

MATERIALS INNOVATION AND RECYCLING AUTHORITY

FOUR HUNDRED AND SIXTY-NINTH

MAY 25, 2017

A regular meeting of the Materials Innovation and Recycling Authority Board of Directors was held on Thurs. May 25, 2017, in the Board Room at Rocky Hill, CT 06067. Those present by telephone were:

Directors: Chairman Don Stein
Vice-Chairman Dick Barlow
John Adams
Ralph Eno
Jim Hayden
Bob Painter
Scott Shanley
Patricia Widlitz

Present from MIRA:

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

Others Present: Luke Bronin, Mayor of Hartford, Ann Catino, Esq., Halloran & Sage

Chairman Stein called the meeting to order at 9:34 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.

Luke Bronin, Mayor of Hartford, CT, addressed the Board and management. He asked that the Board consider a larger compensation to the City of Hartford for their host community responsibilities. Mr. Bronin also asked that MIRA consider providing the City of Hartford with a shorter contract. Management and the Board agreed to discuss Mr. Bronin's requests at further meetings were a more in depth conversation can be held.

APPROVAL OF THE REGULAR APRIL 20, 2017, BOARD MEETING MINUTES

Chairman Stein requested a motion to approve the minutes of the regular Apr. 20, 2017, Board Meeting. Director Shanley made the motion which was seconded by Director Widlitz,

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

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Jim Hayden	X		
Bob Painter	X		
Scott Shanley	X		
Patricia Widlitz	X		

RESOLUTION REGARDING A COOPERATIVE SERVICE AGREEMENT BETWEEN MIRA AND THE USDA ANIMAL AND PLANT HEALTH INSPECTION SERVICES/WILDLIFE SERVICES FOR BIRD CONTROL

Chairman Stein requested a motion on the resolution above. Director Adams made the motion which was seconded by Director Painter.

RESOLVED: That the President is hereby authorized to execute an agreement with the United States Department of Agriculture Animal and Plant Health Inspection Services - Wildlife Services, for the control of nuisance birds at the South Meadows Waste Processing Facility, substantially as presented and discussed at this meeting.

Director Adams noted that this is a routine matter which was discussed at the Policies & Procurement Committee meeting.

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

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Jim Hayden	X		
Ralph Eno	X		
Bob Painter	X		
Scott Shanley	X		
Patricia Widlitz	X		

RESOLUTION REGARDING THE PURCHASE OF JET FUEL FOR THE SOUTH MEADOWS JET TURBINE FACILITY

Chairman Stein requested a motion on the resolution above. Director Eno made the motion which was seconded by Director Shanley.

RESOLVED: That the President is hereby authorized to execute a purchase order with Dime Oil Company, LLC for purchase of Ultra Low Sulfur No. 1 Diesel Fuel to support operation of the South Meadows Jet Turbine Facility, substantially as presented and discussed at this meeting.

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

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Jim Hayden	X		
Ralph Eno	X		
Bob Painter	X		
Scott Shanley	X		
Patricia Widlitz	X		

RESOLUTION REGARDING TRANSFER STATION HOST COMMUNITY AGREEMENTS WITH THE CITY OF TORRINGTON AND THE TOWN OF WATERTOWN

Chairman Stein requested a motion on the resolution above. Director Widlitz made the motion which was seconded by Director Painter.

RESOLVED: That the President of MIRA is authorized to execute an amendment to the Transfer Station Host Community Agreement with the City of Torrington, Connecticut, substantially as presented and discussed at this meeting.

FURTHER RESOLVED: That the President of MIRA is authorized to execute an amendment to the Transfer Station Host Community Agreement with the Town of Watertown, Connecticut, substantially as presented and discussed at this meeting.

Mr. Kirk noted as a point of clarification that the reason Essex is not included is because they were previously approved in a longer term contract.

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

Directors	Aye	Nay	Abstain
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Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Jim Hayden	X		
Ralph Eno	X		
Bob Painter	X		
Scott Shanley	X		
Patricia Widlitz	X		

RESOLUTION REGARDING COMPUTER INFORMATION CONSULTING SERVICES

Chairman Stein requested a motion on the resolution above. Vice-Chairman Barlow made the motion which was seconded by Director Adams.

RESOLVED: That the President is hereby authorized to execute an agreement for computer information consulting services with JKS Systems for the period from July 1, 2017 through June 30, 2020, substantially as presented and discussed at this meeting

Mr. Kirk said MIRA had recently gone out to bid for computer information consulting services. He said MIRA has one computer technician on staff and there are important needs such as back-up and round the clock maintenance of the scale system which must be met. He said the recommended consulting service; JKS Systems, is offering a substantial savings in hourly rates compared to the current service. Mr. Kirk assured the Board that management has thoroughly investigated JKS's qualifications and determined they have the capabilities which MIRA is seeking in addition to providing a large savings to MIRA.

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

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Jim Hayden	X		
Ralph Eno	X		
Bob Painter	X		
Scott Shanley	X		
Patricia Widlitz	X		

RESOLUTION REGARDING FY 2018 PROJECTED LEGAL EXPENDITURES

Chairman Stein requested a motion on the resolution above. Vice-Chairman Barlow made the motion which was seconded by Director Adams.

WHEREAS, MIRA has negotiated three-year Legal Services Agreements with various law firms for the provision of legal services beginning July 1, 2017; and

WHEREAS, MIRA now seeks Board authorization for projected legal expenditures pursuant to said Agreements during Fiscal Year 2018; and

WHEREAS, The Board of Directors has approved Fiscal Year 2018 budgeted legal expenditures in the Authority Budget operating account, the CSWS operating account, and the Property Division operating account; and

WHEREAS, Funding is requested at this time from Southeast and Mid-Connecticut reserves not approved through the budget process;

NOW THEREFORE, it is

RESOLVED: That the following amounts be authorized for projected legal fees to be incurred during FY '18:

<u>Firm:</u>	<u>Amount:</u>
Cohn Birnbaum & Shea	45,000
Day Pitney	25,000
Halloran & Sage	400,000
Kainen, Escalera & McHale	150,000

Further RESOLVED: That the President be authorized to expend up to \$25,000 from the Mid-Connecticut Post Project Closure Reserve for payment of legal fees incurred in fiscal year 2018 in connection with continuing Mid-Connecticut Project obligations; and

Further RESOLVED: That the President be authorized to expend up to \$15,000 from the Southeast Project Closure Reserve for payment of legal fees incurred in fiscal year 2018 in connection with remaining Southeast Project matters; and

Further RESOLVED: That \$300,000 be transferred from the Mid-Connecticut Post Project Closure Reserve to the Mid-Connecticut Project Litigation Reserve; and

Further RESOLVED: That the President be authorized to expend up to \$300,000 from the Mid-Connecticut Litigation Reserve for payment of Mid-Connecticut Project litigation-related legal fees and expenses incurred in fiscal year 2018; and

Further RESOLVED: That Management shall report the legal expenditures monthly on an accrual basis reconciled to the Authority's general ledger.

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

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Jim Hayden	X		
Ralph Eno	X		
Bob Painter	X		
Scott Shanley	X		
Patricia Widlitz	X		

RESOLUTION REGARDING A FACILITY CONDITION ASSESSMENT OF THE CSWS RESOURCE RECOVERY FACILITY

Chairman Stein requested a motion on the resolution above. Vice-Chairman Barlow made the motion which was seconded by Director Adams.

RESOLVED: That the Board of Directors authorizes the President to execute a Request for Services with HDR Engineering, Inc. to undertake a Facility Condition Assessment of the CSWS Resource Recovery Facility, substantially as discussed and presented at this meeting.

Mr. Kirk said this resolution is for HDR Engineering incorporated to do a study at the CSWS facility to evaluate its feasibility as an integral transfer station. He said this resolution and the Arcadis resolution address MIRA's need to understand possible options and capabilities subsequent to the result of the CT DEEP RFP process. He said the HDR and Arcadis U.S. Inc. (both existing members of MIRA's stable) resolution are to perform the scope of work MIRA devised to evaluate the condition of the plant and to determine the process necessary to renovate the plant back into a reliable condition under two different time frames, a ten year undertaking, and a 20 year undertaking.

Mr. Kirk said in addition HDR was asked to provide some insight into the costs and capabilities of adding new combustion capability, up to 1,500 tons a day, as a mass burn technology. He said management intends to provide the Board with the options and opportunities subsequent to receipt of direction from the CT DEEP's RFP process. He said in the event that the RFP process does not come up with a viable solution the Board will be faced with the task of dealing with MIRA's mission requirements with an aged plant. He said renovating the existing plant is a key option in addition to the consideration of the mass burn facility.

Director Painter asked that the cost of moving the existing structure which would be made redundant to the mass burning facility be added. The Board discussed some possible options for renovations.

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

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Jim Hayden	X		
Ralph Eno	X		
Bob Painter	X		
Scott Shanley	X		
Patricia Widlitz	X		

MOTION TO ADD AN ITEM TO THE AGENDA CONCERNING A TRANSFER STATION FEASIBILITY STUDY AT THE CSWS RESOURCE RECOVERY FACILITY

Chairman Stein requested a motion to add an item to the agenda concerning a feasibility study. Vice-Chairman Barlow made the motion which was seconded by Director Painter.

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

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Jim Hayden	X		
Ralph Eno	X		
Bob Painter	X		
Scott Shanley	X		
Patricia Widlitz	X		

RESOLUTION REGARDING A TRANSFER STATION FEASIBILITY STUDY AT THE CSWS RESOURCE RECOVERY FACILITY

Chairman Stein requested a motion on the resolution above. Vice-Chairman Barlow made the motion which was seconded by Director Widlitz.

RESOLVED: That the Board of Directors authorizes the President to execute a Request for Services with Arcadis U.S. Inc. to undertake a Transfer Station feasibility Study at the CSWS Resource Recovery Facility, substantially as discussed and presented at this meeting.

Mr. Kirk said this resolution was discussed in conjunction with the HDR resolution. Vice-Chairman Barlow said there was some discussion concerning the possibility of barging the waste. Mr. Egan said this option could certainly be explored by Arcadis.

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

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Jim Hayden	X		
Ralph Eno	X		
Bob Painter	X		
Scott Shanley	X		
Patricia Widlitz	X		

RESOLUTION REGARDING PROPOSED JULY 1 INSURANCE RENEWALS

Chairman Stein requested a motion on the resolution above. Director Shanley made the motion which was seconded by Director Hayden.

RESOLVED: That MIRA purchase the insurance coverages for Auto, General Liability, Property, Public Officials, Umbrella, and Workers Compensation according to the recommended Option 2 from its broker Beecher Carlson as presented and discussed in this meeting.

RESOLVED: That MIRA purchase engineering services per Option 1.

RESOLVED: That MIRA finance the premium through a premium financing company on similar terms and conditions to prior years.

Mr. Shanley said the Finance Committee reviewed the renewals in depth with the representatives of MIRA’s brokerage firm Beecher Carlson. He said the broker, and MIRA’s risk manager, Thomas Edstrom did an excellent job. Mr. Daley agreed, he said essentially the same coverage is being provided at a reduced premium. He said business interruption was explored more in depth this renewal period and management lowered the revenue component on business interruption based on revised budget expectations.

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

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Jim Hayden	X		
Ralph Eno	X		
Bob Painter	X		
Scott Shanley	X		
Patricia Widlitz	X		

CHAIRMAN’S REPORT

Chairman Stein noted that it seems the prospect for MIRA’s REC’s is moving forward and several organizations are acting on MIRA’s behalf concerning this matter.

PRESIDENT’S REPORT

Mr. Kirk said all of MIRA’s facilities operated throughout the reporting period without environmental, public safety, or health impacts. He said revenue was \$5.16 million, a 16% increase from the prior month but still 6% below budget. Mr. Kirk said deficits in electricity sales are the basis for the low budget performance and reduced revenues are due to shortfalls in pricing and production.

Mr. Kirk said the total operating expense was 20% favorable to the budget. He said March featured some limited improvement in plant production compared to prior months. Mr. Kirk said the total unscheduled boiler outages were 209 hours, or about 8.7 days of unscheduled versus 380 days in January. Mr. Kirk said production was hampered by a variety of operational issues including pressure part failures, some de-rail of fuel feed equipment and mechanical head-end plug.

Mr. Kirk said power prices continue to disappoint and the trend for future power is not encouraging. He said MIRA has sufficient fuel to continue to operate the plant at capacity, and town and municipal solid waste deliveries have been slightly below budget, although there has been no need for spot waste.

Mr. Kirk said recycling revenues continue to improve and volumes continue to be strong. He said ReCommunity continues to exceed the budget targets for residue which is a source of revenue for MIRA. Mr. Kirk said old newspaper and corrugated cardboard prices have improved since the year prior and containers pricing is soft. He said metal prices continue to improve and are 16% above budget and that volumes of metal have also improved. He cautioned the Board against getting used to this as there was a collapse in the fiber market in March.

Mr. Kirk said the CT DEEP phase two project for the RFP is under consideration by the three bidders and management expects to have their completed packages in hand prior to the July meeting (which has been moved to Aug. 3, 2017). He noted the August Board date has also been changed and will now be held on Aug. 22, 2017.

Mr. Kirk said MIRA purchased discreet emissions reduction credits for the jets. He said he and Chairman Stein met with SCRRRA this week.

Mr. Kirk said Unit 14 has been returned to service after extended repairs and MIRA is pursuing a push back with the contractor on some of those costs. He said the total cost of the repair exceeded the operating budget by about \$147,000.

Mr. Kirk said MIRA is waiting for a signature from the City of Hartford to close out the subordination agreement. He said the \$285,000 check is ready to go. Mr. Kirk said the REC imitative continues to move forward with support and would provide, as written, a 2.5 cent REC to just Trash to Energy plants across the State and would restrict load servers to purchase their REC II's only from Energy plants and would balance the demand for REC II's with a supply with a price at or near 2.5 cents. He said as written there would still be a 10% surplus of REC's that would be generated if all trash plants generated at last year's rate. Mr. Kirk said it would be in the range of a \$5 - \$6 million savings for CSWS.

THANK YOU TO DIRECTOR ENO

The Board and management respectively thanked Director Eno for his years of dedication to the MIRA Board and Committee's, he will be missed.

EXECUTIVE SESSION

Chairman Stein requested a motion to enter into Executive Session to discuss pending litigation. The motion was made by Director Shanley and seconded by Director Eno 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
- Ann Catino, Esq.

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, Director Shanley, and Director Widlitz voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		

Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Jim Hayden	X		
Bob Painter	X		
Scott Shanley	X		
Patricia Widlitz	X		

The Executive Session began at 11:00 a.m. and concluded at 1:41 p.m. Chairman Stein noted that no votes were taken in Executive Session.

The meeting was reconvened at 1:41 p.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.

MOTION TO ADD TWO ITEMS TO THE AGENDA CONCERNING SCRRRA AND A SETTLEMENT RELATED TO ENRON

Chairman Stein requested a motion to add two items to the agenda. Vice-Chairman Barlow made the motion which was seconded by Director Painter.

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

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Jim Hayden	X		
Ralph Eno	X		
Bob Painter	X		
Scott Shanley	X		
Patricia Widlitz	X		

RESOLUTION AUTHORIZING DISTRIBUTION OF CERTAIN FUNDS FROM THE SOUTHEAST PROJECT CLOSURE RESERVE TO THE SOUTHEASTERN REGIONAL RESOURCE RECOVERY AUTHORITY

Chairman Stein requested a motion on the resolution above. Director Adams made the motion which was seconded by Vice-Chairman Barlow.

WHEREAS, by resolution adopted at its April 20, 2017 meeting, this Board authorized the release of funds available in the Southeast Project Closure Reserve (the “Reserve”), minus \$100,000 for remaining accrued expenses and ongoing liabilities, to SCRRRA

upon MIRA’s receipt of an agreement including specified terms from SCRRRA and a release from Covanta; and

WHEREAS, MIRA and SCRRRA have negotiated an Assignment, release and Indemnification Agreement (the “Agreement”) satisfactory to both parties; and

WHEREAS, Covanta has declined to provide the requested release, and the parties now propose to proceed without it;

NOW THEREFORE, it is hereby

RESOLVED: That upon receipt of the fully executed Agreement, Management is authorized to transfer \$405,639.29 from the reserve to the CSWS Risk fund; and

FURTHER RESOLVED: That, following such transfer, Management is authorized to distribute to SCRRRA all Reserve funds remaining less the amount for payment of outstanding Southeast Project legal invoices.

The motion previously made and seconded failed. Chairman Stein, Director Adams, Director Hayden, Director Eno, Director Painter, Director Shanley, and Director Widlitz voted yes. Vice-Chairman Barlow voted no.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow		X	
John Adams	X		
Jim Hayden	X		
Ralph Eno	X		
Bob Painter	X		
Scott Shanley	X		
Patricia Widlitz	X		

RESOLUTION AUTHORIZING THE PRESIDENT TO AGREE TO SETTLEMENT

Chairman Stein requested a motion on the resolution above. Director Eno made the motion which was seconded by Director Shanley.

RESOLVED: That the President is hereby authorized to agree to settlement with remaining defendant financial institution in the matter known as CRRA v Lay, et al, subject and pursuant to the Approval of the Attorney general, including taking all actions, executing all documents, and doing all other things necessary to accomplish settlement substantially on the terms discussed at this meeting.

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

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Jim Hayden	X		
Ralph Eno	X		
Bob Painter	X		
Scott Shanley	X		
Patricia Widlitz	X		

ADJOURNMENT

Chairman Stein requested a motion to adjourn the meeting. The motion to adjourn was made by Director Shanley seconded by Director Hayden 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 Painter, Director Shanley, and Director Widlitz voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Jim Hayden	X		
Bob Painter	X		
Scott Shanley	X		
Patricia Widlitz	X		

There being no other business to discuss, the meeting adjourned at 1:46 p.m.

Respectfully Submitted,

Moira Kenney
Assistant HR Manager/Board Administrator