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**Chester County
Solid Waste Authority
Annual Report 2007**



Printed on Partially Recycled Paper

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 on the Planning Commission of Upper Uwchlan Township.



PETER J. MARROLETTI
Member
Retired BFI Manager

A resident of Charlestown Township, Mr. Marroletti has 28 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.



WILLIAM H. SHIRK
Member
Semi-Retired Data Processing Consultant

A resident of Caernarvon Township, Bill Shirk is now SR Systems Analyst at IBC and is past president of Red Rose and is president of Caernarvon Historical Society.



DANTE W. RENZULLI JR.
Secretary
Attorney at Law

A resident of West Goshen Township, Mr. Renzulli serves on the board of the West Whiteland Fire Company.



CHARLES G. MOODY, III
Member
Owner/Publisher of American Waste Digest, a national trade publication of the waste and refuse industry

A resident of North Coventry, Mr. Moody served on the North Coventry Board of Supervisors and was a past councilman and chairman of the Borough of Trappe.



PETER W. KNIPE
Treasurer
Chief Financial Officer STV Group, Inc., an international consulting engineering architectural company

A resident of North Coventry.

Deceased (1947–2007)
Chuck passed away on June 30th while doing what he loved best—watching the Phillies.



Letter From The Chairman

As the year 2007 comes to a close, I find myself reviewing the past year in search of our major accomplishments that should be reported to our customers—the citizens of Chester County. After considerable thought, it became obvious that our most significant accomplishment is that we provided uninterrupted, cost-effective waste management service while continuing to increase recycling to and waste diversion from landfill disposal.

During 2007, the County formalized a new ten year waste management plan, and one important component is that the Authority is now delegated the responsibility for planning and recycling activities. To that end, a new small load and recycling center was completed and opened for service. This new center allows separation of more recycling components than was previously the practice. Plans to provide additional waste diversion activities are being prepared for future implementation.

Some of the most effective recycling and waste diversion activity occur in the individual home. Separation of valuable components such as aluminum, plastic, paper, cardboard and steel has long been an encouraged practice, but the value of the practice has often been difficult to justify. Today, the value of recycled components is the highest in history, and new approaches to increase participation will be incorporated into the planning activities of the Authority.

During the year our outstanding Authority employees received recognition in both the public media and by their peers for performing their jobs in an exemplary manner. The Solid Waste Association of North America (SWANA) recognized the landfill with its Silver Award for outstanding landfill operation. Our Executive Director serves as Chairman off the Keystone Chapter of SWANA and we salute his professional efforts to enhance the status of the waste management industry.

For six years the members of the Authority remained unchanged, but in 2007 two changes occurred. First, was the appointment of Peter Marroletti to replace the retired Milt Allen. We thank Peter for his insightful contributions to the operation of Lanchester. His decades of experience in waste management are easily recognized.

The other change in the Board marks the untimely passing of Charles (Chuck) Moody. As editor and publisher of American Waste Digest, Chuck brought a unique perspective to the Authority. Thank you Chuck for your years of service to the Authority; your contributions are appreciated.

Lastly, we offer a thank you to all the municipalities in our service area. We sincerely appreciate your business and the faith that you have placed in us.

Bob Schoenberger
Bob Schoenberger

Letter From The Executive Director



One of the most significant events for the Chester County Solid Waste Authority (CCSWA) happened early in the year. CCSWA signed a Host Agreement with Caernarvon Township (83% of our permitted area is in this Township). As far as I can determine, this is the first agreement that CCSWA and Caernarvon Township have signed in 22 years. This agreement provides for the property value protection for every landowner within three-quarters of a mile of our current expansion area. The second part of this agreement was unique in that property owners within one-half mile received a one time assessment fee as a result of this expansion. Caernarvon Township's Host Fee was increased to \$3.00 per ton (almost one million dollars in 2007) and the total Host Fees paid to four local municipalities is over \$4.00 per ton.

Also completed in early 2007 was a scale and small load facility construction. The new scales and scale house allow for much easier and faster transactions for our customers. The expansion of the Small Load Area allowed us to expand the list of items we accept for recycling. We added metals, Freon containing appliances, clean drywall and Styrofoam to our already long list of items that we recycle.

We added a homeowner size windmill to the Scenic Overlook. By the time you read this we hope to have windmill electrical generation data available on our web site in close to real time. If you have not been to our website—www.ChesterCountySWA.org, please check it out for how to recycle and dispose of items.

Robert A. Watts
Bob Watts

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

Michael J. Smale, Weighmaster

Barbara Skiles, Weighmaster (part-time)

Jim Thompson, Weighmaster (part-time)

Jim Jennings, Weighmaster (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

Gerald A. Myer, Superintendent

Earl L. Graham Jr., Operations Supervisor

Dawn E. Nichols, Operations Asst.

MAINTENANCE & REPAIRS

Thomas M. Barbarish, Mechanic

Barry J. Wertz, Utility Worker

LANDFILL OPERATIONS

George E. Carlson, Operator

Steve Dunn, Operator

Robert Hollenbaugh, Operator

Randy G. Savage, Operator

Jacob A. Houck, Operator

Carlos Alicea, Utility Worker

Bill Bramm, Operator

Tom Kostingo, Operator

2007

A Year In Review

Chester County's Solid Waste Plan Updated

The Ten Year Plan contains waste generation and recycling rates and maps a strategy for assuring capacity for the disposal of waste that is generated in the county through the year 2013. The update to the

plan now makes the Chester County Solid Waste Authority and SECCRA responsible for planning and recycling. An implementation

committee and solid waste advisory committee were appointed to meet and update the plan by 2008. The Solid Waste Plan update was made necessary due to changes in the law.



Area D3

The 6 acre Area D3 double lined landfill cell began accepting waste in March of 2007. The site was built over land that had not previously been utilized as a landfill. The Area D3 landfill is the last of the D Expansions and is projected to be completed in 2008.



Closure and Capping Of Area C and D1

The Area C Overfill unit and D1 cell has been the primary disposal area at Lanchester since 1997. In 2007, Area C on the western slope encompassing 6 acres and Cell D1 reached final permitted capacity. The Authority awarded the contract to complete this important project to Blooming Glen Contractors. The final cover system will consist of a 40 mil textured HDPE geo-membrane; drainage composite and final cover soils. The project will be completed in the Spring of 2008 at a cost of \$1,634,993.

Small Load Drop-off

The new and improved small load drop-off site was completed in the Spring of 2007. The facility was made more user friendly, more accessible and now accepts more items. Drivers can stay in their

vehicle during the whole transaction and the process can be completed in a shorter period of time. The number of items the landfill currently accepts for recycling has

been increased to include: mixed metals—FREON-free appliances, clean unpainted drywall, clean styrofoam, asphalt shingles, electronics and appliance FREON removal. A compost demonstration park has also been added.



We do not inherit the earth from our ancestors, we borrow it from our children.



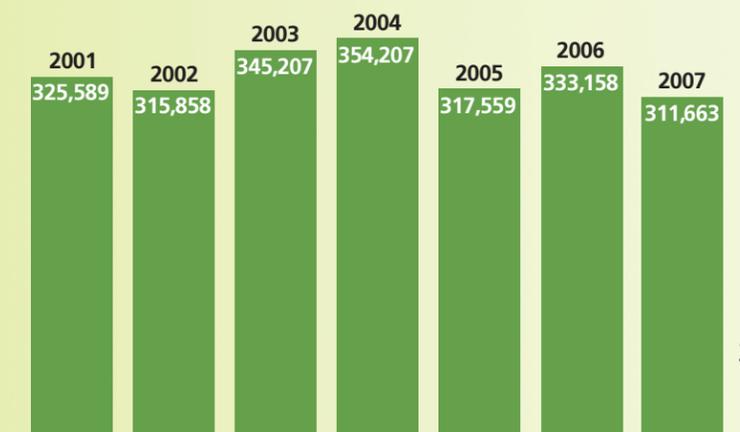
Windmill Energy

New for 2007, the Skystream 3.7™ was installed on the scenic overlook to provide quiet, inexpensive energy. It is the fist compact user-friendly, all-inclusive wind generator designed to power utility-connected homes and businesses.

Area residents can enjoy the scenic overlook's open air pavilion and picnic tables to fly a kite, take pictures of the beautiful countryside or just relax.

Tonnages from 2001 to 2007

The amount of solid waste disposed of or processed at Lanchester has been stable over the last seven years, with the remainder of the decade projected to follow this trend.



2007—A Year In Review

(continued)

Leachate Blankets

Advancements in research and development of leachate recirculation led the Authority to explore implementing the use of horizontal leachate blankets. Blanket construction at the Lanchester Landfill began in late 2006 and finished in early 2007. The blankets are 50 feet wide by 100 feet long and approximately 4 feet deep. The blankets



Expanded Landfill Gas Collection System

The Chester County Waste Authority authorized the expansion of the landfill gas collection system in 2006. The Authority, in cooperation with Granger Energy, hired contractors to begin the project later that year. Six new gas collection wells were installed in 2007 on the north side of the D1 Landfill Cell. The wells will capture the methane gas generated by decomposing waste and turn it into a usable resource for Granger Energy customers.

allow for more even distribution of leachate within the landfill. Currently there are four blankets that have been installed in the Area C Landfill. The performance

of the blankets have proved to be a valuable option for leachate management and the Authority plans to construct more in the future. The blankets were put into operation March of 2007.

Tipping Fees 2002–2007

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



A Look Ahead

2008

Landfill Gas Pipeline

Granger Energy of Lansing, MI, Lanchester's landfill gas recovery operator that supplies commercial quality gas to area businesses will expand its supply system. When complete, Granger will be able to add new customers with its increased capacity by adding a pipeline to the Conestoga Landfill. Pipe was started to be laid in the Winter of 2007 and land will be continue to be cleared through the Spring of 2008. The project will be completed and become operational in October of 2008. All construction and costs associated with the project are the responsibility of Granger.



Area E Expansion

The Authority will be filing a permit application with the State to build the planned Area E landfill cell expansion in late fall of 2008. The completion of Area E, which is located on the south side of the property, would coincide with the exhausted capacity of Area D and is projected to begin taking waste in 2012.



Leachate Storage Tanks

The two leachate storage tanks that house collected leachate from the landfill will be replaced. The tanks are close to meeting their designed life. The Authority



awarded the engineering design of the new tanks to Keystone Engineering of Exton, PA. The tanks will be made of glass fused to steel which is an upgrade of the existing tanks. The first tank will be replaced in 2008 and the second one in 2009. The total cost of the project is budgeted for \$1,200,000.

Cell D3 Expansion

The new Cell D3 landfill will tie-in the Municipal Site to Area B by building over the existing roadway and constructing a liner system on top of it. The new site will break ground in April of 2008 using the latest technology in liner construction consisting of a double liner system. The Authority awarded the contract for construction to the Harnden Group of Mechanicsburg, PA with support from Geosyntec and Engineering and ARM Group. The cost to construct the new 8.8 acre cell is projected to be \$3,004,408 and will be ready to begin accepting waste in the Fall of 2008. It is projected to reach full capacity in 2013.

The earth is what we all have in common.

Statement Of Financial Condition

CCSWA 2007 Sources of Revenues

2007 TONNAGE

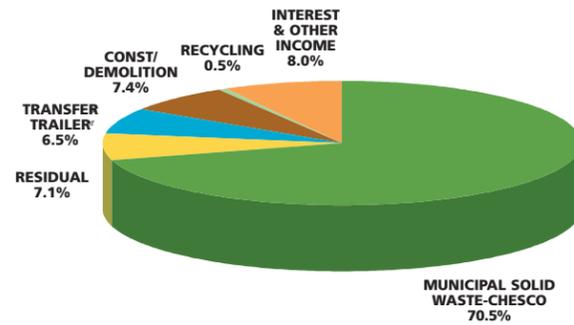
Municipal Solid Waste—CHESCO	237,809
Residual	23,984
Transfer Trailer	23,033
Construction/Demolition	23,367
Recycling	3,461
TOTAL ANNUAL TONNAGE	311,663

2007 RATE STRUCTURE (\$/TON)

Municipal Solid Waste—CHESCO	\$57.09
Residual	57.10
Transfer Trailer	54.73
Construction/Demolition	61.13
Recycling	25.77
WEIGHTED AVERAGE	\$56.87

2007 TIPPING REVENUES

Municipal Solid Waste—CHESCO	\$13,576,976
Residual	1,369,508
Transfer Trailer	1,260,521
Construction/Demolition	1,428,316
Recycling	89,198
GROSS OPERATING REVENUE	\$17,724,518



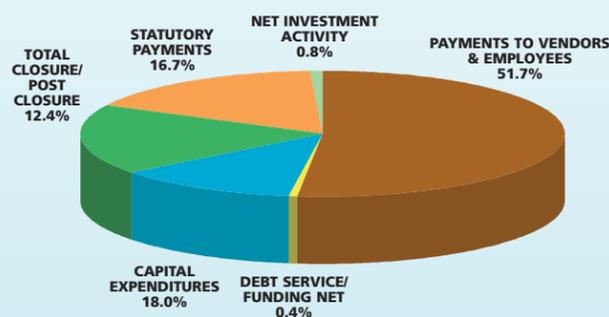
2007 OTHER SOURCES OF INCOME

Interest & Other Income	1,544,428
Change in Working Capital	2,522,098

Total Sources of Funds	\$21,791,044
Total Expenditures	18,566,802

NET CASH POSITION AT YEAR END 2007	\$ 3,224,242
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CCSWA 2007 Uses of Revenues



2007 Uses

Payments to Vendors & Employees	\$ 9,599,206
Debt Service/Funding Net	71,976
Total Closure/Post Closure	2,303,228
Capital Expenditures	3,342,821
Statutory Payment	3,100,031
Net Investment Activity	149,540
TOTAL USES	\$18,566,802

Statement Of Financial Condition

Statements of Revenue, Expenses and Changes in Net Assets Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Revenue from landfill operations, net of statutory payments of \$3,100,031 and \$3,277,362 in 2007 and 2006, respectively	\$14,624,487	\$14,549,016
Operating expenses:		
Direct costs of landfill operations	5,314,062	4,719,051
Landfill site expenses	472,128	301,953
General and administrative expenses	1,361,673	1,238,250
Depletion of landfill site:		
Initial investment	2,328	2,449
Expansion cells	2,319,187	3,219,036
Amortization of intangible assets and deferred charges	12,076	12,654
Provision for closure and post closure costs	1,467,168	1,279,792
Total operating expenses	<u>10,948,622</u>	<u>10,773,185</u>
Operating income	<u>3,675,865</u>	<u>3,775,831</u>
Nonoperating revenue (expense):		
Investment income	1,348,958	1,135,177
Interest expense	(13,297)	(24,577)
Other income	201,267	133,293
Gain on sale of fixed assets	7,500	67,898
Total nonoperating revenue	<u>1,544,428</u>	<u>1,311,791</u>
Increase in net assets before payments to County of Chester	5,220,293	5,087,622
Payments to County of Chester	(500,000)	(1,000,000)
Increase in net assets	<u>4,720,293</u>	<u>4,087,622</u>
Net assets:		
Beginning of year	29,345,687	25,258,065
End of year	<u>\$34,065,980</u>	<u>\$29,345,687</u>

Summary Of Financials

	<u>2007</u>	<u>2006</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 911,778	\$ 952,908
Accounts receivable, net of an allowance for uncollectible accounts of \$212,222 in 2007 and \$287,610 in 2006	1,378,801	1,606,910
Prepaid expenses	108,409	23,917
Unrestricted investments	9,628,590	9,263,559
Restricted cash and investments	405,689	359,761
Total current assets	<u>12,433,267</u>	<u>12,207,055</u>
Restricted cash and investments	19,266,723	16,747,736
Landfill site, net	14,503	16,831
Expansion cells construction, permitting, and preparation costs, net	6,187,553	8,057,627
Capital assets, net	9,255,174	8,632,232
Intangible assets, net	75,810	86,826
	<u>34,799,763</u>	<u>33,541,252</u>
Total assets	<u>\$47,233,030</u>	<u>\$45,748,307</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Current portion of estimated closure/post closure costs	\$ 405,689	\$ 359,761
Accounts and retainage payable	716,677	1,568,236
Commonwealth of Pennsylvania and other surcharges withheld	784,499	2,253,256
Accrued liabilities:		
Payroll and related taxes	18,622	15,793
Interest payable	—	983
Employee benefit plan	121,361	110,138
Other	52,000	86,567
Total current liabilities	2,098,848	4,394,734
Estimated closure/post closure costs	10,949,238	11,831,226
Mortgage payable	118,964	176,660
Total liabilities	<u>13,167,050</u>	<u>16,402,620</u>
Net assets:		
Invested in capital assets, net of related debt	15,414,076	16,616,856
Restricted	8,317,485	4,916,510
Unrestricted	10,334,419	7,812,321
Total net assets	<u>34,065,980</u>	<u>29,345,687</u>
Total liabilities and net assets	<u>\$47,233,030</u>	<u>\$45,748,307</u>

Summary Of Financials

Condensed Summary of Assets and Liabilities December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 911,778	\$ 952,908
Accounts receivable, net of an allowance for uncollectible accounts of \$212,222 in 2007 and \$287,610 in 2006	1,378,801	1,606,910
Unrestricted investments	9,628,590	9,263,559
Restricted cash and investments	405,689	359,761
Other current assets	108,409	23,917
Total current assets	<u>12,433,267</u>	<u>12,207,055</u>
Restricted investments	19,266,723	16,747,736
Capital and intangible assets, net	15,533,040	16,793,516
	<u>34,799,763</u>	<u>33,541,252</u>
Total assets	<u>\$ 47,233,030</u>	<u>\$45,748,307</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Current portion of estimated closure/post closure costs	\$ 405,689	\$ 359,761
Other current liabilities	1,693,159	4,034,973
Total current liabilities	2,098,848	4,394,734
Estimated closure/post closure costs	10,949,238	11,831,226
Mortgage payable	118,964	176,660
Total liabilities	13,167,050	16,402,620
Total net assets	<u>34,065,980</u>	<u>29,345,687</u>
Total liabilities and net assets	<u>\$ 47,233,030</u>	<u>\$45,748,307</u>

Total assets at December 31, 2007 were \$47,233,030, an increase from \$45,748,307 in 2006. The increase of \$1,484,723 is due to higher restricted and unrestricted cash and investments of \$2,929,946; partially offset by lower capital and intangible assets of \$1,260,476.