



Dissolution Authority

300 Maxim Rd . Hartford . Connecticut . 06114 . Telephone (860) 757-7700 . Fax (860) 757-7725

March 13, 2024

Honorable Arunan Arulampalam
Mayor of the City of Hartford
550 Main Street – Suite 001
Hartford, CT 06103

Re: Preservation of Funds of the MIRA Dissolution Authority as by Statute Required

Dear Mayor Arulampalam:

This responds to your February 26, 2024 letter concerning the above referenced subject. As you may know, the MIRA Dissolution Authority Board of Directors adopted its Fiscal Year 2025 budgets on February 29, 2024, in accordance with the Bylaws of the MIRA Dissolution Authority and its contracts with its member municipalities. The adopted budgets advance each of the Authority's newly assigned duties and responsibilities (per Public Act 23-170) which are:

- To identify the immediate environmental needs and knowledge necessary for future redevelopment of the Authority's South Meadows site;
- To engage representatives of the City of Hartford and other stakeholders, as appropriate, with respect to the future of the Authority's South Meadows site;
- To continue to operate the Authority's transfer stations until acceptable alternatives operated by entities other than the Authority become available; and
- To wind down the Authority's operations and activities in an orderly and responsible manner including the marketing and sale of the Authority's surplus real and personal property.

The Authority is presently in the final stages of a Request for Proposals (RFP) process to select environmental and other consultants to conduct a "South Meadows Redevelopment Considerations Study". The primary elements of this study include documenting existing environmental conditions, conceptual site considerations, evaluating cleanup options based upon potential future land uses and the environmental needs and knowledge necessary for potential future uses. The study includes a survey of all buildings on site for hazardous building materials that will assist in documenting abatement and/or encapsulation requirements and costs as well as demolition costs. Stakeholder engagement is an important element of the study. The process to select the appropriate consultant is well underway through the RFP. Proposals have been



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Mayor Arunan Arulampalam

Page 2

March 13, 2024

received and interviews are being scheduled for March 26, 2024. Study costs will be refined in the selection and contracting process and the Authority's Fiscal Year 2025 Property Division Budget fully funds the study through a use of reserves. This same budget funds the implementation of the South Meadows Resource Recovery Facility Closure Plan upon final agreement and approval by DEEP, all ongoing operation and maintenance expenses of the South Meadows Site and a \$1.5 million Payment in Lieu of Tax for the City of Hartford. Lastly, the Property Division budget resolution calls upon management to develop and execute a plan for the marketing and sale of surplus real and personal property and to deposit the net proceeds of that program into the Authority's existing South Meadows Transition Contingency Reserve, which includes amongst its purposes setting aside funds for remediation of Authority properties, including South Meadows. The Authority's actions in adopting all of the Fiscal Year 2025 budgets maximize funds available for remediation of its properties.

We understand your concern over the assessment and remediation of the South Meadows site. The Authority is committed to performing this study to provide as much knowledge as possible to inform future redevelopment decisions for the property. At this time, however, you should know that the site is in the final stages of being remediated to commercial/industrial standards, consistent with its zoning and use as an industrial facility for more than 100 years (dating back to its initial development as a coal fired power plant in the 1920's). An Environmental Land Use Restriction, which was previously recorded on this property in April of 2018, will be amended in the near future to account for additional remediation work completed this past fall, and a Verification will be assembled and certified by a Licensed Environmental Professional to confirm that the remediation performed to date has been completed in accordance with applicable environmental laws and regulations.

The Authority is mindful of its mandate under Public Act 23-170 to continue to maintain but wind-down its operations pursuant to section 9 of the Act and also to refrain from distributing any "surplus" revenue back to the municipalities under section 11, which had been the practice prior to this Act. To assist the Authority in understanding the interaction between the two sections and how it is to proceed against the backdrop of the Authority's existing statutes and contracts, we did seek advice of counsel as well. In brief, the conclusion is that the limitation in section 11 only applies to the use of surplus revenues (which the Authority is authorized to provide elsewhere in its statutes (e.g., 22a-259, 22a-267(6)) and does not reach the continued use of the existing Tip Fee Stabilization Fund to support the tip fees as is required under its existing Municipal Service Agreements (MSAs) with the municipalities. Prior to the enactment of Public Act 23-170, MIRA (the predecessor of the Authority) entered into MSAs with twenty-three municipalities. Those MSAs set forth the relevant terms and conditions for the services provided and the basis for the tip fees to be charged to each of the municipalities, which includes the



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Mayor Arulampalam

Page 3

March 13, 2024

obligation that the Authority maintain and use the existing Tip Fee Stabilization Fund and to apply it to the calculation of the tip fee when the Authority establishes the annual budget.

This contractual obligation remains unchanged by Public Act 23-170 when it is viewed in the context of the State Pledge, applicable to the Authority's contracts pursuant to Section 22a-274 of the General Statutes. In brief, this section indicates that the State of Connecticut will not limit or alter the rights of the Authority's contracts unless law provides an adequate remedy to protect the contracting parties. As a result, the Authority is contractually obligated to perform under its existing agreements, which is distinct from the Authority's prior authority to declare and return surplus revenues to its municipalities.

Accordingly, the Authority adopted its Fiscal Year 2025 CSWS budget incorporating a substantial increase in the tipping fees charged to these towns (to the maximum level anticipated in the amended MSAs). This action minimizes the use of Authority reserves in support of the CSWS while adhering to the terms of the amended MSAs. The CSWS budget further provides for actions facilitating the takeover of the CSWS transfer stations by entities other than the Authority (with consent of the commissioner of DEEP) including the conduct of Phase 1 Environmental Assessments for each facility and undertaking necessary repairs in advance of a transfer. The CSWS budget was adopted subject to the following statement addressing this transfer:

"In accordance with Section 9 of Public Act 23-170, the MIRA Dissolution Authority will engage with the member municipalities to transfer the municipal solid waste services in transfer stations to third parties. The objective is to transfer these services in full in the next 16 months prior to the start of Fiscal Year 2026."

The Authority appreciates the concerns expressed in your letter of February 26, 2024 and believes its actions are consistent and supportive of all its new responsibilities established in Public Act 23-170. I would be pleased to discuss Hartford's interests and potential outlets for stakeholder engagement further with you or your staff at your convenience. I would also invite you to join any public meetings of the Authority (which are attended by members of the Board appointed by the City Council). The next meeting of the Board will be held at 9:30 a.m. on April 16, 2024 at 300 Maxim Road or virtually via Zoom. Award of a contract for the South Meadows Redevelopment Considerations Study is tentatively scheduled for this meeting. Kindly advise if you would like to be placed on our meeting notification e-mail list.



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Mayor Arunan Arulampalam

Page 4

March 13, 2024

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark Daley", is written over a light blue horizontal line.

Mark T. Daley
President & CFO

Cc: MIRA Dissolution Authority Board of Directors
Attorney Ann M. Catino



February 26, 2024

Mark T. Daley, President and Chief Financial Officer
and Members of the Board of Directors
of the MIRA Dissolution Authority
300 Maxim Road
Hartford, CT 06114

Re: Preservation of Funds of the MIRA Dissolution Authority as by Statute Required

Members of the MIRA Dissolution Authority:

The Connecticut General Assembly by Public Act 23-170 Section 11 has established by clear and unequivocal language that the funds of the MIRA Dissolution Authority “shall not be distributed or redistributed to the users of the authority services.” It is our opinion that the proposed continued use of the Authority’s fund to subsidize the tipping fees of paltry tonnage from the remaining MIRA Dissolution Authority contracted municipalities is in direct violation of the Legislature’s mandate, and risks exposing those municipalities to significant liability pursuant to Public Act 23-170.

The City of Hartford, a city that consistently suffers from economic constraints, continues to bear the brunt of the environmental and public health impacts of the South Meadows Resource Recovery. I am writing to urge you to use the remaining funds of the MIRA Dissolution Authority in a manner consistent with the principles of environmental justice and equity to fully remediate the site and terminate the existence of MIRA. It has become apparent that the MIRA Dissolution Authority has not encouraged, and in fact has impeded opportunities for the remaining member towns to secure alternate, efficient and economical waste management services, at tipping fees more favorable than those which proposed to be adopted by the Authority in contravention of the mandate of the Public Act.

Should it become necessary in order to protect and preserve the MIRA Dissolution Authority funds, the City of Hartford will proceed to take all and any legal remedies to prevent misuse and violation of the Public Act, and to recover any funds so misused by the Authority after January 1, 2023. The City of Hartford sincerely hopes it will be unnecessary to take such action and respectfully encourages the members of MIRA Dissolution Authority Board of Directors to honor their charge and act to protect the Authority’s funds.

Very truly yours,

A handwritten signature in black ink, appearing to read "Arunan Arulampalam", is written over a light blue horizontal line.

Arunan Arulampalam
Mayor of the City of Hartford