

CSWS TRANSITION COMMITTEE OF THE MIRA DISSOLUTION AUTHORITY

MINUTES OF OCTOBER 11, 2023 MEETING

ATTACHMENT 1

A Special Meeting of the CSWS Transition Committee of the MIRA Dissolution Authority Board of Directors was held in person and via Zoom on Wednesday, October 11, 2023. Present in person or via audio or video conferencing were:

Appointed Directors:

Committee Chairman Carl Fortuna
Board Chairman Bert Hunter
Noel Petra (representing DAS Commissioner) via Zoom
Joseph DeNicola
William Beccaro

Present from MIRA Dissolution Authority (“MDA”):

Mark Daley, President & CFO
Tom Gaffey, Director of Recycling and Enforcement
Cheryl Kaminsky, Comptroller via Zoom
Roger Guzowski, Supply Chain Manager
Dave Bodendorf, Manager of Engineering, Construction and Power Assets

Others Present:

Ann Catino, Halloran & Sage
Don Stein, First Selectman of Barkhamsted
Robert Phillips, Executive Director of the Northwest Hills COG
Todd Arcelaschi, Administrator of RRDD1
Brian Bartram, Manager of the Salisbury/Sharon Transfer Station

The meeting was recorded via Zoom conferencing and is posted on the Authority’s website at <https://www.ctmira.org/mira-dissolution-authority-csws-transition-committee>.

1. Call to Order, Chair’s Welcome, Roll Call & Confirmation of Quorum, Agenda 1

Chairman Fortuna called the meeting officially to order at 1:01 p.m. and asked Mr. Gaffey to take roll call of the Directors present. It was determined that five Directors were present, which represents a quorum.

2. Request for Public Comment, Agenda Item 2

Chairman Fortuna asked if there was any member of the public who wished to comment. No member of the public requested to comment.

3. Review and Discuss Threshold Issues for the Transfer of CSWS Operations - Agenda Item 3

Mr. Daley stated that he and Mr. Gaffey would share the presentation which is in the meeting package as Attachment I. Mr. Daley reviewed the key dates and provisions of P.A. 23-170, including the obligation of the Authority to continue to operate the Essex and Torrington transfer stations until the DEEP Commissioner determines that acceptable alternatives are available and the transition mechanism to other entities is completed. Mr. Daley stated that there has been an acknowledgement that some of the dates in P.A. 23-170 including the dates when the Department of Administrative Services becomes the Authority's successor and when the Authority terminates need to be corrected. Mr. Daley explained that all of the municipal services agreements with the towns and all Authority operating contracts at both the Essex and Torrington transfer station expire on June 30, 2027.

Mr. Daley reminded Directors that at the initial Board of Directors meeting we stated the preference to transfer the Authority transfer stations to municipal or regional authorities for the purpose of retaining the ability to flow control the waste and recycling to the facilities. Board Chairman Hunter pointed out that there may be meeting attendees who are not familiar with flow control. Mr. Daley explained that the concept of flow control provides a government's ability to direct waste haulers to a designated facility that is publicly controlled. Chairman Fortuna pointed out that while the Authority owns the Torrington transfer station, the Town of Essex owns the land where the Essex transfer station is located

Mr. Gaffey described the DEEP grant application process, review criteria, eligible expenses and current status to assist CT municipalities or regional waste authorities with funding to form new or expand existing regional waste authorities. Mr. Gaffey stated that the Essex area towns applied for the grant through their council of governments (COG) and are awaiting DEEP's decision. Mr. Gaffey said that the Torrington towns had not applied for the grant.

Mr. Daley stated that despite applying for the DEEP grant, he didn't want to leave the impression that the Essex communities were much further along in forming a regional waste authority than the Torrington communities. Chairman Fortuna acknowledged that just because the COG applied for the grant does not mean that there is a meeting of the minds amongst the Essex towns in forming a regional authority. Chairman Fortuna added that there is very little hope that the manner in which garbage is handled in the Essex communities would change during Fiscal Year 2025.

Mr. Gaffey explained that the Authority is attempting to identify a lead entity for the Torrington area towns. First Selectman Don Stein recommended that the Authority meet with both the Mayor of Torrington and the First Selectman of Harwinton to gauge their interest.

Director DeNicola commented that DEEP has more qualified applicants than they have funding for and they are exploring the idea that qualified applicants would group together for technical and legal analysis and DEEP would pool existing resources to assist those towns.

Mr. Daley reviewed the municipalities and associated tons of MSW and recycling delivered to the Essex and Torrington transfer stations, current contract operators and disposal sites. At Chairman Fortuna's request for the benefit of the new Directors, Mr. Daley also reviewed the process that MIRA followed in the prior development effort that was ultimately determined unfeasible and the managed wind down of the resources recovery and recycling facilities located in Hartford and the Watertown transfer station which are all now closed.

Board Chairman Hunter observed that actual tons delivered by town compared to budget reveals a 15% gap. Chairman Hunter pointed out that because the Covanta disposal agreement has a put-or-pay requirement which obligates the Authority to makeup that tonnage shortfall with spot waste or be subject to financial penalties. Chairman Hunter asked Mr. Gaffey if haulers were taking the tons to other sites that were economically preferable to the Authority transfer stations. Mr. Gaffey responded that during the past year the Authority enforcement team has extensive, documented evidence of a few haulers that are flagrant violators of their hauler agreements and the municipal services agreements which both require all commercial and residential waste generated in the MIRA towns to be delivered to the Authority transfer stations. Mr. Gaffey said that this activity is particularly troublesome in the Essex region and that he, Mr. Daley and Counsel Ann Catino have met with town attorneys representing two towns experiencing significant diversion of their waste and will be following-up soon with the First Selectmen of those two municipalities. Discussion ensued regarding economic and underlying reasons why some haulers divert waste.

Mr. Daley explained the Authority operating and disposal contracts in detail and MDA's administrative and operational support activities.

Mr. Gaffey reviewed major operating issues for Regional Waste Authorities to consider including scale operations, flow control enforcement, operation and maintenance contract administration and oversight, DEEP reporting and security of facilities. Director Denicola asked if MIRA was permitted to allow waste to be delivered to the transfer stations from non-MIRA towns. Mr. Gaffey responded that MIRA may bring in waste from non-MIRA towns provided that total tons received comport with DEEP permit limits.

4. Next Steps - Agenda Item 4

Mr. Daley discussed the major next steps for the committee to consider including identifying lead parties to work with on the transfer of operations. Mr. Daley said that

one of the big next steps is if DEEP could get back to the committee on how the agency is trying to accommodate more communities under its grant process and how the Torrington communities could take advantage of resources that may be available to organize as a region.

Mr. Daley added that for the next meeting the committee may want to look at how the transfer mechanism may work including assignments of contracts and timing. He said that the key next step is to understand who we will be talking to as lead entities.

Chairman Fortuna responded that he agreed with that approach and that he and Senator Needleman will work with the COG in the Essex area to establish the lead entity there.

Director Beccaro stated that from a timing point of view, all legislators and DEEP agree that there is a disconnect in the transition dates in Public Act 23-170 and that there is mutual agreement to push back the date when MDA's responsibilities transition to DAS. Chairman Fortuna said that he appreciated Director Beccaro's comments since there is a short timeframe not only to June of 2027 but to attempt to have regional entities up and running prior to that is a very short timeframe.

Mr. Stein and Mr. Phillips both stated that at the Northwest Hills COG this subject has not really been discussed amongst the towns in that region but the topic could come up at their meeting on October 12.

Board Chairman Hunter commented that one thing is clear and that is on July 1, 2027 all Authority activities end. Chairman Hunter posed the question of what the compelling reasons to move that date up are. Chairman Hunter observed that tip fees will increase and the question is what will motivate town leaders to move that end date up.

Committee Chairman Fortuna responded that the towns in his area are not sitting back and waiting. He said the towns will have to test the market and that will take some time. Chairman Fortuna sees the major enticement for the towns to act is the July 1, 2027 date and does not think that projected tip fee increases don't look that bad considering Senator Needleman belief that the going rate to dispose garbage is in the \$150 per ton range. Chairman Fortuna said that towns will need assistance with RFP development from MIRA and he also observed that there is not adequate grant funds available to get all of the towns organized into regional waste authorities.

Mr. Stein agreed with Chairman Fortuna that nothing is going to accelerate the process except for the deadline of 2027 since there are legal and economic challenges. Mr. Stein pointed out that towns in the northwest corner will be shipping waste out of state long-term unless there is a solution to increasing in-state disposal capacity.

Mr. Bartram commented that DEEP's grant deadline last March was well before the bill disbanding MIRA and creating the Dissolution Authority had passed and now there is impetus for the towns to act. He also stated that roughly half of the towns in their COG are not under contract with MIRA. Mr. Bartram also stated the need for in-state disposal capacity.

Chairman Fortuna acknowledged the point made regarding developing in-state capacity is a very important issue and asked for any further comment. Mr. Daley reiterated the importance for the next meeting of having a clear understanding of how the grant process will evolve.

There being no further discussion, Chairman Fortuna adjourned the meeting at 2:18 PM.