of the Authority; and



**Further RESOLVED:** That changes may be made by the President to the form of the Agreement in accordance with the Authority's policies and procedures (the "Approved Changes"), and that the signing of the Agreement and any related documents is conclusive evidence of the approval of the changes; and

**Further RESOLVED:** That the President of the Authority, Thomas D. Kirk, be and he hereby is, authorized, directed and empowered, on behalf of the Authority, to i) sign and deliver the Agreement to Caterpillar, together with any related documents, and ii) take or cause to be taken all action which he deems necessary or advisable to acquire the Caterpillar 980H Wheel Loader, including the signing and delivery of the Agreement and related documents; and

**Further RESOLVED:** That the Corporate Secretary of the Authority is authorized to attest to these resolutions.

Mr. Kirk said this item was thoroughly reviewed at the Policies and Procurement Committee. He said the opportunity to purchase this machine came about a year ago. He explained the machine was essentially rebuilt and comes with a full warrantee. He said it is a good fit for the WPF and will replace a machine which is not worth repairing. Mr. Kirk said the old machine will be sold through the State DAS.

The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Cruz-Aponte, Director Eno, Director Freedman, Director Hayden, Director Painter and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Marilynn Cruz-Aponte	X		
Ralph Eno	X		
Joel Freedman	X		
Jim Hayden	X		
Scott Shanley	X		
<b>Ad-Hoc</b>			
Bob Painter, CSWS Project	X		

## **STRATEGIC PLANNING**

Mr. Kirk distributed a presentation (attached as "Exhibit A") on strategic planning which he then reviewed with the Board. He said the presentation will cover the ten year plan for MIRA and cover some discussion on policy issues and the role of the State of Connecticut and MIRA going forward.

## REMARKS BY LEE SAWYER

Lee Sawyer, Project Manager for the Connecticut Department of Environmental Energy and Protection (hereinafter referred to as "the CT DEEP") addressed the Board. He said the RFP put out by the CT DEEP aims to give preference to innovative technology to divert more however a waste to energy component should be considered if it is the best possible option.

Mr. Sawyer said by April 30, 2016, the first phase finalist decision should be in and a determination of whether there are feasible options available will be made. He said a redevelopment of the system may not replace the current capacity and there may be regulatory issues which may need to be addressed. Mr. Sawyer said changes to statues may be made to ease the process of bringing in new systems. He said in addition the possibility of Renewable Energy Certificates is not off the table.

Mr. Sawyer indicated the Connecticut Recycling Foundation, which has been asked by MIRA to consider adopting MIRA's Education and Museum Activities, was not inclined to do so. A further discussion on the process and possible solutions was undertaken.

## ADJOURNMENT

Chairman Stein requested a motion to adjourn the meeting. The motion to adjourn was made by Director Shanley seconded by Director Eno and was approved unanimously

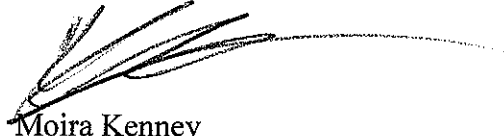
The motion was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Cruz-Aponte, Director Eno, Director Freedman, Director Hayden, Director Painter, and Director Shanley voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Marilynn Cruz-Aponte	X		
Ralph Eno	X		
Joel Freedman	X		
Jim Hayden	X		
Scott Shanley	X		
<b>Ad-Hoc</b>			
Bob Painter, CSWS Project	X		

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

There being no other business to discuss, the meeting adjourned at 1:03 p.m.

Respectfully Submitted,

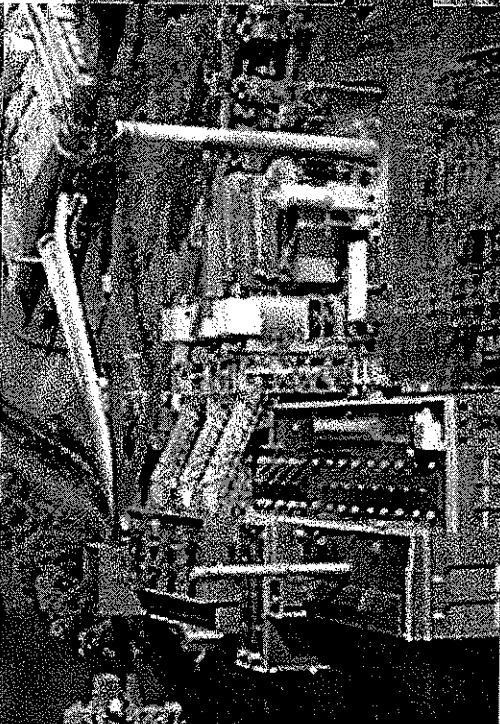
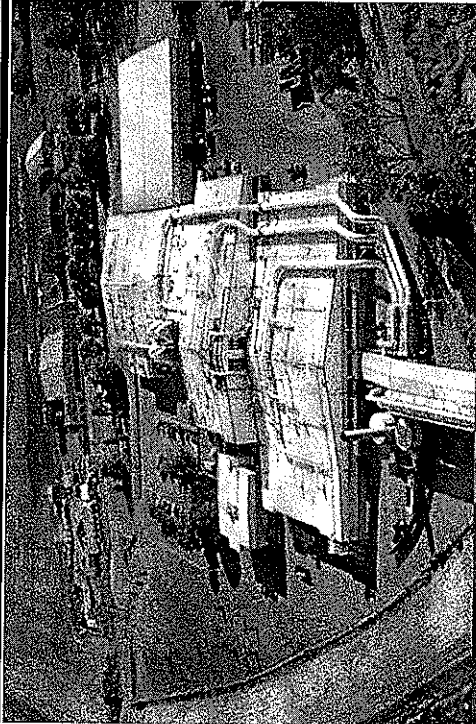
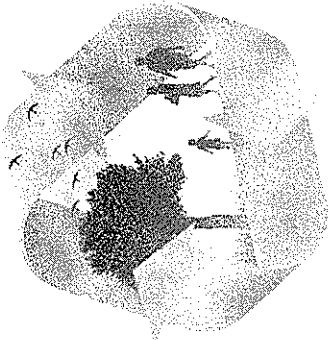
A handwritten signature in black ink, consisting of several overlapping, sweeping strokes that form a cursive name.

Moira Kenney  
Assistant HR Manager/Board Administrator

EXHIBIT A

# 2016 STRATEGIC PLANNING

**MIRA**  
Materials Innovation and Recycling Authority



**Board of Directors  
meeting September 17  
2015**

9/17/2015

CONFIDENTIAL

# MIRA STRATEGIC PLANNING DISCUSSION AGENDA

- Brief Update of MIRA's long range plan (10 year)
- Review Statutory Timeline for Redevelopment of South Meadows
- Review Current Recycling Industry Status
- Discussion of The Waste Management Strategy for Connecticut and the Policy Question

# 10 YEAR PLAN OBJECTIVES

- Remain financially self sufficient for 10 years ending June 30, 2024.
- Maintain net cost pricing structure required by statute and contracts.
- Establish tip fees at or below contractual opt-out price.
- Fully fund the major maintenance program needed to minimally sustain plant operational capacity for contracted customer needs.
- Assess financial self sufficiency on the basis of reasonable, independent electricity sales price estimates and disposal market price estimates.

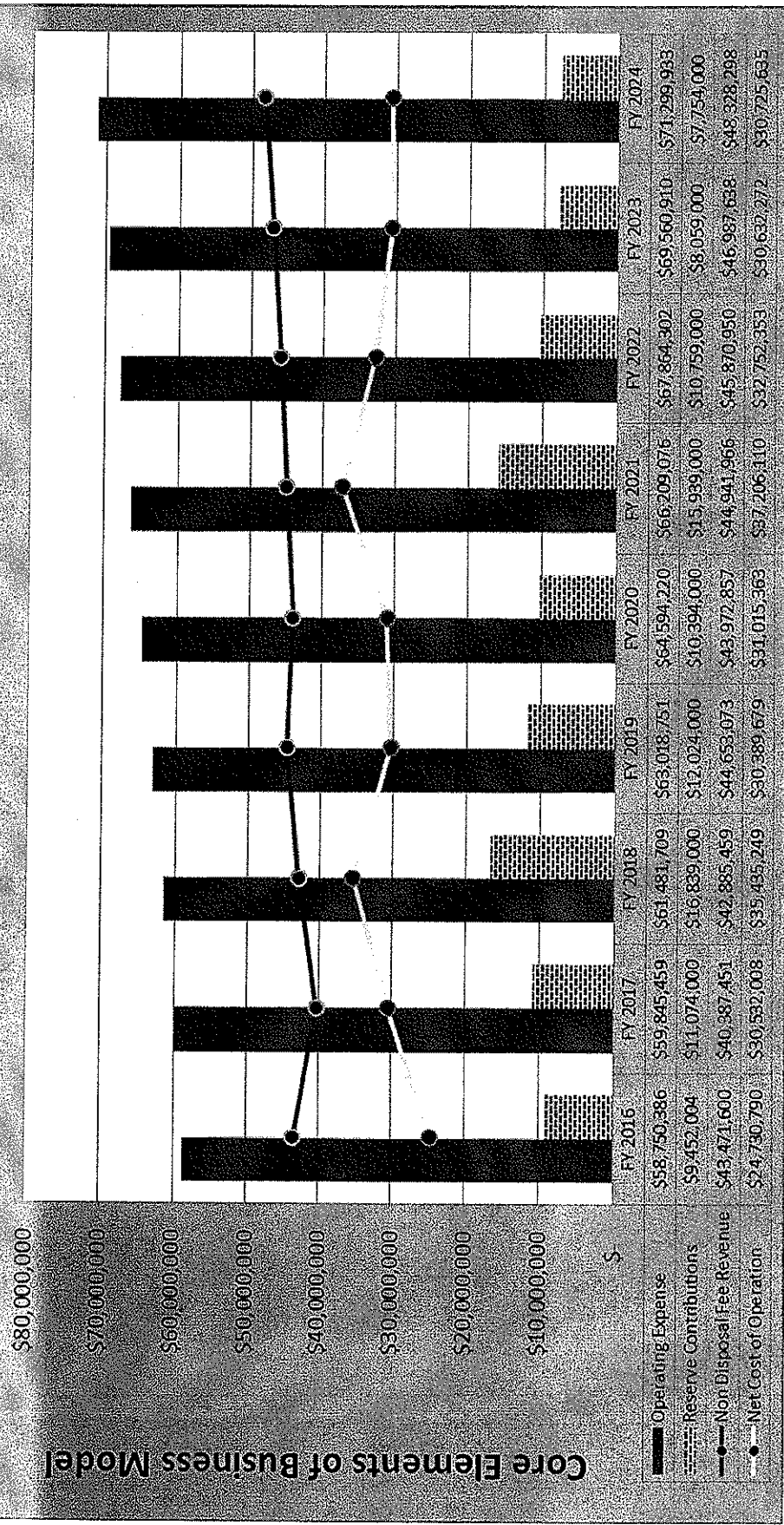
## CRITICAL ELEMENTS OF FY 2016 FINANCIAL PLAN UPDATE

- Original objectives have not changed. ↑
- Wholesale energy price forecast has declined. ↓
- CSWS power production target has been reduced. ↓
- Capital/Major Maintenance expenditure forecast has increased. ↓
- Near term CSWS bonding opportunity is unlikely. ↓
- Jets sustainability anticipated thru May 2022. ↑
- Financial projections have been updated. ↑
- FY 2016 & FY 2017 are most challenging. ↓
- Expanded use of tip fee stabilization is required. ↓



# UPDATED FINANCIAL PLAN

## CSWS Summary Financial Forecast





# HIGH LEVEL FORECAST CHANGES

FY 2017 through FY 2024

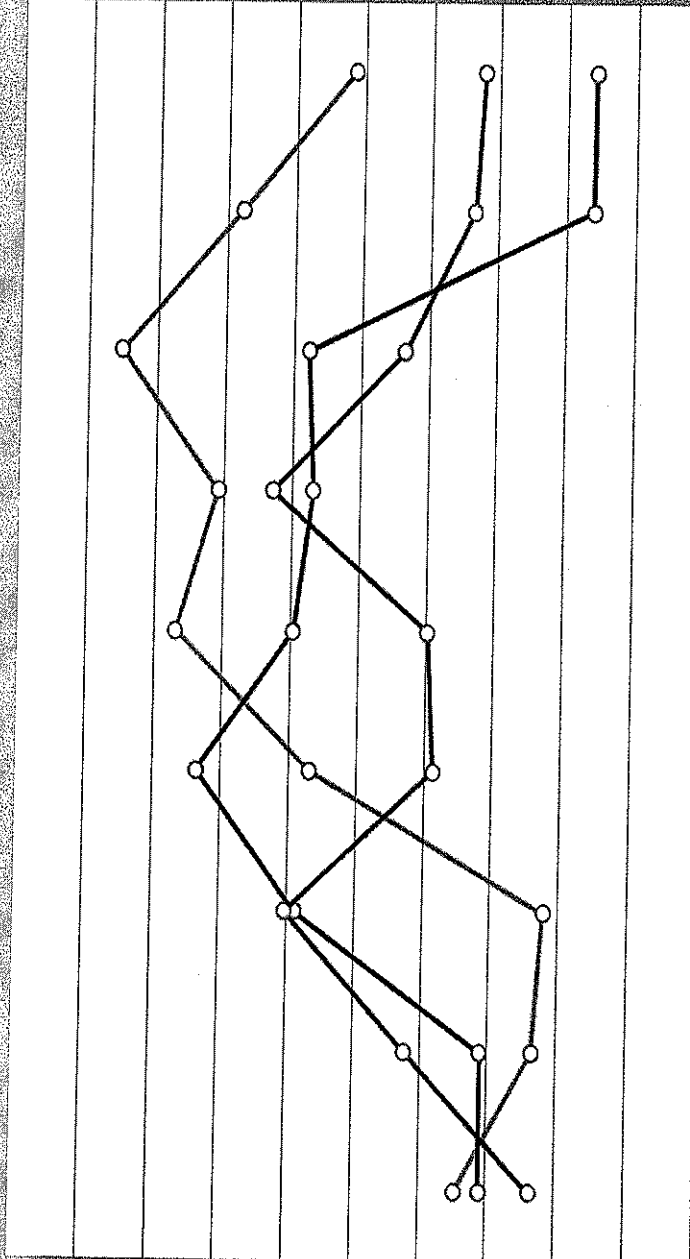
- **CSWS Cost of Operation:**
  - Increased from \$598.5 million in the original ten year plan to \$616.7 million in the FY 2016 update (\$18.2 million or 3.0% over eight years).
  - The major area of increase was in plant major maintenance / capital expenditures which increased \$25.8 million.
- **Non Disposal fee Revenue:**
  - Reduced from \$386.9 million in the original ten year plan to \$358.0 million in the FY 2016 update (\$28.9 million or 7.5% over eight years).
  - The major area of reduction was in energy revenue which reduced \$23.9 million.
- **Net Cost of Operation:**
  - Increased from \$211.6 million in the original ten year plan to \$258.7 million in the FY 2016 update (\$47.1 million or 22% over eight years).
  - Funded through enhanced use of tip fee stabilization fund (\$48.3 million) and approximate \$1 increase in Tip Fee over the original ten year plan.
  - Original ten year plan included \$3.7 million subsidy from Property Division.

# UPDATED FINANCIAL PLAN

CSWS Tip Fee Stabilization Funding

Funding Shortfall Remaining after Total Opt Out Price

\$20,000,000  
 \$17,500,000  
 \$15,000,000  
 \$12,500,000  
 \$10,000,000  
 \$7,500,000  
 \$5,000,000  
 \$2,500,000  
 \$0  
 \$(2,500,000)  
 \$(5,000,000)

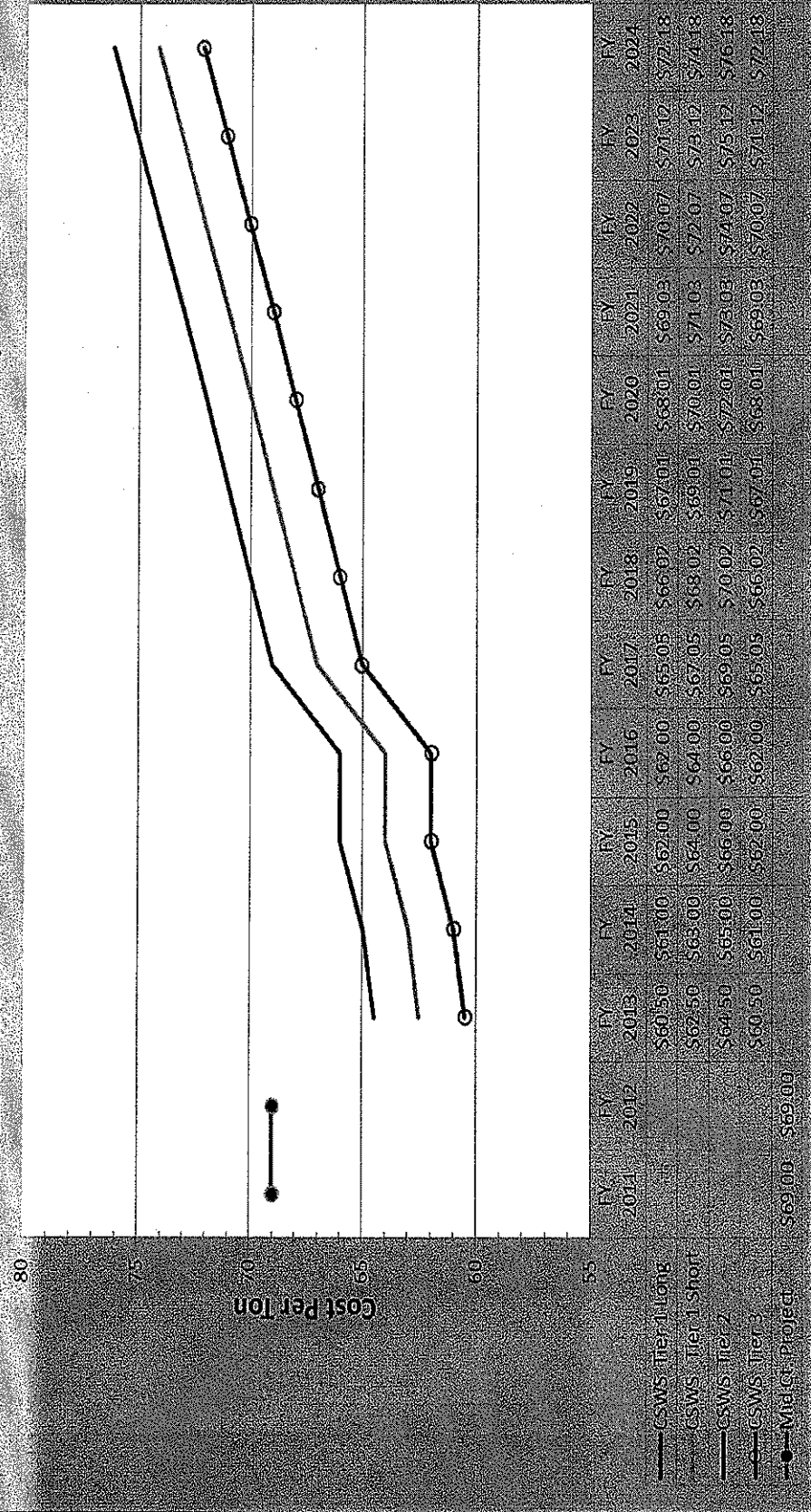


9/17/2015

CONFIDENTIAL

# UPDATED FINANCIAL PLAN

CSWS Member Tip Fees (Total Opt Out)



# FY 2016 AND FY 2017 CHALLENGES

- CSWS Power Production:
  - Power production is targeted to be maintained with improved Boiler availability (>85%) and operation near MCR (>200kbs/hr steam/blr)
- Wholesale Energy Prices;
  - Actual Power price is targeted at recent forecast with or without bilateral power sale.
- Tip Fees:
  - Tier Contract rates and Hauler contracts at opt out price
- Major Maintenance:
  - #6 Turbine outage postponed to FY18

# TIMELINE FOR REDEVELOPING MIRA FACILITY (PA 14-94)

- DEEP to issue RFP by Jan. 1, 2016
- Three finalists selected 6/1/16
- Three Finalists conduct feasibility studies by Jan. 1, 2017
- Final proposals due July 1, 2017
- DEEP report to legislative committees by Sept. 15, 2017
- DEEP selects proposal by Dec. 31, 2017
- DEEP directs MIRA to enter into agreement with selected bidder.

# RECYCLING POLICY CONSIDERATIONS

- DEEP MSW Characterization Study Underway
- DEEP consultants currently sorting samples of recycling & MSW loads
  - Measuring non-recyclable material in recycling loads and recyclable material in MSW loads
- Results to inform DEEP's Comprehensive Materials Management Strategy (CMMS) due July 1, 2016.
- CMMS may lead to policy/law changes and impact:
  - Development options due to changes in composition of MSW: (BTU, Organic fraction, hydro carbons, residue etc)
  - Recycling operations and performance (e.g. "Pay As You Throw" with attendant residue incentives) .

# CURRENT RECYCLING COMMODITY PRICING

- Since the start of the current O&M contract,
  - OCC has fallen from \$120/T to \$80-90/T
  - ONP pricing has been flat.
  - Load rejections risk is increasing
- Recycled Container Revenue is volatile
  - \$119/T in Nov-13, \$167/T in Sept-14, \$72/T in Apr-15
  - Lowest Pricing in 8 years. (Crude oil price relationship)
- Glass equals up to 10 X the tonnage of the next highest container commodity yet produces ZERO revenue.
  - Only 1 market for glass in CT.
  - Most collected glass is downcycled.
- Costs rising from Single stream residue: "Wishful recycling"

## POTENTIAL RECYCLING POLICY CHANGES

- Reexamine statutory recyclables: Reconsider statutory recycling of items with no viable markets (glass)?
- Return more containers to the system (repeal bottle bill)?
- Abandon discrete recycling with parallel curbside collection for Dirty MRF approach?
- PAYT programs coupled with single stream is problematic.
  - Stricter enforcement to limit residue and maintain commodity values?
- Surcharges on collection bills to cover recycling costs?
  - Note: Avoided cost of MSW disposal remains the major incentive for municipalities to recycle. E.g. City of Hartford had avoided costs of approximately \$344,000.00 in FY15.



**THE WASTE MANAGEMENT STRATEGIC POLICY QUESTION:  
WHICH OF THE FOLLOWING 4 OPTIONS WILL BE ENCOURAGED TO MANAGE  
~750,000 TONS OF MSW IN CENTRAL CT POST 2024**

**AND  
BECOME THE STATE'S PREFERRED METHOD/MEANS OF MANAGING  
NONDIVERTED/NONRECYCLED SOLID WASTE?**

1. Replacement or redevelopment of So. Meadows utilizing new technologies?
2. Replacement or redevelopment of So. Meadows facility with a large Trash to Energy facility?
3. Continued maintenance, repair and investment in existing CSWS assets at So. Meadows?
4. Replace Facility with reliance on out of state disposal (landfills), Hauler responsibility and/or other: (e.g. manufacturer responsibility, Boutique facilities, AD, Food composting, etc.)?

## 1. REPLACEMENT OR REDEVELOPMENT OF SOUTH MEADOWS UTILIZING NEW TECHNOLOGIES

- Numerous innovative technologies exist and are proven technologically viable.
- Few if any have commercial scale facilities operating.
- Commercial viability of these technologies is suspect.
- Development challenges include: financing, offtake guarantees, waste supply, performance assurances, Market competitiveness, permitting, residue disposal, emissions, others.
- Upcoming DEEP RFP process may illuminate viability of specific technologies.

## 2. REPLACEMENT OR REDEVELOPMENT OF SOUTH MEADOWS FACILITY WITH A LARGE TRASH TO ENERGY FACILITY

- Proven technology, and performance.
- Competitive bidding from multiple bidders likely.
- Development challenges include : Financing, energy contracts, waste supply, public opposition, residue disposal costs, others.
- Cost may be above market for CT region: See following slide.

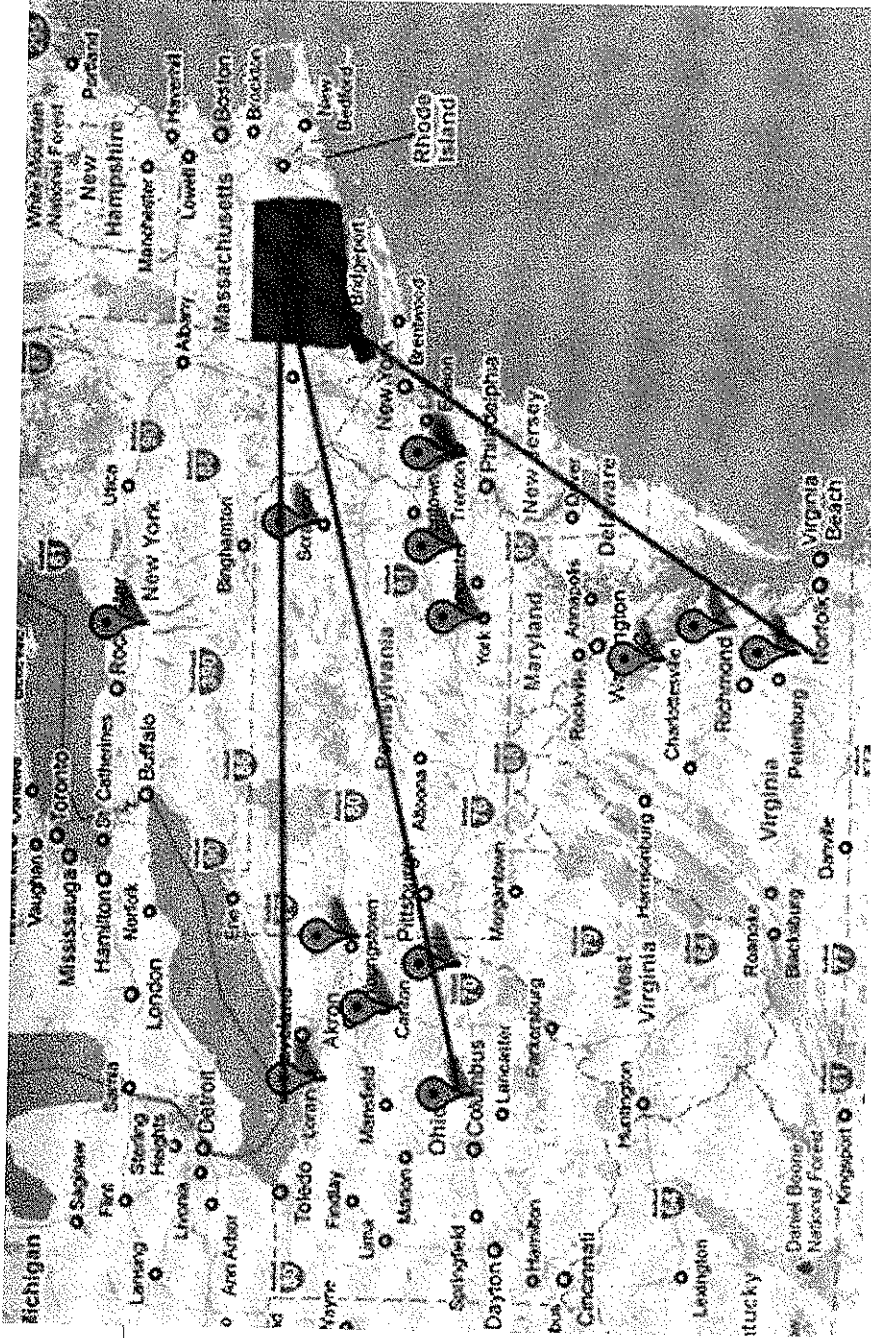
## DETAILS OF PALM BEACH COUNTY'S RECENT DEVELOPMENT OF A TRASH TO ENERGY FACILITY

- 3,000 tpd mass burn facility
- \$672 MM total cost
- \$600 MM Bonded (Revenue Bonds guaranteed by PB County)
- \$56 MM up-front capacity payment received from Florida Power & Light
- 20 year PPA with at approx. \$50/mwh
- Plant processes 1,000,000 tpy at a cost of approximately \$21,000,000 (\$21/ton)
- Palm Beach County waste tip fee \$45/ton (market is ~\$24/ton)
- Bidding was competitive --\$ borrowed at attractive rates
- Existing 2,000 TPD RDF plant was upgraded \$100MM over last few years.
- Facility operating permit emissions limits are lower than CT's across the board.
- County has self owned ash residue disposal on site
- County assesses residents \$270/yr disposal & \$200/year collection Ad valorem tax.
- Full flow control over all waste generated in the County
- Business Plan anticipates supplementing with imported waste for some years.

### 3. CONTINUE MAINTENANCE AND INVESTMENT IN EXISTING CSWS ASSETS

- Present So Meadows Facility is viable economically:
  - Short term thru 2024: assuming 10 year plan prices for disposal and power and continued access to Jet revenues.
  - Longer term post 2024: Requires higher power pricing and/or tipping fees or supplemental revenues (RECs)
  - So Meadows facility is at or near the end of its useful life, requiring high per ton maintenance and repair costs and reduced reliability and capacity.
- RDF technology, Lack of Residue landfill and transfer station costs further affect economics adversely.
- Reliability, capacity and specific maintenance cost will continue to be an issue as facility ages.

## 4. RELY ON OUT OF STATE DISPOSAL (LANDFILLS)



- Rail and Road options exist with modest capital investment.
- Landfilling is contrary to present SWMP regarding material management.
- This option is available at market price.

9/17/2015

CONFIDENTIAL

# CONCLUSIONS

- So Meadows can be operated through 2024
  - Jets capacity revenue is critical to viability, facility is out of market without this revenue.
  - Facility requires major investment to continue reliable operations post 2024.
- DEEP's Comprehensive Material Management Strategy (CMMS), Solid Waste Management Plan (SWMP) and upcoming RFP will be instructive.
  - Operating facilities employing alternative technologies at scale are not available for examination.
  - Presently established programs and policies may conflict with or impact potential for new programs and options
  - Many hurdles exist for redevelopment especially with new technologies
- Redevelopment of So Meadows will be challenged by:
  - Waste supply guarantees
  - Product/offtake take assurances/revenue,
  - Other costs unique to CT (residue, transfer stations, nondiscriminatory pricing etc.)

**TAB 2**



RESOLUTION FOR THE MATERIALS INNOVATION AND RECYCLING AUTHORITY BOARD OF DIRECTORS

**Concerning the Transfer of Southeast Project Flow of Funds Responsibilities to the Southeastern Connecticut Regional Resource Recovery Authority (SCRRRA)**

**WHEREAS**, MIRA's 2010 Series A Resource Recovery Revenue Refunding Bonds associated with the Southeast Project (the "Project Bonds") are scheduled to fully mature on November 15, 2015; and

**WHEREAS**, The Indenture of Mortgage and Trust dated December 1, 1988 between MIRA and US Bank as Trustee related to the Project Bonds (the "Indenture") will expire upon final payment of the Project Bonds; and

**WHEREAS**, The Indenture, among other things, establishes procedures for the flow of funds related to the Southeast Project which have heretofore required MIRA to collect all receipts related to the Southeast Project, transfer same to the Trustee, and together with Covanta, to provide joint instructions to the Trustee concerning the monthly distribution of such receipts; and

**WHEREAS**, the Service Agreement, Bridge and Management Agreement and other related Southeast Project contracts have been extended or will otherwise continue in full force and effect after expiration of the Indenture; and

**WHEREAS**, the current status of the Indenture and such Southeast Project contracts warrant consideration of flow of funds responsibilities after the Indenture expires; and

**WHEREAS**, the Southeastern Connecticut Regional Resource Recovery Authority (SCRRRA) has requested that MIRA transfer such flow of funds responsibilities to it; and

**WHEREAS**, MIRA is agreeable to such transfer and has provided a sequence of events, required concurrences and a release of liability that will allow it to proceed with SCRRRA's request which is documented in a September 30, 2015 letter to SCRRRA attached hereto as Exhibit A; and

**NOW THEREFORE**, be it

**RESOLVED**: The Board of Directors hereby approves the transfer of flow of funds responsibility for the Southeast Project to SCRRRA subject to the sequence of events, release of liability and required concurrences outlined in the letter attached hereto as Exhibit A.



Materials Innovation and Recycling Authority

100 CONSTITUTION PLAZA 6TH FLOOR • HARTFORD • CONNECTICUT • 06103-1722 • TELEPHONE (860) 757-7700  
FAX (860) 727-4141

September 30, 2015

Mr. David Aldridge  
Executive Director  
Southeastern Connecticut Regional Resource Recovery Authority  
7 Hurlbutt Road, Suite 1  
Gales Ferry, CT 06335

Dear Mr. Aldridge:

This letter is a follow up to conversations in response to your letter of August 7, 2015 concerning changes to the flow of funds associated with the Southeast Project upon retirement of the project bonds and expiration of the related Trust Indenture. I understand that the requested exchange of data has occurred, as have several staff coordination meetings, and I have attached summary schedules reflecting this process for your information. Please let me know if you feel additional information or meetings would be helpful to SCRRRA.

As we close in on the scheduled maturity of the bonds, I thought it would be helpful to take the additional step of specifying how individual aspects of transferring the flow of funds responsibility from MIRA to SCRRRA will be handled. Before specifying individual aspects of the transfer, I would like to generally address how the current flow of funds is structured as that affects how we would move forward.

MIRA deposits all Southeast Project receipts to a dedicated lockbox and completes the transfer of monthly receipts to the Trustee shortly after the end of each month. The Trustee then distributes funds for the current month's budget to MIRA and Covanta by the 8<sup>th</sup> day of each month based on MIRA / Covanta joint instructions to the Trustee. Therefore, on the 6<sup>th</sup> of November receipts for October will be distributed to MIRA and Covanta by the Trustee representing budgeted funds for the month of November. Subsequent to its receipt of funds from the Trustee, MIRA transfers SCRRRA its monthly administrative budget. Based on this flow of funds, MIRA may transfer these responsibilities to SCRRRA as it has requested subject to certain concurrences and a release of liability as follows:

- **Billing and Accounts Receivable** – Presently Covanta issues invoices for the disposal of waste at the Southeast Project which are payable to MIRA. This occurs for the SCRRRA towns, several non SCRRRA towns and all other "spot" waste delivered to the plant. Each month Covanta transmits a record of all invoices to MIRA. MIRA records these invoices on its accounts receivable system, tracks them until paid and undertakes any necessary collections efforts. Based on this process and the existing flow of funds, the transfer of billing and accounts receivable responsibilities would occur between September and November as follows:

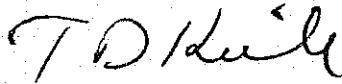
- September MSW – MIRA will record and track invoices for September MSW deliveries in early October when the required information is received from Covanta. MIRA will receive and deposit associated payments through October 30<sup>th</sup> including undertaking necessary collection activities. MIRA will complete the transfer of associated cash receipts to the Trustee on or about November 2<sup>nd</sup>. The Trustee will then distribute November budgets to MIRA and Covanta on November 6<sup>th</sup> reflecting the MIRA / Covanta joint instructions to the Trustee. MIRA will subsequently transfer to SCRRA its administrative budget for November.
- October MSW – MIRA will record and track invoices for October MSW deliveries in early November when the required information is received from Covanta. MIRA will receive and deposit associated payments through November 30 including undertaking necessary collection activities. MIRA will complete the transfer of associated cash receipts to SCRRA on or about December 2<sup>nd</sup>. SCRRA will fund Covanta its December budget. MIRA will continue to track and receive payment for October deliveries and deposit same into the Southeast Project lockbox until all October billings have been satisfied. Once this occurs, and payment for electricity produced in September has been received as noted below, the Southeast Project lockbox will be closed and all funds on deposit in the lockbox will be transferred to SCRRA.
- November MSW - SCRRA will record and track invoices for November MSW deliveries in early December when it receives the required information from Covanta. SCRRA will receive and deposit associated payments through December 31<sup>st</sup> including undertaking necessary collection activities. SCRRA will distribute the January budget to Covanta by January 8<sup>th</sup>. This process will continue each month.
- Electricity – Electricity revenues are received monthly two months in arrears. For example, payment for power produced by the Southeast Project in July was received by MIRA on September 2<sup>nd</sup> and included in the cash MIRA transferred to the Trustee on September 8<sup>th</sup>. MIRA will record on its books the electricity revenues and accounts receivable for power produced in August and September which will be received by MIRA and deposited to its Southeast Project Lockbox in October and November, respectively. Payment for power produced in October will be sent to SCRRA in December and this payment would not be recorded on MIRA's books. This process will continue each month.
- MIRA Administrative Budget
  - MIRA will have received its full FY 2016 administrative budget distribution from the Trustee with the Trustee's final distribution on November 6<sup>th</sup>. This includes the allocated personnel services, insurance and the direct legal services budget. It will not be necessary for SCRRA to distribute FY 2016 operating funds to MIRA once the flow of funds requirements has transferred.
- Outside Payments
  - Preston PILOT – Each month the Trustee distributes to MIRA 1/12<sup>th</sup> of the annual budget for PILOT payments to Preston. The PILOT payment is made semi-annually in January and July. The next payment will be made January 2016 for the period July 1,

2015 through December 31, 2015. As of November 6, 2015, MIRA will have received 5/12<sup>th</sup> of the annual PILOT budget reflecting the period July 1, 2015 through November 30, 2015. PILOT funds received by MIRA will be paid to Preston in January 2016. SCRRRA will be obligated to pay such additional funds as may be necessary based on the total due for the period ending December 31, 2015 (approximately 1/6 of the total payment due). SCRRRA will make all PILOT payments moving forward.

- Ash - Each month the Trustee distributes to MIRA 1/12<sup>th</sup> of the annual budget for ash disposal by Wheelabrator. The ash disposal payment is made monthly in arrears. As of November 6, 2015, MIRA will have received 5/12<sup>th</sup> of the annual ash disposal budget reflecting the period July 1, 2015 through November 30, 2015. Ash disposal funds received by MIRA will be paid to Wheelabrator for disposal activity through November 30, 2015. Any excess ash disposal funds will be transferred to SCRRRA upon payment of the November ash invoice. Any shortfall in ash disposal cost versus MIRA's budget distributions for the period ending November 30, 2015 will be SCRRRA's responsibility. SCRRRA will make all ash disposal payments moving forward.
- Release of Liability / Required Concurrences
  - It will be necessary for SCRRRA, Covanta and MIRA to execute a release of liability in advance of the transfer of flow of funds responsibility. This release will absolve MIRA from payment of any and all costs associated with the Southeast Project, including but not limited to the Covanta service fee and annual true up, as MIRA will no longer be in possession or control of the Southeast Project revenues. The only exception to this release will be payment of costs related to ongoing project and closeout activities for which MIRA will reserve funds.
  - Covanta will need to concur that effective with November MSW deliveries, it will issue invoices payable to SCRRRA and send SCRRRA a monthly record of all such invoices.
  - Covanta and C,L&P will need to concur that payment for power produced in October (and going forward) will be payable to SCRRRA.
  - Preston will need to be notified that responsibility for payment of the PILOT will be transferred to SCRRRA and the January payment will include funds from MIRA and SCRRRA.
  - MIRA, SCRRRA and Wheelabrator will need to agree that MIRA's contract as it relates to ash disposal for the Southeast Project will be transferred to SCRRRA.
- Financial Reporting – MIRA's financial statements and annual independent audit for FY 2016 will reflect the fund distribution activity as noted above for the period ending November 30, 2015.
- Budget Development – MIRA will oversee development of the FY 2017 budget as it has in the past and SCRRRA representatives will be included in each step with a view toward documenting and final training on the process.

Please note that the release of liability and required concurrences noted above address only the flow of funds activity that may be transferred from MIRA to SCRRA in accordance with this letter. The Service Agreement, the Bridge and Management Agreement and related contracts remain in full force and effect, unaltered by such transfer, unless and until modified in writing executed by the appropriate parties. MIRA would appreciate SCRRA providing drafts of the requested releases and concurrences as early as possible. If SCRRA would prefer that MIRA attorney's draft the documents we will proceed accordingly. However, please note this would require MIRA to allocate the related expense to the Southeast Project.

Sincerely,



Thomas D. Kirk  
President and Chief Executive Officer

Cc: Donald S. Stein  
John Phetteplace  
Mark Daley  
Laurie Hunt  
Peter Egan  
Thomas Lyons

**Attachment 1**  
**Materials Innovation and Recycling Authority**  
**Summary Financial Management Activities**  
**Southeast Project**  
**Southern Connecticut Regional Resource Recovery Authority**  
**Referenced Attachments provided to SCRRA on August 6, 2015**

---

- A. **Budget Development** – MIRA prepares the annual budget for the project consistent with the requirements of the underlying project contracts. This includes the expense budgets for SCRRA and MIRA administrative services, the resource recovery facility, ash disposal, regional recycling, landfill operations, debt service and reserve contributions, revenue estimates for electricity sales and other non-disposal fee revenue, disposal fees to be paid and disposal revenue from project members and other contracts. MIRA's role is to work closely with Covanta, SCRRA and internally to assemble these elements into a comprehensive budget, and to document all underlying assumptions and estimates in the budget package that SCRRA has become accustomed to.
- Attachment #1 reflects the FY 2016 budget development detail submitted by Covanta to MIRA. This document includes all calculations required by the service agreement and Covanta's estimated pass-through costs.
  - Attachment #2 reflects the FY 2016 budget development detail submitted by SCRRA to MIRA.
  - Attachment #3 reflects the FY 2016 budget development detail calculations for the Preston PILOT, ash transportation and disposal, and electric revenue
- B. **Flow of Funds Management** – All revenue from the project (approximately \$30 million annually) is deposited into a separate MIRA lockbox established for the project. MIRA distributes this revenue to the Trustee monthly. MIRA issues instructions to the Trustee each month jointly with Covanta to distribute these funds as follows:
- To Covanta for the Base Operating Charge ("BOC") operating budget;
  - For payment of project debt service;
  - To Covanta for electricity revenue share and pass-through costs based on budget;
  - To MIRA for payment of the following expenses:
    - Ash disposal
    - PILOT
    - Insurance
    - Legal
    - MIRA Administration; and
    - To SCRRA for
      - SCRRA Administration
      - Recycling programs
      - Future use reserve
  - To Surplus Trust (any excess after the above budgets are distributed)
  - Attachment #4 includes a monthly sample of July 2015 Southeast Project lockbox receipts. Payments are recorded daily on the revenue sheet and posted to customer accounts and GL

- Attachment #5 reflects the FY 2015 monthly budget instruction jointly submitted to the Trustee by MIRA and Covanta
- Attachment #6 includes each months flow of funds distribution by the Trustee in accordance with instructions submitted

**C. Monthly Accounting Activity** – MIRA accounts fully for all project revenues and expenses including establishing billing and accounts receivable records, completing collection activities, issuing purchase orders and vouchers, recording cash management entries, recording general ledger entries, preparing the monthly trial balance, monthly reconciliation of all accounts and maintaining all internal controls and segregation of duties appropriate to this scale of operation.

- Attachment #7 includes a listing of all FY 2015 Southeast Project journal and cash management entries (The general ledger report)
- Attachment #8 includes example journal entry backup / approval documentation for each type of entry (Cash Management entry and journal entry)
- Attachment #9 includes sample (current month) billing documentation provided by Covanta, MIRA billing and accounts receivable records
- Attachment #10 includes sample purchase order, voucher and check register related to FY 2015 Southeast Project transaction (we provided a sample for Wheelabrator Technologies)
- Attachment #11 includes sample monthly reconciliation of Southeast Project accounts
- Attachment #12 includes sample monthly trial balance of the Southeast Project

**D. Monthly Financial Reporting Activity** – MIRA reports monthly to SCRRA concerning the financial performance of the project on a year to date budget versus actual basis. The report includes all revenues and expenses associated with the project as well as key facility operating statistics and explanation of major variances. A representative from MIRA's Finance and Accounting division attends monthly meetings of the SCRRA Board to answer questions concerning this monthly report or other matters.

- Attachment #13 includes a sample monthly budget variance report of Southeast Project. This is an excel document reflecting data generated by MIRA's internal accounting and financial reporting.

**E. Covanta True Ups** – Each quarter MIRA prepares an analysis of Covanta's reported actual facility operating expenses versus the budget funds advanced to Covanta and adjusts its accounting records, and budget versus actual reporting to SCRRA accordingly. The quarterly true up is undertaken for accounting and financial reporting purposes and does not produce an exchange of funds between the project and Covanta. Annually MIRA prepares a full year analysis of Covanta's facility operating budget versus actual performance and executes the movement of funds necessary to "true up" the facility from a budget to actual basis.

- Attachment #14 includes FY 2015 quarterly Covanta true ups prepared for the Southeast Project
- Attachment #15 includes the FY 2014 annual Covanta true up
- Attachment #16 is the FY 2015 Covanta true up. This has been submitted and initially reviewed and posted but remains under review. To be completed in August 2015

- F. **Quarterly and Annual State Reporting** – The general statutes require MIRA to report quarterly to the Governor's office on its operations including contracting activities, facilities owned or leased, waste received and processed at such facilities, outstanding bonds, administrative budgets, revenues from all sources and the distribution of any surplus revenues. An annual report of operations is also required by statute to be provided to the General Assembly.

The general statutes also require MIRA to report quarterly to the Office of Fiscal Analysis on its finances including beginning cash balances, revenue and expenses incurred, estimated operating revenues and operating expenses thru the end of the fiscal year and personnel information such as number of employees, positions vacant and positions filled. An annual report of finances is also required by statute to be provided to the Governor's office.

All of these reports are to include all MIRA projects and divisions including the Southeast Project.

- Attachment #17 includes FY 2015 quarterly reports to State
- Attachment #18 includes FY 2014 annual reports to State
- Attachment #19 includes FY 2015 small/minority business enterprise goal and set aside reports. These are required State reports which assess the bidding opportunities for small and minority owned business which assist in the economic growth of the local communities

- G. **Annual Audited Financial Reports** – Each year MIRA provides for an annual independent audit of its financial statements including all activities of the Southeast Project. The audit occurs from July through September and consumes much of the efforts of the accounting division during that time in preparing audit documentation, schedules, verifications, responding to inquiries, drafting and finalizing the annual audit report which is submitted to the Trustee for the Southeast Project for disclosure purposes and to the State for inclusion in the Statewide Comprehensive Annual Financial Report (CAFR). MIRA also prepares annually its own CAFR and submits it to the Government Finance Officers Association for review and issuance of its Certificate of Achievement for Excellence in Financial Reporting (which MIRA has received for 20 consecutive years).

- Attachment #20 includes MIRA Annual Independent Audit for FY 2014
- Attachment #21 includes MIRA's Comprehensive Annual Financial Report for FY 2014
- The FY2015 audit and CAFR will be completed in September and December 2015
- The FY 2016 audit and CAFR will be completed in September and December 2016



**Attachment 2**  
**Materials Innovation and Recycling Authority**  
**Summary Additional Follow up Data Requests (August 18, 2015)**  
**Southeast Project**

**Requested additional information has been provided to SCRRRA in a series of ongoing exchanges**

- Actual G/L activity as it relates to the Southeast project for July 2015 and going forward.
- Could you let me know what bills specifically are being paid out of the SE Operating account?
- Could you provide the SE Project A/P detail for the last several years at June 30?
- What was the Cash balance of the SE Project operating account for the same time frame? Do you have the statements available?

**TAB 3**

## **RESOLUTION REGARDING FINAL DISTRIBUTION OF FUNDS FOR THE WALLINGFORD PROJECT**

**WHEREAS**, on April 23, 2009 the Materials Innovation and Recycling Authority (the "Authority") formerly the Connecticut Resources Recovery Authority ("CRRA") Board of Directors (the "Board"), in consultation with and with unanimous consent of the Wallingford Project Policy Board (the "Policy Board"), authorized the closing and transfer of various funds in order to provide an initial distribution of surplus funds to the Wallingford Project member towns; and

**WHEREAS**, the Policy Board has previously requested that remaining Project funds be equitably distributed based on a five-year weighted average of tons delivered to the Wallingford Project by its member towns, consisting of the towns of Cheshire, Hamden, Meriden, North Haven, and Wallingford, Connecticut (the "Towns"); and

**WHEREAS**, the percentage of the relative amounts of acceptable solid waste delivered by each Town has been developed to reflect delivered and diverted tons for the five-year time period beginning July 1, 2005 and ending June 30, 2010; and

**WHEREAS**, the Wallingford Project officially ended on June 30, 2010 and the ownership of the Resource Recovery Facility ("RRF") located in Wallingford Connecticut was transferred to the Operator of the RRF (the "OPERATOR") as prescribed in the Wallingford Project Operating Agreement; and

**WHEREAS**, in order to effectively transfer ownership of the RRF and mitigate Wallingford Project legacy liabilities associated with RRF operations prior to its transfer to the Operator certain funds were deposited into the Wallingford Project Closure reserve; and

**WHEREAS**, all Authority transactions related to the Wallingford Project have been completed; and

**WHEREAS**, as of September 30, 2015, the Wallingford Project Closure Reserve has a remaining balance of \$39,445.14 which can be returned to the Towns; and

**WHEREAS**, the funds in the Wallingford Project Closure Reserve are the only Wallingford Project funds remaining with the Authority and once these funds have been distributed the Authority's Wallingford Project will be completed.

**NOW THEREFORE**, be it

**RESOLVED:** That the Wallingford Project Closure account be closed and its funds in the amount of \$39,445.14 together with applicable interest be distributed to the Wallingford Project Towns in the percentage values and dollar amounts as follows based upon the tonnage formula previously agreed to by the Policy Board:

<b>Town</b>	<b>Total Tons Delivered FY 2006-2010:</b>	<b>Percentage of Tonnage:</b>	<b>Distribution Amount:</b>
Cheshire	99,877.67	13.41%	\$ 5,291.12
Hamden	171,685.53	23.06%	\$ 9,095.22
Meriden'	164,997.82	22.16%	\$ 8,740.93
North Haven	106,919.58	14.36%	\$ 5,664.17
Wallingford	201,104.24	27.01%	\$ 10,653.70
Total	744,584.85	100.00%	\$ 39,445.14

**TAB 4**

RESOLUTION FOR THE MATERIALS INNOVATION AND RECYCLING AUTHORITY BOARD OF DIRECTORS

REGARDING ADOPTION OF THE FISCAL YEAR 2017 AUTHORITY BUDGET

**WHEREAS**, The Materials Innovation and Recycling Authority (MIRA) is contractually obligated to adopt Disposal Fees for its Connecticut Solid Waste System (CSWS) member towns on or before February 29, 2016; which fees will apply during MIRA's fiscal year 2017 which begins July 1, 2016 and ends June 30, 2017; and

**WHEREAS**, such Disposal Fees are to reflect the net cost of operation of the CSWS as defined in the Municipal Service Agreements between CSWS member towns and MIRA, which net cost of operation includes a properly allocable share of MIRA's general administrative expenses commonly known as the "Authority Budget"; and

**WHEREAS**, in order for MIRA to progress timely with the evaluation and establishment of Disposal Fees for the CSWS member towns it is necessary for MIRA to adopt the Authority Budget for fiscal year 2017 at this time including the budget for personnel and non-personnel services that comprise MIRA's general administrative expenses and the amounts thereof that are properly allocable to MIRA projects and divisions that will be active during fiscal year 2017 including:

1. Connecticut Solid Waste System (CSWS)
2. Mid Connecticut Project
3. Property Division
4. Landfill Division

**NOW THEREFORE, be it**

**RESOLVED:** That the fiscal year 2017 Materials Innovation and Recycling Authority Operating Budget attached hereto as Exhibit A be adopted substantially in the form as presented and discussed at this meeting.



**EXHIBIT A**  
**Draft Budget Development - October 22, 2015 Board**  
**Proposed Total Personnel Services**  
**Proposed Authority Operating Budget**

	FY 2015 Actual	FY 2016 Adopted	FY 2017 Proposed	Increase or Decrease From			
				FY 2015 Actual		FY 2016 Adopted	
				\$	%	\$	%
<b>Personnel Services</b>							
Charged Direct to Projects	\$ 2,382,016	\$ 2,018,578	\$ 2,023,146	\$ (358,870)	-15.1%	\$ 4,568	0.2%
Indirect via Authority Budget	\$ 2,659,356	\$ 3,225,269	\$ 2,911,418	\$ 252,062	9.5%	\$ (313,851)	-9.7%
<b>Total</b>	<b>\$ 5,041,372</b>	<b>\$ 5,243,847</b>	<b>\$ 4,934,564</b>	<b>\$ (106,808)</b>	<b>-2.1%</b>	<b>\$ (309,283)</b>	<b>-5.9%</b>
<b>Authority Budget</b>							
Indirect Personnel Services*	\$ 2,659,356	\$ 3,225,269	\$ 2,911,418	\$ 252,062	9.5%	\$ (313,851)	-9.7%
Non Personnel Services	\$ 1,115,744	\$ 1,604,400	\$ 1,262,423	\$ 146,679	13.1%	\$ (341,977)	-21.3%
<b>Total</b>	<b>\$ 3,775,100</b>	<b>\$ 4,829,669</b>	<b>\$ 4,173,841</b>	<b>\$ 398,741</b>	<b>10.6%</b>	<b>\$ (655,828)</b>	<b>-13.6%</b>
<b>Combined Personnel and Non Personnel Services</b>	<b>\$ 6,157,116</b>	<b>\$ 6,848,247</b>	<b>\$ 6,196,987</b>	<b>\$ 39,871</b>	<b>0.6%</b>	<b>\$ (651,260)</b>	<b>-9.5%</b>

**Personnel Services**

The FY 2017 total proposed Personnel Services budget of \$4,934,564 reflects a 2.1% reduction from FY 2015 actual audited Personnel Services and a 5.9% reduction from the FY 2016 adopted budget for Personnel Services. The reduction in Personnel Services was achieved primarily through position eliminations and consolidations. Total Personnel Services includes regular payroll and overtime, payroll taxes, employee benefits, the cost to administer employee benefits and a modest provision for market progression adjustments evaluated on case by case basis. See Exhibit 1 for the breakdown of total Personnel Services and the longer term trend, and Exhibit 1A for a comparison of the salary roster between FY 2016 and FY 2017 budgets. The budget also includes a modest provision for startup and transition costs related to establishing a Health Savings Account (HSA) option for MIRA employees. Personnel Services are allocated among the various projects and divisions that comprise MIRA on a direct and indirect basis. Direct allocation is used when positions are dedicated solely to a specific project / function (CSWS scale operator positions being a good example). Indirect allocations are used when positions serve multiple projects and divisions (finance and accounting positions being a good example).

**Authority Budget**

The Authority Budget comprises the indirect portion of the Personnel Services budget described (and highlighted) above and all Non Personnel Services not directly associated with a specific project or division. Non Personnel Services include such expenses as office rent, office supplies, postage and printing, customer service activities, temporary services, insurance, brokerage and consulting. The proposed Non Personnel Services budget of \$1,262,423 reflects a 13.1% increase in comparison to FY 2015 actual audited expenses and a 21.3% decrease in comparison to the FY 2016 budget. See Exhibit 2 for the breakdown of Non Personnel Services. The total proposed Authority Budget for FY 2017 is \$4,173,841 which represents a 10.6% increase from FY 2015 actual and a 13.6% decrease from the FY 2016 budget. FY 2017 combined personnel and non-personnel services are flat in comparison to FY 2015 actual and down 9.5% in comparison to the FY 2016 budget.

**Allocation / Revenue Requirements**

Exhibit 3 depicts the benchmark ratios used to allocate the \$4,173,841 proposed Authority Budget for FY 2017 among the projects and divisions that will be active during FY 2017. This now excludes the Southeast Project. Exhibit 4 depicts the dollar amount of the Authority Budget allocated to each project and division on the basis of these benchmarks. Also shown is the allocation of Direct Personnel Services made on the basis of dedicated function.

**Long Term Plan Comparison**

The FY 2017 total proposed budget for personnel and non personnel services is \$107,204 (1.7%) less than the long term plan target for FY 2017 of \$6,304,191.

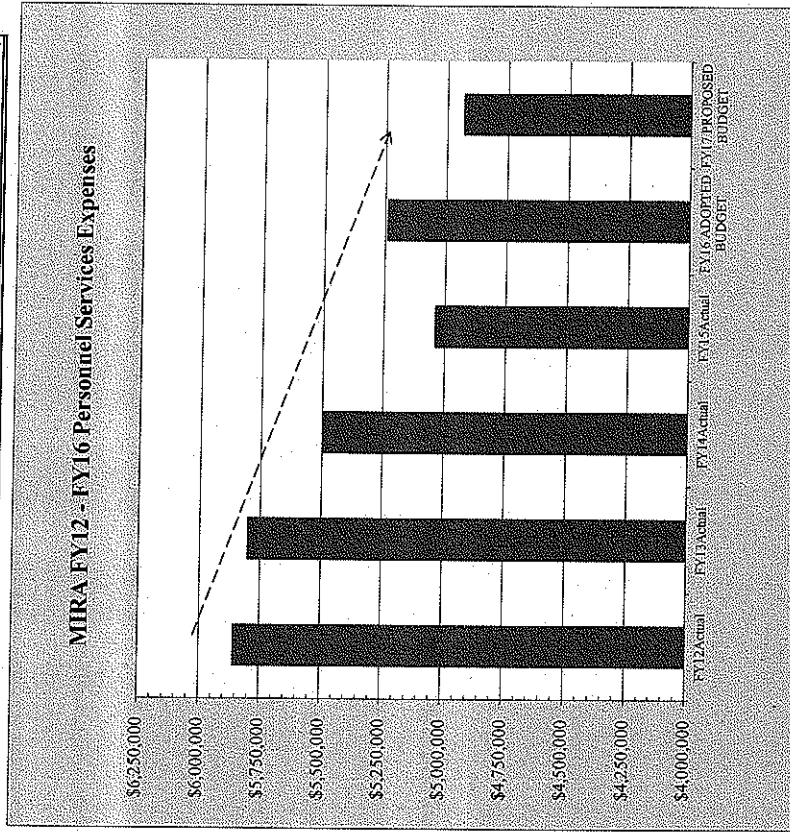
\* FY 2015 actual includes all current year charges. Excludes \$178,854 adjustment to prior year Mid Ct. allocation reflected audit report.

**EXHIBIT 1**  
**MATERIALS INNOVATION AND RECYCLING AUTHORITY**  
**FY 2017 PROPOSED**  
**TOTAL PERSONNEL SERVICE BUDGET**

	FY16 Adopted	FY17 Proposed	Difference	% Inc/Dec
<b>Labor Related Payroll</b>				
Regular Payroll (including leave)	\$ 3,625,895	\$ 3,463,613	\$ (162,282)	-4.48%
Merit / General Pool Increases	\$ -	\$ -	\$ -	100.00%
Proposed MPA Adjustments	\$ 60,000	\$ 60,000	\$ -	0.00%
Overtime Payroll (Based upon prior year)	\$ 50,000	\$ 35,000	\$ (15,000)	-30.00%
	\$ 3,735,895	\$ 3,558,613	\$ (177,282)	-4.75%
<b>Labor Related Payroll Taxes</b>				
Medicare Tax	\$ 53,116	\$ 48,845	\$ (4,271)	-8.04%
Social Security	\$ 201,297	\$ 185,307	\$ (15,990)	-7.94%
CT Unemployment Compensation	\$ 19,800	\$ 18,900	\$ (900)	-4.55%
	\$ 274,213	\$ 253,052	\$ (21,161)	-7.72%
<b>Subtotal Labor Costs</b>	<b>\$ 4,010,108</b>	<b>\$ 3,811,665</b>	<b>\$ (198,443)</b>	<b>-4.95%</b>
<b>Employee Benefits</b>				
HSA Startup / Transition	\$ -	\$ 7,500	\$ 7,500	100.00%
Medical & Dental	\$ 804,941	\$ 749,267	\$ (55,674)	-6.92%
Basic Life, STD, LTD, Sup Life	\$ 60,474	\$ 42,724	\$ (17,750)	-29.35%
Vision	\$ 10,158	\$ 8,824	\$ (1,334)	-13.13%
Medical Opt-out	\$ 17,000	\$ 20,190	\$ 3,190	18.76%
Total Health Benefits Costs	\$ 892,573	\$ 828,505	\$ (64,068)	-7.18%
Employee Medical & Dental Contributions	\$ (120,741)	\$ (112,390)	\$ 8,351	-6.92%
Net Health Benefits Costs	\$ 771,832	\$ 716,115	\$ (55,717)	-7.22%
401-K Contribution	\$ 368,307	\$ 336,860	\$ (31,447)	-8.54%
<b>Subtotal Employee Benefits Costs</b>	<b>\$ 1,140,139</b>	<b>\$ 1,052,975</b>	<b>\$ (87,164)</b>	<b>-7.65%</b>
<b>Subtotal Other Benefits</b>	<b>\$ 33,600</b>	<b>\$ 25,425</b>	<b>\$ (8,175)</b>	<b>-24.33%</b>
<b>Other Benefit-Related Costs</b>				
401k Administration	\$ 10,000	\$ -	\$ (10,000)	-100.00%
401(k) Consultant	\$ 20,000	\$ 12,000	\$ (8,000)	-40.00%
Benefits Administration/Brokerage	\$ 30,000	\$ 32,500	\$ 2,500	8.33%
<b>Subtotal Other Benefit-Related Costs</b>	<b>\$ 60,000</b>	<b>\$ 44,500</b>	<b>\$ (15,500)</b>	<b>-25.83%</b>
<b>TOTAL PERSONNEL SERVICES</b>	<b>\$ 5,243,847</b>	<b>\$ 4,934,565</b>	<b>\$ (309,282)</b>	<b>-5.90%</b>

**HISTORICAL COMPARISON - BUDGET VERSUS ACTUAL**

Fiscal Year	Adopted	Inc/Dec	Budget	Actual	Inc/Dec	Difference Amount
FY10	\$ 6,491,220			\$ 6,021,240		\$ (469,980)
FY11	\$ 6,653,010	2.49%		\$ 5,902,315	-1.98%	\$ (750,695)
FY12	\$ 6,448,392	-3.08%		\$ 5,861,802	-0.69%	\$ (586,590)
FY13	\$ 6,709,074	4.04%		\$ 5,804,429	-0.98%	\$ (904,645)
FY14	\$ 5,906,786	-11.96%		\$ 5,502,509	-5.20%	\$ (404,277)
FY15	\$ 5,592,010	-5.33%		\$ 5,041,372	-8.38%	\$ (550,638)
<b>Total</b>	<b>\$ 37,800,492</b>			<b>\$ 34,133,667</b>		<b>\$ (3,666,825)</b>





**EXHIBIT 2**  
**MATERIALS INNOVATION AND RECYCLING AUTHORITY**  
**FY 2017 PROPOSED**  
**TOTAL NON PERSONNEL SERVICES BUDGET**

Description	ACTUAL FY15	ADOPTED FY16	PROPOSED FY17	Increase or Decrease From			
				FY 2015 Actual		FY 2016 Adopted	
				\$	%	\$	%
Postage and Delivery Fees	\$ 11,975	\$ 14,000	\$ 15,410	\$ 3,435	29%	\$ 1,410	10%
Telecommunications	\$ 54,752	\$ 67,000	\$ 68,200	\$ 13,448	25%	\$ 1,200	2%
Copier	\$ 6,848	\$ 12,000	\$ 10,000	\$ 3,152	46%	\$ (2,000)	-17%
Printing Services	\$ 6,246	\$ 7,000	\$ 5,800	\$ (446)	-7%	\$ (1,200)	-17%
Advertising - Legal Notices/Recruitment	\$ 5,971	\$ 13,000	\$ 11,000	\$ 5,029	84%	\$ (2,000)	-15%
Customer Service	\$ 7,648	\$ 45,000	\$ 45,000	\$ 37,352	488%	\$ -	0%
Office Supplies	\$ 12,609	\$ 22,000	\$ 16,000	\$ 3,391	27%	\$ (6,000)	-27%
Protect Clothing/Safety Equipment	\$ -	\$ -	\$ -	\$ -	100%	\$ -	100%
Miscellaneous Services	\$ 6,356	\$ 10,000	\$ 7,500	\$ 1,144	18%	\$ (2,500)	-25%
Subscribe/Publ/Ref. Material	\$ 9,896	\$ 19,500	\$ 17,400	\$ 7,504	76%	\$ (2,100)	-11%
Dues-Professional Organizations	\$ 4,888	\$ 9,200	\$ 7,100	\$ 2,212	45%	\$ (2,100)	-23%
Business Meetings and Travel	\$ 3,880	\$ 6,500	\$ 6,050	\$ 2,170	56%	\$ (450)	-7%
Training	\$ 6,143	\$ 8,000	\$ 7,400	\$ 1,257	20%	\$ (600)	-8%
Payroll Software Services	\$ 12,266	\$ 14,000	\$ 13,000	\$ 734	6%	\$ (1,000)	-7%
Record Retention Services	\$ 4,346	\$ 13,000	\$ 11,500	\$ 7,154	165%	\$ (1,500)	-12%
Mileage Reimbursement	\$ 1,848	\$ 7,500	\$ 5,700	\$ 3,852	208%	\$ (1,800)	-24%
Vehicle Repair/Maintenance	\$ 886	\$ 4,500	\$ 5,000	\$ 4,114	464%	\$ 500	11%
Office Equipment Service	\$ -	\$ 2,000	\$ 3,000	\$ 3,000	100%	\$ 1,000	50%
Building Operations	\$ 7,133	\$ 60,500	\$ 7,000	\$ (133)	-2%	\$ (53,500)	-88%
Insurance Claims/Losses	\$ -	\$ 3,000	\$ -	\$ -	100%	\$ (3,000)	-100%
Bad Debt Expense	\$ -	\$ -	\$ -	\$ -	100%	\$ -	100%
Rent	\$ 299,185	\$ 300,000	\$ 174,063	\$ (125,122)	-42%	\$ (125,937)	-42%
Fuel for Vehicles	\$ 5,663	\$ 8,000	\$ 10,000	\$ 4,337	77%	\$ 2,000	25%
Temporary Agency Services	\$ 187,385	\$ 16,000	\$ 1,000	\$ (186,385)	-99%	\$ (15,000)	-94%
Insurance Premiums	\$ 34,520	\$ 186,000	\$ 151,400	\$ 116,880	339%	\$ (34,600)	-19%
Information Technology Consultant	\$ 45,633	\$ 60,000	\$ 60,000	\$ 14,367	31%	\$ -	0%
Information Technology Maintenance	\$ 77,249	\$ 75,000	\$ 74,200	\$ (3,049)	-4%	\$ (800)	-1%
Legal Fees	\$ 106,317	\$ 375,000	\$ 300,000	\$ 193,683	182%	\$ (75,000)	-20%
Auditor	\$ 47,210	\$ 80,000	\$ 52,000	\$ 4,790	10%	\$ (28,000)	-35%
Insurance Consulting/Brokerage	\$ 7,285	\$ 9,700	\$ 8,700	\$ 1,415	19%	\$ (1,000)	-10%
Engineering, Technology & Consulting	\$ 83,335	\$ 73,000	\$ 110,000	\$ 26,665	32%	\$ 37,000	51%
Vehicles	\$ -	\$ -	\$ -	\$ -	100%	\$ -	100%
Office Furniture	\$ -	\$ -	\$ -	\$ -	100%	\$ -	100%
Computer Hardware	\$ 37,958	\$ 22,000	\$ 16,000	\$ (21,958)	-58%	\$ (6,000)	-27%
Computer Software	\$ -	\$ 22,000	\$ 14,000	\$ 14,000	100%	\$ (8,000)	-36%
Debt Service - Principal	\$ -	\$ -	\$ -	\$ -	100%	\$ -	100%
Other Equipment	\$ -	\$ 20,000	\$ 14,000	\$ 14,000	100%	\$ (6,000)	-30%
Trustee / Bank Fees	\$ 20,313	\$ 20,000	\$ 15,000	\$ (5,313)	-26%	\$ (5,000)	-25%
Debt Service - Interest	\$ -	\$ -	\$ -	\$ -	100%	\$ -	100%
Operational Contingency	\$ -	\$ -	\$ -	\$ -	100%	\$ -	100%
<b>Subtotal Non-Personnel Services</b>	<b>\$ 1,115,744</b>	<b>\$ 1,604,400</b>	<b>\$ 1,262,423</b>	<b>\$ 146,679</b>	<b>13%</b>	<b>\$ (341,977)</b>	<b>-21%</b>

EXHIBIT 3

MATERIALS INNOVATION AND RECYCLING AUTHORITY  
MIRA PRIMARY INDIRECT EXPENSE ALLOCATION METHODOLOGY BY PROJECT / DIVISION

FY2017 BUDGET  
(000 omitted on \$ Amounts)

	CSWS	Landfill Division	Southeast	Mid-Con Project	Property Division	Total
MSW Tons FY15 Actual	653,099	-	-	-	217	653,316
Percentage	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Weighting	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Adjusted Weighting	10.0%	0.0%	0.0%	0.0%	0.0%	10.0%
Recycling Tons FY15 Actual	64,252	-	-	-	-	64,252
Percentage	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Weighting	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Adjusted Weighting	10.0%	0.0%	0.0%	0.0%	0.0%	10.0%
Total Operating Revenues FY15	\$ 60,427	\$ 222	\$ -	\$ -	\$ 7,636	\$ 68,285
Percentage	88.5%	0.3%	0.0%	0.0%	11.2%	100.0%
Weighting	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Adjusted Weighting	13.3%	0.0%	0.0%	0.0%	1.7%	15.0%
Total Current Assets FY15	\$ 23,222	\$ 3,943	\$ -	\$ 17,958	\$ 16,974	\$ 62,097
Percentage	37.4%	6.3%	0.0%	28.9%	27.3%	100.0%
Weighting	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Adjusted Weighting	5.6%	1.0%	0.0%	4.3%	4.1%	15.0%
Transactions	5,499	905	-	702	2,807	9,913
Percentage	55.5%	9.1%	0.0%	7.1%	28.3%	100.0%
Weighting	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Adjusted Weighting	13.9%	2.3%	0.0%	1.8%	7.1%	25.0%
Full Time Equivalents	18	-	-	-	1	19
Percentage	94.7%	0.0%	0.0%	0.0%	5.3%	100.0%
Weighting	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Adjusted Weighting	23.7%	0.0%	0.0%	0.0%	1.3%	25.0%
Cumulative Weighting	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total Adjusted Weighting	76.43%	3.28%	0.00%	6.11%	14.18%	100.00%

(A) The Southeast Project tons reflect only the tons delivered by the Southeast Project's municipalities. The facility processed 262,762 in Fiscal Year 2014.  
 (B) The Southeast Project revenues were adjusted to reflect normal market conditions related to energy sales. Actual revenues were \$29,195,000 for fiscal Year 2014.  
 (C) Transactions for the Landfill Division were adjusted to recognize the changes in the Division's business model due to the transfer of post-closure liabilities to the State.  
 (D) Full Time Equivalents exclude MIRA personnel of 23 FTEs incorporated in the Authority Budget.

**EXHIBIT 4**  
**MATERIALS INNOVATION AND RECYCLING AUTHORITY**  
**FY 2017 PROPOSED**  
**ALLOCATION OF AUTHORITY BUDGET & DIRECT PERSONNEL SERVICES**

Total Authority Budget \$ 4,173,841

Project / Division	Indirect Allocation Benchmarked Percent	Authority Budget Allocation
Mid-Connecticut	6.11%	\$ 255,022
Southeast Project	0.00%	\$ -
Landfill Division	3.28%	\$ 136,902
Property Division	14.18%	\$ 591,851
CSWS	76.43%	\$ 3,190,067
Total Authority Budget	100.00%	\$ 4,173,841

Total Direct Personnel Services \$ 2,023,146

Project / Division	Direct Personnel Service Allocation	
	Function	FY 2016 Budget
Mid-Connecticut		\$ -
Southeast Project		\$ -
Landfill Division		\$ -
Property Division	Operations Staff - Jets	\$ 175,125
CSWS	Operations Staff - CSWS	\$ 1,848,021
Total Direct Personnel Services		\$ 2,023,146

Combined Authority Budget and Direct Personnel Services \$ 6,196,987

Project / Division	Overall Allocation Percent	Total Allocated Cost
Mid-Connecticut	4.12%	\$ 255,022
Southeast Project	0.00%	\$ -
Landfill Division	2.21%	\$ 136,902
Property Division	12.38%	\$ 766,976
CSWS	81.30%	\$ 5,038,088
Total Direct Personnel Services	100.00%	\$ 6,196,987

**TAB 5**

**RESOLUTION REGARDING TIER 2 MUNICIPAL SOLID WASTE  
MANAGEMENT SERVICES AGREEMENT FOR THE PROVISION OF  
ACCEPTABLE SOLID WASTE AND ACCEPTABLE RECYCLABLES  
SERVICES**

**RESOLVED:** The President is hereby authorized to enter into a Tier 2 Three-Year Term Municipal Solid Waste Management Services Agreement ("MSA") for the provision of acceptable solid waste and acceptable recyclables services with the Town of East Hartford, substantially as presented and discussed at this meeting.

**Materials Innovation and Recycling Authority  
Contract Summary for Contract Entitled**

**TIER 2 MUNICIPAL SOLID WASTE MANAGEMENT SERVICES  
AGREEMENT FOR THE PROVISION OF ACCEPTABLE SOLID  
WASTE AND ACCEPTABLE RECYCLABLES SERVICES**

Presented to the MIRA Board:	October 22, 2015
Counterparties:	Town of East Hartford
Contract Type/Subject matter:	Municipal Services Agreement ("MSA")
Facility(ies)/Project(s) Affected:	Connecticut Solid Waste System
General:	Tier 2 MSA; Nominal Three-Year term, with Recyclables
Effective Date:	November 1, 2015
Term:	June 30, 2018
Term Extensions:	None
Disposal Fees:	\$65.00 per ton for FY2016 (\$1.00 above the Tier 1 short term "base" Tip Fee). For FY2017 and FY2018, \$1.00 above the Tier 1 short term "base" Tip Fee established in MIRA's annual CSWS budgets for these years.
Delivery Standard:	Acceptable Solid Waste and Acceptable Recyclables in accordance with Connecticut Solid Waste System Permitting, Disposal & Billing Procedures
Credit Security:	None
Other Provisions	This agreement does not have the "Opt Out" provision contained in MIRA's Tier 1 agreements.

# **TIER 2 MUNICIPAL SOLID WASTE MANAGEMENT SERVICES AGREEMENT FOR THE PROVISION OF ACCEPTABLE SOLID WASTE AND ACCEPTABLE RECYCLABLES SERVICES**

*October 22, 2015*

## **Executive Summary**

The Town of East Hartford issued a Request for Proposals for Solid Waste Services earlier this year, for a term to begin November 1, 2015. MIRA responded to East Hartford's RFP, and has been selected by East Hartford as the vendor of choice for a term to begin November 1, 2015 and run through June 30, 2018. This resolution is to request approval of the MIRA Board of Directors for the President to enter into Tier 2 Three-year MSA with East Hartford for acceptable solid waste and acceptable recyclables services.

## **Discussion**

The Town of East Hartford issued a Request for Proposals for Solid Waste Services in August 2015 for services that are to begin November 1, 2015. (East Hartford currently contracts with Covanta Energy Corp. for these services.) MIRA responded to the RFP offering a modified Tier 2 contract with a 3-year term. Unlike the standard Tier 2 agreement, the Agreement proposed to East Hartford also includes the acceptance of recyclables.

This agreement includes a minimum tonnage commitment and tonnage cap, which are based on the waste under the municipality's control (i.e., the municipality, either directly or indirectly, pays for its disposal). Unlike MIRA's Tier 1 agreements, this agreement does not have a "flow control" provision, nor does it have an "opt-out" provision.

**TAB 6**



**BOARD RESOLUTION REGARDING ADDITIONAL PROJECTED LEGAL EXPENDITURES**

**WHEREAS**, MIRA obtained Board authorization to pay FY '16 projected legal fees and expenses from appropriate budgets and reserves in June/July, 2015; and

**WHEREAS**, MIRA expects to incur greater than authorized legal costs for these services; and

**WHEREAS**, MIRA now seeks Board authorization to expend funds from one of its Board-designated reserves to pay these additional legal costs;

**NOW THEREFORE, it is**

**RESOLVED:** That the following additional amounts be authorized for projected legal fees and costs to be incurred during fiscal year 2016:

<u>Firm:</u>	<u>Amount:</u>
Kainen, Escalera & McHale	\$350,000
Halloran & Sage	\$350,000

**FURTHER RESOLVED:** That \$700,000 be transferred from the Mid-Connecticut Project Operating Reserve to the Mid-Connecticut Project Litigation Reserve; and

**FURTHER RESOLVED:** That the President be authorized to expend up to \$700,000 for such additional legal fees and costs from the Mid-Connecticut Project Litigation Reserve.

**MATERIALS INNOVATION AND RECYCLING AUTHORITY**  
**Request regarding Authorization for Payment of Projected Additional Legal Expenses**

October 22, 2015

**Executive Summary**

This is to request Board authorization for payment of additional projected fiscal '16 legal expenses.

**Discussion:**

We are seeking Board approval to incur additional services from the law firms representing MIRA in the arbitration with MDC, and to transfer funds from the Mid-Connecticut Project Operating Reserve to the Mid-Connecticut Litigation Reserve to pay for such services.