MIRA
Materials Innovation and Recycling Authority

MEMORANDUM

TO: **MIRA Board of Directors**

FROM: **Donald S. Stein, Chairman**

DATE: **September 16, 2021**

RE: **Notice of Regular Telephonic Meeting**

There will be a ***regular telephonic*** meeting of the Board of Directors of the Materials Innovation and Recycling Authority (MIRA) on ***Wednesday, September 22, 2021 at 9:30 a.m.***

Members of the public may attend the meeting in person in the board room at MIRA headquarters (masks required), or may attend the meeting telephonically by calling (929) 205-6099, entering Meeting ID: 865 8497 4456, and entering Passcode: 112698# when prompted.

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. Review and Approve – Minutes of the July 14, 2021 Regular Board Meeting (***Attachment 1***).

IV. Review and Approve – Minutes of the August 11, 2021 Regular Board Meeting (***Attachment 2***).

V. Finance Committee Report

   a. Board Action will be sought for a Resolution Regarding accepting the Authority's Fiscal Year 2021 Annual Financial Report (***Attachment 3***)
   b. Board Action will be sought for a Resolution Regarding authorizing additional legal expenditures and use of CSWS Legal Reserve (***Attachment 4***).
   c. Board Action will be sought for a Resolution Regarding authorizing and funding a CSWS Decommissioning Cost account for Fiscal Year 2022 (***Attachment 5***).

VI. Policies and Procurement Committee Report – No Report.

VII. OS & HR Committee Report – No Report

VIII. Executive Committee

a. Board Action will be sought for a Resolution Regarding an Annual Plan of Operations (***Attachment 6***)

IX. Chairman's and President's Report

a. Attached Supplemental Information / Other Matters

X. Executive Session to discuss:

a. Pending RFPs and Feasibility Estimates and Evaluations relative to prospective public supply contracts, including MIRA RFP's and prospective contracts for Connecticut Solid Waste System transfer facilities, transportation and disposal of acceptable solid waste at alternate disposal facilities and operation of MIRA's Jets and the potential impact of same upon MIRA operating and capital budgets and its Municipal Service Agreements.

TAB 1

MATERIALS INNOVATION AND RECYCLING AUTHORITY

FIVE HUNDRED AND THIRTY-THREE **JULY 14, 2021**

A Regular Telephonic (Zoom) Board meeting of the Materials Innovation and Recycling Authority Board of Directors was held on Wednesday, July 14, 2021. Present via audio or video conferencing were:

Directors:

Chairman Stein
John Adams
Scott Shanley
Jim Hayden
Carl Fortuna, Jr.
Susan Weisselberg
Bert Hunter
Marcia Leclerc (joined 9:40)
Suzette DeBeatham-Brown (until 10:18)
Tom Swarr
Luke Bronin (from 9:45 to 10:27)

Present from MIRA:

Tom Kirk, President
Mark Daley, Chief Financial Officer
Laurie Hunt, Director of Legal Services
John Clark, Director of Operations and Environmental Affairs
Thomas Gaffey, Director of Recycling & Enforcement
Jeff Duvall, Director of Budgets and Forecasting
Cheryl Kaminsky, Manager of Accounting and Financial Reporting
Dave Bodendorf, Senior Environmental Engineer
Peter Egan, Consultant

Others Present:

Ann Catino, Halloran & Sage

Chairman Stein called the meeting officially to order at 9:37 a.m. and said that a quorum was present.

PUBLIC PORTION

Chairman Stein said the agenda allowed for a public portion in which the Board would accept written testimony and allow individuals to speak for a limit of three minutes. As there were no members of the public who wished to address the Board, the meeting commenced.

1. APPROVAL OF THE JUNE 9, 2021 BOARD MEETING MINUTES

Chairman Stein requested a motion to approve the minutes of the June 9, 2021 Board meeting. Director Adams made the motion, which was seconded by Director Fortuna.

The motion previously made and seconded was approved by roll call vote. Chairman Stein, Director Adams, Director Shanley, Director Hayden, Director Fortuna, Director Weisselberg, Director Hunter, Director Brown voted yes. Ad Hoc Swarr abstained.

Directors	**Aye**	**Nay**	**Abstain**
Chairman Stein	X		
John Adams	X		
Jim Hayden	X		
Scott Shanley	X		
Carl Fortuna	X		
Susan Weisselberg	X		
Bert Hunter	X		
Marcia Leclerc			
Suzette DeBeatham-Brown	X		
Ad Hoc Members	**Aye**	**Nay**	**Abstain**
Tom Swarr			X
Luke Bronin			

2. RESOLUTION REGARDING APPROVAL OF INSURANCE POLICY RENEWALS.

Chairman Stein requested a motion on the above-referenced item. The motion was made by Director Shanley and seconded by Director Fortuna.

WHEREAS, The Materials Innovation and Recycling Authority ("Authority") maintains certain insurance policies which expire July 1, 2021; and

WHEREAS, The renewal of such policies is in the best interest of the Authority and contemplated within its Fiscal Year 2022 adopted budgets;

NOW THEREFORE, be it

RESOLVED: That the President is authorized to bind the following insurance policies effective for the period July 1, 2021 through July 1, 2022 substantially as presented and discussed at this meeting:

- General Liability
- Auto Liability
- Workers Compensation
- Public Officials
- Fiduciary
- Crime
- Umbrella/Excess Liability

The motion previously made and seconded was approved by roll call vote. Chairman Stein, Director Adams, Director Shanley, Director Hayden, Director Fortuna, Director Weisselberg, Director Hunter, Director Leclerc, and Director Brown voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
John Adams	X		
Jim Hayden	X		
Scott Shanley	X		
Carl Fortuna	X		
Susan Weisselberg	X		

Bert Hunter	X		
Marcia Leclerc	X		
Suzette DeBeatham-Brown	X		
Ad Hoc Members	**Aye**	**Nay**	**Abstain**
Tom Swarr			
Luke Bronin			

3. **<u>RESOLUTION REGARDING MARKET DRIVEN SALE OF SPOT WASTE DISPOSAL CAPACITY FOR MUNICPAL SOLID WASTE FOR THE CONNECTICUT SOLID WASTE SYSTEM RESOURCES RECOVERY FACILITY DURING A FUEL SHORTAGE PERIOD.</u>**

Chairman Stein requested a motion on the above-referenced item. The motion was made by Director Adams and seconded by Director Shanley.

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 a Fuel Shortage Period 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 three Spot Waste delivery offers from All American Waste, LLC, All Waste Incorporated, USA Hauling & Recycling, Inc., and USA Waste and Recycling, Inc. for delivery of MSW to the CSWS Resources Recovery Facility, and;

FURTHER RESOLVED: that the President is authorized to select a 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 a 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 a 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 a Spot Waste delivery offer from A J Waste Systems LLC for delivery of MSW to the CSWS Resources Recovery Facility, substantially as presented and discussed at this meeting.

The motion previously made and seconded was approved by roll call vote. Chairman Stein, Director Adams, Director Shanley, Director Hayden, Director Fortuna, Director Weisselberg, Director Hunter, Director Leclerc, Director Brown, and Ad Hoc Swarr voted yes.

Directors	**Aye**	**Nay**	**Abstain**
Chairman Stein	X		
John Adams	X		
Jim Hayden	X		
Scott Shanley	X		
Carl Fortuna	X		
Susan Weisselberg	X		
Bert Hunter	X		
Marcia Leclerc	X		
Suzette DeBeatham-Brown	X		
Ad Hoc Members	**Aye**	**Nay**	**Abstain**
Tom Swarr	X		
Luke Bronin			

4. **RESOLUTION REGARDING AN AMENDMENT TO THE AGREEMENT FOR WASTE TRANSPORTATION AND OPERATION AND MAINTENANCE SERVICES AT THE ESSEX AND WATERTOWN TRANSFER STATIONS.**

Chairman Stein requested a motion on the above-referenced item. The motion was made by Director Adams and seconded by Director Fortuna.

RESOLVED: That the President is authorized to amend the Agreement for Waste Transportation and Transfer Station Operation and Maintenance Services at the Essex and Watertown Transfer Stations between MIRA and CWPM, LLC, substantially as presented and discussed at this meeting.

The motion previously made and seconded was approved by roll call vote. Chairman Stein, Director Adams, Director Shanley, Director Hayden, Director Fortuna, Director Weisselberg, Director Hunter, Director Leclerc, Director Brown, Ad Hoc Swarr voted yes. Ad Hoc Bronin abstained.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
John Adams	X		
Jim Hayden	X		
Scott Shanley	X		
Carl Fortuna	X		
Susan Weisselberg	X		
Bert Hunter	X		
Marcia Leclerc	X		
Suzette DeBeatham-Brown	X		
Ad Hoc Members	**Aye**	**Nay**	**Abstain**
Tom Swarr	X		
Luke Bronin			X

5. EXECUTIVE SESSION

Chairman Stein requested a motion to enter into Executive Session to discuss Pending RFPs and Feasibility Estimates and Evaluations relative to prospective public supply contracts including Connecticut Solid Waste System transfer facilities, transportation and disposal of acceptable solid waste at alternate disposal facilities and operation of MIRA's Jets, and potential impact of same upon MIRA operating and capital budgets and adding discussion of Personnel matters, including re-hiring of the former Director of Operations and Environmental Affairs, to the agenda.

The motion was made by Director Hayden and seconded by Director Adams.

Chairman Stein requested that the following people remain for the Executive Session, in addition to the Board members:

Tom Kirk
Mark Daley
John Clark
Peter Egan
Laurie Hunt
Tom Gaffey
Ann Catino

The motion previously made and seconded was approved by roll call. Chairman Stein, Director Adams, Director Shanley, Director Hayden, Director Fortuna, Director Weisselberg, Director Hunter, Director Leclerc, Director Brown, Ad Hoc Swarr and Ad Hoc Bronin voted yes.

Directors	**Aye**	**Nay**	**Abstain**
Chairman Stein	X		
John Adams	X		
Jim Hayden	X		
Scott Shanley	X		
Carl Fortuna	X		
Susan Weisselberg	X		
Bert Hunter	X		
Marcia Leclerc	X		
Suzette DeBeatham-Brown	X		
Ad Hoc Members	**Aye**	**Nay**	**Abstain**
Tom Swarr	X		
Luke Bronin	X		

Executive Session began at 9:58 a.m. and ended at 10:50 a.m., and public session resumed. Chairman Stein noted that no votes were taken in Executive Session.

6. RESOLUTION APPROVING FILLING THE DIRECTOR OF OPERATIONS AND ENVIRONMENTAL AFFAIRS POSITION

Chairman Stein requested a motion on the above-captioned item. The motion was made by Director Shanley and seconded by Director Hayden.

WHEREAS, The Materials Innovation and Recycling Authority (the "Authority") has previously adopted a Hiring, Compensation, Promotion and Dismissal Procedure ("Procedure"); and

WHEREAS, such Procedure requires the President to obtain the approval of the Directors, by a majority vote, prior to filling the following senior management positions, including Director of Operations and Director of Environmental Affairs; and

WHEREAS, such Procedure generally provides for the posting and advertising of positions to be filled, and for deviations to such procedure to be subject to approval by a majority of the voting members of the Directors present at a scheduled meeting; and

WHEREAS, John Clark, MIRA's Director of Operations and Environmental Affairs, is leaving, effective on or about July 16, 2021, and his pending departure warrants expedited hiring of an experienced and qualified candidate; and

WHEREAS, Mr. Egan was employed by the Authority in various senior level positions since 2001, including as Director of Environmental Affairs since 2001 and as Director of Operations and Environmental Affairs since 2011, and has unduplicated and irreplaceable institutional knowledge of those aspects of the Authority's business, and has remained actively involved in MIRA's affairs as a consultant since his departure last winter; and

WHEREAS, the Board and management have determined that it is advisable to promptly fill the vacant Director of Operations and Environmental Affairs position, and that, based on Mr. Egan's prior tenure and performance in that role, he is a highly qualified candidate; and

WHEREAS, Mr. Egan has expressed interest in returning to his prior position with the Authority; and

WHEREAS, the Authority anticipates suspending waste combustion at the South Meadows Waste-to-Energy Facility (the "Facility") and transitioning the Connecticut Solid Waste System to a transfer operation no later than June 30, 2022, to be followed by decommissioning and an undetermined level of other potential activities after June 30, 2022, for which the Authority anticipates it will require the services of a Director of Operations and Environmental Affairs;

NOW, THEREFORE, it is

RESOLVED: That the President is authorized to offer Peter Egan the position of Director of Operations and Environmental Affairs, at his prior salary and benefits, specifically including retention of his prior seniority, waiver of the waiting period for 401(k) participation, and applicable leave time consistent with his cumulative years of service; and

FURTHER RESOLVED: That the President is hereby authorized to enter into a new employment agreement with Mr. Egan, substantially on the terms and with the provisions discussed at this meeting; and

FURTHER RESOLVED: Pursuant to Conn. Gen. Stat. Section 22a-277(c) the board hereby authorizes the President to delegate to Peter W. Egan, upon his hiring for the position of Director of Operations and Environmental Affairs, as duly authorized representative of the Authority, the authority to sign regulatory and permit-required applications, reports and other applicable information submitted by the Authority to the Connecticut Department of Energy & Environmental Protection, in connection with air, water, and solid waste compliance and permitting programs, substantially as presented and discussed at this meeting. This delegation of authority, in the President's opinion, would be appropriate for the prompt and orderly transaction of the business of the Authority.

The motion previously made and seconded was approved by roll call vote. Chairman Stein, Director Adams, Director Shanley, Director Hayden, Director Fortuna, Director Weisselberg, Director Hunter, Director Leclerc, and Director Brown voted yes.

Directors	**Aye**	**Nay**	**Abstain**
Chairman Stein	X		
John Adams	X		
Jim Hayden	X		
Scott Shanley	X		
Carl Fortuna	X		
Susan Weisselberg	X		
Bert Hunter	X		
Marcia Leclerc	X		
Suzette DeBeatham-Brown			
Ad Hoc Members	**Aye**	**Nay**	**Abstain**
Tom Swarr			
Luke Bronin			

7. Adjournment

Chairman Stein requested a motion to adjourn. The motion was made by Director Shanley and seconded by Director Leclerc. The meeting was adjourned at 10:53 a.m.

TAB 2

MATERIALS INNOVATION AND RECYCLING AUTHORITY

FIVE HUNDRED AND THIRTY-FOUR **AUGUST 11, 2021**

A Regular Telephonic (Zoom) Board meeting of the Materials Innovation and Recycling Authority Board of Directors was held on Wednesday, August 11, 2021. Present via audio or video conferencing were:

Directors:

Chairman Stein
John Adams
Jim Hayden
Carl Fortuna, Jr.
Susan Weisselberg
Bert Hunter
Marcia Leclerc
Suzette DeBeatham-Brown
Tom Swarr
Luke Bronin

Present from MIRA:

Tom Kirk, President
Mark Daley, Chief Financial Officer
Laurie Hunt, Director of Legal Services
Peter Egan, Director of Operations and Environmental Affairs
Thomas Gaffey, Director of Recycling & Enforcement
Cheryl Kaminsky, Manager of Accounting and Financial Reporting
Dave Bodendorf, Senior Environmental Engineer
Roger Guzowski, Contract and Procurement Manager
Tina Mateo, Assistant Director of Budget & Cash Management

Others Present:

Ann Catino, Halloran & Sage

Chairman Stein called the meeting officially to order at 9:33 a.m. and said that a quorum was present.

PUBLIC PORTION

Chairman Stein said the agenda allowed for a public portion in which the Board would accept written testimony and allow individuals to speak for a limit of three minutes. As there were no members of the public who wished to address the Board, the meeting commenced.

1. RESOLUTION REGARDING INTERRUPTIBLE CONTRACT WASTE DELIVERY AGREEMENT FOR DELIVERY OF ACCEPTABLE SOLID WASTE TO THE CONNECTICUT SOLID WASTE SYSTEM

Chairman Stein requested a motion on the above-referenced item. The motion was made by Director Adams and seconded by Director Hunter.

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

- Country Transfer LLC
- Murphy Road Recycling LLC

The motion previously made and seconded was approved by roll call vote. Chairman Stein, Director Adams, Director Hayden, Director Fortuna, Director Weisselberg, Director Hunter, Director Leclerc, Director Brown, Ad Hoc Swarr and Ad Hoc Bronin voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
John Adams	X		
Jim Hayden	X		
Carl Fortuna	X		
Susan Weisselberg	X		
Bert Hunter	X		
Marcia Leclerc	X		

Suzette DeBeatham-Brown	X		
Ad Hoc Members	**Aye**	**Nay**	**Abstain**
Tom Swarr	X		
Luke Bronin	X		

2. Discussion regarding solid waste permit modification application associated with conducting MSW transfer activities at the Waste Processing Facility.

President Kirk reviewed DEEP's requirements for MIRA's proposed permit modification application, and the steps that MIRA is taking or plans to take, to meet those requirements, and solicited input from the Board. He also reviewed the efforts of the other regional waste authorities to improve diversion rates and institute innovative recycling programs.

Director Bronin reiterated the City of Hartford's opposition to long-term use of the MIRA South Meadows property as a transfer station. Chairman Stein responded that MIRA recognizes the City's position, and believes that MIRA, the City, and DEEP should be meeting to discuss the means by which MIRA can satisfy its contractual obligations to the participating municipalities through 2027. Director Bronin agreed that the City would be interested in participating in such meetings. President Kirk said that he will set up an initial meeting.

3. **Adjournment**

Chairman Stein requested a motion to adjourn. The motion was made by Chairman Stein and seconded by Director Hayden. The meeting was adjourned at 10:27 a.m.

TAB 3

RESOLUTION REGARDING ACCEPTANCE OF THE FISCAL YEAR 2021 ANNUAL FINANCIAL REPORT

RESOLVED: That the Board of Directors hereby accepts the Fiscal Year 2021 Annual Financial Report as discussed and presented in this meeting.

Materials Innovation and Recycling Authority

MATERIALS INNOVATION AND RECYCLING AUTHORITY

A Component Unit of the State of Connecticut

ANNUAL FINANCIAL REPORT

FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

Materials Innovation and Recycling Authority
A Component Unit of the State of Connecticut

ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Materials Innovation and Recycling Authority
Rocky Hill, Connecticut

We have audited the accompanying financial statements of the Materials Innovation and Recycling Authority (the Authority) (a component unit of the State of Connecticut), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United State of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Materials Innovation and Recycling Authority as of June 30, 2021, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of the Materials Innovation and Recycling Authority as of June 30, 2020, were audited by other auditors, whose report dated September 30, 2020, expressed an unmodified opinion on those statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers them to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The combining schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

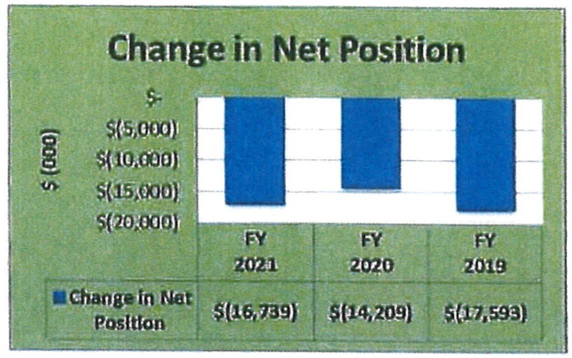
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September XX, 2021 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Hartford, Connecticut
September XX, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) of the Materials Innovation and Recycling Authority's financial performance provides an overview of the Authority's financial activities for the years ended June 30, 2021 and 2020. Please read it in conjunction with the Authority's financial statements that follow this section. The MD&A is intended to provide meaningful information for the current year, and in comparison to prior years, thereby enhancing the reader's understanding of the Authority's financial position and the results of its operations.



Fiscal year 2021 represents a turning point for the Authority marked by recognition of the need to prepare to suspend its waste combustion activities. In fiscal year 2021, the Authority generated total operating revenue of $71.76 million and incurred $73.25 million in operating expenses before depreciation, resulting in an operating loss before depreciation of $1.49 million. Total operating revenues decreased by $2.51 million (3.4%) reflecting reduced energy sales, other service charges and other operating revenue partially offset by increased member service charges. Total operating expenses before depreciation decreased by $0.87 million (1.2%) primarily reflecting reduced solid waste operations, and reduced administrative and operational services, partially offset by an increase in maintenance and utilities and including $5.46 million in contractor severance and decommissioning costs recognized in anticipation of suspending waste combustion activities. Income before depreciation decreased by $1.64 million from fiscal year 2020 to fiscal year 2021. After $14.67 million in depreciation and amortization expenses, the Authority incurred a $16.16 million operating loss. The Authority also incurred net non-operating expenses of $0.58 million resulting in a total reduction in the Authority's net position of $16.74 million.

The Authority's total assets decreased by $10.98 million (11.8%) reflecting a $13.73 million (30.1%) reduction in net capital assets offset by a $2.75 million (5.8%) increase in total current assets. The Authority's total liabilities increased by $5.76 million (104.3%).

The most significant economic factors with the potential to adversely affect the Authority are its Connecticut Solid Waste System ("CSWS") business model, the age and serviceability of the CSWS Waste to Energy Facility ("WTE Facility"), and the Department of Energy and Environmental Protection's ("DEEP's") unsuccessful initiative to redevelop the CSWS known as "Resource Rediscovery". These challenges were exacerbated in fiscal year 2021 by the emergence and impact of the Covid 19 pandemic, settlement of disputes concerning operation of the CSWS Recycling Facility and the need to provide for the suspension of waste combustion at the WTE Facility and its eventual decommissioning.

The CSWS business model is challenging due to its reliance on volatile non-disposal fee revenue to maintain disposal fees for CSWS participating municipalities below the levels that trigger their contract termination provisions. While the Authority has mitigated this challenge by subsidizing the CSWS to the extent it can with income and reserves from its Property Division, the adopted tip fees for fiscal years 2018 through 2022 exceeded these triggers, and the Authority's ability to continue this subsidy diminishes greatly in its fiscal year 2023.

Major components of the WTE Facility have reached the end of their useful life and its operational performance has declined steadily. This decline was dramatically demonstrated in fiscal year 2019 by the failure of its two steam turbines and continues to be evident in its key performance metrics including boiler availability, energy generation and waste throughput.

Recognizing the sustainability challenges of the CSWS and its WTE Facility, the State empowered DEEP to undertake a request for proposals process to provide for its redevelopment. On December 31, 2017, DEEP selected the Sacyr Rooney Recovery Team, LLC (SRRT) to refurbish the existing CSWS infrastructure while incorporating new waste diversion technology, as its preferred redevelopment of the CSWS. The Authority engaged in extensive discussions with SRRT to establish a feasible project structure, in the best interests of the municipalities to be served, and consistent with both the Authority's enabling legislation and DEEP's RFP. These challenges were addressed in a Memorandum of Understanding ("MOU") signed at the close of fiscal year 2019. The MOU established a staged development framework prioritizing refurbishment of the WTE Facility, a capacity and revenue sharing model, performance guarantees, public governance, Authority financing of the WTE Facility refurbishment, SRRT financing of its proposed diversion technology, and strict deadlines to move the project forward.

During fiscal year 2020, the Authority and SRRT executed a fully developed term sheet consistent with the MOU which included detail financial and demand forecasts as well as the tipping fees required to support the project. Upon execution of the term sheet, the Authority actively sought to secure long term municipal waste commitments reflecting the required tipping fees. However, the Authority was not successful in securing these commitments primarily because the tipping fee was considered too high. The Authority then sought additional support for the project from the State in the form of energy price support, State bond support or demand support (through "flow control"). The Authority advised SRRT that, in the absence of such State support, the project was not viable and the Authority would withdraw from further negotiations and terminate the term sheet. During fiscal year 2021, the State formally rejected any such support. Accordingly, the Authority withdrew from further negotiation, terminated the term sheet, immediately issued a new request for proposals for continued operation of the CSWS Recycling Facility, and commenced planning and contracting activities necessary to suspend waste combustion and transition the WTE Facility to transfer operations.

Despite the unsuccessful conclusion of DEEP's Resource Rediscovery, the Authority has made significant progress toward the goal of serving its municipal customers at least through expiration of its municipal service agreements on June 30, 2027. This progress is outlined further in the Economic Factors and Outlook section of the MD&A. Regrettably this will require the use of alternative disposal capability, waste transfer, out-of-state landfill disposal and displacement of certain customers. The Authority is hopeful that these steps will ultimately represent stop gap measures taken pending new waste management infrastructure development initiatives in the State. Strong collaboration among the State, DEEP, the Authority and CSWS participating municipalities is essential to any such development.

Using This Report

The Authority is an enterprise fund of the State of Connecticut. Enterprise funds are used in governmental accounting to present activities where fees are charged to external customers for goods that are sold or services that are rendered. Usually these activities are financed by debt that is secured solely by a pledge of the operating revenues of that activity.

The Authority's financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows. The financial statements utilize the economic resources measurement focus and the accrual basis of accounting in conformity with generally accepted accounting principles as applied to governmental entities. This means that all assets and liabilities associated with the operation of the Authority are included on its Statement of Net Position, and that all revenues and expenses are recognized when earned and incurred, respectively, on its Statement of Revenues, Expenses and Changes in Net Position.

The Authority's net position is presented in three components (i) net investment in capital assets, (ii) restricted, and (iii) unrestricted. Net position presented as net investment in capital assets consists of all significant capital assets owned by the Authority, net of accumulated depreciation, and reduced by any outstanding balances of bonds or other debt related to the acquisition, construction, or improvement of those assets. Capital assets include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, infrastructure, and all other tangible or intangible assets that are used in operations that have an initial useful life beyond one year. Capital assets are depreciated over their useful lives and periodic depreciation expense is reported in the Statement of Revenues, Expenses and Changes in Net Position. Net Position is presented as restricted when constraints are placed on the Authority's assets by creditors, grantors, laws or imposed by law through constitutional provisions or enabling legislation.

The Statement of Revenues, Expenses and Changes in Net Position reflect the operating and non-operating revenues and expenses of the Authority for the fiscal year with the difference representing the change in net position. That change, combined with the prior year-end net position total, reconciles to the net position total at the end of the current fiscal year.

The Statement of Cash Flows reports cash activities for the fiscal year resulting from operating activities, capital and related financing activities, non-capital financing activities and investing activities. The net result of these activities added to the beginning of the year cash balance reconciles to the cash balance at the end of the current fiscal year.

Unless otherwise stated, all dollar values presented in this MD&A are in thousands.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is important to understanding the financial statements. They are presented following this MD&A and the Authority's financial statements.

Supplemental Information

Supplemental information includes a Combining Schedule of Statement of Net Position, a Combining Schedule of Revenues, Expenses and Changes in Net Position, a Combining Schedule of Cash Flows, and a Combining Schedule of Net Position. These schedules segment the Authority's financial activities for the year ended June 30, 2021 between the various operating divisions and projects comprising the Authority. This segmentation reflects the terms and conditions of facility operating contracts, service agreements, related documents and statutes generally providing for the financial self-sufficiency of such projects and divisions as described further in Note 1A to the Financial Statements (Entity and Services). For fiscal year 2021, these projects and divisions include:

- Authority General Fund
- Connecticut Solid Waste System
- Property Division
- Landfill Division
- Mid Connecticut Project (for project closeout purposes)

Required Additional Reports

Required additional reports include a report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*.

Statement of Net Position

The net position of the Authority is summarized in Table 1. Net position is a measurement of the Authority's financial condition at one point in time. As indicated in Table 1, the Authority's net position as of June 30, 2021 (total assets less total liabilities) was $70,780 which represents a $16,739 (19.1%) reduction from the prior year. The $16,739 reduction in net position is the result of the decrease in total assets of $10,978 shown on Table 2, combined with an increase in total liabilities of $5,761 shown on Table 3.

TABLE 1
STATEMENT OF NET POSITION
As of June 30,
(Dollars in Thousands)

	2021	2020	2019
ASSETS			
Current unrestricted assets	$ 49,095	$ 47,212	$ 50,518
Current restricted assets	1,103	230	209
Total current assets	50,198	47,442	50,727
Non-current assets:			
Capital assets, net	31,863	45,597	56,672
Total non-current assets	31,863	45,597	56,672
TOTAL ASSETS	$ 82,061	$ 93,039	$ 107,399
LIABILITIES AND NET POSITION			
LIABILITIES			
Current unrestricted liabilities	$ 10,229	$ 5,341	$ 5,512
Current restricted liabilities	1,052	179	159
Total current liabilities	11,281	5,520	5,671
TOTAL LIABILITIES	11,281	5,520	5,671
NET POSITION			
Net investment in capital assets	31,863	45,597	56,672
Restricted	51	51	50
Unrestricted	38,866	41,871	45,006
TOTAL NET POSITION	70,780	87,519	101,728
TOTAL LIABILITIES AND NET POSITION	$ 82,061	$ 93,039	$ 107,399

Assets

The Authority's total assets are further summarized on Table 2. The $10,978 reduction in total assets reflects a $2,756 (5.8%) increase in current assets offset by a $13,734 (30.1%) reduction in non-current assets.

Current Assets

The Authority's total current assets increased by $2,756 (5.8%) reflecting increases in cash and cash equivalents, receivables, net of allowances and prepaid expenses, partially offset by a reduction in inventory.

Unrestricted cash and cash equivalents increased by a total of $1,208 (3.8%) from June 30, 2020 to June 30, 2021 which includes the net effect of funds transferred from the Property Division to the CSWS in support of CSWS operations.

Unrestricted cash and cash equivalents associated with the CSWS increased by $6,820 reflecting enhanced support from the Property Division's tip fee stabilization fund and general fund provided in response to both the financial impacts of the Covid 19 pandemic and settlement of contractor disputes over operation of the CSWS Recycling Facility. Savings in budget versus actual CSWS operating expenses and an increase to the carrying value of the CSWS major maintenance fund also contributed to this increase.

Unrestricted cash and cash equivalents associated with the Authority's Property Division declined by $5,442 primarily due to its support of the CSWS. A reduction in the carrying value of the Property Division's improvement fund and jets major maintenance reserve also contributed to this reduction.

Unrestricted cash and cash equivalents associated with the Authority's Landfill Division declined by $212 primarily reflecting use of the division's pollution insurance reserve.

Unrestricted cash and cash equivalents associated with the Mid Connecticut Project declined by $21 with application of approved member town distributions to current CSWS billings.

Unrestricted cash and cash equivalents associated with the Authority's general administration increased by $63 primarily due to increased funding in its severance reserve.

Restricted cash and cash equivalents increased by $873 (379.6%) from June 30, 2020 to June 30, 2021. This increase is directly associated with waste hauler customer replacement of payment bonds with cash guarantee of payments.

The $637 (9.2%) increase in receivables, net of allowances, is primarily attributed to a $738 (12.1%) increase in CSWS accounts receivable partially offset by a $101 reduction in accounts receivable associated with the Property Division and Landfill Division. CSWS accounts receivable associated with electricity sales, metal sales, tip fees and contractor reimbursements all increased, and were partially offset by settlement of disputes over operation of the CSWS Recycling Facility and receipt of settlement funds due for a wheel loader fire.

Other changes in Current Assets are associated with the Authority's normal business cycle.

The consolidated nature of the Authority's current assets summarized on Table 2 does not reflect amounts due from other funds. Amounts due from other funds increased significantly within the

Property Division from fiscal year 2020 to fiscal year 2021 due to increased borrowings from the Property Division's tip fee stabilization fund. Amounts borrowed and used to supplement the CSWS operating and major maintenance accounts are recognized as due from other funds in the Authority's Combining Schedule of Statement of Net Position attached as Exhibit A to the Financial Statements. Tip fee stabilization funds loaned and used to supplement the CSWS improvement fund are not recognized as due from other funds in the Authority's financial statements as both of these funds reside within the Property Division. These funds are internally tracked and considered contingently due to the tip fee stabilization fund.

Non-Current Assets

The $13,734 (30.1%) reduction in non-current assets reflects a $13,165 (70.2%) reduction in depreciable assets together with a $569 (2.1%) reduction in non-depreciable assets.

The $13,165 (70.2%) reduction in depreciable assets reflects fiscal year 2021 additional accumulated depreciation of $14,667 combined with net sales and disposals of assets (write offs) of $135 which were partially offset by additions and transfers to capital assets of $1,637. Additions and transfers to capital assets included loader and turbine acquisition and repair work. The $569 (2.1%) reduction in non-depreciable assets is exclusively a reduction in construction in progress primarily associated with the previous end of useful life of major components of the WTE Facility.

TABLE 2
SUMMARY OF CURRENT AND NON-CURRENT ASSETS
Fiscal Years Ended June 30,
(Dollars in Thousands)

	2021	2020	2021 Increase/ (Decrease) from 2020	2021 Percent Increase/ (Decrease)	2019	2020 Increase/ (Decrease) from 2019	2020 Percent Increase/ (Decrease)
CURRENT ASSETS							
Unrestricted Assets:							
Cash and cash equivalents	$ 33,199	$ 31,991	$ 1,208	3.8%	$ 31,169	$ 822	2.6%
Receivables, net of allowances	7,595	6,958	637	9.2%	11,083	(4,125)	(37.2%)
Inventory	5,572	5,833	(261)	(4.5%)	5,779	54	0.9%
Prepaid expenses	2,729	2,430	299	12.3%	2,487	(57)	(2.3%)
Total Unrestricted Assets	49,095	47,212	1,883	4.0%	50,518	(3,306)	(6.5%)
Restricted Assets:							
Cash and cash equivalents	1,103	230	873	379.6%	209	21	10.0%
TOTAL CURRENT ASSETS	50,198	47,442	2,756	5.8%	50,727	(3,285)	(6.5%)
NON-CURRENT ASSETS							
Capital Assets:							
Depreciable, net	5,581	18,746	(13,165)	(70.2%)	25,889	(7,143)	(27.6%)
Nondepreciable	26,282	26,851	(569)	(2.1%)	30,783	(3,932)	(12.8%)
TOTAL NON-CURRENT ASSETS	31,863	45,597	(13,734)	(30.1%)	56,672	(11,075)	(19.5%)
TOTAL ASSETS	$ 82,061	$ 93,039	$ (10,978)	(11.8%)	$ 107,399	$ (14,360)	(13.4%)

Liabilities

The Authority's total liabilities are further summarized on Table 3.

The $5,761 (104.4%) increase in current liabilities from fiscal year 2020 to fiscal year 2021 reflects a $5,471 (164.3%) increase in accrued expenses payable from unrestricted assets, and a $873 (487.7%) increase in accrued expenses payable from restricted assets which was partially offset by a $583 (29.6%) reduction in accounts payable.

The $5,471 (164.3%) increase in accrued expenses payable from unrestricted assets is primarily associated with the Authority's plan to suspend waste combustion at the WTE Facility and transition it to a waste transfer operation. In order to ensure the availability of qualified contractor personnel to operate the WTE Facility through this transition, the Authority has amended the facility operating agreement to provide severance payments to contract personnel that remain on the job until released with the Authority's consent. The Authority's liability for such severance payments is estimated at $2,156. Upon completion of this transition, the Authority will also proceed to undertake certain decommissioning work within the WTE Facility in anticipation of its transfer to a future developer. This work will primarily include cleaning the WTE Facility and support infrastructure of municipal solid waste, ash and other associated residue caused by its conversion and use as a waste to energy facility, undertaking ACM and PCB surveys, and sealing and securing building structures. This work is estimated at $3,300. Other increases to accrued expenses payable from unrestricted assets totaled $15.

The $873 (487.7%) increase in accrued expenses payable from restricted assets reflects waste hauler customer replacement of payment bonds with cash guarantee of payments.

The $583 (29.6%) reduction in accounts payable is mostly attributed to reductions to CSWS contractor accounts payable which declined by $560.

The Authority has no long-term liabilities. The Authority's Resource Recovery Revenue Refunding Bonds (Covanta Southeastern Connecticut Company Project – 2010 Series A) supported by a Special Capital Reserve Fund (SCRF), were fully paid in fiscal year 2016. These were the Authority's only outstanding bonds at that time and the Authority has not subsequently incurred any long-term liabilities.

The consolidated nature of the Authority's current liabilities summarized on Table 3 does not reflect amounts due to other funds. Amounts due to other funds increased significantly within the CSWS from fiscal year 2020 to fiscal year 2021 due to increased borrowing from the Property's Division's tip fee stabilization fund. Amounts borrowed and used to supplement the CSWS operating and major maintenance accounts are recognized as due to other funds in the Authority's Combining Schedule of Statement of Net Position attached as Exhibit A to the Financial Statements. Tip fee stabilization funds loaned and used to supplement the CSWS improvement fund are not recognized as due from other funds in the Authority's financial statements as both of these funds reside within the Property Division. These funds are internally tracked and considered contingently due to the tip fee stabilization fund.

TABLE 3
SUMMARY OF CURRENT AND LONG-TERM LIABILITIES
Fiscal Years Ended June 30,
(Dollars in Thousands)

	2021	2020	2021 Increase/ (Decrease) from 2020	2021 Percent Increase/ (Decrease)	2019	2020 Increase/ (Decrease) from 2019	2020 Percent Increase/ (Decrease)
CURRENT LIABILITIES							
Payable from unrestricted assets:							
Accounts payable	$ 1,390	$ 1,973	$ (583)	(29.6%)	$ 2,344	$ (371)	(15.8%)
Accrued expenses and other current liabilities	8,801	3,330	5,471	164.3%	2,347	983	41.9%
Unearned revenue	38	38	-	0.0%	821	(783)	(95.4%)
Total payable from unrestricted assets	10,229	5,341	4,888	91.5%	5,512	(171)	(3.1%)
Payable from restricted assets:							
Accrued expenses and other current liabilities	1,052	179	873	487.7%	159	20	12.6%
Total payable from restricted assets	1,052	179	873	487.7%	159	20	12.6%
TOTAL CURRENT LIABILITIES	11,281	5,520	5,761	104.4%	5,671	(151)	(2.7%)
TOTAL LIABILITIES	$ 11,281	$ 5,520	$ 5,761	104.4%	$ 5,671	$ (151)	(2.7%)

Statements of Revenues, Expenses and Changes in Net Position

The reduction in the Authority's net position from June 30, 2020 to June 30, 2021 shown on Table 1 was generated from the change in net position shown on Table 4, Statement of Revenues, Expenses and Changes in Net Position for the year ended June 30, 2021. Changes in net position represent the results of operations of the Authority (i.e. its net income).

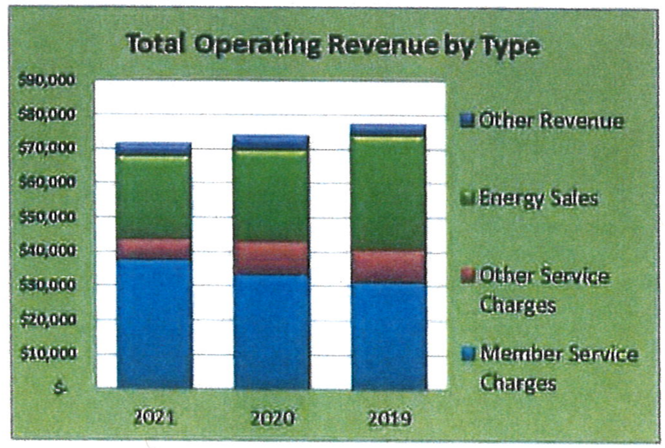
The $16,739 reduction in net position reflects total operating and non-operating revenues of $72,634 as shown on Table 5 being exceeded by total operating and non-operating expenses of $89,373 as shown on Table 6. The Authority incurred a $1,488 loss before depreciation and before certain net non-operating expenses. Depreciation and amortization expenses totaled $14,669 and the Authority incurred net non-operating expenses of $582.

TABLE 4
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Fiscal Years Ended June 30,
(Dollars in Thousands)

	2021	2020	2019
Operating revenues	$ 71,765	$ 74,280	$ 77,508
Operating expenses	73,253	74,127	67,541
Income before depreciation and amortization and other non-operating revenues and (expenses), net	(1,488)	153	9,967
Depreciation and amortization	14,669	12,633	39,054
Loss before other non-operating revenues and (expenses), net	(16,157)	(12,480)	(29,087)
Non-operating revenues (expenses), net	(582)	(1,729)	11,494
Change in net position	(16,739)	(14,209)	(17,593)
Total net position, beginning of year	87,519	101,728	119,321
Total net position, end of year	$ 70,780	$ 87,519	$ 101,728

Revenues

Table 5 summarizes total revenue (operating and non-operating) for the three prior fiscal years ended June 30, 2021. Total operating and non-operating revenue decreased by $2,222 (3.0%) from fiscal year 2020 to fiscal year 2021.



As indicated in Table 5, operating revenue decreased by $2,515 (3.4%) from fiscal year 2020 to fiscal year 2021. Other service charges declined $3,472 (36.1%), energy sales declined $2,670 (9.9%) and other operating revenue declined $541 (13.0%). These reductions were partially offset by a $4,168 (12.4%) increase in member service charges.

The Authority's other service charges decreased by $3,472 (36.1%) from fiscal year 2020 to fiscal year 2021. All other service charges are associated with operation of the CSWS and reflect MSW deliveries by non-participating municipalities. Overall the volume of these deliveries declined by 35.7% from fiscal year 2020 to fiscal year 2021. Economic uncertainty caused by the Covid 19 pandemic resulted in a lack of delivery commitments being made pursuant to the Authority's Waste Hauler contracts. The Authority also increased its tip fees due under the Waste Hauler contracts. These two factors lead to a migration to lower priced contracting alternatives including the Authority's Interruptible Contract and Spot Market deliveries. While deliveries under Waste Hauler contracts declined by 71.3%, Interruptible Contract and Spot Market deliveries increased by 197.2%.

The Authority's energy sales decreased by $2,670 (9.9%) from fiscal year 2020 to fiscal year 2021. The majority of this decrease is attributed to energy sales within the Property Division which decreased by $3,271 (24.3%) due to continuing reductions in ISO New England's capacity payments for the Authority's Jet Peaking Units. ISO New England's capacity payment rate declined by 24.7%. Energy sales within the Landfill Division, derived from operation of the Hartford Landfill solar array, declined a modest $6 (4.7%). These reductions were partially offset by a $606 (4.5%) increase in CSWS energy sales. The CSWS increase was driven by the price of its Class II Renewable Energy Credits, which increased from eight dollars ($8.00) per credit in fiscal year 2020 to twelve dollars ($12.00) per credit in fiscal year 2021. While CSWS electricity generation declined by 8.3% in fiscal year 2021, the price paid for electric generation increased by 8.9%, which allowed for a very modest 0.1% reduction in CSWS electric generation revenue.

The Authority's other operating revenue declined by $541 (13.0%) from fiscal year 2020 to fiscal year 2021. Other operating revenue associated with the CSWS declined by $450 (12.9%) while the Property and Landfill divisions combined for a reduction of $91.

The $450 (12.9%) reduction in CSWS other operating revenue is mostly attributable to reduced recycling revenue within the CSWS. Recycling sales declined by $776 (44.2%) with settlement of disputes over operation of the CSWS Recycling Facility and the associated transition away from a revenue sharing contract type. Recycling service charges for delivery of recycling by non-participating municipalities also decreased by $340 (49.5%). These reductions were partially offset by a $580 (76.1%) increase in metal sales revenue driven by an 86.0% increase in the average price the Authority received for its recovered metals, and a $92 (34.1%) increase in fees for the delivery of bulky waste. CSWS rental and miscellaneous income declined by $6.

The Authority's member service charges increased by $4,168 (12.4%) from fiscal year 2020 to fiscal year 2021. All member service charges are associated with operation of the CSWS. The tip fee paid by all participating municipalities increased by eight dollars ($8.00) per ton effective July 1, 2020 (commencement of fiscal year 2021). Total tons of municipal solid waste ("MSW") delivered by participating municipalities increased by 2.5%.

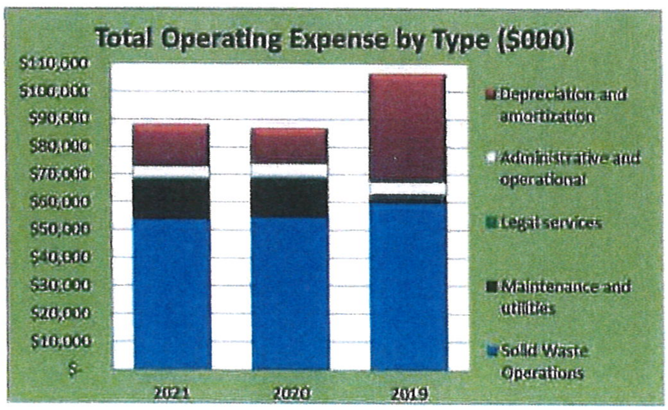
Table 5 also indicates that non-operating revenue increased by $293 (50.9%) from fiscal year 2020 to fiscal year 2021. While fiscal year 2020 non-operating revenue was dominated by $423 in investment income, fiscal year 2021 was dominated by settlement income of $844 representing insurance reimbursement of legal fees associated with operation of the Recycling Facility.

TABLE 5
SUMMARY OF OPERATING AND NON-OPERATING REVENUES
Fiscal Years Ended June 30,
(Dollars in Thousands)

	2021	2020	2021 Increase/ (Decrease) from 2020	2021 Percent Increase/ (Decrease)	2019	2020 Increase/ (Decrease) from 2019	2020 Percent Increase/ (Decrease)
Operating Revenues:							
Member service charges	$ 37,753	$ 33,585	$ 4,168	12.4%	$ 31,264	$ 2,321	7.4%
Other service charges	6,153	9,625	(3,472)	(36.1%)	9,546	79	0.8%
Energy sales	24,228	26,898	(2,670)	(9.9%)	33,399	(6,501)	(19.5%)
Other operating revenues	3,631	4,172	(541)	(13.0%)	3,299	873	26.5%
Total Operating Revenues	71,765	74,280	(2,515)	(3.4%)	77,508	(3,228)	(4.2%)
Non-Operating Revenues:							
Investment income	25	423	(398)	(94.1%)	459	(36)	(7.8%)
Settlement income	844	153	691	451.6%	11,619	(11,466)	(98.7%)
Other income	-	-	-	n/a	-	-	n/a
Total Non-Operating Revenues	869	576	293	50.9%	12,078	(11,502)	(95.2%)
Total Revenues	$ 72,634	$ 74,856	$ (2,222)	(3.0%)	$ 89,586	$ (14,730)	(16.4%)

Expenses

Table 6 summarizes total expenses (operating expenses, depreciation and amortization, and non-operating expenses) for the three prior fiscal years ended June 30, 2021. As indicated, operating expenses decreased by $874 (1.2%) from fiscal year 2020 to fiscal year 2021. Depreciation and amortization increased by $2,036 (16.1%) and non-operating expenses decreased by $854 (37.0%) during this same period. Total expenses increased by $308 (0.3%).



The $874 (1.2%) decrease in Operating expenses (before depreciation and amortization) reflects a $466 (3.5%) increase in maintenance and utilities expenses more than offset by a $783 (1.4%) reduction in solid waste operations, a $548 (10.8%) reduction in administrative and operational services and $9 (1.5%) reduction in legal services as described below:

- The $466 (3.5%) increase in maintenance and utilities occurred entirely within the CSWS where maintenance and utilities expenses increased by $791 (6.1%). The $3,300 accrued cost to decommission the WTE Facility following suspension of waste combustion activities is included in this category of expense. Partially offsetting this expense were reductions to WTE Facility major maintenance activities imposed in response to the financial impacts of the Covid 19 pandemic and other offsetting reductions driven by the 5.9% reduction in waste delivered to the WTE Facility. Substantial components of the CSWS WTE Facility reached the end of their useful life on June 30, 2019. This brought an end to the process of capitalizing certain major maintenance activities in the fourth quarter of fiscal year 2019, effectively increasing maintenance expenses significantly in fiscal year 2020. Maintenance and utilities associated with the Property Division declined by $313 (75.8%) and the Landfill Division declined by $12.

- The $783 (1.4%) reduction in solid waste operations expense also occurred entirely within the CSWS where solid waste operations expense declined by $944 (1.8%). Solid waste operations expense within the Property Division increased by $98 (6.0%) primarily due to the cost of jet fuel, and Landfill Division expenses increased by $63 (171.6%) due to pollution insurance premium increases.

  The decline in CSWS solid waste operations expense is the net effect of several significant changes. The nature of operation of the CSWS Recycling Facility changed from a revenue sharing contract operation to one in which processing fees are paid by the Authority. This was necessary due to the collapse of recycling commodity markets and settlement of disputes over the operation of the facility. This resulted in additional recycling operations expenses of $2,007. The additional $2,156 cost of contractor severance the Authority committed to provide in order to secure WTE Facility operations through suspension of waste combustion are also accumulated here. The cost of CSWS insurance in fiscal year 2021 also increased by $542. Offsetting these increases were reductions in WTE Facility contract operations expense, ash disposal and other expenses that can also be traced to the 5.9% decline in waste delivered to the WTE Facility.

- The $548 (10.8%) decrease in administrative and operational services expense is centered within the Landfill Division where these expenses declined by $552 (88.8%). Other divisions combined for a net increase of $5. The reduction in Landfill Division spending is directly related to the Authority's efforts to negotiate a Comprehensive Development Agreement, including legal, engineering and consulting services, that were incurred in fiscal year 2020 to provide for the redevelopment of the CSWS consistent with DEEP's Resource Rediscovery initiative. These activities were discontinued in fiscal year 2021 when this initiative concluded unsuccessfully. These expenses were funded through the Landfill Division.

- The $9 (1.5%) decrease in legal services is the result of minor reductions in spending within the CSWS and Landfill Division.

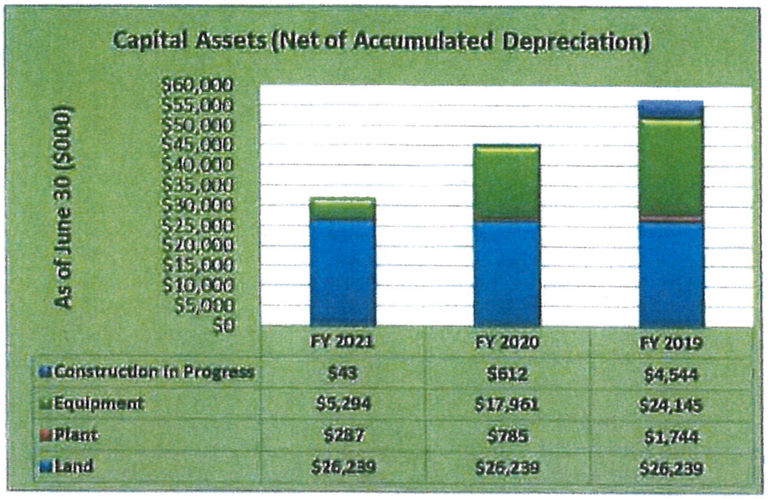
Depreciation and amortization expenses increased by $2,036 (16.1%) from fiscal year 2020 to fiscal year 2021. The depreciation schedule for the Jet Peaking Units was aligned with the May 31, 2023 expiration of the permit to operate these assets. Additions to the steam turbines and scheduled completion of depreciation on the WTE Facility's power block also contributed to this increase. Initially, substantial components of the WTE Facility reached the end of their useful life on June 30, 2019.

Non-operating expenses decreased by $854 from fiscal year 2020 to fiscal year 2021. In fiscal year 2020, non-operating expenses totaled $2,305 and included $1,975 in final distribution of surplus funds to Mid Connecticut Project participating municipalities, net sales and disposals of assets (write offs) totaling $283, payment of Mid Connecticut Project legal fees and other costs totaling $47. In fiscal year 2021, non-operating expenses primarily represented $1,300 in settlement expenses associate with operation of the CSWS Recycling Facility.

TABLE 6
SUMMARY OF OPERATING AND NON-OPERATING EXPENSES
Fiscal Years Ended June 30,
(Dollars in Thousands)

	2021	2020	2021 Increase/ (Decrease) from 2020	2021 Percent Increase/ (Decrease)	2019	2020 Increase/ (Decrease) from 2019	2020 Percent Increase/ (Decrease)
Operating Expenses:							
Solid waste operations	$ 54,161	$ 54,944	$ (783)	(1.4%)	$ 59,887	$ (4,943)	(8.3%)
Maintenance and utilities	13,967	13,501	466	3.5%	2,781	10,720	385.5%
Legal services - external	599	608	(9)	(1.5%)	76	532	700.0%
Administrative and operational services	4,526	5,074	(548)	(10.8%)	4,797	277	5.8%
Total Operating Expenses	73,253	74,127	(874)	(1.2%)	67,541	6,586	9.8%
Depreciation and amortization	14,669	12,633	2,036	16.1%	39,054	(26,421)	(67.7%)
Operating Exenses Including Depreciation and Amortization	87,922	86,760	1,162	1.3%	106,595	(19,835)	(18.6%)
Non-Operating Expenses:							
Settlement expenses	1,300	-	1,300	n/a	-	-	n/a
Distribution to SCRRRA		-	-	n/a	-	-	n/a
Distribution to Towns	19	1,975	(1,956)	(99.0%)	88	1,887	2144.3%
Other expenses	132	330	(198)	(60.0%)	496	(166)	(33.5%)
Total Non-Operating Expenses	1,451	2,305	(854)	(37.0%)	584	1,721	294.7%
Total Expenses	$ 89,373	$ 89,065	$ 308	0.3%	$ 107,179	$ (18,114)	(16.9%)

Capital Assets



The Authority's investment in capital assets (net of accumulated depreciation) as of June 30, 2021 totaled $31,863. This represents a $13,734 (30.1%) reduction from net capital assets as of June 30, 2020 which totaled $45,597. The Authority's investment in capital assets includes land, plant, equipment and construction in progress.

The Authority owns land used for waste management, energy and related purposes in Bridgeport, Ellington, Hartford, Essex, Shelton, Torrington, Wallingford, Waterbury and Watertown. Its plants primarily include the WTE Facility in Hartford, four transfer stations and a recycling facility. Equipment includes vehicles and machinery used in the Authority's waste processing and recycling operations. Construction in progress represents ongoing work for plant and equipment improvements or additions not yet in service. The substantial decrease in construction in progress reflects the process of no longer capitalizing certain major maintenance activities conducted within the CSWS Waste to Energy Facility.

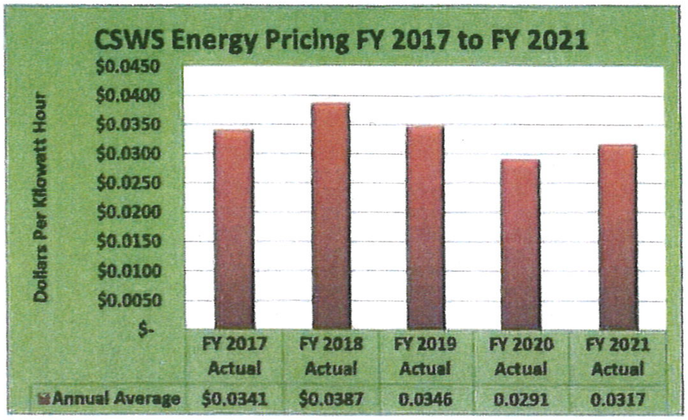
The reduction in net capital assets primarily reflects the cumulative effect of additions to construction in progress, less transfers out of construction in progress (to put assets into service), less net sales and disposals and depreciation expense as described more fully in Note 3.

Long-Term Debt Issuance, Administration and Credit Ratings

As of June 30, 2021, the Authority had no outstanding long-term debt carried on its books.

Economic Factors and Outlook

The most significant economic factors with the potential to adversely affect the Authority are its CSWS business model, the pending loss of surplus revenue from the Authority's Jet Peaking Units used to support the CSWS business model, the age and serviceability of the CSWS WTE Facility and the unsuccessful conclusion of DEEP's proposed redevelopment of the CSWS.



CSWS Business Model

The business model for the CSWS is structured by State statute and municipal service agreements such that participating town waste disposal fees ("tip fees") are to be set at the level necessary to fund the net cost of operation of the CSWS. The net cost of operation is the total operating budget less non-disposal fee revenue where non-disposal fee revenue primarily consists of the sale of electricity, recycling activities and disposal fees for waste not contractually committed to the CSWS ("non-participating towns"). Consequently, price volatility in these markets directly impacts the tip fees charged to participating towns. Most of the Authority's participating town contracts include tip fee caps above which the towns may terminate the contract ("opt-out tip fee").

To support the CSWS business model, the Authority established a tip fee stabilization fund which has been drawn upon to subsidize the CSWS when non-disposal fee revenues are low, thereby avoiding the opt-out tip fee, and which is to be reimbursed as non-disposal fee revenues rebound. The tip fee stabilization fund was established within the Authority's Property Division primarily with income from its Jet Peaking Units. However, the Authority's permit to operate the Jet Peaking Units expires May 31, 2023 under DEEP's Phased Compliance Program. Jet Peaking Unit income peaked in fiscal year 2019 at $16,642 and will decline steadily to approximately $6,700 in fiscal year 2023, their last year of operation. The cash balance of the tip fee stabilization fund at June 30, 2021 was $1 and a total of $60,163 was reimbursable from the CSWS contingent upon its future financial performance and availability of surplus funds.

The Authority was successful in establishing tip fees below contractual opt-out provisions from the inception of the CSWS through adoption of its fiscal year 2017 budget. However, a sustained erosion of non-disposal fee revenue driven by declining energy pricing and performance of the WTE Facility caused the adopted tip fee to exceed the opt-out tip fee for fiscal years 2018 through 2021. During this period the Authority successfully used the tip fee stabilization fund to limit these increases and no CSWS participating towns opted out of the contract, effectively preserving organized demand for a potential CSWS redevelopment. However, with the unsuccessful conclusion of DEEP's proposed CSWS redevelopment, three towns opted out of the contract upon adoption of a one hundred five dollar ($105.00) municipal tip fee for fiscal year 2022 (East Hartford, Roxbury and North Branford).

The adopted budget for fiscal year 2022 reflected a fourteen dollar ($14.00) per ton increase in participating town tip fees as well as continued subsidy from the tip fee stabilization fund. Property Division income and reserves, substantially attributed to the Jet Peaking Units, will continue to flow to this fund in fiscal year 2022.

Age and Serviceability of the CSWS Waste to Energy Facility

Substantial components of the WTE Facility reached the scheduled end of their useful life on June 30, 2019 and are fully depreciated. Remaining components have since been fully depreciated. The facility's age and serviceability is readily apparent in its fiscal year 2021 performance trends. In fiscal year 2021, the WTE Facility's average monthly combined boiler availability was 60.0% meaning that, on average, each of the facility's three boilers were unavailable 40.0% of the time due to equipment failure and major maintenance requirements. There are also increasing occasions where reduced waste flow, caused by economic contraction and increased tip fees, also prompted boiler unavailability. During fiscal year 2021 the WTE Facility received 488,285 tons of MSW delivered under municipal and hauler contracts, a 30,677 ton (5.9%) reduction in deliveries from fiscal year 2020. In fiscal year 2021, the facility generated 250.08 million kilowatt hours of energy, a 22.58 million kilowatt hour (8.3%) reduction from fiscal year 2020.

Unsuccessful Conclusion of DEEP's Proposed Redevelopment of 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 was to set a process in motion, with specific roles and deadlines for the Authority, DEEP and the private sector that would bring about the redevelopment of the CSWS. Major milestones included completion of a two-phase Request for Proposals (RFP) process, legislative reports and public hearings culminating in DEEP's selection of a preferred proposal and its December 31, 2017 direction to the Authority to enter into an agreement for the redevelopment of the CSWS with its selected respondent (the Sacyr Rooney Recovery Team, LLC or "SRRT"). The original SRRT proposal represented a $222 million investment in the refurbishment of the WTE Facility together with the incorporation of new "Diversion Technology" which would include new mechanical and biological treatment facilities and an aerobic digester and be provided at a reduced tip fee. DEEP's initial objective was that a contract providing for the redevelopment be executed by July 1, 2018. The redeveloped CSWS was expected to commence operations by July 1, 2023.

During fiscal years 2018 and 2019, the Authority actively engaged in negotiations with SRRT aimed at bringing the proposed redevelopment project to fruition in a manner consistent with its municipal service agreements, the contracting requirements of its enabling legislation, relevant provisions of the Act and DEEP's RFP. Key topics addressed included financial feasibility, project structuring, governance and risk allocation, disposition and use of surplus revenue and municipal tip fees. The discussions culminated at the close of fiscal year 2019 with agreement on a Memorandum of Understanding outlining the roles and responsibilities of each party for each of these areas. The MOU also established a November 15, 2019 deadline for the execution of a fully developed term sheet, and an October 15, 2020 deadline for execution of a Comprehensive Development Agreement.

During fiscal year 2020, the Authority and SRRT completed additional due diligence and executed a fully developed term sheet consistent with the MOU which included detailed financial and demand forecasts as well as the tipping fees required to support the project. The term sheet called for a one hundred forty five dollar ($145) per ton tip fee upon completion of construction and annual escalation thereafter. Upon execution of the term sheet, the Authority actively sought to secure long term municipal waste commitments reflecting the required tipping fees. These efforts included statewide, regional and individual municipal presentations and surveys setting forth the municipal commitments and tip fees necessary to finance the Project. The Authority was not successful in securing these commitments as the tipping fee was considered too high and length of commitment to the project too long. The Authority then sought additional support for the project from the State in the form of energy price support, State bond support or demand support (through "flow control"). The Authority drafted and aggressively pursued proposed legislation in each of these areas. The Authority advised SRRT that, in the absence of such State support, the project was not viable and the Authority would withdraw from further negotiations and terminate the Term Sheet.

Early in fiscal year 2021, the State formally rejected any such support. Accordingly, the Authority withdrew from further negotiations and terminated the term sheet. To ensure the continuance of waste management services to its CSWS participating municipalities, the Authority also immediately issued an RFP for operation and potential redevelopment of the CSWS Recycling Facility and commenced planning and contracting activities necessary to suspend waste combustion and transition the WTE Facility to a more reliable waste transfer operation. The current status of these initiatives is summarized below:

- The Authority has concluded its RFP process for the CSWS Recycling Facility and entered into a contract with Murphy Road Recycling to operate it as a recycling transfer facility effective from May 1, 2021 through the June 30, 2027 expiration of the CSWS Municipal Service Agreements.
- The Authority issued two RFPs for the transportation and disposal of four hundred and thirty thousand (430,000) tons of municipal solid waste annually commencing as early as January 1, 2022 and ending June 30, 2027. The RFPs were issued May 14, 2021. One RFP was targeted at other regional waste to energy or transfer facilities and the other was targeted at out of state landfills. Proposals were received August 25, 2021 and are being evaluated.
- The Authority issued an RFP for the operation, maintenance and optional future development of CSWS Transfer Facilities on June 16, 2021. This RFP envisions the suspension of waste combustion and commencement of transfer operations in Hartford effective July 1, 2022. Proposals are due September 20, 2021 and will be evaluated upon receipt.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, 200 Corporate Place, Rocky Hill CT 06067.

MATERIALS INNOVATION AND RECYCLING AUTHORITY
A Component Unit of the State of Connecticut
STATEMENTS OF NET POSITION
AS OF JUNE 30, 2021 AND JUNE 30, 2020
(Dollars in Thousands)

EXHIBIT I
Page 1 of 2

	2021	2020
ASSETS		
CURRENT ASSETS		
Unrestricted Assets:		
Cash and cash equivalents	$ 33,199	$ 31,991
Accounts receivable, net of allowances	7,595	6,958
Inventory	5,572	5,833
Prepaid expenses	2,729	2,430
Total Unrestricted Assets	49,095	47,212
Restricted Assets:		
Cash and cash equivalents	1,103	230
TOTAL CURRENT ASSETS	50,198	47,442
NON-CURRENT ASSETS		
Capital Assets:		
Depreciable, net	5,581	18,746
Nondepreciable	26,282	26,851
Total Capital Assets	31,863	45,597
TOTAL NON-CURRENT ASSETS	31,863	45,597
TOTAL ASSETS	82,061	93,039

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, 2021 AND JUNE 30, 2020
(Dollars in Thousands)

EXHIBIT I
Page 2 of 2

	2021	2020
LIABILITIES		
CURRENT LIABILITIES		
Payable from Unrestricted Assets:		
Accounts payable	$ 1,390	$ 1,973
Acccrued expenses and other current liabilities	8,801	3,330
Unearned revenue	38	38
Total Payable from Unrestricted Assets	10,229	5,341
Payable from Restricted Assets:		
Acccrued expenses and other current liabilities	1,052	179
TOTAL CURRENT LIABILITIES	11,281	5,520
LONG-TERM LIABILITIES		
Payable from Unrestricted Assets:		
Other liabilities	-	-
TOTAL LONG-TERM LIABILITIES	-	-
TOTAL LIABILITIES	11,281	5,520
NET POSITION		
Net investment in capital assets	31,863	45,597
Restricted	51	51
Unrestricted	38,866	41,871
TOTAL NET POSITION	$ 70,780	$ 87,519

The accompanying notes are an integral part of these financial statements

MATERIALS INNOVATION AND RECYCLING AUTHORITY **EXHIBIT II**

A Component Unit of the State of Connecticut
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020
(Dollars in Thousands)

	2021	2020
Operating Revenues		
Service charges:		
Members	$ 37,753	$ 33,585
Others	6,153	9,625
Energy sales	24,228	26,898
Other	3,631	4,172
Total Operating Revenues	71,765	74,280
Operating Expenses		
Solid waste operations	54,161	54,944
Maintenance and utilities	13,967	13,501
Legal services - external	599	608
Administrative and Operational services	4,526	5,074
Total Operating Expenses	73,253	74,127
Operating Income before depreciation and amortization	(1,488)	153
Depreciation and amortization	14,669	12,633
Operating Loss	(16,157)	(12,480)
Non-Operating Revenues (Expenses)		
Investment income	25	423
Settlement income	844	153
Settlement expenses, net	(1,300)	(1,975)
Distributions to towns	(19)	-
Other revenues (expenses), net	(132)	(330)
Total Non-Operating Revenues (Expenses), Net	(582)	(1,729)
Change in Net Position	(16,739)	(14,209)
Total Net Position, beginning of year	87,519	101,728
Total Net Position, end of year	$ 70,780	$ 87,519

The accompanying notes are an integral part of these financial statements

MATERIALS INNOVATION AND RECYCLING AUTHORITY **EXHIBIT III**

A Component Unit of the State of Connecticut
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020
(Dollars in Thousands)

	2021	2020
Cash Flows Provided by (Used in) Operating Activities		
Payments received from providing services	$ 71,129	$ 77,624
Payments to suppliers and employees	(67,531)	(73,547)
Distributions to towns	(23)	(1,975)
Settlement income (expenses)	(456)	153
Net Cash Provided by Operating Activities	3,119	2,255
Cash Flows Provided by Investing Activities		
Interest on investments	25	423
Net Cash Provided by Investing Activities	25	423
Cash Flows Provided by (Used in) Capital and Related Financing Activities		
Proceeds from sales of equipment	(1)	-
Acquisition and construction of capital assets	(1,062)	(1,835)
Net Cash Used in Capital and Related Financing Activities	(1,063)	(1,835)
Net Increase in Cash and Cash Equivalents	2,081	843
Cash and Cash Equivalents, beginning of year	32,221	31,378
Cash and Cash Equivalents, end of year	$ 34,302	$ 32,221
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:		
Operating loss	$ (16,157)	$ (12,480)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation of capital assets	14,669	12,633
Other income (expenses), net	(479)	(1,822)
Changes in assets and liabilities, net of transfers:		
(Increase) decrease in:		
Accounts receivable, net	(636)	4,125
Inventory	261	(54)
Prepaid expenses	(299)	57
Increase (decrease) in:		
Accounts payable, accrued expenses and other liabilities	5,760	(204)
Net Cash Provided by Operating Activities	$ 3,119	$ 2,255

The accompanying notes are an integral part of these financial statements

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Entity and Services

The Materials Innovation and Recycling Authority (the "Authority") was created by the State of Connecticut (the "State") under Public Act 14-94 (the "Act"). The Authority constitutes a successor authority to the Connecticut Resources Recovery Authority ("CRRA") which was created in 1973 under Chapter 446e of the State Statutes. The Authority is a public instrumentality and political subdivision of the State and is included as a component unit in the State's Comprehensive Annual Financial Report.

The Authority became CRRA's successor effective June 6, 2014 when it assumed control over all of CRRA's assets, rights, duties and obligations and continued CRRA's ongoing business. The Act and related statutes outlined below specified the transfer of responsibilities from CRRA to the Authority in a manner that assured continuity.

- The Authority's designation as CRRA's successor did not represent a grant of new authority by the State. The Authority replaced CRRA and CRRA no longer exists;
- Any effective orders or regulations of CRRA remain effective under the governance of the Authority;
- To the extent that CRRA was a party to any action or proceeding (civil or criminal), the Authority was substituted for CRRA in that action or proceeding;
- Any contract, right of action or matter undertaken or commenced by CRRA is now being undertaken and completed by the Authority;
- The officers and employees of CRRA have been transferred to the Authority; and
- All property of CRRA was delivered to the Authority.

The Authority is authorized to have a board consisting of eleven directors and two ad-hoc members from each municipality that is the site of an Authority facility. The Governor appoints three directors and all ad-hoc members. The remaining eight directors are appointed by various state legislative leaders. Five of the directors are required by statute to be municipal officials, two from municipalities with populations of more than fifty-thousand, and three from municipalities with populations of fifty-thousand or less. All appointments require the advice and consent of both houses of the General Assembly. During fiscal year 2021, the Authority's board included officials from seven municipalities that receive solid waste disposal services from the Authority.

In addition, the statutory structure of the Authority, which is a component unit of the State of Connecticut, and of the Authority's board, which includes representatives of municipalities and customers served by the Authority, results in transactions with related parties and related organizations that occur in the ordinary course of operations.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

A. Entity and Services *(Continued)*

The State Treasurer continues to approve the issuance of all Authority bonds and notes. The State has been contingently liable to restore deficiencies in debt service reserves established for certain Authority bonds. However, with maturity of the Authority's 2010 Series A Southeast Project Refunding Bonds on November 15, 2015, there is no longer any contingent liability of the State associated with the Authority. The Authority has no taxing power.

Under the Act, the Authority's purpose continues to be the planning, design, construction, financing, management, ownership, operation and maintenance of 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 continues to provide solid waste management services to municipalities, regions and persons within the State by receiving solid wastes at Authority facilities, recovering resources from such solid wastes, 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") described below, which concluded unsuccessfully in fiscal year 2021, 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. The Act also transferred responsibility for statewide recycling education to a newly created "Recycle CT Foundation". The Authority ceased providing educational facilities and services to its customers as of June 30, 2016.

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 Preston, Hartford, Bridgeport and Wallingford, Connecticut, which have historically been known as the Southeast, Mid Connecticut, Bridgeport and Wallingford projects, respectively. CRRA secured financing, facility developer, operator and customer contracts, and administered these projects throughout their various stages over the last four decades. While the initial underlying contracts for the Southeast Project remained in effect at the time the Authority was created, the Authority fully concluded its role in the Southeast Project during fiscal year 2018. Underlying contracts for the Mid Connecticut, Bridgeport and Wallingford projects had previously expired and resulted in a distribution and/or reformation of project assets which formed the foundation for CRRA's core project / division and financial structure at the time of assumption by the Authority. The Authority continues to recognize CRRA's projects / divisions and financial structure outlined below.

Mid Connecticut Project and the Connecticut Solid Waste System - CRRA retained title to the resource recovery facility in Hartford (South Meadows), all support facilities and land when the initial underlying project contracts expired for the Mid Connecticut Project on November 15, 2012. No property transferred to the private sector. CRRA assigned these assets to its Property Division and put them into service in the form of the **Connecticut Solid Waste System**. Assets in service to the CSWS include the resource recovery facility, four transfer stations and a major recycling facility. During Fiscal Year 2021

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

A. Entity and Services *(Continued)*

CSWS provided solid waste disposal services to 52 Connecticut municipalities and 37 private waste haulers under contract with the Authority.

The CSWS is the primary operating division of the Authority and is the only publicly owned, fully controlled waste disposal system in the State. All operating revenues and expenses of the CSWS, other than depreciation and amortization of assets, are assigned to the CSWS division. Prior Mid Connecticut Project assets not in service to the CSWS include the now closed Education and Trash Museum and certain jet turbine powered electric generating peaking units. All revenues and expenses associated with the assets not in service to CSWS are assigned to the Property Division. The Mid Connecticut Project remains active administratively only for project close out activities including application of approved project distributions to current CSWS customer accounts.

Property Division - All Capital Assets retained by CRRA upon expiration of the Mid Connecticut and Bridgeport projects other than those associated with landfills have been assigned to this division. The division derives operating income primarily from the lease of property and the sale of jet turbine electric generating capacity in 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 in the State, and certain adjoining properties, which have been assigned to the Landfill Division. Certain plant and equipment installations associated with these landfills, and the leased Hartford landfill, were also assigned to this division. The Authority has also assumed CRRA's interests and obligations pursuant to State statute and agreement with DEEP concerning the transfer of CRRA's landfill post closure care obligations to DEEP and the transfer of funds reserved for post closure care activities to the State. See Note 4 for additional information.

During fiscal year 2016 the Authority's lease and subsequent Short Term Access Agreement for the Hartford Landfill expired resulting in the transfer of associated plant and equipment to the City of Hartford. Ownership of the solar array installed by the Authority on top of the Hartford landfill remains with the Authority subject to a new Long Term Site Access and Revenue Sharing Agreement with the City of Hartford. The Authority's financial interests and activities concerning this solar array are recognized within the Landfill Division.

B. Measurement Focus, Basis of Accounting, and Basis of Presentation

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government entities. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Authority is considered to be an Enterprise Fund. The Authority's activities are accounted for using a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues, and expenses.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

B. Measurement Focus, Basis of Accounting, and Basis of Presentation *(Continued)*

Enterprise funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services on a continuing basis are financed or recovered primarily through user charges.

The Authority's financial statements are prepared using an economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the disposal of solid waste. The principal operating revenues of the Authority are charges to customers for user services and sales of electricity including energy generation and participation in forward capacity and reserve markets managed by ISO New England. Operating expenses include the cost of solid waste operations, maintenance and utilities, administrative expenses, rebates and distribution of funds associated with active Authority projects and divisions (CSWS, Property and Landfill divisions) and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses including distribution of funds associated with the closeout of inactive projects.

C. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheets and the reported amounts of revenues and expenses during the reporting period. Such estimates are subsequently revised as deemed necessary when additional information becomes available. Actual results could differ from those estimates.

D. Cash and Cash Equivalents

All unrestricted and restricted highly liquid investments with maturities of three months or less when purchased are considered to be cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

E. Receivables, Net

Receivables are shown net of an allowance for the estimated portion that is not expected to be collected. The Authority performs ongoing credit evaluations and generally requires a guarantee of payment form of collateral from non-municipalities. The Authority has established an allowance for the estimated portion that is not expected to be collected of $54,285 and $48,900 at June 30, 2021 and 2020 respectively.

	Fiscal Year	
Receivables, net of allowances	2021 ($000)	2020 ($000)
Payroll Adjustment	$ 1	$ -
Leases	2	9
Contractor	353	11
Insurance	-	152
Electricity	1,390	1,319
Disposal & Commodity Sales	5,849	5,467
Total	$ 7,595	$ 6,958

F. Inventory

The Authority's spare parts inventory is stated at the lower of cost or net realizable value using the weighted-average costing method. The Authority's fuel inventory is stated at the lower of cost or net realizable value using a first-in first-out (FIFO) method. Inventories at June 30, 2021 and 2020 are summarized as follows:

	Fiscal Year	
Inventories	2021 ($000)	2020 ($000)
Spare Parts	$ 5,300	$ 5,184
Fuel	272	649
Total	$ 5,572	$ 5,833

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

G. Investments

Investments are reported at fair value (generally based on quoted market prices), except for investments in certain external investment pools that are permitted to be reported at the net asset value per share as determined by the pool. Interest on investments is recorded as revenue in the year the interest is earned.

H. Restricted Assets

Restricted assets consists of cash and cash equivalents restricted for use by enabling legislation or by externally imposed restrictions by creditors, grantors or laws and regulations. MIRA's restricted assets consist of customer guarantees of payment and trust–pooled funds.

I. Development Costs

Costs incurred during the development stage of an Authority project, including, but not limited to, initial planning and permitting are capitalized. When the project begins commercial operation, the development costs are amortized using the straight-line method over the estimated life of the project. Costs incurred during the preliminary project states, including certain legal fees, are expensed as incurred.

The Authority has no unamortized development costs that have been capitalized as of June 30, 2021 and 2020.

J. Capital Assets

Capital assets with a useful life in excess of one year are capitalized at historical cost. Depreciation of exhaustible capital assets is charged as an expense against operations. Depreciation is charged over the estimated useful life of the asset using the straight-line method. The estimated useful lives of capital assets are as follows:

Capital Assets	Years
Resources Recovery Buildings	30
Other Buildings	20
Resources Recovery Equipment	30
Gas and Steam Turbines	10-20
Recycling Equipment	10
Rolling Stock and Automobiles	5
Office and Other Equipment	3-5
Roadways	20

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

J. Capital Assets *(Continued)*

The Authority's capitalization threshold for property, plant, and equipment is $5,000 and for office furniture and equipment is $1,000. Improvements, renewals, and significant repairs that extend the useful life of a capital asset are capitalized; other repairs and maintenance costs are expensed as incurred. When capital assets are retired or otherwise disposed of, the related asset and accumulated depreciation is written off and any related gains or losses are recorded.

The Authority reviews its capital assets used in operations for impairment when prominent events or changes in circumstances that may be indicative of impairment of a capital asset has occurred. The Authority records impairment losses and reduces the carrying value of a capital asset when both the decline in service utility of the capital asset is large in magnitude and the event or a change in circumstances is outside the normal life cycle of the capital asset. During the years ended June 30, 2021 and 2020, no impairment losses were recognized. Substantial components of the Connecticut Solid Waste System's waste to energy facility reached the end of their useful life on June 30, 2019 and have been fully depreciated. The facility remains in operation and the Authority is contractually committed to process waste for the Connecticut municipalities through June 30, 2027.

Construction in progress includes all associated cumulative costs of a constructed capital asset and deposits held by third parties for capital purchases. Construction in progress is relieved at the point at which an asset is placed in service for its intended use.

K. Compensated Absences

The Authority's liability for vested accumulated unpaid vacation and personal amounts is included in accrued expenses and other current liabilities in the accompanying statements of net position. The liability for compensated absences at June 30, 2021 and 2020 and the related changes for the years ended June 30, 2021 and 2020 are presented in the following table. Compensated absences include accruals for salaries, employer taxes, employer's 401K retirement plan contributions and employer's matching contributions:

Compensated Absences	Balance at July 1, 2019 ($000)	Increases (Decreases) ($000)	Balance at June 30, 2020 ($000)	Increases (Decreases) ($000)	Balance at June 30, 2021 ($000)
Accrued vacation and personal time	$ 516	$ 89	$ 605	$ 9	$ 614
Total	$ 516	$ 89	$ 605	$ 9	$ 614

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

K. Compensated Absences *(Continued)*

Compensated absences do not include estimates of the Authority's liability pursuant to its severance policies applicable in the event of any employee separation without cause as a result of position elimination, reorganization, restructuring and reduction in force.

L. Net Position

The Authority's net position is reported in one of the following three components:

Net investment in capital assets, consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets. Net investment in capital assets totaled approximately $31.9 million and $45.6 million as of June 30, 2021 and 2020.

Restricted net position, consists of the portion of net position that has been either restricted by enabling legislation or that contain various externally imposed restrictions by creditors, grantors or laws and regulations. Restricted net position totaled approximately $51,000 and $51,000 as of June 30, 2021 and 2020, respectively. None of the Authority's net position has been restricted by enabling legislation.

Unrestricted net position, consists of the portion of net position not included in the other components of net position and has been divided into designated and undesignated portions. Designated net position represent the Authority's self-imposed limitations on the use of otherwise unrestricted net position. Unrestricted net position has been designated by the Board of Directors of the Authority for various purposes. Such designations totaled approximately $19.2 million and $24.0 million as of June 30, 2021 and 2020, respectively.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

L. Net Position *(Continued)*

Unrestricted net position at June 30, 2021 and 2020 are summarized as follows:

Unrestricted Net Position	2021 ($000)	2020 ($000)
Undesignated	$ 19,674	$ 17,829
Designated:		
Authority:		
Severance Fund	2,541	2,479
Property Division:		
General Fund	11,064	14,193
Improvement Fund- PD	260	234
Improvement Fund - CSWS	219	465
Tip fee stabilization	1	1,885
Jets major maintanence	964	1,153
Mid-Connecticut:		
Post project closure	-	23
CSWS:		
Debt Service Fund	4	4
Future Loss Contingencies	897	896
General Fund	1	1
Legal Fund	639	638
CSWS Major Maintenance	2,267	1,548
Landfill Division:		
Hartford solar reserve	335	335
Pollution insurance reserve	-	188
	19,192	24,042
Total Unrestricted Net Position	$ 38,866	$ 41,871

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

2. CASH DEPOSITS AND INVESTMENTS

Cash and cash equivalents consist of the following as of June 30, 2021 and 2020:

Cash and Cash Equivalents	2021 ($000)	2020 ($000)
Unrestricted:		
Cash deposits	$ 8,690	$ 5,591
Cash equivalents:		
STIF *	24,509	26,400
	33,199	31,991
Restricted – current:		
Cash deposits	1,103	230
Cash equivalents:		
STIF *	-	-
	1,103	230
Total	$ 34,302	$ 32,221

* STIF = Short-Term Investment Fund of the State of Connecticut

Cash Deposits – Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Authority will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

2. CASH DEPOSITS AND INVESTMENTS *(Continued)*

Cash Deposits – Custodial Credit Risk *(Continued)*

As of June 30, 2021 and 2020, approximately $9.5 million and $5.5 million, respectively, of the Authority's bank balance of cash deposits were exposed to custodial credit risk as follows:

Custodial Credit Risks	2021 ($000)	2020 ($000)
Uninsured but collateralized with securities held by the pledging bank's trust department or agent but not in the Authority's name	$ 1,413	$ 810
Uninsured and Uncollateralized	8,079	4,708
Total	$ 9,492	$5,518

Total represents uninsured Bank of America account balance as of 6/30/21. Uninsured but collateralized equals 14.51% of total per Bank of America reporting.
Balance represents uninsured and uncollateralized.

All of the Authority's deposits were in qualified public institutions as defined by State statute. Under this statute, any bank holding public deposits must at all times maintain, segregated from other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

Investments

Investments in the State of Connecticut Short-Term Investment Fund ("STIF") as of June 30, 2021 and 2020 are included in cash and cash equivalents in the accompanying statements of net position. For purposes of disclosure, such amounts are considered investments and have been included in the investment disclosures that follow.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

2. CASH DEPOSITS AND INVESTMENTS *(Continued)*

Investments ***(Continued)***

Interest Rate Risk

As of June 30, 2021, the Authority's investments consisted of the following debt securities:

Investment Type	Net Asset Value ($000)	Investment Maturities (In Years) Less than 1	1 to 5	6 to 10	More than 10
STIF	$ 24,509	$ 24,509	$ -	$ -	$ -
Total	$ 24,509	$ 24,509	$ -	$ -	$ -

As of June 30, 2020, the Authority's investments consisted of the following debt securities:

Investment Type	Net Asset Value ($000)	Investment Maturities (In Years) Less than 1	1 to 5	6 to 10	More than 10
STIF	$ 26,400	$ 26,400	$ -	$ -	$ -
Total	$ 26,400	$ 26,400	$ -	$ -	$ -

STIF is an investment pool of short-term money market instruments that may include adjustable-rate federal agency and foreign government securities whose interest rates vary directly with short-term money market indices and are generally reset daily, monthly, quarterly, and semi-annually. The adjustable-rate securities have similar exposures to credit and legal risks as fixed-rate securities from the same issuers. The fair value of the position in the pool is the same as the value of the pool shares.

As of June 30, 2021 and 2020, STIF had a weighted average maturity of 31 and 16 days respectively.

The Authority's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Authority is limited to investment maturities as required by specific bond resolutions or as needed for immediate use or disbursement. Those funds not included in the foregoing may be invested in longer-term securities as authorized in the Authority's investment policy. The primary objectives of the Authority's investment policy are the preservation of principal and the maintenance of liquidity.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

2. CASH DEPOSITS AND INVESTMENTS *(Continued)*

Investments ***(Continued)***

Credit Risk

Connecticut state statutes permit the Authority to invest in obligations of the United States, including its instrumentalities and agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service.

As of June 30, 2021, the Authority's investments were rated as follows:

Security	Fair Value ($000)	Standard & Poor's	Moody's Investor Service	Fitch Ratings
STIF	$ 24,509	AAAm	Not Rated	Not Rated

As of June 30, 2020, the Authority's investments were rated as follows:

Security	Fair Value ($000)	Standard & Poor's	Moody's Investor Service	Fitch Ratings
STIF	$ 26,400	AAAm	Not Rated	Not Rated

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investment policy does not include provisions for custodial credit risk, as the Authority does not invest in securities that are held by counterparties. None of the Authority's investments require custodial credit risk disclosures. STIF is not subject to regulatory oversight nor is it registered with the Securities and Exchange Commission as an investment company.

Concentration of Credit Risk

The Authority's investment policy places no limit on the amount of investment in any one issuer, but does require diversity of the investment portfolio if investments are made in non-U.S. government or U.S. agency securities to eliminate the risk of loss of over-concentration of assets in a specific class of security, a specific maturity and/or a specific issuer. The asset allocation of the investment portfolio should, however, be flexible enough to assure adequate liquidity for Authority needs. As of June 30, 2021 and 2020, all of the Authority's investments are in STIF, which is rated in the highest rating category by Standard & Poor's and provides daily liquidity, thereby satisfying the primary objectives of the Authority's investment policy.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

3. CAPITAL ASSETS

The following is a summary of changes in capital assets for the years ended June 30, 2021 and 2020:

	Balance at June 30, 2020 ($000)	Additions ($000)	Transfers ($000)	Sales and Disposals ($000)	Balance at June 30, 2021 ($000)
Depreciable assets:					
Plant	$ 213,616	$ -	$ -	$ -	$ 213,616
Equipment	248,215	6	1,631	(560)	249,292
Total at cost	461,831	6	1,631	(560)	462,908
Less accumulated depreciation for:					
Plant	(212,831)	(498)	-	-	(213,329)
Equipment	(230,254)	(14,169)	-	425	(243,998)
Total accumulated depreciation	(443,085)	(14,667)	-	425	(457,327)
Total depreciable assets, net	**18,746**	**(14,661)**	**1,631**	**(135)**	**5,581**
Nondepreciable assets:					
Land	26,239	-	-	-	26,239
Construction-in-progress	612	1,062	(1,631)	-	43
Total nondepreciable assets	**26,851**	**1,062**	**(1,631)**	**-**	**26,282**
Total depreciable and nondepreciable assets	**$ 45,597**	**$ (13,599)**	**$ -**	**$ (135)**	**$ 31,863**

	Balance at June 30, 2019 ($000)	Additions ($000)	Transfers ($000)	Sales and Disposals ($000)	Balance at June 30, 2020 ($000)
Depreciable assets:					
Plant	$ 213,605	$ -	$ 43	$ (32)	$ 213,616
Equipment	246,530	7	5,724	(4,046)	$ 248,215
Total at cost	460,135	7	5,767	(4,078)	461,831
Less accumulated depreciation for:					
Plant	(211,861)	(989)	-	19	(212,831)
Equipment	(222,385)	(11,645)	-	3,776	(230,254)
Total accumulated depreciation	(434,246)	(12,634)	-	3,795	(443,085)
Total depreciable assets, net	**25,889**	**(12,627)**	**5,767**	**(283)**	**18,746**
Nondepreciable assets:					
Land	26,239	-	-	-	26,239
Construction-in-progress	4,544	1,835	(5,767)	-	612
Total nondepreciable assets	**30,783**	**1,835**	**(5,767)**	**-**	**26,851**
Total depreciable and nondepreciable assets	**$ 56,672**	**$ (10,792)**	**$ -**	**$ (283)**	**$ 45,597**

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

4. LONG-TERM LIABILITIES FOR CLOSURE AND POST-CLOSURE CARE OF LANDFILLS

The Authority has historically operated five landfills located within the State. Three landfills (located in Ellington, Waterbury and Shelton) are owned in fee simple by the Authority and two landfills (located in Hartford and Wallingford) were leased by the Authority.

Federal, State and local regulations required the Authority to place final cover on its landfills when it stopped accepting waste at them (closure obligations), and to perform certain maintenance and monitoring functions for periods that may extend thirty years after closure (post closure obligations). Accordingly, the Authority has previously estimated its liability for closure and post-closure care costs and recorded any increases or decreases to the liability as an operating expense.

During the year ended June 30, 2014, pursuant to the State of Connecticut's Public Act 13-247 and Section 99 of Public Act 13-184, the Authority transferred $35.8 million in post closure care obligations for all of its landfills to the State's Department of Energy and Environmental Protection (DEEP) and concurrently transferred $31.0 million of its landfill reserve accounts and trust funds to the State's General Fund. The Authority's closure obligation for the Hartford landfill was not transferred to DEEP. As of June 30, 2014, all five of the Authority's landfills had no capacity available since 100% of their capacity had been used, and all landfills other than Hartford had been closed in compliance with applicable Federal, State and local regulations.

During the year ended June 30, 2015, the Authority completed closure of the Hartford landfill in compliance with applicable Federal, State and local regulations. Accordingly, the Authority no longer includes liabilities associated with the post closure or closure care of any Authority landfills as these obligations were either assumed by DEEP during the year ended June 30, 2014 or have been completed by the Authority.

There were no capital assets transferred pursuant to these statutes. While the Authority retains fee simple ownership of the Ellington, Waterbury and Shelton landfills and related assets, the associated post closure care obligations have been assumed by DEEP. The Hartford landfill lease expired during the year ended June 30, 2015 (upon completion of the Authority's closure obligations) and its surviving post closure care obligations have been assumed by DEEP. The Wallingford Landfill lease previously expired and its surviving post closure care obligations have been assumed by DEEP.

The Authority had no liabilities for landfill closure and post-closure care of landfills as of June 30, 2021 and 2020.

5. MAJOR CUSTOMERS

Nextera Energy Power Marketing is the Authority's customer for fixed price (hedged) energy sales and certain Class II renewable energy credits from the Connecticut Solid Waste System (CSWS) and represented 4.5% and 9.2% of total operating revenues for the years ended June 30, 2021 and 2020, respectively.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

5. MAJOR CUSTOMERS *(Continued)*

ISO New England is the Authority's customer for non-hedged energy sales, as well as forward capacity and reserve market sales, from the Connecticut Solid Waste System and the Property Divisions Peaking Units and represented 29.1% and 26.9% of total operating revenues for the years ended June 30, 2021 and 2020, respectively.

Nextera Energy Power Marketing also acts as the Authority's designated Lead Market Participant and Generation Asset Owner for ISO New England to provide scheduling, bidding and marketing services with respect to all CSWS and Property Division energy described above.

Service charge revenues from All Waste, Inc. totaled 12.4% and 13.0% of the Authority's operating revenues for the years ended June 30, 2021 and 2020, respectively.

6. RETIREMENT BENEFIT PLAN

The Authority is the Administrator of its 401(k) Employee Savings Plan. This defined contribution retirement plan covers all eligible employees.

Under the Amended and Restated 401(k) Employee Savings Plan, effective July 1, 2000, Authority contributions are five percent of payroll plus a dollar for dollar match of employees' contributions up to five percent of employee wages. Authority contributions for the years ended June 30, 2021 and 2020 amounted to approximately $291,000 and $288,000, respectively. Employees contributed approximately $293,000 to the plan during the year ended June 30, 2021 and $273,000 to the plan during the year ended June 30, 2020.

In addition, the Authority is a participating employer in the State of Connecticut's defined contribution 457(b) Plan, which allows Authority employees to participate in the State of Connecticut's deferred compensation plan created in accordance with Internal Revenue Code Section 457. All amounts of compensation deferred under the 457(b) plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in trust for the exclusive benefit of the plan participants and their beneficiaries. The Authority holds no fiduciary responsibility for the plan; rather, fiduciary responsibility rests with the State Comptroller's office.

The Authority has no other post-employment benefit plans as of June 30, 2021 and 2020.

7. RISK MANAGEMENT

The Authority is exposed to various risks of loss. The Authority endeavors to purchase commercial insurance for all insurable risks of loss that can be done so at reasonable expense. This includes insurance coverage for property, general liability, pollution, auto, umbrella, workers comp, public officials, crime and fiduciary. The CSWS waste-to-energy facility has historically been the Authority's highest valued single facility. Settled claims have not exceeded this commercial coverage in any of the past three (3) fiscal years. However, there have been significant reductions in insurance coverage from the prior three years.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

7. RISK MANAGEMENT *(Continued)*

During fiscal year 2019 the Authority sustained property damage to its two steam turbines associated with operation of the CSWS Waste to Energy Facility and recognized insurance proceeds of $11.6 million from related business interruption, extra expense and property damage insurance coverages. The amounts were reported as settlement income for the year ended June 30, 2019. As a result of these claims, certain deductibles increased effective January 1, 2019. The Authority's business interruption and extra expense deductible period on these turbines was extended from 45 days to 75 days by insurance carriers providing fifty percent (50%) of this coverage. An additional insurance carrier providing fifteen percent (15%) of the business interruption and extra expense coverage on these turbines extended the deductible period from 45 days to 60 days. Property damage deductibles on these turbines were increased from $250,000 to $3 million by insurance carriers providing fifty percent (50%) of this coverage. An additional insurance carrier providing fifteen percent (15%) of this coverage increased the deductible from $250,000 to $1.5 million. Property damage deductibles on the Authority's Jet Peaking Units were also increased effective January 1, 2019. This deductible was increased from $250,000 to $1.0 million by insurance carriers providing fifty percent (50%) of this coverage, and from $250,000 to $1.5 million by insurance carriers providing fifteen percent (15%) of this coverage.

During fiscal year 2020, due to the Authority's prior claims, and the insurance industry's increased reluctance to accept the risk profile of waste to energy facilities generally, the Authority was unable to renew its property damage coverage as initially modified in response to the steam turbine claims noted above. A prominent insurance carrier that historically held 50% of the Authority's property damage coverage declined to renew at all and had to be replaced by multiple carriers in a tiered coverage approach. The Authority was forced to eliminate business interruption and extra expense, and increase its deductibles to $10 million, as part of it efforts to secure continued property damage coverage. These changes were effective January 1, 2020. As of January 1, 2020, the Authority possesses approximately 94% coverage for a total loss pursuant to this tiered approach subject to these deductibles and excluding business interruption and extra expense. The percentage of coverage varies based on the amount of claim from a low of approximately 80% to a high of 100%.

This structure for the Authority's property insurance was maintained in place through expiration in March 2021. However, during fiscal year 2021, the property insurance market for waste to energy facilities worsened, DEEP's Resource Rediscovery initiative to redevelop the CSWS Waste to Energy Facility concluded unsuccessfully, prompting the Authority to commence planning and contracting activity to transition to waste transfer operations, and the CSWS Recycling Facility was converted into a recycling transfer operation. Accordingly, effective March 30, 2021 through July 1, 2022 the Authority renewed property insurance for the CSWS transfer stations, Hartford solar array, 171 Murphy Road and its home office. Excluded from the renewal due to lack of market participation and other noted factors was the CSWS Waste to Energy Facility, CSWS Recycling Facility and the Jet Peaking Units. This change resulted in a substantial reduction to the Authority's schedule of values, deductibles and premiums. The CSWS Recycling Facility was subsequently added to this policy following its conversion to a recycling transfer operation in July 2021.

The Authority has renewed its Pollution Legal Liability generally consistent with historic coverage amounts effective July 1, 2020 through July 1, 2023.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

7. RISK MANAGEMENT *(Continued)*

The Authority has also renewed its casualty and executive liability policies effective July 1, 2021 through June 30, 2022. These include general and auto liability / physical damage, workers compensation, public officials, crime, fiduciary, umbrella and excess coverage and were renewed generally consistent with historic coverage amounts except that an additional $4 million in sub-limits on breach of contract coverage was incorporated, an exclusion for class action lawsuits was incorporated, and certain deductibles were increased from $50,000 to $100,000.

During fiscal year 2021, the Authority recognized $0.84 million in settlement income representing insurance reimbursement of legal expenses incurred in defense of claims made by the operator of the CSWS Recycling Facility.

8. COMMITMENTS

The Authority has various operating leases for its corporate office space, the Essex transfer station and office equipment, which totaled approximately $216,000 and $215,000 for the years ended June 30, 2021 and 2020, respectively.

The Authority also has agreements with various municipalities for payments in lieu of taxes ("PILOT") for personal and real property. For each of the years ended June 30, 2021 and 2020, the PILOT payments, which are included as a cost of solid waste totaled $1,603,000 and $1,606,000, respectively. The City of Hartford PILOT agreement for the CSWS ended as of June 30, 2021. The City of Hartford PILOT payment totaled $1,500,000 for the year ended June 30, 2021.

Future minimum payments under non-cancelable operating leases and future contracted PILOT payments as of June 30, 2021 are as follows:

Fiscal Year	Lease Amount ($000)	PILOT Amount ($000)
2022	$ 206	$ 103
2023	210	103
2024	180	103
2025	17	103
2026	15	103
Thereafter	15	103
Total	$ 643	$ 618

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

8. COMMITMENTS *(Continued)*

The Authority has executed contracts with the operators/contractors of the resources recovery facilities, regional recycling centers, transfer stations, and landfills containing various terms and conditions. Major operators/contractors and their contract expiration dates are as follows:

Operator/Contractor	Contract expiration date
Wheelabrator Technologies	6/30/2024
NAES Corporation	6/30/2022
USA Waste & Recycling	6/30/2023
CWPM, LLC	6/30/2023
Murphy Road Recycling	6/30/2027

Operating charges paid by the Authority are derived from various factors such as tonnage processed, management fees and certain pass-through costs.

The approximate amount of contract operating charges paid by the Authority, and included in solid waste operations, and maintenance and utilities expense for the years ended June 30, 2021 and 2020 were as follows:

Project	2021 ($000)	2020 ($000)
Connecticut Solid Waste System	$ 47,286	$ 48,777
Property Division	827	802
Landfill Division	(8)	(6)
Total	$ 48,105	$ 49,573

9. CONTINGENCIES

Mid-Connecticut Project

In March 2013, Tremont Public Advisors filed a complaint against the Authority in Connecticut Superior Court, claiming that the Authority illegally awarded a contract for Municipal Government Liaison Services and violated Connecticut's Antitrust Act, and seeking injunctions, damages, interest, and attorneys' fees and costs. The Authority denies the allegations and has asserted several defenses. On January 21, 2014, the Authority filed a motion to dismiss the complaint, supplemented on March 24, 2015, by a Motion to Strike the Antitrust count. On August 17, 2015, the court granted the Authority's

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

9. CONTINGENCIES *(Continued)*

Motion to Dismiss the second count of the complaint and the Authority's Motion to Strike the first count. On September 10, 2015, the plaintiff filed a substituted complaint. The Authority filed both a Motion to Dismiss and a Motion to Strike the single count of the new complaint on September 25, 2015; on March 31, 2016, the court denied the first, but granted the second. The plaintiff filed a second substituted complaint on April 25, 2016; as before, the Authority responded with Motions to Dismiss and to Strike. On May 5, 2017, the court again denied the Motion to Dismiss and granted the Motion to Strike. Tremont did not file a third substitute complaint, but moved for Entry of Judgment and appealed the decision. The Authority also raised issues in the appeal. On June 6, 2018, the Connecticut Supreme Court transferred the matter to itself. In its ruling dated November 12, 2019, the Supreme Court found that the form of the trial court's judgment was improper, vacated the trial court's grant of the Authority's Motion to Strike, and remanded the case with orders to grant the Authority's Motion to Dismiss the second substituted complaint. By order dated November 12, 2019, the trial court duly vacated the motion to strike and granted the motion to dismiss.

In June 2020, Tremont Public Advisors filed an action under Connecticut's accidental failure of suit statute against the Authority in Connecticut Superior Court alleging that the Authority violated the Connecticut Unfair Trade Practices Act, based on the same set of facts as its prior unsuccessful lawsuit. On September 9, 2020, the Authority filed a Motion to Strike the complaint on several grounds, including that it is exempt from actions under CUTPA under what is called the governmental exemption. On April 12, 2021, the court found that MIRA is exempt from CUTPA, and granted the Motion to Strike. On April 26, 2021, Tremont appealed that decision to the Appellate Court and on August 23, 2021, moved for final judgment to be entered in favor of MIRA in accordance with its decision so that the appeal may proceed. The parties are required to attend a court-run mediation session prior to appellate briefing. The matter is too preliminary to estimate any potential exposure.

Connecticut Solid Waste System Project

In April 2019 FCR filed suit against MIRA alleging breach of contract, breach of the covenant of good faith and fair dealing and for a declaratory judgment. After a trial before the CT Superior Court in the fall of 2020, a trial court decision and an appeal taken by MIRA, MIRA settled the case by paying FCR $1.3 million, which included FCR's commitment to run the facility through April 30, 2021 and to complete agreed-upon repairs before exiting. The litigation is finally and fully resolved. FCR remained at the facility through April 30, 2021, completed the repairs, and there are no further or outstanding matters between FCR and MIRA relating to the Agreement.

In connection with the lawsuit captioned FCR, LLC v. MIRA, discussed above, the Authority tendered the lawsuit to its insurance company, Indian Harbor Insurance Company (the "Carrier") for defense and indemnity. Indian Harbor tendered a defense to the Authority under a reservation of rights, and on July 1, 2019, commenced a declaratory judgment action against the Authority seeking a declaration that it does not owe a defense or indemnity in the matter. Notwithstanding Indian Harbor's position, Indian Harbor reimbursed MIRA for a portion of its costs of defense associated with the FCR case.

On March 31, 2021, MIRA settled the case with Indian Harbor for a total payment of $844,126.85 ($365,458.08 of which had been previously reimbursed) which covered MIRA's legal costs for the FCR case (less MIRA's $50,000 deductible). This matter is fully resolved.

9. CONTINGENCIES *(Continued)*

Zurich American Insurance Company, et. al. and MIRA v. NAES Corporation

MIRA operates the Connecticut Solid Waste System, a system that, among other things, collects and processes solid waste generated from approximately 52 municipalities in Connecticut and converts it into renewable energy. NAES Corporation ("NAES") is a Washington corporation in the business of operating and maintaining electric generating facilities. In 2010, CRRA entered into an agreement with NAES to operate and maintain the Mid-Connecticut Resource Recovery Facility ("Facility") located at 1 Reserve Road and 300 Maxim Road in Hartford, CT (the "Agreement"). As CRRA's successor, MIRA assumed all rights and responsibilities of CRRA by operation of law, including its rights and responsibilities under the Agreement with NAES. The Facility consists of a waste-processing section which processes municipal solid waste delivered to the Facility, converting it to a refuse derived fuel ("RDF"). RDF is then conveyed to the power block section of the Facility where RDF is combusted to produce steam, which is in-turn used to produce electrical energy, which is sold on the open market. The Facility uses two steam turbine generators, Turbines No. 5 and No. 6, to convert steam to energy.

Under the Agreement, NAES agreed to provide continuous (24/7/365) Facility operation, and NAES was solely responsible for operating and maintaining the turbines along with the rest of the Facility. NAES is also solely responsible for any and all conditions created as a result of the Services it performs and to prevent any damage to equipment at the Facility. To this end NAES also agreed to properly train all its employees and to provide all reasonable and necessary protective measures while operating and maintaining the Facility. NAES alone has operated and maintained the Facility since 2010, eight years before the incident with Turbine No. 6.

Prior to November 5, 2018 Turbine No. 5 was in a scheduled outage, substantially disassembled, and the Facility was running on one turbine, Turbine No. 6. On November 5, 2018 NAES was preparing Turbine No. 6 for planned condenser maintenance. NAES knew the Facility was running with only one turbine available. This was routine maintenance work NAES had performed previously. NAES failed to perform this maintenance work properly on this occasion (by assigning a junior plant operator trainee to restart a component (the auxiliary pump) and he failed to perform certain critical steps prior to restarting it, (i.e., he failed to confirm that the steam supply valve was open, he did not look at the correct oil pressure gauge and he opened a bypass valve, among other things)). These failures caused Turbine No. 6 to fail and a Facility outage occurred. The operator failure caused extensive damage and the entire Facility was shut down until Turbine No. 5 was returned to service on January 27, 2019. Both turbines were simultaneously off-line for 84 days and MIRA was left with no operations. The Facility was unable to process any waste because both turbines were inoperable. All the waste normally received at the Facility from 52 municipalities had to be diverted to other disposal sites at considerable cost to MIRA.

MIRA made a claim under its own insurance policies, and paid for the applicable deductibles before receiving any insurance payments. MIRA's deductibles include $250,000 for property damage and a time element deductible of 45 days following the occurrence for business interruption. MIRA incurred deductible expenses of $2,789,397 during this 45-day waiting period deductible. MIRA's total deductible expense is $3,039,397. MIRA's insurers paid out an additional $8,016,250. The total damage from NAES's negligence is $11,055,647.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

9. CONTINGENCIES *(Continued)*

MIRA filed suit against NAES in state court on November 2, 2020. MIRA's suit includes claims for negligence, gross negligence and for breach of contract. NAES moved the case to federal court where it is currently pending. MIRA's insurers are co-plaintiffs in the case seeking subrogation of the insurance proceeds they paid out under the count for gross negligence. The Agreement includes a waiver of subrogation provision.

NAES has asserted three counterclaims against MIRA: Breach of Contract, Common Law Indemnification and Contractual Indemnification. NAES currently claims it is seeking to recover its legal costs for defending against the subrogation claim. All three claims are based on MIRA not preventing its insurance companies from filing a subrogation claim in light of the waiver of subrogation provision. The law in Connecticut is not clear whether a waiver of subrogation claim covers gross negligence. MIRA denies the claims and will vigorously defend against the counterclaims. MIRA did agree to include a waiver of subrogation in its policies with all its insurers but MIRA has no control over whether its insurance companies file suit or not. We believe the counterclaims have little merit and will likely be unsuccessful; however, even if successful, MIRA's exposure would be limited to NAES's defense costs, which are not capable of being estimated at this time. Discovery has just begun and NAES has recently produced documents. The trial ready date is June 1, 2022.

An early mediation was held but the case did not settle. NAES recently filed a dispositive motion against MIRA's insurers to enforce the waiver of subrogation claim. After this motion is resolved the parties will likely attempt settlement again.

Alleged Violations of the Freedom of Information Act (FOIA)

On August 17, 2020, October 5, 2020, November 3, 2020, January 14, 2021, January 20, 2021, and July 15, 2021 a series of allegations were docketed by the CT Freedom of Information Commission to initiate an administrative proceeding to address several complaints alleging MIRA violated the Freedom of Information Act. The allegations primarily involve claims that MIRA failed to properly provide notice in certain of its monthly agendas of certain Executive Sessions or that insufficient notice was provided at the time the Executive Session was initiated or that certain matters discussed in Executive Session were not appropriate for Executive Session, and seek penalties for such violations. Administrative hearings have not been scheduled yet. Pursuant to the Connecticut General Statutes § 1-206(b)(2) civil fines / penalties could range from $20.00-$1000.00 per violation.

Other Issues; Unasserted Claims and Assessments

On March 31, 2009, the Authority submitted a timely water discharge renewal application seeking the re-issuance of the Authority's National Pollutant Discharge Elimination System ("NPDES") Permit to the Connecticut Department of Environmental Protection, now known as the Connecticut Department of Energy and Environmental Protection ("DEEP"). Review of the Authority's permit renewal application by DEEP is ongoing, including whether the current location, design, construction and capacity of the cooling water intake structures at the Authority's South Meadows Facility represents best technology available ("BTA") for minimizing adverse environmental impact and, if not, what additional operational and/or technological measures reflecting BTA will need to be implemented at the Facility. Since DEEP

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

9. CONTINGENCIES *(Continued)*

is fully aware that the Authority currently intends to suspend operation of the Facility indefinitely in 2022, it is questionable whether any further action on this matter will be required or undertaken.

In connection with acquisition of the South Meadows real estate in December, 2000, the Authority assumed responsibility for the remediation of pre-existing pollution conditions at the site. At the same time, the Authority entered into an Exit Strategy Contract with TRC Companies, Inc. ("TRC"), whereunder TRC assumed the obligation for such remediation and agreed to be the Certifying Party pursuant to the Connecticut Transfer Act. On May 7, 2018, TRC submitted a Verification (i.e., final sign-off) for the site to DEEP, certifying that the site has been fully remediated in accordance with applicable environmental requirements. DEEP rejected the Verification on June 24, 2019, due to the discovery of PCBs on the site during work to relocate underground utilities by Eversource Energy. DEEP has required that TRC perform further characterization of the site. TRC has completed the characterization and is in the process of developing a remedial action plan to address the PCB contamination.

Coverage under the insurance policy issued by AIG Corporation that was the source of funds to perform the remediation under the Exit Strategy Contract expired on March 30, 2016. TRC may demand payment from the Authority for the additional costs to finalize the Verification of the Site for the period from March 31, 2016 to the date on which the Verification is resubmitted, because the source of funding has expired. Additionally, if the resubmitted Verification is audited and deficiencies are found that require correction, and/or the Verification is rejected again, TRC may demand payment for those costs as well. TRC and the Authority have submitted a claim under the AIG policy, which includes coverage for cleanup of previously unknown pre-existing conditions. The claim has been acknowledged by AIG, but no coverage determination has been issued. TRC has performed investigatory work over the past two years, but has not informed the Authority regarding costs to date. Additional costs continue to accrue. The Authority's deductible under the applicable coverage provision of the AIG policy is $100,000.

The Authority has entered into certain Tier 1 Long Term Municipal Solid Waste Management Services Agreements with Connecticut municipalities which expire June 30, 2027. The Authority has also entered into certain Tier 1 Short Term Municipal Solid Waste Management Services Agreements with Connecticut municipalities which expire June 30, 2022. These Tier 1 long term and short term agreements provide that the municipality may terminate the agreement within thirty days after receiving notice that the Authority has adopted a disposal fee that exceeds the opt out disposal fee established in the agreement. For fiscal year 2021, the Authority adopted a Tier 1 Long Term disposal fee of $91.00 per ton in comparison to a Tier 1 Long Term opt out disposal fee of $67.73 per ton. For fiscal year 2021, the Authority adopted a Tier 1 Short Term disposal fee of $93.00 per ton in comparison to a Tier 1 Short Term opt out disposal fee of $69.84 per ton. In fiscal year 2021, Tier 1 Long Term and Tier 1 Short Term agreements represented 81% and 0.6%, respectively, of total waste delivered to the Connecticut Solid Waste System. For fiscal year 2022, the Authority adopted Tier 1 Long Term and Short Term disposal fees that exceed the opt out disposal fee; three municipalities elected to terminate their Municipal Solid Waste Management Services Agreements as permitted thereunder based upon the adopted disposal fee.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

9. CONTINGENCIES *(Continued)*

The Authority is subject to numerous federal, state and local environmental and other laws and regulations and management believes it is in substantial compliance with all such governmental laws and regulations.

10. NEW ACCOUNTING PRONOUNCEMENTS ISSUED AND NOT YET ADOPTED

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in statements and implementation guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the Authority's reporting period beginning July 1, 2021, which reflects the eighteen month postponement pursuant to GASB Statement No. 95 issued in May 2020. The Authority is currently evaluating the potential impact of adopting this Statement on its financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement should be applied prospectively and are effective for the Authority's reporting period beginning July 1, 2021, which reflects the one year postponement pursuant to GASB Statement No. 95 issued in May 2020. The Authority does not expect this statement to have a material effect on its financial statements.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for the Authority's reporting period beginning July 1, 2022, which reflects the one year postponement pursuant to GASB Statement No. 95 issued in May 2020. The Authority does not expect this statement to have a material effect on its financial statements.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

10. NEW ACCOUNTING PRONOUNCEMENTS ISSUED AND NOT YET ADOPTED *(Continued)*

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and the requirements of this statement are effective for the Authority's reporting period beginning July 1, 2021, which reflects the one year postponement pursuant to GASB Statement No. 95 issued in May 2020. The Authority does not expect this statement to have a material effect on its financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this statement are effective for the Authority's reporting period beginning July 1, 2022. The Authority is currently evaluating the potential impact of adopting this Statement on its financial statements.

In May 2020, the GASB issued Statement 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this statement are effective for the Authority's reporting period beginning July 1, 2022. The Authority does not expect this statement to have a material effect on its financial statements.

In June 2020, the GASB issued Statement 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statement No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement are effective for the Authority's reporting period beginning July 1, 2021. The Authority is currently evaluating the potential impact of adopting this Statement on its financial statements.

MATERIALS INNOVATION AND RECYCLING AUTHORITY
A Component Unit of the State of Connecticut
SUPPLEMENTARY INFORMATION - COMBINING SCHEDULE OF STATEMENT OF NET POSITION
AS OF JUNE 30, 2021
(Dollars in Thousands)

ASSETS	Authority General Fund	Connecticut Solid Waste System	Mid-Connecticut Project	Property Division	Landfill Division	Eliminations	Total
CURRENT ASSETS							
Unrestricted Assets:							
Cash and cash equivalents	$ 3,664	$ 11,162	$ 2	$ 15,967	$ 2,404	$ -	**$ 33,199**
Accounts receivable, net of allowances	1	6,849	-	745		-	**7,595**
Inventory	-	4,842	-	730	-	-	**5,572**
Prepaid expenses	-	2,474	-	49	206	-	**2,729**
Due from other funds	451	2	-	26,706	-	(27,159)	**-**
Total Unrestricted Assets	4,116	25,329	2	44,197	2,610	(27,159)	**49,095**
Restricted Assets:							
Cash and cash equivalents	-	1,052	-	51	-	-	**1,103**
TOTAL CURRENT ASSETS	4,116	26,381	2	44,248	2,610	(27,159)	**50,198**
NON-CURRENT ASSETS							
Capital Assets:							
Depreciable:							
Plant	84	-	-	188,179	25,353	-	**213,616**
Equipment	975	-	-	243,832	4,485	-	**249,292**
	1,059	-	-	432,011	29,838	-	**462,908**
Less: Accumulated depreciation	(1,029)	-	-	(428,527)	(27,771)	-	**(457,327)**
Total Depreciable, net	30	-	-	3,484	2,067	-	**5,581**
Nondepreciable:							
Land	-	-	-	10,130	16,109	-	**26,239**
Construction in progress	-	-	-	43	-	-	**43**
Total Nondepreciable	-	-	-	10,173	16,109	-	**26,282**
Total Capital Assets	30	-	-	13,657	18,176	-	**31,863**
TOTAL NON-CURRENT ASSETS	30	-	-	13,657	18,176	-	**31,863**
TOTAL ASSETS	4,146	26,381	2	57,905	20,786	(27,159)	**82,061**

See Independent Auditor's Report

MATERIALS INNOVATION AND RECYCLING AUTHORITY
A Component Unit of the State of Connecticut
SUPPLEMENTARY INFORMATION - COMBINING SCHEDULE OF STATEMENT OF NET POSITION (Continued)
AS OF JUNE 30, 2021
(Dollars in Thousands)

	Authority General Fund	Connecticut Solid Waste System	Mid-Connecticut Project	Property Division	Landfill Division	Eliminations	Total
LIABILITIES							
CURRENT LIABILITIES							
Payable from Unrestricted Assets:							
Accounts payable	$ 15	$ 1,379	$ -	$ (4)	$ -	$ -	**$ 1,390**
Accerued expenses and other current liabilities	703	7,851	2	89	156	-	**8,801**
Due to other funds	2	27,066	-	82	9	(27,159)	**-**
Unearned revenue	-	-	-	38	-	-	**38**
Total Payable from Unrestricted Assets	720	36,296	2	205	165	(27,159)	**10,229**
Payable from Restricted Assets:							
Accerued expenses and other current liabilities	-	1,052	-	-	-	-	**1,052**
TOTAL CURRENT LIABILITIES	720	37,348	2	205	165	(27,159)	**11,281**
TOTAL LIABILITIES	720	37,348	2	205	165	(27,159)	**11,281**

MATERIALS INNOVATION AND RECYCLING AUTHORITY

A Component Unit of the State of Connecticut

SUPPLEMENTARY INFORMATION - COMBINING SCHEDULE OF STATEMENT OF NET POSITION (Continued)

AS OF JUNE 30, 2021

(Dollars in Thousands)

	Authority General Fund	Connecticut Solid Waste System	Mid-Connecticut Project	Property Division	Landfill Division	Eliminations	Total
NET POSITION							
Net investment in capital assets	$ 30	$ -	$ -	$ 13,657	$ 18,176	$ -	**$ 31,863**
Restricted	-	-	-	51	-	-	**51**
Unrestricted	3,396	(10,967)	-	43,992	2,445	-	**38,866**
TOTAL NET POSITION	$ 3,426	$ (10,967)	$ -	$ 57,700	$ 20,621	$ -	**$ 70,780**

See Independent Auditor's Report

MATERIALS INNOVATION AND RECYCLING AUTHORITY **EXHIBIT B**

A Component Unit of the State of Connecticut

SUPPLEMENTARY INFORMATION - COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2021

(Dollars in Thousands)

	Authority General Fund	Connecticut Solid Waste System	Mid-Connecticut Project	Property Division	Landfill Division	Eliminations	Total
Operating Revenues							
Service charges:							
Members	$ -	$ 37,753	$ -	$ -	$ -	$ -	$ **37,753**
Others	-	6,153	-	-	-	-	**6,153**
Energy sales	-	13,928	-	10,180	120	-	**24,228**
Other	-	3,054	-	522	55	-	**3,631**
Total Operating Revenues	-	60,888	-	10,702	175	-	**71,765**
Operating Expenses							
Solid waste operations	-	52,505	-	1,727	99	(170)	**54,161**
Maintenance and utilities	-	13,867	-	100	-	-	**13,967**
Legal services - external	-	599	-	-	-	-	**599**
Administrative and Operational services	41	3,633	-	783	69	-	**4,526**
Total Operating Expenses	41	70,604	-	2,610	168	(170)	**73,253**
Operating Income (Loss) before depreciation and amortization	(41)	(9,716)	-	8,092	7	170	**(1,488)**
Depreciation and amortization	14	-	-	14,517	138	-	**14,669**
Operating Income (Loss)	(55)	(9,716)	-	(6,425)	(131)	170	**(16,157)**
Non-Operating Revenues (Expenses)							
Investment income	-	7	-	18	-	-	**25**
Settlement income	-	844	-	-	-	-	**844**
Settlement expenses, net	-	(1,300)	-	-	-	-	**(1,300)**
Distribution to SCRRRA	-	-	-	-	-	-	**-**
Distributions to towns	-	-	(19)	-	-	-	**(19)**
Other revenues (expenses), net	6	-	(4)	(134)	-	-	**(132)**
Total Non-Operating Revenues (Expenses), net	6	(449)	(23)	(116)	-	-	**(582)**
Income (Loss) before Transfers	(49)	(10,165)	(23)	(6,541)	(131)	170	**(16,739)**
Transfers	100	3,516	-	(3,446)	-	(170)	**-**
Change in Net Position	51	(6,649)	(23)	(9,987)	(131)	-	**(16,739)**
Total Net Position, beginning of year	3,375	(4,318)	23	67,687	20,752	-	**87,519**
Total Net Position, end of year	$ 3,426	$ (10,967)	$ -	$ 57,700	$ 20,621	$ -	$ **70,780**

See Independent Auditor's Report

MATERIALS INNOVATION AND RECYCLING AUTHORITY
A Component Unit of the State of Connecticut
SUPPLEMENTARY INFORMATION - COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021
(Dollars in Thousands)

EXHIBIT C
Page 1 of 2

	Authority General Fund	Connecticut Solid Waste System	Mid-Connecticut Project	Property Division	Landfill Division	Eliminations	Total
Cash Flows Provided by (Used in) Operating Activities							
Payments received from providing services	$ -	$ 60,150	$ -	$ 10,792	$ 187	$ -	**$ 71,129**
Payments to suppliers and employees	(115)	(64,997)	2	(2,196)	(395)	170	**(67,531)**
Payments to other funds	78	9,473	-	(9,547)	(4)	-	**-**
Distributions to towns	-	-	(23)	-	-	-	**(23)**
Distribution to SCRRRA	-	-	-	-	-	-	**-**
Settlement income	-	(456)	-	-	-	-	**(456)**
Settlement expenses	-	-	-	-	-	-	**-**
Net Cash Provided by (Used in) Operating Activities	(37)	4,170	(21)	(951)	(212)	170	**3,119**
Cash Flows Provided by Investing Activities							
Interest on investments	-	7	-	18	-	-	**25**
Net Cash Provided by Investing Activities	-	7	-	18	-	-	**25**
Cash Flows Provided by (Used in) Capital and Related Financing Activities							
Proceeds from sales of equipment	-	-	-	(1)	-	-	**(1)**
Acquisition and construction of capital assets	-	-	-	(1,062)	-	-	**(1,062)**
Net Cash Provided by (Used in) Capital and Related Financing Activities	-	-	-	(1,063)	-	-	**(1,063)**
Cash Flows Provided by (Used in) Non-Capital Financing Activities							
Transfers	100	3,516	-	(3,446)	-	(170)	**-**
Net Cash Provided by (Used in) Non-Capital Financing Activities	100	3,516	-	(3,446)	-	(170)	**-**
Net Increase (Decrease) in Cash and Cash Equivalents	63	7,693	(21)	(5,442)	(212)	-	**2,081**
Cash and Cash Equivalents, beginning of year	3,601	4,521	23	21,460	2,616	-	**32,221**
Cash and Cash Equivalents, end of year	$ 3,664	$ 12,214	$ 2	$ 16,018	$ 2,404	$ -	**$ 34,302**

See Independent Auditor's Report

MATERIALS INNOVATION AND RECYCLING AUTHORITY
A Component Unit of the State of Connecticut
SUPPLEMENTARY INFORMATION - COMBINING SCHEDULE OF CASH FLOWS (Continued)
FOR THE YEAR ENDED JUNE 30, 2021
(Dollars in Thousands)

	Authority General Fund	Connecticut Solid Waste System	Mid-Connecticut Project	Property Division	Landfill Division	Eliminations	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:							
Operating income (loss)	$ (55)	$ (9,716)	$ -	$ (6,425)	$ (131)	$ 170	**$ (16,157)**
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation of capital assets	14	-	-	14,517	138	-	**14,669**
Other income (expenses), net	-	(456)	(23)	-	-	-	**(479)**
Changes in assets and liabilities, net of transfers:							
(Increase) decrease in:							
Accounts receivable, net	-	(738)	-	90	12	-	**(636)**
Inventory	-	(131)	-	392	-	-	**261**
Prepaid expenses	-	(92)	-	(1)	(206)	-	**(299)**
Increase (decrease) in:							
Accounts payable, accrued expenses and other liabilities	(74)	5,830	2	23	(21)	-	**5,760**
Due to/from other funds	78	9,473	-	(9,547)	(4)	-	**-**
Net Cash Provided by (Used in) Operating Activities	$ (37)	$ 4,170	$ (21)	$ (951)	$ (212)	$ 170	**$ 3,119**

See Independent Auditor's Report

MATERIALS INNOVATION AND RECYCLING AUTHORITY
A Component Unit of the State of Connecticut
SUPPLEMENTARY INFORMATION - COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2021
(Dollars in Thousands)

NET POSITION	Authority General Fund	Connecticut Solid Waste System	Mid-Connecticut Project	Property Division	Landfill Division	Eliminations	Total
Net Investment in Capital Assets	$ 30	$ -	$ -	$ 13,657	$ 18,176	$ -	**$ 31,863**
Restricted Net Position:							
Current restricted cash and cash equivalents:							
Customer guarantee of payment	-	1,052	-	-	-	-	**1,052**
Town of Ellington trust - pooled funds	-	-	-	51	-	-	**51**
Total current restricted cash and cash equivalents	-	1,052	-	51	-	-	**1,103**
Less liabilities to be paid with current restricted assets:							
Other liabilities	-	1,052	-	-	-	-	**1,052**
Total Restricted Net Position	-	-	-	51	-	-	**51**

See Independent Auditor's Report

MATERIALS INNOVATION AND RECYCLING AUTHORITY
A Component Unit of the State of Connecticut
SUPPLEMENTARY INFORMATION - COMBINING SCHEDULE OF NET POSITION (Continued)
AS OF JUNE 30, 2021
(Dollars in Thousands)

NET POSITION	Authority General Fund	Connecticut Solid Waste System	Mid-Connecticut Project	Property Division	Landfill Division	Eliminations	Total
Unrestricted Net Position:							
Board Designated Reserves:							
Debt service	$ -	$ 4	$ -	$ -	$ -	$ -	**$ 4**
Future loss contingencies	-	897	-	-	-	-	**897**
General fund	-	1	-	11,064	-	-	**11,065**
Improvements	-	-	-	479	-	-	**479**
Legal	-	639	-	-	-	-	**639**
Tip fee stabilization	-	-	-	1	-	-	**1**
Jets major maintanence	-	-	-	964	-	-	**964**
CSWS major maintenance	-	2,267	-	-	-	-	**2,267**
Litigation	-	-	-	-	-	-	**0**
Project/Post-project closure	-	-	-	-	-	-	**0**
Severance	2,541	-	-	-	-	-	**2,541**
Hartford Solar	-	-	-	-	335	-	**335**
Pollution insurance	-	-	-	-	-	-	**0**
Total Board Designated Reserves	2,541	3,808	-	12,508	335	-	**19,192**
Undesignated	855	(14,775)	-	31,484	2,110	-	**19,674**
Total Unrestricted Net Position	3,396	(10,967)	-	43,992	2,445	-	**38,866**
Total Net Position	$ 3,426	$ (10,967)	$ -	$ 57,700	$ 20,621	$ -	**$ 70,780**

See Independent Auditor's Report

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of the
Materials Innovation and Recycling Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of net position, and the statements of revenues, expenses and changes in net position, and cash flows of the Materials Innovation and Recycling Authority (the Authority) (a component unit of the State of Connecticut) as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated September XX, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we considered to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hartford, Connecticut
September XX, 2021

TAB 4

RESOLUTION REGARDING ADDITIONAL PROJECTED LEGAL EXPENDITURES

WHEREAS, MIRA has entered into Legal Service Agreements with various law firms to perform legal services; and

WHEREAS, the Board of Directors has previously authorized certain amounts for payment of fiscal year 2022 projected legal fees; and

WHEREAS, MIRA expects to incur greater than authorized legal expenses related to several matters with its general counsel; and

WHEREAS, funding is requested at this time from a CSWS reserve not approved through the budget process;

NOW THEREFORE, it is RESOLVED: That the following additional amount be authorized for payment of projected legal fees and costs to be incurred during fiscal year 2022:

Firm:	Amount:
Halloran & Sage	$400,000

and

FURTHER RESOLVED: That a budget of $300,000 be established for payment of FY 22 legal fees and expenses incurred in connection with the lawsuit known as *Zurich American Insurance Company et al. v. NAES*; that $300,000 from the CSWS Legal Reserve be available as the funding source for such budget; and that the President be authorized to expend up to that budgeted amount for payment of such legal costs.

MATERIALS INNOVATION AND RECYCLING AUTHORITY

Request regarding Authorization for Payment of Projected Additional Legal Expenses

September 22, 2021

Executive Summary

This is to request Board authorization for payment of additional projected fiscal ’22 legal expenses.

Discussion:

When the FY ’22 budgets were developed last winter, resolutions and settlements were pending, and further developments were too speculative to forecast. We are now seeking board authorization to incur additional legal expenses with our General Counsel for pending FY ‘22 matters, including, among other things, the Zurich/MIRA v. NAES lawsuit and permitting issues related to waste management in FY ‘23 and beyond, and for Authority budget procedural and statutory compliance matters.

TAB 5

RESOLUTION REGARDING AUTHORIZING AND FUNDING A CSWS DECOMMISSIONING COST ACCOUNT FOR FISCAL YEAR 2022

WHEREAS: Section 702 of the Authority's Amended and Restated Bylaws provides that "After adoption of the final budget, the President shall ensure the proper allocation of the budget to an established chart of accounts. Budget appropriations allocated to the accounts of the Authority shall not be exceeded without the prior approval of the Directors. The President may transfer funds within the line items for each Project without limit as long as each line item of each Project and the grand total of each fund is not exceeded without the prior approval of the Directors."; and

WHEREAS: The Authority has a present need and otherwise desires to authorize the establishment and funding of a Decommissioning Cost account to initially be used for payment of consultant services needed to develop a scope of work and cost estimate to ultimately decommission certain Connecticut Solid Waste System facilities.

NOW THEREFORE, it is RESOLVED:

That the Board of Directors hereby authorizes establishment of a Decommissioning Cost account for the CSWS which may initially be funded in the amount of $50,000 through transfer of surplus funds within the adopted line items of the CSWS Operating Budget; and may be further administered pursuant to the President's authority under section 702 of the Authority's Amended and Restated Bylaws.

TAB 6

RESOLUTION REGARDING SUBMITTAL OF AN ANNUAL PLAN OF OPERATIONS TO THE CONNECTICUT DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION

RESOLVED: That the Board of Directors hereby authorizes MIRA management to submit the Annual Plan of Operations for FY2022 to the Connecticut Department of Energy and Environmental Protection, substantially as discussed and presented at this meeting.

Materials Innovation and Recycling Authority

Authorization to Submit Annual Plan of Operations to the Connecticut Department of Energy and Environmental Protection Pursuant to CGS 22a-264

September 22, 2021

Discussion

Section 22a-264 of the Connecticut General Statutes ("CGS") requires that MIRA submit to the Connecticut Department of Energy and Environmental Protection ("DEEP"), on an annual basis, an Annual Plan of Operations. The Annual Plan of Operations is to be reviewed by the Commissioner of DEEP for consistency with the State-wide Solid Waste Management Plan (now referred to as the Comprehensive Materials Management Strategy, "CMMS"). A copy of CGS Section 22a-264 is attached for your convenience.

MIRA Board of Directors Procedure No. 011 governs the internal review process associated with this obligation. The policy requires that the Annual Plan of Operations be forwarded to the Executive Committee of the Board for comment, review and recommendation prior to submission to the full Board of Directors. The full Board of Directors is then to authorize MIRA management to submit the Annual Plan of Operations to DEEP so that it may be reviewed by DEEP for consistency with the CMMS. A copy of CRRA's *Procedure Regarding the Adoption of the Annual Plan of Operation and Budget* (Board of Directors Procedure No. 011, effective March 24, 2005), is attached for your convenience.

This is to submit to the MIRA Board of Directors an Annual Plan of Operations for FY2022 for review, and to seek authorization to forward the Annual Plan of Operations to the Commissioner of DEEP so that DEEP may review it for consistency with the CMMS. Upon receiving DEEP concurrence that the Plan is consistent with the CMMS, the Annual Plan of Operations will then be brought back before the full Board of Directors for adoption.

Sec. 22a-264. (Formerly Sec. 19-524w). Activities and operations. The activities of the authority in providing or contracting to provide solid waste management services shall be in conformity with applicable statutes and regulations and with the state-wide solid waste management plan as adopted by the Commissioner of Energy and Environmental Protection. The authority shall prepare an annual plan of operations which shall be reviewed by the Commissioner of Energy and Environmental Protection for consistency with the state-wide solid waste management plan. Upon approval by the Commissioner of Energy and Environmental Protection and by a vote of the authority's full board of directors, the annual plan of operations shall be adopted. Any activities of the authority carried out to assist in the development of industry and commerce based upon the availability of recovered resources for recycling and reuse shall be coordinated to the extent practicable with plans and activities of Connecticut Innovations, Incorporated, with due consideration given to the secondary materials and waste management industries operating within the state of Connecticut.

(P.A. 73-459, S. 8, 26; P.A. 74-338, S. 70, 94; P.A. 83-112; P.A. 11-80, S. 1; June 12 Sp. Sess. P.A. 12-1, S. 152; P.A. 14-94, S. 6, 75.)

History: P.A. 74-338 replaced Connecticut development commission with Connecticut development authority; Sec. 19-524w transferred to Sec. 22a-264 in 1983; P.A. 83-112 authorized the commissioner of environmental protection to review the plan of operation, and required commissioner's approval as well as that of authority's board of directors for promulgation of plan; pursuant to P.A. 11-80, "Commissioner of Environmental Protection" and "Department of Environmental Protection" were changed editorially by the Revisors to "Commissioner of Energy and Environmental Protection" and "Department of Energy and Environmental Protection", respectively, effective July 1, 2011; pursuant to June 12 Sp. Sess. P.A. 12-1, "Connecticut Development Authority" was changed editorially by the Revisors to "Connecticut Innovations, Incorporated", effective July 1, 2012; P.A. 14-94 deleted provisions re providing solid waste management services to the state, regions, municipalities and persons, re implementing state resources recovery system, re planning, designing, financing, constructing, managing or operating solid waste facilities and re power of authority to assist in preparation and revision of state solid waste management plan and to revise and update plan, changed requirement for adoption of annual plan of operations from a two-thirds vote to a vote of authority's full board of directors, added reference to waste management industries, replaced references to state solid waste management plan with references to state-wide solid waste management plan, and made technical changes, effective June 6, 2014.

CONNECTICUT
RESOURCES
RECOVERY
AUTHORITY

PROCEDURE REGARDING THE ADOPTION OF THE ANNUAL PLAN OF OPERATION AND BUDGET

BOARD OF DIRECTORS PROCEDURE NO. 011

1. POLICY

It is intent of the Connecticut Resources Recovery Authority ("CRRA") to adopt an annual plan of operations (the "Annual Plan of Operations") and annual budgets for each project and the general fund (the "Annual Budgets") in an orderly and timely manner, while adhering to the Bylaws, contract timelines, bond indentures and incorporating business goals.

2. PROCEDURE

As authorized by *Conn. Gen. Stat.* Section 22a-268(a), the CRRA Board of Directors shall adopt an Annual Plan of Operations and Annual Budgets prior to the beginning of each fiscal year. The Annual Plan of Operations will adhere to any requirements as defined in *Conn. Gen. Stat.* Section 22a-264.

3. GUIDELINES

3.1 Development

CRRA management, under the direction of the President, shall develop draft Annual Plans of Operations which set forth the objectives of the CRRA for the next ensuing fiscal year.

Under the direction of the President, CRRA management shall develop draft Annual Budgets which set forth the financial plans of the CRRA for the next ensuing fiscal year.

3.2 Approval Process

Each draft Annual Plan of Operations shall be forwarded to the CRRA Executive Committee for comment, review and recommendations prior to its submission to the CRRA Board of Directors for review.

The Plan of Operations, if and as amended by the CRRA Executive Committee, shall be forwarded to the CRRA Board of Directors for review.

After reviewing and approving the Plan of Operations, the CRRA Board of Directors will authorize CRRA management to forward the Plan of Operations to the Commissioner of the Department of Environmental Protection for the State of Connecticut ("DEP Commissioner") for approval.

If the DEP Commissioner does not approve the Plan of Operations, the CRRA Executive Committee and CRRA management will consult with the DEP Commissioner until a Plan of Operations is drafted that is satisfactory to all parties.

Upon approval by the DEP Commissioner, the Plan of Operations will be forwarded to the CRRA Board of Directors for adoption in accordance with the CRRA Bylaws, contract terms and bond indentures.

Each draft Annual Budget shall be forwarded to the CRRA Finance Committee for comment, review and recommendations prior to its submission to the CRRA Board of Directors for adoption.

Each Annual Budget, if and as amended by the CRRA Finance Committee, shall be forwarded to the CRRA Board of Directors for adoption in accordance with the CRRA Bylaws, contract terms and bond indentures.

3.3 Publication

Once adopted, each Annual Budget shall be sent by CRRA management to the respective participating member municipalities in a timely manner, as required by contract or bond indenture.

Once adopted, the Annual Plan of Operations shall be forwarded by CRRA management to the DEP Commissioner for approval prior to the commencement of the next ensuing fiscal year.

The adopted and approved Annual Plan of Operations shall also be posted on the CRRA internet.

3.4 Modifications

The CRRA Board of Directors, with a two-thirds vote, may change the total amount of the Annual Budgets during the course of the fiscal year when they deem necessary and if allowable by contract or bond indenture.

ORIGINAL

Approved by: Board of Directors
Effective Date: November 20, 1990

REVISION 1

Prepared by: Robert Constable
Controller
Approved by: Board of Directors
Effective Date: March 24, 2005

Materials Innovation and Recycling Authority

Annual Plan of Operations – FY 2022

Materials Innovation and Recycling Authority

The Materials Innovation and Recycling Authority ("MIRA") is a quasi-public entity of the State of Connecticut that currently provides solid waste disposal and recycling services to more than 50 municipalities in the state. Pursuant to Section 22a-264 of the Connecticut General Statutes MIRA is required to prepare an Annual Plan of Operations and to submit it to the Connecticut Department of Energy and Environmental Protection ("DEEP") for its review for consistency with the State Solid Waste Management Plan, now referred to as the Comprehensive Materials Management Strategy.

This document is MIRA's Annual Plan of Operations for Fiscal Year ("FY") 2022.

This Annual Plan of Operations consists of five sections, as follows:

Section 1: Board Resolution and FY2022 Budget for MIRA's Connecticut Solid Waste System Division.

Section 2: Board Resolution and FY2022 Budget for MIRA's Property Division

Section 3: Board Resolution and FY2022 Budget for MIRA's Landfill Division

Section 4: Board Resolution and FY2022 Authority Budget

Section 5: Key Activities to be undertaken by MIRA during its Fiscal Year 2022

A. Submittal of a Solid Waste Permit Modification Application in order to conduct Transfer of Municipal Solid Waste at MIRA's Resource Recovery Facility in Hartford

B. Request for Proposals to Support MSW Transfer Activities

C. Development of Closure Plan for MIRA's Resource Recovery Facility in Hartford

D. MIRA Activities in Support of the Comprehensive Materials Management Strategy

Section 1

ALTERNATE RESOLUTION B – MRR Transfer Conversion

RESOLUTION FOR THE MATERIALS INNOVATION AND RECYCLING AUTHORITY BOARD OF DIRECTORS REGARDING ADOPTION OF THE FISCAL YEAR 2022 CSWS DIVISION OPERATING AND CAPITAL BUDGETS

WHEREAS: The Connecticut Department of Energy and Environmental Protection's Request for Proposals process known as Resource Rediscovery that was intended to provide for the long term redevelopment of the Connecticut Solid Waste System's ("CSWS") Waste to Energy ("WTE") Facility and its Recycling Facility concluded unsuccessfully; and

WHEREAS: Such unsuccessful conclusion obligates the Materials Innovation and Recycling Authority ("Authority") to evaluate its options to otherwise continue providing municipal solid waste and recycling management services to the CSWS Participating Municipalities; and

WHEREAS: The Authority desires to provide such services in a manner that is supportive of the State's evolving waste management policies and is as cost efficient for the CSWS Participating Municipalities as possible under the circumstances; and

WHEREAS: Having considered available information and evolving policies, the Authority has concluded that, in the absence of major refurbishment, a managed shutdown and conversion of the WTE Facility into a Transfer Station is in the best interest of the State and Participating Municipalities and should be undertaken during Fiscal Year 2022 with the intent that waste combustion at the WTE Facility concludes effective July 1, 2022 ("WTE Facility Conversion"); and

WHEREAS: Having considered available information and evolving policies, the Authority has further concluded that a managed shutdown and conversion of the Recycling Facility into a Transfer Station on a year-to-year basis, and in order to maintain the permitted solid waste processing capacity and the potential to redevelop MIRA's Recycling Facility, is in the best interest of the State and Participating Municipalities and should be undertaken during Fiscal Year 2021 with the intent that processing of Acceptable Recyclables at the Recycling Facility concludes effective May 1, 2021 ("Recycling Facility Conversion"); and

WHEREAS: the Recycling Facility Conversion and WTE Facility Conversion will increase the CSWS Cost of Operation and reduce its Non-Disposal Fee Revenue which places significant upward pressure on municipal tipping fees; and

WHEREAS: the Authority desires to mitigate such increases to the extent feasible as a means to preserve an organized base of demand, known as the CSWS Participating Municipalities, necessary for future solid waste management infrastructure projects in the State; and

WHEREAS: the Authority intends to use its Tip Fee Stabilization Fund and Additional Use of Reserves to mitigate such increases to the extent feasible but believes additional financial support may be necessary to avoid erosion of such organized demand which may occur through optional termination of Municipal Service Agreements by CSWS Participating Municipalities; and

WHEREAS: the Authority has established a pilot "Pay as You Throw" program available to CSWS Participating Municipalities which may be implemented to reduce municipal tipping fees; and

WHEREAS: the Authority has explored options for State financial support as a means to alter the WTE Conversion or Recycling Facility Conversion outcomes described above, or to further mitigate tip fee increases, the likelihood of which will not be determined before conclusion of the current legislative session; and

WHEREAS: At its February 24, 2021 meeting, the Authority adopted its CSWS tip fee schedule reflecting CSWS Recycling Facility Capital Improvements and Additional Use of Reserves that were subject to further authorization of this Board; and

WHEREAS: concurrent with the adoption of this resolution the Authority's Board of Directors has separately authorized the President to enter into an Agreement with Murphy Road Recycling, LLC providing for the conduct of Transfer Station activities at the site of the Recycling Facility.

NOW, THEREFORE BE IT:

RESOLVED: That Management is directed to issue a Request for Proposals ("RFP") for Operation, Maintenance and Optional Redevelopment of the WTE Facility as a Transfer Station effective July 1, 2022 and such other RFPs as may be necessary in support of such transition including, but not limited to, services provided through the Torrington, Watertown and Essex Transfer Stations; and

FURTHER RESOLVED: That the following Fiscal Year 2022 CSWS Operating and Capital Budgets attached hereto as Exhibit A (presentation form) and Exhibit B (budget line items) are hereby adopted and authorized for expenditure as presented and discussed at this meeting:

- CSWS Operating Expense Budget totaling $66.439 million;
- CSWS Waste to Energy Facility Major Maintenance Budget totaling $5.405 million; and
- CSWS Tip Fee Stabilization Funding of $7.171 million.

FURTHER RESOLVED: That the following Fiscal Year 2022 CSWS Capital Budget attached hereto as Exhibit A (presentation form) and Exhibit B (budget line items) is hereby adopted:

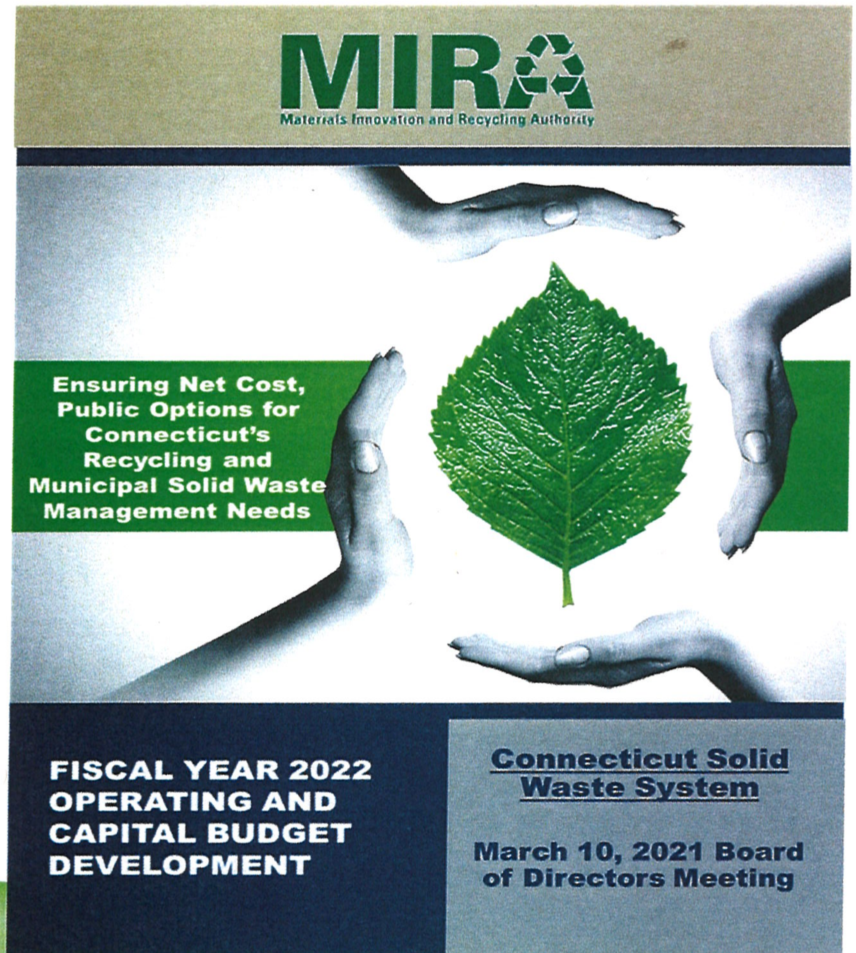
- CSWS Recycling Facility Improvement / Major Maintenance Budget totaling $0 million; and
- Additional use of Reserve of $0.209 million.

FURTHER RESOLVED: That the Board of Directors hereby encourages the Department of Energy and Environmental Protection to propose and support financial assistance intended to avoid or delay the WTE Conversion or the Recycling Facility Conversion should that be more closely aligned with evolving State waste management policies.

FURTHER RESOLVED: That the Board of Directors hereby encourages the CSWS Participating Municipalities to consider implementing a Pay as You Throw program to mitigate tip fee increases and enhance diversion of waste from combustion in FY 2022 and from landfilling commencing FY 2023.

MATERIALS INNOVATION AND RECYCLING AUTHORITY

EXHIBIT A FINAL (RECYCLING TRANSFER)



- Recommended Budget:
  - Summary Draft Budget
  - Participating Town Fees
  - Non-Participating Town Fees
  - Operating Expense Budget
  - Improvements & Major Maintenance Budget
  - Reserve Contributions
  - Non Disposal Fee Revenue
  - Key Drivers

Summary Draft Budget

- Total Operating Revenues - $64.46 Million
- Total Operating Expenses - $66.44 Million
- Operating Loss Before Reserve Contributions - $ (1.98) Million
- Proposed Reserve Contributions:
    - CSWS Improvement Fund - $ 0 Million
    - CSWS Major Maintenance Fund - $ 5.40 Million
    - CSWS Risk Fund - $ 0
    - CSWS Legal Fund - $ 0
    - MIRA Severance Fund - $ 0
    - CSWS Tip Fee Stabilization Fund - $ (7.17) Million
    - **Potential Additional Use of Reserve - $ (0.21) Million**
- $14.00 Per Ton Increase From FY 2021 Adopted Tip Fee
- Will Exceed Opt Out Tip Fee Provisions of MSAs

Participating Town Fees

- Cost of Operation - $71,844,307
  - Operating Expense Budget - $66,439,307 ($3,856,871 / 6.2% increase)
  - Reserve Contributions - $5,405,000 ($9,814,000 / 64.5% reduction)
    - Waste to Energy Facility - $5,405,000
    - **Recycling Facility (Subject to further Board Authorization) - $0**
  - Total Cost of Operation $71,844,307 ($5,957,129 / 7.7% reduction)
- Non Disposal Fee Revenue - $17,907,009
  - $16,230,562 / 47.5% reduction
  - Includes $28,000 Member Service Fees (Tier 2 @ $2.00 / Ton)
- Net Cost of Operation - $53,937,298
  - $10,273,433 / 23.5% increase
- Add: Cost of Service Discounts - $ 851,756
  - Tier 1 Long – 425,878 Tons @ $2.00 / Ton; and
- Deduct: Deficit Funding - $ (7,379,708)
  - Adopted Property Division Income Distribution to Tip Fee Stabilization - $7,170,656
  - **Potential Additional Use of Reserve (Subject to further Board Authorization) - $209,052**
- Note: Equivalent Subsidy of Uniform Base Disposal Fee - $ (16.66 / ton)

MIRA "shall set the Base Disposal Fee such that the product of the Base Disposal Fee and the Aggregate Tons, shall produce funds estimated as sufficient to pay the estimated Net Cost of Operation"

Participating Town Fees

4

- Total Rate Base - $47,409,346
  - Net Cost of Operation + Cost of Service Discounts - Deficit Funding
- Aggregate Tons - 443,078
  - Service Discounted (Tier 1 Long) – 425,878
  - Gate Rate (Equivalent Tier 1 Short) – 3,200
  - $2 Service Fee (Tier 2) – 14,000
  - Total - 443,078
  - Reflects a 18,576 ton (4.4%) increase from FY 2021
- Uniform Base Disposal Fee - $107.00 / Ton

Contract	FY 2022 Proposed Disposal Fee	FY 2022 Base Opt Out	FY 2022 Total Opt Out (With Additional Opt Out Costs)
Tier 1 Long	**$105.00**	**$ 65.95**	**$ 68.09**
Tier 1 Short	**$107.00**	**$ 68.94**	**$ 71.08**
Tier 2	**$109.00**	**n/a**	**n/a**

- Total Member Disposal Fees - $46,557,590
  $7,893,725 / 20.4%
  Increase from FY 2021

Non - Participating Town Fees

- Municipal Solid Waste
  - Hybrid Hauler / ICW Average Rate = $93 per ton
- Recycling
  - No deliveries currently authorized
- Diversions
  - Estimated T&D to Alternate Disposal Site of $110.00 per ton
  - Less Non Participating Direct Disposal Fee of $93.00
  - Equals Estimated Diversion Surcharge of $17.00 per ton

Operating Expense Budget

- **Transfer Stations -** $ 2,198,077
  0.3% Increase from FY 2021
  - Ellington - $ 16,200
  - Essex - $ 790,283
  - Torrington - $ 603,211
  - Watertown - $ 788,383
  - Total - $2,198,077
- **Waste Transportation -** $12,612,312
  4.0% Reduction from FY 2021
  - MSW From Essex - $ 722,145
  - MSW From Torrington - $ 1,012,522
  - MSW From Watertown – $ 628,965
  - MSW From RRDD#1 - $ 0
  - MSW From Ellington - $ 43,000
  - Metals from RRF - $ 1,445,000
  - Solid Waste Bypass - $ 9,320
  - Ash Disposal - $ 8,712,660
  - Non-Processible - $ 38,700
  - Total - $ 12,612,312
- **Trash to Energy Facility -** $36,834,523
  2.0% Increase from FY 2021
  - Waste Processing - $12,100,326 (0.7% Increase)
  - Power Block - $23,476,387 (4.0% Increase)
  - Facility Contractor - $ 1,257,810 (1.6% Increase)
  - Total - $36,834,523 (2.0% Increase)

Operating Expense Budget

- **Recycling Facility -** $7,132,460
  $6,170,170 (641%) Increase
  - Contract Operator Charges - $6,263,833
  - Transport From Essex - $ 182,240
  - Transport From Torrington - $ 303,669
  - Transport From Watertown – $ 176,268
  - Transport Residue to WPF - $ 0
  - MIRA Direct O&M Expenses - $ 206,450
  - Recycling Rebate – $ 0
  - Total $7,132,460
- **Indirect Expense -** $7,661,935
  10.9% Reduction from FY 2021
  - Authority Budget Allocation– $2,482,915
  - MIRA Direct Personnel– $1,470,582
  - MIRA Direct Non Personnel - $1,343,347
  - Assessment, Fees and Taxes – $2,365,091
  - Murphy Road Ops Center - $ 0
  - Total $7,661,935
- **Total Operating Expense Budget -** $66,439,307

Improvement / Major Maintenance Budget

- Total Contributions are $5,405,000:
- Overall $9,814,000 / 64.5% reduction from FY 2021 adopted budget.
- Major Maintenance – $5,405,000

Power Block Facility ($7,029,000 / 57.5% reduction) to:		
Replace Primary/Secondary Superheaters	$	2,000,000
Replace Waterwall Tube Panels	$	1,100,000
Bag House Major Repairs & Bag Replacement	$	600,000
Major Grate Rebuild	$	325,000
Gen Bank Tube Replacement	$	300,000
Auger Bin & Feed System	$	240,000
Building & Site Repairs	$	250,000
Other Systems	$	375,000
Power Block Total	$	5,190,000

Waste Processing Facility ($2,490,000 / 92.1% reduction) to:		
Dozer Repairs	$	100,000
Roof Repairs	$	65,000
100 Line Back Walls	$	50,000
Waste Processing Facility Total	$	215,000

Reserve Contributions

- Operating Income Before Reserve Contributions - $ (1,974,708)
- CSWS General Fund Retained: $ 0
  - CSWS Improvement Fund - $ 0
  - CSWS Major Maintenance Fund - $ 5,405,000
  - CSWS Risk Fund - $ 0
    There is presently in excess of $896,000 in this fund .
    Increase from FY 2021 reflects interest earnings.
    Evaluate relative to increase in SIR / deductibles.
  - CSWS Legal Fund - $ 0
    There is presently in excess of $638,000 in this fund .
    This is viewed as sufficient in comparison to prior actual CSWS legal expenses
    No contributions to this fund are recommended for FY 2022.
  - MIRA Severance Fund - $ 0
    There is presently in excess of $2,580,000 in this fund.
    This is viewed as sufficient relative to total exposure.
    No CSWS contributions to this fund are currently recommended .
  - CSWS Tip Fee Stabilization Fund - $ (7,170,656)
    Estimated distribution of all FY 2022 Property Division income.
  - Additional Use of Reserve - $ (209,052)
    (Pending Further Board Authorization)

Non Disposal Fee Revenue

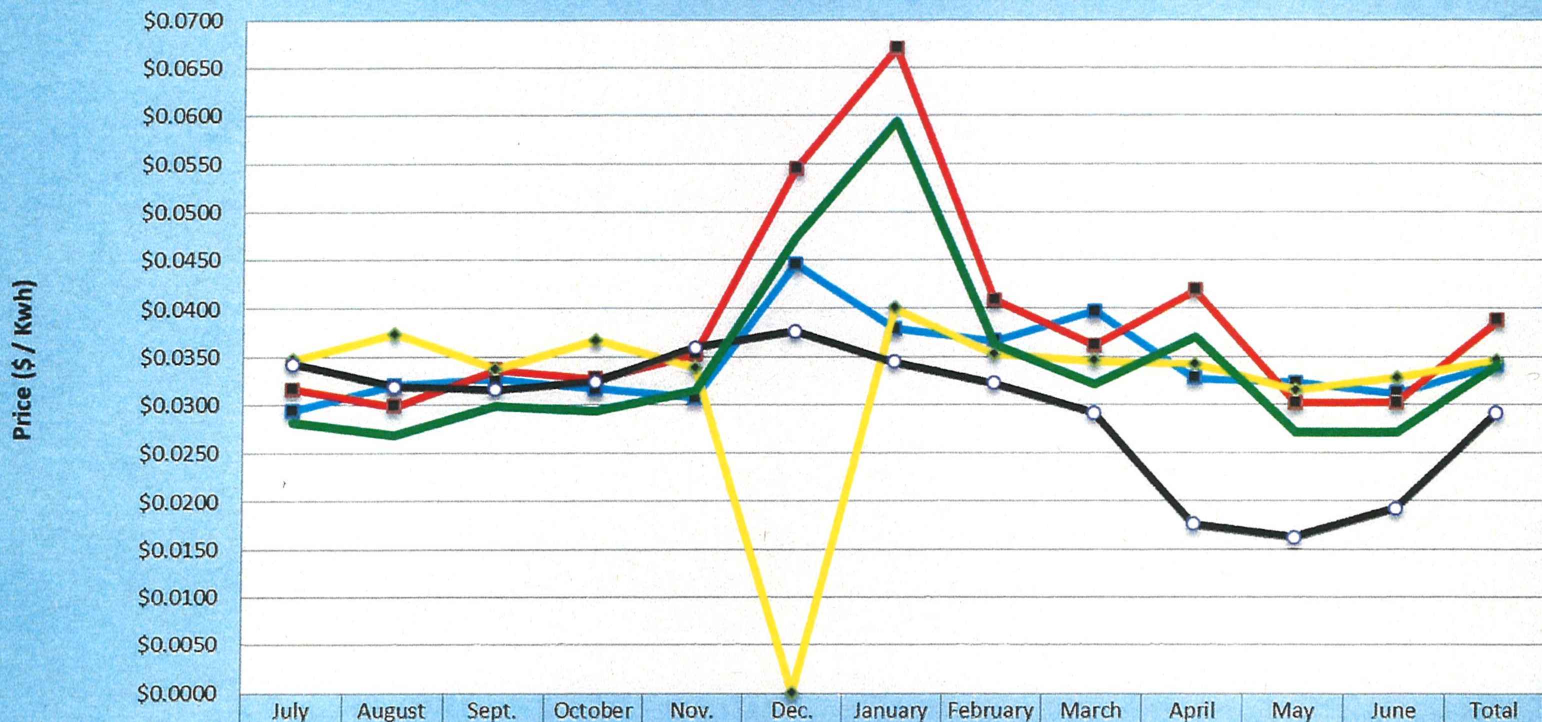
Energy Sales -		$13,212,096 $3,470,677 / 20.8% Reduction
Capacity Payments –	$ 1,705,846	
Class II RECs -	$ 3,221,750	
Real Time Market –	$ 8,284,500	
Total -	$13,212,096	
Other Recovered Products -		$314,500
Non-participating Town Tip Fees -	$ 0	
Recycling Facility Paper Sales -	$ 0	
Recycling Facility Sales Plastic -	$ 0	
Recycling Facility Metal Sales -	$ 0	
Recycling Facility Glass Sales -	$ 0	
Recycling Facility brokerage Fee -	$ 0	
Recycling Sub-total	$ 0	
Municipal Bulky & Mattresses –	$ 246,000	
Metal Sales –	$ 68,500	
Total Other Recovered Products-	$ 314,500	
Non Participating Town Waste -		$4,330,013 $9,054,437 / 67.6% Reduction
Hauler & ICW Contracts-	$ 4,328,313	
Transfer Station Surcharge -	$ 0	
Diversion Reimbursements -	$ 1,700	
Spot Ferrous Residue -	$ 0	
Total -	$ 4,330,013	
Other (Interest / Service Fees)		$ 50,400
Total Non Disposal Fee Revenue -		$17,907,009

Waste to Energy Key Drivers

- Total MSW Deliveries - 500,100
  - "Aggregate Tons" - 443,078 (18,563 ton / 4.4% increase)
  - Hauler Contract - 31,500 (53,500 ton / 62.9% decrease)
  - Other Contract - 15,041 (57,905 ton / 79.4% decrease)
  - Spot (Residue) - 8,481 (9,558 ton / 53.0% decrease)
  - Municipal Bulky - 2,000 (0 ton / 0% increase)
  - Total - 500,100 (102,400 ton / 17.0% decrease)
- Total MSW to RDF Production Rate - 98.4%
- Total RDF - 492,000
- RDF to KWH Production Rate - 534.55 kwh / ton
- Energy Production - 263,000,000 kwh
  - 53 million Kwh (17.5%) decrease
- Contract / Non Contract Energy Price - $.0315 / kwh
  - $0.0025 / Kwh (7.4%) decrease
- RDF to Ash Production Rate - 26.11%
  - Reduced from 26.22%
- Ash to Disposal - 129,000 tons
  - Decreased by 26,196 tons (16.9%)
- Ash Disposal Cost Per Ton - $67.54
  - Increased by $0.15 per ton from FY 2021 rate of $67.39

Waste to Energy Key Drivers

CSWS Energy Pricing FY 2017 to FY 2021 ($ / Kwh)



	July	August	Sept.	October	Nov.	Dec.	January	February	March	April	May	June	Total
FY 2017 Actual	$0.0293	$0.0320	$0.0326	$0.0316	$0.0307	$0.0445	$0.0379	$0.0366	$0.0397	$0.0327	$0.0322	$0.0311	$0.0341
FY 2018 Actual	$0.0316	$0.0298	$0.0336	$0.0327	$0.0352	$0.0545	$0.0670	$0.0408	$0.0362	$0.0419	$0.0301	$0.0301	$0.0387
FY 2019 Actual	$0.0346	$0.0374	$0.0337	$0.0367	$0.0338	$-	$0.0400	$0.0353	$0.0345	$0.0342	$0.0315	$0.0328	$0.0346
FY 2020 Actual	$0.0342	$0.0319	$0.0315	$0.0323	$0.0359	$0.0376	$0.0344	$0.0322	$0.0291	$0.0176	$0.0162	$0.0192	$0.0291
FY 2021 Budget	$0.0282	$0.0268	$0.0299	$0.0293	$0.0314	$0.0474	$0.0594	$0.0362	$0.0321	$0.0370	$0.0271	$0.0271	$0.0340

Recovered Products Key Drivers

Other	Quantity	Rate	Revenue
Municipal Bulky Waste	2,000 tons	$120.00	$240,000
Mattresses	200 units	$30.00 each	$ 6,000
Total			$246,000

WTE Facility Metals Revenue Shares	Tons	Rate	Revenue
Pre Burn Metals	14,150	$ 00.00	$ 0
Post Burn Metals	300	$ 30.00	$ 9,000
White Goods	50	$ 90.00	$ 4,500
Scrap and Maintenance Metals	500	$110.00	$ 55,000
Total Metal Revenue Shares	15,000	$ 13.67	$ 68,500

Section 2

ATTACHMENT 5

RESOLUTION FOR THE MATERIALS INNOVATION AND RECYCLING AUTHORITY BOARD OF DIRECTORS

REGARDING ADOPTION OF THE FISCAL YEAR 2022 PROPERTY DIVISION OPERATING AND CAPITAL BUDGETS

WHEREAS, The Materials Innovation and Recycling Authority ("Authority") maintains a Property Division for certain revenue producing assets not in service to its Connecticut Solid Waste System; and

WHEREAS, The Authority has previously established certain reserve funds for the retention, transfer and use of its Property Division income consistent with its statutory purposes which reserve funds currently include, but are not limited to, a Tip Fee Stabilization Fund intended to be drawn upon by the Connecticut Solid Waste System (CSWS) during periods of relatively low Non-Disposal Fee Revenue, and subsequently refunded contingent on future CSWS financial performance, as a means to mitigate inflationary pressures on CSWS solid waste disposal fees, a Property Division Improvement Fund, Jets Major Maintenance Fund, MIRA Severance Fund, Property Division General Fund and CSWS Improvement Fund; and

WHEREAS, The Authority annually adopts a Property Division Operating and Capital Budget and directs the distribution of its Property Division income to such funds in support of CSWS and Property Division operations and its other organizational needs; and

WHEREAS, The Authority anticipates that declining CSWS Non Disposal Fee Revenue, the operational performance of the CSWS Resource Recovery Facility and required transition to a new operating agreement for the CSWS Recycling Facility will continue to put added pressure on CSWS tip fees in connection with the development of its Fiscal Year 2022 operating and capital budgets necessitating additional contributions to the CSWS Tip Fee Stabilization Fund.

NOW THEREFORE, be it

RESOLVED: That the Fiscal Year 2022 Materials Innovation and Recycling Authority Operating and Capital Budgets for the Property Division attached hereto as Exhibit A be adopted substantially in the form as presented in Exhibit B attached hereto and discussed at this meeting; and

FURTHER RESOLVED: That effective with the disbursement of receipts for the period ending July 31, 2021 and continuing through and including the disbursement of receipts for the period ending June 30, 2022, the Board of Directors authorizes $7,170,656 in Property Division receipts remaining within the Property Division Clearing Account after disbursement to the Property Division Operating STIF to be transferred directly to the CSWS Tip Fee Stabilization Fund in lieu of the Property Division General Fund, and the heretofore established maximum Tip Fee Stabilization Fund value is hereby increased by the amount of such transfers. Management is directed to report monthly to the Board on the status of such transfers to the Tip Fee Stabilization Fund which shall not exceed $7,170,656 during this period without further Board authorization.

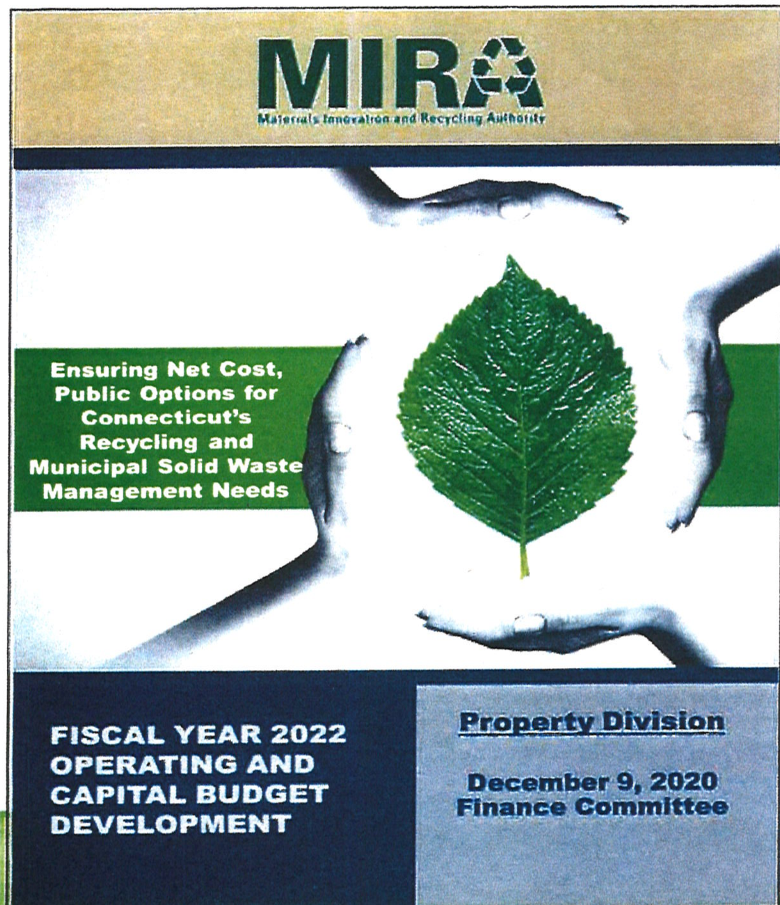
Exhibit A - Page 1
Materials Innovation and Recycling Authority
FY 2022 Proposed Draft Operating Budget

Property Division

	FY 2020		Variance	FY 2021	FY 2022	Better (Worse) Than FY 2021	
REVENUES	Budget	Actual	Better (Worse)	Adopted	Proposed	$	%
Use of Reserves	$ -	$ -	$ -	$ 389,000	$ -	$ (389,000)	n/a
Operating Revenue:							
Jets Electric:							
Capacity Payments	$ 12,273,828	$ 12,451,450	$ 177,622	$ 9,340,464	$ 8,128,655	$ (1,211,809)	-13.0%
VARS Payments	$ 50,400	$ 38,229	$ (12,171)	$ 39,108	$ 38,211	$ (897)	-2.3%
Reserve Credits	$ 600,000	$ 795,742	$ 195,742	$ 600,000	$ 600,000	$ -	0.0%
Real Time Energy	$ 300,000	$ 165,253	$ (134,747)	$ 200,000	$ 450,000	$ 250,000	125.0%
Total Jets Electric	$ 13,224,228	$ 13,450,674	$ 226,446	$ 10,179,572	$ 9,216,866	$ (962,706)	-9.5%
Lease Income:							
CSWS Murphy Road	$ -	$ -	$ -	$ -	$ -	$ -	n/a
Golf Center	$ 19,965	$ 19,965	$ -	$ 19,965	$ 19,965	$ -	0.0%
Wheelabrator Lease	$ 431,348	$ 456,949	$ 25,601	$ 456,949	$ 456,949	$ -	0.0%
Jets Billboard	$ 45,350	$ 45,350	$ -	$ 45,350	$ 45,350	$ -	0.0%
Total Lease Income	$ 496,663	$ 522,264	$ 25,601	$ 522,264	$ 522,264	$ -	0.0%
Interest Income	$ 150,000	$ 293,432	$ 143,432	$ 300,000	$ 250,000	$ (50,000)	-16.7%
Total Operating Revenue	$ 13,870,891	$ 14,266,370	$ 395,479	$ 11,001,836	$ 9,989,130	$ (1,012,706)	-9.2%
TOTAL REVENUES AND USE OF RESERVES	$ 13,870,891	$ 14,266,370	$ 395,479	$ 11,390,836	$ 9,989,130	$ (1,401,706)	-12.3%
EXPENDITURES							
MIRA Total Allocated Costs	$ 805,844	$ 747,226	$ 58,618	$ 841,375	$ 842,376	$ (1,001)	-0.1%
MIRA Non-Personnel Services	$ 247,169	$ 341,010	$ (93,841)	$ 286,065	$ 213,860	$ 72,205	25.2%
Railroad Maintenance	$ 10,500	$ 10,050	$ 450	$ 10,500	$ 10,500	$ -	0.0%
211 Murphy Road Ops. Center	$ -	$ -	$ -	$ -	$ -	$ -	n/a
171 Murphy Road	$ 26,915	$ 14,556	$ 12,359	$ 27,015	$ 27,215	$ (200)	-0.7%
Jets Operating Charges	$ 2,017,898	$ 1,376,983	$ 640,915	$ 2,044,137	$ 1,724,523	$ 319,614	15.6%
TOTAL ACCRUED EXPENDITURES	$ 3,108,326	$ 2,489,825	$ 618,501	$ 3,209,092	$ 2,818,474	$ 390,618	12.2%
OPERATING INCOME	$ 10,762,565	$ 11,776,545	$ 1,013,980	$ 7,792,744	$ 7,170,656	$ (622,088)	-8.0%
Use of Jets Major Maintenance Reserve	$ -	$ -	$ -	$ 389,000	$ -	$ (389,000)	-100.0%
INCOME AND USE OF RESERVES	$ 10,762,565	$ 11,776,545	$ 1,013,980	$ 7,792,744	$ 7,170,656	$ (622,088)	-8.0%
DISTRIBUTION OF INCOME							
MIRA Severance	$ 800,000	$ 800,000	$ -	$ -		$ -	n/a
Jets Major Maintenance Reserve	$ -		$ -	$ -		$ -	#DIV/0!
PD Improvement Fund	$ 200,000	$ 200,000	$ -	$ -		$ -	#DIV/0!
Tip Fee Stabilization Fund	$ 8,700,000	$ 9,600,000	$ 900,000	$ 5,000,000	$ 7,170,656	$ 2,170,656	43.4%
General Fund (Net)	$ 1,062,565	$ 1,244,077	$ 181,512	$ 2,792,744		$ (2,792,744)	-100.0%
TOTAL DISTRIBUTIONS	$ 10,762,565	$ 11,844,077	$ 1,081,512	$ 7,792,744	$ 7,170,656	$ (622,088)	-8.0%
SURPLUS / (DEFICIT) *	$ -	$ (67,532)	$ (67,532)	$ -	$ -	$ -	n/a

** Actual Distribution of PD Operating Income shown for FY 2020 reflects execution of the flow of funds procedure undertaken to fund each months budget in advance. The actual surplus / deficit shown for FY 2020 represents both i) the difference between accrual based income and monthly advance cash distributions, and ii) the accumulation of funds within the Property Division general fund and operating accounts due to budget versus actual expenditure variance.*

EXHIBIT B - MATERIALS INNOVATION AND RECYCLING AUTHORITY



- Summary Draft Budget
- Highlights
- Total Operating Revenue
- Total Operating Expense
- Capital Improvements & Major Maintenance
- Property Division Income Trend

SUMMARY DRAFT BUDGET

- Total Operating Revenues - $9,989,130
- Total Operating Expenses - $2,818,474
- Operating Income - $7,170,656
- Property Division FY 2022 Flow of Funds:
  - MIRA Severance Reserve - $0
  - PD General Fund - $0
  - Jets Major Maintenance Reserve - $0
  - PD Improvement Fund - $0
  - CSWS Improvement Fund - $0
  - Tip Fee Stabilization Fund - $ 7,170,656
  - Total Reserves / Transfers - $ 7,170,656

HIGHLIGHTS

- Operating Revenues decline by $1,012,705 (9.2%) from FY 2021 to FY 2022 budget:
  - Jets capacity payments decline from $5.297 per kilowatt month under FCA 11 to $4.63 under FCA 12.
  - Increase in real time energy sales reflects current FY 2021 trend.
  - No change in lease revenue.
  - Interest income declining with interest rates.
- Operating Expenses decline by $390,618 (12.2%) from FY 2021 to FY 2022 budget:
  - Allocated Authority Budget and direct personnel increase by $1,001 (0.1%).
  - MIRA direct non personnel decrease by $72,205 (25.2%).
    - **Primarily due to property insurance transition away from full Waste to Energy Facility coverage.**
  - Jets operating charges decline by $319,614 (15.6%) reflecting:
    - Decrease to Jet fuel budget of $336,000 (33.3%).
    - NAES contract operating charges increase $16,386 (2.1%).
    - No change in MIRA operating expenses.
- $7.17 million in Operating Income represents an 8.0% decline from FY 2021.

TOTAL OPERATING REVENUE

- Electric Generation from Jets- $9,216,866
  - Forward Capacity Market - $ 8,128,655
  - Reserve Time - $ 600,000
  - Real Time - $ 450,000
  - VAR Payments - $ 38,211
  - Total - $ 9,216,866
- Other Property - $ 522,264
  - Wheelabrator (Bridgeport) Lease - $ 456,949
  - Jets Billboard - $ 45,350
  - Golf Center - $ 19,965
  - Total - $ 522,264
- Interest Income - $ 250,000
- Total Operating Revenue - $9,989,130

TOTAL OPERATING EXPENSE

MIRA Allocated Costs-		$842,376
Authority Budget - Personnel Services -	$559,376	
Authority Budget - Non Personnel Services -	$162,308	
Direct Personnel Services -	$120,692	
Total Allocated Costs -	$842,376	
MIRA Direct Non Personnel Services -		$213,860
Insurance (including allocated portion of $1 million property premium) -	$193,560	
Legal -	$ 5,000	
Other -	$ 15,300	
Total Direct Non Personnel -	$213,860	
Other Property O&M -		$ 37,715
171 Murphy Road -	$ 27,215	
Railroad Maintenance -	$ 10,500	
Total Other Property-	$ 37,715	

TOTAL OPERATING EXPENSE

- JETS O&M - $1,724,523

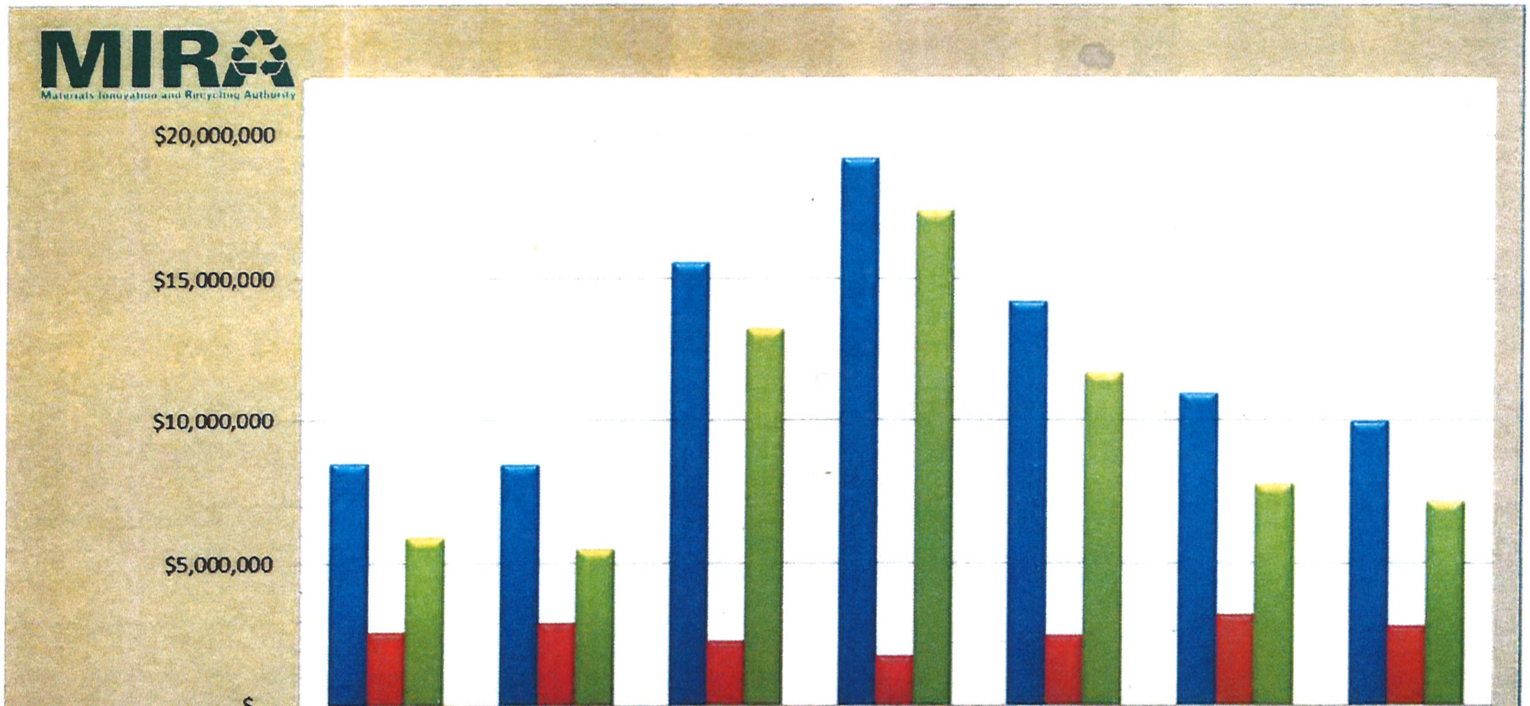
Operating Expense	NAES Contract	MIRA Related	Total
Fuel for Twin Packs	$ 0	$672,000	$672,000
Management Fee and Incentive	$ 119,467	$ 0	$ 119,467
Home Office Support	$ 66,652	$ 0	$ 66,652
Direct Labor & Overhead	$ 150,327	$ 0	$ 150,327
Employee Incentive Bonus	$ 8,922	$ 0	$ 8,922
Operations & Maintenance	$ 439,555	$ 267,600	$ 707,155
Total Operating Expense	$ 784,923	$ 939,600	$1,724,523

- Total Operating Expense $2,818,474

CAPITAL IMPROVEMENTS / MAJOR MAINTENANCE

- Any proposed projects dedicated to preserving the capacity of the Jets will be funded from the existing Jets Major Maintenance Reserve subject to future Board approval.
- Current balance in the Jets Major Maintenance Reserve is $1,078,000.
- No Further Contribution to Jets Major Maintenance Reserve.
- No projects are proposed / scheduled for other assets assigned to MIRA's Property Division.
- All FY 2022 Property Division Operating Income dedicated to Tip Fee Stabilization Fund

PROPERTY DIVISION INCOME TREND



	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted	FY 2022 Proposed
Operating Revenue	$8,508,795	$8,447,023	$15,612,380	$19,234,768	$14,266,370	$11,001,836	$9,989,130
Operating Expense	$2,594,847	$2,932,714	$2,285,292	$1,774,169	$2,489,825	$3,209,092	$2,818,474
Income Before Reserves	$5,913,948	$5,514,310	$13,327,088	$17,460,599	$11,776,545	$7,792,744	$7,170,656

Section 3

ATTACHMENT 6

RESOLUTION FOR THE MATERIALS INNOVATION AND RECYCLING AUTHORITY BOARD OF DIRECTORS

REGARDING ADOPTION OF THE FISCAL YEAR 2022 LANDFILL DIVISION OPERATING BUDGET

RESOLVED: That the Fiscal Year 2022 Materials Innovation and Recycling Authority Operating Budget for the Landfill Division attached hereto as Exhibit A be adopted substantially in the form as presented and discussed at this meeting.

MIRA - LANDFILL DIVISION

REVENUES

ACCOUNT	DESCRIPTION		ACTUAL FY20		ADOPTED FY21		PROPOSED FY22
51-001-000-43101	Electricity Sales to the City of Hartford	$	67,545	$	67,005	$	66,673
51-001-000-43106	ZREC/Energy Payments from Eversource	$	116,203	$	163,790	$	162,979
51-001-000-xxxxx	Miscellaneous Income	$	133,300	$	23,000	$	53,237
51-001-000-46101	Interest Income	$	7,913	$	-	$	-
	Total Revenues	$	**324,960**	$	**253,795**	$	**282,889**

EXPENDITURE DETAILS

ACCOUNT	DESCRIPTION		ACTUAL FY20		ADOPTED FY21		PROPOSED FY22
51-001-501-xxxxx	MIRA Operating Expenses	$	315	$	3,900	$	3,900
51-001-501-52856	Legal	$	3,192	$	10,000	$	10,000
51-001-501-52611	ZREC Income Share with City of Hartford	$	58,101	$	55,646	$	55,166
51-001-501-52640	Insurance Premium	$	40,321	$	55,559	$	61,800
51-001-501-52701	Contract Operating Charges	$	(6,410)	$	15,270	$	15,270
51-001-501-52875	Insurance Consulting & Brokerage	$	2,363	$	2,480	$	3,321
51-001-501-56605	Construction	$	11,603	$	-	$	-
51-001-501-57871	Authority Budget Allocation BOD	$	79,074	$	82,633	$	79,158
	Total Expenditures	$	**188,558**	$	**225,488**	$	**228,615**
	NET INCOME/(LOSS)	$	**136,402**	$	**28,307**	$	**54,274**
51-001-501-57871	Resource Rediscovery *	$	542,872	$	-	$	-

* FY20 Resource Rediscovery reflects legal, consulting, and other expenses related to the redevelopment of the Waste Processing Facility.

Section 4

RESOLUTION FOR THE MATERIALS INNOVATION AND RECYCLING AUTHORITY BOARD OF DIRECTORS

REGARDING APPROVING THE FISCAL YEAR 2022 AUTHORITY BUDGET

WHEREAS, The Materials Innovation and Recycling Authority (MIRA) is contractually obligated to adopt Disposal Fees for its Connecticut Solid Waste System (CSWS) participating towns on or before February 28, 2021, which fees will apply during MIRA's Fiscal Year 2022 which begins July 1, 2021 and ends June 30, 2022; and

WHEREAS, such Disposal Fees are to reflect the net cost of operation of the CSWS as defined in the Municipal Service Agreements between CSWS member towns and MIRA, which net cost of operation includes a properly allocable share of MIRA's general administrative expenses commonly known as the "Authority Budget"; and

WHEREAS, in order for MIRA to progress timely with the evaluation and establishment of Disposal Fees for the CSWS it is necessary for MIRA to adopt the Authority Budget for Fiscal Year 2022 at this time including the budget for personnel and non-personnel services that comprise MIRA's general administrative expenses and the amounts thereof that are properly allocable to MIRA projects and divisions that will be active during Fiscal Year 2022 including:

1. Connecticut Solid Waste System (CSWS)
2. Property Division
3. Landfill Division

NOW THEREFORE, be it

RESOLVED: That the Fiscal Year 2022 Materials Innovation and Recycling Authority Operating Budget attached hereto as Exhibit A be adopted substantially in the form as presented and discussed at this meeting.

EXHIBIT A
November 18, 2020 Board of Director's Meeting
Draft Proposed Total Personnel Services Budget
Draft Proposed Authority Budget

	FY 2020 Actual	FY 2021 Adopted	FY 2022 Proposed	FY 2022 Proposed Increase or (Decrease) From FY 2020 Actual $	%	FY 2021 Adopted $	%
Personnel Services							
Charged Direct to Projects	$ 1,396,884	$ 1,736,132	$ 1,591,274	$ 194,390	13.9%	$ (144,858)	-8.3%
Indirect via Authority Budget	$ 2,823,174	$ 2,560,718	$ 2,545,236	$ (277,938)	-9.8%	$ (15,482)	-0.6%
Total	$ 4,220,058	$ 4,296,850	$ 4,136,510	$ (83,548)	-2.0%	$ (160,340)	-3.7%
Authority Budget							
Indirect Personnel Services	$ 2,823,174	$ 2,560,718	$ 2,545,236	$ (277,938)	-9.8%	$ (15,482)	-0.6%
Non Personnel Services	$ 589,977	$ 724,310	$ 738,521	$ 148,544	25.2%	$ 14,211	2.0%
Total	$ 3,413,151	$ 3,285,028	$ 3,283,757	$ (129,394)	-3.8%	$ (1,271)	-0.04%
Combined Personnel and Non Personnel Services	$ 4,810,035	$ 5,021,160	$ 4,875,031	$ 64,996	1.4%	$ (146,129)	-2.9%

Personnel Services

The FY 2022 total draft proposed Personnel Services budget of $4,136,510 reflects policy and direction received at the October 14, 2020 OS&HR Committee meeting. The proposed budget reflects a 2.0% decrease in comparison to FY 2020 actual audited Personnel Services and a 3.7% decrease from the FY 2021 adopted budget for Personnel Services. The draft proposed budget funds all salary, salary related and benefits for all budgeted MIRA positions (29 permanent and 1 temporary). The proposed budget includes enhanced "Unassigned MPA Adjustments" sufficient to fund merit or market progression increases and excludes COLA or "Accross the Board" increases.

Medical benefit costs are budgeted based on current actual premiums effective October 1, 2020 through June 30, 2021 plus escalation of 6.5% applied for FY 2022. Dental, vision and life / ADD are based on current premiums effective January 1, 2020 through December 31, 2020 plus escalation of 10%, 4.5% and 4.5% applied for FY 2022, respectiveley. There is no proposed increase in current employee cost shares for medical and dental. Employee cost shares are subject to review during open enrollment.

The draft Personnel Services budget is segregated between positions allocated direct to projects and divisions and indirect positions allocated through the Authority Budget. Direct allocation is used when positions are dedicated solely to a specific project / function (CSWS scale operator positions being a good example). Indirect allocations are used when positions serve all projects and divisions (finance and accounting positions being a good example).

Authority Budget

The draft proposed Authority Budget comprises the indirect portion of the Personnel Services budget described above and all Non Personnel Services not directly associated with a specific project or division. Non Personnel Services include such expenses as office rent, office supplies, postage and printing, temporary services, insurance, brokerage, information technology and consulting. The proposed Non Personnel Services budget of $738,521 reflects a 25.2% increase from FY 2020 actual audited expenses and a 2.0% increase from the FY 2021 budget. See Exhibit 2 for the breakdown of Non Personnel Services which has been developed to reflect FY 2022 requested spending. The Non Personnel Services budget excludes funding for "Resource Rediscovery" activities. The total proposed Authority Budget for FY 2022 is $3,283,757 which represents a 3.8% reduction from FY 2020 actual expenses and a modest 0.04% decrease from the FY 2021 budget. See Exhibits 3 and 4 for the allocation of the Authority Budget and direct Personnel Services to the CSWS, Property and Landfill divisions.

FY 2022 combined personnel and non-personnel services of $4,875,031 reflects a 1.4% increase in comparison to FY 2020 actual expenses and reflects a 2.9% reduction in comparison to the FY 2021 budget.

EXHIBIT 1

MATERIALS INNOVATION AND RECYCLING AUTHORITY

FY 2022 DRAFT PROPOSAL

TOTAL PERSONNEL SERVICE BUDGET

Total Personnel Services	FY21 Adopted	FY22 Proposed	Difference	% Inc/Dec
Labor Related Payroll				
Regular Payroll	$ 3,061,064	$ 2,937,934	$ (123,129)	-4.02%
Merit / General Pool Increases	$ -	$ -	$ -	100.00%
Unassigned MPA Adjustments	$ 30,000	$ 100,035	$ 70,035	233.45%
Overtime Payroll (Based upon prior year)	$ 30,000	$ 30,000	$ -	0.00%
1 Week PL Payout	$ 58,867	$ -	$ (58,867)	-100.00%
	$ 3,179,930	$ 3,067,969	$ (111,961)	-3.52%
Labor Related Payroll Taxes				
Medicare Tax	$ 44,385	$ 41,997	$ (2,389)	-5.38%
Social Security	$ 164,164	$ 157,758	$ (6,406)	-3.90%
CT Unemployment Compensation	$ 20,460	$ 19,140	$ (1,320)	-6.45%
1 Week PL Payout	$ 3,101	$ -	$ (3,101)	-100.00%
	$ 232,110	$ 218,895	$ (13,216)	-5.69%
Subtotal Labor Costs	**$ 3,412,041**	**$ 3,286,864**	**$ (125,177)**	**-3.67%**
Employee Benefits				
HSA Contribution	$ -	$ -	$ -	100.00%
Medical & Dental*	$ 499,067	$ 487,437	$ (11,630)	-2.33%
Life and Disability*	$ 39,965	$ 37,193	$ (2,772)	-6.94%
Vision*	$ 7,147	$ 6,889	$ (258)	-3.61%
Medical Opt-out	$ 28,014	$ 28,014	$ -	0.00%
Total Health Benefits Costs	$ 574,192	$ 559,532	$ (14,660)	-2.55%
Employee Medical & Dental Contributions*	$ (54,801)	$ (52,195)	$ 2,606	-4.76%
Net Health Benefits Costs	$ 519,391	$ 507,337	$ (12,053)	-2.32%
401-K Contribution (Regular Salary)	$ 306,106	$ 289,633	$ (16,473)	-5.38%
401-K Contribution (1 Week PL Payout)	$ 5,887	$ -	$ (5,887)	-100.00%
Subtotal Employee Benefits Costs	**$ 831,384**	**$ 796,971**	**$ (34,413)**	**-4.14%**
Wellness	$ 11,625	$ 10,875	$ (750)	-6.45%
Other Benefit-Related Costs				
Other Benefits	$ 7,000	$ 7,000	$ -	0.00%
401(k) Consultant	$ 11,800	$ 11,800	$ -	0.00%
Benefits Administration/Brokerage	$ 23,000	$ 23,000	$ -	0.00%
Subtotal Other Benefit-Related Costs	**$ 41,800**	**$ 41,800**	**$ -**	**0.00%**
TOTAL PERSONNEL SERVICES	**$ 4,296,850**	**$ 4,136,510**	**$ (160,340)**	**-3.73%**

HISTORICAL COMPARISON - BUDGET VERSUS ACTUAL

Fiscal Year	Budget Adopted	Budget Inc/Dec	Actual Amount	Actual Inc/Dec	Difference Amount
FY15	$ 5,592,010		$ 5,041,372		$ (550,638)
FY16	$ 5,243,847	-6.23%	$ 4,872,758	-3.34%	$ (371,089)
FY17	$ 4,746,502	-9.48%	$ 4,277,053	-12.23%	$ (469,449)
FY18	$ 4,604,275	-3.00%	$ 4,382,246	2.46%	$ (222,029)
FY19	$ 4,500,781	-2.25%	$ 4,243,799	-3.16%	$ (256,982)
FY20	$ 4,398,267	-2.28%	$ 4,220,058	-0.56%	$ (178,209)
Total	**$ 29,085,682**		**$ 27,037,286**		$ (2,048,396)

MIRA FY17 - FY22 Personnel Services Expenses

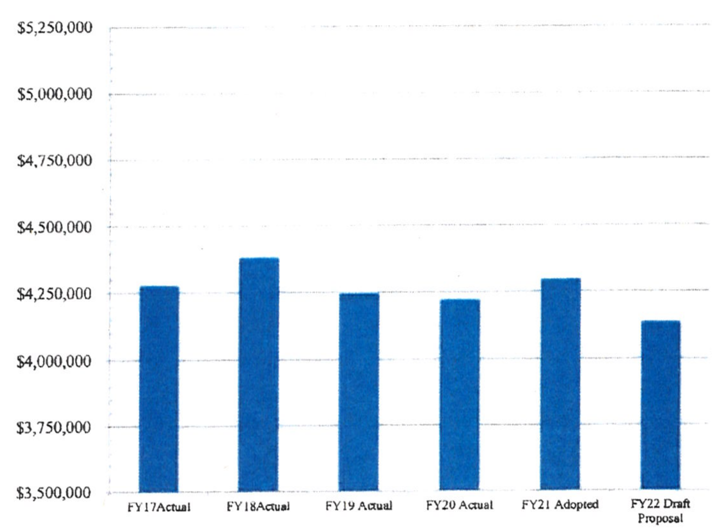


EXHIBIT 2
MATERIALS INNOVATION AND RECYCLING AUTHORITY
FY 2022 PROPOSED
TOTAL NON PERSONNEL SERVICES BUDGET

Description	ACTUAL FY20	ADOPTED FY21	PROPOSED FY22	Increase or (Decrease) From FY 2020 Actual $	FY 2020 Actual %	FY 2021 Adopted $	FY 2021 Adopted %
Postage and Delivery Fees	$ 7,158	$ 8,500	$ 9,700	$ 2,542	36%	$ 1,200	14%
Telecommunications	$ 47,515	$ 49,500	$ 53,500	$ 5,985	13%	$ 4,000	8%
Copier	$ 4,694	$ 4,400	$ 4,300	$ (394)	-8%	$ (100)	-2%
Printing Services	$ 489	$ 3,250	$ 1,250	$ 761	155%	$ (2,000)	-62%
Advertising - Legal Notices/Recruitment	$ 1,595	$ 6,400	$ 6,000	$ 4,405	276%	$ (400)	-6%
Customer Service	$ -	$ -	$ -	$ -	100%	$ -	100%
Office Supplies	$ 3,817	$ 6,500	$ 5,500	$ 1,683	44%	$ (1,000)	-15%
Protect Clothing/Safety Equipment	$ -	$ -	$ -	$ -	100%	$ -	100%
Miscellaneous Services	$ 2,591	$ 5,500	$ 5,500	$ 2,909	112%	$ -	0%
Subscript/Publ/Ref. Material	$ 1,373	$ 4,500	$ 3,610	$ 2,237	163%	$ (890)	-20%
Dues-Professional Organizations	$ 4,622	$ 6,470	$ 6,035	$ 1,413	31%	$ (435)	-7%
Business Meetings and Travel	$ 1,081	$ 3,200	$ 3,150	$ 2,069	192%	$ (50)	-2%
Training	$ 524	$ 4,100	$ 2,000	$ 1,476	282%	$ (2,100)	-51%
Payroll Software Services	$ 13,196	$ 15,000	$ 15,000	$ 1,804	14%	$ -	0%
Record Retention Services	$ 6,801	$ 7,000	$ 7,400	$ 599	9%	$ 400	6%
Mileage Reimbursement	$ 430	$ 950	$ 500	$ 70	16%	$ (450)	-47%
Vehicle Repair/Maintenance	$ -	$ 750	$ -	$ -	100%	$ (750)	-100%
Office Equipment Service	$ -			$ -	100%	$ -	100%
Building Operations	$ 134	$ 1,000	$ 1,000	$ 866	644%	$ -	0%
Insurance Claims/Losses	$ -			$ -	100%	$ -	100%
Bad Debt Expense	$ -			$ -	100%	$ -	100%
Rent	$ 197,574	$ 198,590	$ 202,576	$ 5,002	3%	$ 3,986	2%
Fuel for Vehicles	$ -	$ 300	$ -	$ -	100%	$ (300)	-100%
Temporary Agency Services	$ 18,200	$ 4,000	$ 4,000	$ (14,200)	-78%	$ -	0%
Insurance Premiums	$ 117,541	$ 115,000	$ 116,700	$ (841)	-1%	$ 1,700	1%
Information Technology Consultant	$ 709	$ 10,400	$ 5,600	$ 4,891	690%	$ (4,800)	-46%
Information Technology Maintenance	$ 71,119	$ 70,400	$ 99,100	$ 27,981	39%	$ 28,700	41%
Legal Fees	$ 12,965	$ 45,000	$ 45,000	$ 32,036	247%	$ -	0%
Auditor	$ 43,000	$ 75,000	$ 75,000	$ 32,000	74%	$ -	0%
Insurance Consulting/Brokerage	$ 6,246	$ 9,000	$ 2,100	$ (4,146)	-66%	$ (6,900)	-77%
Engineering, Technology & Consulting	$ 11,567	$ 21,600	$ 17,000	$ 5,433	47%	$ (4,600)	-21%
Vehicles	$ -			$ -	100%	$ -	100%
Office Furniture	$ -			$ -	100%	$ -	100%
Computer Hardware	$ 8,330	$ 28,500	$ 32,000	$ 23,670	284%	$ 3,500	12%
Computer Software	$ 6,309	$ 9,500	$ 2,500	$ (3,809)	-60%	$ (7,000)	-74%
Debt Service - Principal	$ -			$ -	100%	$ -	100%
Other Equipment	$ -	$ 2,500	$ 2,500	$ 2,500	100%	$ -	0%
Trustee / Bank Fees	$ 398	$ 7,500	$ 10,000	$ 9,602	2413%	$ 2,500	33%
Resource Rediscovery	$ -	$ -	$ -	$ -	100%	$ -	100%
Operational Contingency	$ -	$ -	$ -	$ -	100%	$ -	100%
Subtotal Non-Personnel Services	$ 589,977	$ 724,310	$ 738,521	$ 148,544	25%	$ 14,211	2%

EXHIBIT 3

MATERIALS INNOVATION AND RECYCLING AUTHORITY

MIRA PRIMARY INDIRECT EXPENSE ALLOCATION METHODOLOGY BY PROJECT / DIVISION

FY2022 BUDGET

(000 omitted on $ Amounts)

	CSWS	Property Division	Landfill Division	Southeast	Mid-Con Project	Total
MSW Tons FY20 Actual	544,993	-	-			544,993
Percentage	100.0%	0.0%	0.0%	0.0%	0.0%	100%
Weighting	10.0%	10.0%	10.0%	10.0%	10.0%	
Adjusted Weighting	10.0%	0.0%	0.0%	0.0%	0.0%	10%
Recycling Deliveries FY20 Actual	84,651	-	-			84,651
Percentage	100.0%	0.0%	0.0%	0.0%	0.0%	100%
Weighting	10.0%	10.0%	10.0%	10.0%	10.0%	
Adjusted Weighting	10.0%	0.0%	0.0%	0.0%	0.0%	10%
Total Operating Revenues FY20 Actual	$ 60,036	$ 13,985	$ 259			74,280
Percentage	80.8%	18.8%	0.3%	0.0%	0.0%	100%
Weighting	15.0%	15.0%	15.0%	15.0%	15.0%	
Adjusted Weighting	12.1%	2.8%	0.1%	0.0%	0.0%	15%
Total Current Assets FY20 Actual	$ 17,727	$ 40,635	$ 2,628			60,990
Percentage	29.1%	66.6%	4.3%	0.0%	0.0%	100%
Weighting	15.0%	15.0%	15.0%	15.0%	15.0%	
Adjusted Weighting	4.4%	10.0%	0.6%	0.0%	0.0%	15%
Transactions FY 20 Actual	1,684	887	189			2,760
Percentage	61.0%	32.1%	6.8%	0.0%	0.0%	100%
Weighting	25.0%	25.0%	25.0%	25.0%	25.0%	
Adjusted Weighting	15.3%	8.0%	1.7%	0.0%	0.0%	25%
Full Time Equivalents FY 22 Budget	13.37	0.63	-			14
Percentage	95.5%	4.5%	0.0%	0.0%	0.0%	100%
Weighting	25.0%	25.0%	25.0%	25.0%	25.0%	
Adjusted Weighting	23.9%	1.1%	0.0%	0.0%	0.0%	25%
Cumulative Weighting	100.00%	100.00%	100.00%	100.00%	100.00%	
Total Adjusted Weighting	75.612%	21.977%	2.411%	0.000%	0.000%	100.000%

EXHIBIT 4
MATERIALS INNOVATION AND RECYCLING AUTHORITY
FY 2022 PROPOSED
ALLOCATION OF AUTHORITY BUDGET & DIRECT PERSONNEL SERVICES

Total Authority Budget $ 3,283,757

Project / Division	Indirect Allocation Benchmarked Percent	Authority Budget Allocation
Mid-Connecticut	0.000%	$ -
Southeast Project	0.000%	$ -
Landfill Division	2.411%	$ 79,158
Property Division	21.977%	$ 721,684
CSWS	75.612%	$ 2,482,915
Total Authority Budget	100.000%	$ 3,283,757

Total Direct Personnel Services $ 1,591,274

Project / Division	Direct Personnel Service Allocation	
	Function	FY 2022 Budget
Mid-Connecticut		$ -
Southeast Project		$ -
Landfill Division		$ -
Property Division	Operations Staff - Jets	$ 120,692
CSWS	Operations Staff - CSWS	$ 1,470,582
Total Direct Personnel Services		$ 1,591,274

Combined Authority Budget and Direct Personnel Services $ 4,875,031

Project / Division	Overall Allocation Percent	Total Allocated Cost
Mid-Connecticut	0.00%	$ -
Southeast Project	0.00%	$ -
Landfill Division	1.62%	$ 79,158
Property Division	17.28%	$ 842,376
CSWS	81.10%	$ 3,953,497
Total Direct Personnel Services	100.00%	$ 4,875,031

Section 5

Key Activities to be undertaken by MIRA during its Fiscal Year 2022

During FY2022 MIRA will perform oversight and management of six solid waste and power plant facility O&M contracts; MSW delivery contracts with 31 waste hauling companies; municipal service agreements with 48 municipalities; contracts with various engineering, legal services, and auditing companies; and contracts with solid waste recycling and disposal companies (e.g., ferrous metal, ash residue). MIRA staff will operate weigh scales, inspect solid waste deliveries for conformance with contractual and environmental regulatory requirements, and manage waste flows within MIRA's CSWS. Additionally, MIRA will manage environmental regulatory compliance for 54 permits, licenses, registrations, orders, and other authorities associated with its Connecticut Solid Waste System (CSWS) Resource Recovery Facility, its three active transfer stations, its one dormant transfer station, its single stream recycling facility, and its jet turbine facility.

In addition to these annual operational responsibilities, ***MIRA will undertake the initiatives described in A through D below during its Fiscal Year 2022.***

A. Submittal of a Solid Waste Permit Modification Application in order to conduct Transfer of Municipal Solid Waste at MIRA's Resource Recovery Facility in Hartford

By correspondence dated July 8, 2021, DEEP stated its reasoning for why it believes that MIRA must modify its solid waste operating permit in order to conduct transfer of MSW at its Resource Recovery Facility in Hartford. Although MIRA does not necessarily agree with DEEP's positions on this matter, MIRA is proceeding to assemble and submit to DEEP a Permit Modification Application in order to receive authority to conduct MSW transfer activities at its Hartford Resource Recovery Facility ("RRF").

As discussed below, MIRA anticipates that it will suspend combustion activities at its RRF on or about June 30, 2022; MIRA hopes to have received authority from DEEP to conduct transfer activities so that such transfer activities can begin at that time.

Permit Modification versus Minor Permit Amendment

In DEEP's July 8, 2021 correspondence to MIRA, DEEP offered two pathway's forward for MIRA to obtain authority to transfer MSW at its Hartford RRF. The Option 1 pathway was offered as the same approach that Covanta used when it sought authority from DEEP to conduct MSW transfer activities at its Wallingford RRF.

Notably, DEEP accepted and processed the Covanta Wallingford application as a *Minor Permit Amendment* in accordance with 22a-209-4(f) rather than as a *Permit Modification*. A Minor Permit Amendment application fee is $940 versus $30,250 for a RRF Permit Modification Application; and moreover, a Minor Permit Amendment can be issued without a hearing.

During a pre-application meeting with DEEP on July 28 MIRA requested that its application be treated the same as Covanta's, since the transfer authority that MIRA will seek in its application is identical to the transfer authority that Covanta sought in its application. MIRA pointed out that this would reduce MIRA's permit application fee by approximately $29,000 and would also provide the flexibility of foregoing a hearing if DEEP chose to do so.

Notwithstanding that MIRA will follow the direction received by DEEP in its July 8 correspondence, by email to MIRA dated August 5 DEEP reiterated its position that MIRA's application must be submitted as a *permit modification* rather than a *minor permit amendment*, holding MIRA to a more rigorous and significantly more costly standard than that to which Covanta was held.

B. Request for Proposals to Support MSW Transfer Activities

In 2015, pursuant to State law, the Connecticut Department of Energy and Environmental Protection undertook a request for proposals process intended to bring about a comprehensive redevelopment of the entire CSWS (the Resource Recovery Facility, Transfer Stations and Recycling Facility). This process did not conclude successfully; the magnitude of investment required in relation to the nature of refurbishment work led to a lack of adequate financial commitments. Consequently, MIRA is no longer pursuing a comprehensive CSWS redevelopment project and is instead undertaking component projects where necessary and feasible.

At this time, MIRA anticipates suspending combustion of MSW at its Resource Recovery Facility and commencing transfer operations on or about June 30, 2022.

Accordingly, in late Fiscal Year 2021 MIRA issued three Requests for Proposals ("RFP") to support a transition to transfer of MSW that is delivered to the CSWS.

<u>RFPs for Transportation and Disposal</u>

In late FY 2021 MIRA issued <u>two</u> RFPs for the purpose of contracting for the transportation and disposal of MSW, currently processed and combusted at MIRA's Resource Recovery Facility, to Alternate Disposal Facilities as follows:

- Regional T&D RFP - On May 13, 2021 MIRA issued a Request for Proposals for Transportation and Disposal of MSW that defined Alternate Disposal Facilities as regional resource recovery facilities or transfer stations served by rail or roadway operating within the State of Connecticut, or in reasonable proximity to the State border in New York, Massachusetts or Rhode Island; and
- Landfill T&D RFP - On May 13, 2021 MIRA also issued a Request for Proposals for Transportation and Disposal of MSW that defined Alternate Disposal Facilities as out of State landfills primarily located in the states of Pennsylvania, New York and Massachusetts or other state landfill facilities, or other disposal facilities, willing and able to accept delivery of MSW from MIRA.

MIRA intends to enter into agreements for the transportation and disposal of MSW pursuant to the Landfill T&D RFP to the extent adequate capacity is not procured through the Regional T&D RFP, or which may offer more economical solutions than result from the Regional Disposal RFP.

The T&D RFPs and resulting agreements are intended to satisfy delivery commitments made to MIRA pursuant to the Municipal Service Agreements.

RFP for Transfer Facility O&M

On June 16, 2021, at the end of its FY 2021, MIRA issued one RFP for the purpose of contracting for the Operation, Maintenance and Optional Future Development of CSWS Transfer Facilities. MSW currently processed and combusted at the Resource Recovery Facility will instead be transported and disposed at Alternate Disposal Facilities as follows:

- MSW presently delivered to the Torrington, Watertown and Essex Transfer Stations, and transferred to the Resource Recovery Facility for processing and combustion, will instead be transported directly to alternate properly licensed disposal facilities.

- Provided that DEEP issues a modified solid waste operating permit that authorizes MIRA to conduct transfer activities, the Hartford RRF will be converted by MIRA and /or a third party contractor into the Hartford Transfer Station effective no earlier than July 1, 2022.

- MSW delivered directly to the Hartford Transfer Station will be transferred onto vehicles for subsequent transportation to and disposal at properly licensed solid waste disposal facilities.

Pursuant to this RFP, MIRA intends to enter into Transfer Station Agreements that will provide the necessary CSWS Transfer Facility operating and maintenance services while at the same time leveraging the private use and development thereof to lower MIRA's overall cost of service and advance the State's long term goals for environmentally responsible treatment of MSW. Opportunities to advance the state's long term goals may include, but are not limited to, improvements or procedural modifications at the CSWS Transfer Facilities to facilitate transferring MSW on a time- or quantity-limited basis, facilitating unit-based pricing for MSW disposal; promotion of recycling; separation of food waste at the point of generation for recycling, waste reduction incentives, organics diversion pilots, and other approaches to mitigate the environmental impact of waste generated by MIRA's customers.

MIRA's primary goal with these RFP initiatives is to continue providing for the least cost, lowest risk, environmentally responsible processing of MSW at least through the June 30, 2027 expiration of MIRA's Municipal Service Agreements.

These RFPs may be found on MIRA's website, at https://www.ctmira.org/business-links/current-bids-rfp-rfq/

During FY 2022 MIRA will evaluate the responses to these RFPs, make selection decisions, undertake any necessary facility modifications, and enter into contracts with the selected proposers.

C. Development of Closure Plan for MIRA's Resource Recovery Facility in Hartford

In accordance with RCSA 22a-209-13, the regulation governing closure of solid waste facilities, MIRA has engaged an environmental engineering consulting firm to support MIRA in the development of a closure plan for its Hartford RRF. Upon completion of the closure plan, which will include an associated closure cost estimate, MIRA will submit the plan to DEEP for its review. MIRA expects to submit its closure plan to DEEP during the fall of 2021.

The Closure Plan and closure cost estimate will be developed based on the following assumptions:

- The closure plan will address areas of the facility on or in which solid waste management activities have been conducted. These areas will include both the Waste Processing Facility and the Power Block Facility.

- Remediation of all historic below-grade soil contamination has already been undertaken pursuant to Connecticut's Property Transfer Program to comply with industrial / commercial standards; consequently, performance of such remediation activities under the closure plan are anticipated to be minimal.

- MIRA's jet turbine facility is not subject to regulation by RCSA 22a-209-13; accordingly, it will not be addressed in the closure plan.

In order to develop the closure plan, MIRA's consultant will perform site visits and investigations to evaluate facility conditions and will identify appropriate activities necessary to safely secure the facility and equipment, including but not limited to such activities as:

- Review of permits and regulatory obligations that may have provisions associated with closure activities, or which may include requirements for closure plans.
- Identify and develop plans for the proper removal of waste materials from equipment and areas that have been used for the receipt and processing of solid waste at the RRF.
- Identify any applicable decontamination standards for building surfaces and equipment that will remain intact after the completion of closure activities.
- Develop provisions for the prevention of unauthorized access to the buildings and equipment.

D. MIRA Activities in support of the Comprehensive Materials Management Strategy

Following are activities and initiatives that MIRA will continue or will initiate during its Fiscal Year 2022 in order to support the goals contained in the State's Comprehensive Materials Management Strategy.

- MIRA's Requests for Proposals, discussed above, have been structured to solicit prospective vendors to undertake and conduct diversion and recycling activities in addition to the straight transfer of MSW, if and where possible.

- MIRA has an ongoing Partnership with WasteZero, Inc. to put a Unit Based Pricing Pilot program in place with a MIRA contracted municipality if such municipality wants to do so. MIRA established this partnership with WasteZero, Inc. in 2020, and solicited MIRA contracted municipalities to participate. A copy of the letter that was sent to MIRA municipalities by MIRA and WasteZero is included in this Section 5.

- MIRA inspects, and where necessary rejects, loads of recyclables delivered to its Murphy Road facility in the event the loads contain an unacceptable quantity of non-recyclable material. The additional cost that the hauler/municipality delivering the material will pay if the level of contamination is unacceptable serves as an incentive to reduce contamination and improve the quality of the material.

- Retaining the capacity to transfer approximately 700 tons per day in central Connecticut is preferable to losing this capacity by simply closing the facility, and will serve as a short term solution for ensuring in-state capacity while more preferable long term solid waste management solutions are developed.

  Maintaining permitted authority for solid waste activities at this site provides additional time for stakeholders to determine whether it is in the State's interest to foreclose permanently the authority to manage solid waste at this site versus siting a new/emerging solid waste management technology at the site.

  Accordingly, to preserve capacity to manage MSW in Connecticut MIRA will submit a permit modification application to receive authority to transfer MSW.

- In order to support the diversion of organic material (e.g., food waste) from the municipal solid wastestream, MIRA is prepared to amend its municipal service agreement, as may be necessary, with any of its member municipalities that wish to establish a residential source separated organics diversion program in their city or town.

MIRA
Materials Innovation and Recycling Authority
200 CORPORATE PLACE Suite 202 • Rocky Hill • CONNECTICUT • 06067 • TELEPHONE (860) 757-7700
FAX (860) 757-7740

October 27, 2020

Mr. John Mehr, Town Manager
Town of Rocky Hill
761 Old Main Street
Rocky Hill, CT 06067

Dear Mr. Mehr,

The Materials Innovation and Recycling Authority ("MIRA") is seeking municipal participation in "Pay as You Throw" demonstration projects in an effort to turn the page on the unsuccessfully concluded Connecticut Solid Waste System ("CSWS") redevelopment project commonly known as Resource Rediscovery.

MIRA's mission is to insure the continued availability of at cost, efficient and environmentally sound recycling and MSW disposal services sufficient to meet the needs of its member municipalities. To that end the Department of Energy and Environmental Protection (DEEP) and MIRA had pursued the legislatively mandated procurement process to redevelop the CSWS which would have included renovation of the South Meadows waste-to-energy facility and recycling facility. The waste-to-energy facility, which provides 35% of the State's post recycled MSW disposal capacity (720,000 tons/year) is in need of substantial capital reinvestment absent which it will cease to operate.

Regrettably MIRA has been unable to enlist State support for the public financing necessary to redevelop and maintain continued economic operation of the CSWS. Accordingly, municipalities, their residents and businesses will soon endure a substantial reduction in Connecticut disposal capacity and will necessarily rely on less environmentally desirable alternative disposal (landfills) in other states. This loss of in-state disposal capacity, along with the 400,000 tons of MSW already being hauled out of state and the anticipated closure of regional landfills in New England and New York state, will dramatically affect the availability and reliability of MSW disposal and tipping fee costs for many years to come.

CT state policy recognizes the practical, environmental and economic importance of reliable and available MSW disposal capacity and accordingly insists upon self-sufficiency in state disposal capacity. Regrettably that is not realistic for CT at this time.

However, there are alternative, proactive materials management solutions available to reduce the demand for disposal capacity. The more that we can reduce MSW generation, the less material, taxpayer dollars and environmental impact will be spent in hauling our waste to out-of-state landfills.

We would like to introduce you to and invite your participation in, a MIRA member town specific, ***Save Money and Reduce Trash (SMART) Demonstration Project***. This project is designed to help reduce the waste generated, disposed and paid for by municipalities. The primary goals of the project would be to demonstrate and quantify the extent to which SMART can be an effective means of reducing waste generation, increasing diversion and thus reducing the amount of disposal capacity needed in-state, while providing a funding mechanism for waste management operations and disposal infrastructure development. The project design provides for the elimination of the tipping fee your municipality pays to MIRA saving Rocky Hill approximately $486,884.00 annually.

SMART, also known as Pay-As-You-Throw or Unit Based Pricing has been promoted by the United States Environmental Protection Agency, DEEP, and many states to reduce solid waste generation. It is also included in Connecticut's solid waste policy, detailed in the Comprehensive Materials Management Strategy. According to DEEP, SMART will lead to significant waste reduction, and will help ensure the success of recycling initiatives, including food waste collection and Extended Producer Responsibility (EPR). As a reflection of the importance of this effort, DEEP has made grant funding available for municipalities that implement a SMART program in the next six months.

The demonstration project that MIRA and program administrator WasteZero, Inc. propose will direct waste generators, your residents, to utilize program purchased plastic bags for all MSW. The program will provide: 1) stakeholder education, and if needed, public engagement in support of your participation in the program; 2) start-up logistics including retail store recruitment, bag distribution, accounting, and legal assistance with ordinance changes; 3) compliance protocol development, training, and assistance as necessary; and 4) ongoing program management. Retail outlets will distribute SMART bag sales revenue to MIRA and MIRA will apply those revenues to Rocky Hill's municipal account and will rebate any revenues in excess of the tip fees due under the Municipal Service Agreement. Additional details of the program modeling and execution will be provided to interested municipalities.

You can expect to receive a follow up phone call from Ms. Kristen Brown of WasteZero, Inc. to schedule a Zoom briefing for a more detailed discussion of the program, its design and execution.

Thank you for your consideration. We hope you will elect to participate in this innovative and proactive project that holds promise to improve environmental performance and conserve valuable municipal public works funds. In the meantime, please don't hesitate to call with any questions.

Thomas D. Kirk, President

Kristen Brown

Kristen Brown