

Materials Innovation Recycling Authority
Special Board of Directors Meeting

Agenda
March 24, 2016
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 Revised Regular Jan. 28, 2016, Board Meeting Minutes (Attachment 1). (Additional discussion in bold)
2. Board Action will be sought for Approval of the Regular Feb. 18, 2016, Board Meeting Minutes (Attachment 1).

IV. Finance Committee Reports

1. Board Action will be sought for the Resolution Establishing a Post Project Reserve for the Southeast Project (Attachment 3).

V. Policy and Procurement Committee Report

1. Board Action will be sought for the Resolution Regrading Leasing 1.2 Acres of MIRA's Property in Waterbury, CT to Algonquin Gas Transmission LLC (Attachment 4).

VI. Chairman and President's Reports

VII. Executive Session

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

TAB 1

MATERIALS INNOVATION AND RECYCLING AUTHORITY

FOUR HUNDRED AND SIXTY FIRST

JAN. 28, 2016

A regular meeting of the Materials Innovation and Recycling Authority Board of Directors was held on Thurs. Jan. 28, 2016, 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 (present until 10:45 a.m.)
 Ralph Eno
 Jim Hayden
 Scott Shanley
 Bob Painter, CSWS Ad-Hoc

Present from MIRA in Hartford:

Tom Kirk, President
Mark Daley, Chief Financial Officer
Jeffrey Duvall, Director of Budgets and Forecasting
Peter Egan, Director of Operations and Environmental Affairs
Laurie Hunt, Director of Legal Services
Moira Kenney, Assistant HR Manager/Board Administrator

Others Present: Ann Catino, Esq., Halloran & Sage; Jeff Martirano, HDR Engineering, Inc.; Doug Pelham, Esq., Cohn Birnbaum & Shea; and Ed Spinella, Esq., USA Hauling.

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

PUBLIC PORTION

Chairman Stein said the agenda allowed for a public portion in which the Board would accept written testimony and allow individuals to speak for a limit of three minutes. As there were no members of the public present who wished to address the Board the meeting commenced.

APPROVAL OF THE DEC. 17, 2016, MEETING MINUTES

Chairman Stein requested a motion to approve the minutes of the Dec. 17, 2016, Board Meeting. Director Eno made the motion which was seconded by Director Hayden.

The motion to approve the minutes as amended was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Cruz-Aponte, Director Eno, 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		
Jim Hayden	X		
Scott Shanley	X		
Ad-Hoc			
Bob Painter, CSWS Project	X		

RESOLUTION REGARDING TRANSFERRING ADDITIONAL FUNDS INTO THE CSWS IMPROVEMENT FUND

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

WHEREAS, The Authority has previously established and maintained a Facilities Modification Reserve under the Mid Connecticut Project for the express purpose of funding capital expenditures for its Resource Recovery and related facilities and equipment; and

WHEREAS, The Authority has previously established and maintained a Rolling Stock Reserve under the Mid Connecticut Project for the express purpose of purchasing and rebuilding operating vehicles such as tractors, trailers, loaders, containers and sweepers used in the operation of its Resource Recovery and related facilities; and

WHEREAS, Effective November 16, 2012, the Authority re-designated the Facilities Modification Reserve, and \$4,576,478.49 constituting the balance of such reserve's net assets, as the CSWS Capital Expenditure Reserve, and transferred the \$1,183,779.60 balance of the Rolling Stock Reserve into such CSWS Capital Expenditure Reserve, in order to provide for the continued funding of capital expenditures related to the Hartford resource recovery and related facilities and equipment as part of its transition from the Mid Connecticut Project to the Connecticut Solid Waste System (CSWS); and

WHEREAS, The total funds made available to the CSWS Capital Expenditure Reserve of \$5,760,258.09 effective November 16, 2012 as stated above considered funds budgeted, reserved and available for such purposes at the time of such transition together with the findings of three independent engineering assessments of the resource recovery facility addressing its expected reserve fund requirements and the status of the maintenance and upkeep of its related Power Block component upon conclusion of the long term operating contract for the Power Block component; and

WHEREAS, In its report dated February 23, 2011, HDR Engineering Inc. (HDR), a firm recognized for its experience in planning and implementing recent life extension refurbishment projects at comparable resource recovery facilities in Detroit and Honolulu, recommended a reserve for scheduled capital equipment overhauls, annual or periodic capitalized maintenance projects, of \$4.0 to \$4.5 million dependent on events requiring significant capital investment, “HDR Recommended Capital Reserve”; and

WHEREAS, In its report dated May 24, 2012, HDR documented the condition of the Power Block facility based upon a Mid-Conn Facility Assessment it conducted on March 29th and 30th, 2012, which report identified an initial punch list of items requiring maintenance or repairs, which in its professional opinion would reasonably be expected to be completed by the then-current operator of the Power Block, which initial punch list included 52 numbered items estimated to cost \$3,520,000 including contingency to complete, which items are not considered to be scheduled capital equipment overhauls, annual or periodic capitalized maintenance projects as contemplated under the HDR Recommended Capital Reserve, but a substantial portion of which items are eligible capital expenditures under the Facilities Modification Reserve; and

WHEREAS, In its report dated June 21, 2012, HDR documented the condition of the Power Block facility based upon a Mid-Conn Facility Supplemental Assessment it conducted on June 7th, 8th and 12th, 2012, which report identified a final punch list of items remaining to be addressed, which in its professional opinion would reasonably be expected to have been completed before the May 31, 2012 expiration of the then-current contract for operation of the Power Block, by the then-current contract operator of the Power Block, which final punch list included 64 numbered items estimated to cost \$4,159,000 including contingency to complete, which items are not considered to be scheduled capital equipment overhauls, annual or periodic capitalized maintenance projects as contemplated under the HDR Recommended Capital Reserve, but a substantial portion of which items are eligible capital expenditures under the Facilities Modification Reserve; and

WHEREAS, Such June 21, 2012 report also documented numerous items removed from the Power Block that should have been left behind including tools, spare parts in inventory and consumables that would create nuisance hardships for a new operator and jeopardize boiler availability, which items are not considered to be scheduled capital equipment overhauls, annual or periodic capitalized maintenance projects as contemplated under the HDR Recommended Capital Reserve, but some of which items are eligible capital expenditures under the Facilities Modification Reserve; and

WHEREAS, a new contract operator of the Power Block facility (NAES Corporation) undertook a transition process and effectively assumed control of operating and maintenance responsibilities for the Power Block upon expiration of the prior contract on May 31, 2012; and

WHEREAS, prior to conclusion of the Mid Connecticut Project on November 15, 2012, NAES Corporation began work on certain final punch list items including, but not limited to, soot blower, conveyor, lighting and roof refurbishments which work was funded through the Mid Connecticut Project Facilities Modification Reserve; and

WHEREAS, after commencement of the CSWS on November 16, 2012, NAES continued work on certain final punch list items including, but not limited to, spare parts inventory replacement, baghouse refurbishment, additional soot blower and conveyor work, boiler 13 structural and roof repair and replacement, and feed water pump repairs totaling \$1,921,162.62 funded from the CSWS Capital Expenditure Reserve within the first year of CSWS operations, which work was generally completed within the first year of CSWS operations, and which work is considered a legacy of, and chargeable to, the Mid Connecticut Project; and

WHEREAS, after commencement of the CSWS on November 16, 2012, NAES undertook overhaul work within Boilers 11, 12 and 13 including, but not limited to, generation bank, super heater, water wall and tube replacements totaling \$986,490.00 funded from the CSWS Capital Expenditure Reserve within the first two months of CSWS operations, which work was completed within the first four months of CSWS operations, which work is considered a legacy of, and chargeable to, the Mid Connecticut Project; and

WHEREAS, funding of final punch list items, inventory replacement and immediate term overhaul work from the CSWS Capital Expenditure Reserve has impaired such fund's ability to serve its intended purpose as identified in the February 23, 2011 HDR Report and previous actions of this Board; and

WHEREAS, such impairment has been quantified in the amount of \$1,647,394.53 as detailed on Exhibit A attached hereto; and

WHEREAS, The Authority has previously renamed the CSWS Capital Expenditure Reserve to the CSWS Improvement Fund, and

WHEREAS, The Authority now desires that the Mid Connecticut Project reimburse the CSWS Improvement Fund for such impairment.

NOW THEREFORE, be it

RESOLVED: That management is authorized to transfer the amount of \$1,647,394.53 from the Mid Connecticut Project Operating Account to the CSWS Improvement Fund.

Director Shanley said this item has been under discussion for some time. He explained the Finance Committee requested more detail on the work which was done at the plant and how that work related specifically to wear and tear during the Mid-Conn Project and how that could also be related to investments that should have been made by the past operator. Director Shanley thanked management for the requested detail and noted that the Finance Committee fully supported this resolution.

Director Painter asked if MIRA had considered legal action against the former operator for failure to maintain properly. Mr. Kirk said the prior Board declined to pursue the action after substantial consideration of the matter. Mr. Daley said the proposed resolution would not prevent such an action in the future.

Vice-Chairman Barlow asked if this resolution details bringing inventory back up to the appropriate level. Mr. Daley replied yes.

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 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		
Jim Hayden	X		
Scott Shanley	X		
Ad-Hoc			
Bob Painter, CSWS Project	X		

RESOLUTION REGARDING COST BENEFIT ANALYSIS EXAMINING THE TIMING OF MAJOR MAINTENANCE ACTIVITIES AND RESOLUTION INCREASING THE CSWS CAPITAL BUDGET FOR FY 2016

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

WHEREAS, The Authority has previously adopted a Fiscal Year 2016 Operating and Capital Budget (Budget) for the Connecticut Solid Waste System (CSWS); and

WHEREAS, The Authority is in the process of considering and developing a Fiscal Year 2017 Budget for the CSWS; and

WHEREAS, Such budget development process includes developing a schedule for shutting down and conducting capital equipment maintenance activity within each of the three boilers (Units 11, 12 and 13) comprising part of the CSWS Resource Recovery Facility, with each such shut down being referred to as a “Major Outage”; and

WHEREAS, Such schedule is generally designed with the goal of conducting a Major Outage upon each boiler every twelve months; and

WHEREAS, The last Major Outage for Unit 13 was conducted in October 2015 during which new techniques and products for the repair and improvement of air heater systems were conducted which have since proven to significantly increase boiler performance, and consequently, potential energy output from the CSWS Resource Recovery facility; and

WHEREAS, Unit 11 has experienced similar air heater constraints that have diminished its performance in the same manner Unit 13 performance had diminished prior to its last Major Outage but Unit 11 is not scheduled for a similar air heater rebuild until April 2017; and

WHEREAS, Management has conducted a cost benefit analysis examining the impacts of maintaining the current schedule of Major Outages versus i) moving up the Unit 11 outage, including the air heater rebuild, by 6 months to October 2016 in place of a planned Major Outage on Unit 13; or ii) expanding the scope of Unit 11's planned April 2016 Major Outage to include the air heater rebuild, which analysis is attached hereto as Exhibit A; and

WHEREAS, Management has determined based on such cost benefit analysis that it is **not** beneficial to move up the Unit 11 outage, including the air heater rebuild, by 6 months to October 2016 because the incremental costs of additional life extension work required to delay Unit 13's Major Outage exceeds the incremental revenue projected to be derived through improved performance on Unit 11; and

WHEREAS, Management has determined based on such cost benefit analysis that it is beneficial to expand the scope of the planned April 2016 Major Outage on Unit 11 to include the air heater rebuild because the incremental costs of additional life extension work required to delay Unit 13's Major Outage is avoided, improved boiler performance will increase revenue generated in the fourth quarter of FY 2016 and all of FY 2017 by approximately \$1.3 million, and the total cost for Major Outages paid through the FY 2017 budget will be reduced by approximately \$0.58 million.

NOW THEREFORE, be it

RESOLVED: That management is authorized to transfer \$82,605.47 from the Property Division General Fund to the CSWS Improvement Fund; and

FURTHER RESOLVED: That the CSWS Capital Budget for FY 2016 is hereby increased by \$1,730,000 from \$9,452,004 to 11,182,004.

Director Shanley said this analysis was done to demonstrate that accelerating an investment into air heater technology would make sense fiscally. He explained the improvements would generate adequate revenue to justify moving the funds from the reserve fund.

Mr. Kirk said this is a change in schedule to advance an outage as the previous motion provides funding availability for management to advance this schedule and work on a replacement of the air heater modules in Unit 11. He explained the work which was completed in Unit 13 has demonstrated the expected substantial improvement in performance. Mr. Kirk said management expects that similar improvements would be seen after the work in Unit 11. He said the improvements increase revenue substantially because of the capacity of the plant improves with the change. Mr. Kirk said this is not additional spending but advancement of budgeted planned improvements.

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 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		
Jim Hayden	X		
Scott Shanley	X		
Ad-Hoc			
Bob Painter, CSWS Project	X		

EXECUTIVE SESSION

Chairman Stein requested a motion to enter into Executive Session to discuss pending litigation. The motion was made by Director Adams 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
Chris Shepard, Environmental Compliance Manager
Doug Pelham, Esq.

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

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Marilyn Cruz-Aponte	X		
Ralph Eno	X		
Jim Hayden	X		
Scott Shanley	X		
Ad-Hoc			
Bob Painter, CSWS Project	X		

The Executive Session began at 9:56 a.m. and concluded at 11:15 a.m. Chairman Stein noted that no votes were taken in Executive Session.

The meeting was reconvened at 11:15 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.

DISCUSSION OF CSWS FY 2017 DRAFT BUDGET DEVELOPMENT MATERIAL

Mr. Kirk said MIRA has a requirement under the Tier 1-4 agreements to inform the member towns of their tipping fees by the end of February. He said the Finance Committee had provided direction at its last meeting and management hopes to come to a consensus today to ensure approval at the Feb. 18, 2016, Board meeting.

Mr. Kirk said the budget anticipates the \$3.00 tip fee increase. Director Eno said that the \$3.00 increase puts the towns over the threshold for opting out. Mr. Daley said in the strategic plan management anticipated a 1.5% increase in the base opt-out price through a CPI adjustment. He said for the second year in a row the CPI index required in the Municipal Service Agreements actually declined. Mr. Daley said this year the index used to adjust the opt -out price went down a third of a percent.

Mr. Daley said the premise of this budget is that we proceed with the expanded scope for Unit 11's overhaul including air heater replacement this April. He said this produced a reduction in FY 2017 capital budget and an increase in the expected energy output from the plant.

Director Shanley said the Finance Committee had discussed meeting with its customer base to provide education on the struggling recycling market and to address the likelihood that the continuation of a recycling rebate is unlikely as a result of that declining market. He said the total value of the recycling rebate is around \$200,000. Director Adams noted that eliminating the recycling rebate would assist management in reducing the tip fee down to \$2.00 from the original \$3.00. Director Adams asked what the subsidy from the tip fee stabilization fund was. Mr. Kirk replied \$14.18. Mr. Daley said the jets fund the tip fee stabilization. Director Shanley said were it not for the subsidies of electric power and the jets the tip fees would be far higher.

Mr. Kirk said management expects a substantial boost in jets capacity payments and the ability to supercharge the tip fee stabilization fund with those payments. He said however estimating the true cost of disposal remains difficult with the fluctuating power prices.

Chairman Stein said he would prefer to help to offset the cost of the \$2.00 tip fee versus a future tip fee. Mr. Daley clarified that the Board wants a zero recycling rebate in order to reduce the tip fee subsidy..

Director Shanley said it is important for MIRA's customers to not count on the recycling fee. Director Painter said concerning possible future technology that there is a tipping fee of over \$58.00 for disposing of ash. He said 25% of what MIRA takes in is ash. Director Painter said reducing ash intake would help MIRA's bottom line. Mr. Kirk said when compared to MIRA's former costs when it had access to the Hartford Landfill that there is an additional cost on the tip fee of about \$10.00 a ton for a total of a \$58 - \$60 tip fee in Putnam's ash landfill. He said the

closure of the Hartford landfill was a huge financial impact and the ultimate solution would be a beneficial reuse of the ash. He suggested turning the ash into a less costly bi-product or to reduce the volume. Mr. Kirk said MIRA has repeatedly tried to accomplish this and made no progress. Director Painter asked if the Putnam Landfill will increase its tipping fee in the future. Mr. Kirk replied yes. He said MIRA has been fortunate that Putnam's competitor has so far kept those costs low.

Director Painter said that plasma arc continues to be explored and the residual is about 1% of the original content and that the remainder is useable product. Vice-Chairman Barlow said however the energy costs for plasma arc are expensive. Director Painter said a plant which was started last year in Billingham, England will have some stats which may give us more information on plasma arc as a viable future technology. He said it is a 350,000 ton plant which was put into operation and another is being put into operation.

The Board concluded that a \$2.00 tip fee should be set to stay under the opt-out fee and to eliminate the recycling rebate after a clear communication to its customers.

**RESOLUTION RECOMMENDING ON CALL ECONOMIC ADVISORY CONSULTANTS
FOR THREE YEARS ENDING FEBRUARY 28, 2019**

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

RESOLVED: That the President is hereby authorized to execute agreements with the following firms for on-call Economic Advisory and Consulting Services, substantially as presented and discussed at this meeting:

- Alternative Resources, Inc.
- Connecticut Economic Resource Center
- Environmental Capital, LLC
- Gershman, Brickner & Bratton, Inc.
- HDR Engineering, Inc.

Mr. Kirk said MIRA is staffing its stable of contractors. He said there is no money associated with this resolution.

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

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

PRESIDENT'S REPORT

Mr. Kirk said no environmental safety or public health events occurred during the reporting period. He referred the Board to the Supplemental Package for further information on the reports. Director Shanley asked that the Supplemental Packages be posted to the website going forward.

Mr. Kirk said the significant power production improvement (about 15%) is associated with the air unit change out to Unit 15. He said electrical power pricing continues to be very poor. Mr. Kirk said spot prices are marginally better than years past but the worst priced months are yet to come.

Mr. Kirk said concerning the RFP process with the CT DEEP management has been working with the CT DEEP to answer questions from the various bidders and providing tours of the facility. He said MIRA is evaluating potential for participation in a solar energy development RFP issued by the CT DEEP focused on landfills for a 2 megawatts solicitation. Mr. Kirk said MIRA has been contacted for possible participation at three of their landfills. He said management is optimistic that they will be able to find a vendor interested in participating and potentially allow MIRA to lease its land and develop further solar projects.

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 previously made and seconded was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Hayden, Director Nunn, and Director Painter voted yes.

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

There being no other business to discuss, the meeting adjourned at 12:15 p.m.

Respectfully Submitted,



Moira Kenney

Assistant HR Manager/Board Administrator

TAB 2

MATERIALS INNOVATION AND RECYCLING AUTHORITY

FOUR HUNDRED AND SIXTY SECOND

FEB. 18, 2016

A regular meeting of the Materials Innovation and Recycling Authority Board of Directors was held on Thurs. Feb. 18, 2016, 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 (present until 10:45 a.m.)
Ralph Eno
Jim Hayden
Scott Shanley
Bob Painter, CSWS Ad-Hoc

Present from MIRA in Hartford:

Tom Kirk, President
Mark Daley, Chief Financial Officer
Jeffrey Duvall, Director of Budgets and Forecasting
Peter Egan, Director of Operations and Environmental Affairs
Laurie Hunt, Director of Legal Services
Moirra Kenney, Assistant HR Manager/Board Administrator

Others Present: Lee Sawyer, Department of Environmental Energy and Environmental Protection; Ed Spinella, Esq., USA Hauling.

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

PUBLIC PORTION

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

Lee Sawyer addressed the Board. He said the RFP process is going well and after the initial tours and conferences were held six groups confirmed they will be providing proposals. Mr. Sawyer said the CT DEEP has enjoyed excellent cooperation and assistance from MIRA which has helped the process.

Mr. Sawyer said the deadline for proposals was extended by two weeks and the evaluation process is expected to be completed by May 30, 2016. He said the CT DEEP, along with representatives from MIRA, and possible representation from the City of Hartford and CROG, will collaborate on that process. Mr. Sawyer said the second phase RFP will go out in July with proposals expected back by November. He said a formal evaluation process is currently being created. Mr. Sawyer said more of the more established players in the area have indicated interest.

Mr. Sawyer said the Solid Waste Management Plan or (Comprehensive Materials Strategy) was released last week and submitted to the Environmental Committee. He said there are still several weeks of review and public comment followed by a public hearing. Mr. Sawyer said this plan focuses on three main objectives. The first is supporting municipal systems and making improvements to recycling collections with a focus on systems which have not yet achieved 25% recycling. He said the plan establishes performance standards which the municipalities can use to demonstrate any progress. Mr. Sawyer said increasing enforcement from the State to commercial generators is also planned.

Mr. Sawyer said the second portion of the plan focuses on infrastructure development and acknowledges that a disposal shortfall is already present in the State and is likely to continue and grow. He said the focus is to develop new facilities and to increase the capacity available in the State. Mr. Sawyer said MIRA and CT Green Bank may be tapped to develop new programs for infrastructure development.

Mr. Sawyer said the third focus of the plan is on product stewardship. He said the State wants to look at a program for packaging and paper. He said the goal is to examine the possibility of having producers pay into a fund to help municipal programs.

Chairman Stein asked Mr. Sawyer to elaborate on his vision for MIRA. Mr. Sawyer said the State needs a catalyzing organization for development of new infrastructure, and that MIRA has the potential to carry that forward or it would need to be created from scratch. He said the CT DEEP is open to exploring that possibility and by the end of 2017 hopefully a plan can be developed to allow MIRA to fulfill that role.

Vice-Chairman Barlow asked what the next step in the adoption or finalization of this plan is. Mr. Sawyer said public comments are open until April 8, 2016, followed by public notice until July 1, 2016, at which point the final plan should be developed. Mr. Sawyer said he is the final contact person for these edits.

Director Painter asked if there has been any effort by CT DEEP to attack the huge amount of packaging material used in the State of Connecticut. Mr. Sawyer said that is one of the primary focuses of the plan.

Director Shanley said he knows the Board is disappointed that MIRA is unable to continue funding the museum, at a time when education is very necessary. He asked if the CT DEEP has a public outreach and PR advertising campaign in mind to reach residents. Mr. Sawyer said through Recycling CT there is a budget of \$200,000 - \$300,000 a year for at least two years to ramp up a marketing campaign aimed at residents. He said it's a start and a marketing agency will be brought in to develop a campaign to effectively use curbside recycling developing materials which can be distributed to municipalities. He said that solicitations will be started sometime in the next few months.

MOTION TO TABLE THE JAN. 28, 2016 MEETING MINUTES

Chairman Stein requested a motion to approve the minutes of the Jan. 28, 2016, Board Meeting. Director Eno made the motion which was seconded by Vice-Chairman Barlow.

Director Painter requested more detail on the conversation concerning the tipping fee and strategies for setting appropriate future tipping fees. Ms. Kenney agreed to bring a revised version of the minutes back for Board approval at the March meeting.

The motion to approve the minutes was tabled and approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Cruz-Aponte, Director Eno, 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		
Jim Hayden	X		
Scott Shanley	X		
Ad-Hoc			
Bob Painter, CSWS Project	X		

RESOLUTION APPROVING A REVISED “AUTHORITY BUDGET” FOR FISCAL YEAR 2017

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

WHEREAS, On October 22, 2015 the Materials Innovation and Recycling Authority (MIRA) Board of Directors adopted its “Authority Budget” for fiscal year 2017 in order to progress timely with the evaluation and establishment of Disposal Fees for the Connecticut Solid Waste System (CSWS); and

WHEREAS, MIRA is obligated to adopt such Disposal Fees 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, At its January 28, 2016 meeting, the MIRA Board of Directors evaluated a first draft proposed CSWS budget which included a \$3.00 increase in Disposal Fees, driven primarily by declining energy revenue and increasing major maintenance expenses, which increase would cause certain contractual Opt Out Disposal Fees to be exceeded; and

WHEREAS, the MIRA Board of Directors desires not to exceed such contractual Opt Out Disposal Fees and requested that expense reductions that are the least impactful to operation and maintenance of the CSWS be identified and implemented; and

WHEREAS, Management has identified certain reductions to the previously adopted Authority Budget that are least impactful and necessary to avoid exceeding contractual Opt Out Disposal Fees which reductions include elimination of a vacant position, reductions to employee medical expenses resulting from the December 2015 introduction of a high deductible health plan and health savings account option, reduced funding of MPA adjustments and reduced funding of legal expenses; and

WHEREAS, in order for MIRA to progress timely with the adoption of Disposal Fees for the CSWS it is necessary for MIRA to adopt a revised Authority Budget for fiscal year 2017 at this time, reflecting the reduced budgets 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 revised Authority Budget for fiscal year 2017 attached hereto as Exhibit A be adopted substantially in the form as presented and discussed at this meeting; and

FURTHER RESOLVED: That the fiscal year 2017 operating budgets previously adopted by this Board for the Landfill Division and Property Division are hereby reduced to reflect the revised Authority Budget allocation to those divisions as shown on Exhibit A.

Director Shanley said the intent of this resolution is to reduce the initial proposed tip fee increase to \$2.00 a ton. He said as a result the Authority budget needed to be amended as many of the pass through costs then alter the CSWS budgets as well. Director Shanley said approximately a \$400,000 reduction was required.

Mr. Daley said last month management was asked to reduce the initial proposed tip fee increase to \$2.00 by reducing expenses in the least impactful way to affect CSWS operations. He said for this reason management began with the Authority budget for possible savings which then pass through to the CSWS.

Mr. Daley said the following areas were reduced; elimination of the funding for a vacant operations engineer position, a reduction in the benefits component (primarily in the medical costs) of roughly \$72,000, and a \$100,000 reduction in the legal budget. He noted there was a minor increase in insurance costs.

Mr. Daley noted the distributed resolution is an incorrect version; the version included in the package was an earlier version which has since been updated. Mr. Daley said the \$100,000 operational contingency previously requested by the Board is still in the budget. He said the primary use of the

Authority budget for legal at this point is for MIRA's observance of actions at the Legislature. Mr. Daley said pg. 3 of the package contains highlighted items showing items which changed. He reviewed several other reductions with the Committee.

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 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		
Jim Hayden	X		
Scott Shanley	X		
Ad-Hoc			
Bob Painter, CSWS Project	X		

RESOLUTION APPROVING THE OPERATING AND CAPITAL BUDGETS FOR THE CONNECTICUT SOLID WASTE SYSTEM FOR FISCAL YEAR 2017

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

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

Mr. Daley said Chairman Stein had requested a one page summary sheet which recaps the CSWS budget, the changes which were made, and the position of the current budget which has been handed out to the directors. He said last month the CSWS cost of operation was proposed at \$69.3 million and non-disposal fee revenues were \$38.9 million producing a net cost of operation of \$30.4 million. Mr. Daley said management was planning on a subsidy of \$5.4 million from the tip fee stabilization fund which allowed for a uniform base disposal fee of \$67.00. He said the subsidy at last month was \$14.18 a ton. Mr. Daley said management had been progressing and working with the assumption of some minor change in the CPI and therefore expected the \$67.00 would not exceed the opt-out price. He explained however when the CPI information was received there was no change in that index and MIRA was \$1.00 over the opt-out price.

Mr. Daley said the Board asked that management examine budget changes in order to possibly avoid exceeding the opt-out, and to reduce expenses in the least impactful way and to also reduce the recycling rebate (which was originally planned for \$5.00 a ton) to reduce the draw from the tip fee stabilization fund. He said those directives have been accomplished.

Mr. Daley said the reductions identified include those passed through the Authority Budget as previously discussed which total \$257,000 plus additional CSWS reductions. He said the CSWS reductions include another \$100,000 reduction in the legal budget, as well as further individual line items totaling about \$83,000. Mr. Daley said the property insurance increase is \$56,000. He said MIRA is now at a uniform base rate of \$66.00 which is 7 cents under the opt-out. In addition to the expense reductions and the corresponding reduction in tip fee, the recycling rebate was eliminated and the expected draw from the tip fee stabilization fund reduced proportionately.

Director Shanley thanked management for their work in identifying and making needed reductions to the budgets. The Board undertook a brief discussion on power prices. They also asked that management communicate to the various COGs concerning the reduced tip fee and changes to the budget.

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 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		
Jim Hayden	X		
Scott Shanley	X		
Ad-Hoc			
Bob Painter, CSWS Project	X		

CHAIRMAN'S REPORT

Chairman Stein said he has a meeting set up on February 29, 2016, with the Mayor of Hartford, Luke Bronin. He said there are several issues which will be discussed. He asked Director Painter if he would care to attend. Mr. Sawyer suggested that MIRA touch base with the CT DEEP after this meeting to discuss other mutual issues. He asked that MIRA share its presentations with CT DEEP before presenting them to the towns as there may be additional information which he can contribute.

PRESIDENT'S REPORT

Mr. Kirk said all MIRA facilities operated without environmental, health, or public safety impacts throughout the reporting period. He said further detail is posted on the MIRA website. Mr. Kirk said although the CSWS plant is running well, near but not at expectations, power prices continue to be very poor which has impacted revenues. He said MIRA is well below budget by about 21%. He said a small portion of the unfavorable revenue is related to metal sales. Mr. Kirk said ferrous metals as a commodity are down in price and MIRA has a significant line item related to ferrous metal sales.

Mr. Kirk said expenses within the period were within 1% of the budget and there was an unscheduled outage for turbine five which involved minor software repair and condenser cleaning.

Mr. Kirk said Unit 13 continues to run very well from a capacity standpoint. He said the air heater modification made continues to show good performance and in fact MIRA is not running it at maximum capacity to save on long term maintenance costs and as spot prices are low MIRA is trying to balance capacity with the market view.

Mr. Kirk said recycling revenue for December was quite poor. He said all of the commodity categories are dropping. Mr. Kirk said MIRA personnel continue to support the CT DEEP RFP process in particular by bringing interested bidders through the plant. He said interested parties have been universally impressed by the plant. Mr. Kirk said MIRA routinely gets comments on its housekeeping skills. He said there are many interested parties from all over the world.

EXECUTIVE SESSION

Chairman Stein requested a motion to enter into Executive Session to discuss real estate and pending litigation. 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

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

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

The Executive Session began at 10:50 a.m. (after a five minute recess) and concluded at 11:30 a.m. Chairman Stein noted that no votes were taken in Executive Session.

The meeting was reconvened at 11:30 a.m. The door was opened, and the Board Secretary and all members of the public (of which there were none) were invited back in for the continuation of public session.

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

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

There being no other business to discuss, the meeting adjourned at 11:30 a.m.

Respectfully Submitted,



Moira Kenney
Assistant HR Manager/Board Administrator

TAB 3

ATTACHMENT 2 - DRAFT RESOLUTION FOR THE MATERIALS INNOVATION AND RECYCLING AUTHORITY
BOARD OF DIRECTORS

REGARDING CLOSEOUT OF THE SOUTHEAST PROJECT

**INCLUDING INTERIM DISTRIBUTION OF FUNDS TO THE SOUTHEASTERN CONNECTICUT REGIONAL
RESOURCE RECOVERY AUTHORITY**

WHEREAS, by resolution adopted at its October 22, 2015 meeting, the Materials Innovation and Recycling Authority (MIRA) Board of Directors approved the transfer of flow of funds responsibility for its Southeast Project to the Southeastern Connecticut Regional Resource Recovery Authority (SCRRRA) subject to a sequence of events, the development of release of liability documents and required concurrences as outlined in a September 30, 2015 letter attached to such resolution; and

WHEREAS, on November 15, 2015 the Southeast Project's Series A Refunding Bonds dated December 1, 2010 (the "Bonds") matured and were fully paid; and

WHEREAS, on November 30, 2015 the Trustee of the Bonds made an initial distribution of remaining trust funds to MIRA in the amount of \$5,525,339.44 which comprised the Special Capital Reserve Fund established for the Bonds as well as remaining balances in the principal and interest accounts established for payment of Bond debt service; and

WHEREAS, such initial distribution of trust funds to MIRA excluded \$923,140.92 held by the Trustee as of November 15, 2015 in the Operating Surplus Fund established for the Bonds; and

WHEREAS, such distribution of the Operating Surplus Fund was held pending agreement between MIRA and Covanta Southeastern Connecticut Company ("Covanta" as contract operator of the Southeast Project's Resource Recovery Facility "RRF") on a final true up of operating expenses associated with the RRF pursuant to the Service Agreement between MIRA and Covanta, and submission of a joint instruction to the Trustee concerning the distribution of monies held in such fund; and

WHEREAS, by resolution adopted at its November 19, 2015 meeting, the MIRA Board of Directors authorized the President to enter into proposed release of liability documents with SCRRRA and Covanta, which release of liability documents were generally limited in scope to MIRA's action of transferring responsibility for Southeast Project flow of funds management to SCRRRA, and to transfer such flow of funds responsibilities in accordance with those documents; and

WHEREAS, Effective December 1, 2015 Wheelabrator Technologies Inc. released MIRA from its obligations to deliver and pay for the disposal of ash from the RRF; and

WHEREAS, Effective December 3, 2015 SCRRRA acknowledged that MIRA will not be responsible for making any future Payments in Lieu of Taxes (PILOTs) to the Town of Preston; and

WHEREAS, on December 15, 2015 title to the RRF transferred from MIRA to Covanta in accordance with the terms of a certain Facility Lease between MIRA and Covanta and all documents and releases required to effectuate such transfer have been executed and filed; and

FURTHER RESOLVED: That MIRA's Southeast Project Risk Fund held within the State Treasurer's Short Term Investment Fund be closed and all monies held in such account transferred to the Southeast Project Closure Reserve; and

FURTHER RESOLVED: That management is authorized to distribute to SCRRRA the interim sum of \$5,691,971.43 representing funds available in the Southeast Project Closure Reserve in excess of the Interim Southeast Project Closure Reserve Requirement; and

FURTHER RESOLVED: That no later than September 15, 2016, management shall consider and recommend any additional distribution of funds to SCRRRA based on the circumstances at that time; and

FURTHER RESOLVED: That at any time upon satisfactory conclusion and execution of further amendments and release documents related to the Southeast Project's Bridge and Management Agreement and Service Agreement releasing MIRA from all cost and liability associated with the Southeast Project, preserving MIRA's rights to use excess capacity of the RRF, and preserving MIRA's right to reacquire the RRF on behalf of the State, management shall determine a Final Southeast Project Closure Reserve Requirement and recommend any further distribution of funds to SCRRRA.

TAB 4

**RESOLUTION REGARDING A LEASE AGREEMENT WITH
ALGONQUIN GAS TRANSMISSION, LLC FOR USE OF A
PORTION OF MIRA'S
WATERBURY LANDFILL PROPERTY LOCATED AT
THE CORNER OF HIGHLAND AVENUE AND HIGHVIEW
STREET IN WATERBURY, CONNECTICUT**

RESOLVED: That the President is authorized to execute a lease agreement with Algonquin Gas Transmission, LLC for use of a portion of MIRA's Waterbury Landfill Property located at the corner of Highland Avenue and Highview Street in Waterbury, CT, substantially as discussed and presented at this meeting.

Materials Innovation and Recycling Authority

Contract Summary for Contract Entitled

LEASE AGREEMENT WITH ALGONQUIN GAS TRANSMISSION, LLC

Presented to the MIRA Board on:	March 24, 2016
Vendor/ Contractor(s):	Algonquin Gas Transmission, LLC ("Algonquin")
Effective date:	Upon Execution
Contract Type/Subject matter:	Algonquin to lease approximately 1.2 acre portion of Waterbury Landfill Property to use as a construction laydown area.
Facility Affected:	Waterbury Landfill Property
Term:	365 days from Execution
Contract Dollar Value:	\$33,120 for initial term of one year (this is a revenue contract)
Term Extensions:	Option for four (4) one month extensions Mutually agreed upon for \$2,760/month
Scope of Services:	Algonquin to lease approximately 1.2 acres of MIRA property for activities related to the storage of equipment and the storage, fabrication, and testing of pipe and valve assemblies for a nearby natural gas pipeline project.
Other Pertinent Provisions:	None

Materials Innovation and Recycling Authority

Waterbury Landfill Property

Lease Agreement between MIRA and Algonquin Gas Transmission, LLC for use of a portion of MIRA's Waterbury Landfill Property

Executive Summary

This is to seek Board of Directors approval to execute a Lease Agreement between MIRA and Algonquin Gas Transmission, LLC ("Algonquin") for use by Algonquin of a portion of the Waterbury Landfill Property ("Property") as a contractor laydown area for a nearby Algonquin gas transmission project.

Discussion

In September, 2015, an agent for Algonquin contacted MIRA to ask if a portion of MIRA's Property could be leased for approximately one year for the purpose of using the land as a project laydown area for a nearby gas transmission project. MIRA staff met with the agent at the site in October, 2015 to discuss the details of the proposed lease. The agent indicated the required laydown area would be approximately one acre of MIRA's 17 acre parcel, that the lease term would be approximately one year, and that Algonquin would be willing to pay approximately \$2,300 per acre per month for the lease.

MIRA's Property is approximately 17 acres in area, with approximately 5.5 acres of the area taken by the Waterbury Bulky Waste Landfill. After inspecting the site and negotiating with Algonquin, the required lease area was determined to be approximately 1.2 acres of land located several hundred feet east of the Landfill. The lease includes Algonquin's right to utilize, and obligation to maintain, approximately 900 feet of gravel access road across the Property from Highview Street to the designated lease area.

Key terms of the Lease Agreement include the following:

- The term of the Lease Agreement is one (1) year. The Lease Agreement provides for four (4) discrete one (1) month extensions at Algonquin's option.
- Algonquin will pay MIRA a lease payment of \$33,120 for the first year and \$2,760/month for each month it chooses to extend the lease, up to four months.

- The lease allows Algonquin to store, weld & test pipe and valve assembly operations, and to store other pipeline related materials including construction equipment.
- Algonquin must carry liability insurance, including Pollution Legal Liability, as defined in the lease by MIRA
- An indemnification provision is included in the Lease whereby Algonquin indemnifies MIRA with regard to activities associated with its use of the Property.
- Algonquin must comply with MIRA's standard Non-Discrimination language.

Financial Summary

Algonquin will pay MIRA \$33,120 for the initial, one year term of the lease and \$2,760/month for up to four months of extensions at Algonquin's option. These funds will accrue to the Landfill Division.