

In the opinion of Cozen O'Connor, Bond Counsel to the Authority (defined below), under existing laws, regulations, rulings and judicial decisions and subject to the conditions described in "TAX MATTERS" herein, interest on the Tax-Exempt Bonds (defined herein) is excludible from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"), except, with respect to any Series 2021A Bonds, during any period while a Series 2021A Bond is held by a "substantial user" of the facilities financed with proceeds of the Series 2021A Bonds or a "related person" of such "substantial user" as such quoted terms are defined for purposes of Section 147(a) of the Code. Interest on the Series 2021A Bonds is a specific item of tax preference for purposes of the federal alternative minimum tax. Interest on the Series 2021B Bonds will not be treated as an item of tax preference under Section 57 of the Code, for purposes of the federal alternative minimum tax. Interest on the Series 2021 Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including the City of New York. For a more complete discussion, see "TAX MATTERS" herein.



**\$36,035,000\***  
**ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY**  
**GENERAL OBLIGATION BONDS, SERIES 2021**  
 consisting of

**\$27,910,000\* EXEMPT FACILITY GENERAL OBLIGATION BONDS, SERIES 2021A (AMT) (GREEN BONDS)**  
**\$4,910,000\* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021B (GREEN BONDS)**  
**\$3,215,000\* GENERAL OBLIGATION BONDS, SERIES 2021C (FEDERALLY TAXABLE) (GREEN BONDS)**

Dated: Date of Delivery

Due: As shown on inside cover

The Rockland County Solid Waste Management Authority (the "Authority") is issuing its Exempt Facility General Obligation Bonds, Series 2021A (AMT) (Green Bonds) (the "Series 2021A Bonds"), its General Obligation Refunding Bonds, Series 2021B (Green Bonds) (the "Series 2021B Bonds") and its General Obligation Bonds, Series 2021C (Federally Taxable) (Green Bonds) (the "Series 2021C Bonds" and, collectively with the Series 2021A Bonds and the Series 2021B Bonds, the "Series 2021 Bonds") as fully registered securities without coupons, registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the Series 2021 Bonds. Purchases of beneficial ownership interests in the Series 2021 Bonds will be in book-entry only form, in denominations of \$5,000 or any integral multiples thereof. Purchasers will not receive certificates representing their interest in the Series 2021 Bonds so purchased. See "Book-Entry-Only System" herein. The principal of, premium, if any, and interest on the Series 2021 Bonds will be payable at the corporate trust office of The Bank of New York Mellon, New York, New York, Trustee and Paying Agent. Interest on the Series 2021 Bonds shall be payable on June 15 and December 15 of each year, commencing June 15, 2022. So long as DTC or its nominee, Cede & Co., is the registered owner, such payments will be made directly to DTC. Disbursement of such payments to the Direct Participants (as defined herein) is the responsibility of DTC, and disbursements of such payments to Beneficial Owners is the responsibility of Direct Participants and Indirect Participants (as defined herein), as more fully described herein. **The Series 2021 Bonds are subject to redemption prior to maturity as described herein. See "DESCRIPTION OF THE SERIES 2021 BONDS — Redemption Provisions."**

The proceeds of the Series 2021A Bonds will be applied, together with other funds of the Authority, to (i) pay or reimburse the Authority for the cost of improvements to its materials recovery facility ("MRF") located in Hillburn, New York (the "MRF Project"), (ii) fund a deposit to the Debt Service Reserve Fund in an amount sufficient that the balance therein equals the Debt Service Reserve Requirement to secure the Series 2021A Bonds and the Outstanding Bonds, and (iii) pay Costs of Issuance of the Series 2021A Bonds. The proceeds of the Series 2021B Bonds will be applied, together with other funds of the Authority, to (i) refund, on a current basis, the Authority's outstanding General Obligation Bonds, Series 2010A issued in the original principal amount of \$7,900,000 (the "Refunded Bonds") and (ii) pay Costs of Issuance of the Series 2021B Bonds. The proceeds of the Series 2021C Bonds will be applied, together with other funds of the Authority, to pay or reimburse the Authority for (i) costs of the MRF Project not otherwise paid or reimbursed with proceeds of the Series 2021A Bonds and (ii) preliminary costs in connection with the development by the Authority of an anaerobic digestion system for food wastes and exploring the development of an alternative waste disposal facility.

The Series 2021 Bonds are general obligations of the Authority, which are secured by a pledge of Revenues (as defined herein) of the Authority derived from the Solid Waste Management System, and the moneys on deposit in certain of the funds and accounts created under the General Resolution (as defined below), subject to the provisions of the Solid Waste Management System General Resolution adopted by the Authority on November 30, 1995, as amended and supplemented (the "General Resolution"), and are secured on a parity with all other Bonds (as hereinafter defined) of the Authority issued under the General Resolution. Revenues so pledged under the General Resolution consist primarily of the rates, rentals, fees and other charges for the use or the availability of the Solid Waste Management System. The Authority currently imposes solid waste disposal charges on all real property located within the County of Rockland, New York (the "County"). Such charges constitute a lien on the real property upon which, or in connection with which, services are provided or made available. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS — Solid Waste Disposal Charges — The Collection Agreement."

**NEITHER THE STATE, THE COUNTY NOR ANY OTHER MUNICIPALITY OR PUBLIC CORPORATION, OTHER THAN THE AUTHORITY, SHALL BE LIABLE ON OR OBLIGATED TO PAY THE SERIES 2021 BONDS, AND SUCH BONDS ARE NOT A DEBT OF THE STATE, THE COUNTY OR ANY OTHER MUNICIPALITY OR PUBLIC CORPORATION. THE SERIES 2021 BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OF THE COUNTY OR ANY OTHER MUNICIPALITY OR OTHER PUBLIC CORPORATION, AND NEITHER THE FAITH AND CREDIT NOR TAXING POWER OF THE STATE, THE COUNTY OR ANY OTHER MUNICIPALITY OR PUBLIC CORPORATION IS PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF, THE REDEMPTION PREMIUM, IF ANY, OR THE INTEREST ON THE SERIES 2021 BONDS. THE AUTHORITY HAS NO TAXING POWER.**

**The cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement, including the Appendices to obtain information essential to the making of an informed decision.**

*The Series 2021 Bonds are offered, when, as and if issued and accepted by the Underwriter, subject to the opinion on certain legal matters relating to their issuance by Cozen O'Connor, New York, New York, in its capacity as Bond Counsel. Certain legal matters are subject to the approval of Kenneth J. Murphy, Esq., Authority General Counsel. Barclay Damon LLP, Albany, New York, is serving as Counsel to the Underwriter. Capital Markets Advisors, LLC, Great Neck, New York, is serving as Financial Advisor to the Authority in connection with the issuance of the Series 2021 Bonds. It is expected that the Series 2021 Bonds will be available for delivery through the facilities of DTC in New York, New York on or about July \_\_, 2021.*

**BofA Securities**

July \_\_, 2021

\* Preliminary, subject to change.

**ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY**

**\$27,910,000\***

**EXEMPT FACILITY GENERAL OBLIGATION BONDS, SERIES 2021A (AMT) (GREEN BONDS)**

<u>Maturity Date</u> <u>(December 15)</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP No.</u> <sup>†*</sup>
	\$	%	%	773562__
				773562__
				773562__
				773562__
				773562__
				773562__

**\$4,910,000\***

**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021B (GREEN BONDS)**

<u>Maturity Date</u> <u>(December 15)</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP No.</u> <sup>†*</sup>
	\$	%	%	773562__
				773562__
				773562__
				773562__
				773562__
				773562__

**\$3,215,000\***

**GENERAL OBLIGATION BONDS, SERIES 2021C (FEDERALLY TAXABLE) (GREEN BONDS)**

<u>Maturity Date</u> <u>(December 15)</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP No.</u> <sup>†*</sup>
	\$	%	%	773562__
				773562__
				773562__
				773562__
				773562__
				773562__

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\* Preliminary, subject to change.

† Copyright, American Bankers Association (the "ABA"). CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. CUSIP numbers have been assigned by an independent company not affiliated with the Authority and are included solely for the convenience of the owners of the Series 2021 Bonds. Neither the State nor the Authority is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2021 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2021 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2021 Bonds.

# ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY

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No dealer, broker, salesman or other person has been authorized by the Authority to give any information or to make any representations in connection with the Series 2021 Bonds other than as contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the Authority or the Underwriter. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of Series 2021 Bonds, in any jurisdiction in which such an offer or solicitation or sale is not authorized or in which it is unlawful to make such an offer, solicitation or sale. The information set forth herein has been obtained from the Authority, the Consulting Engineers, The Depository Trust Company and other sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date hereof.

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2021 Bonds are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Any statements in this Official Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not as representations of fact, and the Authority expressly makes no representation that such estimates, assumptions and opinions will be realized or fulfilled. Any information, estimates, assumptions and matters of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in the affairs of the Authority since the date hereof.

This Official Statement contains forward-looking statements and information that are based on the beliefs of the Authority's management as well as assumptions made by, and information currently available to, such management. When used in this Official Statement (including Appendices), words such as "anticipate," "believe," "estimate," "except," and, depending on the context, "will" and similar expressions, are intended to identify forward-looking statements. Such statements reflect the Authority's current views with respect to future events and are subject to certain risks, uncertainties and assumptions, including the specific risk factors described herein. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, believed, estimated or expected. The Authority does not intend to update these forward-looking statements and information.

References to website addresses provided herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of Rule 15c2-12 adopted by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934.

**IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2021 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE GENERAL RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2021 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SERIES 2021 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2021 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.**

This Official Statement does not constitute a contract between the Authority or the Underwriter and any one or more Holders of the Series 2021 Bonds.

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## OFFICIAL STATEMENT

**\$36,035,000\***

**ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY  
GENERAL OBLIGATION BONDS, SERIES 2021**

**consisting of**

**\$27,910,000\* EXEMPT FACILITY GENERAL OBLIGATION BONDS, SERIES 2021A (AMT) (GREEN BONDS)**

**\$4,910,000\* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021B (GREEN BONDS)**

**\$3,215,000\* GENERAL OBLIGATION BONDS, SERIES 2021C (FEDERALLY TAXABLE) (GREEN BONDS)**

## INTRODUCTION

*Purpose of this Official Statement.* The purpose of this Official Statement, which includes the cover page, inside cover page and appendices hereto, is to set forth certain information in connection with the issuance by the Rockland County Solid Waste Management Authority (the "Authority"), a body corporate and politic constituting a public benefit corporation of the State of New York (the "State") of its \$27,910,000\* Exempt Facility General Obligation Bonds, Series 2021A (Green Bonds) (the "Series 2021A Bonds"), its \$4,910,000\* General Obligation Refunding Bonds, Series 2021B (Green Bonds) (the "Series 2021B Bonds") and its \$3,215,000\* General Obligation Bonds, Series 2021C (Federally Taxable) (Green Bonds) (the "Series 2021C Bonds" and, together with the Series 2021A Bonds and the Series 2021B Bonds, the "Series 2021 Bonds"). The Series 2021A Bonds are being issued to (i) pay or reimburse the Authority for the cost of improvements to its materials recovery facility (the "Materials Recovery Facility") located in Hillburn, New York (the "MRF Project"), (ii) fund a deposit to the Debt Service Reserve Fund in an amount sufficient that the balance therein equals the Debt Service Reserve Requirement to secure the Series 2021 Bonds and the Outstanding Bonds (as defined herein), and (iii) pay costs of issuance of the Series 2021A Bonds. The Series 2021B Bonds are being issued to refund, on a current basis, the Authority's General Obligation Bonds, Series 2010A (the "Refunded Bonds") and (ii) pay costs of issuance of the Series 2021B Bonds. The Series 2021C Bonds are being issued to pay or reimburse the Authority for (i) all or a portion of the costs of the MRF Project not otherwise paid from proceeds of the Series 2021A Bonds and (ii) preliminary development costs for an anaerobic digestion system for food wastes and exploring development costs of an alternative waste disposal facility.

The Series 2021 Bonds will be secured on a parity with the Authority's General Obligation Bonds, Series 2018A currently outstanding in the aggregate principal amount of \$9,785,000 (the "Series 2018A Bonds"), the Authority's General Obligation Bonds, Series 2010A currently outstanding in the aggregate principal amount of \$5,545,000 (the "Series 2010A Bonds"), the Authority's bonds issued to the New York State Environmental Facilities Corporation ("EFC") currently outstanding in the amount of \$5,400,000 (the "Series 2012 EFC Bonds") and \$1,895,000 (the "Series 2013 EFC Bonds"), and the Authority's General Obligation Bonds, Series 2014 currently outstanding in the aggregate principal amount of \$4,035,000 (the "Series 2014 Bonds"; the Series 2018A Bonds, the Series 2010A Bonds, the Series 2012 EFC Bonds, the Series 2013 EFC Bonds, and the Series 2014 Bonds are hereinafter collectively referred to as the "Outstanding Bonds") and any Additional Bonds and Refunding Bonds issued after the date of this Official Statement. The Series 2021 Bonds, the Outstanding Bonds, and any Additional Bonds and Refunding Bonds issued by the Authority under the General Resolution after the date of this Official Statement are referred to collectively herein as the "Bonds."

This section contains a brief description of certain information concerning the Series 2021 Bonds and the Authority. A more complete description of such information and additional information that may affect a decision to invest in the Series 2021 Bonds is contained throughout this Official Statement, which should be read in its entirety. The assumptions, estimates, projections and matters of opinion contained in this Official Statement, whether or not so expressly stated, are set forth as such and not as matters of fact, and no representation is made that any of the assumptions or matters of opinion herein are valid or that any projections or estimates contained herein

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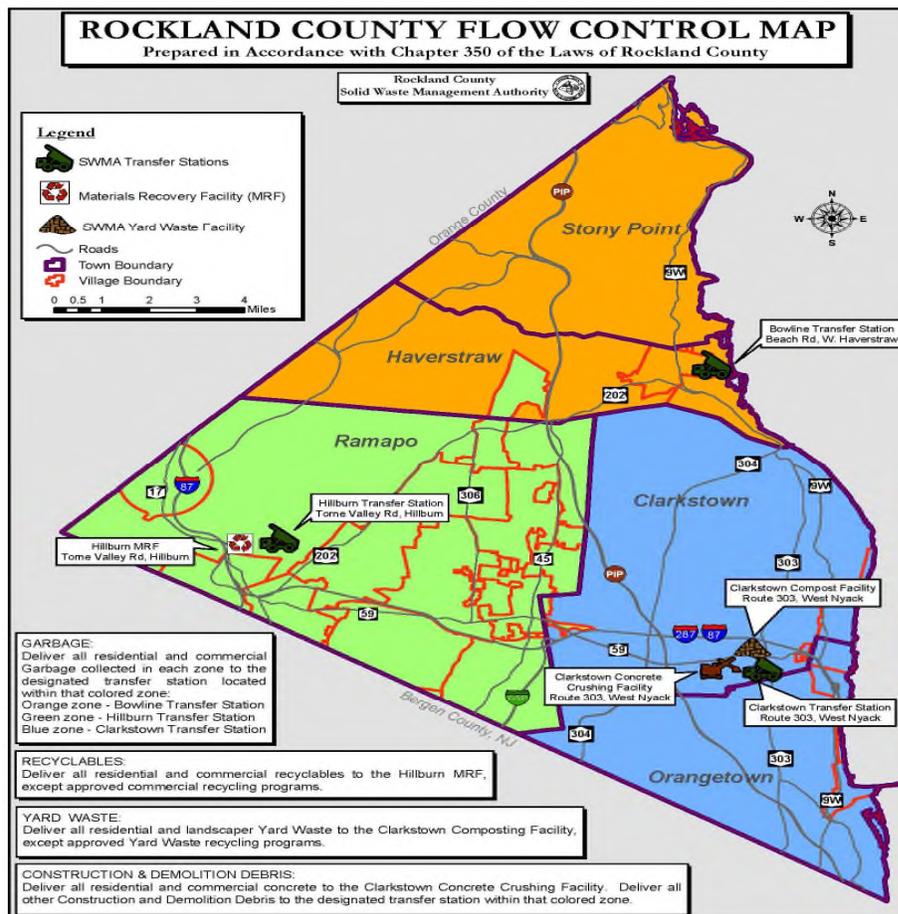
\* Preliminary, subject to change.

will be realized. Certain capitalized terms used in this Official Statement which are not otherwise defined herein are defined in APPENDIX B hereto or in the General Resolution.

*The Authority and the Solid Waste Management System.* The Authority is a body corporate and politic constituting a public benefit corporation, duly organized and existing pursuant to Title 13-M of Article 8 of the Public Authorities Law and Chapter 43-A of the Consolidated Laws of the State of New York (as amended or supplemented from time to time, the “Act”). Pursuant to the Act, the Authority is authorized to assist in the planning, development, construction and operation of and the financing of any solid waste management facility to be located in Rockland County, New York (the “County”).

The Solid Waste Management System is comprised of (i) the Solid Waste Management Facilities, including but not limited to, the Biosolids Cocomposting Facility (the “Biosolids Cocomposting Facility”), the Materials Recovery Facility, the Hillburn Transfer Station (the “Hillburn Transfer Station”), the Recyclables Pre-Processing Facility (the “Recyclables Pre-Processing Facility”), the Hillburn Yard Waste Composting Facility (the “Hillburn Yard Waste Composting Facility”), the Household Hazardous Waste Facility (the “Household Hazardous Waste Facility”), the Bowline Transfer Station (the “Bowline Transfer Station”), the Clarkstown Transfer Station (the “Clarkstown Transfer Station”), the Clarkstown Yard Waste Composting Facility (consisting of the Clarkstown leaf composting site, the Clarkstown mulch composting site and the French Farms Leaf Composting Site (as defined below)) (the “Clarkstown Yard Waste Composting Facility”) and the Clarkstown Concrete and Asphalt Crushing Operation (the “Clarkstown Concrete and Asphalt Crushing Operation”) and (ii) the Solid Waste Management Contracts. See “THE SOLID WASTE MANAGEMENT SYSTEM - FACILITIES” herein.

The map below provides a brief geographic overview of the Solid Waste Management System and is qualified by reference to the detailed summaries in “THE SOLID WASTE MANAGEMENT SYSTEM - FACILITIES” herein.



While the Authority has broad statutory powers to collect and process solid waste, including recyclables, the collection activities are primarily conducted by municipalities and private haulers in the County. Under the County's flow control legislation, it is a violation for any hauler to take yard waste, solid waste, construction and certain demolition debris and/or designated recyclables to facilities that are not owned or operated by the Authority and designated by the Authority for acceptance. See "THE AUTHORITY AND THE SOLID WASTE MANAGEMENT SYSTEM – Solid Waste Management Practices and Flow Control" herein.

*Authorization and Nature of Obligation.* The Series 2021 Bonds are issued pursuant to the provisions of the Act, and under and pursuant to the Solid Waste Management System Bond Resolution adopted by the Authority on November 30, 1995, as amended and supplemented (the "General Resolution") and a resolution entitled "Thirteenth Supplemental Resolution Authorizing the Issuance of up to \$50,000,000 Aggregate Principal Amount of Exempt Facility General Obligation Bonds, Series 2021A (AMT) (Green Bonds), General Obligation Refunding Bonds, Series 2021B (Green Bonds) and General Obligation Bonds, Series 2021C (Federally Taxable) (Green Bonds)" (the "2021 Supplemental Resolution"), adopted by the Authority on May 27, 2021. The pledge created by the General Resolution is subject to the provisions of the General Resolution permitting the application of the Revenues, the proceeds of the sale of the Bonds and the Funds and Accounts established under the General Resolution for the purposes and upon the terms and conditions set forth therein. The General Resolution also provides that monthly Operating Expenses will be funded from Revenues prior to the provision for accrued Debt Service on the Bonds. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Flow of Funds" herein.

The Series 2021 Bonds are general obligations of the Authority. All Revenues received by the Authority from the operation of the Solid Waste Management System (subject to certain limited exceptions) are pledged to secure the Series 2021 Bonds, subject to the provisions of the General Resolution relating to application of Revenues for specified purposes. The Authority has no taxing power.

Pursuant to the Act, the Authority imposes solid waste disposal charges on all real property in the County for certain services provided or made available by the Authority (the "Solid Waste Disposal Charges"). The Solid Waste Disposal Charges constitute a lien on the real property upon which, or in connection with which, services are provided or made available. The Authority has historically, and expects in the future to, set the Solid Waste Disposal Charges to cover all of its current year's debt service costs on the Bonds and operating costs (net of certain estimated revenues) for all its facilities. Under the terms of the Collection Agreement (as defined herein), the County assumes responsibility for the collection of the Solid Waste Disposal Charges imposed by the Authority. The obligation of the County to pay Solid Waste Disposal Charges required to be collected by the County on behalf of the Authority pursuant to the Collection Agreement is absolute and is not dependent upon receipt by the County of the Solid Waste Disposal Charges. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS — Solid Waste Disposal Charges — The Collection Agreement."

The Authority also imposes solid waste disposal charges for specific services rendered through tipping fees and other fees (the "Other Solid Waste Disposal Charges"). Other Solid Waste Disposal Charges currently imposed by the Authority include (i) transfer station tipping fees paid by private haulers, public entities and others delivering solid waste to the Authority's transfer stations, (ii) concrete and asphalt crushing operation tipping fees paid by private haulers and others delivering materials to the Clarkstown Concrete and Asphalt Crushing Operation, (iii) tipping fees for out-of-County leaves and yard waste delivered to the Authority's yard waste composting facilities, (iv) biosolids cocomposting facility tipping fees for biosolids from outside the County delivered to the Authority's Biosolids Cocomposting Facility, (v) solid waste collection service charges and (vi) other fees and charges. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS — Other Solid Waste Disposal Charges" herein. Revenues derived from tipping fees from the Authority's transfer stations currently constitute the majority of Other Solid Waste Disposal Charges. See "SUMMARY OF HISTORICAL AND PROJECTED REVENUES, EXPENSES, DEBT SERVICE COVERAGE AND FUND BALANCES" and APPENDIX A-1 "EDR CONSULTING ENGINEER'S REPORT."

*Additional Bonds.* The General Resolution authorizes the issuance of Additional Bonds to finance other System Improvements secured in whole or in part by certain revenues of the Solid Waste Management System, upon satisfaction of certain conditions specified in the General Resolution. The Authority expects to issue Additional Bonds to finance System Improvements or for other purposes permitted by the General Resolution. For a further

discussion of the Authority's ability to issue Additional Bonds and to incur any other indebtedness under the General Resolution, see "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Additional Bonds, Refunding Bonds and Subordinated Indebtedness" herein.

*Consulting Engineers' Reports. Environmental Design & Research, Landscape Architecture, Engineering & Environmental Services, D.P.C.* (the "EDR Consulting Engineer") and *RRT Engineering, LLC* (the "RRT Consulting Engineer", and together with the EDR Consulting Engineer, the "Consulting Engineer") have been retained to prepare a statement of opinion relative to, as the case may be, the condition and ongoing reliability of the Authority's Existing System (as defined below) (the "EDR Consulting Engineer's Report") and the operations, construction and project life of the dual stream recyclables processing system improvements to the Materials Recovery Facility (the "RRT Consulting Engineer's Report", and together with the EDR Consulting Engineer's Report, the "Consulting Engineers' Reports") for inclusion in this Official Statement as APPENDIX A. The estimates, opinions and conclusions expressed in the Consulting Engineers' Reports are based upon certain assumptions, calculations and qualifications set forth therein and in this Official Statement, and therefore, the Consulting Engineers' Reports and this Official Statement should be read in their entirety in order to evaluate such estimates, opinions, and conclusions. See APPENDIX A "CONSULTING ENGINEERS' REPORTS" herein.

## DESCRIPTION OF THE SERIES 2021 BONDS

### General

The Series 2021 Bonds will be dated the date of their delivery and will bear interest therefrom, payable semi-annually on June 15 and December 15 of each year, commencing June 15, 2022, and will mature on December 15 in the years and in the principal amounts set forth on the inside cover page hereof. The principal of, premium, if any, and interest on the Series 2021 Bonds will be payable at the corporate trust office of The Bank of New York Mellon, New York, New York, Trustee and Paying Agent in New York, New York, or at the office designated for such payment by any successor Paying Agent. So long as The Depository Trust Company ("DTC") is acting as securities depository for the Series 2021 Bonds, interest on the Series 2021 Bonds will be payable to Cede & Co. as nominee for DTC, that will in turn pay such interest to DTC Participants for subsequent payment to the beneficial owners of the Series 2021 Bonds. The 2021 Supplemental Resolution establishes the thirtieth day of the month preceding each Interest Payment Date as the Record Date for such Interest Payment Date.

### Redemption Provisions

#### *Series 2021A Bonds*

*Optional Redemption.* The Series 2021A Bonds maturing on or before December 15, 20[ ] are not subject to redemption prior to their stated dates of maturity. The Series 2021A Bonds maturing on or after December 15, 20[ ] shall be subject to redemption, in whole or in part on any date on or after December 15, 20[ ], but if in part in such order of maturity specified in writing by an Authorized Officer of the Authority delivered to the Trustee (or, if no such selection is made, in inverse order of maturity) and by lot within a maturity, at the option of the Authority at a redemption price equal to 100% of the principal amount of such Series 2021A Bonds or portions of such Series 2021A Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.

#### *Series 2021B Bonds*

The Series 2021B Bonds are not subject to redemption prior to their stated dates of maturity.

#### *Series 2021C Bonds*

*Optional Redemption.* The Series 2021C Bonds are subject to redemption prior to maturity at the option of the Authority as a whole or in part on any day at a redemption price equal to the greater of:

(a) the issue price set forth on the inside cover page hereof (but not less than 100%) of the principal amount of such Series 2021C Bonds to be redeemed or tendered; or

(b) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Series 2021C Bonds to be redeemed or tendered, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2021C Bonds are to be redeemed or tendered, discounted to the date on which such Series 2021C Bonds are to be redeemed or tendered on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus [ ] basis points;

plus in each case accrued interest to the redemption or tender date.

“Treasury Rate” means, with respect to any redemption or tender date for a particular Series 2021C Bond, the yield to maturity as of such redemption or tender date of United States Treasury securities with a constant maturity (as compiled and published in the Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days, but not more than 60 calendar days, prior to the redemption or tender date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption or tender date to the maturity date of the Series 2021C Bond to be redeemed or tendered.

### ***Notice to Bondholders***

When redemption of any Series 2021 Bonds is requested or required pursuant to the General Resolution, the Trustee shall give notice of such redemption in the name of the Authority, specifying the maturities and principal amounts of the Series 2021 Bonds or portions thereof to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and specifying the principal amounts of the Series 2021 Bonds or portions thereof to be payable and, if less than all of the Series 2021 Bonds of any maturity are to be redeemed, the numbers of such Series 2021 Bonds or portions thereof to be so redeemed. Such notice shall further state that on such date there shall become due and payable upon each Series 2021 Bond or portion thereof to be redeemed the Redemption Price thereof together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice may set forth any additional information relating to such redemption. The Trustee, in the name and on behalf of the Authority, shall mail a copy of such notice by certified or registered mail, postage prepaid, not more than 60 days nor less than 30 days before the redemption date, to the registered owners of any Series 2021 Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registration books. Any notice mailed as provided in the General Resolution shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice.

With respect to any notice of redemption of Series 2021 Bonds in accordance with the paragraph above, unless, upon the giving of such notice, such Series 2021 Bonds shall be deemed to have been paid within the meaning of the General Resolution, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of monies sufficient to pay the principal of, premium, if any, and interest on such Series 2021 Bonds to be redeemed, and that if such monies shall not have been so received said notice shall be of no force and effect and the Authority shall not be required to redeem such Series 2021 Bonds. In the event that such notice of redemption contains such a condition and such monies are not so received, the redemption shall not be made and the Trustee, within a reasonable time thereafter and in the manner in which the notice of redemption was given, shall give notice to the Holders of such Series 2021 Bonds that such monies were not so received and that such Series 2021 Bonds shall not be redeemed as set forth in such notice of redemption.

### **Book-Entry-Only System**

The information in this Section concerning DTC and DTC’s book-entry only system has been obtained from DTC. Neither the Authority, the Trustee, the Paying Agent, the Registrar nor the Underwriter makes any representation or warranty regarding the accuracy or completeness thereof.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other nominee as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each Series of the Series 2021 Bonds, each in the aggregate principal amount of such maturity of such Series, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of bond certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of Series 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2021 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bond certificates representing their ownership interests in the Series 2021 Bonds, except in the event that the use of the book-entry system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021 Bonds, such as redemptions, tenders, defaults and proposed amendments to the Series 2021 Bonds documents. For example, Beneficial Owners of the Series 2021 Bonds may wish to ascertain that the nominee holding the Series 2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them. **NEITHER THE AUTHORITY, THE UNDERWRITER NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2021 BONDS.**

Redemption notices shall be sent to DTC. If less than all of the Series 2021 Bonds within a maturity of a Series of the Series 2021 Bonds are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2021 Bonds unless authorized by a Direct Participant in accordance with DTC’s procedures. Under its usual

procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2021 Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Underwriter, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2021 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2021 Bond certificates are required to be printed and delivered. The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2021 Bond certificates will be printed and delivered to DTC.

**The information herein concerning DTC and DTC's book-entry system has been obtained from sources that the Authority and the Underwriter believe to be reliable, but the Authority and the Underwriter take no responsibility for the accuracy thereof.**

So long as Cede & Co. is the registered owner of the Series 2021 Bonds, as nominee for DTC, references herein to Bondholders or registered owners of the Series 2021 Bonds (other than under the heading "TAX MATTERS" herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2021 Bonds.

## **REFUNDING PLAN**

The Series 2021B Bonds are being issued in part to provide sufficient moneys to effect the current refunding of the Refunded Bonds set forth in Appendix H hereto.

Simultaneously with the issuance of the Series 2021B Bonds, a portion of the proceeds from the sale of the Series 2021B Bonds, together with other available moneys, will be deposited with The Bank of New York Mellon, New York, New York as escrow agent (the "Escrow Agent") under a certain escrow agreement (the "Escrow Agreement") with the Authority in an amount sufficient, together with the interest to accrue thereon, to pay the principal of, redemption premium and interest on the Refunded Bonds, as the same become due and payable. The amounts deposited with the Escrow Agent shall be applied solely to the payment of the principal of, redemption premium and interest on the Refunded Bonds, as the same become due and payable. Pursuant to the Escrow Agreement, the Escrow Agent will redeem the Refunded Bonds on August 12, 2021\* at a redemption price of 100% plus accrued interest. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS."

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\* Preliminary, subject to change.

## **SOURCES OF PAYMENT AND SECURITY FOR THE BONDS**

### **Pledge Under the General Resolution**

The Series 2021 Bonds are general obligations of the Authority. Under the General Resolution, the payment of principal and redemption price of, interest on, and Sinking Fund Installments for Bonds, including the Series 2021 Bonds, is secured by a pledge of the following: (a) the Revenues, (b) the proceeds of the sale of the Bonds, (c) all Funds and Accounts (except the Rebate Fund) established under the General Resolution referred to below under “Flow of Funds” (whether or not held by the Trustee) and in APPENDIX C “SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION – The Pledge Effected by the General Resolution,” including the investments thereof, except for the Rebate Fund, and (d) all other moneys, securities and other funds to be received, held or set aside by the Authority or by any Fiduciary pursuant to the General Resolution.

The pledge created by the General Resolution is subject to the provisions of the General Resolution permitting the application of the Revenues, the proceeds of the sale of Bonds and the Funds and Accounts established under the General Resolution for the purposes and upon the terms and conditions set forth in the General Resolution. The General Resolution also provides that monthly Operating Expenses will be funded from Revenues prior to the provision for accrued Debt Service on its Bonds (including the Series 2021 Bonds). See “– Flow of Funds” below.

“Revenues” means all rates, fees, rents, charges, and other realized income derived or to be derived by or for the account of the Authority from or for the ownership, operation, use or services or commodities provided by the Solid Waste Management System, including the availability of any of the foregoing, as well as proceeds of insurance covering a loss due to interruption in operation thereof; provided, however, that “Revenues” shall not mean or include (i) any amount received or receivable from the United States or the State (or any agency of either thereof) or from any other source as or on account of a grant or contribution for or with respect to (a) the construction, acquisition, improvement, extension, renewal or other development of any part of the Solid Waste Management System or (b) the financing of any of the foregoing or (ii) any amounts received by or paid to the Authority which are required to be charged or collected by or paid to the Authority under the terms of any grant agreement with the United States of America or any agency thereof or the State or any agency thereof and which are received by or paid to the Authority in an agency capacity under such grant agreement or (iii) amounts, if any, paid to the Authority, pursuant to a loan, financing lease, installment sale or other similar arrangement entered into to secure a Conduit Financing or (iv) the proceeds of any bonds or other indebtedness of the Authority not constituting Bonds or otherwise secured under the General Resolution or (v) any investment earnings on any funds or accounts of the Authority which are on deposit in the Rebate Fund or which are required to be deposited therein for rebate to the United States of America pursuant to the provisions of the Code to insure that interest on any Bonds which are issued as tax exempt obligations continue to be excludable from gross income under the Code or (vi) the proceeds of Bonds.

Neither the State, the County nor any other municipality or public corporation, other than the Authority, shall be liable on or obligated to pay debt service on the Series 2021 Bonds and such Series 2021 Bonds are not a debt of the State, the County or any other municipality or public corporation. The Series 2021 Bonds do not constitute a general obligation of the County or any other municipality or other public corporation and neither the faith and credit nor taxing power of the State, the County or any other municipality or public corporation is pledged for the payment of the principal of, the redemption premium, if any, or the interest on the Series 2021 Bonds. The Authority has no taxing power.

### **Funds and Accounts**

The General Resolution establishes the following funds and accounts of the Authority, among others: (a) Construction Fund, (b) Revenue Fund, (c) Operating Fund, (d) Debt Service Fund, (e) Debt Service Reserve Fund, (f) Redemption Fund, (g) Renewal and Replacement Fund, (h) Operating Reserve Fund, (i) System Improvement Fund, (j) General Fund, and (k) Rebate Fund.

## **Flow of Funds**

Pursuant to the General Resolution, the Authority is required to pay into the Revenue Fund all Revenues as received. Revenues are distributed in the following priority:

(A) The Authority shall, during each month, first transfer moneys in the Revenue Fund to the Operating Fund in amounts reasonably estimated by the Authority to be sufficient to pay Operating Expenses during such month. To the extent amounts in the Operating Fund are at any time insufficient to pay Operating Expenses, the Authority may transfer from the Revenue Fund to the Operating Fund such additional amounts as are sufficient to pay such Operating Expenses. However, to the extent a transfer from the Revenue Fund to the Operating Fund would result in a balance in the Revenue Fund, together with Revenues that the Authority reasonably anticipates receiving on or prior to three days prior to the next Debt Service Due Date, being less than the amount required to pay interest and Principal Installments due on the Bonds Outstanding on the next Debt Service Due Date, the Authority shall not make further transfers from the Revenue Fund to the Operating Fund to the extent there are amounts in the Operating Reserve Fund available to be transferred to the Operating Fund.

Amounts in the Operating Fund will be paid out from time to time by the Authority for reasonable and necessary Operating Expenses, free and clear of the lien and pledge created by the General Resolution. Whenever the Operating Fund exceeds the amount reasonable and necessary for Operating Expenses including reserves and working capital, the Authority will redeposit the excess in the Revenue Fund for application in accordance with the General Resolution.

(B) The Authority shall, not less than fifteen days prior to any Debt Service Due Date, transfer moneys in the Revenue Fund to the Debt Service Fund in an amount such that the balance in the Debt Service Fund shall be sufficient to make all interest and Principal Installment payments due on such Debt Service Due Date.

(C) The Authority shall, during each month, immediately following the transfer from the Revenue Fund described in paragraph (A) above, transfer from the Revenue Fund to the Debt Service Reserve Fund the amount, if any, necessary to increase the balance in the Debt Service Reserve Fund to the Debt Service Reserve Requirement.

(D) The Authority shall, during each month, immediately following any transfers required to be made from the Revenue Fund described in paragraphs (A) through (C) above, transfer from the Revenue Fund to the Operating Reserve Fund the amount, if any, equal to the Operating Reserve Requirement for such month. Notwithstanding the foregoing, if and to the extent a transfer from the Revenue Fund to the Operating Reserve Fund would result in a balance in the Revenue Fund together with Revenues that the Authority reasonably anticipates receiving on or prior to fifteen days prior to the next Debt Service Due Date, being less than the amount required to pay interest and Principal Installments due on the Bonds Outstanding on the next Debt Service Due Date, the Authority shall not make further transfers from the Revenue Fund to the Operating Reserve Fund in that month. Any shortfall in the payment of the Operating Reserve Requirement in a given month shall be added to the Operating Reserve Requirement in the following month.

Amounts on deposit in the Operating Reserve Fund (i) may be used by the Authority at any time in any Fiscal Year to pay anticipated and unanticipated Operating Expenses, (ii) may be applied by the Authority in any Fiscal Year to offset any increases in the rates and charges otherwise required to be imposed by the Authority pursuant to the General Resolution as a result of business interruption or any unusual, unexpected or extraordinary costs incurred, or revenue declines suffered, by the Authority subsequent to the adoption of the Annual Budget for such Fiscal Year or (iii) may be transferred to the Operating Fund. Any such use of amounts in the Operating Reserve Fund shall be specified, if applicable, in the Annual Budget adopted pursuant to the General Resolution or an amended Annual Budget adopted during such Fiscal Year pursuant to the General Resolution.

“Operating Reserve Requirement” means an amount measured at the end of each Fiscal Year equal to the Authority’s fixed overhead excluding Debt Service, as projected by the Authority in the Annual Budget, for the months of January and February of the following Fiscal Year.

(E) The Authority shall, during each month, immediately following any transfers required to be made from the Revenue Fund described in paragraphs (A) through (D) above, transfer from the Revenue Fund to the

Renewal and Replacement Fund the amount, if any, equal to the Renewal and Replacement Requirement for such month. Notwithstanding the foregoing, if and to the extent a transfer from the Revenue Fund to the Renewal and Replacement Fund would result in a balance in the Revenue Fund, together with Revenues that the Authority reasonably anticipates receiving on or prior to fifteen days prior to the next Debt Service Due Date, being less than the amount required to pay interest and Principal Installments due on the Bonds Outstanding on the next Debt Service Due Date, the Authority shall not make further transfers from the Revenue Fund to the Renewal and Replacement Fund in that month. Any shortfall in the payment of the Renewal and Replacement Requirement in a given month shall be added to the Renewal and Replacement Requirement in the following month.

Amounts on deposit in the Renewal and Replacement Fund shall be applied to the payment of any reasonable and necessary cost of those items set forth in the definition of Renewal and Replacement Requirement. If at any time there shall be insufficient amounts in the Revenue Fund, the Operating Fund and the Operating Reserve Fund to pay Operating Expenses, the Authority may transfer amounts in the Renewal and Replacement Fund to the Operating Fund to the extent reasonably necessary to pay such Operating Expenses. If at any time there shall be insufficient amounts in the Debt Service Fund to pay interest or Principal Installments on any Bonds Outstanding when due, after application of amounts in the Revenue Fund and the Debt Service Reserve Fund, the Authority may transfer amounts in the Renewal and Replacement Fund to the Debt Service Fund to the extent reasonably necessary to make such payments when due.

Prior to the adoption of an Annual Budget for a Fiscal Year, the Authority must direct the Consulting Engineer to develop a Renewal and Replacement Requirement for such Fiscal Year. "Renewal and Replacement Requirement" means, with respect to each month in any Fiscal Year, (a) the amount for such month which is determined by the Consulting Engineer pursuant to the Resolution as the amount which is reasonably necessary as a reserve for expenses with respect to the Solid Waste Management System for (i) major repairs, renewals, replacements or maintenance items of a type not recurring annually or at shorter intervals, (ii) expenses relating to the closure and post-closure of any Solid Waste Management System component, and (iii) repairs, renewals or replacements resulting from the occurrence of uncontrollable events or circumstances which are not covered by the proceeds of an insurance policy, as stated in a certificate executed by the Consulting Engineer and filed with the Trustee by the Authority annually on a date which is not more than 60 days prior to the end of each Fiscal Year plus (b) such amount as the Authority in its discretion shall determine in addition to the amount specified in (a). In computing the applicable Renewal and Replacement Requirement with respect to any month in a Fiscal Year, any portion of the Renewal and Replacement Requirement for a prior month in such Fiscal Year that was not deposited to the Renewal and Replacement Fund shall be added to the then applicable Renewal and Replacement Requirement.

(F) The Authority shall, during each month, immediately following any transfers required to be made from the Revenue Fund described in paragraphs (A) through (E) above, transfer from the Revenue Fund to the System Improvement Fund the amount, if any, equal to the System Improvement Requirement for such month. Notwithstanding the foregoing, if and to the extent a transfer from the Revenue Fund to the System Improvement Fund would result in a balance in the Revenue Fund, together with Revenues that the Authority reasonably anticipates receiving on or prior to fifteen days prior to the next Debt Service Due Date, being less than the amount required to pay interest and Principal Installments due on the Bonds Outstanding on the next Debt Service Due Date, the Authority shall not make further transfers from the Revenue Fund to the System Improvement Fund in that month. Any shortfall in the payment of the System Improvement Requirement in a given month shall be added to the System Improvement Requirement in the following month.

The System Improvement Fund shall be used for the payment of Capital Costs of System Improvements to the Solid Waste Management System. If at any time there shall be insufficient amounts in the Revenue Fund, the Operating Fund and the Operating Reserve Fund to pay Operating Expenses, the Authority may transfer amounts in the System Improvement Fund to the Operating Fund to the extent reasonably necessary to pay such Operating Expenses. If at any time there shall be insufficient amounts in the Debt Service Fund to pay interest or Principal Installments on any Bonds Outstanding when due, after application of amounts in the Revenue Fund and the Debt Service Reserve Fund, the Authority may transfer amounts in the System Improvement Fund to the Debt Service Fund to the extent reasonably necessary to make such payments when due.

Prior to the adoption of an Annual Budget for a Fiscal Year, the Authority shall direct the Consulting Engineer to develop a System Improvement Requirement for such Fiscal Year. "System Improvement

Requirement” means, with respect to a month in a Fiscal Year, the amount determined by the Authority, as set forth in its Annual Budget for such Fiscal Year that shall be deposited in the System Improvement Fund to fund Capital Costs for System Improvements or to establish reserves to fund such costs. In computing the applicable System Improvement Requirement with respect to any month in a Fiscal Year, any portion of the System Improvement Requirement for a prior month in such Fiscal Year that was not deposited in the System Improvement Fund shall be added to the then-applicable System Improvement Requirement.

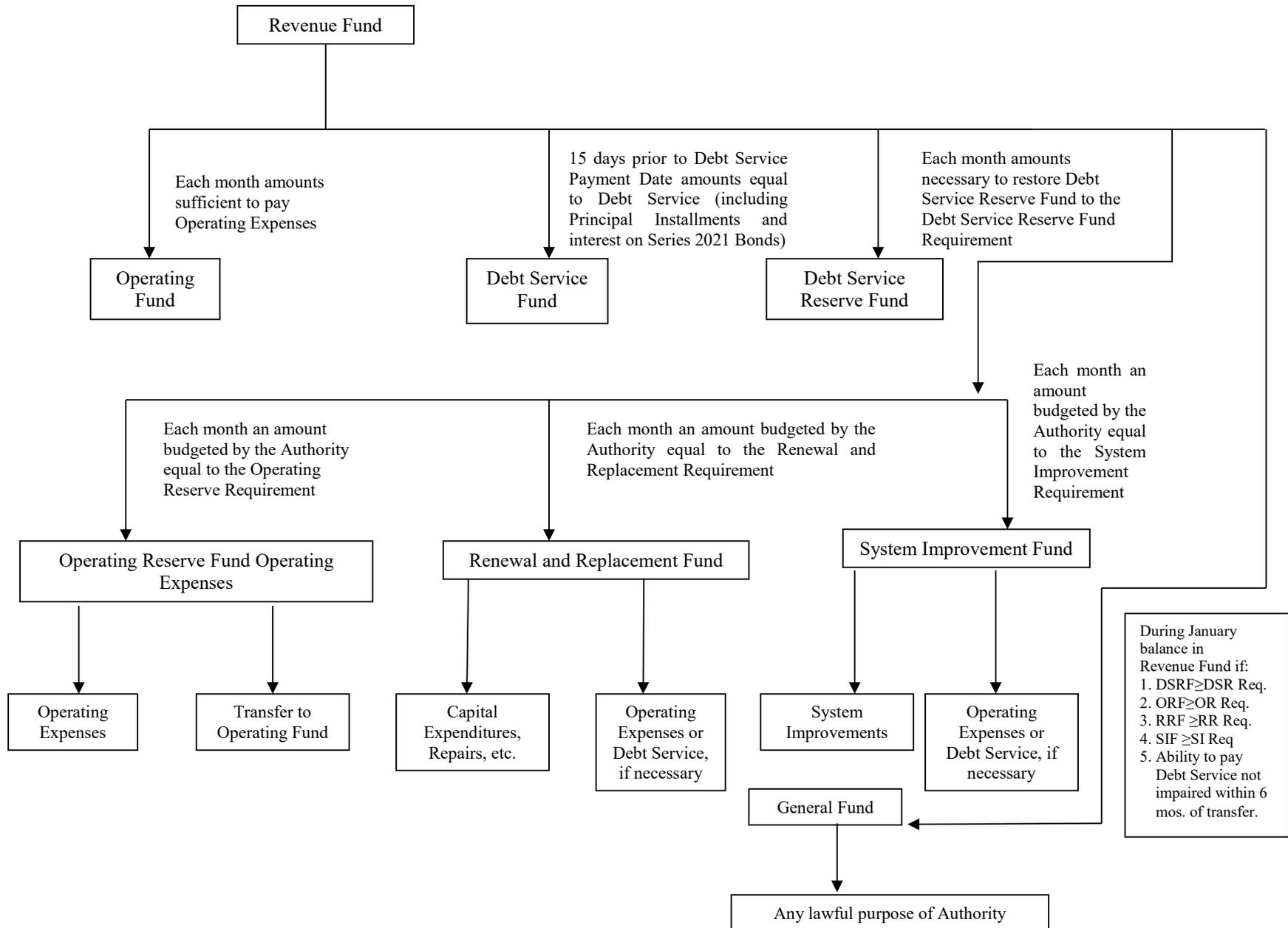
(G) The Authority may, but shall not be required to, (i) during the first calendar month of each year, transfer all or any portion of the balance in the Revenue Fund to the General Fund; provided such transfer may be made only if (a) the balance in the Debt Service Reserve Fund is at least equal to the Debt Service Reserve Requirement, (b) the balance in the Operating Reserve Fund as of the immediately preceding December 31 was at least equal to the Operating Reserve Year End Minimum Balance, (c) all deposits to the Renewal and Replacement Fund and the System Improvement Requirement required to be made during the preceding Fiscal Year have been made, and (d) such transfer does not otherwise impair the ability to pay interest or Principal Installment payments on any Debt Service Due Date within the six-month period following such transfer, and (ii) during each month, immediately following all transfers required to be made from the Revenue Fund described in paragraphs (A) through (F) above, transfer all or any portion of the balance in the Revenue Fund to the General Fund; provided such transfer may be made only if (x) there is reserved either in the Revenue Fund (in addition to applicable reserves for interest and Principal Installments) or the Operating Fund or both an amount sufficient to pay Operating Expenses during the six-month period immediately following such transfer and (y) there is reserved in either the Revenue Fund or the Debt Service Fund or both an amount sufficient to make all interest and Principal Installment payments due on any Debt Service Due Date during the six-month period immediately following such transfer.

Amounts in the General Fund may at any time be transferred to any fund established under the General Resolution or be paid to the Authority for any lawful purpose of the Authority in connection with the Solid Waste Management System including payment of Subordinated Indebtedness.

See APPENDIX C “SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION” for a more detailed description of the funds under the General Resolution.

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**FLOW OF FUNDS UNDER GENERAL RESOLUTION**



## **Debt Service Reserve Fund**

The Debt Service Reserve Requirement as of any date of calculation, means (i) the lesser of (a) an amount equal to the maximum amount of Debt Service for any year or (b) 125% of the average annual Debt Service for any year, in each case, required to be paid in the current or any future Bond Year on all Series of Bonds any portion of which is Outstanding or (c) 10% of the principal amount of all Bonds Outstanding and (ii) any additional amounts required by a Supplemental Resolution. All or any part of the Debt Service Reserve Requirement may be satisfied by a Reserve Fund Credit Facility.

Upon the issuance of the Series 2021 Bonds, the Debt Service Reserve Requirement will equal approximately \$[\_\_\_\_\_]. As of the date of this Official Statement, approximately \$3,790,809 was on deposit in the Debt Service Reserve Fund. \$[\_\_\_\_\_] of the proceeds of the Series 2021 Bonds will be deposited into the Debt Service Reserve Fund at closing. The amounts on deposit in the Debt Service Reserve Fund will secure the payment of principal of and interest on the Outstanding Bonds and the Series 2021 Bonds on a parity basis. See “ESTIMATED SOURCES AND USES OF FUNDS” herein.

## **Additional Bonds, Refunding Bonds and Subordinated Indebtedness**

The General Resolution permits the issuance of Bonds and Subordinated Indebtedness. The General Resolution requires Bonds to be issued by the Authority pursuant to a Supplemental Resolution and be secured by the pledge of Revenues. Subordinated Indebtedness is any evidence of indebtedness of the Authority payable out of amounts available in the General Fund and is subordinate to the payment of principal and interest on the Bonds.

Subject to the limitations described below (i) Additional Bonds may be issued to pay for Capital Costs of any System Improvement and to pay bond anticipation notes, and (ii) Refunding Bonds may be issued to refund any Outstanding Bonds. The General Resolution provides that Additional Bonds may only be issued (Bonds meeting the following requirements are hereinafter referred to as “Additional Bonds”):

(A) Upon the receipt by the Trustee of a Certificate of an Accountant (or of an Authorized Officer of the Authority) stating that:

(i) based upon an audit or review of the books and records of the Authority for any twelve (12) consecutive month period during the eighteen (18) calendar months immediately preceding the month during which the Additional Bonds are to be issued, the Revenues derived by the Authority were sufficient to comply with the Rate Covenant for such twelve (12) consecutive month period (as though such twelve (12) month period were a Fiscal Year), and

(ii) based upon an audit or review of the books and records of the Authority for the eighteen (18) calendar months immediately preceding the month during which the Additional Bonds are to be issued, (x) all deposits required to be paid into the Debt Service Fund through the audit and review period were made, and (y) upon the issuance of such Additional Bonds there shall be amounts on deposit in the Debt Service Reserve Fund at least equal to the Debt Service Reserve Requirement.

(B) Upon the receipt by the Trustee of a Certificate duly executed by the Consulting Engineer (or an Authorized Officer of the Authority) setting forth in detail and based upon reasonable assumptions set forth therein (i) his or her estimate of the Revenues and Operating Expenses of the Authority for each of the three (3) Fiscal Years immediately succeeding the scheduled completion of the System Improvement(s) to be financed by such Additional Bonds, calculated on the assumption that rates and charges established by the Authority shall be those rates and charges in effect on the date of such certificate or such higher rate, or rates, as the individual executing the Certificate certifies to be reasonable, (ii) the Debt Service for each such Fiscal Year, and (iii) his or her opinion that the amount of estimated Revenues for each such Fiscal Year as described above will be sufficient to satisfy the Rate Covenant for each such Fiscal Year.

(C) If the Additional Bonds are being issued to finance System Improvements, upon receipt of the Trustee of a Certificate duly executed by the Consulting Engineer (or in certain circumstances, an Authorized Officer of the Authority) (i) stating that such System Improvements will be useful or desirable in connection with the operation of the Solid Waste Management System, will be technically feasible and are in compliance with the

Authority's approved solid waste management plan, as the same may be amended from time to time, (ii) setting forth in detail and based upon reasonable assumptions set forth therein the estimated costs of the acquisition or construction of such System Improvements, including any financing expenses and, if judged necessary, a balance for contingencies, the sources of funds expected to be applied to finance such costs, and the time period which will be required for completion of the acquisition or construction of such System Improvements, (iii) his or her opinion that the net proceeds of the Additional Bonds, together with other moneys which are then available or are reasonably expected to be available therefore, will be sufficient to pay the costs of the acquisition or construction of such System Improvements, and (iv) his or her opinion as to the date when such System Improvements will be placed in commercial operation.

(D) The foregoing provisions shall not apply to either (i) Refunding Bonds or (ii) any Series of Bonds or portion of a Series issued to complete a System Improvement for which a prior Series of Bonds was issued satisfying the provisions hereof, provided that a Consulting Engineer certifies that such net proceeds, together with any other available (and not contingent) funds, shall be sufficient to complete such System Improvement.

For a more complete description of the provisions of the General Resolution governing the issuance of Additional Bonds and Refunding Bonds, see APPENDIX C "SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION" under the headings "Authorization of Issuance of Bonds" and "Particular Covenants — Additional Bonds."

### **Rate Covenant**

Pursuant to the General Resolution, the Authority has covenanted with respect to all use of the Solid Waste Management System or services or commodities provided by the Solid Waste Management System, including the availability of any of the foregoing from the Authority, to make, impose, charge and collect service rates, rentals, fees and other charges in accordance with the Act, so as to provide Revenues sufficient at all times to pay pursuant to the terms and provisions of the General Resolution as the same shall become due, the principal of and interest on the Bonds, the maintenance of proper reserves therefor and for all other purposes required thereunder, payments due under Solid Waste Management Contracts, the expenses of operating and maintaining the properties of the Authority, and all other liabilities or obligations and indebtedness of the Authority as the same become due. Such rates, rentals, fees and other charges may be the same or different for each classification of user or service recipient, need not be uniform among or with respect to the Solid Waste Management System, may reflect the source and composition of Solid Waste and may provide for fee reductions to reflect participation in source separation programs. Such rates, rentals, fees and charges may, in accordance with the Act, be collected primarily or solely from charges imposed on properties to which the Authority's solid waste disposal services are provided or made available, or primarily or solely from tipping fees charged by the Solid Waste Management System, or from any combination of such user charges, tipping fees or other rates, rentals, fees or charges. So long as the Authority is in compliance with its covenants in the Rate Covenant, it may from time to time as market conditions require pay for recyclable materials processed as feedstock at its Solid Waste Management Facilities, and may provide free service to particular classes of users, service recipients or properties.

Under the General Resolution, from time to time and as often as it shall appear necessary, the rates, rentals, fees and other charges established for the Solid Waste Management System will be adjusted so that in each Fiscal Year the Revenues less (i) Operating Expenses, (ii) any amounts required to be deposited in the Debt Service Reserve Fund in order to bring the balance therein to the Debt Service Reserve Requirement, and (iii) any amounts required to be deposited in the Renewal and Replacement Fund in order to make all monthly Renewal and Replacement Requirement payments, is equal to at least 100% of Aggregate Debt Service for such Fiscal Year.

Further, in each Fiscal Year, Revenues together with all cash reserves in any Fund or Account established under the General Resolution that is available for the payment of Debt Service (other than amounts in the Debt Service Reserve Fund) shall be at least equal to the sum of (i) 100% of the amounts estimated to be required in such Fiscal Year to pay Operating Expenses, plus (ii) 110% of Aggregate Debt Service for such Fiscal Year, plus (iii) any amounts required to be deposited in the Debt Service Reserve Fund in order to bring the balance therein to the Debt Service Reserve Requirement, plus (iv) any amounts required to be deposited in the Renewal and Replacement Fund in order to make all monthly Renewal and Replacement Requirement payments.

Under the General Resolution, “Debt Service” is defined to include, as of any date of calculation for any Series of Bonds, an amount equal to the sum of (i) interest payable during such period on Bonds of such Series, (ii) that portion of the principal of and Sinking Fund Installments on such Bonds payable during such period; calculated on the assumption that (x) no Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of payment on the due date thereof or redemption from Sinking Fund Installments and (y) Variable Rate Bonds will bear interest at the greater of (A) the rate or rates which were assumed by the Authority in the Authority Budget for such Fiscal Year to be borne by Variable Rate Bonds during such Fiscal Year (provision for such budget assumption and for notice thereof to the Trustee under the General Resolution to be set forth in the Supplemental Resolution authorizing the issuance of Variable Rate Bonds) or (B) the actual rate or rates borne by such Variable Rate Bonds on such date of calculation.

To the extent proceeds of Bonds are available for the purpose of paying regularly scheduled principal of or interest on Bonds, such proceeds may be added to the projection of Revenues for the year in which such proceeds are to be so applied.

### **Solid Waste Disposal Charges**

*Authorization.* The Act provides that the Authority may fix and collect, on any equitable basis, rates, rentals, fees, and other charges for the use of facilities of or services or commodities provided by the Authority, including the availability of any of the foregoing from the Authority. Such rates, rentals, fees and other charges may be fixed and collected from any person to whom such facilities, services or commodities are provided by or made available from the Authority, including generators of solid waste and owners of real property upon which solid waste is generated. The Authority has historically and expects in the future to set the Solid Waste Disposal Charges to cover all of its current year’s debt service costs on the Bonds (including the Series 2021 Bonds) and operating costs (net of certain estimated revenues), for all of its facilities.

Pursuant to the Act, all rates, rentals, fees and other charges for the use of the facilities of, or services provided or made available by, the Authority shall be a lien upon the real property upon which, or in connection with which, services are provided or made available. This lien may be enforced in the same manner as any special assessment imposed by a municipal body or subdivision thereof. Under the Act, the Authority may impose Solid Waste Disposal Charges on real property in the County for which solid waste management services are being provided or made available by the Authority.

Beginning with 1997 and annually thereafter, the Authority imposed the Solid Waste Disposal Charges partially on an assessed value basis and partially on a measure of usage basis. The Solid Waste Disposal Charges will be imposed for leaf-composting, household hazardous waste management services, materials recovery services, sludge composting services, certain costs of the Authority’s transfer stations and certain solid waste collection services. Such charges constitute a lien on real property assessed as described above.

Because a portion of the Solid Waste Disposal Charges is levied on an assessed value basis, such fees will be impacted by increases or decreases in property values within the County. Any decrease in the assessed values can be offset by the Authority by increasing the rate of the Solid Waste Disposal Charges.

In December 2018, the Assessors of the Towns of Ramapo, Clarkstown and Haverstraw filed a request with the Rockland County Real Property Tax Director for a correction of the capital charge component of the Authority’s Solid Waste Disposal charge formula. The respective Town Assessor Offices asserted that the capital charge component of the Solid Waste Disposal charge, which is computed on an ad valorem basis, is improperly imposed on certain not-for-profit and municipal entities. The Town of Ramapo and the Authority submitted Memoranda of Law in support of their respective positions on the issue to the Rockland County Real Property Tax Director for resolution. In July 2019, the Rockland County Real Property Tax Director issued an opinion that the capital charge component of the Authority’s Solid Waste Disposal Charge formula is valid as imposed.

In August 2019, a debtor in a Chapter 11 bankruptcy matter before the United States Bankruptcy Court for the Southern District of New York (See In re: Mosdos Chofetz Chaim, Inc., Case No. 12- 23616-RDD) filed a motion to have the Authority’s Solid Waste Disposal Charges deducted from each of its 2011-2019 tax bills. The debtor argued that because it does not utilize Authority services, the Solid Waste Disposal Charges are unenforceable as to the debtor. The Authority defended its Solid Waste Disposal Charges and the Bankruptcy Court

agreed that the Authority’s Solid Waste Disposal Charges are valid, enforceable charges for solid waste services and ruled that the Solid Waste Disposal Charges do not constitute a tax under New York Law.

These decisions are favorable to the Authority and the formula it has adopted for calculating and charging Solid Waste Disposal Charges pursuant to its statutory authority to do so under the Act.

See “SUMMARY OF HISTORICAL AND PROJECTED REVENUES, EXPENSES, DEBT SERVICE COVERAGE AND FUND BALANCES” for additional information regarding the growth of Other Solid Waste Disposal Charges and the specific sources of Revenue and related expenses in connection therewith.

The following table presents the Solid Waste Disposal Charges for 2016 through 2020 for a typical residential property owner located within the County. This table does not include Solid Waste Collection Service Charges imposed by the Authority. See “SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Other Solid Waste Disposal Charges” herein.

### SOLID WASTE DISPOSAL CHARGES

<u>Type of Charge</u>	<u>Method of Charge</u>	<u>Average Annual Cost Per Household</u>				
		<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Capital Charge <sup>(1)</sup>	Ad Valorem	\$121.46	\$120.92	\$114.64	\$109.04	\$122.83
Green Waste Unit Charge <sup>(2)</sup>	Per Unit	24.19	16.89	18.36	23.31	33.62
Household Hazardous Waste Charge	Per Unit	6.37	6.31	6.31	6.85	7.63
Materials Recovery Facility Unit Charge	Per Unit	15.90	16.52	17.69	17.90	35.62
Cocomposting Facility Unit Charge	Per Unit	16.93	17.57	17.50	16.73	16.59
Transfer Station Facility Unit Charge	Per Unit	19.64	19.27	9.41	17.24	19.74
Total		\$204.49	\$197.48	\$183.91	\$191.07	\$236.03

Source: The Rockland County Solid Waste Management Authority.

(1) Charge on a single family house located within the Town of Clarkstown based on an assumed assessed property value of \$135,000 starting in 2020. Prior years used an assumed assessed property value of \$125,000. Different charges are assessed in the towns of Haverstraw, Orangetown, Ramapo and Stony Point.

(2) This charge is assessed for the Hillburn Yard Waste Composting Facility and the Clarkstown Yard Waste Composting Facility.

*The Collection Agreement.* Under the terms of a Collection Agreement dated July 25, 1995, as amended, between the Authority and the County (the “Collection Agreement”), the County assumes responsibility for the collection of the Solid Waste Disposal Charges imposed by the Authority. The Collection Agreement contains no fixed term and expires only upon the Authority notifying the County that there are no Bonds or any other obligations of the Authority outstanding. The Collection Agreement calls for the Authority to provide to the County, on or before December 1 of each year, the amount of the Solid Waste Disposal Charges to be imposed on the owners of all real property within the County for the following year. The County is required to include the Solid Waste Disposal Charges on the tax bills produced by each town in the County as a separate item, which bills are mailed to property owners in January of each year. This January tax bill includes town, County and special districts taxes.

Real property taxes are levied and attached as a lien against the property on January 1 and remain a lien until paid. County taxes are billed with town taxes and initially collected by the towns on behalf the County. The County has offered (subject to approval by the respective town) quarterly installment payments, which are due, together with a 5% service charge, on January 15, April 15, July 15 and October 15 of each year. All other real property taxes are payable to the town tax collectors prior to February 1 without interest or penalty. As the town tax collectors receive taxes, they retain the town’s share and remit the remainder to the County.

The Collection Agreement further requires the County to receive all of the Solid Waste Disposal Charges collected by the local town tax collectors on behalf of the Authority. The County agrees to pay to the Authority on the following dates in the following percentages the aggregate amount due to the Authority from real property owners of Solid Waste Disposal Charges:

<u>Payment Date</u>	<u>Percentage of Total Amount Payable</u>
On or before February 15	25%
On or before May 1	25%
On or before June 1	50%

From time to time the County has made payments of the Solid Waste Disposal Charges to the Authority after the payment dates set forth in the Collection Agreement. The Authority has covenanted in the Resolution to enforce the payment to it of all Revenues (inclusive of the Solid Waste Disposal Charges payable under the Collection Agreement). Consistent with such covenant, the Authority has and will continue to work with the County to ensure timely payments under the Collection Agreement.

The obligation of the County to pay Solid Waste Disposal Charges required to be collected by the County on behalf of the Authority pursuant to the Collection Agreement is absolute and is not dependent upon receipt by the County of the Solid Waste Disposal Charges.

### **Other Solid Waste Disposal Charges**

Other Solid Waste Disposal Charges currently imposed by the Authority include (i) transfer station tipping fees paid by private haulers, public entities and others delivering solid waste to the Authority's transfer stations, (ii) solid waste collection service charges (as described below), and (iii) other fees and charges. Revenues derived from transfer station tipping fees currently constitute the majority of Other Solid Waste Disposal Charges. The variable (per ton) costs for operations (including labor and supplies), hauling (including fuel), and disposal costs are fully paid for at the Authority's transfer stations through the imposition of per-ton tipping fees and for the Clarkstown Concrete and Asphalt Crushing Operation through a combination of tipping fees and proceeds from the sale of the recycled concrete aggregate and recycled asphalt. The Authority also incurs minor fixed operating costs at the transfer stations and the Clarkstown Concrete and Asphalt Crushing Operation that are also recovered from Other Solid Waste Disposal Charges.

*Solid Waste Collection Service Charges.* The Authority provides municipal solid waste and recyclables collection and disposal services to designated residential dwellings located in the Village of Haverstraw, the Village of Spring Valley, the Village of Sloatsburg, the Village of New Hempstead, the Village of Wesley Hills, and to certain specified non-residential County government locations. The Authority also provides recyclables collection services to designated residential dwellings located in the Town of Stony Point and the Villages of Nyack, Piermont, South Nyack and Grand View-on-Hudson in the Town of Orangetown. The Authority has entered into agreements with private haulers to perform the municipal solid waste and recyclables collection and disposal services to the municipalities on behalf of the Authority as follows:

<u>Municipalities</u>	<u>Vendor</u>	<u>Start Date</u>	<u>End Date</u>	<u>Action</u>
Village of Haverstraw	Heip	5/1/2021	5/1/2024	Includes two 1-year renewals
Village of Spring Valley	Minuto	5/1/2021	5/1/2024	Includes two 1-year renewals
Village of Sloatsburg	Minuto	6/15/2021	6/15/2024	Includes two 1-year renewals
Village of New Hempstead	Minuto	1/1/2021	1/1/2026	No renewal
Town of Stony Point	Capasso	1/1/2020	1/1/2025	No renewal
Rockland County (various government locations)	Minuto	2/1/2020	2/1/2025	Includes five 1-year renewals
Village of Wesley Hills	Marangi	1/1/2020	1/1/2025	No renewal
River Villages of Nyack, Piermont, South Nyack and Grand View-on-Hudson	Capasso	1/1/2020	1/1/2025	No renewal

The Authority's cost for providing the collection and disposal services is included in the Solid Waste Disposal Charge imposed on the residential real property owners located in the respective villages and towns who are receiving such services. It is anticipated that the Authority may provide similar services to other municipalities within the County upon request. As noted in the table above, the Authority is also providing municipal solid

waste and recyclables collection and disposal/processing services to certain designated County facilities. The Authority directly charges the County the cost of providing such services.

### **Authority Recovered Materials Credits**

The Authority has contracted the operations of the Biosolids Cocomposting Facility, the Materials Recovery Facility, the Clarkstown Yard Waste Composting Facility and the Clarkstown Concrete and Asphalt Crushing Operation to private parties as described under “THE SOLID WASTE MANAGEMENT SYSTEM – FACILITIES - Biosolids Cocomposting Facility,” “– Materials Recovery Facility,” “– Clarkstown Yard Waste Composting Facility” and “– Clarkstown Concrete and Asphalt Crushing Operation.” Pursuant to the agreements with the respective operators of the Biosolids Cocomposting Facility and the Materials Recovery Facility, the Authority is entitled to credits against the Authority's service fee obligations under its respective agreements with the operators of such facilities. These include specified credits from the sale of compost and recovered materials which reduce a portion of the operation fees payable by the Authority to the company operating such facility.

With respect to the Clarkstown Yard Waste Composting Facility, the Authority maintains an operations agreement that is separate from its bulk purchase agreement for the sale of available compost and mulch produced at the facility. As such, the Authority is not entitled to credits against its service fee obligations under the operations agreement. The Authority, however, does receive revenues from the sale of compost and mulch pursuant to its separate bulk purchase agreement.

With respect to the Clarkstown Concrete and Asphalt Crushing Operation, the Authority maintains a separate purchase agreement for the sale of some of the product generated at such facility. The Authority is not entitled to credit such revenue from the operations fee payable under its separate facility operations agreement. The facility operations agreement also includes a marketing fee for the sale of product that is not sold under the purchase agreement. Under the facility operations agreement, the Authority pays a marketing fee to the operations contractor and the Authority receives all revenue from the sale of the materials marketed under the operations agreement.

### **Investment of Bond Funds**

Subject to the right of the Authority to direct the investment or deposit of funds under the General Resolution, moneys in any Fund or Account held by the Trustee must be continuously invested and reinvested or deposited and redeposited by the Trustee on terms which in the judgment of the Authority provide reasonable liquidity, in the highest yield Investment Securities that may be reasonably known to the Trustee, with a view toward maximizing yield (with proper preservation of principal) and minimizing the instances of uninvested funds. Investments of moneys in the Debt Service Reserve Fund must mature within ten years of the date of purchase. Investments for a term longer than 5 years which can be liquidated by or on behalf of the Trustee within 5 years of their acquisition for an amount at least equal to the principal thereof and all accrued interest (or amortized discount) thereon to the liquidation date, whether by maturity, redemption, tender or otherwise, shall be deemed to meet the foregoing requirement. The Authority through an Authorized Officer may direct the Trustee to or, in the absence of direction, the Trustee shall invest and reinvest the moneys in any such Fund or Account in Investment Securities so that the maturity date or dates of redemption at the option of the holder thereof shall coincide as nearly as practicable with the times at which moneys are needed to be so expended.

In lieu of Investment Securities (except for moneys used for the defeasance of Bonds), the Trustee shall at the written direction of an Authorized Officer deposit amounts or cause amounts to be deposited from any Fund held by the Trustee or under its control pursuant to the terms of the General Resolution in interest bearing time deposits or certificates of deposit, or shall make other similar banking arrangements (including but not limited to repurchase agreements secured as required below) with itself or a member bank or banks of the Federal Reserve System or a bank, the deposits of which are insured by the Federal Deposit Insurance Corporation or its successor. Each such interest bearing time deposit or certificate of deposit or other similar banking arrangement shall permit the moneys so placed to be available at the times at which moneys are needed to be expended and, except to the extent that any such deposit shall be less than \$5,000 or be insured by the United States of America or the Federal corporations enumerated above, all moneys in each such interest bearing time deposit or certificate of deposit or other similar banking arrangement shall be continuously and fully secured by Investment Securities having a market value at least equal at all times to the amount of the deposit, certificate or other similar banking arrangement.

### **Agreement with the State**

The Act states that the State pledges and agrees with the holders of any bonds or notes issued by the Authority pursuant to the Act that the State will not alter or limit the rights vested in the Authority to purchase, construct, maintain, operate, repair, improve, increase, enlarge, extend, reconstruct, renovate, rehabilitate or dispose of any project, or any part or parts thereof, for which Bonds of the Authority have been issued, to establish and collect rates, rents, fees and other charges referred to in the Act, to fulfill the terms of any agreement made with or for the benefit of the Holders of bonds or notes or with any public corporation or person with reference to such project or part thereof, or in any way impair the rights and remedies of bondholders, until the bonds or notes, together with the interest thereon, including interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully met and discharged. Pursuant to the Act, the Authority includes this pledge and agreement of the State in the Resolution, as a pledge and agreement of the State with bondholders.

### **SUMMARY OF HISTORICAL AND PROJECTED REVENUES, EXPENSES, DEBT SERVICE COVERAGE AND FUND BALANCES**

#### **Historical Revenues, Expenses, Debt Service Coverage and Fund Balances**

The following table entitled “SUMMARY OF HISTORICAL REVENUES, EXPENSES, DEBT SERVICE COVERAGE AND FUND BALANCES” presents the Authority’s actual operating results, expenses and debt service for the years 2018 through 2020, as provided in the Supplemental Information – Budget to Actual of the Authority’s Audited Financial Statements for the fiscal years ending December 31, 2018 through December 31, 2020.

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**SUMMARY OF HISTORICAL REVENUES, EXPENSES, DEBT SERVICE COVERAGE AND FUND BALANCES<sup>(1)</sup>**

	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Operating Revenue:</b>			
Solid Waste Disposal Charges			
User fees	\$ 7,209,872	\$ 8,408,448	\$ 11,413,068
Ad valorem	13,282,892	12,698,505	13,225,773
Recycling facility materials	2,302,944	1,300,953	-
Co-compost facility user charges	480,180	493,261	617,417
Solid waste collection and disposal charges	3,849,323	3,967,140	5,398,610
Transfer station tipping fees/sales	25,798,934	28,073,279	31,403,413
Other unclassified	112,243	153,474	157,914
<b>Total Operating Revenues</b>	<u>\$ 53,036,388</u>	<u>\$ 55,095,060</u>	<u>\$ 62,216,195</u>
<b>Operating Expenses:</b>			
Salaries	\$ 2,639,086	\$ 2,915,733	\$ 2,973,955
Fringe Benefits	1,883,615	1,984,040	2,872,166
Supplies expense	523,246	584,250	691,003
Other operating expenses	7,432,138	7,212,453	6,471,400
Revenue generating operating expenses			
Transfer station fees	20,654,784	23,958,725	25,292,195
Other	14,003,704	14,878,766	16,072,445
Other costs	296,145	287,728	340,364
<b>Total Operating Expenses</b>	<u>\$ 47,432,718</u>	<u>\$ 51,821,695</u>	<u>\$ 54,713,528</u>
<b>Net Operating Revenue</b>	\$ 5,603,670	\$ 3,273,365	\$ 7,502,667
<b>Non-operating Revenue:</b>			
Interest income/(expense)	\$ 422,431	\$ 470,786	\$ 127,436
Environmental protection facility grants	1,714,342	1,505,064	-
Insurance recoveries	245,222	-	240,370
Gain on surplus equipment	-	(30,594)	-
Interest subsidy <sup>(2)</sup>	282,419	260,547	238,567
Administration fee <sup>(2)</sup>	(27,123)	(20,833)	(19,701)
<b>Total Non-Operating Revenue</b>	\$ 2,637,291	\$ 2,184,970	\$ 586,672
<b>Net Revenue/(Expense)</b>	\$ 8,240,961	\$ 5,458,335	\$ 8,089,339
<b>Debt Service</b>			
Principal	\$ 2,080,000	\$ 3,865,000	\$ 4,015,000
Interest	1,889,618	1,313,216	1,208,631
<b>Total Debt Service</b>	<u>\$ 3,969,618</u>	<u>\$ 5,178,216</u>	<u>\$ 5,223,631</u>
<b>Debt Service Coverage Ratio</b>			
<b>Rate Covenant – Net Revenues equal to 100% Aggregate Debt Service<sup>(3)</sup></b>			
Net Revenue	\$ 8,240,961	\$ 5,458,335	\$ 8,089,339
Debt Service Coverage	2.08	1.05	1.55
<b>Rate Covenant – Net Revenues plus cash reserves equal to 110% Aggregate Debt Service<sup>(4)</sup></b>			
Net Revenue	\$ 8,240,961	\$ 5,458,335	\$ 8,089,339
Plus End of Year Cash	30,223,794	30,996,147	27,995,192
Net Revenue plus end of year cash	<u>\$ 38,464,755</u>	<u>\$ 36,454,482</u>	<u>\$ 36,084,531</u>
Debt Service Coverage including surplus cash	9.69	7.04	6.91

Footnotes appear on following page

*Footnotes from previous page*

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- (1) Amounts may not add due to rounding.
  - (2) Subsidy and related administrative expenses (including trustee fees) associated with EFC relating to the Authority's Series 2012 EFC Bonds and Series 2013 EFC Bonds.
  - (3) The General Resolution provides that rates will be adjusted so that in each Fiscal Year Revenues less (i) Operating Expenses, (ii) required deposits to the Debt Service Reserve Fund, and (iii) required deposits to the Renewal and Replacement Fund is equal to at least 100% of Aggregate Debt Service for such Fiscal Year. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Rate Covenant" above.
  - (4) The General Resolution provides that in each Fiscal Year, Revenues together with all cash reserves in any Fund or Account established under the General Resolution that is available for the payment of Debt Service (other than amounts in the Debt Service Reserve Fund) shall be at least equal to the sum of (i) 100% of the amounts estimated to be required in such Fiscal Year to pay Operating Expenses, plus (ii) 110% of Aggregate Debt Service for such Fiscal Year, plus (iii) required deposits to the Debt Service Reserve Fund, plus (iv) required deposits to the Renewal and Replacement Fund. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Rate Covenant" above.

## **Projected Revenues, Expenses, Debt Service Coverage and Fund Balances**

The following table entitled “SUMMARY OF PROJECTED REVENUES, EXPENSES, DEBT SERVICE COVERAGE AND FUND BALANCES” presents the Authority’s projected operating results, expenses and debt service for the years 2021 through 2026 taking into account taking into account the issuance of the Series 2021 Bonds and the rate covenant under the General Resolution.

The projections demonstrate that the revenues of the Solid Waste Management System, including the projected Solid Waste Disposal Charges should be adequate to:

- Make payments to the contractors for the operation and maintenance expenses, transportation charges, disposal fees, and other costs, as defined in the Solid Waste Management Contracts.
- Pay all other operating and maintenance expenses.
- Pay debt service on the Series 2021 Bonds and all other indebtedness of the Authority.
- Maintain necessary reserve funds at their required levels and make all other payments anticipated to be required pursuant to the Solid Waste Management Contracts and the General Resolution.
- Otherwise, properly operate and maintain the Solid Waste Management System.
- Result in year-end revenues which are adequate to meet the rate covenants under the General Resolution, including maintenance of necessary reserves and coverage of debt service and operating expenses, for the years 2021 through 2026.

The Authority has prepared projections of its operations based on the 2021 budget with a 3% escalation factor with exceptions noted below. The projections are based on certain assumptions with respect to future events. While the Authority believes that the assumptions are reasonable, they are dependent upon future events and actual conditions may differ than those assumed. Please note that the projections have not been audited by the Authority’s independent accountant and have not been prepared in accordance with generally accepted accounting principles; rather the projections have been prepared by the Authority on a cash basis and do not reflect accruals. The Authority used the following principal assumptions:

### Revenues

1. User fees and ad valorem charges are based on amounts required to enable the Authority to comply with its debt service covenants in its General Bond Resolution.
2. Solid waste collection and disposal charge revenues are based on contracts with the various towns and villages served by the Authority.
3. Transfer station tipping fees/sales are based upon historical tonnages.

### Expenses

1. Other expenses projected do not include any extraordinary items.
2. Transfer station fee expenses consist of transportation, disposal, operation and maintenance and fuel costs.
3. Interest subsidies to be received are based on loan agreements with EFC.

**SUMMARY OF PROJECTED REVENUES, EXPENSES, DEBT SERVICE COVERAGE AND  
FUND BALANCES<sup>(1)</sup>**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
<b>Operating Revenue:</b>						
Solid Waste Disposal Charges						
User fees	\$13,422,162	\$13,824,827	\$14,239,572	\$14,666,759	\$15,106,762	\$15,559,964
Ad valorem	13,250,685	16,409,134	16,265,551	17,096,454	13,341,276	11,874,671
Recycling facility materials	-	-	-	-	-	-
Co-compost facility user charges	437,215	450,331	463,841	477,757	492,089	506,852
Solid waste collection and disposal charges	6,233,561	6,420,568	6,613,185	6,811,580	7,015,928	7,226,406
Transfer station tipping fees/sales	29,820,318	30,714,928	31,636,375	32,585,467	33,563,031	34,569,922
Other unclassified	124,878	128,624	132,483	136,458	140,551	144,768
<b>Total Operating Revenues</b>	<u>\$63,288,819</u>	<u>\$67,948,412</u>	<u>\$69,351,007</u>	<u>\$71,774,475</u>	<u>\$69,659,637</u>	<u>\$69,882,583</u>
<b>Operating Expenses:</b>						
Salaries	\$2,903,814	\$2,990,928	\$3,080,656	\$3,173,076	\$3,268,268	\$3,366,316
Fringe Benefits	1,768,451	1,821,505	1,876,150	1,932,434	1,990,407	2,050,119
Supplies expense	829,794	854,688	880,328	906,738	933,940	961,959
Other operating expenses	6,843,407	7,048,709	7,260,170	7,477,976	7,702,315	7,933,384
Revenue generating operating expenses						
Transfer station fees	26,294,682	27,083,522	27,896,028	28,732,909	29,594,896	30,482,743
Other	19,129,533	19,703,419	20,294,522	20,903,357	21,530,458	22,176,372
Other costs	448,139	461,583	475,431	489,694	504,384	519,516
<b>Total Operating Expenses</b>	<u>\$58,217,820</u>	<u>\$59,964,355</u>	<u>\$61,763,285</u>	<u>\$63,616,184</u>	<u>\$65,524,668</u>	<u>\$67,490,409</u>
<b>Net Operating Revenue</b>	\$5,070,999	\$7,984,058	\$7,587,722	\$8,158,291	\$4,134,969	\$2,392,174
<b>Non-operating Revenue:</b>						
Interest income/(expense)	\$165,000	\$169,950	\$175,049	\$180,300	\$185,709	\$191,280
Environmental protection facility grants	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	-
Gain on surplus equipment	-	-	-	-	-	-
Interest subsidy <sup>(2)</sup>	212,511	185,904	157,883	118,679	737,817	17,317
Administration fee <sup>(2)</sup>	17,475	15,991	14,673	13,309	11,895	8,824
<b>Total Non-Operating Revenue</b>	<u>\$394,986</u>	<u>\$371,845</u>	<u>\$347,605</u>	<u>\$312,288</u>	<u>\$935,421</u>	<u>\$217,421</u>
<b>Net Revenue/(Expense)</b>	\$5,465,985	\$8,355,903	\$7,935,327	\$8,470,579	\$5,070,390	\$2,609,595
<b>Debt Service</b>						
Principal	\$3,945,000	\$4,870,000	\$5,080,000	\$1,475,000	\$2,985,000	\$690,000
Interest	1,118,090	822,838	583,068	331,757	259,528	94,100
2021 Refunding Bonds Principal	-	595,000	820,000	5,230,000	630,000	640,000
2021 Refunding Bonds Interest	-	2,061,465	1,444,002	1,427,223	1,189,263	1,178,895
<b>Total Debt Service</b>	<u>\$5,063,090</u>	<u>\$8,349,303</u>	<u>\$7,927,070</u>	<u>\$8,463,979</u>	<u>\$5,063,790</u>	<u>\$2,602,995</u>
<b>Debt Service Coverage Ratio</b>						
<b>Rate Covenant – Net Revenues equal to 100% Aggregate Debt Service<sup>(3)</sup></b>						
Net Revenue	\$5,465,985	\$8,355,903	\$7,935,327	\$8,470,579	\$5,070,390	\$2,609,595
Debt Service Coverage	1.08	1.00	1.00	1.00	1.00	1.00
<b>Rate Covenant – Net Revenues plus cash reserves equal to 110% Aggregate Debt Service<sup>(5)</sup></b>						
Net Revenue	\$5,465,985	\$8,355,903	\$7,935,327	\$8,470,579	\$5,070,390	\$2,609,595
Plus End of Year Cash	27,881,187	33,347,172	41,703,075	49,638,402	58,108,981	63,179,371
Net Revenue plus end of year cash	<u>\$33,347,172</u>	<u>\$41,703,075</u>	<u>\$49,638,402</u>	<u>\$58,108,981</u>	<u>\$63,179,371</u>	<u>\$65,788,967</u>
Debt Service Coverage including surplus cash	6.59	4.99	6.26	6.87	12.48	25.27

*Footnotes appear on following page*

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- (1) Amounts may not add due to rounding.
  - (2) Subsidy and related administrative expenses (including trustee fees) associated with EFC relating to the Authority's Series 2012 EFC Bonds and Series 2013 EFC Bonds.
  - (3) The General Resolution provides that rates will be adjusted so that in each Fiscal Year Revenues less (i) Operating Expenses, (ii) required deposits to the Debt Service Reserve Fund, and (iii) required deposits to the Renewal and Replacement Fund is equal to at least 100% of Aggregate Debt Service for such Fiscal Year. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Rate Covenant" above.
  - (4) The General Resolution provides that in each Fiscal Year, Revenues together with all cash reserves in any Fund or Account established under the General Resolution that is available for the payment of Debt Service (other than amounts in the Debt Service Reserve Fund) shall be at least equal to the sum of (i) 100% of the amounts estimated to be required in such Fiscal Year to pay Operating Expenses, plus (ii) 110% of Aggregate Debt Service for such Fiscal Year, plus (iii) required deposits to the Debt Service Reserve Fund, plus (iv) required deposits to the Renewal and Replacement Fund. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Rate Covenant" above.

## THE AUTHORITY AND THE SOLID WASTE MANAGEMENT SYSTEM

### The Act

The Authority is a body corporate and politic constituting a public benefit corporation, duly created and existing pursuant to the Act. Pursuant to the Act, the Authority has authorization to collect, receive, transfer, transport, process, dispose of, sell, store, convey, recycle, compost, combust and deal with, in any lawful manner, solid waste and any products or by-products thereof, and to plan, develop, construct, operate and finance any solid waste management facility to be located within the County, including materials recovery facilities and plants and facilities for composting of solid waste. The Act also authorizes the Authority to contract within or without the County for the purpose of solid waste management, and, in particular, contract with any municipality located within the County for the receiving, treating and disposing of any solid waste generated within the municipality and to set the fees and charges to be collected by the Authority therefor. More particularly, the Authority is empowered to fix and collect, on any equitable basis, rates, rentals, fees and other charges for the use of facilities of or services or commodities provided by the Authority, including the availability of any of the foregoing from the Authority. Such rates, rentals, fees and other charges may be fixed and collected from any person to whom such facilities, services or commodities are provided by or made available from the Authority, including generators of solid waste and owners of real property upon which solid waste is generated. The Act also empowers the Authority to acquire real property necessary for its purposes by condemnation pursuant to the State eminent domain procedure law. The Act further authorizes the Authority to issue bonds or notes to finance any solid waste management project for any corporate purpose of the Authority, provided that the terms of any private bond sale must be approved in writing by the Comptroller of the State of New York.

The Authority was created by the Act on July 26, 1993 and became active operationally in September 1994 with the appointment of a Board of Directors.

### Authority Members

The Authority is governed by a board consisting of 17 members, which appoints the officers of the Authority generally from its membership. Eight members shall be members of the County Legislature with five of the eight being appointed by the chairman of the County Legislature and three being appointed by the minority leader of the County Legislature. Five members are the elected supervisors of the five towns located within the County. Two members are appointed by the County Executive. Two members are mayors of villages within the County and shall be appointed by the County Legislature upon the recommendation of the Rockland County Conference of Mayors. The Chairman of the Authority is Howard T. Phillips, Jr., who is also currently the elected Supervisor of the Town of Haverstraw.

*Management and Employees.* The Authority presently has an Executive Director, General Counsel, Director of Finance, Assistant Solid Waste Operations Manager, Engineer II and support staff. Set forth below is a description of the senior staff of the Authority.

**Gerard M. Damiani Jr.** – Mr. Damiani was named Executive Director on June 25, 2020. Prior to that, Mr. Damiani served as the Authority's permanent Operations Manager since January, 2015. As Executive Director, Mr. Damiani is responsible for implementing the strategic goals and objectives of the organization and giving direction and leadership toward the achievement of the organization's philosophy, mission, strategy, and its annual goals.

**Kenneth J. Murphy, Esq.** – Mr. Murphy was named General Counsel to the Authority in April, 2021. Mr. Murphy began his legal career at the Legal Aid Society, Criminal Defense Division, Bronx County, in 1983 and established a private practice in Rockland County in 1995. He is currently a partner with the firm of Murphy and Weaver, Attorneys at Law, located in New City, New York, whose practice areas include commercial and residential real estate, criminal defense, bankruptcy and estates. Mr. Murphy has extensive trial experience in the Courts of Bronx County and Rockland County and is a committee (criminal law) chair and longstanding member of the Rockland County Bar Association.

**Jeremy Goldstein** – Mr. Goldstein has served as the Authority’s Director of Finance since September, 2017. Mr. Goldstein oversees all of the fiscal duties related to the Authority, including but not limited to budgeting, bookkeeping and accounting, payroll, and financial reporting. Prior to joining the Authority, Mr. Goldstein worked for the Port Authority of NY & NJ for nearly ten years in various capacities, including management and budget, financial management, and real estate finance.

**Ronnie Ludwig** – Mr. Ludwig has served as the Authority’s Assistant Solid Waste Operations Manager since March 2, 2020. In this capacity, Mr. Ludwig is responsible for overseeing the day-to-day operations of the Solid Waste Management System. Mr. Ludwig works directly with and supervises Rockland Green’s transfer station staff and is the primary liaison between the Rockland Green and the private contractors who operate various facilities.

**Deandre Louis** – Ms. Louis was named Engineer II on November 20, 2020. Ms. Louis served as an intern/student worker at the Authority from July 2008 until October 2015. Ms. Louis began her career at the Authority as an intern for the finance department. Ms. Louis then expanded her experience by becoming a part-time student worker and serving both finance and operations department. As Engineer II, Ms. Louis is responsible for the inspection of construction and operation contracts and projects, as well as in-house contracts. This involves reviewing and/or preparing procurements, plans, specifications, and contracts, ensuring regulatory and contractual compliance through inspections, and maintaining data for and writing reports.

The Authority, as of the date of this Official Statement, employs 32 full-time and 6 part-time employees to oversee Solid Waste Management System operations. The Authority performs all of its Solid Waste Management System operation services through the use of its own employees or through contracting with private vendors. The Authority has recognized Local 456, International Brotherhood of Teamsters (the “Union”) as the representative of certain employees of the Authority. The positions include: Receptionist, Recycling Coordinator, Public Information Specialist, Junior Administrative Assistant, Assistant Solid Waste Educator, Senior Program Assistant, and Senior Account Clerk-Typist.

A more comprehensive list of the Authority’s members and staff can be found in reports filed with the New York State Authorities Budget Office and the Office of the State Comptroller via the State’s online Public Authorities Reporting Information System (PARIS). The Authority’s PARIS reports can also be found on the Authority’s website at <https://www.rocklandgreen.com/page/paris-reports-61.html>.

### **Pension and Other Post-Employment Benefits**

*Pension.* The Authority participates in the New York State and Local Employees’ Retirement System (the “Retirement System”), a cost-sharing defined benefit multiple-employer retirement system. The Retirement System provides retirement benefits as well as death and disability benefits. The net position of the Retirement System is held in the New York State Common Retirement Fund (the “Fund”), which was established to hold all net assets and record changes in plan net position allocated to the Retirement System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the Retirement System. Retirement System benefits are established under the provisions of the New York State Retirement and Social Security Law (the “RSSL”). Once a public employer elects to participate in the Retirement 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 Retirement 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 <https://www.osc.state.ny.us/retirement/publications> or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

The Retirement System is contributory for employees who joined the Retirement System after July 2, 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, who generally contribute 3-6 percent of their salary for their entire length of service. Under the authority of the Retirement System, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the Retirement System’s fiscal year

ending March 31. The Authority's contributions to the Retirement System for Fiscal Years 2020, 2019 and 2018 were \$391,777, \$375,252 and \$356,472, respectively, which were equal to the required contributions for each respective Fiscal Year.

*Other Post-Employment Benefits.* In addition to the Pension Plan described above, the Authority operates a single employer defined benefit plan (the "OPEB Plan") that pays the entire cost of the retiree's health insurance premiums and Medicare Part B Premiums. Under the OPEB Plan, the Authority pays the entire cost of a spouse of a retiree's health insurance premiums, for the life of the retiree. Under the OPEB Plan the Authority pays the cost of a spouse's Medicare Part B Premiums for the life of the spouse. As of December 31, 2020 there were three retired employee receiving benefits under the OPEB Plan. On January 1, 2017, the Authority implemented GASB Statement No. 75, which replaces GASB Statement No. 45. Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.

As with most governmental entities within the State, the Authority funds the OPEB Plan on a pay-as-you-go basis as a current operating expense, and reflects the expense on its financial statements in the Fiscal Year in which payments are made.

At December 31, 2020 and 2019, the Authority reported liabilities of \$10,339,134 and \$9,930,076 for its OPEB liability, respectively. The OPEB liability was measured as of December 31, 2020 by an actuarial valuation as of that date. For the years ended December 31, 2020 and 2019, the Authority recognized OPEB expense of \$414,998 and \$270,761, respectively. For additional information on the OPEB Plan and the assumptions used in the actuarial valuation see Note 7 to the financial statements attached as APPENDIX D hereto.

### **Annual Budget Process**

The General Resolution requires that the Authority, before the beginning of each Fiscal Year, prepare its Annual Budget showing for the ensuing Fiscal Year its estimated Operating Expenses, Debt Service, Revenues, the Operating Reserve Requirement, the Renewal and Replacement Requirement, the System Improvement Requirement, amounts necessary for the payment of Subordinated Indebtedness incurred by the Authority pursuant to the General Resolution, if any, and amounts expected or required to be transferred from the General Fund or the Operating Reserve Fund to any other Fund. Such Annual Budget must show estimated monthly receipts and disbursements by Fund, and may set forth additional matters in the Authority's discretion. In setting forth its estimated Revenues, the Authority will establish the schedule of Solid Waste Disposal Charges for the upcoming Fiscal Year.

### **Solid Waste Program**

In 1992, the New York State Department of Environmental Conservation ("NYSDEC") approved the County's Final Integrated Solid Waste Management Plan and Generic Environmental Impact Statement (the "Plan"). Under the Plan, the County is responsible for developing several recycling facilities and a long-term plan for non-recyclable municipal solid waste. The Authority was created by the State Legislature in 1994 at the request of the County to implement certain provisions of the Plan and to develop the necessary solid waste management facilities. The Plan was updated and this updated version was adopted by the Authority Board on January 22, 2015. Final completion and NYSDEC approval was obtained by the Authority on December 7, 2015. The Plan continues to be implemented within the framework of the hierarchy required by State law. The goals of the Plan are to maximize waste reduction, recycling, and reuse. The Plan focuses on recovering recyclable paper, glass, metal and plastic containers; compostable materials; sewage sludge; construction and demolition debris and bulky wastes. The Plan does not provide for any changes in the existing patterns of municipal responsibility for basic collection and disposal of municipal solid waste other than recyclables.

### **Service Area**

The County is located in the lower Hudson River Valley region of the State bordered by the Hudson River on the east, Orange County, New York on the northwest and by Bergen and Passaic Counties, New Jersey to the south. The County encompasses an area of approximately 174 square miles. The County consists of five towns and nineteen villages. The County's current population is approximately 325,789 persons (2015-2019 American

Community Survey 1 Year Estimates, U.S. Census Bureau). See APPENDIX E “ECONOMIC AND DEMOGRAPHIC INFORMATION CONCERNING THE COUNTY OF ROCKLAND” attached hereto for additional information pertaining to the County.

### **Solid Waste Management Practices and Flow Control**

Currently, each of the five towns and nineteen villages within the County has responsibility for municipal solid waste, as well as for recyclables, collection and disposal. Except for the few villages which maintain their own municipal collection, such activities are generally undertaken by private haulers pursuant to contracts with the Authority, towns and villages. In 2020, the Authority was responsible for the collection of municipal solid waste for the Villages of Haverstraw, New Hempstead, Wesley Hills, Sloatsburg and Spring Valley. The Authority was also responsible for the collection of recyclable materials for the Town of Stony Point and the Villages of Nyack, Piermont, and South Nyack in the Town of Orangetown. Additionally, the Authority was responsible for solid waste collection from certain County government facility locations. Through the late 1980’s, most if not all municipal and commercial solid waste within the County was landfilled at in-County or nearby landfills. However, with the advent of the State’s landfill closure law and regulations designed to protect drinking water sources, municipalities and commercial haulers began to put in place facilities and contracts to transfer and haul municipal solid waste to out-of-County disposal facilities. All of the municipal landfills within the County have since been closed.

The municipal solid waste generated in each of the towns and villages within the County is disposed of by transfer out-of-County through the Hillburn Transfer Station, the Bowline Transfer Station, and the Clarkstown Transfer Station. The quantities of solid waste from the Village of Haverstraw, the Village of New Hempstead, the Village of Sloatsburg, the Village of Spring Valley, the Village of Wesley Hills and the County Government agencies, which are contractually required to be delivered to the Hillburn, Bowline or Clarkstown Transfer Stations, totaled approximately 20,000 tons in 2020. The remaining solid waste generated within the County is not under contract and has been delivered to the Hillburn, Bowline or Clarkstown Transfer Stations in response to flow control and the competitive tipping fees established by the Authority.

Currently, all municipalities in the County are mandated by law to have provisions for the collection and hauling or drop-off of various recyclable materials. Recyclables are currently hauled by contracted private haulers under contracts with the Authority, towns or villages, or by municipal employees.

*The Sludge Generator and Management Agreements.* The Authority has agreements for sludge processing for all six Rockland County wastewater treatment plants. The sludge hauling and processing agreements are with the Joint Regional Sewerage District, the Town of Orangetown, the Village of Suffern, the Rockland County Sewer District No. 1 (two plants) and the Town of Stony Point. The Authority accepts sludge from the Town of Highlands. The Authority also accepts sludge on the spot market from the United States Military Academy at West Point, New York City 26<sup>th</sup> Ward, and Joint Meeting of Essex and Union Counties, New Jersey.

*Flow Control.* Flow control refers to the ability of local governments to mandate, through laws or other regulations that all locally-generated solid waste be delivered to designated facilities. On May 20, 2008, the County Legislature, pursuant to language proposed by the Authority, enacted County-wide flow control (the “Flow Control Act”). On June 19, 2008, the County Executive signed the Flow Control Act and caused it to be filed pursuant to State law whereupon it was designated as Chapter 350 of the Laws of Rockland County. On September 24, 2009, regulations pursuant to the Flow Control Act were issued by the Authority and amended on March 16, 2010, October 28, 2010, July 28, 2011, September 27, 2012 and January 22, 2015. County-wide flow control increases the volume of solid waste managed by the Authority so that alternative waste processing technologies can be implemented in the County with the goal of reducing waste disposed in landfills. Under the Flow Control Act, it is a violation for any hauler to take yard waste, solid waste, certain construction and demolition debris, and/or designated recyclables generated within the County to any facility other than any solid waste facility owned or operated by the Authority, and designated by the Authority for acceptance or disposal of such waste, including but not limited to transfer stations, materials recovery facilities, drop-off centers, and resource recovery facilities. The recycling provisions of the Flow Control Act will not apply to a commercial entity that has applied for and been granted by the Authority an exemption from the Flow Control Act, pursuant to Rules and Regulations thereof, to administer a recycling program. Further, the landscaper provisions of the Flow Control Act will not apply to any

landscaper, tree service company or green waste recycler that has applied for and been granted by the Authority an exemption from the Flow Control Act, pursuant to the Rules and Regulations thereof, to administer a green waste recycling program. Additionally, the Flow Control Act will not prohibit private non-commercial composting of yard waste or mulching of leaves, grass-clippings and cuttings. Under the Flow Control Act, the County Department of Health has been designated as the agency charged with enforcement of the Flow Control Act. The Department of Health is working with the Rockland County Sheriff's Office to increase enforcement of the Flow Control Act. Pursuant to the Flow Control Act, the Authority has prepared a flow control implementation schedule for waste and materials that are to be received at the Authority's facilities. Such implementation schedule is subject to change by the Authority Board.

Although the Authority believes that the Flow Control Act improves its ability to manage the County solid waste, the Authority's operations and financial model is not dependent on the Flow Control Act. The Authority has operated historically without the benefit of any flow control laws.

### **Host Community Fees**

The Authority has entered into agreements with certain towns to pay a host community fee based on the tonnage of solid waste delivered to the Authority's transfer stations and other facilities. The host community fees are paid to the host communities based on actual tons of solid waste delivered to such transfer stations and other facilities. The amount of such host community fees are included in the Solid Waste Disposal Charge. In the event that actual deliveries of solid waste delivered to the transfer stations and other facilities are higher than the amount projected, the Authority would pay such deficit from available cash reserves and could increase the following year's Solid Waste Disposal Charges to replenish its reserve.

See "SUMMARY OF HISTORICAL AND PROJECTED REVENUES, EXPENSES, DEBT SERVICE COVERAGE AND FUND BALANCES" herein for historical and projected host community fees paid by the Authority.

### **Privately Owned Facilities**

There are three private transfer stations in the County that accept solid waste. Pursuant to the Flow Control Act (discussed above), these private facilities cannot accept solid waste generated within the County. They may, however, receive residential and commercial solid waste generated outside the County.

## **THE SOLID WASTE MANAGEMENT SYSTEM - FACILITIES**

### **Hillburn Transfer Station**

Solid waste collected from residences, businesses, and government buildings are delivered to the transfer stations of the Authority by municipal and commercial haulers and private citizens. The waste is tipped onto the floors of the transfer stations, from which they are loaded into 100 – 154 cubic yard capacity transfer trailers. The trailers haul the waste to permitted disposal facilities located outside the County.

The Hillburn Transfer Station and its scale and scalehouse were purchased by the Authority from the Town of Ramapo on August 12, 1998 and have been operated by the Authority since that date. During 2000 – 2001, the Authority made improvements to the Hillburn Transfer Station, which increased its capacity and subdivided its physical layout in order to install the Recyclables Pre-Processing Facility. The Hillburn Transfer Station Part 360 Permit issued by the NYSDEC was renewed in March 2013 and expired on March 25, 2020. The Authority submitted the required department permit renewal application on September 15, 2019 and is awaiting the approval of the NYSDEC. While the application is pending, the Hillburn Transfer Station will continue to operate under an extended permit. Under the Hillburn Transfer Station Permit, the Hillburn Transfer Station may receive 200,200 tons per year of municipal, commercial, and institutional solid waste ("municipal solid waste"), construction and demolition debris, and pre-processing recyclable materials.

Tonnages delivered vary from year to year due to a variety of factors, including competition and economic conditions. The quantities of solid waste from the Village of Haverstraw, the Village of New Hempstead, the Village of Sloatsburg, the Village of Spring Valley, and the County Government agencies, which are contractually required to be delivered to the Hillburn, Bowline or Clarkstown Transfer Stations, total approximately 20,500 tons per year. The remaining solid waste is not under contract and has been delivered to the Hillburn, Bowline or Clarkstown Transfer Stations in response to flow control and the competitive tipping fees established by the Authority. The inbound tonnage received at the Hillburn Transfer Station in 2020 was 115,710.

The Hillburn Transfer Station is operated by I.W.S. Transfer Systems of NY, Inc. (“IWS”) pursuant to the terms of an agreement which has an initial term of five (5) years ending on January 1, 2023. IWS operates and maintains the transfer station as well as hauls solid waste from the transfer station to the Authority’s designated disposal facility. Weigh scale operations for all Authority facilities are conducted by Authority staff.

In the opinion of the EDR Consulting Engineer, the Hillburn Transfer Station is adequately operated and maintained in accordance with usual practices, and can reasonably be expected to provide sufficient and reliable service to meet the existing and projected requirements.

### **Hillburn Yard Waste Composting Facility**

The Hillburn Yard Waste Composting Facility is an approximately one-acre composting site located on the closed Town of Ramapo Landfill. The Hillburn Yard Waste Composting Facility is owned by the Town of Ramapo and is operated by the Authority. It was designed by the Authority and constructed in 2007. All operations occur outdoors. Deliveries are seasonal, occurring primarily in the fall and secondarily in the spring. The Hillburn Yard Waste Composting Facility receives only leaves, which it began receiving in the fall of 2007. Deliveries of grass and brush are not permitted. When in operation, the leaves are received from municipal crews, private haulers and private landscapers. The leaves are formed into windrows. The windrows are agitated periodically using a front-end loader. The composting process results in substantial volume reduction. Finished compost is provided at no charge to the municipalities that deliver leaves to the facility, or it is sold to landscapers. In 2020, the Hillburn Yard Waste Composting Facility was inactive due to safety concerns associated with its proximity to the Ramapo Police Department firing range.

The Hillburn Yard Waste Composting Facility operates under a NYSDEC Registration, under which it is permitted to receive 6,000 cubic yards annually. The NYSDEC Registration expires June 14, 2023.

In the opinion of the EDR Consulting Engineer, the Hillburn Yard Waste Composting Facility is adequately operated and maintained in accordance with usual practices, and can reasonably be expected to provide sufficient and reliable service to meet the existing and projected requirements.

### **Materials Recovery Facility**

When operational, the Materials Recovery Facility receives commingled containers and commingled paper, via dual stream, to produce marketable recovered materials. Commingled containers include green, amber and clear color glass containers/bottles, aluminum cans, tin and bi-metallic containers, plastic containers, aluminum foil/pie plates, milk cartons, and drink boxes. Commingled paper includes newspaper, corrugated containers, magazines, white and color ledger paper, computer printout paper, chipboard/boxboard, telephone and paperback books, junk mail, and kraft paper. The Materials Recovery Facility processes all of the residential commingled recyclables generated within the County, as well as certain recyclable materials originating outside the County, and delivered in accordance with a contract with the Authority. The Materials Recovery Facility is registered in accordance with NYSDEC regulations, and is registered to accept up to 250 tons of recyclables per day. The current NYSDEC Registration expires April 29, 2024. During 2018, 2019, and 2020, the Materials Recovery Facility received 33,318, 36,365, and 38,356 tons per year, respectively.

Based on analysis from the Authority’s engineers, the Authority determined that the Materials Recovery Facility equipment was beyond its useful life and that the facility needed substantial upgrades. In September of 2019, the Authority entered into a temporary, two year operating agreement with I.W.S. Transfer Systems of NY, Inc.

("TWS") for the interim trans-load of materials at the Materials Recovery Facility while the Authority makes its facility improvements, including the demolition of the existing facility equipment, the design and construction of new state of the art dual stream recyclables processing system equipment, and the construction of additional improvements required at the facility and site.

In 2020, the Authority procured and undertook the demolition of the then existing Materials Recovery Facility equipment and commenced the procurement for the design and construction of the new dual stream recyclables processing system (the "DSR Processing System") for the Materials Recovery Facility.

The Authority has engaged RRT Consulting Engineer in connection with the DSR Processing System for the Materials Recovery Facility. This project consists of a fully integrated equipment system, the installation, commissioning, and acceptance of various facility improvements to the existing site and building to accommodate the new equipment. Advanced equipment will sort material through a variety of technical and manual methods that use characteristics such as shape, density, color, and composition to quickly and accurately separate various materials from one another. The new equipment at the Materials Recovery Facility will be provided by Van Dyk Baler Corp. In addition to the equipment, the Materials Recovery Facility will be modified by a building addition (approximately 15,000 square feet), the construction of new building features such as concrete pushwalls and pits, an electrical service upgrade, and a complete renovation of the existing administration area. New trailer loading docks and additional storage space will be added to facility. Further, site improvements to topography and stormwater collection will be completed. Upon completion, the Materials Recovery Facility will be operated by a third party operator, as has been done previously. See APPENDIX A-2 "RRT CONSULTING ENGINEER'S REPORT" for additional information regarding the Materials Recovery Facility and related DSR Processing System project in connection therewith.

The Authority entered into Intermunicipal Recyclables Management Agreements with the towns and villages in the County in 1996. Such agreements expired in 2018. Due to the County's adoption of the Flow Control Law, all recyclable materials must be delivered to the Materials Recovery Facility pursuant to such local law. Thus, renewal of the Intermunicipal Recyclables Management Agreements was not necessary. The rebates received by each of the municipalities are effectuated annually through Authority Board resolution.

#### *Certain Economic Factors Affecting the Materials Recovery Facility*

Changes at the Chinese Ministry for Environmental Protection have impacted the recyclable commodity markets worldwide, including the Authority's recyclable commodity markets at the Materials Recovery Facility. In 2017, the government agency overseeing scrap trade implemented an initiative known as the National Sword. This initiative followed the 2013 initiative known as the Green Fence, which was a crackdown on the quality of scrap material being shipped to China. The National Sword initiative bans the import of certain scrap material—mainly mixed paper and plastics. Partly as a result of these changes, which have been well publicized, the Authority is upgrading its Materials Recovery Facility to stay current with these trends in the recycling industry.

For additional information, see "Economic Factors That Will Affect the Future – *Materials Recovery Facility*" in the Authority's financial statements attached as APPENDIX D hereto.

#### **Recyclables Pre-Processing Facility**

The Authority's improvements to the Hillburn Transfer Station, increased the efficiency of its waste transfer operations. The Recyclables Pre-Processing Facility has the capacity to pre-process certain residential recyclables, dry commercial wastes, mixed bulky wastes, and construction and demolition wastes for recycling.

At present, the Recyclables Pre-Processing Facility is not operating and, therefore, during the period from 2005 to present, revenues and expenses for the Recyclables Pre-Processing Facility have declined to zero.

The Authority undertook a competitive procurement and recently completed certain modifications to the Recyclables Preprocessing Facility so that it is capable of receiving certain recyclables during the implementation of the improvements to the Materials Recovery Facility.

In the opinion of the EDR Consulting Engineer, the Recyclables Pre-Processing Facility is adequately operated and maintained in accordance with usual practices, and can reasonably be expected to provide sufficient and reliable service to meet the existing and projected requirements.

#### **Household Hazardous Waste Facility**

The Household Hazardous Waste Facility is located at the site of the County Firemen's Training Center in the Village of Pomona, New York. The Household Hazardous Waste Facility began operations in 1994. The Authority's NYSDEC Part 360 Permit was issued on November 10, 2015 and expires November 9, 2025. Due to the large quantities of household hazardous waste and electronics delivered by County residents and Conditionally Exempt Small Quantity (commercial) Generators (as defined in the Federal Resource Conservation and Recovery Act ("RCRA"), 40 CFR, Part 261), the Household Hazardous Waste Facility's days and hours of operation have steadily expanded since its inception. The Household Hazardous Waste Facility is operated by Clean Harbors Environmental Services, Inc. under a contract with the Authority with an initial term that expired on April 30, 2021, and which has been renewed through until April 30, 2026. The net expenses of operating the Household Hazardous Waste Facility are collected from the Assessed Solid Waste Disposal Charges. No revenues are received from its operations.

In the opinion of the EDR Consulting Engineer, the Household Hazardous Waste Facility is adequately operated and maintained in accordance with usual practices, and can reasonably be expected to provide sufficient and reliable service to meet the existing and projected requirements.

#### **Biosolids Cocomposting Facility**

The Biosolids Cocomposting Facility began operations in June 1999 and has the capability to compost the dewatered biosolids (sludge) generated by all of the municipal wastewater treatment plants within the County, as well as certain municipal wastewater treatment plants located outside the County. The quantities of biosolids processed have ranged from 15,440 to 27,154 tons per year, and in 2020, the Biosolids Cocomposting Facility received 27,154 tons of biosolids.

The Biosolids Cocomposting Facility's operations have been successful in processing the biosolids, and converting them to compost since the initiation of operations. All compost produced has been sold. The Biosolids Cocomposting Facility utilizes an aerated, agitated bin technology to compost the biosolids. Prior to composting, biosolids delivered from wastewater treatment plants are mixed with clean wood in order to attain the prescribed moisture content, density, and carbon to nitrogen ratio necessary for the production of compost by the system. All receiving, mixing, agitation, and curing operations are enclosed. Odors generated within the composting building are ducted to an odor control system that employs scrubbers and a biofilter to prevent objectionable odors from leaving the site.

The Biosolids Cocomposting Facility is operating under a NYSDEC Permit that sets a maximum annual processing rate at 33,000 wet tons per year of biosolids, yard waste and clean food waste. The current Permit was issued January 20, 2017 and expires on January 19, 2027. The Biosolids Cocomposting Facility is operated by WeCare Denali, LLC. The Authority entered into a new agreement with WeCare Denali, LLC as of January 1, 2018 pursuant to a competitive procurement conducted by the Authority. The initial term of the agreement will expire on December 31, 2022. The agreement establishes the base annual operations fee and a tonnage-based incremental fee paid by the Authority to the operator and provides for annual increases. The Authority also pays for utilities and certain other expenses under the agreement. The Authority receives a 50% share of compost sales revenues and no tipping fees are charged for biosolids delivered to the Biosolids Cocomposting Facility from the County Wastewater Treatment Plants. Tipping fees are charged for biosolids delivered from outside Rockland County. Expenses of the Biosolids Cocomposting Facility in excess of revenues are paid through the Solid Waste Disposal Charges.

In the opinion of the EDR Consulting Engineer, the Biosolids Cocomposting Facility is adequately operated and maintained in accordance with usual practices, and can reasonably be expected to provide sufficient and reliable service to meet the existing and projected requirements.

### **Bowline Transfer Station**

The Bowline Transfer Station began operations in 1993. The Bowline Transfer Station was acquired by the Authority from Bowline Realty Corp. on June 13, 2008, and serves the northern portion of the County. The tonnages (inbound) received in 2018, 2019, and 2020 were, respectively, 43,480, 46,249 and 42,281. The primary sources of waste received at the Bowline Transfer Station are municipal solid waste collected under municipal contracts and commercial wastes.

The Authority has contracted with Mr. Bult's, Inc. ("MBI") to operate and to provide hauling and disposal services for wastes delivered to the Bowline Transfer Station. The Operation and Maintenance Agreement and the Hauling Agreement were entered into with MBI on January 9, 2015, each for an initial three (3) year term that ended in January of 2018. The Authority renewed both agreements for each of the two one (1) year renewal terms. Both agreements were temporarily further extended pending the completion of a competitive procurement for a new Operation and Maintenance Agreement and a new Hauling Agreement. Each of the new agreements were awarded to MBI. Both the new Operation and Maintenance Agreement and the new Hauling Agreement were entered into as of February 1, 2020. The Bowline Transfer Station is operating under a NYSDEC Part 360 Permit that was renewed in March 2013 and modified on October 2, 2015. The permit is set to expire on March 25, 2020. The Authority has submitted the required department permit renewal application on September 5, 2019 and is awaiting NYSDEC's approval. While the application is pending approval, the Authority's Bowline Transfer Station will continue to operate under its existing permit. The Bowline Transfer Station is permitted to handle a maximum of 52,000 tons per year of municipal solid waste and construction and demolition debris.

In the opinion of the EDR Consulting Engineer, the Bowline Transfer Station is adequately operated and maintained in accordance with usual practices, and can reasonably be expected to provide sufficient and reliable service to meet the existing and projected requirements.

### **Clarkstown Transfer Station**

The Authority took over operations of the Clarkstown Transfer Station on October 15, 2016. The Clarkstown Transfer Station was constructed by a private firm on behalf of the Town of Clarkstown and commenced operations in 1990. Pursuant to a competitive procurement process, the Authority entered into a Transfer Station Service Agreement with Clarkstown Recycling Center, Inc. for an initial three (3) year term that was to expire on February 28, 2018. The Authority terminated the agreement prior to the 2018 expiration and now operates the Clarkstown Transfer Station with Authority employees.

The Authority issued a competitive procurement for hauling services for the Clarkstown Transfer Station and awarded the Hauling Services Agreement to MBI for an initial five (5) year term expiring on September 1, 2018, with five (5) optional one (1) year renewal terms exercisable in the Authority's sole discretion. The Authority exercised its right to renew the agreement, and such hauling services are now in place through August 31, 2023. The weigh scales are operated and maintained by Authority employees.

The Clarkstown Transfer Station accepts municipal solid waste and construction and demolition debris for processing. A NYSDEC Part 360 Permit was issued to allow the Clarkstown Transfer Station to process 1,000 tons per day of municipal solid waste and construction and demolition debris. The permit also provides for the receipt and storage of no more than 1,000 tires in closed containers at the site and the handling of recyclables (up to 240 tons per week) to include glass, plastic, metal, paper, and cardboard. The permit for the Clarkstown Transfer Station is included in the umbrella permit, which is discussed below. The Clarkstown Transfer Station received 174,323 tons of municipal solid waste in 2020.

The Authority assumed from the Town of Clarkstown an Order on Consent, Case No. R320080502-15, between NYSDEC and the Town of Clarkstown (the "Order on Consent") regarding violations of the New York solid waste management regulations at the Clarkstown Transfer Station, Clarkstown Yard Waste Composting Facility and Clarkstown Concrete and Asphalt Crushing Operation (collectively the "Clarkstown Solid Waste Facilities"), upon the Authority's acquisition of those facilities from the Town of Clarkstown. Pursuant to the terms of that Order on Consent, the Authority applied for an umbrella permit for the Clarkstown Solid Waste Facilities on June 3, 2009. The umbrella permit was first received by the Authority on March 25, 2015 and expired on March 24,

2020. The Authority submitted a renewal application for the umbrella permit and a new permit was issued October 1, 2020. The new permit expires on September 30, 2025. While the permit application to the NYSDEC was pending, the Authority's Clarkstown Transfer Station operated under the expired permit. All of the other requirements of the Order on Consent have been carried out by the Authority, as described below. On March 14, 2016, the Authority received a letter from NYSDEC acknowledging the Authority's certification of completion of the compliance schedule requirements contained in the Order on Consent and accepting the Authority's representation that the requirements of the Order on Consent have been met.

The Authority has ensured that all administrative controls have been documented and are being followed regarding operations of the Clarkstown Transfer Station. These controls include maintaining records, conducting and documenting inspections of operations at the Clarkstown Transfer Station and maintaining communication with the scale house. Adequate equipment and personnel are maintained at the Clarkstown Transfer Station and routine Transfer Station maintenance occurs in accordance with the Operations and Maintenance Plan created in response to the Order on Consent. An Odor Control Plan has been documented and an Odor Control Hotline and accompanying signage have been put in place. An on-site Environmental Monitor is present at the Clarkstown site.

In the opinion of the EDR Consulting Engineer, the Clarkstown Transfer Station is adequately operated and maintained in accordance with usual practices, and can reasonably be expected to provide sufficient and reliable service to meet the existing and projected requirements.

### **Clarkstown Yard Waste Composting Facility**

The Clarkstown Yard Waste Composting Facility, consisting of the Clarkstown leaf composting site and the Clarkstown mulch composting site, is located adjacent to the Clarkstown Transfer Station. It occupies approximately eight acres, including a 5.5 acre asphalt pad on which yard waste composting operations are conducted. The Clarkstown Yard Waste Composting Facility began operating in its present location in 1997. The facility received 36,775 tons of yard waste in 2020 consisting of leaves, grass, and brush.

The NYSDEC permit expired on March 9, 2014 and was reissued on March 25, 2015. This permit is incorporated into the umbrella permit for the Clarkstown Solid Waste Facilities discussed above and allows 110,000 cubic yards per year. The umbrella permit, as discussed above, also covers the Authority's wood mulching operation for processing of 20,000 tons per year and a recyclables transfer area for processing up to 12,500 tons per year.

The Authority purchased a separate yard waste composting facility, for leaves only, at another location known as the French Farms site ("French Farms Leaf Composting Site") from the Town of Clarkstown on December 27, 2019. The permit for the French Farms Leaf Composting Site was transferred to the Authority on October 27, 2020. The permit for the French Farms Leaf Composting Site allows 38,000 cubic yards of leaves per year. While the Authority was awaiting the transfer of the NYSDEC permit from the Town of Clarkstown to the Authority, the French Farms Leaf Composting Facility was operated under the Town of Clarkstown's permit.

All of the municipally-collected and much of the privately generated yard waste in the County is currently delivered to the Clarkstown Yard Waste Composting Facility and the French Farms Leaf Composting Site. Trees and tree parts may be retained by landscapers and tree service firms for processing at private sites and for sale in accordance with the Flow Control Act. Green waste recyclers that have a green waste recycling program in place and who apply and qualify for an exemption under the Flow Control Act may also retain certain types of yard waste for processing at their own yards. Tipping fees are received for commercial and out-of-County materials delivered to the Clarkstown Yard Waste Composting Facility. During the fall leaf season, however, commercial deliveries of leaves are not subject to a tipping fee.

With respect to operations at both the Clarkstown Yard Waste Composting Facility and the French Farms Leaf Composting Site, in 2019, the Authority entered into an agreement with WeCare Denali LLC ("WeCare"), pursuant to a competitive procurement process, to operate both facilities and a separate agreement with WeCare for the bulk purchase of compost and mulch product. A percentage of finished compost and mulch is made available for use by municipalities that deliver the yard waste to the Clarkstown Yard Waste Composting Facility.

In the opinion of the EDR Consulting Engineer, the Clarkstown Yard Waste Composting Facility and the French Farms Leaf Composting Site are adequately operated and maintained in accordance with usual practices, and can reasonably be expected to provide sufficient and reliable service to meet the existing and projected requirements.

### **Clarkstown Concrete and Asphalt Crushing Operation**

The Clarkstown Concrete and Asphalt Crushing Operation (the “Clarkstown Concrete and Asphalt Crushing Operation”) began operations in 1997. It accepts and stockpiles incoming loads of uncontaminated broken concrete and asphalt, produces finished, screened recycled concrete aggregate and recycled asphalt product from the materials delivered, stores product prior to shipment to markets, and loads vehicles for shipment of product to markets. The recycled concrete aggregate is generally used as a substitute for gravel in road sub-base, structural fill, and walkways. The recycled asphalt is generally used for patching roads. The Clarkstown Concrete and Asphalt Crushing Operation is located in the Town of Clarkstown, adjacent to the Clarkstown Yard Waste Composting Facility. The Clarkstown Concrete and Asphalt Crushing Operation site encompasses approximately 2.8 acres.

The Clarkstown Concrete and Asphalt Crushing Operation site includes two parcels. The main parcel is the location of the stockpiles of delivered acceptable materials and the crusher. The second parcel is the location of the screen and product stockpiles, which are loaded into trucks for shipment to markets. All vehicles delivering concrete and asphalt will be weighed at the scale upon arrival and after unloading in order to determine the net weight of materials delivered. The Authority receives tipping fees for materials delivered to the Clarkstown Concrete and Asphalt Crushing Operation.

The Authority’s current operator is O’Sullivan Equipment, Inc. (“O’Sullivan”). Pursuant to an agreement with O’Sullivan that expired on June 30, 2020, O’Sullivan provided all concrete and asphalt crushing operations, maintenance and recycled concrete aggregate and recycled asphalt marketing services with private employees. The Authority conducted a competitive procurement process for a new contractor and a new bulk purchaser of product generated at the Clarkstown Concrete and Asphalt Crushing Operation. Both agreements, which were awarded to O’Sullivan, were entered into as of July 1, 2020. Each agreement has an initial term of five (5) years with a potential renewal period of up to five (5) years.

The umbrella permit described earlier authorizes the Clarkstown Concrete and Asphalt Crushing Operation to accept a maximum of 350 tons per day of concrete and asphalt not to exceed 100,000 tons per year. In 2020, 48,804 tons of materials were processed.

In the opinion of the EDR Consulting Engineer, the Clarkstown Concrete and Asphalt Crushing Operation is adequately operated and maintained in accordance with usual practices, and can reasonably be expected to provide sufficient and reliable service to meet the existing and projected requirements.

### **Disposal**

There are currently no operating landfills located in the County. Therefore, the Authority has secured landfill services outside of the County. The Authority currently has a contract with Casella Waste Services of Ontario LLC (“Casella”) to dispose of its municipal solid waste at the Casella-owned Ontario landfill in Stanley, New York and the Hyland Landfill in Angelica, New York (owned by a Casella affiliate). If necessary, the Authority’s municipal solid waste also may be disposed of at the Chemung Landfill located in Elmira, New York, which is also operated by a Casella affiliate. The initial term of the Authority’s agreement with Casella expired on September 1, 2019 and was renewed through August 31, 2023. The Authority is exploring the development of an alternative waste disposal facility. The costs of the exploration are being financed with proceeds of the Series 2021C Bonds.

**ESTIMATED SOURCES AND USES OF FUNDS**

As of the date of initial issuance and delivery of the Series 2021 Bonds, the estimated sources and uses of funds are stated in the following table.

	<b>Series 2021A</b>	<b>Series 2021B</b>	<b>Series 2021C</b>
<b>Estimated Sources of Funds</b>			
Principal Amount of Series 2021 Bonds.....			
[Plus/Less] Original Issue [Premium/Discount].....			
Total Estimated Sources.....			
<b>Estimated Uses of Funds</b>			
Deposit to Escrow Fund.....			
Deposit to Project Fund.....			
Deposit to Debt Service Reserve Fund.....			
Costs of Issuance*.....			
Total Estimated Uses.....			

\* Includes all or a portion of the fees and expenses of Bond Counsel, the Financial Advisor and the Consulting Engineers, Underwriter’s Discount, fees for bond ratings, printing, Trustee services and miscellaneous other costs and expenses.

**DEBT SERVICE REQUIREMENTS**

The following schedule sets forth the annual debt service requirements for the Series 2021 Bonds and the Outstanding Bonds.

<b>Calendar Years</b>	<b>Series 2021 Bonds</b>			<b>Debt Service on Outstanding Bonds<sup>1</sup></b>	<b>Aggregate Debt Service Requirements</b>
	<b>Principal</b>	<b>Interest</b>	<b>Annual Debt Service</b>		
2021				\$ 4,960,143	
2022				5,692,838	
2023				5,663,068	
2024				1,806,757	
2025				3,244,528	
2026				784,100	
2027				781,034	
2028				1,177,019	
2029				239,391	
2030				--	
2031				--	
2032				--	
	_____	_____	_____	_____	_____
				\$24,348,878	

\* Totals may not add due to rounding.

<sup>1</sup> Excludes debt service on the Refunded Bonds, EFC subsidies or administrative fees. Includes June 15, 2021 interest payment.

**COVID-19**

The outbreak of the novel coronavirus (“COVID-19”) has affected travel, commerce and financial markets globally, and continues to affect national, state and local economies, including the Authority’s Service Area. The Governor of the State of New York, where the Authority is located, declared a state of emergency in the State on March 7, 2020 which remains in effect. On May 7, 2020, the Centers for Disease Control and Prevention (the

“CDC”) issued specific guidance to waste collectors and recyclers as essential services to help prevent and reduce transmission among their employees, including, but not limited to (i) actively encouraging sick employees to stay home, (ii) conducting of virtual and in-person health checks, (iii) social distancing, and (iv) use of personal protective equipment. The Authority maintains adherence to all CDC guidance and routinely confers with the Rockland County Department of Health (“RCDOH”). Additionally, the Solid Waste Association of North America (“SWANA”) has compiled a listing of industry-specific guidance on its website, including protocols issued on January 29, 2021 by the Occupational Safety & Health Administration (“OSHA”) intended to inform employers and workers in workplace settings outside of healthcare to help them identify risks of being exposed to and/or contracting COVID-19 at work and to help them determine appropriate control measures to implement. The Authority regularly reviews SWANA’s best practices to address the COVID-19 pandemic (in coordination with the recommendations of the CDC, the State of New York and the RCDOH). Finally, the New York State Department of Environmental Conservation issued a bulletin on April 9, 2020 which the Authority has posted to its website specifying best practices for the community to help protect garbage and recycling workers from COVID-19 exposure, including tips on disposal of gloves and masks and the wiping down of collection totes.

The degree of any impact to the Authority’s operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, (ii) severity and (iii) ultimate geographic spread, as well as with regard to what actions governmental authorities might take to contain or mitigate its impact. The Authority’s operations and financial condition have not been materially affected by the outbreak of the virus. Nonetheless, there can be no assurance that the spread of COVID-19 will not materially adversely impact the operations and financial condition of the Authority.

#### **LITIGATION**

There is not now pending, or, to the best of the Authority’s knowledge, threatened any litigation seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2021 Bonds or questioning or affecting the validity of such Series 2021 Bonds or the proceedings and authority under which they are to be issued, or the pledge or application of any moneys or the security provided for the payment of such Series 2021 Bonds, or the existence or powers of the Authority, or seeking to restrain or enjoin the execution, delivery, or performance of the General Resolution, the 2021 Supplemental Resolution, or questioning or affecting the validity of any of such agreements. The following describes pending litigation related to the Authority.

#### **LEGAL INVESTMENTS**

Under the provisions of the Act, the Series 2021 Bonds in the State of New York are securities in which all public officers and bodies of the State and all municipalities and political subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or who may hereafter be authorized to invest in bonds or other obligations of the State, may properly and legally invest funds including capital in their control or belonging to them. Certain of such investors may be subject to separate restrictions which limit or prevent their investment in the Series 2021 Bonds.

## TAX MATTERS

### **Federal Tax Exemption – Series 2021A Bonds**

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2021A Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code” ), except interest on any Series 2021A Bond for any period during which it is held by a “substantial user” of the facilities financed or a “related person,” as those terms are used in Section 147(a) of the Code, and is an item of tax preference for purposes of the federal alternative minimum tax.

### **Federal Tax Exemption – Series 2021B Bonds**

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2021B Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code and is not a specific preference item for purposes of the federal alternative minimum tax.

### **Federal Income Tax Treatment – Tax Exempt Bonds**

The opinion on tax matters for the Series 2021A Bonds and the Series 2021B Bonds (the “Tax-Exempt Bonds”) will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Authority and certain other entities contained in a Tax Certificate and Agreement (the “Tax Certificate”) and the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Tax-Exempt Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of such certifications and representations or the continuing compliance with such covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel’s legal judgment as to exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes but is not a guaranty of that result. The opinion is not binding on the IRS or any court. Bond Counsel expresses no opinion about the effect of future changes in the Code and the applicable regulations under the Code.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the Authority may cause loss of such status and result in the interest on the Tax-Exempt Bonds, respectively, being included in gross income for federal income tax purposes retroactively to the date of issuance of such Bonds. The Authority has covenanted to take the actions required of it for the interest on the Tax-Exempt Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Tax-Exempt Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel’s attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds or the market value of the Tax-Exempt Bonds.

Interest on the Tax-Exempt Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these

and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Tax-Exempt Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Tax-Exempt Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Tax-Exempt Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the Tax-Exempt Bonds ends with the issuance of the Tax-Exempt Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend Authority or the owners of Tax-Exempt Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Tax-Exempt Bonds, under current IRS procedures, the IRS will treat the Authority as the taxpayer and the beneficial owners of the Tax-Exempt Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Tax-Exempt Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Tax-Exempt Bonds.

*[Original Issue Discount.* The Tax-Exempt Bonds maturing on [insert month and day] in the years [insert years] (the "Discount Bonds"), have been sold with original issue discount which is excluded from gross income for Federal income tax purposes to the same extent as interest on the Discount Bonds. For each maturity of Discount Bonds, original issue discount is the excess of the stated redemption price at maturity over the initial offering price. Such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond, and the tax basis of each Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. **Purchasers of any Discount Bonds, whether at the time of the initial issuance or subsequent thereto, should consult their own tax advisors with respect to the determination and tax treatment of original issue discount.**

*Original Issue Premium.* The Tax-Exempt Bonds maturing on [insert month and day] in the years [insert years] (the "Premium Bonds"), have been sold with original issue premium. An amount equal to the excess of the initial public offering price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles. The amount of amortized bond premium (i) reduces the holder's basis in the Premium Bond for purposes of determining gain or loss for federal income tax purposes upon the sale or other disposition of such Premium Bond and (ii) is not allowed as a deduction for federal income tax purposes to the holder. **Purchasers of any Premium Bonds, whether at the time of the initial issuance or subsequent thereto, should consult their own tax advisors with respect to the determination and treatment of premium.]**

No assurances can be given that amendments to the Code or other federal legislation will not be introduced and/or enacted which would cause interest on the Tax-Exempt Bonds to be subject, directly or indirectly, to Federal income taxation or adversely affect the market price of the Tax-Exempt Bonds or otherwise prevent the holders of the Tax-Exempt Bonds from realizing the full current benefit of the federal tax status of the interest thereon. Bond Counsel expresses no opinion as to any other tax consequences regarding the Tax-Exempt Bonds.

### **Federal Income Tax Treatment – Series 2021C Bonds**

Interest on the Series 2021C Bonds is includable in gross income for federal income tax purposes pursuant to the Code.

### **State Tax Exemption of the Series 2021 Bonds**

In the opinion of Bond Counsel, interest on the Series 2021 Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2021 Bonds.

This summary is based on laws, regulations, rulings and decisions now in effect, all of which may change. Any change could apply retroactively and could affect the continued validity of this summary.

**IN ALL EVENTS, ALL INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE SERIES 2021 BONDS.**

#### **VERIFICATION OF MATHEMATICAL COMPUTATIONS**

The accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest earned on the government obligations to be held in escrow to pay the redemption price of, and interest on, the Refunded Bonds will be verified by Causey Demgen & Moore P.C. See “REFUNDING PLAN.”

#### **UNDERWRITING**

BofA Securities, Inc. (the “Underwriter”) has agreed, subject to certain conditions, to purchase the Series 2021 Bonds described on the inside cover page of this Official Statement from the Authority with an Underwriter's discount of \$\_\_\_\_\_, and to offer such Series 2021 Bonds at the public offering price(s) set forth on the inside of the cover page hereof. Such Series 2021 Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2021 Bonds into investment trusts) at prices lower than such public offering price(s) and prices may be changed, from time to time, by the Underwriter. The Underwriter’s obligations are subject to certain conditions precedent to purchase all such Series 2021 Bonds if any Series 2021 Bonds are purchased.

The Underwriter is a full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. In the various course of its various business activities, the underwriter and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Authority (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority. The underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The Underwriter has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”). As part of this arrangement, the Underwriter may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, the Underwriter may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2021 Bonds.

#### **RATINGS**

Moody’s Investors Service, Inc. (“Moody’s”) and S&P Global Ratings (“S&P”) are expected to assign the Series 2021 Bonds ratings of “Aa3” and “AA” (stable), respectively.

The rating agencies may have obtained and considered information and material that have not been included in this Official Statement. Generally, the rating agencies base their ratings on information and material so furnished and on investigations, studies and assumptions made by them. The ratings are not a recommendation to buy, sell or hold the Series 2021 Bonds. The ratings reflect only the views of the rating agencies and an explanation of the significance of such ratings may be obtained from them. No assurance can be given that the ratings will be maintained for any given period of time or that the ratings may not be revised downward or withdrawn entirely by the rating agencies if, in their judgment, circumstances warrant. Any downward change in or withdrawal of the ratings may have an adverse effect on the market price of the Series 2021 Bonds. The Underwriter and the

Authority have undertaken no responsibility after the offering of the Series 2021 Bonds to assure the maintenance of the ratings or to oppose any such revision or withdrawal.

### **CERTAIN LEGAL MATTERS**

Certain legal matters incident to the validity of the Series 2021 Bonds and tax consequences associating thereto are subject to the approval of Cozen O'Connor, Bond Counsel, whose approving opinion in the form attached hereto as APPENDIX F "PROPOSED FORM OF OPINION OF BOND COUNSEL". The actual legal opinions to be delivered with respect to the Series 2021 Bonds may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Official Statement or otherwise shall create no implication that subsequent to the date of the opinion Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion. Bond Counsel's opinions are based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances, including changes in law that may thereafter occur or become effective.

Certain matters will be passed upon for the Authority by its General Counsel, Kenneth J. Murphy, Esq. Barclay Damon LLP is serving as Counsel to the Underwriter.

The legal opinions to be delivered concurrently with the delivery of the Series 2021 Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

### **CONSULTING ENGINEERS' REPORTS**

The EDR Consulting Engineer and the RRT Consulting Engineer have each prepared their respective report included in the Consulting Engineers' Reports attached hereto as APPENDIX A-1 and A-2 respectively. The Consulting Engineers' Reports should be read in their entirety for complete information with respect to the subjects discussed therein. As stated in the Consulting Engineers' Reports, the EDR Consulting Engineer and the RRT Consulting Engineer have certain assumptions in reaching their conclusions, all of which are set forth therein, and have utilized the sources of information described therein. The term "Existing System" used herein shall mean the Authority's existing Solid Waste Management System, not including the Materials Recovery Facility. See APPENDIX A "CONSULTING ENGINEERS' REPORTS" herein.

#### *EDR Consulting Engineer's Report*

Based on the sources of information described in the EDR Consulting Engineer's Report, the EDR Consulting Engineer's expertise, involvement, and analysis prior to and during the preparation of the EDR Consulting Engineer's Report attached hereto as APPENDIX A-1, which should be read in its entirety in conjunction with the following, and subject to the assumptions expressed therein, the EDR Consulting Engineer is of the opinion that:

1. The Existing System enables the Authority to deliver comprehensive and uniform recycling, composting, household hazardous waste, and disposal services to residential, commercial, and institutional entities within the County, and ensure that local, State and Federal requirements for environmental and public health protection, recycling, waste transport, and disposal are met and supported by all solid waste management facilities operating in the County.

2. The facilities composing the Existing System, as demonstrated by their operations to-date, are in good condition, or are in the process of repair, are well conceived, and are capable of fulfilling their intended

function to provide long-term environmentally sound and economical methods of solid waste management, sludge management, and recyclable materials processing.

3. Each of the facilities that comprise the Existing System, consisting of the Biosolids Cocomposting Facility, the Hillburn Transfer Station, the Clarkstown Transfer Station, the Bowline Transfer Station, the Materials Recovery Facility, the Recyclables Pre-Processing Facility, the Hillburn Yard Waste Composting Facility, the Clarkstown Concrete and Asphalt Crushing Operation, the Clarkstown Yard Waste Composting Facility, the French Farms Leaf Composting Site and the Household Hazardous Waste Facility, is adequately operated and maintained in accordance with usual practices, and can reasonably be expected to provide sufficient and reliable service to meet the existing and projected requirements.

4. Reserves and planning for capital improvements will be adequate to enable the Authority to operate and maintain the facilities in accordance with accepted industry practices, and can reasonably be expected to enable the Authority to provide sufficient and reliable service to meet the existing and projected requirements of the Existing System.

5. Assuming the Authority continues to perform the necessary renewals and replacements to the Existing System, and continues to operate them under prudent, solid waste management industry practices, it is anticipated that the Existing System will have a useful service life in excess of the term of the Series 2021 Bonds.

6. Insofar as the existing waste delivery obligations are honored and the Flow Control Act and its implementing regulations are enforced, the viability and projected growth in the Existing System's customers and usage represent reasonable and attainable projections for revenue.

7. The Existing System, with the exception of the Household Hazardous Waste Facility, has not received any hazardous wastes-to-date. The Hillburn Transfer Station, Clarkstown Transfer Station, Bowline Transfer Station, Materials Recovery Facility, Biosolids Cocomposting Facility, Hillburn Yard Waste Composting Facility, Clarkstown Yard Waste Composting Facility, the French Farms Leaf Composting Site and Clarkstown Concrete and Asphalt Crushing Operation agreements contain provisions to prevent the delivery or acceptance of hazardous wastes and to isolate and remove any such wastes so received.

8. All registrations, permits, and approvals required for operation of the Biosolids Cocomposting Facility, Hillburn Transfer Station, Clarkstown Transfer Station, Bowline Transfer Station, Materials Recovery Facility, Recyclables Pre-Processing Facility, Hillburn Yard Waste Composting Facility, Clarkstown Concrete and Asphalt Crushing Operation, Clarkstown Yard Waste Composting Facility, the French Farms Leaf Composting Site and the Household Hazardous Waste Facility have been issued, renewed in accordance with applicable regulations, and remain in effect.

9. The revenue, expense, and operating reserve projections, with respect to the Existing System, are based upon the Authority's experience to date and upon reasonable assumptions that are consistent with similar facilities in the United States.

10. Nothing came to the EDR Consulting Engineer's attention that would adversely affect the continued operations and financial condition of the Existing System, including, but not limited to, compliance with regulatory agencies.

11. Revenues of the Existing System, based upon a review of operating results to-date, and as projected through 2026, and the system financing analysis, including the projected Solid Waste Disposal Charges, should be adequate to:

- a. Make payments to the Contractors for the operation and maintenance expenses, transportation charges, disposal fees, and other costs, as defined in the Solid Waste Management Contracts.
- b. Pay all other operating and maintenance expenses.

- c. Pay debt services on the Authority's Bonds, including the Series 2021 Bonds, and all other indebtedness of the Authority.
- d. Maintain necessary reserve funds at their required levels, and make all other payments anticipated to be required pursuant to the Existing System facilities operating agreements and the General Resolution.
- e. Otherwise, properly operate and maintain the Existing System.
- f. Result in year-end revenues which are adequate to meet the rate covenants within the General Resolution, including maintenance of necessary reserves and coverage of debt service and operating expenses.

*RRT Consulting Engineer's Report*

Based on the sources of information described in the RRT Consulting Engineer's Report, RRT Consulting Engineer's expertise, involvement, and analysis prior to and during the preparation of the RRT Consulting Engineer's Report attached hereto as APPENDIX A-2, which should be read in its entirety in conjunction with the following, and subject to the assumptions expressed therein, RRT Consulting Engineer is of the opinion that:

- a. the DSR Processing System and various facility improvements to the existing site and building to accommodate the DSR Processing System at the Materials Recovery Facility will achieve the Authority's goal of providing the residents and businesses of the County with cost-effective and reliable recycling services. The design of the DSR Processing System provides ample flexibility that will allow the operator to adjust to changes in both the inbound material stream and the commodities market. This flexibility will provide financial security to the Authority throughout the operational life of the DSR Processing System.
- b. the DSR Processing System at the Materials Recovery Facility will achieve an operational life of not less than twenty (20) years so long as proper operation and maintenance practices are adhered to throughout this period.

**INVESTMENT OF AUTHORITY FUNDS**

The Authority has adopted a written investment policy which includes a list of authorized investments as permitted under the Act, designates authorized banks and defines criteria for selection of financial institutions for investment purposes (the "Investment Policy"). The primary objectives of the Authority's investments activities, in priority order, are: to conform with all applicable Federal, State and other legal requirements; to adequately safeguard principal; to provide sufficient liquidity to meet all operating requirements; and to obtain a reasonable rate of return. All investment obligations must be payable or redeemable at the option of the Authority within such times as the proceeds will be needed to meet the expenditures for purposes for which the moneys were provided. The Investment Policy does not permit investment in any derivative. The Investment Policy permits the use of repurchase agreements of obligations of the United States and obligations guaranteed by the United States. The Authority is permitted to amend the Investment Policy, subject to the limitations described in the Act. A copy of the Investment Policy can be found on the Authority's website at <https://www.rocklandgreen.com/about-us/legal-and-notices/policies-procedures/>.

**FINANCIAL ADVISOR**

Capital Markets Advisors, LLC, Great Neck, New York, is serving as Financial Advisor to the Authority in connection with the issuance of the Series 2021 Bonds. The Financial Advisor will not engage in any underwriting activities with regard to the issuance and sale of the Series 2021 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and is not obligated to review or ensure compliance with the undertaking by the Authority to provide continuing secondary market disclosure.

## ENFORCEABILITY OF REMEDIES

The remedies available to the Holders of the Series 2021 Bonds upon an event of default under the General Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the federal bankruptcy code, the remedies specified by the General Resolution may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2021 Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. See APPENDIX C "SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION – Events of Default" attached hereto for a description of events of default and remedies.

## DESIGNATION OF SERIES 2021 BONDS AS GREEN BONDS

The Authority is self-designating the Series 2021 Bonds as "Green Bonds" as the proceeds will be used exclusively for projects and activities that further the Authority's mission to satisfy customer expectations for high quality, reliable and environmentally beneficial solid waste disposal service provided in a responsive and efficient manner at the lowest reasonable price. The International Capital Market Association (the "Association") publishes certain Green Bond Principles setting forth voluntary recommendations and guidelines with regard to Green Bonds. The Association last updated its Green Bond Principles in June 2021. The Authority intends to comply with the Green Bond Principles.

### *Series 2021A Bonds*

The proceeds of the Series 2021A Bonds will be applied to pay for, among other things, the costs of improvements at the Materials Recovery Facility, including the new state of the art DSR Processing System. The Authority will rely on the Materials Recovery Facility to effectively process and make ready for sale the recyclables generated by the residents of the County. Modern and proven advanced sorting equipment will also allow for direct-baling at a rate of 35 tons per hour and for the tipping floor to be empty at the end of each working day. The result of this project will be a major improvement in the Authority's ability to efficiently sort recyclables by material type, remove non-recyclables and bale (most) recovered materials. Further, the installation of a natural gas line will eliminate the use of fuel oil for heating and site improvements to the Materials Recovery Facility will improve existing topography and the stormwater collection system.

### *Series 2021B Bonds*

The proceeds of the Series 2021B Bonds will be applied to refund the Refunded Bonds. The Refunded Bonds were originally used for a variety of solid waste projects including upgrades and repairs to the facility and infrastructure of the Clarkstown Transfer Station including (a) improvements to the transfer trailer storage pad to catch and direct liquids from loaded trailers to a sanitary sewer, (b) a new recyclables transfer area, (c) repairs to the transfer station tipping floor and leachate collection system, (d) site regrading and a scale and scalehouse addition, (e) remediation of maintenance garage site, (f) grading and drainage improvements to the yard waste composting facility, and (g) a stream diversion project. Certain repairs were made by the Authority to ensure compliance with New York solid waste management regulations at the Clarkstown Transfer Station.

### *Series 2021C Bonds*

The proceeds of the Series 2021C Bonds will be applied to pay for preliminary costs in connection with the development by the Authority of an anaerobic digestion system for food wastes and exploring the development of an alternative waste disposal facility. Anaerobic digestion occurs naturally (in the absence of oxygen), as a result of bacteria breaking down organic materials. Such technology can mitigate climate change effects, divert materials from landfills and reduce operational costs.

### *Annual Reporting*

The Authority will provide disclosure to demonstrate the environmental benefits resulting from the planned expenditures of the Series 2021 Bonds. The Authority reports on its website recycling statistics of the tonnages of recyclable paper, cardboard and containers received and processed by the Authority, and such information will be posted annually on the Authority's website.

The reporting on the Green Bond initiative as described above is voluntary disclosure being undertaken by the Authority and such voluntary disclosure will not be incorporated into the Authority's continuing disclosure filing.

### **CONTINUING DISCLOSURE**

In accordance with Rule 15c2-12, as the same may be amended or officially interpreted from time to time, (the "Rule") as promulgated by the Securities and Exchange Commission ("SEC"), the Authority has agreed to provide during the period in which the Series 2021 Bonds are outstanding, to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system (i) certain financial information and operating data relating to the Authority and the Series 2021 Bonds and (ii) notices of the occurrence of certain enumerated events set forth in the Disclosure Agreement to be entered into by the Authority and the Trustee upon the issuance of the Series 2021 Bonds. The specific nature of the financial information, operating data, and of the type of events which trigger a disclosure obligation, and other details of the undertaking are described in APPENDIX G "FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto. These covenants have been made in order to assist the Underwriter in complying with the continuing disclosure requirements of the Rule. No party other than the Authority is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the Rule.

The Authority has not, in the previous five years, failed to comply in all material respects with any previous undertaking made pursuant to the Rule.

### **ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT**

The references, excerpts, and summaries of all documents, statutes, and information concerning the Authority and certain reports and statistical data referred to herein do not purport to be complete, comprehensive and definitive and each such summary and reference is qualified in its entirety by reference to each such document for full and complete statements of all matters of fact relating to the Series 2021 Bonds, the security for the payment of the Series 2021 Bonds and the rights and obligations of the Holders thereof and to each such statute, report or instrument.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the Holders of the Series 2021 Bonds.

The appendices attached hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

### **AUTHORIZATION OF OFFICIAL STATEMENT**

The execution and delivery of this Official Statement has been duly authorized and approved by the Authority. At the time of delivery of the Series 2021 Bonds, the Authority will furnish a certificate to the effect that nothing has come to his attention which would lead him to believe that the Official Statement (other than information herein related to DTC or its Book-Entry Only System of registration as to which no opinion shall be expressed), as of its date and as of the date of delivery of the Series 2021 Bonds, contains an untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the

Official Statement is intended to be used, or which is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

**ROCKLAND COUNTY SOLID WASTE  
MANAGEMENT AUTHORITY**

By: \_\_\_\_\_  
Chairman

**APPENDIX A-1**

**EDR CONSULTING ENGINEER'S REPORT**

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June 24, 2021

Board Members  
Rockland County Solid Waste Management Authority  
172 Main Street  
Nanuet, NY 10954

BofA Securities  
Bank of America, N.A.  
One Bryant Park, 12<sup>th</sup> Floor  
New York, NY 10036

**RE: Rockland County Solid Waste Management Authority General Obligation Bonds, consisting of the following:**  
**Private Activity Bond Series 2021A**  
**Refunding of G.O. Bonds Series 2010A with Series 2021B**  
**Alternative Waste and AD&G Series 2021C**  
**EDR Project No. 20098**

Dear Sir/Madam:

## 1. INTRODUCTION

In consideration of the expected issuance by the Rockland County Solid Waste Management Authority ("Authority") of the above-captioned bonds ("Series 2021A, 2021B, and 2021C Bonds"), EDR is pleased to submit this Statement of Opinion relative to the condition and ongoing reliability of the Authority's existing Solid Waste Management System.

This Statement of Opinion is offered based on a summary of our review of the technical, economic, regulatory compliance, and performance aspects of the Authority's current Solid Waste Management System, as well as my personal involvement with the Authority's operations since 2013. The facilities that comprise the existing Solid Waste Management System are listed as follows:

1. Biosolids Co-composting Facility ("BCF"), in Hillburn, NY.
2. Materials Recovery Facility ("MRF"), in Hillburn, NY.
3. Hillburn Transfer Station ("HTS") and Recyclables Pre-Processing Facility ("RPF"), a combined facility (single building) in Hillburn, NY (note that the RPF will temporarily provide recyclables pre-processing, separation, and transfer operations until improvements at the MRF are completed).
4. Hillburn Yard Waste Composting Facility ("HYWCF") in Hillburn, NY.
5. Bowline Transfer Station ("BTS") in West Haverstraw, NY.
6. Household Hazardous Waste Facility ("HHWF") located at the County Firemen's Training Center, Pomona, NY.
7. French Farms Yard Waste Composting Facility ("FFYWCF") in Clarkstown, NY.
8. Clarkstown Transfer Station ("CTS") in West Nyack, NY, including the following related operations:
  - a. Clarkstown Yard Waste Composting Facility ("CYWCF")
  - b. Clarkstown Concrete and Asphalt Crushing Facility ("CACF") for recycling concrete and asphalt

Figures 1, 2, 3, 4, and 5 show the locations of each of the facilities described above. Our review of the financial analyses and projections extend from 2021 to 2026.

EDR's solid waste team is knowledgeable about the past designs, construction, and current operations of the facilities and the Existing System as a whole. The team has designed, visited, and/or evaluated many similar facilities in the United States and abroad. We have provided consulting services and conducted numerous feasibility studies about the technical, environmental, and economic aspects associated with the planning and development of solid waste

management facilities. Moreover, EDR has acted as a Consulting Engineer to the Authority in the recent planning, facility improvements, and ongoing operations of the Existing System, including development of annual capital improvement plans. Team members have participated in the planning and facility improvements, as well as the negotiation, implementation, and amendment of agreements relating to the BCF, HTS/RPF, HYWCF, FFYWCF, CTS, CYWCF, and Inter-municipal Sludge Management Agreements with the publicly-owned wastewater treatment plants in Rockland County for processing sludge at the BCF. In addition, we have performed annual tip floor inspections for all three Authority-owned Municipal Solid Waste Transfer Stations for the past three years. The firm has conducted inspections and assessments of the Facilities scheduled for improvements, prepared estimates for the contemplated improvements, and provided construction oversight for recent repairs and improvement at the BCF, HTS, CTS, FFYWCF, CYWCF, and BTS.

## **2. REVIEW AND PROJECTION OF SYSTEM REVENUES AND EXPENSES**

During the preparation of this Statement of Opinion, EDR has reviewed such available information as we deemed necessary including, but not limited to, the following information relating to the Existing System, as provided to us by the Authority and already available in EDR's files.

1. Records of tonnages of municipal solid waste, recyclables, yard waste, C&D debris, and household hazardous wastes delivered to the Existing System.
2. Monthly invoices from the operations and maintenance contractors related to the BCF operations fee and associated monthly operations and maintenance reports.
3. Authority records related to the three Transfer Stations pertaining to operating costs, associated operations and maintenance reports, and tonnages delivered and processed.
4. Authority records related to the HYWCF, FFYWCF, CYWCF, and ancillary facilities and equipment, including condition of the facilities, operations, maintenance costs, and tonnages received and processed.
5. Past and projected tonnages of recyclables, yard waste, C&D debris, sludge, household hazardous wastes, and solid waste delivered to the Existing System.
6. Past and projected tipping fees at disposal facilities accessible by long-haul trucking.
7. Projections of identified grant revenues to be received from the State of New York.
8. Authority records related to contracted solid waste collection services and administrative, personnel, and general expense and revenue items.
9. The Authority's audited financial statements and annual budgets.
10. The solid waste management contracts to maintain and operate all the Authority's Facilities.
11. Applicable laws, rules, and regulations of the Federal Government, the State of New York, and Rockland County.
12. The County Flow Control Law--the County Health Department Code, which mandate source separation of recyclables by residents, businesses, and institutions.
13. Permits, permit applications, registrations, and approvals for the Facilities.
14. The Inter-Municipal Sludge Management Agreement
15. Host Community Agreements.

The estimates, opinions, and conclusions expressed herein are based upon certain assumptions, calculations, and qualifications set forth herein and in the Official Statement and, therefore, this Statement of Opinion and the Official Statement should be read in their entirety to evaluate such estimates, opinions, and conclusions. The following is a summary of our opinions based on the above sources of information, our expertise, our involvement, and analysis prior to and during the preparation of this Statement of Opinion and is subject to the assumptions expressed herein.

1. The Existing System enables the Authority to deliver comprehensive and uniform recycling, composting, household hazardous waste, and disposal services to residential, commercial, and institutional entities within the County, and to ensure that local, State and Federal requirements for environmental and public health protection, recycling, waste transport, and disposal are met and supported by all solid waste management facilities operating in the County.
2. The facilities composing the Existing System, as demonstrated by their operations to-date, are in good condition or are in the process of repair, are well conceived, and can fulfill their intended function to provide long-term environmentally sound and economical methods of solid waste management, sludge management, and recyclable materials processing.
3. Each of the facilities that comprise the Solid Waste Management System, consisting of the BCF, HTS, CTS, BTS, MRF, RPF, HYWCF, FFYWCF, CACF, CYWCF, and HHWF is adequately operated and maintained in accordance with usual practices, and can reasonably be expected to provide sufficient and reliable service to meet the existing and projected requirements.
4. Reserves and planning for capital improvements will be adequate to enable the Authority to operate and maintain the facilities in accordance with accepted industry practices and can reasonably be expected to enable the Authority to provide sufficient and reliable service to meet the existing and projected requirements of the Solid Waste Management System.
5. Assuming the Authority continues to perform the necessary renewals and replacements to the Existing System and continues to operate them under prudent, solid waste management industry practices, it is anticipated that the Existing System will have a useful service life more than the term of the Series 2021A, 2021B, and 2021C Bonds.
6. Insofar as the existing waste delivery obligations are honored and the County Flow Control Law and its implementing regulations are enforced, the viability and projected growth in the Existing System's customers and usage represent reasonable and attainable projections for revenue.
7. The Existing System, except for the HHWF, has not received any hazardous wastes to date. The HTS, CTS, BTS, MRF, BCF, HYWCF, FFYWCF, CYWCF, and CACF agreements contain provisions to prevent the delivery or acceptance of hazardous wastes and to isolate and remove any such wastes so received.
8. All registrations, permits, and approvals required for operation of the BCF, HTS, CTS, BTS, MRF, RPF, HYWCF, FFYWCF, CACF, CYWCF, and HHWF have been issued, renewed in accordance with applicable regulations, and remain in effect.
9. The revenue, expense, and operating reserve projections with respect to the Existing System are based upon the Authority's experience to date and upon reasonable assumptions which are consistent with similar facilities in the United States.
10. Nothing came to our attention that would adversely affect the continued operations and financial condition of the Existing System including, but not limited to, compliance with regulatory agencies.
11. Revenues of the Existing System, based upon a review of operating results to date and as projected through 2026 and the system financing analysis, including the projected Solid Waste Disposal Charges, should be adequate to:
  - a. Make payments to the Contractors for the operation and maintenance expenses, transportation charges, disposal fees, and other costs as defined in the Solid Waste Management Contracts.
  - b. Pay all other operating and maintenance expenses.
  - c. Pay debt service on the Authority's Bonds, including the Series 2021A, 2021B, and 2021C Bonds, and all other indebtedness of the Authority.
  - d. Maintain necessary reserve funds at their required levels and make all other payments anticipated to be required pursuant to the Existing System facilities operating agreements and the Resolution.
  - e. Otherwise, properly operate and maintain the System.
  - f. Result in year-end revenues which are adequate to meet the rate covenants within the Bond Resolution, including maintenance of necessary reserves and coverage of debt service and operating expenses.

We have reviewed the Official Statement to which this Statement of Opinion is appended as it relates to the conclusions presented in and descriptions attributed to the Statement of Opinion, and find it to be a true and accurate representation of the same.

Sincerely,

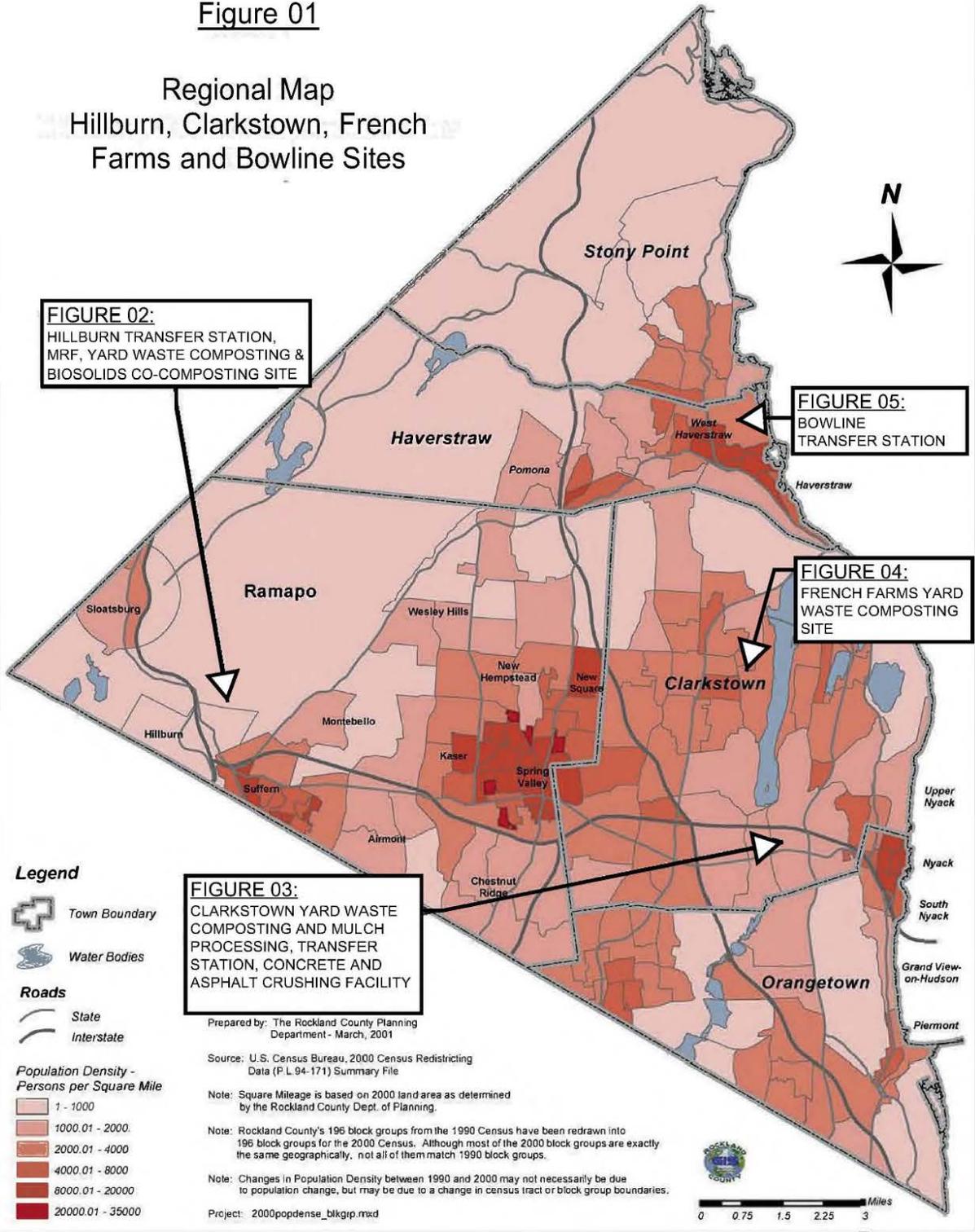
A handwritten signature in black ink, appearing to read "Jeffrey H. Heath". The signature is written in a cursive style with a large initial "J".

Jeffrey H. Heath, PE  
Executive Manager

Enclosure

**Figure 01**

**Regional Map  
Hillburn, Clarkstown, French  
Farms and Bowline Sites**



**FIGURE 02:**  
HILLBURN TRANSFER STATION,  
MRF, YARD WASTE COMPOSTING &  
BIOSOLIDS CO-COMPOSTING SITE

**FIGURE 05:**  
BOWLINE  
TRANSFER STATION

**FIGURE 04:**  
FRENCH FARMS YARD  
WASTE COMPOSTING  
SITE

**FIGURE 03:**  
CLARKSTOWN YARD WASTE  
COMPOSTING AND MULCH  
PROCESSING, TRANSFER  
STATION, CONCRETE AND  
ASPHALT CRUSHING FACILITY

**Legend**

- Town Boundary
- Water Bodies
- Roads**
  - State
  - Interstate
- Population Density -  
Persons per Square Mile**
  - 1 - 1000
  - 1000.01 - 2000
  - 2000.01 - 4000
  - 4000.01 - 8000
  - 8000.01 - 20000
  - 20000.01 - 35000

Prepared by: The Rockland County Planning  
Department - March, 2001

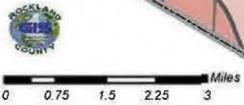
Source: U.S. Census Bureau, 2000 Census Redistricting  
Data (P.L. 94-171) Summary File

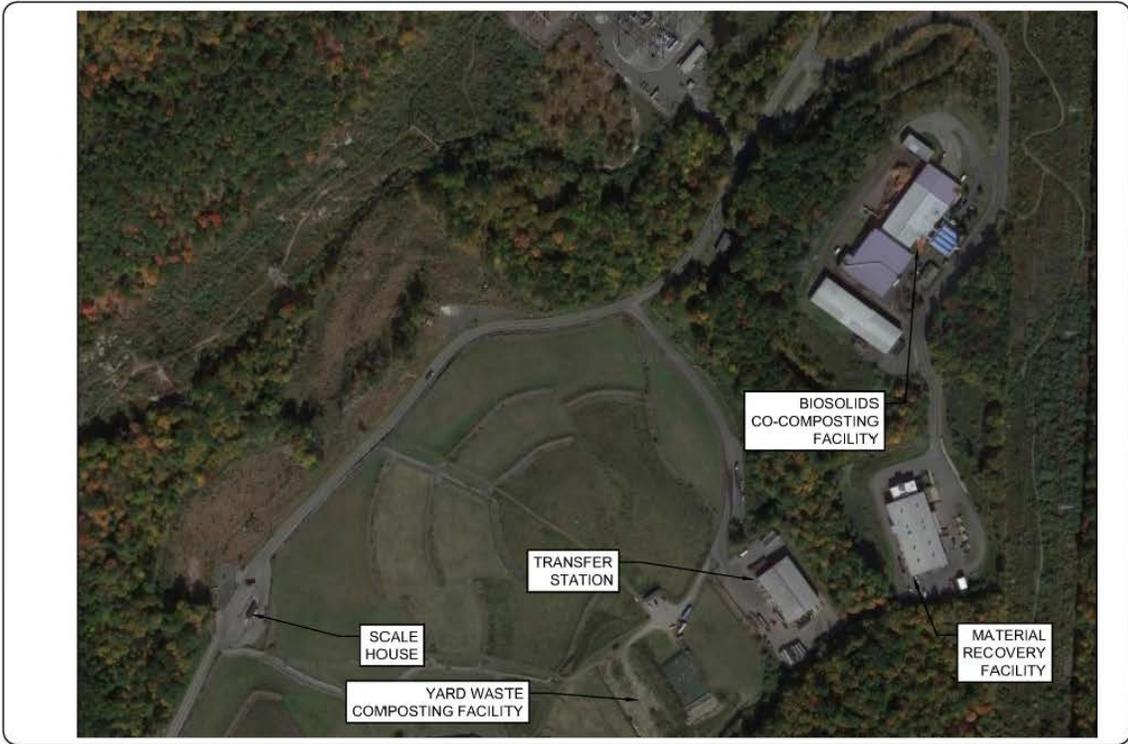
Note: Square Mileage is based on 2000 land area as determined  
by the Rockland County Dept. of Planning.

Note: Rockland County's 196 block groups from the 1990 Census have been redrawn into  
196 block groups for the 2000 Census. Although most of the 2000 block groups are exactly  
the same geographically, not all of them match 1990 block groups.

Note: Changes in Population Density between 1990 and 2000 may not necessarily be due  
to population change, but may be due to a change in census tract or block group boundaries.

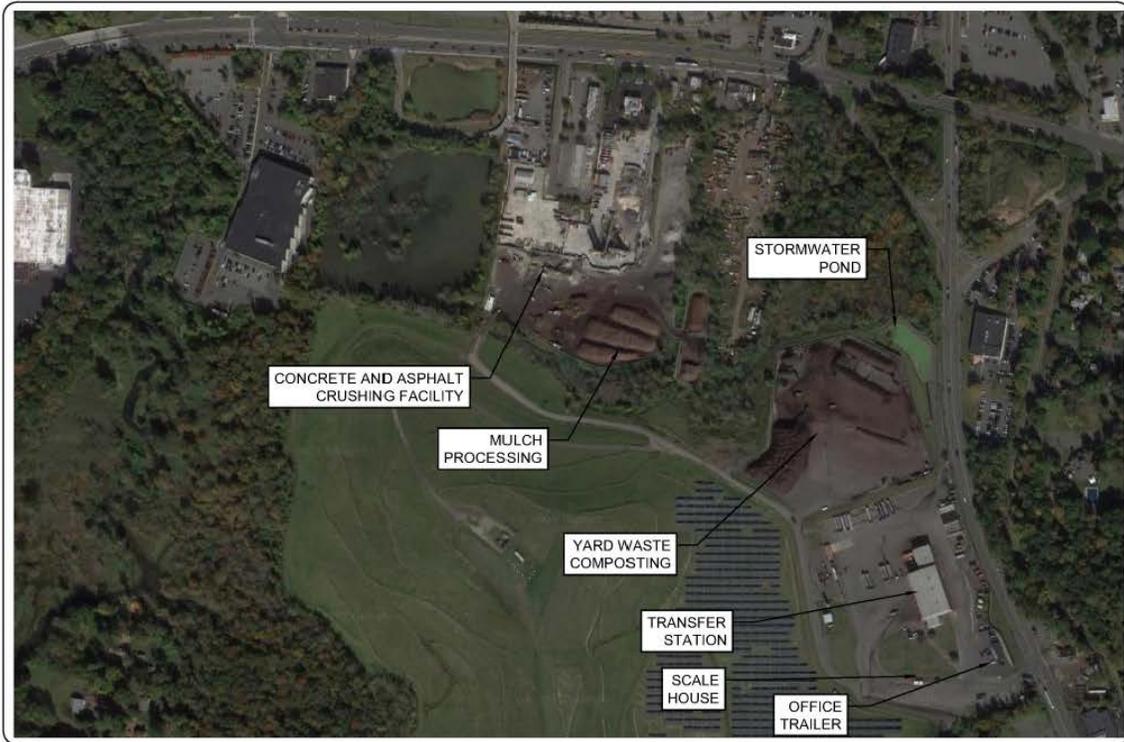
Project: 2000popdense\_blkgrp.mxd





**edr** Environmental Design & Research, Landscape Architecture, Engineering & Environmental Services, O.P.C.  
 217 Montgomery Street, Suite 1000  
 Syracuse, New York 13202  
 P. 315.471.0688

PROJECT TITLE: <b>ROCKLAND GREEN - OPERATIONS FACILITIES</b>		EDR JOB NUMBER: <b>20098</b>	
PROJECT LOCATION: <b>TORNE VALLEY ROAD, HILLBURN, NY</b>	DRAWN BY: <b>JTW</b>	FIGURE NUMBER: <b>FIGURE 02</b>	
DRAWING TITLE: <b>HILLBURN COMPLEX</b>	CHECKED BY: <b>JHH</b>	SCALE: <b>NTS</b>	DATE: <b>MAY 2021</b>



PROJECT TITLE: <b>ROCKLAND GREEN - OPERATIONS FACILITIES</b>		EDR JOB NUMBER: <b>20098</b>	
PROJECT LOCATION: <b>ROUTE 303, WEST NYACK, NY</b>	DRAWN BY: <b>JTW</b>	FIGURE NUMBER: <b>FIGURE 03</b>	
DRAWING TITLE: <b>CLARKSTOWN COMPLEX</b>	CHECKED BY: <b>JHH</b>	SCALE: <b>NTS</b>	DATE: <b>MAY 2021</b>

J:\0308 Rockland Green\Working Drawings\04\03 FIGURE 03.dwg



**edr** Environmental  
Design & Research,  
Landscape Architecture, Engineering  
& Environmental Services, U.P.C.  
217 Montgomery Street, Suite 1000  
Syosset, New York 11362  
P. 315.471.0688

PROJECT TITLE: <b>ROCKLAND GREEN - OPERATIONS FACILITIES</b>		EDR JOB NUMBER: <b>20098</b>	
PROJECT LOCATION: <b>226 BREWERY ROAD, CLARKSTOWN, NY</b>	DRAWN BY: <b>JTW</b>	FIGURE NUMBER: <b>FIGURE 04</b>	
DRAWING TITLE: <b>FRENCH FARMS - YARD WASTE COMPOSTING SITE</b>	CHECKED BY: <b>JHH</b>	SCALE: <b>NTS</b>	DATE: <b>MAY 2021</b>



PROJECT TITLE: <b>ROCKLAND GREEN - OPERATIONS FACILITIES</b>		EDR JOB NUMBER: <b>20098</b>	
PROJECT LOCATION: <b>200 BEACH ROAD, HAVERSTRAW, NY</b>	DRAWN BY: <b>JTW</b>	FIGURE NUMBER: <b>FIGURE 05</b>	
DRAWING TITLE: <b>BOWLINE TRANSFER STATION</b>	CHECKED BY: <b>JHH</b>	SCALE: <b>NTS</b>	DATE: <b>MAY 2021</b>

J:\0308 Rockland Green\Working Drawings\04\03 FIGURE 05.dwg

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**APPENDIX A-2**

**RRT CONSULTING ENGINEER'S REPORT**

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**Rockland Green  
Independent Engineer's Report**

**FINAL REPORT**

Prepared for:  
Rockland Green

Prepared by:  
RRT Engineering, LLC.

RRT Project Number: 499-008

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## 1. Executive Summary

The Rockland County Solid Waste Management Authority (d.b.a. "Rockland Green") has engaged RRT Engineering, LLC ("RRT") to perform an independent engineering analysis of the proposed construction and equipping of a dual-stream material recovery facility ("MRF"), herein referred to as the Dual Stream Recyclables ("DSR") Processing System, at Rockland Green's facility in Hillburn, New York. Rockland Green's MRF project consists of the procurement of a fully integrated equipment system, the installation, commissioning, and acceptance of the DSR Processing System, and various facility improvements to the existing site and building to accommodate the DSR Processing System ("MRF Project").

The site is owned by Rockland Green, and for the period of 1997 to 2019, the site housed Rockland Green's previous MRF. In this period, Rockland Green owned all equipment and oversaw its operation, which was contracted out to a third party operator. Rockland Green's previous MRF received and processed all recyclables generated in Rockland County as provided through Rockland County's flow control law. Recyclables were also received from surrounding counties, to a lesser extent. The DSR Processing System will receive recyclables from the same generators that provided recyclables to the previous MRF. At the current time, these recyclables are continuing to be received by Rockland Green however they are being transferred into trailers for processing off-site by a contracted third party. After the DSR Processing System is installed and accepted, the recyclables will be processed by a contract operator.

MRF's are a standard facility in the recycling/waste management industry with over 750 across the United States. A MRF is inclusive of a processing equipment system as well as the site and building that houses the equipment, including its operations. Broadly, the function of a MRF is to accept recyclable material from residential and commercial sources and process these recyclables in a manner that renders them suitable to sale to an end-user for reuse. "Dual-stream" indicates that recyclable materials are received in two distinct streams: commingled containers (including bottles, cans, food containers, plastic packaging etc.) and residential/commercial fiber (including old corrugated containers "OCC", mixed paper, newspaper, etc.).

Processing consists of sorting recyclables by material type, removing non-recyclables and baling (most) recovered materials to allow for shipping to a consumer. The sorting is accomplished through a variety of technical and manual methods that use characteristics of the material such as shape, density, color, and composition to quickly and accurately separate various material grades from one another.

Rockland Green engaged RRT to prepare the technical specifications of the DSR Processing System ("Technical Specifications"). These specifications identify minimum performance guarantees that the equipment vendor is obligated to meet. This provides Rockland Green with the needed assurances that the constructed DSR Processing System will meet their requirements and needs. Upon completion of the equipment installation, the equipment vendor shall perform an acceptance test to confirm that all performance guarantees have been met per the Technical Specifications. The acceptance test will be conducted under a detailed test procedure developed by RRT and RRT will witness the acceptance test for confirmation of the results. The equipment vendor is obligated to provide any corrective measures deemed necessary to achieve the performance guarantees prior to acceptance by Rockland Green.

The equipment for the DSR Processing Facility will be provided by Van Dyk Baler Corp. (also doing business under its trade name Van Dyk Recycling Systems, "VDRS"). VDRS has been in business for over thirty (30) years and is one of the most well-regarded equipment vendors in this industry.

In addition to the equipment, the existing facility shall be modified by this MRF Project to accommodate the DSR Processing System. This will include a building addition (approximately 15,000 square feet), the construction of new building elements such as concrete pushwalls and pits, an electrical service upgrade, sitework, and a complete renovation of the existing administration area. RRT will serve as the Owner's Engineer for Rockland Green throughout all stages of engineering and construction, will oversee the equipment vendor's work as well as the work of the building improvement contractors and ensure the work is properly sequenced and executed.

Upon completion and acceptance of the DSR Processing System, the MRF will be operated by a third party operator ("Operator"), as has been the historical practice. The Operator will be responsible for the receiving, processing, and marketing of recovered recyclables. Revenues from the sale of recyclables will be shared between the Operator and Rockland Green.

It is the opinion of RRT, backed by our thirty years of MRF design and construction experience, and numerous analyses and assessments already performed as part of this project, that the MRF Project will achieve Rockland Green's goal of providing the residents and businesses of Rockland County with cost-effective and reliable recycling services. The design of the DSR Processing System provides ample flexibility that will allow the Operator to adjust to changes in both the inbound material stream and the commodities market. This flexibility will provide financial security to Rockland Green throughout the operational life of the DSR Processing System.

The DSR Processing Facility will include a proprietary continuously monitored fire detection and suppression system. Equipment shall meet Rockland Green's rigorous and expansive Technical Specifications and safety requirements. The result will be a modern, dual-stream MRF that has been fully tailored to suit the needs of Rockland Green and its residents and businesses.

## 2. Introduction

### 2.1 Background and Purpose

Rockland Green has been providing cost-effective recycling services to the residents and businesses of Rockland County since the original construction of its previous MRF in 1997. In late 2019, the previous MRF was decommissioned and the equipment was demolished as the equipment was determined to be at or past the end of its useful life, and was no longer reliable or effective. Recyclables have since been transferred off-site to other MRFs for processing. The purpose of the MRF Project is for Rockland Green to continue providing cost-effective recycling services to its residents and businesses. This is being achieved by procuring a modern Dual Stream Recyclables Processing System and installing it at the site of Rockland Green's previous MRF.



## 2.2 Project Participants and Roles

### Rockland Green (Owner)

The Rockland County Solid Waste Management Authority (d.b.a. Rockland Green) is a public benefit corporation tasked with the management of Rockland County's solid waste and recyclable material in an environmentally sound, cost-effective, efficient and safe manner. Rockland Green owns the MRF and the land it is sited on and will continue to be the sole owner of the facility, all equipment procured and all the facility improvements made as a part of this MRF Project.

### RRT Engineering, LLC. (Owner's Engineer)

RRT Engineering, LLC (RRT), with corporate headquarters in Melville, New York, is a leading professional engineering, design/build construction and consulting firm offering an incomparable depth of expertise, services and technologies to solid waste management and recycling companies and municipalities. RRT has successfully completed over 450 waste processing, recycling and transfer station projects since its founding over 30 years ago, in 1989. Notably RRT designed and built the first MRF in New York, New Jersey, Pennsylvania and Florida. Today, RRT has completed over 150 greenfield MRF projects.

RRT developed the comprehensive Technical Specifications for procurement of the DSR Processing System. RRT assisted in the optimization of the DSR Processing System design and will provide supervision services for all aspects of the DSR Processing System installation. RRT will serve as the Owner's Engineer for Rockland Green throughout all stages of engineering and construction for the MRF Project. RRT will oversee the equipment vendor's work, as well as the work of the building improvement contractors that will be performing the facility improvements, so it is efficiently sequenced and executed.

### Van Dyk Recycling Services (Equipment Vendor, Equipment Installer)

Van Dyk Baler Corp. (also doing business under its trade name Van Dyk Recycling Systems, "VDRS") has been in business for over 30 years and has provided over 500 MRF projects in North America. VDRS provided a successful proposal to design, supply, install, commission and startup Rockland Green's DSR Processing System. All equipment to be provided by VDRS has a proven track record of success in equivalent applications throughout North America. Van Dyk's headquarters is located in nearby Norwalk, CT and is home to an experienced service department and over \$19 million of spare parts. In the MRF-industry, VDRS has a well-earned reputation of designing and installing reliable and effective processing systems, including some of the most high-tech equipment available today.

## 3. Facility Review

### 3.1 Facility Site

The DSR Processing System will be located within the building that housed Rockland Green's previous MRF, at 420 Torne Valley Road, Hillburn, New York. The existing building footprint is approximately 34,600 square feet, comprised of a tipping area (13,000 square feet), a processing area (18,000 square feet), and an administration area (3,600 square feet). The processing and tipping areas are generally open, with a concrete floor and no interior building columns. The administration area is an adjoining two-story building includes an electrical room, a mechanical room, an education center, offices and employee facilities. This area previously held offices for the Operator and Rockland Green. Rockland Green has since moved its



office to the current location at 172 Main Street, Nanuet, New York. The processing area and administration area are vacant (all previous equipment has been demolished and removed) and the tipping area is currently used to transload Rockland's recyclables to a third-party facility. At the start of construction at the site, the transloading operation will be performed at Rockland Green's nearby transfer station located at 50 Baler Boulevard in Hillburn, limiting traffic onsite exclusively to contractors.

The facility operated as a dual stream MRF from 1997 to October of 2019, when it was decommissioned due to the equipment system having reached the end of its useful life. As such, this site has all permits and approvals required to operate as a MRF. The design of the DSR Processing Facility utilizes aspects of the current site to ensure efficient and reliable operation.

### 3.2 Facility Improvements Overview

The existing building and site areas will be improved to accommodate the DSR Processing System and MRF operations and will also include several other enhancements to the infrastructure. These improvements include, but are not limited to the following:

1. An approximately 15,000 square foot pre-engineering metal building addition to the east face of the existing processing and tipping areas. This additional space will provide added storage for receiving incoming materials and for staging baled products prior to shipping.
2. Construction of concrete bunkers, pits, pushwalls, etc. to house materials and conveyors. The concrete work will integrate with the DSR Processing System.
3. Construction of four (4) new trailer loading docks.
4. Improvements to the site, such as regrading of existing topography, construction of retaining walls and improvements to the stormwater collection system.
5. Upgrading of the existing electric service to power the DSR Processing System (from 1,200 amps to 2,500 amps).
6. Installation of a natural gas line to the site and the elimination of using fuel oil for heating.
7. Installation of additional overhead doors for truck access.
8. Renovations and upgrades to the administration area for the MRF Operator's staff and storage of spare parts.
9. The addition of a conditioned room for new air compressors servicing the DSR Processing System.
10. Upgrades and replacements to the fire protection system including the sprinklers and fire alarm.
11. Installation of automated fire detection and extinguishing system with continuing monitoring.

### 3.3 Process Overview

The DSR Processing System will be a state-of-the-art dual-stream system that will consist of modern and proven advanced sorting equipment. Generally, all material will be accepted in two tipping areas, with dedicated tipping areas for commingled containers, residential fiber and commercial fiber. Residential and commercial fiber will be processed at 30 tons per hour on a single processing line and commingled containers will be processed at 12 tons per hour on another single processing line. The DSR Processing System will also allow for the direct-baling at a rate of 35 tons per hour. These throughput rates will allow for the tipping floor to be empty at the end of each working day. Using a front-end loader, material will be fed into a drum feeder for each line that will regulate the feed rates to be processed. After the drum



feeders, both lines will have a dedicated pre-sort station that will remove material that is not beneficial to the staff and equipment downstream.

The residential/commercial fiber processing line consists generally of a drumfeeder, a two-deck OCC screen, a fines screen and two Tomra optical sorters (and associated quality control sorting stations). Inbound fiber will be sorted into various marketable grades. Once sorted, the various grades are stored in bunkers for staging prior to baling. The DSR Processing System has been designed to allow it to remain flexible and react to material composition changes and market changes. The optical sorters can be adjusted through software to sort different materials. A system of reversible conveyors will provide the Operator with the flexibility to adjust the outbound materials to react to a changing market.

The commingled container processing line consists generally of a drumfeeder, a glassbreaker screen and glass processing system, an elliptical sorter, an overbelt magnet, an eddy current separator, and three Tomra optical sorters. The commingled container line will also include a presort station and quality control stations to ensure that the outbound material meets or exceeds market specifications. Once processed, the various container grades are stored in dedicated bins for staging prior to baling.

After the material is sorted into the appropriate bunker, it is packaged into wire-tied bales for transport off site by van trailers to the end-users (excluding glass and non-recyclables). All material grades from both the fiber and container lines can be baled by either of the DSR Processing System's two balers. This is achieved by an innovative design of the baler feed conveyors. This design feature prevents a processing line from being down due to one baler being out of service. The DSR Processing Facility also has the capacity to direct-bale. In this mode, material in the tipping area is conveyed directly to the single-ram baler, bypassing the other processing equipment.

The recovered glass is piled in glass bunkers. When glass is to be outloaded, a front-end loader will load the glass from the pile into a trailer. The location and design of the glass bunker allows for the access required for this operation.

Non-recyclables are conveyed directly to the stationary compactors. The DSR Processing System contains two compactors fed from the same conveyor to allow for maximum uptime. The compactors are located outside of the building to allow for easy removal of compactor boxes by trucks. The compactor system is fully enclosed to prevent spillage.

#### 3.4 Dual Stream Feedstock and Recovery Rates

The composition of the inbound fiber and commingled containers has been reliably characterized based off historical data provided by Rockland Green as well as a week-long Dual Stream Recyclables Characterization Study conducted by RRT in December of 2020. The DSR Processing System has been specifically designed to process Rockland Green's fiber and container composition. However, as stated in Section 3.2, the DSR Processing System is flexible to adapt to future composition changes.

Rockland Green's current material composition is shown in Table 1, Table 2, and Table 3 below based on the aforementioned 2020 study. The minimum recovery rates for each material product type are shown in Table 4 below.



Table 1: Commingled Container Stream Composition (by weight)

Component	Composition Range			Baseline %
HDPE-C	5%	-	8%	7%
HDPE-N	3%	-	7%	5%
Mixed Rigid Plastics	2%	-	4%	3%
PET <sup>1</sup>	10%	-	20%	17%
Mixed Plastic (#3,4,6,7)	3%	-	6%	5%
UBC - Aluminum Cans	1%	-	3%	2%
Other Non-Ferrous		n/a		0.5%
Ferrous Metals	4%	-	7%	6%
Glass	35%	-	60%	38%
Cartons/Gable Tops	0.5%	-	2%	1%
Non-Recyclables	12%	-	20%	15%
<b>TOTAL</b>				<b>100%</b>

Table 2: Residential Fiber Stream Composition (by weight)

Component	Composition Range			Baseline %
News & Mixed Paper	35%	-	60%	45%
OCC (Residential)	40%	-	65%	50%
Non-Recyclables	2%	-	6%	5%
<b>TOTAL</b>				<b>100%</b>

Table 3: Commercial Fiber Composition (by weight)

Component	Composition Range			Baseline %
OCC	90%	-	97%	92%
Non-Recyclables	3	-	10%	8%
<b>TOTAL</b>				<b>100%</b>

Table 4: Minimum Recovery Rates

Material Product Type	Minimum Recovery Rate <sup>2</sup>
Corrugated Cardboard	95%
Mixed Paper	95%
Aluminum (Non-UBS)	95%
Plastic #2 Natural Blow Molded (HDPE(N))	95%
Plastic #2 Colored Blow Molded (HDPE(C))	95%
Plastic #5 Tubs and Lids	95%
Plastic #1-7 Injection Molded (includes thermoforms) / #3-7 Blow Molded (Mixed Plastics)	95%
Mixed Rigid Plastics	95%
Aluminum (UBC Grade)	98%
FE/Tin Cans	98%
Plastics #1 Blow Molded PET	98%
Glass	98%

<sup>1</sup> PET contains an estimated 20%-25% thermoforms

<sup>2</sup> As stipulated by the Agreement with VDRS



### 3.5 Facility Product Sales Overview

Recovered commodities, as detailed in Table 4 above, are sold directly to final consumers or indirectly to final consumers through brokers or sales agents. In some cases, the processed commodities are sold to third parties for further down-stream processing prior to being sold again to final consumers. All incoming materials are processed through the DSR Processing Systems to meet or exceed standard industry grading specifications. The specifications for sale of a given material are typically those as defined by the Institute of Scrap Recycling Industries (ISRI). This trade association has issued and periodically updates its grade definitions and allowable output limits for hundreds of grades of secondary commodities. These specifications are for the most part universally accepted within the industry for sale and purchase transactions between MRFs and final consumers, both domestically and internationally. Each individual specification typically includes a listing of acceptable materials for that grade as well as a percentage limit for Outthrows and Prohibitives. Outthrows are similar materials to the grade being defined (for example, newspaper in Old Corrugated Containers). Prohibitives are materials which need to be severely limited (for example, glass in Old Corrugated Containers).

Final consumers for fiber grades are paper mills which accept bales of various grades for repulping into new paper products. In some cases, final consumers of fiber may also be insulation or particle board manufacturers. Final consumers for metal grades are ferrous or non-ferrous smelters. Third party down-stream processors for ferrous grades may be steel shredding operations before being sold to steel mills for re-melting. Final consumers for plastic grades are typically extruding and blow-molding entities which accept the graded plastic, further process and clean the material and produce products or materials which can be fabricated by others into products for sale. For example, baled PET is sold to final consumers which produce polyethylene fibers which are in turn sold to manufacturers of clothing or carpets among other products. The glass processing system at the MRF will consist of a glass pulverizer with a bypass feature for the minus 2" material to be fed directly into the trommel without implementing the size reducing equipment. The trommel separates the material by size to produce a minus 1/8" aggregate that can be used for civil engineering projects, plus 1/8" and minus 3/8" aggregate/cullet that can be used for alternate daily cover at landfills and/or sent to a glass beneficiator for re-processing into a beneficial end product such as glass containers, fiberglass insulation or concrete pozzolan additive, and lastly an oversized plus 3/8" residue that is sent to the landfill for disposal when the pulverizer is in operation or 3/8" cullet which can be shipped to a glass beneficiator similar to the middling material when the pulverizer is in bypass mode. When bypassing the pulverizer, the Operator will have the flexibility to clean the plus 3/8" cullet by operating the blower in the air classifier to produce a cleaner material in order to offset freight and tipping costs to and at the glass beneficiator with costs of disposing the residue that is removed by the air classifier. The glass processing system allows for flexibility to produce more aggregate/finer material in the pulverizing mode or larger material in the bypass mode. The cullet can be marketed to several potential end-users in the New York, Connecticut and Pennsylvania area.

For Rockland Green, it is anticipated that the actual sale of recovered commodities will be the responsibility of the Operator. This has been the case during the operation of the previous MRF and is typical of nearly all MRF operations. All sales will be made and recorded by the Operator such that Rockland Green has access and can verify the details of all transactions. Revenues from the sales will be collected by the Operator and a defined share will be rebated monthly to Rockland Green based upon the agreement with the Operator. This sales arrangement is common practice within the industry. Using it apportions responsibility and risk appropriately between the two parties. The Operator must sell grades as defined in its agreement with Rockland Green and is responsible for acceptance by the buyer and



collection of monies due. Therefore, the Operator has the most incentive to produce acceptable grades per the agreement and sell these to financially qualified buyers. The agreement between the Operator and Rockland Green strictly defines the grades which must be produced by the Operator from the DSR Processing System, limits the amount of non-salable residue which can be produced, and contains appropriate penalties for not achieving compliance (for example, the rejection of a shipment by a purchaser for quality reasons). The risks to Rockland Green associated with commodity sales from the DSR are limited.

The sales risks associated with the value of each commodity are mitigated by having a revenue sharing agreement with the Operator where the Operator receives the majority of sales revenues. While each operator will make its own determination of the value of that risk to it and incorporate that risk into its operating cost proposals, Rockland Green is substantially insulated from variations in commodity pricing. Historically, commodity prices vary greatly based on many supply and demand factors both domestically and internationally depending upon the commodity.

VDRS has provided DSR Processing Systems and Single Stream Processing Systems for hundreds of MRFs throughout North America. RRT has also engineered, constructed and inspected MRFs throughout its 30-year history. The equipment system to be installed for Rockland Green is very similar to other systems in use and operation that are capable of producing commodities which meet or exceed the specifications for each defined grade of secondary materials. The request for proposals, which will be issued by Rockland Green to procure an Operator is being developed in close cooperation with RRT as the Owner's Engineer and will contain appropriate requirements for each proposer to meet regarding its qualifications and experience for operations of MRFs and marketing of secondary commodities.

## 4. Operations and Maintenance

### 4.1 Capital Costs

RRT has estimated the total capital cost of this project to be \$32,500,000. A breakdown of this estimate is shown in Table 5 below.

Table 5: Capital Cost Estimate

Item	Capital Cost Estimate	
Pre-Construction	\$ 593,487	1.8%
Facility Improvements	\$ 9,367,583	28.8%
Equipment	\$ 18,143,914	55.8%
Engineering, Legal & Financing	\$ 4,395,015	13.5%
	\$ 32,500,000	100.0%

The above capital cost estimate is provided for general guidance. Since RRT has no control over competitive pricing or market conditions, RRT cannot guarantee the accuracy of this estimate as compared to competitively procured contract pricing or actual cost to Rockland Green. RRT has included in the above estimate 7.5% contingency in each item.



## 4.2 Construction & Construction Management

This project requires various trades and contractors sharing the site during the work. This will require coordination to ensure that the all work is sequenced and performed properly.

RRT will provide a full-time on-site representative throughout the duration of the MRF Project to monitor progress, observe the performance of the work and the contractor's adherence to the construction drawings and specifications and provide technical support and administration of the contracts. This will include all the work for the MRF. RRT is uniquely experienced in the administration and coordination of MRF equipment installation teams (VDRS) and conventional construction contractors that will perform the Facility Improvements.

From the commencement of construction activities onsite, RRT will schedule weekly construction coordination meetings with all parties onsite. This meeting will be attended by a representative of all parties involved with the project onsite. The purpose of these meetings will be to mitigate scheduling conflicts, identify construction sequencing, and generally keep all parties updated of activities onsite.

## 4.3 Operational Cost Projections

RRT has developed a financial model of projected operating costs for the proposed project and calculated the model with various operating scenarios. All assumptions imbedded within the models have been vetted by Rockland Green staff. Significant assumptions include:

- Tonnage growth 3% per year
- Cost escalation 3% per year
- Staffing per VDRS' proposal
- Processing throughput per RFP Technical Specifications and VDRS' proposal
- Recovery rates and material quality per RFP Technical Specifications and VDRS' proposal
- Capital cost assumptions per VDRS' proposal and RRT's experience
- Other operating cost assumptions per Rockland Green and RRT
- The provision of an equipment renewal fund has been included in costs to account for the need to replace and upgrade equipment over the project life
- Commodity values projected as current, five year historical high and five year historical low
- Revenue share approach and Rockland Green / Operator split is undecided and discussed below
- Projected third party operator profit levels and fees are discussed below

RRT's model representing the operations of the facility post-upgrade is attached herein. The attached estimate is provided for general guidance. Since RRT has no control over competitive pricing or market conditions, RRT does not guarantee the accuracy of this estimate as compared to competitively procured contract pricing or actual cost to Rockland Green.

The following observations are made relative to the financial model:

1. **Operating Costs:** Not including commodity revenues (or revenue sharing) and without capital costs, Year 1 operating costs are \$50 per ton rising with inflation over the project life to \$68. This



includes all costs related to operating the MRF regardless of how these costs are apportioned through fees, pass through to or from Rockland Green, or other ways of paying for them.

2. **Capital Costs:** The capital cost of the project is projected at \$32.5 million. This includes the MRF building expansion and related site work, the DSR Processing System, and engineering and legal fees. Projected over the project life at 2.5%, this cost is \$1,763,967 per year or \$50 per ton for year 1 dropping to \$23 per ton as the number of tons grow due to population and program growth.
3. **Combined Operating and Capital Costs:** The decrease in the per ton cost of capital depreciation is balanced by inflation, causing per ton operating costs to increase. Overall, these are almost an exact offset causing overall operating and capital costs to remain relatively flat between \$90 and \$95 per ton throughout the project life.
4. **Revenues and Revenue Sharing:** Commodity revenues are shown as a flat number over the project life based on current values. Also shown are the historical five-year high values and the historical five-year low values. At the minimum, we would expect commodity revenues to offset overall costs by \$40 per ton, lowering the combined cost of operations to between \$50 and \$55 per ton. At current values (\$107 per blended ton), commodity revenues are more than the combined cost operations and financing, creating a project surplus. At the high end of commodity values over the past five years (\$180 per blended ton), a substantial surplus would be realized. The actual apportionment of revenues between Rockland Green and an operator is an apportionment of risk. The greater the revenue share, the greater the risk. The entity with the higher risk will evaluate and discount that risk. An operator, regardless of the percentage of revenues apportioned to it and regardless of what it projects will be those revenues, will reduce that projection in determining its fee requirements. The higher its percentage share of revenues, the more it will need to discount commodity values and the higher its relative fee requirements will be.
5. **Operator Fees and Profits:** In addition to actual projected costs, an operator will need to make a profit. Included in the projection of costs are funds to support an operator's corporate support services for regional and corporate management, travel, human resources, safety, and accounting services. The actual profit requirement of an operator will vary depending on many factors. Based on experience we would expect that level to be at the minimum \$500,000 per year and at the maximum \$20 per ton on a competitive RFP basis. This equates to between \$13 and \$20 per ton which will need to be added to the calculation of combined costs, raising this to an average, on the high side of \$115 per ton. As noted above, this overall projection of costs will be offset by an operator's and Rockland Green's internal expectation and projection of commodity values.
6. Compared to the current cost to Rockland Green for the transfer of recyclables, net \$30 per ton (\$80 per ton fee less \$50 per ton commodity rebate), the current value of commodities (\$107 per ton) would off-set all projected costs (operating, capital and operator profits). Per the model, commodity revenues at current levels will more than off-set total costs throughout the project life

#### 4.4 Commodity Marketing Revenue

The following provides a more detailed analysis of the expected value of individual commodities and the expected revenues from sold commodities following the facility upgrade. Below, for each of the expected commodity outputs the Current value, the Historic 5-Year Low and Historic 5-Year High values are detailed:



Table 6: Historic Commodity Pricing

	CURRENT PRICE (per ton)	HISTORIC 5 YEAR LOW PRICE	HISTORIC 5 YEAR HIGH PRICE
Mixed Paper	\$33	(\$2.50)	\$80
OCC	\$78	\$27.50	\$180
SRNP	\$43	\$5.00	\$120
Mixed Glass	\$5	(\$5.00)	\$5
Fe Metals	\$73	\$35.00	\$220
PET	\$210	\$130.00	\$350
HDPE Natural	\$1,700.00	\$400.00	\$1,700.00
HDPE Colored	\$510.00	\$70.00	\$510.00
Aluminum	\$1,270.00	\$770.00	\$1,600.00
Aseptic	\$23	\$22.50	\$115
Rigid Plastics	\$90	\$0.00	\$90
1-7 Plastics	(\$20)	(\$20.00)	\$50
Other NF	\$600	\$500.00	\$700

Continuing with the analysis, the following chart details the estimated recovery tons of each commodity and the expected annual revenues for each commodity and totals at the MRF based upon current and historical low and high values.

Table 7: Estimated Recovery Value

Material Types	Estimated Recovery Tonnage	Current Sale Price (\$ per ton)	Estimated Current Commodity Value	Historic 5 Yea Low Value	3-5 yr. Average Commodity Value	HISTORIC 5 YEAR HIGH PRICE	3-5 yr. Average Commodity Value
Mixed Paper	4,198	\$33	\$136,441	(\$2.50)	-10,495	\$80	335,854
OCC	18,815	\$78	\$1,458,125	\$27.50	517,399	\$180	3,386,613
SRNP	1,772	\$43	\$75,323	\$5.00	8,862	\$120	212,678
Mixed Glass	4,204	\$5	\$21,022	(\$5.00)	-21,022	\$5	21,022
Fe Metals	674	\$73	\$48,873	\$35.00	23,594	\$220	148,303
PET	1,884	\$210	\$395,704	\$130.00	244,960	\$350	659,506
HDPE Natural	542	\$1,700	\$921,051	\$400.00	216,718	\$1,700	921,051
HDPE Colored	762	\$510	\$388,586	\$70.00	53,335	\$510	388,586
Aluminum	227	\$1,270	\$288,269	\$770.00	174,777	\$1,600	363,173
Aseptic	112	\$23	\$2,515	\$22.50	2,515	\$115	12,855
Rigid Plastics	335	\$90	\$30,181	\$0.00	0	\$90	30,181
1-7 Plastics	60	(\$20)	(\$1,209)	(\$20.00)	-1,209	\$50	3,023
Other NF	596	\$600	\$357,584	\$500.00	297,987	\$700	417,182
Non-Recyclables	4,210						
<b>Incoming Totals</b>	<b>38,392</b>		<b>\$4,122,465</b>		<b>1,507,420</b>		<b>6,900,028</b>
			<b>\$4,122,465</b>		<b>1,507,420</b>		<b>6,900,028</b>
		<b>\$ per Ton</b>	<b>\$107.38</b>	<b>\$ per Ton</b>	<b>\$39.26</b>	<b>\$ per Ton</b>	<b>\$179.73</b>

As presented above, the values range, on a per ton, annualized basis from a low of \$40 per recovered ton to a high of \$180 per ton. The current value is \$107 per ton. Based upon RRT's experience, it is doubtful that either the high or low will be realized as both are based on the calculation that the prices of every commodity will be either at historic low or historic high values concurrently for the entirety of a single year. This is highly unlikely, leading to the conclusion that these values are truly worst and best cases. We would expect that the current values, which happen to represent a median price between best and worst case more accurately reflects values over the life of the project.

## 5. Risks and Risk Management

As with any project of this size and scope, there are inherent risks to Rockland Green both during the construction phase and eventual operation of the DSR Processing System.

### 5.1 Risks During Construction Period

As mentioned in Section 4.2, the presence of multiple prime contractors involved in this project requires effective communication, management and project planning. Risks associated with a lack of sufficient communication and planning include, but are not limited to the following:

- Construction Safety Risks - As with any project of this size and scope, there are inherent risks of injury and damage to the personnel and equipment onsite. To mitigate these risks, Rockland Green will acquire Builder Risk Insurance. This policy will protect Rockland Green against risks such as weather, fire, vandalism, theft or injury of all personnel and equipment on the project site. Furthermore, all parties onsite shall be required to be independently insured.
- Project Labor Risks – This project shall be completed in accordance with prevailing wage regulations. Rockland Green is pursuing having a Project Labor Agreement (“PLA”) in place to clearly identify labor policies for the MRF Project. This PLA would stipulate where and how Union labor is to be used so as to mitigate potential disputes. Any such PLA shall be agreed upon by all parties before the commencement of construction.
- Construction Sequencing Risks – All parties onsite must adhere to the construction sequencing plan to be developed by RRT. Aspects of the work of each party are dependent on the accurate and on-time delivery of other project elements. This includes clearly identifying work areas for each party to mitigate the risk of interference which would lead to delays and changeorders.
- Equipment Performance Risks – The Technical Specifications will stipulate the minimum performance of the DSR Processing System to be provided by VDRS. VDRS will be contractually obligated to meet or exceed these performance guarantees. The performance of the system shall be confirmed through an acceptance testing procedure to be prepared by RRT.

### 5.2 Risks During Operation

Upon the completion of commissioning, the DSR Processing Facility shall go into full-time commercial operation and shall remain in operation for the duration of its life. MRF operation has many inherent safety and financial risks:



- Operator Employee Safety – The operation of the DSR Processing System shall require a team of onsite employees to perform various tasks in proximity to the equipment. As with any industrial equipment, there are safety risks to personnel. An aspect of the equipment testing phase will be to confirm that all equipment, platforms, and other building elements are in compliance with stringent safety codes. The Operator shall be required to maintain the equipment and ensure that the DSR Processing System remains safe throughout its life.
- Inbound Material Availability – The commodity revenue generated from the DSR Processing System is directly dependent on recyclables being delivered to the site. As such, a decrease in inbound recyclables would be detrimental to the financial position of the DSR Processing System. Rockland County has Flow Control regulations in place that stipulate that all recyclables generated within Rockland County must be processed by Rockland Green. This provides substantial protection to Rockland Green. Recyclables received from other counties are currently a relatively small quantity.
- Commodity Market Risks – Considering the useful life of this system (not less than twenty years), the Operator will inevitably need to address swings in the commodity market. The DSR Processing System has been designed to produce a high-purity product. However, the risk of large sways in commodity pricing cannot be fully mitigated.
- Changes in Feedstock Composition – In the MRF industry, a large change in feedstock composition can be detrimental to the financial position of a MRF. Throughout the design phase, Rockland Green, RRT and VDRS have achieved a nimble design that provides flexibility to the Operator to tolerate changes in feedstock composition.
- Changes in Feedstock Contamination – Similar to the aforementioned changes in feedstock composition, an increase in inbound contamination can be very costly to a MRF, as it would increase hauling costs, equipment maintenance costs, and disposal costs.
- Equipment & Site Damage – VDRS is providing a two year warranty that will cover the entire DSR Processing System. VDRS has an inventory of \$19 million in spare parts located in nearby Norwalk, CT. This means that when needed, the delivery of parts will not cause undue downtime. In the useful life of this system, it is inevitable that the equipment will wear and there will be damage to the equipment and site. Rockland Green shall require the Operator to maintain the equipment and site in accordance to best industry practice. Rockland Green will arrange for regular inspections of the equipment and site, as well as the practices of the Operator.
- Fire – Fires are a common hazard in the recycling industry. To mitigate this hazard, the DSR Processing System has been designed to include a fully code compliant fire suppression system plus a supplemental deluge system. All platforms and equipment locations shall be covered by conventional fire sprinklers in a dry-pipe system. An automatic fire detection system shall be installed at the high risk locations (tipping area and bale storage). This system uses a system of infrared cameras and high power water jets to detect and eliminate a fire quickly, often before it is visible. This is a state-of-the-art fire suppression system and will protect the staff onsite and Rockland Green's equipment and building. Fire extinguishers shall also be located throughout the site.



## 6. Environmental and Regulatory

The Rockland Green Material Recovery Facility is listed as an active Recyclables Handling and Recovery Facility (RHRF) by the NYS Department of Environmental Conservation (DEC) Division of Materials Management and has an existing registration under the Part 360 series of DEC solid waste management regulations. The MRF is subject to Subpart 361-1: Material Recovery Facilities: Recyclables Handling and Recovery Facilities in addition to Part 360.

Historically, the MRF has processed in the range of 40,000 TPY, with an average of 160 TPD but some days approaching 200 TPD. The upgrade of Rockland Green's MRF with the planned increase in additional tonnage corresponding to the added processing capacity, would require a Part 360 permit modification with a full application subject to Part 360 and subpart 361 being that the threshold is 250 TPD. The pursuit and issuance of this permit modification would not delay the construction work for the planned MRF Project since the growth is not anticipated until future years. However, initiating this process is in the best interest of Rockland Green since it would complement Rockland Green's current plan to support its efforts of increasing recycling, plus would establish any facility improvements that could be done now during the MRF Project that would later be required for a full Part 360 Permit. Additionally, under the registration process, Rockland Green must advise DEC of the current plan. At this time, it would be in the best interest of Rockland Green to proceed with a full permit process. A pre-application consultation meeting with the NYSDEC is in the process of being requested. The Part 360 permit includes design and operating requirements with which the MRF improvements will comply. It is anticipated a wastewater discharge permit will be needed to dispose washdown water in the sanitary system. All site and facility improvements will comply with applicable environmental regulations.

## 7. Project Life

### 7.1 Facility Construction Schedule

Several phases of this project, each with individual schedules, will depend on all parties adhering to their schedule.

The following Table 8 shows the milestone dates for the MRF Project. These milestone dates are subject to minor modification but provide a high-level timetable.

Table 8: Project Dates

Milestone	Scheduled Date
Equipment Contract Execution	May 28, 2021
General Construction Contract Execution	September 2, 2021
Mechanical/HVAC/Plumbing/Electrical/Fire Protection Contracts Award	October 7, 2021
Operations Contract Execution	April 1, 2022
Equipment Substantial Completion	August 12, 2022
General Construction Substantial Completion	September 15, 2022
Commence Commercial Operations	September 15, 2022



## 7.2 Operational Life

The DSR Processing System will have a useful life of not less than twenty (20) years. Throughout this period, Rockland Green will rely on the DSR Processing System to effectively process and make ready for sale the recyclables generated by the resident of Rockland County. As with any MRF, it is fully anticipated that throughout the life of this system, some degree of repairs and equipment retrofits will be required to bolster performance and reliability. The facility improvements that are being performed as part of the MRF Project will ensure that the site and building are able to accommodate the operations of the DSR Processing System for the entirety of its useful life and allow for potential future equipment retrofits.

The DSR Processing System that has been specified and designed consists of equipment that has been proven to be effective and reliable. VDRS has a track record of providing (and supporting) successful MRF's and the stated expected operational life of not less than twenty (20) years is typical. It is the opinion of RRT that the DSR Processing System will achieve this operation life so long as proper operation and maintenance practices are adhered to throughout this period.



## APPENDIX B

### DEFINITIONS OF CERTAIN TERMS USED IN THIS OFFICIAL STATEMENT

The following are definitions of certain terms contained in the Solid Waste Management System Bond Resolution adopted by the Authority on November 30, 1995, as amended and supplemented (the "Resolution") and used in this Official Statement. Certain other terms used in this Official Statement and not defined shall have the meaning given to such term in the General Resolution.

"Account" means one of the accounts created and established pursuant to the Resolution.

"Accreted Value" means, at any particular time, the value of any Capital Appreciation Bonds as determined in accordance with the Supplemental Resolution authorizing issuance of any such Capital Appreciation Bonds.

"Act" means the Rockland County Solid Waste Management Authority Act, Title 13-M of Article 8 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended from time to time.

"Aggregate Debt Service" means for any period, as of any date of calculation, the sum of the individual amounts of Debt Service for each Series of Bonds Outstanding during such period.

"Annual Budget" means the budget or amended budget adopted or in effect as provided in the Resolution.

"Arbitrage and Use of Proceeds Certificate" means, with respect to any Series of Bonds or any related series SRF Bonds, the interest on which is intended by the Authority to be excluded from gross income for Federal income tax purposes, a certificate or certificates executed by an Authorized Officer in connection with the initial issuance and delivery of the Bonds of such Series and containing representations, warranties and covenants of the Authority relating to the Federal tax status of such Series of Bonds, as such certificate or certificates may be amended and supplemented from time to time.

"Assumed Obligations" means Qualified Contract Obligations assumed or guaranteed by the Authority; provided that prior to assumption or guarantee of such Qualified Contract Obligations, the provisions of the Resolution have been met with respect to such Qualified Contract Obligations.

"Authorized Officer" means the Chairman, the Vice-Chairman, the Treasurer, the Secretary, or the Executive Director of the Authority, and when used with reference to any act or certificate or other document, also means any person duly authorized to perform such act or sign such document.

"Bond" or "Bonds" means any Bond or Bonds, as the case may be, authenticated and delivered under the Resolution pursuant to a Supplemental Resolution and secured by the pledge of Revenues contained in the Resolution. The term "Bonds" does not include Subordinated Indebtedness. For purposes of the provisions of the Resolution relating to funds and accounts and covenants, the term Bonds shall include Assumed Obligations and Service Fee Debt Service Components, provided that the provisions relating to the Debt Service Reserve Fund and the Debt Service Reserve Requirement shall not apply.

"Bondholder" or "Holder of Bonds" or "Holder" (when used with reference to Bonds), or any term of similar import, means the person or party in whose name the Bond is registered.

"Bond Year" means a twelve month period commencing on the first day of January.

"Business Day" means any day other than Saturday or Sunday during which (i) commercial banks located in the State or in any of the cities in which the principal office of the Trustee or the office of any Credit Facility provider at which a draw or claim on the Credit Facility is to be made is located are not required or authorized by law to close; and (ii) the New York Stock Exchange is not closed.

“Calculation Date” means the first Business Day of each month.

“Capital Appreciation Bonds” means any Bonds issued under the Resolution with a stated value at maturity, the interest on which is not payable until maturity or earlier redemption. The Debt Service Reserve Requirement, if any, shall be determined in accordance with the provisions of the Supplemental Indenture authorizing the issuance of such Capital Appreciation Bonds. For purposes of (i) determining any required principal amount for Bondholders' consents or approvals, voting rights, bondholder action or any other matter in the Resolution determined by a percentage of the aggregate principal amount of Bonds Outstanding, (ii) computing Redemption Price, (iii) computing the principal amount of Bonds Outstanding or (iv) determining the priority of any claim for payment of interest or principal upon the occurrence of an Event of Default, the Accreted Value of Capital Appreciation Bonds shall be treated as their principal amount.

“Capital Costs”, subject to a Supplemental Resolution, means:

- (a) Costs of any System Improvement;
- (b) costs of issuance of any Bonds issued to provide funds to pay Capital Costs;
- (c) to the extent properly attributable to Construction or the period of Construction the costs incurred for labor and materials and payments made to contractors, builders and materialmen in connection with Construction;
- (d) initial fees and expenses of the Trustee, initial host community payments, taxes or other governmental charges lawfully agreed to, levied or assessed on any property acquired;
- (e) amounts which are payable by the Authority in connection with (i) capital improvements and related capital expenses for which the Authority is responsible under any Solid Waste Management Contract, (ii) the voluntary termination, or other termination without cause, of any Solid Waste Management Contract or (iii) any damages, judgments, awards, fines, penalties, assessments, or settlement comments arising out of any Solid Waste Management Contract or otherwise; and
- (f) costs reasonably related to any of the foregoing and designated by the Authority as being “Capital Costs” for purposes of this definition, including, but not limited to, start-up costs, reasonable reserves, initial working capital and similar expenses.

“Certificate of Determination” means a certificate of an Authorized Officer of the Authority fixing terms, conditions and other details of Bonds in accordance with the delegation of power to do so under a Supplemental Resolution.

“Code” means the Internal Revenue Code of 1986, as amended, and final and temporary regulations promulgated thereunder.

“Conduit Financing” means debt issued by the Authority to provide financing to a Person in accordance with the Act, whether through a loan, financing lease, installment sale or other similar arrangement, provided such debt (i) is secured by the Authority's loan, lease or installment payments received in connection therewith, and (ii) is not secured by Revenues or assets of the Authority other than as described in clause (i).

“Construction” means the acquisition, erection, building, alteration, improvement, increase, enlargement, extension, reconstruction, renovation or rehabilitation (including closure) of a System Improvement; the inspection and supervision thereof; and the engineering, architectural, legal, fiscal and economical investigations and studies, surveys, designs, plans, working drawings, specifications, procedures and other actions incidental thereto and may include the start-up of a System Improvement, the initial testing and acceptance of the System Improvement and the administration and management by the Authority of any Solid Waste Management Contract during the period prior to completion and commercial operation of the System Improvement.

“Construction Fund” means the Construction Fund established pursuant to the Resolution.

“Consulting Engineer” means a reputable and experienced engineer or firm of engineers, selected by the Authority, and may include a registered professional engineer who is an employee of the Authority or the County.

“Corporation” means the New York State Environmental Facilities Corporation established under the New York State Facilities Corporation Act, constituting Title 12 of Article 5 of the Public Authorities Law and Chapter 43-A of the Consolidated Laws of the State of New York, as amended and supplemented, and any entity which may succeed to its rights and duties respecting the Revolving Fund.

“Costs” as applied to any System Improvement means and include the cost of Construction, the cost of the acquisition of all property, including real property and other property, both real and personal and improved and unimproved, the cost of demolishing, removing or relocating any buildings or structures on lands so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved or relocated, the cost of all systems, facilities, machinery, apparatus and equipment, financing charges, interest prior to, during and after construction to the extent not paid or provided for from revenues or other sources, the cost of engineering and architectural surveys, plans and specifications, the costs of consultants' and legal services, the cost of lease guarantee or bond insurance, the cost of Corporation fees and expenses, other expenses necessary or incidental to the Construction of such System Improvement and the financing of the Construction thereof, including cost of administration and management by the Authority and cost of insurance or sureties for the Construction period and the amount authorized in the resolution of the Authority providing for the issuance of bonds to be paid into any reserve or special fund from the proceeds of such bonds and the financing of the startup, testing, accepting and placing of any System Improvement in operation, including reimbursement to the County, or any municipality, state agency, the State, the United States government, or any other person for expenditures that would be costs of the System Improvement under the Resolution had they been made directly by the Authority.

“Counsel's Opinion” means an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to revenue bonds of municipalities and public agencies, selected by the Authority and satisfactory to the Trustee.

“County” means the County of Rockland, New York.

“County 1995 Agreement” means that agreement dated March 23, 1995 between the Authority and the County, providing, inter alia, for the repayment by the Authority of certain payments made, including interest accrued, on its behalf by the County.

“County Solid Waste Management Plan” means the solid waste management plan approved by the Rockland County Legislature pursuant to Resolution No. 638 of 1991 adopted October 1, 1991 as the same may be amended from time to time.

“Credit Facility” means, with respect to any Series of Bonds or portion thereof, a letter of credit, revolving credit agreement, standby purchase agreement, surety bond, insurance policy or similar obligation, arrangement or instrument issued by a bank, insurance company or other financial institution (a) which provides funds for (i) the direct payment of the Principal Installments of and interest on such Bonds when due or (ii) the payment of the Principal Installments of and interest on such Bonds in the event amounts otherwise pledged to the payment thereof are not available when due or (iii) the payment of the Tender Option Price of any Option Bond which may be tendered to the Authority for purchase or payment in accordance with the Supplemental Resolution authorizing such Option Bond (in any case, regardless of whether such Credit Facility provides funds for any other purpose) and (b) which (i) requires the Authority to directly reimburse the issuer of such Credit Facility for amounts paid thereunder and (ii) provides that such obligation is a Parity Reimbursement Obligation.

“Debt Service” for any period means, as of any date of calculation for any Series of Bonds, an amount equal to the sum of (i) interest payable during such period on Bonds of such Series, (ii) that portion of the principal of and Sinking Fund Installments on such Bonds payable during such period; calculated on the assumption that (x) no Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of payment on the due

date thereof or redemption from Sinking Fund Installments and (y) Variable Rate Bonds will bear interest at the greater of (A) the rate or rates which were assumed by the Authority in the Authority Budget for such Fiscal Year to be borne by Variable Rate Bonds during such Fiscal Year (provision for such budget assumption and for notice thereof to the Trustee under the Resolution to be set forth in the Supplemental Resolution authorizing the issuance of Variable Rate Bonds) or (B) the actual rate or rates borne by such Variable Rate Bonds on such date of calculation.

“Debt Service Due Date” means any date on which interest or a Principal Installment is due with respect to any Bonds.

“Debt Service Fund” means the Debt Service Fund established pursuant to the Resolution.

“Debt Service Reserve Fund” means the Debt Service Reserve Fund established pursuant to the Resolution.

“Debt Service Reserve Requirement” means, as of any date of calculation, (i) the lesser of (a) an amount equal to the maximum amount of Debt Service for any year or (b) 125% of the average annual Debt Service for any year, in each case, required to be paid in the current or any future Bond Year on all Series of Bonds any portion of which is Outstanding or (c) 10% of the principal amount of all Bonds Outstanding and (ii) any additional amounts required by a Supplemental Resolution. All or any part of the Debt Service Reserve Requirement may be satisfied by a Reserve Fund Credit Facility. For purposes of calculating the Debt Service Reserve Requirement, the cost of any applicable Reserve Fund Credit Facility shall be included as if it were interest on the Bonds of the related Series. Notwithstanding the foregoing, with respect to a Series of Bonds the interest on which is excludable from gross income, the Debt Service Reserve Requirement allocable thereto shall be limited to an amount that will permit compliance with the Resolution notwithstanding the fact that such limitation may reduce the Debt Service Reserve Requirement as set forth in the first sentence for all Bonds in the aggregate. For the purpose of calculating the Debt Service Reserve Requirement for any Series of Variable Rate Bonds, if any, upon their initial issuance, the maximum and average annual Debt Service on such Series shall be determined by reference to the Pro Forma Bond Issue for such Series set forth in the Supplemental Resolution authorizing such Series.

“Depository” means any bank or trust company selected by the Authority as a depository of moneys to be held under the provisions of the Resolution, and may include the Trustee.

“Event of Default” means any event specified in the Resolution.

“Fiscal Year” means a twelve month period commencing on the first day of January.

“Fund” means any fund established pursuant to the Resolution.

“General Fund” means the General Fund established pursuant to the Resolution.

“Interest Payment Date” means any date upon which interest on the Bonds is due and payable in accordance with their terms.

“Investment Securities” means and include any of the following securities, if and to the extent the same are at the time legal investments by the Authority of the funds to be invested therein:

(a) direct obligations of the United States of America, direct federal agency obligations the timely payment of principal of and/or interest on which are, respectively, fully and unconditionally guaranteed by the United States of America, including direct obligations of the United States of America which have been stripped by the United States Treasury itself (STRIPS), treasury receipts securities “Treasury Receipts” including “CATS”, “TIGRS”, “LIONS” and the interest components of REFCORP bonds for which the underlying bond is non-callable (or non-callable before the due date of such interest component) for which separation of principal and interest is made by request to the Federal Reserve Bank of New York in book-entry form;

(b) bonds, debentures or notes or other evidence of indebtedness payable in cash issued by any one or a combination of any of the following federal agencies, or any other federal agency, to the extent any of such evidences of indebtedness are secured by the pledge of the full faith and credit of the United States of America: Export-Import Bank of the United States, Federal Financing Bank, Farmer's Home Administration, Federal Housing Administration, Maritime Administration Government National Mortgage Association;

(c) certificates of deposit properly secured at all times, by collateral security described in (a) or (b) above. Such agreements are only acceptable with commercial banks, savings and loans associations, and mutual savings banks;

(d) the following investments if fully insured by the Federal Deposit Insurance Corporation: (i) certificates of deposit, (ii) savings accounts, (iii) deposit accounts, or (iv) depository receipts of banks, savings and loan associations, and mutual savings banks;

(e) bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: the United States Postal Service; the Federal Home Loan Bank System; the Export-Import Bank of the United States; the Government National Mortgage Association; the Tennessee Valley Authority or the Washington Metropolitan Area Transit Authority;

(f) Public Housing Bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract with the United States of America; temporary notes, preliminary loan notes or project notes issued by public agencies or municipalities, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(g) direct and general obligations of any state of the United States, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, but only if, at the time of their purchase such obligations are rated in either of the two highest rating categories by either S&P or Moody's rating service or, upon the discontinuance of either or both of such services, such other nationally recognized rating service or services, as the case may be, as shall be determined in a Supplemental Resolution;

(h) repurchase agreements or investment agreements collateralized by securities described in subparagraphs (a), (b), (c) or (d) above with any registered broker/dealer subject to the Securities Investors' Protection Corporation or that is an approved Federal Reserve Bank Primary Dealer or with any commercial bank (including the Trustee), provided that (1) a specific written repurchase agreement or investment agreement governs the transaction, (2) the Securities, free and clear of any lien, are held by the Trustee or an independent third party acting solely as agent for the Trustee, and such third party is (a) a Federal Reserve Bank, or (b) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$25 million, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee, (3) a perfected first security interest under the Uniform Commercial Code, or book entry procedures described in 31 CFR 306.1 et seq. or 31 CFR 350.0 et seq., in such securities is created for the benefit of the Trustee, (4) the Trustee will value the collateral securities no less frequently than monthly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two (2) Business Days of such valuation, or, in the case of a repurchase agreement, the agreement has a term of thirty (30) days or less, and (5) the fair market value of the collateral securities in relation to the amount of the repurchase obligation or the payment obligation, depending on whether it is a repurchase agreement or an investment agreement, including principal and interest, is equal to at least 100%;

(i) money market funds rated "A", "Am" or "Am-G" or better by Moody's or S&P;

(j) commercial paper rated "Prime-1" or better by Moody's or "A-1" or better by S&P;

- (k) advance-refunded municipal bonds;
- (l) tax-exempt obligations that are rated “A” or better or V-MIG 1 by Moody's or “A-” or better or “A-1” by S&P, or shares of investment companies that invest only in such obligations; and
- (m) an investment agreement, to the extent permitted by law, issued or guaranteed by a corporation whose long-term unsecured debt is rated in either of the highest two rating categories by Moody's or S&P.

“Notes” means notes or indebtedness of the Authority expressly issued in anticipation of Bonds in accordance with the Resolution.

“Operating Expenses” means all reasonable or necessary current expenses of maintaining, repairing, operating and managing the Solid Waste Management System, including payments for services rendered (but excluding any Service Fee Debt Service Component) under a Solid Waste Management Contract” and, including all salaries, administrative, general, commercial, architectural, engineering, advertising, auditing and legal expenses, insurance and surety bond premiums, consultants' fees and charges, Corporation fees and expenses, payments to pension, retirement, health and hospitalization funds or in connection with any other employee benefit program, any taxes which may lawfully be imposed on the Solid Waste Management System or the income or operation thereof, payments by the Authority in lieu of taxes, costs of public hearings, ordinary and current rentals of equipment or other property, ordinary lease payments for real property or any interest therein, usual expenses of maintenance and repair (including replacements), expenses, liabilities and compensation of any Fiduciary or of any trustee, paying agent or fiduciary for any obligation issued by the Authority for the Solid Waste Management System, reasonable reserves for maintenance and repair, payments to the County under the County 1995 Agreement, and all other expenses necessary, incidental or convenient for the efficient operation of the Solid Waste Management System; Operating Expenses shall not include any Capital Costs.

“Operating Fund” means the Operating Fund established pursuant to the Resolution.

“Operating Reserve Fund” means the Operating Reserve Fund established pursuant to the Resolution.

“Operating Reserve Requirement” means an amount measured at the end of each Fiscal Year equal to the Authority's fixed overhead excluding Debt Service, as projected by the Authority in the Annual Budget, for the months of January and February of the following Fiscal Year. The Operating Reserve Fund may be funded with cash.

“Operating Reserve Year End Minimum Balance” means, as of December 31 of each Fiscal Year, an amount equal to the Operating Expenses, as projected in its Annual Budget, for the months of January and February of the following Fiscal Year.

“Option Bonds” means Bonds which by their terms may be tendered by and at the option of the owner thereof for purchase or payment by the Authority prior to the stated maturity thereof, or the maturities of which may be extended by and at the option of the owner thereof.

“Outstanding”, when used with reference to Bonds, means, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under the Resolution except:

- (a) any Bonds cancelled by the Trustee at or prior to such date;
- (b) any Bond in lieu of or in substitution for which other Bonds have been authenticated and delivered; and
- (c) any Bond deemed to have been paid as provided in the Resolution.

“Parity Reimbursement Obligation” means a Reimbursement Obligation, the payment of which has been designated by the Authority as being secured by a pledge of, and a lien on, Revenues on a parity with the lien created by the Resolution.

“Paying Agent” means any paying agent for the Bonds of any Series, and its successor or successors and any other person which may at any time be substituted in its place pursuant to the Resolution.

“PFLA” or “PFA” means, with respect to any one or more Series, the Project Financing Agreement between the Authority and the Corporation, as such may be amended and supplemented in accordance with the terms thereof, entered in connection with such Series.

“Principal Installment” means, as of any date of calculation and with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, (i) the principal amount of Bonds (including (x) for Capital Appreciation Bonds, any amount designated in, or determined pursuant to, the applicable Supplemental Resolution, as the “principal amount” with respect to any Capital Appreciation Bonds issued thereunder, (y) the Tender Option Price of any Option Bonds which may be tendered to the Authority for purchase or payment prior to the stated maturity thereof in accordance with the terms of the Supplemental Resolution authorizing such Option Bonds, unless such amount is secured by a Credit Facility which is not in default and (z) the principal amount of any Parity Reimbursement Obligation) of such Series due (or so tendered for purchase or payment) on a certain future date of which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance of any Sinking Fund Installments due on a certain future date for Bonds of such Series, or (iii) if such future dates coincide as to different Bonds of such Series, the sum of such principal amount of Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date; provided, however, that Principal Installment shall not include the principal of Notes.

“Pro Forma Bond Issue” means, when used with reference to the Debt Service Reserve Requirement for a Series of Variable Rate Bonds, the hypothetical fixed rate long term bond issue set forth in the Supplemental Resolution authorizing such Series, having (i) the same maturities (and sinking fund provisions, if any) as the Series of Variable Rate Bonds to which it relates and (ii) such interest rate or rates as the Authority shall reasonably deem to be the equivalent of the rates which would have been borne by such Series of Variable Rate Bonds if such Series had been issued as a Series of Fixed Rate Bonds.

“Qualified Contract Obligation” means a debt obligation (i) with respect to debt issued by or for the benefit of a Person, (ii) which Person is party to a Solid Waste Management Contract with the Authority, (iii) the proceeds of which debt financed all or a portion of the cost of facilities at which services are being provided to the Authority pursuant to such Solid Waste Management Contract, and (iv) which debt is permitted or required by the terms thereof and of such Solid Waste Management Contract to be assumed or guaranteed by the Authority.

“Rate Covenant” means the covenant and agreement of the Authority contained in the Resolution relating to the setting of rates and charges applicable to the Solid Waste Management System.

“Rebate Fund” means the Rebate Fund established pursuant to the Resolution.

“Record Date” means, unless otherwise determined by a Supplemental Resolution for a Series of Bonds, the close of business on the fifteenth day preceding a payment date or, if such day shall not be a Business Day, the immediately preceding Business Day.

“Redemption Fund” means the Redemption Fund established pursuant to the Resolution.

“Redemption Price” means, when used with respect to a Bond or portion thereof, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to the Resolution.

“Refunding Bond” means any Bond authenticated and delivered on original issuance pursuant to the provisions of the Resolution authorizing Refunding Bonds or thereafter authenticated and delivered in lieu of or substitution for any such Bond.

“Reimbursement Agreement” means any agreement between the Authority and any issuer of a Credit Facility which secures in whole or in part Bonds and, if appropriate in context, shall be deemed to include a policy of municipal bond insurance on Bonds.

“Reimbursement Obligation” means an obligation of the Authority in a Reimbursement Agreement to repay principal together with interest thereon or amounts drawn on the Credit Facility to which the Reimbursement Agreement applies to pay principal of or interest on Bonds.

“Remarketing Agent” means the person or entity appointed as such under any Supplemental Resolution with respect to the Series of Bonds authorized thereunder.

“Renewal and Replacement Fund” means the Renewal and Replacement Fund established pursuant to the Resolution.

“Renewal and Replacement Requirement” means, with respect to each month in any Fiscal Year, (a) the amount for such month which is determined by the Consulting Engineer pursuant to the Resolution as the amount which is reasonably necessary as a reserve for expenses with respect to the Solid Waste Management System for (i) major repairs, renewals, replacements or maintenance items of a type not recurring annually or at shorter intervals, (ii) expenses relating to the closure and post-closure of any Solid Waste Management System component, and (iii) repairs, renewals or replacements resulting from the occurrence of uncontrollable events or circumstances which are not covered by the proceeds of an insurance policy, as stated in a certificate executed by the Consulting Engineer and filed with the Trustee by the Authority annually on a date which is not more than sixty (60) days prior to the end of each Fiscal Year plus (b) such amount as the Authority in its discretion shall determine in addition to the amount specified in (a). In computing the applicable Renewal and Replacement Requirement with respect to any month in a Fiscal Year, any portion of the Renewal and Replacement Requirement for a prior month in such Fiscal Year that was not deposited to the Renewal and Replacement Fund shall be added to the then applicable Renewal and Replacement Requirement.

“Reserve Fund Credit Facility” means, when used with respect to Bonds, (i) any irrevocable, unconditional letter of credit issued by a bank or savings and loan association whose long-term uncollateralized debt obligations are rated in one of the two highest Rating Categories by each nationally recognized rating agency then rating any Series of Bonds, or if no Series of Bonds is then rated, by any nationally recognized rating agency, and (ii) any insurance policy providing substantially equivalent liquidity as an irrevocable, unconditional letter of credit, and which is issued by a municipal bond or other insurance company, obligations insured by which are rated in one of the two highest Rating Categories by each nationally recognized rating agency then rating any Series of Bonds, or if no Series of Bonds is then rated, by a nationally recognized rating agency, and which is used, to the extent permitted under applicable law, including the Act, to fund all or a portion of the Debt Service Reserve Requirement.

“Resolution” means the Solid Waste Management System Bond Resolution adopted by the Authority on November 30, 1995, as amended and supplemented.

“Revenue Fund” means the Revenue Fund established pursuant to the Resolution.

“Revenues” means all rates, fees, rents, charges, and other realized income derived or to be derived by or for the account of the Authority from or for the ownership, operation, use or services or commodities provided by the Solid Waste Management System, including the availability of any of the foregoing, as well as proceeds of insurance covering a loss due to interruption in operation thereof; provided, however, that “Revenues” shall not mean or include (i) any amount received or receivable from the United States or the State (or any agency of either thereof) or from any other source as or on account of a grant or contribution for or with respect to (a) the construction, acquisition, improvement, extension, renewal or other development of any part of the Solid Waste Management System or (b) the financing of any of the foregoing or (ii) any amounts received by or paid to the Authority which are required to be charged or collected by or paid to the Authority under the terms of any grant agreement with the United States of America or any agency thereof or the State or any agency thereof and which are received by or paid to the Authority in an agency capacity under such grant agreement or (iii) amounts, if any, paid to the Authority, pursuant to loan, financing lease, installment sale or other similar arrangement entered into to secure a Conduit Financing or (iv) the proceeds of any bonds or other indebtedness of the Authority not constituting

Bonds or otherwise secured under the Resolution or (v) any investment earnings on any funds or accounts of the Authority which are on deposit in the Rebate Fund or which are required to be deposited therein for rebate to the United States of America pursuant to the provisions of the Code in order to comply with the Resolution so as to insure that interest on any Bonds which are issued as tax exempt obligations continue to be excludable from gross income under the Code or (vi) the proceeds of Bonds.

“Revolving Fund” means the New York State Water Pollution Control Revolving Fund established pursuant to Chapter 565 of the Laws of New York of 1989, as amended.

“Series” means all of the Bonds authenticated and delivered on original issuance and any Bonds thereafter authenticated and delivered in lieu of or in substitution therefor pursuant to the Resolution or any Supplemental Resolution, regardless of variations in maturity, interest rate or other provisions.

“Service Covenant” means the covenant and agreement of the Authority contained in the Resolution relating to the providing of Solid Waste management services.

“Service Fee Debt Service Component” means, with respect to a Solid Waste Management Contract pursuant to which a Person provides services to the Authority in connection with which (i) debt was issued by or for the benefit of such Person, (ii) the proceeds of such debt financed all or a portion of the cost of facilities at which services are being provided to the Authority pursuant to such Solid Waste Management Contract, and (iii) the Authority pays a service fee, a portion of which is separately identified and measured by reference to such debt, that portion of the service fee described in clause (iii) above relating to such debt; provided that prior to execution of such Solid Waste Management Contract the conditions of the Resolution have been met with respect to such portion of the service fee.

“Sinking Fund Installment” means, as of any particular date of calculation, the amount of money required to be paid at all events by the Authority on a single future date for the retirement of Outstanding Bonds which are expressed to mature after said future date, but does not include any amount payable by the Authority by reason only of the maturity of a Bond.

“Solid Waste” means all putrescible and nonputrescible solid wastes, including, but not limited to, materials or substances which are discarded or rejected as being spent, useless, worthless, or in excess to the owners at the time of such discard or rejection, or which are being accumulated, stored, or physically, chemically or biologically treated prior to being discarded or rejected, having served their intended use, or which are manufacturing by-products, including, but not limited to, garbage, refuse, industrial, commercial and agricultural waste sludges from air or water pollution control facilities or water supply treatment facilities, rubbish, ashes, contained gaseous material, incinerator residue, demolition and construction debris and offal, but not including sewage and other highly diluted water carried materials or substances and those in gaseous form, special nuclear or by-product material within the meaning of the Atomic Energy Act of 1954, as amended, or waste which appears on the list or satisfies the characteristics of hazardous waste promulgated by the commissioner of environmental conservation pursuant to Section 27-0903 of the Environmental Conservation Law or any scrap or other material of value held for purposes of materials recycling other than materials designated as recyclables, pursuant to Section one hundred twenty-aa of the General Municipal Law.

“Solid Waste Management Contracts” means all contracts, leases and agreements with any person to which the Authority is a party which bear upon or affect the Rate Covenant or the Service Covenant or any other obligation or responsibility of the Authority under the Resolution, including, but not limited to, contracts, leases or agreements with persons to construct or operate Authority-owned Solid Waste Management Facilities and contracts, leases or agreements with persons to construct or operate Solid Waste Management Facilities not owned by the Authority for the purpose of providing solid waste management services to the Authority, and contracts, leases or agreements with persons to provide solid waste management services to the Authority, whether or not utilizing the services of a Solid Waste Management Facility.

“Solid Waste Management Facility” means, in accordance with the terms of the Act, any facility, plant, works, system, building, structure, improvement, machinery, equipment, rolling stock, fixture or other real or personal property which is to be used, occupied or employed for the collection, receiving, transporting, storage,

processing, treatment or disposal of Solid Waste or the recovery by any means of any material or energy product or resource therefrom including but not limited to recycling centers, material recovery facilities, mixed waste processing facilities, household hazardous waste facilities, transfer stations, shredding facilities, baling facilities, rail haul or maritime facilities, processing systems, resource recovery facilities, steam and electric generating and transmission facilities, including auxiliary facilities to supplement or temporarily replace such generating facilities, steam distribution facilities, sanitary landfills, plants and facilities for compacting, composting or pyrolyzation of Solid Waste or manufacturing or enhancing the value of materials or commodities recovered from Solid Waste incinerators, and other Solid Waste disposal, reduction or conversion facilities and resource recovery equipment, source separation equipment and disposal equipment as defined in subdivisions four and five of Section 51-0903 of the State Environmental Conservation Law. Solid Waste Management Facility, includes, but is not limited to, the Biosolids Cocomposting Facility, the Materials Recovery Facility, the Hillburn Transfer Station, the Recyclables Pre-Processing Facility, the Hillburn Yard Waste Composting Facility, the Household Hazardous Waste Facility, the Bowline Transfer Station, the Clarkstown Transfer Station, the Clarkstown Yard Waste Composting Facility (consisting of the Clarkstown leaf composting site, the Clarkstown mulch composting site and the French Farms Leaf Composting Site) and the Clarkstown Concrete and Asphalt Crushing Operation.

“Solid Waste Management System” means all of the Solid Waste Management Facilities acquired, constructed or operated by the Authority or a Person for the purposes of the Authority, including each System Improvement and all services procured by the Authority pursuant to the terms of a Solid Waste Management Contract.

“SRF Bonds” means all bonds issued by the Corporation a portion of the proceeds of which are advanced to the Authority in consideration for the issuance of Bonds.

“State” means the State of New York.

“Subordinated Indebtedness” means any indebtedness of the Authority described in the Resolution incurred in connection with the Solid Waste Management System which is secured by a pledge of the Revenues under the Resolution but which by the express terms of such indebtedness, is subordinate to the pledge of Revenues securing Bonds.

“Supplemental Resolution” means any resolution of the Authority authorizing the issuance of a Series of Bonds or supplementing or amending the Resolution, adopted by the Authority in accordance with the Resolution.

“System Improvement” means any Solid Waste Management Facility, the planning, development, financing, construction, operation, or maintenance of which is authorized to be undertaken in whole or in part by the Authority pursuant to the Act, and constituting facilities, improvements and extensions to the Solid Waste Management System to be constructed with the proceeds of a Series of Bonds as specified in the Resolution or Supplemental Resolution authorizing the issuance of such Bonds and any improvements, extensions and additions thereto.

“System Improvement Costs” means the Capital Costs of a System Improvement.

“System Improvement Fund” means the System Improvement Fund which is established pursuant to the Resolution.

“System Improvement Requirement” means, with respect to a month in a Fiscal Year, the amount determined by the Authority, as set forth in its Annual Budget for such Fiscal Year that shall be deposited in the System Improvement Fund to fund Capital Costs for System Improvements or to establish reserves to fund such costs. In computing the applicable System Improvement Requirement with respect to any month in a Fiscal Year, any portion of the System Improvement Requirement for a prior month in such Fiscal Year that was not deposited in the System Improvement Fund shall be added to the then-applicable System Improvement Requirement.

“Tax Covenant Certificate” means, with respect to the action for which it is required, a Certificate of an Authorized Officer to the effect that such action is consistent with the covenant of the Authority respecting tax exempt obligations set forth in the Resolution.

“Tender Option Price” means, with respect to any Option Bond tendered for purchase or payment in accordance with the Supplemental Resolution authorizing such Option Bond, an amount equal to the principal amount of such Option Bond plus the interest accrued and unpaid thereon to the date of such tender.

“Trustee” means a trustee appointed by the Authority pursuant to the Resolution, its successor and assigns, and any other corporation or association which may at any time be substituted in its place as provided in the Resolution.

“Variable Rate Bonds” means as of any date of determination, any Bond on which the interest rate borne thereby may vary during any part of its remaining term.

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## APPENDIX C

### SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION

The following is a general summary (“Summary”) of certain provisions of the Solid Waste Management System Bond Resolution adopted by the Authority on November 30, 1995, as amended and supplemented (the “Resolution”). This Summary is not to be considered a full statement of the terms of the Resolution and, accordingly, is qualified by reference to and is subject to the full text of the Resolution. A copy of the Resolution may be obtained upon request from the Authority.

#### **Resolution to Constitute Contract**

In consideration of the purchase and acceptance of the Bonds by those who shall hold the same from time to time, the provisions of the Resolution shall be a part of the contract of the Authority with the holders of Bonds and shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the holders from time to time of the Bonds. Except as expressly provided in the Resolution, the pledge thereof and the provisions, covenants and agreements therein set forth to be performed by or on behalf of the Authority shall be for the equal benefit, protection and security of the holders of any and all of the Bonds (subject to express subordination provisions of Subordinated Indebtedness), each of which, regardless of the time or times of its issue or maturity, shall be of equal rank without preference, priority or distinction over any other thereof.

#### **Authorization and Issuance of Bonds**

In order to provide sufficient funds for the Capital Costs of the Solid Waste Management System or for the purpose of refunding any of its bonds, Bonds of the Authority are authorized to be issued from time to time without limitation as to amount except as provided in the Resolution or as may be limited by law and such Bonds shall be issued subject to the terms, conditions and limitations established in the Resolution and any Supplemental Resolution. The Bonds shall be general obligation bonds of the Authority subject only to any pledge of particular revenues as authorized pursuant to a Supplemental Resolution. The Bonds shall not be a debt of the State, the County, any municipality or any public corporation other than the Authority, and neither the State nor the County, any municipality or any other public corporation shall be liable thereon, nor shall the Bonds be payable out of any funds other than those of the Authority provided under the Resolution, including any Supplemental Resolution, and under the Act.

The Resolution creates a continuing pledge and lien on Revenues to secure, equally and ratably (subject to express subordination provisions of Subordinated Indebtedness) the full and final payment of the principal or Redemption Price of and interest on all Bonds in accordance with their terms.

*Conditions Precedent to Delivery of a Series of Bonds.* All (but not less than all) the Bonds of a Series other than Refunding Bonds shall be executed by the Authority for issuance and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Authority or upon its order, but only upon the receipt by the Trustee, among other things, of:

(A) a Counsel's Opinion, among other things, with respect to (i) the due adoption, validity and enforceability of the Resolution and the applicable Supplemental Resolution; (ii) the Resolution and the applicable Supplemental Resolution relating to such Bonds creating the valid pledge which they purport to create; (iii) the validity and enforceability of the Bonds of such Series against the Authority; and (iv) the validity of the authorization and issuance of the Bonds;

(B) a copy of the Supplemental Resolution authorizing Bonds of such Series, certified by an Authorized Officer, and specifying the basic terms of the Bonds;

(C) the Certificate of a Consulting Engineer setting forth an estimate of the amount of Capital Costs expected to be incurred by the Authority to complete the facilities to be acquired or constructed from

the proceeds of the Bonds of such Series, which may include costs which have been paid from the proceeds of Notes if the payment of such Notes is to be provided for from the proceeds of Bonds of such Series;

(D) a Certificate of an Authorized Officer, dated as of the date of such delivery, stating that the proceeds of the Bonds of such Series, exclusive of the proceeds of Refunding Bonds, together with any other specified amounts (including proceeds of additional Series of Bonds) reasonably expected to be available therefor, will be sufficient to pay the Capital Costs set forth in said Certificate of a Consulting Engineer and that the Authority has met the requirements under the heading “Additional Bonds” below; and

(E) a Certificate of an Authorized Officer, dated as of the date of such delivery, stating that the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Resolution.

*Conditions Precedent to Delivery of a Series of Refunding Bonds.* All Refunding Bonds of a Series shall be executed by the Authority for issuance and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Authority or upon its order, but only upon the receipt by the Trustee, among other things, of:

(a) irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds to be refunded on a redemption date specified in such instructions;

(b) if the Bonds to be refunded are not to be redeemed within the next succeeding forty-five days, irrevocable instructions to the Trustee, satisfactory to it, to publish as provided in the Resolution notice of redemption of such Bonds on a specified date prior to their maturity;

(c) either (i) moneys (which may include all or a portion of the proceeds of the Refunding Bonds to be issued) in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the redemption date, or (ii) Investment Securities, as described in clause (a) of the definition thereof in the Resolution (or obligations secured by such Investment Securities as to the payment of both principal and interest), the principal of and interest on which when due, together with the moneys (which may include all or a portion of the proceeds of the Refunding Bonds to be issued), if any, contemporaneously deposited with the Trustee, will be sufficient to pay when due the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the redemption date, which moneys or Investment Securities shall be held by the Trustee or any one or more of the Paying Agents in a separate account for the Bonds to be refunded irrevocably in trust hereunder.

### **Bond Anticipation Notes**

Whenever the Authority shall authorize the issuance of a Series of Bonds, the Authority may, by Supplemental Resolution, authorize the issuance of Notes (and renewals thereof) in anticipation of the issuance of such Series of Bonds. The principal of and interest on such Notes and renewals thereof shall be payable from the proceeds of such Notes or from the proceeds of the sale of the Series of Bonds in anticipation of which such notes are issued. The proceeds of such Bonds may be pledged for the payment of the principal of and interest on such Notes and any such pledge shall have a priority over any other pledge of such proceeds created by the Resolution. The Authority may also pledge the Revenues to the payment of the interest on, and subject to the Resolution, the principal of such Notes.

### **Credit Facilities**

In connection with the issuance of any Series of Bonds pursuant to the Resolution, the Authority may obtain or cause to be obtained one or more Credit Facilities providing for payment of all or a portion of the Principal Installments, or Redemption Price or interest due or to become due on such Bonds, providing for the purchase of such Bonds by the issuer of such Credit Facility or providing funds for the purchase of such Bonds by the Authority.

The Authority may also in a Reimbursement Agreement with the issuer of such Credit Facility agree to directly reimburse such issuer for amounts paid under the terms of such Credit Facility with respect to principal of the Bonds, together with interest thereon; provided, however, that no such reimbursement shall be credited, for purposes of the Resolution, until amounts are paid under such Credit Facility. Any such reimbursement obligation may be secured by a pledge of, and a lien on, Revenues, on a parity with the lien created by the Resolution, to the extent provided in a Supplemental Resolution or Certificate of Determination. Any such Parity Reimbursement Obligation shall be deemed to be a part of the Series of Bonds to which the Credit Facility which gave rise to such Parity Reimbursement Obligation relates.

### **SRF Bonds**

Each Authorized Officer of the Authority is hereby delegated the power to enter into a PFLA in connection with the issuance of SRF Bonds. In connection therewith the Authority may enter into such agreements with the Corporation providing for, inter alia: (i) the payment of fees and expenses to the Corporation; (ii) the terms and conditions of such SRF Bonds and the Series of Bonds relating thereto; and (iii) the security, if any, to be provided for the issuance of such SRF Bonds.

### **Application of Bond Proceeds, Accrued Interest and Premium**

Except as otherwise provided under “Application of Proceeds of Refunding Bonds” below, the proceeds of sale of any Series of Bonds other than Refunding Bonds shall, as soon as practicable upon the delivery thereof to the Trustee of a Certificate of an Authorized Officer pursuant to the Resolution, be applied as follows:

- (a) the amount, if any, necessary to cause the amount on deposit in the Debt Service Reserve Fund to equal the Debt Service Reserve Requirement at the time of such delivery shall be deposited in the Debt Service Reserve Fund; and
- (b) the balance remaining after such deposit has been made, if applicable, shall be deposited in the separate account of the Construction Fund established for the System Improvement to be financed with the proceeds of such Bonds to the extent required for the purpose of paying the System Improvement Costs; and
- (c) the remaining amounts, if any, shall be deposited in any Fund or Account or applied in any other manner as shall be determined in the Supplemental Resolution authorizing the issuance of such Bonds.

Upon the delivery of the Bonds by the Trustee, the amount, if any, received at such time as a premium above the aggregate principal amount of such Bonds shall be deposited in the Operating Fund or in an Account of the Construction Fund, as specified in the Certificate of an Authorized Officer, and the amount, if any, received as accrued interest shall be deposited in the Debt Service Fund.

### **Application of Proceeds of Refunding Bonds**

The proceeds of the sale of the Bonds of a series of Refunding Bonds shall be deposited in the Redemption Fund for application solely with respect to the Bonds to be redeemed, or shall be applied as otherwise provided in the Supplemental Resolution authorizing the issuance of such Bonds.

### **The Pledge Effected by the Resolution**

The Resolution provides that there are pledged to secure the payment of the Bonds, in accordance with their terms and the provisions of the Resolution, including the punctual performance by the Authority of all of its obligations and covenants under the terms of the Resolution, subject only to provisions of the Resolution and any Supplemental Resolution, thereof for or to the purposes and on the terms and conditions therein set forth: (i) the proceeds of the sale of Bonds, (ii) all Revenues, (iii) all Funds and any Accounts (except the Rebate Fund) established under or pursuant to the Resolution (whether or not held by the Trustee), and (iv) all other moneys,

securities and other funds to be received, held or set aside by the Authority or by any Fiduciary pursuant to the Resolution including the proceeds of insurance received pursuant to the Resolution.

To secure the payment of the Bonds, in accordance with their terms and the provisions of the Resolution and any Supplemental Resolution, the Resolution provides that there are pledged and assigned to the Trustee, the Solid Waste Management Contracts, subject, however, and except as provided by the Resolution upon the happening of an Event of Default thereunder, to the right of the Authority, in accordance with the covenants and other terms and provisions of the Resolution, to exercise its rights to carry out its obligations and duties under each such Solid Waste Management Contract, to enforce or realize upon its right and interest in such Solid Waste Management Contracts and to receive payments, if any, and to apply the same for or to the purposes and on the terms and conditions set forth in the Resolution.

Pursuant to the Act, such pledges, assignments and granting of security interest shall be valid, binding and perfected from the time when they are made, and the proceeds of the Bonds, Revenues, moneys, securities and other funds so pledged and when such security interest attaches and then or thereafter received by the Authority shall immediately be subject to the lien of such pledge and such security interest without any physical delivery of the collateral or further act. The lien of such pledge and security interest and the obligation to perform the contractual provisions therein contained shall have priority over any or all other obligations and liabilities of the Authority and shall be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof. Pursuant to the Act, neither the Resolution, as the instrument by which such pledge and security is created, nor any financing statement, need be recorded or filed.

#### **Establishment of Funds and Accounts**

The Resolution establishes and creates the following funds:

- (a) Construction Fund;
- (b) Revenue Fund;
- (c) Operating Fund;
- (d) Debt Service Fund;
- (e) Debt Service Reserve Fund;
- (f) Redemption Fund;
- (g) Renewal and Replacement Fund;
- (h) Operating Reserve Fund;
- (i) System Improvement Fund;
- (j) General Fund; and
- (k) Rebate Fund.

The Revenue Fund, the Operating Fund, the Renewal and Replacement Fund, the Operating Reserve Fund, the System Improvement Fund and the General Fund shall be held by the Authority. The Construction Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Redemption Fund and the Rebate Fund shall be held by the Trustee. All moneys or securities held by the Authority or deposited with the Trustee pursuant to the Resolution shall be held in trust and applied only in accordance with the provisions thereof and shall be considered trust funds for the purposes of the Resolution.

The Authority may establish within any Fund held by the Authority such Accounts as it determines necessary and may in like manner establish within any Account such sub-accounts for the purposes of such Accounts. The Trustee shall, at the request of the Authority, establish within any Fund held by the Trustee such Accounts as shall be designated in the written instructions of an Authorized Officer and shall in like manner establish within any Account such sub-accounts for the purposes of such Accounts as shall be so designated

including, but not limited to, Accounts or sub-accounts as shall be necessary or desirable to comply with the requirements or practice of the Revolving Fund.

Notwithstanding anything in the first paragraph of this Section to the contrary, upon the occurrence of an Event of Default the provisions of the Section entitled “Application of Revenues and Other Moneys after Default” below shall apply.

*Construction Fund.* The Authority shall establish within the Construction Fund a separate Account for each System Improvement for which a Series of Bonds is issued. There shall be deposited from time to time in the applicable Account of the Construction Fund any amount required to be deposited therein pursuant to the Resolution and any Supplemental Resolution and any other amounts received and determined to be deposited therein from time to time which are not otherwise required to be applied in accordance with the Resolution.

Amounts in each separate Account of the Construction Fund shall be expended only (i) to pay Capital Costs of the System Improvement for which such Account was established or to pay the principal of and interest on Notes issued pursuant to the Resolution with respect to such System Improvement, or (ii) to the extent that the amounts in any other Fund or Account pledged and payable therefrom are insufficient or unavailable therefor, to pay the principal of and interest on the Series of Bonds from which such Account was funded when due, but in the case of (ii) above only in the event that there shall have been filed with the Trustee (a) a Certificate of an Authorized Officer stating that the Revenues expected to be received thereafter together with such other specified amounts as are expected to be made available therefor by the Authority will be sufficient to pay in full all Outstanding Bonds when and as the same shall become due in accordance with their terms, and (b) an opinion of counsel satisfactory to the Trustee that such payment is permitted by the Resolution and the applicable Supplemental Resolution, will not result in a violation of any existing law and will not be inconsistent with the covenant of the Authority respecting tax exempt obligations pursuant to the Resolution; provided, however, that to the extent and in the amount that the Account of the Construction Fund includes proceeds of Bonds to provide for interest during construction on such Bonds pursuant to a Supplemental Resolution authorizing such Bonds, such Certificate and opinion shall not be required for such expenditure. In addition to such requirements, any additional disbursement requirements required in the PFLA shall be complied with.

The Authority shall submit or cause to be submitted to the Trustee a written requisition setting forth the amount and itemizing the Capital Costs of any System Improvement expected to be paid in the following month from the Account in the Construction Fund established for such System Improvement, together with (i) a Certificate of an Authorized Officer identifying such requisition and stating that the amount to be withdrawn from such Account pursuant to such requisition is a proper charge thereon and (ii) a Tax Covenant Certificate, and (iii) instructions as to the Person to whom such requisition should be drawn. Upon the receipt by the Trustee of a properly completed written requisition, the Trustee shall promptly pay to the Authority or Person from funds available in the Construction Fund the amount shown in such requisition. The Authority may at any time or from time to time as necessary submit to the Trustee a supplemental requisition and Certificate of an Authorized Officer in conformity with the foregoing requirements, and upon receipt thereof the Trustee shall promptly pay to the Authority or Person the amount specified in such supplemental requisition from funds available in the Construction Fund. All moneys so received from each Account shall be applied to the payment of the Capital Costs of the System Improvement for which such Account was established.

The Trustee shall, upon written instruction of an Authorized Officer, transfer any amount of the proceeds of Bonds remaining in any Account of the Construction Fund to the System Improvement Fund or the Debt Service Reserve Fund, but only upon receipt of (i) a Certificate of an Authorized Officer stating that all Capital Costs theretofore incurred or expected to be incurred in connection with the System Improvement for which such Account was established have been paid or duly provided for, and (ii) a Tax Covenant Certificate. In addition, the Authority may, by delivering to the Trustee written instructions of any Authorized Officer, direct the Trustee to apply such remaining amounts to the redemption of Bonds in accordance with the provisions of the Resolution.

With respect to any Series of Bonds, upon receipt by the Trustee of a certification of an Authorized Officer to the effect that (i) the System Improvement to be financed with the proceeds of such Bonds has been completed, and (ii) no further requisitions of such proceeds will be required to make payments with respect to such System Improvement, and (iii) no transfers (or no further transfers) will be requested pursuant to the Resolution, the Trustee

shall promptly transfer any remaining balance in the applicable Account of the Construction Fund to the Redemption Fund.

Nothing in the foregoing five paragraphs shall preclude the Authority in a Supplemental Resolution from adding additional conditions to the disbursement of Bond proceeds from the applicable Account of the Construction Fund.

*Revenue Fund.* There shall be deposited promptly upon receipt by the Authority to the credit of the Revenue Fund all Revenues; provided, however (i) Revenues constituting insurance proceeds required to be deposited in the Construction Fund or the General Fund pursuant to the Resolution shall be applied as otherwise set forth in the Resolution, and (ii) Revenues constituting earnings credited to the account of the Authority pursuant to a PFLA, which earnings are credited towards a payment obligation for specified Bonds, shall be applied as set forth in the applicable PFLA.

The Authority shall, during each month, transfer moneys in the Revenue Fund to the Operating Fund in amounts reasonably estimated by the Authority to be sufficient to pay Operating Expenses during such month. To the extent amounts in the Operating Fund are at any time insufficient to pay Operating Expenses the Authority may transfer from the Revenue Fund to the Operating Fund such additional amounts as are sufficient to pay such Operating Expenses. Notwithstanding the foregoing, if and to the extent a transfer from the Revenue Fund to the Operating Fund would result in a balance in the Revenue Fund, together with Revenues that the Authority reasonably anticipates receiving on or prior to three days prior to the next Debt Service Due Date, being less than the amount required to pay interest and Principal Installments due on the Bonds Outstanding on the next Debt Service Due Date, the Authority shall not make further transfers from the Revenue Fund to the Operating Fund to the extent there are amounts in the Operating Reserve Fund available to be transferred to the Operating Fund.

The Authority shall, not less than fifteen days prior to any Debt Service Due Date (or such earlier date as may be required by a PFLA), transfer moneys in the Revenue Fund to the Debt Service Fund in an amount such that the balance in the Debt Service Fund (counting as being on deposit in the Debt Service Fund amounts credited to the account of the Authority pursuant to a PFLA against payment due with respect to Bonds on such Debt Service Due Date) shall be sufficient to make all interest and Principal Installment payments due on such Debt Service Due Date. For purposes of this paragraph, with respect to Bonds issued pursuant to a PFLA, Debt Service Fund shall include a special account required to be established pursuant to such PFLA for payment of Debt Service due on such Bonds prior to the applicable Debt Service Due Date.

The Authority shall, during each month, immediately following the transfer from the Revenue Fund to the Operating Fund described in the first sentence of the first paragraph under this section "Payments from Revenue Fund" transfer from the Revenue Fund to the Debt Service Reserve Fund the amount, if any, necessary to increase the balance in the Debt Service Reserve Fund to the Debt Service Reserve Requirement.

The Authority shall, during each month, immediately following any transfers required to be made from the Revenue Fund described in the three preceding paragraphs, transfer from the Revenue Fund to the Operating Reserve Fund the amount, if any, equal to the Operating Reserve Requirement for such month. Notwithstanding the foregoing, if and to the extent a transfer from the Revenue Fund to the Operating Reserve Fund would result in a balance in the Revenue Fund together with Revenues that the Authority reasonably anticipates receiving on or prior to fifteen days prior to the next Debt Service Due Date, being less than the amount required to pay interest and Principal Installments due on the Bonds Outstanding on the next Debt Service Due Date, the Authority shall not make further transfers from the Revenue Fund to the Operating Reserve Fund in that month. Any shortfall in the payment of the Operating Reserve Requirement in a given month shall be added to the Operating Reserve Requirement in the following month.

The Authority shall, during each month, immediately following any transfers required to be made from the Revenue Fund described in four preceding paragraphs, transfer from the Revenue Fund to the Renewal and Replacement Fund the amount, if any, equal to the Renewal and Replacement Requirement for such month. Notwithstanding the foregoing, if and to the extent a transfer from the Revenue Fund to the Renewal and Replacement Fund would result in a balance in the Revenue Fund, together with Revenues that the Authority reasonably anticipates receiving on or prior to fifteen days prior to the next Debt Service Due Date, being less than

the amount required to pay interest and Principal Installments due on the Bonds Outstanding on the next Debt Service Due Date, the Authority shall not make further transfers from the Revenue Fund to the Renewal and Replacement Fund in that month. Any shortfall in the payment of the Renewal and Replacement Requirement in a given month shall be added to the Renewal and Replacement Requirement in the following month.

The Authority shall, during each month, immediately following any transfers required to be made from the Revenue Fund described in the five preceding paragraphs, transfer from the Revenue Fund to the System Improvement Fund the amount, if any, equal to the System Improvement Requirement for such month. Notwithstanding the foregoing, if and to the extent a transfer from the Revenue Fund to the System Improvement Fund would result in a balance in the Revenue Fund, together with Revenues that the Authority reasonably anticipates receiving on or prior to fifteen days prior to the next Debt Service Due Date, being less than the amount required to pay interest and Principal Installments due on the Bonds Outstanding on the next Debt Service Due Date, the Authority shall not make further transfers from the Revenue Fund to the System Improvement Fund in that month. Any shortfall in the payment of the System Improvement Requirement in a given month shall be added to the System Improvement Requirement in the following month.

The Authority may, but shall not be required to, (i) during the first calendar month of each year, transfer all or any portion of the balance in the Revenue Fund to the General Fund; provided such transfer may be made only if (a) the balance in the Debt Service Reserve Fund is at least equal to the Debt Service Reserve Requirement, (b) the balance in the Operating Reserve Fund as of the immediately preceding December 31 was at least equal to the Operating Reserve Year End Minimum Balance, (c) all deposits to the Renewal and Replacement Fund and the System Improvement Requirement required to be made during the preceding Fiscal Year have been made, and (d) such transfer does not otherwise impair the ability to pay interest or Principal Installment payments on any Debt Service Due Date within the six-month period following such transfer, and (ii) during each month, immediately following any transfers required to be made from the Revenue Fund described in the six preceding paragraphs, transfer all or any portion of the balance in the Revenue Fund to the General Fund; provided such transfer may be made only if (x) there is reserved either in the Revenue Fund (in addition to applicable reserves for interest and Principal Installments) or the Operating Fund or both an amount sufficient to pay Operating Expenses during the six-month period immediately following such transfer and (y) there is reserved in either the Revenue Fund or the Debt Service Fund or both an amount sufficient to make all interest and Principal Installment payments due on any Debt Service Due Date during the six-month period immediately following such transfer.

*Operating Fund.* There shall be deposited to the Operating Fund (i) all amounts transferred from the Revenue Fund pursuant to the Resolution, (ii) all amounts transferred from the Operating Reserve Fund for deposit therein pursuant to the Resolution, (iii) all amounts transferred from the Renewal and Replacement Fund pursuant to the Resolution, (iv) all amounts transferred from the System Improvement Fund for deposit therein pursuant to the Resolution, and (v) any other amounts transferred to the Operating Fund by the Authority for deposit therein.

Amounts in the Operating Fund shall be paid out from time to time by the Authority for reasonable and necessary Operating Expenses, free and clear of the lien and pledge created by the Resolution. Whenever the Operating Fund exceeds the amount reasonable and necessary for Operating Expenses including reserves and working capital, the Authority shall redeposit the excess in the Revenue Fund for application in accordance with the Resolution.

*Debt Service Fund.* There shall be deposited to the Debt Service Fund (i) all amounts transferred from the Revenue Fund pursuant to the Resolution, (ii) all amounts transferred from the Debt Service Reserve Fund for deposit therein pursuant to the Resolution, (iii) all amounts transferred from the Renewal and Replacement Fund for deposit therein pursuant to the Resolution, (iv) all amounts transferred from the System Improvement Fund for deposit therein pursuant to the Resolution, and (v) any other amounts transferred to the Debt Service Fund by the Authority for deposit therein.

The Trustee shall pay out of the Debt Service Fund, as follows (on a parity basis without priority of any Bonds over the others) to the respective Paying Agents for any of the Bonds: on or within 3 days before each Debt Service Due Date, the amounts required for the payment of the Principal Installment, if any, and interest due on the Outstanding Bonds on such date the amounts required for the payment of the Principal Installment of and of accrued

interest on and redemption premium or purchase price of Bonds to be redeemed or purchased for retirement, and such amounts shall be applied by such Paying Agents to such payments.

The amounts accumulated in the Debt Service Fund for each Sinking Fund Installment when so directed by an Authorized Officer shall be applied (together with amounts with respect to interest on the Bonds for which such Sinking Fund Installment was established) by the Trustee prior to the forty-fifth day preceding the due date of such Sinking Fund Installment as follows:

(a) to the purchase of Bonds of the Series and maturity for which such Sinking Fund Installment was established, at prices (including any brokerage and other charges) not exceeding the Redemption Price payable for such Bonds when such Bonds are redeemable by application of such Sinking Fund Installment plus unpaid interest accrued to the date of purchase, or

(b) to the redemption of such Bonds pursuant to the Resolution, if then redeemable by their terms, at the Redemption Price referred to in clause (a) above.

Upon the purchase or redemption of any Bond pursuant to the second paragraph under this Section "Debt Service Fund", an amount equal to the principal amount of the Bond so purchased or redeemed shall be credited toward the next Sinking Fund Installment thereafter to become due with respect to Bonds of the same Series and maturity and the amount of any excess of the amounts so credited over the amount of such Sinking Fund Installment shall be credited against future Sinking Fund Installments in direct chronological order. The portion of any Sinking Fund Installment remaining after the crediting thereto of any such amounts and of any amounts to be credited thereto as provided in under "Redemption Fund" below (or the original amount of any such Sinking Fund Installment if no such amount shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

As soon as practicable after the forty-fifth day preceding the due date of any such Sinking Fund Installment, the Trustee shall call for redemption, pursuant to the Resolution, on such due date, Bonds of the Series and maturity for which such Sinking Fund Installment was established in such amount as shall be necessary to complete the redemption of the principal amount specified for such Sinking Fund Installment of the Bonds of such Series and maturity. The Trustee shall call such Bonds for redemption whether or not moneys sufficient to pay the applicable Redemption Price thereof on the Redemption Date have been deposited in the Debt Service Fund.

*Debt Service Reserve Fund.* There shall be deposited to the Debt Service Reserve Fund (i) all amounts transferred from the Revenue Fund pursuant to the Resolution, (ii) all amounts transferred from the System Improvement Fund pursuant to the Resolution and (iii) any other amounts transferred to the Debt Service Reserve Fund by the Authority for deposit therein.

Amounts on deposit in the Debt Service Reserve Fund shall be applied, to the extent other funds are not available therefor in the Debt Service Fund, to pay the principal of and Sinking Fund Installments and interest on Bonds when due, whether by call for redemption or otherwise. Except as provided in the Resolution, whenever on any valuation date, the amount in the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement, the Trustee, when directed by the Certificate of an Authorized Officer of the Authority, shall withdraw from the Debt Service Reserve Fund the amount in excess of the Debt Service Reserve Requirement as of the date of such withdrawal and deposit the moneys so withdrawn into the Debt Service Fund.

The Trustee, if directed by Supplemental Resolution of the Authority, may withdraw from the Debt Service Reserve Fund the amount in excess of the Debt Service Reserve Requirement which is attributable to the elimination from the Debt Service Reserve Requirement of the sum specified in clause (ii) of the definition thereof, which amount shall be deposited in the System Improvement Fund or the Redemption Fund as provided in such Supplemental Resolution.

*Redemption Fund.* There shall be deposited in the Redemption Fund any amounts which are required to be deposited therein pursuant to the Resolution and any other amounts available therefor and, consistent with the provisions of the Resolution, determined by the Authority to be deposited therein. Subject to the provisions of the

Resolution or any Supplemental Resolution, the Trustee shall apply all amounts so deposited to the redemption of Bonds at the times and in the manner provided in the Resolution.

At least forty-five days prior to any day upon which Bonds are to be redeemed from amounts in the Redemption Fund, the Trustee when directed by the Certificate of an Authorized Officer shall apply amounts in the Redemption Fund to the purchase of any such Bonds if the purchase price paid for such Bonds does not exceed the principal amount of such Bonds unless such Bonds may be redeemed within six months after such purchase in which event such price shall not exceed the applicable Redemption Price. Upon the purchase or redemption of Bonds for which Sinking Fund Installments have been established from amounts in the Redemption Fund, there shall be credited toward each such Sinking Fund Installment thereafter to become due with respect to Bonds of the same Series and maturity as the Bonds so purchased or redeemed an amount as nearly as may be practicable in whole multiples of \$5,000 bearing the same ratio to such Sinking Fund Installments as the total payment amount of such Bonds so purchased or redeemed bears to the total amount of all such Sinking Fund Installments to be credited. If, however, there shall be filed with the Trustee written instructions of an Authorized Officer specifying a different method for crediting Sinking Fund Installments upon any such purchase or redemption of Bonds, then such Sinking Fund Installments shall be credited as shall be provided in such instructions.

The Trustee shall sell or redeem Investment Securities to the extent necessary to provide money to make any required payment pursuant to this section "Redemption Fund" and, at the direction of the Authority, shall sell or present for redemption Investment Securities to make any deposit, purchase payment or redemption as permitted pursuant to the Resolution.

*Renewal and Replacement Fund.* There shall be deposited to the Renewal and Replacement Fund (i) all amounts transferred from the Revenue Fund pursuant to the Resolution and (ii) any other amounts transferred to the Renewal and Replacement Fund by the Authority for deposit therein.

Amounts on deposit in the Renewal and Replacement Fund shall be applied to the payment of any reasonable and necessary cost of those items set forth in the definition of Renewal and Replacement Requirement.

If at any time there shall be insufficient amounts in the Revenue Fund, the Operating Fund and the Operating Reserve Fund to pay Operating Expenses, the Authority may transfer amounts in the Renewal and Replacement Fund to the Operating Fund to the extent reasonably necessary to pay such Operating Expenses.

If at any time there shall be insufficient amounts in the Debt Service Fund to pay interest of Principal Installments on any Bonds Outstanding when due, after application of amounts in the Revenue Fund and the Debt Service Reserve Fund, the Authority may transfer amounts in the Renewal and Replacement Fund to the Debt Service Fund to the extent reasonably necessary to make such payments when due.

Prior to the adoption of an Annual Budget for a Fiscal Year, the Authority shall direct the Consulting Engineer to develop a Renewal and Replacement Requirement for such Fiscal Year. Such Renewal and Replacement Requirement shall set forth, for each month in such Fiscal Year, the amount to be deposited in the Renewal and Replacement Fund during such month. In establishing the Renewal and Replacement Requirement for each month of a Fiscal Year, the Consulting Engineer may take into account the timing and amount of Revenues projected during each such month for such Fiscal Year and the timing and amount of Operating Expenses projected for each such month of such Fiscal Year. The Authority shall include the recommendations of the Consulting Engineer as to the Renewal and Replacement Requirement for each month of a Fiscal Year in the Annual Budget for such Fiscal Year.

*Operating Reserve Fund.* There shall be deposited to the Operating Reserve Fund (i) all amounts transferred from the Revenue Fund pursuant to the Resolution and (ii) any other amounts transferred to the Operating Reserve Fund by the Authority for deposit therein.

Amounts on deposit in the Operating Reserve Fund (i) may be used by the Authority at any time in any Fiscal Year to pay anticipated and unanticipated Operating Expenses, (ii) may be applied by the Authority in any Fiscal Year to offset any increases in the rates and charges otherwise required to be imposed by the Authority

pursuant to the Resolution as a result of business interruption or any unusual, unexpected or extraordinary costs incurred, or revenue declines suffered, by the Authority subsequent to the adoption of the Annual Budget for such Fiscal Year or (iii) may be transferred to the Operating Fund. Any such use of amounts in the Operating Reserve Fund shall be specified, if applicable, in the Annual Budget adopted pursuant to the Resolution or an amended Annual Budget adopted during such Fiscal Year pursuant to the Resolution.

*System Improvement Fund.* There shall be deposited to the System Improvement Fund (viii) all amounts transferred from the Revenue Fund pursuant to the Resolution and (ix) any other amounts transferred to the System Improvement Fund by the Authority for deposit therein.

The System Improvement Fund shall be used for the payment of Capital Costs of System Improvements to the Solid Waste Management System.

If at any time there shall be insufficient amounts in the Revenue Fund, the Operating Fund and the Operating Reserve Fund to pay Operating Expenses, the Authority may transfer amounts in the System Improvement Fund to the Operating Fund to the extent reasonably necessary to pay such Operating Expenses.

If at any time there shall be insufficient amounts in the Debt Service Fund to pay interest of Principal Installments on any Bonds Outstanding when due, after application of amounts in the Revenue Fund and the Debt Service Reserve Fund, the Authority may transfer amounts in the System Improvement Fund to the Debt Service Fund to the extent reasonably necessary to make such payments when due.

Prior to the adoption of an Annual Budget for a Fiscal Year, the Authority shall direct the Consulting Engineer to develop a System Improvement Requirement for such Fiscal Year. Such System Improvement Requirement shall set forth, for each month in such Fiscal Year, the amount to be deposited in the System Improvement Fund during such month. In establishing the System Improvement Requirement for each month of a Fiscal Year, the Consulting Engineer may take into account the timing and amount of Revenues projected during each such month for such Fiscal Year and the timing and amount of Operating Expenses projected for each such month of such Fiscal Year. The Authority shall include the recommendations of the Consulting Engineer as to the System Improvement Requirement for each month of a Fiscal Year in the Annual Budget for such Fiscal Year.

*General Fund.* There shall be deposited in the General Fund all amounts (i) permitted to be deposited therein pursuant to the Resolution and (ii) directed by the Authority to be so deposited therein pursuant to the Resolution and any other amounts received and determined to be deposited therein by the Authority.

Amounts in the General Fund may at any time be transferred to any Fund established hereunder or be paid to the Authority for any lawful purpose of the Authority in connection with the Solid Waste Management System including payment of Subordinated Indebtedness.

The Authority shall, at any time, apply moneys credited to the General Fund to the Debt Service Reserve Fund in the amount, if any, necessary (or all the moneys in the General Fund if less than the amount necessary) to make up any deficiency in the amount required to be on deposit in such Fund. Such transfer shall be made notwithstanding any other provisions of the Resolution and shall be senior to any obligations to make payments from the General Fund in connection with Subordinated Indebtedness.

*Rebate Fund.* The Authority shall deposit into the Rebate Fund any investment earnings on any funds or accounts thereof established hereunder to the extent required pursuant to the Arbitrage and Use of Proceeds Certificate executed by the Authority in connection with the authentication and delivery of Bonds.

The Authority shall determine the amounts (as well as the dates of payment) which are subject to rebate to the United States government pursuant to the provisions of the Code (in order to ensure that interest on any Bonds or any related SRF Bonds which are issued as Tax-Exempt Obligations continues to be excludable from Federal income taxation) in accordance with the terms of the Arbitrage and Use of Proceeds Certificate Agreement executed by the Authority in connection with the authentication and delivery of any Bonds. The amounts which are required

to be rebated to the United States government shall be withdrawn from the Rebate Fund at such times and paid to the United States government.

If there is not a sufficient amount in the Rebate Fund for any required payment to the United States government, the Authority shall promptly pay, from moneys which are on deposit in the Operating Fund or such other amounts in any other Fund which are available for such purpose, the amount which is necessary to make up such deficiency.

### **Investment of Funds**

Subject to the right of the Authority to direct the investment or deposit of funds under the Resolution, moneys in any Fund or Account held by the Trustee shall be continuously invested and reinvested or deposited and redeposited by the Trustee on terms which in the judgment of the Authority provide reasonable liquidity, in the highest yield Investment Securities that may be reasonably known to the Trustee, with a view toward maximizing yield (with proper preservation of principal) and minimizing the instances of uninvested funds. Investments of moneys in the Debt Service Reserve Fund shall mature within ten years of the date of purchase. Investments for a term longer than five (5) years which can be liquidated by or on behalf of the Trustee within five (5) years of their acquisition for an amount at least equal to the principal thereof and all accrued interest (or amortized discount) thereon to the liquidation date, whether by maturity, redemption, tender or otherwise, shall be deemed to meet the foregoing requirement. The Authority shall consult with the Trustee from time to time as to the investment of amounts in the Funds and Accounts established or confirmed by the Resolution. The Authority through an Authorized Officer may direct the Trustee to or, in the absence of direction, the Trustee shall invest and reinvest the moneys in any such Fund or Account in Investment Securities so that the maturity date or dates of redemption at the option of the holder thereof shall coincide as nearly as practicable with the times at which moneys are needed to be so expended. The Trustee shall keep the Authority advised as to the details of all such investments.

In lieu of Investment Securities (except as provided in the section entitled "Defeasance"), the Trustee shall at the written direction of an Authorized Officer deposit amounts or cause amounts to be deposited from any Fund held by the Trustee or under its control pursuant to the terms of the Resolution in interest bearing time deposits or certificates of deposit, or shall make other similar banking arrangements (including but not limited to repurchase agreements secured as required below) with itself or a member bank or banks of the Federal Reserve System or a bank, the deposits of which are insured by the Federal Deposit Insurance Corporation or its successor. Each such interest bearing time deposit or certificate of deposit or other similar banking arrangement shall permit the moneys so placed to be available at the times at which moneys are needed to be expended and, except to the extent that any such deposit shall be less than \$5,000 or be insured by the United States of America or the Federal corporations enumerated above, all moneys in each such interest bearing time deposit or certificate of deposit or other similar banking arrangement shall be continuously and fully secured by Investment Securities having a market value at least equal at all times to the amount of the deposit, certificate or other similar banking arrangement.

In computing the amount in any Fund or Account, obligations purchased as an investment of moneys therein shall be valued at amortized value unless purchased at a premium above par, in which case such obligation shall be valued at par. Amortized value shall mean par, if the obligation was purchased at par or, when used with respect to an obligation purchased at a discount below par, the value as of any given date obtained by dividing the total amount of the discount at which such obligation was purchased by the number of days remaining to the maturity of such obligation on the date of such purchase and by multiplying the amount thus calculated by the number of days having passed since the date of such purchase and adding the amount thus calculated to the purchase price. Valuation shall be made on the tenth day prior to each Interest Payment Date, and on any particular date shall not include the amount of interest then earned or accrued to such date on any such moneys or investment.

### **Redemption**

Bonds subject to redemption prior to maturity pursuant to a Supplemental Resolution shall be redeemable, upon notification as provided below, as such Redemption Prices, and upon such terms as may be specified in the Supplemental Resolution.

The Authority may elect to redeem Bonds by giving written notice to the Trustee of its election so to redeem, at least thirty-five days prior to the redemption date. Upon receipt of such notice from the Authority, the Trustee shall give notice of the redemption of such Bonds or any portion thereof, not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption to the Holders of the Bonds which are to be redeemed, at their last addresses appearing on the registration books of the Authority held by the Trustee. Notice having been given in such manner, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the office specified in such notice.

The Trustee shall, at least one day prior to the redemption date, or such earlier date as the Authority may direct, pay out of moneys available therefor to the appropriate Paying Agent or Paying Agents an amount in cash which, in addition to other amounts, if any, available therefor held by such Paying Agent or Paying Agents, will be sufficient to redeem on the redemption date at the Redemption Price thereof together with accrued interest to the redemption date, all of the Bonds to be redeemed.

### **Notice of Redemption**

With respect to any notice of redemption of Bonds in accordance with Section 605 of the Resolution, unless, upon the giving of such notice, such Bonds shall be deemed to have been paid within the meaning of the Resolution, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of monies sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed, and that if such monies shall not have been so received said notice shall be of no force and effect and the Authority shall not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such monies are not so received, the redemption shall not be made and the Trustee, within a reasonable time thereafter and in the manner in which the notice of redemption was given, shall give notice to the holders of such Bonds that such monies were not so received and that such Bonds shall not be redeemed as set forth in such notice of redemption.

### **Particular Covenants**

The Authority has covenanted, among other things, to do and perform or cause to be done and performed the following:

*Payment of Bonds, Extension of Payment.* The Authority has covenanted to duly and punctually pay or cause to be paid any amounts which are required to be paid by the Authority pursuant to any Outstanding Bonds and not to directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds, or by any other arrangement. Nothing in the Resolution shall be deemed to limit the right of the Authority to issue Refunding Bonds and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

*Operation and Maintenance of the Solid Waste Management System.* The Authority has covenanted that it shall at all times operate, or cause to be operated, the Solid Waste Management System properly and in a sound and economical manner and shall maintain, preserve, and keep the same or cause the same to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the Solid Waste Management System may be properly and advantageously conducted. Nothing contained in the Resolution shall, however, require the Authority to construct, operate, maintain, preserve, repair, replace, renew or reconstruct a part of the Solid Waste Management System if there shall have been filed with the Trustee (i) the Certificate of an Authorized Officer stating that in the opinion of the Authority abandonment of operation of such part is economically justified and is not prejudicial to the interest of the Bondholders including particularly that there will not be an adverse effect on the ability of the Authority to comply with the provisions under "Compliance with Rate Covenant and Service Covenant Not Excused for any Reason" below, and (ii) the Certificate of a Consulting Engineer concurring with said opinion.

Notwithstanding the foregoing, with respect to all or any portion of the Solid Waste Management, the Authority may satisfy the requirements of this subsection by causing and enforcing a provision of the applicable

Solid Waste Management Contract which requires the other party to operate, maintain and improve the applicable portion of the Solid Waste Management System.

The Authority has covenanted to establish and enforce reasonable rules and regulations governing the operation, use and services of the Solid Waste Management System. All compensation, salaries, fees and wages paid by the Authority in connection with the maintenance, repair and operation of the Solid Waste Management System shall be reasonable and shall not, in the judgment of the Authority, exceed the amounts that would be paid for such services by other similarly situated public and private bodies. The Authority shall observe and perform all of the terms and conditions contained in the Act, and shall comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Solid Waste Management System. The Authority shall conduct its affairs and operate and maintain the Solid Waste Management System (or cause the Solid Waste Management System to be operated and maintained) at all times in a manner consistent with the County Solid Waste Management Plan.

The Authority has covenanted to pay all taxes and assessments or other municipal or governmental charges, if any, lawfully levied or assessed upon or in respect of the Solid Waste Management System, or upon any part thereof or upon any revenue therefrom, when the same shall become due, and shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to any part of the Solid Waste Management System, and shall not create or suffer to be created any lien or charge upon the Solid Waste Management System or any part thereof or upon the revenues therefrom or assets thereof, except the pledge and lien created by, or permitted pursuant to, the Resolution, upon adoption of a Supplemental Resolution and except as provided in the Resolution with respect to the payment of Notes or the payment of Subordinated Indebtedness of the Authority. The Authority shall pay or cause to be discharged, or will make adequate provisions to satisfy and discharge within ninety days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the Solid Waste Management System or any part thereof or on the revenues therefrom. Nothing in this section contained shall require the Authority to pay or cause to be discharged, or make provision for, any such lien or charge, so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

The Authority has covenanted to employ a Consulting Engineer, whose duties shall be to make any Certificates and perform any other acts required or permitted of the Consulting Engineer under the Resolution and to supervise the construction and operation of the Solid Waste Management System, to make an inspection of the Solid Waste Management System at least once a year, and, not more than sixty or less than forty-five days before the end of each Fiscal Year, to submit to the Authority advice and recommendations as to the proper maintenance, repair and operation of the Solid Waste Management System during the ensuing Fiscal Year and an estimate of the amount of money necessary for such purposes. Copies of the reports of the Consulting Engineer and of the advice, recommendations and estimates made as provided in the Resolution shall be mailed by the Authority to the Trustee.

The Authority has covenanted to maintain at all times or cause to be maintained with responsible insurers all such insurance as is customarily maintained with respect to facilities of like character against loss of or damage to the Solid Waste Management System and against public and other liability to the extent reasonably necessary to protect the interests of the Authority and the Bondholders. If any useful part of the Solid Waste Management System shall be damaged or destroyed, the Authority shall, as expeditiously as may be possible, commence and diligently prosecute the repair or replacement of the damaged property so as to restore the same to use. The proceeds of any such loss or damage insurance with respect to a System Improvement either owned by the Authority or for which Authority Bonds have been issued shall be payable to the Authority and deposited in the Construction Fund and shall be applied to the necessary costs involved in such repair and replacement and, to the extent not so applied, shall be deposited in the System Improvement Fund. In the event that the costs of such repair and replacement of the damaged property exceeds the proceeds of such insurance available for payment of the same, moneys in the System Improvement Fund shall be used to the extent necessary for such purposes. Notwithstanding the foregoing, with respect to any component of the Solid Waste Management System, the Authority may satisfy the conditions of this subsection by including and enforcing a provision of the applicable Solid Waste Management Contract which requires the other party or parties thereto to maintain insurance at the levels specified therein and apply same to the repair or replacement of the applicable component of the Solid Waste Management System.

The proceeds of any such public and other liability insurance shall be deposited in a special account of the General Fund to discharge the liability for which it was received, free and clear of the lien of the Resolution.

*Annual Budget.* The Authority has covenanted to prepare, before the beginning of each Fiscal Year, its Annual Budget showing for the ensuing Fiscal Year estimated Operating Expenses, Debt Service, Revenues, the Operating Reserve Requirement, the Renewal and Replacement Requirement, the System Improvement Requirement, amounts necessary for the payment of Subordinated Indebtedness incurred by the Authority pursuant to Resolution and amounts expected or required to be transferred from the General Fund or the Operating Reserve Fund to any other Fund. Such Annual Budget shall show estimated monthly receipts and disbursements by Fund, and may set forth such additional material as the Authority may determine.

On or before the first day of each Fiscal Year beginning with the Fiscal Year ending in 1996, the Authority shall adopt the Annual Budget for such Fiscal Year. Copies of the Annual Budget shall be promptly filed with the Trustee, and such Annual Budget shall not be effective until it is so filed.

If for any reason the Authority shall not have adopted the Annual Budget before the first day of any Fiscal Year, the preliminary budget for such year, or otherwise the budget for the preceding Fiscal Year, shall be deemed to be in effect for such Fiscal Year until the Annual Budget for such Fiscal Year is adopted. For any purpose of computation under the provisions of the funds and accounts established under the Resolution, the Annual Budget for the preceding Fiscal Year shall be deemed to have been adopted for any Fiscal Year until the Annual Budget for such Fiscal Year shall be adopted and a copy thereof filed with the Trustee.

The Authority may at any time adopt an amended Annual Budget for the then current Fiscal Year, but no such amended Annual Budget shall supersede any prior budget until the Authority shall have filed with the Trustee a copy of said amended Annual Budget.

*Limitations On Operating Expenses.* The Authority has covenanted not to incur Operating Expenses in any year in excess of the reasonable and necessary amount thereof and shall not expend any amount or incur any indebtedness for maintenance, repair and operation in excess of the amounts provided for Operating Expenses in the Annual Budget, as it may be amended in accordance with the provisions pertaining to the Annual Budget above. Nothing in this paragraph contained shall limit the amount which the Authority may expend for Operating Expenses in any year provided any amounts expended therefor in excess of the Annual Budget shall be received by the Authority from some source other than the Revenues and the Authority shall not make or receive any reimbursement therefor out of Revenues.

*Rates and Charges.* With respect to all use of Solid Waste Management Facilities of or services or commodities provided by the Solid Waste Management System, including the availability of any of the foregoing from the Authority, the Authority has covenanted to make, impose, charge and collect service rates, rentals, fees and other charges in accordance with the Act, so as to provide Revenues sufficient at all times to pay pursuant to the terms and provisions of the Resolution and any Supplemental Resolution as the same shall become due, the principal of and interest on the Bonds, the maintenance of proper reserves therefor and for all other purposes required thereunder, payments due under Solid Waste Management Contracts, the expenses of operating and maintaining the properties of the Authority, and all other liabilities or obligations and indebtedness of the Authority as the same become due. Such rates, rentals, fees and other charges may be the same or different for each classification of user or service recipient, need not be uniform among or with respect to the Solid Waste Management Facilities comprising the Solid Waste Management System, may reflect the source and composition of Solid Waste and may provide for fee reductions to reflect participation in source separation programs. Such rates, rentals, fees and charges may, in accordance with the Act, be collected primarily or solely from charges imposed on properties to which the Authority's Solid Waste disposal services are provided or made available, or primarily or solely from tipping fees charged by the Authority at Solid Waste Management Facilities, or from any combination of such user charges, tipping fees or other rates, rentals, fees or charges. So long as the Authority is in compliance with its covenants in this Section, it may from time to time as market conditions require pay for recyclable materials processed as feedstock at its Solid Waste Management Facilities, and may provide free service to particular classes of users, service recipients or properties.

From time to time and as often as it shall appear necessary, the rates, rentals, fees and other charges established for the Solid Waste Management System will be adjusted so that in each Fiscal Year the Revenues less (i) Operating Expenses, (ii) any amounts required to be deposited in the Debt Service Reserve Fund in order to bring the balance therein to the Debt Service Reserve Requirement, and (iii) any amounts required to be deposited in the Renewal and Replacement Fund in order to make all monthly Renewal and Replacement Requirement payments is equal to at least 100% of Aggregate Debt Service for such Fiscal Year.

In each Fiscal Year, Revenues together with all cash reserves in any Fund or Account established hereunder that is available for the payment of Debt Service (other than amounts in the Debt Service Reserve Fund) shall be at least equal to the sum of (i) 100% of the amounts estimated to be required in such Fiscal Year to pay Operating Expenses, plus (ii) 110% of Aggregate Debt Service for such Fiscal Year, plus (iii) any amounts required to be deposited in the Debt Service Reserve Fund in order to bring the balance therein to the Debt Service Reserve Requirement, plus (iv) any amounts required to be deposited in the Renewal and Replacement Fund in order to make all monthly Renewal and Replacement Requirement payments.

*Accounts and Periodical Reports and Certificates.* The Authority shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Solid Waste Management System or under the Resolution and which, together with all other books and papers of the Authority including insurance policies, shall at all reasonable times be subject to the inspection of the Trustee or the holder or holders of not less than 5% in principal amount of the Bonds then Outstanding or their attorneys duly authorized in writing.

The Authority shall annually, within one hundred and twenty days after the close of each Fiscal Year, file with the Trustee an annual report for said Fiscal Year, accompanied by an Accountant's Certificate as to the examination of the financial statements therein (describing such statements as fairly presenting the information therein in conformity with generally accepted accounting principles and the provisions of the Resolution), relating to the Solid Waste Management System and including statements in reasonable detail of: (i) the financial condition as of the end of said Fiscal Year and income and expenses for said Fiscal Year, (ii) the number of users of the Solid Waste Management System for said Fiscal Year and of the service charges established and collected pursuant to "Rates and Charges" above, annual charges and other revenues collected in such Fiscal Year, (iii) Operating Expenses and the rates of service charges for said Fiscal Year and (iv) with respect to each Fund or Account created by the Resolution or any Supplemental Resolution, the receipts therein and disbursements therefrom during said Fiscal Year and the amounts held therein at the end of said Fiscal Year.

*Sale or Encumbrance.* No part of the Solid Waste Management System shall be sold, leased, mortgaged, pledged, encumbered or otherwise disposed of, except that the Authority may sell, exchange or lease at any time and from time to time any property or facilities constituting part of the Solid Waste Management System (i) that are not useful or necessary in the construction, reconstruction or operation thereof, or (ii) to an entity that enters into a Solid Waste Management Contract with the Authority pursuant to which it agrees to provide solid waste management services to the Authority at the portion of the Solid Waste Management System so sold, leased, mortgaged, pledged, encumbered or otherwise disposed of for a term determined by the Authority and approved by the Consulting Engineer, but any proceeds of any such sale or exchange received and not used to replace the property so sold or exchanged shall be deposited in either the System Improvement Fund or the Redemption Fund.

*Indebtedness and Liens.* The Authority has covenanted not to issue any bonds, notes or other evidences of indebtedness, other than the Bonds secured by a pledge of or other lien or charge on the Revenues or the Funds (other than the General Fund) established under the Resolution and shall not create or cause to be created any lien or charge on such Revenues or Funds or on any amounts held by any Fiduciary under the Resolution; but this Section shall not prevent the Authority from issuing bonds or notes or other obligations for the purposes of the Authority payable out of, or secured by a pledge of, Revenues to be derived on and after such date as the pledge of the Revenues provided in the Resolution shall be discharged and satisfied as provided under "Defeasance" below, or from issuing bonds or Notes or Subordinated Indebtedness or other obligations for the purposes of the Authority which are payable out of or secured by the pledge of amounts available therefor pursuant to the Resolution with respect to Notes or to Subordinated Indebtedness and which recite on their face that such pledge of said amounts is and shall be in all respects subordinate to the provisions of the Resolution and the lien and pledge created by the Resolution.

Notwithstanding the foregoing, the Authority may in a Solid Waste Management Contract, agree to assume or guarantee Qualified Contract Obligations such that such obligations constitute Assumed Obligations and further agree to pay a Service Fee Debt Service Component, so long as the foregoing are approved by the Authority in a Supplemental Resolution, and provided further that the Authority assumption or guarantee of a Qualified Contract Obligation shall be conditioned upon satisfying the requirements of “Additional Bonds” below.

*Ownership of Solid Waste Management System.* All or any portion of System Improvements may be owned by the Authority or any Person operating pursuant to a license, contract, or agreement with the Authority to provide Solid Waste management services to the Authority.

*Additional Bonds.* Except as otherwise provided in this section, all Bonds of a Series shall be executed by the Authority for issuance and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Authority or upon its order, but only upon the receipt by the Trustee of:

- (A) A Certificate of an Accountant (or of an Authorized Officer of the Authority) stating that:
  - (i) based upon an audit or review of the books and records of the Authority for any twelve (12) consecutive month period during the eighteen (18) calendar months immediately preceding the month during which the Additional Bonds are to be issued, the Revenues derived by the Authority were sufficient to comply with the Rate Covenant for such twelve (12) consecutive month period (as though such twelve (12) month period were a Fiscal Year), and
  - (ii) based upon an audit or review of the books and records of the Authority for the eighteen (18) calendar months immediately preceding the month during which the Additional Bonds are to be issued, (x) all deposits required to be paid into the Debt Service Fund through the audit and review period were made, and (y) upon the issuance of such Additional Bonds there shall be amounts on deposit in the Debt Service Reserve Fund at least equal to the Debt Service Reserve Requirement.

To the extent that the eighteen (18) month period referred to in (i) and (ii) above includes all or portions of one or more Fiscal Years for which an audit report as described in “Accounts and Periodical Reports and Certificates” is required to have been produced as of the date of issuance of the Additional Bonds, the certificate required by this paragraph (A) shall be based on any such audit.

(B) A Certificate duly executed by the Consulting Engineer (or an Authorized Officer of the Authority) setting forth in detail and based upon reasonable assumptions set forth therein (i) his or her estimate of the Revenues and Operating Expenses of the Authority for each of the three (3) Fiscal Years immediately succeeding the scheduled completion of the System Improvement to be financed by such Additional Bonds, calculated on the assumption that rates and charges established by the Authority shall be those rates and charges in effect on the date of such certificate or such higher rate, or rates, as the individual executing the Certificate certifies to be reasonable, (ii) the Debt Service for each such Fiscal Year, and (iii) his or her opinion that the amount of estimated Revenues for each such Fiscal Year as described above will be sufficient to satisfy the Rate Covenant for each such Fiscal Year.

(C) If the Additional Bonds are being issued to finance Solid Waste Management System Improvements, a Certificate duly executed by the Consulting Engineer (or an Authorized Officer of the Authority, to the extent permitted by the Resolution) (i) stating that such System Improvements will be useful or desirable in connection with the operation of the Solid Waste Management System, will be technically feasible and are in compliance with the Authority's approved solid waste management plan, as the same may be amended from time to time, (ii) setting forth in detail and based upon reasonable assumptions set forth therein the estimated costs of the acquisition or construction of such System Improvements, including any financing expenses and, if judged necessary, a balance for contingencies, the sources of funds expected to be applied to finance such costs, and the time period which will be required for completion of the acquisition or construction of such System Improvements, (iii) his or her opinion that the net proceeds of the Additional Bonds, together with other moneys which are then available or are reasonably expected to be available therefor, will be sufficient to pay the costs of the acquisition or construction of such System Improvements, and (iv) his or her opinion as to the date when such System Improvements will be placed in commercial operation.

The provisions of this section “Additional Bonds” shall not apply to either (i) the initial Series of Bonds sold to the Corporation in support of part of an issue of SRF Bonds, and (ii) the initial Series of Bonds issued thereafter pursuant to the Resolution, unless or except as is otherwise set forth in the Supplemental Resolution providing for the issuance thereof.

*Exceptions for Certain Bonds.* Furthermore, notwithstanding anything to the contrary in paragraphs (B) and (C) above, the Authority may issue Additional Bonds without satisfying paragraphs (B) and (C) above in any authorized amount if (i) all Outstanding Bonds are secured as to the payment of the principal of and interest due on such Bonds by a Credit Facility or Credit Facilities and issued concurrently with the delivery of each series of Bonds and being security for each series of Bonds, or any replacement thereof permitted in accordance with any Supplemental Resolution pursuant to which the applicable Bonds were issued, no such Credit Facility Provider has wrongfully dishonored a draw request for payment under such Credit Facility, which wrongful dishonor remains uncured, and (ii) the Credit Facility Provider or Credit Facility Providers, as the case may be, of all such Bonds consent to the issuance of the Additional Bonds without satisfaction of such paragraphs.

*Waiver of Laws.* The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of any stay or extension of law now or at any time hereafter in force which may affect the covenants and agreements contained in the Resolution or in the Bonds, and all benefit or advantage of any such law is hereby expressly waived by the Authority.

*Provision of Service.* To the extent required as the basis for imposing and collecting the rates, fees, charges and other Revenues required to be imposed and collected pursuant to “Rates and Charges” above, the Authority shall provide or cause the provision of the Solid Waste management services. The Authority shall carry out the foregoing provisions of this paragraph through the Solid Waste Management System and through the use of Solid Waste Management Contracts, with such Persons, using such technologies and upon such terms and conditions as the Authority determines, consistent with the County Solid Waste Management Plan and prudent solid waste management practices and in a manner which will not impair the ability of the Authority to comply with the Rate Covenant and the Service Covenant.

*Compliance with Rate Covenant and Service Covenant Not Excused for any Reason.* The obligation of the Authority to duly observe and comply with the Rate Covenant and the Service Covenant shall apply continuously and without interruption for so long as any Bonds remaining Outstanding. In the event that any event or circumstance or a change in law impairs or precludes compliance with any such covenant by the means or methods then being employed by the Authority, the Authority shall implement and pay for alternative or substitute means and methods to enable it to satisfy the terms and conditions of such covenants to the extent and subject to the limitations which are set forth in such covenants. In the event that a change in applicable law impairs or precludes the Authority from complying with such covenants with the means or methods then being employed and from utilizing alternate or substitute means or methods of compliance, the Authority shall continuously use its reasonable efforts, to the extent practicable, to effectuate executive, legislative or judicial change in or relief from the applicability of such law so as to enable the Authority lawfully to resume compliance with such covenants as soon as possible following the change in applicable law. The exercise of such continuous reasonable efforts by the Authority under such circumstances shall be deemed to be sufficient to satisfy the Rate Covenant and Service Covenant.

*Compliance with the Act and Enforcement of Revenues.* The Authority has covenanted to (1) take all reasonable measures which are permitted by the Act or otherwise by law to enforce prompt payment to it of all Revenues to be derived by the Authority from the operation of the Solid Waste Management System and, (2) at all times, to the extent permitted by the Act or otherwise by law, defend, enforce, preserve and protect the rights, benefits and privileges of the Authority under the Act consistent with the Authority's reasonable business judgment and in any event, to the extent necessary to enable the Authority to comply with the Rate Covenant and the Service Covenant.

*Agreement with the State.* The State pledges to and agrees with the holders of any bonds or notes issued by the Authority pursuant to the Act that the State will not alter or limit the rights vested in the Authority under the Act to purchase, construct, maintain, operate, repair, improve, increase, enlarge, extend, reconstruct, renovate, rehabilitate or dispose of any project, or any part or parts thereof, for which bonds of the Authority shall have been issued, to establish and collect rates, rents, fees and other charges referred to in the Act to fulfill the terms of any

agreement made with or for the benefit of the holders of bonds or notes or with any public corporation or person with reference to such project or part thereof, or in any way impair the rights and remedies of bondholders until the bonds or notes, together with the interest thereon, including interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged, provided, however, that Section 2053-o of the Act shall not be construed to limit in any manner the ability of the State to alter, amend or enforce laws or regulations to protect public health and the environment. Pursuant to the Act, the Authority hereby includes this pledge and agreement of the State in the Resolution, as a pledge and agreement of the State with bondholders.

*Tax Covenants.* The Authority has particularly covenanted and agreed with the holders of the Bonds which are issued as obligations, the interest on which is intended to be excludable from gross income under the Code, that (a) no part of the proceeds of any Series of such Bonds shall be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an “arbitrage bond,” as such term is defined in Section 148 of the Code (an “Arbitrage Bond”), and (b) it will not take or omit to take any actions which, if taken, or which the Authority is obligated to take but which, if not taken, would cause any Bond to be an Arbitrage Bond. In order to give effect to the provisions of this section “Tax Covenants”, the Authority shall comply with the provisions set forth in any tax regulatory or compliance agreement or with any similar document executed by the Authority in connection with the issuance and delivery of any Bonds which are issued as tax-exempt obligations.

The Authority will not take or omit to take any actions which, if taken or omitted, will cause the interest on the Bonds which are issued as tax-exempt obligations to be includable as gross income under the provisions of the Code.

Notwithstanding any other provision of the Resolution to the contrary, so long as necessary in order to maintain the exclusion from gross income of interest on the Bonds to which the covenant set forth in this section “Tax Covenants” applies for Federal income tax purposes, the covenants contained in this section shall survive the payment of the Bonds and the interest thereon, including any payment or defeasance thereof pursuant to the Resolution.

### **Supplemental Resolutions**

The Authority may adopt a Supplemental Resolution without the consent of the Trustee or Bondholders for certain purposes including, but not limited to:

- (a) to add to the covenants and agreements of the Authority in the Resolution other covenants and agreements to be observed by the Authority which are not contrary to or inconsistent with the Resolution as theretofore in effect;
- (b) to add to the limitations and restrictions in the Resolution other limitations and restrictions to be observed by the Authority which are not contrary to or inconsistent with the Resolution as theretofore in effect;
- (c) to surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of the Resolution, but only if the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Resolution;
- (d) to authorize Bonds of a Series;
- (e) to modify any of the provisions of the Resolution in any respect whatever, provided that
  - (i) such modification shall be, and be expressed to be, effective only after all Bonds of any Series Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding, and
  - (ii) such Supplemental Resolution shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the adoption of such Supplemental Resolution and of Bonds issued in exchange therefor or in place thereof;

(f) to modify, amend, insert or delete such provisions of the Resolution as, in Counsel's Opinion, shall be necessary or desirable to ensure the continued excludability of interest on any Series of Bonds Outstanding from gross income for Federal income tax purposes, so long as the Authority determines that such Supplemental Resolution does not materially adversely affect the right, security and interest of the Holders of Outstanding Bonds;

(g) to modify, amend or supplement the Resolution in any manner in order to provide for a Credit Facility, Reserve Fund Credit Facility, interest rate swap or other similar arrangement with respect to any Series of Bonds, under the Resolution, so long as the Authority determines that such Supplemental Resolution does not materially adversely affect the right, security and interest of the Holders of Outstanding Bonds; and

(h) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution, so long as the Authority determines that such Supplemental Resolution does not materially adversely affect the right, security and interest of the Holders of Outstanding Bonds.

The Authority may adopt a Supplemental Resolution, with the consent of the Trustee, for any one or more of the following purposes:

(a) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; or

(b) to insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable and are not contrary to or inconsistent with the Resolution as theretofore in effect; or

(c) to provide for additional duties of the Trustee in connection with the Resolution or the Solid Waste Management System.

## **Amendment**

Any modification or amendment of the Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds thereunder, in any particular, may be made by a Supplemental Resolution, with the written consent given as hereinafter provided under this heading "Amendment", (a) by the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, and (b) in case less than all of the Bonds then Outstanding are affected by the modification or amendment, by the Holders of at least a majority in principal amount of the Bonds so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this heading "Amendment". No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holders of such Bonds, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Trustee without its written assent thereto. For the purposes of this section, a Series shall be deemed to be affected by a modification or amendment of the Resolution if the same materially adversely affects or diminishes the right, security and interest of the Holders of Bonds of such Series. The Authority may in its discretion determine whether or not in accordance with the foregoing, Bonds of any particular Series or maturity would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on all Holders of Bonds. The Authority shall, prior to making any such determination, receive a Counsel's Opinion as conclusive evidence as to whether the Bonds of a Series or maturity would be so affected by any such modification or amendment thereof.

The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of the preceding paragraph, to take effect when and as provided under this heading "Amendment." A copy of such Supplemental Resolution (or brief summary thereof or reference thereto) together with a request to the Bondholders for their consent thereto, shall be mailed by the Authority to such Bondholders. Such Supplemental Resolution shall not be effective unless and until there shall have been filed with the Authority (i) the written consents of Holders of the percentages of Outstanding Bonds specified in the preceding paragraph, and (ii) a Counsel's Opinion stating that such Supplemental Resolution has been duly and lawfully adopted by the Authority in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Authority and enforceable in accordance with its terms.

*Modifications by Unanimous Consent.* The terms and provisions of the Resolution and the rights and obligations of the Authority and of the holders of the Bonds thereunder may be modified or amended in any respect upon the adoption and filing of a Supplemental Resolution and the consent of the holders of all the Bonds then Outstanding.

*Exclusion of Bonds.* Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in the Resolution, and the Authority shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in the Resolution. At the time of any consent or other action taken under the Resolution, the Authority shall furnish the Trustee a Certificate of an Authorized Officer, upon which the Trustee may rely, describing all Bonds so to be excluded.

#### **Events of Default**

Each of the following events shall constitute an "Event of Default" under the Resolution:

(a) if default shall be made in the due and punctual payment of the principal or Redemption Price of any Sinking Fund Installment on any Bond when and as the same shall become due and payable, whether at maturity or upon call for redemption, or otherwise; or

(b) if default shall be made in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable, and such default shall continue for a period of five days; or

(c) if default shall be made by the Authority in the performance or observance of any other of the covenants, agreements or conditions contained in the Resolution, any Supplemental Resolution authorizing Bonds or in the Bonds, and such default shall continue for a period of thirty days after written notice thereof to the Authority by the Trustee or to the Authority and to the Trustee by the holders of not less than 5% in principal amount of the Bonds Outstanding; or

(d) if the Authority shall file a petition or otherwise seek relief under any federal or state bankruptcy or similar law.

Nothing in the Resolution shall preclude the Authority from establishing under a Supplemental Resolution, additional "Events of Default" with respect to the Subordinated Indebtedness issued pursuant to such Supplemental Resolution provided, however, unless otherwise specifically included in the Resolution, an additional "Event of Default" under a Supplemental Resolution authorizing Subordinated Indebtedness shall not be an "Event of Default" under the Resolution.

Upon the happening and continuance of any Event of Default, the Trustee shall be entitled to the rights and remedies provided for in the Resolution.

*Accounting and Examination of Records after Default.* The Authority has covenanted that if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the Authority

relating to the Solid Waste Management System shall at all times be subject to the inspection of the Trustee and of its agents and attorneys.

*Application of Revenues and Other Moneys after Default.* The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon demand of the Trustee, shall pay over or cause to be paid over to the Trustee (i) forthwith, all moneys, securities and funds then held by the Authority or a Depository in any fund or account under the Resolution, and (ii) as promptly as practicable after receipt thereof, the Revenues.

During the continuance of an Event of Default, the Trustee shall apply such Revenues and the income therefrom as follows and in the following order:

(a) to the payment of the reasonable and proper charges, and expenses of the Trustee and of the Consulting Engineer;

(b) to the payment of the amounts required for reasonable and necessary Operating Expenses, including reasonable and necessary reserves and working capital therefor, and for the reasonable repair and replacement of the Solid Waste Management System, necessary to prevent loss of Revenues, as certified to the Trustee by the Consulting Engineer; and

(c) to the payment of Bonds as follows:

First: To the payment to the persons entitled thereto of all interest then due in the order in which such interest became due, and, if the amount available shall not be sufficient to pay in full any interest on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal or redemption price which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all such principal or redemption price due on any date, then to the payment thereof ratably, according to the amounts of principal or redemption price due on such date, to the persons entitled thereto, without any discrimination or preference.

If and whenever all overdue (1) installments of interest and Principal Installments on all Bonds and (2) the reasonable and proper charges and expenses of the Trustee, and all other sums payable by the Authority under the Resolution, shall either be paid by or for the account of the Authority, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Resolution shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Authority all such Revenues then remaining unexpended in the accounts held by the Trustee (except Revenues deposited or pledged, or required by the terms of the Resolution to be deposited or pledged, with the Trustee), and thereupon the Authority and the Trustee shall be restored, respectively, to their former positions and rights under the Resolution, and all Revenues shall thereafter be applied as provided in the Resolution. No such payment over to the Authority by the Trustee or resumption of the application of Revenues as provided in the Resolution shall extend to or affect any subsequent default under the Resolution or impair any right consequent thereon.

*Proceedings Brought by Trustee.* If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, if the Trustee shall deem it advisable, may proceed to protect and enforce its rights and the rights of the holders of the Bonds under the Resolution forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant therein contained, or in aid of the execution of any power therein granted, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under the Resolution.

All rights of action under the Resolution may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in the suit or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under the Resolution, the Trustee shall be entitled to exercise any and all rights and powers conferred in the Resolution and provided to be exercised by the Trustee upon the occurrence of an Event of Default; and, as a matter of right against the Authority, without notice or demand, the Trustee shall, to the extent permitted by law, be entitled to the appointment of a receiver of the moneys, securities and funds then held by the Authority in any Fund or Account under the Resolution and of the Revenues, with all such powers as the court or courts making such appointment shall confer; but notwithstanding the appointment of any receiver, the Trustee shall be entitled to retain possession and control of and to collect and receive income from, any moneys, securities and funds deposited or pledged with it under the Resolution or agreed or provided to be delivered to or deposited or pledged with it under the Resolution.

*Restriction on Bondholders' Action.* No holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of the Resolution or the execution of any trust under the Resolution or for any remedy under the Resolution, unless such holder shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in the Resolution, and the holders of at least 25% in principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity, either to exercise the powers granted in the Resolution or to institute such action, suit or proceeding in its own name, and unless such holders shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request within a reasonable time; it being understood and intended that no one or more holders of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by the Resolution, or to enforce any right under the Resolution, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of the Resolution shall be instituted, had and maintained in the manner provided in the Resolution and for the equal benefit of all holders of the Outstanding Bonds.

Nothing in the Resolution or in the Bonds contained shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed the principal of and interest on the Bonds to the respective holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any holder to enforce such payment of his or her Bond.

*Remedies Not Exclusive.* No remedy by the terms of the Resolution conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or existing at law or in equity or by statute on or after the date of adoption of the Resolution.

*Effect of Waiver and Other Circumstance.* No delay or omission of the Trustee or of any Bondholder to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such default or to be an acquiescence therein; and every power and remedy given by the Resolution to the Trustee or to the Bondholders may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Bondholders.

## **The Trustee**

The Trustee may at any time resign by giving not less than sixty days' written notice to the Authority and publishing notice thereof, may be removed by the holders of a majority in principal amount of the Bonds then Outstanding, or may be removed by the Authority at any time, with or without cause, except during the existence of an Event of Default. Any successor Trustee appointed shall be a bank or trust company organized under the laws of any state or a national banking association, and having a capital and surplus aggregating at least \$100,000,000.

## **Defeasance**

If the Authority shall pay or cause to be paid to the holders of all Bonds then Outstanding, the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the Resolution, then, at the option of the Authority, expressed in an instrument in writing signed by an Authorized Officer and delivered to the Trustee, the covenants, agreements and other obligations of the Authority to the Bondholders shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Authority, execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction and the Fiduciaries shall pay over or deliver to the Authority all moneys, securities and funds held by them pursuant to the Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Paying Agents (through deposit by the Authority of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph. All Outstanding Bonds of any Series shall, prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph if (i) in case any such Bonds are to be redeemed prior to the maturity thereof, the Authority shall have given to the Trustee in form satisfactory to it irrevocable written instructions to publish as provided in the Resolution notice of redemption on said dates of such Bonds, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Investment Securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if any, and Sinking Fund Installments and interest (and, with respect to Option Bonds, purchase price) due and to become due on said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be, and (iii) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty days, the Authority shall have given the Trustee in form satisfactory to it irrevocable written instructions to publish, as soon as practicable, at least twice, at an interval of not less than seven days between publications, in an Authorized Newspaper a notice to the holders of such Bonds that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Resolution and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds. Neither Investment Securities or moneys deposited with the Trustee pursuant to the Resolution nor principal or interest payments on any such Investment Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if any, and interest on said Bonds; except that any cash received from such principal or interest payments on such Investment Securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Investment Securities maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if any, and interest to become due on said Bonds on and prior to such Redemption Date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Authority, as received by the Trustee, free and clear of any trust, lien or pledge. For the purposes of these two paragraphs under "Defeasance", Investment Securities shall mean and include only such obligations as are described in clauses (a) and (b) of the definition of Investment Securities in the Resolution and non-callable AAA municipal bonds.

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**APPENDIX D**

**FINANCIAL STATEMENTS OF THE AUTHORITY**

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**Rockland County Solid Waste  
Management Authority**

(A Component Unit of the County of Rockland, New York)

Financial Report

December 31, 2020 and 2019

**Rockland County Solid Waste  
Management Authority**  
(A Component Unit of the County of Rockland, New York)

Financial Report

December 31, 2020 and 2019

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## **Independent Auditor's Report**

Board of Directors  
Rockland County Solid Waste Management Authority  
Nanuet, New York

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Rockland County Solid Waste Management Authority (Authority), a component unit of the County of Rockland, New York, as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### **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 audits. We conducted our audits 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 audit to obtain reasonable assurance about whether the financial statements are free from 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, 2020 and 2019, and the changes in its financial position and its cash flows for the years 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 on pages 3 through 9 and the schedules of proportionate share of the net pension liability, local government pension contributions, and other postemployment benefits liability on pages 33 through 35, 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 audits 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.

***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedules of budget to actual for the years ended December 31, 2020 and 2019 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2021, 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 solely 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 the effectiveness of the Authority's 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 12, 2021



# Rockland County Solid Waste Management Authority

## Management's Discussion and Analysis December 31, 2020

### Introduction

The discussion and analysis of the Rockland County Solid Waste Management Authority's (Authority) financial statements provides an overview of the Authority's activities for the year ended December 31, 2020. Management has prepared the financial statements and the related footnote disclosures along with the discussion and analysis.

### Financial Highlights

Comparative revenues, expenses and changes in net position are summarized below. Refer to the Authority's basic financial statements for the complete statements of revenues, expenses, and changes in net position.

	December 31,	
	2020	2019
Operating revenues	\$ 62,216,195	\$ 55,095,060
Non-operating revenues	367,806	1,945,256
Total revenues	<u>62,584,001</u>	<u>57,040,316</u>
Operating expenses	58,219,603	55,712,487
Non-operating expenses	970,064	1,052,669
Total expenses	<u>59,189,667</u>	<u>56,765,156</u>
Increase in net position	<u>\$ 3,394,334</u>	<u>\$ 275,160</u>

Net position, which represents the equity of the Authority, increased by \$3,394,334 during 2020.

### Overview of the Financial Statements

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is the accepted standard-setting body for establishing governmental accounting and reporting principles.

The financial statement presentation consists of the statement of net position, statement of revenues, expenses, and changes in net position, statement of cash flows, and notes to financial statements. These statements provide information on the financial position of the Authority and the financial activity and results of its operations during the year. A description of these statements follows:

The *Statement of Net Position* presents information on all of the Authority's assets and deferred outflows and liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Net Position* presents information showing the change in the Authority's net position during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement include items that will result in cash received or disbursed in future fiscal periods (e.g., the receipt of amounts due from other governments or the payment of accrued compensated absences).

# Rockland County Solid Waste Management Authority

## Management's Discussion and Analysis December 31, 2020

### Overview of the Financial Statements - Continued

The *Statement of Cash Flows* provides information on the major sources and uses of cash during the year. The cash flow statement portrays net cash provided or used from operating, investing, capital, and related financing activities.

### Statement of Net Position

The statement of net position presents the financial position of the Authority at the end of its year. A more detailed statement of net position appears in the Authority's basic financial statements.

	December 31,	
	2020	2019
Current assets	\$ 30,503,375	\$ 31,249,898
Restricted assets	4,013,444	5,150,073
Capital assets, net	35,653,635	32,605,954
Total assets	<u>70,170,454</u>	<u>69,005,925</u>
Deferred outflows	<u>17,291,675</u>	<u>17,533,213</u>
Current liabilities	11,073,933	11,031,997
Non-current liabilities	35,546,101	38,043,874
Total liabilities	<u>46,620,034</u>	<u>49,075,871</u>
Deferred inflows	<u>162,519</u>	<u>178,025</u>
Net position	<u>\$ 40,679,576</u>	<u>\$ 37,285,242</u>

### Current Assets

Current assets as of December 31, 2020 are primarily comprised of cash and cash equivalents (unrestricted) totaling approximately \$27.9 million. The remaining approximately \$2.6 million consists of receivables from various sources such as haulers and other governments, state grants, and prepaid expenses.

### Restricted Assets

Restricted assets totaling approximately \$4.0 million as of December 31, 2020 are comprised of investments. The decrease of approximately \$1.1M from December 31, 2019 relates to the transfer out of construction funds for completed projects.

### Deferred Outflows of Resources

Deferred outflows of resources as of December 31, 2020 consist of approximately \$1.7 million related to the net pension liability recorded in accordance with GASB Statement No. 68, approximately \$1.9 million related to accrued postemployment benefits in accordance with GASB Statement No. 75, and approximately \$446,000 of deferred outflows related to the 2008 Bond Series refunding, which took place in 2018.

# Rockland County Solid Waste Management Authority

## Management's Discussion and Analysis December 31, 2020

### Deferred Outflows of Resources - Continued

Additionally, deferred outflows of resources includes approximately \$13.2 million related to the excess of the purchase price of certain assets over the fair value of the assets acquired, which, in accordance with GASB Statement No. 85, is being recognized into expense over an attribution period which considers the capital assets acquired and other factors.

### Current Liabilities

Current liabilities as of December 31, 2020 consist of accounts payable and accrued liabilities totaling approximately \$6.9 million and the current portion of bonds payable of approximately \$4.2 million.

### Non-Current Liabilities

As of December 31, 2020, the long-term portion of bonds payable was approximately \$23.0 million. The Authority's postemployment benefit obligation calculated in accordance with GASB Statement No. 75 was approximately \$10.3 million, an increase of approximately \$409,000 over 2019.

### Capital Assets, Net

Depreciation expense for the year ended December 31, 2020 was approximately \$2.7 million. Total accumulated depreciation at December 31, 2020 was approximately \$57.1 million.

A comparative summary of capital assets is as follows:

	December 31,	
	2020	2019
Capital assets		
Land	\$ 8,920,406	\$ 8,764,191
Construction-in-progress	1,360,689	1,991,644
Buildings and land improvements	64,134,873	60,124,893
Machinery and equipment	18,308,900	16,065,721
Total capital assets	<u>92,724,868</u>	<u>86,946,449</u>
Less accumulated depreciation		
Buildings and land improvements	43,666,606	41,775,288
Machinery and equipment	13,404,627	12,565,207
Total accumulated depreciation	<u>57,071,233</u>	<u>54,340,495</u>
Net capital assets	<u>\$ 35,653,635</u>	<u>\$ 32,605,954</u>

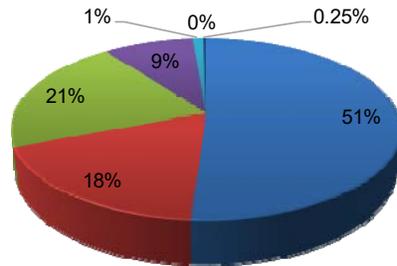
# Rockland County Solid Waste Management Authority

## Management's Discussion and Analysis December 31, 2020

### Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position represents the Authority's results of operations. The Authority also includes supplemental information that details revenues and expenses as it relates to the Authority's adopted budget. Refer to the Authority's basic financial statements for the complete listing. Total operating revenues of the Authority for the year ended December 31, 2020 were approximately \$62.2 million. Non-operating revenues were approximately \$368,000.

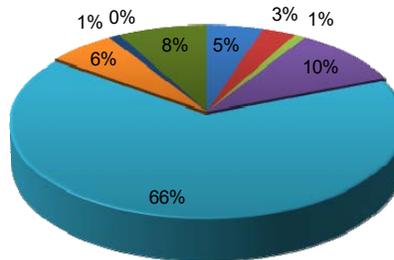
#### 2020 Revenues



- Tipping Fees (51%)
- Solid Waste Disposal Charges, User Fees (18%)
- Solid Waste Disposal Charges, Ad Valorem (21%)
- SW Disposal Charges (9%)
- Co-Composting Revenue (1%)
- MRF Revenue (0%)
- Other (.25%)

Solid Waste Disposal Charges (both user fees and ad valorem) represented 39% of total revenues. Revenues from the Co-Composting Facility, collection agreements administered by the Authority and other revenues represented 10% of total revenues. Tipping fees represented the remaining 51% of total revenues.

#### 2020 Expenses



- Personal Services (5%)
- Fringe Benefits (3%)
- Contractual Services (1%)
- Other Operating Expenses (10%)
- Revenue Generating Expenses (66%)
- Depreciation and Amortization (6%)
- Other Postemployment Benefits (1%)
- Other Costs (0%)
- Debt Service (8%)

# Rockland County Solid Waste Management Authority

## Management's Discussion and Analysis December 31, 2020

### Statement of Revenues, Expenses, and Changes in Net Position - Continued

Total operating expenses for 2020 were approximately \$58.2 million. Non-operating expenses for the year were approximately \$1.0 million. Revenue generating expenses (those related to the operation of the Authority's facilities) represented 66% of expenses. Personnel and fringe benefit costs represented 8% of expenses. Contractual services, depreciation and amortization, other postemployment benefits, debt service, other costs, and other operating expenses represented 26% of expenses.

### Economic Factors That Will Affect the Future

#### *Transfer Stations*

On May 20, 2008, the County Legislature, pursuant to language proposed by the Authority, enacted county-wide flow control (the Flow Control Act). On June 19, 2008, the County Executive signed the Flow Control Act and caused it to be filed pursuant to State law upon which it was designated as Local Law No. 2 of 2008 of the County. County-wide flow control allows the Authority to manage all waste generated in the County so that alternative waste processing technologies can be implemented in the County with the goal of reducing waste disposed in landfills. The Authority has implemented flow control related to municipal solid waste (MSW), yard waste, and recyclables.

The Authority currently has three strategically located transfer stations. They are located in the northern portion of the County in the Town of Haverstraw; the southern portion of the County in the Town of Clarkstown, and the western portion of the County in the Town of Ramapo. In 2020, the Authority's transfer stations accepted 332,518 tons of waste, reflecting a 6% decrease over the prior year, likely attributable to decreases in commercial waste due to restrictions related to the COVID-19 pandemic.

While the Authority recognizes that industry trends related to hauling and disposal expenses may affect the future of the Authority's financial position, management continues to explore commercially demonstrated alternative waste processing technologies to limit the Authority's exposure to risk factors within the industry. In response, the Authority has released a Request for Expressions of Interest (REFI) to Provide Long-Term Solid Waste Treatment and/or Disposal Including Production of Energy, Fuels and Other Marketable Product Offtake. In 2020, the Authority received 15 expressions of interest from respondents worldwide and is currently evaluating both commercially demonstrated and emerging technologies from qualified organizations interested in providing long term (20-plus years) treatment and/or disposal of post recycled MSW.

In 2020, the Authority expended approximately \$770K from its reserves on this effort, continuing to evaluate and research alternate waste processing technologies. This continues to reinforce the Authority's commitment and investment in evolving away from a traditional landfill disposal model to continue to promote its mission statement.

#### *Materials Recovery Facility*

There are several factors which remained constant with materials processed by the Material Recovery Facility (MRF). The economy, legislation, consumer habits, and the fluctuation in commodity pricing are factors that impact revenue generated at the MRF. The New York State legislation that resulted in the enhanced bottle bill has historically negatively impacted our local recycling revenue by diverting a significant number of water and juice bottles from the Authority's robust residential curbside recycling initiative. In addition, New York State legislative efforts with respect to product stewardship have changed company packaging which translates into lighter plastic bottles, decreased plastic in the recycling stream, increase in non-recyclable plastic packaging and higher utilization by companies of plastic with minimal value. Many consumers have exchanged their daily reading of newspaper and magazines for a digital format. Such changes in consumer habits impact tonnage and thus revenue. However, the decreased tonnage in certain commodities due to the factors delineated above has been offset by an increase in outreach efforts that have had a positive increase in the flow of material into the MRF from commercial businesses, schools, and outreach efforts with community partners.

# Rockland County Solid Waste Management Authority

Management's Discussion and Analysis  
December 31, 2020

## **Economic Factors That Will Affect the Future - Continued**

### *Materials Recovery Facility - Continued*

While China's National Sword Initiative continues to be a concern for MRF operators with respect to the export of recovered materials, the Authority has commenced capital improvements at the MRF. During the construction period, which is expected to be approximately 2 years, the Authority will be processing recyclables at one of three alternate processing facilities via a public private partnership. Once the improvements/updates are completed in 2022, the Authority expects domestic and international capacity for recovered materials to improve.

In 2019 and 2020, successful paper shredding events were held twice in each of the County's five towns.

### *Co-Composting Facility*

Through its contract with the current long-term operator, the Authority was able to obtain a sludge processing guarantee without making any physical plant expansions, but with capital improvements/enhancements. This in turn, allows the Authority to create capacity both for future growth in its current service area and to increase merchant tonnage at favorable rates. The recycling of sludge (beneficial reuse) is an attractive alternative to many municipal entities that are currently sending sludge to a landfill. The Authority will continue to pursue out-of-county opportunities to maximize revenues. The Authority's co-composting facility is able to receive food waste in addition to sludge. This will allow the Authority to be in an advantageous position should food waste be banned from landfills which has been a topic of discussion as well as proposed legislation at the State level. The Authority continues to explore new food waste generators.

### *Household Hazardous Waste Facility*

The Household Hazardous Waste Facility (HHW) collected 843,802 pounds of e-waste in 2020, representing a decrease of 7% from the prior year. E-waste was banned from landfills as of April 1, 2012, and manufacturers were required to have a program in place that allows for consumers to bring back their e-waste to a drop off center. Our contractor has integrated this State initiative into the Authority's residential program. The Authority will continue to follow any additional legislation regarding product stewardship.

In 2020, the Authority continued its partnership with the Rockland County Sheriff's Department to properly dispose of unwanted pharmaceuticals including controlled substances. In addition to the facility being available daily from 8:00 a.m. to 1:00 p.m., the Authority holds weekend collection events during the months of March through December. During the weekend collection events, Rockland County Sheriff personnel were on site to oversee the collection of unwanted pharmaceuticals, including controlled substances. These events were very popular and successful and will be replicated in 2021.

### *Yard Waste, Mulching and Concrete Crushing Facilities*

The Authority operates two leaf composting facilities and one mulching facility through a public-private partnership. The leaf composting facilities are primarily for leaf drop off from municipal highway departments and landscapers during the fall season. During the spring, each municipal entity participates in a give-back program that represents the compost that is processed from the previous season. Subsequent to the municipal participation, the compost is sold in bulk to contractors. In addition, any yard waste brought to the Clarkstown facility from residents or brush that is delivered by municipal entities is also processed into mulch and the municipalities participate in a similar "give-back" program. Subsequently, remaining mulch is sold to the contractor in a bulk sale. Operations do not seem to be contingent upon economic times but rather windstorms, droughts, floods, and other natural circumstances.

# Rockland County Solid Waste Management Authority

Management's Discussion and Analysis  
December 31, 2020

## **Economic Factors That Will Affect the Future - Continued**

### *Yard Waste, Mulching and Concrete Crushing Facilities - Continued*

The Authority's use of the French Farms Leaf Composting Facility, which was purchased in late 2019 and operated by the Authority since 2009, allows the Authority to better manage the inbound volumes received during leaf composting season to maximize capacity at both permitted facilities, while also limiting Authority liability exposure and increasing Authority oversight of the permitting process.

The Authority operates a concrete crushing facility through a public-private partnership. The crushing of concrete is impacted by economic conditions and construction and demolition projects.

### *Food Recovery Initiative*

In order to conserve landfill space and protect the environment, the Authority has been addressing the need for increased composting of food and yard waste organics that, combined, comprise approximately 28% of the waste stream. Our composting initiatives include a partnership with Cornell Cooperative Extension to promote backyard and on-site composting of organics. This partnership includes at-cost compost bin sales for residents, schools, and small businesses, as well as composting education presentations throughout the County. We have successfully composted organics from a select number of generators in our Biosolids Composting Facilities (Co-composting Facility).

Since waste reduction is a priority, the Authority has also been working with local, state, and federal agencies to not only minimize wasted food, but to increase diversion of usable food to agencies whose mission is to feed hungry people.

The Authority's Solid Waste Management Plan reflects the Authority's commitment to research end use options for food waste. In researching end use options, it is incumbent on the Authority to first determine what can be done to rescue food. End use options for food waste can be costly and are on the lower end of the EPA food hierarchy "rung." However, enhancing food pantries/food rescue agencies infrastructure - from additional shelving to additional walk-in freezers - will be less costly and divert food to those in the community who would benefit most. The Authority will review the efficacy of the grant each year by requesting information from the agencies who received equipment. In 2020, preliminary information suggests that 352,168 pounds of recovered food was redistributed to local food pantries.

In addition, the Authority participated in a New York State Energy Research and Development Authority (NYSERDA) study to determine if anaerobic digestion of food waste is an economically viable alternative to composting, potential generators, and potential sites for anaerobic digesters and is actively pursuing an aggressive schedule to develop anaerobic digestion with Rockland County. The Authority is also exploring a partnership with an in-county wastewater treatment plant to construct digestors that will further reduce source-separated organics that have been traditionally landfilled.

## **Contacting the Rockland County Solid Waste Management Authority's Financial Management**

This financial report is designed to provide our bondholders, customers, and other interested parties with a general overview of the Authority's finances and to demonstrate its accountability for the money it receives. If you have questions about this report, or need additional information, contact the Authority at 172 Main Street, Nanuet New York 10954 phone: 845-753-2200 or visit our website at [www.rocklandrecycles.com](http://www.rocklandrecycles.com).

**Rockland County**  
**Solid Waste Management Authority**  
(A Component Unit of the County of Rockland, New York)

Statements of Net Position

	December 31,	
	2020	2019
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 27,881,187	\$ 27,995,192
Accounts receivable, net	1,245,684	1,769,985
Grants receivable	1,036,346	1,180,486
Prepaid expenses	340,158	304,235
Total current assets	30,503,375	31,249,898
<b>RESTRICTED ASSETS</b>		
Investments	4,013,444	5,150,073
<b>NON-CURRENT ASSETS</b>		
Capital assets, net	35,653,635	32,605,954
<b>DEFERRED OUTFLOWS</b>		
Pension	1,742,693	657,269
Postemployment benefits	1,922,419	2,323,341
Bond refunding, net	445,828	596,531
Other, net	13,180,735	13,956,072
	17,291,675	17,533,213
	<b>\$ 87,462,129</b>	<b>\$ 86,539,138</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 6,566,710	\$ 6,483,120
Accrued liabilities	297,223	533,877
Current portion of bonds payable	4,210,000	4,015,000
Total current liabilities	11,073,933	11,031,997
<b>LONG-TERM LIABILITIES</b>		
Bonds payable, net, less current installments	23,012,471	27,568,251
Accrued postemployment benefits	10,339,134	9,930,076
Net pension liability	2,194,496	545,547
Total long-term liabilities	35,546,101	38,043,874
Total liabilities	46,620,034	49,075,871
<b>DEFERRED INFLOWS</b>		
Pension	38,155	178,025
Postemployment benefits	124,364	-
	162,519	178,025
<b>NET POSITION</b>		
Net investment in capital assets	17,955,177	13,082,810
Restricted	-	1,173,955
Unrestricted	22,724,399	23,028,477
Total net position	40,679,576	37,285,242
	<b>\$ 87,462,129</b>	<b>\$ 86,539,138</b>

See accompanying Notes to Financial Statements.

**Rockland County**  
**Solid Waste Management Authority**  
(A Component Unit of the County of Rockland, New York)

Statements of Revenues, Expenses, and Changes In Net Position

	<b>Years Ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>OPERATING REVENUES</b>		
Solid waste disposal charges	\$ 62,216,195	\$ 55,095,060
<b>OPERATING EXPENSES</b>		
Personal services	2,973,955	2,915,733
Employee benefits	1,927,869	1,455,362
Other postemployment benefit obligations	944,297	528,678
Contractual services	48,867,407	46,921,922
Depreciation	2,730,738	3,115,455
Amortization	775,337	775,337
	58,219,603	55,712,487
<b>Operating income (loss)</b>	<b>3,996,592</b>	<b>(617,427)</b>
<b>NON-OPERATING REVENUES AND EXPENSES</b>		
Interest income	127,436	470,786
Interest expense	(970,064)	(1,052,669)
Grants	-	1,505,064
Loss on disposal of capital assets	-	(30,594)
Insurance recoveries	240,370	-
	(602,258)	892,587
<b>Change in net position</b>	<b>3,394,334</b>	<b>275,160</b>
<b>NET POSITION, <i>beginning of year</i></b>	37,285,242	37,010,082
<b>NET POSITION, <i>end of year</i></b>	<b>\$ 40,679,576</b>	<b>\$ 37,285,242</b>

See accompanying Notes to Financial Statements.

**Rockland County**  
**Solid Waste Management Authority**  
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Statements of Cash Flows

	<b>Years Ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Collections of solid waste disposal charges	\$ 62,740,496	\$ 55,211,176
Payments to vendors	(48,819,740)	(47,009,270)
Payments for salaries and benefits	(4,724,776)	(4,577,375)
	<b>9,195,980</b>	<b>3,624,531</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Repayments of bonds	(4,015,000)	(3,865,000)
Acquisition of capital assets	(5,778,419)	(5,005,286)
Interest and issuance costs paid on debt	(1,165,141)	(1,296,093)
Grants	144,140	431,099
Proceeds from insurance recoveries	240,370	-
	<b>(10,574,050)</b>	<b>(9,735,280)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from the sale of investments	1,136,629	2,639,008
Interest income	127,436	470,786
	<b>1,264,065</b>	<b>3,109,794</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(114,005)</b>	<b>(3,000,955)</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	27,995,192	30,996,147
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 27,881,187</b>	<b>\$ 27,995,192</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 3,996,592	\$ (617,427)
Adjustments to reconcile operating income (loss) to cash flows from operating activities		
Depreciation	2,730,738	3,115,455
Amortization	775,337	775,337
Changes in operating assets and liabilities		
Accounts receivable	524,301	116,116
Prepaid expenses	(35,923)	(36,773)
Deferred outflows, pension	(1,085,424)	347,133
Deferred outflows, postemployment benefits	400,922	(2,323,341)
Accounts payable	83,590	(50,575)
Accrued liabilities	(236,654)	(243,716)
Accrued postemployment benefits	409,058	2,841,433
Net pension liability	1,648,949	300,474
Deferred inflows, pension	(139,870)	(599,585)
Deferred inflows, postemployment benefits	124,364	-
	<b>\$ 9,195,980</b>	<b>\$ 3,624,531</b>

See accompanying Notes to Financial Statements.

**Rockland County**  
**Solid Waste Management Authority**  
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Notes to Financial Statements  
December 31, 2020 and 2019

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

*a. Reporting Entity*

The Rockland County Solid Waste Management Authority (Authority) is a public benefit corporation established pursuant to Title 13-M of the New York State Public Authorities Law to operate and maintain solid waste management facilities for the benefit of the residents of the County of Rockland, New York (County). The Authority was established in 1993 and became operational in 1995. The Authority is administered by seventeen members: Eight members of the County Legislature, five members are supervisors of towns within the County, two members are mayors of villages recommended by the Conference of Mayors and appointed by the County Legislature, and two members are appointed by the County Executive.

The Authority is considered a component unit of Rockland County as the County appoints the majority of the Authority's Board and as such can impose its will on the Authority.

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

The Authority's financial statements are prepared using the accrual basis in conformity 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, liabilities, and deferred outflows and inflows of resources 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, liabilities, and deferred outflows and inflows of resources that do not meet the definition of "restricted net position" or "net investment in capital assets."

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Notes to Financial Statements  
December 31, 2020 and 2019

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

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

Revenues are recognized as services are provided, 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. Operating expenses include the cost of personal and contractual services, materials and supplies, utilities, administrative expenses, depreciation and amortization, and other post-employment benefit obligations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

*c. Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred outflows and inflows of resources and disclosure of contingent 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. Fair Value Measurement*

The Authority reports certain assets at fair value, which is defined as the price that would be received to sell an asset in an orderly transaction between market participants on the measurement date.

*e. Cash, Cash Equivalents, and Investments*

Cash and cash equivalents consist of funds deposited in demand deposit accounts, time deposit accounts, and other short-term investments, whether unrestricted or restricted, with an original maturity of three months or less.

Investments in securities include the following:

1. An investment contract.
2. U.S. Treasury Bond State and Local Government Series (SLUG) investments.
3. Government Money Markets.

The investment contract is recorded at cost pursuant to GASB 31. The SLUGs are recorded at fair value. The government money market is recorded at amortized cost.

Restricted investments consist of amounts held by trustees in reserve funds established in connection with various bond issues.

Cash is fully collateralized by either federal depository insurance or securities held by the pledging bank's trust department in the Authority's name.

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Notes to Financial Statements  
December 31, 2020 and 2019

**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 \$5,198 and \$269,835 at December 31, 2020 and 2019, respectively. Accounts receivable are written off when deemed uncollectible. 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 15 days. Interest is not charged on past due receivables.

*g. Capital Assets, Net*

Capital assets, net, are recorded at cost, except for contributed property and equipment, which are recorded at fair value. Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. 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:

Buildings	5 to 20 years
Land improvements	25 years
Machinery and equipment	3 to 20 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.

*h. Deferred Outflows and Inflows of Resources*

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. Likewise, deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

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Notes to Financial Statements  
December 31, 2020 and 2019

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

*h. Deferred Outflows and Inflows of Resources - Continued*

The Authority has reported deferred outflows and inflows of resources related to the consideration provided in excess of the net assets acquired relating to the acquisition of certain municipal assets (classified as other deferred outflows on the statement of net position), the net pension liability (Note 6), other post-employment benefits (Note 7), and refunding of revenue bonds (Note 5).

The gross amount of other deferred outflows, \$15,506,746, is net of accumulated amortization of \$2,326,011 at December 31, 2020. Other deferred outflows are amortized over periods considering the estimated useful lives of the assets acquired and other factors. Related amortization expense was \$775,337 during each of the years ended December 31, 2020 and 2019.

*i. Bond Premiums and Discounts*

Bond premiums and discounts are presented as components of bonds payable. The premiums and discounts are amortized over the life of the bonds on a method that approximates the effective interest method. Net amortization related to bond premiums and discounts was \$345,780 and \$394,126 for 2020 and 2019, respectively, and is included as an offset to interest expense.

*j. Subsequent Events*

The Authority has evaluated subsequent events for potential recognition or disclosure through March 12, 2021 the date the financial statements were available to be issued.

**Note 2 - Restricted Assets**

In accordance with the terms of the Authority's bond resolution, certain proceeds of the Authority's bonds are restricted for specific purposes as summarized below:

	December 31,	
	2020	2019
<i>Debt Service Reserve Fund</i>		
Contingency fund to be utilized in case of default	\$ 3,793,453	\$ 3,760,041
<i>Construction Projects Fund and Improvement Fund</i>		
Additional capital expenditures which may be incurred by the Authority	-	1,173,955
<i>Other Funds</i>		
Restricted assets required for debt service	219,991	216,077
	\$ 4,013,444	\$ 5,150,073

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Notes to Financial Statements  
December 31, 2020 and 2019

**Note 3 - Investments**

The Authority had the following investments and maturities:

	December 31, 2020				
	Amount	Investment Maturities (In Years)			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. Treasury Bond State and Local Government Series	\$ 841,020	\$ -	\$ 841,020	\$ -	\$ -
Investment contract	555,651	-	555,651	-	-
Government money markets	2,616,773	2,616,773	-	-	-
<b>Total investments</b>	<b>\$ 4,013,444</b>	<b>\$ 2,616,773</b>	<b>\$ 1,396,671</b>	<b>\$ -</b>	<b>\$ -</b>

	December 31, 2019				
	Amount	Investment Maturities (In Years)			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. Treasury Bond State and Local Government Series	\$ 841,020	\$ -	\$ -	\$ 841,020	\$ -
Investment contract	555,651	-	-	555,651	-
Government money markets	3,753,402	3,753,402	-	-	-
<b>Total investments</b>	<b>\$ 5,150,073</b>	<b>\$ 3,753,402</b>	<b>\$ -</b>	<b>\$ 1,396,671</b>	<b>\$ -</b>

*a. Credit Risk*

The Authority's investment policy limits investments to obligations of the United States of America or any state of the United State of America; bonds, debentures, or notes issued by certain federal agencies; certificates of deposit; savings accounts; deposit accounts; depository receipts of banks; public housing bonds; repurchase agreements or investment agreements; money market funds, commercial paper; advance-refunded municipal bonds; or tax-exempt obligations. All of the Authority's investments had a credit rating of 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 trustee.

*c. Interest Rate Risk*

The fair value of the Authority's fixed maturity investments fluctuates 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.

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Notes to Financial Statements  
December 31, 2020 and 2019

**Note 3 - Investments - Continued**

*d. Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributed to the Authority's investment in single issues. The Authority's holdings are as follows:

	December 31,	
	2020	2019
U.S. Treasury Bond State and Local Government Series	21%	16%
Investment contract	14%	11%
Government money markets	65%	73%

*e. Fair Value Measurements*

The framework for measuring fair value includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3). 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 Authority has the ability to access.

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 methodology used for the investment measured at fair value on a recurring basis:

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

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Notes to Financial Statements  
December 31, 2020 and 2019

**Note 3 - Investments - Continued**

*e. Fair Value Measurements - Continued*

The method described above may produce a fair value calculation that may not be reflective of future fair values. Furthermore, while the Authority believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
U.S. Treasury Bond State and Local Government Series	\$ -	\$ 841,020	\$ -	\$ 841,020
	December 31, 2019			
	Level 1	Level 2	Level 3	Total
U.S. Treasury Bond State and Local Government Series	\$ -	\$ 841,020	\$ -	\$ 841,020

**Note 4 - Capital Asset, Net**

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

	December 31, 2020			
	Balance January 1, 2020	Additions	Retirements/ Disposals and Transfers	Balance December 31, 2020
Capital assets not being depreciated				
Land	\$ 8,764,191	\$ -	\$ 156,215	\$ 8,920,406
Construction in progress	1,991,644	1,633,039	(2,263,994)	1,360,689
Capital assets not being depreciated	10,755,835	1,633,039	(2,107,779)	10,281,095
Capital assets being depreciated				
Buildings	57,559,558	1,905,253	2,104,727	61,569,538
Land Improvement	2,565,335	-	-	2,565,335
Machinery and equipment	16,065,721	2,243,179	-	18,308,900
Capital assets being depreciated	76,190,614	4,148,432	2,104,727	82,443,773
Less accumulated depreciation				
Buildings	40,505,994	1,794,515	-	42,300,509
Land improvements	1,269,294	96,803	-	1,366,097
Machinery and equipment	12,565,207	839,420	-	13,404,627
Total accumulated depreciation	54,340,495	2,730,738	-	57,071,233
Capital assets being depreciated, net	21,850,119	1,417,694	2,104,727	25,372,540
Capital assets, net	\$ 32,605,954	\$ 3,050,733	\$ (3,052)	\$ 35,653,635

**Rockland County**  
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Notes to Financial Statements  
December 31, 2020 and 2019

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

	December 31, 2019			Balance December 31, 2019
	Balance January 1, 2019	Additions	Retirements/ Disposals and Transfers	
Capital assets not being depreciated				
Land	\$ 6,718,705	\$ 2,045,486	\$ -	\$ 8,764,191
Construction in progress	2,301,233	1,867,515	(2,177,104)	1,991,644
Capital assets not being depreciated	<u>9,019,938</u>	<u>3,913,001</u>	<u>(2,177,104)</u>	<u>10,755,835</u>
Capital assets being depreciated				
Buildings	55,536,204	-	2,023,354	57,559,558
Land Improvement	2,565,335	-	-	2,565,335
Machinery and equipment	21,393,048	1,092,283	(6,419,610)	16,065,721
Capital assets being depreciated	<u>79,494,587</u>	<u>1,092,283</u>	<u>(4,396,256)</u>	<u>76,190,614</u>
Less accumulated depreciation				
Buildings	38,486,803	2,019,191	-	40,505,994
Land improvements	1,161,625	107,669	-	1,269,294
Machinery and equipment	18,119,380	988,595	(6,542,768)	12,565,207
Total accumulated depreciation	<u>57,767,808</u>	<u>3,115,455</u>	<u>(6,542,768)</u>	<u>54,340,495</u>
Capital assets being depreciated, net	<u>21,726,779</u>	<u>(2,023,172)</u>	<u>2,146,512</u>	<u>21,850,119</u>
Capital assets, net	<u>\$ 30,746,717</u>	<u>\$ 1,889,829</u>	<u>\$ (30,592)</u>	<u>\$ 32,605,954</u>

**Note 5 - Bonds Payable**

A summary of the Authority's bonds payable is as follows:

	Balance December 31, 2019	Additions	Reductions	Balance December 31, 2020
General Obligation Bonds				
2010 Series	\$ 5,795,000	\$ -	\$ (250,000)	\$ 5,545,000
2014 Series	4,425,000	-	(390,000)	4,035,000
2018 Series	12,270,000	-	(2,485,000)	9,785,000
EFC Revenue Bonds				
2012 Series	6,100,000	-	(700,000)	5,400,000
2013 Series	2,085,000	-	(190,000)	1,895,000
	<u>30,675,000</u>	<u>-</u>	<u>(4,015,000)</u>	<u>26,660,000</u>
Unamortized bond premiums	933,028	-	(351,287)	581,741
Unamortized bond discounts	(24,777)	-	5,507	(19,270)
	<u>\$ 31,583,251</u>	<u>\$ -</u>	<u>\$ (4,360,780)</u>	<u>\$ 27,222,471</u>

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Notes to Financial Statements  
December 31, 2020 and 2019

**Note 5 - Bonds Payable - Continued**

	Balance December 31, 2018	Additions	Reductions	Balance December 31, 2019
General Obligation Bonds				
2010 Series	\$ 6,045,000	\$ -	\$ (250,000)	\$ 5,795,000
2014 Series	4,805,000	-	(380,000)	4,425,000
2018 Series	14,645,000	-	(2,375,000)	12,270,000
EFC Revenue Bonds				
2012 Series	6,775,000	-	(675,000)	6,100,000
2013 Series	2,270,000	-	(185,000)	2,085,000
	<u>34,540,000</u>	<u>-</u>	<u>(3,865,000)</u>	<u>30,675,000</u>
Unamortized bond premiums	1,332,661	-	(399,633)	933,028
Unamortized bond discounts	<u>(30,284)</u>	<u>-</u>	<u>5,507</u>	<u>(24,777)</u>
	<u>\$ 35,842,377</u>	<u>\$ -</u>	<u>\$ (4,259,126)</u>	<u>\$ 31,583,251</u>

Bonds payable of the Authority are summarized as follows:

*2010 General Obligation Bonds*

The 2010 general obligation bonds were originally issued at \$10,150,000 principally to refinance outstanding bonds and to finance certain upgrades and repairs to the Clarkstown transfer station. Interest is payable semi-annually at interest rates ranging from 3.375% to 4.000%. Remaining principal payments range from \$265,000 to \$4,710,000, payable annually each December 15 through 2024.

*2012 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 2012 at \$10,910,000 principally to refinance outstanding bonds. Interest is payable semi-annually at interest rates ranging from 5.939% to 6.189%. The Authority receives a subsidy credit toward its annual debt service cost from, and is charged an annual administrative fee by, the EFC. Remaining principal installments range from \$725,000 to \$2,315,000 and are payable annually each December 15 through 2025.

*2013 EFC Revenue Bonds*

The EFC State Clean Water and Drinking Water Revolving Funds Revenue Bonds were originally issued in 2013 at \$3,270,434 principally to refinance a short-term obligation. Interest is payable semi-annually at interest rates ranging from 2.753% to 4.083%. 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, the EFC. Remaining principal installments range from \$195,000 to \$230,000 and are payable annually each November 1 through 2029.

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Notes to Financial Statements  
December 31, 2020 and 2019

**Note 5 - Bonds Payable - Continued**

*2014 General Obligation Bonds*

The 2014 general obligation bonds were originally issued at \$6,495,000 principally to refinance outstanding bonds. Interest is payable semi-annually at an interest rate of 3.180%. Remaining principal payments range from \$405,000 to \$905,000, payable annually each December 15 through 2028.

*2018 General Obligation Bonds*

The 2018 general obligation bonds were originally issued at \$14,950,000 principally to refinance the 2008 general obligation bonds. Interest is payable semi-annually at interest rates ranging from 3% to 5%. Remaining principal payments range from \$2,620,000 to \$3,665,000, payable annually each December 15 through 2023.

The difference between the reacquisition price of the new debt and the net carrying amount of the refunded debt is reported as a deferred outflow and is being amortized into interest expense using the effective interest method over the life of the new debt. Amortization expense related to the deferred outflow was \$150,702 for the years ended December 31, 2020 and 2019.

All assets and revenues of the Authority are pledged as collateral for the bonds.

Future debt service payments required on bonds payable are as follows:

	<u>Principal</u>	<u>Interest *</u>	<u>Total</u>
For the year ending December 31,			
2021	\$ 4,210,000	\$ 1,019,201	\$ 5,229,201
2022	5,140,000	843,275	5,983,275
2023	5,380,000	620,758	6,000,758
2024	6,185,000	396,411	6,581,411
2025	2,985,000	(472,994)	2,512,006
2026 through 2029	2,760,000	182,695	2,942,695
	<u>26,660,000</u>	<u>\$ 2,589,346</u>	<u>\$ 29,249,346</u>
Less current installments	<u>4,210,000</u>		
Notes payable, less current installments	<u>\$ 22,450,000</u>		

\* Future interest payments are reported net of EFC interest subsidies and refunding benefits.

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Notes to Financial Statements  
December 31, 2020 and 2019

**Note 6 - New York State and Local 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, New York 12244.

*Contributions*

The System is noncontributory except for employees who joined the System after July 2, 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 who generally contribute 3-6 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 required, and were as follows:

2020	\$	391,777
2019		375,252
2018		356,472

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

At December 31, 2020 and 2019, the Authority reported a liability of \$2,194,496 and \$545,547 for its proportionate share of the net pension liability, respectively. The net pension liability was measured as of March 31, 2020 and 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. 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, 2020 and 2019, the Authority's proportion was 0.0082872% and 0.0076997%, respectively.

For the years ended December 31, 2020 and 2019, the Authority recognized pension expense of \$811,301 and \$420,932, respectively.

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Notes to Financial Statements  
December 31, 2020 and 2019

**Note 6 - New York State and Local 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, 2020 and 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	December 31, 2020		December 31, 2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 129,155	\$ -	\$ 107,430	\$ 36,622
Changes of assumptions	44,187	38,155	137,128	-
Net difference between projected and actual investment earnings on pension plan investments	1,125,005	-	-	140,018
Changes in proportion and differences between employer contributions and proportionate share of contributions	150,513	-	131,272	1,385
Employer contributions subsequent to the measurement date	293,833	-	281,439	-
Total	\$ 1,742,693	\$ 38,155	\$ 657,269	\$ 178,025

Deferred outflows of resources related to pensions of \$293,833 and \$281,439 resulting from Authority contributions subsequent to the measurement date will be 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,	
2021	\$ 268,463
2022	361,429
2023	436,264
2024	344,549
	\$ 1,410,705

*Actuarial Assumptions*

The pension liability at March 31, 2020 and 2019 was determined by using actuarial valuations as of April 1, 2019 and 2018, respectively, with update procedures used to roll forward the total pension liability to March 31, 2020 and 2019. The actuarial valuations used the following actuarial assumptions. The assumptions are consistent year to year, except as noted:

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Notes to Financial Statements  
December 31, 2020 and 2019

**Note 6 - New York State and Local Employees' Retirement System - Continued**

*Actuarial Assumptions - Continued*

Actuarial Cost Method	Entry age normal
Inflation Rate	2.5%
Salary Scale	4.2%, indexed by service
Investment rate of return, including inflation	
2021	6.8% compounded annually, net of expenses
2020	7.0% compounded annually, net of expenses
Decrement	Based on FY 2010-2015 experience
Mortality improvement	Society of Actuaries Scale MP-2018

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, 2020 are summarized below:

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	36.0%	4.05%
International equity	14.0%	6.15%
Private equity	10.0%	6.75%
Real estate	10.0%	4.95%
Absolute return strategies	2.0%	3.25%
Opportunistic portfolio	3.0%	4.65%
Real assets	3.0%	5.95%
Bonds and mortgages	17.0%	75.00%
Cash	1.0%	0.00%
Inflation-Indexed bonds	4.0%	0.50%
	<u>100.0%</u>	

*Discount Rate*

The discount rate used to calculate the total pension liability as of December 31, 2020 and 2019 was 6.80% and 7.00%, respectively. 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.

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Notes to Financial Statements  
December 31, 2020 and 2019

**Note 6 - New York State and Local Employees' Retirement System - Continued**

*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 as of December 31, 2020 calculated using the discount rate of 6.8%, 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 or higher than the current rate:

	1% Decrease (5.80%)	Current Discount (6.80%)	1% Increase (7.80%)
Authority's proportionate share of the net pension liability	\$ 4,027,519	\$ 2,194,496	\$ 506,273

*Pension Plan Fiduciary Net Position*

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

	2021	2020
Employers' total pension liability	\$ 194,596,261	\$ 189,803,429
Plan net position	(168,115,682)	(182,718,124)
Employers' net pension liability	\$ 26,480,579	\$ 7,085,305
Ratio of plan net position to the employers' total pension liability	86.39%	96.27%

**Note 7 - Other Postemployment Benefits (OPEB)**

In addition to providing pension benefits, the Authority provides certain health care benefits for retired employees through a single employer defined benefit plan. The employee handbook stipulates the employees covered and the percentage of contribution. The cost of providing postemployment health care benefits is shared between the Authority and the retired employee. Substantially all of the Authority's employees may become eligible for those benefits if they have a minimum of five years of service and reach normal retirement age while working for the Authority.

A summary of active employees and retired employees covered under this benefit plan as of December 31, 2020 is as follows:

Actives	33
Retirees	3
Total	36

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Notes to Financial Statements  
December 31, 2020 and 2019

**Note 7 - Other Postemployment Benefits (OPEB) - Continued**

The contribution requirements of benefit plan members and the Authority are established pursuant to applicable collective bargaining and employment agreements. The required rates of the employer and the members may vary depending on the applicable agreement. The Authority is not required to fund the benefit plan other than the pay-as-you-go amount necessary to provide current benefits to retirees. For the years ended December 31, 2020 and 2019, the Authority paid \$69,716 and \$25,250 on behalf of the plan members, respectively. The benefit plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the benefit plan.

*OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

At December 31, 2020 and 2019, the Authority reported a liability of \$10,339,134 and \$9,930,076 for its OPEB liability, respectively. The OPEB liability was measured as of December 31, 2019 by an actuarial valuation as of that date. For the years ended December 31, 2020 and 2019, the Authority recognized OPEB expense of \$937,814 and \$520,638, respectively. At December 31, 2020 and 2019, the Authority reported deferred outflows and inflows of resources related to OPEB from the following sources:

	December 31, 2020		December 31, 2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 1,922,419	\$ 124,364	\$ 2,323,341	\$ -

Amounts reported as deferred outflows of resources related to OPEBs will be recognized in OPEB expense as follows:

For the year ending December 31,	
2021	\$ 210,460
2022	188,718
2023	188,718
2024	188,718
2025	188,718
Thereafter	<u>832,723</u>
	<u>\$ 1,798,055</u>

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Notes to Financial Statements  
December 31, 2020 and 2019

**Note 7 - Other Postemployment Benefits (OPEB) - Continued**

*Actuarial Assumptions*

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumption, which are consistent from year to year, except as noted:

Assumptions	Factor
Valuation Date	January 1, 2020
Measurement Date	January 1, 2020
Reporting Date	December 31, 2020
Actuarial Cost Method	Entry Age Normal - Level Percent of Pay
Health Care Cost Trend Rates	Society of Actuaries Long Run Medical Cost Trend Model
Discount Rate	
2020	2.02%
2019	2.90%
Salary Scale	3.00%
Mortality	Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2019

The discount rate used to measure the liability was 2.02% and 2.90% for 2020 and 2019, respectively, based on the Bond Buyer 20-year general obligation bond index.

*Schedule of Changes in Net OPEB Liability*

	December 31,	
	2020	2019
Beginning of the year	\$ 9,930,076	\$ 7,088,643
Charges for the year		
Service cost	414,998	270,761
Interest	199,883	272,581
Changes in assumption and other inputs	(136,107)	2,323,341
Benefit payments	(69,716)	(25,250)
Net changes	409,058	2,841,433
End of year	\$ 10,339,134	\$ 9,930,076

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Notes to Financial Statements  
December 31, 2020 and 2019

**Note 7 - Other Postemployment Benefits (OPEB) - Continued**

*Sensitivity of the Employer's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Trend Rate and Discount Rate*

The following presents the OPEB liability of the plan as of December 31, 2020 using current health care cost trend rates as well as what the OPEB liability would be if it were calculated using health care cost trend rates that are 1% lower and 1% higher than the current rate:

	1% Decrease	Current Trend Rates	1% Increase
Authority's proportionate share of the OPEB liability	\$ 7,892,452	\$ 10,339,134	\$ 13,765,463

The following presents the OPEB liability of the plan as of December 31, 2020 calculated using the discount rate of 2.02%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.02%) or 1-percentage-point higher (3.02%) than the current rate:

	1% Decrease (1.02%)	Current Discount Rate (2.02%)	1% Increase (3.02%)
Authority's proportionate share of the OPEB liability	\$ 13,534,517	\$ 10,339,134	\$ 8,053,629

**Note 8 - Commitments and Contingencies**

*a. Litigation*

From time to time in the ordinary course of operations, the Authority is involved in various 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.

*b. Host Community Benefit Agreements*

In connection with the operation of various facilities, the Authority has entered into several long-term agreements with certain municipalities impacted by the Authority's solid waste operations. The agreements generally provide for payments to the municipalities for a period of 25 to 30 years and expire at various times through October 2039. The payments are based on agreed rates and annual accepted tonnage. Host community benefit expense approximated \$4,142,000 and \$4,433,000 for the years ended December 31, 2020 and 2019, respectively.

*c. Lease Agreements*

The Authority leases property from the Town of Clarkstown for solid waste operations located within the Town. The lease expires in 2095 and requires a nominal annual payment. In January 2020, the Authority entered into a two-year lease for office space requiring monthly payments of approximately \$7,000. The Authority purchased the office space in October 2020.

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Notes to Financial Statements  
December 31, 2020 and 2019

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

GASB Statement No. 87, *Leases*. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and the recognition of inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about government's leasing activities. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of the Construction Period*. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after December 15, 2020.

GASB Statement No. 91, *Conduit Debt Obligations*. This statement will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with: (1) commitments extended by issuers; (2) arrangements associated with conduit debt obligations, and; (3) related note disclosures. The statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. The statement also addresses arrangements, often characterized as leases, that are associated with conduit debt obligations, noting that issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after December 15, 2021.

GASB Statement No. 92, *Omnibus 2020*. This statement addressed a variety of topics including leases, intra-entity transfers, fiduciary activities, public entity risk pools/reinsurance recoveries, fair value measurements, and derivative instrument terminology. Guidance related to leases, reinsurance recoveries, and derivative instrument terminology was effective upon the standards issuance in January 2020. The remaining components of this standard, as delayed by GASB 95, are effective for periods beginning after June 15, 2021.

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Notes to Financial Statements  
December 31, 2020 and 2019

**Note 9 - Accounting Standards Issued But Not Yet Implemented - Continued**

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. This statement addresses governments that have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions to the reference rate. The objective of this statement is to address accounting and financial reporting implications that result from the replacement of IBOR, such as providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, and clarifying the definition of reference rate. The removal of the LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. The requirements relating to lease modifications, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021. All other requirements of this statement are effective for reporting periods beginning after June 15, 2020.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPP). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as an infrastructure or other capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which GASB defines in this statement as a PPP in which: (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITA) for government end users. This statement: (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Under this statement, a government generally should recognize a right-to-use subscription asset and a corresponding subscription liability. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

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Notes to Financial Statements  
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**Note 9 - Accounting Standards Issued But Not Yet Implemented - Continued**

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Service Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this statement are to: (1) increase consistency and comparability relating to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution other postemployment benefit plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performed the duties that a governing board would typically perform. The requirements of this statement that: (1) exempt primary governments that perform duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution other postemployment benefit plans, or other employee benefit plans; and (2) limit the applicability of the financial burden criteria, are effective immediately. The requirements of this statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this statement that provide for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Authority's proportion of the net pension liability	\$ 2,194,496	\$ 545,547	\$ 245,073	\$ 655,666	\$ 1,077,890	\$ 235,590
Authority's proportionate share of the net pension liability	0.0082872%	0.0076997%	0.007593%	0.0069780%	0.0067157%	0.0069737%
Authority's covered-employee payroll	\$ 2,750,824	\$ 2,640,104	\$ 2,488,501	\$ 2,309,259	\$ 2,108,204	\$ 1,993,476
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	79.78%	20.66%	9.85%	28.39%	51.13%	11.82%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	94.70%	97.65%

Data not available prior to the fiscal year 2015 implementation of GASB No 68, *Accounting and Financial Reporting for Pensions*.

**Rockland County Solid  
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Required Supplementary Information  
Schedule of Local Government Pension Contributions

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 391,777	\$ 375,252	\$ 356,472	\$ 341,880	\$ 322,880	\$ 344,675
Contributions in relation to the contractually required contribution	\$ 391,777	\$ 375,252	\$ 356,472	\$ 341,880	\$ 322,880	\$ 344,675
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered-employee payroll	\$ 2,750,824	\$ 2,640,104	\$ 2,488,501	\$ 2,309,259	\$ 2,108,204	\$ 1,993,476
Contribution as a percentage of covered-employee payroll	14.24%	14.21%	14.32%	14.80%	15.32%	17.29%

Data not available prior to the fiscal year 2015 implementation of GASB No 68, *Accounting and Financial Reporting for Pensions*.

**Rockland County Solid  
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Required Supplementary Information  
Schedule of Other Postemployment Benefits Liability

	December 31,		
	2020	2019	2018
Beginning of the year	\$ 9,930,076	\$ 7,088,643	\$ 6,639,551
Charges for the year			
Service cost	414,998	270,761	224,255
Interest	199,883	272,581	251,791
Changes in assumption and other inputs	(136,107)	2,323,341	-
Benefit payments	(69,716)	(25,250)	(26,954)
Net changes	409,058	2,841,433	449,092
End of year	\$ 10,339,134	\$ 9,930,076	\$ 7,088,643
Covered payroll	\$ 2,606,031	\$ 2,535,739	2,535,739
OPEB liability as a percentage of covered payroll	396.74%	391.60%	279.55%

Data not available prior to the 2018 implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

# Rockland County Solid Waste Management Authority

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## Supplementary Information – Schedule of Budget to Actual

	Final <u>Budget 2020</u>	<u>Actual 2020</u>	<u>Variance</u>
<b>OPERATING REVENUES</b>			
Solid waste disposal charges			
User fees	\$ 11,413,068	\$ 11,413,068	\$ -
Ad valorem	13,188,171	13,225,773	37,602
Recycling facility materials	-	-	-
Co-compost facility user charges	451,988	617,417	165,429
Solid waste collection and disposal charges			
Town of Stony Point	404,547	404,537	(10)
Village of Spring Valley	1,714,208	1,618,133	(96,075)
Village of Haverstraw	916,171	932,119	15,948
Village of Sloatsburg	373,544	373,544	-
Village of New Hempstead	546,656	546,656	-
Village of Wesley Hills	900,809	900,602	(207)
River Villages	262,324	269,090	6,766
Rockland County	426,011	353,929	(72,082)
Transfer station tipping fees/sales	32,417,539	31,403,413	(1,014,126)
Other unclassified	110,818	157,914	47,096
Total operating revenues	<u>63,125,854</u>	<u>62,216,195</u>	<u>(909,659)</u>
<b>NON-OPERATING REVENUES</b>			
Interest			
Bank	869,720	86,185	(783,535)
Restricted funds	130,000	41,251	(88,749)
Insurance recoveries	-	240,370	240,370
Total non-operating revenues	<u>999,720</u>	<u>367,806</u>	<u>(872,284)</u>
<b>Total revenues</b>	<b><u>\$ 64,125,574</u></b>	<b><u>\$ 62,584,001</u></b>	<b><u>\$ (1,781,943)</u></b>
<b>OPERATING EXPENSES</b>			
Personal services			
Salaries	\$ 2,836,080	\$ 2,973,955	\$ (137,875)
Fringe benefits			
Health and dental	845,438	827,682	17,756
Retirement	387,438	811,301	(423,863)
Other postemployment benefit obligations	10,216	944,297	(934,081)
Social security	212,521	223,415	(10,894)
Worker's compensation benefits	99,476	54,573	44,903
Metropolitan commuter transportation mobility tax	9,133	9,931	(798)
Employee testing	2,500	967	1,533
Total fringe benefits	<u>1,566,722</u>	<u>2,872,166</u>	<u>(1,305,444)</u>
Contractual services			
Supplies expense			
Books and publications	7,500	622	6,878
Motor fuel	6,000	3,483	2,517
Office supplies and printing	86,000	58,924	27,076
Operational supplies (leaf bags, recycling bins, etc.)	626,300	619,537	6,763
Uniforms	4,000	8,437	(4,437)
	<u>729,800</u>	<u>691,003</u>	<u>38,797</u>

See Independent Auditor's Report.

**Rockland County Solid  
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Supplementary Information – Schedule of Budget to Actual - Continued

	<u>Budget 2020</u>	<u>Actual 2020</u>	<u>Variance</u>
Other operating expenses			
Advertising	54,646	63,763	(9,117)
Association dues	3,000	2,712	288
Bid advertising	3,000	1,454	1,546
Certiorari payments	50,000	19,052	30,948
Cleaning contractor	20,000	36,001	(16,001)
Community partnerships	42,000	38,982	3,018
Conferences and schools	10,000	990	9,010
Data processing equipment	58,805	68,203	(9,398)
Engineering and other professional fees	731,320	564,276	167,044
Equipment repair	117,000	230,295	(113,295)
Fees for services- non employees	1,289,593	1,353,223	(63,630)
Household hazardous waste	1,318,068	1,400,188	(82,120)
Legal fees	1,750,000	1,739,914	10,086
Maintenance agreements	49,209	20,248	28,961
Meals	2,000	950	1,050
Office furniture and fixtures	1,000	6,564	(5,564)
Painting and building repair	200,000	140,012	59,988
Postage	25,500	22,148	3,352
Rental of equipment	20,000	228,099	(208,099)
Repairs to vehicle	20,000	9,907	10,093
Telephone	69,300	56,381	12,919
Travel	10,000	2,035	7,965
Utilities	632,500	416,070	216,430
Water and sewer	127,000	49,933	77,067
	<u>6,603,941</u>	<u>6,471,400</u>	<u>132,541</u>
Revenue generating operating expenses			
Co-composting operating and maintenance fee	2,006,508	2,020,243	(13,735)
Host community fee	4,278,645	4,141,788	136,857
MRF operating and maintenance fee	2,611,806	1,914,778	697,028
Recycling rebates	725,900	790,651	(64,751)
Solid waste collection and disposal:			
Town of Stony Point	392,764	374,978	17,786
Village of Spring Valley	1,664,280	1,607,950	56,330
Village of Haverstraw	889,486	865,045	24,441
Village of Sloatsburg	362,664	362,664	-
Village of New Hempstead	530,734	530,734	-
Village of Wesley Hills	874,572	872,916	1,656
River Villages	254,684	254,684	-
Rockland County	413,603	372,251	41,352
Transfer station rebates	130,000	231,812	(101,812)
Transfer station fees	29,643,110	25,292,195	4,350,915
Yard waste composting fee	1,944,064	1,731,951	212,113
	<u>46,722,820</u>	<u>41,364,640</u>	<u>5,358,180</u>
Other costs			
Tax related costs	18,000	36,788	(18,788)
Insurance premiums	235,850	255,378	(19,528)
Miscellaneous	-	48,198	(48,198)
Contingency	225,000	-	225,000
	<u>478,850</u>	<u>340,364</u>	<u>138,486</u>
<b>Total contractual services</b>	<b><u>\$ 54,535,411</u></b>	<b><u>\$ 48,867,407</u></b>	<b><u>\$ 5,668,004</u></b>
<b>DEBT SERVICE</b>			
Principal	4,015,000	\$ 4,015,000	\$ -
Interest	1,410,928	1,208,631	202,297
Interest subsidy	(238,567)	(238,567)	-
<b>Total debt service</b>	<b><u>5,187,361</u></b>	<b><u>\$ 4,985,064</u></b>	<b><u>\$ 202,297</u></b>

See Independent Auditor's Report.

**Rockland County Solid  
Waste Management Authority**  
(A Component Unit of the County of Rockland, New York)

Supplementary Information – Schedule of Budget to Actual

	Final <u>Budget 2019</u>	<u>Actual 2019</u>	<u>Variance</u>
<b>OPERATING REVENUES</b>			
Solid waste disposal charges			
User fees	\$ 8,411,992	\$ 8,408,448	\$ (3,544)
Ad valorem	12,672,350	12,698,505	26,155
Recycling facility materials	1,584,874	1,300,953	(283,921)
Co-compost facility user charges	390,468	493,261	102,793
Solid waste collection and disposal charges			
Town of Stony Point	263,639	263,638	(1)
Village of Spring Valley	1,515,250	1,559,548	44,298
Village of Haverstraw	897,868	897,868	-
Village of Sloatsburg	373,915	372,518	(1,397)
Village of New Hempstead	535,477	538,625	3,148
Village of Wesley Hills	-	-	-
River Villages	-	-	-
Rockland County	320,000	334,943	14,943
Transfer station tipping fees/sales	25,469,133	28,073,279	2,604,146
Other unclassified	114,746	153,474	38,728
Total operating revenues	<u>52,549,712</u>	<u>55,095,060</u>	<u>2,545,348</u>
<b>NON-OPERATING REVENUES</b>			
Interest			
Bank	200,000	328,852	128,852
Restricted funds	110,000	141,934	31,934
Environmental protection facility grants	553,653	1,505,064	951,411
Loss on disposal of capital assets	-	(30,594)	(30,594)
Total non-operating revenues	<u>863,653</u>	<u>1,945,256</u>	<u>1,081,603</u>
<b>Total revenues</b>	<b><u>\$ 53,413,365</u></b>	<b><u>\$ 57,040,316</u></b>	<b><u>\$ 3,626,951</u></b>
<b>OPERATING EXPENSES</b>			
Personal services			
Salaries	\$ 2,794,469	\$ 2,915,733	\$ (121,264)
Fringe benefits			
Health and dental	867,737	715,260	152,477
Retirement	356,472	420,932	(64,460)
Other postemployment benefit obligations	2,500	528,678	(526,178)
Social security	206,279	195,991	10,288
Worker's compensation benefits	111,096	114,294	(3,198)
Metropolitan commuter transportation mobility tax	8,991	7,747	1,244
Employee testing	2,500	1,138	1,362
Total fringe benefits	<u>1,555,575</u>	<u>1,984,040</u>	<u>(428,465)</u>
Contractual services			
Supplies expense			
Books and publications	5,000	3,739	1,261
Equipment	-	9,330	(9,330)
Motor fuel	6,000	5,691	309
Office supplies and printing	86,000	63,690	22,310
Operational supplies (leaf bags, recycling bins, etc.)	591,300	495,309	95,991
Uniforms	3,500	6,491	(2,991)
	<u>691,800</u>	<u>584,250</u>	<u>107,550</u>

**Rockland County Solid  
Waste Management Authority**  
(A Component Unit of the County of Rockland, New York)

Supplementary Information – Schedule of Budget to Actual - Continued

	Final Budget 2019	Actual 2019	Variance
Other operating expenses			
Advertising	76,598	53,805	22,793
Association dues	3,000	2,693	307
Bid advertising	3,000	3,380	(380)
Certiorari payments	50,000	40,222	9,778
Cleaning contractor	20,000	20,877	(877)
Community partnerships	42,000	22,514	19,486
Conferences and schools	10,000	5,214	4,786
Data processing equipment	56,287	45,794	10,493
Engineering and other professional fees	804,845	530,275	274,570
Equipment repair	117,000	147,138	(30,138)
Fees for services- non employees	1,150,091	1,452,535	(302,444)
Household hazardous waste	1,191,791	1,248,469	(56,678)
Legal fees	1,750,000	2,231,478	(481,478)
Maintenance agreements	54,606	48,506	6,100
Meals	-	1,911	(1,911)
Office furniture and fixtures	999	300	699
Painting and building repair	40,000	307,850	(267,850)
Postage	25,500	20,366	5,134
Rental of equipment	10,000	292,725	(282,725)
Repairs to vehicle	20,000	5,077	14,923
Telephone	69,300	56,810	12,490
Travel	10,000	9,011	989
Utilities	632,500	591,240	41,260
Water and sewer	127,000	74,263	52,737
	<u>6,264,517</u>	<u>7,212,453</u>	<u>(947,936)</u>
Revenue generating operating expenses			
Co-composting operating and maintenance fee	1,945,400	1,869,156	76,244
Host community fee	3,789,750	4,433,186	(643,436)
MRF operating and maintenance fee	1,964,094	2,088,178	(124,084)
Recycling rebates	934,400	845,737	88,663
Solid waste collection and disposal:			
Town of Stony Point	255,960	262,614	(6,654)
Village of Spring Valley	1,471,117	1,545,260	(74,143)
Village of Haverstraw	871,717	848,213	23,504
Village of Sloatsburg	363,024	363,036	(12)
Village of New Hempstead	519,881	521,099	(1,218)
Village of Wesley Hills	-	-	-
River Villages	-	-	-
Rockland County	320,000	360,205	(40,205)
Transfer station rebates	130,000	202,874	(72,874)
Transfer station fees	22,604,379	23,958,725	(1,354,346)
Yard waste composting fee	1,297,331	1,539,208	(241,877)
	<u>36,467,053</u>	<u>38,837,491</u>	<u>(2,370,438)</u>
Other costs			
Tax related costs	18,000	42,006	(24,006)
Insurance premiums	224,535	243,768	(19,233)
Miscellaneous	-	1,954	(1,954)
Contingency	225,000	-	225,000
	<u>467,535</u>	<u>287,728</u>	<u>179,807</u>
<b>Total contractual services</b>	<b><u>\$ 43,890,905</u></b>	<b><u>\$ 46,921,922</u></b>	<b><u>\$ (3,031,017)</u></b>
<b>DEBT SERVICE</b>			
Principal	3,865,000	3,865,000	\$ -
Interest	1,567,963	1,313,216	254,747
Interest subsidy	(260,547)	(260,547)	-
	<u>5,172,416</u>	<u>\$ 4,917,669</u>	<u>\$ 254,747</u>

See Independent Auditor's Report.



**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  
Rockland County Solid Waste Management Authority  
Nanuet, 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 financial statements of the Rockland County Solid Waste Management Authority (Authority), a component unit of the County of Rockland, New York, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 12, 2021.

**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) as a basis for designing 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 financial statements. 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 entity'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 12, 2021



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## APPENDIX E

### ECONOMIC AND DEMOGRAPHIC INFORMATION CONCERNING THE COUNTY OF ROCKLAND

#### THE COUNTY OF ROCKLAND

##### General Information

The County was organized in 1798 and has a land area of 176 square miles. The County is approximately 33 miles northwest of Manhattan and is bordered by Orange County to the north and west, Bergen County, New Jersey to the south and the Hudson River to the east. Within the County are five towns (Clarkstown, Haverstraw, Orangetown, Ramapo and Stony Point), 19 incorporated villages and nine independent school districts.

The County is one of the suburban counties located within the New York Metropolitan Area and is primarily residential in character. Portions of the County, proximate to the New York State Thruway (U.S. Interstate 87/287), are well developed and heavily populated. Approximately 98.3% of the County's population (2010 census) resides within 9 miles of the New York State Thruway. Northern sections of the County are more rural due, in part, to the extensive system of parks located in this part of the County. Various parklands, including the Palisades Interstate Park System and the Bear Mountain-Harriman State Park, comprise about 30% of the County's total acreage.

Population of the County has increased steadily since 1950. According to the U.S. Census Bureau, the County's population grew from 89,276 in 1950 to 325,789 in 2019. (See "Population" herein.)

A major part of the County's labor force, nearly 50%, is employed in service-related industries. According to preliminary 2019 data compiled by the State Labor Department, only 6.0% of the workforce was employed by companies engaged in manufacturing. Many residents commute to jobs in New York City or Westchester County which is connected to the County by the Tappan Zee Bridge and U.S. Interstate 87/287. Approximately 13% of the County's labor force is classified as government related; a significant part of this group of employees work at the various State hospitals and institutions located in the County. Major non-governmental employers in the County include: Montefiore Nyack Hospital, Good Samaritan Hospital, Hamaspik Homecare, Northern Services Group, Rockland Psychiatric Center, Jawonio, Yedei Chesed, Saint Dominic's Family Services, Community Home Health & Aide Services, Helen Hayes Hospital, Orange and Rockland Utilities, and Pfizer Pharmaceuticals. (See "Employment and Unemployment" herein.)

Service-related industries for the figures above include Information; Finance and Insurance; Real Estate Rental and Leasing; Professional and Technical Services; Administrative and Waste Services; Educational Services; Health Care and Social Assistance; Arts, Entertainment and Recreation; Accommodation and Food Services; and Other Services.

Wealth levels for the County's residents are comparable to State and national averages. According to the Bureau of Economic Analysis, the estimated per capita personal income of County residents in 2018 was \$60,464. State and U.S. income averages reported on this basis were \$68,668 and \$54,446, respectively. According to the U.S. Census Bureau, the median household income for households in the County for 2018 was \$89,812, which was significantly greater than the median household income of \$67,844 for the State. (See "Income" herein.)

## **Form of Government**

Pursuant to the provisions of Local Law 14 - 1984, the County adopted a charter form of government in accordance with the provisions of the Municipal Home Rule Law of the State. The charter provides for separate and independent executive and legislative functions. A County Executive was elected in November 1985 and took office on January 1, 1986, when the provisions of Local Law 14 - 1984 became effective.

The County Executive is elected from the County at large for a term of four years with the right of unlimited self-succession. Such executive must reside in the County for a minimum of five years before his/her election and may not concurrently hold another public office. The County Executive is the chief executive officer responsible for the administration of all County affairs and also acts as the County's Budget Officer. The County Executive is required to consider all acts of the County Legislature for approval or disapproval. Any act which is not approved must be returned to the Legislature within 30 days, together with a written explanation for the disapproval, or is otherwise deemed to have been approved by such Executive. The County Legislature may override a veto of the County Executive with a 2/3 vote of its membership.

The current County Executive, Edwin J. Day, began his term on January 1, 2014. Prior to his election, Mr. Day served in the New York City Police Department for 15 years followed by serving as Chief of Detectives in the Baltimore Police Department overseeing the entire 3,200 member force. Most recently, Mr. Day served as a member of the County Legislature from January 2006 until his election to the County Executive's office in November 2013.

The County Legislature is the legislative, appropriating and policy determining body of the County and consists of 17 members, elected from single-member districts located within the County. Members are elected to serve an unlimited number of 4-year terms and each legislator has one vote instead of a weighted vote. The County Legislature is assisted in its duties by a full-time staff of 20 employees as well as nine part-time employees.

Duties of the County Legislature include: review and adoption of the County's annual budget, approval of budgetary modifications during the year and authorization by resolution for the issuance of County debt. Legislative committees have been organized to oversee various functions of County government. These committees are advisory in nature and formal actions must be approved by a formal vote of the County Legislature as a whole. Each year since 1970, the County Legislature has retained the services of an independent public accounting firm to audit the financial records of the County and issue its report thereon.

The chief fiscal officer of the County is the Commissioner of Finance who is appointed by the County Executive and confirmed by the County Legislature. The Commissioner of Finance is responsible for the administration of the financial affairs of the County. Duties of this position include: collecting and disbursing County funds, investing such funds for temporary periods, issuing debt approved by the County Legislature, maintaining accounting records and preparing financial statements therefrom. The current Commissioner of Finance is Stephen F. DeGroat. Other elected officials include: the County Clerk, District Attorney and Sheriff who are elected from the County at large for 4-year terms.

## **Municipal Services**

Residents of the County receive a full range of services from the County government including: higher education (Rockland Community College); highway maintenance and improvement; police protection and law enforcement; social services; mental health services; solid waste management; sewage treatment (in that part of the County designated as County Sewer District No. 1); tax collection and enforcement (the County guarantees 100% of the taxes raised by the towns, participating villages and school districts of the County); parks and recreation; bus transportation; planning and development; emergency preparedness and consumer protection.

## **Community College**

The Rockland Community College (the "College") was established in 1959 with the County as the local sponsor under provisions of Article 126 of the Education Law. The College is administered by a board of trustees consisting of nine voting members; five members are appointed by the County Legislature and four members by the governor. The College budget is subject to the approval of the County Legislature. One-half of the capital costs and approximately one-fourth of operating expenses are paid for by the County. Title to real property of the College

vests with the County; the County issues debt to finance capital projects of the College. The College reports its financial transactions on a fiscal year which ends on August 31. Certain financial information on the College may be found in this Official Statement and appendices hereto. The College is currently providing distance learning and its operations are following the Governor's protocol for State University of New York colleges.

### **Hospital Facility**

The Yeager Health Center (formerly known as Summit Park Hospital and Rockland County Infirmary) (the "Hospital Facility") was a long-term acute care hospital and skilled nursing facility established and operated until the end of the County's 2015 fiscal year under Article 6 of the General Municipal Law. The County had historically been responsible for the operations of the Hospital Facility.

### **Other Municipal Entities and Districts**

Some of the services provided by the towns and villages in the County include: highway maintenance, parks and recreation, planning and zoning and subdivision control, police protection, tax assessment and local courts. There are nine public school districts located within the County which provide primary and secondary education. The towns, villages and school districts have independent debt and taxing powers.

### **Tax Collection and Enforcement Procedures**

Real property taxes are levied and attach as a lien against the property on January 1. County taxes are billed with town taxes and initially collected by the towns on behalf of the County. The County has offered (subject to town approval) quarterly installment payments. The payments are due on January 15, April 15, July 15, and October 15 of each year. The first payment is payable to the respective town receiver and the balance is payable to the Commissioner of Finance. A service charge of 5% on each installment payment is added to the amount of taxes which is estimated to reimburse the County for expenses incurred.

Real property taxes may be paid between January 1 and January 31 without interest or penalty. Payments received after January 31 must include interest computed at 1% per month from February 1. The towns retain the first moneys collected to satisfy the entire amount of their respective tax warrants. Moneys collected thereafter are remitted to the County. The tax rolls and a listing of the unpaid taxes are returned to the County in April. A 5% penalty is added to the unpaid tax which is thereafter collected by the County.

The County enforces delinquent real property taxes under the provisions of Article 11 of the Real Property Tax Law. Enforcement procedures set forth in Article 11 provide that the enforcing officer shall file a petition of foreclosure twenty-one months after the lien date. Such petition is required to be filed with the County Clerk within two business days after the execution of the petition. After the petition has been filed with the County Clerk, a notice of foreclosure must be published in at least two newspapers designated by the enforcing officer. The published notice shall include the date of the last day on which delinquent taxes may be redeemed. The redemption date must be at least three months after the notice is first published. If the delinquent taxes including all related charges are not paid on the date specified in the notice of foreclosure, the Court generally makes a final judgment awarding the property to the County. Such judgment will contain an order that a deed conveying title to the County shall be prepared, executed and duly recorded. No proceeding to set aside the deed may be maintained unless proceedings are commenced within two years from the date of recording the deed. Properties acquired by the County through tax enforcement procedures may be sold at a public auction.

The County is also responsible for collecting and enforcing delinquent school taxes. Such taxes are collected by the towns in the County between September 1 and October 31, after which the unpaid taxes are remitted to the County. A 5% penalty is added to the amount of the unpaid school taxes. The County collects unpaid school taxes commencing in the month of November. Any taxes remaining unpaid after this time are relieved (with a 7% penalty) as County taxes for the following year. The County must satisfy the full amount of the unpaid school taxes not later than April 1 of the year succeeding the levy thereof.

Pursuant to Article 14 of the Real Property Tax Law the County has tax enforcement agreements with various villages in the County to collect and enforce delinquent village taxes. A 5% penalty is added to the amount of the unpaid village taxes. The County collects unpaid village taxes commencing in the month of November. Any

taxes remaining unpaid after this time are relieved (with a 7% penalty) as County taxes for the following year. The County must satisfy the full amount of the unpaid village taxes not later than April 1 of the year succeeding the levy thereof.

As a result of the COVID-19 pandemic, in certain counties in the State, during the first half of the 2020 fiscal year, the deadline to pay property taxes, without interest or penalty, was extended in certain circumstances. No assurance can be given that similar extensions with respect to the deadlines to pay property taxes, without interest or penalty, may occur during the 2021 fiscal year. Any such extensions may result in a delay in the receipt of taxes collected and paid to municipalities.

### Real Property Tax Levy, Rate and Collection History

In common with other municipalities, the County derives a portion of its annual revenues for general fund purposes from real property taxes. The table below sets forth the trend for real property taxes, real property tax rates per \$1,000 assessed valuation, and tax collections for the years 2015 through 2019.

**TABLE 1**  
**Real Property Tax Levies, Rates and Collections**  
**For the Years Ending December 31**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Tax Levy:</b>					
County <sup>(1)</sup>	\$142,391,536	\$155,690,390	\$155,140,355	\$155,843,435	\$160,868,250
Town	317,558,192	322,443,712	331,707,231	332,715,530	338,494,682
School <sup>(2)</sup>	818,971,065	831,502,074	833,706,372	848,529,079	832,758,100
Interest <sup>(3)</sup>	<u>4,823,001</u>	<u>4,606,579</u>	<u>4,741,626</u>	<u>4,910,405</u>	<u>5,111,087</u>
Total	\$1,283,743,794	\$1,314,242,755	\$1,325,295,584	\$1,341,998,449	\$1,337,232,119
<b>AV Tax Rate<sup>(4)</sup></b>					
Clarkstown	9.23	10.1	9.92	9.73	9.99
Haverstraw	3.08	3.27	3.34	3.40	3.55
Orangetown	6.26	6.62	6.65	6.85	6.98
Ramapo	20.32	23.57	24.89	26.09	27.03
Stony Point	19.49	20.09	20.67	20.54	20.25
Current Collections	\$1,255,234,672	\$1,286,842,212	\$1,295,441,851	\$1,312,376,089	\$1,306,857,082
Delinquent Tax Collections	<u>35,199,429</u>	<u>33,468,588</u>	<u>41,440,759</u>	<u>40,276,165</u>	<u>37,990,930</u>
Total Tax Collections	\$1,290,434,101	\$1,320,310,800	\$1,336,882,610	\$1,352,652,254	\$1,344,848,012
Percent of Levy Collected	97.78%	97.92%	97.75%	97.79%	97.73%
Percent of Total Collection to Levy	100.52%	100.46%	100.87%	100.79%	100.57%
Outstanding Delinquent Taxes	<u>\$41,847,674</u>	<u>\$46,199,816</u>	<u>\$48,120,657</u>	<u>\$44,806,289</u>	<u>\$48,708,215</u>

(1) Includes County Sewer District assessments.

(2) Tax levied for the fiscal year ending June 30.

(3) Due to a recent change in the State Real Property Tax Law, interest on taxes is recorded up to statement date for all delinquent taxes.

(4) County tax rate per \$1,000 of assessed valuation (general fund taxes) is based on the average rate within the five towns comprising the County.

Source: County Department of Finance.

### Population

The following tables present population trends for the County, State, Towns, and United States based upon recent census data.

**TABLE 2**  
**Population Trend**

	<u>2000</u>	<u>2010</u>	<u>2019</u>	<u>% Change</u> <u>2010-2019</u>
County	286,753	311,687	325,789	4.5%
State	18,976,457	19,378,102	19,453,561	0.4
United States	281,426,906	308,745,538	328,239,523	6.3

Source: U.S. Census Bureau: 2000 & 2010 Census, 2019 Population Estimates.

**TABLE 3**  
**Population by Town**

<u>Town</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2019</u>
Clarkstown	77,091	79,346	82,082	84,187	86,237
Haverstraw	31,929	32,712	33,811	36,634	37,000
Orangetown	48,612	46,742	47,711	49,212	49,833
Ramapo	89,060	93,861	108,905	126,595	137,406
Stony Point	12,838	12,814	14,244	15,059	15,313
Total County	259,530	265,475	286,753	311,687	325,789

Source: U.S. Census Bureau: 1980 - 2010 Census, 2019 Population Estimates.

**Income**

The following table presents per capita money income for the County, State and United States.

**TABLE 4**  
**Per Capita Personal Income**

	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>% Change</u> <u>2010-2018</u>
County	\$40,802	\$52,488	\$60,464	15.2%
State	34,898	49,582	68,668	38.5
United States	29,847	40,144	54,446	35.6

Source: Bureau of Economic Analysis.

**TABLE 5**  
**Median Household Income**

	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>% Change</u> <u>2010-2018</u>
County	\$67,971	\$84,027	\$89,812	6.9%
State	43,393	54,148	67,844	25.3
United States	41,994	50,046	61,937	23.8

Source: U.S. Census Bureau, 2000 & 2010 Census, 2018 American Community Survey.

**Employment and Unemployment**

The following tables provide information concerning employment in the County, State and United States.

**TABLE 6**  
**Principal Employers in the County**

<u>Name</u>	<u>Industry or Business</u>	<u>Number of</u> <u>Employees</u>
Hamaspik of Rockland County	Health Services	1,993
Nyack Hospital	Hospital	1,850
Bon Secours Good Samaritan Hospital	Hospital	1,751
Rockland Psychiatric Center	Health Care	1,219
Jawonio, Inc.	Health Care	1,100
Helen Hayes Hospital	Hospital	891
Verizon Wireless	Communications	850
Northern Services Group	Nursing Home	832
St. Dominic's Home	Nursing Home	820
Orange & Rockland Utilities	Public Utility	817
AT&T Healthcare	Health Care	800
Pfizer, Inc	Pharmaceuticals	800
Nice-Pak / PDI	Paper Manufacturing	768
ARC of Rockland	Health Care	715
Camp Venture, Inc.	Health Services	680
Aide Services, Inc.	Health Services	600
Par Pharmaceutical, Inc.	Pharmaceuticals	591
Community Home Health & Aide Svc, Inc.	Health Services	560
Lamont-Doherty Earth Observatory	Earth Sciences Research	560
Chestnut Ridge Transportation, Inc.	Transportation	531
Hudson Valley Dev. Disabilities Services	Health Services	523
Intercos America, Inc.	Cosmetic Manufacturing	425
Raymour & Flanigan	Commercial	415
Aluf Plastics, A Division of API	Commercial	401
Rockland Bakery Inc.	Commercial	400

Source: Rockland County 2018 CAFR and County Officials.

**TABLE 7**  
**Civilian Labor Force**

	<u>2010</u>	<u>2020</u>
County	149,048	152,900
State	9,808,150	9,229,000
United States	155,163,977	160,750,000

Source: New York State Department of Labor, Bureau of Labor Statistics, United States data is seasonally adjusted.

The following table presents unemployment rates for the County, State and United States for the last five years.

**TABLE 8**  
**Yearly Average Unemployment Rates**

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2016	4.3%	4.9%	4.9
2017	4.3	4.6	4.4
2018	3.7	4.1	3.9
2019	3.4	3.8	3.7
2020	8.1	10.0	8.1

Source: New York State Department of Labor, Bureau of Labor Statistics. Information not seasonally adjusted.

The following table presents monthly unemployment rates for the County, State and United States.

**TABLE 9**  
**Monthly Average Unemployment Rates**

<u>Month</u>	<u>County</u>	<u>State</u>	<u>United States</u>
October 2020	5.9%	8.3%	6.6%
November	5.8	8.3	6.4
December	5.7	8.5	6.5
January 2021	6.1	9.4	6.8
February	6.4	9.7	6.6
March	5.6	8.5	6.2

Source: New York State Department of Labor, Bureau of Labor Statistics. Information not seasonally adjusted.

**TABLE 10**  
**Building Permits**

New Residential

<u>Year</u> <sup>(1)</sup>	<u>Permits</u>	<u>Value</u>
2009	82	\$ 36,037,485
2010	118	49,437,827
2011	136	39,854,614
2012	110	40,336,503
2013	176	56,989,225
2014	179	71,481,454
2015	222	81,972,203
2016	167	56,965,711
2017	185	103,434,004
2018	174	81,753,404
2019 <sup>(2)</sup>	173	71,177,581

- (1) Since 1995, the County has not kept records on building permits for new, non-residential construction.
- (2) For the entire fiscal year.

Source: U.S. Census Bureau, Construction Division and County Officials.

**Financial Institutions**

Twelve commercial banks are located within the County as follows: JP Morgan Chase Bank, Citibank, M&T Bank, Wells Fargo Bank, Key Bank, HSBC, Capital One Bank, Sterling Bank, TD Bank, Greater Hudson Bank, Citizens Bank of North America, Trustco Bank, NEA Federal Credit Union, Palisades Federal Credit Union, Rockland Employees Federal Credit Union and Emigrant Savings Bank. Communications The County is served by the New York City newspapers, radio and television stations.

**Communications**

In addition, the County has various local newspapers including The Rockland Journal News, The Rockland County Times, Courier and Haverstraw Times and two local radio stations: WRKL-AM and WLIR-AM. Cablevision, a private company, provides cable television service for residents of the County.

**Utilities**

Mirant generates and Orange and Rockland Utilities, Inc. (“O&R”) distributes and sells electricity and natural gas throughout the County. O&R is wholly owned by Consolidated Edison. The principal generating plants are the wholly owned Lovett facility in Tompkins Cove and the Bowline facility in Haverstraw. Both plants utilize fossil fuel.

There are three separate suppliers of water in the County, with United Water Company of New York being the largest. Most of the water supplied by the United Water Company comes from underground supplies or from the principal reservoir at Lake De Forest. The other two suppliers are municipal water suppliers in the villages of Nyack and Suffern. The three suppliers provide water to approximately 270,000 residents. The County is not involved in the supply and distribution of water.

## **Transportation**

The County is served by a network consisting of all the major forms of transportation. Several primary State and U.S. Highways including the State Thruway, Palisades Interstate Parkway, Garden State Parkway and U.S. Routes 9W and 17 run through the County. The Metro-North Commuter Railroad division of the New York Metropolitan Transportation Authority, in cooperation with New Jersey Transit, provides rail service to Manhattan, either directly or via PATH rapid transit. Freight service is provided by Conrail. Bus passenger service is provided to New York City and other points in and outside the County by Red and Tan Lines, Transport of Rockland, Shortline and Adirondack Trailways. Air transportation is provided by the three New York Metropolitan Airports (Kennedy, LaGuardia and Newark), Westchester County Airport and Stewart International Airport in Newburgh, New York.

## **Education**

Primary education is the responsibility of the eight independent public school districts located within the County. There are numerous colleges, universities and vocational schools located throughout the County as well. Rockland Community College offers two-year associate degree and one-year certificate programs. Dominican College and St. Thomas Aquinas College are four-year independent liberal arts colleges. Empire State College/SUNY, Iona College - Rockland Campus and Long Island University - Rockland Campus, all offer graduate programs.

## **Recreation and Cultural Facilities**

The County has a wide array of recreational and cultural facilities highlighted by the Palisades Interstate Park System, the County Park System and the Community College. Over one-third of the Palisades Interstate Park System's 80,000 acres lie within the County and the parklands account for approximately 30% of the County's area. The Bear Mountain-Harriman State Park on the Hudson River, in the County's northeast corner, has 26,118 of its 51,026 acres in the County: facilities include fishing, hiking, camping, swimming, picnicking, museum, playfield, winter sports and row-boating. In addition, there is the Rockland Lake State Park (771 acres), Tallman Mountain State Park (634 acres), Hook Mountain State Park (661 acres, undeveloped), Blauvelt State Park (536 acres, undeveloped), High Tor State Park (491 acres), Stony Point Battlefield Reservation (45 acres), Eleanor Burlingham Memorial Park (37 acres) and Nyack Beach State Park (61 acres), all exclusively within the County. The Palisades A-38 Interstate Park Commission is a bi-state agency. The County has thirteen parks (Clausland Mountain, Kakiat, Mt. Ivy, Kennedy Dells, Dutch Gardens, South Mountain, Buttermilk Falls, Monsey Glen, Dater Mountain, Gurnee Park and Amphitheater, Schwartz Memorial Park and Mountain View Nature Park) comprising an aggregate area of approximately 2,000 acres. All of the parks have natural scenic areas, some affording panoramic views of the County. Hiking, picnicking, soccer fields, nature walks, and horseback riding are the activities offered. Several of the County's constituent municipalities maintain park systems as well. There are also over 20 private commercial swimming pools and lakes, and eight golf courses, five of which are open to the public. All of the towns and many of the villages have separate park facilities. In addition, there are numerous libraries, museums, marinas and clubs in the County.

## **Medical Facilities**

Hospital services are provided by Bon Secours Good Samaritan Hospital, Helen Hayes Hospital and Nyack Hospital which offer residents of the County a wide range of inpatient and outpatient services. In addition, the County administers a variety of programs to help those in need of health services including patient services, ambulatory clinic services, home health services, health education, environmental health and social work. The County previously operated the Hospital Facility which provided nursing for long-term care patients, services for chronic respiratory diseases and alcoholism treatment. The County closed the Hospital Facility at the end of its 2015 fiscal year. (See "Hospital Facility" herein.)

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**APPENDIX F**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

\_\_\_\_\_, 2021

Rockland County Solid Waste Management Authority  
172 Main Street  
Nanuet, New York 10954

Re: Exempt Facility General Obligation Bonds, Series 2021A (AMT) (Green Bonds),  
General Obligation Refunding Bonds, Series 2021B (Green Bonds), and  
General Obligation Bonds, Series 2021C (Federally Taxable) (Green Bonds)

Ladies and Gentlemen:

We have acted as bond counsel to the Rockland County Solid Waste Management Authority (the "Authority") in connection with the issuance of \$ \_\_\_\_\_ aggregate principal amount of Exempt Facility General Obligation Bonds, Series 2021A (AMT) (Green Bonds) (the "Series 2021A Bonds"), \$ \_\_\_\_\_ aggregate principal amount of General Obligation Refunding Bonds, Series 2021B (Green Bonds) (the "Series 2021B Bonds" and together with the Series 2021A Bonds, the "Tax-Exempt Bonds") and \$ \_\_\_\_\_ aggregate principal amount of General Obligation Bonds, Series 2021C (Federally Taxable) (Green Bonds) (the "Series 2021C Bonds" and, collectively with the Series 2021A Bonds and the Series 2021B Bonds, the "Series 2021 Bonds"), issued pursuant to the Solid Waste Management System Bond Resolution adopted by the Authority on November 30, 1995, as amended and supplemented (the "Bond Resolution") and the Thirteenth Supplemental Resolution Authorizing the Issuance of up to \$50,000,000 Aggregate Principal Amount of Exempt Facility General Obligation Bonds, Series 2021A (AMT) (Green Bonds), General Obligation Refunding Bonds, Series 2021B (Green Bonds) and General Obligation Bonds, Series 2021C (Federally Taxable) (Green Bonds), adopted by the Authority on May 27, 2021 (the "Thirteenth Supplemental Resolution" and together with the Bond Resolution, the "Resolution"). The Series 2021A Bonds are being issued to (i) pay or reimburse the Authority for the cost of improvements to its materials recovery facility located in Hillburn, New York (the "MRF Project"), (ii) fund a deposit to the Debt Service Reserve Fund in an amount sufficient that the balance therein equals the Debt Service Reserve Requirement to secure the Series 2021 Bonds and the Outstanding Bonds (as defined herein), and (iii) pay costs of issuance of the Series 2021A Bonds. The Series 2021B Bonds are being issued to refund, on a current basis, a portion of the Authority's General Obligation Bonds, Series 2010A (the "Refunded Bonds") and (ii) pay costs of issuance of the Series 2021B Bonds. The Series 2021C Bonds are being issued to pay or reimburse the Authority for (i) all or a portion of the costs of the MRF Project not otherwise paid from proceeds of the Series 2021A Bonds and (ii) preliminary development costs for an anaerobic digestion system for food wastes and exploring development of an alternative waste disposal facility. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolution.

In such connection, we have reviewed the Resolution, the Tax Certificate and Agreement of the Authority dated as of the date hereof (the "Tax Certificate"), opinions of counsel to the Authority and the Trustee, certificates of the Authority, the Trustee and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Series 2021 Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as

copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and of the legal conclusions contained in the opinions, referred to in the second and third paragraphs hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Series 2021 Bonds, the Resolution and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Resolution or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Series 2021 Bonds and express no opinion with respect thereto.

Based on that examination and subject to the limitations stated below, we are of the opinion that, under existing law:

1. The Authority has the right and power to adopt the Resolution under the Act.
2. The Resolution has been duly and lawfully adopted by the Authority, is in full force and effect, and constitutes the valid and binding obligation of the Authority.
3. The Resolution creates a valid pledge, to secure the payment of the principal of and interest on the Series 2021 Bonds, of the Revenues and any other amounts held by the Trustee in any fund or account established pursuant to the Resolution, except the Rebate Fund, subject to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution.
4. The Series 2021 Bonds are valid and binding general obligations of the Authority, enforceable in accordance with their terms and the terms of the Resolution.
5. Upon the execution, authentication and delivery thereof, the Series 2021 Bonds will have been duly and validly authorized and issued in accordance with the Constitution and statutes of the State of New York (the "State"), including the Act, and in accordance with the Resolution.
6. Assuming the accuracy of the representations of the Authority and its continued compliance with its covenants in the Resolution and the Tax Certificate, interest on the Series 2021A Bonds (i) is excludable from gross income of the owners thereof for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except interest on any Series 2021A Bond for any period during which it is held by a "substantial user" of the facilities financed with the proceeds of the Series 2021A Bonds or a "related person," as those terms are used in Section 147(a) of the Code, and (ii) will be an item of tax preference for purposes of the federal alternative minimum tax.
7. Assuming the accuracy of the representations of the Authority and its continued compliance with its covenants in the Resolution and the Tax Certificate, interest on the Series 2021B Bonds (i) is excludable from gross income of the owners thereof for federal income tax purposes under Section 103 of the Code, and (ii) will not be an item of tax preference for purposes of the federal alternative minimum tax.

8. Interest on the Series 2021 Bonds is exempt from personal income taxes imposed by the State of New York.
9. Interest payable on the Series 2021C Bonds is includable in gross income of owners thereof for federal income tax purposes.

The opinions set forth in paragraphs 6 and 7 are subject to the condition that the Authority complies with all applicable federal income tax law requirements that must be satisfied subsequent to the issuance of the Tax-Exempt Bonds in order that interest thereon continues to be excluded from gross income for purposes of federal income taxation. Failure to comply with all such requirements could cause the interest on the Tax-Exempt Bonds to be includable in gross income retroactive to the date of issuance of the Tax-Exempt Bonds. The Authority has covenanted in the Tax Certificate to comply with all such requirements.

Other than as set forth in paragraphs 6, 7 and 8 above, we express no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2021 Bonds.

We express no opinion in this letter as to the adequacy, completeness or accuracy of any official statement or other disclosure document pertaining to the Series 2021 Bonds, or any appendices thereto.

This opinion is rendered on the basis of the federal laws of the United States and laws of the State as enacted and construed on the date hereof, and we express no opinion with respect to the laws of any other state or jurisdiction.

This opinion is limited to the matters expressly stated herein. No opinions are to be implied or inferred that extend beyond the matters expressly stated herein. The opinions stated herein are expressed as of the date hereof, and we express no opinion as to any matter not set forth in the numbered paragraphs herein. We have no obligation to update or supplement this opinion to reflect, or to otherwise advise you of, any facts or circumstances which may hereafter come to our attention or any changes in facts, circumstances or law, which may hereafter occur.

This opinion is rendered solely for your benefit and may be relied upon by you solely in connection with the transaction contemplated hereby and may not be relied upon by you for any other purpose, or by any other person for any purpose, in each case without our written consent.

Very truly yours,

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APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT

ROCKLAND COUNTY SOLID WASTE MANAGEMENT AUTHORITY  
\$ \_\_\_\_\_ EXEMPT FACILITY GENERAL OBLIGATION BONDS, SERIES 2021A (AMT) (GREEN BONDS)  
\$ \_\_\_\_\_ GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021B (GREEN BONDS)  
\$ \_\_\_\_\_ GENERAL OBLIGATION BONDS, SERIES 2021C (FEDERALLY TAXABLE) (GREEN BONDS)

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT, dated as of July \_\_, 2021 (the “**Disclosure Agreement**”) is executed and delivered by the Rockland County Solid Waste Management Authority, a New York public benefit corporation (the “**Authority**”) and The Bank of New York Mellon, a New York corporation (the “**Trustee**”), in connection with the issuance of \$ \_\_\_\_\_ Exempt Facility General Obligation Bonds, Series 2021A (AMT) (Green Bonds) (the “Series 2021A Bonds”), \$ \_\_\_\_\_ General Obligation Refunding Bonds, Series 2021B (Green Bonds) (the “Series 2021B Bonds”) and \$ \_\_\_\_\_ General Obligation Bonds, Series 2021C (Federally Taxable) (Green Bonds) (the “Series 2021C Bonds” and, collectively with the Series 2021A Bonds and the Series 2021B Bonds, the “**Series 2021 Bonds**”) pursuant to the terms of the Authority’s Solid Waste Management System Bond Resolution adopted by the Authority on November 30, 1995, as amended and supplemented (the “**General Resolution**”), a resolution entitled “Thirteenth Supplemental Resolution Authorizing the Issuance of up to \$50,000,000 Aggregate Principal Amount of Exempt Facility General Obligation Bonds, Series 2021A (AMT) (Green Bonds), General Obligation Refunding Bonds, Series 2021B (Green Bonds) and General Obligation Bonds, Series 2021C (Federally Taxable) (Green Bonds)” (the “**2021 Supplemental Resolution**” and together with the General Resolution, the “**Resolution**”) adopted by the Authority on May 27, 2021 pursuant to the terms of the General Resolution. The Authority and the Trustee covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Authority and the Trustee for the benefit of the Bondholders of the Series 2021 Bonds and in order to assist BofA Securities, Inc. (the “**Underwriter**”) in complying with the Rule (defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolutions, which are hereby incorporated herein by reference, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access system.

“Fiscal Year” shall mean the period from January 1 through the following December 31, or such other period of twelve (12) consecutive calendar months designated by the Authority as its fiscal year.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

“Official Statement” shall mean the Authority’s Official Statement dated \_\_\_\_\_, 2021 relating to the Series 2021 Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the U.S. Securities and Exchange Commission.

SECTION 3. Provision of Annual Reports.

(a) On an annual basis, the Authority shall, or shall cause the Trustee to, not later than one hundred eighty (180) days following December 31, 2020 and at the end of each Fiscal Year of the Authority thereafter, provide to the MSRB an Annual Report. Not later than ten (10) Business Days prior to said date, the Authority shall provide the Annual Report to the Trustee which is consistent with the requirements of Section 4 of this Disclosure Agreement. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided, that the audited financial statements of the Authority may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date.

(b) If by ten (10) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB the Trustee has not received a copy of the Annual Report, the Trustee shall contact the Authority to determine if the Authority is in compliance with subsection (a) above.

(c) If the Trustee is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Trustee shall send notice to the MSRB in substantially the form attached hereto as Exhibit A.

(d) The Trustee shall file a report with the Authority certifying one of the following: (A) the Annual Report was provided to the MSRB by the Trustee pursuant to this Disclosure Agreement and stating the date it was provided, or (B) that to the best of its knowledge the Annual Report has not been provided to the MSRB pursuant to this Disclosure Agreement.

SECTION 4. Content of Annual Reports. The Authority’s Annual Report shall contain or incorporate by reference the following categories or similar categories of information updated to incorporate information for the most recent fiscal or calendar year, as applicable:

(a) Audited financial statements and operating data for the Authority of the type included in the Financial Statements of the Authority set forth in Appendix D of the Official Statement prepared in accordance with Generally Accepted Accounting Principles (“GAAP”), which shall include, without limitation: (1) for prior fiscal years, an analysis of cash-basis results for the Authority’s three most recent fiscal years, and a presentation of the Authority’s results in accordance with GAAP for at least the two most recent fiscal years for which that information is currently available; and (2) for financing activities, a presentation of the outstanding debt issued by the Authority, as well as information concerning debt service requirements on that debt, together with such narrative explanation as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial and operating data concerning the Authority.

(b) Updated information comparable to the information contained under the following headings in the Official Statement listed under the captions “The Authority and the Solid Waste Management System,” “The Solid Waste Management System - Facilities” and “Litigation.”

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Authority is an “obligated person” (as defined by the Rule), which have been filed with the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Authority shall clearly identify each other document so incorporated by reference.

SECTION 5. Reporting of Events.

(a) (i) The Authority hereby undertakes to provide to the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the following sixteen events (“**Listed Events**”) with respect to the Series 2021 Bonds:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2021 Bonds, or other material events affecting the tax status of the Series 2021 Bonds;
7. modifications to the rights of holders of the Series 2021 Bonds, if material;
8. defeasances;
9. bond calls, if material, and tender offers;
10. release, substitution, or sale of property securing repayment of the Series 2021 Bonds, if material;
11. rating changes;
12. bankruptcy, insolvency, receivership or similar event of the Authority<sup>1</sup>;
13. the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. incurrence of a Financial Obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect Bondholders, if material; and
16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

(a)(ii) The Authority shall provide or cause to be provided to the MSRB, in a timely manner, notice of a failure by the Authority to provide the Annual Report pursuant to Section 4 hereof.

(b) The Trustee shall immediately notify the Authority of the occurrence of any of the sixteen Listed Events upon obtaining actual knowledge of the occurrence of such event.

(c) Whenever the Authority obtains knowledge of the occurrence of a Listed Event, either because of a notice from the Trustee pursuant to subsection (b) above or otherwise, the Authority shall provide or cause to be

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<sup>1</sup> For the purposes of this event, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

provided to the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of such Listed Event.

(d) If the Trustee has been instructed by the Authority to report the occurrence of a Listed Event, the Trustee shall provide to the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event, notice of such Listed Event.

SECTION 6. Submission of Information. Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the MSRB's EMMA system, the current Internet Web address of which is [www.emma.msrb.org](http://www.emma.msrb.org). All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The Authority's obligations under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Series 2021 Bonds.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Authority and the Trustee may amend this Disclosure Agreement (and the Trustee shall agree to any amendment so requested by the Authority) and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Authority and the Trustee to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Authority chooses to include any information in any Annual Report or notice of occurrence of Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Authority shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Authority to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of the Underwriter or the owners of at least 25% aggregate principal amount of Outstanding Bonds shall) or any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority or the Trustee, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Resolutions or any other Bond or Note document, and the sole remedy under this Disclosure Agreement in the event of any failure of the Authority or the Trustee to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Trustee. Article XI of the General Resolution is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the General Resolution. The Trustee shall have only such duties hereunder as are specifically set forth in this Disclosure Agreement and such duties are purely ministerial in nature. By way of example and not of limitation, the Trustee shall be under no obligation or responsibility at any time (i) to review the contents of an Annual Report; or (ii) to ascertain whether an Annual Report, provided directly to the MSRB or to the Trustee to provide to the MSRB, is in compliance with the requirements of Section 4 hereof. The Authority agrees to indemnify and save the Trustee and its agents harmless against any loss, expense or liabilities which it or they may incur arising out of or in the exercise or performance of its or their powers and duties hereunder, including the costs and expenses (including reasonable attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Trustee's gross negligence or willful misconduct hereunder. The obligations of the Authority under this Section 10 shall survive resignation or removal of the Trustee and payment of the Series 2021 Bonds.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Authority, the Trustee, and owners from time to time of the Series 2021 Bonds, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 14. Non-Recourse. The obligations of the Authority hereunder are obligations exclusively of the corporate entity only and are not obligations of any past, present or future director or officer of the Authority.

*[The remainder of this page is intentionally left blank, with signature page to follow.]*

IN WITNESS WHEREOF, the parties have caused this Continuing Disclosure Agreement to be duly executed as of this \_\_\_\_ day of July, 2021.

ROCKLAND COUNTY SOLID WASTE MANAGEMENT  
AUTHORITY

By: \_\_\_\_\_

THE BANK OF NEW YORK MELLON

By: \_\_\_\_\_

**EXHIBIT A**

**NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT**

Name of Authority (Issuer): Rockland County Solid Waste Management Authority

Name of Bond Issue:

\$ \_\_\_\_\_ Exempt Facility General Obligation Bonds, Series 2021A (AMT) (Green Bonds) (the “Series 2021A Bonds”)

\$ \_\_\_\_\_ General Obligation Refunding Bonds, Series 2021B (Green Bonds) (the “Series 2021B Bonds”)

\$ \_\_\_\_\_ General Obligation Bonds, Series 2021C (Federally Taxable) (Green Bonds) (the “Series 2021C Bonds”)

Date of Issuance: July \_\_, 2021

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NOTICE IS HEREBY GIVEN that the Authority has not provided an Annual Report with respect to the above-named Series 2021 Bonds as required by its Continuing Disclosure Agreement dated as of July \_\_, 2021. The Authority anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

THE BANK OF NEW YORK MELLON,  
on behalf of the Authority

By:

\_\_\_\_\_

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## APPENDIX H

### TABLE OF REFUNDED BONDS<sup>†</sup>

Bonds	Maturity Date	Principal Amount	Interest Rate	CUSIP <sup>‡</sup>
Series 2010A	December 15, 2021	\$265,000	3.375%	773562DT7
Series 2010A	December 15, 2022	270,000	3.500	773562DU4
Series 2010A	December 15, 2023	300,000	3.625	773562DV2
Series 2010A	December 15, 2024	4,710,000	3.750	773562DW0

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<sup>†</sup> Preliminary, subject to change.

<sup>‡</sup> Copyright, American Bankers Association (“ABA”). CUSIP data herein are provided by CUSIP Global Services, operated on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. The CUSIP numbers listed above are being provided solely for the convenience of bondholders only at the time of issuance of the offered bonds and we do not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future.

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