



Dissolution Authority

300 Maxim Rd . Hartford . Connecticut 06114 . Telephone (860) 757-7700 . Fax (860) 757-7725

October 31, 2023

The Honorable Ned Lamont
Governor
State of Connecticut
Executive Chambers
State Capitol
Hartford, CT 06106

**RE: Connecticut General Statutes, Section 1-123(a)
Materials Innovation and Recycling Authority - Annual Report Requirements – Fiscal
Year 2023**

Dear Governor Lamont:

As you know, Public Act 23-170 created the MIRA Dissolution Authority (The “Authority”) as successor to the Materials Innovation and Recycling Authority (MIRA). The Authority replaced MIRA effective July 1, 2023 and is charged with undertaking and completing any action commenced by MIRA. The Authority is pleased to submit MIRA’s fiscal year 2023 annual reporting requirements as provided under Section 1-123(a) of the Connecticut General Statutes (“CGS”). Also enclosed is the independent audited Annual Financial Report of MIRA for the Years Ended June 30, 2023 and 2022.

MIRA’s annual reporting requirements are summarized in the table below. The Authority’s initiatives to implement the MIRA dissolution process envisioned in Public Act 23-170 are outlined in section 7 concerning planned activities.

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

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

Best Regards,



Mark Daley
President

Enclosure: Audited Annual Financial Report

cc: State Auditors of Public Accounts
 Cheryl Kaminsky, Comptroller (w/o enclosure)



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

**CT GENERAL STATUTES SECTION 1-123(a)
ANNUAL REPORT
FOR
FISCAL YEAR ENDING JUNE 30, 2023**

1. **BONDS ISSUED DURING FISCAL YEAR 2023**

No bonds were issued by the Authority during fiscal year 2023.

2. FINANCIAL ASSISTANCE PROVIDED DURING FISCAL YEAR 2023

The Authority did not provide any financial assistance¹ during Fiscal Year 2023.

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

3. VENDORS PAID \$5,000 OR MORE DURING FISCAL YEAR 2023

100-200 CORPORATE PLACE LLC	\$ 171,581.70
A J BELLIVEAU RAILROAD CONSTRUCTION INC	\$ 10,450.00
ACORE BUILDERS LLC	\$ 86,453.50
ADP LLC	\$ 12,747.28
AIR TEMP MECHANICAL SERVICES INC	\$ 21,661.00
ALBREADA REFUSE & SWEEPING, LLC	\$ 37,972.68
ALSO ENERGY INC	\$ 5,150.00
AMERESCO INC	\$ 13,680.75
ANALYTICAL CONSULTING TECH INC	\$ 8,446.62
ANTHEM BCBS	\$ 330,935.57
ASSUREDPARTNERS NEW ENGLAND INC	\$ 7,500.00
AUSTIN ENVIRONMENTAL CORP	\$ 31,187.64
B G MECHANICAL SERVICE INC	\$ 5,539.08
BEECHER CARLSON HOLDINGS INC	\$ 579,278.81
BIEBT GROUP INSURANCE	\$ 61,061.65
CAN-IT LLC	\$ 5,500.00
CDW GOVERNMENT INC	\$ 24,335.09
CHAPMAN ACRES LLC	\$ 8,000.00
COHN BIRNBAUM & SHEA PC	\$ 5,068.00
CONN NATURAL GAS CORPORATION	\$ 45,399.49
COVANTA ENERGY LLC	\$ 2,938,488.80
COX BUSINESS	\$ 5,763.99
CROWN CASTLE FIBER LLC	\$ 23,095.00
CT COMMUNITY NON PROFIT ALLIANCE	\$ 5,016.48
CT STATE OF COMM REVENUE SERVICES	\$ 194,236.00
CT STATE OF DEPARTMENT OF ENERGY	\$ 231,915.88
CWPM LLC	\$ 1,871,492.76
DAVID GALLAHER	\$ 7,244.44
DIME OIL COMPANY LLC	\$ 481,716.99

EAST RIVER ENERGY INC	\$ 678,113.85
ENVIRO EXPRESS INC	\$ 2,290,520.30
EPICOR SOFTWARE CORPORATION	\$ 40,422.37
ESSEX TOWN OF	\$ 42,879.33
EVERSOURCE ENERGY	\$ 1,064,901.60
FIDELITY INVESTMENTS	\$ 434,344.08
FRONTIER	\$ 20,004.38
HALLORAN & SAGE LLP	\$ 217,534.75
HANNA PAPER RECYCLING INC	\$ 11,000.00
HARTFORD CITY OF TREASURER	\$ 3,000,905.95
HARTFORD SPRINKLER CO INC	\$ 105,811.25
HOOKER & HOLCOMBE INVESTMENT ADVISORS IN	\$ 13,280.00
ISO NEW ENGLAND INC	\$ 15,623.86
KAINEN ESCALERA & MCHALE PC	\$ 81,483.72
METROPOLITAN DISTRICT, THE	\$ 310,466.02
METTLER TOLEDO INTERNATIONAL INC	\$ 108,757.80
MURPHY ROAD RECYCLING LLC	\$ 1,625,226.89
N-ABLE TECHNOLOGIES LTD	\$ 7,938.00
NAES CORPORATION	\$ 8,941,007.81
NEXTERA ENERGY POWER MARKETING LLC	\$ 193,500.00
OUTFRONT MEDIA INC	\$ 10,000.00
PRIMARY LANDSCAPING LLC	\$ 5,800.00
PRUDENTIAL RETIREMENT INS AND ANNUITY CO	\$ 7,150.00
SECOUR ENTERPRISES LLC	\$ 602,080.61
SEMASS PARTNERSHIP	\$ 58,492.37
SMG CORPORATE SERVICES	\$ 19,410.00
SNI COMPANIES	\$ 15,457.32
SONITROL NEW ENGLAND	\$ 22,103.45
TASCA AUTOMOTIVE GROUP INC	\$ 12,781.65
TORRINGTON CITY OF	\$ 24,488.72
TRC COMPANIES INC	\$ 98,133.75
TRINITY COLLEGE	\$ 17,000.00
UNITED SECURITY INC	\$ 72,454.04

USA HAULING & RECYCLING INC	\$ 16,575.21
USA WASTE AND RECYCLING INC	\$ 406,317.59
USDA-APHIS GENERAL	\$ 10,581.38
VERIZON WIRELESS	\$ 12,473.03
WAGEWORKS, INC.	\$ 5,646.23
WASTE MATERIAL TRUCKING COMPANY INC	\$ 14,419.45
WATERTOWN TOWN OF	\$ 9,702.55
WEX BANK	\$ 14,384.73
WHEELABRATOR TECHNOLOGIES INC	\$ 1,273,903.74
WHITTLESEY PC	\$ 40,000.00
WILLIAM B MEYER INC	\$ 39,346.95

4. FINANCIAL STATEMENTS AS OF JUNE 30, 2023

MATERIALS INNOVATION AND RECYCLING AUTHORITY
A Component Unit of the State of Connecticut
STATEMENTS OF NET POSITION
AS OF JUNE 30, 2023 AND JUNE 30, 2022
(Dollars in Thousands)

EXHIBIT I
Page 1 of 2

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Unrestricted Assets:		
Cash and cash equivalents	\$ 55,880	\$ 56,440
Accounts receivable, net of allowances	7,566	14,170
Inventory	6,403	5,869
Prepaid expenses	-	2,331
Total Unrestricted Assets	<u>69,849</u>	<u>78,810</u>
Restricted Assets:		
Cash and cash equivalents	<u>233</u>	<u>343</u>
TOTAL CURRENT ASSETS	<u>70,082</u>	<u>79,153</u>
NON-CURRENT ASSETS		
Capital Assets:		
Depreciable, net	2,700	3,980
Nondepreciable	26,239	26,239
Total Capital Assets	<u>28,939</u>	<u>30,219</u>
TOTAL NON-CURRENT ASSETS	<u>28,939</u>	<u>30,219</u>
TOTAL ASSETS	<u>99,021</u>	<u>109,372</u>

The accompanying notes are an integral part of these financial statements

MATERIALS INNOVATION AND RECYCLING AUTHORITY
A Component Unit of the State of Connecticut
STATEMENTS OF NET POSITION (Continued)
AS OF JUNE 30, 2023 AND JUNE 30, 2022
(Dollars in Thousands)

EXHIBIT I
Page 2 of 2

	<u>2023</u>	<u>2022</u>
LIABILITIES		
CURRENT LIABILITIES		
Payable from Unrestricted Assets:		
Accounts payable	\$ 1,003	\$ 2,252
Accrued expenses and other current liabilities	5,081	10,907
Unearned revenue	-	-
Total Payable from Unrestricted Assets	<u>6,084</u>	<u>13,159</u>
Payable from Restricted Assets:		
Accrued expenses and other current liabilities	<u>223</u>	<u>333</u>
TOTAL CURRENT LIABILITIES	<u>6,307</u>	<u>13,492</u>
LONG-TERM LIABILITIES		
Payable from Unrestricted Assets:		
Lease payable	58	71
Other liabilities	-	-
Total Payable from Unrestricted Assets	<u>58</u>	<u>71</u>
TOTAL LONG-TERM LIABILITIES	<u>58</u>	<u>71</u>
DEFERRED INFLOWS	<u>3,496</u>	<u>3,721</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>9,861</u>	<u>17,284</u>
NET POSITION		
Net investment in capital assets	28,881	30,148
Restricted		
Town of Ellington-Trust	10	10
Unrestricted	<u>60,269</u>	<u>61,930</u>
TOTAL NET POSITION	<u>\$ 89,160</u>	<u>\$ 92,088</u>

The accompanying notes are an integral part of these financial statements

MATERIALS INNOVATION AND RECYCLING AUTHORITY
A Component Unit of the State of Connecticut
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022
(Dollars in Thousands)

EXHIBIT II

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Service charges:		
Members	\$ 5,860	\$ 39,060
Others	217	9,815
Energy sales	13,857	31,081
Other	274	753
Total Operating Revenues	<u>20,208</u>	<u>80,709</u>
Operating Expenses		
Solid waste operations	18,791	52,532
Maintenance and utilities	1,950	3,330
Legal services - external	146	176
Administrative and Operational services	3,185	5,243
Total Operating Expenses	<u>24,072</u>	<u>61,281</u>
Operating Income before depreciation and amortization	(3,864)	19,428
Depreciation and amortization	<u>1,777</u>	<u>2,036</u>
Operating Profit	(5,641)	17,392
Non-Operating Revenues (Expenses)		
Investment income	2,139	272
Settlement income	250	-
Settlement expenses, net	-	-
Distributions to towns	-	-
Other revenues (expenses), net	(2)	18
Total Non-Operating Revenues (Expenses), Net	<u>2,387</u>	<u>290</u>
Change in Net Position	(3,254)	17,682
Total Net Position, beginning of year	<u>92,088</u>	<u>74,406</u>
Total Net Position, end of year	<u>\$ 88,834</u>	<u>\$ 92,088</u>

The accompanying notes are an integral part of these financial statements

MATERIALS INNOVATION AND RECYCLING AUTHORITY
A Component Unit of the State of Connecticut
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022
(Dollars in Thousands)

EXHIBIT III

	<u>2023</u>	<u>2022</u>
Cash Flows Provided by (Used in) Operating Activities		
Payments received from providing services	\$ 26,639	\$ 79,995
Payments to suppliers and employees	(29,205)	(57,831)
Distributions to towns	-	-
Settlement income (expenses)	250	-
Net Cash Provided by Operating Activities	<u>(2,316)</u>	<u>22,164</u>
Cash Flows Provided by Investing Activities		
Interest on investments	2,142	274
Net Cash Provided by Investing Activities	<u>2,142</u>	<u>274</u>
Cash Flows Provided by (Used in) Capital and Related Financing Activities		
Proceeds from sales of equipment	(496)	-
Payment of principal on lease liability	-	43
Net Cash Used in Capital and Related Financing Activities	<u>(496)</u>	<u>43</u>
Net Increase in Cash and Cash Equivalents	(670)	22,481
Cash and Cash Equivalents, beginning of year	<u>56,783</u>	<u>34,302</u>
Cash and Cash Equivalents, end of year	<u><u>\$ 56,113</u></u>	<u><u>\$ 56,783</u></u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:		
Operating loss	\$ (5,641)	\$ 17,392
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation of capital assets	1,777	2,036
Other income (expenses), net	245	-
Changes in assets and liabilities, net of transfers:		
(Increase) decrease in:		
Accounts receivable, net	4,369	(677)
Inventory	(534)	(297)
Prepaid expenses	2,331	397
Increase (decrease) in:		
Accounts payable, accrued expenses and other liabilities	(4,863)	3,313
Net Cash Provided by Operating Activities	<u><u>\$ (2,316)</u></u>	<u><u>\$ 22,164</u></u>

The accompanying notes are an integral part of these financial statements

5. BOND STATUS AS OF JUNE 30, 2023

As of June 30, 2023, the Authority had no outstanding long-term debt carried on its books.

6. AFFIRMATIVE ACTION POLICY STATEMENT

Materials Innovation and Recycling Authority
Ethnic Composition of Total Work Force
Summary of EEOC Report
Updated June 30, 2023

		Males							Females							
	TOTAL.	Total Males	White	Black or African American	Hispanic or Latino	Asian	Native Hawaiian or Other Pacific Islander	Two or More Races	Total Females	White	Black or African American	Hispanic or Latino	Asian	Asian Indian	Native Hawaiian or Other Pacific Islander	Two or More Races
Executive Managerial	3 20.0%	2 13.3%	2 13.3%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 6.7%	1 6.7%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Technicians	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Sales Workers	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Professionals	5 33.3%	4 26.7%	4 26.7%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 6.7%	1 6.7%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
Office and Clerical	7 46.7%	4 26.7%	4 26.7%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	3 20.0%	1 6.7%	1 6.7%	1 6.7%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
TOTALS	15 100.0%	10 66.7%	10 66.7%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	5 33.3%	3 20.0%	1 6.7%	1 6.7%	0 0.0%	0 0.0%	0 0.0%	0 0.0%



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

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

EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION STATEMENT AND PLAN

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

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

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

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

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

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

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

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

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

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

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

Approved By: Board of Directors

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

7. FISCAL YEAR 2023 ANNUAL REPORT

PLANNED ACTIVITIES FOR FISCAL YEAR 2024

Background:

The Materials Innovation and Recycling Authority (the “Authority”) has previously completed its fiscal and contractual roles in the development and operation of the Bridgeport, Wallingford and Southeast waste to energy facilities with the transfer of such facilities to private sector ownership and operation. It has also previously transferred its landfill post closure care obligations to the Department of Energy and Environmental Protection (“DEEP”). In fiscal year 2020, the Authority completed final distribution of surplus funds associated with the Mid Connecticut Project to its member municipalities. Since then, the Authority has primarily been focused on operating its Connecticut Solid Waste System (“CSWS”) on a self-sustaining basis while adapting to the unsuccessful conclusion of DEEP’s initiative to redevelop the CSWS commonly known as Resource Rediscovery. Following the facility transfers noted above, *the CSWS became the only remaining publicly controlled waste disposal option in the State and functioned in that capacity through the managed shutdown of its Waste to Energy (“WTE”) Facility in Hartford at the commencement of fiscal year 2023.*

The commitment to operate the CSWS on a self-sustaining basis was made and documented within a statutorily mandated transition plan and ten year financial plan prepared by Connecticut Resources Recovery Authority (“CRRRA”) and submitted to DEEP in the lead up to the Authority’s creation and assumption of CRRRA’s assets, rights, duties and obligations (“Transition Plan”). The Transition Plan covered the ten year period ending June 30, 2024. It was intended to allow for a smooth transition to future options for environmentally sound waste disposal. To aid in ensuring the fulfillment of this commitment, the Authority annually reviewed the ten year plan in the context of current circumstances, adopted and implemented necessary modifications as part of its annual budget development process. These modifications have addressed:

- Development and adaptation of the Authority’s Tip Fee Stabilization Fund;
- Sustainability of funding sources for the Authority’s Tip Fee Stabilization Fund;
- Operating performance of the WTE Facility;
- Major maintenance requirements for the WTE Facility;
- Methods to address declining energy, commodity and service pricing;
- Sale of surplus property to enhance the Authority’s cash position;
- Assessment of surcharges for use of the CSWS by non-participating municipalities;
- Curtailed use of the CSWS by non-participating municipalities due to facility performance; and

- Undertaking a managed transition away from operating the increasingly unreliable WTE Facility in favor of conducting waste transfer operations.

In fiscal year 2023, the Authority completed its managed transition to waste transfer operations with the shutdown of the WTE Facility in Hartford and startup of new waste transfer services from the Torrington and Essex transfer stations. The decision to shut down the WTE Facility was made following the unsuccessful conclusion of the multi-year initiative to redevelop the WTE Facility undertaken by DEEP pursuant to Public Act 14-94. The redevelopment project ultimately did not have the necessary stakeholder support from the host community, municipal customers or the State to feasibly move forward.

The Authority's municipal customers were informed and engaged before and during the transition to waste transfer activities. Municipalities were provided options to remain with the Authority under amended or existing agreements, or to terminate existing agreements pursuant to their terms. This process was undertaken concurrently with competitive solicitations for alternative waste transportation and disposal services, and transfer station operations, necessary to implement the transition. By the close of fiscal year 2022, twenty-one municipalities decided to remain with the Authority under an amended municipal service agreement and 2 municipalities remained with the Authority under their existing agreement. Twenty-nine municipalities chose private sector service providers and terminated their agreements with the Authority. This allowed the Authority to close its Watertown transfer station at the start of fiscal year 2023, in addition to shutting down the WTE Facility, and consolidate all remaining operations to its Torrington and Essex transfer stations.

The WTE Facility stopped receiving and processing waste on July 11, 2022. Combustion of refuse derived fuel stopped on July 19, 2022 and shipments of ash out of the facility stopped on August 5, 2022. New waste transfer operating contracts commenced simultaneously with these changes and provided for waste transportation and disposal from the Torrington Transfer Station to a Pennsylvania landfill, and from the Essex Transfer Station to the privately operated resource recovery facility in Preston, CT. Contractor employees engaged in operation of the WTE Facility were laid off, or transferred to the Authority's Jet Turbine Facility, from July through September as the proper shutdown process allowed. The Authority implemented a 50% reduction in its own work force and relocated its corporate office to the site of the closed WTE Facility. The Jet Turbine Facility was then shutdown effective May 31, 2023 upon expiration of relevant permits.

In fiscal year 2023, the Authority generated total operating revenue of \$20.21 million and incurred \$23.75 million in operating expenses before depreciation, resulting in an operating loss before depreciation of \$3.54 million. Total operating revenues decreased by \$60.50 million (75.0%) reflecting shutdown of the WTE Facility and the Authority's reduced base of municipal customers. Total operating expenses before depreciation decreased by \$37.54 million (61.3%) also reflecting shutdown of the WTE Facility and the Authority's reduced base of municipal customers. Income before depreciation decreased by \$22.97 million from fiscal year 2022 to fiscal year 2023. After \$1.78 million in depreciation and amortization expenses, the Authority generated an operating loss of \$5.32 million. The Authority also

generated net non-operating revenue of \$2.39 million resulting in a total decrease in the Authority's net position of \$2.93 million.

The Authority's total assets decreased by \$10.35 million (9.5%) reflecting a \$9.07 million (11.5%) decrease in current assets (primarily receivables and prepaid expenses) combined with a \$1.28 million (4.2%) reduction in net capital assets. The Authority's total liabilities decreased by \$7.43 million (42.9%).

Most importantly, the Authority effectively preserved its large \$23.2 million (70.0%) increase in cash and cash equivalents realized from June 30, 2021 to June 30, 2022 by increasing its disposal fees, reducing reserves used in support of the CSWS and lowering costs. Unrestricted cash and equivalents of the Authority decreased by \$0.56 million (1.0%) from June 30, 2022 to June 30, 2023 while accomplishing the transition to waste transfer activity.

Planned Activity for Fiscal Year 2024:

The unsuccessful conclusion of WTE Facility redevelopment efforts, ensuing transition to waste transfer activity and shutdown of the WTE Facility prompted enactment of Public Act 23-170 (An Act Concerning the Management of Solid Waste and Establishing the MIRA Dissolution Authority) at the close of the Authority's fiscal year 2023.

Public Act 23-170 created the MIRA Dissolution Authority to replace the Authority effective July 1, 2023. The MIRA Dissolution Authority assumed all of the Authority's underlying statutory duties, authorities and capabilities, and it will continue the Authority's ongoing waste transfer operations until acceptable alternatives become available, but it has also been charged with additional activities related to the Authority's dissolution. Specifically, the MIRA Dissolution Authority is to identify the immediate environmental needs and knowledge necessary for future redevelopment at the site of the now closed WTE Facility, which is to include engaging representatives of Hartford and other stakeholders with respect to the future of the site. The MIRA Dissolution Authority will further wind down the Authority's operations and activities in an orderly and responsible manner which may include the marketing and sale of surplus real and personal property. Upon conclusion of the dissolution process, anticipated as early as July 1, 2025, but not later than July 1, 2026, any remaining rights, real or personal property of the MIRA Dissolution Authority will pass to and vest in the State of Connecticut. This is accomplished at that time through designation of the State's Department of Administrative Services as the MIRA Dissolution Authority's successor agency.

The MIRA Dissolution Authority's designation as the Authority's successor is being implemented pursuant to section 4-38d of the Connecticut General Statutes which is designed to provide substantial continuity during this type of agency transition. Specifically, the MIRA Dissolution Authority's designation as the Authority's successor does not represent a grant of new authority by the State. The MIRA Dissolution Authority replaces the Authority which no longer exists doing business as the Authority as of July 1, 2023. However, any effective orders or regulations of the Authority remain effective under the governance of the MIRA Dissolution Authority. To the extent that the Authority was a party to any action or proceeding (civil or criminal); the MIRA Dissolution Authority is substituted for the

Authority in that action or proceeding. Additionally, any contract, right of action or matter undertaken or commenced by the Authority will be undertaken and completed by the MIRA Dissolution Authority effective July 1, 2023. The officers and employees of the Authority are transferred to the MIRA Dissolution Authority and all property of the Authority becomes the property of the MIRA Dissolution Authority. In summary, all of the Authority's current waste transfer operations, reporting and business activities will continue uninterrupted under the governance of the MIRA Dissolution Authority in fulfillment of existing municipal service agreements, operating and other contracts.

Adoption of Public Act 23-170 substantially defines the Authority's planned activities for fiscal year 2024. During fiscal year 2024, the Authority will implement all of the administrative changes associated with its transition to the MIRA Dissolution Authority and begin advancing its new objectives to set the stage for a future redevelopment of the South Meadows site, to wind down current operations, and to market and sell surplus real and personal property as outlined below.

Administrative Changes – Relevant entities, suppliers and service providers will be provided documentation as necessary to conduct all business in the name of the MIRA Dissolution Authority including:

- Implementation with financial institutions including banking, payroll and 401K service providers;
- Implementation with government entities including DEEP, DRS, DAS, State Elections and the IRS; and
- Implementation with customers and service providers, including municipalities, haulers, transfer station operators, waste transport, disposal and processing providers and all vendors.

South Meadows Redevelopment – Setting the stage for a future redevelopment will entail:

- Fully documenting all prior environmental remediation, future development options and requirements;
- Completing ongoing remediation work and submitting an updated "Verification Report" to DEEP concerning completion of all "Transfer Act" requirements;
- Decommissioning the WTE Facility upon DEEP's approval of a closure plan; and
- Close coordination with the City of Hartford and other stakeholders as envisioned in Public Ac 23-170.

Ongoing Operations – Current operations will continue while alternatives are developed and implemented including:

- Continue to serve 23 municipalities through contract operation of the Torrington and Essex transfer stations;
- Economize services and utilities at closed facilities;

- Secure and preserve waste management infrastructure pending development or other disposition;
- Assist in standing up regional waste authorities or other entities as necessary to assume control of operations from the MIRA Dissolution Authority; and
- Negotiate and prepare all necessary assignment and transfer documents.

Surplus Real and Personal Property – Policies and procedures guiding the marketing and sale of four primary categories of surplus real and personal property will be developed and implemented including:

- Inventories of spare parts associated with the WTE Facility, Jet Turbine Facility and Recycling Facility;
- Installed machinery and equipment at the WTE Facility, Jet Turbine Facility and Recycling Facility;
- Fleet of loaders, bobcats, forklifts, mobile shredder, cranes and other “rolling stock”; and
- Closed transfer stations, recycling facility, landfills and other real property.

Relevant Financial Policies – The Authority has developed and maintains a strong policy portfolio aimed at safeguarding its assets, ensuring its financial statements, books and records are accurate and reliable, and that its financial interests and activities are planned and executed in accordance with management’s expectations. Specific written policies, reviewed on a periodic basis, address accounting and financial reporting, development of the annual budget and plan of operations, cash management and daily receipts, procurement, payments and wire transfers, expense reimbursements, fixed assets & tagging, as well as signatory approval authorizations. The Authority undertakes a comprehensive annual budgeting and long term forecasting process, both of which reflect all operating revenues and expenses, reserve requirements and the estimated net-cost tip fee to be borne by its member municipalities.