

ULSTER COUNTY RESOURCE RECOVERY AGENCY

ANNUAL FINANCIAL REPORT
PUBLIC AUTHORITIES LAW - SECTION 2800

2017

Operations and Accomplishments

Solid Waste and Recycling Operations

The Ulster County Resource Recovery Agency (“UCRRA”) continues its commitment to find ways to decrease expenses; increase revenues and to make operations more efficient while striving to provide quality solid waste management and recycling services.

The Agency’s net position improved by \$3.4 million, from \$5.5 million at December 31, 2016 to \$8.9 million at December 31, 2017.

Total revenue in 2017 reflects a \$1 million increase from the previous year to \$15.5 million. During 2017, the Agency experienced an increase in volume and related solid waste service fees. A majority of revenue increases were due to the volume increases and a moderately improved recycling market.

Total expenses in 2017 amounted to \$11.9 million, a \$500,000 increase from 2016. During 2017, the Agency realized contractual increases for transportation and disposal costs. A majority of expenditure increases were due to these contractual increases and their volume related costs.

Waste volume increased 4.6% from the prior year. Predicting waste volume can be very difficult from year to year, but the implementation of Flow Control has allowed for less unpredictability. The waste industry as a whole saw increases of 2-3%. The Agency had unexpected increases in construction and demolition debris (C&D) as well (included in business self-hauler volumes) due to various local buildings being demolished as part of major projects.

Composting related volumes have continued to trend upward, especially food waste as the Agency’s composting program continues to evolve. Single stream recycling volumes decreased as dual stream related volumes (news/OCC/commingled) increased due to the effects of a new tip fee for single stream recycling. A couple of municipalities switched from single stream to dual stream, and a few commercial haulers redirected their tonnages to other destinations. Both of these moves were cost related.

**Ulster & New Paltz Transfer Stations, Material Recovery Facility,
& Agency Closed Landfills**

- The compost processing area was expanded by 6000 ft².
- NYSDEC approved a food waste modification to the Agency's permit from 500 tons/year to 2500 tons/year.
- NYSDEC approved updated O&M, engineering, contingency reports for both the Ulster Transfer Station as well as the New Paltz Transfer Station.
- The Agency purchased a new roll-off truck and new tractor to haul leachate.
- A 6' x 80' fence was constructed at the Ulster Transfer Station.
- A salt shed was constructed at the Ulster Transfer Station.
- A full floor replacement was done at the New Paltz Transfer Station.
- A large percentage of the floor at the Ulster Transfer Station was replaced.
- A new Volvo L60 loader was purchased for use in the compost operations.
- Additional security cameras were installed at both the Ulster Transfer Station and at the New Paltz Transfer Station.

Communications & Public Outreach

- Agency staff participated in Earth Day-related events at several Ulster County schools, including Woodstock Elementary, Phoenicia Elementary, and Bennett Elementary.
- The Agency continued to offer tours to the public of the Materials Recovery Facility and organics composting operations. During 2017, we were visited by school environmental clubs, home-school groups, college classes, Ulster County residents, as well as people from neighboring counties and towns looking to start their own composting programs.
- The Agency continued its numerous radio campaigns on local radio-stations regarding recycling, HHW events, composting, reducing food waste, e-waste collection, and plastic bag recycling.
- Agency staff reached out via a letter campaign to all public schools in Ulster County to offer complimentary composting bins, as well assistance in **setting up** or improving their current recycling and composting programs. Agency staff began presentations and delivery of the compost bins in December 2017.
- Agency staff participated in the 2nd Annual Feeding the Hudson Valley event in October 2017, which was designed to bring awareness to food waste prevention by serving a free meal prepared from 100% recovered, local food.

Household Hazardous Waste & Pharmaceutical Program

In 2017, the Agency offered three Household Hazardous Waste & Pharmaceuticals Collections for free to Ulster County residents. The events were held in April, July, and October 2017. The accompanying chart shows the quantities recovered of household hazardous waste and pharmaceutical waste. Cumulatively, the Agency's program helped prevent over 16,000 lbs. and over 7,000 gal. of hazardous materials from potentially being disposed of improperly and/or ending up in a landfill.

- Antifreeze – 110 gallons
- Pesticides (solid) – 5,100 lbs.
- Pesticides (liquid) – 1,758 gal.
- Fluorescent Bulbs – 4,750 lbs.
- Hazardous Paint – 2,426 gallons
- Hazardous Household Batteries – 205 lbs.
- Mercury-containing Devices – 72 lbs.
- Other HHW (solids) – 5,875 lbs.
- Other HHW (liquids) – 1,583 gallons
- Misc. Solid Waste – 345 lbs.
- Pharmaceuticals – 1,080 lbs.

Over the years, the Agency's program has helped prevent 17,623 lbs. and 5,118 gallons of hazardous materials from potentially being disposed of improperly and/or ending up in a landfill.

Recycling/Composting Program

- The Agency received 3,047 tons of source-separated food waste and sold 951 tons of finished compost.
- The compost sampling schedule was updated from biannual to quarterly due to the increase in incoming organics from 2016. Lab results are published on the Agency's public website.
- The Agency collected over 270 tons of electronics from residents, small businesses (< 50 employees), local municipal governments, and non-profit organizations (< 75 employees).
- Agency staff took a tour in 2017 of a processing facility managed by the Agency's e-waste contractor, ERI, Inc. to be more informed of our e-waste's lifecycle.

Real Property

The following property is owned by UCRRA as of the end date of this report:

<u>Property</u>	<u>Fair Market Value</u>
999 Flatbush Road	\$ 9,570,340
1951 Frank Sottile Blvd	\$ 906,658

Internal Control Assessment

UCRRA management has a good understanding of the need for internal controls and the existing control structure at the Agency. Opportunities to strengthen controls are taken into consideration on a daily basis. In previous years, a full review of the accounting system and daily operations was completed. In 2015 the Agency installed a digital security camera monitoring system at its two main sites (Ulster and New Paltz). After an initial review, it was determined that two additional cameras needed to be installed in 2016. An additional review in 2017 led to the addition of four more cameras being installed. These additional cameras allowed the Agency to have a more effective coverage area. The security cameras continue to be a major improvement to internal controls as a whole. In 2017, the Agency Controller and Operations Manager discussed various ways to strengthen internal controls throughout daily operations. We implemented monthly reviews and analysis of PC Scale edit/void logs. These logs tracked ticket edits and voids that were performed by Agency Scalehouse Operators. This review allowed us to find potential abuses of such actions. Nothing was noted during 2017. In an effort to safeguard Agency assets, we conducted site reviews of our three main facilities in 2017. This review led to the creation of a site security checklist which included end of day daily procedures. Some of these procedures were: electrical equipment turned off; removal of keys from vehicles/equipment; doors locked; building alarms activated. The site review also led to the addition of alarms at our Materials Recovery Facility at a previously unprotected entryway. Overall, the Agency's internal control system is evaluated as very strong.

This statement certifies that management has documented and assessed the internal control structure and procedures of the Ulster County Resource Recovery Agency for the year ending December 31, 2017. The Agency has strongly relied on the past reporting of its internal auditors for previous noted documentation and assessment. This assessment found the Agency's internal controls to be adequate, and to the extent that deficiencies were identified, the Agency has developed corrective action plans to reduce any corresponding risk.

Timothy DeGraff, CPA
Controller