

ULSTER COUNTY RESOURCE RECOVERY AGENCY

ANNUAL FINANCIAL REPORT PUBLIC AUTHORITIES LAW - SECTION 2800

2018

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 \$1.9 million, from \$8.9 million at December 31, 2017 to \$10.8 million at December 31, 2018.

Total revenue in 2018 reflects a \$700,000 increase from the previous year to \$16.2 million. During 2018, the Agency experienced an increase in volume and related solid waste service fees. A majority of revenue increases were due to the volume increases.

Total expenses in 2018 amounted to \$13.5 million, a \$1.6 million increase from 2017. During 2018, the Agency realized contractual increases for transportation and disposal costs. A portion of expenditure increases were due to these contractual increases and their volume related costs. The remaining portion of expenditure increases were due to capital investments and an increase in the amount of interest accrued on long-term debt.

Waste volume increased 4.5% 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%. For a second year in a row, 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) remained consistent due to the effects of increased tip fees for single stream recycling. The remaining 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

- Addition of license plate camera systems at the Ulster Transfer Station and Materials Recovery Facility scale houses
- Improvements in the collection of electronic waste including: new container, safer storage area, improved oversight due to relocation of collection container and the installation of a camera
- Purchase of new radio equipment for improved maintenance and reporting
- Major repairs to the baler at the Materials Recovery Facility, the grinder, and the compost mixing pits
- Purchase of new forklift, dump truck, excavator, skid steer, and roll off containers
- Purchase of two parcels of land that are located adjacent to current Agency property

Communications & Public Outreach

- The Agency offered many tours throughout 2018 to Ulster County residents, neighboring county's residents, schools, environmental groups, college students, and other various organizations. Some of the groups that visited were: Chinese Delegates, Bard College, Marist College, the Omega Institute, the Boys & Girls Club, the Ellenville High School Environmental Club, Cahill Elementary School, NYSAR3, and various other groups from White Plains, Connecticut, Ulster County, and Westchester County. The visitors came to tour the Agency's Materials Recovery Facility (MRF) and commercial organics composting operation. Presentations were also given with some of the tours.
- Agency staff received several invitations to participate in events and fairs. Presentations were done at Plattekill Library, Woodland Pond (senior center), Saugerties Library for the Saugerties Rotary Club, Woodstock Elementary (Earth Day event), Bennett Elementary School (Earth Day event), City of Kingston Earth Fair, and a "Waste Management" presentation at SUNY Ulster.
- The Agency held its first Compost Seminar on April 7. The event had 14 participants, each received a compost bin, tour of the Agency's compost operation and an hour of instruction.
- The Agency designed new informational signs for recycling and trash which were distributed to all 18 Town Transfer Stations.

- In honor of America Recycles Day, the Agency held an upcycling craft event on December 8. There were 8 children who attended, with ages ranging from 3-13. They each created a CD ornament, as well as snowmen made out of k-cups, old socks and bread ties.
- The Agency ran a successful holiday sale on compost bins, with 31 bins being sold.
- The Agency continued its ad campaigns on local radio stations regarding recycling, composting, reducing food waste, e-waste collection, plastic bag recycling and Household Hazardous Waste events. Additionally, UCRRA's Recycling Coordinator and Executive Director had a monthly segment on WGHQ Radio.

Household Hazardous Waste & Pharmaceutical Program

UCRRA offers 3 HHW Collection Events per year as a safe, convenient, and free way for Ulster County households to dispose of hazardous materials such as: fluorescent lightbulbs, rechargeable batteries, oil based paints and stains, cleaning chemicals, and much more.

In 2018, the Agency offered three Household Hazardous Waste & Pharmaceuticals Collection Events - in April, July, and October. A total of 998 residents participated. The accompanying chart shows the quantities recovered of household hazardous waste and pharmaceutical waste.

- Antifreeze – 330 gallons
- Pesticides (solid) – 5,200 lbs.
- Pesticides (liquid) – 2,475 gal.
- Fluorescent Bulbs – 3,990 lbs.
- Hazardous Paint – 1,900 gallons
- Hazardous Household Batteries – 465 lbs.
- Other HHW (solids) – 16,266 lbs.
- Other HHW (liquids) – 3,328 gallons
- Misc. Solid Waste – 345 lbs.
- Used oil – 275 gal.
- Pharmaceuticals – 880 lbs.

Cumulatively, the Agency's program helped prevent 25,921 lbs. and 8,308 gal. of hazardous materials and 880 lbs. of pharmaceuticals from potentially being disposed of improperly and/or ending up in a landfill just in 2018.

Composting Program

UCRRA operates one of only 2 municipally-operated Extended Aerated Static Pile (EASP) composting facilities in NY State. The Agency accepts organics, including food waste and compostable products from commercial entities (local schools, restaurants, grocery stores, etc.) at a cost 80.5% lower than the cost to dispose of trash.

The end product is a finished compost which the Agency sells in bulk as a valuable soil amendment. Our finished compost is tested quarterly by 2 labs, and holds the US Composting Council's Seal of Testing Assurance. The compost is tested by two different labs quarterly: Penn State and Envirotest, and holds the US Composting Council's Seal of Testing Assurance. Test results are published on the Agency's website.

In 2018, the Agency received 3,537 tons of source-separated food waste and sold 2,064 tons of finished compost.

Electronics Recycling

In NY State, it is against the law to throw computers and TVs into the trash. The Agency accepts those items, as well as many others such as printers, phones, microwaves, and more through our free e-waste recycling program. Items are transported to Electronics Recyclers International (ERI) in Holliston, MA.

The Agency's Electronics Recycling Program has been very successful, with 47% more participants in 2018 than 2015 (the program's first full year).

In 2018 the Agency collected over 296 tons of electronics from residents, small businesses (less than 50 employees), local government entities, and non-profit organizations (less than 75 employees). This number includes 207 tons of TVs and 3 tons of computers.

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	\$ 9,614,038
1951 Frank Sottile Blvd	\$ 936,688
185 – 219 Ulster Landing Road	\$ 100,000
977 – 997 Flatbush Road	\$ 455,000

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). The Agency continued to expand its camera system after the initial installation. Additional cameras were installed in 2016, 2017, and 2018. These additional cameras allowed the Agency to have a more effective coverage area. The installation of the new license plate camera systems has allowed for better accuracy and reporting. The security cameras continue to be a major improvement to internal controls as a whole. The Agency's Vehicle Maintenance Facility (VMF) receives a fair amount of delivered goods. In 2018, staff at the VMF began to verify the receipt of goods by date stamping and initialing shipping documents after review. Another major change was completed in conjunction with customer account renewals. The office staff and scale house operators began to effectively communicate when a vehicle was not registered to a customer account. This information is tracked through vehicle license plates being attached to each corresponding account. This provided us with better documentation and monitoring of customer transactions. 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, 2018. 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