

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 (SCRRA) 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 SCRRA's request which is documented in a September 30, 2015 letter to SCRRA 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 SCRRA subject to the sequence of events, release of liability and required concurrences outlined in the letter attached hereto as Exhibit A.

Mr. Daley said the project bonds with the State of Connecticut with the SCARF are fully maturing on Nov. 15, 2015. He noted that the corporate bonds will stay in place as MIRA issued bonds however they are not associated with the project's flow of funds. Mr. Daley said SCRRA has requested that MIRA transfer the management of the flow of funds to the SCRRA Board. He said the initial action to transfer over the flow of funds responsibility does not affect MIRA's rights, duties and obligations under the bridge and management agreement or the service agreement. He said SCRRA continues to work on proposed changes and agreements for the future.

Mr. Daley said management has requested a release of liability and concurrence from current stakeholders in the project that the flow of funds will be transferred and has outlined the steps necessary to make that transfer in compliance with the indenture. He said it will not require MIRA to write off revenues.

Committee Chairman Shanley asked why this was being done prior to the full negotiation of the transfer of the liability. Mr. Daley said the sequence of events has begun. Mr. Kirk said that he and Mr. Daley agreed that MIRA would propose a half step before conclusion in large part to demonstrate MIRA's commitment to the transfer. Mr. Kirk said bond counsel will review the documents before the transfer occurs.

Mr. Daley said the final text of the agreement will be brought to the full Board at which point MIRA will turn its focus to the reserve requirement.

The motion previously made and seconded was approved unanimously by roll call.

3. Review and Recommend for Board Approval – Resolution Authorizing the Final Distribution of Wallingford Project Funds

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

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:

Town	Total Tons Delivered FY 2006-2010:	Percentage of Tonnage:	Distribution Amount:
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

Mr. Daley said MIRA has \$39,500 of Wallingford funds from a remaining funding project issue. He said the Project's share of the Cohn Reznick audit was determined last month. He said the Wallingford Policy Board had previously adopted an allocation shared method for prior distributions which was based on the tonnage from FY'06 – FY'10. Mr. Daley said this will be the final distribution of Wallingford Project funds.

The motion previously made and seconded was approved unanimously by roll call.

4. Discussion of Fiscal year 2017 Budget Development Schedule

Mr. Daley said a schedule was included in the package on the timing for the development of the FY'17 budget. He said management plans to accelerate the process by a month with respect to the Authority Budget and the Property Division budget, and the Landfill budget to try and get some breathing room in the middle of MIRA's move to Rocky Hill which is planned in Mid-December. Mr. Daley said management developed a schedule which would advance those three division and leave room for the CSWS budget later on. The Committee undertook a significant discussion concerning the budget process.

5. Discussion – Informational

Mr. Daley said there are a few format changes to the Informational section of the package. He noted the WPF and PBF are now combined in four new line items. He explained there is yet to be any improvement in the CSWS and that more effort and attention to performance is needed. Mr. Kirk said pressure part issues will continue to be an issue given the age of the plant.

Mr. Daley said MSW numbers are down, an issue which he is investigating further. He said we are currently \$1.8 million under budget and MIRA will make draws from the tip fee stabilization fund as a result.

EXECUTIVE SESSION

Committee Chairman Shanley made a motion to go into Executive Session for pending litigation, pending RFP responses, trade secrets, personnel matters, security matters, and feasibility estimates and evaluations. The motion was seconded by Director Hayden. The motion was approved unanimously by roll call. Committee Chairman Shanley requested that the following person remain for the Executive Session, in addition to the Committee members:

Tom Kirk
Mark Daley
Laurie Hunt

The Executive Session commenced at 11:20 a.m. and concluded at 12:20 a.m.

The meeting was reconvened at 12:20 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.

6. Review and Recommend for Board Approval – Resolution Regarding Adoption of the Fiscal Year 2017 Authority Budget

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

RESOLVED: 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 the meeting.

Mr. Daley explained the budget contains a breakdown of personnel services by line item and longer term trends as well as non-personnel services budget detail. He said Exhibit 3 shows the allocation

of the percentages being used to allocate the budget for FY'17. Mr. Daley said FY'17 is limited to the CSWS, Mid-Conn Division, Property and Landfill Budget.

The motion previously made and seconded was approved unanimously.

7. Discussion Concerning Renewal of Benefits

Ms. Kenney noted MIRA contributes roughly 92% of the costs to the medical benefits. Mr. Duvall said the employees contribute about 12% as a whole to the Health Care. Ms. Kenney noted that MIRA falls into the small group classification this year which drastically shortens the time period to roughly 45 days in which medical benefits must be reviewed and selected in order to be prepared for enrollment. She explained instead of a bid process the small market opens on Nov. 1, 2015, at which point MIRA is able to access pricing for medical benefits.

Ms. Kenney said that benefit costs are expected to increase anywhere from 10-12% and even 30% in extreme cases. Mr. Kirk noted the classification change may contribute to the increase in costs as MIRA was previously a large group. Ms. Kenney explained that a Cadillac Tax of 40% over specific thresholds of combined contributions in premium from both employer and employee is expected to be implemented in 2018. She said MIRA's broker is also investigating an HSA option whose costs are expected to be lower for both employee and employer.

ADJOURNMENT

Committee Chairman Shanley made a motion to adjourn the meeting, which was seconded by Director Hadyen.

The meeting was adjourned at 12:45 a.m.

Respectfully submitted,

Moira Kenney
Assistant HR Manager /Board Administrator