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# CHESTER COUNTY SOLID WASTE AUTHORITY

## ANNUAL REPORT 2013



# 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.



**DR. ROBERT J. SCHOENBERGER**  
Chairman

*Semi-Retired, Environmental Consultant*

A resident of Upper Uwchlan Township Dr. Schoenberger serves as Chairman of the Planning Commission. A Board Certified Environmental Engineer by the American Academy of Environmental Engineers and former Chairman of the Governor's solid Waste Advisory Committee, he has 50 years engineering experience.



**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.



**E. JOEL MARTIN**  
Member

*Retired CEO of GKN Walterscheid's USA and Canadian Subsidiaries*

A resident of Caernarvon Township, Mr. Martin previously served on the Township Parks and Recreation Board.



**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.

## THE STAFF AT LANCHESTER

### EXECUTIVE

Robert A. Watts,  
Executive Director

### BUSINESS/ ADMINISTRATION

James M. Gorney,  
Business Manager  
David B. Lozenski,  
Assistant Business Manager  
Peggy Cunius,  
Accounts Payable/  
Administrative Assistant  
Dayle Anderson,  
Accounts Receivable

Michael J. Smale,  
Lead Weighmaster  
Lynn Jeffries,  
Weighmaster (part-time)  
Andrew Wagner,  
Weighmaster (part-time)  
Small Load Facility Attendant  
Sharon Andrien,  
Small Load Facility Attendant

### ENGINEERING & COMPLIANCE

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

### COMPLIANCE

Teresa A. Devine,  
Compliance Officer

### 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

### 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  
Lenni Simcox, Operator



## 2013: THE CHAIRMAN'S VIEW BOB SCHOENBERGER

In 2013 Lanchester Landfill moved forward with additional construction in Area E. Our plan prepared about five years ago envisioned the need to begin use of Area E beginning in the spring of 2013. We now envision that we will not begin use of Area E until early to mid-2015. This added life to active filling is the result of several factors: (1) increased recycling and waste diversion, (2) reduction in per capita waste generation, and (3) Lanchester's increased compaction efficiency. By far the most significant reasons are the first two.

There is ample evidence that more households and commercial/industrial establishments are choosing to participate in all aspects of recycling, reduction and reuse of selected waste components. Not insignificant is the impact of the Electronic Covered Products ban on landfilling of those waste streams. As Lanchester is not authorized to accept electronic products, we have opened a recycling area as a community service where television and cathode ray tubes can be accepted. As both the Commonwealth and local government wrestle

with this ambiguous law, Lanchester will make a good faith effort to serve the community.

Another reason for the reduction of landfilled waste is the new vegetation and leaf compost area opened in October 2012. This multiple acre asphalt paved area allows us to separate leaves from other vegetation components thereby increasing the amount for beneficial use and reducing the volume that requires landfilling.

The Authority Board required two changes with the resignation of Carmen Batavia and the retirement of Bill Shirk. We thank Carmen for his year of service, and extend our heartfelt thanks to Bill for his 17 years of dedication. During his tenure he rarely missed a meeting, and as an adjacent property owner, any action or inaction at the landfill had direct impact upon his property. During his tenure he recognized that operation of Lanchester was always performed to serve the best interests of its neighbors as well as for protection of the environment.

*Bob Schoenberger*



# LETTER FROM THE EXECUTIVE DIRECTOR BOB WATTS

This was the third year of our four year construction project to build the next landfill expansion – Area E. The first two years we had two different contractors (one each year) preparing the infrastructure for the new landfill. Some of the tasks needed the first two years were enlarging two sedimentation ponds, relocating utilities and redirecting some of leachate collection system (leachate is the water we collect from the bottom of the landfills).

During 2013 a third contractor (we bid out all large construction projects and award them to the lowest responsible bidder) started the work needed to build the first of three cells of the Area E Landfill expansion. The Area E Landfill expansion was designed to minimize the quantity of new land that would be required to provide Chester County an additional ten years of disposal capacity. The new cell will consist of about sixty four new lined acres, but only about fourteen new acres. Over forty acres of the Area E Landfill will be over an existing landfill. This is possible by building a mechanically stabilized earth berm that is sixty eight feet high at the highest point.

The Area E Landfill expansion was not the only construction project worked on in 2013. We expanded our landfill gas collection system by installing eleven new wells. There were also thirty nine old landfill gas collection wells that were no

longer collecting gas that were decommissioned.

Our work has continued with the Wild Life Habitat Council in 2013 and we received their certification as a Conservation Education Site. Wildlife enhancements at two of our sedimentation ponds have been added. The enhancements included both aquatic and terrestrial plantings. The Lanchester Nature Trail was lengthened by almost a mile roundtrip during 2013. We also started the preliminary work on an educational pond near our Main Office. Plans have been made to add bee keeping to our on-going efforts to promote pollinators on our property in 2014.

We closed out 2013 with the retirement of Jim Gorney. Jim had been the Chief Financial Officer for CCSWA for over sixteen years. Jim's career here was full of challenges, but his skillful positive attitude smoothed out the course. In his early years the Authority struggled to pay off the bonds and pay all the bills. He guided the Authority to the debt free balance sheet we have enjoyed for over ten years. We have set up reserve accounts to pay for equipment, construction projects and have fully funded our closure and post closure accounts with Pennsylvania Department of Environmental Protection. We all wish Jim and his family a happy and fun filled retirement.

## 2013

## A YEAR IN REVIEW

### Trail Extended

Phase 3 of the trail construction was completed in 2013 adding 3.5 miles of trail around Sedimentation Pond #7, the trail now totals 6 miles round trip. Also information stations were added along the trail and trees and aquatic plants were planted around the sedimentation pond. The Overlook is scheduled to be closed in 2014, at which time, the Authority plans on moving the playground from the Overlook to the trail area and add a swing set. The Nature Trail is open to the public on Sundays during May to October. The Authority plans on extending the trail again in 2014.

### Hunting on Landfill Grounds

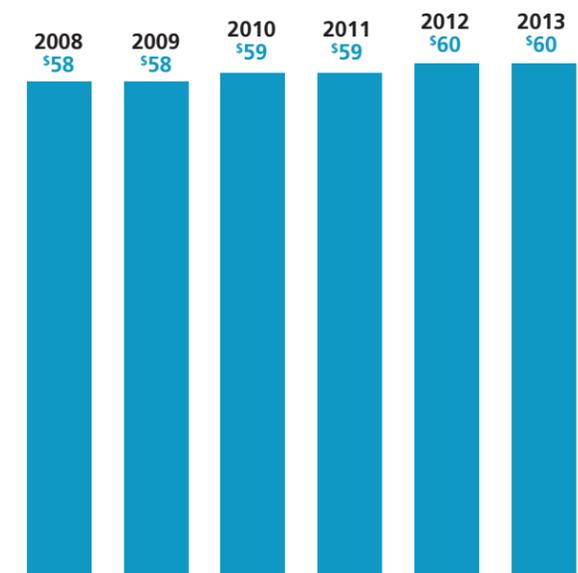
For the first time, the Authority issued eight permits for disabled veterans to hunt on landfill property. The permits were issued on a first come basis for the hunting of buck and doe during Pennsylvania rifle season. Two veterans a day were able to hunt inside the fences of the landfill in December. The permits allowed the Authority to thin out its deer population while giving back to the veterans. The permits will be issued again in 2014.

### Recycling

The Small Load Annex, which is the recycling area at Lanchester Landfill, began accepting additional materials from the public. Aluminum foil, pie tins, bubble wrap, clothing and shoes were added to an already extensive list of items that can be recycled. Also, a new compost area was opened for operation.

### Tipping Fees 2008 to 2013

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



**Area E Expansion**

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

Work on Phase 1B entailed the preparation and construction on the site, which was completed in the summer of 2013. The scope of work consisted of placement of re-enforced fill, moving leachate lines, and filling in three sedimentation ponds with rock from Phase 1A. The project was completed by Kinsley Construction of York, PA at a cost of approximately \$5,279,000.

*The Chester County Solid Waste Authority received the Pennsylvania "Waste Watchers Award" for recycling 380,000 pounds of materials in 2012. The award was presented in 2013 by Kelly Megomel, Executive Director of Professional Recyclers of PA (left) to Nancy Frommnick, Chester County Recycling Coordinator (center) and Bob Watts, Executive Director of the Lanchester Landfill.*



**Education Center**

The Authority's continues its efforts to enhance the landfill and to reach out to the surrounding communities by constructing a wildlife education center by the entrance of the landfill next to the administrative office building. The construction of a fishpond with waterfall, the planting of trees and shrubs, and benches was completed last year. The Authority is working with Science Explorers to run classes. In 2014 three beehives will be added to further the experience. The center is open year round during operating hours.

**Closure Project Demonstration**

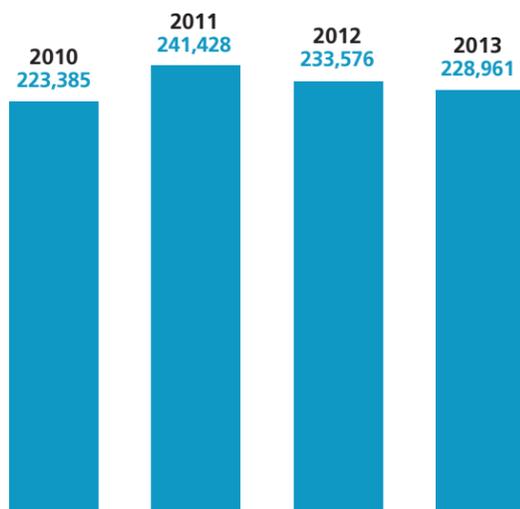
The Authority conducted an Alternative Cover System demonstration on 5.5 acres of Area D. The demonstration used "Cover Turf" which is an impermeable synthetic grass alternative that replaces soil as an economical and environmentally sound closure cover, while enhancing the aesthetics of the site. There are many benefits to using Cover Turf including having a stable slope, no mowing of grass, saving the cost of two feet of soil for normal closure, as well as having a 30 year life. Lanchester Landfill is only the second landfill in Pennsylvania to be using this alternative cover. The cost for this demonstration project was approximately \$1,000,000.

**James M. Gorney, Chief Financial Officer – Retired**

Lanchester's long-time financial officer retired after a 16 year career overseeing the landfill's financial operations as well as the day-to-day business activities. He was a people person as well as a numbers person; he enjoyed mentoring the people that worked for him and getting to know them personally. Jim had a Master's Degree in business and came from the private sector before his time at Lanchester. The Authority wishes Jim well in his retirement in Florida.

**Tonnages 2010 to 2013**

The amount of waste disposed at Lanchester Landfill has remained consistent over the last decade.



**Overlook Relocated**

Due to active landfill operations, the current location of the Overlook will be temporarily moved to the western area of the landfill. The new interim area and site configuration will be on an active cell and will again be moved to a permanent site in 2017. The new temporary Overlook will have parking and an observation and picnic area. The playground will be permanently moved next to the walking trail.

**Leachate Treatment Plant Pilot Program**

In 2014, the Authority will conduct a Feasibility Study to determine which method of water treatment will be the most effective in meeting the future needs of the landfill. The demonstration will determine if the existing system at Lanchester Landfill with enhancements will be able to meet the 20-gallon per minute needs or if a type of reverse osmosis system would be better. After the results are completed, the Authority will select which method is best and conduct a Pilot Program in-house to determine its effectiveness.

**Area E: Phase II**

Work on Phase II started immediately after Phase 1B was completed in 2013. Severson Environmental Services of Niagara Falls, NY was awarded the contract to oversee the work on the site that included the modification of the landfill gas system, mechanically stabilizing the berm, construction of a MSE wall, and the closure turf demonstration. The Authority expects the project to be completed in the spring of 2014 at a cost of approximately \$13,337,000 for Phase II.

**Woody Vegetation as Demonstration Project**

The Authority will be applying for a permit from the Pennsylvania Department of Environmental Protection (PADEP) to use woody vegetation on closed landfill sites. The north and west slopes are the areas that will be used in the demonstration. The demonstration is projected to begin in late 2015 or 2016.

# STATEMENT OF FINANCIAL CONDITION

## CCSWA 2013 Sources of Revenues

### 2013 TONNAGE

Municipal Solid Waste—CHESCO	212,442
Residual	11,542
Transfer Trailer	45,668
Construction/Demolition	26,107
Recycling	4,675
<b>TOTAL ANNUAL TONNAGE</b>	<b>300,434</b>

### 2013 RATE STRUCTURE (\$/TON)

Municipal Solid Waste—CHESCO	\$61.30
Residual	54.24
Transfer Trailer	59.01
Construction/Demolition	56.35
Recycling	41.85

### WEIGHTED AVERAGE

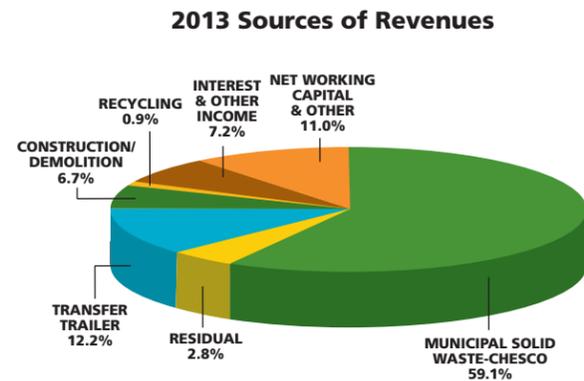
\$59.95

### 2013 TIPPING REVENUES

Municipal Solid Waste—CHESCO	\$13,023,360
Residual	626,009
Transfer Trailer	2,695,003
Construction/Demolition	1,471,097
Recycling	195,657

### GROSS OPERATING REVENUE

\$18,011,126



### 2013 OTHER SOURCES OF INCOME

Interest & Other Income	\$ 1,047,000
Net Reserve Activity	311,494
Net Working Capital & Other	7,600,205

**Total Sources of Funds** \$26,969,825

**Total Expenditures** 21,181,274

### INCREASE IN NET ASSETS

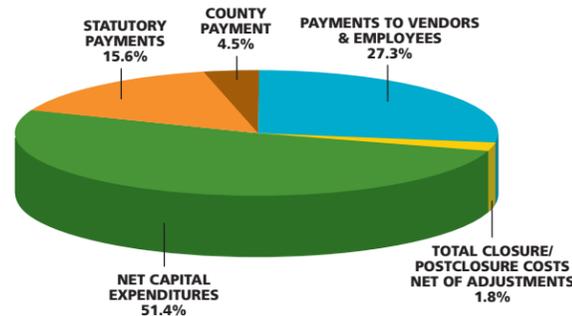
**AT YEAR END 2013** \$ 5,788,551

# STATEMENT OF FINANCIAL CONDITION

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

Years Ended December 31,	2013	2012
Revenue from landfill operations, net of statutory payments of \$3,313,260 and \$3,388,029 in 2013 and 2012, respectively	\$14,697,867	\$14,723,247
<b>Operating expenses:</b>		
Direct costs of landfill operations	4,928,350	4,891,863
Landfill site expenses	614,747	705,437
General and administrative expenses	1,483,053	1,428,292
Depletion of landfill site:		
Initial investment	1,969	2,014
Expansion cells	1,002,706	1,109,030
Amortization of intangible assets and deferred charges	12,182	11,031
Provision for closure and post closure costs	1,113,309	1,212,888
<b>Total operating expenses</b>	<b>9,156,316</b>	<b>9,360,555</b>
<b>Operating income</b>	<b>5,541,551</b>	<b>5,362,692</b>
<b>Non operating revenue (expenses)</b>		
Investment income	51,838	89,467
Interest expense	(13,385)	(14,387)
Alternative cover soil income, net	179,662	—
Other income (expense), net	914,953	612,564
Gain (loss) on disposal of fixed assets	(86,068)	4,357
<b>Total non operating revenue</b>	<b>1,047,000</b>	<b>692,001</b>
Increase in net assets before payment to County of Chester	6,588,551	6,054,693
Payments to County of Chester	(800,000)	(1,600,000)
<b>Increase in net position</b>	<b>5,788,551</b>	<b>4,454,693</b>
<b>Net position:</b>		
Beginning of year	51,737,206	47,282,513
End of year	\$57,525,757	\$51,737,206

### 2013 Uses of Revenues



## CCSWA 2013 Uses of Revenues

### 2013 Uses

Payments to Vendors & Employees	\$ 5,787,414
Total Closure/Postclosure Costs Net of Adjustments	384,206
Net Capital Expenditures	10,896,394
Statutory Payments	3,313,260
County Payment	800,000
<b>TOTAL USES</b>	<b>\$21,181,274</b>

# SUMMARY OF FINANCIALS

## Balance Sheets

December 31,	2013	2012
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 738,440	\$ 446,964
Accounts receivable, net of an allowance for uncollectible accounts of \$107,787 and \$186,563 in 2013 and 2012, respectively	1,585,570	1,264,319
Prepaid expenses	81,769	72,329
Unrestricted investments	15,879,263	18,182,500
Restricted cash and investments	522,104	506,896
<b>Total current assets</b>	<b>18,807,146</b>	<b>20,473,008</b>
Restricted cash and investments	26,288,767	26,252,295
Other assets	5,207,981	4,870,548
Landfill site and expansion cells construction, permitting, and preparation costs, net	19,970,812	11,998,223
Capital assets, net	9,498,427	9,536,165
Intangible assets, net	8,275	20,457
<b>Total assets</b>	<b>\$79,781,408</b>	<b>\$73,150,696</b>
<b>LIABILITIES AND NET POSITION</b>		
<b>Current liabilities</b>		
Current portion of estimated closure/postclosure costs	\$ 522,104	\$ 506,896
Accounts and retainage payable	1,303,400	860,541
Commonwealth of Pennsylvania and other surcharges withheld	820,926	812,733
Accrued liabilities:		
Payroll and related taxes	22,735	18,421
Employee benefit plan	101,054	105,965
Other	53,000	45,500
<b>Total current liabilities</b>	<b>2,823,219</b>	<b>2,350,056</b>
Estimated closure/post closure costs	19,432,432	19,063,434
<b>Total liabilities</b>	<b>22,255,651</b>	<b>21,413,490</b>
<b>Net position:</b>		
Net investment in capital assets	28,921,078	21,350,433
Restricted	3,303,166	7,188,861
Unrestricted	25,301,513	23,197,912
<b>Total net position</b>	<b>57,525,757</b>	<b>51,737,206</b>
<b>Total liabilities and net position</b>	<b>\$79,781,408</b>	<b>\$73,150,696</b>

# SUMMARY OF FINANCIALS

## Statements of Cash Flows

Years Ended December 31,	2013	2012
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$14,384,809	\$14,954,259
Cash paid to vendors	(3,082,520)	(3,186,485)
Cash paid to employees	(2,704,894)	(2,622,350)
<b>Net cash provided by operating activities</b>	<b>8,597,395</b>	<b>9,145,424</b>
<b>Cash flow for non capital financing activity:</b>		
Payments to County of Chester	(800,000)	(1,600,000)
<b>Net cash used by non capital financing activity</b>	<b>(800,000)</b>	<b>(1,600,000)</b>
<b>Cash flows from capital and related financing activities</b>		
Capital expenditures	(10,971,394)	(8,830,275)
Proceeds from disposal of capital assets	75,000	164,042
<b>Net cash used in capital and financing related activities</b>	<b>(10,896,394)</b>	<b>(8,666,233)</b>
<b>Cash flows from investing activities</b>		
Purchases of investments	(22,320,707)	(7,676,000)
Sale of investments	21,472,000	5,309,633
Investment expenses	13,385	14,387
Interest received on investments	52,201	116,748
Alternative cover soil income, net	179,662	—
Other income, net	914,953	612,564
<b>Net cash provided by investing activities</b>	<b>311,494</b>	<b>(1,622,668)</b>
<b>Net change in cash and cash equivalents</b>	<b>(2,787,505)</b>	<b>(2,743,477)</b>
<b>Cash and cash equivalents, beginning of year</b>		
Cash and cash equivalents	446,964	298,561
Restricted cash	15,821,162	18,713,042
	16,268,126	19,011,603
<b>Cash and cash equivalents, end of year</b>		
Cash and cash equivalents	738,440	446,964
Restricted cash	12,742,181	15,821,162
	\$13,480,621	\$16,268,126
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 5,541,551	\$ 5,362,692
Adjustments to reconcile operating income to net cash provided by operating activities:		
Provision for closure and postclosure costs	1,113,309	1,212,888
Cost adjustment for closure and post closure costs	(729,103)	(717,842)
Depletion of landfill site	1,004,675	1,111,044
Depreciation of capital assets	2,031,475	2,018,158
Amortization of intangible assets	12,182	11,031
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(321,251)	297,417
(Increase) decrease in prepaid expenses	(9,440)	32,439
Decrease in non-capital related accounts payable	(61,099)	(84,635)
Increase (decrease) in accrued liabilities and other	6,903	(31,363)
Increase (decrease) in surcharges withheld	8,193	(66,405)
<b>Total adjustments</b>	<b>3,055,844</b>	<b>3,782,732</b>
<b>Net cash provided by operating activities</b>	<b>\$ 8,597,395</b>	<b>\$ 9,145,424</b>