

Policies & Procurement Committee  
June 13, 2018  
Regular Meeting Draft Minutes

Members Present: Committee Chairman John Adams (on the Telephone)

Pat Widlitz

MIRA Staff Present: Tom Kirk, President  
Mark Daley, Chief Financial Officer  
Peter Egan, Director of Operations and Environmental Affairs  
Laurie Hunt, Esq., Director of Legal Services  
Roger Guzowski, Procurement Manager  
Dave Bodendorf, Senior Environmental Engineer  
Marianne Carcio, Executive Assistant/Receptionist

Others Present: None

Committee Chairman Adams called the meeting to order at 11:05 a.m. and noted that a quorum was present.

**1. PUBLIC COMMENT**

Committee Chairman Adams said the agenda allowed for a public portion in which the Committee would accept written testimony and allow individuals to speak for a limit of three minutes. As there was no one present who wished to address the Committee the regular meeting commenced.

**2. APPROVAL OF MINUTES OF THE MAY 2, 2018, REGULAR MEETING.**

Committee Chairman Adams requested a motion to accept the minutes of the May 2, 2018, Policies and Procurement Committee meeting. The motion to approve the minutes was made by Director Widlitz and seconded by Director Adams.

The motion to approve the minutes was approved.

**3. REVIEW AND RECOMMEND RESOLUTION REGARDING AGREEMENT FOR ON-CALL TRANSPORTATION SERVICES FOR DIVERSION OF MUNICIPAL SOLID WASTE.**

Committee Chairman Adams requested a motion on the above referenced item. The motion was made by Director Widlitz and seconded by Director Adams.

**RESOLVED:** That the President is hereby authorized to enter into an agreement with the following firm for On-Call Municipal Solid Waste Diversion Transportation Work, substantially as discussed and presented at this meeting:

- CWPM, LLC

Mr. Kirk said that if we have to divert waste, this agreement establishes terms and rates to transport that waste on an on-call basis. Peter Egan and Roger Guzowski can provide further details.

Mr. Guzowski said this is a companion to an RFP we issued earlier in the year seeking available disposal facilities in the event MIRA needs to divert waste. We only received one response to that prior RFP for diversion-related disposal. In this new RFP, we reached out to waste transporters to give us a firm transportation price to bring diverted waste to one of several disposal facilities to which we may divert waste on a spot-waste basis. In this RFP we also only received one response. Mr. Guzowski indicated that the anecdotal feedback he received about the limited responses was that because of a driver shortage, many transporters were not willing to provide a firm price and commit drivers and equipment without a guarantee of work.

Mr. Egan added that this is a three year contract with a cost escalator, which means non-fuel costs will be escalated on an annual basis based on CPI. We will escalate the fuel cost based on a monthly change in the price of diesel fuel.

Director Adams asked what the base month in the agreement is.

Mr. Guzowski responded the base month is July 2018.

The motion previously made and seconded was approved.

4. **REVIEW AND RECOMMEND RESOLUTION REGARDING AGREEMENTS WITH CLASS 2 RENEWABLE ENERGY CREDIT BROKERAGE FIRMS.**

Committee Chairman Adams requested a motion on the above referenced item. The motion was made by Director Widlitz and seconded by Director Adams.

**WHEREAS**, MIRA owns and operates the CSWS Waste to Energy Facility (“Facility”), which generates certain power products including Connecticut Class II Renewable Energy Certificates (“RECs”); and

**WHEREAS**, in order to optimize REC revenue within sometimes volatile REC markets, from time to time MIRA requires the services of a qualified firm to perform brokerage services on MIRA’s behalf; and

**WHEREAS**, MIRA further desires to establish a process that will allow it to move competitively, quickly and efficiently into the REC market at times when prices are considered optimal and supportive of the need to provide budget certainty and financial stability; and

**WHEREAS**, MIRA has undertaken the “Competitive Process” required under its Procurement Policies and Procedures and has negotiated a contractual structure with \_\_\_\_\_(firm) and \_\_\_\_\_(firm) that will provide for the required brokerage services and additionally allow such MIRA to implement a REC Revenue Optimization Program.

**THEREFORE, BE IT RESOLVED**, that the President is hereby authorized to execute agreements with \_\_\_\_\_(firm) and \_\_\_\_\_(firm) for the provision of brokerage services for the RECs generated by the Facility, substantially as presented and discussed at this meeting.

Mr. Kirk said this is to find the best and most value added means to monetize the new refined Class II credits which are worth more than the old credits. The Authority has determined the best way to do so is through broker arrangements. We are in the process of soliciting brokers who will sell the Authority's credits. This resolution (when completed with one or more names of selected brokers) would authorize the President to execute an agreement for the provision of brokerage services.

Director Adams asked how the brokers charge for this.

Mr. Kirk said the brokers get a percentage of the sales.

Mr. Bodendorf said it's typically higher than 1% but nothing is confirmed yet.

Mr. Egan added that the resolution will be revised before it goes to the full board.

Director Adams asked what the criterion for selection of a broker is. Mr. Kirk said given that they are all at approximately the same price, so MIRA is looking at their interview results, experience, understanding of the market and knowledge. Mr. Egan added that we intend to hire more than one.

The motion previously made and seconded was approved.

5. **REVIEW AND RECOMMEND RESOLUTION REGARDING FY2019 PROJECTED LEGAL EXPENDITURES.**

Committee Chairman Adams requested a motion on the above referenced item. The motion was made by Director Widlitz and seconded by Director Adams.

**WHEREAS**, MIRA has negotiated three-year Legal Services Agreements with various law firms for the provision of legal services beginning July 1, 2017; and

**WHEREAS**, MIRA now seeks Board authorization for projected legal expenditures pursuant to said Agreements during Fiscal Year 2019; and

**WHEREAS**, The Board of Directors has approved Fiscal Year 2019 budgeted legal expenditures in the Authority Budget operating account, the CSWS operating account, the Property Division operating account, and the Landfill Division operating account; and

**WHEREAS**, MIRA has not previously established a budget, nor identified a funding source, for legal fees and expenses which may be incurred in connection with the redevelopment of the Connecticut Solid Waste System, and now finds funding necessary; and

**WHEREAS**, MIRA wishes to engage its General Counsel, Halloran & Sage, to provide legal services, including assistance with drafting and negotiation of term sheets and comprehensive development

agreements with DEEP's selected developer, Sacyr Rooney Recovery Team, LLC, and to identify moneys available in MIRA's Landfill Division as the source of funds for payment for such services; and

**WHEREAS**, Funding is requested at this time from Mid-Connecticut Project reserves not approved through the budget process;

**NOW THEREFORE, it is**

**RESOLVED:** That the following amounts be authorized for projected legal fees to be incurred during FY '19:

<b>Firm:</b>	<b>Amount:</b>
Cohn Birnbaum & Shea	20,000
Day Pitney	15,000
Halloran & Sage	300,000
Kainen, Escalera & McHale	25,000

**Further RESOLVED:** That the President be authorized to expend up to \$20,000 from the Mid-Connecticut Post Project Closure Reserve for payment of legal fees incurred in fiscal year 2019 in connection with continuing Mid-Connecticut Project obligations; and

**Further RESOLVED:** That a budget of \$250,000 be established for payment of FY 19 legal fees and expenses incurred in connection with the DEEP initiative known as Resource Rediscovery; that \$250,000 from the Landfill Division be available as the funding source for such budget; and that the President be authorized to expend up to that budgeted amount for payment of such legal costs; and

**Further RESOLVED:** That Management shall report the legal expenditures monthly on an accrual basis reconciled to the Authority's general ledger.

Mrs. Hunt informed the Committee this item listed above has already been discussed in the Finance Committee meeting. We needed Finance to approve the funding for the budget for Resource Rediscovery and also to approve the use of funds from the MIDCT reserve. The approval for annual legal spending has always been discussed in P&P.

Director Adams asked why money is being pulled out of the Landfill Division.

Mr. Daly informed the committee that MIRA didn't adopt a budget for CSWS property division for Resource Rediscovery and the Finance Committee was concerned that including it in CSWS would mean charging current customers for future projects whether they ultimately participate or not. The Committee chose to allocate funds out of the Landfill Division for this purpose.

The motion previously made and seconded was approved.

## **EXECUTIVE SESSION**

Committee Chairman Adams requested a motion to enter into Executive Session to discuss pending litigation and pending RFP responses, potential lease of MIRA real estate, trade secrets, personnel matters, security matters, and feasibility estimates and evaluations. The motion made by Director Widlitz and seconded by Director Adams was approved. Committee Chairman Adams requested that the following people remain for the Executive Session, in addition to the Committee members:

Tom Kirk  
Mark Daley  
Laurie Hunt, Esq.  
Peter Egan

The Executive Session commenced at 11:17 a.m.

The meeting was reconvened at 11:49 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. Committee Chairman Adams noted that no votes were taken.

## **ADJOURNMENT**

Committee Chairman Adams requested a motion to adjourn the meeting. The motion made by Director Barlow and seconded by Director Widlitz was approved.

The meeting was adjourned at 11:52 a.m.

Respectfully submitted,

Kanchan Arora  
General Accountant/Board Administrator