

CSWS TRANSITION COMMITTEE OF THE MIRA DISSOLUTION AUTHORITY

MINUTES OF OCTOBER 10, 2024 MEETING

A meeting of the CSWS Transition Committee of the MIRA Dissolution Authority Board of Directors was held in person and via Zoom on Thursday, October 10, 2024. Present in person or via audio or video conferencing were:

Appointed Directors who are members of the Committee in attendance:

Committee Chairman Carl Fortuna via Zoom
Michael Looney via Zoom
Director Beccaro via Zoom
Board Chairperson Bert Hunter (Ex Officio) via Zoom

Present from the MIRA Dissolution Authority (“Authority”):

Mark Daley, President & CEO
Thomas Gaffey, Director of Recycling & Enforcement
Cheryl Kaminsky, Comptroller via Zoom

Others Present:

Ann Catino, MIRA DA Counsel
Ed Spinella, Counsel for Murphy Road Recycling

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>’.

Chairman Fortuna called the meeting to order at 11:02 AM. He stated that the committee had a quorum.

Chairman Fortuna said the next agenda item was public comment and stated he knew that attorney Ed Spinella want to make some comments and asked him to proceed. Attorney Spinella stated at the last meeting Chairman Fortuna had made comments about the bids his town had received in response to Old Saybrook’s RFP.

Attorney Spinella commented that the MDA currently is charging a subsidized tip fee of 131 for MSW and 0 for Recycling. He said that the unsubsidized tip fee according to Mr. Daley s spreadsheet provided to the board several months ago was about 180.00 per ton. He further stated that Mr. Fortuna’s town put out an RFP recently and he reported at the last meeting that all the responders except one bidder proposed tip fees above 200.00.

Attorney Spinella stated that he spoke with Mr. Fortuna yesterday to explain that he has miscalculated my client’s proposal and most likely other bidders’ bids when he determined all

but one of the proposed tip fees were above 200.00 per ton. He said that he'd like to put on the record what he told Mr. Fortuna yesterday and that Mr. Fortuna said that he welcomed my explanation and he did not object to me stating today what I told him yesterday.

Attorney Spinella explained that if one wishes to compare the MDA tip fee to the proposed tip fees one must determine what in the industry is called a "blended tip fee." No town, including Old Saybrook, disposes the same amount of recyclables as MSW. He aid that usually, the recyclables are less than 25% of the MSW.

Attorney Spinella than offered the following example: if a town disposes 100 tons of MSW and 25 tons of Recyclables and a company offers a tip fee of \$100 for MSW and a base processing fee of \$100, one does not simply add the \$100 MSW tip fee to the \$100 processing fee and say that the tip fee is \$200 per ton. Attorney Spinella explained that the correct calculation is to multiply the MSW tip fee by 100 tons(equals \$10,000);then multiply the \$100 per ton hypothetical processing fee by 25 tons (\$2500); then you add the 2 numbers(\$12,500); then you divide \$12,500 by the 100 tons of MSW and determine the blended tip fee , which is \$125.00 per ton. He stated that one additional adjustment must be made if a processor offers to monthly adjust the base processing fee based on the average commodity revenue for the recyclables. Then the blended tip fee is often much less.

Attorney Spinella further explained that for example, MRR s bid to Old Saybrook was a tip fee of \$115 per ton for MSW and a base processing fee that is the same as MDA currently is charged by MRR adjusted by the ACR. Using this formula, MRR s blended tip fee this past Sept was \$137.00 per ton for Mr. Fortuna's town, not in excess of \$200.00 which was Mr. Fortuna's calculation. I assume other bidders also proposed one tip fee for MSW and a base processing fee and perhaps some bidders also provided an ACR adjustment. Attorney Spinella concluded by station that as side note, MRR has many contracts with former MIRA town members in which MRR used the same formula proposed to Old Saybrook.

Chairman Fortuna thanks Attorney Spinella for his comments.

Chairman Fortuna asked if there was any other public comment and Mr. Daley responded that there were not any members of the public in the room and nobody on-line.

Chairman Fortuna asked for a motion to approve the Minutes of the September 5, 2024 meeting. Director Beccaro made the motion to approve the minutes. Director Looney seconded it and the motion passed unanimously with Director Looney abstaining since he was absent at that meeting.

Chairman Fortuna asked Mr. Daley to comment on status of entities to assume control of the Essex and Torrington transfer stations. Mr. Daley commented that Authority management had a meeting Lower CT River Valley Council of Governments on September 12 and have since provided them with all relevant contracts, tonnage reports, the wind down master schedule and frims for them to consider to choose a consultant to assist them with the scope work that the COG had put together to form a RWA.

Regarding the Northwest Hills COG, Mr. Daley reported that he recently provided their Executive Director with the draft Phase I Environmental Review with Authority comments. Mr. Daley said that he informed Mr. Phillips that the review revealed no issues of concern. He also stated that the NE Hills COG was meeting today.

Mr. Daley reviewed a number of transfer station capital projects management is proceeding with that had been included in the adopted FY25 Budget including the roof replacement at the Essex transfer station which has been completed. He stated that the Essex tip floor replacement will be scheduled for the Spring of 2025.

Chairman Fortuna encouraged inviting Senator Needleman to a meeting with Directors and management to discuss the status of the Essex region Chairperson Hunter stated that he would reach out to Senator Needleman.

Mr. Daley also reported that management was still waiting for the Essex Phase I environmental review and asked Mr. Gaffey to comment. Mr. Gaffey said the two issues he knew of include the old Essex town dump was located on part of the property leased by the Authority and that there had been a household hazardous waste collection just above Authority leased property.

Mr. Daley then reviewed the projects at Torrington including the drainage improvement project and the roof replacement project which are completed. He said that we now have that detailed projection including for the cost of operation for each facility and the use of reserves that would be required to comply with the MSA established tip fee through FY 27. Mr. Daley said that this analysis concludes includes a revision from last month's meeting in interest income that would require issuing a check of \$6.1million to the Essex region and \$2.9 million to the Torrington region to comply with all of the contracts as of July 1 2025. He said that would leave approximately \$45-50 million remaining for South Meadow site redevelopment work.

Mr. Daley discussed a template agreement is being be put together for hand off facilities to the RWA's or DAS that essentially sets forth a transition period for assignment of lease in Essex and transferring title of the Torrington transfer station and acceptance of all the contractual obligations associated with the operation and maintenance of those facilities. It will include the use of reserve funds required in the context of all contractual requirements.

Director Looney asked that the template agreement draft be shared with the directors and Mr. Daley agreed.

Chairman Fortuna adjourned the meeting at 11:28 AM.