



Materials Innovation and Recycling Authority

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January 26, 2017

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
2016**

Dear Governor Malloy:

Attached herewith is information submitted to meet the Materials Innovation and Recycling Authority's (the "Authority") fiscal year 2016 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, 2016 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.

Required Submission under CGS Section 1-123(a):	Item #
(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
Required Submission under CGS Section 22a-268e:	
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 2016 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 2016**

No bonds were issued by the Authority during fiscal year 2016.

2. FINANCIAL ASSISTANCE PROVIDED DURING FISCAL YEAR 2016

The Authority did not provide any financial assistance¹ during Fiscal Year 2016.

¹Excludes inter-fund transfers among MIRA projects / divisions and rebates/distributions of surplus funds to project member municipalities.

3. VENDORS PAID \$5,000 OR MORE DURING FISCAL YEAR 2016

100-200 CORPORATE PLACE, LLC
A J BELLIVEAU RAILROAD CONSTRUCTION INC
ADP INC
ADP LLC
AFCO CREDIT CORPORATION
AFCO INSURANCE PREMIUM FIANCE
AMERICAN ARBITRATION ASSOC
AMERICAN EXPRESS TRAVEL RELATED SERVICES
AMERITAS LIFE INSURANCE CORP
AON RISK SERVICES INC OF WASHINGTON DC/
B G MECHANICAL SERVICE INC
BANK OF AMERICA
BEECHER CARLSON/ MASTER TRUST
BLUE RIVER ENGINEERING, LLC
CAPITOL CLEANING CONTRACTORS INC
CASELLA WASTE SYSTEM, INC.
CITY OF BRIDGEPORT
CITY OF HARTFORD
CITY OF HARTFORD TREASURER
CITY OF MERIDEN
CITY OF MILFORD
CITY OF SHELTON
CLEAN HARBORS ENVIRONMENTAL SERVIC
COHN BIRNBAUM & SHEA
COMM REVENUE SERVICES, ST OF CT
COMPLETE DISPOSAL COMPANY, INC.
CONN COMMUNITY PROVIDERS ASSOC
CONN NATURAL GAS CORPORATION
CONNECTICARE, INC.
CONSTITUTION PLAZA HOLDINGS LLC
COPE'S RUBBISH REMOVAL
COVANTA SOUTHEASTERN CT
CT STATE OF DEPARTMENT OF ENERGY
CWPM LLC
DAYMARK ENERGY ADVISORS
DIME OIL COMPANY
E. T. & L. CORPORATION
ELECTRICAL ENERGY SYSTEMS CORPORATION
ENVIRONMENTAL SERVICES, INC.
EPICOR SOFTWARE CORPORATION
EVERSOURCE ENERGY
FIBER TECHNOLOGIES NETWORKS, LLC

FIDELITY INVESTMENTS
FRONTIER COMMUNICATIONS
FRONTIER COMMUNICATIONS CORPORATION
FUSS AND ONEILL INC
GRANBY TOWN OF
HALLORAN AND SAGE LLP
HARTFORD SPRINKLER CO INC
HEALTH EQUITY, INC.
HOOKER & HOLCOMB
HOOKER & HOLCOMBE INVESTMENT ADVISORS, I
HRP ASSOCIATES INC
ISO NEW ENGLAND INC
JOHN WATTS ASSOCIATES
KAINEN ESCALERA & MCHALE PC
L. E. WHITFORD COMPANY INC.
LA CAPRA ASSOCIATES, INC.
LANDSEN CONSTRUCTION CORP
LINCOLN NATIONAL LIFE INSURANCE CO
LINDA FREDRICKSON DESIGN
LINIUM STAFFING SERVICES
MAHONEY SABOL
MDC
MELICK & PORTER, LLP
METLIFE - GROUP BENEFITS
METTLER TOLEDO INC
MIRA PROPERTY DIVISION
MLIC ASSET HOLDINGS II LLC
MR VALUATION CONSULTING
NAES CORP.
NAES CORPORATION
NEW ENGLAND MASONRY & ROOFING CO.
NEWINGTON ELECTRIC COMPANY INC
NEXTERA ENERGY POWER MARKETING, LLC
NORWALK CITY OF
PNC BANK
PRIMARY LANDSCAPING, LLC
PROJECT MANAGEMENT ASSOCIATES, LLC
PRUDENTIAL RETIREMENT INSURANCE & ANNUIT
PSC, LLC
PULLMAN AND COMLEY LLC
QUALITY ROOFING SERVICES, INC.
REGIONAL REFUSE DISPOSAL DISTRICT ONE

RYAN BUSINESS SYSTEMS INC
SHELL FLEET PLUS
SIMPLEX GRINNELL LP
SIR SPEEDY BLOOMFIELD
SNI COMPANIES
SONITROL SECURITY SYSTEMS HTFD INC
SOUTHEASTERN CT REG RESOURCES RECOV AUTH
STAPLES BUSINESS ADVANTAGE
TASCA
TASCA FORD TRUCKS
THE WALKER GROUP
TOWN OF AVON
TOWN OF BLOOMFIELD
TOWN OF CHESHIRE
TOWN OF CLINTON
TOWN OF ELLINGTON
TOWN OF ESSEX
TOWN OF FAIRFIELD
TOWN OF FARMINGTON
TOWN OF GLASTONBURY
TOWN OF GREENWICH
TOWN OF HAMDEN
TOWN OF NORTH HAVEN
TOWN OF OLD SAYBROOK
TOWN OF PRESTON
TOWN OF ROCKY HILL
TOWN OF SHARON
TOWN OF STRATFORD
TOWN OF TORRINGTON
TOWN OF TRUMBULL
TOWN OF WALLINGFORD
TOWN OF WETHERSFIELD
TRC ENVIROMENTAL CORP
TRC LOCKBOX
UNITED ILLUMINATING COMPANY
USDA WILDLIFE SERVICES
VAN HORST GENERAL CONTRACTORS LLC
VAN ZELM HEYWOOD AND SHADFORD INC
VERIZON BUSINESS
VERIZON WIRELESS
VIMINI ASSOCIATES
WAGeworks, INC.

The Honorable Dannel P. Malloy

WASTE MANAGEMENT OF MASSACHUSETTS, INC.
WATERTOWN TOWN OF
WESTPORT TOWN OF
WHEELABRATOR TECHNOLOGIES INC.
WHITNEY TRUCKING INC
WILLIAM B. MEYER, INC.
ZETTA, INC.

4. FINANCIAL STATEMENTS AS OF JUNE 30, 2016

5. BOND STATUS AS OF JUNE 30, 2016

As of June 30, 2016, Southeast Project had \$30 million dollars of total outstanding debt that is not carried on the Authority's books. This includes only the 1992 Series A Corporate Credit Revenue Bonds. During fiscal year 2016, the Authority's Resource Recovery Revenue Refunding Bonds (Covanta Southeastern Connecticut Company Project – 2010 Series A) supported by a Special Capital Reserve Fund (SCRF) with the State, matured and were fully paid, as were two additional series of Corporate Credit Revenue Bonds. The SCRF is a contingent liability of the State available to replenish any debt service reserve fund draws on bonds that have the SCRF designation. The funds used to replenish a debt service reserve draw are provided by the State's General Fund and are deemed appropriated by the Connecticut legislature. With maturity of the 2010 Series A Refunding Bonds, there is no longer any contingent liability of the State via a SCRF associated with the Authority.

STATUS OF OUTSTANDING BONDS ISSUED AS OF JUNE 30, 2016

PROJECT / Series	Moody's Rating	Standard & Poor's Rating	X= SCRF-Backed ¹	Dated	Maturity Date	Original Principal (\$000)	Principal Outstanding (\$000)	On Authority's Books (\$000)
SOUTHEAST PROJECT								
2010 Series A - Project Refunding ²	Aa3	AA	X	12/02/10	11/15/15	27,750	-	-
CORPORATE CREDIT REVENUE BONDS								
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	-	-
2001 Series A - Covanta Southeastern Connecticut Company-II	Ba1	NR	--	11/15/01	11/15/15	6,750	-	-

TOTAL PRINCIPAL BONDS OUTSTANDING

30,000 -

¹ SCRF = Special Capital Reserve Fund of the State of Connecticut.

² 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

Materials Innovation and Recycling Authority
Ethnic Composition of Total Work Force
Summary of EEOC Report
Updated June 30, 2016

	Males										Females					
	Total Males	White	Black or African American	Hispanic or Latino	Asian	Native Hawaiian or Other Pacific Islander	Two or More Races	Total Females	White	Black or African American	Hispanic or Latino	Asian	Asian Indian	Native Hawaiian or Other Pacific Islander	Two or More Races	
TOTAL	7	17.5%	0.0%	0.0%	0.0%	0.0%	0.0%	2	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Executive Managerial	5	12.5%	0.0%	0.0%	0.0%	0.0%	0.0%	1	2.5%	0.0%	0.0%	0.0%	2.5%	0.0%	0.0%	
Technicians	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Sales Workers	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Professionals	14	35.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7	17.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Office and Clerical	19	47.5%	2.5%	0.0%	0.0%	0.0%	0.0%	6	15.0%	7.5%	0.0%	0.0%	2.5%	0.0%	2.5%	
TOTALS	40	100.0%	2.5%	0.0%	0.0%	0.0%	0.0%	20	50.0%	7.5%	0.0%	2.5%	5.0%	0.0%	2.5%	



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

**ADOPTED by CRRA– NOVEMBER 14, 2003
MIRA is CRRA's successor**

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.

Approved By: Board of Directors

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

AFFIRMATIVE ACTION EFFORTS TO DATE

The Authority did not have any hiring in Fiscal year 2016.

When job openings are available, the Authority's efforts to increase diversity in its workforce included the following measures:

- Print advertising with Connecticut Post, Journal Inquirer, Hartford Courant, La Voz Hispania, 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

Bridgeport Project and other property, and from the sale of Peaking Unit power products through various ISO New England energy markets. The Authority has assumed CRRA's interests and obligations in the Property Division and reports this activity consistent with the structure noted above.

Landfill Division – As of June 6, 2014 the Authority assumed CRRA's ownership interests in three closed landfills and adjoining properties in the State which are assigned to the Landfill Division. Certain plant and equipment installations associated with these landfills, and the Hartford landfill which is governed by an access agreement, are also assigned to this division. The Division generates revenue from the sale of power products from a solar array installed atop the Hartford Landfill, and funds an insurance program protecting the Authority against the long term risks of ownership of these sites. The Authority no longer has any liability for the closure or post closure care of its landfills. All landfills have been certified as closed and all of the Authority's post closure care obligations have been transferred to DEEP pursuant to State statute.

Connecticut Solid Waste System (CSWS) – The CSWS presently provides solid waste disposal and recycling services to 51 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 2016, the CSWS received and processed 631,450 tons of municipal solid waste, generated 343,429 megawatt hours of energy for the region, and recovered 66,839 tons of paper, cardboard and containers from the waste stream for resale into the recycled commodities markets. Due to steep declines in recycled commodity prices, CSWS did not generate surplus recycling revenue during fiscal year 2016 and consequently did not provide a recycling rebate to its participating municipalities.

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 resource recovery facility located in Preston (Covanta). During fiscal year 2016, the Authority's Resource Recovery Revenue Refunding Bonds matured and were fully paid, the Authority transferred financial control of the project to SCRRA, and ownership of the resource recovery facility was transferred to Covanta. Prior to the transfer of financial control, the Southeast Project received and processed 94,809 tons of municipal solid waste and generated 34,065 megawatt hours of energy for the region and the revenues and expenses associated with this activity are recognized on the Authority's financial statements for the year ended June 30, 2016. As of June 30, 2016, the Service Agreement between the Authority and Covanta providing for the contract operation of the resource recovery facility, and the Bridge and Management Agreement between the Authority and SCRRA remained in effect while the parties negotiated final assignment and termination of these agreements.

Project Closeout Activities – During fiscal year 2016, the Authority completed distribution of all funds associated with its Bridgeport and Wallingford projects. The Mid Connecticut Project remained active on the Authority’s financial statements during fiscal year 2016 only for administrative and project closeout activities. This consisted of claims, litigation and settlement activities that remain ongoing as of the date of this CAFR.

Redeveloping CSWS

In fiscal year 2014, the State passed Public Act 14-94 (the “Act”) forming the Authority and designating it as successor to the Connecticut Resources Recovery Authority (CRRA). One of the core objectives of the Act is to set a process in motion, with specific roles and deadlines for the Authority, DEEP and the private sector that will bring about the redevelopment of the CSWS. The major milestones of this initiative are summarized below.

- By January 1, 2016 DEEP, in consultation with the Authority, is to issue a Request for Proposals to redevelop the CSWS.
- By January 1, 2017 not more than three short-listed respondents selected by DEEP are to conduct and complete any required feasibility studies with the Authority’s cooperation. DEEP is required to hold a public hearing concerning the feasibility studies but the deadline is not specified in the legislation.
- By July 1, 2017 the short-listed respondents are to submit final proposals to DEEP.
- By September 15, 2017 DEEP is to submit a report on the nature and status of CSWS redevelopment proposals to the State legislature.
- By October 30, 2017 the State legislature may hold a public hearing concerning DEEP’s status report.
- By December 31, 2017 DEEP may select one final proposal and direct the Authority to enter into an agreement with the applicable respondent for the redevelopment of the CSWS.

As of June 30, 2016 DEEP had issued the Request for Proposals, received responses and remained in the process of evaluating proposals and establishing the required shortlist. While the nature, cost and funding mechanisms for this redevelopment are not yet determined, the underlying legislation did include proposal selection criteria sensitive to these matters. The Act requires DEEP to consider the level of investment proposed and whether the proposal is in the best interest of the municipalities under contract with the Authority, including maintenance or reduction of tip fees. The Act further provides that the selection of a final proposal by DEEP, in consultation with the Authority, is not to be construed as a legislative mandate that otherwise would increase the “opt out tip fee” established in certain municipal contracts.

**8. EFFORTS TO MITIGATE THE EFFECTS OF AUTHORITY-ENRON-CL&P
TRANSACTION DURING FISCAL YEAR 2016**

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, 2016 and 2015



MATERIALS INNOVATION AND RECYCLING AUTHORITY
A Component Unit of the State of Connecticut