

Testimony Regarding Bill No. 6664

by

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Environment Committee

Good Morning Chairman Lopes, Vice Chairman Gresko and members of the Environment Committee. I am Jim Hayden and I am the Vice Chair of the Materials Innovation and Recycling Authority. I am here with Mark Daley MIRA's President and CFO. We appreciate the opportunity to provide comments on HB6664 which directly affects MIRA. We will also be submitting more detailed written comments to the Committee.

We need to recognize that Section 3 of the proposed bill authorizes unprecedented roles to be filled by DEEP. DEEP will no longer primarily be a regulator of waste management facilities and operations. DEEP will control and oversee development of any new waste management infrastructure through RFPs. DEEP becomes a developer, an operator and a contracting party with municipal customers, developers, and operators. DEEP also becomes a market participant, controlling the marketplace. These various roles may present conflicts as DEEP ultimately is the regulator of all of these entities. And this unprecedented control comes with limited contracting and financing flexibility as a large state agency.

Other aspects of the proposed bill establish the Connecticut Waste Authority as a successor to MIRA and later the Department of Administrative Services becomes the successor to the new Waste Authority. So the proposed bill essentially divides up MIRA's authority and assigns it to two separate large State agencies. All this occurs while MIRA still has contracts and agreements in place that have to be managed and honored.

This structure should be looked at closely to ensure it supports timely and efficient replacement of the State's ageing waste management infrastructure and that MIRA's contracts with its existing operators and municipalities are honored.

The proposed bill also presents several potential conflicts with MIRA's existing municipal service agreements and operating contracts.

MIRA customer towns have valid interests and a sense of ownership of MIRA funds by virtue of the Municipal Service Agreements and statutes we have historically operated under. These agreements, statutes and Board actions collectively established how and for what purpose the funds were accumulated and allocated. Section 13 of the proposed bill is potentially at odds with these interests. This section of the bill should be changed to clearly provide that MIRA's Connecticut Solid Waste System funds shall be used in support of the CSWS pursuant to these existing agreements. This change should also permit the use of CSWS funds for the pursuit of alternatives to the current agreements which is also contemplated by the bill. Section 13 should also be changed to provide that MIRA's non CSWS funds shall not be deemed surplus, or used in support of the CSWS, and shall be used for other authorized purposes. These other purposes may include additional remediation and evaluation of future uses of the South Meadows site, assistance with DEEP's updated CMMS or other purposes. These minor changes to the proposed bill will allow all stakeholder interests to be advanced and help avoid lengthy challenges to the bill. There are also other aspects of Section 13 that are in conflict with our existing contracts including the language that revises liability for environmental remediation.

Section 11 of the proposed bill designates DEEP as the sole decision maker on what acceptable alternatives to MIRA's current contracted operations would be. MIRA has already begun a process to examine a possible restructuring or assignment of customer and operator contracts in a collaborative manner that is neutral to customer contracts. These contracts are effective through June 30, 2027 and any changes will require mutual agreement. It is not practical for a sole decision maker to impose unilateral changes to existing agreements and there should not be a deadline for any such changes that precedes current agreement expirations.

Section 15 of the proposed bill terminates MIRA's current Board of Directors and reconstitutes it. We believe our Board and our new Committee structure looking specifically at South Meadows is representative of all stakeholders. But we do acknowledge there are several positions that cannot be filled based on how they are defined in the current statutes. Two positions on the Board must be filled by representatives of customer towns with a population greater than 50,000. MIRA no longer has customer towns with that size population so perhaps those two positions could be redefined to achieve the bills objectives while preserving some continuity on the Board.

MIRA will also be submitting lengthier, more detailed written comments regarding these and other issues to the Committee.

Thank you again for the opportunity to comment. MIRA looks forward to working with all the stakeholders for the good of Connecticut residents and the environment.