

**MATERIALS INNOVATION AND RECYCLING AUTHORITY**

**FIVE HUNDRED AND FIFTEEN**

**May 28, 2020**

A Special Telephonic Board meeting of the Materials Innovation and Recycling Authority Board of Directors was held on Thursday, May 28, 2020. Present via video or audio conferencing were:

Directors:

Chairman Stein  
Vice-Chairman Dick Barlow  
John Adams  
Edward Bailey Carl Fortuna, Jr.  
Jim Hayden  
Scott Shanley  
Pat Widlitz  
Thomas Swarr, CSWS Project Ad Hoc

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

Public Present:

Ann Catino, Halloran Sage

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. As there were no members of the public who wished to address the Board, the meeting commenced.

**EXECUTIVE SESSION**

Chairman Stein requested a motion to enter into Executive Session to discuss pending litigation and pending RFP responses, potential lease of MIRA real estate, trade secrets, personnel matters, security matters, and feasibility estimates and evaluations. The motion was made by Director Shanley and seconded by Director Widlitz. Chairman Stein requested that the following people remain for the Executive Session, in addition to the Board members:

- Tom Kirk
- Mark Daley
- Peter Egan
- Laurie Hunt
- Ann Catino

The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Bailey, Director Hayden, Director Fortuna, Director Shanley, Director Widlitz and Ad Hoc Swarr voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Chairman Stein	X		
Vice Chairman Barlow	X		
John Adams	X		
Edward Bailey	X		
Jim Hayden	X		
Scott Shanley	X		
Carl Fortuna	X		
Pat Widlitz	X		
<b>Ad Hoc Members</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Tom Swarr, CSWS Ad Hoc	X		

The Executive Session commenced at 9:40 a.m.

The meeting was reconvened at 10:30 a.m. Chairman Stein noted that no votes were taken.

**REVIEW AND RECOMMEND RESOLUTION REGARDING COURSE OF ACTION CONCERNING THE CSWS REDEVELOPMENT.**

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

**WHEREAS,** The Materials Innovation and Recycling Authority (“MIRA”) and the Sacyr Rooney Recovery Team, LLC (“SRRT”) entered into a term sheet dated November 25, 2019 (“Term Sheet”) providing a framework for the potential redevelopment of the Connecticut Solid Waste System’s Waste to Energy Facility and Recycling Facility (the “Project”); and

**WHEREAS,** The Term Sheet provides that, upon its execution, MIRA shall commence its CSWS Project Marketing Activities and seek to guarantee minimum deliveries of 650,000 tons of municipal solid waste and 50,000 tons of single stream recyclables (the “MIRA Capacity Share”); and

**WHEREAS,** The Term Sheet provides that upon successful conclusion of the CSWS Project Marketing Activities, SRRT shall commence all Required Due Diligence necessary to produce a Final Forecast for the Project, and MIRA shall commence the development of Project Agreements, Financing and Bond Documents necessary to finance the Project; and

**WHEREAS,** The Term Sheet further provides that the CSWS Project Marketing Activities shall conclude upon the earlier of May 31, 2020 or the date upon which the MIRA Capacity Share is adequately contracted as determined by MIRA; and

**WHEREAS,** The Term Sheet further provides that if the MIRA Capacity Share cannot be secured, MIRA shall notify SRRT and SRRT shall not be obligated to further perform in any way under the Term Sheet; and

**WHEREAS**, MIRA has undertaken its CSWS Project Marketing Activities including statewide, regional and individual municipal presentations and surveys setting forth the municipal commitments and tip fees necessary to finance the Project and has determined that the MIRA Capacity Share is not adequately contracted; and

**WHEREAS**, By resolution adopted at its February 18, 2020 meeting, the MIRA Board of Director's adopted its Fiscal Year 2021 CSWS Division Operating and Capital Budgets ("CSWS Budget Resolution") acknowledging that such budgets did not include funding for either i) the development of agreements necessary to finance the Project in the event the CSWS Project Marketing Activities concluded successfully, or ii) the planning and development of alternate outcomes to the Project in the event the CSWS Project Marketing Activities did not conclude successfully; and

**WHEREAS**, the CSWS Budget Resolution further directed management to develop and recommend for approval by the Board of Directors, no later than upon conclusion of the CSWS Project Marketing Activities, a course of action and budget to either finance the Project or pursue one of several alternate outcomes identified in the CSWS Budget Resolution; and

**WHEREAS**, MIRA management has evaluated such alternate outcomes and recommends immediate commencement of planning and contracting activities necessary to i) undertake a managed transition to permit – compliant transfer operations to be conducted from the CSWS Waste to Energy Facility effective July 1, 2022 and concluding no earlier than June 30, 2027, and ii) issue a Request for Proposals to ensure continued operation and potential redevelopment of the Recycling Facility effective July 1, 2021 and concluding no earlier than June 30, 2027.

**NOW, THEREFORE, BE IT:**

**RESOLVED:** That management is directed to immediately notify SRRT in writing as required under the Term Sheet that the MIRA Capacity Share cannot be secured and SRRT shall not be obligated, nor shall it, perform the Required Due Diligence or perform in any way under the Term Sheet; and

**FURTHER RESOLVED:** That management is directed to i) immediately commence planning and contracting activities necessary to transition the Waste to Energy Facility to transfer operations, ii) immediately issue a Request for Proposals to ensure continued operation and potential redevelopment of the Recycling Facility and iii) continue to evaluate the feasibility of refurbishing the Waste to Energy Facility for longer term operation as recommended and

discussed at this meeting, all subject to funding available within the adopted CSWS Operating and Capital Budgets; and

**FURTHER RESOLVED:** That unless otherwise resolved by this Board, management is directed to notify SRRT in writing on August 31, 2020, that as provided under the Term Sheet, MIRA has concluded that the Project is not viable, MIRA is formally withdrawing from any further negotiation of a Comprehensive Development Agreement and MIRA is therefore terminating the Term Sheet; and

**FURTHER RESOLVED:** That management is directed to regularly report to this Board on the steps being taken to transition the Waste to Energy Facility which reports shall identify milestones effectively precluding reconsideration of a future refurbishment of such Facility.

**VOTE TO AMEND THE RESOLUTION REGARDING COURSE OF ACTION CONCERNING THE CSWS REDEVELOPMENT.**

Chairman Stein requested a motion to amend the penultimate paragraph of the foregoing resolution to read as follows:

**FURTHER RESOLVED:** Absent a viable proposal provided by the State of Connecticut, management is directed to notify SRRT in writing that as of August 31, 2020, that as provided under the Term Sheet, MIRA has concluded that the Project is not viable, MIRA is formally withdrawing from any further negotiation of a Comprehensive Development Agreement and MIRA is therefore terminating the Term Sheet; and

The motion to amend was made by Director Shanley and seconded by Director Widlitz.

The motion to amend was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Bailey, Director Hayden, Director Fortuna, Director Shanley, Director Widlitz and Ad Hoc Swarr voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Chairman Stein	X		
Vice Chairman Barlow	X		
John Adams	X		
Edward Bailey	X		
Jim Hayden	X		

Scott Shanley	X		
Carl Fortuna	X		
Pat Widlitz	X		
<b>Ad Hoc Members</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Tom Swarr, CSWS Ad Hoc	X		

**REVIEW AND RECOMMEND RESOLUTION REGARDING COURSE OF ACTION CONCERNING THE CSWS REDEVELOPMENT AS AMENDED.**

Chairman Stein requested a vote on the resolution, previously moved and seconded, as amended.

**WHEREAS,** The Materials Innovation and Recycling Authority (“MIRA”) and the Sacyr Rooney Recovery Team, LLC (“SRRT”) entered into a term sheet dated November 25, 2019 (“Term Sheet”) providing a framework for the potential redevelopment of the Connecticut Solid Waste System’s Waste to Energy Facility and Recycling Facility (the “Project”); and

**WHEREAS,** The Term Sheet provides that, upon its execution, MIRA shall commence its CSWS Project Marketing Activities and seek to guarantee minimum deliveries of 650,000 tons of municipal solid waste and 50,000 tons of single stream recyclables (the “MIRA Capacity Share”); and

**WHEREAS,** The Term Sheet provides that upon successful conclusion of the CSWS Project Marketing Activities, SRRT shall commence all Required Due Diligence necessary to produce a Final Forecast for the Project, and MIRA shall commence the development of Project Agreements, Financing and Bond Documents necessary to finance the Project; and

**WHEREAS,** The Term Sheet further provides that the CSWS Project Marketing Activities shall conclude upon the earlier of May 31, 2020 or the date upon which the MIRA Capacity Share is adequately contracted as determined by MIRA; and

**WHEREAS,** The Term Sheet further provides that if the MIRA Capacity Share cannot be secured, MIRA shall notify SRRT and SRRT shall not be obligated to further perform in any way under the Term Sheet; and

**WHEREAS,** MIRA has undertaken its CSWS Project Marketing Activities including statewide, regional and individual municipal presentations and surveys setting forth the municipal commitments and tip fees necessary to finance the Project and has determined that the MIRA Capacity Share is not adequately contracted; and

**WHEREAS,** By resolution adopted at its February 18, 2020 meeting, the MIRA Board of Director's adopted its Fiscal Year 2021 CSWS Division Operating and Capital Budgets ("CSWS Budget Resolution") acknowledging that such budgets did not include funding for either I) the development of agreements necessary to finance the Project in the event the CSWS Project Marketing Activities concluded successfully, or ii) the planning and development of alternate outcomes to the Project in the event the CSWS Project Marketing Activities did not conclude successfully; and

**WHEREAS,** the CSWS Budget Resolution further directed management to develop and recommend for approval by the Board of Directors, no later than upon conclusion of the CSWS Project Marketing Activities, a course of action and budget to either finance the Project or pursue one of several alternate outcomes identified in the CSWS Budget Resolution; and

**WHEREAS,** MIRA management has evaluated such alternate outcomes and recommends immediate commencement of planning and contracting activities necessary to I) undertake a managed transition to permit – compliant transfer operations to be conducted from the CSWS Waste to Energy Facility effective July 1, 2022 and concluding no earlier than June 30, 2027, and ii) issue a Request for Proposals to ensure continued operation and potential redevelopment of the Recycling Facility effective July 1, 2021 and concluding no earlier than June 30, 2027.

**NOW, THEREFORE, BE IT:**

**RESOLVED:** That management is directed to immediately notify SRRT in writing as required under the Term Sheet that the MIRA Capacity Share cannot be secured and SRRT shall not be obligated, nor shall it, perform the Required Due Diligence or perform in any way under the Term Sheet; and

**FURTHER RESOLVED:** That management is directed to I) immediately commence planning and contracting activities necessary to transition the Waste to Energy Facility to transfer operations, ii) immediately issue a Request for Proposals to ensure continued operation and

potential redevelopment of the Recycling Facility and iii) continue to evaluate the feasibility of refurbishing the Waste to Energy Facility for longer term operation as recommended and discussed at this meeting, all subject to funding available within the adopted CSWS Operating and Capital Budgets; and

**FURTHER RESOLVED:** Absent a viable proposal provided by the State of Connecticut, management is directed to notify SRRT in writing that as of August 31, 2020, that as provided under the Term Sheet, MIRA has concluded that the Project is not viable, MIRA is formally withdrawing from any further negotiation of a Comprehensive Development Agreement and MIRA is therefore terminating the Term Sheet; and

**FURTHER RESOLVED:** That management is directed to regularly report to this Board on the steps being taken to transition the Waste to Energy Facility which reports shall identify milestones effectively precluding reconsideration of a future refurbishment of such Facility.

The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Bailey, Director Hayden, Director Fortuna, Director Shanley, Director Widlitz and Ad Hoc Swarr voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Chairman Stein	X		
Vice Chairman Barlow	X		
John Adams	X		
Edward Bailey	X		
Jim Hayden	X		
Scott Shanley	X		
Carl Fortuna	X		
Pat Widlitz	X		
<b>Ad Hoc Members</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Tom Swarr, CSWS Ad Hoc	X		

**ADJOURNMENT**

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



The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Bailey, Director Hayden, Director Fortuna, Director Shanley, Director Widlitz and Ad Hoc Swarr voted yes.

<b>Directors</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Chairman Stein	X		
Vice Chairman Barlow	X		
John Adams	X		
Edward Bailey	X		
Jim Hayden	X		
Scott Shanley	X		
Carl Fortuna	X		
Pat Widlitz	X		
<b>Ad Hoc Members</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>
Tom Swarr, CSWS Ad Hoc	X		

There being no other business to discuss, the meeting adjourned at 10:55 a.m.

Respectfully Submitted,

Kanchan Arora  
Consultant