

ULSTER COUNTY RESOURCE RECOVERY AGENCY

ANNUAL FINANCIAL REPORT
PUBLIC AUTHORITIES LAW - SECTION 2800

2019

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 \$2.0 million, from \$10.8 million at December 31, 2018 to \$12.8 million at December 31, 2019.

Total revenue in 2019 remained consistent with the previous year at \$16.2 million. During 2019, the Agency experienced an increase in volume which increased solid waste service fees. An increase in interest rates on deposits from an Agency bank led to increased interest revenue. These increases were offset by a further deteriorating recycling market that led to decreases in recycling revenues.

Total expenses in 2019 remained consistent with the previous year at \$14.1 million. During 2019, the Agency realized contractual increases for transportation and disposal of MSW/C&D. These increases were offset by the transportation and disposal cost savings related to not accepting single stream recycling after the first quarter of 2019. Estimated long term landfill post closure care costs decreased substantially, but were offset by increases in debt service related interest expense.

Waste volume increased 1.9% 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. For a third year in a row, the Agency had unexpected increases in construction and demolition debris (C&D) as well (majority is included in business self-hauler volumes).

Composting related volumes have continued to trend upward, especially food waste and wood chips, as the Agency’s composting program continues to evolve. Single stream recycling volumes became non-existent as the Agency stopped accepting it as of April 1, 2019. Dual stream related volumes (news/OCC/commingled) increased as a direct effect of not accepting single stream recycling.

Capital Activities

Due to forecasted substantial increases in transportation and disposal costs beginning in 2020, the agency made a conscious effort to invest in capital purchases in order to shift those budgeted funds to operating costs. The Agency also earmarked 2019 surplus funds for capital asset purchases in 2020 for 2019 ordered equipment. The following capital assets were purchased in 2019:

- Completion of the replacement of fuel depot pumps
- Continued improvements to camera system; camera additions, camera upgrades, and changes of location
- Video intercom system installed at Ulster Transfer Station scalehouse
- 5 rolloff boxes purchased for glass transport/disposal
- New excavator
- New Towmaster trailer
- New lowboy trailer
- Compost bagging machine for new bagging operation
- 2 New rolloff trucks

The Agency had two incidents in 2019 that resulted in the salvage of capital assets and the receipt of insurance proceeds that totaled \$76,645:

- Rolloff truck fire (total loss)
- Tractor accident while under the care of a vendor for repairs

Communications & Public Outreach

- The UCRRA Recycling Outreach team completed 194 hours of direct community engagement programming in 2019: including 31 public speaking events/workshops, 29 facility tours of UCRRA recycling and organics recovery facilities, and attended 16 community festivals/events.
- The programs reached 2,412 adult participants and 600 youth participants with its direct community engagement initiatives.
- The Recycling Outreach Team grew indirect outreach program opportunities; 3,166 newsletter subscribers received quarterly e-news about recycling, composting, waste reduction and other communications about UCRRA services like household hazardous waste events and the UCRRA electronics recycling program. UCRRA social media audience has grown to 828 followers on Facebook and 308 followers on Instagram.
- Monthly Public Service Announcements and promotions for UCRRA Services were aired across four local and regional radio stations (reaching over 1 million estimated listeners) and monthly print advertising reached an estimated 62,000+ local readers (Sunday Freeman, Ulster Publishing Circulation, and The Kingston Matter Digest)
- UCRRA was mentioned in more than 30 news articles in Hudson Valley One, Times Herald Record, Cities Speak, and the Daily Freeman publications in 2019.
- UCRRA utilized the Recycle Right NY Campaign (a program of NYSDEC to reduce recycling contamination) on social media and in other advertisements. The outreach materials feature a different item of interest each month, with customizable text and graphics for public use.
- The Team conducted 55 site visits in 2019 to distribute new media and provide resources for municipal staff and facilities at Ulster County Town Halls, Central School Districts, Municipal Recycling Drop-Off Centers and Public Libraries.
- The Recycling Outreach Team responded to questions over the Recycling Hotline, email, and in person at the UCRRA office.

Household Hazardous Waste & Pharmaceutical Program

The Agency offers HHW Collection Events 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 2019, the Agency offered three HHW & Pharmaceutical Collection Events - in April, July, and October. A total of 1,036 residents participated. The accompanying chart shows the quantities recovered of household hazardous waste and pharmaceutical waste.

- Antifreeze – 275 gallons
- Pesticides (solid) – 4,600 lbs.
- Pesticides (liquid) – 1,196 gal.
- Fluorescent Bulbs – 2,864 lbs.
- Hazardous Paint – 2,500 gallons
- Hazardous Household Batteries – 247 lbs.
- Other HHW (solids) – 19,100 lbs.
- Other HHW (liquids) – 2,505 gallons
- Used oil – 220 gal.
- Pharmaceuticals – 780 lbs.

Cumulatively, the Agency's program helped prevent 26,811 lbs. and 6,696 gal. of hazardous materials and 780 lbs. of pharmaceuticals from potentially being disposed of improperly and/or ending up in a landfill just in 2019.

Composting Program

The Agency 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. The Agency's finished compost is tested quarterly by 2 labs (AgroLab and EnviroTest), and holds the US Composting Council's Seal of Testing Assurance. Test results are published on the Agency's website.

The Agency processed 4,621 tons of source separated organics in 2019. If this food waste was instead managed as municipal solid waste, it would have cost the public \$475,963 in tipping fees.

By composting this material, the Agency removed 125 tractor trailer transport vehicles off the road (37 tons per vehicle) that would have traveled to Seneca Meadows Landfill for disposal. This represents a conservation of 11,875 gallons of diesel fuel, preventing 120.89 metric tons of carbon dioxide.

The total cost avoidance to the Agency for 2019 alone is approximately \$249,534 (hauling, landfill fees, and fuel).

Electronics Recycling

NYS consumers are required to recycle many electronic waste items, such as computers, computer peripherals, televisions, small scale servers, small electronic equipment, etc., in an environmentally responsible manner in accordance with the NYS Electronic Equipment Recycling and Reuse Act (Environmental Conservation Law, Article 27, Title 26). The Agency accepts electronic items for free Monday through Friday 8:00 AM - 3:00 PM at the Main Office, and also diverts electronics from disposal at the transfer stations whenever possible. All electronics are consolidated and exported to Electronics Recyclers International (ERI) in Holliston, MA and Plainfield, IN.

The Agency's electronics recycling program has been very successful, with 36% more participants in 2019 as compared to 2015 (the first year of the program). In 2019, 258 tons of electronics were accepted including 94 tons of TVs and 2 tons of computers. The program is open to residents (regardless of Ulster County residency status), businesses (<50 employees), local government entities, and non-profit organizations (<75 employees).

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	\$ 9,731,183
1951 Frank Sottile Blvd	\$ 2,191,781
185 – 219 Ulster Landing Road	\$ 87,397
977 – 997 Flatbush Road	\$ 223,973

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, 2018, and 2019. These additional cameras allowed the Agency to have a more effective coverage area. The Agency made several minor changes to its day to day accounting procedures in an effort to improve controls and be more efficient. There were no other major changes to internal controls and 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, 2019. 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