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# Chester County Solid Waste Authority



## Annual Report 2012





**DR. ROBERT J. SCHOENBERGER**  
Chairman

*Semi-Retired, Environmental Consultant*

A resident of Upper Uwchlan Township, Dr. Schoenberger serves on the Township Planning Commission. A former Chairman of the Pennsylvania Governor's Solid Waste Advisory Committee; he has 45 years experience in the solid waste industry.



**RAMSEY G. DILIBERO**  
Vice Chairman

*Retired President of BFI International*

A resident of West Nantmeal Township, Mr. DiLibero was inducted into the Environmental Hall of Fame in recognition of his 30 years of service to the industry.



**PETER W. KNIPE**  
Treasurer

*Chief Financial Officer, STV Group, Inc.*

A resident of North Coventry, Mr. Knipe works for an international consulting engineering architectural company.



**PETER J. MARROLETTI**  
Secretary

*Retired BFI Manager*

A resident of Charlestown Township, Mr. Marroletti has 28 years experience in the solid waste industry.



**WILLIAM H. SHIRK**  
Member

*Semi-Retired Data Processing Consultant*

A resident of Caernarvon Township, Bill Shirk is currently providing data processing consulting services for Judge Tech Services at AmeriHealth Administrators.



**VINCENT CAROSELLA**  
Member

*Attorney at Law*

A resident of West Vincent Township, Mr. Carosella has many years of experience in the solid waste industry. He is the President of the law firm of Carosella & Associates, P.C. based in West Chester, PA.



**CARMEN BATTAVIO**  
Member

*Owner of Battavio Plumbing, Heating and Air Conditioning*

A resident of East Goshen Township, Mr. Battavio has served on the Board of Supervisors for the past 16 years and is a life member of the Goshen Fire Company.

## About the Authority and its Members

The Chester County Solid Waste Authority was established by the Chester County Commissioners in August 1984.

That same year, the CCSWA became the owner and operator of the Lanchester Landfill in Honey Brook, PA.

The Authority is comprised of volunteer Chester County business persons and one representative from Caernarvon Township, Lancaster County. All members of the Authority serve without compensation or benefits.

## The Staff at Lanchester

### EXECUTIVE

Robert A. Watts,  
Executive Director

### BUSINESS/ ADMINISTRATION

James M. Gorney,  
Business Manager  
David B. Lozenski,  
Assistant Business Manager-  
Finance

Peggy Cunius,  
Accounts Payable/  
Administrative Assistant

Dayle Anderson,  
Accounts Receivable  
(part-time)

Michael J. Smale,  
Lead Weighmaster

Lynn Jeffries,  
Weighmaster (part-time)

Andrew Wagner,  
Weighmaster (part-time)

Jim Jennings,  
Weighmaster (part-time)

Phillip Demarra,  
Weighmaster, (part-time)

Small Load Facility Attendant  
(part-time)

### ENGINEERING & COMPLIANCE

#### ENGINEERING

Owen R. Esterly, P.E.,  
Facility Engineer

#### COMPLIANCE

Teresa A. Devine,  
Compliance Officer  
Sharon Andrien,  
Maintenance Worker

### WATER MANAGEMENT

Gary Laird,  
Manager of Water Operations  
Henry Palmer,  
Water Operations Assistant

### RECYCLING

Nancy Fromnick,  
County Recycling Coordinator  
Irene Perry,  
Administrative Assistant

### OPERATIONS

Earl L. Graham Jr.,  
Operations Manager

Dawn E. Nichols,  
Operations/ Wildlife/  
Livestock Manager

Ed Carlson  
Lead Operator

### MAINTENANCE & REPAIRS

Thomas M. Barbarish,  
Mechanic

### LANDFILL OPERATIONS

Steve Dunn, Operator

Robert Hollenbaugh,  
Operator

Randy G. Savage, Operator

Jacob A. Houck, Operator

Bill Bramm, Operator

Tom Kostingo, Operator

Jeffrey Watts,  
Weighmaster/Operator

Ryan Cloak, Utility Worker

# 2012: The Chairman's View

## Bob Schoenberger

The year 2012 was very successful as Lanchester Landfill's long term status became solidified.

The initial work for construction of Area E was begun, and this work included expansion of storm-water ponds and closure of portions of previously filled areas that reached maximum capacity. While current air space under permit allows us to look more than 10 years in the future, it remains our goal to seek options that rely less on landfilling for disposal, and to increase diversion, recycling and reuse for the short term, while we seek a viable technology for long term waste management.

Increased efforts by Chester County municipalities to recycle and divert waste from the landfill operation continue to be manifested in our volume. For the third year in succession our volume was essentially constant at approximately 300,000 tons of combined municipal, residual and construction/demolition waste. A portion of this continued reduction may be attributed to the lower housing/commercial construction, as well as the more challenging financial macroeconomic forces. These constant results were realized against a backdrop of continued population expansion in Chester County.

Some operations of the landfill continue to require study and experimentation. Chief among these is the on-site treatment of leachate in our ultra-high quality plant. While the quality of treated effluent approaches distilled water, the reliability and throughput continues to manage only a small quantity of annual leachate production. Efforts will continue with additional modifications installed in 2013.

Our financial situation is steady, but the preparation of Area E does pose some careful monitoring of costs. While we attempt to keep costs to our customers as low as possible, Area E is expected to cost in excess of \$40,000,000.00. In an effort to assure financial stability



the rate for disposal was increased by two percent, and increases are expected to be implemented in each of the next five years. While this is a decision that we tried to avoid, our fiscal stability depends upon implementation of these measures.

In closing, I want to express the gratitude of the Board to our outstanding and devoted staff. The trouble free operation of Lanchester on a daily basis is due to your diligence and devotion to your responsibilities.

# Letter From The Executive Director Bob Watts



“We look forward to another busy construction year in 2013... resulting in the first cell of Area E Landfill Expansion accepting waste in 2014.”

This was the second year of our preparation construction work for our next landfill expansion. During the first phase of construction the major preparation was the significant increase in size of two of our stormwater sedimentation ponds. This allowed us to fill in three of our existing sedimentation ponds in preparation for the foundation to the reinforced earth wall that is scheduled to start construction in 2013.

The second significant result of the construction in 2012 was a new compost area. Our existing compost area has allowed us to compost leaves, recycle brush, wood and Christmas trees for many years. The existing compost area was in the footprint of our next landfill expansion and had to be relocated. The new compost area was built with almost five acres of asphalt and three additional bays to drop off items to be recycled.

While not one of our projects, it was exciting to see Dart Container Corporation, one of the users of our landfill gas, construct a twin turbine plant powered by landfill gas that allows them to generate 10 megawatts of electricity. This project enabled Dart to reduce their costs and to have a better idea of their power costs in the future. Granger Energy of Honey Brook, LLC processes our landfill gas and generates 3 megawatts of electrical power on our site. Granger Energy, in addition to supplying our landfill gas to Dart, supplies our landfill gas to six other businesses in Lancaster County.

We look forward to another busy construction year in 2013 which should result in the first cell of the Area E Landfill Expansion accepting waste in 2014 or early 2015. During the first half of 2013 we expect to have the first of what we hope will be quarterly meetings of a Citizen's Advisory Committee whose first task is to consider including woody vegetation as part of our final cap on portions of the landfills.

# 2012 | A Year In Review

## Leachate Treatment Plant Upgrades

The leachate treatment plant was upgraded in order to double the size of the ultra-filtration system. The new processing capacity increased the throughput of effluent. Keystone Engineering Group completed the project at a cost of \$35,000.



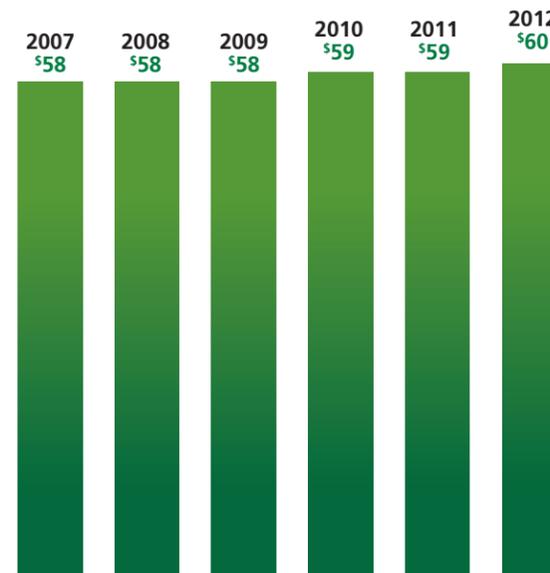
## Relocated Compost Site

As part of the completion of Area E Phase I the existing compost area was moved to a new location. The expanded 4.5-acre site is now located closer to the entrance for added convenience to the landfill customers. The project entailed clearing trees, blacktopping the site and adding drop off bins. Lanchester Landfill will be accepting wood, brush and leaves.



## Tipping Fees 2006 to 2011

The amount charged to dispose of one ton of municipal solid waste at the Lanchester Landfill.



## Lanchester Landfill Nature Enhancements

Nature Trail—Phase II of the trail construction was complete in 2012 adding one more mile of trail around Sedimentation Pond #7; the trail now totals three miles round trip. Also, three more benches, a picnic table, and bird boxes were installed along around Phase II of the trail. In 2013, the Authority plans on extending the trail another mile and installing more nesting boxes and benches. The Nature Trail is open to the public on Sundays during May to October.

Wildlife Enhancements to Sedimentation Pond #7—The Authority undertook an enhancement project that included live stakes for riparian plantings, aquatic plantings, two turtle platforms and a Mallard nesting box. In 2013 the Authority will begin improvements to Sedimentation Pond #1.

# 2012 | A Year In Review

## Sedimentation Pond No.7 Wildlife Enhancements

Pond No. 7 is one of eleven existing erosion and sedimentation control ponds that are maintained and operated by the CCSWA. They are an integral part of the Soil Erosion and Sedimentation Control Plan that help manage

surface water, minimize erosion, control sedimentation. Vegetation and grass enhancements to Sedimentation Pond No. 7 were completed in 2012 that will help to attract wildlife along the nature trail.



*Sedimentation Pond No. 3 Enlargement, part of Phase 1A of Area E Expansion*



*Pond No. 7 Wildlife Enhancements*

## Phase 1A of Area E Expansion

The Area E Expansion project, located on the south side of the property, will include 14.3 acres of newly lined landfill space and 41.6 acres built on top of existing landfill space.

The first phase of construction, which was completed April of 2012, enlarged two storm water basins and relocated existing communication infrastructure.

The second stage of construction, involved relocating the existing leachate conveyance system, decommissioned ponds 4, 5, and 5a which will be shift capacity to the previously expanded ponds 1 and 3, compost area, additional storm water modifications to safely control

runoff, waste removal from an old waste unit, and sub grade material processing and placement.

ARM is performing Construction Quality Assurance and Resident Project Representative services for the Authority on this project. The construction is preparing the site for the mechanically stabilized earth berm and cell construction, which will take place in 2013 and 2014.

The expansion will give Lanchester Landfill a ten-year capacity of 4 million tons when it begins accepting waste in 2014 or early 2015. This will coincide with the time that Area D will be running out of capacity.

## Authority Updates 10-Year Plan

The state mandated Ten-Year Plan address the issue of waste generation and recycling. The plan maps a strategy for the proper handling of waste material that is generated in the county while also assuring capacity for its' disposal. The updated plan adds the G.R.O.W.S Landfill as a back-up facility to Lanchester and S.E.C.C.R.A Landfills.

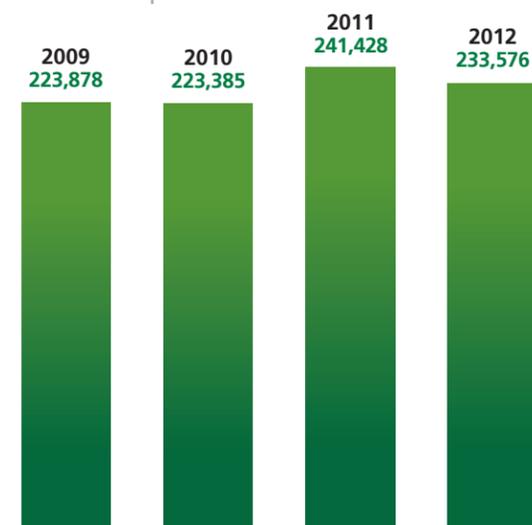


## Area D

The current active landfill cell for Lanchester Landfill, will be accepting waste for the next two years will have 11 gas wells added in 2013. Penn E & R was awarded the contract at an approximate cost of \$160,000. There is the possibility of additional wells being installed in the fall of 2013.

## Tonnages 2009 to 2012

Chester County's Municipal Waste Plan Revision was approved by the County Commissioners in late 2010.



As part of the Area E Stage 2 project, the Authority will be conducting an Alternative Cover System demonstration on 6-acres of Area D. The demonstration will be using "Cover Turf" which is an impermeable synthetic grass alternative that will replace soil as an economical and environmentally sound closure cover and while enhancing the aesthetics of the site. The demonstration will be completed in 2013 and a report will be produced and submitted to PADEP for review.

# Statement of Financial Condition

## CCSWA 2012 Sources of Revenues

### 2012 TONNAGE

Municipal Solid Waste—CHESCO	216,764
Residual	18,176
Transfer Trailer	46,118
Construction/Demolition	27,082
Recycling	4,287

**TOTAL ANNUAL TONNAGE** 312,427

### 2012 RATE STRUCTURE (\$/TON)

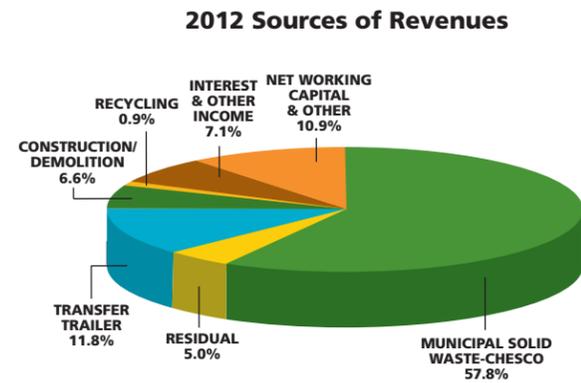
Municipal Solid Waste—CHESCO	\$59.48
Residual	60.84
Transfer Trailer	57.01
Construction/Demolition	54.12
Recycling	45.43

**WEIGHTED AVERAGE** \$58.53

### 2012 TIPPING REVENUES

Municipal Solid Waste—CHESCO	\$12,892,507
Residual	1,105,771
Transfer Trailer	2,628,976
Construction/Demolition	1,465,599
Recycling	194,772

**GROSS OPERATING REVENUE** \$18,287,625



### 2012 OTHER SOURCES OF INCOME

Interest & Other Income	\$ 692,001
Net Reserve Activity	1,622,668
Net Working Capital & Other	3,810,541

**Total Sources of Funds** \$24,412,836

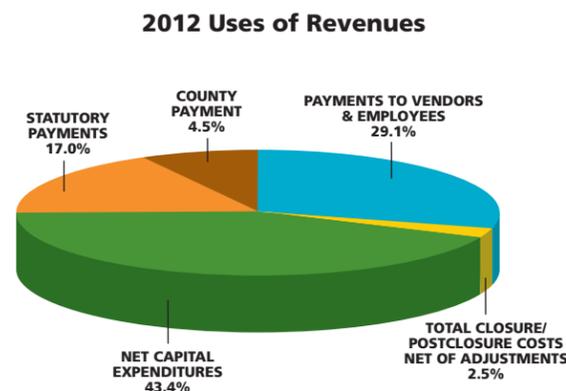
**Total Expenditures** 19,958,143

**INCREASE IN NET ASSETS AT YEAR END 2012** \$ 4,454,693

## CCSWA 2012 Uses of Revenues

### 2012 Uses

Payments to Vendors & Employees	\$ 5,808,835
Total Closure/Postclosure Costs Net of Adjustments	495,046
Net Capital Expenditures	8,666,233
Statutory Payments	3,388,029
County Payment	1,600,000
<b>TOTAL USES</b>	<b>\$19,958,143</b>



# Statement of Financial Condition

## Statements of Revenue, Expenses and Changes in Net Position

Years Ended December 31,	2012	2011
Revenue from landfill operations, net of statutory payments of \$3,388,029 and \$3,657,093 in 2012 and 2011, respectively	\$14,723,247	\$14,210,199
<b>Operating expenses:</b>		
Direct costs of landfill operations	4,891,863	4,863,206
Landfill site expenses	705,437	589,772
General and administrative expenses	1,428,292	1,526,863
Depletion of landfill site:		
Initial investment	2,014	2,014
Expansion cells	1,109,030	1,036,527
Amortization of intangible assets and deferred charges	11,031	11,157
Provision for closure and postclosure costs	1,212,888	4,405,921
<b>Total operating expenses</b>	<b>9,360,555</b>	<b>12,435,460</b>
<b>Operating income</b>	<b>5,362,692</b>	<b>1,774,739</b>
<b>Non operating revenue (expenses)</b>		
Investment income	89,467	108,735
Interest expense	(14,387)	(21,443)
Alternative cover soil income	—	1,034,207
Other income (expense), net	612,564	477,632
Gain (loss) on disposal of fixed assets	4,357	(11,101)
<b>Total non operating revenue</b>	<b>692,001</b>	<b>1,588,030</b>
Increase in net assets before payment to County of Chester	6,054,693	3,362,769
Payments to County of Chester	(1,600,000)	(800,000)
<b>Increase in net position</b>	<b>4,454,693</b>	<b>2,562,769</b>
<b>Net position:</b>		
Beginning of year	47,282,513	44,719,744
End of year	\$51,737,206	\$47,282,513

# Summary of Financials

## Balance Sheets

December 31,	2012	2011
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 446,964	\$ 298,561
Accounts receivable, net of an allowance for uncollectible accounts of \$186,563 and \$188,365 in 2012 and 2011, respectively	1,264,319	1,561,736
Prepaid expenses	72,329	104,768
Unrestricted investments	18,182,500	22,540,174
Restricted cash and investments	506,896	550,270
<b>Total current assets</b>	<b>20,473,008</b>	<b>25,055,509</b>
Restricted cash and investments	26,252,295	22,598,898
Other assets	4,870,548	4,148,352
Landfill site and expansion cells construction, permitting, and preparation costs, net	11,998,223	6,913,248
Capital assets, net	9,536,165	10,577,953
Intangible assets, net	20,457	31,488
<b>Total assets</b>	<b>\$73,150,696</b>	<b>\$69,325,448</b>
<b>LIABILITIES AND NET POSITION</b>		
<b>Current liabilities</b>		
Current portion of estimated closure/postclosure costs	\$ 506,896	\$ 550,270
Accounts and retainage payable	860,541	1,887,265
Commonwealth of Pennsylvania and other surcharges withheld	812,733	879,138
Accrued liabilities:		
Payroll and related taxes	18,421	16,394
Employee benefit plan	105,965	101,016
Other	45,500	83,839
<b>Total current liabilities</b>	<b>2,350,056</b>	<b>3,517,922</b>
Estimated closure/postclosure costs	19,063,434	18,525,013
<b>Total liabilities</b>	<b>21,413,490</b>	<b>22,042,935</b>
<b>Net position:</b>		
Invested in capital assets	21,350,433	17,522,688
Restricted	7,188,861	4,073,885
Unrestricted	23,197,912	25,685,940
<b>Total net position</b>	<b>51,737,206</b>	<b>47,282,513</b>
<b>Total liabilities and net position</b>	<b>\$73,150,696</b>	<b>\$69,325,448</b>

# Summary of Financials

## Statements of Cash Flows

Years Ended December 31,	2012	2011
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$14,954,259	\$13,948,708
Cash paid to vendors	(3,186,485)	(2,684,336)
Cash paid to employees	(2,622,350)	(2,580,090)
<b>Net cash provided by operating activities</b>	<b>9,145,424</b>	<b>8,684,282</b>
<b>Cash flow from non capital financing activity:</b>		
Payments to County of Chester	(1,600,000)	(800,000)
<b>Net cash used in non capital financing activity</b>	<b>(1,600,000)</b>	<b>(800,000)</b>
<b>Cash flow from capital and related financing activities</b>		
Capital expenditures	(8,830,275)	(4,416,635)
Proceeds from disposal of capital assets	164,042	148,620
<b>Net cash used in capital and financing related activities</b>	<b>(8,666,233)</b>	<b>(4,268,015)</b>
<b>Cash flows from investing activities</b>		
Purchases of investments	(7,676,000)	(21,648,000)
Sale of investments	5,309,633	21,929,303
Investment expenses	14,387	(21,443)
Interest received on investments	116,748	119,302
Alternative cover soil income, net	—	912,210
Other income, net	612,564	412,559
<b>Net cash provided by investing activities</b>	<b>(1,622,668)</b>	<b>1,703,931</b>
<b>Net change in cash and cash equivalents</b>	<b>(2,743,477)</b>	<b>5,320,198</b>
<b>Cash and cash equivalents, beginning of year</b>		
Cash and cash equivalents	298,561	380,420
Restricted cash	18,713,042	13,310,985
	<b>19,011,603</b>	<b>13,691,405</b>
<b>Cash and cash equivalents, end of year</b>		
Cash and cash equivalents	446,964	298,561
Restricted cash	15,821,162	18,713,042
	<b>\$16,268,126</b>	<b>\$19,011,603</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 5,362,692	\$ 1,774,739
Adjustments to reconcile operating income to net cash provided by operating activities:		
Provision for closure and postclosure costs	1,212,888	4,405,921
Cost adjustment for closure and post closure costs	(717,842)	(783,490)
Depletion of landfill site	1,111,044	1,038,541
Depreciation of capital assets	2,018,158	2,131,600
Amortization of intangible assets	11,031	11,157
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	297,417	(297,585)
Decrease in prepaid expenses	32,439	49,454
Increase (decrease) in non-capital related accounts payable	(84,635)	406,188
Increase in accrued liabilities and other	(31,363)	(16,149)
Decrease in surcharges withheld	(66,405)	(36,094)
<b>Total adjustments</b>	<b>3,782,732</b>	<b>6,909,543</b>
<b>Net cash provided by operating activities</b>	<b>\$ 9,145,424</b>	<b>\$ 8,684,282</b>