Bill No.: HB-7293
Title: AN ACT CONCERNING THE REDEVELOPMENT OF CERTAIN SOLID WASTE MANAGEMENT FACILITIES.
Vote Date: 3/25/2019
Vote Action: Joint Favorable Substitute
PH Date: 3/11/2019
File No.: 618

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SPONSORS OF BILL:
Environment Committee

REASONS FOR BILL:

Connecticut General Assembly passed Public Act 14-94, in part, to require the Connecticut Department of Energy and Environmental Protection (DEEP), in consultation with the Materials Innovation and Recycling Authority (MIRA) to (1) conduct a Request for Proposals for the redevelopment of the Connecticut Solid Waste System Project, (2) select a final proposal, and (3) direct MIRA to enter into an agreement with the selected developer. In December 2017 DEEP selected Sacyr Rooney as the project developer and directed MIRA to enter into an agreement with Sacyr Rooney.

MIRA has been stalled in negotiations with Sacyr Rooney claiming that 22a-268 of the general statutes, which authorizes contracting with third parties, requires that MIRA maintain oversight and control of the project; thus, limiting their ability to move forward with the redevelopment project. While no agreement can be finalized between MIRA and Sacyr Rooney until a framework is presented to the municipalities the project serves, the slow pace in negotiations has denied municipalities the opportunity to receive a full presentation of the proposal.

The bill seeks to advance the project by requiring that MIRA submit the terms of a preliminary agreement with Sacyr Rooney by May 15, 2019 to the Environment Committee, the governor, DEEP, and each municipality served by the project. Additionally, MIRA will be required to post the terms on their website. DEEP and MIRA must consult with municipalities concerning the preliminary agreement.
Substitute Language – LCO No. 6572
To advance the redevelopment project, the original draft of the bill ordered MIRA to enter into a contract with the developer in accordance with the selection made by DEEP pursuant to section 22a-208 of the general statutes. Testimonies shared concerns that forcing MIRA to enter into a contract will (1) lead to contractual provisions that do not protect the interest of their municipal customers, and (2) set a dangerous precedent of allowing state agencies to mandate parties enter into agreements prematurely. Substitute language (1) clarifies that DEEP’s selection is not a mandate to enter into a contract with the developer, (2) requires MIRA to provide the terms of its preliminary agreement with Sacyr Rooney to the Environment Committee, governor, DEEP, and each municipality the project serves, and (3) requires that DEEP and MIRA consult with such municipalities on the agreement, including service fees and contract terms.

RESPONSE FROM ADMINISTRATION/AGENCY:

Katie S. Dykes, Commissioner, Connecticut Department of Energy and Environmental Protection (DEEP): Supports the bill. DEEP provides a brief history into the request for proposal process and selection for the redevelopment of the Hartford Resource Recovery Facility. Fourteen months have elapsed since DEEP selected a developer for the redevelopment project pursuant to CGS 22a-268g. MIRA has indicated that section 22a-268 requires that any contract entered into by MIRA contains terms retaining overall MIRA oversight and control. While DEEP does not agree with MIRA, the issue has caused delay in negotiations. DEEP requests the committee strengthen DEEP’s authority to cause MIRA to proceed into an agreement to execute the project.

NATURE AND SOURCES OF SUPPORT:

None Submitted.

NATURE AND SOURCES OF OPPOSITION:

Laura Francis, First Selectman, Town of Durham: Durham Middlefield Transfer Station and Recycling Center contracts with MIRA for solid waste disposal. Forcing MIRA to enter into contracts before negotiations have been concluded will lead to provisions that do not fully protect the interests of MIRA’s municipal customers. The bill establishes a dangerous precedent by allowing a state agency to mandate parties enter into a contract agreement prematurely.

James M. Hayden, First Selectman, Town of East Granby: The bill is counter to the interests of towns in that it would provide for the Connecticut Department of Energy and Environmental Protection to “Order,” not “Direct” MIRA to agree and participate with a private company for the redevelopment of the Connecticut Solid Waste Management System Project. By changing the word “direct” to “order” in statute, the state will effectively remove municipal influence and participation in the process.
Edmond V. Mone, First Selectman, Town of Thomaston: While MIRA has negotiated terms with the developer, it has not come to negotiate terms that the membership can accept. The bill as drafted will force MIRA into a contract that the Board of Directors deem unfavorable. Municipalities will lose control of their organizations and costs would rise unfavorably. The committee should reject the bill and require that MIRA solicit new vendors through a new request for proposal that is created by the Board of Directors of MIRA.

Edward B. St. John, First Selectman, Town of Middlebury: This bill removes the towns from decisions affecting waste disposal and recycling; a responsibility the legislature gave to municipalities. Furthermore, it is bad public policy to give one agency the authority to unilaterally order a quasi-public agency to enter into an agreement. “This is especially concerning when municipalities have no control over the terms of the agreement.”

Robert Valentine, First Selectman, Town of Goshen: The bill will force MIRA to enter into a contract in which its Board of Directors has determined to not be in the best interest of its member municipalities. Furthermore, this bill would not be consistent with subsections 3 and 11 of section 22a-265 of the general statutes.

Reported by: Pamela Bianca / Ussawin R. Bumpen  Date: 4/15/2019