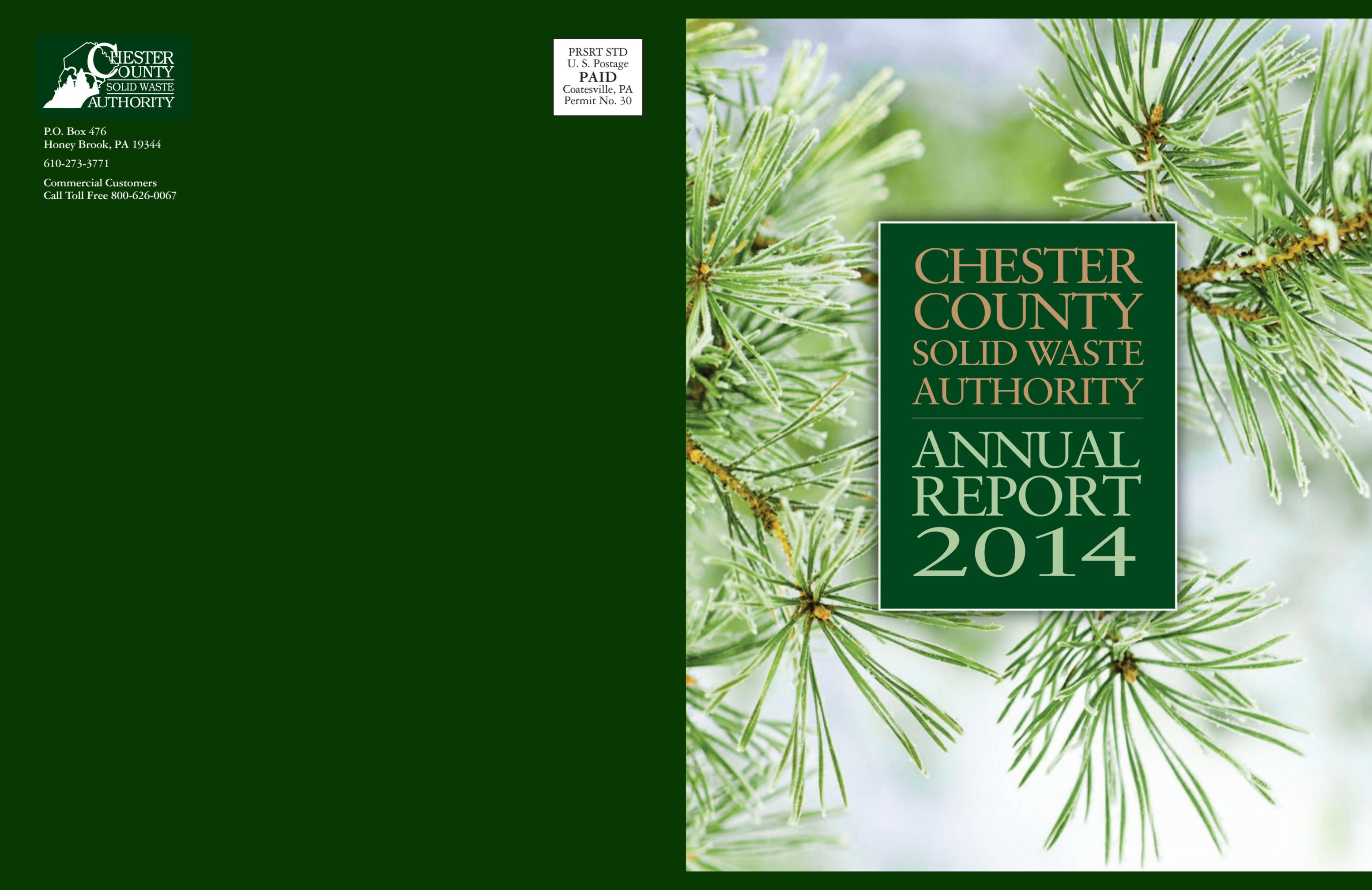




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The background of the cover is a close-up photograph of green pine branches with needles, set against a blurred background. The image is framed by a dark green border.

CHESTER  
COUNTY  
SOLID WASTE  
AUTHORITY

ANNUAL  
REPORT  
2014

# THE AUTHORITY BOARD

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.



**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.



**E. JOEL MARTIN**  
Member  
*Retired CEO of GKN Walterscheid's USA and Canadian Subsidiaries*

A resident of Caernarvon Township, Mr. Martin has 30 years of experience in farm equipment and business operations improvements. He served 2 terms as Chairman of the Agricultural Driveline Manufacturers Association.



**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 J. MARROLETTI**  
Secretary  
*Retired BFI Manager*

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



**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.



**KIM VENZIE, Member**  
*Attorney at Law*

A resident of West Bradford Township, Ms. Venzie is Of Counsel with the law firm of Unruh, Turner, Burke and Frees in West Chester, PA. Her practice is focused in the areas of land use, municipal, zoning and real estate law.

# THE STAFF AT LANCHESTER

**EXECUTIVE**  
Robert A. Watts, S.C., BCEEM  
Executive Director

**BUSINESS/ADMINISTRATION**

Mike Magrann  
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  
Lenni Simcox, Operator  
Bill Bramm, Operator  
Jeffrey Watts,  
Weighmaster/Operator  
Ryan Cloak, Utility Worker

# CHAIRMAN'S MESSAGE

**BOB SCHOENBERGER**

The Chester County Solid Waste Authority witnessed dramatic changes this past year at the Lanchester site with construction of our new disposal area, which we call Area E. While our original schedule anticipated completion by September, the cell was not ready for use in 2014, although the new 3500 liner foot mechanically stabilized earth wall completely changed the visual landscape. Unfortunately this delay forced us to rework operations and fill sequences to accommodate the winter weather. When finally completed, the new area will extend disposal life for more than a decade.



we continue to seek and evaluate technologies that will reduce reliance upon land disposal. Several intriguing, but yet to be proven systems, have been constructed at other U.S. locations, and we are closely following the success of those initiatives.

Internally, we continue to seek methods to increase recycling participation, and divert waste away from disposal. Our vegetation composting operation and wood diversion continue to expand. Nancy Fromnick, our Recycling Coordinator, continues to work with the County's 73 municipalities to expand participation and increase recovery.

Finances of the Authority remain strong as we completed the year with a small increase in cash flow. Because of the costly expansion contract, the Authority was forced to raise the disposal fee in 2014 by less than 2 percent. Without the increase, we would have ended the year with a financial loss.

While the current status of Lanchester provides Chester County with a stable intermediate term disposal option,

Lastly, I would like to conclude with two final points. In 2014 Authority member Joseph Viscuso resigned his position, and we are pleased to welcome Kim Venzie as the new member of the Board. For the second point our outstanding Executive Director, Bob Watts is completing fifteen years in that position, and we thank him for those years of dedicated service.

*Bob Schoenberger*

# LETTER FROM THE EXECUTIVE DIRECTOR

## BOB WATTS

We had three major construction projects that made for a busy 2014 around the Lanchester Landfill. Our contractor finished the six and a half acre closure turf project in the spring. This was followed in the summer with the expansion of a landfill gas collection system and the leachate recirculation system during the summer. The biggest project—Cell 1 of the Area E Landfill Expansion continued throughout the year and will finish in the spring of 2015.

We were able to take advantage of a new recycling opportunity due to the Marcellus Shale drilling in Pennsylvania. The well sites often construct impoundment areas lined with polyethylene liners. New companies have sprung up to clean and recycle this material. This is the same type of material we line the Lanchester Landfill with and use as part of the final capping system. During 2014 we sent out 366,300 pounds of polyethylene from landfill caps that had to be removed for construction of new cells to be recycled.

The construction also forced us to close the Scenic Overlook for a few years. This has been a popular Sunday afternoon destination since 2001. We had to remove the landfill cap that was under the Scenic Overlook to allow for continued construction of the Area D Landfill. We continue to have our Nature Trail open on Sunday afternoons. We have relocated the playground and benches to a spot along the trail. We extended the trail for about a half mile in 2014 and plan to extend it again in 2015.

We plan to have a relocated Scenic Overlook open in the summer of 2016 or 2017. We will apply to the Pennsylvania Department of Environmental Protection in early 2015 for a demonstration of an alternate final cap vegetation for the North Slope of the Lanchester Landfill. The alternate final cap will allow for planting of some trees and natural succession—letting trees and bushes grow up as this area is seed by the wind and wildlife. This is proposed

as a three Phased Project with the last Phase including an education center and an observatory on the top of the west end of the landfill.

We are very pleased with the progress we have made under the efforts of Dawn Nichols and her staff in being recertified by Wildlife Habitat Council as Corporate Lands for Learning member. We have added more wildflower pollinator gardens, bee hives and an education pond. We continue to work with local groups on enhancing our property for wildlife and plan to apply for the Wildlife Habitat Council's Wildlife at Work program in 2015. We also added to our Nature Trail in 2014.



While we are enhancing our property for wildlife we are also doing our part to try and help the local deer population get back in balance with nature. In 2012 the USDA Wildlife Services conducted a deer population survey on our property and determined that we had many more deer than the property could support. Starting in 2013 and continuing in 2014 we allowed hunters to obtain permits to hunt deer outside of our fenced area.

In addition we worked with the USDA Wildlife Services and the Pennsylvania Game Commission to hold three hunts for deer inside the fenced area, but away from landfilling activities. The first hunt was for young hunters in 2012 and for the past two years we have had hunts for disabled veterans which we are planning to make a yearly event.

We enjoyed another very busy Open House in October—we had five busses taking visitors around the landfill on tours. During the rest of the year we provide and welcome tours for groups from elementary school age children to senior citizens. We have also worked with Science Explores to host free education programs for children. Please contact us if your group would like a tour.



### Area E

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. Severson Environmental Services of Niagara Falls, NY was awarded the contract to complete the work on Cell 1 that included the landfill gas system relocation and mechanically stabilized earth berm. The Authority projects that Cell1 will be complete by the spring of 2015 and accepting its first load of waste that summer. The cost of the project will be approximately \$14 million.

### Leachate Treatment Plant Pilot Program

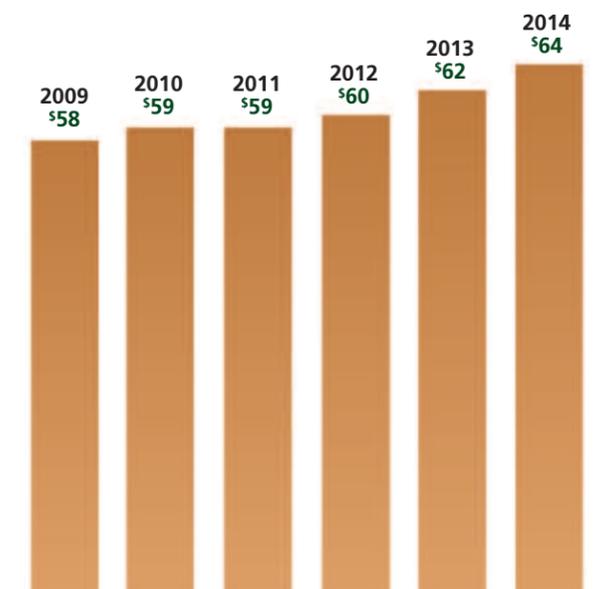
In 2014, the Authority conducted a Feasibility Study to determine if there was a better method of water treatment that would be more effective in meeting the future needs of the landfill. The two methods that were selected are the Lamela Clarifier and the Hollow Tube Ultra Filtration System. The Ultra Filtration System was found to be performing better than the current system, so the Authority authorized a full-scale test to be conducted in 2015. If the study confirms the initial test results, the system will be installed in late 2015. EarthRes of Pipersville, PA has been awarded the contract to engineer and build the test system at a cost of approximately \$55,000.

### Alternative Final Cover System

The Authority constructed an alternative final cover demonstration project on the northeast corner of Area D. Closure Turf™ was selected because it provides long term protection and unlike traditional closure systems, it reduces the carbon footprint, provides rapid closure, improves erosion control and lowers construction costs. The material was installed in the spring of 2014 with the demonstration period being conducted once a month for two years.

### Tipping Fees 2009 to 2014

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





## Nature Enhancements

### Nature Trail

In 2014, the Authority extended the trail one-half mile, bringing the total miles to five. The nature trail has information stations, picnic tables, benches, playground with swings, bird and bat houses along the way. The Authority plans on extending the trail in 2015 by one-half mile. The nature trail is open to the public on Sundays May through October.

### Education Center

The wildlife education center is located at the front of the landfill next to the administration building. In 2014, the Authority completed the landscaping and added three beehives and fish to the pond to enhance the experience.

### Landfill Wildlife

Lanchester Landfill has been a member of the Wildlife Habitat Council since 2009. The Authority has added two miniature zebus to its already extensive list of animals on its site. A zebu is a humped cattle that measures below 46" high that trace its origins to India.

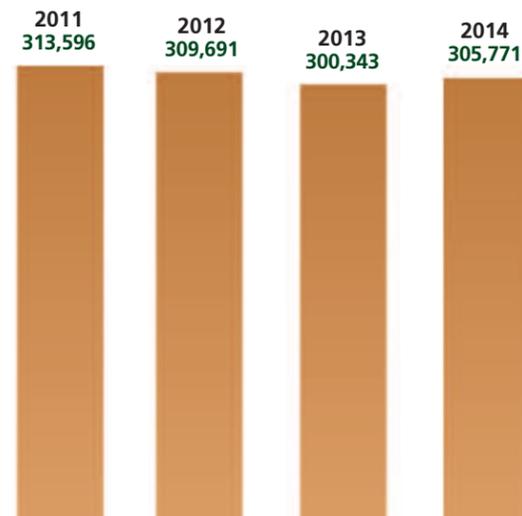
## Chester County Begins Updating 10-Year Plan

The state mandated Ten-Year Plan addresses 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 assuring capacity for its disposal.

The County held its first solid waste advisory meeting in 2014, and in 2015, a consultant will be hired to assist in the process. The Ten-Year Plan will be completed in 2017.

### Tonnages 2011 to 2014

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



## Waste Reduction and Recycling

In 2014 the CCSWA oversaw the collection and removal of 619,103 pounds of household hazardous waste from 6,000 vehicles attending the 6 County collection sites.

Recyclables collected from the Small Load Annex: 27.07 Tons of cardboard, 47.07 Tons of bottles and cans, 2514 pounds of shredded paper, 49.24 Tons of electronics, 16 Tons of mattresses, 1,119.89 Tons of leaves, 3,350.74 Tons of wood waste, 4.68 Tons of agricultural plastic, 309 pounds of rechargeable batteries, 2,260 lbs. of Styrofoam, 8.74 Tons of vinyl siding, 13.31 Tons of Freon appliances and 5.54 Tons mixed metals were recycled and 43.59 Tons of mixed paper was collected for beneficial re-use as animal bedding. Clothing, bedding, Fluorescent tubes, bubble wrap as well as used oil, antifreeze and oil filters were also collected.



## Woody Vegetation Demonstration Project

The Authority held a meeting in 2014 with the representatives of the five surrounding communities in order to receive their input on a design for how to use "Woody Vegetation" on the North Slope as a cap. A permit will be submitted to the Pennsylvania Department of Environmental Protection (PADEP) in 2015 and the Authority anticipates they will be able to begin the demonstration in late 2015 or early 2016. The Woody Vegetation Demonstration period will be done in three phases with the final application anticipated submittal to PADEP in late 2016.

# STATEMENT OF FINANCIAL CONDITION

## CCSWA 2014 Sources of Funds

### 2014 TONNAGE

Municipal Solid Waste	254,871
Residual/ADC	39,036
Construction/Demolition	31,479
Recycling	5,637
<b>TOTAL ANNUAL TONNAGE</b>	<b>331,023</b>

### 2014 RATE STRUCTURE

Municipal Solid Waste	\$63.18
Residual/ADC	22.66
Construction/Demolition	58.17
Recycling	45.30

### WEIGHTED AVERAGE

\$57.62

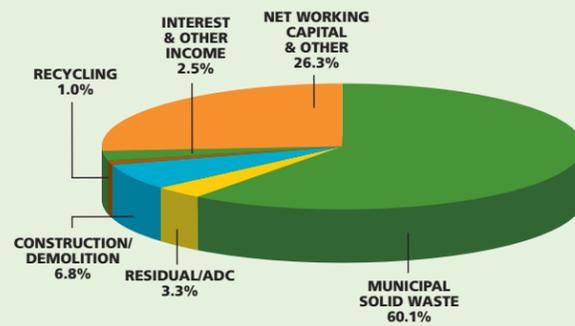
### 2014 TIPPING REVENUES

Municipal Solid Waste	\$16,101,980
Residual/ADC	884,429
Construction/Demolition	1,831,234
Recycling	255,345

### GROSS OPERATING REVENUE

\$19,072,988

### 2014 Sources of Funds



### 2014 OTHER SOURCES OF INCOME

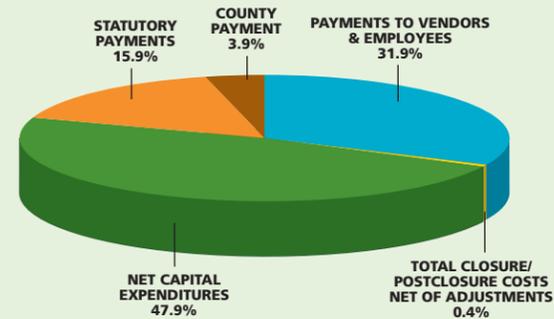
Interest & Other Income	\$ 682,185
Net Working Capital & Other	7,060,339

**Total Sources of Funds** \$26,815,512

**Total Expenditures** 20,720,130

**INCREASE IN NET POSITION FOR YEAR 2014** \$ 6,095,382

### 2014 Uses of Funds



### CCSWA 2014 Uses of Funds

#### 2014 Uses

Payments to Vendors & Employees	\$ 6,612,234
Total Closure/Postclosure Costs Net of Adjustments	77,841
Net Capital Expenditures	9,932,263
Statutory Payments	3,297,792
County Payment	800,000
<b>TOTAL USES</b>	<b><u>\$20,720,130</u></b>

# STATEMENT OF FINANCIAL CONDITION

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

Years Ended December 31,	2014	2013
Revenue from landfill operations, net of statutory payments of \$3,297,792 and \$3,313,260 in 2014 and 2013, respectively	\$15,775,196	\$15,313,896
<b>Operating expenses:</b>		
Direct costs of landfill operations	5,239,672	5,364,717
Landfill site expenses	755,265	614,747
General and administrative expenses	1,644,883	1,483,053
<b>Depletion of landfill site:</b>		
Initial investment	2,384	1,969
Expansion cells	975,410	1,002,706
Amortization of intangible assets and deferred charges	8,275	12,182
Provision for closure and post closure costs	936,110	1,113,309
<b>Total operating expenses</b>	<b>9,561,999</b>	<b>9,592,683</b>
<b>Operating income</b>	<b>6,213,197</b>	<b>5,721,213</b>
<b>Non operating revenue (expenses)</b>		
Investment income	47,213	51,838
Interest expense	(37,880)	(13,385)
Other income, net	672,701	914,953
Gain (loss) on disposal of fixed assets	151	(86,068)
<b>Total non operating revenue</b>	<b>682,185</b>	<b>867,338</b>
<b>Increase in net position before payment to County of Chester</b>	<b>6,895,382</b>	<b>6,588,551</b>
<b>Payments to County of Chester</b>	<b>(800,000)</b>	<b>(800,000)</b>
<b>Increase in net position</b>	<b>6,095,382</b>	<b>5,788,551</b>
<b>Net position:</b>		
Beginning of year	57,525,757	51,737,206
End of year	<u>\$63,621,139</u>	<u>\$57,525,757</u>

## SUMMARY OF FINANCIALS

### Balance Sheets

December 31,	2014	2013
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,422,971	\$ 738,440
Accounts receivable, net of an allowance for uncollectible accounts of \$107,370 and \$107,788 in 2014 and 2013, respectively	2,050,776	1,585,570
Prepaid expenses	135,915	81,769
Unrestricted investments	13,953,863	15,879,263
Restricted cash and investments	537,766	522,104
<b>Total current assets</b>	<b>18,101,291</b>	<b>18,807,146</b>
Restricted cash and investments	26,181,611	26,288,767
Other assets	5,400,074	5,207,981
Landfill site and expansion cells construction, permitting, and preparation costs, net	27,006,480	19,970,812
Capital assets, net	10,550,293	9,498,427
Intangible assets, net	—	8,275
<b>Total assets</b>	<b>\$87,239,749</b>	<b>\$79,781,408</b>
<b>LIABILITIES AND NET POSITION</b>		
<b>Current liabilities</b>		
Current portion of estimated closure/post closure costs	\$ 537,766	\$ 522,104
Accounts and retainage payable	2,606,600	1,303,400
Commonwealth of Pennsylvania and other surcharges withheld	860,765	820,926
Accrued liabilities:		
Payroll and related taxes	9,187	22,735
Employee benefit plan	109,681	101,054
Other	—	53,000
<b>Total current liabilities</b>	<b>4,123,999</b>	<b>2,823,219</b>
Estimated closure/post closure costs	19,494,611	19,432,432
<b>Total liabilities</b>	<b>23,618,610</b>	<b>22,255,651</b>
<b>Net position</b>		
Net investment in capital assets	36,173,141	28,921,078
Restricted	6,687,000	3,303,166
Unrestricted	20,760,998	25,301,513
<b>Total net position</b>	<b>63,621,139</b>	<b>57,525,757</b>
<b>Total liabilities and net position</b>	<b>\$87,239,749</b>	<b>\$79,781,408</b>

## SUMMARY OF FINANCIALS

### Statements of Cash Flows

Years Ended December 31,	2014	2013
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$15,349,829	\$15,000,838
Cash paid to vendors	(3,816,632)	(3,518,887)
Cash paid to employees	(2,795,602)	(2,704,894)
<b>Net cash provided by operating activities</b>	<b>8,737,595</b>	<b>8,777,057</b>
<b>Cash flow for non capital financing activity:</b>		
Payments to County of Chester	(800,000)	(800,000)
<b>Net cash used by non capital financing activity</b>	<b>(800,000)</b>	<b>(800,000)</b>
<b>Cash flows from capital and related financing activities</b>		
Capital expenditures	(10,144,973)	(10,971,394)
Proceeds from disposal of capital assets	212,710	75,000
<b>Net cash used in capital and financing related activities</b>	<b>(9,932,263)</b>	<b>(10,896,394)</b>
<b>Cash flows from investing activities</b>		
Purchases of investments	(19,719,781)	(22,293,937)
Sale of investments	19,352,682	21,472,000
Investment expenses	(37,880)	(13,385)
Interest received on investments	47,576	52,201
Other income, net	672,710	914,953
<b>Net cash provided by investing activities</b>	<b>315,298</b>	<b>131,832</b>
<b>Net change in cash and cash equivalents</b>	<b>(1,679,370)</b>	<b>(2,787,505)</b>
<b>Cash and cash equivalents, beginning of year</b>		
Cash and cash equivalents	738,440	446,964
Restricted cash	12,742,181	15,821,162
	<b>13,480,621</b>	<b>16,268,126</b>
<b>Cash and cash equivalents, end of year</b>		
Cash and cash equivalents	1,422,971	738,440
Restricted cash	10,378,280	12,742,181
	<b>\$11,801,251</b>	<b>\$13,480,621</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 6,213,197	\$ 5,721,213
Adjustments to reconcile operating income to net cash provided by operating activities:		
Provision for closure and postclosure costs	936,110	1,113,309
Cost adjustment for closure and post closure costs	(858,269)	(729,103)
Depletion of landfill site	977,794	1,004,675
Depreciation of capital assets	2,009,709	2,031,475
Amortization of intangible assets	8,275	12,182
Change in assets and liabilities:		
(Increase) in accounts receivable	(465,206)	(321,251)
(Increase) in prepaid expenses	(54,146)	(9,440)
(Decrease) in non-capital related accounts payable	(11,787)	(61,099)
(Decrease) Increase in accrued liabilities and other	(57,921)	6,903
Increase in surcharges withheld	39,839	8,193
<b>Total adjustments</b>	<b>2,524,398</b>	<b>3,055,844</b>
<b>Net cash provided by operating activities</b>	<b>\$ 8,737,595</b>	<b>\$ 8,777,057</b>