

Policies & Procurement Committee
March 7, 2018
Regular Telephonic Meeting Draft Minutes

Members Present: Committee Chairman John Adams
Richard Barlow
Pat Widlitz
Don Stein

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
Thomas Gaffey, Enforcement/Recycling Director
Roger Guzowski, Procurement Manager
Christopher Shepard, Environmental Compliance
Manager
Dave Bodendorf, Senior Environmental Engineer-
Kanchan Arora, General Accountant/Board Administrator

Others Present: John Pizzimenti, USA Hauling

Committee Chairman Adams called the meeting to order at 11:06 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 FEBRUARY 7, 2018, REGULAR MEETING.

Committee Chairman Adams requested a motion to accept the minutes of the Regular February 7, 2018, Policies and Procurement Committee meeting. The motion to approve the minutes was made by Director Barlow and seconded by Director Widlitz. Director Widlitz abstained.

The motion to approve the minutes was approved.

3. REVIEW AND RECOMMEND RESOLUTION REGARDING MARKET DRIVEN PURCHASE OF SOLID WASTE DISPOSAL CAPACITY ASSOCIATED WITH DIVERION OF MUNICIPAL SOLID WASTE FROM MIRA'S CONNECTICUT SOLID WASTE SYSTEM.

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

WHEREAS: From time-to-time MIRA must divert waste from the CSWS due to elevated MSW inventory levels at the CSWS Resource Recovery Facility (RRF) that may occur from time to time; Now therefore, be it

RESOLVED: that the President is authorized to enter into a market driven purchase of capacity with Waste Management of MA for transportation and disposal of municipal solid waste (MSW) from the CSWS system at their landfill in Chicopee, MA and;

FURTHER RESOLVED: that the President is authorized to enter into a market driven purchase of capacity with Murphy Road Recycling (MRR) for transportation and disposal of MSW from the CSWS system at MRR's facility located in Hartford and their Babylon Transfer Station located in Suffield, CT, substantially as discussed and presented at this meeting.

Mr. Egan said Late January/February due to the disruptions at the waste energy plant, MIRA diverted 3500 tons of MSW out of the system, the majority of which was shipped pursuant to a market driven purchase of capacity. There were some tons that were shipped to Casella's Southbridge Landfill, for which MIRA has a contract. This resolution is to get the Board to affirm the purchase of capacity after the fact, as contemplated in our Procurement Policies and Procedures.

Chairman Adams asked why we don't include what we are losing in energy revenue.

Mr. Kirk said we show the cash flow impact, but there is also certainly a loss because it is fuel MIRA can't process. Mr. Daley said the additional cost is \$98/ton.

Director Barlow asked the MSW transportation from Manchester to Bloomfield CT

Mr. Egan said that one of the diversion options MIRA uses is to engage USA Waste to pick up Manchester and Bloomfield garbage and rather than delivering it to MIRA's facility, to deliver it to their own facility and charge \$85/ton, so the net cost to MIRA is \$15/ton.

Director Barlow asked MIRA diverted to Landfill instead of Manchester and Bloomfield. Mr. Egan said it goes to USA Waste Babylon Transfer Station in Suffield CT.

The motion previously made and seconded was approved.

4. **REVIEW AND RECOMMEND RESOLUTION REGARDING WASTE TRANSPORTATION AND OPERATION AND MAINTENANCE SERVICES FOR THE ESSEX, TORRINGTON, AND WATERTOWN TRANSFER STATIONS.**

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

RESOLVED: The President is authorized to enter into an agreement with Copes Rubbish Removal, Inc. for the Waste Transportation and Transfer Station Operation and Maintenance Services associated with the Torrington Transfer Station, substantially as presented and discussed at this meeting; and

FURTHER RESOLVED: The President is authorized to enter into an agreement with CWPM, LLC for the Waste Transportation and Transfer Station Operation and Maintenance Services associated with the Watertown and Essex Transfer Stations, substantially as presented and discussed at this meeting.

Mr. Guzowski said MIRA has been operating the three transfer stations under contract with CWPM, LLC and Copes Rubbish Removal Inc. for the last five years. The Contract was initially a one year term with a series of four one-year extensions. MIRA is in the last extension period with them. Earlier this year, MIRA undertook a new RFP to find operators for a new five year contract. In the past, MIRA heard from vendors that a one-year term made it difficult for them to get financing, so this time, we did a five-year term with an opt-out provision. If MIRA, or a successor, exercises the opt-out provision before the end of the term, we would owe the Contractors an unrecovered capital investment payment to make them whole for any equipment they needed to purchase for the contract. MIRA only received proposals from the incumbents, at a substantial price increase, particularly on the O&M side in Essex and Watertown and on the transportation side in Torrington.

The motion previously made and seconded was approved.

5. **REVIEW AND RECOMMEND RESOLUTION REGARDING THE CONNECTICUT SOLID WASTE SYSTEM SOLID AND RECYCLABLES DELIVERY AGREEMENT (COMMERCIAL HAULER AGREEMENT).**

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

RESOLVED: The President is authorized to enter into revenue contracts with commercial haulers for the delivery of Acceptable Solid Waste and Acceptable Recyclables to the Connecticut Solid Waste System, substantially as presented and discussed at this meeting.

Mr. Egan said this is MIRA's standard annual Hauler Agreement with our approximately fifty commercial hauler companies. It reflects the tip fee that the Board passed in February 2018. It would cost \$76/ton rather than the Haulers' base rate of \$74 per ton to deliver waste that originates in a non-participating municipality or Tier 2, 3 or 4 municipalities to a MIRA transfer station. In addition, there is a put-or-pay provision for large haulers, which makes them subject to a delivery commitment each quarter. Large haulers who fail to deliver their contracted commitments are subject to a penalty of \$25/ton in the summer or \$45/ton in the winter for committed but undelivered tons.

Director Widlitz asked whether we have experienced problems with a lot of haulers not meeting their delivery commitments.

Mr. Kirk said it's not a significant problem. Sometimes haulers fail to meet their commitments for legitimate reason, they lose customers or forecast poorly. MIRA tries to accommodate them the best we can. But if the haulers take trash to a competitor, the put-or-pay provision is a means of protection for MIRA.

Director Barlow asked whether waste comes in from the City of New Haven under one of these contracts.

Mr. Egan said he is not certain, but if it does it will come in at \$74/ton. It would come in as waste on trailers delivered by CWPM and come in as interruptible or hauler waste. It comes directly to Hartford. Mr. Kirk said the general rule is that firm garbage pays a rate of \$74/ton and if it's interruptible, it would be eligible for discounted rate.

The motion previously made and seconded was approved.

6. REVIEW AND RECOMMEND RESOLUTION REGARDING A CONTRACT FOR ANNUAL AIR EMISSIONS TESTING AT THE CSWS POWER BLOCK FACILITY.

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

RESOLVED: That the President is hereby authorized to enter into a contract with TRC Environmental Corporation for performance of the annual air emissions testing at the CSWS Power Block Facility for calendar years 2018, 2019, and 2020, substantially as discussed and presented at this meeting.

Mr. Egan said that Mr. Guzowski and Mr. Shepard were involved in this procurement. This is a routine contract. Every three years MIRA solicits to engage an engineering firm to do annual stack testing at the CSWS Power Block Facility (PBF) by regulation and our air operating permit. MIRA had five bidders for this contract, and the company MIRA is recommending is the lowest bidder, TRC Environmental Corporation. TRC is lowest cost and it's also a Connecticut-based company. TRC has performed satisfactorily in the past; therefore it's recommended to go with TRC.

The motion previously made and seconded was approved.

INFORMATIONAL

Chairman Adams said the Informational material had been thoroughly reviewed.

ADJOURNMENT

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

The meeting was adjourned at 11:47 a.m.

Respectfully submitted,

Kanchan Arora
General Accountant/Board Administrator