



**The**  
**Authority**<sup>TM</sup>  
ONEIDA-HERKIMER SOLID WASTE AUTHORITY

**ANNUAL REPORT**  
**2016**

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**The Authority**<sup>TM</sup>  
ONEIDA-HERKIMER SOLID WASTE AUTHORITY

**CHAIRMAN'S INTRODUCTION**

**BOARD OF DIRECTORS**

**INTRODUCTION**

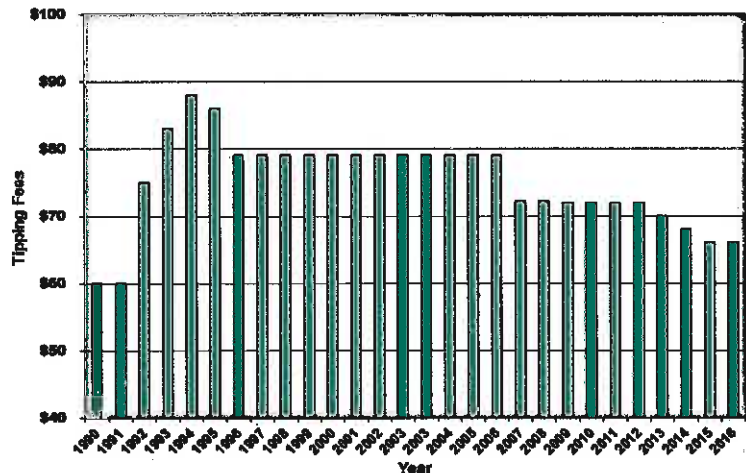
On behalf of the Oneida-Herkimer Solid Waste Management Authority, I am pleased to submit this 2016 Annual Report. This year marks the 28<sup>th</sup> anniversary since the formation of the Authority.

In 2016, the Authority maintained stable solid waste tipping fees after three consecutive years of lowering its rates. This was the result of increasing and diversifying its revenues and reducing operating expenses. The Authority Board of Directors has reduced its tipping fee for solid waste by 16% since 2006.

The Authority remains in a very stable financial position. While lowering rates, and keeping expenses in check, the Authority continued to provide a full range of services to handle all categories of waste generated by the region's individuals, businesses, industries, and institutions. The Authority continued its emphasis on reduction and recycling. The Authority Board remains committed to maintaining and enhancing the region's self-reliant integrated solid waste management system. Toward that end, in 2016, the Authority initiated a feasibility study to look at the viability of constructing a facility in Utica to divert commercial food waste from the landfill.

The Authority Board remains committed to long-term stable rates. The 2016 operating surplus and corresponding positive net asset position is a result of careful planning and the decision to establish reserves for future capital projects. Specifically, the Authority continued reserves for major landfill equipment replacement of \$400,000 and the extension of the landfill liner for new waste disposal cells of \$1,600,000. By reserving these funds from current disposal fees, it will reduce or eliminate the need to borrow for these projects in the future. The Authority has also reserved funds to defease some long-term bonds early, which will reduce future debt service expense. Related to diversifying revenue, the Authority Board approved an agreement to process Fulton County, NY's single stream recyclables. This new revenue, when added to the revenues for processing Lewis and Oswego Counties' recyclables, helped further cover operating expenses.

**Oneida-Herkimer Solid Waste Authority  
Historical MSW Tipping Fees 1990 - 2016**



Finally, in 2016, the Authority through its host community agreement with the Village of Boonville, funded certain improvements at the intersection of NYS Routes 294 & 46, in lieu of developing a bypass road. The Authority and Village sought to make mutually beneficial modifications to the Agreement to improve transportation through the Village, while also benefitting the Village and the Erwin Library and Institute.

While we continue to manage the region's waste and recyclables in a safe, reliable, and efficient manner, I invite you to review this summary of our operations and feel free to call anytime.

*Kenneth A. Long*  
Kenneth A. Long  
Chairman

## BOARD OF DIRECTORS

The Authority's Board of Directors is comprised of 10 members, representing an outstanding combination of interests and experiences in the private and public sectors.

2016 BOARD OF DIRECTORS	BUSINESS AFFILIATION
<b>Neil C. Angell, Chairman</b> Finance Committee	Town of Verona Dairy Farmer; former Oneida County Legislator; and Member of the Agricultural Economic Development Committee
<b>Kenneth A. Long, Vice Chairman</b> Finance Committee Vice Chairman, Audit Committee Chairman, Governance Committee	Business Manager of the Central Valley Central School District and former Herkimer County Legislator
<b>Harry A. Hertline, Treasurer</b> Chairman, Audit Committee Chairman, Finance Committee	Korean War Air Force Veteran; Retired GE Unit Contract Manager; and former Minority Leader of the Oneida County Board of Legislators
<b>Vincent J. Bono</b>	Partner in Bono Brothers LLC, Property Management Group; Vice Chairman of the Herkimer County Legislature; and Chairman of the Herkimer County Industrial Development Agency
<b>James M. D'Onofrio</b> FOIL Appeals Committee	President of Arlott Office Products and Member of the Oneida County Board of Legislators
<b>James A. Franco</b> FOIL Appeals Committee	Part-time DPW Superintendent, Village of Herkimer
<b>Barbara Freeman</b> Governance Committee Chair, FOIL Appeals Committee	Retired Teacher; Member, Village and Town of Boonville Environmental Councils
<b>Nancy A. Novak</b>	Manager, Safety & Regulatory Compliance at Bonide Products, Inc.; Member, Mohawk Valley Environmental Information Exchange and Mohawk Valley Safety Professional Consortium
<b>Robert J. Roberts, III</b> Audit Committee Finance Committee	Business Consultant – RJR & Associates
<b>James Williams</b> Governance Committee	Retired from the United States Postal Service; Army Vietnam War Veteran; and Member of the Ava Town Planning Board

FORMER AUTHORITY BOARD MEMBERS	
Alfred A. Barbato, Sr. (1995-2004)	Donald L. Gross (1995-2013)
Larry Barton (2004-2005)	Robert Julian (1988-1990)
Gerald C. Brodock (1988-2005)	Michael Lane (1988-1992)
R. W. Burrows, Jr. (1988-1995)	David Link (1988-1995)
Vincent Casale (2009 – 2013)	Robert McLaughlin (1988-2009)
Louis Critelli (1992-2008)	Charles Patterson (1992-1995)
Alicia Dicks (2009 – 2014)	Dr. Guy Wilcox (1988-2004)
A. Frank Dolan (1988-1991)	David Yeaton (1997-2008)

On behalf of the Oneida-Herkimer Solid Waste Management Authority, I am pleased to submit this 2016 Annual Report. This year marks the 28<sup>th</sup> anniversary since the formation of the Authority.





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## MISSION STATEMENT & PERFORMANCE MEASURES



## AUTHORITY MISSION STATEMENT AND PERFORMANCE MEASURES

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The Oneida-Herkimer Solid Waste Management Authority is a New York public benefit corporation which was created by the State Legislature at the request of Oneida and Herkimer Counties by passage of Article 8, Title 13-FF of the New York Public Authority Law on September 1, 1988. The Authority was created to address environmental problems associated with improper solid waste disposal, to develop new facilities and programs for waste reduction and recycling, and to address the lack of long-term disposal capacity for non-recyclable waste.

With this charge and mandatory recycling laws enacted by both Counties, the Authority has developed a regional, comprehensive, integrated system of facilities to serve all the residents, businesses, industries and institutions of the two Counties. This integrated system promotes reduction, maximizes recycling, and provides safe, economical disposal for non-recyclable waste. The Authority owns and operates a Recycling Center, Household Hazardous Waste Collection Facility, Green Waste Composting Facility, Regional Landfill, and three transfer stations. Services include recycling, backyard composting, providing public education, promoting waste reduction and reuse of materials, and school “Go Green” initiatives, full-scale electronics collection and sludge management. The Authority developed the region’s first local solid waste management plan in 1991. The plan included development of the comprehensive integrated solid waste management system. The original plan has been fully implemented. The Authority developed a new 10-year plan to guide the region’s solid waste management through 2020.

The Authority is governed by a 10-member Board of Directors, employs 80 people and has an annual operating budget of approximately \$24 million.

In 2007, the Authority won a landmark case in the United States Supreme Court (*United Haulers v. Oneida-Herkimer*) establishing a national precedent for local public solid waste systems.

The Authority revenue structure is primarily a fee for service system. A system tip fee is charged for all non-recyclable waste delivered to the Authority. These fees cover the majority of expenses in the Authority budget. The Authority receives additional revenue from other sources such as investments, sale of landfill gas, sale of carbon credits, sale of recyclables and grants. The Authority receives no funding from the Counties.

## PERFORMANCE MEASURES

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- ✓ Implementation of local solid waste management plan including continuous review and application of new technologies.
- ✓ Compliance with all federal and state regulatory requirements.
- ✓ Maintenance of long-term stable rates and prudent fiscal management.
- ✓ 100% compliance with all ABO reporting requirements.
- ✓ Operating with full transparency and good governance.

### MISSION STATEMENT

The Authority's mission is the management of the region's solid waste and recyclable material in an environmentally sound, cost-effective, efficient and safe manner. The Authority remains committed to maintaining and enhancing the region's self-reliant integrated solid waste management system while protecting the health, safety and welfare of the region.

## 2016 PERFORMANCE MEASURE REPORT

### PERFORMANCE MEASURE

**Implementation of Local Solid Waste Management Plan (LSWMP) including continuous review and application of new technologies for all systems, facilities and processes:**

- Supported waste reduction through NYS Product Stewardship Council.
- Completed 5<sup>th</sup> operational year of single stream Recycling Center in Utica.
- Continued to process over 37,900 tons of recyclables at Recycling Center.
- Continued operation of the Landfill Gas (LFG) to Electricity Facility, which utilizes two generators to convert LFG (methane) to electricity. The facility represents a joint venture by the Authority and WMRE (Waste Management Renewable Energy) to provide green energy made from landfill gas to the market.
- Installed 8 new gas collection wells at the Regional Landfill (RLF) continuing to advance the active landfill gas collection system which brings the total number of wells to 82.
- On Earth Day, held a pharmaceutical collection day for residents at the Household Hazardous Waste (HHW) facility and collected over 80 pounds of pharmaceuticals.
- Continued to safely and economically dispose of over 295,867 tons of waste at RLF.
- Continued to process over 9,500 tons of green waste, and converted it into marketable compost at Utica Compost Facility.
- Continued to safely dispose of over 60,074 gallons of household hazardous waste from over 13,443 area households at the HHW Facility.
- Recycled 713 tons of electronics and computers.
- Continued implementation of a "Go Green" School Recycling Program that assists teachers, students and staff on the value of recycling, conservation and environmental stewardship.

- Continued to achieve higher than projected waste densities at Regional Landfill through use of GPS technology and compaction equipment, extending the projected life of the Regional Landfill.
- Continued organics (food waste) recovery programs in schools and colleges and continued to accept spent hops from FX Matt Brewery for composting.
- Conducted a feasibility study to evaluate the practicality of diverting source-separated organics waste to the Oneida County Waste Water Treatment Plant's planned anaerobic digester.
- Partnered with Oneida County to submit a grant application through a Climate Smart Communities Grant to fund 50% of the capital cost of a source-separated organic waste processing facility, and was awarded \$1,327,500.

### **PERFORMANCE MEASURE**

#### **Compliance with all Federal and State regulatory requirements.**

- Maintained compliance with all Facility Permits and Regulations.
- Developed and submitted the following Annual Reports: Eastern Transfer Station, Western Transfer Station, Green Waste Compost Facility, Source-Separated Organic Waste Facility, Waste Transporter, Recycling Center, Planning Unit Recycling Report, Regional Landfill, Webb Transfer Station, Land Clearing Debris Facility, Brush Processing Facility, Pallet Processing Facility, Waste Oil and Household Hazardous Waste Facility and Electronic Waste Collection Site per 6NYCRR Part 360 Permits/ Registrations.
- Developed and submitted Title V Air Regulations Compliance Certifications & Emission Statements for RLF.
- Developed and submitted SPDES (stormwater management) Annual Certifications and DMRs for RLF, Utica Complex, and Western Transfer Station in Rome.
- Developed and submitted NYSDEC required Closure Post-Closure Report for Ash Landfill, Rome, NY.
- Developed and submitted NYSDEC required quarterly Operational Water Quality Reports for Regional Landfill, Ava, NY.
- Developed and submitted NYSDEC required State Agency Environmental Audit.
- Conducted NYSDEC required weekly inspections related to RLF SPDES permits.
- Continued employee training in Spill Prevention, Safety, Fire Prevention, Bloodborne Pathogens, etc.

## **PERFORMANCE MEASURE**

### **Maintenance of long-term stable rates and prudent fiscal management.**

- Tipping fees for municipal solid waste and sludge were maintained for 2016. Tipping fees remain lower than tipping fees in 1992.
- Finance Committee charged Senior Management to prepare an extensive long-term financial plan that projects revenues, expenses, capital purchases and future tipping fees for the next five years.
- Authority finished 2016 with an operating surplus, in excess of \$3,829,000.
- Authority continued to make yearly deposits to a Landfill Equipment Replacement Fund.
- Authority continued to fund future landfill cell expansions with current tipping fees.
- Authority made all necessary deposits to Landfill Closure Funds as required.
- Approved new five-year contract with Fulton County for Processing and Marketing of Recyclables, which will generate additional revenue. The Authority is now processing Oswego, Lewis and Fulton Counties' recyclables. The Authority projects to receive approximately \$600,000 in processing fees from these agreements.
- Continued to market carbon credits generated through destruction of methane at Regional Landfill.
- Authority Board of Directors resolved to defease the outstanding 2007 bonds in April of 2017, and also reserved funding to defease the 2011 bonds in 2021.

## **PERFORMANCE MEASURE**

### **100% compliance with all ABO reporting requirements.**

- Authority filed all necessary reports with ABO on time.
- Authority updated its website to reflect all ABO requirements.
- Authority Board of Directors authorized and approved filing of all reports with ABO office.
- All Authority Board Members and Authority Senior management have attended mandatory ABO training.
- Authority staff reviewed all ABO Policy Guidances and reviews issued during the year.
- Operating with full transparency and good governance.
- Board of Directors and Governance Committee reviewed and approved policies including procurement policy, disposition of property, ethics and whistle blower policy.
- Board of Directors and Governance Committee adopted Mission Statement and performance measures.
- All agendas and minutes of committee meetings were posted on the Authority's website.
- Submitted 2016 draft budget to Counties for review and comment.

- Conducted all public hearings required for adoption of budget.
- Submitted adopted budget to County and State-wide officials.
- Finance Committee conducted four meetings during 2016 and reviewed and approved the Authority's Investment Policy.
- Finance & Audit Committees met with the Authority's independent auditors to review the 2016 audit.



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**SOURCE-SEPARATED ORGANICS FEASIBILITY STUDY**

## SOURCE-SEPARATED ORGANICS FEASIBILITY STUDY

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The Authority has been evaluating options for organics diversion to find a practical and economical solution to integrate into its existing solid waste management system. Examples of source-separated organics (SSO) waste includes grocery store bakery and produce waste, institutional cafeteria waste and restaurant waste. In 2016, engineering consultants, Barton & Loguidice, (B&L), were tasked to conduct a source-separated organics feasibility study. The project is consistent with the Authority's Local Solid Waste Management Plan (LSWMP). The LSWMP calls for continued investigation of organics collection and outlets for diverted food waste. Although the LSWMP specifies composting as the likely end use of diverted food waste, other technologies are available and more efficient. The project is also consistent with the New York State Solid Waste Management Plan, Beyond Waste, which identifies anaerobic digestion as an available technology for organics management with the added benefit of more efficient biogas production than landfills and the greater potential for energy recovery.

Since the Oneida County Sewer District (OCSD) will be installing anaerobic digesters directly adjacent to the Authority's Eastern Transfer Station, the study looked at the feasibility of processing the food waste and diverting it to OCSD's new digesters. The feasibility study also assessed the quantity of available organics, the type and sizing of the collection and processing equipment, including any upgrades to the Authority's Eastern Transfer Station, directly adjacent to the Oneida County Water Pollution Control Plant (WPCP), and any potential issues for collection and processing. The study will also determine the economic feasibility and any impacts to existing solid waste management facilities.

B&L determined that the cost estimate for the entire project, including the building addition, SSO processing equipment, and sanitary sewer upgrades would cost \$2,655,000.

In 2016, the Authority partnered with Oneida County to submit a grant application through a Climate Smart Communities Grant to fund 50% of the capital cost of a source-separated organic waste processing facility. The County and the Authority were awarded the grant. The grant application was for \$1,327,500, which is half of the estimated project cost. Ultimately, the Authority would enter an intergovernmental agreement with Oneida County related to the grant proceeds and Authority funding.

B&L determined that the separate collection and processing of commercial organics as a feedstock for the WPCP anaerobic digesters will be feasible, given the information that is currently available. Several environmental reviews and permitting tasks would need to be undertaken for approval of this project. The Authority will continue to monitor potential New York State legislation and its effects on a commercial SSO collection program, as it proceeds with implementation of the program.



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## ONEIDA-HERKIMER RECYCLING CENTER

- ❖ Recyclables Marketed
- ❖ Out of County Recyclables

## RECYCLING PROGRAM

- ❖ Business Recycling Program
  - RecycleOne Certification
  - Private Recycling Initiatives
  - 2016 Recycling Champion
- ❖ Public Education and Community Outreach
  - Am I Recyclable? Campaign
  - RecycleOne Campaign
  - Presentations, Tours and Events
- ❖ Go Green School Recycling Program
  - Zero Waste Lunch Challenge
  - Plastic Film Recycling Challenge
- ❖ Food Waste Composting Program



## ONEIDA-HERKIMER RECYCLING CENTER

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### **THE ONEIDA-HERKIMER SYSTEM IS REGARDED AS ONE OF THE MOST COMPREHENSIVE RECYCLING PROGRAMS IN THE COUNTRY**

The Oneida-Herkimer Recycling Center opened in 1991 and was characterized locally as marking the beginning of a new era in environmental management in Central New York. In addition to all the households in the region, over 400 businesses and industries use the facility directly.

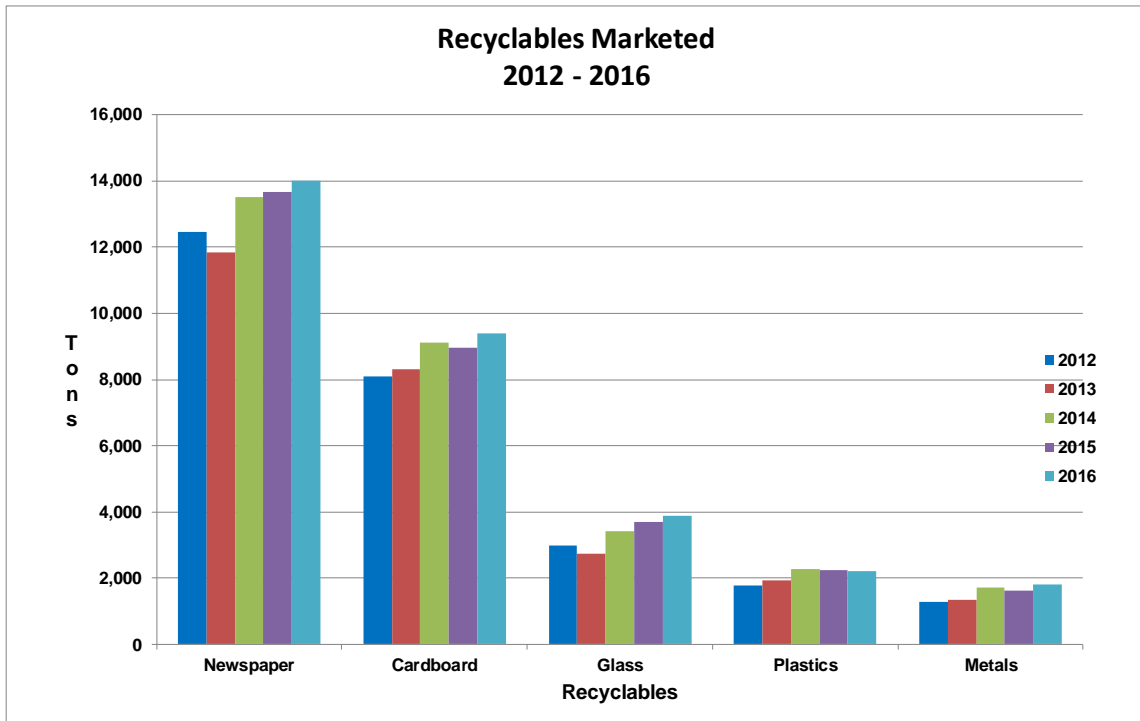
When the Recycling Center was built in 1991, the dual stream sorting and processing technology that was implemented was considered state of the art. The Recycling Center effectively and consistently processed, without interruption, recyclable material for over 25 years. Since opening, the Recycling Center has successfully served the two Counties and processed over 899,900 tons of recyclables. The 2016, overall recycling rate for Oneida and Herkimer Counties is 55%.

The Authority currently operates a cutting edge single stream processing system. The single stream processing system was constructed in 2011 and operation began in January 2012. This took the place of the Authority's previous dual stream processing system. The single stream processing system utilizes mechanical star screens and optical sorting technology to sort recyclable material by size and type. This advanced technology is able to perform efficiently with high throughput.

The single stream processing system provides added convenience to both residents and businesses. Recycling was made easier—all recyclables can be mixed together. Collection of recyclables was made more efficient; mixed recyclables can now be compacted, saving fuel, mileage and labor costs, plus decreasing truck emissions.

Once sorted, the Authority directly markets recyclables. The Authority has business relationships with 80 local and interstate buyers for these materials. In 2016, the Authority processed and marketed over \$2,000,000 worth of recyclables.

### Recyclables Marketed 2012 - 2016



2016 RECYCLABLES MARKETED		
	MATERIAL	TONS
MIXED RECYCLABLES DELIVERED	Mixed Paper	4,957
	Mixed Containers/Rigid Plastics	100
	Mixed Recyclables [Single Stream]	32,909
	<b>TOTAL RECYCLABLES DELIVERED</b>	<b>37,966</b>
PAPER MARKETED	Newspaper/Magazines/Boxboard	14,010
	Corrugated Cardboard/Kraft Bags	9,383
	Mixed Office Paper/Junk Mail	89
	Gable Top Containers/Juice Boxes	47
	Other Paper/Hard Cover Books	64
	<b>TOTAL PAPER MARKETED</b>	<b>23,593</b>
PLASTICS MARKETED	PET Colored Plastic (#1)	802
	HDPE Natural Plastic (#2)	492
	HDPE Colored Plastic (#2)	404
	Mixed Plastics (#3-#7)	313
	Mixed Rigid Plastics	190
	<b>TOTAL PLASTICS MARKETED</b>	<b>2,201</b>
GLASS MARKETED	Glass Aggregate (Mixed)	3,888
	<b>TOTAL GLASS MARKETED</b>	<b>3,888</b>
METALS MARKETED	Ferrous (Tin) Cans	1,174
	Mixed Aluminum	97
	Light Metal White Goods	312
	Scrap	219
	<b>TOTAL METALS MARKETED</b>	<b>1,802</b>
<b>TOTAL RECYCLABLES MARKETED</b>		<b>31,484</b>

## **OUT OF COUNTY RECYCLABLES**

Since investing in its state-of-the-art single stream processing facility to process recyclables from Oneida and Herkimer Counties, the Authority has proven it has excess capacity which will allow more recyclables to be processed. Under its enabling legislation, the Authority is authorized to process out-of-region recyclables.

The Authority has had an intergovernmental agreement for the processing and marketing of recyclables from Oswego County since 2013. The Authority's operating experience with Oswego demonstrated the ability to continue to accept additional tonnage, without increasing fixed costs.

In December 2015, the Authority entered into an intergovernmental agreement for the processing and marketing of recyclables with Lewis County.

In November 2016, the Authority approved a new five-year contract with Fulton County for Processing and Marketing of Recyclables.

In 2016, the Recycling Center processed 6,593 tons of recyclables from outside the Oneida-Herkimer region. Tipping fees are collected for this material to cover the recycling processing costs, providing the Authority with additional revenue to offset operational expenses.

## **RECYCLING PROGRAM**

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### **BUSINESS RECYCLING PROGRAM**



The Authority continues to promote its Business Recycling Program which assists businesses, industries, schools and other commercial establishments by providing information on starting and maintaining a recycling program as well as decreasing the volume of waste produced by businesses.

Through a waste assessment/audit, the Authority evaluates current solid waste and recycling practices; identifies waste generation points; assesses individual work spaces and waste produced to document participation and compliance rates; and determines potential opportunities for increasing recyclable material recovery. This service is provided free of charge.

As part of the Business Recycling Program, the Authority also offers a voluntary RecycleOne Business Certification program which recognizes businesses and industries for taking steps to reduce solid waste, increase recycling and save energy. To date, 22 local businesses have achieved Certification.



**The Following Businesses Achieved Certification in 2016:**

- Bonide Products, Inc. (Oriskany)



- HMI – Pratt & Whitney (Clayville)



- McCraith Beverages (New York Mills)



- Munson-Williams-Proctor Arts Institute (Utica)



- Reaves Dental Practice (Utica)



- Roser Communications Network, Inc. (Utica)



- Utica Zoo (Utica)



**PRIVATE RECYCLING INITIATIVES**

On an annual basis, the Authority requests information on private recycling efforts from businesses, industries and institutions in the two Counties in order to more accurately represent the recycling rate for the region. A survey form was sent to more than 300 commercial/industrial businesses in an effort to gather better private recycling information.

Materials that are being privately recycled include more than the “common” household recyclables. Examples include such items as pallets, paper mill sludge, food waste and fabrics. The combined public and private recycling rate for 2016 is 55%. This recycling rate proves the commitment that industries, businesses and residents have for recycling and reuse.

## **2016 RECYCLING CHAMPION**



In recognition of America Recycles Day, the Oneida-Herkimer Solid Waste Authority annually recognizes an individual, institution or local industry that has taken initiatives to reduce their solid waste stream through recycling and proper disposal. In 2016, the Utica Zoo was the recipient of the Authority's 2016 Recycling Champion Award.

The Utica Zoo has been a strong supporter of the Authority's public education initiatives to promote recycling, reuse and proper waste disposal by partnering with the Authority at annual Earth Day Events; incorporating recycling presentations at Zoo Camps; participating in Authority Zero Waste Lunch Challenges through Utica Zoomobile demonstrations at area schools; and promoting the Authority's RecycleOne program. The Utica Zoo has incorporated sustainability initiatives into every aspect of its daily operations, including reuse and repurposing of materials for animal care and enrichment as well as composting of spent materials. In April 2016, the Utica Zoo also received the Authority's RecycleOne Business Certification.



Emily Albright, Authority Director of Recycling and Kathleen McGill, Utica Zoo Education Program Coordinator

## **PUBLIC EDUCATION AND COMMUNITY OUTREACH**

### **"Am I Recyclable?" Campaign**

In 2016, the Authority continued its education campaign and mobile web app, "Am I Recyclable?" to target the top 12 items of contamination in the recycling stream:

- Batteries
- Clothing
- Electronics
- Garden Hoses
- Medical Waste
- Paint Cans
- Plastic Bags
- Plastic Toys
- Propane Tanks
- Scrap Metal
- String Lights
- Styrofoam

Through use of digital advertising and billboards, the campaign helped educate and encourage audiences to engage in the recycling conversation.

# Am I Recyclable.com?

Download the AmIRecyclable Mobile Dashboard today!

Find out how to recycle or dispose of plastic toys, styrofoam, electronics, and more...

Visit the AmIRecyclable.com? Mobile Dashboard

[Learn how to add a shortcut to your home screen.](#)



The “Am I Recyclable?” Campaign includes a Mobile Web App which is a scaled down version of the “How Do I Recycle or Dispose Of” search tool on the ohswa.org website. This mobile web app includes a “Quick Finder” which highlights the top 12 items that are improperly recycled or disposed of. The mobile web app can be viewed by visiting [www.AmIRecyclable.com](http://www.AmIRecyclable.com).

## Am I Recyclable.com?



## RecycleOne Campaign

The Authority maintains an excellent recycling rate (overall recycling rate for 2016 in Oneida and Herkimer Counties is 55%). However, frequent and consistent communication from the Authority is necessary to remind residents of recycling guidelines.

**ONE BIN  
NO BAGS**  
EASIER. MORE CONVENIENT. LESS COST.  
**MIX ALL YOUR  
RECYCLABLES TOGETHER**



To keep residents informed of the Authority's single stream recycling program, dubbed RecycleOne – One and Done, the Authority continued its public education campaign throughout 2016.

The Authority invested resources into direct public education through TV, web and print media. The RecycleOne campaign communicates to residents that recycling is easier and more convenient than ever. The Authority also provided direct outreach, informational posters and RecycleOne bin decals to haulers and municipalities to further get the message directly to residents.



## AUTHORITY PRESENTATIONS & TOURS



Authority staff maintains a strong commitment of outreach to the public through presentations on a wide range of Authority activities and issues including information on waste reduction, reuse of materials, recycling, landfill operations, backyard composting, sludge management and services provided at Authority facilities.

Regular presentations are done at area schools, colleges, businesses, civic groups and other organizations.

More than 100 presentations and tours were given in 2016. Tours of Authority facilities and presentations are available by contacting the Authority office at (315)733-1224 or [www.ohswa.org](http://www.ohswa.org).

## **UTICA COMETS “GO GREEN NIGHT”**



In an effort to increase recycling and waste reduction awareness in Oneida and Herkimer Counties, the Authority sponsored a “Go Green Night” at the Utica Comets hockey game on February 26, 2016.

In cooperation with the Utica Comets, the Authority handed out reusable water bottles to the first 1,500 spectators to help promote reuse and waste reduction. The Authority provided recycling and waste reduction information to fans attending the hockey game through the Jumbotron and an informational booth. The “Go Green Night” also included a kid t-shirt toss and “Water Bottle Bowling” during intermission.

## **ANNUAL EARTH DAY EVENTS**

April 22, 2016 marked the 46<sup>th</sup> annual Earth Day. In celebration of Earth Day 2016, the Authority held its annual Earth Day events on April 23<sup>rd</sup> at the Recycling Center. The event was open to the public.

### **2016 AUTHORITY EARTH DAY EVENTS**

- **Free Tours of the Recycling Center**
- **Free Confidential Paper Shredding** – The Authority, in cooperation with CONFIDATA, a data destruction company, offered free confidential paper shredding to residents. Nearly 3,100 pounds of paper were received, destroyed and properly recycled during this event.
- **Free Collection & Disposal of Unused Medication and Pharmaceuticals** – The Authority, in cooperation with NYS Department of Environmental Conservation (NYSDEC) and the Mohawk Valley Pharmacist Society, held its third household pharmaceutical/medication collection event. In 2016, 80 pounds of pharmaceutical waste was collected. All collection activity was performed under the direct supervision and control of an on-site NYSDEC Environmental Conservation Officer. In accordance with the requirements of the United States Drug Enforcement Agency (DEA), controlled substances were passed from an individual to the control and custody of a law enforcement official.
- **Free Bulky Rigid Plastics Drop-Off**—Residents could deliver bulky rigid plastic items that are not accepted and recycled through curbside recycling at no cost.
- **Free Household Hazardous Waste & Electronics Drop-Off**—Residents had the opportunity to drop off household hazardous waste and electronic material including paints, chemicals, electronics and more, for proper recycling/disposal at no cost as part of the Authority’s seasonal household hazardous waste program.
- **Compost for Purchase**—Screened, cured compost material was available for purchase.
- **Free Utica Zoo “Zoomobile” Demonstrations** took place featuring animals from the Utica Zoo.
- **Free Backyard Composting Workshop** by Oneida County Cooperative Extension Master Gardener Margaret Murphy. The 45-minute workshop taught the basics of backyard composting of food scraps and yard waste, as well as different types of composting methods.
- **Free Clothing & Textiles Drop-Off** – Residents could drop off unwanted clothing, shoes, belts, purses, blankets, sheets and drapes for reuse and recycling.



## **BOILERMAKER ROAD RACE**

For the 9<sup>th</sup> consecutive year, the Authority has provided the Boilermaker 15K Road Race Committee with recycling assistance. With the Authority's assistance, a Boilermaker "Green Team" was developed and recycling information and recycling collection containers were provided, resulting in 1.25 tons of recyclables collected from the week-long events in 2016.

## **MAJOR EVENTS**

In 2016, Authority staff assisted with recycling at several major events throughout Oneida and Herkimer Counties. The Authority provides these services at no cost. In addition to providing support, these worthy efforts provide us with opportunities to educate our constituents on recycling programs and opportunities.

### **RECYCLING SERVICES, CONTAINERS AND/OR INFORMATIONAL DISPLAYS PROVIDED:**

- AK 5K Road Race
- Boilermaker Road Race
- CNY Farm Progress Show
- Clinton Arts & Music Festival
- FX Matt Brewing Co. – Saranac Thursdays
- Great American Irish Festival
- Herkimer County Fair
- One World Flower Festival
- Rome and Utica School Districts
- Utica Auditorium
- Utica Area Chamber of Commerce Business Show
- Utica Comets
- Utica Zoo

## GO GREEN SCHOOL RECYCLING PROGRAM



The Authority continues its efforts to improve recycling in schools throughout our region and is dedicated to working with the schools in Oneida and Herkimer Counties to develop, support and maintain recycling programs in each school through a Go Green initiative.

In 2016, the Authority's Recycling Educator visited individual classrooms and provided over 60 presentations to area schools. In addition, almost 30 tours of the Oneida-Herkimer Recycling Center were given to students throughout the two-County region.



The Go Green School Recycling Program provides educational tools, resources, promotional materials, technical information, recommendations, program training and recycling and waste evaluations to the schools.

A School Recycling Program Guide assists teachers and educates students on the value and long-term benefits of recycling, conservation and environmental stewardship. Promotional posters, banners, decals, Green Team vests, recycling containers and an interactive website are used in the program.



### **“ZERO WASTE” LUNCH CHALLENGE**

In celebration of Earth Day 2016, the Authority held its sixth annual “Zero Waste” Lunch Challenge to demonstrate how students can reduce the amount of waste they produce. The Challenge was open to all public and private K-12 school buildings in the two Counties.

The Challenge aims to show students that simply throwing items away after use wastes valuable natural resources and energy, and causes pollution. The Authority hopes to inspire students to make small changes, like packing “Zero Waste” lunches, to make a positive impact on our environment.



The Challenge urged schools to instill daily changes for reducing waste in the cafeteria, such as using reusable silverware instead of plastic ware.

In 2016, 11 school buildings participated in the “Zero Waste” Lunch Challenge. All of the schools that participated reduced their amount of cafeteria waste by over 50%, and in some schools by over 75%.

The 2016 winner in the grades K-6 category was Sauquoit Valley Elementary School. With 374 students in attendance, Sauquoit Valley Elementary produced only 0.3 pounds of cafeteria trash on the day of the Challenge. The Authority awarded the Sauquoit Valley Elementary School with presentations from the Utica Zoo’s “Zoomobile.”

The 2016 winner in the grade 7-12 category was Central Valley Academy. With 331 students in attendance, Central Valley Academy produced only 0.5 pounds of cafeteria trash on the day of the Challenge. The Authority awarded Central Valley Academy with appearances from the KISS FM DJs for a live, remote radio broadcast.

## **PLASTIC FILM RECYCLING CHALLENGE**



In 2016, the Authority sponsored its first Plastic Film Recycling Challenge for local schools. The purpose of this challenge was to promote and educate youth and the community on proper recycling of plastic grocery bags and other plastic film, which cannot be recycled through regular curbside recycling programs.

Twelve schools participated in the Challenge and had six weeks to collect plastic film for recycling.

Participating schools partnered with local grocery stores and delivered the plastic film directly to the stores for proper recycling. The initiative focused on collecting clean, dry, plastic film to keep it out of our region’s landfill.

With the efforts of these schools combined, just under 3,000 pounds of plastic film was collected for recycling. This is the equivalent of recycling almost 200,000 plastic grocery bags.

First place elementary school winner was McConnellsville; second place, Westmoreland; and third place, Sauquoit Valley. First place middle/high school winner was Mount Markham; second place, Adirondack Middle School, and third place, Sauquoit Valley. The winning elementary school was awarded presentations from the Utica “Zoomobile” and the winning middle/high school was awarded appearances from KISS FM DJs.

## **FOOD WASTE COMPOSTING PROGRAM**

The Authority's Go Green School Recycling Program is committed to taking recycling to the next level. In combination with our overall school recycling program, the Authority has designed a food/green waste composting program for the schools of Oneida and Herkimer Counties. In doing so, the Authority is prepared to aid and facilitate local schools with composting initiatives.

As of December 2016, the Authority has provided a total of 21 facilities in our region with Mantis Compost-Twin composting units for use in composting cafeteria food waste at no cost to the schools/facilities.

The Authority assisted the following schools/facilities in developing and facilitating a plan for separation and removal of food waste in their cafeteria.



- Poland Central School District
- New York Mills School District
- Holland Patent Middle School
- Sauquoit Valley Elementary School
- Camden Elementary School
- Central Valley Academy
- Frankfort-Schuyler High School
- Adirondack Middle/High School
- Harts Hill Elementary School
- Staley Upper Elementary School
- Denti Elementary School
- Gansevoort Elementary School
- Barringer Road Elementary School
- Westmoreland Middle School
- Mohawk Valley Community College (Rome)
- Mohawk Valley Community College (Utica)
- Munson Williams Proctor Art Institute
- United Cerebral Palsy of Utica
- United Cerebral Palsy of Rome
- United Cerebral Palsy of Chadwicks
- Utica Zoo

As noted earlier in this report, the Authority is evaluating the practicality of diverting source separated food waste to the Oneida County Waste Water Treatment Plant's planned anaerobic digester.



**The Authority**<sup>TM</sup>  
ONEIDA-HERKIMER SOLID WASTE AUTHORITY

## GREEN WASTE COMPOST FACILITY

- ❖ Compost Certified by U.S. Composting Council
- ❖ Composting Beer Hops
- ❖ Wood Pallets

## BRUSH PROCESSING/LAND CLEARING DEBRIS FACILITIES

## GREEN WASTE COMPOST FACILITY

The Authority's Green Waste Compost Facility is in its 23<sup>rd</sup> year of operation. This regional facility serves area residents, municipalities, private haulers, businesses, institutions and landscapers. About two-thirds of the population of Oneida-Herkimer Counties utilizes the site.

In 2016, the facility received over 9,500 tons of green waste (grass, leaves, brush, etc.). The Authority continues to provide our local municipalities, residents and businesses with an environmentally sound destination for green waste.



Approximately 40 local businesses and municipalities regularly purchase bulk compost from the Authority. In 2016, the Authority sold 4,217 cubic yards of bulk compost.

Green waste is ground, placed in windrows, and turned as needed to facilitate natural decomposition, all in compliance with New York State regulatory requirements. The end-product of these efforts is compost. In addition to dropping off yard waste/green waste, residents may purchase Authority compost at both convenience stations.



Composting organic material is just as important as glass, plastic, metal, and paper recycling.

All of these efforts help reduce our reliance on landfills.

The compost is made from yard waste only and makes a great soil amendment for gardens and landscape applications. The Authority's compost can be purchased in convenient 45-pound bags, or in bulk. In 2016, 14,061 bags of compost were sold. This very successful program is in direct response to the requests of local residents wanting a more convenient way to get compost.

## AUTHORITY COMPOST CERTIFIED BY U.S. COMPOSTING COUNCIL

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**US Composting  
Council**  
*Seal of Testing  
Assurance*

The Authority has produced and marketed over 85,400 yards of high quality bulk municipal yard waste compost since 1997. In September 2013, the Authority's compost was certified by the U.S. Composting Council under its Seal of Testing Assurance Program (USCC STA), which is the only compost testing and labeling program in the country. USCC STA certification supports and documents that all Oneida-Herkimer Solid Waste Authority yard waste compost has been rigorously tested by third party laboratories to ensure that it meets all state and federal environmental requirements.

The compost testing requirements include chemical, physical and biological compost tests. It also includes EPA testing for health and safety standards (pathogens and metals). The USCC STA certification allows the Authority's compost to be utilized in large volumes for grass seeding and turf maintenance by professional users such as the New York State Department of Transportation, New York State Thruway, landscape architects, landscapers, soil suppliers and others.

The Authority's finished compost is made entirely from processed brush, leaves and grass clippings, fully cured and screened to ½". Through this certification, the Authority can promise that residents and businesses are purchasing consistent, high-quality compost that is guaranteed to provide maximum benefits.

Authority yard waste compost is available in bulk, or convenient 1.2 cubic feet bags that can be purchased at the Authority's Residential Convenience Stations in Utica or Rome and at various landscape supply centers throughout the two-County area. To date, more than 148,700 bags of compost have been sold.

### **COMPOSTING BEER HOPS**



The FX Matt Brewing Company of Utica completed a "Green" project in 2014 to reduce the amount of material being sent to the landfill for disposal. FX Matt installed a bio digester that processes the brewery's waste water to produce methane gas that will in turn power a generator to provide up to 50% of the electrical needs of the brewery. The brewery waste water contains large amounts of compostable hops and grain from the production of beer.

After the waste water passes through the bio digester, the remaining hops and grain material is de-watered and delivered to the Authority's Green Waste Composting Facility for composting.

The hops and grain material are mixed with wood chips and non-cured compost and placed in a separate compost windrow for decomposition. The hops and grain compost is kept separate from the municipal yard waste compost and utilized for special compost projects.

In 2014, the Authority began composting spent hops and grain from the Brewing Company. In 2016, over 211 tons of spent hops and grain material was delivered to the Authority for composting.

## **WOOD PALLETS**



To assist local industries, clean wood pallets are accepted at the Green Waste Compost Facility at a reduced fee. Pallets are ground into chips and shipped to market for use as animal bedding.

In 2016, more than 93 tons of pallets were processed at the site.

## **BRUSH PROCESSING FACILITY/LAND CLEARING DEBRIS FACILITY**

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To better serve the residents of western Oneida County, the Authority operates a State-Registered Compost/Brush Processing Facility adjacent to the Western Transfer Station in Rome. In 2016, 411 tons of green waste were delivered to the site.

Stumps, oversized tree limbs and root balls along with compost tailings are disposed of at the Authority's State Registered Land Clearing Debris Facility located in Rome. This facility received 2,025 tons in 2016.







**The Authority**<sup>TM</sup>  
ONEIDA-HERKIMER SOLID WASTE AUTHORITY

## HOUSEHOLD HAZARDOUS WASTE FACILITY

- ❖ Services for Select Businesses
- ❖ Computer & Electronics Recycling Program
- ❖ Fluorescent Light Bulb Drop-Off
- ❖ HHW Grant

## RESIDENTIAL CONVENIENCE STATIONS

- ❖ Acceptable Material

## TRANSFER STATIONS

- ❖ Eastern Transfer Station
- ❖ Western Transfer Station
- ❖ Town of Webb Transfer Station

## HOUSEHOLD HAZARDOUS WASTE FACILITY



The Oneida-Herkimer Household Hazardous Waste Collection Facility opened for its 24<sup>th</sup> season April 1, 2016 and operated through September 30, 2016.

The facility is one of the first permanent facilities in the northeast to recycle paint and to accept a full-range of household hazardous waste.

Many household products can be potentially harmful to people and the environment. When these products are disposed of improperly, they can become hazardous.

The Oneida-Herkimer Solid Waste Authority has a specially-designed Household Hazardous Waste Collection Facility for receiving, sorting, packaging and storing household hazardous waste material.

### WHAT TYPES OF WASTE ARE ACCEPTED?

This facility gives you the opportunity to dispose of many unused, unwanted or outdated products. The following are acceptable materials:

#### Accepted April – September

- Chemistry Sets
- Cleaning Solvents & Degreasers
- Drain Cleaners
- Fertilizers
- Furniture Stripper
- Glues/Sealants
- Herbicides
- Insecticides
- Pesticides
- Kerosene
- Oil Based & Latex Paints
- Oven Cleaners
- Paint Thinners
- Photographic Chemicals
- Polishes
- Pool Chemicals
- Rust Preventatives & Removers
- Unusable Gasoline
- Wood Preservatives

#### Accepted Year Round

- Antifreeze
- Automobile & Motorcycle Batteries
- Cooking Oil & Grease from Deep Fryers
- Electronics & Computer Equipment [TV Sets, VCRs, Fax Machines, Computers, Monitors, Printers, Toner, Ink Cartridges and other Electronics]
- Empty Propane Cylinders (under 100 lbs.)
- Fire Extinguishers
- Fluorescent Light Bulbs
- Motor Oil & Oil Filters
- Rechargeable Batteries
- Sharps

This facility is designed to serve Oneida and Herkimer Counties' residents and select businesses. There is no charge for residents to drop off household hazardous waste.

In 2016, 60,074 gallons of hazardous waste were collected at the Authority's Household Hazardous Waste Facility and shipped for disposal.

Other materials collected included motor oil, anti-freeze, oil filters, automobile batteries, fluorescent lamps and electronics, which continue to be accepted at the facility year-round.

Residents are also allowed to drop-off motor oil and antifreeze year-round at the Western Transfer Station in Rome.

2016 HOUSEHOLD HAZARDOUS WASTE MATERIAL	QUANTITY
Recyclable Paint	20,196 gallons
Non-Recyclable Paint and Solvents	12,375 gallons
Paint Sludge and Sealers	1,210 gallons
Resins and Adhesives	4,224 gallons
Pesticides and Chemicals	8,172 gallons
Aerosol Waste	4,440 gallons
Cleaning Solutions and Waxes	495 gallons
Cooking Oil/Grease	2,833 gallons
Motor Oil	5,250 gallons
Oil Filters	275 gallons
Anti-Freeze	604 gallons
Automobile Batteries	5.84 tons
Recyclable Batteries	9.01 tons
Recycled Electronic Waste	713 tons
Computer Monitors (CRTs)	2,090 units
Computer Components (CPUs)	2,927 units
Televisions	15,660 units
Fluorescent Lamps (274,304 linear feet)	24.03 tons
Misc. Light Bulbs	25,833 bulbs
Misc. Propane Tanks & Fire Extinguishers	6,621 tanks

## **SERVICES FOR SELECT BUSINESSES**

Conditionally-exempt small quantity generators (CESQG) [small businesses] and universal waste generators are allowed to drop-off waste after obtaining approval from the Authority.

In 2016, 103 conditionally-exempt small quantity generators and universal waste generators took advantage of this program, resulting in substantial savings for these generators. Under this program, small businesses are charged a fee for disposal costs.

## **COMPUTER & ELECTRONICS RECYCLING PROGRAM**



Many electronics contain elements such as lead, mercury and cadmium that are considered safe when the items are used as directed, but can be hazardous if disposed of with household trash and compacted at landfills. If improperly handled, these toxins can be released into the environment, posing a threat to human health.

To provide additional environmentally sound recycling and disposal options for the residents of Oneida and Herkimer Counties, the Oneida-Herkimer Solid Waste Authority developed an Electronics Recycling Program.

As part of the Household Hazardous Waste management program, the Authority began its computer recycling program in 2000, and in 2003 expanded the program to include other electronic equipment. The program allows residents, institutions and businesses to deliver computer and electronic equipment to the Authority for recycling and proper disposal.

The Authority accepts electronics from businesses, individuals and other generators year-round. After the Authority accepts electronic waste, it is sent to a registered electronics dismantler that separates the electronics into various raw materials such as plastic, glass, steel, copper, lead, gold and aluminum for recycling or reuse. These materials are used as feedstock in the manufacturing of new products.

In 2016, nearly 713 tons of computers and electronic equipment were accepted for recycling and proper disposal, including computers monitors, CPUs, keyboards, computer components, televisions, video equipment, CD/DVD players, desktop copiers, fax machines, microwaves, electronic games, printers, toner cartridges, cellular phones, battery chargers, calculators, answering machines and other electronics. It is estimated that over 50,000 individual items were recycled.

The program also manages material such as lead solder, silver, mercury switches, batteries and other components present in almost all electronics. Through the program, these materials are properly processed to recover not only heavy metals, but high value material, such as gold and silver along with more common metals and plastics.

Residents can bring computers and electronic equipment year-round for recycling at no charge. Businesses are required to set up an appointment with the Authority prior to delivery and may be charged for costs associated with recycling.

### ELECTRONICS WASTE PROCESSED IN 2016

15,660 TVs



2,927 CPUs



2,090 COMPUTER MONITORS



### FLUORESCENT LIGHT BULB DROP-OFF

Fluorescent light bulbs, including compact fluorescent bulbs (CFLs) contain mercury and should be disposed of in an environmentally safe manner, not thrown in the trash or garbage. To assist residents with proper and safe disposal of bulbs containing mercury, the Authority expanded the CFL drop-off capability for residents. Over 24 tons of light bulbs were collected in 2016.

In addition to the Authority's Household Hazardous Waste Facility, residents may also bring CFLs to Jay-K Lumber (New Hartford), Marcy Town Offices, City of Sherrill DPW, City of Little Falls DPW, Ace Hardware Company (Rome) and the Boonville Municipal Commission.

## **HHW GRANT**

In 2016, the Authority was awarded \$86,243.47 in grant money from the NYS Department of Environmental Conservation Household Hazardous Waste Assistance program to off-set household hazardous waste disposal costs.

## **RESIDENTIAL CONVENIENCE STATIONS**

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In an effort to provide user-friendly, environmentally-sound disposal options to residents of Oneida and Herkimer Counties, the Authority developed residential convenience stations. The convenience stations provide a disposal option in addition to the wide-range of public and private solid waste collection systems within the two Counties for solid waste, recyclables and special or one-time wastes, while also providing an option for residents who may not be able to subscribe to a specific collection system.

The convenience stations are located at the Authority's Utica and Rome facilities and are open six days a week, Monday through Saturday. Fees have been established for dropping off solid waste. Currently there are no fees for residents dropping off recyclables, green waste, used oil filters, antifreeze, rechargeable and automobile batteries, electronics, fluorescent bulbs, propane tanks, clothing and textiles, hardcover books, cooking oil and bulky rigid plastics.

## **HOUSEHOLD HAZARDOUS WASTE**

Household hazardous waste (i.e., paints, chemicals) is accepted at the Utica Convenience Station only, April through September at no charge to residents.

### **CONVENIENCE STATIONS' ACCEPTABLE MATERIAL**

- Recyclables
- Household Garbage/Trash
- Bulky Rigid Plastics
- Bulk Items (i.e. furniture, mattresses)
- Appliances (i.e., stove, washing machine, dryer)
- Construction & Demolition Debris
- Tires (with and without rims)
- Yard Waste/Green Waste
- Cooking Oil & Grease (Utica Facility)
- Rechargeable Batteries (Utica Facility)
- Used Motor Oil & Oil Filters
- Automobile Batteries
- Anti-Freeze
- Propane Cylinders (under 100 lbs.)
- Electronics [i.e., computer equipment, TVs, printers] (Utica Facility)
- Hardcover Books (Utica Facility)
- Mercury Fluorescent Bulbs

## **COMPOST AVAILABLE**

In addition to dropping off yard waste/green waste, residents may also purchase Authority bagged or bulk compost at both convenience stations.

## **CLOTHING DROP BOXES**

St. Pauly Textile, Inc. clothing drop boxes are also located at both convenience stations, free of charge.

## **BROCHURES AND RECYCLING DECALS**

Both the Utica and Rome convenience stations as well as the Authority Main Office have copies of all informational brochures and posters. Recycling decals are available in the Main Office.

## **BULKY RIGID PLASTICS RECYCLING**

In 2013 the Authority began recycling bulky rigid plastics. Bulky rigid plastics are hard plastic items (not film or flexible plastic).

Bulky rigid plastic items cannot be mixed with other plastic recyclables and cannot be set-out with regular curbside recyclables. However, residents who want to recycle bulky rigid plastic items that cannot be recycled through the curbside recycling program can deliver them to the Authority's Utica and Rome convenience stations during regular business hours, free of charge.

In 2016, the Authority collected 99.82 tons of bulky rigid plastics for recycling.

### **EXAMPLES OF BULKY RIGID PLASTICS ACCEPTED:**

Plastic beverage crates (i.e., milk/soda/beverage crates), clean and empty plastic drums, totes, garbage cans, plastic cat litter containers, plastic buckets/pails, plastic toys, plastic tool and gun cases, plastic plant propagation trays and flower pots, plastic pallets, plastic shelving, plastic laundry baskets, plastic lawn furniture, plastic pet carriers, plastic recycling bins and carts and large plastic water jugs (1-5 gallon)

**NON-ACCEPTABLE PLASTIC ITEMS:** Plastic bags, plastic film (i.e., stretch film and other flexible packaging), Styrofoam, plastic appliances, vinyl siding, water hoses, toys with circuit boards or battery packs, pool chemical containers, driveway sealant containers, paint cans and motor oil containers.

## AUTHORITY TRANSFER STATIONS

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The Authority owns and operates two transfer stations; the Eastern Transfer Station in Utica and the Western Transfer Station in Rome. The facilities receive municipal solid waste, industrial/commercial waste, and construction and demolition debris from Oneida and Herkimer Counties only. The transfer stations provide the means to efficiently receive, inspect, and aggregate waste for transport to the Authority's Regional Landfill.

Inspection at the transfer stations provides a means to ensure the public's exposure to environmental liability is controlled. At each transfer station, waste is inspected to first insure that no dangerous or hazardous materials are received. If they are, actions are taken immediately for safe and legal disposition. Inspections are also utilized to verify compliance with state and local recycling laws.

To insure compliance with regulations, all industries are inventoried and special waste is profiled, reviewed and approved prior to disposal. Authority staff visits manufacturers in Oneida and Herkimer Counties on a continuous basis to provide free assistance to these businesses regarding recycling, reduction and solid waste disposal.

Waste from both the Eastern and Western Transfer Stations is hauled to the Authority's Regional Landfill by a contract hauler.

AUTHORITY TRANSFER STATIONS 2016 DISPOSAL DATA		
	MATERIAL	TONS
EASTERN TRANSFER STATION	Municipal Solid Waste	111,786
	Construction & Demolition Debris	30,768
	<b>TOTAL EASTERN TRANSFER STATION</b>	<b>142,554</b>
WESTERN TRANSFER STATION	Municipal Solid Waste	48,162
	Construction & Demolition Debris	15,306
	<b>TOTAL WESTERN TRANSFER STATION</b>	<b>63,468</b>

### **Contract for Transport of Waste**

Following a competitive bidding process, the Authority again awarded a five-year contract, commencing October 24, 2016, to Fred Burrows Trucking, LLC of Whitesboro, for the transportation of waste from the Authority transfer stations in Utica and Rome to the Oneida-Herkimer Regional Landfill facility in Ava. Fred Burrows Trucking was awarded the two previous five-year contracts.

The Authority received a total of four proposals – Fred Burrows Trucking, LLC; MBI of Syracuse; T.J. Allen Bulk Services of Newport; and Shue Brothers Excavating and Logging of West Leyden.

Fred Burrows Trucking offered the lowest total cost to the Authority, using designated routes and required equipment over the contract period. Burrows bid the contract on a per load, per route basis.

The Authority's transfer stations receive waste from individual collection trucks. At the transfer stations, waste is loaded in Burrows' high capacity walking floor transfer trailers for transport to the landfill. There is ample equipment so that peak traffic times can be avoided and there are no shortfalls during high waste generation periods. Burrows has committed to providing a fleet of 41 trailers.

Under the contract, the Authority will continue to provide a GPS system for each of the contractor's tractors, to allow for real time tracking/compliance, speed and fuel use.

### **TOWN OF WEBB TRANSFER STATION**



The Authority designed and constructed a transfer station in the Town of Webb. The Webb Transfer Station is designed to process approximately 2,500 tons per year of municipal solid waste and recyclables.

The Town operates the facility and transports the collected materials. The facility, which opened in June 1994, provides solid waste services for the northern portion of Herkimer County.

Waste from the facility is transferred by the Town to the Authority's Regional Landfill for disposal. The Town's recyclables are delivered to the Authority's Recycling Center. Bulk metals are marketed to local scrap metal dealers. In 2016, the Town of Webb Transfer Station delivered 2,379 tons of municipal solid waste and 535 tons of recyclables to Authority facilities.





The  
**Authority**<sup>TM</sup>  
ONEIDA-HERKIMER SOLID WASTE AUTHORITY

## ONEIDA-HERKIMER REGIONAL LANDFILL

- ❖ State-of-the-Art Landfill Liner System
- ❖ Landfill Gas Management/Gas To Energy Project
- ❖ Community Compensation Plan
  - Town of Ava Agreement
  - Town & Village of Boonville Agreements
- ❖ Land Management Plan
- ❖ Leachate Treatment & Disposal

## ASH LANDFILL

## ONEIDA-HERKIMER REGIONAL LANDFILL

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The Oneida-Herkimer Regional Landfill opened on October 24, 2006. The landfill is permitted to accept only non-hazardous waste generated within Oneida and Herkimer Counties. The landfill's approved design capacity is 1,000 tons per day. The landfill permit authorizes development of a total of 19 landfill cells covering a 150-acre footprint.

October 24, 2016 marked the 10-year anniversary of the Regional Landfill. After operating 10 years and assuming the current tonnage, the landfill now has a future capacity of over 80 years. This is mainly due to higher waste density (1920#/cy) as compared to original estimates.

The landfill is an important part of the environmental infrastructure that serves Oneida and Herkimer Counties, and a pivotal part of the system operated by the Authority. The landfill provides all waste generators with the highest level of environmental security thereby guarding against significant liability for the long-term. The landfill site was selected because of highly favorable hydrogeologic conditions.



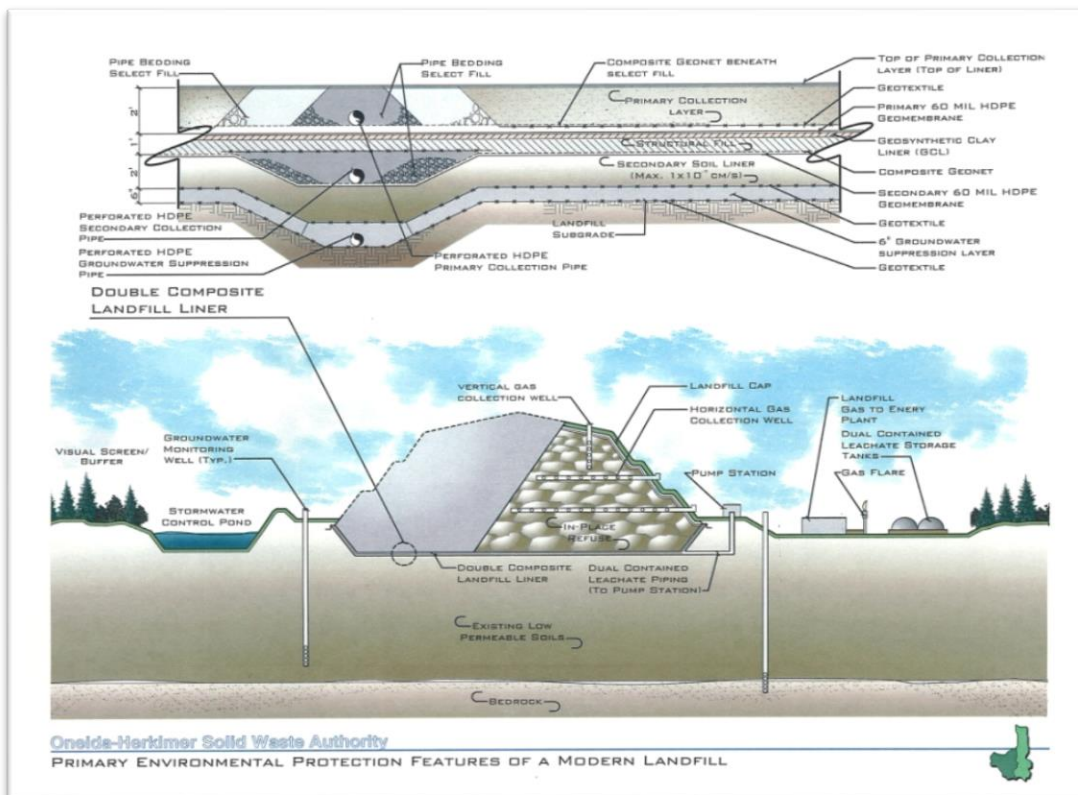
The facility employs the best available engineering systems to protect the environment. Additionally, the landfill provides a cost-effective and financially stable means of disposal, representing a reduction in disposal costs when compared to exportation of waste.

Initial construction of the landfill was phased over 3 years with multiple contracts being awarded following competitive bidding. Construction was completed in 2006. Initial construction included the following work:

- Approximately 23.6 acres of double composite landfill liner
- Leachate manholes and associated piping and accessories
- Two 1.3 million gallon leachate storage tanks and secondary containment liner
- Surface water drainage system
- Sediment control and stormwater detention basins system (25 acres)
- Mitigation wetlands (6.25 acres)
- Access and perimeter road completion
- 12,000 sq. ft. maintenance/office building
- Leachate pump house
- Leachate load-out building
- 9-bay cold storage building
- Fuel island
- Sand barn
- Miscellaneous site work and other related items

Construction included the core of the landfill's design, a multi-layer liner system which is based on the latest in engineering technology. Referred to as a dual composite liner system, the entire bottom of the landfill area is protected by multiple layers of clay, composite materials and synthetic liners (12 in all).

### STATE-OF-THE-ART LANDFILL LINER SYSTEM



The liner system is designed to collect any liquid which comes into contact with waste (leachate) and direct that liquid into collection pipes embedded in the liner system which convey the leachate into the leachate storage tanks until it is loaded into tanker trucks for treatment at off-site waste water treatment facilities. As a further precaution, monitoring wells placed around the landfill area allow for continuous testing of groundwater to insure no leakage has occurred.



Authority surveys have shown that landfill air space is being consumed at a rate less than original engineer estimates. The lower consumption is a result of higher compaction efficiency than estimated. The Authority’s use of Global Positioning Systems (GPS) to aid operation in compaction has contributed to higher compaction and more efficient use of landfill space. Based upon actual landfill utilization and fill progression projections, our engineers predicted the need for the availability of an additional cell in late 2013, necessitating the construction of that cell in 2010. The Authority’s fourth cell (9.3 acres) was constructed in 2010. This cell became operational in 2014.

In 2013, the Authority awarded a contract to Kubricky Construction Corp., Queensbury, NY, for \$4,523,000 for the Authority’s fifth liner system construction. Kubricky’s bid proposal was the lowest received by the Authority and met all specifications. Construction of Cell 6 commenced in April 2014 and was completed on-schedule in October 2014. In October 2015, this cell became operational.

REGIONAL LANDFILL DISPOSAL DATA FOR 2016	
MATERIAL	TONNAGE
Municipal Solid Waste (Non-Recyclable)	166,910
Construction & Demolition Debris (C&D)	49,609
Direct Haul – Industrial Waste	2,655
Direct Haul – Asbestos Waste	5,235
Direct Haul Sludge/Sludge Ash	10,903
Alternative Daily Cover (ADC)	11,467
Petroleum Contaminated Soil	60,555
<b>TOTAL</b>	<b>307,334</b>

## **LANDFILL GAS MANAGEMENT/GAS TO ENERGY PROJECT**



In 2008, the Authority Board of Directors authorized a study to determine the most beneficial utilization of collected landfill gas. Engineer estimates predicted that in 2011 there would be an adequate volume of landfill gas produced to begin energy recovery.

Initially it was estimated that one generator could be installed which would produce about 1.6 megawatts of power, or enough to provide about 2,100 average homes with power. Over the next 20 years of operations, the number of generator sets is projected to grow to 7 with a total facility power output of 11.2

megawatts, capable of powering over 8,500 homes. The heating needs of the landfill facility will also be met.

The release of methane from landfills is a contributor to greenhouse gas generation. The Authority's Landfill Gas to Electricity project represents a significant commitment by the Authority to dramatically reduce our carbon footprint by capturing methane from our landfill and converting it to green energy. This project is a win-win for the environment, the Authority and energy consumers.

In 2010, the Authority implemented active landfill gas collection and control through the use of a blower skid and flare. The active landfill gas collection system collects the gas through a network of wells and pipes located in the landfill cells. This collection system puts the landfill under negative pressure pulling gas to the generator and flare, thereby avoiding emissions to the atmosphere.

In order to beneficially utilize the gas, the Authority entered into a contract (via the NYS 120-w procurement process) with Waste Management Renewable Energy (WMRE) to build and operate a landfill gas to electricity facility. The WMRE facility currently features two internal combustion engines that are fueled with landfill gas and thereby generate electricity.

The Municipal Commission of Boonville is also a key participant in this project, primarily through the electrical interconnect and transmission infrastructure aspects on the project.

In the future, there will also be substantial excess heat produced in the electricity generation process that can be recovered. Heat recovery is often an attractive feature in establishing aquaculture, horticultural or agricultural industries.

This project began generating electricity in early 2012 with one engine. The facility expanded in 2013 with the installation of one additional engine.

With the second engine, the facility now generates enough renewable energy to power more than 3,300 homes each year. In 2016, the Authority installed 8 new gas collection wells at the Regional Landfill (RLF) continuing to advance the active landfill gas collection system which brings the total number of vertical wells to 66 and horizontal wells to 16.

## **COMMUNITY COMPENSATION PLAN**

The Authority held numerous public hearings at the start of the landfill siting process in 1991 to gain input on the idea of providing a community compensation agreement for the community where the landfill would be located. Based upon this input, the Authority made a commitment to provide such a community compensation agreement. Agreements were subsequently negotiated with the Town of Ava and the Town and Village of Boonville, where the landfill is located.

In 2007, the Authority and Village of Boonville entered into a written agreement in which the Authority made a commitment to assist the Village in developing a possible bypass at the Village's option. In June 2015, the Village of Boonville voted against a bypass. In lieu of a bypass, the Authority and Village sought to make mutually beneficial modifications to the Agreement to improve transportation through the Village at the intersection of State Route 294 and 46. In December 2015, the Authority and Village approved an Amendment to the Agreement which provided for Authority funding of certain improvements at the intersection. This project will allow the public and the Authority to more safely utilize the intersection, and will benefit the Village and the Erwin Library and Institute. The Authority and Board of Trustees of the Erwin Library and Institute also entered into an Agreement regarding the intersection project. The project included demolition of the former Dollar General Store, owned by the Library. This project was completed in 2016.

In April 2016, the Authority solicited bids, in compliance with General Municipal Law Section 103, for the furnishing of all labor and material necessary for the Erwin Library Parking Lot Construction. The scope of work included reconstructing the northwest quadrant of the NYS Routes 294 & 46 intersection, reconstructing the Erwin Library site parking lot, installation of new drainage structures and associate pipes, adjustment of existing drainage structures, concrete sidewalk and curb improvements, installation of streetscape elements, installation of a handicap ramp, and overall landscape improvements. On May 9, 2016, the contract, in the amount of \$254,361.70, was awarded to Central Paving, Inc. of Frankfort, NY. Central Paving began construction in July 2016 and the project was successfully completed in August 2016.

## **KEY PROVISIONS OF THE TOWN OF AVA AGREEMENT**

- Annual payment to the Town of \$335,000.
- Continuation of equipment loan and free trash disposal (2 clean-ups) by the Authority to the Town valued at \$20,000 per year.
- Annual payment of \$25,000 toward emergency services.
- Regular reporting by the Authority to the Town on environmental monitoring.
- The payments by the Authority will be made annually and increase over the 25-year term bringing the total value of the agreement to over \$9 million.
- As provided under New York State law, and as done for other jurisdictions when the Authority owns property, the Authority also makes payments in lieu of taxes to the Town of Ava and Oneida County for the real property taxes. The payments by the Authority exceed the payments by prior property owners. Therefore, the Town and County have seen no loss of tax revenue due to the landfill.
- The Authority also makes annual payments to the Adirondack Central School District.

## **KEY PROVISIONS OF THE TOWN & VILLAGE OF BOONVILLE AGREEMENTS**

- Annual payment by the Authority to the Village of \$45,000 and \$50,000 to the Town.
- One-time \$10,000 contribution for emergency services.
- Authority will provide for transportation of waste and recyclables from the Boonville Transfer Station with no disposal charge for the first 600 tons of refuse each year.
- Authority will provide for transportation and disposal of waste water treatment sludge from the Village's waste water treatment plant.
- The Authority paid for all expenses associated with improving the State Route 294/46 intersection. This included a parking lot and improvements to the Library and Dodge Pratt Northam property. Upon completion of the improvements to the intersection, the Authority provided the Village with a one-time payment of \$400,000 to be utilized by the Village toward additional improvement projects determined by the Village.
- Regular reporting by the Authority to both the Village and the Town on environmental monitoring and transportation.
- First option to purchase power from the Authority landfill gas to energy project is granted to the Boonville Municipal Power Commission.

## **LAND MANAGEMENT PLAN**

In 2008, the Authority developed a long-term management plan for property owned adjacent to the landfill site. The Authority owns over 1,200 acres at the site. A total of 986 acres were acquired for use as landfill buffer. The landfill buffer area features a large beaver pond wetland complex, portions of Moose Creek, forested uplands and high quality forested wetlands. This area has been put aside and preserved by the Authority as a natural area used by an extensive list of wildlife including river otters, brook trout, many species of water fowl and birds of prey, including bald and golden eagles.

One parcel acquired contained approximately 66,000 fir and spruce seedlings planted for Christmas trees and wreath making. Each year the Authority plants over 300 saplings on its property. A plan was developed to provide for the utilization of the Christmas trees and also for the implementation of sound forestry practices on the property. The Plan allows community groups, solicited through a public process, to manage Christmas tree plots and use for fundraising opportunities. The Plan also includes working with the County Forester to manage the remaining forested lands.

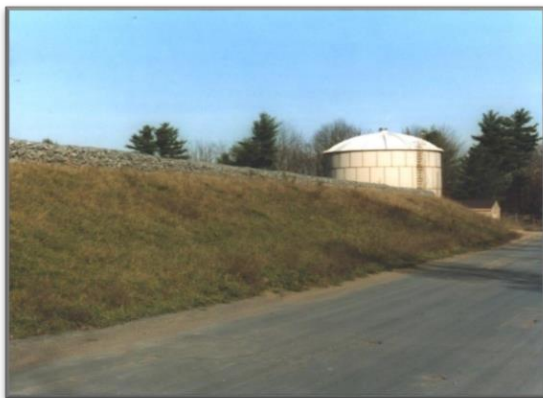
## **LEACHATE TREATMENT & DISPOSAL**

The Authority has approval for disposal and treatment of landfill leachate from the City of Rome Wastewater Treatment Plant, the Oneida County Water Pollution Control Facility.

In 2016, a total of 16,708,455 gallons of leachate from the Authority's Regional Landfill were shipped for treatment.

## **ASH LANDFILL**

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Throughout 2016, the Authority continued the routine maintenance, monitoring, and testing of the Authority's Ash Landfill (ALF) located on Tannery Road, Rome. This landfill was closed and capped in 1997 in compliance with NYSDEC Part 360 regulations.

The ALF is fully lined with both primary and secondary leachate collection systems.

Leachate is pumped to the City of Rome Water Pollution Control Facility for treatment.

This monitoring and testing of the ALF is performed as part of the 30-year post closure requirements of the NYSDEC approved Closure and Environmental Monitoring Plan. The landfill has a fully funded reserve that will cover the post-closure costs for a 30-year period.





**The Authority**<sup>TM</sup>  
ONEIDA-HERKIMER SOLID WASTE AUTHORITY

**SOLAR ARRAY SYSTEM**

**MUNICIPAL COLLECTION PROGRAMS**

- ❖ City of Utica Waste & Recyclables Collection
- ❖ Villages of Dolgeville, Frankfort, Herkimer, Ilion and Mohawk

**COMPLIANCE AND ENFORCEMENT**

**AUTHORITY WEBSITE**

[www.ohswa.org](http://www.ohswa.org)

## SOLAR ARRAY SYSTEM



### SOLAR ARRAY SYSTEM

#### 1.1 Megawatts Annually of Renewable Energy

- Equivalent # of Homes Powered, Annually: 118
- Equivalent # of Homes Powered, 20-Year Term: 2,373
- Total Pounds CO<sub>2</sub> Avoided, 20-Year Term: 34 Million
- Equivalent # of Trees Planted, 20-Year Term: 1.48 Million

Consistent with the Authority’s mission to manage the region’s solid waste and recyclables in an environmentally sound, cost-effective, efficient and safe manner, operating more sustainably is an Authority goal.

In 2014, the Authority entered into a solar power purchase agreement with SolarCity Corporation of San Mateo, CA. The Agreement authorized construction of a ground-mounted solar array system on roughly 8-acres of Authority property adjacent to the Authority’s Western Transfer Station in Rome, NY. Construction began in 2015 and the system should begin operating in 2017.

The array will generate approximately 1.1 megawatts annually of renewable energy. This is enough energy to offset the Authority’s combined electricity needs at its Rome and Utica facilities, including the Authority’s single stream Recycling Center.

## MUNICIPAL COLLECTION PROGRAMS

### CITY OF UTICA WASTE & RECYCLABLES COLLECTION

Since 1996, the Authority has overseen the solid waste and recyclable collection services for the City of Utica, including the sale of "blue bags". Residents in the City of Utica utilize a City “blue bag” for all items that cannot be recycled and are not considered a bulk item.

Each single-family home is allowed to set out a maximum of ten City blue bags each week, one cubic yard of trash (bundled or containerized), one bulk item (i.e. refrigerator, mattress, couch), two car tires and an unlimited quantity of recyclables.

CITY OF UTICA 2016 DISPOSAL DATA	
MATERIAL	TONNAGE
Municipal Solid Waste	16,840.16
Recyclables	4,166.91
Tires	151.05
Green Waste	5,833.08

The Authority also provides public information and enforcement of the City Code requirements for solid waste. During 2016, the Authority's solid waste inspectors wrote 45 Notices of Violation for solid waste illegally and improperly set-out within the City of Utica.

## **VILLAGES OF DOLGEVILLE, FRANKFORT, HERKIMER, ILION AND MOHAWK**

In 2016, the Authority continued to assist the Villages of Dolgeville, Frankfort, Herkimer, Ilion and Mohawk with their waste collection programs. The Authority and the Villages entered into separate agreements for the coordination of solid waste, recyclables, bulk items, electronics and green waste collection programs. Collection for these five municipalities is currently subcontracted to a private hauler.

The Authority coordinates the distribution of designated garbage bags to approved retail outlets, and the distribution of garbage carts to interested homeowners of each Village. Recycling carts, provided by the contracted hauler, aid in the efficiency of recyclables' collection throughout the Villages.

Each Village is managed separately but similarly to the City of Utica system, including separate accounting for each municipality.

## **COMPLIANCE AND ENFORCEMENT**

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Authority staff continues to work with local and state law enforcement agencies on illegal dumping, burning, burying, scavenging of recyclables, and non-compliance with the mandatory recycling laws.

Numerous investigations were conducted with letters of enforcement and education written to hauling companies and individuals that violated County law. Illegal activities were documented and complaint forms provided to the Oneida and Herkimer County District Attorneys for enforcement action.

## **AUTHORITY WEBSITE**

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For comprehensive information on the Oneida-Herkimer Solid Waste Authority, we invite you to visit our website at: [www.ohswa.org](http://www.ohswa.org)

The Authority continues to monitor and update its website. The website offers many user-friendly features and information.

## INCLUDED ON THE WEBSITE:



- Comprehensive information about all Authority services and programs.
- Icon system under search tool.
- **“Am I Recyclable?”** quick finder that highlights the top 12 items that are improperly recycled or disposed of and includes a Mobile Web App which can be viewed by visiting [www.AmIRecyclable.com](http://www.AmIRecyclable.com).
- **“How Do I Recycle or Dispose of”** search tool that allows users to type in hundreds of items to learn how to properly recycle or dispose of a particular item.
- **“Find a Hauler”** tool that allows residents in Oneida and Herkimer Counties to type in their zip code to view a list of waste haulers that service their location.
- User-friendly set-up with categorized information valuable to residents, businesses, haulers and schools.
- Online invoice payment service.
- Video series, including FAQ videos available for viewing.
- Mobile-friendly format allows optimal user experience from multiple devices (i.e., smart phones, tablets, laptops, desktops).
- Website users can “Contact Us” with questions via an electronic submission.
- Timely information highlighted under “News”.



**The Authority**<sup>TM</sup>  
ONEIDA-HERKIMER SOLID WASTE AUTHORITY

**PUBLIC AUTHORITIES REPORTING**

**FINANCIAL ACTIVITIES**

**CONTACT INFORMATION – STAFF**

## PUBLIC AUTHORITIES REPORTING

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The Oneida-Herkimer Solid Waste Authority is a public benefit corporation and is subject to the provisions of the Public Authorities Accountability Act (PAAA). The Authority annually complies with the PAAA by submitting its Budget Report, Annual Report, Procurement Report, Investment Report and Certified Financial Audit to the Authority Budget Office (ABO) and Office of State Comptroller (OSC) through the Public Authority Reporting Information System (PARIS), a comprehensive on-line reporting system.

The Oneida-Herkimer Solid Waste Authority prides itself on accountability and transparency. In this effort, the Authority holds regular public meetings and has developed a website that is continuously updated with information about its operations and financial activities. For comprehensive information on the Oneida-Herkimer Solid Waste Management Authority, we invite you to visit our website at: [www.ohswa.org](http://www.ohswa.org).

## FINANCIAL ACTIVITIES

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The 2016 financial audit continues to reflect the strong operating results of the Authority. The Authority had a \$3,829,533 addition to its net asset position for 2016. This was the result of several factors including:

- The Authority's tipping fee revenues exceeded budget by \$1,500,000. The Authority exceeded budgeted tonnage expectations for asbestos, soil/cover, sludge, municipal solid waste and C&D material.
- The Authority earned about \$2,051,000 in recycling sales during 2016, which was \$51,000 over the 2016 budget.
- The Authority sold Landfill Gas and shared in a Power Purchase Agreement, per its contract with Waste Management Renewable Energy, and generated \$352,151 in revenue.
- The Authority sold carbon credits resulting in \$241,272 of revenue during 2016.
- In 2016, the Authority processed recyclables for Oswego and Lewis Counties. The Authority earned \$570,065 in processing fees.
- Expenses increased by about 4.2% over 2015 results.
- The Authority modified its existing Host Community Benefit Agreement with the Village of Boonville and had an additional \$714,000 in one-time expenses.
- Salaries/wages and overtime increased about 2.7% from 2015.
- The Authority's fuel expense decreased by over \$140,000, as a result of the declining cost of gas.
- Interest expense decreased by about \$152,000 from 2015, resulting from the refinancing of the Authority's 2006 EFC bonds.
- The Authority also funded reserves for landfill equipment in the amount of \$400,000 for 2016 and for the extension of the landfill liner in the amount of \$1,600,000.
- The Authority, once again, fully funded its closure and post-closure funds for the Ash Landfill and Regional Landfill.

The attached financial audit gives a detailed picture of the Authority's financial position with the independent audit completed by BST.

**ADMINISTRATIVE OFFICE**

1600 GENESEE STREET, UTICA, NY 13502  
TELEPHONE: (315)733-1224  
WEB SITE: [www.ohswa.org](http://www.ohswa.org)

**EASTERN TRANSFER STATION & RECYCLING CENTER**

80 LELAND AVENUE EXT., UTICA, NY 13502

**REGIONAL LANDFILL**

7044 STATE ROUTE 294, BOONVILLE, NY 13309

**WESTERN TRANSFER STATION**

575 PERIMETER RD., ROME, NY 13441

**STAFF**

William A. Rabbia, Executive Director  
Emily Albright, Director of Recycling  
Joseph Artessa, Principal Accounting Supervisor  
James V. Biamonte, Environmental Coordinator/Contract Officer  
Daniel Bowman, Recycling Center Plant Manager  
Patrick J. Donovan, Comptroller  
Justin Fitch, Environmental Compliance Coordinator  
Adele A. Guarno, Secretary to the Executive Director  
Christine Lawrence, Account Clerk  
Jayne Morgan, Sr. Weigh Scale Operator  
Deborah O'Connor, City of Utica Coordinator  
Joshua Olbrys, Landfill Operations Manager  
Andrew Opperman, Solid Waste Engineer  
William Schrader, Superintendent of Waste Collection  
Beth Scoones, Account Clerk  
Jamie Tuttle, Recycling Educator  
Jodi M. Tuttle, Authority Board Secretary/HR Coordinator





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ONEIDA-HERKIMER SOLID WASTE AUTHORITY

**BST FINANCIAL REPORT/AUDIT**



Financial Report

December 31, 2016 and 2015

**Oneida-Herkimer  
Solid Waste Management Authority**

Financial Report

December 31, 2016 and 2015

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## Independent Auditor's Report

Board of Directors  
Oneida-Herkimer Solid Waste Management Authority  
Utica, New York

### Report on the Financial Statements

We have audited the accompanying financial statements of the Oneida-Herkimer Solid Waste Management Authority (Authority) (a New York public benefit corporation), which comprise the statement of net position as of December 31, 2016, the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2016, and the changes in its net position and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, including the budgetary comparison information on pages 3 through 12, the schedule of funding progress on page 31, the schedule of proportionate share of the net pension liability on page 35, and the schedule of local government contributions on page 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the Authority's basic financial statements. The introduction and statistical information included within management's discussion and analysis are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*Prior Year Financial Statements*

The financial statements of the Authority as of and for the year ended December 31, 2015 were audited by other auditors whose report dated March 7, 2016 expressed an unmodified opinion on those statements.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2017, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

BST & CO. CPAs, LLP

Albany, New York  
March 13, 2017



# Oneida-Herkimer Solid Waste Management Authority

## Management's Discussion and Analysis December 31, 2016 and 2015

### Introduction

On behalf of the Oneida-Herkimer Solid Waste Management Authority, I am pleased to submit this 2016 Annual Financial Report developed in compliance with accounting standards generally accepted in the United States of America. This year marks the 28<sup>th</sup> anniversary since the formation of the Authority.

In 2016, the Authority maintained stable solid waste tipping fees after three consecutive years of lowering its rates. This was the result of increasing and diversifying its revenues and reducing operating expenses. The Authority Board of Directors has reduced its tipping fee for solid waste by 16% since 2006.

The Authority remains in a very stable financial position. While lowering rates and keeping expenses in check, the Authority continued to provide a full range of services to handle all categories of waste generated by the region's individuals, businesses, industries, and institutions. The Authority continued its emphasis on reduction and recycling. The Authority Board remains committed to maintaining and enhancing the region's self-reliant integrated solid waste management system. Toward that end, in 2016, the Authority initiated a feasibility study to look at the viability of constructing a facility in Utica to divert commercial food waste from the landfill.

The Authority Board remains committed to long-term stable rates. The 2016 operating surplus and corresponding positive net asset position is a result of careful planning and the decision to establish reserves for future capital projects. Specifically, the Authority continued reserves for major landfill equipment replacement of \$400,000 and the extension of the landfill liner for new waste disposal cells of \$1,600,000. By reserving these funds from current disposal fees, it will reduce or eliminate the need to borrow for these projects in the future. The Authority has also reserved funds to defease some long-term bonds early, which will reduce future debt service expense. Related to diversifying revenue, the Authority Board approved an agreement to process Fulton County, New York's single stream recyclables. This new revenue, when added to the revenues for processing Lewis and Oswego Counties' recyclables, helped further cover operating expenses.

Finally, in 2016, the Authority through its host community agreement with the Village of Boonville, funded certain improvements at the intersection of NYS Routes 294 & 46, in lieu of developing a bypass road. The Authority and Village sought to make mutually beneficial modifications to the Agreement to improve transportation through the Village, while also benefitting the Village and the Erwin Library and Institute.

While we continue to manage the region's waste and recyclables in a safe, reliable, and efficient manner, I invite you to review this summary of our operations and feel free to call anytime.

Kenneth A. Long  
Chairman

# Oneida-Herkimer Solid Waste Management Authority

## Management's Discussion and Analysis December 31, 2016 and 2015

### Authority Profile

The Oneida-Herkimer Solid Waste Management Authority was created by the State Legislature at the request of the two Counties by passage of Article 8, Title 13-FF of the New York Public Authority Law on September 1, 1988. The Authority is authorized to provide waste management services and to develop appropriate solid waste management facilities for the benefit of Oneida and Herkimer Counties.

The Authority has developed a comprehensive, integrated system of facilities to serve all the residents, businesses, industries, and institutions of Oneida and Herkimer Counties.

The Authority's 2016 budget was approximately \$24.3 million and covered expenses for disposal of waste, recycling, household hazardous waste, composting, public education, administration, collection of waste, and recyclables in the City of Utica and Villages of Ilion, Frankfort, Herkimer, Mohawk, and Dolgeville, capital purchases, operations, maintenance, and debt service. The Authority currently owns nine operational solid waste management facilities and one closed facility. These facilities are as follows: an administration facility, a recycling center, three solid waste transfer stations, a green waste composting facility, a land clearing debris facility, a household hazardous waste facility, and a regional landfill; and a closed ash landfill.

The Authority's revenue structure is primarily a fee for service system. A system tip fee is charged for all non-recyclable waste delivered to the Authority to cover the majority of expenses in the Authority budget. The Authority receives the remaining revenue from other sources, such as investments, sale of recyclables, grants, sale of carbon credits, sale of landfill gas, and other user fees. The Authority receives no funds from the Counties.

### Authority Board of Directors

<u>Name</u>	<u>Business Affiliation</u>
<b>Kenneth A. Long, Chairman</b>	Business Manager of Central Valley Central School District and former Herkimer County Legislator
<b>Vincent J. Bono, Vice Chairman</b> <i>Vice Chairman, Audit Committee Finance Committee</i>	Partner in Bono Brothers LLC, Property Management Group; Vice Chairman of the Herkimer County Legislature; and Chairman of the Herkimer County Industrial Development Agency
<b>Harry A. Hertline, Treasurer</b> <i>Chairman, Finance Committee Chairman, Audit Committee</i>	Korean War Air Force Veteran, Retired GE Unit Contract Manager, and former Minority Leader Oneida County Board of Legislators
<b>Neil C. Angell</b>	Town of Verona Dairy Farmer and former Oneida County Legislator and Member of the Agricultural Economic Development Committee
<b>James M. D'Onofrio</b> <i>Chair- FOIL Appeals Committee</i>	President of Arlott Office Products and Member of Oneida County Board of Legislators
<b>James A. Franco</b> <i>FOIL Appeals Committee</i>	Part-time DPW Superintendent, Village of Herkimer

# Oneida-Herkimer Solid Waste Management Authority

Management's Discussion and Analysis  
December 31, 2016 and 2015

## Authority Profile - Continued

<u>Name</u>	<u>Business Affiliation</u>
<b>Barbara Freeman</b> <i>Chair, Governance Committee</i> <i>FOIL Appeals Committee</i>	Retired Teacher; Member, Village and Town of Boonville Environmental Councils
<b>Nancy Novak</b> <i>Governance Committee</i>	Manager Safety & Regulatory Compliance at Bonide Products, Inc.; Member, Mohawk Valley Environmental Information Exchange and Mohawk Valley Safety Professional Consortium
<b>Robert J. Roberts, III</b> <i>Audit Committee</i> <i>Vice Chair, Finance Committee</i>	Business Consultant, RJR & Associates
<b>James Williams</b> <i>Governance Committee</i>	Retired from the United States Postal Service; Vietnam War Army Veteran; and Member of the Ava Town Planning Board

## Responsibility and Controls

The Authority has prepared and is responsible for the financial statements and related information included in this report. A system of internal accounting controls is maintained to provide reasonable assurance that assets are safeguarded and that the books and records reflect only authorized transactions. Limitations exist in any system of internal controls. However, based on recognition that the cost of the system should not exceed its benefits, management believes its system of internal accounting controls maintains an appropriate cost/benefit relationship.

The Authority's system of internal accounting controls is evaluated on an ongoing basis by the Authority's financial staff. Independent external auditors also consider certain elements of the internal control system in order to determine their auditing procedures for the purpose of expressing an opinion on the financial statements.

The Finance Committee of the Authority Board of Directors is composed of four members of the Board who are not employees and who provide a broad overview of management's financial reporting and control functions. This Committee meets regularly with management to discuss financial issues.

The Audit Committee of the Authority Board of Directors is composed of three members of the Board who are not employees and who have responsibilities, including the hiring of the independent auditor, the compensation to be paid to the auditing firm, and to meet with the independent auditor regarding the Authority's annual audit.

## Audit Assurance

Since the Authority has been established, we have received an unmodified opinion with each annual independent audit commonly referred to as a clean opinion. The current unmodified opinion from our auditors, BST & Co. CPAs, LLP, is included in this report.



# Oneida-Herkimer Solid Waste Management Authority

## Management's Discussion and Analysis December 31, 2016 and 2015

### Financial Highlights

This section of the report presents management's discussion and analysis of the Authority's financial position as of December 31, 2016 and 2015, and other significant pertinent financial information.

The 2016 financial report continues to reflect the strong operating results of the Authority. The Authority has increased its net position by approximately \$3.88 million and \$4.48 million for the years ended December 31, 2016 and 2015, respectively. This was the result of several factors including:

- The Authority's tipping fee revenues exceeded budget by \$1,500,000. The Authority exceeded budgeted tonnage expectations for asbestos, soil/cover, sludge, municipal solid waste and C&D material.
- The Authority earned about \$2,051,000 in recycling sales during 2016, which was \$51,000 over the 2016 budget.
- The Authority sold Landfill Gas and shared in a Power Purchase Agreement, per its contract with Waste Management Renewable Energy, and generated \$352,151 in revenue.
- The Authority sold carbon credits resulting in \$241,272 of revenue during 2016.
- In 2016, the Authority processed recyclables for Oswego and Lewis Counties. The Authority earned \$570,065 in processing fees.
- Expenses increased by about 4.5% over 2015 results.
- The Authority modified its existing Host Community Benefit Agreement with the Village of Boonville and had an additional \$714,000 in one-time expenses.
- Salaries/wages and overtime increased about 2.7% from 2015.
- The Authority's fuel expense decreased by over \$140,000, as a result of the declining cost of gas.
- Interest expense decreased by about \$152,000 from 2015, resulting from the refinancing of the Authority's 2006 EFC bonds.
- The Authority also funded reserves for landfill equipment in the amount of \$400,000 for 2016 and for the extension of the landfill liner in the amount of \$1,600,000.
- The Authority, once again, fully funded its closure and post-closure funds for the Ash Landfill and Regional Landfill.

# Oneida-Herkimer Solid Waste Management Authority

## Management's Discussion and Analysis December 31, 2016 and 2015

### Financial Analysis

The statements of net position and statements of revenues, expenses, and changes in net position and other selected information provide information to management for analysis and planning. These two statements report the Authority's net position and changes in it.

**Table A-1  
Condensed Statements of Net Position**

	December 31,				
	2016	2016 vs. 2015	2015	2015 vs. 2014	2014
<b>ASSETS AND DEFERRED OUTFLOWS</b>					
Current assets	\$ 32,385,079	14.28%	\$ 28,337,548	14.44%	\$ 24,761,748
Restricted assets	10,743,593	-2.35%	11,001,737	-11.20%	12,389,284
Capital assets, net	43,471,221	-3.64%	45,111,907	-2.89%	46,454,000
Non current assets	<u>36,125</u>	-15.44%	<u>42,721</u>	-14.15%	<u>49,763</u>
Total assets	<u>86,636,018</u>		<u>84,493,913</u>		<u>83,654,795</u>
Deferred outflows	<u>2,376,155</u>	357.00%	<u>519,950</u>	-25.63%	<u>699,094</u>
<b>Total assets and deferred outflows</b>	<b><u>\$ 89,012,173</u></b>		<b><u>\$ 85,013,863</u></b>		<b><u>\$ 84,353,889</u></b>
<b>LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>					
Current liabilities	\$ 4,115,788	7.32%	\$ 3,835,066	-5.44%	\$ 4,055,607
Long-term liabilities	<u>35,844,428</u>	-1.35%	<u>36,335,311</u>	-9.18%	<u>40,008,561</u>
Total liabilities	<u>39,960,216</u>	-0.52%	<u>40,170,377</u>	-8.84%	<u>44,064,168</u>
Deferred inflows	<u>1,048,400</u>	44.76%	<u>724,244</u>	10.44%	<u>655,778</u>
Net investment in capital assets	19,478,106		18,750,348		17,802,320
Net position, restricted	955,801		1,158,104		1,321,037
Net position, unrestricted	<u>27,569,650</u>		<u>24,210,790</u>		<u>20,510,586</u>
Total net position	<u>48,003,557</u>	8.80%	<u>44,119,242</u>	11.32%	<u>39,633,943</u>
<b>Total liabilities, deferred inflows, and net position</b>	<b><u>\$ 89,012,173</u></b>	<b>4.70%</b>	<b><u>\$ 85,013,863</u></b>	<b>0.78%</b>	<b><u>\$ 84,353,889</u></b>

While total assets have remained relatively consistent since 2014, long-term liabilities have decreased approximately 10.4% during the same period principally due to scheduled payments on the Authority's long-term bonds.

Total net position has grown approximately \$8.4 million since the end of 2014 as a result of favorable operations of the Landfill, consistent waste tonnage, strong recyclable sales, diversification of revenues, and a tight control over Authority expenses.

# Oneida-Herkimer Solid Waste Management Authority

## Management's Discussion and Analysis December 31, 2016 and 2015

### Financial Analysis - Continued

**Table A-2  
Condensed Statements of Revenues, Expenses, and  
Changes in Net Position**

	Years Ended December 31,				
	2016	2016 vs. 2015	2015	2015 vs. 2014	2014
Operating revenue	\$ 23,899,400	0.59%	\$ 23,759,512	-4.08%	\$ 24,769,082
Nonoperating revenue	851,612	25.61%	677,989	26.94%	534,086
Total revenues	<u>24,751,012</u>	1.28%	<u>24,437,501</u>	-3.42%	<u>25,303,168</u>
Depreciation expense	3,768,841	2.39%	3,680,874	-17.19%	4,445,013
Other operating expense	16,123,171	6.46%	15,145,237	-2.96%	15,606,593
Nonoperating expense	974,685	-13.45%	1,126,091	-17.48%	1,364,599
Total expenses	<u>20,866,697</u>	4.58%	<u>19,952,202</u>	-6.84%	<u>21,416,205</u>
<b>Change in net position</b>	<b>3,884,315</b>	<b>-13.40%</b>	<b>4,485,299</b>	<b>15.39%</b>	<b>3,886,963</b>
<b>NET POSITION, <i>beginning of year</i></b>	44,119,242	11.32%	39,633,943	10.87%	35,746,980
<b>NET POSITION, <i>end of year</i></b>	<u><b>\$ 48,003,557</b></u>	<b>8.80%</b>	<u><b>\$ 44,119,242</b></u>	<b>11.32%</b>	<u><b>\$ 39,633,943</b></u>

The Authority's expenses increased by about 4.58% for 2016 in comparison to 2015. During 2016, the Authority modified its existing Host Community Benefit Agreement with the Village of Boonville and incurred \$714,000 in one-time expenses which were not budgeted for.

### Budgetary Highlights

The Authority Board of Directors adopts an annual operating budget and a five-year capital plan after thorough review by the Audit and Finance Committee of the Authority Board and a public hearing. Management periodically reviews the budget and informs the Board and Finance Committee if it becomes apparent that the budget as adopted is not in line with actual revenue and expenditures. Variations from the budget are dealt with through budget transfers or amendments. Transfer amounts under \$5,000 are done by the Treasurer of the Board. Those in excess of \$5,000 are done by resolution of the full Board.

The 2016 and 2015 budgets are compared to actual results in Table A-3.

# Oneida-Herkimer Solid Waste Management Authority

## Management's Discussion and Analysis December 31, 2016 and 2015

### Budgetary Highlights - Continued

**Table A-3  
Condensed Statement of Revenues, Expenses,  
and Changes in Net Position vs. Budget**

	Year Ended December 31, 2016		
	Actual	Amended Budget	\$ Change
Operating revenue	\$ 23,899,400	\$ 22,541,880	\$ 1,357,520
Nonoperating revenue	851,612	275,250	576,362
<b>Total revenues</b>	<b>24,751,012</b>	<b>22,817,130</b>	<b>1,933,882</b>
Operating expenses			
Salaries, wages and benefits	6,127,465	6,130,764	(3,299)
Contractual services	5,853,465	5,909,056	(55,591)
Materials and supplies	901,151	1,466,000	(564,849)
Utilities	269,655	340,000	(70,345)
Repairs and maintenance	250,487	260,500	(10,013)
Host community benefits	1,414,438	1,450,000	(35,562)
Leachate disposal	377,480	337,500	39,980
Insurance	179,626	175,000	4,626
Other rental	71,413	78,250	(6,837)
Depreciation and amortization	3,768,841	-	3,768,841
Other operating expense	677,991	664,000	13,991
Nonoperating expenses	974,685	6,756,060	(5,781,375)
<b>Total expenses</b>	<b>20,866,697</b>	<b>23,567,130</b>	<b>(2,700,433)</b>
<b>Change in net position</b>	<b>\$ 3,884,315</b>	<b>\$ (750,000)</b>	<b>\$ 4,634,315</b>

During 2016, the Authority appropriated \$750,000 from Net Position to reflect a one-time amendment to a Host Community Benefit Agreement.

	Year Ended December 31, 2015		
	Actual	Amended Budget	\$ Change
Operating revenue	\$ 23,759,512	\$ 23,141,660	\$ 617,852
Nonoperating revenue	677,989	278,750	399,239
<b>Total revenues</b>	<b>24,437,501</b>	<b>23,420,410</b>	<b>1,017,091</b>
Operating expenses			
Personal	5,675,398	5,809,603	(134,205)
Contractual services	5,837,987	5,745,696	92,291
Materials and supplies	1,094,015	1,637,700	(543,685)
Utilities	280,218	308,000	(27,782)
Repairs and maintenance	220,725	214,900	5,825
Host community benefits	698,870	698,500	370
Leachate disposal	406,232	337,500	68,732
Insurance	168,937	169,000	(63)
Other rental	72,196	77,160	(4,964)
Depreciation and amortization	3,680,874	-	3,680,874
Other operating expense	690,659	680,800	9,859
Nonoperating expenses	1,126,091	7,741,551	(6,615,460)
<b>Total expenses</b>	<b>19,952,202</b>	<b>23,420,410</b>	<b>(3,468,208)</b>
<b>Change in net position</b>	<b>\$ 4,485,299</b>	<b>\$ -</b>	<b>\$ 4,485,299</b>

# Oneida-Herkimer Solid Waste Management Authority

Management's Discussion and Analysis  
December 31, 2016 and 2015

## Budgetary Highlights - Continued

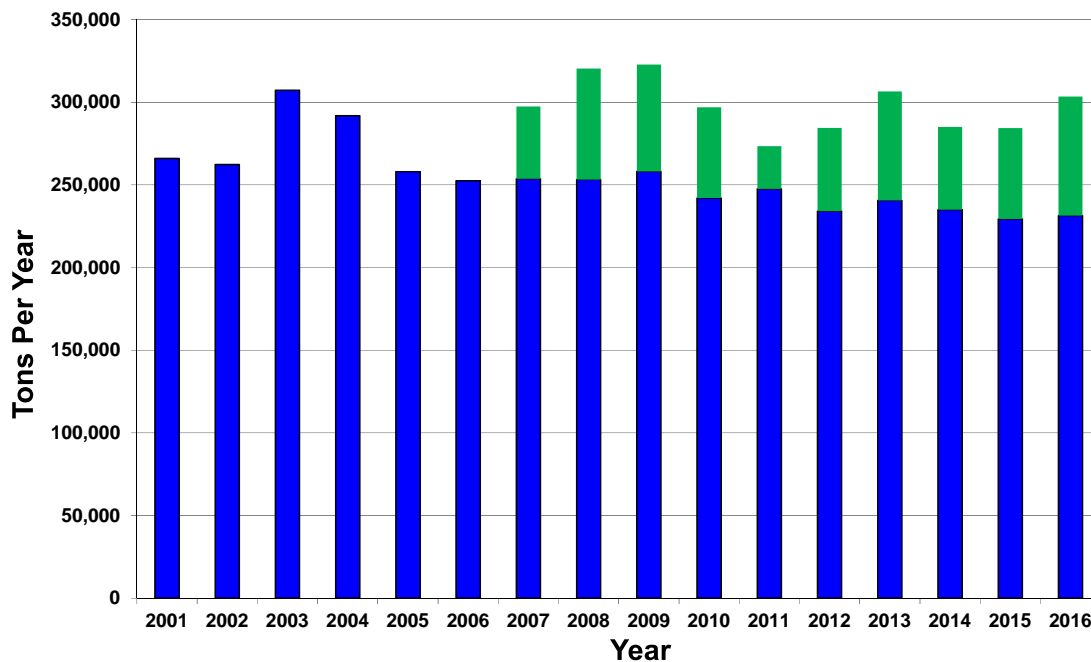
To make an accurate comparison of actual expenditures to budget, the items discussed above, as well as principal payments on outstanding bonds, depreciation and amortization, and acquisition of capital assets, need to be adjusted to allow for comparison with the 2016 and 2015 amended budgets. These adjustments are as follows:

	Year Ended December 31,	
	2016	2015
Change in net position	\$ 3,884,315	\$ 4,485,299
Deduct: principal payments made on bonds	(2,445,000)	(3,692,407)
Add: depreciation expense	3,768,841	3,680,874
Deduct: acquisition of capital assets	(2,132,625)	(2,338,781)
Budget surplus	\$ 3,075,531	\$ 2,134,985

## General Trends and Significant Events

**Oneida-Herkimer Solid Waste Authority  
All Non-Recyclable Solid Waste  
(MSW, C & D, Sludge and Other)  
2001 - 2016**

■ = ADC/Cover



# Oneida-Herkimer Solid Waste Management Authority

## Management's Discussion and Analysis December 31, 2016 and 2015

### Flow Control

United Haulers Assoc. Inc., et al. v. Oneida-Herkimer Solid Waste Management Authority, et al. - 95-CV-0516, U.S. Dist. Ct., N.D.N.Y., Mordue, J.

In 1995, the Authority and the Counties of Oneida and Herkimer were sued by six local waste hauling firms. They alleged, among other things, that the laws which require them to use specific facilities are in violation of the Commerce Clause of the U.S. Constitution. The laws are legislative acts of each of the Counties. Pursuant to certain Agreements made in May 1989 and December 1989 between the Authority and the Counties, the Authority is charged with the disposal of solid waste and recyclables in the Counties and with the administration of an integrated system of waste management in accordance with New York State law. The Local Laws operate to ensure the continuity of the integrated system.

During 2007, the case was finally and definitively decided.

The Oneida and Herkimer Counties Solid Waste Management Laws were upheld by the United States Supreme Court in a Decision issued April 30, 2007. The Decision written by Chief Justice John Roberts validates the integrated solid waste management system owned and operated by the Oneida-Herkimer Solid Waste Management Authority.

The Court recognized that local communities are entitled to develop the kinds of facilities and programs that meet their unique needs and those local communities can set up a fee structure that encourages waste reduction, recycling, and detoxification.

### Capital Assets

At the end of 2016 and 2015, the Authority had approximately \$43.5 million and \$45.1 million, respectively, invested in capital assets as indicated in Table A-4.

**Table A-4  
Capital Assets**

	December 31,				
	2016	2016 vs. 2015	2015	2015 vs. 2014	2014
Land	\$ 3,270,675	0.00%	\$ 3,270,675	1.76%	\$ 3,213,958
Land improvements	38,364,839	0.50%	38,173,536	0.74%	37,891,528
Building and improvements	22,451,203	1.00%	22,228,903	2.61%	21,663,480
Machinery and equipment	9,871,646	1.87%	9,690,630	1.48%	9,549,283
Vehicles	8,738,414	2.58%	8,518,693	11.43%	7,645,052
Office equipment	270,536	6.14%	254,879	9.64%	232,477
	<u>82,967,313</u>	1.01%	<u>82,137,316</u>	2.42%	<u>80,195,778</u>
Less accumulated depreciation and amortization	<u>44,701,639</u>	6.24%	<u>42,077,684</u>	8.59%	<u>38,748,014</u>
Capital assets in service, net	38,265,674	-4.48%	40,059,632	-3.35%	41,447,764
Construction work in progress	<u>5,205,547</u>		<u>5,052,275</u>		<u>5,006,236</u>
Total capital assets, net	<u>\$ 43,471,221</u>	-3.64%	<u>\$ 45,111,907</u>	-2.89%	<u>\$ 46,454,000</u>

The Authority adopted a five-year capital plan with the passage of its annual budget. The five-year plan projects spending on capital projects between \$1,200,000 and \$5,800,000 per year. The funds for capital projects are covered by the system tipping fee and reserves.

# **Oneida-Herkimer Solid Waste Management Authority**

## **Management's Discussion and Analysis December 31, 2016 and 2015**

### **Debt Administration**

The Authority had \$30,792,593 and \$33,237,593 in outstanding Revenue Bonds at December 31, 2016 and 2015, respectively. Although Oneida and Herkimer Counties guarantee debt service payments in the event that the Authority defaults, the Authority is contractually obligated to set its rates to cover 100% of debt service and operating expenses. Since its inception, the Authority has always raised sufficient revenue to cover operating expenditures, capital purchases, and debt service payments. Because the United States Supreme Court affirmed the County laws and validated the Authority's system, and because the Authority has fostered an extensive working relationship with generators and haulers, and because the Authority has significantly diversified its operations, management is confident that revenues will continue to be sufficient to maintain the integrated solid waste system without assistance from either County. The Authority has never made a request of the Counties for a subsidy.

### **Final Comments**

The preceding report summarizes the financial activity for the Authority during 2016 and 2015. The management and staff of the Authority are happy to answer any other questions that may arise after reviewing this report. We can be reached as follows:

Phone: (315)733-1224  
Website: [ohswa.org](http://ohswa.org)

7:30 AM - 5:00 PM

### **Management Staff**

William A. Rabbia, Executive Director  
Patrick J. Donovan, Comptroller  
James V. Biamonte, Environmental Coordinator

# Oneida-Herkimer Solid Waste Management Authority

## Statements of Net Position

	December 31,	
	2016	2015
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 7,970,669	\$ 4,378,832
Investments	21,120,352	20,955,837
Receivables, net	2,609,935	2,711,793
Prepaid expenses and other assets	684,123	291,086
Total current assets	32,385,079	28,337,548
<b>RESTRICTED ASSETS</b>		
Cash and cash equivalents	3,031,047	2,870,857
Investments	7,692,937	8,117,077
Accrued interest receivable	19,609	13,803
Total restricted assets	10,743,593	11,001,737
<b>NON-CURRENT ASSETS</b>		
Capital assets, net	43,471,221	45,111,907
Other	36,125	42,721
Total non-current assets	43,507,346	45,154,628
<b>DEFERRED OUTFLOWS</b>		
	2,376,155	519,950
	<b>\$ 89,012,173</b>	<b>\$ 85,013,863</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Current installments of revenue bonds	\$ 2,520,000	\$ 2,445,000
Accounts payable and accrued liabilities	1,377,172	1,147,482
Accrued interest payable	218,616	242,584
Total current liabilities	4,115,788	3,835,066
<b>LONG-TERM LIABILITIES</b>		
Revenue bonds, less current installments	28,272,593	30,792,593
Premium on revenue bonds, net	46,770	57,677
Accrued closure and post-closure costs	3,804,180	3,774,410
Net pension liability	2,276,688	480,933
Accrued postemployment benefits	1,444,197	1,229,698
Total long-term liabilities	35,844,428	36,335,311
Total liabilities	39,960,216	40,170,377
<b>DEFERRED INFLOWS</b>		
	1,048,400	724,244
<b>NET POSITION</b>		
Net investment in capital assets	19,478,106	18,750,348
Restricted	955,801	1,158,104
Unrestricted	27,569,650	24,210,790
Total net position	48,003,557	44,119,242
	<b>\$ 89,012,173</b>	<b>\$ 85,013,863</b>

See accompanying Notes to Financial Statements.



# Oneida-Herkimer Solid Waste Management Authority

## Statements of Revenues, Expenses, and Changes In Net Position

	<b>Years Ended December 31,</b>	
	<b>2016</b>	<b>2015</b>
<b>OPERATING REVENUES</b>		
Tipping fees, net	\$ 16,030,911	\$ 15,536,382
Solid waste service charge, City of Utica	2,111,299	2,065,223
Refuse bag sales	2,012,880	2,011,188
Toter revenues	695,761	654,952
Recyclable sales	2,051,046	1,968,180
Carbon credit sales	241,272	373,314
Landfill gas sales	352,151	635,670
Miscellaneous	404,080	514,603
	<b>23,899,400</b>	<b>23,759,512</b>
<b>OPERATING EXPENSES</b>		
Salaries, wages and benefits	6,127,465	5,675,398
Contractual services	5,853,465	5,837,987
Materials and supplies	901,151	1,094,015
Utilities	269,655	280,218
Repairs and maintenance	250,487	220,725
Host community benefits	1,414,438	698,870
Leachate disposal	377,480	406,232
Insurance	179,626	168,937
Other rental	71,413	72,196
Depreciation	3,768,841	3,680,874
Change in post-closure accrual estimate	66,332	67,166
Miscellaneous	611,659	623,493
	<b>19,892,012</b>	<b>18,826,111</b>
<b>Operating income</b>	<b>4,007,388</b>	<b>4,933,401</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest income	305,656	307,254
Interest expense	(968,089)	(1,119,049)
Other expense	(6,596)	(7,042)
Operating grants and other revenue	545,956	370,735
	<b>(123,073)</b>	<b>(448,102)</b>
<b>Change in net position</b>	<b>3,884,315</b>	<b>4,485,299</b>
<b>NET POSITION, <i>beginning of year</i></b>	<b>44,119,242</b>	<b>39,633,943</b>
<b>NET POSITION, <i>end of year</i></b>	<b>\$ 48,003,557</b>	<b>\$ 44,119,242</b>

See accompanying Notes to Financial Statements.

# Oneida-Herkimer Solid Waste Management Authority

## Statements of Cash Flows

	<b>Years Ended December 31,</b>	
	<b>2016</b>	<b>2015</b>
<b>CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Received from customers	\$ 24,375,971	\$ 23,606,249
Paid to suppliers and vendors	(9,931,749)	(9,271,756)
Paid to employees, including benefits	(5,973,416)	(5,593,069)
	<b>8,470,806</b>	<b>8,741,424</b>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Payments of revenue bond principal	(2,445,000)	(3,692,407)
Interest paid	(1,002,964)	(1,228,522)
Proceeds from sale of capital assets	20,688	84,670
Acquisition of capital assets	(2,132,625)	(2,338,781)
Operating grants and other revenues	281,647	370,735
	<b>(5,278,254)</b>	<b>(6,804,305)</b>
<b>CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES</b>		
Interest received	299,850	334,221
Change in restricted cash and cash equivalents	(160,190)	(146,385)
Purchases of certificates of deposit, net	(164,515)	(5,814,714)
Redemption of restricted investments, net	424,140	1,506,965
	<b>399,285</b>	<b>(4,119,913)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,591,837</b>	<b>(2,182,794)</b>
<b>CASH AND CASH EQUIVALENTS, <i>beginning of year</i></b>	<b>4,378,832</b>	<b>6,561,626</b>
<b>CASH AND CASH EQUIVALENTS, <i>end of year</i></b>	<b>\$ 7,970,669</b>	<b>\$ 4,378,832</b>
<b>CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income	\$ 4,007,388	\$ 4,933,401
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation	3,768,841	3,680,874
Provision for bad debts	197,534	208,051
(Gain) on sale of capital assets	(16,218)	(84,670)
Change in assets and liabilities		
Receivables	168,633	(137,059)
Prepaid expenses and other assets	(393,037)	124,792
Deferred inflows	(1,856,205)	39,480
Accounts payable and accrued liabilities	229,690	(187,958)
Deferred outflows	324,156	68,466
Accrued closure and post-closure costs	29,770	53,198
Net pension liability	1,795,755	(162,380)
Accrued postemployment benefits	214,499	205,229
	<b>\$ 8,470,806</b>	<b>\$ 8,741,424</b>

See accompanying Notes to Financial Statements.

# Oneida-Herkimer Solid Waste Management Authority

Notes to Financial Statements  
December 31, 2016 and 2015

## Note 1 - Organization and Summary of Significant Accounting Policies

### a. Nature of Business

The Oneida-Herkimer Solid Waste Management Authority (Authority) was created September 1, 1988, as a public benefit corporation under New York State Public Authorities Law §2049, by the New York State Legislature with powers to construct, operate, and maintain solid waste management facilities for the benefit of Oneida and Herkimer Counties (the Counties). The Authority owns and operates nine facilities, the Western Transfer Station (WTS), the Eastern Transfer Station (ETS), Materials Recovery Facility (MRF), Green Waste Compost Site (GWC), Household Hazardous Waste Facility (HHW), the Webb Transfer Station, Regional Landfill Facility (RLF), the Land Clearing Debris Facility, Administration Building, and owns one closed facility, the Ash Landfill (ALF) (closed during 1998).

### b. Basis of Accounting and Presentation of Financial Statements

The Authority's financial statements are prepared using the accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

All activities of the Authority are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows and liabilities and deferred inflows associated with the operations are included on the statements of net position.

Net position is classified as follows:

- *Net investment in capital assets* consists of capital assets, net of accumulated depreciation reduced by the net outstanding debt balances.
- *Restricted net position* has externally placed constraints on use.
- *Unrestricted net position* consists of assets and liabilities that do not meet the definition of "restricted net position" or "net investment in capital assets."

# Oneida-Herkimer Solid Waste Management Authority

Notes to Financial Statements  
December 31, 2016 and 2015

## Note 1 - Organization and Summary of Significant Accounting Policies - Continued

### *b. Basis of Accounting and Presentation of Financial Statements - Continued*

Revenues are recognized when earned, and expenses are recognized when incurred. The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the disposal of solid waste. The principal operating revenues of the Authority are charges to customers for user services. Tipping fees are presented net of disposal fees incurred by the Authority in relation to the waste brought to the Authority's facilities. Disposal fees totaled \$1,583,073 and \$1,579,386 for the years ended December 31, 2016 and 2015, respectively. Operating expenses include the cost of personal and contractual services, materials and supplies, utilities, change in post-closure accrual estimate, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### *c. Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

### *d. New Accounting Pronouncement*

GASB Statement No. 72, *Fair Value Measurement and Application* (GASB 72). GASB 72 defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information should be disclosed in the notes to the financial statements.

The Authority adopted this accounting standard effective January 1, 2016.

### *e. Cash, Cash Equivalents, and Investments*

Cash and cash equivalents consist of cash deposits in banks and other short-term investments, whether unrestricted or restricted, with an original maturity of three months or less. Short-term investments consist of money market funds with underlying investments in obligations of the U.S. government and repurchase agreements.

Investments include United States Treasury Bills, United States Bond State and Local Government Series, certificates of deposit, and Federal agency securities.

Statutes authorize the Authority to maintain deposits with financial institutions and to invest in certificates of deposit, obligations of New York State, the United States Government and its agencies, and repurchase agreements collateralized by U.S. obligations.

Cash deposits with financial institutions are either covered by federal depository insurance or collateralized by securities held by the pledging bank's trust department in the Authority's name, or U.S. Government and/or federal agency securities held by the Trustee. Cash equivalents in money market funds and investments are held in the Authority's name by their custodian and, therefore, not subject to custodial risk. The Authority's restricted cash equivalents are considered investments for cash flow statement purposes.

# Oneida-Herkimer Solid Waste Management Authority

Notes to Financial Statements  
December 31, 2016 and 2015

## Note 1 - Organization and Summary of Significant Accounting Policies - Continued

### *f. Receivables, Net*

Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. The allowance for doubtful accounts was \$348,255 and \$348,048 at December 31, 2016 and 2015, respectively. Accounts receivable are written off when deemed uncollectible. During 2016 and 2015, the Authority wrote off \$197,534 and \$208,051, respectively, of City of Utica user fees. Recoveries of accounts receivable previously written off are recorded as a recovery of bad debt when received.

An account receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 30 days. Interest is charged on accounts receivable that are outstanding for more than 30 days and is recognized as it is charged. After the receivable becomes past due, accrual of interest continues until the receivable is written off, or a payment agreement is reached with the customer.

### *g. Capital Assets, Net*

Capital assets, net, are recorded at cost, except for contributed property and equipment, which are recorded at fair value or the contributor's net book value if fair value is not readily ascertainable. Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. The Authority uses a capitalization threshold of \$1,000 to analyze expenditures for capitalization. When equipment is retired or otherwise disposed of, the appropriate accounts are relieved of costs and accumulated depreciation, and any resultant gain or loss is credited or charged to income.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives, using the straight-line method. The estimated useful lives used in determining depreciation are as follows:

Plant	20 years
Machinery and equipment	3 - 20 years
Vehicles	5 years
Land improvements	15 years
Regional landfill	8 - 50 years

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over its fair value.

Interest expenses incurred during construction of assets are capitalized. Constructed assets financed with the proceeds of tax-exempt debt (if those funds are externally restricted to finance the acquisitions of the asset or used to service the related debt) include capitalized interest to the extent that interest cost (including any related financing costs) over the asset construction period exceeds interest earned on related interest-bearing investments acquired with proceeds of the related tax-exempt borrowing.

# Oneida-Herkimer Solid Waste Management Authority

Notes to Financial Statements  
December 31, 2016 and 2015

## Note 1 - Organization and Summary of Significant Accounting Policies - Continued

### *h. Bond Issuance Costs, Deferred Charges, Deferred Inflows, and Deferred Outflows*

Bond issuance costs, other than prepaid insurance costs, are expensed as incurred in the statements of revenues, expenses, and changes in net position. Gains or losses on the refunding of bonds are reported as deferred inflows or outflows in the statements of net position and are amortized over the shorter of the remaining maturities of the refunded bonds or the newly issued bonds, utilizing the effective interest rate method. Amortization of deferred losses on refunded bonds is reported as a component of interest expense in the statements of revenues, expenses, and changes in net position. Deferred outflows on refunded bonds were not material as of December 31, 2016 and 2015.

Deferred inflows represent revenues billed in advance under contracts with the City of Utica and the Villages of Ilion, Frankfort, Herkimer, Mohawk, and Dolgeville (Note 8). Revenues are recognized as income in the period in which the related services are rendered. Deferred outflows and inflows also include changes in assumptions related to the net pension liability (Note 6).

### *i. Accrued Closure and Post-Closure Monitoring Costs*

The Authority maintains the Ash Landfill (ALF) which reached full capacity at December 31, 1996, and the Regional Landfill (RLF), which began operating in late 2006. Based upon engineering estimates and actual usage, the Regional Landfill has a useful life of over seventy years. In accordance with New York State Department of Environmental Conservation (NYSDEC) Regulations, the Authority has, and will, implement landfill closure and post-closure requirements. At December 31, 2016 and 2015, the Authority accrued \$3,804,180 and \$3,774,410, respectively, for estimated closure and post-closure costs. Due to changes in technology or changes in regulations, actual costs may be different from the current accrual. Based on NYSDEC requirements, \$3,877,737 and \$4,030,642 in certificates of deposit and U.S. Agency securities have been restricted by the Authority for this purpose at December 31, 2016 and 2015, respectively.

### *j. Accrued Postemployment Benefits*

In addition to providing pension benefits, the Authority provides health insurance coverage for certain retired employees. The Authority provides a 50% monthly premium contribution toward the health insurance cost for certain retirees. Eligible retirees may also have a spouse and dependents covered at the retired employees' expense. Healthcare benefits are provided through insurance companies whose premiums are based on the benefits provided. The Authority's policy is to provide for these benefits on a pay-as-you-go basis.

### *k. Tax Status*

The Authority is exempt from federal, state, and local income taxes.

### *l. Subsequent Events*

The Authority has evaluated subsequent events for potential recognition or disclosure through March 13, 2017, the date the financial statements were available to be issued.

# Oneida-Herkimer Solid Waste Management Authority

Notes to Financial Statements  
December 31, 2016 and 2015

## Note 2 - Restricted Assets

In accordance with the terms of the Authority's bond indentures and requirements set by the New York State Department of Environmental Conservation, the use of certain Authority assets is restricted for specific purposes as summarized below:

	December 31,	
	2016	2015
<i>Debt Service Reserve Fund</i>		
Contingency fund to be utilized in case of default	3,584,850	\$ 3,583,428
<i>Construction Projects Fund and Bond Redemption and Improvement Fund</i>		
Additional capital expenditures which may be incurred by the Authority	862,635	888,069
<i>Other Funds</i>		
Restricted assets required for debt service	2,398,762	2,485,795
Restricted assets for post-closure monitoring costs	3,877,737	4,030,642
Accrued interest on restricted assets	19,609	13,803
	\$ 10,743,593	\$ 11,001,737

## Note 3 - Investments

The Authority had the following investments and maturities:

Restricted Investments	2016				
	Investment Maturities (in Years)				
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U.S. Treasury Bill	\$ 457,455	\$ 457,455	\$ -	\$ -	\$ -
U.S Treasury Bond State and Local Government Series	2,027,260	-	-	-	2,027,260
Certificates of Deposit	4,791,531	1,386,170	3,405,361	-	-
Federal Agency Securities	416,691	316,691	100,000	-	-
	\$ 7,692,937	\$ 2,160,316	\$ 3,505,361	\$ -	\$ -
<b>Unrestricted Investments</b>					
Certificates of Deposit	\$ 21,120,352	\$ 21,120,352	\$ -	\$ -	\$ -
Restricted Investments	2015				
	Investment Maturities (in Years)				
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U.S. Treasury Bill	\$ 457,808	\$ 457,808	\$ -	\$ -	\$ -
U.S Treasury Bond State and Local Government Series	2,027,260	-	-	-	2,027,260
Certificates of Deposit	5,014,100	2,659,307	2,354,793	-	-
Federal Agency Securities	617,909	242,909	75,000	225,000	75,000
	\$ 8,117,077	\$ 3,360,024	\$ 2,429,793	\$ 225,000	\$ 2,102,260
<b>Unrestricted Investments</b>					
Certificates of Deposit	\$ 20,955,837	\$ 20,955,837	\$ -	\$ -	\$ -

# Oneida-Herkimer Solid Waste Management Authority

Notes to Financial Statements  
December 31, 2016 and 2015

## Note 3 - Investments - Continued

### *a. Credit Risk*

All of the Authority's deposits with financial institutions were either covered by FDIC insurance or fully collateralized by authorized investments of the pledging financial institution.

The Authority's investment policy limits investments to time deposit accounts, certificates of deposit, obligations of the United States of America, obligations guaranteed by the United States of America, obligations of the State of New York, obligations of certain municipalities, schools districts, or other district corporations, obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies that are authorized by State statutes, certifications of participations, and investments with agencies of the Federal government. All of the Authority's investments had a credit rating AA or higher by major rating agencies.

### *b. Custodial Credit Risk*

Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held either by (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name. All of the Authority's investments are held under its name with the custodian.

### *c. Interest Rate Risk*

The fair value of the Authority's fixed maturity investments fluctuate in response to changes in market interest rates. Fair values of interest rate-sensitive instruments may be affected by the creditworthiness of the issuer, prepayment options, the liquidity of the instrument, and other general market conditions. The Authority plans to hold its restricted investments to maturity, which minimizes the occurrence of loss on investments.

### *d. Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributed to the Authority's investment in single issues. As of December 31, 2016 and 2015, the Authority had approximately 23% and 31% of its restricted investment portfolio in U.S. Treasury bills and U.S Treasury Bond State and Local Government Series, respectively. No other issuer makes up more than 5% of the Authority's restricted investment portfolio. The Authority's unrestricted investments consist entirely of certificates of deposit invested with the Bank of Utica. All certificates of deposit are fully collateralized. Management of the Authority monitors the credit ratings associated with its underlying investments.

### *e. Fair Value Hierarchy*

The Authority categorizes its fair value measurements into the fair value hierarchy established by GASB Statement No. 72. The three levels of inputs used to measure fair value are as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Company has the ability to access.



# Oneida-Herkimer Solid Waste Management Authority

Notes to Financial Statements  
December 31, 2016 and 2015

## Note 3 - Investments - Continued

### e. Fair Value Hierarchy - Continued

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset.

Level 3 Inputs to the valuation methodology are unobservable inputs and significant to the fair value measurement.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value at December 31, 2016 and 2015:

*Certificate of deposits:* Valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

*Federal Agency Securities and U.S. Treasury Bills:* Valued based on observable prices for the particular security, or when prices are not observable, the valuation is based on prices of comparable securities or the present value of expected future cash flows.

*U.S. Treasury Bond State and Local Government Series:* The fair value is determined by the bond trustee and cost approximates fair value.

A summary of assets measured at fair value on a recurring basis is summarized below:

	December 31, 2016			
	Level 1	Level 2	Level 3	Total
Certificates of Deposit	\$ -	\$ 25,911,883	\$ -	\$ 25,911,883
Federal Agency Securities	-	416,691	-	416,691
U.S. Treasury Bond State and Local Government Series	-	2,027,260	-	2,027,260
U.S. Treasury Bill	-	457,455	-	457,455
<b>Total investments</b>	<b>\$ -</b>	<b>\$ 28,813,289</b>	<b>\$ -</b>	<b>\$ 28,813,289</b>
	December 31, 2015			
	Level 1	Level 2	Level 3	Total
Certificates of Deposit	\$ -	\$ 25,969,938	\$ -	\$ 25,969,938
Federal Agency Securities	-	617,909	-	617,909
U.S. Treasury Bond State and Local Government Series	-	2,027,260	-	2,027,260
U.S. Treasury Bill	-	457,808	-	457,808
<b>Total investments</b>	<b>\$ -</b>	<b>\$ 29,072,914</b>	<b>\$ -</b>	<b>\$ 29,072,914</b>

# Oneida-Herkimer Solid Waste Management Authority

## Notes to Financial Statements December 31, 2016 and 2015

### Note 4 - Capital Asset, Net

Capital assets, net, are as follows:

	December 31, 2016				
	MRF, GWC, and HHW	ETS and WTS	Regional Landfill	Other	Total
Capital assets not being depreciated					
Land	\$ -	\$ -	\$ 2,873,705	\$ 396,970	\$ 3,270,675
Construction in progress	162,144	-	5,043,403	-	5,205,547
Total capital assets not being depreciated	<u>162,144</u>	<u>-</u>	<u>7,917,108</u>	<u>396,970</u>	<u>8,476,222</u>
Capital assets being depreciated					
Land improvements	726,126	414,884	37,218,343	5,486	38,364,839
Buildings and improvements	7,543,851	7,853,161	6,737,541	316,650	22,451,203
Equipment and machinery	8,756,864	362,856	636,415	115,511	9,871,646
Vehicles	1,613,003	1,578,232	4,681,616	865,563	8,738,414
Office equipment	36,210	13,843	73,613	146,870	270,536
	<u>18,676,054</u>	<u>10,222,976</u>	<u>49,347,528</u>	<u>1,450,080</u>	<u>79,696,638</u>
Less accumulated depreciation and amortization	9,366,257	8,887,391	25,291,985	1,156,006	44,701,639
Total capital assets being depreciated	<u>9,309,797</u>	<u>1,335,585</u>	<u>24,055,543</u>	<u>294,074</u>	<u>34,994,999</u>
Total capital assets, net	<u>\$ 9,471,941</u>	<u>\$ 1,335,585</u>	<u>\$ 31,972,651</u>	<u>\$ 691,044</u>	<u>\$ 43,471,221</u>
	December 31, 2015				
	MRF, GWC, and HHW	ETS and WTS	Regional Landfill	Other	Total
Capital assets not being depreciated					
Land	\$ -	\$ -	\$ 2,873,705	\$ 396,970	\$ 3,270,675
Construction in progress	27,338	-	5,024,937	-	5,052,275
Total capital assets not being depreciated	<u>27,338</u>	<u>-</u>	<u>7,898,642</u>	<u>396,970</u>	<u>8,322,950</u>
Capital assets being depreciated					
Land improvements	703,588	360,645	37,103,817	5,486	38,173,536
Buildings and improvements	7,524,667	7,665,713	6,721,873	316,650	22,228,903
Equipment and machinery	8,699,798	348,164	540,735	101,933	9,690,630
Vehicles	1,466,029	1,573,237	4,574,870	904,557	8,518,693
Office equipment	36,210	13,844	72,338	132,487	254,879
	<u>18,430,292</u>	<u>9,961,603</u>	<u>49,013,633</u>	<u>1,461,113</u>	<u>78,866,641</u>
Less accumulated depreciation and amortization	8,975,805	8,651,630	23,336,366	1,113,883	42,077,684
Total capital assets being depreciated	<u>9,454,487</u>	<u>1,309,973</u>	<u>25,677,267</u>	<u>347,230</u>	<u>36,788,957</u>
Total capital assets, net	<u>\$ 9,481,825</u>	<u>\$ 1,309,973</u>	<u>\$ 33,575,909</u>	<u>\$ 744,200</u>	<u>\$ 45,111,907</u>

A summary of changes in the Authority's capital assets are as follows:

	December 31, 2016			
	Balance December 31, 2015	Additions	Retirement/ Disposal	Balance December 31, 2016
Capital assets not being depreciated				
Land	\$ 3,270,675	\$ -	\$ -	\$ 3,270,675
Construction in progress	5,052,275	153,272	-	5,205,547
Total capital assets not being depreciated	<u>\$ 8,322,950</u>	<u>\$ 153,272</u>	<u>\$ -</u>	<u>\$ 8,476,222</u>
Capital assets being depreciated				
Land improvements	38,173,536	191,303	-	38,364,839
Buildings and improvements	22,228,903	222,300	-	22,451,203
Equipment and machinery	9,690,630	592,961	(411,945)	9,871,646
Vehicles	8,518,693	957,132	(737,411)	8,738,414
Office equipment	254,879	15,657	-	270,536
	<u>78,866,641</u>	<u>1,979,353</u>	<u>(1,149,356)</u>	<u>79,696,638</u>
Less accumulated depreciation and amortization	42,077,684	3,768,841	(1,144,886)	44,701,639
Total capital assets being depreciated	<u>36,788,957</u>	<u>(1,789,488)</u>	<u>(4,470)</u>	<u>34,994,999</u>
Total capital assets, net	<u>\$ 45,111,907</u>	<u>\$ (1,636,216)</u>	<u>\$ (4,470)</u>	<u>\$ 43,471,221</u>

# Oneida-Herkimer Solid Waste Management Authority

## Notes to Financial Statements December 31, 2016 and 2015

### Note 4 - Capital Asset, Net - Continued

	December 31, 2015			Balance December 31, 2015
	Balance December 31, 2014	Additions	Retirement/ Disposal	
Capital assets not being depreciated				
Land	\$ 3,213,958	\$ 56,717		\$ 3,270,675
Construction in progress	5,006,236	46,039	-	5,052,275
Total capital assets not being depreciated	<u>\$ 8,220,194</u>	<u>\$ 102,756</u>	<u>\$ -</u>	<u>\$ 8,322,950</u>
Capital assets being depreciated				
Land improvements	37,891,528	282,008		38,173,536
Buildings and improvements	21,663,480	565,423		22,228,903
Equipment and machinery	9,549,283	141,347		9,690,630
Vehicles	7,645,052	1,224,845	(351,204)	8,518,693
Office equipment	232,477	22,402		254,879
	<u>76,981,820</u>	<u>2,236,025</u>	<u>(351,204)</u>	<u>78,866,641</u>
Less accumulated depreciation and amortization	38,748,014	3,680,874	(351,204)	42,077,684
Total capital assets being depreciated	<u>38,233,806</u>	<u>(1,444,849)</u>	<u>-</u>	<u>36,788,957</u>
Total capital assets, net	<u>\$ 46,454,000</u>	<u>\$ (1,342,093)</u>	<u>\$ -</u>	<u>\$ 45,111,907</u>

The amounts in construction in progress principally relate to costs to construct landfill cells for the Authority's RLF and improvements to the WTS. The Authority's fourth cell was placed in service in 2014. The Authority's fifth cell is not in service.

### Note 5 - Revenue Bonds

A summary of changes in the Authority's revenue bonds is as follows:

	Balance December 31, 2014			Balance December 31, 2015			Balance December 31, 2016	
	Additions	Reductions	Additions	Additions	Reductions	Additions	Reductions	
2011 Revenue Bonds	\$ 9,660,000	-	\$ (715,000)	\$ 8,945,000	-	\$ (740,000)	-	\$ 8,205,000
2007 Revenue Bonds	4,265,000	-	(245,000)	4,020,000	-	(255,000)	-	3,765,000
2006 EFC Revenue Bonds	23,005,000	-	(23,005,000)	-	-	-	-	-
2015 EFC Revenue Bonds	-	20,272,593	-	20,272,593	-	(1,450,000)	-	18,822,593
	<u>\$ 36,930,000</u>	<u>\$ 20,272,593</u>	<u>\$(23,965,000)</u>	<u>\$ 33,237,593</u>	<u>\$ -</u>	<u>\$( 2,445,000)</u>	<u>\$ -</u>	<u>\$ 30,792,593</u>

Revenue bonds of the Authority are summarized as follows:

#### 2007 Revenue Bonds

The 2007 revenue bonds were originally issued at \$5,730,000 to refinance outstanding notes, finance the costs incurred in connection with the issuance of the bonds, and to fund the debt service reserve fund. Interest is payable semi-annually at interest rates ranging from 4.125% to 4.20%. Remaining principal payments range from \$270,000 to \$430,000, payable annually on April 1 through 2027.

#### 2011 Revenue Bonds

The 2011 revenue bonds were originally issued at \$10,725,000 principally to finance the design, procurement, and installation of a single-stream recyclables processing system. Bond proceeds were also used to fund the debt service reserve fund and to fund costs incurred in connection with the issuance. Interest is payable semi-annually at interest rates ranging from 4% to 5%. Remaining principal payments range from \$765,000 to \$1,080,000, payable annually on April 1 through 2025.

# Oneida-Herkimer Solid Waste Management Authority

Notes to Financial Statements  
December 31, 2016 and 2015

## Note 5 - Revenue Bonds - Continued

### *EFC Revenue Bonds*

The New York State Environmental Facilities Corporation (EFC) State Clean Water and Drinking Water Revolving Funds Revenue Bonds were originally issued in 2006 at \$33,396,675 to finance certain improvements to the Authority's landfill located in the Town of Ava, New York and to refinance certain outstanding indebtedness of the Authority. The bonds were refunded in 2015. In conjunction with the refunding, the Authority was required to liquidate a portion of its restricted U.S. Treasury Bond State and Local Government Series (SLUG) investment to pay for estimated arbitrage rebates and yield restriction liabilities. The Authority was notified in 2016 by EFC that the value of the SLUG liquidated exceeded the arbitrage and yield restriction liabilities by \$464,215. This amount is included in prepaid expenses and other assets on the statement of net position and will be applied by EFC to the principal payment due on April 1, 2017.

Principal installments range from \$1,485,000 to \$3,962,593 and are payable annually on April 1 through 2026. Interest is payable semi-annually at interest rates ranging from 4.22% to 4.769%. The Authority receives a subsidy credit and a refunding benefit toward its annual debt service cost from, and is charged an annual administrative fee by EFC.

All assets and revenues of the Authority are pledged as collateral for the bonds. In addition, the Counties guarantee debt service payments by means of the Solid Waste Management Agreement (Agreement) between the Authority and the Counties. Pursuant to the Authority's enabling legislation, which limits contracts to a period not to exceed 25 years, the initial Agreements with both Oneida County and Herkimer County expired in 2014 and were renewed for an additional 25-year period. As part of the renewal process, the security and guarantee of the debt service payments afforded by the original Agreements, will automatically apply to the renewal Agreements prior to the final maturity of the Authority's existing and future revenue bonds.

Future debt service payments required on Revenue Bonds are as follows:

	Principal	Interest	Total
For the year ending December 31,			
2017	\$ 2,520,000	\$ 1,373,476	\$ 3,893,476
2018	2,595,000	1,260,305	3,855,305
2019	2,685,000	1,138,394	3,823,394
2020	2,780,000	1,011,246	3,791,246
2021	2,875,000	881,157	3,756,157
2021 through 2025	16,907,593	2,233,606	19,141,199
2026 through 2027	430,000	9,030	439,030
	30,792,593	\$ 7,907,214	\$ 38,699,807
Less current installments	2,520,000		
Revenue Bonds, less current installments	\$ 28,272,593		

# Oneida-Herkimer Solid Waste Management Authority

Notes to Financial Statements  
December 31, 2016 and 2015

## Note 6 - New York State Employees' Retirement System

### Plan Description and Benefits Provided

The Authority participates in the New York State and Local Employees Retirement System (System), a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute.

The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

### Contributions

The System is noncontributory except for employees who joined the System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) who generally contribute 3 percent of their salary for their entire length of service. Under the authority of the System, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. The Authority's contributions for the current year and two preceding years were equal to 100 percent of the contributions, and were as follows:

2016	\$	540,463
2015		558,657
2014		699,094

### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At December 31, 2016 and 2015, the Authority reported liabilities of \$2,276,668 and \$480,933 for its proportionate share of the net pension liability, respectively. The net pension liabilities were measured as of March 31, 2015 and 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2016 and 2015, the Authority's proportion was 0.0141847% and 0.0142362%, respectively.

For the years ended December 31, 2016 and 2015, the Authority recognized pension expense of \$801,961 and \$435,757, respectively.

# Oneida-Herkimer Solid Waste Management Authority

Notes to Financial Statements  
December 31, 2016 and 2015

## Note 6 - New York State Employees' Retirement System - Continued

### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - Continued

At December 31, 2016 and 2015, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	December 31, 2016		December 31, 2015	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,505	\$ 269,863	\$ 15,395	\$ -
Change of assumptions	607,124	-	-	-
Net difference between projected and actual investment earnings on pension plan investments	1,350,656	-	83,532	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,523	47,537	2,030	-
Employer contributions subsequent to the measurement date	<u>405,347</u>	<u>-</u>	<u>418,993</u>	<u>-</u>
Total	<u>\$ 2,376,155</u>	<u>\$ 317,400</u>	<u>\$ 519,950</u>	<u>\$ -</u>

Authority contributions subsequent to the measurement date are recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ending December 31,

2017	\$ 419,639
2018	419,639
2019	419,639
2020	394,491

### Actuarial Assumptions

The total pension liability at March 31, 2016 was determined by using an actuarial valuation as of April 1, 2015, with update procedures used to roll forward the total pension liability to March 31, 2016. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the April 1, 2015 valuation were as follows:

Actuarial Cost Method	Entry age normal
Inflation Rate	2.5 percent
Salary Scale ERS	3.8 percent, indexed by service
Investment rate of return, including inflation	7.00 percent compounded annually, net of expenses
Decrement	Developed from the Plan's 2010 experience study of the period April 1, 2010 through March 31, 2014
Mortality improvement	Society of Actuaries Scale MP-2014

## Note 6 - New York State Employees' Retirement System - Continued

# Oneida-Herkimer Solid Waste Management Authority

Notes to Financial Statements  
December 31, 2016 and 2015

## Actuarial Assumptions - Continued

Annuitant mortality rates are based on April 1, 2005 - March 31, 2010 System's experience with adjustments for mortality improvements based on MP-2014.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2016 are summarized below:

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	38.00%	7.30%
International equity	13.00%	8.55%
Private equity	10.00%	11.00%
Real estate	8.00%	8.25%
Absolute return strategies	3.00%	6.75%
Opportunistic portfolio	3.00%	8.60%
Real assets	3.00%	8.65%
Bonds and mortgages	18.00%	4.00%
Cash	2.00%	2.25%
Inflation-Indexed bonds	2.00%	4.00%
	<u>100.00%</u>	

## Discount Rate

The discount rate used to calculate the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Authority's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

# Oneida-Herkimer Solid Waste Management Authority

Notes to Financial Statements  
December 31, 2016 and 2015

## Note 6 - New York State Employees' Retirement System - Continued

### Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption - Continued

	1% Decrease (6%)	Discount (7%)	1% Increase (8%)
Authority's proportionate share of the net pension liability (asset)	\$ 5,133,766	\$ 2,276,688	\$ (137,421)

### Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the Employee's Retirement System as of March 31, 2016 and 2015 were as follows (dollars in thousands):

Employers' total pension liability	\$ 172,303,544	\$ 164,591,054
Plan net position	<u>(156,253,265)</u>	<u>(161,213,259)</u>
Employers' net pension liability	<u>\$ 16,050,279</u>	<u>\$ 3,377,795</u>
Ratio of plan net position to the employers' total pension liability	90.7%	97.9%

## Note 7 - Accrued Postemployment Benefits

*Plan Description* - The Authority provides health care insurance benefit programs for certain retired employees. The program provides for continuation of medical and prescription drug benefits for certain retirees and can be amended by action of the Authority. Employees covered include the employees of the administration, nonrepresented employees, and select employees who transferred employment from a local government to the Authority. There were 18 active employees who are eligible for health insurance benefits upon retirement. The program is open to new entrants in these categories.

*Funding Policy* - Currently, the Authority's cost of its postemployment benefits program is determined on a pay-as-you-go basis and is, therefore, unfunded. However, to demonstrate financial responsibility, the Authority established a Postretirement Benefits Reserve to designate certain cash balances to fund the program's future liabilities. The balance of this designation was approximately \$77,000 at both December 31, 2016 and 2015. Although these funds are designated for this purpose, they are reflected in unrestricted net position and can be used for operations if needed. During 2016 and 2015, premiums paid by the Authority on behalf of current retirees totaled \$28,104 and \$13,619, respectively.

*Annual OPEB Cost and Net OPEB Obligation* - The Authority's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Authority's annual OPEB cost for the year, the amount of premiums actually paid, and changes in the Authority's net OPEB obligation:



# Oneida-Herkimer Solid Waste Management Authority

Notes to Financial Statements  
December 31, 2016 and 2015

**Note 7 - Accrued Postemployment Benefits - Continued**

Annual required contribution and OPEB expense cost	\$ 214,499
Net OPEB obligation, <i>beginning of year</i>	<u>1,229,698</u>
Net OPEB obligation, <i>end of year</i>	<u><u>\$ 1,444,197</u></u>

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years ended December 31, 2016 and 2015, were as follows:

Fiscal Year	Annual OPEB Cost	Expected Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2016	\$ 231,377	\$ 16,878	7.29%	\$ 1,444,197
December 31, 2015	218,628	13,399	6.13%	1,229,698

*Funded Status and Funding Progress* - As of December 31, 2016, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$2,229,821 and \$2,125,344 at December 31, 2016 and 2015, respectively, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the Plan) was \$1,254,416 and \$1,204,337 at December 31, 2016 and 2015, respectively, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 183% and 176%, respectively.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations, and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information at the end of this note, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Methods and Assumptions* - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Actuarial computations under GASB No. 45 were provided by the Authority's independent actuaries for the years ended December 31, 2016 and 2015.

The following simplifying assumptions were made:

*Retirement Age for Active Employees* - Based on the historical average retirement age for the covered group according to the New York State Retirement System schedule, active plan members were assumed to retire as early as age fifty-five.

# Oneida-Herkimer Solid Waste Management Authority

Notes to Financial Statements  
December 31, 2016 and 2015

## Note 7 - Accrued Postemployment Benefits - Continued

*Marital Status* - 70% of employees are assumed married. Females are assumed to be three years younger than males. Actual spouse coverage information was used for retirees where available.

*Mortality* - Life expectancies were based on RP 2000 mortality tables for Males and Females.

*Turnover and Retirement Incidence* - The turnover rates were based on the experience under the New York State and Local Retirement System as prepared by the Department of Civil Service's actuarial consultant in the report titled, *Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 45 Valuation Tables*. These tables were used as the basis for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

*Healthcare Cost Trend Rate* - The expected rate of increase in healthcare insurance premiums was developed using baseline projections of the Society of Actuaries Long-Run Medical Cost Trend Model. A rate of 6.75% initially, reduced to an ultimate rate of 4.2%, was used.

*Health Insurance Premiums* - 2015 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

*Payroll Growth Rate* - No salary increases were assumed since benefits are not based on compensation.

Based on the historical and expected returns of the Authority's short-term investment portfolio, a discount rate of 4% was used. The projected unit credit actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2016 was twenty-three years.

### Required Supplementary Information Other Postemployment Benefits Schedule of Funding Progress (Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Simplified Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
December 31, 2015	\$ -	\$ 2,125,344	\$ 2,125,344	-	\$ 1,204,337	176%
December 31, 2012	-	1,662,462	1,662,462	-	1,363,994	122%

# Oneida-Herkimer Solid Waste Management Authority

Notes to Financial Statements  
December 31, 2016 and 2015

## Note 8 - Commitments, Contingencies, Risks, and Uncertainties

### *a. City of Utica Contract*

Prior to the approval of the current contract with the City of Utica, in 1991 the Authority passed a resolution to pay the City of Utica in recognition of Utica being host to the Recycling Center, Eastern Transfer Station, and Green Waste Compost Facility. The resolution established a payment of \$1 per ton by the Authority to Utica for all materials delivered to the facilities in Utica with a guaranteed minimum of \$100,000 per year. The resolution specified the payment for as long as the Authority uses the Eastern Transfer Station for transport of waste out of the region. The Authority made Host Community Benefit payments in the amount of \$183,057 and \$181,072 during the years ended December 31, 2016 and 2015, respectively. There was \$47,515 and \$47,519 due to the City of Utica at December 31, 2016 and 2015, respectively, and is included in accounts payable and accrued liabilities.

During 1996, the Authority and the City of Utica entered into a comprehensive contract for the Authority to provide for collection of waste and recyclables and associated billing throughout the City. In the 1996 Agreement, the \$1 per ton payment by the Authority to the City was confirmed.

The Agreement is effective for a twenty-five year period beginning April 1, 1996. Under the Agreement, the Authority receives the City's solid waste service charge revenue to cover the costs of waste removal and the revenues generated from the sale of refuse bags to residents used to dispose of residential waste. For the years ended December 31, 2016 and 2015, the cost of waste removal was \$3,635,596 and \$3,616,493 offset by solid waste service charge revenues of \$2,108,430 and \$2,063,679 and refuse bag sales of \$1,450,796 and \$1,444,582, respectively.

### *b. Villages of Ilion, Frankfort, Herkimer, Dolgeville, and Mohawk Contracts*

The Authority and the Villages of Ilion, Frankfort, Herkimer, Dolgeville, and Mohawk entered into separate agreements for the coordination of waste and recyclables collection. The Authority provides the coordination services for annual fees of between \$4,000 and \$8,000.

The Authority receives revenue from the sale of refuse bags to residents used to dispose of residential waste, and from the rental of toters to Village residences. These revenues are then applied to the fees for delivery of waste to the Authority's transfer stations, fees for waste collection, and for the purchase of refuse bags.

In the event that revenues do not cover expenses related to this contract, the Villages will increase fees for refuse bags and toter rentals to cover future losses. For the years ended December 31, 2016 and 2015, the cost of waste removal was \$1,188,397 and \$1,183,958, offset by refuse bag sales of \$652,084 and \$566,606, and toter rental fees of \$695,761 and \$654,952, respectively.

### *c. Sale of Climate Reserve Tonnes*

The Authority has entered into agreements with a third party for the sale of Climate Reserve Tonnes (carbon credits). The agreements are in effect through September 30, 2017. For the years ended December 31, 2016 and 2015, \$241,272 and \$373,314, respectively, was earned related to the sale of carbon credits.

# Oneida-Herkimer Solid Waste Management Authority

Notes to Financial Statements  
December 31, 2016 and 2015

## Note 8 - Commitments, Contingencies, Risks, and Uncertainties - Continued

### *d. Landfill Gas and Facilities Site Lease and Landfill Gas Purchase Agreement*

The Authority has entered into an agreement with a third party (Lessee) which provides for the Lessee to construct, own, and operate an electric generation facility on property adjacent to the Authority's landfill and gas extraction facilities. All landfill gas generated at the landfill is purchased by the Lessee who makes payments to the Authority based on the electricity generated and the electricity sold. The agreement continues for ten years after the commercial operation date (May 2012). For the years ended December 31, 2016 and 2015, \$352,151 and \$635,670, respectively, was earned related to the sale of landfill gas.

### *e. Host Community Benefit Agreements*

In connection with the operation of the Regional Landfill Facility (RLF), the Authority has entered into various long-term agreements with certain municipalities impacted by the RLF. The agreements generally provide for minimum payments to the municipalities for a period of 25 years and contain provisions for additional or reduced payments in the event accepted tonnage varies from contractually stated amounts. Host community benefit expense was \$1,168,610 and \$455,000 in 2016 and 2015, respectively.

During 2015, the Authority amended one of its host community benefit agreements. The amendment required the Authority to fund costs associated with the acquisition of property and improvements to an intersection that leads to the RLF, as well as a one-time payment to the host municipality. Additional costs incurred by the Authority during 2016 for the improvements, acquisition of property, and host community payments were \$713,610 and are classified within host community benefits.

### *f. Intergovernmental Recycling Agreements*

The Authority entered into an intergovernmental agreement with two counties whereby the Authority will accept, process, and market residential recyclable materials from the various counties. The agreements provides for fixed, per ton payments to the Authority through 2020. Amounts received by the Authority from the sale of the recycled material are credited back to the counties using monthly averages received by the Authority from the sale of all recyclable commodities. Recyclable sales are reported net of amounts credited to the counties under this agreement. Processing fees for 2016 and 2015 were \$570,065 and \$460,426, respectively.

### *g. Litigation*

The Authority is involved in certain suits and claims arising from a variety of sources. It is the opinion of management and counsel that the liabilities that may arise from such actions would not result in losses that would materially affect the financial position of the Authority or the results of its operations.

### *h. Environmental Risks*

Certain facilities are subject to federal, state, and local regulations relating to the discharge of materials into the environment. Compliance with these provisions has not had, nor does the Authority expect such compliance to have, any material effect upon the capital expenditures or financial condition of the Authority. The Authority believes that its current practices and procedures for control and disposition of regulated wastes comply with applicable federal, state, and local requirements.

# Oneida-Herkimer Solid Waste Management Authority

Notes to Financial Statements  
December 31, 2016 and 2015

## Note 8 - Commitments, Contingencies, Risks, and Uncertainties - Continued

### *i. Purchase of Electricity*

In 2014, the Authority entered into a solar power purchase agreement with a third party. Pursuant to the agreement, the third party will install and operate a solar panel system on Authority owned property. The agreement has an initial term of twenty years with two additional five-year renewal options. Power from the system will be sold to the Authority at contractual rates over the term of the agreement.

### *j. Revenue Bonds*

In December 2016, the Board designated approximately \$6,000,000 of unrestricted cash and investments to defease future debt payments.

## Note 9 - Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). GASB 75 establishes financial reporting standards for other postemployment benefits ("OPEB") plans for state and local governments. This standard replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended. The statement establishes standards for recognizing and measuring liabilities, deferred inflows and outflows of resources, and expense/expenditures, as well as identifying the methods and assumptions required to project benefit payments, discount projected benefit payments, to their actuarial present value, and attribute that present value to periods of employee service. Additionally, GASB 75 lays out requirements for additional note disclosures and required supplementary information. These requirements are effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 80, *Blending Requirements for Certain Component Units* ("GASB 80"). GASB 80 provides clarity on how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. The requirements of GASB 80 are effective for fiscal years beginning after June 15, 2016.

GASB Statement No 82, *Pension Issues* ("GASB 82"). GASB 82 addresses practice issues raised during implementation of the GASB's pension accounting and financial reporting standards for state and local governments. The requirements of GASB 82 are effective for fiscal years beginning after June 15, 2016.

Management has not estimated the extent of the potential impact of these statements on the Authority's financial statements.

**Oneida-Herkimer  
Solid Waste Management Authority**

Required Supplementary Information  
Schedule of Proportionate Share of the Net Pension Liability

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 540,463	\$ 558,657	\$ 699,094	\$ 685,093	\$ 602,389	\$ 545,793	\$ 388,528	\$ 239,807	\$ 297,422	\$ 272,226
Contributions in relation to the contractually required contribution	540,463	558,657	699,094	685,093	602,389	545,793	388,528	239,807	297,422	272,226
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Authority's covered-employee payroll	3,695,136	3,419,002	3,640,306	3,458,769	3,399,133	3,544,966	3,599,666	3,559,412	3,430,879	2,968,435
Contribution as a percentage of covered-employee payroll	14.63%	16.34%	19.20%	19.81%	17.72%	15.40%	10.79%	6.74%	8.67%	9.17%

**Oneida-Herkimer  
Solid Waste Management Authority**

Required Supplementary Information  
Schedule of Local Government Contributions

	<u>2016</u>	<u>2015</u>
Authority's proportion of the net pension liability	0.0118470%	0.0142362%
Authority's proportionate share of the net pension liability	\$ 2,276,668	\$ 480,933
Authority's covered-employee payroll	\$ 3,695,136	\$ 3,419,002
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	61.61%	14.07%
Plan fiduciary net position as a percentage of the total pension liability	90.70%	97.90%

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*



**Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of  
Financial Statements Performed in Accordance With  
Government Auditing Standards**

Board of Directors  
Oneida-Herkimer Solid Waste Management Authority  
Utica, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of net position of the Oneida-Herkimer Solid Waste Management Authority (Authority) as of December 31, 2016, the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 13, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BST & CO. CPAs, LLP

Albany, New York  
March 13, 2017

