

MIRA
REGULAR BOARD MEETING
Jan. 22. 2015

Materials Innovation and Recycling Authority

100 Constitution Plaza

Hartford, Connecticut 06103

Telephone (860)757-7700 - Fax (860)757-7743

MEMORANDUM

TO: MIRA Board of Directors
FROM: Eileen R. Kearney, Temporary Board Administrator
DATE: Jan. 16, 2015
RE: Notice of Regular Board Meeting

There will be a Regular Board Meeting of the Connecticut Resources Recovery Authority Board of Directors on Thurs. Jan. 22, 2015, at 9:30 a.m. The meeting will be available to the public in the Board Room at 211 Murphy Road, Hartford, CT 06114.

Please notify this office of your attendance at (860) 757-7787 at your earliest convenience.

Materials Innovation Recycling Authority
Regular Board of Directors Meeting

Agenda
Jan. 22, 2015
9:30 AM

I. Pledge of Allegiance

II. Public Portion

A ½ hour public portion will be held and the Board will accept written testimony and allow individuals to speak for a limit of three minutes. The regular meeting will commence if there is no public input.

III. Minutes

1. Board Action will be sought for Approval of the Special Telephonic Dec. 9, 2014, Board Meeting Minutes. (Attachment 1).
2. Board Action will be sought for Approval of the Regular Telephonic Dec. 18, 2014, Board Meeting Minutes. (Attachment 2).

IV. Finance Committee Reports

1. Board Action will be sought for the Resolution Regarding – FY 2016 Property Division Operating and Capital Budget (Attachment 3).

V. Chairman and President's Reports

VI. Executive Session

An Executive Session will be held to discuss pending litigation, trade secrets, personnel matters, security matters, pending RFP's, and feasibility estimates and evaluations.

TAB 1

MATERIALS INNOVATION AND RECYCLING AUTHORITY

FOUR HUNDRED AND FIFTIETH

DEC. 9, 2014

A special telephonic meeting of the Materials Innovation and Recycling Authority Board of Directors was held on Tues. Dec. 9, 2014, in the Board Room at 100 Constitution Plaza, Hartford, CT. Those present were:

Directors: Chairman Don Stein (present by telephone)
Vice-Chairman Barlow (present by telephone)
John Adams
Ralph Eno (present by telephone)
Joel Freedman (present by telephone)
Jim Hayden (present by telephone)
Andy Nunn (present by telephone)
Scott Shanley (present by telephone)
Bob Painter, Mid-CT Ad-Hoc (present by telephone)

Present from MIRA in Hartford:

Tom Kirk, President
Mark Daley, Chief Financial Officer
Laurie Hunt, Director of Legal Services
Peter Egan, Director of Operations and Environmental Affairs
Virginia Raymond, Operations Manager
Moirra Kenney, HR Specialist/Board Administrator
Eileen Kearney, Temporary Board Administrator

Others: Alan P. Curto, Esq., Halloran & Sage; Stan Faryniarz, Managing Consultant, La Capra Associates, Inc. (present by telephone) and Jenny Martos, Analyst, La Capra Associates, Inc. (present by telephone)

Chairman Stein called the meeting to order at 2:07 p.m. and said 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 present wishing to speak, Chairman Stein proceeded with the meeting agenda.

EXECUTIVE SESSION

Chairman Stein requested a motion to enter into Executive Session to discuss pending litigation, trade secrets, personnel matters, security matters, pending RFP's, and feasibility estimates and

evaluations. The motion, made by Director Adams and seconded by Director Hayden, was approved unanimously. Chairman Stein asked the following people join the Directors in the Executive Session:

Tom Kirk
 Mark Daley
 Peter Egan
 Laurie Hunt
 Virginia Raymond
 Alan P. Curto, Esq.
 Stan Faryniarz
 Jenny Martos

The Executive Session began at 2:07 p.m. and concluded at 3:00 p.m. The meeting was reconvened at 3:00 p.m., the door was opened, and the Board Secretary and all members of the public (of which there were none) were invited back in for the continuation of public session. Chairman Stein noted that no votes were taken.

The motion to go into Executive Session was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Freedman, Director Hayden, Director Nunn, Director Painter and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Richard Barlow	X		
John Adams	X		
Joel Freedman	X		
Jim Hayden	X		
Scott Shanley	X		
Ralph Eno	X		
Andy Nunn	X		
Ad-Hoc			
Bob Painter, CSWS	X		

RESOLUTION REGARDING CSWS SOUTH MEADOWS UNITS 5 AND 6 POWER PURCHASE AGREEMENT

Chairman Stein requested a motion on the above referenced item. Director Adams made the motion which was seconded by Director Eno.

RESOLVED: The President is hereby authorized to enter into the *CSWS South Meadows Units 5 and 6 Power Purchase Agreement* with NextExtra Energy Power Marketing LLC for the purchase of the first net 20MW each hour of the day generated by the South Meadows Units 5 and 6, commencing January 1, 2015 and terminating June 30, 2016, substantially as presented and discussed at this meeting.

Ms. Hunt presented background on the proposed resolution language. She noted that she wished to amend the language of the Resolution by adding the words, “for a term of eighteen months” after “Units 5 and 6.” She then presented the full revised resolution as follows and asked for Director Adams and Director Eno to approve the following amended resolution.

Director Adams, maker of the motion and Director Eno, who seconded the original motion agreed to the changes shown herein, as presented by Ms. Hunt and the resolution was passed as usual.

RESOLVED: The President is hereby authorized to enter into the CSWS South Meadows Units 5 and 6 Power Purchase Agreement with NextExtra Energy Power Marketing LLC for the purchase of the first net 20MW each hour of the day generated by the South Meadows Units 5 and 6 for a term of eighteen months, commencing January 1, 2015 and terminating June 30, 2016, substantially as presented and discussed at this meeting.

The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director Nunn, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
Jim Hayden	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hoc			
Bob Painter, CSWS	X		

ADJOURNMENT

Chairman Stein requested a motion to adjourn the meeting. The motion to adjourn was made by Director Adams and seconded by Director Eno and was approved unanimously.

There being no other business to discuss, the meeting adjourned at 3:09 p.m.

Respectfully Submitted,

Eileen R. Kearney
Temporary Board Administrator

TAB 2

MATERIALS INNOVATION AND RECYCLING AUTHORITY

FOUR HUNDRED AND FIFTY-FIRST

DEC. 18, 2014

A telephonic meeting of the Materials Innovation and Recycling Authority Board of Directors was held on Thurs. Dec. 18, 2014, in the Board Room at 100 Constitution Plaza, Hartford, CT. Those present were:

Directors: Chairman Don Stein (present by telephone)
Vice-Chairman Dick Barlow (present by telephone)
John Adams (present by telephone)
Ralph Eno (present by telephone)
Joel Freedman (present by telephone)
Jim Hayden (present by telephone)
Andy Nunn (present by telephone)
Scott Shanley (present by telephone)
Bob Painter

Present from CRRA in Hartford:

Tom Kirk, President
Mark Daley, Chief Financial Officer
Peter Egan, Director of Environmental Affairs and Operations
Tom Gaffey, Enforcement/Recycling Director
Laurie Hunt, Director of Legal Services (present by telephone)
Marianne Carcio, Executive Assistant
Eileen Kearney, Temporary Board Administrator

Others: John Pizzimenti, USA Hauling and Ann M. Catino, Esq. Halloran & Sage

Chairman Stein called the meeting to order at 9:37 a.m. and said 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 present wishing to speak, Chairman Stein proceeded with the meeting agenda.

APPROVAL OF THE REGULAR NOV. 20, 2014, BOARD MEETING MINUTES

Chairman Stein requested a motion to approve the minutes of the Regular Nov. 20, 2014, Board Meeting. Director Eno made the motion which was seconded by Director Adams.

The motion to approve the minutes was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director Nunn, and Director Painter voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
Jim Hayden	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hoc			
Bob Painter, CSWS Project	X		

Chairman Stein requested a motion to approve the amended minutes of the Regular Nov. 20, 2014, Board Meeting. Director Adams made the motion which was seconded by Vice Chairman Barlow and Director Nunn.

The motion to approve the minutes was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director Nunn, and Director Painter voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
Jim Hayden	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hoc			
Bob Painter, CSWS Project	X		

Mr. Kirk noted to the Board that the Nov. 20, 2014, Board of Directors minutes be amended.

Ms. Kearney agreed to make the changes to the minutes as per Mr. Kirk's recommendations.

RESOLUTION REGARDING ASH RESIDUE DISPOSAL SERVICES FOR THE PRESTON RESOURCE RECOVERY FACILITY

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

RESOLVED: that the President is hereby authorized to execute an extension of the agreement with Wheelabrator Technologies Inc. to provide disposal services for ash residue from the Preston Resource Recovery Facility, substantially as presented and discussed at this meeting.

Mr. Kirk provided background to the Board on the resolution by saying that it was an extension of the ash disposal services contract with Wheelabrator for ash residue from the Preston Resource Recovery Facility. He continued by noting that the extension added time to the contract without a price increase. He said that the SCRRA Board had approved the extension and the Policies & Procurement Committee recommended that the MIRA Board approve the resolution as presented.

The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director Nunn, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
Jim Hayden	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hoc			
Bob Painter, CSWS Project	X		

RESOLUTION REGARDING REVISION TO THE MIRA’S CSWS PERMITTING, DISPOSAL AND BILLING PROCEDURES

Chairman Stein requested a motion on the above referenced item. Director Adams made the motion which was seconded by Vice Chairman Barlow and Director Eno.

RESOLVED: That the Board of Directors hereby approves amendments to the CONNECTICUT SOLID WASTE SYSTEM PERMITTING, DISPOSAL AND BILLING PROCEDURES, as presented and discussed at this meeting.

Mr. Kirk provided background to the Board on the Resolution by summarizing the amendments to the policy that the Policies & Procurement Committee recommended to the Board. He said that the amendments made the policy more convenient to potential spot customers who are not currently

permitted to use MIRA’s facilities; allowed quick registry for these customers by expediting the registration of their vehicles and allowed MIRA fuel availability during times of high prices where the facility needed fuel quickly. He continued by saying that no financial risk would be undertaken.

Director Shanley asked if the Policies & Procurement Committee had reviewed the changes. Mr. Gaffey responded that the Committee had approved them. Director Adams also stated that the Committee had reviewed the changes and recommended that they be approved. Mr. Kirk responded that the Committee had and recommended that the resolution be presented to the Board for approval.

The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director Nunn, Director Painter, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
Jim Hayden	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hoc			
Bob Painter, CSWS Project	X		

FINANCE COMMITTEE REPORTS

No reports were presented at the meeting.

CHAIRMAN AND PRESIDENT’S REPORT

Chairman Stein indicated that he had spoken to Deputy Commissioner McCleary and that the Deputy Commissioner indicated that DEEP will need to move on technology investigation. Chairman Stein asked the Board if a standing subcommittee could be formed this week in order to assist the DEEP with this topic. He recommended that he, Director Adams, Vice-Chairman Barlow, Director Painter and Director Shanley comprise the subcommittee.

Director Shanley asked the Chairman when would the meetings be.

Further discussion among the Board continued. Chairman Stein requested that Mr. Kirk send an e-mail to Deputy Commissioner McCleary regarding subcommittee meeting times. Mr. Kirk agreed and said that he would send the subcommittee members the result of the e-mail.

Chairman Stein also indicated to the Board that he had spoken to First Selectman Leo Paul of Litchfield and noted to the Board that he would be meeting with First Selectman Paul after the first of

the year to discuss an MSA and a possible extension. Mr. Kirk then noted that he had responded to the municipalities of Cromwell, Manchester, South Windsor and Newington regarding the disposal services. He noted that all of these towns know we are transparent on our pricing. Director Stein recommended that MIRA reexamine its marketing strategy particularly with regard to pricing. Director Shanley noted that he would need to be recused from the meeting when Manchester is discussed. Mr. Kirk agreed and said that any discussion regarding Manchester would be discussed at the end of the meeting so that Director Shanley could excuse himself.

Mr. Kirk then presented the President's Report.

Vice Chairman Barlow had a comment on page 4 of tab 1 of the supplemental package. He noted that the month of October pricing was below budget, production was above budget and that generation pricing revenue was also below budget. Mr. Kirk agreed that this was correct. Director Stein then asked if MIRA would be able to catch up before year end. Mr. Kirk responded that 20 megawatts had been sold at the recent auction and some risks had been mitigated. Director Stein then asked if there was any benefit that would be seen from this and asked about the effect of CL&P wholesale prices. Mr. Kirk responded that PURA approves CL&P and UI regulated prices based on historical prices and, therefore there is often a time lag such that utility rates reflect market rates slower than the wholesale market.

Discussion then moved to wholesale prices and seasonal effects on them. Director Shanley asked if there would be a winter peak increase in wholesale prices. Director Eno asked about the effect of natural gas supply on prices. Mr. Kirk responded yes, that based on a report from MIRA's consultant, natural gas storage prices would be down and there would be storage and transmission issues this winter. He continued by noting that the report indicated that storage prices were higher than last year. Mr. Kirk noted that if Director Eno wished, Mr. Kirk or Virginia Raymond could forward the Director a copy of the consultant report. Director Eno indicated that this was not necessary.

EXECUTIVE SESSION

Chairman Stein requested a motion to enter into Executive Session to discuss pending litigation. The motion, made by Director Hayden was seconded by Director Adams and was approved unanimously. Chairman Stein asked the following people join the Directors in the Executive Session:

Tom Kirk
Mark Daley
Peter Egan
Laurie Hunt

The motion to go into Executive Session was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director Nunn, Director Painter and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
Jim Hayden	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hoc			
Bob Painter, CSWS Project	X		

The Executive Session began at 9:58 a.m. and concluded at 10:00 a.m. Chairman Stein noted that no votes were taken in Executive Session.

The meeting was reconvened at 10:01 a.m. The door was opened, and the Board Secretary and all members of the public (of which there were none) were invited back in for the continuation of public session.

RESOLUTION REGARDING ADDITIONAL PROJECTED LEGAL EXPENDITURES

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

WHEREAS, MIRA has entered into Legal Service Agreements with various law firms to perform legal services; and

WHEREAS, the Board of Directors has previously authorized certain amounts for payment of fiscal year 2015 projected legal fees; and

WHEREAS, MIRA expects to incur greater than authorized legal expenses from one of its counsels for its arbitration with MDC;

NOW THEREFORE, it is RESOLVED: That the following additional amount be authorized for payment of projected legal fees and costs to be incurred during fiscal year 2015:

<u>Firm:</u>	<u>Amount:</u>
Kainen, Escalera & McHale	\$150,000

The motion previously made and seconded was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director Nunn, Director Painter, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
Jim Hayden	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hoc			
Bob Painter, CSWS Project	X		

ADJOURNMENT

Chairman Stein requested a motion to adjourn the meeting. The motion to adjourn was made by Director Shanley, seconded by Vice-Chairman Barlow and was approved unanimously.

There being no other business to discuss, the meeting adjourned at 10:05 a.m.

Respectfully Submitted,

Eileen R. Kearney
Temporary Board Administrator

TAB 3

ATTACHMENT 3

RESOLUTION FOR THE MATERIALS INNOVATION AND RECYCLING AUTHORITY BOARD OF DIRECTORS

**REGARDING ADOPTION OF THE FISCAL YEAR 2016 PROPERTY DIVISION OPERATING AND CAPITAL
BUDGETS**

RESOLVED: That the Fiscal Year 2016 Materials Innovation and Recycling Authority Operating and Capital Budget attached hereto as Exhibit A be adopted substantially in the form as presented in Exhibit B attached hereto and discussed at this meeting.

Exhibit A - Page 1
Materials Innovation and Recycling Authority
FY 2016 Proposed Draft Operating Budget

Property Division

REVENUES	FY 2014		Variance Better (Worse)	FY 2015 Adopted	FY 2016 Proposed	Better (Worse) Than FY 2015	
	Budget	Actual				\$	%
Jets Electric:							
Capacity Payments	\$ 4,535,200	\$ 4,302,930	\$ (232,270)	\$ 5,130,206	\$ 5,541,026	\$ 410,820	8.0%
Blackstart	\$ 568,800	\$ 1,231,405	\$ 662,605	\$ -	\$ -	\$ -	n/a
VARS Payments	\$ 76,000	\$ 58,910	\$ (17,090)	\$ 75,794	\$ 42,400	\$ (33,394)	-44.1%
Reserve Credits	\$ 500,000	\$ 1,697,083	\$ 1,197,083	\$ 600,000	\$ 600,000	\$ -	0.0%
Real Time Energy	\$ 140,000	\$ 1,680,412	\$ 1,540,412	\$ 150,000	\$ 150,000	\$ -	0.0%
Total Jets Electric	\$ 5,820,000	\$ 8,970,740	\$ 3,150,740	\$ 5,956,000	\$ 6,333,426	\$ 377,426	6.3%
Lease Income:							
CSWS Murphy Road	\$ 175,000	\$ 174,998	\$ (2)	\$ 139,000	\$ 127,300	\$ (11,700)	-8.4%
Golf Center	\$ -	\$ 21,588	\$ 21,588	\$ 16,500	\$ 18,150	\$ 1,650	10.0%
Wheelabrator Lease	\$ 382,500	\$ 382,500	\$ -	\$ 382,500	\$ 431,500	\$ 49,000	12.8%
Jets Billboard	\$ 42,500	\$ 42,350	\$ (150)	\$ 42,000	\$ 42,350	\$ 350	0.8%
Total Lease Income	\$ 600,000	\$ 621,436	\$ 21,436	\$ 580,000	\$ 619,300	\$ 39,300	6.8%
South Central Facility Capacity	\$ 239,000	\$ 184,885	\$ (54,115)	\$ 194,000	\$ 65,000	\$ (129,000)	-66.5%
Education & Trash Museum (1)	\$ 235,000	\$ 74,466	\$ (160,534)	\$ 62,000	\$ -	\$ (62,000)	-100.0%
Interest Income	\$ 3,000	\$ 11,469	\$ 8,469	\$ 3,000	\$ 10,000	\$ 7,000	233.3%
TOTAL ACCRUED REVENUES	\$ 6,897,000	\$ 9,862,996	\$ 2,965,996	\$ 6,795,000	\$ 7,027,726	\$ 232,726	3.4%
EXPENDITURES							
Authority Budget - Personnel Services	\$ 202,515	\$ 397,788	\$ (195,273)	\$ 323,437	\$ 477,017	\$ (153,580)	-47.5%
Authority Budget - Non Personnel Services	\$ 151,485	\$ 189,957	\$ (38,472)	\$ 270,563	\$ 237,291	\$ 33,272	12.3%
Direct Personnel Services	\$ 440,000	\$ 354,633	\$ 85,367	\$ 462,000	\$ 99,884	\$ 362,116	78.4%
Direct Non Personnel Services	\$ 365,500	\$ 174,685	\$ 190,815	\$ 399,000	\$ 266,000	\$ 133,000	33.3%
Railroad Maintenance	\$ -	\$ -	\$ -	\$ 11,000	\$ 10,500	\$ 500	4.5%
211 Murphy Road Ops. Center	\$ 269,000	\$ 156,422	\$ 112,578	\$ 214,000	\$ 196,000	\$ 18,000	8.4%
1410 Honey Spot Road	\$ 87,500	\$ 67,250	\$ 20,250	\$ 93,000	\$ 90,000	\$ 3,000	3.2%
171 Murphy Road	\$ 45,000	\$ 23,477	\$ 21,523	\$ 41,000	\$ 41,000	\$ -	0.0%
Education & Trash Museum	\$ 25,000	\$ 20,491	\$ 4,509	\$ 25,000	\$ 5,000	\$ 20,000	80.0%
South Central Facility Operating Charges	\$ 221,000	\$ 169,675	\$ 51,325	\$ 109,000	\$ 65,000	\$ 44,000	40.4%
Jets Operating Charges	\$ 2,672,000	\$ 2,820,434	\$ (148,434)	\$ 2,568,000	\$ 1,991,775	\$ 576,225	22.4%
TOTAL ACCRUED EXPENDITURES	\$ 4,479,000	\$ 4,374,812	\$ 104,188	\$ 4,516,000	\$ 3,479,467	\$ 1,036,533	23.0%
OPERATING INCOME (Before Reserves / Transfers)	\$ 2,418,000	\$ 5,488,184	\$ 3,070,184	\$ 2,279,000	\$ 3,548,259	\$ 1,269,259	55.7%
DISTRIBUTION OF PD OPERATING INCOME							
Facilities Capital Refurbishment (2)	\$ 300,000		\$ (300,000)	\$ -	\$ -	\$ -	n/a
Solid Waste Future Development (2)	\$ 688,000		\$ (688,000)	\$ -	\$ -	\$ -	n/a
MIRA Severance	\$ 430,000	\$ 430,000	\$ -	\$ 85,000	\$ -	\$ (85,000)	-100.0%
Transfer to CSWS	\$ 800,000	\$ 533,335	\$ (266,665)	\$ -	\$ -	\$ -	n/a
PD Improvement Fund (3)	\$ 200,000	\$ (1,313,849)	\$ (1,513,849)	\$ -	\$ 787,000	\$ 787,000	n/a
Tip Fee Stabilization Fund (4)	\$ -	\$ 2,993,276	\$ 2,993,276	\$ 2,194,000	\$ 720,000	\$ (1,474,000)	-67.2%
General Fund (4)	\$ -	\$ 996,595	\$ 996,595	\$ -	\$ 2,041,259	\$ 2,041,259	n/a
TOTAL DISTRIBUTIONS	\$ 2,418,000	\$ 3,639,357	\$ 1,221,357	\$ 2,279,000	\$ 3,548,259	\$ 1,269,259	55.7%
SURPLUS / (DEFICIT) (5)	\$ -	\$ 1,848,827	\$ 1,848,827	\$ -	\$ -	\$ -	n/a

1 -FY 2014 budget includes \$150,000 use of reserve needed to balance budget

2 - Closed during FY 2014

3 - Renamed (from Jets Capital Reserve) in FY 2014

4 - Created during FY 2014

5 - Redistributed in accordance with February 20, 2014 Board Resolution Regarding Disposition of Accounts and Flow of Funds.

Exhibit A - Page 2
Materials Innovation and Recycling Authority
FY 2016 Proposed Draft Budget

Property Division

EXPENDITURES	FY 2014		Variance	FY 2015	FY 2016	Better (Worse) Than FY 2015	
	Budget	Actual	Better (Worse)	Adopted	Proposed	\$	%
Mileage Reimbursement	\$ 1,000	\$ 287	\$ 713	\$ 500	\$ 500	\$ -	0.0%
Bad Debt Expense			\$ -	\$ 5,000	\$ 5,000	\$ -	0.0%
Legal	\$ 50,000	\$ 42,467	\$ 7,533	\$ 70,000	\$ 85,000	\$ (15,000)	-21.4%
Insurance Consulting/Brokerage Service	\$ 14,500	\$ 15,705	\$ (1,205)	\$ 27,000	\$ 9,000	\$ 18,000	66.7%
Insurance Premium	\$ 100,000	\$ 81,226	\$ 18,774	\$ 286,000	\$ 166,500	\$ 119,500	41.8%
State Audit	\$ -	\$ 15,000	\$ (15,000)	\$ -	\$ -	\$ -	100.0%
Other Consulting Services	\$ 200,000	\$ 20,000	\$ 180,000	\$ 10,000	\$ -	\$ 10,000	100.0%
Direct Non Personnel Services	\$ 365,500	\$ 174,685	\$ 190,815	\$ 399,000	\$ 266,000	\$ 133,000	33.3%
Building Operations	\$ 139,000	\$ 72,305	\$ 66,695	\$ 126,000	\$ 101,700	\$ 24,300	19.3%
Grounds Maintenance	\$ 39,000	\$ 28,559	\$ 10,441	\$ 42,000	\$ 40,000	\$ 2,000	4.8%
Electricity	\$ 65,000	\$ 35,350	\$ 29,650	\$ 35,500	\$ 36,000	\$ (500)	-1.4%
Other Utilities	\$ 26,000	\$ 20,208	\$ 5,792	\$ 10,500	\$ 18,300	\$ (7,800)	-74.3%
211 Murphy Road Ops. Center	\$ 269,000	\$ 156,422	\$ 112,578	\$ 214,000	\$ 196,000	\$ 18,000	8.4%
Fuel	\$ 1,243,000	\$ 1,617,370	\$ (374,370)	\$ 1,323,000	\$ 907,000	\$ 416,000	31.4%
Fees/Licenses/Permits	\$ 5,000	\$ -	\$ 5,000	\$ 8,700	\$ 5,000	\$ 3,700	42.5%
Jets PILOT (Pro-rata Share of \$2.2M)	\$ 175,000	\$ -	\$ 175,000	\$ -	\$ -	\$ -	100.0%
Discrete Emission Reduction Credit (DERC) Fee	\$ 200,000	\$ 239,019	\$ (39,019)	\$ 150,000	\$ -	\$ 150,000	100.0%
Power Products Management Fee	\$ 154,000	\$ 139,920	\$ 14,080	\$ 157,300	\$ 159,000	\$ (1,700)	-1.1%
Engineering Consulting Services	\$ 10,000	\$ 7,173	\$ 2,827	\$ 10,000	\$ 35,000	\$ (25,000)	-250.0%
Environmental Testing	\$ -	\$ -	\$ -	\$ 35,000	\$ -	\$ 35,000	100.0%
Electricity	\$ 100,000	\$ 71,464	\$ 28,536	\$ 65,000	\$ 65,000	\$ -	0.0%
Operator Reimbursement - Insurance Premium	\$ 3,200	\$ 3,095	\$ 105	\$ 3,000	\$ -	\$ 3,000	100.0%
O&M (Operating - Draw Request)	\$ 454,600	\$ 459,675	\$ (5,075)	\$ 517,000	\$ 507,175	\$ 9,825	1.9%
Management Fee / Incentive Compensation	\$ 140,100	\$ 110,902	\$ 29,198	\$ 98,000	\$ 107,300	\$ (9,300)	-9.5%
Home Office Support	\$ 38,200	\$ 27,775	\$ 10,425	\$ 46,000	\$ 48,300	\$ (2,300)	-5.0%
Labor & Overhead	\$ 138,800	\$ 126,596	\$ 12,204	\$ 146,000	\$ 147,500	\$ (1,500)	-1.0%
Site Personnel Incentive Compensation	\$ 10,100	\$ 17,445	\$ (7,345)	\$ 9,000	\$ 10,500	\$ (1,500)	-16.7%
Jets Operating Charges	\$ 2,672,000	\$ 2,820,434	\$ (148,434)	\$ 2,568,000	\$ 1,991,775	\$ 576,225	22.4%

Exhibit A – Page 3
 Materials Innovation and Recycling Authority
 FY2016 Proposed Draft Capital Budget
 Property Division

1. **Collins Building (171 Murphy Road)** - \$291,000
 Replace Roof (Cost Estimate Available)

2. **Jet Turbine Facility** - \$365,000

Generator Testing: ¹	\$40,000
Purchase & Install New Air Starter: ²	\$25,000
Repair/Replace Nozzle Guide Veins: ³	\$50,000
Install Fire Suppression System: ¹	<u>\$250,000</u>
Total -	\$365,000

- 1 Insurance Co. Inspection highlights this should be done
- 2 Facility needs as a spare.
- 3 Funding to replace veins when the hotside inspection is conducted next year.

3. **211 Murphy Road** - \$131,000

Replace HVAC Equipment & Upgrade Lighting; \$131,000 out-of-pocket up front cost plus a \$100,000 program loan for 4 years at 0% interest if undertaken as part of the CONN SERV Incentive program. (Cost Estimate Available)

The HVAC equipment is past the end of its useful life. If any of the HVAC components experience any significant failures at this point, they will have to be replaced. Undertaking this project as part of the CONN SERV program saves approximately \$41,000 in capital costs based on the following estimates.

Lighting Upgrade

Cost of the lighting upgrade outside of the incentive program is approximately \$26,000.

HVAC Equipment Replacement

The CONSERV incentive program provides an incentive to replace the HVAC equipment. The cost of replacing the HVAC equipment outside of the incentive program is approximately \$246,000.

TOTAL CAPITAL BUDGET - \$787,000

MATERIALS INNOVATION AND RECYCLING AUTHORITY

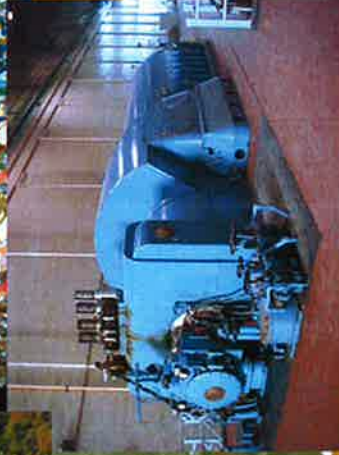


Exhibit B
Property Division
FY 2016 Proposed
Operating and
Capital Budgets

January 22, 2015
MIRA Board of
Directors Meeting

SUMMARY DRAFT BUDGET

■ Total Operating Revenues -	\$7,027,726
■ Total Operating Expenses -	\$3,479,467
■ Operating Income (Before Reserves / Transfers) -	\$3,548,259
■ Property Division FY 2016 Flow of Funds:	
■ MIRA Severance Reserve -	\$ 0
■ PD General Fund -	\$2,041,259
■ PD Improvement Fund -	\$ 787,000
■ CSWS Improvement Fund -	\$ 0
■ Tip Fee Stabilization Fund -	\$ <u>720,000</u>
■ Total Reserves / Transfers -	\$3,548,259
■ Proposed FY 2016 Fund Transfers	
■ From PD Operating to Tip Fee Stabilization - (Adjusts Operating Account to 180 Days Cash on Hand)	\$ 500,000

HIGHLIGHTS

- **Total Operating Revenues increase by 3.4% from FY 2015 to FY 2016:**
 - Capacity payment increases by \$410,820 based on a 9.6% increase in ISO New England's payment rate per kilowatt from Forward Capacity Auction (FCA) #5 to FCA #6.
 - Budgeted revenue from Reserve Credits and Real Time Energy are held constant at FY 2015 budget levels. This remains conservative based on current FY 2015 budget versus actual results. Any surplus will be treated in accordance with the established flow of funds and deposited to the Tip Fee Stabilization Fund or General Fund.
 - The reduction to VARs payments reflects current FY 2015 budget versus actual performance.
 - The increase in Total lease Income reflects relevant terms and conditions of leases and a reduction in Murphy Road costs recouped from CSWS.
 - Reduction in revenue from South Central Facility Capacity reflects reduced use of Wallingford Resource Recovery Facility for diversion point for CSWS.
 - Reduction in revenue from the Education and Trash Museum reflects transition to customer service orientation and startup of Recycle CT Foundation.
- **Total Operating Expenses decrease by 23% from FY 2015 to FY 2016:**
 - Total Personnel Services (Authority Budget allocated and Direct) reduce by \$208,536 reflecting reduction in Personnel Services expenses and change in allocation methodology adopted with Authority Budget.
 - Direct Non Personnel Services reduce by \$133,000 reflecting reduced insurance premiums and broker fees allocated to Property Division.
 - Jets Operating Charges reduce significantly by \$576,225 due to a reduction in the unit cost of jet fuel and estimated hours of run time (\$416,000), no purchasing requirement for DERs in FY 2016 based on existing inventory (\$150,000) and other savings (net) of 10,225.
 - Reduction in Education and Trash Museum based on providing funding for exhibit maintenance only. Other budgets were absorbed into the Authority Budget as part of repurposing to Customer Service.
- **Operating Income (Before Reserves / Transfers) increases by \$1,269,259**

TOTAL OPERATING REVENUE

■ Electric Generation from Jets-		\$6,333,426
■ Forward Capacity Market -	\$5,541,026	
■ Reserve Time -	\$ 600,000	
■ Real Time -	\$ 150,000	
■ VAR Payments -	\$ 42,400	
■ Total -	\$6,333,426	
■ Education and Trash Museum-		\$ 0
■ Admission Fees -	\$ 0	
■ Gift Shop Sales -	\$ 0	
■ Other -	\$ 0	
■ Total -	\$ 0	
■ Other Property -		\$ 684,300
■ Lease Income-	\$ 492,000	
■ South Central Facility Capacity -	\$ 65,000	
■ CSWS Building Reimbursement -	\$ 127,300	
■ Total -	\$ 684,300	
■ Interest Income -		\$ 10,000
■ Total Operating Revenue -		\$7,027,726

TOTAL OPERATING EXPENSE

<ul style="list-style-type: none"> ■ MIRA Allocated Costs <ul style="list-style-type: none"> ■ Authority Budget - Personnel Services - \$477,017 ■ Authority Budget - Non Personnel Services - \$237,291 ■ Direct Personnel Services - \$ <u>99,884</u> ■ Total Allocated Costs - \$814,192 	<p>\$814,192</p>
<ul style="list-style-type: none"> ■ MIRA Direct Non Personnel Services - 	<p>\$266,000</p>
<ul style="list-style-type: none"> ■ Other Property O&M - <ul style="list-style-type: none"> ■ 211 Murphy Road - \$196,000 ■ 171 Murphy Road - \$ 41,000 ■ Railroad Maintenance - \$ 10,500 ■ 1410 Honey Spot Road - \$ 90,000 ■ South Central Facility Capacity - \$ <u>65,000</u> ■ Total - \$402,500 	<p>\$402,500</p>

TOTAL OPERATING EXPENSE

\$1,991,775

■ **JETS O&M -**

Operating Expense	NAES Contract	MIRA Related	Total
Fuel for Twin Packs	\$ 0	\$907,000	\$ 907,000
Management Fee & Incentive	\$ 107,300	\$ 0	\$ 107,300
Home Office Support	\$ 48,300	\$ 0	\$ 48,300
Direct Labor & Overhead	\$ 147,500	\$ 0	\$ 147,500
Employee Incentive Bonus	\$ 10,500	\$ 0	\$ 10,500
Operations and Maintenance	\$ 507,175	\$ 264,000	\$ 771,175
Total	\$ 820,775	\$1,171,000	\$1,991,775

\$ 5,000

■ **Education and Trash Museum -**

■ Educator Labor & Benefits	\$ 0
■ Operating Expense	\$ 5,000

\$3,479,467

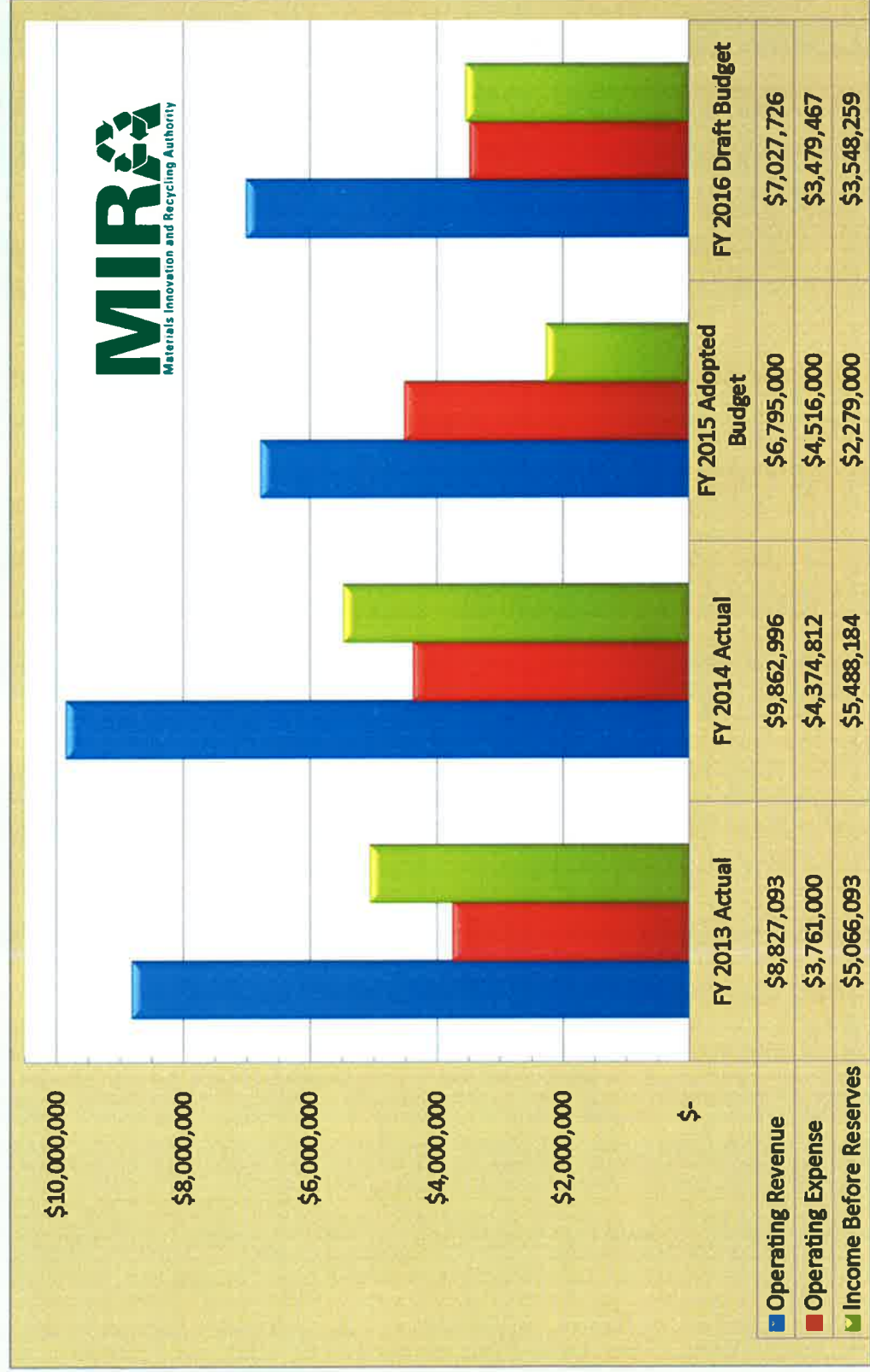
■ **Total Operating Expense**

NET INCOME / FUND CONTRIBUTIONS

■ FY 2016 Net Operating Income -	\$3,548,259
■ MIRA Severance Reserve -	\$ 0
<p>There will be approximately \$900,000 in this reserve after all FY 2015 transfers are complete. This is viewed as sufficient in comparison to total FY 2016 Personnel Services.</p>	
■ Property Division General Fund -	\$2,041,259
<p>This account is used to supplement any other fund within the Property Division as circumstances warrant. It is anticipated that future Board approval may be requested to transfer additional funds to the PD Improvement Fund as analysis of alternatives for continued operation of the Jets beyond Trading Order expiration evolves.</p>	
■ Property Division Improvement Fund -	\$ 787,000
<p>This account was reduced to authorized project balances with the recommended redistribution of Property Division funds that occurred in FY 2014. The fund has since been depleted to less than \$0.09 million reflecting implementation of authorized projects. Additional funding is now needed to proceed with reconstruction of the Collins Building roof, additional work on the jets and potential HVAC and lighting upgrade for 211 Murphy Road.</p>	
■ CSWS Tip Fee Stabilization -	\$ 720,000

Based on the ending balance of this fund as of October 31, 2014 with no amounts due from CSWS of \$4.34 million, the surplus budgeted in Property Division for the balance of FY 2015 of \$1.44 million, and transfer of \$0.50 million from the Property Division Operating account to the Tip Fee Stabilization, \$0.72 million will be transferred to the Tip Fee Stabilization Fund from FY 2016 Property Division Operating Income.

PROPERTY DIVISION INCOME COMPARISONS



STATUS OF JETS SUSTAINABILITY

- **Completed Engineering Report:**
 - Feasible pollution control technology exists to allow the Jets to operate beyond expiration of the trading order under the most stringent emission regulations.
 - The cost of recommended technology including control system and electrical protection upgrades is estimated at \$13.6 million.
 - Economic analysis needed to determine benefit / cost.
- **New Tentative DEEP Proposals on Post – Trading Order Phased Requirements and Compliance Alternatives:**
 - Phase 1 starts with expiration of current trading order, extends 4 to 5 years and includes new ozone season emissions limit.
 - Achieve compliance by averaging emissions with over-complying units at the facility.
 - Achieve compliance by committing to reconstruct, replace or retire non-compliant units.
 - Achieve compliance through use of existing, banked DERCs.
 - DEEP Recognizing need to address short term nature of these types of emissions in a separate regulation.

STATUS OF JETS SUSTAINABILITY

- Upcoming Key Milestones:
 - 2/2/2015 – ISO New England to conduct Forward Capacity Auction (FCA) #9 for 6/1/2018 – 5/31/2019 Capacity Supply Obligation (CSO). This will provide necessary information for economic analysis of jets retrofit.
 - 2/2/2015 – ISO New England Show of Interest packages are due for jets retrofit applicable to FCA # 10 covering 6/1/2019 – 5/31/2020 CSO. Development underway.
 - 4/1/2015 – ISO New England's 1st of 3 Reconfiguration Auctions for FCA #8 covering 6/1/2017 – 5/31/2018 Capacity Supply Obligations. This could be undertaken to shed the first year CSO incurred beyond trading order.
 - 6/1/2015 – Delist Package for FCA #10. This could be undertaken to avoid incurring 3rd year CSO beyond trading order.
 - 4/1/2016 - ISO New England's 1st of 3 Reconfiguration Auctions for FCA #9 covering 6/1/2018 – 5/31/2019 Capacity Supply Obligations. This could be undertaken to shed second year CSO beyond trading order.
 - 1/1/2017 – Anticipated effective date of new DEEP regulation concerning phased requirements and compliance alternatives. Occurs after delist deadlines for FCA #s 10 and 11 covering CSOs through 5/31/2021.



A Brief Look at the Evolution of Connecticut's Trash Market

January 22, 2015

State Solid Waste Systems 2008

CRRA Mid-Connecticut Project

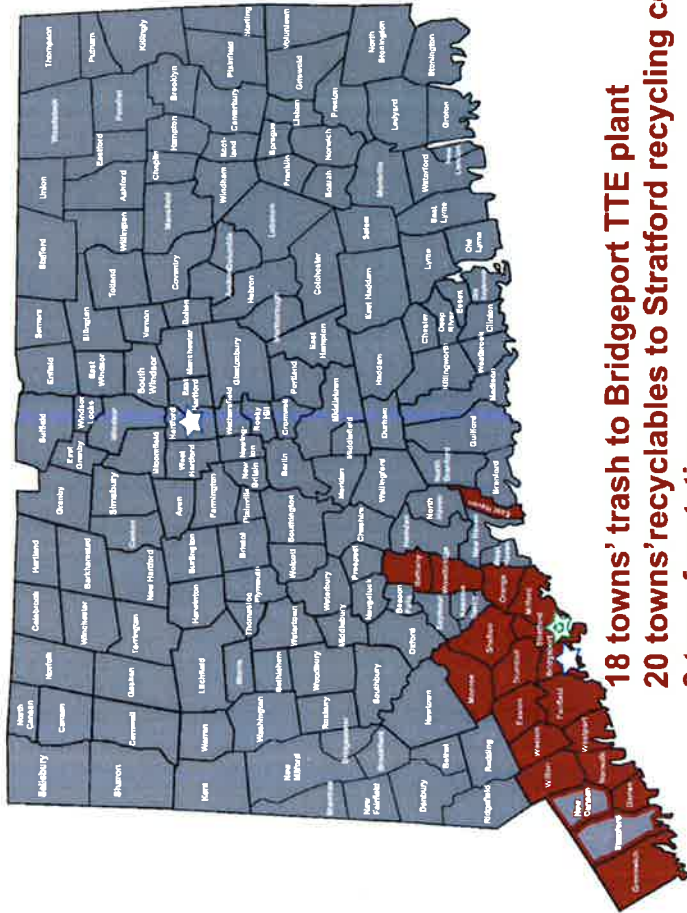


70 towns' trash to Hartford TTE plant
 64 towns' recyclables to Hartford recycling centers
 4 satellite transfer stations

★ Trash-to-energy plant
 ♻️ Recycling processing center
 🚛 Transfer station

State Solid Waste System 2008

CRRA Bridgeport Project

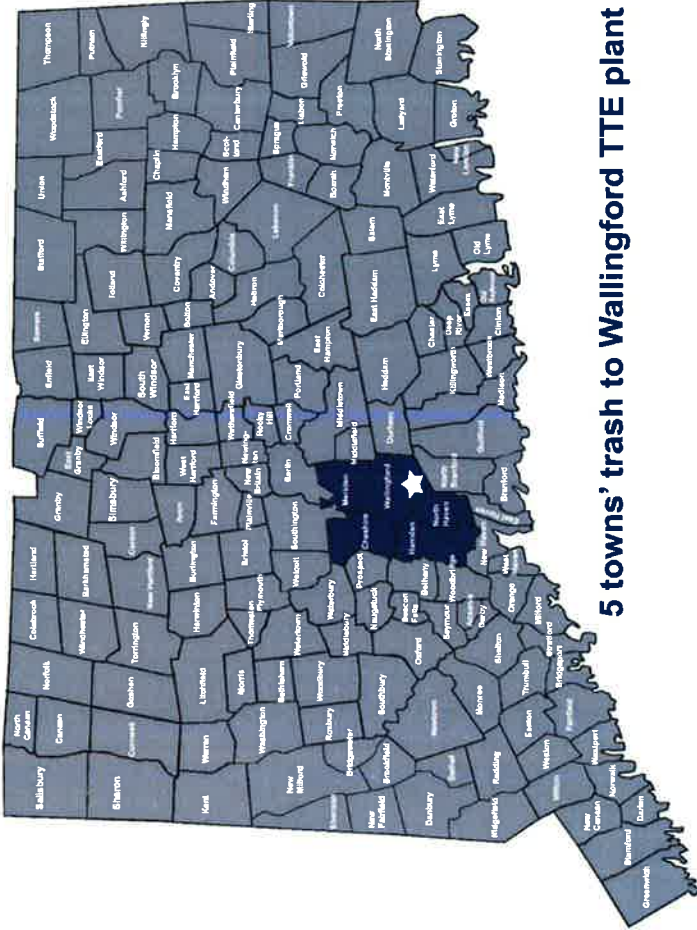


18 towns' trash to Bridgeport TTE plant
 20 towns' recyclables to Stratford recycling center
 8 transfer stations

★ Trash-to-energy plant
 Recycling processing center
 Transfer station

State Solid Waste System 2008

CRRA Wallingford Project



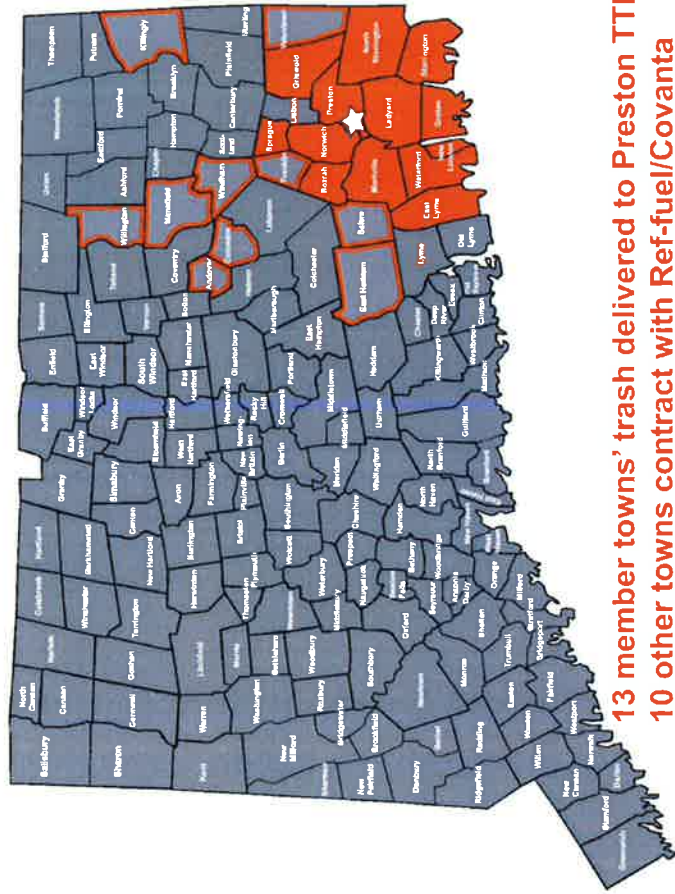
5 towns' trash to Wallingford TTE plant




 Trash-to-energy plant Recycling processing center Transfer station

State Solid Waste Systems 2008

CRRRA Southeast Project



13 member towns' trash delivered to Preston TTE plant
10 other towns contract with Ref-fuel/Covanta
to deliver to Preston



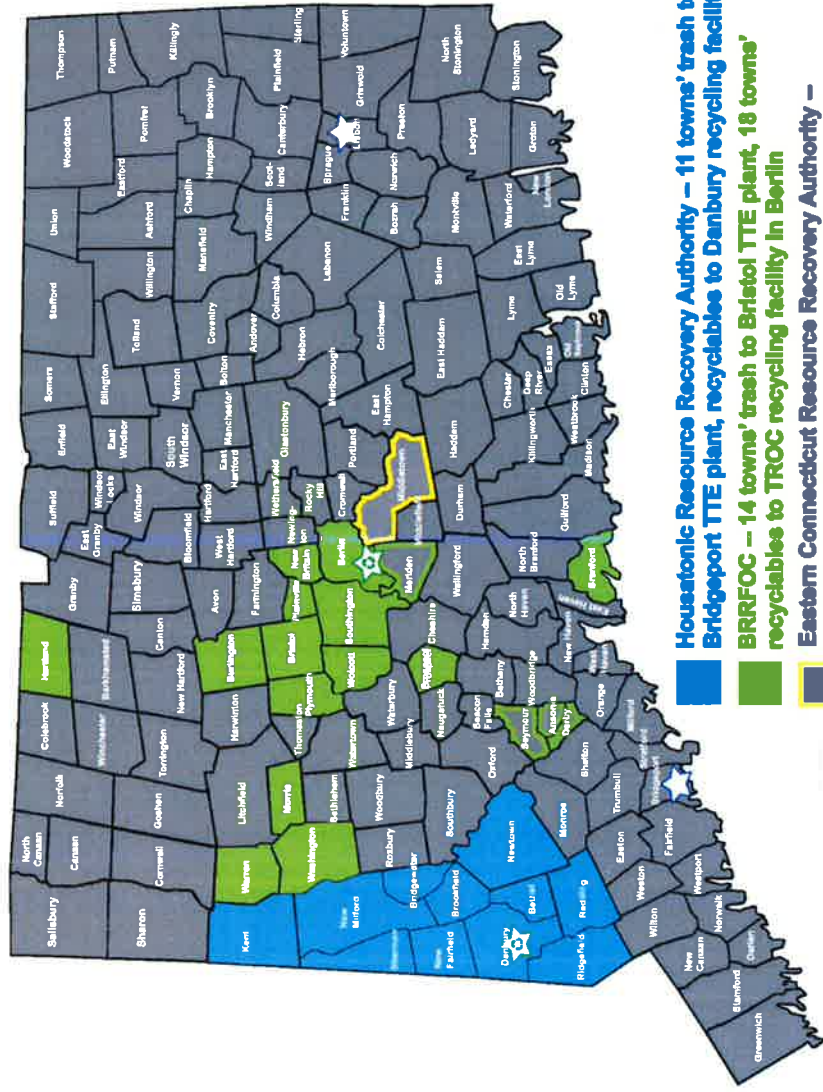
Trash-to-energy plant  Recycling processing center



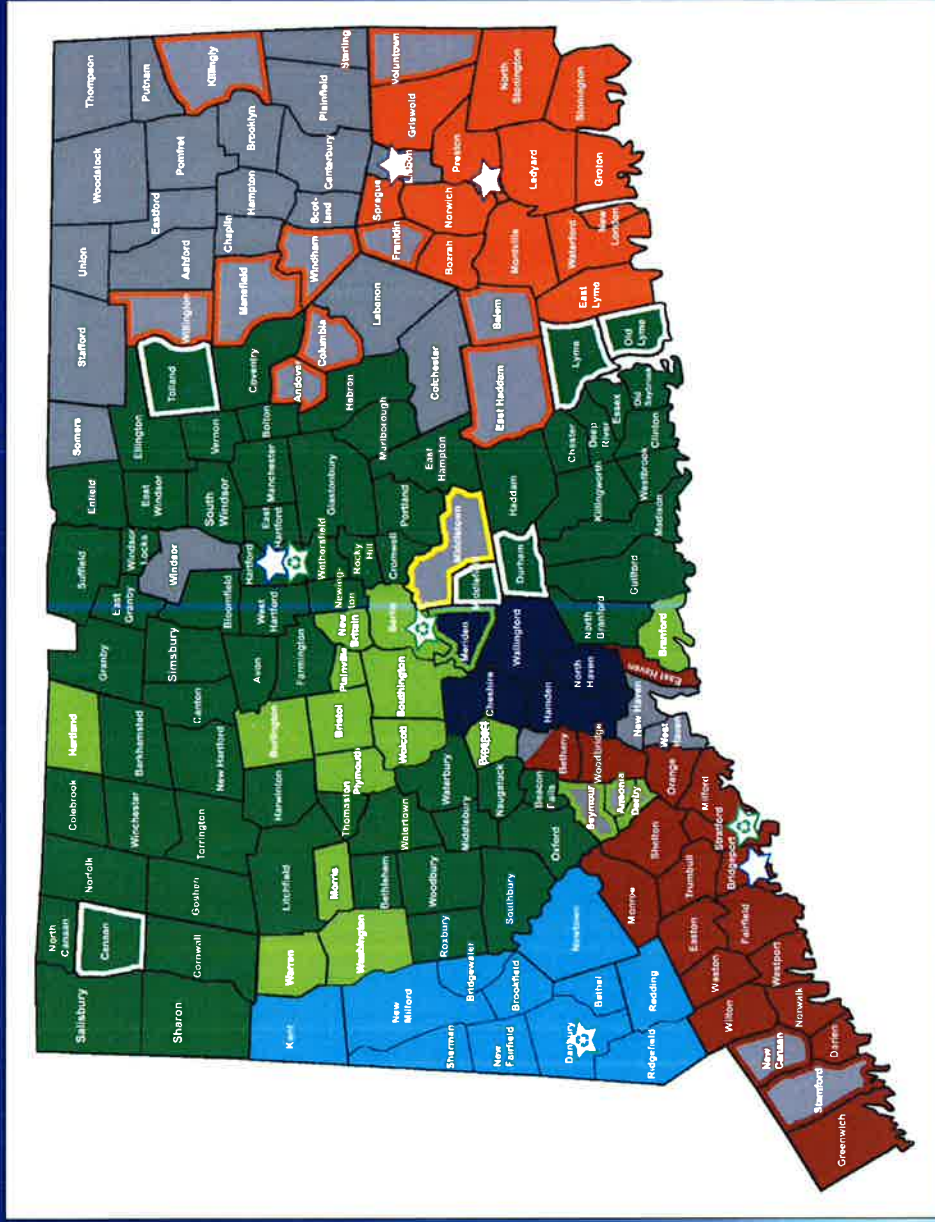
Transfer station

State Solid Waste Systems 2008

Other Solid-Waste Authorities

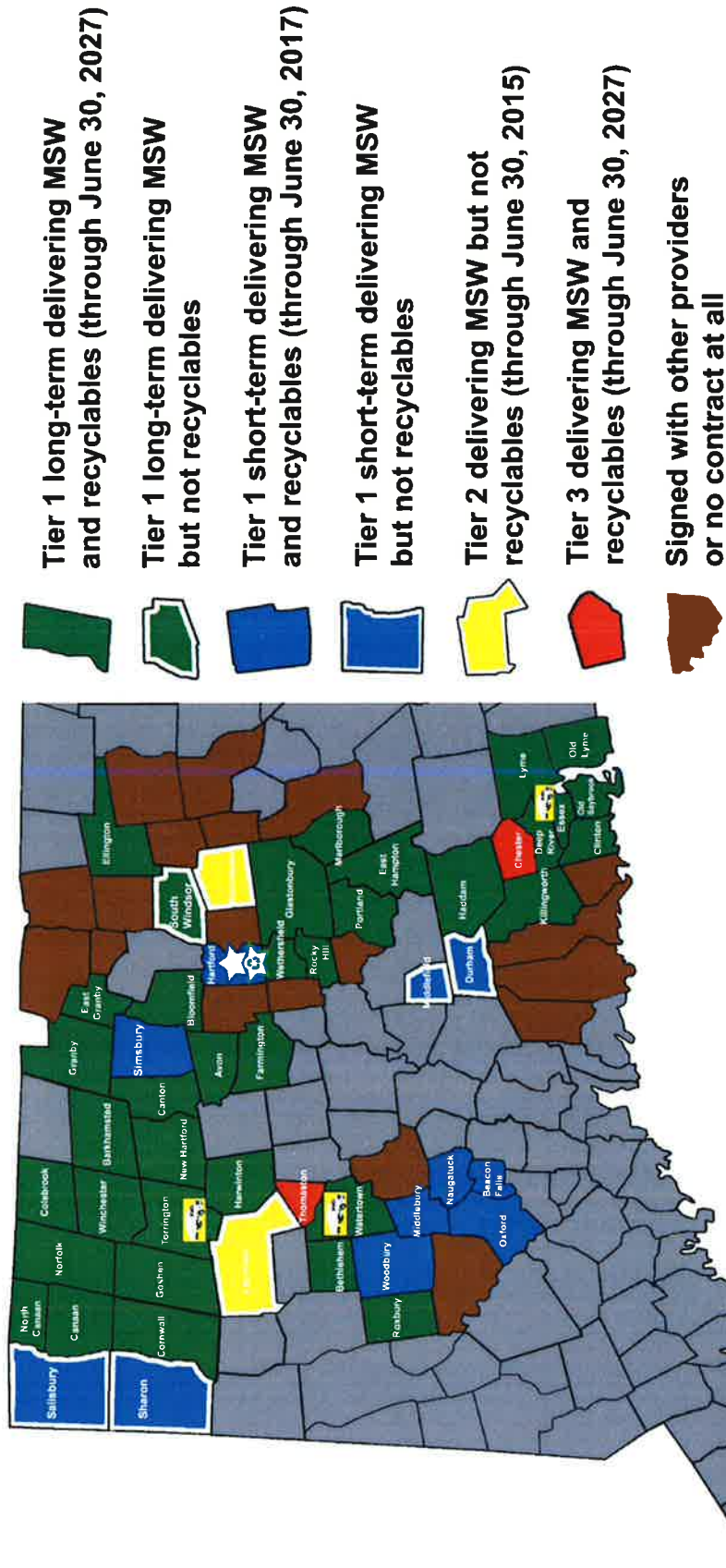


State Solid Waste Systems 2008

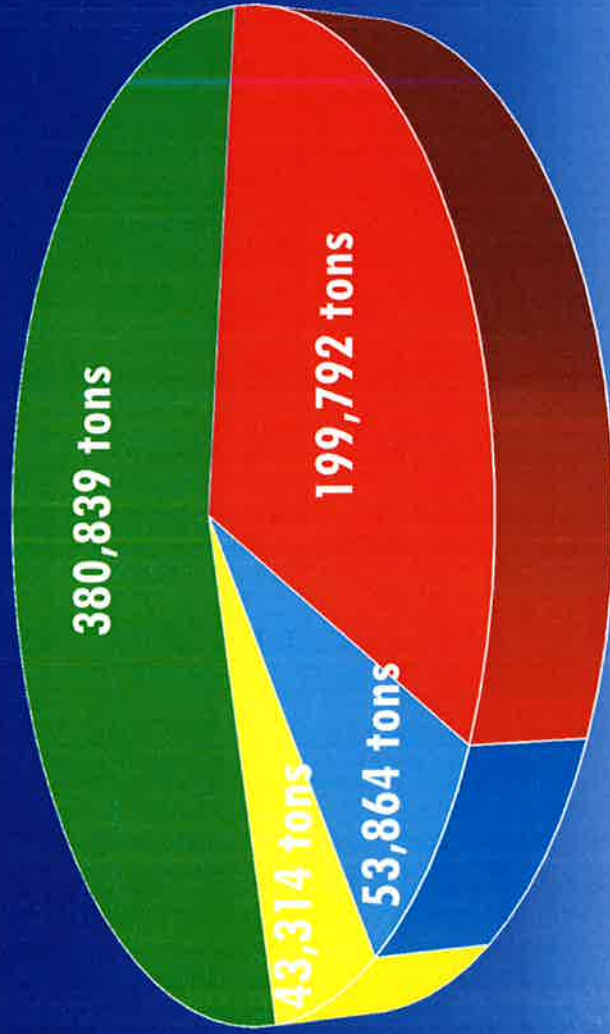


Transition

MIRA Connecticut Solid Waste System



Filling the Plant



■ MSA waste

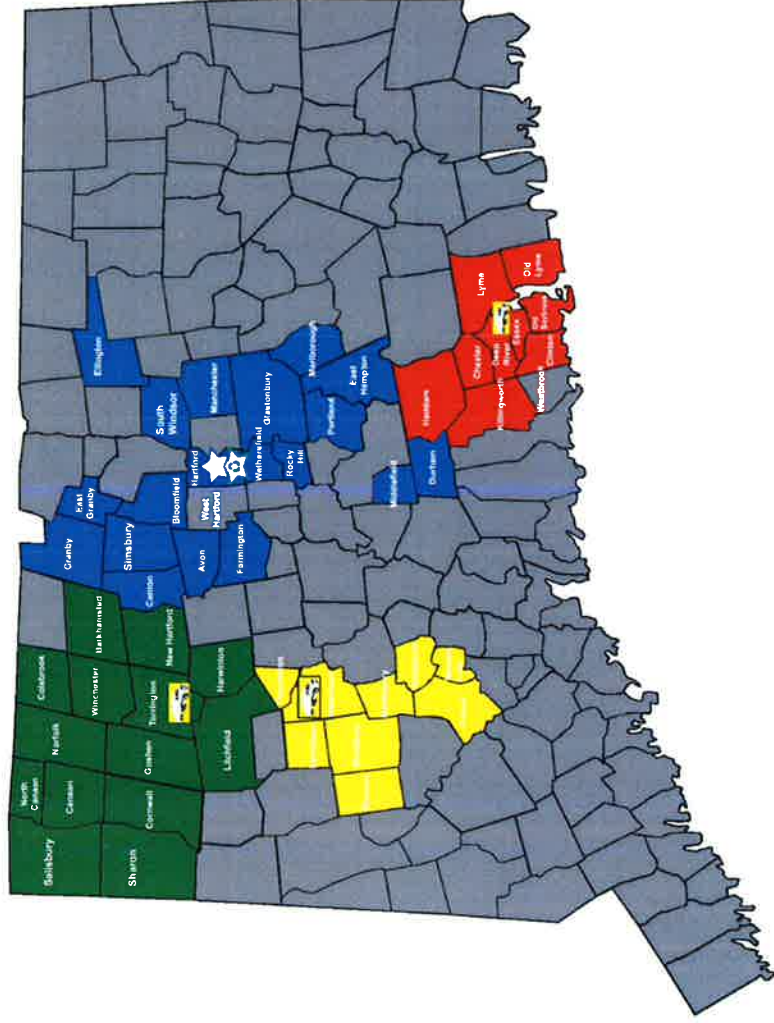
■ Hauler contract and gate-rate waste @ blended \$58.49/ton

■ Interruptible contract waste @ \$54/ton

■ Spot-market waste various\$/ton

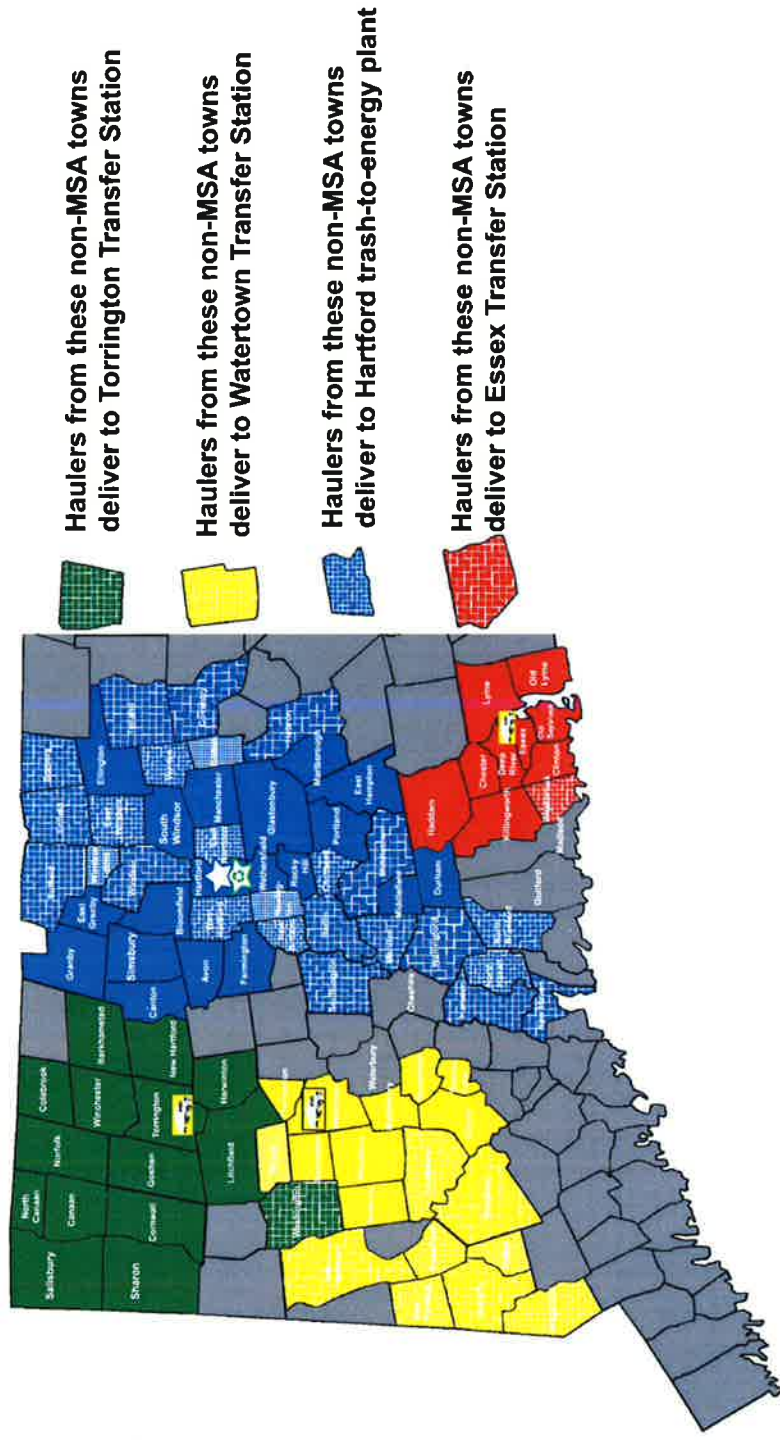
How Customers Deliver Trash to CSWS

CSWS MSA Towns' Primary Destinations



How Customers Deliver Trash to CSWS

Primary Destinations for Haulers and MSA Towns



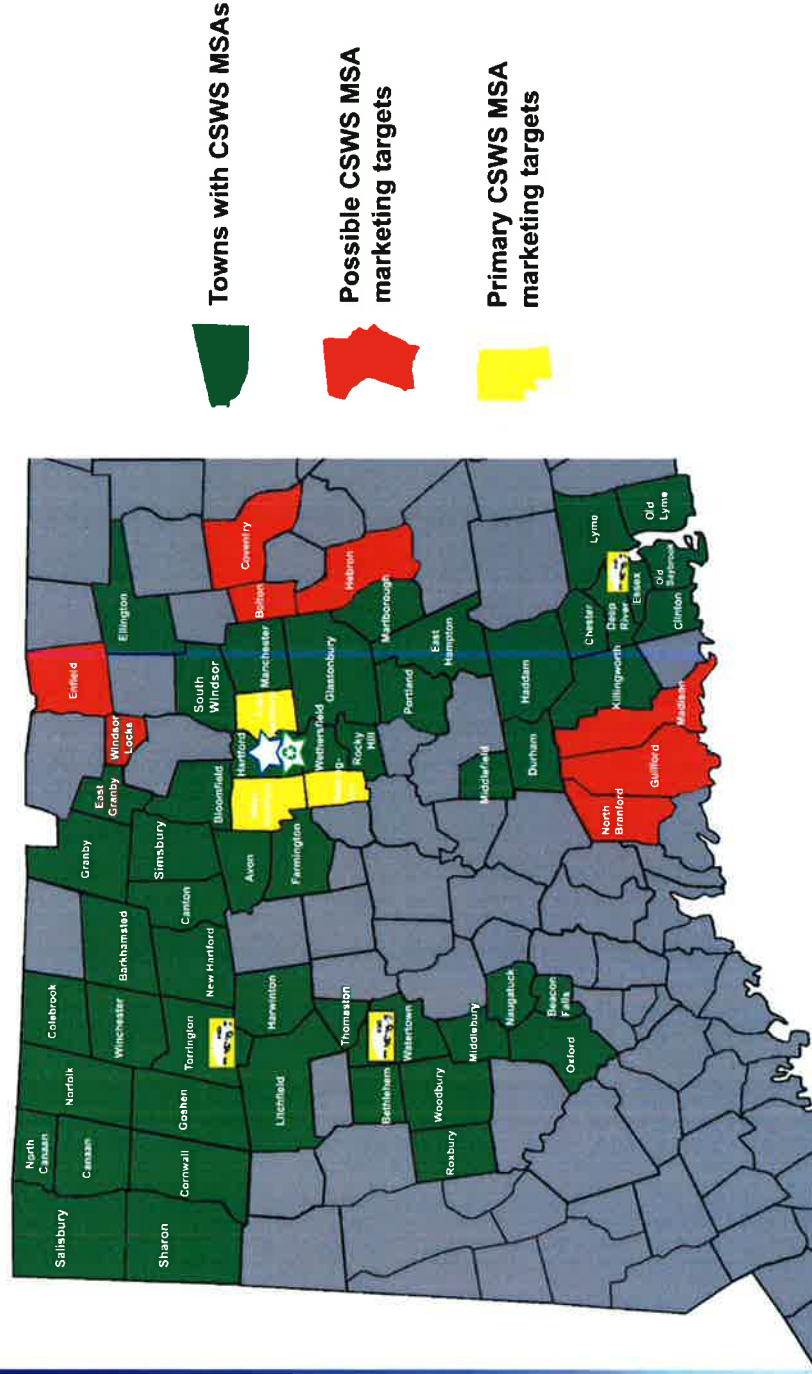
FY 2014 Trash from ex-Mid-Conn Towns



Municipality	Tons
Bolton	341.94
Coventry	875.69
Cromwell	7,846.44
East Hartford	12,255.87
East Windsor	4,071.54
Enfield	4,914.19
Guilford	10,679.68
Hebron	1,756.63
Madison	8,679.26
Newington	11,418.40
North Branford	1,810.88
Southbury	2,865.63
Suffield	3,087.25
Tolland	1,324.75
Vernon	7,115.83
Waterbury	38,817.22
West Hartford	16,683.85
Westbrock	5,290.54
Windsor Locks	2,948.18
Total	142,783.77

Looking to the Future

Possible Marketing Targets for CSWS MSAs



Competition from Out-of-State Facilities



**New York,
New Jersey,
points south and west
> 1,000,000 TPY**



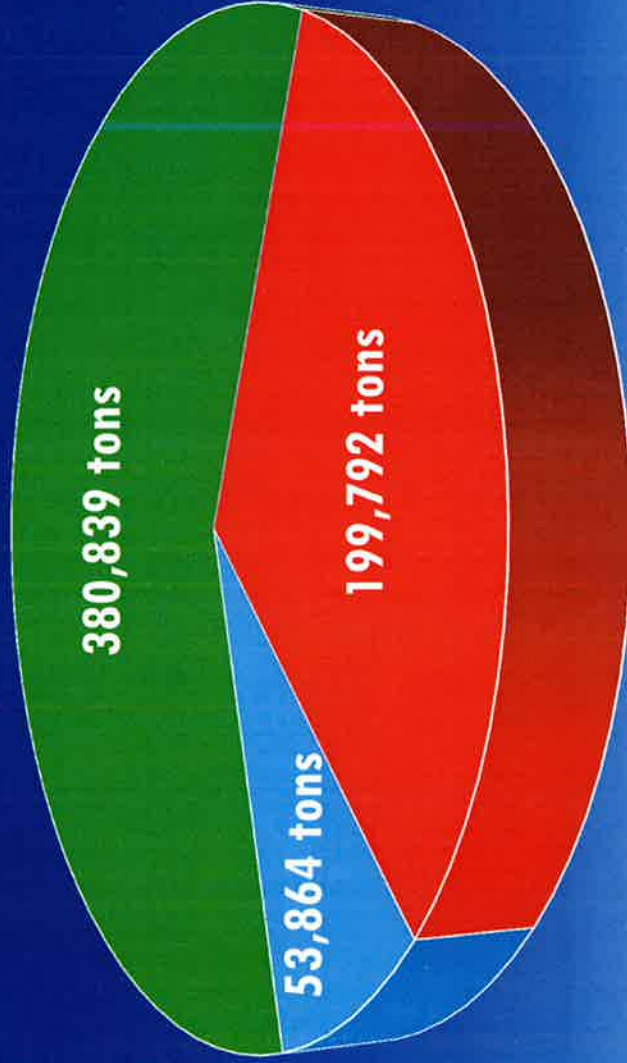
January 22, 2015

Your Questions



January 22, 2015

Filling the Plant



■ MSA waste

■ New Haven and gate-rate waste

@ blended \$58.49

■ Interruption contract waste

@ \$54

Where ex-Mid-Conn Towns' MSW Goes



		Municipality of origin			
Delivered to	Guilford	Newington	Southbury	Waterbury	West Hartford
Bristol	0	846.87	1,564.14	35,370.35	19,297.64
Lisbon	0	0	0	185.76	0
Preston	1,190.32	0	0	2,578.33	0
Wallingford	977.74	8,971.43	4,388.51	0	0



Where ex-Mid-Conn Towns' Trash* Goes



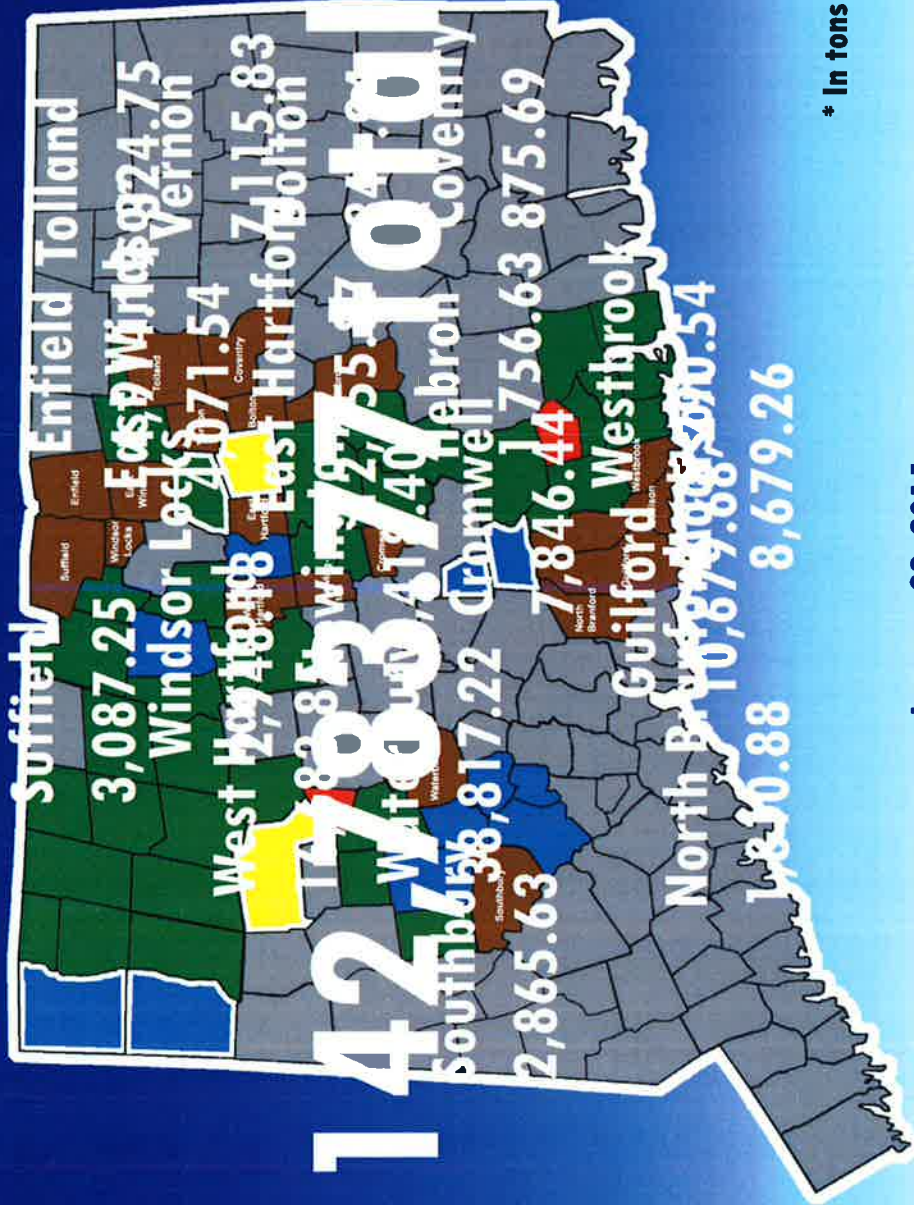
* In tons

Source: DEEP records for October 2013 through September 2014

January 22, 2015



FY 2014 Trash* from ex-Mid-Conn Towns



* In tons



January 22, 2015