

MATERIALS INNOVATION AND RECYCLING AUTHORITY

FOUR HUNDRED AND EIGHTY THREE

MAY 9, 2018

A regular meeting of the Materials Innovation and Recycling Authority Board of Directors was held on Wednesday May 9, 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 (on the Telephone)
Jim Hayden
Scott Shanley
Patricia Widlitz
Lizz Milardo (on the Telephone until 10:30am)
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
Tom Gaffey, Director of Recycling and Enforcement
Kanchan Arora, General Accountant/Board Administrator

Public Present:

John Pizzimenti, USA Hauling,
James Otis, Zuvic, Carr & Assoc.
Tom Swatt, Resident, Hartford CT.
Ann Catino, Esq.,

Chairman Stein called the meeting officially to order at 9:32 a.m. and said that 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 who wished to address the Board, the meeting commenced.

APPROVAL OF THE APRIL 11, 2018 BOARD MEETING MINUTES

Chairman Stein requested a motion to approve the minutes of the April 11, 2018, Board meeting. Director Shanley made the motion which was seconded by Director Widlitz.

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

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

REVIEW AND RECOMMEND RESOLUTION REGARDING PURCHASE OF JET FUEL FOR THE SOUTH MEADOWS JET TURBINE FACILITY.

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

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.

Mr. Egan said this is a routine annual request to the Board to approve the president to purchase Jet Fuel. Mr. Egan said MIRA budgeted \$775,000 to purchase Jet Fuel for Fiscal Year 2019. This resolution gives the president authorization to execute a purchase order in increments up to the budgeted amount on an as needed basis. Currently the tank is full -- 450,000 gallons of usable fuel. This fiscal year, MIRA has purchased 157,000 gallons at the cost of \$426,000.

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

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

Pat Widlitz	X		
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REVIEW AND RECOMMEND 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 above referenced item. The motion was made by Director Barlow and seconded by Director Widlitz.

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.

Mr. Egan said this is a routine annual contract signed with the United States Government to manage nuisance birds and other pests at the Waste Processing Facility. The plant is located right next to the airport. The Government continues to maintain their contract price at \$31,000. They have made 104 visits in the past year. The fuel cost is low and the personnel cost comes out to \$64 per hour for the individuals that come to visit the plant. MIRA is paying half of what we would pay for mileage compared to a private consultant.

Director Shanley if other government facilities use the same contract.

Mr. Egan said he believes the answer is yes but will look into it to confirm.

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

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

REVIEW AND RECOMMEND RESOLUTION REGARDING PURCHASE OF DISCRETE EMISSION REDUCTION CREDITS (DERCS).

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

RESOLVED: That the President is hereby authorized to enter into an agreement for the purchase of Discrete Emission Reduction Credits (DERCs) from Pfizer, Inc. to ensure compliance with nitrogen oxide (NOx) emissions limitations applicable to the South Meadow Station Jet Turbine Facility.

Mr. Egan said this resolution is regarding purchasing Discrete Emission Reduction Credits from Pfizer. Discrete Emission Reduction Credits that were created in 2017 and certified recently have a five year life, which will bring MIRA out to the end of calendar year 2022 with an adequate supply of credits to operate the Jet Turbine Facility. The DERCs were created at Pfizer’s facility in Groton, where they over-control NOx emissions. DEEP has certified the DERCs and they are now available for sale and MIRA will move ahead and purchase them. Based on our forecast, MIRA is one credit short for calendar year 2022; we expect we will obtain the additional DERC from the Bridgeport Harbor Station and PSEG. They have credits available but haven’t provided us a price yet. MIRA expects that in the next couple of weeks we may purchase a few additional DERCs from PSEG. The price is reasonable -- \$3500 -- and we have the funds in the budget.

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

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

REVIEW AND RECOMMEND RESOLUTION REGARDING AN AGREEMENT FOR METALS RECOVERY AND MARKETING SERVICES.

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

RESOLVED: The President is authorized to enter into an agreement with wTe Recycling, Inc., for the transportation, processing and marketing of municipal solid waste pre-and-post-combustion ferrous and maintenance scrap metals generated at the CSWS South Meadows Resource Recovery Facility, substantially as presented and discussed at this meeting.

Mr. Egan informed the Board that this resolution is in regard to the contract we have to manage about 19,000 tons of ferrous metal that we pull out of the Waste Processing Facility and send to wTe in Greenfield Massachusetts. MIRA just finalized an agreement with them in principal. Historically, we have from time to time issued a solicitation for the management of this material. Because the ferrous metal is entrained with a large amount of garbage -- about 35% -- typical scrap yards don't want it or don't have an environmental permit to take it. wTe in Greenfield, Massachusetts has the permit to do so. We have been working with them for 20 plus years, however our current contract expires in June 2018 and this resolution will authorize us to renew it for a potential three year term. The first year is guaranteed and gives them everything we generate, and then it's our option if we plan to continue with them for year two or three. The terms and conditions are essentially the same as we have had in place for the last contract term except that one revision has been added, which is to pay wTe funds to help them defray the cost of managing an enforcement action that has been brought against them from US EPA Region 1, associated with emitting volatile organic compounds from the processing of our materials in Greenfield.

Mr. Egan added wTe has asked MIRA to contribute \$275,000 to help them defray this cost over the next three years. MIRA has proposed to pay 36 equal installments totaling \$275,000, however if MIRA terminates the contract early, we will pay the balance remaining at that time to wTe in a lump sum. Mr. Egan said he believes this is the best alternative for the organization; it will allow us to continue to manage our ferrous metals, and continue to receive revenue. EPA is only going to allow wTe to operate in this manner for three more years.

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

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

REVIEW AND RECOMMEND RESOLUTION REGARDING COMMERCIAL & INDUSTRIAL REAL ESTATES SERVICES.

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

RESOLVED: That the President is hereby authorized to enter into contracts with the following firms for Commercial and Industrial Real Estate Services, substantially as discussed and presented at this meeting:

Kerin & Fazio, LLC
 MR Valuation Consulting LLC
 Vimini Valuation Services, LLC

Mr. Egan said every three years MIRA solicits qualifications for professional and technical services as necessary. This service could be commercial, industrial real estate services or similar services. We received four responses and we are proposing to contract with three companies (the fourth company doesn't specialize in MIRA-type industries. It's important that MIRA have three real estate companies available in case of a conflict.

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

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

REVIEW AND APPROVE DRAFT RESOLUTION INCREASING FY 2018 AUTHORIZED DISTRIBUTIONS TO THE TIP FEE STABILIZATION FUND.

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

WHEREAS: The Materials Innovation and Recycling Authority (“Authority”) has previously adopted its Fiscal Year 2018 Property Division Operating and Capital Budgets; and

WHEREAS: Pursuant to the resolution adopting such budgets, the Authority authorized a maximum of five million dollars (\$5,000,000) in Property Division receipts for the periods ending July 31, 2017 through June 30, 2018 to be transferred to the Authority’s Tip Fee Stabilization Fund; and

WHEREAS: Pursuant to a subsequent resolution adopted by the Authority at its February 15, 2018 meeting, such maximum distribution of Property Division receipts to the Tip Fee Stabilization Fund was increased from five million dollars (\$5,000,000) to seven million dollars (\$7,000,000); and

WHEREAS: Effective with the disbursement of receipts for the period ending March 31, 2018 the Authority has transferred six million, seven hundred seventy two thousand, seven hundred and ninety seven dollars (\$6,772,797) to the Tip Fee Stabilization Fund, and the Authority will reach such seven million dollar maximum with the pending distribution of receipts for the period ending April 30, 2018; and

WHEREAS: The Authority anticipates the need to transfer additional Property Division receipts to the Tip Fee Stabilization Fund to support the CSWS Cost of Operation during Fiscal Year 2018.

NOW THEREFORE, be it

RESOLVED: That effective with the disbursement of Property Division receipts for the periods ending April 30, 2018 through June 30, 2018 the maximum distribution of Property Division receipts is increased from seven million dollars (\$7,000,000) to nine million, nine hundred sixty nine thousand, two hundred and sixty five dollars (\$9,969,265) which sum represents the full FY 2018 budgeted distribution of receipts to the Tip Fee Stabilization Fund.

Mr. Daley said when the committee adopted the budget for fiscal year 2018 for Property Division it included just under \$10 million in distributions of Property Division income to the Tip Fee Stabilization Fund. The Property Division budget resolution also included authorized distributions of \$5 million, which could not be exceeded without further Board approval. In February, MIRA asked the Board to increase the cap from \$5 million to \$7 million. During that time, MIRA was reporting surplus CSWS operating income of about \$.75 million and wanted to see how the winter played out before potentially asking for another increase.

Since then, MIRA has had some significant challenges in the plant, including poor performance of the boilers and issues with turbine 5, and the surplus now has turned into a \$1.1 million deficit in CSWS income. Mr. Daley said we now request the resolution to increase the cap to the full budgeted amount of \$9.7 million.

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

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice Chairman Barlow	X		

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

CHAIRMAN’S AND PRESIDENT’S REPORTS

Mr. Kirk said all of MIRA’s facilities operated throughout the reporting period without environmental, public safety, or health impacts. Reporting results through March 31, 2018, Mr. Kirk said our operating revenue was \$4.2 million, about 20% under budget. Year to date our revenue is 4% below budget. Mr. Kirk said the total operating expense was 3% unfavorable to the budget at \$4.3 million. He said MIRA’s operating income year to date is \$2.71 million, which is \$1 million unfavorable to the budget.

Our production challenges continue to revolve around pressure parts, equipment failure and backend problems, which are all age-related issues. He said the total boiler outages were 422 hours, that’s 17.5 boiler days primarily main steam stop issue, age-related issues and the risk of dealing with causalities. The steam stop repair was made and boilers have run well since then. There is sufficient fuel to operate the plant. We did divert waste for two days due to our turbine problem.

Mr. Kirk said recycling revenues are significantly favorable to budget in March, 29% above budget due to surplus paid residue and surplus CSWS-sourced single stream deliveries. The volumes of recycling material continue to be strong. Prices are stable but low- fiber OCC, and ONP, old newspaper and cardboard. Metal sales continues to be a bright spot. MIRA received an outreach from our recycling contractor (originally FCR and now owned by Republic waste). They want to renegotiate and reconsider for the losses they are incurring due to the changes in commodity prices.

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 Shanley 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
- Ann Catino

The motion was approved. Chairman Stein, Vice-Chairman Barlow, Director Hayden, Director Painter, Director Adams, 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		
Lizz Milardo	X		
Bob Painter	X		
Pat Widlitz	X		
Scott Shanley	X		

The Executive Session began at 10:37 a.m. and concluded at 11:52 a.m. Chairman Stein noted that no votes were taken in Executive Session.

The meeting was reconvened at 11:53 a.m. The door was opened, and the Board Secretary and all members of the public were invited back in for the continuation of the public session.

ADJOURNMENT

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

The motion was approved. Chairman Stein, Vice-Chairman Barlow, Director Hayden, Director Painter, Director Adams, 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		
Lizz Milardo	X		
Bob Painter	X		
Pat Widlitz	X		
Scott Shanley	X		

There being no other business to discuss, the meeting adjourned at 11:55 a.m.

Respectfully Submitted,

Kanchan Arora
General Accountant/Board Administrator