

Policies & Procurement Committee
June 12, 2014
Regular Meeting Draft Minutes

Members Present by phone: Committee Chairman John Adams
 Vice-Chairman Barlow (present by telephone)
 Ralph Eno (present by telephone)

CRRA Staff Present: Tom Kirk, President
 Mark Daley, Chief Financial Officer
 Peter Egan, Director of Environmental Affairs
 Laurie Hunt, Director of Legal Services
 Chris Shepard, Environmental Engineer
 Moira Kenney, HR Specialist/Board Administrator

Also Present: Doug Pelham, Esq., Brown Rudnick; Jim Sandler, Esq., Sandler
 & Mara; Ed Spinella, Esq.

Committee Chairman Adams called the meeting to order at 11:02 a.m. and noted that a quorum was present.

Committee Chairman Adams noted there were no members of the public present who wished to address the Committee and said the regular meeting would commence.

1. **APPROVAL OF MINUTES OF THE MAY 8, 2014, REGULAR POLICIES & PROCUREMENT COMMITTEE MEETING**

Committee Chairman Adams requested a motion to accept the minutes of the Regular May 8, 2014, Policies & Procurement Committee meeting. The motion to approve the minutes was made by Director Eno and seconded by Vice-Chairman Barlow.

The motion to approve the minutes was approved unanimously by roll call.

2. **REVIEW AND RECOMMEND RESOLUTION REGARDING INTERRUPTIBLE CONTRACT WASTE RFP AWARD**

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

RESOLVED: The President is authorized to enter into a revenue contract with USA Hauling and Recycling, Inc. for the delivery of Interruptible Contract Waste to the Connecticut Solid Waste System, substantially as presented and discussed at this meeting; and,

FURTHER RESOLVED: The President is authorized to enter into a revenue contract with CWPM, LLC for the delivery of Interruptible Contract Waste to the Connecticut Solid Waste System, substantially as presented and discussed at this meeting.

Mr. Kirk said CRRA's budget builds up to a plant capacity of 720,000 tons through a combination of contracts and spot waste. He said the biggest percentage of tonnage comes from the Tier One, Tier Two, and Tier Three contracts and the municipal hauler contracts, and secondly through contract waste. Mr. Kirk said these two particular counter-parties will fill a substantial portion of the remaining contract waste category. He said a year ago CRRA had only one party with the capability to provide a large number of tons in this category. Mr. Kirk said this year management was contacted by other qualified parties with this capability, and under Board direction undertook a market based procurement.

Mr. Kirk said the bid responses are contained in the package. He said out of the four responses received, management is recommending two, which would provide 60,000 tons of interruptible waste at a favorable rate. He said the tons are interruptible which means in the event that there are unscheduled outages CRRA will have the opportunity to turn away any waste, starting with the lower priced waste first.

Director Adams asked if this contract is favorable if management will undertake a similar RFP next year. Mr. Kirk replied yes, he said the RFP may be as early as this year.

The motion previously made and seconded was approved by roll call.

3. **REVIEW AND RECOMMEND RESOLUTION REGARDING JET FUEL FOR THE SOUTH MEADOWS JET TURBINE FACILITY**

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

RESOLVED: That the President is hereby authorized to execute a purchase order with Santa Buckley Energy, Inc. for purchase of Ultra Low Sulfur No. 1 Diesel Fuel to support operation of the South Meadows Jet Turbine Facility, substantially as presented and discussed at this meeting.

Mr. Kirk said the twin packs at the South Meadows facility are fueled with jet fuel number one. He said the State of Connecticut has a DAS agreement with Santa Buckley Energy, CRRA's preferred provider. Mr. Kirk said management would like to avoid coming to the Board every time CRRA drops below its required minimum for fuel. He said having the required fuel on hand is critical to meeting ISO regulations requirements in order to receive capacity payments.

Mr. Kirk said by utilizing individual purchase orders through the purchasing process management will not be required to get Board approval each time more fuel is needed. He said the jets last ran in February; however during the last year the jets have come on unexpectedly several times.

The motion previously made and seconded was approved unanimously by roll call.

4. **DISCUSSION REGARDING SECTION 5.3 “PROFESSIONAL OR TECHNICAL SERVICES”, OF THE PROCUREMENT POLICIES AND PROCEDURES**

Ms. Hunt said this discussion item concerns CRRA’s need to renew its pollution legal liability insurance. She said CRRA’s broker has strongly recommended not going out to bid for this insurance as no bidder in recent years has been able to compete with the incumbent and CRRA’s broker, AON, fears not getting bidders in the future if CRRA goes out to bid this year.

Ms. Hunt said she and Mr. Kirk spoke with Chairman Stein, and agreed it would be better to not go out to bid this year and to renew with ACE. She said ACE has agreed to renew for one year on the same terms CRRA currently has, \$20 million of coverage, for \$218,000, covering all CRRA properties as well as non-owned disposal sites. Ms. Hunt said ACE has also agreed to underwrite a three year policy. She said they initially proposed \$40 million worth (\$40 million per occurrence) of coverage for three years for \$700,000 up front. Ms. Hunt said CRRA’s insurance manager is pushing hard to reduce that amount. She said in addition to seeking a reduction in costs, he is looking for \$20 million per occurrence with a \$40 million total. Ms. Hunt said management hopes to have firm quotes for the following week.

Ms. Hunt said both CRRA’s governing statutes and procurement policy state that CRRA will go out to bid at least once every three years for each “professional” service that it uses. She said the statute states these professional services are specifically; financial, legal, bond underwriting, and other professional services. Ms. Hunt said she believes “insurance” is meant to be insurance brokering services and “bond” refers to bond underwriting.

Ms. Hunt said if the Board wants to elect a three year policy it will be four years between pollution legal liability insurance is put out to bid. She said if the Board wants to make a change to make its policies co-terminus thirty days advance notice in writing is required before the Board meeting at which it would be discussed. She said she has submitted the required notice in time for the July Board meeting if the Committee agrees to move forward with this change.

Mr. Kirk said management is recommending the change as it is a clarification of what management believes the intent of the original text of CRRA’s policies to be, and this way it would continue to be consistent with statutes and would provide the Board more flexibility in choosing insurance providers and carriers going forward.

Vice-Chairman Barlow asked management to be sure the activity is consistent with the new MIRA requirements in the Energy Bill signed by the Governor.

The Committee agreed by consensus to support management’s recommendation.

INFORMATIONAL

Committee Chairman Adams said the Informational Section had been thoroughly reviewed and discussed.

Mr. Kirk said the City of Hartford met with management yesterday regarding the solar panels. He said after discussion the public works department informed management they would prefer not to

pursue the investment tax credit concept which means they do not want CRRA to delay the testing of the solar panels. He said the panels are tentatively scheduled to be tested on Monday. Mr. Kirk said the City of Hartford is still interested in acquiring the panels and management assigned itself the task of better understanding the evaluation of the panels and a discussion is expected in the coming weeks.

EXECUTIVE SESSION

Chairman Adams requested a motion to enter into Executive Session to discuss pending litigation and pending RFP's. The motion made by Director Eno and seconded by Vice-Chairman Barlow was approved unanimously. Chairman Adams requested that the following people remain for the Executive Session, in addition to the Committee members:

Tom Kirk
Laurie Hunt, Esq.
Peter Egan
Chris Shepard
Doug Pelham, Esq.

The Executive Session commenced at 10:57 a.m.

The meeting was reconvened at 11:22 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. Chairman Adams noted that no votes were taken.

ADJOURNMENT

Committee Chairman Adams requested a motion to adjourn the meeting. The motion made by Vice-Chairman Barlow and seconded by Director Eno was approved unanimously by roll call.

The meeting was adjourned at 11:22 a.m.

Respectfully submitted,

Moira Kenney
HR Specialist/Board Administrator