



Dissolution Authority

300 Maxim Road, Hartford, Connecticut 06114

Telephone (860) 757-7700 Fax (860) 757-7725

January 18, 2024

Letter to CSWS Participating Municipalities

Dear:

As you know, the Connecticut Solid Waste System (CSWS) Municipal Service Agreements provide for a budget and rate setting process culminating with the adoption of a tip fee for the ensuing fiscal year commencing July 1 by the end of February each year. As Chairperson of the new MIRA Dissolution Authority's Board of Directors, I am writing to provide you with some early insights, requests and suggestions. As the budget and rate setting process unfolds, the Authority will be focused on three key aspects of its enabling legislation (Public Act 23-170, the "Act") cited in Exhibit A attached to this letter.

The Authority has concluded that there currently is no rational basis to establish a tip fee below or above the "opt out" tip fee set for fiscal year 2025 in the Tier 1 Short Term Municipal Service Agreement which is \$131.00 per ton of MSW and \$0.00 per ton of recycling. In entering into the Tier 1 Short Term Municipal Service Agreements, the Authority recognized the need to provide support for the Connecticut Solid Waste System (through use of reserves) to achieve a schedule of tip fees through the maturity of these arrangements (June 30, 2027). The amount of such support for the FY25 year will be determined, as it has in the past, in the budget development process.

At the same time, we want you to be aware that the Board's decision to provide such support has been actively deliberated in the context of its consistency with Section 11 of the Act which states that Authority funds ***"shall not constitute surplus revenues and shall be deemed necessary to provide support for the Authority's properties systems and facilities, including any environmental remediation of such properties, systems and facilities. Such funds shall not be distributed or redistributed to the users of the Authority's services."*** The Board has taken the position that such a use of reserves (i.e., to support contract compliance including tip fee stabilization pursuant to these existing Tier 1 Short Term Municipal Service Agreements) is consistent with the Act. If the Board's interpretation of Section 11 of the Act is challenged, the Authority's ability to use reserves to maintain tip fees at a level that would not exceed the "opt out" level could be jeopardized.

Absent specific direction that this approach is not consistent with the Act, and the Act supersedes the Municipal Service Agreements, the Participating Municipalities can expect a budget adoption resolution at the February 2024 Board of Directors meeting establishing the \$131.00 tip fee. Alternatively, the

Authority will provide the Participating Municipalities with the supporting rational for departing from the \$131.00 tip fee.

The approach outlined above provides the best balance of interests reflected in the Act because it i) minimizes use of reserves in support of the Connecticut Solid Waste System, ii) adheres to expectations established in the Tier 1 Short Term Municipal Service Agreement, and iii) moves the tip fee closer to the level of self-sustainability needed for ultimate transfer of control of the Torrington and Essex transfer stations to regional waste authorities or local municipalities envisioned by the Act.

The Authority's current objective is to transfer control of the transfer stations in a manner that preserves all services the CSWS Participating Municipalities currently receive through the June 30, 2027 expiration of the Municipal Service Agreements. Accordingly, in addition to transferring ownership or lease interests in the facilities themselves, this entails assignment of the Municipal Service Agreements and relevant facility operating, MSW and recycling transportation, disposal and processing contracts to the regional authority or local municipality in a manner that assures the contracts are adhered to under a new form of governance.

This current objective has prompted discussion among the directors and members of the new Board of the reason why some Participating Municipalities remained with MIRA while others opted out of the Municipal Service Agreements as the Resource Recovery Facility closed and the transition to waste transfer operations was made at the close of fiscal year 2022. Certainly the availability of competitive alternative tip fees played a role in decisions to opt out, and potentially the lack thereof played a role in decisions to remain.

To gain a better understanding of this reasoning, the Authority is requesting additional information on the process and results of any competitive solicitations the remaining Participating Municipalities may have undertaken in deciding to remain with MIRA as this transition was made at the close of fiscal year 2022. Please reply to Mark Daley, President and CFO of the Authority by e-mail to [mdaley@ctmira.org](mailto:mdaley@ctmira.org), with a summary of any such efforts and results at your earliest convenience.

In addition, in order to more fully assess its current objectives in transferring control of the transfer stations in the manner outline above, the Authority is suggesting that the remaining CSWS Participating Municipalities undertake an additional current competitive solicitation and advise the Authority as to the options presented (if any), and the Municipalities views concerning such options. Given the Authority's own experience with RFPs for MSW disposal and recyclables processing, we think there is benefit for the Participating Municipalities to pursue such a solicitation on a collective basis, rather than individually, such as with those towns using the Torrington transfer station and those using the Essex transfer station (i.e., two separate, collective RFPs). The Authority is willing to assist the Participating Municipalities in preparing these solicitations if requested by e-mail to Mark Daley. This will allow the Authority and the Participating Municipalities to gauge the cost benefits of its current objective against possible alternatives involving the whole or partial breakup of the Participating Municipalities and corresponding impacts upon existing facility operating, MSW and recycling transportation, disposal and processing contracts.

The Authority will arrange for a virtual meeting of the CSWS Participating Municipalities in the near future to more fully address the rationale for its current approach to the fiscal year 2025 tip fee, transferring control of the transfer stations and our requests concerning prior and current competitive solicitations.

Thank you very much for your patience and assistance in these areas.

Sincerely,

A handwritten signature in blue ink that reads "Bert Hunter". The signature is fluid and cursive, with the first name "Bert" and last name "Hunter" clearly distinguishable.

Bert Hunter  
Chairperson

Cc: Mark Daley

**Exhibit A**  
**Relevant Section of Public Act 23-170**

Public Act 23-170 (the “Act”) created the MIRA Dissolution Authority (the Authority”) as successor to the Materials Innovation and Recycling Authority (“MIRA”) effective July 1, 2023. The Act empowered the Authority to undertake and complete any contract, right of action or matter commenced by MIRA. This would encompass the Municipal Service Agreements providing for waste management services to Connecticut Solid Waste System (“CSWS”) Participating Municipalities.

As the Authority advances its obligations with respect to the CSWS transition, the South Meadows transition and the budget and rate setting process, multiple valid and sometime competing interests in Authority reserves become evident.

Section 9 (a) (3) of the Act obligates the Authority to continue to operate its Torrington and Essex transfer stations until acceptable alternatives, operated by entities other than the authority, become available. The Authority has established a CSWS Transition Committee dedicated to facilitating the transfer of control of the transfer stations to regional authorities or local municipalities. The Authority desires to complete this transfer as quickly and efficiently as possible.

Sections 9 (a) (1) & (2) of the Act obligate the Authority to identify the immediate environmental needs and knowledge necessary for future redevelopment of the site of the now closed Resource Recovery Facility in Hartford and to engage representatives of the City of Hartford and other stakeholders, as appropriate, with respect to the future of the site. The Authority has also established a South Meadows Transition Committee dedicated to answering this charge. MIRA had previously set aside funds to address closure and decommissioning of the Resource Recovery Facility but more fully positioning the South Meadows site for a redevelopment would require additional funds.

Section 11 of the Act provides that funds possessed by the Authority shall not constitute surplus revenues and shall be deemed necessary to provide support for the Authority's properties systems and facilities, including any environmental remediation of such properties, systems and facilities. This section further provides that such funds shall not be distributed or redistributed to the users of the Authority's services and that users of the Authority's services shall be liable for the environmental remediation costs of the Authority's properties, systems and facilities if, and to the extent, any funds were distributed or redistributed by the Authority to such users on or after January 1, 2023.