

ULSTER COUNTY RESOURCE RECOVERY AGENCY

ANNUAL FINANCIAL REPORT PUBLIC AUTHORITIES LAW - SECTION 2800

2020

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 \$1.1 million, from \$12.8 million at December 31, 2019 to \$13.9 million at December 31, 2020.

Total revenue in 2020 increased from the previous year by \$900,000. During 2020, the Agency experienced an overall increase in volume. Revenue increases were driven by volume, a tipping fee increase, recycling market improvements, and new grant revenue.

Total expenses in 2020 increased from the previous year by \$1.8 million. During 2020, the Agency realized substantial contractual increases (approx. \$11/ton) for transportation and disposal of MSW/C&D. A majority of these increases (\$1.4 million) were directly attributed to the increase in transportation costs of MSW/C&D.

Overall, waste volume increased by 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. The public health crisis due to COVID-19 led to changes within the makeup of waste. Commercial hauler volume was down due to businesses being closed; municipal volume was up due to residents being home more and a migration to upstate New York; C&D volume was up due to several assumed factors related to the public health crisis, with remodeling by current and new home owners as the leading cause.

Recycling volumes as a whole increased from the prior year. This increase is attributable to the public health crisis and a full year of no single stream recycling being accepted at the Agency’s recycling facility. Residents being at home more increased recycling at town transfer stations, especially OCC, as residents increased online ordering of goods.

Capital Activities

2019 earmarked funds and anticipated grant reimbursements were used as a means to make major investments into the Agency's composting operation, and to replace all three scales at its Ulster Transfer Station site. The Agency has also begun construction on a new building with a dual purpose: a recycling education center and a compost bagging operation.

The following capital assets were purchased in 2020:

- Additional security cameras and upgraded camera system NVR servers
- Vehicle Maintenance Facility storage shed
- Three new scales with decks, safety railings, and improved approaches
- Caterpillar dozer and Caterpillar roller
- Volvo L110 wheeled loader, Telestack radial stacker, and Phoenix trommel screen for compost operation
- (2) 36 foot dump trailers
- Desktop PC's/laptops for administrative staff and scale houses
- (2) Mack tractors
- Bobcat 4x4 utility vehicle
- Expansion of property border fencing
- Blacktopping and concrete pads for the expansion of Agency's composting operation

Communications & Public Outreach

Despite the challenges of the COVID-19 public health crisis in 2020, the UCRRA Recycling Outreach Team remained adaptable and adjusted program offerings to continue outreach and educational initiatives. In-person gatherings were replaced with webinars and virtual classes through WEBEX teleconferencing systems. The team incorporated new social media strategies, such as starting a Youtube channel and uploading class videos and other video content online. Additional safety protocols were added during facility tours that took place later in the year, and the team focused on updating the Agency website, new print media resources, and acquiring new teaching tools for future educational programs.

- The UCRRA Recycling Outreach team completed 47 hours of direct community engagement programming in 2020 including: 18 public speaking events/workshops, 17 facility tours of UCRRA's recycling and organics recovery facilities, and 4 site visits to improve recycling programs.
- The program reached 431 adult participants and 40 youth participants with its direct community engagement initiatives.

- The Recycling Outreach Team grew indirect outreach program opportunities; 3,717 newsletter subscribers (+551 new 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 888 followers on Facebook, 620 followers on Instagram, and 14 subscribers on Youtube.
- Monthly Public Service Announcements and promotions for UCRRA Services were aired across four local and regional radio stations (reaching over 2,006,400 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 27 news articles in local news media publications in 2020.
- 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 Recycling Outreach Team responded to over 350 phone calls on the Recycling Hotline, 75 emails through the Contact Us through the UCRRA website, 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 2020, the Agency had planned and received approvals to conduct three HHW & Pharmaceutical Collection Events - in April, July, and October. However, due to the public health crisis and consequent closings/shutdowns, social distancing guidelines, and other operational strains on the Agency's essential services, these events were all cancelled at the discretion of the Agency's Executive Director and Board of Directors. Residents were instructed on alternative safe disposal options when applicable, and advised to wait until a time when the program can be safely resumed.

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 AgroLab, and holds the US Composting Council's Seal of Testing Assurance. Test results are published on the Agency's website.

The Agency processed 4,665 tons of source separated organics in 2020. If this food waste was instead managed as municipal solid waste, it would have cost the public \$489,825 in tipping fees. By composting this material, the Agency removed 132 tractor trailer transport vehicles off the road (35 tons per vehicle) that would have traveled to Seneca Meadows Landfill for disposal. This represents a conservation of 12,662 gallons of diesel fuel, preventing 128 tons of carbon dioxide. The total cost avoidance to the Agency for 2020 alone is approximately \$298,560 (hauling, landfill fees, 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).

In 2020, the Agency accepted electronic items for free Monday through Friday 8:00am-3:00pm at the Main Office, though the program was temporarily suspended in the spring due to the public health crisis, and eventually resumed as a program offered on Saturdays only, which closed seasonally as of November 30, 2020. Additionally, the Agency 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. In 2020, UCRRA collected **198 tons** of electronic waste, including 73 tons (146,258 pounds) of computers, 60 tons (121,314 pounds) of small consumer electronic equipment, and 64 tons (128,857 pounds) of televisions.

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	\$10,173,224
1951 Frank Sottile Blvd	\$ 2,352,941

(NOTE – three properties from 2019 were combined into one property in 2020; represented in 999 Flatbush Road property)

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, 2019 and 2020. These additional cameras allowed the Agency to have a more effective coverage area. The COVID-19 pandemic led the Agency to stop accepting cash at its scale houses. This policy will remain after the pandemic, as it is seen as an improvement to internal controls. After the resignation of the Executive Director, the Agency made several changes to its day to day accounting procedures in an effort to improve controls with a reduction in staff as the Controller became the Acting Executive Director as well. 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, 2020. 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
Acting Executive Director/Controller