

MATERIALS INNOVATION AND RECYCLING AUTHORITY

FOUR HUNDRED AND SEVENTY-NINE

JANUARY 10, 2018

A regular meeting of the Materials Innovation and Recycling Authority Board of Directors was held on Wednesday, January 10, 2018 in the Board Room at 200 Corporate Place, Suite 202, Rocky Hill, CT 06067. Those present were:

Directors:

Chairman Don Stein
Vice-Chairman Dick Barlow
John Adams
Jim Hayden
Scott Shanley
Patricia Widlitz (present by Telephone)
Liz Milardo
Bob Painter

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
Jeffrey Duvall, Director of Budgets & Forecasting
Tina Mateo, Assistant Director of Budgets and Cash Management
Kanchan Arora, General Accountant/Board Administrator

Public Present:

Ann Catino, Esq.,
John Pizzimenti, USA Hauling,
James Sanchez, Councilman- City Of Hartford
Adrian Texidor, Council Aide- City of Hartford
John Q. Gale, Councilman- City of Hartford
Mike Freimuth, Executive Director, CRDA
Peggy Diaz, Esq., CT DEEP
Mark Mitchell, Commission on Environmental Health
Lee Sawyer, CT DEEP

PUBLIC PORTION

Director Shanley 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.

Councilman James Sanchez from City of Hartford addressed the Board. He said the land MIRA’S trash energy plant occupies in Hartford South Meadows is an underutilized asset for the city of Hartford. He said that he and his colleagues scrutinized current proposals for the site. The City of Hartford hopes to work closely with MIRA to achieve a great use of that land.

Councilman John Gale from City of Hartford addressed the Board. He said there are nine members on the city council. This is a high priority issue for the city. The Sacyr Rooney proposal has been chosen by DEEP and MIRA has to negotiate with Sacyr Rooney to replace the existing facility. The City of Hartford is very much interested in being part of negotiation.

Dr. Mark Mitchell, chair of Hartford Advisory Council addressed the Board. He said the the residents of Hartford are very concerned about the trash incernantor, as it was the fifth largest incernantor in the country. Last year, there was a health study performed that showed a direct correlation between the incinerator and the health of Hartford residents. PILOT payments should be at least as much as MIRA would pay in taxes. Dr. Mitchell believes that the PILOT should be \$4.5 million and the host community payment should be around \$3-5 million.

Chairman Stein called the meeting officially to order at 9:49 a.m. and said that a quorum was present.

MOTION TO ADD ADDITIONAL ITEMS TO AGENDA.

Chairman Stein requested a motion to add additional items noted below to the Agenda. Director Hayden made the motion which was seconded by Director Adams.

1. Presentation by the Capitol Region Development Authority regarding an RFP that would include a lease arrangement of approximately 20 acres at MIRA’S South Meadows Site.
2. Presentation by the Connecticut Department of Energy and Environmental Protection Regarding Results of the Resource Rediscovery RFP Initiative.
3. Resolution Regarding Ratification of Emergency Procurement.

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

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice Chairman Barlow	X		

John Adams	X		
Jim Hayden	X		
Liz Milardo	X		
Bob Painter	X		
Scott Shanley	X		
Pat Widlitz	X		

Mike Freimuth, Executive Director of Capitol Region Development Authority (CRDA), greeted and thanked the Board. He said CRDA is a quasi-state agency designed to make investments in the City of Hartford primarily but which operates throughout the greater region. CRDA’s skill base is real estate development for state agencies. CRDA has been approached by state OPM, City of Hartford, and DEEP, to discuss an RFP for the lease of a designated portion of MIRA’s South Meadows site. CRDA will be an agent and analyze the proposal in terms of taxes, jobs and economic growth.

Lee Sawyer and Peggy Diaz from DEEP addressed the Board to give an update on the RFP. DEEP met its statutory deadline of December 31, 2017 to make a selection. There were three proposals but after the review process one proposal was selected which was **Sacyr Rooney, based on its proposed** tipping fee and the project team. Sacyr Rooney proposed to finance the project and MIRA will continue to be the owner of the facility and a fee would be paid to MIRA. DEEP has put together a framework on how to enter into contracts. MIRA and the developer will discuss the terms of the development contracts and DEEP will check in within two months to check on progress. DEEP’s responsibility is to ensure the process moves forward smoothly.

APPROVAL OF THE DECEMBER 21, 2017 BOARD MEETING MINUTES

Chairman Stein requested a motion to approve the minutes of the December 21, 2017, Board meeting. Director Hayden made the motion which was seconded by Director Adams.

The motion to approve the minutes was approved. Chairman Stein, Co-chairman Barlow, Director Adams, Director Hayden, Director Widlitz and Director Shanley voted yes. Director Painter and Director Milardo abstained.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice Chairman Barlow	X		
John Adams	X		
Jim Hayden	X		
Liz Milardo			X
Bob Painter			X
Scott Shanley	X		
Pat Widlitz	X		

DISCUSSION OF HARTFORD PILOT

Director Shanley informed the Board that there was a discussion regarding the Hartford PILOT at the Finance Committee meeting, but couldn't come to a final conclusion on tip fee impact per million so MIRA can make a decision. Everyone agrees that the host community deserves financial recognition; the question is, what level of tip fee are the consumers willing to pay? The finance team has been reducing cost everywhere they can.

Mr. Kirk informed the Board that the interruptible waste is set by a bid. The market sets the price. MIRA received a call from a staff member from the City of Hartford asking MIRA if the million dollar payment made in December was the down payment on the Host Fee or the legislature's "additional million dollars." MIRA didn't respond and directed the issue to the Finance Committee. There is an extra million dollars available and not sure what it will mean to the TIP fee. Mr. Daley informed the Board that, for fiscal year 2018 there is 1.5 million in the budget. Do we want change the \$1.5 million in FY 19, or keep it at the same amount? Mr. Daley recommended we should review the budget and see what we can accommodate in PILOT.

REVIEW DRAFT FISCAL YEAR 2019 CSWS OPERATING AND CAPITAL BUDGET

Mr. Daley reviewed the Draft Fiscal Year 2019 CSWS Operating and Capital Budget with the Board. He mentioned that the first complete draft of the Fiscal Year 2019 CSWS budget is ready for review and it is producing the Tip Fee estimated when we reviewed key drivers for October 2017.

Mr. Daley informed the Board that there are several unknowns. The first one is Transfer Station O&M costs – MIRA's RFP is currently open, proposals are due January 18th, 2018, and include recently received additional improvements requests. The second one involves the Recycling Facility, which had a strong performance last year but China controls are increasing in January 2018. MIRA has historically held the budget low for volatility reasons. Now at this point, we have increased the budget modestly considering large surpluses to date. The third one is metal sales, where we had a strong year last year. This is not a China-based market, but the current challenge is contractor related and we may need to implement other options. The fourth one is the Hartford PILOT Agreement, which will expire June 30, 2018. MIRA's unknown is what the PILOT will be for Fiscal Year 2019. Still another unknown factor is ISO's new Pay-for-Performance program, effective June 1, 2018. Diversion costs have been under budgeted for the last several years. MIRA put in a real diversion budget -- more than fiscal year 2017 actual of \$730,000. Lastly, another factor is Resource Rediscovery, which MIRA budgeted for in the Property Division and Landfill Division budgets but not for CSWS. The plan is to use the reserves on a case by case basis.

Mr. Daley said, in terms of plant performance, we will be over the opt-out for the second year, and keeping in mind that we are coming off a bad year relative to budget. For FY 19

budgeting purposes, MIRA has reduced deliveries by 3.2 % (21 thousand Tons) and further reduced energy production by 7.8% (27million kilowatt hours), which will bring the production down to 320 million kilowatt hours for the year.

CHAIRMAN’S AND PRESIDENT’S REPORTS

Chairman Stein informed the board that there was no news on getting new Board members. They have reached out to the Mayor but no new information yet.

Mr. Kirk provided an update on each project’s monthly operations for the period ending November 30, 2017 and also on waste deliveries to all projects for the period ending November 30, 2017. Mr. Kirk also provided metrics which help understand the condition of the plant, trends and decisions being made on capital investments.

EXECUTIVE SESSION

Chairman Stein requested a motion to enter into Executive Session to discuss pending litigation, pending RFP’S, and feasibility estimates and evaluations. The motion was made by Director Barlow and seconded by Director Painter.

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. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Hayden, Director Painter, Director Milardo, Director Widlitz, and Director Shanley, voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Jim Hayden	X		
Liz Milardo	X		
Bob Painter	X		
Pat Widlitz	X		
Scott Shanley	X		

The Executive Session began at 11:57 a.m. and concluded at 12:48 p.m. Chairman Stein noted that no votes were taken in Executive Session.

The meeting was reconvened at 12:48 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.

ADJOURNMENT

Chairman Stein requested a motion to adjourn the meeting. The motion to adjourn was made by Vice President Barlow and seconded by Director Painter.

The motion to adjourn was approved unanimously by Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Painter, Director Milardo and Director Hayden.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Jim Hayden	X		
Liz Milardo	X		
Bob Painter	X		

There being no other business to discuss, the meeting adjourned at 12:49 p.m.

Respectfully Submitted,

Kanchan Arora
General Accountant/Board Administrator