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January 26, 2016

The Honorable Dannel P. Malloy  
Governor  
State of Connecticut  
Executive Chambers  
State Capitol  
Hartford, CT 06106

**RE: Connecticut General Statutes, Section 1-123(a) and  
Connecticut General Statutes, Section 22a-268e  
Materials Innovation and Recycling Authority - Annual Report Requirements – Fiscal Year  
2015**

Dear Governor Malloy:

Attached herewith is information submitted to meet the Materials Innovation and Recycling Authority's (the "Authority") fiscal year 2015 Annual Report requirements under Sections 1-123(a) and 22a-268e of the Connecticut General Statutes ("CGS"). Also enclosed is the Authority's Annual Financial Report for the Year Ended June 30, 2015 and Independent Auditor's Report.

The Authority's annual reporting requirements are summarized in the table below. The Authority's initiatives to evolve to an organization focused on the operation and redevelopment of the Connecticut Solid Waste System ("CSWS") as contemplated under Public act 14-94 are outlined in section 7 concerning planned activities.

<b>Required Submission under CGS Section 1-123(a):</b>	<b>Item #</b>
(1) A list of all bond issues for the preceding fiscal year, including, for each such issue, the financial advisor and underwriters, whether the issue was competitive, negotiated or privately placed, and the issue's face value and net proceeds;	1
(2) A list of all projects other than those pertaining to owner-occupied housing or student loans receiving financial assistance during the preceding fiscal year, including each project's purpose, location, and the amount of funds provided by the agency;	2
(3) A list of all outside individuals and firms receiving in excess of five thousand dollars in the form of loans, grants or payments for services, except for individuals receiving loans for owner-occupied housing and education;	3
(4) A balance sheet showing all revenues and expenditures;	4
(5) the cumulative value of all bonds issued, the value of outstanding bonds, and the amount of the state's contingent liability;	5
(6) The affirmative action policy statement, a description of the composition of the agency's work force by race, sex, and occupation and a description of the agency's affirmative action efforts; and	6
(7) A description of planned activities for the current fiscal year.	7

<b>Required Submission under CGS Section 22a-268e:</b>	
A description of efforts to mitigate the effects of Authority-Enron-Connecticut Light and Power Company transaction.	8


Please contact me if you have any questions or concerns regarding this submission.

Best Regards,



Thomas D. Kirk  
President

Enclosure: Fiscal Year 2015 CAFR

cc: State Auditors of Public Accounts  
Legislative Program Review and Investigations Committee (2 copies)  
General Assembly's Joint Standing Committee for Finance, Revenue and Bonding  
Mark Daley, Chief Financial Officer (w/o enclosure)   
Laurie Hunt, Esq., Director of Legal Services (w/o enclosure)  
Deepa Krishna, Manager of Accounting and Financial Reporting (w/o enclosure)

1. **BONDS ISSUED DURING FISCAL YEAR 2015**

No bonds were issued by the Authority during fiscal year 2015.

## **2. FINANCIAL ASSISTANCE PROVIDED DURING FISCAL YEAR 2015**

The Authority did not provide any financial assistance<sup>1</sup> during Fiscal Year 2015.

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<sup>1</sup>Exclude inter-fund transfers among MIRA projects / divisions and rebates/distribution of surplus fund to project member municipalities.

**3. VENDORS PAID \$5,000 OR MORE DURING FISCAL YEAR 2015**

CDW GOVERNMENT INC  
TOWN OF KILLINGWORTH  
TOWN OF HARWINTON  
BOTTICELLO INC  
KEILER & COMPANY  
SIGN PRO INC  
SIMPLEX GRINNELL LP  
PSC, LLC  
TOWN OF PORTLAND  
FRANKSON FENCE COMPANY  
TOWN OF HADDAM  
SOUTHERN CONNECTICUT GAS CO  
BROWN RUDNICK LLP  
PROJECT MANAGEMENT ASSOCIATES, LLC  
DIME OIL COMPANY  
ROCKWELL COMMUNICATIONS  
ENVIRONMENTAL SERVICES, INC.  
RYAN BUSINESS SYSTEMS INC  
STEVEN E YATES  
THOMSON REUTERS - WEST GROUP  
BCI, INC.  
TOWN OF MARLBOROUGH  
PITNEY BOWES POSTAGE BY MAIL  
ZETTA, INC.  
TOWN OF OXFORD  
PFIZER INC  
TOWN OF WOODBURY  
LASKO LANDCAPING, LLC  
TOWN OF MIDDLEBURY  
COVANTA PROJECTS OF WALLINGFORD  
NEWINGTON ELECTRIC COMPANY INC  
TOWN OF EAST HAMPTON  
AMERITAS LIFE INSURANCE CORP  
AT&T  
CRRR PROPERTY DIVISION  
CANTON TOWN OF  
A J BELLIVEAU RAILROAD CONSTRUCTION INC  
TOWN OF CLINTON  
HOOKER & HOLCOMBE INVESTMENT ADVISORS, I  
NORTHEAST POWER COORDINATING COUNCIL, IN  
CONN COMMUNITY PROVIDERS ASSOC  
HQ DUMPSTERS & RECYCLING, LLC  
TURNPIKE MOTORS, INC.  
TOWN OF OLD SAYBROOK  
CENTRAL MECHANICAL SERVICES, LLC  
ADP INC  
CAPITOL CLEANING CONTRACTORS INC  
OFFICEMAX - CONTRACT INC.  
B G MECHANICAL SERVICE INC

VERIZON WIRELESS  
TOWN OF ELLINGTON  
BEEBE LANDSCAPE SERVICE, INC.  
PULLMAN AND COMLEY LLC  
MARCHESE CONSULTING, LLC  
GRANBY TOWN OF  
C K ENVIRONMENTAL INC  
ARCADIS U.S., INC.  
TOWN OF WOODBRIDGE  
FRONTIER COMMUNICATIONS  
CONN NATURAL GAS CORPORATION  
TOWN OF EASTON  
TOWN OF ROCKY HILL  
T & T COMPLETE LANDSCAPING  
SIR SPEEDY BLOOMFIELD  
SHELL FLEET PLUS  
TOWN OF BLOOMFIELD  
TOWN OF ORANGE  
BANK OF AMERICA  
TOWN OF AVON  
NEW ENGLAND MASONRY & ROOFING CO.  
SALISBURY TOWN OF  
EAST HAVEN, TOWN OF  
WAGEWORKS, INC.  
VERIZON BUSINESS  
TOWN OF MONROE  
TOWN OF FARMINGTON  
TOWN OF ESSEX COLLECTOR  
SONITROL SECURITY SYSTEMS HTFD INC  
LEGGETTE, BRASHEARS & GRAHAM, INC.  
TOWN OF WETHERSFIELD  
PEOPLES UNITED INSURANCE AGENCY  
UNITED ILLUMINATING COMPANY  
VAN HORST GENERAL CONTRACTORS LLC  
KNAPP ENGINEERING PC  
MCELROY, DEUTSCH, MULVANEY &  
USDA WILDLIFE SERVICES  
TOWN OF ESSEX  
TOWN OF GLASTONBURY  
REGIONAL REFUSE DISPOSAL DISTRICT ONE  
DELL MARKETING LP  
LA CAPRA ASSOCIATES, INC.  
ING LIFE INSURANCE AND ANNUITY CO.  
BROWN RUDNICK BERLACK ISRAELS LLP  
MELICK & PORTER, LLP  
VAN ZELM HEYWOOD AND SHADFORD INC  
SEBBENS LAWN SERVICE  
METTLER TOLEDO INC  
ISO NEW ENGLAND INC  
PRIMARY LANDSCAPING, LLC  
EPICOR SOFTWARE CORPORATION

LINCOLN NATIONAL LIFE INSURANCE CO  
THE WALKER GROUP  
SCS FIELD SERVICES  
SNI COMPANIES  
METLIFE - GROUP BENEFITS  
TOWN OF TORRINGTON  
COHN BIRNBAUM & SHEA  
CITY OF HARTFORD - ENV PRGMS DIV  
CONN INTERLOCAL RISK MGMT AGCY  
TOWN OF STRATFORD  
GZA GEOENVIRONMENTAL  
WESTPORT TOWN OF  
SAX - BST, LLP  
TOWN OF CHESHIRE  
BEECHER CARLSON/ MASTER TRUST  
TOWN OF NORTH HAVEN  
CITY OF MILFORD  
TRC LOCKBOX  
WATERTOWN TOWN OF  
CITY OF HARTFORD  
FAIRFIELD, TOWN OF  
WASTE MANAGEMENT OF MASSACHUSETTS, INC.  
FUSS AND ONEILL INC  
CITY OF BRIDGEPORT  
CITY OF MERIDEN  
TOWN OF HAMDEN  
AMERICAN ARBITRATION ASSOC  
COMPLETE DISPOSAL COMPANY, INC.  
MIRA PROPERTY DIVISION  
TOWN OF WALLINGFORD  
LINIUM STAFFING SERVICES  
EVERSOURCE ENERGY  
CL&P  
NEXTERA ENERGY POWER MARKETING, LLC  
COVANTA MID-CONN INC  
MLIC ASSET HOLDINGS II LLC  
CT STATE OF DEPARTMENT OF ENERGY  
MDC  
KAINEN ESCALERA & MCHALE PC  
CONNECTICARE, INC.  
E. T. & L. CORPORATION  
FIDELITY INVESTMENTS  
SANTA BUCKLEY ENERGY INC  
TOWN OF PRESTON  
AON RISK SERVICES INC OF WASHINGTON DC/  
COMM REVENUE SERVICES, ST OF CT  
NAES CORPORATION  
WHEELABRATOR BRIDGEPORT LP  
COPE'S RUBBISH REMOVAL  
CITY OF HARTFORD TREASURER  
HALLORAN AND SAGE LLP



CWPM LLC  
WHEELABRATOR TECHNOLOGIES INC.  
SOUTHEASTERN CT REG RESOURCES RECOV AUTH  
COVANTA SOUTHEASTERN CT  
NAES CORP.

**4. FINANCIAL STATEMENTS AS OF JUNE 30, 2015**

**MATERIALS INNOVATION AND RECYCLING AUTHORITY**  
**A Component Unit of the State of Connecticut**  
**STATEMENTS OF NET POSITION**  
**AS OF JUNE 30, 2015 AND JUNE 30, 2014**  
**(Dollars in Thousands)**

**EXHIBIT I**  
**Page 1 of 2**

<b>ASSETS</b>	<u><b>June 2015</b></u>	<u>June 2014</u>
<b>CURRENT ASSETS</b>		
Unrestricted Assets:		
Cash and cash equivalents	\$ 53,771	\$ 58,827
Accounts receivable, net of allowances	12,122	14,058
Inventory	5,916	6,069
Prepaid expenses	<u>2,442</u>	<u>2,328</u>
Total Unrestricted Assets	<u>74,251</u>	<u>81,282</u>
Restricted Assets:		
Cash and cash equivalents	<u>1,800</u>	<u>2,694</u>
Total Restricted Assets	<u>1,800</u>	<u>2,694</u>
<b>TOTAL CURRENT ASSETS</b>	<u><b>76,051</b></u>	<u><b>83,976</b></u>
<b>NON-CURRENT ASSETS</b>		
Capital Assets:		
Depreciable, net	72,507	79,068
Nondepreciable	32,769	31,407
Development costs, net	392	784
<b>TOTAL NON-CURRENT ASSETS</b>	<u><b>105,668</b></u>	<u><b>111,259</b></u>
<b>TOTAL ASSETS</b>	<u><b>181,719</b></u>	<u><b>195,235</b></u>

The accompanying notes are an integral part of these financial statements

**MATERIALS INNOVATION AND RECYCLING AUTHORITY**  
**A Component Unit of the State of Connecticut**  
**STATEMENTS OF NET POSITION (Continued)**  
**AS OF JUNE 30, 2015 AND JUNE 30, 2014**  
**(Dollars in Thousands)**

**EXHIBIT I**  
**Page 2 of 2**

	<b>June 2015</b>	<b>June 2014</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Payable from unrestricted assets:		
Closure and post-closure care of landfills	\$ -	\$ 43
Accounts payable	4,535	4,740
Accrued expenses and other current liabilities	9,992	8,498
Unearned revenue	2,586	2,592
Total payable from unrestricted assets	17,113	15,873
Payable from restricted assets:		
Accrued expenses and other current liabilities	1,752	4,096
Total payable from restricted assets	1,752	4,096
<b>TOTAL CURRENT LIABILITIES</b>	<b>18,865</b>	<b>19,969</b>
<b>LONG-TERM LIABILITIES</b>		
Payable from unrestricted assets:		
Other liabilities	3,500	3,500
Total payable from unrestricted assets	3,500	3,500
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>3,500</b>	<b>3,500</b>
<b>TOTAL LIABILITIES</b>	<b>22,365</b>	<b>23,469</b>
<b>NET POSITION</b>		
Net: Investment in capital assets	105,277	110,476
Restricted for:		
Covanta Wallingford escrow	-	500
Other restricted net position	48	48
Total Restricted	48	548
Unrestricted	54,029	60,742
<b>TOTAL NET POSITION</b>	<b>\$ 159,354</b>	<b>\$ 171,766</b>

The accompanying notes are an integral part of these financial statements

**MATERIALS INNOVATION AND RECYCLING AUTHORITY**  
**A Component Unit of the State of Connecticut**  
**STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**  
**(Dollars in Thousands)**

**EXHIBIT II**

	<b>June 2015</b>	June 2014
<b>Operating Revenues</b>		
Service charges:		
Members	\$ 31,005	\$ 45,588
Others	17,020	16,513
Energy sales	46,921	56,451
Other operating revenues	3,319	4,810
<b>Total Operating Revenues</b>	<b>98,265</b>	<b>123,362</b>
<b>Operating Expenses</b>		
Solid waste operations	81,852	97,583
Maintenance and utilities	1,144	1,313
Closure and post-closure care of landfills	-	(3,392)
Legal services - external	1,760	3,012
Administrative and Operational services	6,210	6,191
Distribution to SCRRRA	-	1,375
<b>Total Operating Expenses</b>	<b>90,966</b>	<b>106,082</b>
<b>Operating Income before depreciation and amortization</b>	<b>7,299</b>	<b>17,280</b>
Depreciation and amortization	17,614	16,101
<b>Operating Income (Loss)</b>	<b>(10,315)</b>	<b>1,179</b>
<b>Non-Operating Revenues (Expenses)</b>		
Investment income	60	109
Gain on transfer of landfill post-closure care liabilities	-	4,751
Other income (expenses), net	(2,157)	(2,521)
<b>Non-Operating Revenues (Expenses), Net</b>	<b>(2,097)</b>	<b>2,339</b>
<b>Change in Net Position</b>	<b>(12,412)</b>	<b>3,518</b>
<b>Total Net Position, beginning of period</b>	<b>171,766</b>	<b>168,248</b>
<b>Total Net Position, end of period</b>	<b>\$ 159,354</b>	<b>\$ 171,766</b>

The accompanying notes are an integral part of these financial statements

**MATERIALS INNOVATION AND RECYCLING AUTHORITY**  
**A Component Unit of the State of Connecticut**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**  
**(Dollars in Thousands)**

**EXHIBIT III**

	<b>2015</b>	<b>2014</b>
<b>Cash Flows Provided (Used) by Operating Activities</b>		
Payments received from providing services	\$ 100,195	\$ 126,561
Payments to suppliers and employees	(92,024)	(107,180)
Distribution to member towns	(1,039)	-
Distribution to SCRRA	-	(1,375)
Net Cash Provided by Operating Activities	7,132	18,006
<b>Cash Flows Provided by Investing Activities</b>		
Proceeds from investments	-	8,184
Interest on investments	60	109
Net Cash Provided (Used) by Investing Activities	60	8,293
<b>Cash Flows Provided (Used) by Capital and Related Financing Activities</b>		
Proceeds from sales of equipment	62	595
Payments for landfill closure and post-closure care liabilities	-	(14,200)
Cash transfer to State for post-closure care liabilities		(31,000)
Acquisition and construction of capital assets	(13,203)	(11,786)
Net Cash Used by Capital and Related Financing Activities	(13,141)	(56,391)
<b>Cash Flows Used by Non-Capital Financing Activities</b>		
Other interest and fees	(1)	(2,651)
Net Cash Used by Non-Capital Financing Activities	(1)	(2,651)
<b>Net decrease in cash and cash equivalents</b>	(5,950)	(32,743)
<b>Cash and cash equivalents, beginning of year</b>	61,521	94,264
<b>Cash and cash equivalents, end of year</b>	\$ 55,571	\$ 61,521
<b>Reconciliation of Operating (Loss)Income to Net Cash Provided by Operating Activities:</b>		
Operating (loss) Income	\$ (10,315)	\$ 1,179
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:		
Depreciation of capital assets	17,222	15,709
Amortization of development costs	392	392
Provision for closure and post-closure care of landfills	(43)	-
Other income (expenses)	(1,039)	-
Changes in assets and liabilities, net of transfers:		
(Increase) decrease in:		
Accounts receivable, net	1,936	3,014
Inventory	153	475
Prepaid expenses and other current assets	(114)	(1,973)
Increase (decrease) in:		
Accounts payable, accrued expenses and other liabilities	(1,060)	(790)
<b>Net Cash Provided by Operating Activities</b>	\$ 7,132	\$ 18,006

The accompanying notes are an integral part of these financial statements

## **5. BOND STATUS AS OF JUNE 30, 2015**

The table below highlights the Authority's outstanding bonds as of June 30, 2015.

The State's contingent liability is related only to the SCRF-backed bonds which is \$5,485,711 as of June 30, 2015.

### **STATUS OF OUTSTANDING BONDS ISSUED AS OF JUNE 30, 2015**

<b>PROJECT / Series</b>	<b>Moody's Rating</b>	<b>Standard &amp; Poor's Rating</b>	<b>X= SCRF- Backed<sup>1</sup></b>	<b>Dated</b>	<b>Maturity Date</b>	<b>Original Principal (\$000)</b>	<b>Principal Outstanding (\$000)</b>	<b>On Authority's Books (\$000)</b>
<b>SOUTHEAST PROJECT</b>								
2010 Series A - Project Refunding <sup>2</sup>	Aa3	AA	X	12/02/10	11/15/15	27,750	5,270	-
<b>CORPORATE CREDIT REVENUE BONDS</b>								
1992 Series A - Corporate Credit	Ba1	NR	--	09/01/92	11/15/22	30,000	30,000	-
2001 Series A - Covanta Southeastern Connecticut Company-I	Ba1	NR	--	11/15/01	11/15/15	6,750	6,750	-
2001 Series A - Covanta Southeastern Connecticut Company-II	Ba1	NR	--	11/15/01	11/15/15	6,750	6,750	-
<b>TOTAL PRINCIPAL BONDS OUTSTANDING</b>							<b>48,770</b>	<b>-</b>

<sup>1</sup> SCRF = Special Capital Reserve Fund of the State of Connecticut.

<sup>2</sup> The 2010 Series A Bonds refunded the 1998 Series A Bonds originally issued in the amount of \$87,650,000 on August 18, 1998.

NR = Not Rated

**6. AFFIRMATIVE ACTION POLICY STATEMENT**





**EQUAL EMPLOYMENT OPPORTUNITY  
AND  
AFFIRMATIVE ACTION  
STATEMENT AND PLAN**

**ADOPTED by CRRA– NOVEMBER 14, 2003**

**MIRA is CRRA's successor**

## **EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION STATEMENT AND PLAN**

The Materials Innovation and Recycling Authority (MIRA) is an equal opportunity and affirmative action employer, dedicated to a policy of nondiscrimination in employment on any basis prohibited by law. It is the MIRA's policy to provide equal employment and advancement opportunities to all individuals without regard to age, sex, race, color, religion, national origin, marital status, veteran status, disability, sexual orientation or any other legally protected status, and to maintain an environment free from discrimination or harassment based upon these grounds.

The MIRA is committed to providing equal opportunities in terms of its recruiting and hiring practices, including without limitation, by notifying its recruitment sources of the MIRA's nondiscrimination policies and by placing "help-wanted" advertisements containing the phrase "An Equal Opportunity Employer." The MIRA is also committed to providing equal opportunities to its employees in all of its employment practices, including but not limited to compensation, training, transfers, promotions and disciplinary procedures, and in the provision of all of its employee benefit programs. Personnel decisions will be made on the basis of the needs of the MIRA and an individual's job-related skills, ability and merit.

The MIRA further pledges its strong commitment to ensure that all contractors and subcontractors who do business with the MIRA provide equal opportunities in employment to all qualified persons solely on the basis of job-related skills, ability and merit. The participation of minority business enterprises meeting qualifications established by applicable regulations shall further be solicited and encouraged.

The MIRA shall include an equal opportunity clause in all of its contracts and shall not enter into any contract with any person, agency or organization if it has knowledge that such person, agency or organization engages in unlawful discriminatory practices.

The MIRA further pledges that all MIRA-sponsored training and social and recreational programs will be administered without regard to any legally protected status.

As part of its commitment to equal opportunities, the MIRA expects all of its employees to adhere to this policy of nondiscrimination. The MIRA will take prompt action upon the receipt of a complaint of unlawful discrimination and will take appropriate corrective action, including disciplinary measures if necessary, to remedy any discriminatory conduct. Complaints should be referred to the Human Resources Manager, who is the MIRA's designated Equal Employment Opportunity (EEO) Officer. Alternatively, employees may submit complaints to the President of the MIRA or to any manager or supervisor.

The day-to-day responsibility for administering and complying with this policy is delegated to the various department heads with respect to the employees within their respective departments. The President and the Board of Directors will provide necessary procedural guidance in the coordination and application of the policy and any changes or modifications to the policy as may be required.

The MIRA's plan for implementing its equal employment and affirmative action policy could include any or all of the following actions:

1. Attempt to hire and promote qualified female and minority candidates through efforts to increase the number of highly qualified female and minority applicants for each vacancy, with the ultimate goal that MIRA's workforce will mirror the diversity of the labor pool.
2. Attempt to reach a greater number and diversity of representative groups to notify them of employment opportunities with MIRA. Wherever possible, target the Hispanic, African-American, Asian Pacific/Islander and Native American communities by contacting organizations and educational institutions that promote the interests of such individuals.
3. Explore the creation of an internship program to create interest among minority students in career opportunities at MIRA.
4. Take the following steps to ensure that all applicants and employees are aware that MIRA is an equal opportunity employer and of MIRA's affirmative action recruitment efforts:
  - a. Publicize the Equal Employment Opportunity Statement and Affirmative Action policy in MIRA's Personnel Policy Manual and post the same on MIRA bulletin boards.
  - b. Publicize the accomplishments and/or promotions of minorities and females internally.
  - c. Assess the equal opportunity and affirmative action efforts and achievements prior to the promotion of employees or the execution of discretionary salary increases.
  - d. Conduct meetings to discuss equal employment opportunity policies and responsibilities with MIRA employees, including during employee orientation and training sessions.
  - e. Advise all recruiting sources of MIRA's Equal Employment Opportunity Statement and Affirmative Action policy.
  - f. Notify all bidders, contractors, and suppliers of MIRA's Equal Employment Opportunity Statement and Affirmative Action policy and ensure that all contracts for services and materials include a statement in which the

contractor agrees to abide by affirmative action and fair employment principles.

- g. Attend job fairs where the potential for exposure to potential female and minority applicants is high.
- h. Continue to encourage participation of minority business enterprises and not to contract with any entity debarred from participation in state or federal contract programs.
- i. Notify minority and women's organizations, community organizations, state and local employment security and vocational rehabilitation agencies, schools and colleges of MIRA's Equal Employment Opportunity Statement and Affirmative Action policy.
- j. Place advertisements for employees containing the phrase "MIRA is an Affirmative Action/Equal Opportunity Employer" within the appropriate classified section of newspapers and/or job posting websites.
- k. Send outreach letters, job postings and job descriptions to various minority organizations throughout the state to increase awareness of employment opportunities at MIRA in the region's minority communities.
- l. Conduct outreach meetings via telephone with minority organizations during the year to maintain and improve the lines of communication between MIRA and these organizations as well as increase the awareness of MIRA's affirmative action efforts throughout the state's minority communities.

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Approved By: Board of Directors

P&P No.: BOD 013  
Effective Date: November 11, 2003

## **AFFIRMATIVE ACTION EFFORTS TO DATE**

The Authority's efforts to increase diversity in its workforce for 2015 included the following measures for Authority job openings:

- Print advertising with Connecticut Post, Journal Inquirer, Hartford Courant, La Voz Hispana, New Haven Register, Northeast Minority News and Waterbury Republican.
- Web postings of Authority jobs appeared on the following sites:
  1. Authority Internet Employment Opportunities Page

**7. PLANNED ACTIVITIES FOR FISCAL YEAR 2016**

The Authority was created by the State of Connecticut under Public Act 14-94 which became effective on June 6, 2014. The Authority constitutes a successor authority to the Connecticut Resources Recovery Authority (CRRA). In FY 2014 the Authority assumed control over all of CRRA's assets, rights, duties, and obligations. It now continues CRRA's ongoing business.

The purpose of the Authority is to plan, design, construct, finance, manage, own, operate and maintain solid waste disposal, volume reduction, recycling, intermediate processing, resource recovery and related support facilities necessary to carry out the State's Solid Waste Management Plan. The Authority provides solid waste management services to municipalities, regions and persons within the State by receiving solid waste at Authority facilities, recovering resources from such solid waste, and generating revenues from such services sufficient for the Authority to operate on a self-sustaining basis.

The Act established a new consultative partnership between the Authority and the State's Department of Energy and Environmental Protection (DEEP) specifically for redevelopment of the Authority's Connecticut Solid Waste System (CSWS), and generally for the development of new waste management industries, technologies and commercial enterprises on property owned by the Authority. The Act charged DEEP with revising the State's solid waste management plan and undertaking these consultative efforts consistent with the revised plan. While the Act transferred CRRA's prior role in statewide recycling education to the new "Recycle CT Foundation", the Authority continued to provide recycling education facilities and services to its customers as of June 30, 2015.

CRRA's original core mission was to develop a network of resource recovery and related facilities within the State to move the State away from the process of landfilling its municipal solid waste. Facilities were constructed in Hartford, Bridgeport, Wallingford and Preston which have historically been known as the Mid Connecticut, Bridgeport, Wallingford and Southeast projects respectively. CRRA secured financing, facility developer, operator and customer contracts, and administered these projects throughout their various stages over the last four decades. The initial underlying contracts for the Mid Connecticut, Bridgeport and Wallingford projects expired over the last several years resulting in a distribution and/or reformation of project assets and forming the foundation for the fiscal structure in place at CRRA and recognized by the Authority as of the date it assumed control. The Authority continues to evolve this structure pursuant to project closeout activities and applicable statutes. During fiscal year 2015 the Authority provided solid waste management services through its Connecticut Solid Waste System and Southeast Project and continued certain project closeout activities.

**Connecticut Solid Waste System (CSWS)** - The CSWS presently provides solid waste disposal and recycling services to 50 municipalities and 41 private waste haulers in the State and is one of the primary operating divisions of the Authority. These services are provided through use of the Hartford resource recovery facility, the Hartford recycling facility and three transfer stations. In fiscal year 2015, the CSWS received and processed 638,290 tons of municipal solid waste, generated 332,092 megawatts of energy for the region, and recovered 58,957 tons of paper, cardboard and containers from the waste stream for resale into the recycled commodities markets. CSWS recycling operations allowed the Authority to declare as surplus approximately \$219,000 in recycling revenues which were proportionally rebated

to 41 CSWS member municipalities at the rate of \$5 for each ton of recyclable material delivered.

**Southeast Project** - The Southeast Project provides solid waste disposal services to 12 municipal members of the Southeast Connecticut Regional Resource Recovery Authority (SCRRA) and additional customers secured through the contract operator of the facility. In fiscal year 2015, the Southeast Project received and processed 261,748 tons of municipal solid waste and generated 124,891 megawatts of energy for the region. These services are provided through the Authority's resource recovery facility located in Preston. As of June 30, 2015, the Authority remained the nominal owner of this facility, contracted its operation to the private sector under a long term Service Agreement and secured waste deliveries to the project through a Bridge and Management Agreement with SCRRA. All initial underlying project contracts remained in effect as of June 30, 2015.

**Project Closeout Activities** – The Mid Connecticut Project, Bridgeport Project, Wallingford Project and the Authority's Recycling Division remained active on the Authority's financial statements during fiscal year 2015 only for administrative and project closeout activities. For the Mid Connecticut Project, this consisted of claims, litigation and settlement activities that remain ongoing as of the date of this Annual Report. Otherwise the Authority has completed its obligations with respect to the Bridgeport Project, Wallingford Project and Recycling Division and released all surplus funds to each relevant project's member municipalities and members of the Southwest Connecticut Regional Recycling Operating Committee (SWEROC).

The Authority's position in the Southeast Project began to evolve on November 15, 2015 with full payment of the Resource Recovery Revenue Bonds (subsequently refunded) that were issued by the Authority to finance construction of this facility and the supporting Special Capital Reserve Fund held by the State Treasurer. As of the date of this Annual Report, the refunding bonds have been fully paid, title to the facility has transferred to the contract operator and SCRRA has assumed control of the Project's flow of funds. Moving forward, the Authority will preserve its rights and interests in excess facility capacity for continued use for the diversion of waste from the CSWS, and will preserve its rights and interests to re-acquire the facility from the contractor operator should that become necessary or desirable to carry out the State's Solid Waste Management Plan. It will also establish a reserve requirement for the Southeast Project and commence remaining project closeout activities.

The Authority has taken major steps toward evolving to an organization focused on the operation and redevelopment of the Connecticut Solid Waste System. The Authority has completely closed out its obligations with respect to the Bridgeport and Wallingford projects, SWEROC and the Authority's Recycling Division. The Southeast Project bonds have been fully paid, title to the resource recovery facility transferred to the private sector and management of the Project's flow of funds transferred to SCRRA, and the Authority continues its efforts to close out the Mid Connecticut Project. Facing expiration of the lease for its main headquarters in Hartford, the Authority undertook a comprehensive review of available office space within a ten mile radius of the CSWS resource recovery facility. After considering approximately 50 locations, the Authority elected to relocate to Rocky Hill, CT. As of the date of this Annual Report, the Authority has completed its relocation, and in the process, has cut its space occupied and rent in half.



The Authority remains committed to operating the existing CSWS on a self-sustaining basis through its planned redevelopment. This commitment was originally made as part of a statutorily mandated transition plan and ten year financial plan prepared by CRRA in the lead up to the Authority's creation and assumption of control of CRRA's assets, rights, duties and obligations. This commitment spans the period ending June 30, 2024. To aid in ensuring the fulfillment of this commitment, the Authority has completed an update to CRRA's original ten year financial plan for the period ending June 30, 2024. The update affirmed the original plan objectives, included performance comparisons to the adopted fiscal year 2016 budgets, adaptations necessary to reflect the implementation of statutes affecting CRRA, prerequisites to potential borrowings, an extended service life for the Authority's jet powered electric generating Peaking Units and incorporating the concept of the Authority's Tip Fee Stabilization Fund. The ten year financial plan update also reexamined the major maintenance requirements to operate the CSWS resource recovery facility, and reflected updated consultant expectations for the energy markets the Authority participates in.

The updated ten year financial plan concluded that declining operational performance of the CSWS resource recovery facility, coupled with reduced expectations for wholesale energy prices and increasing major maintenance costs, will require the CSWS to rely more heavily on financial support from the Tip Fee Stabilization Fund throughout the planning period to maintain tip fees at or below contractual opt out provisions.

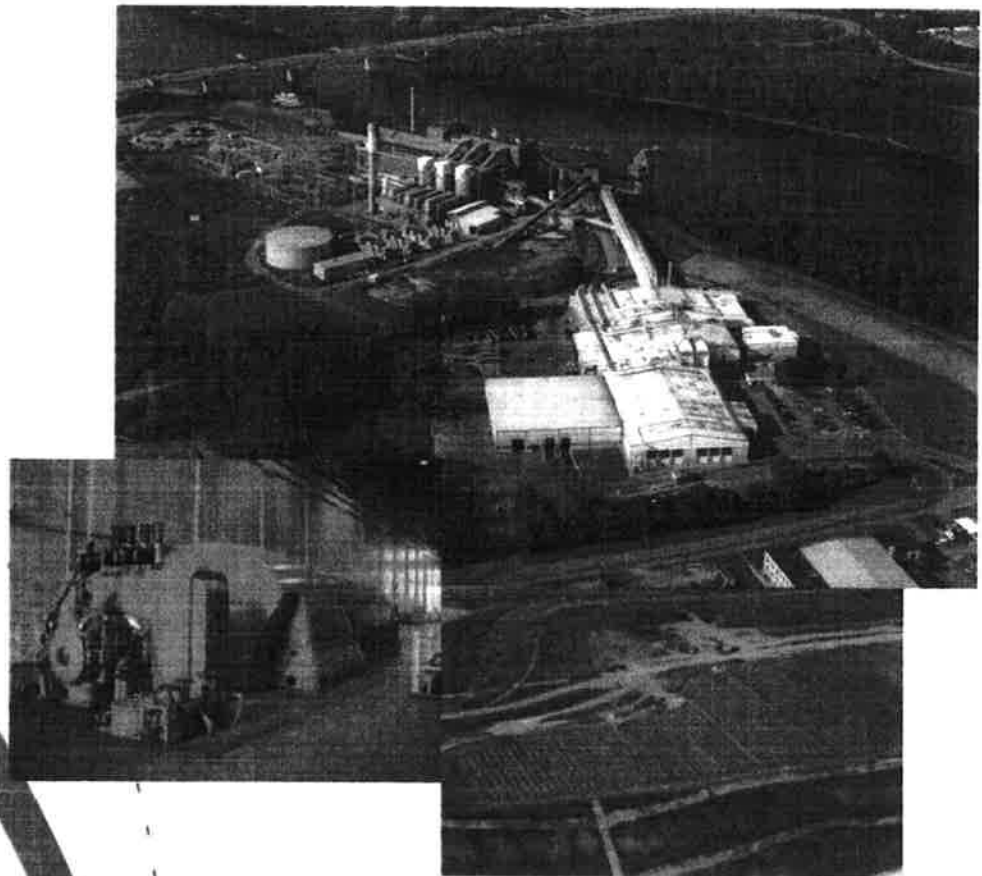
Looking beyond operation of the existing CSWS, the Authority has also worked closely with DEEP in developing the Request for Proposals (RFP) for eventual redevelopment of the CSWS that has been mandated by state statute. The RFP, termed "Resource Rediscovery", was issued November 6, 2015 comfortably in advance of the January 1, 2016 statutory deadline. The RFP sets a deadline for receipt of proposals of March 1, 2016 and anticipates announcement of a shortlist of finalists by May 30, 2016. Final proposals are due November 1, 2016, well in advance of the July 1, 2017 statutory deadline, and leaving ample time for DEEP's selection of a proposal, and direction to MIRA to enter an agreement with the selected developer, all as required by statute by December 31, 2017.

**8. EFFORTS TO MITIGATE THE EFFECTS OF AUTHORITY-ENRON-CL&P  
TRANSACTION DURING FISCAL YEAR 2015**

The Authority continues to pursue a few remaining Enron-related financial institutions under the aegis of the State's Attorney General.



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**Fiscal Years Ended June 30, 2015 and 2014**



**MATERIALS INNOVATION AND  
RECYCLING AUTHORITY**

**A Component Unit of the  
State of Connecticut**