



MEMORANDUM

TO: MIRA Board of Directors
FROM: Donald S. Stein
DATE: May 3, 2018
RE: Notice of Regular Board Meeting

There will be a regular meeting of the Board of Directors of the Materials Innovation and Recycling Authority (MIRA) *on Wednesday May 9, 2018 at 9:30 a.m. in the Board Room at 200 Corporate Place, Suite 202, Rocky Hill CT. 06067.*

- I. Pledge of Allegiance
- II. Public Comment – 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. Review and Approve –April 11, 2018 Board Meeting Minutes (*Attachment 1*).
- IV. Finance Committee Report.
 - a. Board action will be sought for Resolution Regarding Increasing FY 2018 Authorized Distributions to the Tip Fee Stabilization Fund (*Attachment 2*).
- V. Policies and Procurement Committee Report:
 - a. Board action will be sought for Resolution Regarding Purchase of Jet Fuel for the South Meadows Jet Turbine Facility (*Attachment 3*).
 - b. Board action will be sought for Resolution Regarding a Cooperative Service Agreement between MIRA and the USDA Animal and Plant Health Inspection Services/Wildlife Services for Bird Control (*Attachment 4*).
 - c. Board action will be sought for Resolution Regarding Purchase of Discrete Emission Reduction Credits (DERCs) (*Attachment 5*).
 - d. Board action will be sought for Resolution Regarding an Agreement for Metals Recovery and Marketing Services (*Attachment 6*).
 - e. Board action will be sought for Resolution Regarding Commercial & Industrial Real Estate Services (*Attachment 7*).
- VI. Organizational Synergy and Human Resources Committee Report:
 - a. General update
- VII. Chairman and President's Report
 - a. Attached Supplemental Information / Other Matters
- VIII. Executive Session will be held to discuss pending litigation and pending RFP responses, trade secrets, personnel matters, security matters, and feasibility estimates and evaluations including Strategic Plan updates.

Tab 1

MATERIALS INNOVATION AND RECYCLING AUTHORITY

FOUR HUNDRED AND EIGHTY TWO

APRIL 11, 2018

A regular meeting of the Materials Innovation and Recycling Authority Board of Directors was held on Wednesday April 11, 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
Lizz 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
Tom Gaffey, Director of Recycling and Enforcement
Jeffrey Duvall, Director of Budgets & Forecasting
Kanchan Arora, General Accountant/Board Administrator

Public Present:

Devin Sardilli, Sardilli Produce & Dairy Co.
James Otis, Zuvic, Carr & Assoc.
Ann Catino, Esq.,

Chairman Stein called the meeting officially to order at 9:35 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. Devin Sardilli, Vice President of Sardilli Produce & Dairy Company in Hartford CT addressed the Board. Mr. Sardilli said that his company has submitted a proposal through the CRDA for the property located at 100 Reserve Road. It has been difficult to find a piece of property that meets their needs of 20-25 acres and they feel that 100 Reserve Rd is very appealing to them. Sardilli currently employs 125 people overall of which 65% are Hartford residents. Unfortunately, due to the size constraints of their current facility, they are postponing business opportunities. With a

new facility they will be able to purchase additional machinery needed to grow, expand their business and thus create a larger personal property tax base and more jobs. Mr. Sardilli thanked the board for their time and hopes to work together in the future.

APPROVAL OF THE MARCH 14, 2018 BOARD MEETING MINUTES

Chairman Stein requested a motion to approve the minutes of the March 14, 2018, Board meeting. Director Widlitz made the motion which was seconded by Director Adams. Chairman Stein, Co-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 THREE YEAR AGREEMENT FOR INDEPENDENT AUDITING SERVICES.

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

RESOLVED: That the President is hereby authorized to execute an agreement with **Mahoney Sabol & Company LLP** for Independent Auditing Services, the scope of work for which will include both the fixed fee Annual Independent Audit for fiscal years 2018, 2019, and 2020; and additional on-call auditing work, substantially as presented and discussed at this meeting.

Director Shanley said that the Three Year Agreement for Independent Auditing Services was discussed in the Finance Committee meeting. The committee felt the process was fair and reasonable. Mahoney Sabol & Co LLP was selected.

Mr. Daley said that MIRA has been through the RFP process for the next audit service agreement. The new agreement will cover the next three Independent Audits for Fiscal Year 2018, 2019, & 2020. During the process, MIRA received four solid proposals including one from our incumbent, Mahoney Sabol & Company LLP. The Finance Committee last month approved the evaluation committee which consisted of Cheryl Kaminsky, Jeff Duvall and Roger Guzowski. They have completed their evaluation and recommended renewing our agreement

with Mahoney Sabol & Company LLP. Mahoney Sabol has done a thorough job for MIRA and is also very reasonably priced. Mr. Daley said he is accepting the evaluation committee's recommendation and would request the Board of Directors to do the same.

Director Stein asked who UHY LLP is.

Mr. Daley responded that he has seen their proposals before, they are an auditing firm.

Director Widlitz asked as there are two tiers to this process, consisting of two different scopes of services and whether this includes the additional on call auditing services, and whether we could need to hire additional auditors

Mr. Daley said yes, it is possible; if needed, it needs to be disclosed to Mahoney Sabol & Company LLP.

The motion was approved. Chairman Stein, Vice-Chairman Barlow, Director Painter, Director Adams, Director Milardo, Director Widlitz, and Director Shanley, voted yes. Director Hayden abstained since East Granby uses Mahoney, Sabol & Company LLP as their auditors.

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		

ORGANIZATIONAL SYNERGY & HUMAN RESOURCES COMMITTEE REPORT:

Director Hayden said the Committee had a meeting today, April 11, 2018 and had nothing new to report.

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. In the past reporting period, we had needed to effect some diversions of fuel we couldn't process in our plant. The typical process is to divert trucks from our transfer stations to an alternative disposal facility which is in Southbridge, MA. In this particular case some items, prohibited at the MA site were loaded from MIRA's transfer station by our contractor onto a truck headed to Southbridge. This generated some administrative fines for which MIRA will be responsible.

Mr. Egan said there were about 17-20 loads, each of which had about 1 or 2 banned items for a total of 29 banned items at \$100 per banned item. Mr. Kirk said it is an unfortunate event and we are working with our contractor to minimize these occurrences. He said this is not an environmental issue but rather an administrative one in effect at this particular disposal facility. He said our goal is to avoid diversions all together.

Reporting results through February 28, 2018, Mr. Kirk said our operating revenue was \$4.69 million, about 14% under budget. Year to date our revenue is 2% under budget. Mr. Kirk said the total operating expense was 6% unfavorable to the budget at \$4.09 million. He said MIRA's operating income year to date is \$2.83 million, which is \$120,000 unfavorable to the budget.

Our production challenges continue to revolve around pressure parts, air pollution control system restrictions and backend problems, which are all age-related issues. He said the total unscheduled boiler outages were 243 hours, that's 10 boiler days. Once again, boiler pressure part failures and reduced capacity were due to high pressure restrictions and air pollution control issues.

Mr. Kirk said power production was 11.3% below budget. The price for energy was \$0.04cents, about 27% below budget. Year to date energy price was 11% above budget.

Mr. Kirk said recycling revenues are significantly favorable to budget in February, 42% above budget due to surplus paid residue and surplus CSWS sourced single stream deliveries. Metal Sales revenue was 130% above budget due to strong pricing.

Mr. Kirk said he is in the process of addressing our four COGS- Councils of Government that include our municipal town customers -- and providing an update on the resource rediscovery process and reviewing the budget for fiscal 2019.

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 Adams and seconded by Director Shanley.

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 10:30 a.m. and concluded at 12:26 p.m. Chairman Stein noted that no votes were taken in Executive Session.

The meeting was reconvened at 12:26 p.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 12:27 p.m.

Respectfully Submitted,

Kanchan Arora
General Accountant/Board Administrator

Tab 2

RESOLUTION FOR THE MATERIALS INNOVATION AND RECYCLING AUTHORITY BOARD OF DIRECTORS

INCREASING FY 2018 AUTHORIZED DISTRIBUTIONS TO THE TIP FEE STABILIZATION FUND

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 represent the full FY 2018 budgeted distribution of receipts to the Tip Fee Stabilization Fund.

Tab 3

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

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.

Materials Innovation and Recycling Authority

Contract Summary for Purchase of Ultra-Low Sulfur No. 1 Diesel Fuel for the South Meadows Jet Turbine Facility

Presented to the MIRA Board on: May 9, 2018

Vendor/Contractor(s): Dime Oil Company, LLC

Effective Date: Upon Issuance of Purchase Order

Contract Type/Subject Matter: Pursuant to CT Department of Administrative Services Contract

Facility(ies) Affected: South Meadows Jet Turbine Facility

Original Contract: Department of Administrative Services Contract No. 15PSX0035 (This DAS contract expires 6/30/2020)

Term: MIRA Fiscal Year 2019

Contract Dollar Value: Not to exceed \$775,000. (As budgeted in the FY2019 Property Division Budget.)

Amendment(s): Not applicable

Term Extensions: Not applicable

Scope of Services: Purchase of Ultra Low Sulfur No. 1 Diesel Fuel (i.e., Jet Fuel) for the South Meadows Jet Turbine Facility. The President is authorized to purchase Jet Fuel during FY2019, as necessary, in order to ensure that an adequate volume of jet fuel is available to support operation of MIRA's Jet Turbine Facility.

Other Pertinent Provisions: The price of the fuel fluctuates daily. On the day that MIRA purchases fuel, MIRA receives a firm price quote from Dime Oil Company, LLC for a specific volume of fuel, which firm price is a function of the daily price posted by the Oil Price Information Service for New Haven, CT, in accordance with the CT DAS contract.

**Materials Innovation and Recycling Authority
Property Division**

**Purchase of Ultra-Low Sulfur No. 1 Diesel Fuel to support
Operation of the South Meadows Jet Turbine Facility**

May 9, 2018

Executive Summary

This is to request that the Board of Directors authorize the President to purchase Jet Fuel for the MIRA South Meadows Jet Turbine Facility, on an as needed basis, in order to ensure that there is a sufficient volume of Jet Fuel at the facility to support the operation. The President will be authorized to purchase up to \$775,000 of fuel, if necessary, during fiscal year 2019.

Discussion

MIRA owns a jet turbine peaking power plant, commonly referred to as the South Meadows Jet Turbine Facility (“JTF”). The JTF consists of four Pratt & Whitney Twin-Pac generating sets (“Twin-Pacs”). Each of the four Twin-Pac units is nominally capable of generating 40 MW of power and is comprised of two Pratt & Whitney FT4A-9 combustion gas turbine engines. The units serve the ISO-New England System as “peaking capacity” and typically are called to run only approximately 20 hours per year.

CRRA contracted with NAES Corporation (“NAES”) to operate and maintain the JTF beginning June 1, 2012. Under the agreement with NAES, MIRA is responsible for paying the cost of jet fuel.

MIRA purchases the fuel from Dime Oil Company, LLC pursuant to a CT Department of Administrative Services contract. Dime Oil Company, LLC is the preferred vendor in Hartford County for this particular fuel on the CT DAS contract.

Because the value of jet fuel purchases will exceed \$50,000 during the fiscal year, which requires Board of Director approval, MIRA management is seeking Board authorization to purchase fuel from Dime Oil Company, LLC during FY2019. In this case, purchases would be on an “as needed” basis, would be pursuant to a DAS contract, and would not exceed the amount budgeted for FY2019.

Financial Summary

MIRA has budgeted \$775,000 for purchase of Jet Fuel in FY2019 in the Property Division Budget.

Tab 4

**RESOLUTION REGARDING COOPERATIVE SERVICES
AGREEMENT BETWEEN THE MATERIALS INNOVATION AND
RECYCLING AUTHORITY AND THE UNITED STATES
DEPARTMENT OF AGRICULTURE ANIMAL AND PLANT HEALTH
INSPECTION SERVICES / WILDLIFE SERVICES**

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.

Materials Innovation and Recycling Authority
Cooperative Service Agreement with the United States Department of
Agriculture Animal and Plant Health Inspection Service at the
CSWS Waste Processing Facility

Presented to the MIRA Board on: May 9, 2018

Vendor/ Contractor(s): United States Department of Agriculture,
Animal & Plant Health Inspection Services,
Wildlife Services

Effective date: July 1, 2018

Contract Type/Subject matter: Service Agreement for bird and other pest
control at the South Meadows Waste
Processing Facility.

Facility Affected: CSWS Waste Processing Facility

Original Contract: This is a new contract.

Term: July 1, 2018 through June 30, 2019

Contract Dollar Value: \$31,000.00

Amendment(s): NA

Term Extensions: NA

Scope of Services: Provide integrated bird control services at
the South Meadows WPF.

Other Pertinent Provisions: USDA is engaged as a contractor with
Special capability pursuant to section
3.1.2.5 of MIRA's Procurement Policies &
Procedures; accordingly, this contract is
awarded as an exception to the competitive
process.

Materials Innovation and Recycling Authority Connecticut Solid Waste System

Cooperative Services Agreement with United States Department of Agriculture for the Control of Birds

May 9, 2018

Executive Summary

This is to request approval of the MIRA Board of Directors for the President to enter into an agreement with the United States Department of Agriculture (USDA), Animal and Plant Health Inspection Services (APHIS), Wildlife Services (WS) to perform work at the South Meadows Waste Processing Facility on Maxim Road to control nuisance birds.

Discussion

As the owner and solid waste permittee of the South Meadows Resource Recovery Facility (RRF), MIRA has a regulatory obligation to control vectors, including birds. Historically, the South Meadows RRF has seasonally experienced excessive bird activity. Despite attempts in past years by MIRA's contractor and project staff to control bird activity using various means, including pyrotechnics, nuisance bird activity has been a recurring issue and if not managed adequately, may present a potential threat to the incoming and outgoing aircraft at the neighboring Brainard Airport.

In 2004, MIRA staff made inquiries to the solid waste management facility operators in other states, as well as to regulatory agencies, with the intent of identifying additional options for controlling birds at its waste facilities. MIRA's search revealed that the USDA is equipped to provide support in management of nuisance birds. Consequently MIRA entered into a Pilot Agreement with the USDA to provide services at the both the Hartford Landfill and the South Meadows Waste Processing Facility. The approach used in controlling birds has involved several methods, using various types of pyrotechnics, visual deterrents and safe traps, as well as toxicants and firearms. The USDA program proved successful, and MIRA has contracted with the USDA for these activities since 2004.

Based on annual reports provided by the USDA during the past decade, and observations made by USDA and MIRA personnel, the work performed by USDA continues to be effective in controlling the number of nuisance birds at the CSWS Waste Processing Facility. Although the vector control activities conducted by USDA at the WPF primarily involve control of nuisance birds, USDA also provides management of other nuisance animals as necessary, including skunks, raccoons and possum. The USDA Report for the past year's activities is included in the supplemental information package.

In addition to the on-site vector control services, USDA Wildlife Services also provides support to MIRA in completing, submitting and timely processing of the vector depredation permit, which authorizes MIRA – and through MIRA the USDA Wildlife Services – to undertake these depredation activities. MIRA obtains the depredation permit from the USDA, and must renew the permit on an annual basis.

MIRA management recommends contracting with the USDA for these bird control activities in FY 2019.

Financial Summary

The term of the contract is July 1, 2018 through June 30, 2019. The total not-to-exceed cost is \$31,000, which includes the cost of personnel, vehicles, supplies and administration. This is the same contract price as the current year.

These nuisance bird management activities were contemplated when the FY 2019 budget was developed, and sufficient funds are available in the FY 2019 CSWS WPF operating budget for this purpose.

Tab 5

**RESOLUTION REGARDING MARKET DRIVEN PURCHASE
OF DISCRETE EMISSION REDUCTION CREDITS (DERCs) FROM
PFIZER, INC. FOR NO_x EMISSIONS COMPLIANCE AT THE
SOUTH MEADOW STATION JET TURBINE FACILITY**

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 (NO_x) emissions limitations applicable to the South Meadow Station Jet Turbine Facility.

Materials Innovation & Recycling Authority

Contract Summary for Contract Entitled

Purchase of Discrete Emission Reduction Credits (DERCs) from Pfizer, Inc.

Presented to the MIRA Board on:	May 9, 2018
Vendor/ Contractor(s):	Pfizer, Inc.
Effective date:	Upon Execution
Contract Type/Subject matter:	Market Driven Purchase: DERCs from Pfizer, Inc.
Facility (ies) Affected:	South Meadow Station Jet Turbine Facility
Term:	Not Applicable – One-Time Purchase
Contract Dollar Value:	\$76,500
Amendment(s):	None
Term Extensions:	Not applicable
Scope of Services:	Purchase of 9 Ozone Season DERCs and 15 Non-Ozone Season DERCs.
Other Pertinent Provisions:	None

Materials Innovation & Recycling Authority

Purchase of Discrete Emission Reduction Credits (DERCs) from Pfizer, Inc.

May 9, 2018

Executive Summary

This is to request that the Board of Directors authorize the President to purchase twenty-four (24) Discrete Emission Reduction Credits (DERCs) from Pfizer, Inc. The DERCs are used to ensure compliance with nitrogen oxides (NOx) emissions limitations applicable to the South Meadow Station Jet Turbine Facility (JTF). Use of the DERCs is authorized by a Trading Agreement & Order issued by the Connecticut Department of Energy & Environmental Protection (DEEP).

There is limited market availability for DERC purchases in the state of Connecticut, with only three DERC generation entities located in the state. Given the limitations, this DERC purchase will be conducted in accordance with Section 5.11 (Market Driven Purchases and Sales) of MIRA's Procurement Policies and Procedures.

Discussion

The JTF complies with NOx emissions limitations via participation in an emissions trading program that is authorized by State regulations and governed by the terms and conditions of a Trading Agreement & Order (TA&O) issued to MIRA by DEEP. All entities that participate in the emissions trading program (i.e., as DERC creators, DERC users, or both) do so under the terms and conditions of individual TA&Os issued by DEEP. MIRA purchases and uses DERCs to achieve NOx emission reductions necessary for compliance with regulatory NOx emissions limitations; MIRA does not create any DERCs.

Pfizer, Inc. creates DERCs by minimizing the NOx emissions from three boilers at its facility via monitoring and controlling the combustion process, and via combusting natural gas instead of diesel fuel. Pfizer recently made 24 DERCs available to MIRA for purchase. All twenty-four of these DERCs were generated in 2017 and will remain valid through December 31, 2022. Under its TA&O, MIRA retires (uses) one DERC for every ton of excess NOx emissions. Purchase of these DERCs will leave MIRA one (1) non-

ozone DERC short of what we project we will need for CY 2022; we expect to have an opportunity to purchase that additional DERC from another seller shortly.

The market for NOx DERCs is limited by the fact that only three entities in the State create them, and two of those entities also use them for NOx emissions compliance. MIRA has purchased NOx DERCs from Pfizer and from one other DERC creator during the last five years. MIRA inquired about the availability of DERCs from the second DERC creator in mid-January; however, they were still evaluating their inventory and future needs in March in order to determine how many DERCs they could make available for sale. The second DERC creator did not make any DERCs available to MIRA for purchase in calendar year 2017. The third entity in the State that creates DERCs has not made any DERCs available for purchase by MIRA within the last five years, and has previously indicated an intention to hold onto the DERCs that it creates.

Financial Summary

The total cost for purchase of the twenty-four DERCs is \$76,500. MIRA budgeted \$112,500 for this expenditure in the FY2018 Property Division Budget. There are sufficient funds in the FY2018 Property Division Budget to cover the DERC purchase cost.

Tab 6

RESOLUTION REGARDING AGREEMENT FOR METALS RECOVERY AND MARKETING SERVICES

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.

Materials Innovation and Recycling Authority Agreement for Metals Recovery and Marketing Services Agreement Summary

Presented to Board:	May 9, 2018
Contractor:	wTe Recycling, Inc.
Term:	Base Term: July 1, 2018 through June 30, 2019 Extensions: Two (2) divisible one (1) year extension periods exercisable at MIRA's sole discretion. MIRA may terminate the agreement following the Base Term by simply not exercising its first option to extend.
Contract Type:	Revenue
Scope of Services:	Transportation, processing and marketing services for municipal solid waste pre-and-post-combustion ferrous and maintenance scrap metals.
Facility:	CSWS South Meadows Resource Recovery Facility ("Facility")
Revenue Value:	The per ton pre-and-post-combustion ferrous metal rate paid to MIRA for metals sold is tied to the Philadelphia High Side Shredded Auto Scrap Index as published by American Metal Market. The Non-contaminated maintenance scrap metal per ton rate paid to MIRA is tied to the #1 HMS (heavy melting steel) High Side Index as published by American Metal Market. Based on market index prices and volume of metal recovered in FY2017, MIRA realized \$894,093 in revenue from the metals sold.
Key Agreement Provisions:	<p>MIRA makes no guarantee as to the amount or availability of the metals to be provided to wTe under the Agreement.</p> <p>MIRA will pay wTe \$275,000 in 36 equal payments. If MIRA terminates the agreement prior to the 36 month term, MIRA will pay wTe the remaining unpaid balance. This payment is to help wTe defray costs associated with a EPA enforcement action associated with VOC emissions from the processing of MIRA's ferrous metal material.</p> <p>wTe is engaged as a contractor with Special Capability pursuant to section 3.1.2.5 of MIRA's Procurement Policies & Procedures; accordingly, this contract is awarded as an exception to the competitive process.</p>
Performance Security:	\$300,000

Connecticut Solid Waste System South Meadows Resource Recovery Facility

Metals Recovery and Marketing Services

May 9, 2018

Executive Summary

The municipal solid waste (“MSW”) processing performed at the South Meadows Resource Recovery Facility (the “Facility”) is comprised of several steps, including the magnetic separation of ferrous metals from the MSW delivered to the Facility. MIRA has a contract with wTe Recycling, Inc. (“wTe”), for the transportation, processing and marketing of the ferrous metals removed from the waste stream along with much smaller volumes of post-combustion metal and maintenance metals recovered at the Facility.

MIRA’s current Agreement for the metal services will terminate June 30, 2018. There is currently no provision in the agreement to extend services past June 30, 2018.

This is to request that the Board of Directors authorize the President to execute an agreement with wTe for a base term of twelve (12) months, with two optional twelve (12) month terms, as summarized on the term sheet above and discussed below.

Discussion

History of relationship with wTe; wTe Special Capability Under Section 3.1.2.5 of MIRA’s Procurement Policies and Procedures.

Approximately 35% of the weight of the ferrous metals removed from the MSW processed at the Waste Processing Facility (“WPF”) is entrained MSW. Because of the amount of MSW mixed in with the pre-combustion metal, Connecticut and the neighboring states of New York, New Jersey, Massachusetts and Rhode Island, require that scrap metal recycling companies who wish to handle such “contaminated” metals must first obtain a solid waste permit (essentially the same permit required for any entity wishing to operate a MSW transfer station).

wTe has been performing metals transportation and marketing services for the Facility since May of 1990 with only one interruption: for the period January 1, 1994 through January 31, 1996, when MIRA contracted with a different company for the services. The alternative company subsequently went bankrupt and wTe stepped in on February 1, 1996 to complete the term of the agreement (through December 31, 1996).

During the period of January 1, 1996 through August 31, 1999 wTe continued to perform the services under a series of letter agreements with each letter agreement having a term of approximately one-year.

In June, 1999 MIRA issued a competitive bid for the services for a term of one (1) year. wTe was the sole bidder. MIRA rebid for the services in 2001 for a term of July 1, 2001 through June 30, 2003. wTe was again the sole bidder. MIRA rebid the services in 2003 for a term of three (3) years (July 1, 2003 through June 30, 2007) and wTe was again the sole bidder. MIRA issued yet another competitive bid in 2007 for a three year term (July 1, 2007 through June 30, 2010 with the option to extend for two one-year extension periods). While MIRA did receive one other bid, the share of the revenue realized from the sale of the recovered metals offered to MIRA from the other bidder was significantly less than the revenue share offered by wTe and the bidder did not have in place the appropriate solid waste permit to handle the material.

Prior to issuing procurement documents for a new contract to take effect July 1, 2010, MIRA management contacted solid waste regulatory officials in Connecticut and four surrounding states (RI, MA, NY, and NJ) to inquire if there were other scrap metal dealers that had obtained the regulatory authority to accept and process ferrous metals contaminated with 35% or more MSW. MIRA staff spoke with two individuals at the NYDEC, two individuals at the MADEP, one individual at the NJDEP, one individual at the RIDEM, and one individual at the CTDEEP. Except for the MADEP confirming that wTe's facility had the applicable authority/permit, none of these individuals were aware of any permitted scrap metal recycling facilities in their respective states that were authorized to accept scrap metal contaminated MSW. Having confirmed that no other firms were properly permitted to process the metals generated at the Facility, MIRA's management recommended and the Board of Directors approved an agreement with a base two-year term of July 1, 2010 through June 30, 2012 with one extension period. MIRA subsequently exercised its option to extend the agreement for the one-year extension period commencing July 1, 2012 and terminating June 30, 2013.

Before issuing a procurement package in 2013 for a new contract, MIRA again canvassed environmental agency authorities in Connecticut and the surrounding states to determine if market conditions have changed, i.e. other firms have been issued the necessary permits to handle the MSW metals. Based on MIRA's conversations with environmental agency representatives in CT, MA, NJ, NY and RI, no such solid waste permits have been issued to any scrap metal dealers other than wTe. Consequently, MIRA signed an agreement with wTe effective July 1, 2013 for a three year base term, with two (2) one year extensions (through June 2018).

VOC Emissions from Processing Ferrous Entrained with MSW

In early November 2016, wTe informed MIRA that it had been issued a notice of violation ("NOV") in July 2016 by the U.S. Environmental Protection Agency ("EPA"). The NOV was associated with elevated levels of Volatile Organic Compounds ("VOCs") that were detected when processing pre-combustion MSW ferrous metals. At that time, wTe notified MIRA that in order to continue to process the MSW pre-combustion ferrous metals for an extended period of time it was likely that wTe would be required by the EPA to install expensive environmental control technology to destroy the VOCs.

MIRA is wTe's largest supplier of pre-combustion MSW ferrous metals. Initially, wTe had hoped MIRA would be amenable to executing a new, long-term contract with a term extending through June 30, 2024. Such a contract term would have provided wTe with the financial assurance needed to underwrite the costs associated with installation of the technology needed to treat the VOCs. In exchange for the long-term contract, wTe was willing to agree to the same terms and conditions as contained in the current contract, with one exception: that MIRA could not terminate the contract prior to June 30, 2024. MIRA was unable to accept this provision given the uncertainty regarding the proposed redevelopment of the CSWS waste processing facilities and site. Therefore, MIRA and wTe have continued to operate under the existing agreement.

In an attempt to identify other outlets for this material, MIRA also issued a request for proposals in the fall of 2017, but neither of the two firms that responded (one in Massachusetts and one in New York) were willing to engage in the process to obtain the solid waste permits needed to accept and process the material, or otherwise were not interested in managing this material.

Pending Enforcement Action Against wTe

As a result of VOC emissions from wTe's processing equipment that have occurred during the past several years, EPA has notified wTe that they intend to take enforcement action against wTe, including a monetary fine and the requirement to purchase emission reduction credits if wTe intends to continue to accept and process MIRA's material.

wTe had requested last year that EPA consider allowing wTe to continue to accept and process MIRA's material for an additional three year period. MIRA supported wTe's request to EPA (see the attached correspondence dated January 24, 2018).

wTe is in the process of negotiating the enforcement action with EPA; wTe estimates that the cost of the fine, along with legal fees and engineering fees will be in the high six figures. EPA intends to limit the timeframe for allowing wTe to continue to operate the processing equipment to three (3) years after which they will be required to install control technology if they wish to continue to process MIRA's material.

Considering the enforcement action that EPA intends to take against wTe, including monetary penalties and the requirement that wTe purchase emission reduction credits moving forward, wTe has proposed that MIRA and wTe execute an agreement for a base term of one year, with two additional option years, using the same cost sharing formula that in in the current agreement, but with the additional provision that MIRA pay wTe \$275,000 to help defray its costs associated with managing MIRA's ferrous material. MIRA has proposed to wTe that we pay the \$275,000 in thirty six (36) equal installments, and in the event that MIRA terminate the agreement prior to the 36th month that MIRA will pay the remaining balance of the \$275,000; wTe has agreed to this payment schedule.

Recommendation

MIRA management recommends that the Board of Directors authorize the President to enter into a contract with wTe to manage pre-and post-combustion ferrous metals, and maintenance metal for a term commencing July 1, 2018 and ending June 30, 2019 under the same terms and conditions of the current agreement on the basis of the firm's special capability as provided for under section 3.1.2.5 of MIRA's Procurement Policies and Procedures, with the additional provision that MIRA pay wTe \$275,000 in 36 equal installments as discussed above. The new contract would provide for two (2) divisible one-year extensions exercisable at MIRA's sole and absolute discretion. In the event that MIRA did not exercise the first or both extensions, MIRA would pay the remaining balance of the \$275,000 to wTe at that time.

Financial Summary

In FY17 MIRA recovered 19,962 tons of pre-combustion ferrous metals and 419 tons of maintenance metals. The revenue generated from the sale of these wastes was \$894,093 (an increase in revenues of \$234,093 over FY16).



Materials Innovation and Recycling Authority

200 CORPORATE PLACE Suite 202 • Rocky Hill • CONNECTICUT • 06067 • TELEPHONE (860) 757-7700
FAX (860) 757-7740

January 24, 2018

Hugh W. Martinez
Senior Enforcement Counsel
U. S. EPA Region 1 – New England
5 Post Office Square, Suite 100 (OES 04-3)
Boston, MA 02109-3912
Via Fed Ex (771311042975)

Christine Sansevero
Senior Enforcement Coordinator – Air Technical Unit
U. S. EPA Region 1 – New England
5 Post Office Square, Suite 100 (OES 04-3)
Boston, MA 02109-3912
Via Fed Ex (771311156253)

Re: Materials Innovation & Recycling Authority
Ferrous Recovery at wTe Recycling, Inc.

Dear Attorney Martinez and Ms. Sansevero,

This is to follow up to our December 19, 2017 teleconference regarding the reclaimed ferrous material that the Materials Innovation and Recycling Authority (“MIRA”) generates at its waste-to-energy facility in Hartford, Connecticut and subsequently conveys to wTe Recycling, Inc. (“WTE”) in Greenfield, Massachusetts for further processing and recovery of the ferrous material.

MIRA is Connecticut’s quasi-public state solid waste management authority. MIRA was established by the Connecticut Legislature as a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut, *for the performance of an essential public and governmental function.*

MIRA has the responsibility and authority to provide solid waste disposal and resource recovery systems and facilities, and solid waste management services, where necessary and desirable throughout the State, to Connecticut Municipalities that have an obligation under Connecticut law to ensure they make provision for the safe and sanitary disposal of solid waste generated within their corporate boundaries.

MIRA's Connecticut Solid Waste System

MIRA's waste-to-energy project based around the municipal waste combustion facility located in Hartford, Connecticut is referred to as the Connecticut Solid Waste System ("CSWS"). The CSWS includes the Hartford Resource Recovery Facility ("RRF"), a single stream recycling facility for source-separated fiber and containers also located in Hartford, and four solid waste transfer stations that serve to feed municipal solid waste into the RRF.

The ferrous material that MIRA generates and in-turn conveys to WTE is generated at MIRA's Waste Processing Facility ("WPF"), which produces the Refuse Derived Fuel ("RDF") that is in-turn burned in the Power Block Facility ("PBF"). Both the WPF and the PBF make up the resource recovery facility.

MIRA's Business Model

MIRA's enabling legislation requires that it operate in a self-sustaining manner; MIRA does not receive any funding from the State of Connecticut.

Pursuant to its enabling legislation, MIRA does not make a profit from its solid waste management activities. Rather, the statutory purpose and business model of MIRA is the provision of solid waste management services, the recovery of resource value from solid waste received at its facilities, and the production from such resource recovery activities of revenues sufficient to provide for the support of MIRA *on a self-sustaining basis, with the requirement to redistribute any surplus revenues to reduce the cost of MIRA's services to its customers.*

Accordingly, MIRA does not establish its annual tip fee based on the maximum fee that the solid waste disposal market will allow (as private sector waste management companies do). Rather, MIRA derives a tip fee each year based on the required disposal fee revenue necessary to balance its budget after all system expenses, and all non-disposal revenues (e.g., electric power sales; sale of commodities from single stream recyclable recovery; ferrous metal sales; spot waste deliveries) are first estimated, as follows:

$$\text{System Expenses} = \text{Non-Disposal Fee Revenue} + \text{Disposal Fee Revenue} \\ + (\text{reserve contribution to offset deficit, if necessary})$$

$$\text{The Tip Fee} = \text{Disposal Fee Revenue estimate} / \text{Number of contracted tons}$$

In accordance with your request, and to illustrate MIRA's business model, I have enclosed an 8 page summary of MIRA's draft FY2019 (7/1/18 – 6/30/19) budget for the CSWS, in power point format.

As the draft budget shows, MIRA will be using \$7,654,233 from a reserve fund in order to make up a deficit, notwithstanding that MIRA will be increasing its tip fee from \$70.00 to \$74.00 per ton for its participating municipalities.

MIRA's FY2019 budget currently assumes metal sales revenues of \$728,100 from WTE, most of which will be from the approximately 19,500 tons of pre-combustion ferrous material that MIRA ships to WTE and which WTE further processes. As I discussed with you during our teleconference, MIRA's current alternative would be to ship this material to a landfill at considerable expense. In such a case, MIRA would not only forego receipt of the \$728,100 in revenue, but also would pay approximately \$90.00 - \$100.00 per ton¹ in transportation and disposal costs to move this material to landfill. Assuming 19,500 tons at \$95.00 per ton (\$1,852,500) plus \$728,100 in lost revenue, this would result in an additional \$2,580,600 cost to the CSWS system. Moreover, approximately 10,000 tons of the material being placed in the ground would be valuable ferrous metal.

In the event that MIRA is unable to continue to manage this ferrous material at WTE, MIRA will be forced to significantly increase its tip fee to cover these additional costs, which would likely drive some of its participating municipal customers away, creating even more of a deficit for MIRA's CSWS.

Resource Rediscovery Initiative

Pursuant to Public Act 14-94, the Connecticut Department of Energy and Environmental Protection ("CTDEEP") began an initiative in 2015 to redevelop MIRA's CSWS, and in particular the Resource Recovery Facility in Hartford. CTDEEP's initiative was structured to promote the increased solid waste diversion goals established in CTDEEP's Comprehensive Material Management Strategy Plan (state solid waste management plan) that was revised and promulgated in July 2016.

Through a two phase solicitation process, which occurred over approximately a 3 year period, CTDEEP has selected Sacyr Rooney Recovery Team, LLC to negotiate and execute an agreement with MIRA for the refurbishment and redevelopment of the CSWS, and in particular the Resource Recovery Facility.

More information on CTDEEP's Resource Rediscovery initiative may be found here:

http://www.ct.gov/deep/cwp/view.asp?a=2718&q=570556&deepNav_GID=1646

The schedule for redevelopment and refurbishment of the CSWS facilities, including contract negotiation, securing financing, transfer and modification of environmental permits, installation of new mechanical separation equipment, etc., is approximately five years.

¹ (Note: due to poor boiler performance, MIRA is currently diverting approximately 1,500 tons per week of municipal solid waste to two landfills in Massachusetts at a disposal cost of \$75.00 per ton, plus an average transportation cost of \$24.60 per ton.)

At this time, MIRA expects to continue to generate the pre-combustion ferrous material for approximately three years during the transition period.

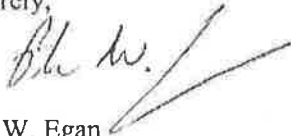
Value of the WTE Metals Processing Service

It is important to the viability of MIRA's CSWS waste-to-energy project to have WTE continue to provide the current metals processing service through June 30, 2021. This publically owned and controlled solid waste system disposes of approximately one third of Connecticut's municipal solid waste ("MSW") each year, taking both residential and commercial MSW, and serving more than fifty municipalities in the state.

MIRA respectfully requests that USEPA permit WTE to continue to process MIRA's pre-combustion ferrous metals for the three year period ending June 30, 2021. While this time frame will not get us to the five year completion date outlined in the Resource Rediscovery initiative, we recognize that the emissions issues that USEPA has identified must be addressed, and the three year period will at least allow MIRA time to pursue other options as we position the organization to complete the Resource Rediscovery initiative.

I am available at your convenience to provide additional information or answer any questions that you may have. I may be reached at 860-757-7725, or via email at pegan@ctmira.org.

Sincerely,



Peter W. Egan
Director of Operations and Environmental Affairs

Enclosure

C: Scott Mellen, WTE
David Rosenblatt, Esq., Burns and Levinson
Virginia Raymond, MIRA
Roger Guzowski, MIRA
Mark Daley, MIRA
File: MIRA Operations

MATERIALS INNOVATION AND RECYCLING AUTHORITY

1

**CSWS DIVISION
FY 2019 DRAFT OPERATING AND CAPITAL BUDGET**

JANUARY 2018

DRAFT

Summary Proposed Budget

2

• Cost of Operation -	\$72,028,115
○ Total Operating Expenses -	\$ 58,640,815
○ Total Major Maintenance Expenses -	\$13,387,300
• Total Operating Revenues -	\$64,382,882
○ Participating Town Disposal Fees -	\$26,863,080
○ Non-Disposal Fee Revenue -	\$37,519,802
• Deficit Funding (from reserve) -	\$7,654,233

Operating Expense Budget

3

• Transfer Stations -		\$ 2,016,700
○ Ellington -	\$ 12,900	
○ Essex -	\$ 719,559	
○ Torrington -	\$ 563,332	
○ Watertown -	<u>\$ 720,909</u>	
○ Total -	\$2,016,700	
• Waste Transportation -		\$14,223,490
○ MSW From Essex -	\$ 855,576	
○ MSW From Torrington -	\$ 825,916	
○ MSW From Watertown -	\$ 1,576,510	
○ MSW From RRDD#1 -	\$ 19,803	
○ MSW From Ellington -	\$ 42,000	
○ Solid Waste Bypass -	\$ 731,100	
○ Ash Disposal -	\$ 10,135,806	
○ Non-Processible -	<u>\$ 37,500</u>	
○ Total -	\$ 14,223,490	
• Trash to Energy Facility -		\$33,576,210
○ Waste Processing -	\$11,135,064	
○ Power Block -	\$21,209,919	
○ Facility Contractor -	<u>\$ 1,231,226</u>	
○ Total -	\$33,576,210	

Operating Expense Budget

4

• Recycling Facility -		\$790,910
○ Transport From Essex -	\$ 185,070	
○ Transport From Torrington -	\$ 281,168	
○ Transport From Watertown -	\$ 135,721	
○ Direct O&M Expenses -	\$ 188,950	
○ Recycling Rebate -	\$ <u>0</u>	
○ Total	\$ 790,910	
• Indirect Expense-		\$8,033,505
○ Authority Budget Allocation-	\$2,638,339	
○ MIRA Direct Personnel-	\$1,747,823	
○ MIRA Direct Non Personnel -	\$1,075,280	
○ Assessment, Fees and Taxes -	<u>\$2,572,063</u>	
○ Total	\$8,033,505	
• Total Operating Expense Budget -		\$58,640,815

Major Maintenance Expense Budget

5

Waste Processing Facility: **\$1,950,000**

Purchase new loader	\$ 780,000
Concrete repair of tip floor	\$ 340,000
500 line steel wall repair	\$ 200,000
Conveyor refurbishment	\$ 150,000
Office refurbishment	\$ 100,000
Repair 2 secondary shudder rotors	\$ 100,000
Other	\$ 280,000
Total WPF	\$ 1,950,000

Power Block: **\$11,437,300**

Primary / secondary superheaters	\$ 2,090,000
Bag house repairs & bag replacement	\$ 1,957,500
Turbine 6 major overhaul	\$ 1,850,000
Air heater retubing	\$ 1,000,000
Tubes / waterwalls	\$ 1,030,000
Ducts, grates & augers	\$ 1,552,000
Other	\$ 1,957,800
Total PBF	\$ 11,437,300

Total: **\$13,387,300**

Participating Town Disposal Fee Revenue

6

- Aggregate Member Tons - 372,015
- Uniform Base Disposal Fee - 74.00 / Ton
- Total Member Disposal Fees - \$26,863,080
- Note: Deficit Funding of \$7,654,233 is Equivalent Subsidy to Uniform Base Disposal Fee of \$20.55 / ton
- \$4.00 Per Ton Increase From FY 2018 Tip Fee

Non-Disposal Fee Revenue

7

○ Energy Sales -		\$19,298,864
▪ Capacity Payments -	\$ 4,578,864	
▪ Class II RECs -	\$ 3,840,000	
▪ Real Time Market -	<u>\$10,880,000</u>	
▪ Total -	\$19,298,864	
○ Other Recovered Products -		\$2,057,138
▪ Inbound CSWS Base @ \$8.50 / Ton -	\$ 476,000	
▪ Inbound FCR Base @ \$7.50 / Ton -	\$ 75,000	
▪ Non-participating Town Tip Fees -	\$ 65,040	
▪ Revenue Share (Container Sales) -	\$ 69,626	
▪ Revenue Share (Paper Sales) -	\$ 215,232	
▪ FCR Residue Disposal / Other -	<u>\$ 332,640</u>	
▪ Recycling Sub-total	\$1,233,538	
▪ Municipal Bulky & Mattresses -	\$ 95,500	
▪ Metal Sales -	<u>\$ 728,100</u>	
▪ Total Other Recovered Products-	\$2,057,138	
○ Non Participating Town Waste -		\$16,105,800
▪ Hauler Contracts-	\$12,765,000	
▪ Other Contracts -	\$ 3,087,000	
▪ Spot Waste -	<u>\$ 253,800</u>	
▪ Total -	\$16,105,800	
○ Other (Interest / Service Fees)		<u>\$ 58,000</u>
○ Total Non Disposal Fee Revenue -		\$37,519,802

Waste to Energy Key Drivers

8

• Total MSW Deliveries (tons) -		629,311
○ "Aggregate Tons" -	372,015	
○ Hauler Contract -	172,500	
○ Other Contract -	63,000	
○ Spot -	20,796	
○ Municipal Bulky -	<u>1,000</u>	
○ Total -	629,311	
• Total MSW to Refuse Derived Fuel (RDF) Production Rate -		97.2%
• Total RDF -		612,000
• RDF to KWH Production Rate -		522.9 kwh / ton
• Energy Production -		320,000,000 kwh
• Contract / Non Contract Energy Price -		\$.0340 / kwh
• RDF to Ash Production Rate -		26.36%
• Ash to Disposal -		161,347 tons
• Ash Disposal Cost Per Ton -		\$62.82

Tab 7

**RESOLUTION REGARDING
COMMERCIAL AND INDUSTRIAL REAL ESTATE
SERVICES**

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

Materials Innovation and Recycling Authority

Contract Summary for Contract entitled

Commercial And Industrial Real Estate Services Agreement

Presented to MIRA Board on:	May 9, 2018
Vendor/Contractor(s)	Kerin & Fazio, LLC
Effective Date:	July 1, 2018
Contract Type/Subject Matter:	Three-Year on-call, as-needed Agreement for Commercial and Industrial Real Estate Services
Facility(ies) Affected:	Not Applicable
Original Contract	<p>MIRA currently has 3-year contracts for on-call as-needed Commercial and Industrial Real Estate Services that expire June 30, 2018.</p> <p>This RFQ contemplates Property Appraisal Services as one of three categories of Commercial & Industrial Real Estate Services for which firms could submit Statements of Qualifications:</p> <ul style="list-style-type: none">• Real Estate Consulting and Research Services• Property Appraisal Services• Seller's/Lessor's Agent Brokerage Services
Category(ies) of Services to be awarded:	<ul style="list-style-type: none">• Property appraisal services
Term:	July 1, 2018 through June 30, 2021
Contract Dollar Value:	Not Applicable. All services will be provided pursuant to a Request for Services ("RFS")
Amendment(s)	Not Applicable
Term Extensions:	Not Applicable
Other Pertinent Provisions:	Any work under the Agreements will be pursuant to a Request for Services ("RFS"). Any RFS in excess of \$50,000 per fiscal year will require approval by the Board of Directors.

Materials Innovation and Recycling Authority

Contract Summary for Contract entitled

Commercial And Industrial Real Estate Services Agreement

Presented to MIRA Board on:	May 9, 2018
Vendor/Contractor(s)	MR Valuation Consulting LLC
Effective Date:	July 1, 2018
Contract Type/Subject Matter:	Three-Year on-call, as-needed Agreement for Commercial and Industrial Real Estate Services
Facility(ies) Affected:	Not Applicable
Original Contract	<p>MIRA currently has 3-year contracts for on-call as-needed Commercial and Industrial Real Estate Services that expire June 30, 2018.</p> <p>This RFQ contemplates Property Appraisal Services as one of three categories of Commercial & Industrial Real Estate Services for which firms could submit Statements of Qualifications:</p> <ul style="list-style-type: none">• Real Estate Consulting and Research Services• Property Appraisal Services• Seller's/Lessor's Agent Brokerage Services
Category(ies) of Services to be awarded:	<ul style="list-style-type: none">• Property appraisal services
Term:	July 1, 2018 through June 30, 2021
Contract Dollar Value:	Not Applicable. All services will be provided pursuant to a Request for Services ("RFS")
Amendment(s)	Not Applicable
Term Extensions:	Not Applicable
Other Pertinent Provisions:	Any work under the Agreements will be pursuant to a Request for Services ("RFS"). Any RFS in excess of \$50,000 per fiscal year will require approval by the Board of Directors.

Materials Innovation and Recycling Authority

Contract Summary for Contract entitled

Commercial And Industrial Real Estate Services Agreement

Presented to MIRA Board on:	May 9, 2018
Vendor/Contractor(s)	Vimini Valuation Services, LLC
Effective Date:	July 1, 2018
Contract Type/Subject Matter:	Three-Year on-call, as-needed Agreement for Commercial and Industrial Real Estate Services
Facility(ies) Affected:	Not Applicable
Original Contract	<p>MIRA currently has 3-year contracts for on-call as-needed Commercial and Industrial Real Estate Services that expire June 30, 2018.</p> <p>This RFQ contemplates Property Appraisal Services as one of three categories of Commercial & Industrial Real Estate Services for which firms could submit Statements of Qualifications:</p> <ul style="list-style-type: none">• Real Estate Consulting and Research Services• Property Appraisal Services• Seller's/Lessor's Agent Brokerage Services
Category(ies) of services to be awarded:	<ul style="list-style-type: none">• Real Estate Consulting and Research Services• Property Appraisal Services• Seller's/Lessor's Agent Brokerage Services
Term:	July 1, 2018 through June 30, 2021
Contract Dollar Value:	Not Applicable. All services will be provided pursuant to a Request for Services ("RFS")
Amendment(s)	Not Applicable
Term Extensions:	Not Applicable
Other Pertinent Provisions:	Any work under the Agreements will be pursuant to a Request for Services ("RFS"). Any RFS in excess of \$50,000 per fiscal year will require approval by the Board of Directors.

Materials Innovation and Recycling Authority

Property Appraisal Services Agreement

May 9, 2018

Executive Summary

From time to time MIRA requires the assistance of firms to provide on-call commercial and industrial real estate services. MIRA's "Procurement Policies and Procedures" establishes a "Request for Qualifications" ("RFQ") process to obtain such services.

On February 26, 2018, MIRA issued an RFQ for Commercial And Industrial Real Estate Services, in order to solicit firms with which to contract for the three-year period beginning July 1, 2018 for one or more of the following categories of services:

- (a) Real Estate Strategic Planning, Consulting, and Research Services;
- (b) Property Appraisal Services;
- (c) Seller's/Lessor's Agent Brokerage Services

Based on an evaluation of the Statement of Qualifications ("SOQ") received in response to this RFQ, the firms listed below have been selected for recommendation to the Board of Directors.

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

This is to request approval of the MIRA Board of Directors for the President to enter into agreements with the firms identified above to provide services as described below for the three-year period beginning July 1, 2018 and ending June 30, 2021.

Any work performed under such an agreement will be pursuant to a Request for Services ("RFS"), and any RFS that is in excess of \$50,000 per year will require approval of the Board of Directors.

Discussion

MIRA's "Procurement Policies and Procedures" (BOD014) establishes an RFQ process as "a process by which MIRA identifies persons to perform services on behalf of . . . MIRA through the solicitation of qualifications, experience, prices, and other such matters as MIRA

determines may bear on the ability to perform services.... (Section 2.2.23)” MIRA has historically used the RFQ process to pre-qualify firms for a variety of technical services that it requires (e.g., engineering services). In accordance with its Procurement Policy and Procedures and Connecticut State Statute, MIRA is required to solicit for technical and professional services once every three years (Section 5.3.5).

Existing agreements for on-call Property Appraisal Services expire June 30, 2018. These expiring 3-year agreements were the result of an RFQ for property appraisal services issued in March, 2015.

This RFQ contemplated that firms may offer a broader suite of real estate services which MIRA might need from time-to-time over the next three years. Such services are clearly the type of technical services for which an RFQ process is appropriate. Because of that, MIRA determined that the most prudent approach to acquiring such Commercial and Industrial Real Estate Services was through an RFQ process.

On February 27, 2018, MIRA issued an RFQ for Commercial And Industrial Real Estate Services, in order to solicit firms with which to contract for the three-year period beginning July 1, 2018 for one or more of the following categories of services:

- (a) Real Estate Strategic Planning, Consulting, and Research Services;
- (b) Property Appraisal Services;
- (c) Seller’s/Lessor’s Agent Brokerage Services

MIRA’s President identified Peter Egan, MIRA’s Director of Operations and Environmental Affairs; and Roger Guzowski, MIRA’s Contract and Procurement Manager (the “Evaluation Team”) to evaluate the Statements of Qualifications that were received.

Based on an evaluation of the Statement of Qualifications (“SOQ”) received in response to this RFQ, the firms listed below have been selected for recommendation to the Board of Directors.

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

Solicitation Process

MIRA issued an RFQ for property appraisal services on February 27, 2018.

The availability of the RFP documents was advertised on the MIRA website and the State of Connecticut DAS State Contracting Portal. In addition:

- A notice regarding the availability of the RFP was e-mailed to the firms who submitted a Notice Of Interest and/or a proposal when MIRA last issued a solicitation for these services.

- A notice regarding the availability of the RFP was e-mailed to the Five Largest Commercial Real Estate Brokers in Greater Hartford according to the Hartford Business Journal's 2016-2017 Book of Lists.
- A notice regarding the availability of the RFP was e-mailed to the Commercial Real Estate Brokers from whom MIRA solicited services when MIRA moved its headquarters from Hartford to Rocky Hill.

Statements of Qualifications ("SOQs") were due by April 5, 2018. A total of 4 firms responded to the RFQ. They are as follows:

- Bond Realty Group LLC
- Kerin & Fazio, LLC
- MR Valuation Consulting LLC
- Vimini Valuation Services, LLC

The SOQs submitted were first evaluated for administrative sufficiency and responses to MIRA's "Questionnaire Concerning Affirmative Action, Small Business contractors and Occupational Health and Safety." The Evaluation Team then evaluated the SOQs for experience and technical merit.

Based on an evaluation of the Statement of Qualifications ("SOQ") received in response to this RFQ, the firms listed below have been selected for recommendation to the Board of Directors.

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

Staff decided to recommend the three firms to the Board for two reasons:

- First, as per MIRA's Procurement Policies and Procedures (BOD014), "no real property shall be purchased by MIRA without at least two (2) written appraisals" (section 5.1.2). Thus it is in MIRA's interest to have at least two firms available in MIRA's "on-call list" to provide such services.
- Second, there is a very wide range of types of properties and facilities for which MIRA might have an interest and, combined, these three firms have a diversity of specialization and experience to amply cover that wide range.

Kerin & Fazio LLC is a firm that demonstrated experience appraising a wide range of commercial and industrial properties including capped landfills, recycling facilities, rock quarries and industrial and office facilities.

MR Valuation Consulting, LLC specializes in the appraisal and valuation of power plants and complex industrial facilities. They also provide valuation services for a range of industries and have experience in providing appraisals and consulting services for landfills, solid waste facilities, and recycling facilities.

Vimini Associates specializes in commercial property valuations of all types, with a concentration in Connecticut, particularly southwest Connecticut - with the exception of power plants and continuing care facilities (they have been involved with the valuation of such facilities but not as a lead firm). They have appraised landfill properties and waste transfer stations. In addition they demonstrated extensive experience in real estate brokerage and consulting for a wide range of special use properties and wide range of clients.

The Evaluation Team felt that the fourth respondent to this RFQ, Bond Realty Group LLC did not demonstrate sufficient experience brokering the complex commercial and industrial properties contemplated in this RFQ. Their primary experience appears to be in the housing market (including multifamily and mixed use residential & retail properties).

The agreements that are to be executed with these firms will have an effective date of July 1, 2018 and will extend through June 30, 2021.

Comparison of Hourly Billing Rates – Appraisal and Real Estate Consulting Services

Hourly Rate – Kerin & Fazio, LLC

Staff Level	July 1, 2018 – June 30, 2019	July 1, 2019 – June 30 2020	July 1, 2020 – June 30, 2021
Senior Appraiser	\$300	\$300	\$300
Appraiser	\$150	\$300	\$325

Note: In addition to hourly rates Kerin & Fazio listed fixed-fee appraisal rates for several types of properties.

Hourly Rate – MR VALUATION CONSULTING, LLC

Staff Level	July 1, 2018 – June 30, 2019	July 1, 2019 – June 30 2020	July 1, 2020 – June 30, 2021
Partner	\$395	\$415	\$435
Director	\$370	\$389	\$408
Senior Management	\$350	\$368	\$386
Management	\$290	\$305	\$320
Senior Professional	\$255	\$268	\$281
Professional	\$230	\$242	\$254
Deposition, Testimony, Appraisal Review	\$450	\$473	\$496

Hourly Rate – VIMINI VALUATION SERVICES, LLC

Staff Level	July 1, 2018 – June 30, 2019	July 1, 2019 – June 30 2020	July 1, 2020 – June 30, 2021
Chief Appraiser/Broker	\$225	\$236	\$248
Appraiser	\$200	\$215	
Researcher	\$175	\$184	\$195
Office Manager	\$110	\$120	\$130

Note: In addition to hourly rates Vimini Valuation Services, LLC listed fixed-fee appraisal rates for several types of properties.

Brokerage Rates – Vimini Valuation Services, LLC

- Sellers brokerage services: 5% of sale price.
- Lessor’s brokerage services: 5% of Lease Rate for initial term of lease. 2.5% of annual lease payments for lease renewals

Financial Summary

MIRA makes no financial commitment to any firm in the three-year services Agreements.

This selection simply qualifies a firm as eligible to undertake work for MIRA at a later date, when a specific need is actually identified. Any such future work would be procured through a Request For Services (RFS), and any RFS for more than \$50,000 per fiscal year would require prior approval by the MIRA Board of Directors.

The cost for any particular task specific RFS that is negotiated with any particular property appraisal firm pursuant to these three-year service agreements will be based on the hourly rates for time (i.e., professional labor rates) and other expenses (e.g., copying) that are pre-established in these three-year service agreements.

The sale of real property will require the approval of a 2/3 vote of the full Board of Directors and no real property shall be sold without at least two written appraisals.