

# The Delaware Solid Waste Authority



www.DSWA.com

## 2009 Annual Report

Published November 20 , 2009

### *Recycle Analog TVs Through DSWA Electronic Goods Recycling Program*

In preparation for the February 2009 switch to digital television, the Delaware Solid Waste Authority (DSWA) is encouraging Delawareans, who decide to buy a digital television and no longer want their old analog television, to recycle them through DSWA's Electronic Goods Recycling Program rather than throwing them away. DSWA's Electronic Goods Recycling Program allows residents to conveniently drop off their unwanted electronic items for free. DSWA has 24 locations throughout the state for residents to recycle their old electronic goods. The drop-off program is designed to accept electronic goods, telecommunications equipment, toys, radios, televisions, and electroacoustic equipment such as calculators, computers and their parts, keyboards, printers, copiers, cables, phones, fax machines, answering machines, and VCRs. Since the inception of DSWA's Electronic Goods Recycling Program in 2002, there have been almost eighteen million pounds of electronic goods kept out of the landfills. For more information on DSWA's Electronic Goods Recycling Program or any other DSWA programs or facilities, please call the Citizens' Response Line at 1-800-404-7080 or visit [www.dswa.com](http://www.dswa.com).

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## DSWA Survives the Storm!

Fiscal year 2009 (July 1, 2008 - June 30, 2009) brought very stormy conditions, which included a severe economic downturn and loss of expected revenues. A combination of less home building, a reduction in commercial construction, consumers purchasing fewer goods, and the unprecedented drop in the price of recyclable commodities all contributed to challenging times. But DSWA Staff met the challenge and cut expenses drastically while still providing all services and even expanded some recycling programs.



### *DSWA Celebrates 41,000 Curbside Recycling Customers*

The Delaware Solid Waste Authority (DSWA) is proud to have reached another milestone within its Curbside Recycling and Yard Waste Collection Program. On February 19, 2009, DSWA signed-up its 41,000 Customer within its Curbside Recycling and Yard Waste Collection program. DSWA's Curbside Recycling Program began in 2003, and since then DSWA has seen the program grow not only in the number of Delaware Residents who participate but in the service it has been able to provide to its customers. DSWA is proud to be able to provide this service statewide and make it available to any Delaware Resident. Since the start of the program, DSWA has also worked with several towns and cities, including the City of Dover, the Town of Fenwick Island, the Town of Millville and the City of Milford to bring curbside pick-up to its residents. In early 2008 DSWA began using a single-stream recycling system, which means that residents no longer have to sort their recyclables into separate containers. When participants sign-up for the program,

they receive a 65-gallon cart on wheels, which residents can use to collect narrow-neck plastic bottles, plastic grocery bags, aluminum, steel and empty aerosol cans, newspapers, junk mail, corrugated cardboard, paperboard, and clear, brown, and green glass containers. The program currently costs \$3.00 per pick-up for residents with pick-ups occurring on a bi-weekly schedule. In 2008 DSWA unveiled its pay-as-you-throw yard waste collection program. This program allows customers to purchase stickers, which are placed on bags or bundles of yard waste, placed at the curb and collected by DSWA. Stickers cost \$1 each and are bought in increments of ten. Residents interested in signing up for DSWA's Curbside Recycling or Yard Waste Collection Program can do so by calling the Citizens' Response Line at 1-800-404-7080 or visiting [www.DSWA.com](http://www.DSWA.com).

For more information on this or any other DSWA program, please call the Citizens' Response Line at 1-800-404-7080 [www.dswa.com](http://www.dswa.com).

# DSWA Chairman of the Board Pryor Reflects On Fiscal Year 2009



**Richard V. Pryor**  
*Chairman of the Board*

As we look back over another challenging year, we are pleased to report that we were able to achieve substantial progress in the face of an extraordinarily adverse economy. Our Board of Directors and staff worked closely in view of the constantly changing economic climate and its impact on our operations. Overall our tonnage decreased by about 14 % from last year resulting in an accompanying decrease in operating revenues. Our executive management team rose to the occasion by recommending and implementing a number of stringent expenditure reductions while meeting DSWA's contractual obligations. Although tonnage reductions occurred principally as a result of the declining economy, expanded recycling programs (in itself, a positive development) contributed in smaller part to the tonnage decline. Still, the unrelenting economic headwinds further exacerbated the situation by continuing the negative downturn in the market for recyclable commodities. While increasing the number of households participating this past year in our subscription curbside recycling program by 23%, we have had to address higher-than-normal costs in recycling of this collected material. This has meant record payments to end-market processors of up

to \$40,000 per week in order to recycle the materials collected in both our drop-off and curbside recycling programs.

A noteworthy accomplishment of FY '09 was DSWA's substantial effort in complying with a landfill yard-waste ban in New Castle County. The ban was dictated by a regulatory permit condition in concert with the expansion of our largest sanitary landfill located on Cherry Island in New Castle County. DSWA's role was two-fold. First, we modified our yard-waste curbside collection program to make it independent of our regular curbside recycling

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*In this report, you will see details of programs and challenges that have tested the combined mettle of Directors, senior management, and a truly dedicated, hard-working and creative staff.*

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program and established a Pay As You Go (PAYT) 'buck-a-bag' program. This highly successful DSWA program, which complemented that offered by private haulers, has resulted in about 5,500 New Castle County households re-directing and recycling yard waste in response to the ban. Second, in cooperation with the Department of Natural Resources and Environmental Control (DNREC), DSWA developed a Memorandum of Agreement (MOA) to address the regulatory aspects of yard waste that may still arrive at our Cherry Island Landfill. The focus of the MOA was to assure maximum recycling of yard waste, while recognizing that de minimis amounts of yard waste may have to be landfilled. This cooperative effort between two public agencies has resulted in more recycling and more conservation of natural resources, not to mention an environmental improvement benefit for the public at large.

The coming year will not be without continuing financial challenges. However, as our business community and general

economy grow slowly stronger, so too should the commodity - including recycling - markets. This bodes well for our continuing efforts to operate economically sustainable programs to maximize recycling while properly disposing of a highly industrialized society's residual leftovers that are not currently recyclable.

In this report, you will see details of programs and challenges that have tested the combined mettle of Directors, senior management, and a truly dedicated, hard-working and creative staff. All members of the Board of Directors join me in saluting this outstanding DSWA team - from the trenches to the drawing boards, from Delmar to Claymont - for a job well begun and well fitted for the year ahead.

Finally, on a personal note, we sadly must recognize the passing of another distinguished member of DSWA's extended family. On April 14, 2009, Wayne Ashbee, a retired member of the Board and ongoing community servant, passed away following a short illness. He served as a DSWA Board member from 1977 to 1986. Also, Wayne retired from the DuPont Company after 33 years of service and was the Director for the Department of Natural Resources and Environmental Control, Division of Water Resources for 5 years.

He will be greatly missed.

Sincerely,

Richard V. Pryor  
DSWA Chairman of the Board



**Ronald G. McCabe**  
Vice Chairman



**Theodore W. Ryan**



**William J. DiMondi**



**Tonda L. Parks**



**Timothy P. Sheldon**



**Gerard L. Esposito**

## DSWA's Board of Directors Serving Us To Serve You

Delaware is very fortunate to have a very talented and dedicated Board of Directors for the Delaware Solid Waste Authority. The seven (7) Board members are appointed by the Governor, approved by the State Senate and serve three (3) year

terms. These individuals volunteer their time and effort serving us to serve you. They have the responsibility to guide and direct the solid waste management system we operate in Delaware. The Delaware Solid Waste Authority has greatly benefit-

ted from their leadership over the years and has been recognized at a national and international level for its accomplishments in solid waste management and recycling programs.





# From the DSWA Chief Executive Officer



**Pasquale S. Canzano P.E., BCEE**  
*Chief Executive Officer*

## Canzano Applauds DSWA Staff

At this point, the economic crisis facing the nation has become an accepted fact and everyone is coping with it to make the best of an otherwise extremely difficult situation. DSWA is no exception. This fiscal year continued to test our mettle as the demand for solid waste management services including expanded recycling programs went unabated. In anticipation of a straining economy, DSWA reduced its adopted budget by 11.7% from FY08 to FY09. Unfortunately, as the gravity of the downturn in the economy persisted, further reductions in expenditures became necessary to reflect a decrease in tonnage and revenues. Of course, this could not

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*In anticipation of a straining economy, DSWA reduced its adopted budget by 11.7% from FY08 to FY09.*

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have been accomplished without the trust and support of our Board of Directors. Ultimately, the FY09 budget was reduced an additional 10% using extreme belt tightening measures including a hiring freeze, attrition and employee layoffs. On a positive note, I appreciate that our employees have remained dedicated and recognize that we are all working together to continue providing premium programs and services to the public, while constrained by an extremely tight budget.

In keeping with the national 'Green' movement, DSWA also explored ways of reducing its carbon footprint in its operations. This was accomplished by a combination of utilizing solar power and wind power at our facilities and producing electricity from landfill gas. Also, our recycling group generated greater savings and reduced fuel consumption by continued optimization of our curbside recycling service routes.

As we look ahead to the coming year, it is obvious that the economy requires us to operate within a business model that is highly flexible and efficient. The normal rules for attempting to predict business activity and revenues, for the time being, no longer apply. Nevertheless, DSWA remains committed to its standard of excellence in providing Delawareans with the best possible solid waste management and recycling services.

Sincerely,

A handwritten signature in cursive script, reading 'Pasquale S. Canzano'.

**Pasquale S. Canzano P.E., BCEE**  
**Chief Executive Officer**

# DSWA Recycling Programs

The Delaware Solid Waste Authority (DSWA) prides itself in being a leader in recycling programs. During all thirty-four (34) years of its existence, DSWA has researched, developed, and implemented leading edge technologies that could successfully and affordably recover materials for recycling. The recycling programs in operation during fiscal year 2009 included:

1. DSWA Collection Services
  - Single-Stream Curbside Recycling
  - Yard Waste Curbside Recycling
  - Oil Filter Collection Service
  - Post Office Junk Mail Collection Service
2. DSWA Drop-off Center Recycling
3. Recycling Programs at DSWA Facilities
  - Landfills
  - Transfer Stations
  - Collection Stations
  - Delaware Recycling Center
4. Electronic Goods Recycling
5. Delaware Recycling Research



*Rich Von Stetten*  
Sr. Manager of Statewide Recycling

**We are the Delaware Solid Waste Authority.  
We offer Delaware sound solid waste management programs.**

Welcome to Recycling in Delaware! You'll notice some of these program logos (see below) in your travels. These logos represent many of DSWA's recycling programs such as statewide curbside recycling at a reasonable fee, over 180 single-stream drop-off center locations, electronic goods recycling, household hazardous waste collection, oil filter recycling, and much more. These programs help us collect valuable resources for recycling and keep harmful items out of landfills.

For more information on DSWA's facilities and programs, please call our CITIZENS' RESPONSE LINE at 1-800-404-7080 or visit our website at [www.dswa.com](http://www.dswa.com). We are happy to help you do your part to protect and preserve your environment.

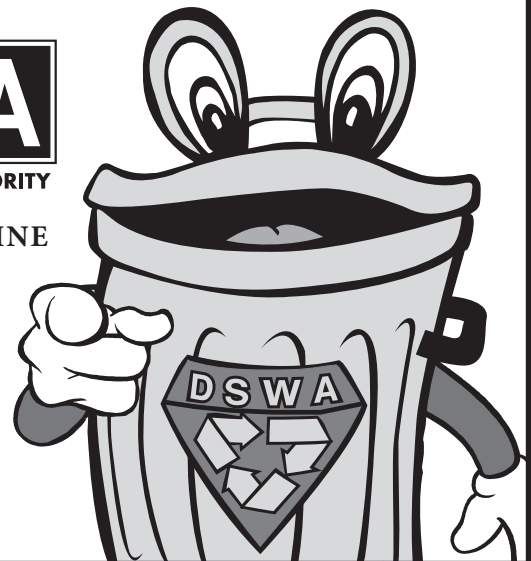


DELAWARE SOLID WASTE AUTHORITY

CITIZENS' RESPONSE LINE

1-800-404-7080

[www.dswa.com](http://www.dswa.com)



# DSWA Recycling Programs

## Delaware Recycling Research

### *Delaware Recycling Public Advisory Council (RPAC) Measures Recycling Diversion Rates*



Senator Tom Carper assists DSWA Recycling Curbside Technicians, Jesse Dale and Jeremy Hannah, during their curbside recycling collection route.

Senator Thomas R. Carper initially established the Delaware Recycling Public Advisory Council (RPAC) in the year 2000. RPAC members include representatives of all entities involved in solid waste generation, collection, recycling, diversion, and regulatory activities: the public, Delaware Solid Waste Authority (DSWA), Delaware's Department of Natural Resources & Environmental Control (DNREC), commercial recycling companies, and waste haulers.

In 2006 RPAC established a methodology for measurement of recycling

diversion rates in the State of Delaware that was fully endorsed by each organization represented on the council. RPAC used recycling data from a hired consultant along with recycling and landfill data from DSWA to calculate these rates. These rates are unique in that they use strict guidelines developed by the U.S. Environmental Protection Agency (EPA).

The EPA guideline focuses on recycling of municipal solid waste (MSW) and does not include construction and demolition (C&D) recycling.

For calendar year 2006, Delaware had a 23.2% recycling diversion rate for municipal solid waste. In 2007, the rate increased to 32.2%, largely due to the yard waste ban in New Castle County and increased curbside recycling by DSWA and the City of Wilmington. Gathering the recycling numbers from various commercial and public entities takes time to make sure the numbers are accurate and there is no double counting. While all the 2008 numbers have not yet been final-

ized. They are expected to show a slight increase in recycling over 2007. The world recycling markets are suffering from a weak economy, but Delaware's recycling programs continue to grow. These numbers indicate Delaware has shown significant increases in recycling over the past few years and is quickly approaching EPA's national recycling goal of 35%.

*These rates are unique in that they use strict guidelines developed by the U.S. Environmental Protection Agency (EPA).*



Pictured Left to Right are: DSWA Recycling Curbside Technicians David Miller, Jeremy Hannah, Senator Tom Carper, DSWA Senior Manager of Statewide Recycling Rich Von Stetten and DSWA Recycling Curbside Technician Jesse Dale.

*Delaware diversion rates are on the increase; moving Delaware closer to becoming a leader in the United States in recycling.*

## Recycling Diversion Rates in Delaware

	Residential		Commercial		Total	
	2006	2007	2006	2007	2006	2007
<b>Diverted Recyclables (tons)</b>	122,448	233,691	125,962	143,375	248,410	377,066
<b>Landfilled Municipal Solid Waste (MSW) (tons)</b>	419,602	405,495	403,878	389,490	823,479	794,984
<b>Total MSW = Diverted Recyclables + Landfilled MSW</b>	542,049	639,186	529,840	532,840	1,071,889	1,172,050
<b>Percent Diverted Recyclables</b>	<b>22.6%</b>	<b>36.6%</b>	<b>23.8%</b>	<b>26.9%</b>	<b>23.2%</b>	<b>32.2%</b>

Source 2007 RPAC annual report.

# DSWA Recycling Programs

## DSWA is Ahead of the Game Employing State of the Art Facilities.

### DSWA's Facilities Include:

#### *Three (3) Modern Sanitary Landfills*

- Cherry Island Landfill  
1706 E. 12th St.  
Wilmington, Delaware 19808
- Sandtown Landfill  
1107 Willow Grove Road (Rt. 10)  
Felton, Delaware 19943
- Jones Crossroads Landfill  
28560 Landfill Lane  
Georgetown, Delaware 19947

#### *Three (3) State Of The Art Public Transfer Stations*

- Pine Tree Corners Transfer Station  
276 Pine Tree Road  
Townsend, Delaware 19734
- Milford Transfer Station  
1170 S. Dupont Hwy.  
Milford, Delaware 19963
- Rt.5 Transfer Station  
29997 John P. Healy Drive  
Harbeson, Delaware 19951

#### *Five (5) Convenient Collection Stations*

- Cheswold Collection Station  
54 Fork Branch Road  
Cheswold, Delaware 19936
- Ellendale Collection Station  
13870 South Old State Rd.  
Ellendale, Delaware 19941
- Long Neck Collection Station  
28963 Mount Joy Road  
Millsboro, Delaware 19966
- Omar Collection Station  
33086 Burton Farm Road  
Frankford, Delaware 19945
- Bridgeville Collection Station  
16539 Polk Road  
Bridgeville, Delaware 19933



Delaware Solid Waste Authority (DSWA) continues to provide Delaware with excellent options for its environmental needs and is looking to Delawareans to share in this commitment to the environment. Please contact DSWA's Citizens' Response Line 1-800-404-7080 or visit [www.dswa.com](http://www.dswa.com) to find out more information about DSWA's programs and facilities.

### **DSWA Is A Proud Partner To The Earth & Looking Toward The Future.**

- **Modern Landfills** - The trash you throw away is safely disposed in one of three DSWA landfills. DSWA landfills are recognized throughout the world for innovative technology and research.
- **Recycling** - Both DSWA's Recycling Drop-Off Centers and Curbside Recycling Programs can be utilized statewide by all Delaware Residents.
- **Special Recycling Programs** - When you have hazardous household products, old electronic devices, or used motor oil and oil filters, we provide a safe way of recycling these unwanted items.
- **Transfer Stations** - Trash collectors and residents can bring trash to any of three transfer stations eliminating the need to travel further to a DSWA landfill.
- **Collection Stations** - Residents of rural areas can toss bagged household trash at one of five DSWA collection stations.
- **Green Power from Trash** - Methane gas collected from decomposing trash at all three of DSWA landfills is used to generate green power.
- **Composting** - We can show you how easy it is to compost your yard waste and food scraps into mulch and reduce the amount you throw away by as much as 15%.
- **Education** - DSWA is committed to public education and provides presentations for schools, events, and programs. DSWA develops educational and informational materials to hand out to schools and the public. This helps to establish a better understanding of the environment and our future.
- **Public Outreach** - DSWA reinforces our commitment to Delawareans by assisting them with their questions and concerns through DSWA's Citizens' Response Line and website.

Many different materials are collected at these facilities and sent to markets for recycling. Table A. shows a detailed breakdown for the recyclables sent to market from the landfills and transfer stations.

The DSWA has a long history of leading the way in using recyclable materials itself in its operations when possible. As can be seen in Table B., almost 750,000 tons of recycled materials were used by DSWA in FY 2009, which avoided the use of virgin materials. This effort had a significant impact on saving natural resources, energy, and air emissions.




Table A.

### Facility Recyclable Quantities Sent to Market by Material Type - FY 2009

Material	Cherry Island Landfill	Sandtown Landfill	Jones Crossroads Landfill	Pine Tree Corners Transfer Station	Milford Transfer Station	Route 5 Transfer Station	Total Tons
	Tons (materials sent to market)	Tons (materials sent to market)	Tons (materials sent to market)	Tons (materials sent to market)	Tons (materials sent to market)	Tons (materials sent to market)	
Refrigerant White Goods	125	35	62	58	15	30	324
Non-Refrigerant White Goods	202	91	246	79	35	110	764
Tires	406	345	357	42	21	15	1,186
Yard Waste	4,679	593	393	441	228	1,283	7,617
Dry Wall	138	77	924			37	1,176
Propane Bottles	6	1	3	1	1	1	13
Metal shreds			31				31
<b>TOTALS</b>	<b>5,556</b>	<b>1,142</b>	<b>2,016</b>	<b>621</b>	<b>300</b>	<b>1,476</b>	<b>11,111</b>

Table B.

### Facility Recyclable Quantities Used by Material Type - FY 2009

Material	Cherry Island Landfill	Sandtown Landfill	Jones Crossroads Landfill	Pigeon Point Landfill	Total Tons	
	Tons (materials used)	Tons (materials used)	Tons (materials used)	Tons (materials used)		
Alternative materials used for soil cover						
Stabilized Sludge				220,741	220,741	
Clean Earth	338,036				338,036	
Barrier	61,319	28,389			89,708	
Recycled C&D			26,602		26,602	
Alternative materials used for road building						
Steel Slag	67,700		513		68,213	
Recycled Concrete		556			556	
Clean Earth Aggregate	2,120				2,120	
Alternative materials used for soil amendment						
DSWA Compost	1,400	132	1,472		3,004	
DSWA Yard Waste Mulch		420	245		665	
TOTALS	470,575	29,497	28,832	220,741	749,645	



## DSWA Recycling Programs

### Beer Distributors & Post Offices Recycling Partnership With DSWA Changes

For many years, DSWA established a partnership with several large beer distributors in Delaware that encouraged them to recycle their empty glass bottles by bringing them to the Delaware Recycling Center (DRC) at 1101 Lambsons Lane in New Castle. The bottles were separated by color (clear, green, and brown) and sent to markets by DSWA. In January 2009, the beer distributors found recycling avenues outside of Delaware for their beer bottles and ceased bringing them to DSWA. During the six month period of **July 2008 through December 2008, DSWA recycled 2,409 tons of beer bottles generated in Delaware.**

For several years, DSWA established a partnership with post offices throughout Delaware to recycle their undeliverable bulk business mail (UBBM), sometimes referred to as junk mail. In this partnership,

*Thanks to our early efforts, both the beer distributors and Delaware Post Offices are well on their way to establishing markets for goods they generate.*

DSWA provided large metal containers for the post offices to place UBBM in and we also provided the pickup service to take the containers by roll-off truck to our DRC

facility. At the DRC these containers were emptied and the loads of UBBM were consolidated; packed into large transfer trailers and sent to recycling markets. In May 2009, the post offices throughout Delaware found other means to recycle their UBBM and our partnership ended. **This highly successful recycling program generated 429 tons of UBBM for recycling in FY 2009.**

In both cases, DSWA was quite proud to get these two entities to recycle their respective materials. Thanks to our early efforts, both the beer distributors and Delaware Post Offices are well on their way to establishing markets for goods they generate.



### Activities at the Delaware Recycling Center (DRC)

The DRC receives most of the marketable recyclable materials for the New Castle County area of Delaware. The various recyclable materials include:

- Single-Stream recyclables
- Corrugated cardboard
- Textiles
- Oil filters
- Oil
- Junk mail
- Glass bottles

Each of these materials is sold and transported to out of state markets.



### DSWA Oil Filter Collection Service Continues Its Statewide Service

During fiscal year 2009, DSWA continued to provide oil filter collection service to more than 200 businesses throughout the entire state. DSWA provides our customers with 55-gallon drums for their use in depositing used oil filters from vehicles. On a scheduled basis, a DSWA recycling technician arrives, picks up the filled drums, replaces them with empty drums, and the used oil filters are transported to the Delaware Recycling Center in New Castle for processing. A special "Kruncher" machine compresses the oil filters into metal "bricks" which are sent to steel mills for recycling. The oil recovered is squeezed from the bricks and sent to a refinery for recycling. This service is provided for a fee of \$25.00 per pickup. **Over 400 tons of oil filters were recycled through this service in FY 2009.**



### Recycling opportunities are Available Even at DSWA's Collection Stations

At all five (5) of DSWA Collection Stations, not only can customers drop off bags of their household waste using prepaid tickets, but they also have the opportunity to drop off recyclables at the on site recycling drop-off centers.

# DSWA Recycling Programs

## Single-Stream Curbside Recycling



DSWA's Jesse Dale picks up residential customers curbside recycling.

The Delaware Solid Waste Authority (DSWA) started the voluntary curbside recycling program in 2003. Curbside recycling is a program which allows residents to put their household recyclable items into a wheeled cart, which they move to their curb to be picked up by DSWA. This program is a single-stream program, which means all recyclable items are comingled. This program includes recyclables such as steel cans, aluminum cans, plastic narrow-neck bottles, plastic bags, newspaper, office paper, cardboard, paperboard, junk mail, and glass bottles. The program currently costs \$6.00 a month for individual subscription customers having biweekly service. The program has continued to grow over the past few years with many residents and small busi-

*This program includes recyclables such as aluminum cans, plastic narrow-neck bottles, newspaper, office paper, cardboard, paperboard, junk mail, and food & beverage glass containers.*

nesses signing up. At the end of fiscal year 2009, over 45,000 residents were signed up in this program with 16,500 in New Castle County, 22,000 in Kent County, and 6,500 in Sussex County.



### Curbside Recycling Single-Stream for FY 2009

County	Material	Tonnage
New Castle	Single-Stream	4,784
Kent & Sussex	Single-Stream	6,694
	<b>Total Statewide Single-Stream</b>	<b>11,478</b>

Delaware Solid Waste Authority

# SINGLE-STREAM IS HERE!




## Only \$6/month for every other week Recycling Pick-Up!

**65-Gallon Cart provided for:**  
Glass Containers, Narrow-Neck Plastic Bottles, Plastic Grocery Bags, Newspaper, Magazines, Junk Mail, Aluminum Cans, Steel Cans, Paperboard, Cardboard

**Yard Waste Recycling**



DSWA also provides a separate Yard Waste pick-up service. Residents purchase Yard Waste Stickers for a \$1.00 a bag in increments of 10. DSWA will pick up tree limbs 4" or less in diameter, grass clippings, leaves, and shrub and bush prunings.

Sign up by calling our Citizens' Response Line

# 1-800-404-7080

or visit us online at [www.dswa.com](http://www.dswa.com)

**DON'T FORGET!**  
bring your  
**Household Hazardous Waste and Electronic Goods Recyclables**  
to our collection event  
visit [www.dswa.com](http://www.dswa.com) to see  
when we will be in your area.










# DSWA Recycling Programs

## Yard Waste Curbside Recycling



DSWA's Yard Waste Curbside Recycling program enables the residents to have their yard waste picked up at their curb.

The Delaware Solid Waste Authority (DSWA) offers a Yard Waste Pay-As-You-Throw (PAYT) Recycling program for Delaware residents. This program requires residents to purchase yard waste stickers from DSWA at \$1.00 per sticker in increments of ten. Residents then put the yard waste stickers on their yard waste bags or bundles and put it out on their designated pick-up day. The pick-up schedule is biweekly from January 1 through March 31

*The pick-up schedule is biweekly from January 1 through March 31 and weekly from April 1 through December 31.*

and weekly from April 1 through December 31. The program has been extremely successful with 203,354 stickers being sold in New Castle County, 3,840 stickers being sold in Kent County, and 5,525 stickers being sold in Sussex County respectfully since it began in January 2008. DSWA looks forward to this program being a continued success.



Yard Waste is put through a chipper and used as a natural mulch or cover on the landfill.

*DSWA helps Delaware residents to dispose of Yard Waste through out the state.*

### Yard Waste Tonnage for Fiscal Year 2009

County	Material	Tonnage
New Castle	Yard Waste	1,398
Kent & Sussex	Yard Waste	72
	Total Statewide Yard Waste	1,470



### The Cherry Island Landfill Gore Composting Project

This system uses GORE-TEX membrane, laminated between two highly robust polyester layers and uses three components: aeration, control, and tarpaulin. Balanced together the three components interact to produce a unique, economical, and reliable composting system.

# DSWA Recycling Programs

## DSWA Drop-Off Center Recycling

### DSWA Drop-off Centers

The Delaware Solid Waste Authority (DSWA) provides single-stream recycling drop-off centers for Delaware residents. These are sites where residents can take their single-stream recycling items such as steel cans, aluminum cans, plastic narrow-neck bottles, plastic bags, newspaper, office paper, cardboard, paperboard, junk mail, and glass bottles at no cost. For fiscal year 2009 DSWA had over 180 drop-off centers available for residents statewide. At the drop-off centers all the materials can be put into the same bin with the exception of cardboard, motor oil, oil filters, and textiles. These items will continue to be collected in separate containers due to their size or special nature.



### Drop-Off Center Recycling Program

Item / Source	Tons
Single-Stream	20,699
Motor Oil	1,439
Oil Filters	36
Textiles	70
<b>SUB-TOTALS</b>	<b>22,244</b>

### Committed To Recycling

Fiscal year 2009 proved to be a challenging year for all involved with recycling. Worldwide, the recycling industry dealt with a massive collapse in the recycling commodities market. The Delaware Solid Waste Authority (DSWA) found it



difficult to find markets for the recyclable material that was collected through the curbside recycling and drop-off center programs. Rather than receive funds for recy-

*Material was stored at DSWA's Delaware Recycling Center (DRC) in New Castle while plans were being developed as to the future direction for the marketing of recyclables.*

yclable material, DSWA had to pay to have materials recycled. Material was stored at DSWA's Delaware Recycling Center (DRC) in New Castle while plans were being developed as to the future direction for the marketing of recyclables. DSWA met with various international companies to work out the best way to have the recyclables removed at minimal cost. Fortunately, a plan was developed very quickly and DSWA was able to find markets for the stored material. DSWA paid as much as \$40,000 per week to assure the collected recyclables were marketed.

# CAN YOU BELIEVE IT?

Recycling just got *easier!*



**Single-Stream is here too!**



**DSWA Drop-off Center Accepted Recyclables**

**Paper**  
Paper & junk mail, newspapers, phone books, office paper, flyers, catalogs, magazines, wrapping paper

**Paperboard**  
Cereal boxes & tissue boxes

**Plastic Narrow-Neck Bottles**  
Plastic milk jugs, soda, detergent & shampoo bottles, plastic bags

**Cans**  
Aluminum & steel cans, empty aerosol cans, food & beverage cans, pet food cans

**Glass**  
Clear, green & brown glass containers

**If you have any questions about Delaware Solid Waste Authority's Recycling Programs, please call the Citizens' Response Line 1-800-404-7080 or visit our website at [www.dswa.com](http://www.dswa.com).**



# DSWA Recycling Programs

## Electronic Goods Recycling

### Electronic Goods Recycling

The Delaware Solid Waste Authority (DSWA) started the Electronic Goods Recycling (EGR) program in 2001. This is a program in which residents can recycle items such as computers, printers, copiers, radios, televisions, electronic toys, and certain appliances at no cost by taking them to one of our EGR drop-off sites. DSWA currently has 24 EGR drop-off sites available for residents to recycle their electronic goods. Computer Donation Management, Inc. (CDM) in Baltimore, Maryland handles the electronic goods that are collected through this program.

In February 2009 there was a government-mandated switch to digital television. DSWA encouraged residents who had the older analog televisions to recycle their televisions through this program at no cost. The digital television switchover caused a definite increase in televisions collected in the EGR program for this fiscal year. For fiscal year 2009 DSWA collected 15,895 televisions from Delaware residents, which was an increase of 6,430 from fiscal year 2008. The total weight of electronic goods collected in FY 2009 was 1,814 tons.



*DSWA's EGR program is a free program for Delaware Residents.*

### Electronic Goods Recycling Program

Devices	Number of Units
Monitors	31,909
CPU/Hard Drives	19,742
Printers	15,625
Televisions	15,895
Other	56,885
<b>TOTAL Units</b>	<b>140,056</b>
<b>TOTAL Weight</b>	<b>1,814 tons</b>



Electronic Goods Recycling Container

***We make RECYCLING easy!***

#### **Electronic Goods Recycling (EGR) Events**

**August Event will be held on:**

**Saturday, August 23, 2008**

**9:00am to 1:00pm**

**Event located on Rt. 202 in the Concord Mall Plaza parking lot, behind Best Buy.**

**September Event will be held on:**

**Saturday, September 27, 2008**

**9:00am to 1:00pm**

**Event located at Best Buy across from the Christiana Hospital.**

The Delaware Solid Waste Authority (DSWA), Best Buy stores, and Computer Donation Management (CDM) will be partnering for Electronic Goods Recycling (EGR) Drop-Off Events at your local Best Buy stores.

You can drop-off your household electronic goods to be recycled. Even better, Best Buy is offering a special promotion to you for doing it! When you drop-off electronic goods to be recycled, you will receive from Best Buy a coupon good for \$5.00 off a \$50.00 purchase, \$10.00 off a \$100.00 purchase, and \$25.00 off a \$250.00 purchase. Residents who are unable to attend these events can ALWAYS drop-off their electronic goods at one of the 24 DSWA Electronic Goods Recycling Drop-Off Centers located statewide.

If you have any questions about DSWA's Recycling Programs or for a list of the EGR Drop-Off Centers, please call the Citizens' Response Line 1-800-404-7080 or visit our web site at [www.dswa.com](http://www.dswa.com).



Recycling Drop-off Center with Electronic Goods Recycling Container

## Green Power in 2009



*Solar and wind powered repeaters at Jones Crossroads Landfill in Georgetown, Delaware.*



*Treated leachate fluid drains from the wetlands project to an existing storage lagoon.*

## Solar and Wind Power

The Delaware Solid Waste Authority (DSWA) has begun using solar and wind power to run several functions at different facilities. At the Jones Crossroads landfill, DSWA is utilizing solar and wind power to operate a repeater that sends information from the Computer Aided Earthmoving System (CAES) to a computer server at the Jones Crossroads office. The CAES is a landfill tool that provides operators the ability to efficiently use the landfill area. CAES uses GPS technology along with a wireless data radio communication network to send information to a computer that can help plan for future landfill usage. The repeater is used to extend the wireless data radio signal future, which helps cover a broader area.

The Sandtown Landfill is using solar energy to operate pumps on its wetlands project. This project, which began operation this year, uses constructed wetlands to treat the leachate generated by Area A/B, a closed area of the landfill. Leachate is the fluid in a landfill generated by rainfall and decomposition of landfilled materials. The project consists of a 3-cell vertical Wetland Biofilter System atop the landfill cell to treat leachate. The treated fluid drains to

an existing storage pond, which is covered and pumped from there to spray-irrigate the phyto-cap consisting of trees and plants.

DSWA is also using passive flares that can be ignited using solar power. These mobile units are set up to flare landfill gases when needed.



3-cell vertical Wetland Biofilter System at the Sandtown landfill.



Solar powered passive flare used to release built up landfill gases when needed.



Leachate is stored in a storage lagoon until used for spray irrigation.



Treated leachate from the storage lagoon is used to spray irrigate hybrid poplar and pine trees at the landfill.



Poplar trees growing at a DSWA landfill are irrigated by leachate from the landfills.

## Green Power in 2009



*DSWA's Green Power Project located at Cherry Island Landfill in Wilmington, Delaware.*



*Ameresco developed and operated gas plants at DSWA's Sandtown and Jones Crossroads Landfills, which produce enough Green Power to meet the annual electrical power needs of over 4,500 homes.*



## More Green Power Initiatives

On June 26, 2009 the Delaware Solid Waste Authority (DSWA) assumed direct operation of the landfill gas plant at the Cherry Island Landfill (CIL). The CIL generates landfill gas through naturally occurring biodegradation of the organics in the landfill. The gas plant collects and transmits the landfill gas to Conectiv's Edgemoor power plant to produce Green Power. The use of the CIL landfill gas to produce Green Power conserves fossil fuels, reduces emissions, and provides a source of renewable energy. The landfill gas generates enough Green Power to provide electricity for about 18,000 households in Delaware annually.

The CIL Green Power Project is owned by DSWA. However, California based Enpower Operations Corporation has operated the landfill gas plant for the past three years.

DSWA has partnered with Ameresco, an independent energy solutions company, since November of 2006 to provide the collection of landfill gas at both the Sandtown and Jones Crossroads Landfills. The two facilities eliminate as much as 60,000 tons of greenhouse gas emissions a year – the equivalent of removing more

than 60,000 cars from Delaware's roads and also produces 7.4 megawatts (MWs) of Green Power – enough to meet the annual power needs of over 4,500 homes. Since the opening of the landfill gas plants, DSWA has received the prestigious State Partner of the Year Award at the 10th Annual U.S. EPA Landfill Methane Outreach Program Conference.

This award was given in recognition of the superior innovative realization of environmental and economic benefits, and achievement in advancing landfill gas to energy projects.

*Sandtown and Jones Crossroads Landfills eliminate as much as 60,000 tons of greenhouse gas emissions a year – the equivalent of removing more than 60,000 cars from Delaware's roads.*

*Our landfills use the latest technologies to control odors and turn landfill gas (LFG) into a clean-burning fuel.*

Category/Facility	Cherry Island Landfill	Sandtown Landfill	Jones Crossroads Landfill
<b>Landfill Gas (in million cubic yards)</b>			
<b>Collected</b>	97.09	32.01	43.98
<b>Flared</b>	9.77	17.16	21.00
<b>Beneficially Used</b>	87.32	14.85	22.98
<b>Energy Value of LFG in BTUs Captured and Sold (barrels of oil equivalency)</b>	197,447	34,295	51,616



# Public Outreach in 2009

## Public Information Group Offers New Website Pages

In 2009 The Delaware Solid Waste Authority (DSWA) launched three new education website pages on the DSWA website. These pages are dedicated to public outreach and events that DSWA does for Delaware residents. The purpose of these pages is to provide an inside look at some of the events and presentations that the DSWA team works on throughout the year. There is also a page dedicated to the annual DSWA Earth Day Festival where site visitors can learn more about this special day. Residents interested in viewing these webpages can go to the DSWA website at [www.DSWA.com](http://www.DSWA.com) and click on the News, Notices, and Events tab on the left hand side. Then the educational tabs can be used to access these new links.



DSWA's website now features three new education pages at [www.DSWA.com](http://www.DSWA.com) dedicated to public outreach and events.



DSWA invites Delaware children K-5 to participate in an environmentally themed poster contest every year.

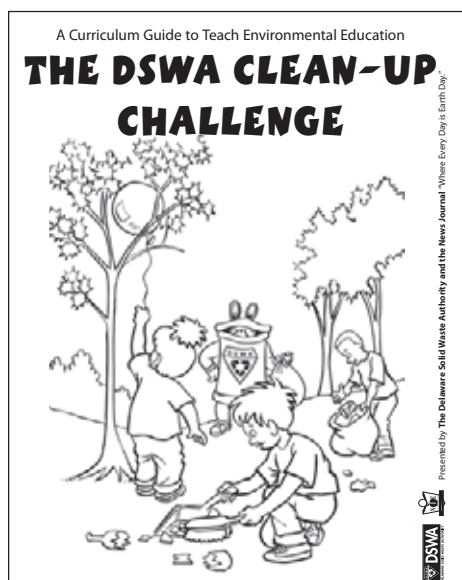
## Poster Contest 2009

Each year Trash Can Dan and the Delaware Solid Waste Authority (DSWA) invite Delaware students grades K-5 to participate in a poster contest. The theme for the contest places emphasis on a current environmental topic. The 2009 calendar's theme was, "How would you recycle your yard waste?" Winners are picked from each grade level and their artwork is displayed in the new calendar.

This year's theme is "What are you doing to be Green?" The best posters from each grade will be featured in our new 2010 calendar, which will be distributed throughout the state to educate others about the importance of recycling, composting, and controlling litter.



Trash Can Dan visited the 2008 Delaware State Fair. Trash Can Dan attended the fair on both Healthy Kids' Day and Governor's Day to visit with fair goers.



DSWA partners with The News Journal to create the Newspapers in Education (NIE) insert to assist teachers with environmental education.

## Newspapers in Education

DSWA once again partnered with The News Journal in 2009 to create the Newspapers in Education (NIE). This educational piece is given out to over 500 Delaware teachers. This is a resource that DSWA works on every year that focuses on current environmental topics and developing ways to assist teachers in educating students about this topic and much more. This year the format of the NIE was changed to make it easier for teachers to use the activities within the paper. The activities were put in more of a workbook format so that copies could be made to utilize activities. The NIE is one of the many ways in which DSWA assists teachers to educate children and to encourage environmentally friendly behaviors.



## Public Outreach in 2009

### *DSWA's Earth Day 2009*

DSWA's Earth Day Festival was held on Saturday, April 18, 2009 at Killens Pond State Park in Felton. The event was held from 10:00 a.m. to 3:00 p.m. This year's theme was "Do Your Part, Be Earth Smart!" This day focuses on the nationally celebrated Earth Day by bringing together exhibitors with environmentally friendly messages and activities. Booths at the festival ranged in topics from recycling to composting.

When children arrive at the festival, they receive an Earth Day Passport. They are able to follow their Earth Day Passport to various exhibitors in the park to learn more about Earth Day and the environment. DSWA then has an Earth Day

Festival Passport drawing in which winners who had completed their passports are chosen. The winners for the Earth Day Passport drawing were first place Abby Kenton of Harrington, second place Marissa Bieber of Rehoboth Beach, and third place Christopher Allen of Magnolia.

*DSWA's Earth Day Festival was held on Saturday, April 18, 2009 at Killens Pond State Park in Felton.*

First place received a computer, second place received a bike and a helmet, and third place received a \$50.00 bookstore gift certificate.

There were a lot of fun things for children to do such as inflatables and pony rides. There were also several different food booths with all proceeds going to various local groups and charitable organizations. Trash Can Dan always attends the festival to say hello to all the families that are there to support our environment. This year's event was a huge success with over 3,000 people in attendance. DSWA is looking forward to next year's event and many more successful events in the future.



*"Do Your Part,  
Be Earth Smart!"*



DSWA Public Information Coordinator, Sarah Burns, meets with staff before starting the ninth annual Earth Day Festival at Killens Pond State Park in Felton, Delaware.



DSWA Executive Secretary, Pam Williamson, explains the Earth Day Passport to a child attending the event at the registration booth.



Trash Can Dan stops by to say hello to children visiting the Earth Day Festival on the train rides.



DSWA Engineer, Bruce Hulman, works at the composting demonstration site with Master Composter, Hetty Franke. At this booth, children are able to learn how to compost.



Bruce "Little Drummer" Morris demonstrates Native American dancing at the Earth Day Festival. Little Drummer also teaches the children about respecting and honoring Mother Earth.



Earth Day Festival visitors stop by the Delaware Envirothon booth to get information about various environmental topics.

## Highlighting Compliance in 2009



Willie Brown,  
Manager of Licensing and Compliance



The Compliance Staff Meet at the DSWA's Administration Office

### DSWA's Compliance Officers are an essential component for a Safer and a Greener Delaware.

Delaware Solid Waste Authority (DSWA) Management decided in its earliest days that it should employ staff members dedicated to the enforcement of its regulations. DSWA Compliance Officers conduct inspections for the presence of prohibited materials, enforce facility operating rules, conduct investigations into the handling of solid waste, or misuse of a given site, such as Recycle Delaware Drop-off centers, which currently number (180), and the licensing of solid waste haulers operating in the state of Delaware.

From the early days of James J. (Jim) Daimus acting alone, DSWA Compliance has grown to a current staff of eight (8).

Compliance can be found conducting waste screening inspections at DSWA's three (3) municipal solid waste landfills (Cherry Island, Sandtown, and Jones Crossroads), Pigeon Point Landfill (closed for MSW, but accepts approved material for construction of its cap), and three (3) transfer stations (Pine Tree Corners, Milford, and Route 5). During FY '09, Compliance inspected more than twenty-five thousand loads (25,000) delivered to the sites listed previously.

Working in close conjunction with other staff members, and/or contractor employees, Compliance inspections have led to the discovery of prohibited materials (i.e., biomedical, asbestos, wastes requiring special handling, etc). Investigative reports related to those discoveries have assisted in the formulation of rules regarding the proper disposition of questioned and/or prohibited materials.

Compliance is responsible for the licensing of solid waste haulers statewide. That number will likely approach one hundred (100) this year, when the 2009 regulation changes are fully implemented. The vehicles operated by licensed haulers delivered about 82% of the wastes received at DSWA facilities during the past fiscal year.

To assist in providing correct information about transactions, Compliance provides identification stickers to more than 4,500 vehicles. A Radio Frequency Identification (RFID) Tag System supplements the vehicle identification stickers. RFID tags have been assigned to more than 1,400 vehicles and is in use at the Cherry Island Landfill.

As Compliance worked to fulfill its mission within DSWA during fiscal year 2009, it was confronted with one of the facts of life. Compliance Officer II, Anthony L. (Tony) Harper, contracted an illness for which a cure is yet to be discovered. Tony, a friend to many, and coworker reported for work until his illness prevented it. He remained mentally determined to overcome and witness his young daughters grow into women and productive members of society, as he had taught them. Tony's passing was heartfelt by the DSWA Family; he is missed.



Anthony L. (Tony) Harper



# Highlighting Compliance in 2009

## Why Do We Need Compliance Officers?

Below are a few photographs of items they discovered and were removed for proper disposal elsewhere.



DSWA Compliance Officer inspecting medical waste.



Asbestos Shingles



Syringes and Medical Waste



Bio-Medical Waste

## Anthony L. (Tony) Harper 1960–2009

In the Spring of fiscal year 2009, DSWA said goodbye to a dear friend, Tony Harper. Tony joined DSWA almost five years ago and served as a compliance officer. Not only was Tony a dedicated employee and great coworker but he was a true friend to many at DSWA. We all miss him greatly.



# Household Hazardous Waste Collection



## Household Hazardous Waste Recycling

During fiscal year 2009 the Delaware Solid Waste Authority (DSWA) provided eight Household Hazardous Waste (HHW) Collection Events for Delaware residents. These events are scheduled for Delaware residents to bring HHW at no cost. Items accepted through this program include full aerosol cans, bleach, fluorescent light bulbs, oil-based paints, stains, pesticides, pool chemicals, gasoline, auto batteries, and other hazardous materials from Delaware households. DSWA's HHW Contractor, Clean Harbors Inc., provides the collection service, sorts, and packages the material, which is then transported to a facility for proper disposal. These events continue to be popular and successful with Delaware residents. This past year, 176,859 lbs. of HHW was collected from 2,822 participants.

*Each year DSWA has regularly scheduled HHW events throughout the state of Delaware. This event is free to Delaware residents.*

### Household Hazardous Waste Collection

HHW Events	Pounds	Vehicle Totals
August 2008 Elsmere - special event	41,392	225
September 2008 Old Curtis Paper Mill site	41,392	889
October 2008 Cheswold Collection Station	12,499	167
November 2008 Frawley Stadium	41,402	645
March 2009 Frawley Stadium	32,065	517
April 2009 Pine Tree Corners Transfer Station	16,476	192
May 2009 Jones Crossroads Landfill	16,755	187
June 2009 University of Delaware - special event	461	0
<b>TOTAL</b>	<b>176,859</b>	<b>2,822</b>

#### HHW Event - Resident Tips:

- Bring materials in original, sealed containers.
- Do not mix products in one container.
- To prevent leakage or breakage, pack separately in absorbent material, or triple bag.
- Bring rags to clean up any spills and dispose of rags at the collection site.



If you have any questions about Delaware Solid Waste Authority's Curbside Recycling Program or any other program, please call the CITIZENS' RESPONSE LINE

**1-800-404-7080**

or visit our website at [www.dswa.com](http://www.dswa.com).



#### KENT COUNTY

October 4, 2008 • 8 am - 4 pm

Cheswold Collection Station, Cheswold, DE

DSWA operates a Household Hazardous Waste Collection Program **FREE** for all Delaware residents.



**Rain or Shine!**



**Delaware Solid Waste Authority**  
operates a Household Hazardous Waste & Electronic Goods  
Recycling Collection Program **FREE** for all Delaware residents.

next **KENT COUNTY** collection event...

**October 3, 2009 8 a.m. - 4 p.m.**

**Cheswold Collection Station, Cheswold, DE**

For questions about Delaware Solid Waste Authority's programs, please call the CITIZENS' RESPONSE LINE 1-800-404-7080. For a list of additional Electronic Goods Recycling locations, please visit [www.dswa.com](http://www.dswa.com).

### Single-Stream is here!



All materials below can be put together inside a 65-gallon wheeled cart for curbside pick-up or dropped off at a DSWA Drop-off Center.

- ✓ **Paper:** Paper, & junk mail, newspapers, phone books, office paper, flyers, catalogs, magazines, wrapping paper
- ✓ **Paperboard:** Cereal boxes & tissue boxes
- ✓ **Plastic Narrow-Neck Bottles:** Plastic milk jugs, soda, detergent & shampoo bottles, plastic bags
- ✓ **Cans:** Aluminum & steel cans, empty aerosol cans, food & beverage cans, pet food cans
- ✓ **Glass:** Clear, green, & brown glass containers
- ✓ **Corrugated Cardboard**



DELAWARE SOLID WASTE AUTHORITY  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Delaware Solid Waste Authority  
Dover, Delaware

We have audited the accompanying statements of net assets of Delaware Solid Waste Authority as of June 30, 2009 and 2008, and the related statements of revenues and expenses and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the DSWA's management. 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delaware Solid Waste Authority as of June 30, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of operating revenues and expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Management's Discussion and Analysis on pages 2 through 7 is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Elko & Associates Ltd*

September 14, 2009

## Management's Discussion and Analysis

The Management of the Delaware Solid Waste Authority (DSWA) presents the readers of our financial statements the following overview and analysis of the financial activities of the DSWA for the fiscal years ended June 30, 2009 and 2008. We encourage readers to consider the information presented here in conjunction with the accompanying financial statements and notes to the financial statements.

### The Reporting Entity

The DSWA is a body politic and corporate created in 1975 by an act of the Delaware Legislature and is a public instrumentality and political subdivision of the State of Delaware (the "State"). The DSWA is responsible for implementing solid waste disposal, recycling and resources recovery systems, facilities and services. Revenues generated by DSWA operations, primarily disposal fees, provide for the support of the DSWA and its operations on a self-sustaining basis. The State provides no revenues to the DSWA. In carrying out its mission, the DSWA utilizes private industry in the construction and operation of solid waste disposal and transfer facilities and the operation of various segments of its recycling programs. The DSWA is authorized to issue bonds to finance its activities.

The DSWA is governed by a seven member Board of Directors appointed by the Governor with the advice and consent of the Senate. The Chairman of the Board of Directors is designated by and serves at the pleasure of the Governor.

### Budgetary and Accounting Controls

The DSWA adopts an annual operating budget as a financial plan for the year. Actual operating results are monitored on a monthly basis and compared to the adopted budget so that variances can be identified and analyzed. Budgetary compliance is reported to the Board of Directors on a monthly basis. The DSWA's accounting records are maintained on the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recorded as liabilities when incurred, without regard to receipt or payment of cash. Current controls provide reasonable assurance that the DSWA's assets are properly recorded and protected and that the financial data may be used with confidence in the preparation of historical reports and projections. Accounting controls, which are reviewed regularly by staff, are maintained by segregation of duties and physical and data security systems in all areas of recordkeeping, billing, cash receipts, disbursements and purchasing authority.

### Cash Management

Wilmington Trust Company under an Investment Management Agreement that includes the State of Delaware, Delaware State Housing Authority and the Delaware Transportation Trust manages the DSWA's Operations Cash and Cash Reserves. The majority of funds are invested in United States Government Backed Fixed Income Securities, AA or better Corporate Securities and U.S. Government Sub-Agency Securities. A Repurchase Agreement Account is maintained to provide daily liquidity for DSWA's Disbursement Account. Current safekeeping and delivery arrangements are felt by management to provide appropriate security for the DSWA's investments.



## Risk Management

The DSWA maintains a comprehensive package of property and liability insurance relevant to its operations. For Worker's Compensation Insurance, the DSWA participates in the State of Delaware's plan. Since, by law, the DSWA can sue and be sued, it purchases Coverage B for Workmen's Compensation on the open market. A safety program including safety regulations, first aid training, and driver safety classes is actively administered and enforced to minimize exposures and manage incidents.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the DSWA's basic financial statements. Since the DSWA is engaged only in business-type activities, its basic financial statements are comprised of only two components: 1) Enterprise Fund Financial Statements and 2) Notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Enterprise Fund Financial Statements are designed to provide readers with a broad overview of the DSWA's finances in a manner similar to a private sector business.

The Statement of Net Assets presents information on the DSWA's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the DSWA is improving or deteriorating.

The Statement of Revenues and Expenses and Changes in Net Assets presents information showing how the DSWA's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The Statement of Cash Flows presents the change in the DSWA's cash and cash equivalents during the period being reported. This information can assist the user of the report in determining how the DSWA financed its activities and how it met its cash requirements.

The basic Enterprise Fund Financial Statements can be found on pages 8 through 12 of this report.

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 13 through 25 of this report.

## Financial Highlights

- The DSWA's assets exceeded its liabilities (net assets) by approximately \$142.9 million and \$146.2 million at the close of fiscal years 2009 and 2008, respectively. This represents a decrease of approximately \$3.3 million (2.3%) in net assets in 2009 over the previous year.
- Total operating revenue decreased by approximately \$8.0 million or 13% less than the previous year. Net user fees reported in this item are net of the Differential Disposal Fee Program rebates of approximately \$8.7 million in 2009 and \$10.1 million in 2008 (see Note 9). Other income includes \$2.0 million from the sale of Marketable Recyclables in 2009 compared to \$4.1 million in 2008.

- Total operating expenses for 2009 decreased by a net \$3.5 million or 6.2% from the previous year.
- An operating loss of \$0.6 million was experienced versus the prior year restated operating income of \$3.9 million.
- Total net nonoperating revenues for 2009 were \$2.7 million compared to \$1.8 million in 2008.
- DSWA issued Revenue Bonds in December 2006 to finance the expansion of the Cherry Island Landfill and provide for the design of future cells at the Sandtown Landfill and the Jones Crossroads Landfill. These bonds were issued for \$95.7 million with final maturity in 2026 (see Note 6).

#### Summary of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of DSWA's financial position. The DSWA's net assets decreased during fiscal year 2009 by \$3,326,281, and increased during fiscal years 2008 and 2007 by \$814,208 and \$6,120,108, respectively. A condensed summary of DSWA's net assets for the three years being reported is presented below:

	Net Assets		
	2009	2008 *	2007 *
Current and Other Assets	\$ 129,997,469	\$ 150,435,230	\$ 184,926,062
Capital Assets	174,168,257	162,234,014	132,117,433
<b>Total Assets</b>	<b>304,165,726</b>	<b>312,669,244</b>	<b>317,043,495</b>
Current Liabilities	26,000,345	28,500,661	30,918,667
Long-Term Obligations	135,284,161	137,961,082	140,731,535
<b>Total Liabilities</b>	<b>161,284,506</b>	<b>166,461,743</b>	<b>171,650,202</b>
Net Assets:			
Invested in Capital Assets	126,128,200	129,794,850	120,159,353
Unrestricted	16,096,950	15,918,505	24,557,165
Restricted	656,070	494,146	676,775
<b>Total Net Assets</b>	<b>\$ 142,881,220</b>	<b>\$ 146,207,501</b>	<b>\$ 145,393,293</b>

\* As restated, see Note 12

Net assets invested in capital assets represents the DSWA's investment in capital assets (e.g., land, land improvements, buildings and equipment). The DSWA uses these capital assets to provide services to its customers and consequently, these assets are not available for future spending. The DSWA is bound by the provisions of the Indenture under the issuance of the 2006 Series Solid Waste System Revenue Bonds that established various funds administered by the Trustee and certain funds to be administered by DSWA. The unrestricted funds administered by DSWA can be used to fund Capital Improvement Projects and other operating costs. Restricted net assets are limited to outside third-party restrictions and represent the net assets that have been legally identified for specific purposes.

Summary of Revenues and Expenses and Changes in Net Assets

Summary of revenues and expenses and changes in net assets for the years ended June 30, 2009, 2008, and 2007 is presented below:

	Change in Net Assets		
	2009	2008 *	2007 *
Operating Revenues			
Net User Fees: Solid Waste	\$ 46,685,691	\$ 53,002,965	\$ 56,617,195
L/F Gas Marketing Income	3,975,930	3,830,969	2,912,168
Marketing Income Recyclables	2,027,699	4,060,864	3,159,500
Other Income	384,944	151,772	110,949
<b>Total Operating Revenues</b>	<b>53,074,264</b>	<b>61,046,570</b>	<b>62,799,812</b>
Operating Expenses			
Salaries and Related Costs	11,771,157	11,688,180	10,809,687
Contractual Services	23,529,322	26,784,117	30,047,253
Depreciation	9,585,079	8,592,434	7,047,588
Landfill Closure	1,973,287	1,373,821	5,635,361
Other Expenses	6,792,331	8,757,014	7,963,209
<b>Total Operating Expenses</b>	<b>53,651,176</b>	<b>57,195,566</b>	<b>61,503,098</b>
Operating Income (Loss)	(576,912)	3,851,004	1,296,714
Net Nonoperating Revenues	2,692,640	1,752,355	4,823,392
Income Before Special Items	<b>2,115,728</b>	<b>5,603,359</b>	<b>6,120,106</b>
Special Items - Impairment Loss	<b>4,492,009</b>	<b>4,789,151</b>	-
Contract Termination	<b>950,000</b>	-	-
Increase (Decrease) in Net Assets	<b>(3,326,281)</b>	<b>814,208</b>	<b>6,120,106</b>
Net Assets - Beginning of Year	146,207,501	145,393,293	139,273,187
Net Assets - End of Year	<b>\$ 142,881,220</b>	<b>\$ 146,207,501</b>	<b>\$ 145,393,293</b>

\* As restated, see Note 12

Capital Asset Activity

Provides a summary of the significant changes in capital assets for the year ended June 30, 2009. The following is a description of the major items affecting the year-end balances (see Note 4 – Capital Assets).

- Construction in Progress
 

Increases: Cherry Island Landfill Expansion - \$18,087,321, Site Improvements at the Delaware Recycling Center - \$107,220, Area F at Sandtown Landfill - \$286,048, Construction of Landfill Gas System at Sandtown Landfill - \$275,363, Jones Crossroad Landfill Cell I & II Capping - \$201,871.
- Depreciable Capital Assets
 

Increases: Operational Vehicles - \$352,231, Heavy Construction Equipment and Processing Equipment - \$170,773.

Decreases: Equipment sale - \$45,000; Retirement of fully depreciated assets - Land Improvements - \$307,117, Building & Improvements - \$76,989, Equipment - \$748,062, and Vehicles - \$12,694.



## Review of Operations

**Landfill Operations.** During the fiscal year 2009, the DSWA's three operating landfills managed the safe disposal or recycling of 922,488 tons of waste compared to 1,069,079 tons during the previous year. Of the total waste received, dry waste, which includes construction and demolition waste, of 139,726 tons was received in fiscal year 2009 as compared to 161,217 tons in the previous year. 26,602 tons of the dry waste received during fiscal year 2009 was recycled into an alternate material used for soil cover at the landfills. In addition, 1,186 tons of tires were recycled as either tire derived fuel or consumer products. A total of 11,286 tons of yard waste was received and recycled as mulch or compost. Of this total, 7,617 tons was sent to the market and 3,669 tons was used as alternative material for soil amendment at the landfills. The user fee for solid waste and dry waste remained at \$61.50/ton and \$42.00/ton (Kent and Sussex Counties only), respectively, for the fourth consecutive year. They are scheduled to remain at these rates for one more year, i.e., until July 1, 2010.

**Transfer Stations.** During the fiscal year 2009, the DSWA's Pine Tree Corners, Milford and Route 5 Transfer Stations received and transferred 203,483 tons of solid waste. Pine Tree Corners Transfer Station and Milford Transfer Station sent their waste to the Sandtown Landfill for disposal. The Route 5 Transfer Station sent its waste to the Jones Crossroads Landfill for disposal.

**Collection Stations.** The DSWA's five collection stations located in Kent and Sussex Counties continued to provide disposal services to residents for bagged household waste at the rate of \$1/bag. A total of 52,876 customers disposed 83,885 bags of household waste during fiscal year 2009.

**Recycling.** During the fiscal year 2009, the DSWA's Drop Off Center Program collected 22,244 tons of recyclables from its 180 sites. The Oil Filter Program marketed 436 tons of oil filters collected statewide. The Electronic Goods Program collected 1,814 tons of electronic goods for recycling. DSWA's Residential Curbside Collection Program had substantial growth during the fiscal year. The number of subscribers increased from 35,000 on July 1, 2008, to 45,662 on June 30, 2009. The Household Hazardous Waste Program conducted eight special collection events in various locations statewide. Over 176,859 pounds of material were collected and recycled or safely disposed.

**Major Operational Changes.** Early in the fiscal year it became evident that tonnage was dropping significantly (i.e., 13.7% lower than previous year). In response to the related revenue reduction, the following cost cutting and revenue-enhancing changes were made during the 2009 fiscal year:

- The operating budget was reduced during the second quarter to a level supported by a waste stream of 900,000 tons, rather than the budgeted 1,000,000 tons.
- The Residential Curbside Collection Program began increasing fees for contract customers.
- Continued the policy to not accept Construction and Demolition (C&D) waste at any of the DSWA Transfer Stations. Customers must deliver C&D waste directly to DSWA's landfills.
- Several large construction projects were either cancelled or pushed out to future years.
- Major equipment purchases were postponed to future periods.
- A reduction in the total number of employees was affected via a combination of attrition, reorganization of activities and some layoffs.
- The contract with Enpower for the management and operation of the Cherry Island landfill gas plant was terminated [see Note 11] which will result in a significant cost savings, while improving the overall operational control of the landfill gas plant to produce Green Power.

Implementation of the above-described operational changes had a significant positive impact on operational efficiencies and cost savings/revenue enhancements.

**Plans for the Future.** The DSWA issued solid waste system revenue bonds in December 2006 to finance the expansion of the Cherry Island Landfill and provide for the design of additional landfill cells at the Sandtown and Jones Crossroads Landfills. The issue was \$95,715,000 with a final maturity in 2026. Another financing instrument will be issued in 2010 to finance the construction of new landfill cells at Sandtown and Jones Crossroads. We anticipate that this new financing instrument will have a maturity of twelve (12) years.

During the several years leading up to the current national recession, the State of Delaware was experiencing a consistent economic growth throughout the state. A growth in population, construction of new housing and commercial development had caused a significant increase in the solid waste stream managed by DSWA. From the mid-point of 2007 through June 30, 2009, the impact of the current national recession has resulted in a dramatic reduction in Delaware's solid waste quantities, the primary source of revenue for the DSWA. In response, DSWA began a program to reduce costs and increase revenues. It is anticipated that the solid waste tonnage will not show growth for several years until the national economic situation improves. DSWA has taken, and will continue to take, a conservative approach when developing future budgets.

The DSWA will continue to closely monitor the waste and recyclables it receives to make changes to its operations and fees as necessary to carry out its mission. Several Capital Improvement Projects have been deferred until better economic times are present. Nonetheless, the absolutely necessary construction projects will move forward. These include the Cherry Island Landfill expansion, which is approximately 64% complete, and the Sandtown and Jones Crossroads Landfill expansions, which have been designed and are in the permitting stage. Construction is expected to take place in the second quarter of calendar year 2010.

This financial report is designed to provide its readers with an overview of the DSWA finances and to show DSWA's accountability for safeguarding the funds it receives and disburses in the course of conducting its business. If you have any questions concerning this report or need additional financial information, please contact:

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Respectfully submitted,

*John J. Lechner*

John J. Lechner  
Chief Financial Officer

**DELAWARE SOLID WASTE AUTHORITY**  
**STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS**

	FOR THE YEARS ENDED JUNE 30,	
	2009	2008
	RESTATED	
<b>OPERATING REVENUES</b>		
Net user fees: solid waste	\$ 46,685,691	\$ 53,002,965
Landfill gas	3,975,930	3,830,969
Other income	2,412,643	4,212,636
Total Operating Revenues	53,074,264	61,046,570
<b>OPERATING EXPENSES</b>		
Salaries and related costs	11,771,157	11,688,180
Professional services	1,842,888	2,022,452
Travel	81,062	103,766
Supplies and materials	2,882,707	4,539,052
Utilities	1,985,674	2,091,744
Contractual services	23,529,322	26,784,117
Closure and post closure care of landfills	1,973,287	1,373,821
Depreciation expense	9,585,079	8,592,434
Total Operating Expenses	53,651,176	57,195,566
OPERATING INCOME (LOSS)	(576,912)	3,851,004
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Net investment income	4,925,434	4,742,184
Bond interest expense	(2,135,746)	(3,051,548)
Other nonoperating expenses	(97,048)	61,719
Net Nonoperating Revenues	2,692,640	1,752,355
INCOME BEFORE SPECIAL ITEMS	2,115,728	5,603,359
<b>SPECIAL ITEMS</b>		
Impairment loss	4,492,009	4,789,151
Contract termination	950,000	-
Total Special Items	5,442,009	4,789,151
INCREASE (DECREASE) IN NET ASSETS	(3,326,281)	814,208
<b>NET ASSETS - BEGINNING OF YEAR</b>	146,207,501	145,393,293
<b>NET ASSETS - END OF YEAR</b>	\$ 142,881,220	\$ 146,207,501

The accompanying Notes are an integral part of these statements.



**DELAWARE SOLID WASTE AUTHORITY**  
**STATEMENTS OF NET ASSETS**

	JUNE 30,	
	2009	2008
	RESTATED	
ASSETS		
CURRENT ASSETS		
Unrestricted Current Assets:		
Cash and cash equivalents - Note 2	\$ 1,165,261	\$ 1,892,573
Investments - Note 3	15,247,589	6,929,312
Accounts receivable (net of allowance for doubtful accounts of \$100,000 and \$25,000, respectively)	5,117,701	5,735,538
Interest receivable	768,856	848,432
Prepayments and miscellaneous receivables	202,477	453,861
Total Unrestricted Current Assets	22,501,884	15,859,716
Restricted Current Assets:		
Investments - Note 3	63,150,815	86,422,018
Total Current Assets	85,652,699	102,281,734
NONCURRENT ASSETS		
Unrestricted Noncurrent Assets:		
Investments - Note 3	7,211,895	12,429,174
Capital Assets - Note 4		
Land	24,233,407	24,233,437
Land improvements	147,145,885	147,410,758
Buildings	41,809,184	41,843,754
Equipment and furniture	18,135,171	18,757,459
Vehicles	5,450,931	5,111,394
Total	236,774,578	237,356,802
Less: Accumulated depreciation	141,029,605	132,576,112
	95,744,973	104,780,690
Construction in progress - Note 4	78,423,284	57,453,324
Total Capital Assets	174,168,257	162,234,014
Other Assets - Note 1		
Bond issuance costs, net of accumulated amortization of \$117,046 and \$70,760, respectively - Note 6	783,057	829,343
Customer list	-	4,492,009
Total Other Assets	783,057	5,321,352
Restricted Noncurrent Assets:		
Investments - Note 3	36,349,818	30,402,970
Total Noncurrent Assets	218,513,027	210,387,510
TOTAL ASSETS	\$ 304,165,726	\$ 312,669,244

The accompanying Notes are an integral part of these statements.

	JUNE 30,	
	2009	2008
	RESTATED	
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 5,878,979	\$ 8,373,205
Contracts payable, including retainage	3,809,433	3,484,392
Refundable security deposits	73,191	66,929
Accrued compensation	1,307,975	1,029,512
Current portion of bonds payable - Note 6	3,910,256	3,763,643
Current portion of lease payable	6,509	33,190
Accrual for landfill closure and post closure care costs - Note 5	442,000	306,000
Contract rebate payable - Note 9	8,725,590	10,118,887
Total Current Liabilities	24,153,933	27,175,758
CURRENT LIABILITIES (Payable From Restricted Assets)		
Arbitrage payable - Note 11	1,846,412	1,324,903
NONCURRENT LIABILITIES		
Bonds payable - Note 6	89,879,047	93,929,498
Deferred revenues - Note 7	905,514	903,889
Lease payable, net of current portion	-	12,723
Accrued landfill closure and post closure care costs - Note 5	44,499,600	43,114,972
Total Noncurrent Liabilities	135,284,161	137,961,082
Total Liabilities	161,284,506	166,461,743
NET ASSETS		
Invested in capital assets, net of related debt and accumulated depreciation	126,128,200	129,794,850
Unrestricted	16,096,950	15,918,505
Restricted	656,070	494,146
Total Net Assets	142,881,220	146,207,501
TOTAL LIABILITIES AND NET ASSETS	\$ 304,165,726	\$ 312,669,244

The accompanying Notes are an integral part of these statements.

**DELAWARE SOLID WASTE AUTHORITY**  
**STATEMENTS OF CASH FLOWS**

	FOR THE YEARS ENDED JUNE 30,	
	2009	2008
	RESTATED	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 46,169,502	\$ 52,561,703
Cash paid to suppliers	(33,932,902)	(38,989,573)
Cash paid to employees	(11,492,694)	(11,528,225)
Landfill gas marketing revenues	3,975,930	3,830,969
Other operating revenues	2,412,643	4,212,636
Net Cash Provided by Operating Activities	7,132,479	10,087,510
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	4,943,840	6,894,457
Decrease in investments	14,806,036	27,010,173
Other investing income (expense)	(71,883)	795,487
Net Cash Provided by Investing Activities	19,677,993	34,700,117
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Payments for debt service requirements	(3,763,643)	(3,630,358)
Interest paid on bonds	(4,110,070)	(4,238,930)
Cash payments for capital assets	(19,696,071)	(37,635,666)
Proceeds from sale of capital assets	32,000	-
Net Cash Used in Capital and Related Financing Activities	(27,537,784)	(45,504,954)
<b>NET DECREASE IN CASH</b>	(727,312)	(717,327)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	1,892,573	2,609,900
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,165,261	\$ 1,892,573

The accompanying Notes are an integral part of these statements.



**DELAWARE SOLID WASTE AUTHORITY**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**

**RECONCILIATION OF OPERATING INCOME (LOSS) TO  
NET CASH PROVIDED BY OPERATING ACTIVITIES**

	FOR THE YEARS ENDED	
	JUNE 30,	
	2009	2008
	RESTATED	
OPERATING INCOME (LOSS)	\$ (576,912)	\$ 3,851,004
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	9,585,079	8,592,434
Contract termination	(950,000)	-
Decrease in accounts receivable	617,837	704,135
(Increase) decrease in prepayments and miscellaneous receivables	251,384	(320,108)
Decrease in accounts payable	(2,494,227)	(3,980,190)
Increase in contracts payable	325,041	1,020,118
Increase in refundable security deposits	6,262	2,300
Increase in accrual for compensation	278,463	159,955
Increase (decrease) in leases	(39,404)	45,913
Increase in accrued closure and post closure care of landfills	1,520,628	839,538
Decrease in contract rebate payable	(1,393,297)	(832,568)
Increase in deferred revenue	1,625	4,979
Total Adjustments	7,709,391	6,236,506
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 7,132,479</b>	<b>\$ 10,087,510</b>

**SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND  
RELATED FINANCING ACTIVITIES**

Amortization of bond issue costs	\$ 46,286	\$ 46,286
Net accretion of premium/discount on bonds	500,451	516,692
Loss on disposition of capital assets	25,163	17,271
Impairment loss	4,492,009	4,789,151
Unrealized gain (loss) on investments	419,100	(1,625,447)
Realized gain on sale of investments	163,578	287,689
Capitalized interest	1,880,414	1,090,619

The accompanying Notes are an integral part of these statements.

**DELAWARE SOLID WASTE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

**NOTE 1 - Summary of Significant Accounting Policies**

**(A) Reporting Entity**

The Delaware Solid Waste Authority (the "DSWA") is a body politic and corporate constituting a public instrumentality of the State of Delaware established and organized in 1975 under Delaware Code, Title 7, Chapter 64.

The DSWA has been designated by the State of Delaware, under this act, as the sole entity, governmental or private, with the responsibility for planning and implementing solid waste and resource recovery programs and facilities throughout Delaware in accordance with the Statewide Plan for Solid Waste Management.

The DSWA is governed by a Board of Directors consisting of seven directors, who are appointed by the Governor with the advice and consent of the Senate.

Currently, the DSWA operates solid waste management facilities in each of Delaware's three counties and it has consolidated the financing and operation of its solid waste disposal facilities into a unitary Statewide system.

**(B) Basis of Presentation**

The DSWA operates as an enterprise activity and its accounts are maintained on the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recognized when incurred. The DSWA follows all applicable pronouncements of the Governmental Accounting Standards Board (GASB) and those of the Financial Accounting Standards Board (FASB) issued before November 30, 1989 unless these pronouncements conflict with or contradict GASB pronouncements.

The DSWA distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing goods in connection with the DSWA's principal ongoing operations. The principal operating revenues of the DSWA are charges to residents and customers for waste disposal and collection of recyclables and the revenues from the sale of processed recyclable materials. Operating expenses include the cost of waste disposal, recyclable collection and processing services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**(C) Cash and Cash Equivalents**

The DSWA's cash and cash equivalents consist of cash on hand and demand deposits.

For purposes of determining cash equivalents, the DSWA has defined its policy concerning the treatment of short-term investments to include investments with a maturity of three months or less when purchased, as cash equivalents if management does not plan to reinvest the proceeds. Short-term investments that management intends to rollover into similar investments are considered part of the investment portfolio and are classified as investments.

**(D) Restricted Assets**

Restricted assets of the DSWA represent bond proceeds restricted for construction, and other amounts legally required by the DSWA's bond covenants and trust indenture to be set aside for debt service, customer deposits, operations, renewal and replacement and capital improvements. Restricted resources are used first to fund expenses incurred for restricted purposes.

**DELAWARE SOLID WASTE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

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NOTE 1 - Summary of Significant Accounting Policies - continued

(E) Capital Assets

Capital assets, which include property, plant and equipment are reported in the financial statements. Capital assets are defined by the DSWA as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are valued at their historical costs.

The costs of normal maintenance and repairs that do not add value to the assets or materially extend the assets' lives, are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Depreciation is computed over the estimated useful lives of the assets using the straight-line method and is charged to operating expenses. The following useful lives are used to compute depreciation:

Land improvements	3 - 20 years
Buildings	5 - 40 years
Equipment and furniture	3 - 20 years
Vehicles	3 - 5 years

Depreciation of landfill cell development and site costs is recorded based on remaining units of capacity. Total depreciation expense for the years ended June 30, 2009 and 2008 was \$9,585,079 and \$8,592,434, respectively.

(F) Other Significant Accounting Policies

Accounts receivable are shown net of an allowance for the estimated portion that is not expected to be collected. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

(G) Other Assets

Goodwill, customer list and bond issuance costs, net of accumulated amortization, are reported in other assets. Goodwill represents the excess of the cost of an acquisition over the fair value of net assets acquired. On an annual basis, both goodwill and the customer list are tested for impairment and adjusted to reflect any impairment loss. The DSWA incurred impairment losses of \$4,492,009 and \$4,789,151 for the years ended June 30, 2009 and 2008, respectively. The 2008 impairment loss resulted in the complete write off of the remaining Goodwill balance of approximately \$871,000.

Bond issuance costs are amortized on a straight-line basis over its estimated useful life.

**DELAWARE SOLID WASTE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

NOTE 1 - Summary of Significant Accounting Policies - continued

(H) Compensated Absences

Vacation and sick leave pay are recorded as an expense when earned by the DSWA's employees. As of June 30, 2009 and 2008, accrued vacation and sick leave aggregated \$806,246 and \$661,722, respectively, this resulted in a net increase of \$144,524 which is reflected in salaries and related costs in the current year. Accrued vacation and sick leave are based on the following criteria.

Employees' unused vacation leave is accumulated to a maximum of two years earned. Upon retirement or termination, employees are paid for all unused accumulated vacation leave at their final rate of pay. The accrued liability is based upon the full amount of accumulated vacation leave.

Employees' unused accumulated sick leave can be used up to the total amount accumulated for future sickness. In the event of termination due to lack of work, employees hired after January 1, 1992 will be paid at the rate of one day for every two days accumulated to the maximum of 90 days at their final rate of pay. In the event of death, employees hired after January 1, 1992 will be paid at the rate of one day for each day accumulated to the maximum of 90 days at their final rate of pay. Employees hired before January 1, 1992 will be paid for every day accumulated with no limitation, at their final rate of pay. Upon retirement, payment shall be made at the rate of one day per each day of unused sick leave accumulated to the maximum of 90 days for all employees despite their hire date. Upon voluntary termination, the employee will forfeit all accumulated sick leave. The DSWA has consistently accrued sick leave for only those employees for whom retirement is impending. The accrued liability is based upon the sick leave that would be paid upon impending retirement only.

(I) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

(J) Net Assets

Net assets are the difference between assets and liabilities. Net assets invested in capital assets represent capital assets, less accumulated depreciation and reduced by the net bonds payable (bonds payable less unspent bond proceeds).

Unrestricted net assets represent the net assets available to finance future operations or available to be returned through reduced tip fees or rebates. The Board of Directors of the DSWA may designate unrestricted net assets for special purposes.

Restricted net assets are limited to outside third party restrictions and represent the net assets that have been legally identified for specific purposes.

(K) Closure and Post Closure Obligations

The DSWA records all estimated closure costs for existing cells as a liability. Upon final closure of the landfill site, the DSWA is then responsible, under current Federal regulations, for maintaining the closed site for the following thirty years.



**DELAWARE SOLID WASTE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

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NOTE 1 - Summary of Significant Accounting Policies - continued

(L) Reclassifications

Certain of the amounts previously reported in the financial statements for the prior year have been reclassified to conform with the current year classifications.

NOTE 2 - Cash and Cash Equivalents

The DSWA follows the "Statement of Objectives and Guidelines for the Investments of the State of Delaware", of the State's Cash Management Policy Board (the Board). The Board, created by State law, establishes policies for, and the terms, conditions, and other matters relating to, the investment of all money belonging to the State with certain limited exceptions. The State's Cash Management Policy is available on the Internet at <http://treasurer.delaware.gov/information/documents/CMPBInvestmentGuidelines-July2008.pdf>.

Custodial credit risk is the risk that in the event of a bank failure, the DSWA's deposits may not be returned to it. In accordance with the State's Cash Management Policy, the DSWA deposits its funds with financial institutions that comply with the requirements of Delaware Statutes and have been designated as a qualified public depository by the State Treasurer. Under the Statute, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral with a fair value equal to a percentage of the average daily balance of all government deposits in excess of federal deposit insurance. As of June 30, 2009, the DSWA's bank balances were not exposed to custodial credit risk.

NOTE 3 - Investments

In accordance with the DSWA's investment policy, investment purchases were limited to U.S. Government Securities, U.S. Government Agency Securities, Mortgage-Backed Securities and Corporate Debt Instruments with a rating of AA or better at the time of purchase. As of June 30, 2009, the DSWA was in compliance with the investment policy.

Custodial credit risk is defined as the risk that the DSWA may not recover the securities held by another party in the event of a financial failure. The DSWA's investment policy for custodial credit risk requires all investment securities to be held in the DSWA's name by a third-party safekeeping institution. All investments are considered fully insured or collateralized.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Wilmington U.S. Government Mutual Funds have a weighted average maturity of less than one year, resulting in minimal interest rate risk. The investment in U.S. Treasury Obligations, U.S. Government Agency Bonds and Notes and Corporate Bonds and Notes is subject to interest rate risk as a function of the length of time to maturity. The scheduled maturities of investments at June 30, 2009 are summarized below.

Credit risk is the risk that an issuer will not fulfill its obligations while concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. As indicated above in Note 2, the DSWA follows the "Statement of Objectives and Guidelines for the Investments of the State of Delaware", of the State's Cash Management Policy Board (the Board). The policy addresses credit risk as well as concentration of credit risk by not only limiting allowable investments but also by limiting the maximum amount that may be invested in any one issuer, except for investments in U.S. Government Securities which are not limited.

Investments are carried at fair value.

**DELAWARE SOLID WASTE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

**NOTE 3 - Investments** - continued

The net change in the fair value of the DSWA's investments as of June 30, 2009 resulted in an unrealized gain of \$419,100 and is included in net investment income. The calculation of the net change in the fair value of investments is independent of the calculation of realized gains and losses. The realized gains and losses are computed as the difference between the proceeds of the sale and the cost of the investments sold. Realized gains and losses of the current period include unrealized amounts from prior periods. Realized gains for the years ended June 30, 2009 and 2008 were \$163,578 and \$287,691, respectively.

It is the DSWA's policy generally to hold investments until maturity.

The DSWA's investments are summarized as follows:

	2009		2008	
	Fair Value/ Carrying Value	Cost	Fair Value/ Carrying Value	Cost
U.S. Treasury Obligations	\$ 2,509,970	\$ 2,486,127	\$ 6,199,809	\$ 6,120,481
U.S. Government Agency Bonds and Notes	31,846,553	31,594,627	27,313,721	27,299,586
Wilmington U.S. Government Mutual Funds	49,818,596	49,818,596	67,787,841	67,787,841
Certificates of Deposit	1,000,000	1,000,000	-	-
Corporate Bonds and Notes	36,784,997	36,629,717	34,882,103	34,963,618
Total Investments	<u>\$ 121,960,116</u>	<u>\$ 121,529,067</u>	<u>\$ 136,183,474</u>	<u>\$ 136,171,526</u>

The investments mature as follows:

	Total	2010	2011	2012	2013-2019
U.S. Treasury Obligations	\$ 2,509,970	\$ 2,509,970	\$ -	\$ -	\$ -
U.S. Government Agency Bonds and Notes	31,846,553	8,988,549	4,370,150	1,059,236	17,428,618
Wilmington U.S. Government Mutual Funds	49,818,596	49,818,596	-	-	-
Certificates of Deposit	1,000,000	1,000,000	-	-	-
Corporate Bonds and Notes	36,784,997	16,081,289	8,546,635	2,836,583	9,320,490
	<u>\$ 121,960,116</u>	<u>\$ 78,398,404</u>	<u>\$ 12,916,785</u>	<u>\$ 3,895,819</u>	<u>\$ 26,749,108</u>

**DELAWARE SOLID WASTE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

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**NOTE 4 - Capital Assets**

A summary of changes in capital assets for the year ended June 30, 2009 is as follows:

	June 30, 2008	Additions	Transfers	Sales/ Retirements	June 30, 2009
<b>Capital assets not being depreciated:</b>					
Construction in progress	\$ 57,453,324	\$ 21,004,543	\$ (34,583)	\$ -	\$ 78,423,284
Land	24,233,437	-	-	(30)	24,233,407
Total capital assets not being depreciated	81,686,761	21,004,543	(34,583)	(30)	102,656,691
<b>Depreciable capital assets:</b>					
Land improvements	147,410,758	42,244	-	(307,117)	147,145,885
Less: accumulated depreciation	(105,428,946)	(4,449,383)	-	302,612	(109,575,717)
Buildings	41,843,754	7,837	34,583	(76,990)	41,809,184
Less: accumulated depreciation	(17,097,479)	(1,588,252)	-	68,545	(18,617,186)
Equipment and furniture	18,757,459	170,773	-	(793,061)	18,135,171
Less: accumulated depreciation	(7,896,441)	(2,292,458)	-	747,892	(9,441,007)
Vehicles	5,111,394	352,231	-	(12,694)	5,450,931
Less: accumulated depreciation	(2,153,246)	(1,254,997)	-	12,548	(3,395,695)
Depreciable assets, net of accumulated depreciation	80,547,253	(9,012,005)	34,583	(58,265)	71,511,566
Capital assets, net	\$ 162,234,014	\$ 11,992,538	\$ -	\$ (58,295)	\$ 174,168,257

**DELAWARE SOLID WASTE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

**NOTE 4 - Capital Assets - continued**

The status of the DSWA's construction in progress at June 30, 2009 is as follows:

	<u>Expected Completion Date</u>	<u>Costs to Date</u>	
Landfills:			
<u>Cherry Island</u>			
Landfill Expansion Design	Ongoing	\$ 74,903,544	
Landfill Gas System	Ongoing	10,000	
Office Expansion	Ongoing	65,575	
Site Improvements	Ongoing	210,502	
Total			\$ 75,189,621
<u>Sandtown</u>			
Area F	Ongoing	1,142,799	
Landfill Gas System	Ongoing	595,921	
Site Improvements	Ongoing	71,717	
Scalehouse	Ongoing	142,424	
Area A/B Capping	Ongoing	30,900	
Total			1,983,761
<u>Jones Crossroads</u>			
Landfill Gas System	Ongoing	13,931	
Cell III/IV Capping	Ongoing	17,327	
Cell I/II Capping	Ongoing	201,871	
Site Improvements	Ongoing	53,247	
Cell 5	Ongoing	948,693	
Total			1,235,069
<u>Transfer Stations</u>			
Milford Transfer Station	Ongoing	3,950	
Total			3,950
<u>Administration</u>			
Site Improvements	Ongoing	10,883	
Total			10,883
Total Construction In Progress			<u>\$ 78,423,284</u>

**NOTE 5 - Landfill Closure and Post Closure Care Costs**

On October 9, 1991, the U.S. Environmental Protection Agency issued its rule, "Solid Waste Disposal Facility Criteria". This rule establishes closure requirements, location restrictions, operating criteria, design criteria, groundwater monitoring and corrective action requirements, post closure care requirements and financial assurance requirements for Municipal Solid Waste Landfills. State governments are primarily responsible for establishing state legislation and related permit programs to implement and enforce the EPA rule and have been given flexibility to tailor requirements to accommodate the wide variety of local conditions that exist.



**DELAWARE SOLID WASTE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

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**NOTE 5 - Landfill Closure and Post Closure Care Costs - continued**

In addition to operating expenses related to current activities of the landfills, an expense provision and related liability are being recognized based on the estimated future closure costs that will be incurred near or at the date of closure and the estimated post closure care costs at each site for thirty years after closure. The DSWA reports a portion of these closure and post closure care costs as an operating expense each year based on landfill capacity used during the year. Accrued landfill closure and post closure care costs, \$44,941,600 as of June 30, 2009 and \$43,420,972 as of June 30, 2008, represent the cumulative amount reported based on the estimated percentage of landfill capacity used as of those dates. The DSWA will recognize the remaining estimated cost of closure and post closure care of \$121,041,361 as the remaining estimated capacity is filled. The estimated total current cost of the landfill closure and post closure care of \$165,982,961 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfills were acquired as of June 30, 2009. However, the actual cost of closure and post closure care may be higher due to inflation, changes in technology, or in landfill laws and regulations. The following is a summary of selected information related to the DSWA's landfills as of June 30, 2009:

Landfill	Estimated Capacity Used	Cumulative Remaining Life	Accrued Costs	Costs to be Recognized in the Future
Cherry Island	43.57%	31 years	\$ 20,243,437	\$ 18,532,963
Sandtown	18.24%	41 years	6,920,682	52,737,518
Jones Crossroads	14.27%	39 years	14,904,481	49,770,880
Pigeon Point	100.00%	Closed 1985	2,873,000	-
Total			<u>\$ 44,941,600</u>	<u>\$ 121,041,361</u>

During fiscal year 2006, the DSWA received a permit from Delaware Department of Natural Resources and Environmental Control (DNREC) for the Cherry Island facility. The permit requires some waste to be disposed at an alternate DSWA facility and prohibits landfilling yard waste at this facility. In addition, the DSWA is allowed to fill bench areas and expand the landfill elevation. Management estimates that the expansion will extend the life until March 2039.

**DELAWARE SOLID WASTE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

**NOTE 5 - Landfill Closure and Post Closure Care Costs - continued**

A summary of the current year expenditures and accruals is as follows:

	Total	Cherry Island	Sandtown	Jones Crossroads	Pigeon Point
Balance of accrual, June 30, 2008	\$ 43,420,972	\$ 20,375,976	\$ 6,425,005	\$ 14,324,991	\$ 2,295,000
Current year expenditures:					
Closure costs	-	-	-	-	-
Post closure costs	(452,659)	-	-	-	(452,659)
Net accrual	42,968,313	20,375,976	6,425,005	14,324,991	1,842,341
Balance of accrual, June 30, 2009	44,941,600	20,243,437	6,920,682	14,904,481	2,873,000
Net closure and post closure care costs recognized in current year	\$ 1,973,287	\$ (132,539)	\$ 495,677	\$ 579,490	\$ 1,030,659

Included in the computation of Landfill Closure and Post Closure Care Costs as of June 30, 2009, are closure costs for: (1) Pine Tree Corners Transfer Station of \$9,600 (2) Cheswold Collection Station of \$2,600; (3) Milford Transfer Station of \$10,600 (4) Ellendale, Long Neck, Omar, and Bridgeville Collection Stations, each totaling \$1,800 (5) DRC Transfer Station of \$22,600 and (6) Route 5 Transfer Station of \$10,600.

**NOTE 6 - Bonds Payable**

On December 20, 2006, the DSWA issued \$95,715,000 of special revenue bonds secured by the pledged revenues of the DSWA for the purpose of financing the expansion of the DSWA's Cherry Island Landfill and various other projects as described in the DSWA's capital improvement program. The proceeds from these debt issuances may only be used for the specific purpose for which the money was raised, which is generally to finance expenditures for landfill construction and development. Proceeds from the bond issues are held in trust until such time as the DSWA incurred qualified expenditures, at which time the DSWA was reimbursed from the trust funds. The bonds carry interest rates of 3.5% to 5% and mature between June 1, 2008 and June 1, 2026. Premium and discounts on bonds payable are amortized on the straight-line method over the life of the related debt issues and reported as a component of interest expense.

Revenue bonds payable by the DSWA at June 30 are summarized as follows:

	2009	2008
Series 2006	\$ 89,080,000	\$ 92,470,000
Unamortized premium	4,349,047	4,849,498
Accrued interest	360,256	373,643
	<u>\$ 93,789,303</u>	<u>\$ 97,693,141</u>

**DELAWARE SOLID WASTE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

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**NOTE 6 - Bonds Payable - continued**

The debt service requirements and interest rates of the Series 2006 bonds are as follows:

Year Ending June 30	Interest Rate	Principal	Interest	Total
2010	3.5-5.0%	\$ 3,550,000	\$ 4,322,838	\$ 7,872,838
2011	3.5-5.0%	3,675,000	4,198,588	7,873,588
2012	3.5-5.0%	3,835,000	4,038,688	7,873,688
2013	3.625-5.0%	4,010,000	3,863,663	7,873,663
2014	3.625-5.0%	4,200,000	3,671,275	7,871,275
2015-2019	3.7-5.0 %	24,265,000	15,094,850	39,359,850
2020-2024	5.0%	30,910,000	8,445,750	39,355,750
2024-2026	5.0%	14,635,000	1,106,500	15,741,500
		<u>\$ 89,080,000</u>	<u>\$ 44,742,152</u>	<u>\$ 133,822,152</u>

The total interest expense incurred on the DSWA bond debt for the years ended June 30, 2009 and 2008 was \$4,470,326 and \$4,612,574, respectively.

**NOTE 7 - Deferred Revenues**

On February 1, 1990, the DSWA entered into an agreement with the Delmarva Power Company which allowed Delmarva Power Company to dispose at the DSWA's designated landfill areas up to 72,000 wet tons of fly ash product per year until a total of 1,440,000 wet tons is reached over a period of not less than twenty years and not more than thirty years. In exchange for this right, the DSWA received 37.73 acres of land adjacent to the Cherry Island landfill. This land was independently appraised at \$864,250 and has been capitalized and included in the DSWA's property, plant and equipment at that value. Deferred revenue for the future dumping fees of this fly ash was recorded on the books and records of the DSWA equal to the capitalized value of the property received in exchange. The DSWA recognizes income each year based on the wet tons actually received, to the maximum of 72,000 tons per year, compared to the total amount of wet tons to be received over the agreed period of time. Delmarva Power Company has not dumped any fly ash at the DSWA's designated landfill since the fiscal year ended June 30, 1993. Accordingly, the DSWA has not recognized revenue from the dumping of fly ash since the fiscal year ended June 30, 1993. The balance of deferred fly ash income at June 30, 2009 and 2008 was \$788,260.

The DSWA also sells tickets to residents of Kent and Sussex Counties. These tickets are used by the residents when they drop off bags of trash at any one of the collection stations in Sussex County or the Cheswold Transfer Station in Kent County. Income from the sale of tickets is recognized by the DSWA as the bags of trash are collected. The balance of deferred income from the sale of these tickets at June 30, 2009 and 2008 was \$117,254 and \$115,629, respectively.

**DELAWARE SOLID WASTE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

**NOTE 8 - Pension Plan**

Plan Description: All full-time or regular part-time employees of the DSWA are required to participate in the Delaware Public Employees' Retirement System (the "System") administered by the Delaware Board of Pension Trustees. The System is a cost-sharing, multiple-employer, defined benefit public employee retirement system that provides retirement, death and disability benefits to plan members and beneficiaries. Pension benefits of the System are established by Delaware Statutes, Chapter 55, Title 29, and may be amended by the Delaware Legislature.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Office of Pensions, McArdle Building, 860 Silver Lake Blvd., Suite 1, Dover, Delaware 19904-2402, by visiting the web site at [www.delawarepensions.com](http://www.delawarepensions.com) or by calling 1-800-722-7300.

Funding Policy: Plan members are required to contribute 3% of their annual salary which exceeds \$6,000 per calendar year. The DSWA is required to contribute at an actuarially determined rate, which was 15.87% and 16.58% of annual covered payroll for the twelve months ended June 30, 2009 and 2008, respectively. The contribution requirements for plan members and participating governments are established by State statute. The DSWA's contributions to the System for the years ended June 30, 2009, 2008 and 2007 were \$1,176,097, \$1,205,184 and \$1,048,766, respectively, and were equal to the required contributions for each year.

**NOTE 9 - Contract Rebate Payable**

The DSWA offers a Differential Disposal Fee Program that began on July 1, 2005 and will run through June 30, 2010. The program offers rebates of \$10.00/ton and \$13.50/ton. The "at the gate fee" for all dry waste delivered to designated facilities is \$42.00/ton. For the program years ended June 30, 2009 and 2008, three hundred and eighty three (383) and four hundred and five (405) participants received rebates totaling \$8,725,590 and \$10,088,053, respectively.

**NOTE 10 - Risk Management**

The DSWA is exposed to various risks of loss related to torts; theft, damage and destruction of assets; errors and omissions; injuries to employees; life and health of employees; and natural disasters. The DSWA purchases commercial insurance in the open market from insurance companies with an A.M. Best rating of A-size VII or higher for all insurable risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**NOTE 11 - Commitments and Contingencies**

Arbitrage: The Tax Reform Act of 1986 requires the DSWA to rebate the earnings on the investment of revenue bond proceeds, in excess of their yield, to the Federal Government. Of the rebate, 90 percent is due and payable five years from the date bonds were issued and at five-year intervals thereafter. The remaining 10 percent is payable 60 days after they are retired. As of June 30, 2009, the DSWA is contingently liable for arbitrage rebate currently computed to total \$1,846,412.

Litigation: The DSWA makes significant estimates in determining the amount of Unreserved Net Assets needed to be designated for the protection of the DSWA, the DSWA's assets, employees and bondholders in the event of litigation because of the nature of the DSWA's operations. Although the DSWA has endeavored to designate an adequate amount for this self-insurance, it is not determinable whether or not these amounts would be sufficient in the event of such litigation.



**DELAWARE SOLID WASTE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

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**NOTE 11 - Commitments and Contingencies - continued**

Contract Commitments: The DSWA has several uncompleted construction contracts for landfill development and improvements to the solid waste system. The construction is being funded primarily from existing renewal and replacement funds. At June 30, 2009, the uncompleted contracts are summarized as follows:

	Contract Amount	Approved Payments	Retainage Payable	Remaining Contract Commitment
Cherry Island Landfill	\$ 100,080,248	\$ 72,074,363	\$ 3,517,739	\$ 28,005,885
Sandtown Landfill	5,426,682	3,506,397	195,913	1,920,285
Jones Crossroads Landfill	2,073,180	872,795	-	1,200,385
	<u>\$ 107,580,110</u>	<u>\$ 76,453,555</u>	<u>\$ 3,713,652</u>	<u>\$ 31,126,555</u>

In addition to the construction contract commitments, the DSWA also has operations contracts for various facilities and programs. The facilities include the Cherry Island and Sandtown Landfills and the Pine Tree, Milford and Route 5 Transfer Stations. The programs are relative to the DSWA's recycling activities. The estimated cost of these commitments for the year ended June 30, 2009 is \$26,787,495. The DSWA's contracts include termination for convenience clauses which allows the DSWA to cancel the contracts at any time.

The DSWA and the City of Wilmington negotiated a Restated Sludge Agreement that was approved by resolution of City Council on September 18, 1997. The terms of the Restated Agreement require the City to pay the debt service associated with the Sewage Sludge Processing Module located at the Delaware Reclamation Plant (DRP). The obligation was fulfilled as of June 30, 2003.

For a ten-year period beyond 2003, the City will not be charged service fees for stabilized sludge that is utilized by the Delaware Solid Waste DSWA for landfill operations.

Contract Liabilities: On October 22, 2007, a claim was asserted against the DSWA. Although the complaint does not specify the exact amount of damages sought, the DSWA has been advised that the company is claiming damages in the range of \$750,000 to \$1,000,000. The claim arises out of certain work performed, on behalf of the DSWA, at the Central Solid Waste Management Center in Sandtown, Delaware. General counsel is of the opinion that the DSWA has a valid defense. The DSWA filed an Answer with Counterclaims against the company and intends to vigorously contest the claim. General counsel has stated that it is difficult to evaluate the likelihood of the outcome and estimate the amount of potential loss.

Contract Termination: During March 2009, the DSWA exercised its right to terminate the Asset Management Agreement for its landfill gas collection, compression and delivery systems for \$950,000. As of June 30, 2009, the outstanding balance to the management company totaled \$237,500. The remaining balance is due on or before September 25, 2009.

**NOTE 12 - Prior Period Adjustment**

Certain errors resulting in an understatement of previously reported accrued landfill closure and post closure care costs in 2008 and impairment losses in 2004 were discovered during the current year. The DSWA restated its results for the affected years. The effect of the restatement was to decrease the change in net assets for 2008 by \$2,842,580. Unrestricted net assets at the beginning of 2007 was reduced by \$2,340,478 for the effects of the restatement in 2004.

**DELAWARE SOLID WASTE AUTHORITY**  
**SCHEDULES OF OPERATING REVENUES AND EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

	Landfill Operations	Transfer Station Operations	Collection Station Operations	Recycling Operations	H H W Program	General & Administrative	2009 Total	2008 Total Restated
<b>OPERATING REVENUE</b>								
Net user fees: solid waste	\$ 35,931,297	\$ 10,670,509	\$ 83,885	\$ -	\$ -	\$ -	\$ 46,685,691	\$ 53,002,965
Landfill gas	3,975,930	-	-	-	-	-	3,975,930	3,830,969
Other income	338,463	40,925	-	2,027,699	-	5,556	2,412,643	4,212,636
<b>TOTAL OPERATING REVENUE</b>	<b>40,245,690</b>	<b>10,711,434</b>	<b>83,885</b>	<b>2,027,699</b>	<b>-</b>	<b>5,556</b>	<b>53,074,264</b>	<b>61,046,570</b>
<b>OPERATING EXPENSES:</b>								
<b>SALARIES AND RELATED COSTS</b>	<b>3,951,188</b>	<b>400,830</b>	<b>147,202</b>	<b>3,436,930</b>	<b>5,377</b>	<b>3,829,630</b>	<b>11,771,157</b>	<b>11,688,180</b>
<b>PROFESSIONAL SERVICES</b>								
Legal services	44,591	-	-	-	-	368,781	413,372	465,550
Auditing services	-	-	-	-	-	91,358	91,358	88,656
Computer services	-	-	-	-	-	9,450	9,450	16,527
Consulting engineer	482,811	8,524	260	8,405	-	97,354	597,354	788,707
Other professional services	505,619	2,764	1,500	1,802	-	219,669	731,354	659,012
Trustee costs	-	-	-	-	-	-	-	4,000
<b>Total Professional Services</b>	<b>1,033,021</b>	<b>11,288</b>	<b>1,760</b>	<b>10,207</b>	<b>-</b>	<b>786,612</b>	<b>1,842,888</b>	<b>2,022,452</b>
<b>TRAVEL</b>								
Mileage	41	-	-	-	-	4,935	4,976	1,824
Common carrier	3,896	-	-	-	-	8,323	12,219	17,877
Lodging, meals, parking and tolls	3,707	41	95	3,055	-	17,458	24,356	34,584
Conferences and registrations	1,510	-	-	-	-	8,356	9,866	21,476
Business meetings	1,932	7	-	2,341	-	25,365	29,645	28,005
<b>Total Travel</b>	<b>11,086</b>	<b>48</b>	<b>95</b>	<b>5,396</b>	<b>-</b>	<b>64,437</b>	<b>81,062</b>	<b>103,766</b>
<b>SUPPLIES AND MATERIALS</b>								
Office and computer supplies	27,948	1,482	699	9,867	-	123,588	163,584	408,878
Maintenance and janitorial supplies	154,068	682	284	21,864	-	6,873	183,771	230,814
Safety supplies	32,408	1,588	1,194	19,197	-	8,184	62,571	89,614
Publications and subscriptions	88	-	-	733	-	5,937	6,758	4,712
Uniforms	24,550	18	-	69,377	-	6,262	100,207	111,696
Vehicle expense	44,003	132	-	400,326	-	46,968	491,429	657,191
Other supplies	1,122,391	1,957	492	736,682	-	8,517	1,870,039	3,032,063
Weigh tickets and supplies	2,728	953	-	667	-	-	4,348	4,084
<b>Total Supplies and Materials</b>	<b>1,408,184</b>	<b>6,812</b>	<b>2,669</b>	<b>1,258,713</b>	<b>-</b>	<b>206,329</b>	<b>2,882,707</b>	<b>4,539,052</b>
<b>UTILITIES</b>								
Electric	933,066	94,726	4,832	112,490	-	33,035	1,178,149	1,341,386
Water	-	-	-	73,826	-	261	74,087	8,254
Sewage	560,080	-	-	4,993	-	446	565,519	567,674
Fuel oil and gas	14,186	-	-	5,716	-	5,403	25,305	27,055
Telephone	42,829	6,046	2,173	46,484	-	45,082	142,614	147,375
<b>Total Utilities</b>	<b>1,550,161</b>	<b>100,772</b>	<b>7,005</b>	<b>243,509</b>	<b>-</b>	<b>84,227</b>	<b>1,985,674</b>	<b>2,091,744</b>
<b>CONTRACTUAL SERVICES</b>								
Equipment rental and repair	49,723	-	-	53,622	-	35,535	138,880	226,842
Temporary services	54,259	300	-	19,992	-	-	74,551	365,654
Membership and dues	3,640	-	-	171	-	14,598	18,409	18,338
Printing	383	-	1,833	14,172	-	7,554	23,942	50,987
Advertising	4,538	438	-	2,675	-	8,805	16,456	41,664
Insurance	18,040	1,243	-	3,366	-	629,389	652,038	315,246
Permits and fees	364,170	21,340	14,160	7,200	-	300	407,170	244,151
Leachate hauling and treatment	1,470,869	-	-	-	-	-	1,470,869	1,354,427
Postage and freight	8,644	-	-	7,452	-	29,413	45,509	49,427
Surveying	110,277	-	-	-	-	4,935	115,212	75,012
Public awareness	33,228	-	-	85,759	1,055	134,582	254,624	696,778
Site security	41,230	3,156	3,482	1,707	-	13,378	62,953	106,100
Contractors' operating cost	500	5,717,385	-	1,292,568	183,375	-	7,193,828	8,013,415
Landfill materials	1,682,713	1,055	-	-	-	-	1,683,768	2,230,701
Contractors' disposal costs	5,060,761	2,223,272	-	-	-	-	7,284,033	8,083,188
Janitorial services and pest control	32,118	608	249	37,882	-	25,947	96,804	92,778
Automotive rental and repair	30,582	828	-	206,488	-	34,358	272,256	254,211
Landscaping services	9,935	6,199	8,165	17,796	-	6,538	48,633	68,363
Hauling services	-	-	45,612	-	-	-	45,612	50,291
Methane gas recovery	1,079,406	-	-	-	-	-	1,079,406	715,081
Other contractual services	286,514	37,801	7,445	87,667	345	455,140	874,912	818,785
C&D processing	69,585	-	-	-	-	-	69,585	723,077
General maintenance and repair	947,514	42,603	2,763	464,270	-	142,722	1,599,872	2,189,601
<b>Total Contractual Services</b>	<b>11,358,629</b>	<b>8,056,228</b>	<b>83,709</b>	<b>2,302,787</b>	<b>184,775</b>	<b>1,543,194</b>	<b>23,529,322</b>	<b>26,784,117</b>
Closure & Post Closure Care - Landfills	1,973,287	-	-	-	-	-	1,973,287	1,373,821
Depreciation Expense	5,911,826	1,406,036	43,045	2,063,364	8,958	151,850	9,585,079	8,592,434
<b>TOTAL OPERATING EXPENSES</b>	<b>27,197,382</b>	<b>9,982,014</b>	<b>285,485</b>	<b>9,320,906</b>	<b>199,110</b>	<b>6,666,279</b>	<b>53,651,176</b>	<b>57,195,566</b>
Management Operations Distribution	4,309,804	1,011,914	6,662	1,332,343	-	(6,660,723)	-	-
<b>OPERATING INCOME (LOSS)</b>	<b>\$ 8,738,504</b>	<b>\$ (282,494)</b>	<b>\$ (208,262)</b>	<b>\$ (8,625,550)</b>	<b>\$ (199,110)</b>	<b>\$ -</b>	<b>\$ (576,912)</b>	<b>\$ 3,851,004</b>

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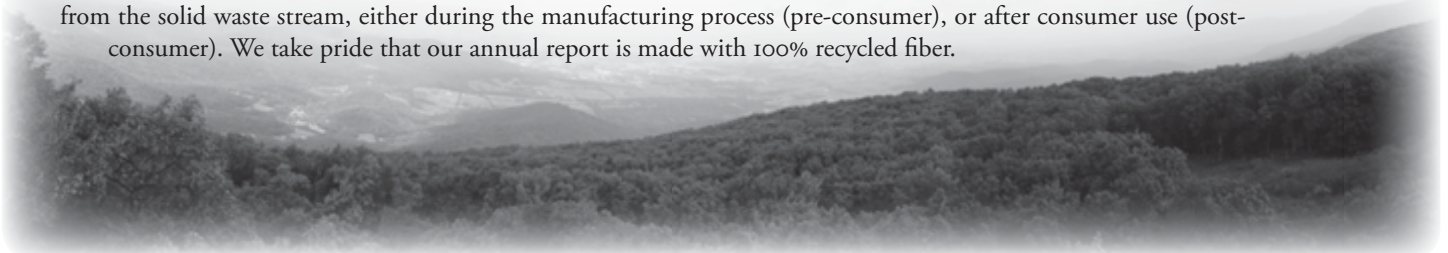
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## We take pride that our annual report is made with 100% recycled fiber.

The Delaware Solid Waste Authority (DSWA) is a leader in providing programs, facilities, and materials that enhance our environment. DSWA's Annual Report is printed on paper that is certified by the Forest Stewardship Council (FSC). The FSC is an international independent, non-governmental, not-for-profit organization established to promote the responsible management of the world's forests. FSC certified mills produce paper through a responsible manufacturing process, which includes forests that are self-sustaining. Printers must have Chain-of-Custody (CoC) certification to provide any of the FSC trademarks, "CoC is the path taken by raw materials harvested from an FSC certified source through processing, manufacturing, distribution, and printing until it is a final product ready for sale to the end consumer." The FSC certified papers and alternative fiber papers used to create DSWA's Annual Report are made with 100% green energy. To ensure that paper companies are providing businesses with genuine materials, the Federal Trade Commission (FTC) monitors and regulates the paper companies. FTC provides requirements called green guides, which not only require the CoC certification but also that the materials were diverted from the solid waste stream, either during the manufacturing process (pre-consumer), or after consumer use (post-consumer). We take pride that our annual report is made with 100% recycled fiber.



# Electronic Goods Drop-Off Events at Best Buy stores

The Delaware Solid Waste Authority, Best Buy stores, and Computer Donation Management will be partnering for Electronic Goods Recycling (EGR) Drop-Off events at your local Best Buy stores. DSWA's Senior Manager of Recycling, Rich Von Stetten, said, "We are very pleased to make this announcement and work with a national chain as well known as Best Buy." These events will be from 9 am-1 pm on the following dates: August 23, 2008 at the Best Buy on Rt. 202 in the Concord Mall Plaza, September 13, 2008 at Best Buy on Rt.

13 in Dover, and September 27, 2008 at Best Buy on Churchman's Road across from the Christiana Hospital. On these days, residents can bring items such as computers, monitors, copiers, fax machines, printers, and televisions to be recycled at no cost. Best Buy District Field Support Manager, Michael Higman, said "Since 2001, Best Buy has helped consumers recycle more than 7 million pounds of electronics in a safe and environmentally responsible way." On these dates Best Buy will be offering a special promotion for those residents that drop off electronic goods. Residents who have

items to drop off will receive a coupon good for \$5.00 off a \$50.00 purchase, \$10.00 off a \$100.00 purchase, and \$25.00 off a \$250.00 purchase. Residents who are unable to attend these events can always drop off their electronic goods at one of the 24 DSWA Electronic Goods Drop-Off Centers located statewide. For more information on this or any of DSWA's programs, call the Citizens' Response Line at 1-800-404-7080 or visit the website at [www.dswa.com](http://www.dswa.com)

## Our Mission Statement...

**To define, develop, and implement cost-effective plans and programs for solid waste management which best serve Delaware and protect our public health and environment.**



## DSWA's CEO Pasquale S. Canzano Wins Engineer Of The Year Award

The Delaware Solid Waste Authority is proud to announce that their Chief Executive Officer, Pasquale S. Canzano, P.E., BCEE was selected by the Delaware Engineering Society Past President's Council as the Engineer of the Year for 2009. Every year this award is given to a candidate "whose sustained and unusual contributions have been made to the public welfare, the advancement of the Engineering Profession, and /or service to humankind." Mr. Canzano was presented with this award at the Engineer's Banquet on Thursday, February 19, 2009 at the DuPont Country Club in Wilmington. Mr. Canzano received a Bachelor of Science Degree in Chemical Engineering from Northeastern University and a Masters of Science Degree in Chemical Engineering from Polytechnic Institute of Brooklyn. During his more than 30 years at DSWA, Mr. Canzano has served in several positions including Chief Engineer, Chief of Engineering and Operations, and Chief Operating Officer. Mr. Canzano was promoted to Chief Executive Officer in 2007. He is also an active member in several professional organizations such as the American Academy of Environmental Engineers (AAEE) and the Delaware Association of Professional Engineers (DAPE), which he serves on the board for both organizations. Mr.

Canzano demonstrates what an Engineer of the Year should be through his hard work, knowledge, and dedication in both his work at DSWA and his work with other organizations. DSWA's Chairman of the Board, Mr. Richard Pryor, said, "Speaking for the DSWA Board of Directors, it gives me great pleasure to say how proud we are of our CEO Pat Canzano on the occasion of his receiving the distinguished award of the Delaware Engineering Society Past President's Council as the 2009 Delaware 'Engineer of the Year'. To be recognized by his peers across all engineering specialties in Delaware as the most outstanding example of professional competence, responsibility, and public service is a singular honor - one to be treasured by Pat, respected by his peers, and applauded throughout the DSWA organization and community at large. This award warrants the recognition and appreciation of all the residents and leaders of the state for its good fortune in having a professional such as Pat Canzano in a critical position of protecting our everyday environment now and for years to come." For more information on this or any of DSWA's programs, call the Citizens' Response Line at 1-800-404-7080 or visit [www.dswa.com](http://www.dswa.com).



## DSWA OPERATES GREEN ENERGY PROJECT AT CHERRY ISLAND LANDFILL

On June 26, 2009 the Delaware Solid Waste Authority (DSWA) assumed direct operation of the landfill gas plant at the Cherry Island Landfill (CIL). The CIL generates landfill gas through naturally occurring biodegradation of the organics in the landfill. The gas plant collects and transmits the landfill gas to Conectiv's Edgemoor power plant to produce Green Power. The use of the CIL landfill gas to produce Green Power, conserves fossil fuels, reduces emissions and provides a source of renewable energy. The landfill gas generates enough Green Power to provide electricity for about 18,000 households in Delaware annually.

The CIL Green Power Project is owned by DSWA. However, California based Enpower Operations Corporation, has operated the landfill gas plant for the past three years. DSWA is excited about this transition and continuing to provide renewable green energy to generate electricity for Delaware residents. Residents with questions about the transition or requests for other information about DSWA, please call the Citizens' Response Line at 1-800-404-7080 or visit [www.dswa.com](http://www.dswa.com).

