



## MEMORANDUM

**TO:** MIRA Board of Directors  
**FROM:** Donald S. Stein, Chairman  
**DATE:** July 19, 2022  
**RE:** Notice of Special Meeting

---

There will be a *special* meeting of the Board of Directors of the Materials Innovation and Recycling Authority (MIRA) on *Monday, July 25, 2022 at 9:30 a.m.*

*Members of the public may attend the meeting in person in the board room at MIRA offices at 211 Murphy Road, Hartford, CT, or by calling in using the number: (929) 205 609, Meeting ID: 834 7426 8520, Passcode: 974959.*

The purpose of this meeting will be:

- I. Pledge of Allegiance
- II. Public Comment – A ½ hour public portion will be held and the Board will accept written testimony and allow individuals to speak for a limit of three minutes.
- III. Policies and Procurement Committee Report
  - a. Review and Approve Resolution Regarding May Spot Waste Solicitation (*Attachment 1*).
  - b. Review and Approve Resolution Regarding May and June Market Driven purchase of T&D for pre-combustion ferrous (*Attachment 2*).
  - c. Review and Approve Resolution Regarding Market Driven purchase of Jet Fuel (*Attachment 3*).
- IV. Chairman's and President's Report
  - a. Review and Approve Resolution Regarding a New Agreement for Payment In Lieu of Taxes With the City of Hartford (*Attachment 4*).
- V. Discussion regarding MIRA's present direction and future planning.
- VI. Executive Session to discuss:

- a. Feasibility Estimates and Evaluations relative to prospective public supply contracts and personnel employment matters, including anticipated staffing requirements for operation of the Connecticut Solid Waste System and MIRA, and the potential impact of same upon MIRA's FY 2023 and FY 2024 operating and capital budgets;
- b. Pending Litigation in the matter of *Zurich American Insurance Company et al. v. NAES Corporation*;
- c. Potential disposition of MIRA-owned real estate and the contents of real estate appraisals related thereto.

# TAB 1

**RESOLUTION REGARDING A MARKET DRIVEN SALE OF SPOT WASTE DISPOSAL CAPACITY FOR MUNICIPAL SOLID WASTE FOR THE CONNECTICUT SOLID WASTE SYSTEM RESOURCES RECOVERY FACILITY DURING A FUEL SHORTAGE PERIOD**

**RESOLVED:** That the President is hereby authorized to select Spot Waste delivery offers that are responsive to the needs of the CSWS resources recovery facility during Fuel Shortage Periods in accordance with Internal Management Procedure No. 140 to ensure the desired optimal operation of the facility, substantially as discussed and presented at this meeting, and;

**FURTHER RESOLVED:** that the President is authorized to select the Spot Waste delivery offer from Paine's Inc. for delivery of MSW to the CSWS Resources Recovery Facility; and,

**FURTHER RESOLVED:** that the President is authorized to select the Spot Waste delivery offer from CWPM LLC for delivery of MSW to the CSWS Resources Recovery Facility; and,

**FURTHER RESOLVED:** that the President is authorized to select the Spot Waste delivery offer from A J Waste Systems LLC for delivery of MSW to the CSWS Resources Recovery Facility; and,

**FURTHER RESOLVED:** that the President is authorized to select the Spot Waste delivery offer from John's Refuse and Recycling LLC for delivery of MSW to the CSWS Resources Recovery Facility; and,

**FURTHER RESOLVED:** that the President is authorized to select the Spot Waste delivery offer from HQ Dumpsters and Recycling LLC for delivery of MSW to the CSWS Resources Recovery Facility; and,

**FURTHER RESOLVED:** that the President is authorized to select the Spot Waste delivery offer from Hometown Waste & Recycling Services, Inc. for delivery of MSW to the CSWS Resources Recovery Facility; and,

**FURTHER RESOLVED:** that the President is authorized to select the Spot Waste delivery offer from Willimantic Waste Paper Co., Inc. for delivery of MSW to the CSWS Resources Recovery Facility, substantially as presented and discussed at this meeting.

## **Materials Innovation & Recycling Authority**

### **Summary for: MARKET DRIVEN SALE OF SPOT WASTE DISPOSAL CAPACITY FOR MUNICIPAL SOLID WASTE FOR THE CSWS DURING FUEL SHORTAGE PERIODS**

Presented to the MIRA Board on:	July 25, 2022
Vendor/ Contractor(s):	Paine's Inc.
Effective date:	June 6, 2022
Contract Type/Subject matter:	Market Driven Purchase: Spot Disposal Capacity Sale of 154.02 tons of MSW
Facility Affected:	CSWS Resources Recovery Facility
Term:	June 6, 2022 to June 30, 2022.
Contract Dollar Value:	\$11,012.43 (154.02 tons at \$71.50 per ton)
Amendment(s):	None
Term Extensions:	Not applicable
Scope of Services:	Delivery of 154.02 tons of MSW to the CSWS Resources Recovery Facility
Other Pertinent Provisions:	MIRA can terminate deliveries at any time at its sole discretion

# Materials Innovation & Recycling Authority

## Summary for: MARKET DRIVEN SALE OF SPOT WASTE DISPOSAL CAPACITY FOR MUNICIPAL SOLID WASTE FOR THE CSWS DURING FUEL SHORTAGE PERIODS

Presented to the MIRA Board on:	July 25, 2022
Vendor/ Contractor(s):	CWPM LLC.
Effective date:	June 6, 2022
Contract Type/Subject matter:	Market Driven Purchase: Spot Disposal Capacity Sale of 1,060.04 tons of MSW
Facility Affected:	CSWS Resources Recovery Facility
Term:	June 6, 2022 to June 30, 2022.
Contract Dollar Value:	\$78,442.96. (1,060.04 tons @ \$74.00 per ton)
Amendment(s):	None
Term Extensions:	Not applicable
Scope of Services:	Delivery of 1,060.04 tons of MSW to the CSWS Resources Recovery Facility
Other Pertinent Provisions:	MIRA can terminate deliveries at any time at its sole discretion

# **Materials Innovation & Recycling Authority**

## **Summary for: MARKET DRIVEN SALE OF SPOT WASTE DISPOSAL CAPACITY FOR MUNICIPAL SOLID WASTE FOR THE CSWS DURING FUEL SHORTAGE PERIODS**

Presented to the MIRA Board on:	July 25, 2022
Vendor/ Contractor(s):	A J Waste Systems LLC
Effective date:	June 6, 2022
Contract Type/Subject matter:	Market Driven Purchase: Spot Disposal Capacity Sale of 369.03 tons of MSW
Facility Affected:	CSWS Resources Recovery Facility
Term:	June 6, 2022 to June 30, 2022.
Contract Dollar Value:	\$25,832.10. (369.03 tons @ \$70.00 per ton)
Amendment(s):	None
Term Extensions:	Not applicable
Scope of Services:	Delivery of 369.03 tons of MSW to the CSWS Resources Recovery Facility
Other Pertinent Provisions:	MIRA can terminate deliveries at any time at its sole discretion

## **Materials Innovation & Recycling Authority**

### **Summary for: MARKET DRIVEN SALE OF SPOT WASTE DISPOSAL CAPACITY FOR MUNICIPAL SOLID WASTE FOR THE CSWS DURING FUEL SHORTAGE PERIODS**

Presented to the MIRA Board on:	July 25, 2022
Vendor/ Contractor(s):	John's Refuse and Recycling LLC
Effective date:	June 6, 2022
Contract Type/Subject matter:	Market Driven Purchase: Spot Disposal Capacity Sale of 166.40 tons of MSW
Facility Affected:	CSWS Resources Recovery Facility
Term:	June 6, 2022 to June 30, 2022.
Contract Dollar Value:	\$12,147.20. (166.40 tons @ \$73.00 per ton)
Amendment(s):	None
Term Extensions:	Not applicable
Scope of Services:	Delivery of 166.40 tons of MSW to the CSWS Resources Recovery Facility
Other Pertinent Provisions:	MIRA can terminate deliveries at any time at its sole discretion



## **Materials Innovation & Recycling Authority**

### **Summary for: MARKET DRIVEN SALE OF SPOT WASTE DISPOSAL CAPACITY FOR MUNICIPAL SOLID WASTE FOR THE CSWS DURING FUEL SHORTAGE PERIODS**

Presented to the MIRA Board on:	July 25, 2022
Vendor/ Contractor(s):	HQ Dumpsters and Recycling LLC
Effective date:	June 6, 2022
Contract Type/Subject matter:	Market Driven Purchase: Spot Disposal Capacity Sale of 282.13 tons of MSW
Facility Affected:	CSWS Resources Recovery Facility
Term:	June 6, 2022 to June 30, 2022.
Contract Dollar Value:	\$19,749.10. (282.13 tons @ \$70.00 per ton)
Amendment(s):	None
Term Extensions:	Not applicable
Scope of Services:	Delivery of 282.13 tons of MSW to the CSWS Resources Recovery Facility
Other Pertinent Provisions:	MIRA can terminate deliveries at any time at its sole discretion

## **Materials Innovation & Recycling Authority**

### **Summary for: MARKET DRIVEN SALE OF SPOT WASTE DISPOSAL CAPACITY FOR MUNICIPAL SOLID WASTE FOR THE CSWS DURING FUEL SHORTAGE PERIODS**

Presented to the MIRA Board on:	July 25, 2022
Vendor/ Contractor(s):	Hometown Waste & Recycling Services, Inc.
Effective date:	June 6, 2022
Contract Type/Subject matter:	Market Driven Purchase: Spot Disposal Capacity Sale of 492.58 tons of MSW
Facility Affected:	CSWS Resources Recovery Facility
Term:	June 6, 2022 to June 30, 2022.
Contract Dollar Value:	\$34,480.60. (492.58 tons @ \$70.00 per ton)
Amendment(s):	None
Term Extensions:	Not applicable
Scope of Services:	Delivery of approximately 492.58 tons of MSW to the CSWS Resources Recovery Facility
Other Pertinent Provisions:	MIRA can terminate deliveries any time at its sole discretion

# **Materials Innovation & Recycling Authority**

## **Summary for: MARKET DRIVEN SALE OF SPOT WASTE DISPOSAL CAPACITY FOR MUNICIPAL SOLID WASTE FOR THE CSWS DURING FUEL SHORTAGE PERIODS**

Presented to the MIRA Board on:	July 25, 2022
Vendor/ Contractor(s):	Willimantic Waste Paper Co., Inc.
Effective date:	June 6, 2022
Contract Type/Subject matter:	Market Driven Purchase: Spot Disposal Capacity Sale of 0 tons of MSW
Facility Affected:	CSWS Resources Recovery Facility
Term:	June 6, 2022 to June 30, 2022.
Contract Dollar Value:	\$0.00 (Willimantic did not deliver any spot waste)
Amendment(s):	None
Term Extensions:	Not applicable
Scope of Services:	Delivery of 0 tons of MSW to the CSWS Resources Recovery Facility
Other Pertinent Provisions:	MIRA can terminate deliveries at any time at its sole discretion

# **Materials Innovation & Recycling Authority**

## **Market Driven Sale of Spot Waste Disposal Capacity for Municipal Solid Waste for the CSWS**

*July 25, 2022*

### **Executive Summary**

Due to low MSW inventory levels at the CSWS Resource Recovery Facility (RRF) in May 2022, and forecasted deliveries of MSW that were considered insufficient for the desired optimal operation of the RRF as the RRF approached its closure date, MIRA conducted a Spot Disposal Capacity Solicitation and Sale initiative in accordance with Internal Management Procedure No. 140 (Spot Waste Procedure) on May 31, 2022.

This Spot Disposal Capacity Solicitation and Sale was conducted in accordance with Section 5.11 (Market Driven Purchases and Sales) of MIRA's Procurement Policies and Procedures. This is to report to the Board of Directors this market driven sale of capacity, and to receive Board approval for the transaction since the total amount of revenue has exceeded \$50,000.

### **Discussion**

#### **May 31, 2022 Solicitation**

Considering the MSW inventory at the WPF in May and the forecasted need for additional MSW to insure an optimal amount of MSW to provide fuel to the RRF as it approached its closure date, MIRA solicited for 1,800 tons per week of spot waste on May 31, 2022 for a period of four weeks: June 6 through June 30, 2022. MIRA set a price floor of \$70.00 per ton. MIRA emailed all known potential customers a solicitation for Spot Waste in accordance with the Spot Waste Procedure and received the offers shown in Table 1.

MIRA's Spot Waste Evaluation Team reviewed the responses to the solicitation and made a recommendation to MIRA's President that MIRA accept seven of the eight offers submitted in response to the solicitation. The President agreed with the recommendation of the Evaluation Team and all offers were accepted.

MIRA accepted seven of the spot waste offers for a total of approximately 7,092 tons during the four week period. Table 1 shows the hauler, the number of tons per week offered, each hauler's offer price, and the projected total tonnage amount for the period. The total tonnage associated with all of the eight offers amounted to more than the quantity for which MIRA solicited. Accordingly, MIRA elected to decline the offer from

Casella Waste Services of Massachusetts, Inc. for 250 tons per week, basing the decision on the following considerations: 1) Casella’s offer price was at the floor (\$70.00 per ton), 2) Casella’s MSW is generated outside of Connecticut, and 3) the other seven offers provided substantially all the MSW that MIRA needed, and represented MSW generated within the State of Connecticut, which is MIRA’s preference.

<b>TABLE 1</b>			
<b>Market Driven Sale - Spot Waste Capacity</b>			
<b>May 31, 2022 Solicitation Results</b>			
<b>Customer</b>	<b>Quantity Offered</b>	<b>Price per Ton</b>	<b>Total Tons Offered</b>
Paine’s	63 Tons per week – 4 weeks	\$71.50	252
AJ’s Waste Systems	200 Tons per week – 4 weeks	\$70.00	800
John’s Refuse	200 Tons per week – 4 weeks	\$73.00	800
HQ Dumpsters	110 Tons per week – 4 weeks	\$70.00	440
CWPM	600 Tons per week – 4 weeks	\$74.50	2,400
Hometown Waste	200 Tons per week – 4 weeks	\$70.00	800
Willimantic Waste	400 Tons per week – 4 weeks	\$70.00	1,600
Casella of Mass	250 Tons per week – 4 weeks	\$70.00	1,000
<b>Total Tons Offered</b>			<b>8,092</b>
<b>Total Tons Accepted (MIRA Declined Casella of Mass)</b>			<b>7,092</b>

Because of operational problems at the facility at the time the spot waste responses were received, MIRA did not begin to accept the spot waste until June 16, and then only accepted the spot waste until Monday June 27 when MIRA was forced to shut off this category of waste due to another operational problem at the facility. Spot waste was only accepted on ten days during June. Table 2 shows the actual tons delivered and associated revenue from this spot waste solicitation.

<b>TABLE 2</b>			
<b>Market Driven Sale - Spot Waste Capacity</b>			
<b>May 31, 2022 Solicitation Actual Deliveries</b>			
<b>Customer</b>	<b>Total Quantity Delivered</b>	<b>Price per Ton</b>	<b>Total Revenue</b>
Paine's	154.02	\$71.50	\$11,012.43
AJ's Waste Systems	369.03	\$70.00	\$25,832.10
John's Refuse	166.40	\$73.00	\$12,147.20
HQ Dumpsters	282.13	\$70.00	\$19,749.10
CWPM	1,060.04	\$74.00	\$78,442.96
Hometown Waste	492.58	\$70.00	\$34,480.60
Willimantic Waste	0	\$70.00	\$0.00
<b>TOTAL</b>	<b>2,524.20</b>		<b>\$181,664.39</b>

### **Financial Summary**

#### **May 31 2022 Solicitation**

The total revenue generated for the spot waste offers received from the May 31, 2022 solicitation, as shown in Table 2, was \$181,664.39.

# TAB 2

**RESOLUTION REGARDING MARKET DRIVEN PURCHASE OF  
TRANSPORTATION AND DISPOSAL SERVICES FOR PRE-  
COMBUSTION FERROUS METAL**

**RESOLVED:** that the President is authorized to enter into market driven purchase of transportation and disposal services with Austin Environmental Corp for the pre-combustion ferrous metal that is generated at the CSWS Waste Processing Facility, substantially as discussed and presented at this meeting.



# Materials Innovation & Recycling Authority

## Summary for Market Driven Purchase Of Transportation and Disposal Services for Pre-Combustion Ferrous Metal

Presented to the MIRA Board on:	July 25, 2022
Vendor/ Contractor(s):	Austin Environmental Corp
Effective date:	June 1, 2022 and June 20, 2022
Contract Type/Subject matter:	Market Driven Purchase of transportation and disposal services for management of the pre-combustion ferrous metal that is generated at the MIRA Waste Processing Facility in Hartford
Facility Affected:	Waste Processing Facility
Term:	June 1, 2022 to June 11, 2022 and June 20, 2022 to July 31, 2022
Contract Dollar Value:	June 1, 2022 Contract: \$57,937.78 (526.60 tons @ \$110.02 per ton)  June 20, 2022 Contract: Approximately \$77,000 (Approximately 700 tons @ at approximately \$110.00 per ton)
Scope of Services:	Transportation and disposal of pre-combustion ferrous metal from MIRA's Waste Processing Facility
Other Pertinent Provisions:	This is a "Market Driven Purchase" in accordance with Section 5.11 (Market Driven Purchases and Sales) of MIRA's Procurement Policies and Procedures

# Materials Innovation & Recycling Authority

## Market Driven Purchase Of Transportation and Disposal Services for Pre-Combustion Ferrous Metal

*July 25, 2022*

### Executive Summary

MIRA recently conducted two solicitations in order to contract for transportation and disposal services to manage the pre-combustion ferrous metal that is generated at MIRA's Waste Processing Facility (WPF) during periods of time when the usual vendor, Covanta Metals Marketing, LLC was unable to accept all of the material generated at the WPF due to operational issues at its SEMass facility in Rochester, Massachusetts.

This Solicitation for Transportation and Disposal of the pre-combustion ferrous metal was conducted in accordance with Section 5.11 (Market Driven Purchases and Sales) of MIRA's Procurement Policies and Procedures. This is to report to the Board of Directors these two market driven purchase transactions, and to receive Board approval for the transactions since the total amount of revenue exceeds \$50,000.

### Discussion

As a byproduct of processing municipal solid waste into refuse-derived fuel ("RDF"), MIRA's Waste Processing Facility ("WPF") currently generates a pre-combustion ferrous/MSW mix ("PCFM"). The PCFM contains approximately 60% ferrous metal and 40% MSW by weight. The ferrous metal is removed at the WPF in order to 1) recover the ferrous material, and 2) to protect the WPF shredding equipment and the Power Block Facility ("PBF") processing equipment from damage which could occur as the pieces of metal pass through the WPF, or as the RDF is conveyed to the combustion boilers at the PBF.

During FY 2022 MIRA had an agreement with Covanta Metals Marketing, LLC (Covanta) to transport and process the PCFM at its SEMass facility located in Rochester, MA. The SEMass facility is a waste-to-energy facility that also utilizes enhanced metals processing and separation equipment which enables Covanta to further separate the ferrous metal from the entrained garbage for sale into the scrap ferrous metal market. The agreement with Covanta has a base term of one year (through June 30, 2022), with five (5) additional one (1) year extension periods.

The Agreement with Covanta allows Covanta to refuse acceptance of the PCFM Mix in the event that its SEMass facility experiences operational issues or problems. When this occurs, Covanta notifies MIRA and MIRA must identify alternative transportation and disposal options until the SEMass facility can resume accepting the material.

May 23, 2022 Solicitation

In May 2022 Covanta notified MIRA that it was experiencing an operational problem that prevented it from continuing to accept all of MIRA’s PCFM. MIRA immediately undertook a solicitation for transportation and disposal services to provide for continued management of the PCFM in accordance with Section 5.11 (Market Driven Purchases and Sales) of MIRA’s Procurement Policies and Procedures.

MIRA solicited pricing from six (6) companies for management of the PCFM. The results of the solicitation are included in Table 1.

<b>Table 1</b>		
<b>Supplier</b>		<b>Quoted Price</b>
1.	Austin Environmental Corp	\$103/ton (transportation and disposal) plus a fuel surcharge starting at \$4.00 per gallon
2.	Murphy Road Recycling LLC	\$110/ton (disposal) and \$350 per haul (transportation)
3.	Enviro Express, Inc.	\$120.17/ton (transportation and disposal) plus a fuel surcharge
4.	CWPM, LLC	Did not Respond
5.	Voyager	Did not Respond
6.	Willimantic Waste Paper Co., Inc. (Casella)	Did not Respond

MIRA contracted with the low bidder, Austin Environmental Corp, for transportation and disposal services of the PCFM. Austin Environmental Corp transported 526.60 tons at a cost of \$110.02 per ton (includes a fuel surcharge). The material was transported to the Keystone Landfill located in Dunmore, PA.

June 16, 2022 Solicitation

During June 2022 Covanta continued to experience operational problems that prevented it from accepting all of MIRA's PCFM. Again, MIRA undertook a solicitation for transportation and disposal services to provide for continued management of the PCFM in accordance with Section 5.11 (Market Driven Purchases and Sales) of MIRA's Procurement Policies and Procedures.

MIRA solicited pricing from seven (7) companies for management of the PCFM. The results of the solicitation are included in Table 2.

<b>Table 2</b>		
<b>Supplier</b>		<b>Quoted Price</b>
1.	Austin Environmental Corp.	\$103/ton (transportation and disposal) plus a fuel surcharge
2.	Murphy Road Recycling LLC	\$115/ton (disposal) and \$350 per haul (transportation)
3.	Enviro Express, Inc.	\$120.17/ton (transportation and disposal) plus a fuel surcharge
4.	CWPM, LLC	Did not Respond
5.	Voyager Trucking Corp.	Did not Respond
6.	Willimantic Waste Paper Co., Inc. (Casella)	Did not Respond
7.	American Recycling, Inc.	Did not Respond

MIRA contracted with the low bidder, Austin Environmental Corp, for transportation and disposal services of the PCFM. Austin Environmental Corp will transport as much PCFM as necessary through the end of July in order to remove all PCFM by the time the resource recovery facility is shutdown. The PCFM will be transported to the Keystone Landfill located in Dunmore, PA.

**Financial Summary**

MIRA included sufficient funds in its FY 2022 and FY 2023 CSWS operating budgets for these expenses.

# TAB 3

**RESOLUTION REGARDING THE PURCHASE OF JET FUEL FOR  
THE SOUTH MEADOWS JET TURBINE FACILITY**

**RESOLVED:** That the President is hereby authorized to enter into a market driven purchase with East River Energy, Inc. for the purchase of Ultra Low Sulfur No. 1 Diesel Fuel to support operation of the South Meadows Jet Turbine Facility, during Fiscal Year 2022, substantially as presented and discussed at this meeting; and

**FURTHER RESOLVED:** That the President is hereby authorized to execute a purchase order with East River Energy, Inc., and/or Santa Buckley Energy, LLC for the purchase of Ultra Low Sulfur No. 1 Diesel Fuel to support operation of the South Meadows Jet Turbine Facility during Fiscal Year 2023, substantially as presented and discussed at this meeting.

# Materials Innovation and Recycling Authority

## Contract Summary for Market Driven Purchase of Ultra-Low Sulfur No. 1 Diesel Fuel for the South Meadows Jet Turbine Facility

Presented to the MIRA Board on: July 25, 2022

Vendor/Contractor(s): East River Energy, Inc.

Effective Date: Upon Issuance of Purchase Order

Contract Type/Subject Matter: Market Driven Purchase of jet fuel via issuance of a purchase order

Facility(ies) Affected: South Meadows Jet Turbine Facility

Original Contract: Department of Administrative Services  
Contract No. 15PSX0035. (This DAS contract expires 6/30/2025).

Term: MIRA Fiscal Year 2022

Contract Dollar Value: Not to exceed \$125,525 in Fiscal Year 2022

Amendment(s): Not applicable

Term Extensions: Not applicable

Scope of Services: Purchase of Ultra Low Sulfur No. 1 Diesel Fuel (i.e., Jet Fuel) for the South Meadows Jet Turbine Facility. The President is authorized to purchase Jet Fuel during FY2022 as necessary, in order to ensure that an adequate volume of jet fuel is available to support operation of MIRA's Jet Turbine Facility.

Other Pertinent Provisions: This is a "Market Driven Purchase" in accordance with Section 5.11 (Market Driven Purchases and Sales) of MIRA's Procurement Policies and Procedures

# Materials Innovation and Recycling Authority

## Contract Summary for Purchase of Ultra-Low Sulfur No. 1 Diesel Fuel for the South Meadows Jet Turbine Facility

Presented to the MIRA Board on: July 25, 2022

Vendor/Contractor(s): East River Energy, Inc.  
Santa Buckley Energy, LLC

Effective Date: Upon Issuance of Purchase Order

Contract Type/Subject Matter: Market Driven Purchase Pursuant to CT Department of Administrative Services Contract

Facility(ies) Affected: South Meadows Jet Turbine Facility

Original Contract: Department of Administrative Services Contract No. 15PSX0035. (This DAS contract expires 6/30/2025).

Term: MIRA Fiscal Year 2023

Contract Dollar Value: Not to exceed \$267,254 in Fiscal Year 2023 (As budgeted in the FY 2023 Property Division Budget.)

Amendment(s): Not applicable

Term Extensions: Not applicable

Scope of Services: Purchase of Ultra Low Sulfur No. 1 Diesel Fuel (i.e., Jet Fuel) for the South Meadows Jet Turbine Facility. The President is authorized to purchase Jet Fuel during FY 2023, as necessary, in order to ensure that an adequate volume of jet fuel is available to support operation of MIRA's Jet Turbine Facility.

Other Pertinent Provisions: The price of the fuel fluctuates daily. On the day that MIRA purchases fuel, MIRA receives a firm price quote from East River Energy, Inc. and/or Santa Buckley Energy LLC for a specific volume of fuel, which firm price is a function of the daily price posted by the Oil Price Information Service for New Haven, CT, in accordance with the CT DAS contract.



# Materials Innovation and Recycling Authority Property Division

## Purchase of Ultra-Low Sulfur No. 1 Diesel Fuel to support Operation of the South Meadows Jet Turbine Facility

*July 25, 2022*

### Executive Summary

This is to request that the Board of Directors:

1. Authorize the President to purchase jet fuel from East River Energy, Inc., in accordance for the MIRA South Meadows Jet Turbine Facility, in order to ensure that there is a sufficient volume of jet fuel at the facility to support the operation. The President is authorized to purchase up to \$125,525 of jet fuel during **fiscal year 2022**. This purchase is associated with a solicitation for the purchase of Jet fuel that was conducted in accordance with Section 5.11 (Market Driven Purchases and Sales) of MIRA's Procurement Policies and Procedures. This is to report to the Board of Directors this market driven purchase transaction, and to receive Board approval for the transaction since the expenditure exceeds \$50,000; and
2. Authorize the President to purchase jet fuel for the MIRA South Meadows Jet Turbine Facility, on an as needed basis, in order to ensure that there is a sufficient volume of jet fuel at the facility to support the operation. The President will be authorized to purchase up to \$267,000 of fuel, if necessary, during **fiscal year 2023**.

### Discussion

MIRA owns a jet turbine peaking power plant, commonly referred to as the South Meadows Jet Turbine Facility ("JTF"). The JTF consists of four Pratt & Whitney Twin-Pac generating sets ("Twin-Pacs"). Each of the four Twin-Pac units is nominally capable of generating 40 MW of power and is comprised of two Pratt & Whitney FT4A-9 combustion gas turbine engines. The units serve the ISO-New England System as "peaking capacity" and typically are called to run only approximately 15 hours per year.

MIRA contracted with NAES Corporation ("NAES") to operate and maintain the JTF beginning June 1, 2012. Under the agreement with NAES, MIRA is responsible for paying the cost of jet fuel.

## June 2022 Market Driven Purchase of Jet Fuel

MIRA has historically purchased jet fuel from Dime Oil Company, LLC pursuant to a CT Department of Administrative Services (DAS) contract. Dime Oil Company, LLC (“Dime”) is the preferred vendor in Hartford County for this particular fuel on the DAS contract. MIRA’s Board of Directors previously authorized the President to purchase jet fuel pursuant to the DAS contract with Dime during fiscal year 2022.

Due to volatile market conditions in May 2022, Dime Oil did not have access to Jet Fuel. Moreover, they advised MIRA that Dime does not expect to have access to Jet fuel until at least the fall of 2022.

Accordingly, MIRA staff conducted a search for other suppliers of jet fuel, including the remaining vendors on the DAS contract (East River Energy, Inc. and Santa Buckley Energy, LLC).

At the conclusion of the search it was determined that only one vendor, East River Energy, Inc., had current access to the fuel required by MIRA’s jet engines and the JTF’s governing air permit (which limits sulfur content).

A summary of the search is detailed below:

### Jet Fuel Procurement Summary June 13, 2022

- 1) Regularly in contact with State Vendors Dime Oil and East River Energy on Kerosene pricing
- 2) With recent Jet runs, fuel supply is down to 5.2 hours run time for 4 twin packs.
- 3) Jet units are obligated in both the ISO capacity market and the ISO reserve market to be available.
- 4) If Jets do not perform when called on by ISO, it can result in huge penalties running into the hundreds of thousands of dollars per hour.
- 5) It is appropriate to purchase Kerosene to minimize the risk of the Jets being unable to run due to a fuel shortage.
- 6) Diesel fuel prices (and Kerosene in particular) have risen extremely quickly in the last few weeks and are very volatile
- 7) Kerosene is in very short supply in the northeast, and resupply will likely not happen before November 2022, ahead of winter.
- 8) MIRA contacted all three DAS approved fuel vendors in late May for pricing on 15,000 gallons of kerosene (approximately .9 hours run time on all 4 jets)
- 9) Both Dime Oil and Santa Buckley stated they do not currently have access to low sulfur kerosene and will not until the fall of 2022.
- 10) MIRA contacted a fourth vendor, Hartford Jet Center, who supplies fuel to Brainard Airport and has access to jet fuel, however, the fuel is NOT ultra low sulfur as required by MIRA’s air permit, and therefore, cannot be used.
- 11) As of 6-13-22, only one vendor, East River Energy has access to ultra low sulfur kerosene, therefore, MIRA’s only option is to purchase from East River Energy.
- 12) Summary of vendor contact and pricing is provided in the table below.

<u>Vendor</u>	<u>DASY/N?</u>	<u>Contact person</u>	<u>Phone</u>	<u>email</u>	<u>Vol. quoted</u>	<u>Supply Loc.</u>	<u>\$/gal (inc. tax + del.)</u>	<u>Date of Quote</u>
Dime Oil	Y	Tracy Cyr	203-233-1109	<a href="mailto:tracy@dimeoil.com">tracy@dimeoil.com</a>	NA no supply	NA	NA	6/13/2022
East River Energy	Y	Colleen Canestrari	800-336-3762x2015	<a href="mailto:cmc@eastriverenergy.com">cmc@eastriverenergy.com</a>	15,000	New Haven	7.456859	6/13/2022
Santa Buckley Energy	Y	Luis Garcia	203-362-3332x1303	<a href="mailto:garcia@santaenergy.com">garcia@santaenergy.com</a>	NA no supply	NA	NA	NA
Hartford Jet Center	N	Lindsey Rutka	860-883-4824	<a href="mailto:lindseyr@hfuljet">lindseyr@hfuljet</a>	NA no ULS	NA	NA	6/13/2022

Because the value of this jet fuel purchase exceeded \$50,000 during Fiscal Year 2022, which requires Board of Director approval, MIRA management is seeking Board authorization to purchase up to \$125,525 of fuel from East River Energy, Inc. during Fiscal Year 2022. In this case, purchase was made as a market driven purchase, and did not exceed the amount budgeted for Fiscal Year 2022.

### Approval of additional DAS Contract Vendors for Purchase of Jet Fuel During FY 2023

MIRA is seeking Board authorization to purchase fuel during Fiscal Year 2023 from East River Energy, Inc. and/or Santa Buckley Energy, LLC, pursuant to the DAS Contract. These two vendors would be in addition to the authorization previously granted by the Board of Directors at its May 2022 meeting to purchase fuel from Dime.

Fuel purchases in Fiscal Year 2023 will be made from one or more of these three vendors based on price quotes and the volume of jet fuel needed by MIRA at the time. Staff will choose the vendor which is able to provide the required volume of fuel at the lowest price. The combined total of purchases from all vendors will not exceed the Fiscal Year 2023 budget without authorization from MIRA's Board of Directors. At its May 2022 meeting the Board of Directors approved a resolution to purchase up to \$267,254 of fuel from Dime in Fiscal Year 2023. Today's resolution is to add these two additional DAS Contract vendors as companies from which MIRA may purchase jet fuel during Fiscal Year 2023, up to the Fiscal Year 2023 budget of \$267,254.

### **Financial Summary**

MIRA has a remaining fiscal year 2022 Property Division Budget for jet fuel in the amount of \$125,525, which has been used for purchase of the jet fuel from East River Energy, Inc. in June 2022.

MIRA has budgeted \$267,254 for Jet fuel in the Fiscal Year 2023 Property Division Budget.

**TAB 4**

**RESOLUTION REGARDING A NEW AGREEMENT FOR PAYMENT IN LIEU OF  
TAXES WITH THE CITY OF HARTFORD**

**WHEREAS**, the Fiscal Year 2022 CSWS Operating and Capital Budget approved by this Board on February 24, 2021, included a line item for payment of a PILOT to the City of Hartford; and

**WHEREAS**, the Term of the Authority's prior PILOT Agreement with the City expired on June 30, 2021; and

**WHEREAS**, the Parties now wish to enter into a new Agreement for Payment In Lieu Of Taxes, with a Term commencing upon execution and ending on June 30, 2022;

**NOW THEREFORE, be it**

**RESOLVED:** That the President is hereby authorized to execute a new Agreement for Payment In Lieu Of Taxes in the amount of \$1.5 million with the City of Hartford, with terms and conditions substantially as discussed at this meeting.

## AGREEMENT FOR PAYMENT IN LIEU OF TAXES

### PREAMBLE

This AGREEMENT FOR PAYMENT IN LIEU OF TAXES (this "Agreement") is made effective as of June\_\_\_\_, 2022 (the "Effective Date"), by and between the **MATERIALS INNOVATION AND RECYCLING AUTHORITY**, a body politic and corporate, and a political subdivision of the State of the Connecticut ("MIRA"), and the **CITY OF HARTFORD**, a municipal corporation having its territorial limits with the County of Hartford and the State of Connecticut (the "City"). MIRA and the City are sometimes hereinafter referred to individually as a "Party" and collectively as the "Parties."

### RECITALS

**WHEREAS**, Conn. Gen Stat. § 22a-270 provides, inter alia, that MIRA shall be exempt from state and municipal taxes but may enter into agreements to make payments in lieu of such taxes ("PILOT"); and

**WHEREAS**, the Parties wish to enter into this Agreement for the payment of PILOT by MIRA;

**NOW THEREFORE**, in consideration of the mutual promises herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby covenant and agree as follows:

#### **1. DEFINITIONS; CONSTRUCTION:**

(a) Incorporation of Recitals. The recitals to this Agreement are incorporated into the body of this Agreement as a part hereof.

(b) General Definitions and Construction. As used in this Agreement, except as expressly provided or unless the context otherwise requires: (i) the terms defined herein include the plural as well as the singular; and (ii) the words "herein," "hereof" and "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular section or subsection.

#### **2. TERM:**

The term of this Agreement (the "Term") shall begin on the Effective Date and shall end on June 30, 2022.

#### **3. AMOUNT AND PAYMENT OF PILOT:**

MIRA shall pay PILOT to the City in the amount of \$1,500,000, as determined by MIRA as part of MIRA's budgeting process and approved by MIRA's Board of Directors on February 24, 2021. The Parties agree that, except as contemplated by this Agreement, no other PILOT or tax payments shall be due to or paid by MIRA to the City for Fiscal Year ending June 30, 2022.

**1. MUTUAL REPRESENTATIONS AND WARRANTIES:**

Each Party represents and warrants that (i) it has the full power and authority to execute and perform its obligations under this Agreement; (ii) it has taken all necessary action to authorize its execution and performance hereunder; and (iii) this Agreement is the legal, valid and binding obligation of such Party and is enforceable in accordance with its terms.

**2. MISCELLANEOUS:**

(a) Payments. PILOT due hereunder shall be sent by MIRA to the City via first-class mail to the following address, or to such other address as the City may designate from time to time.

**City of Hartford  
Finance Department, Revenue Management Unit  
550 Main Street, Room 108  
Hartford, CT 06103**

(b) Notices. All notices and other correspondence with respect to this Agreement shall be sent via first-class mail or overnight courier to the following addresses:

If to MIRA:

**Materials Innovation and Recycling Authority  
200 Corporate Place  
Rocky Hill, CT 06067  
Attn: President**

If to the City:

**City of Hartford  
Office of the Mayor  
550 Main Street  
Hartford, CT 06103**

**And**

**Office of the Corporation Counsel  
550 Main Street  
Hartford, CT 06103**

(c) Captions for Convenience Only. The captions in this Agreement are for convenience only and shall not change, restrict or otherwise alter the express provisions hereof.

(d) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut, except for any requirements concerning choice of law, the effect of which would be to apply the substantive law of a state other than the State of Connecticut.

(e) Entire Agreement. This Agreement constitutes the entire agreement of the Parties concerning the subject matter hereof and supersedes all previous agreements between the Parties with respect thereto. The terms and provisions hereof shall not be modified, amended or otherwise altered except by a writing executed by each Party.

(f) Survivorship. If any term or provision of this Agreement is held by a court of competent jurisdiction to be illegal, invalid or otherwise in conflict with applicable law, the validity of the remaining terms and provisions hereof shall not be affected thereby, and the rights and obligations of the Parties shall be construed and enforced as if this Agreement did not contain the particular term or provision held to be illegal, invalid or otherwise in conflict with applicable law.

(g) Joint Effort. This Agreement shall be deemed to be the product of joint drafting by the Parties and shall not be strictly construed against either Party.

(h) Execution and Delivery. This Agreement may be executed in any number of original or facsimile counterparts and as separate counterparts, all of which when so executed and delivered will together constitute one and the same instrument. If the Parties elect to execute this Agreement by facsimile or other electronic means, the same shall have the same force and effect as if this Agreement had been manually executed by the Parties in one complete document, and the Parties shall exchange wet-signature original signature pages within a reasonable time after such execution.



IN WITNESS WHEREOF, the Parties have hereunto set their hands as of the date first written above.

THE CITY OF HARTFORD

Witness \_\_\_\_\_

Witness \_\_\_\_\_

By: \_\_\_\_\_  
Luke Bronin  
Its Mayor, duly authorized

MATERIALS INNOVATION AND  
RECYCLING AUTHORITY

Witness \_\_\_\_\_

Witness \_\_\_\_\_

By: \_\_\_\_\_  
Thomas D. Kirk  
Its President, duly authorized

