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**ATTACHMENT A-1**

Term of Permit Request

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## ATTACHMENT A-1

### FORM A – APPLICATION FOR MUNICIPAL OR RESIDUAL WASTE PERMIT

#### Term of Permit (Section 273.211) Request

Resource Recovery, LLC (RRLLC) is hereby requesting a 25-year permit term in lieu of a 10-year permit term, as allowed for by PA Code Title 25 Chapter 273.211(b). The Application is complete for a longer fixed term than 10 years; specifically, the Application is complete for an operating life of 28 years as currently designed and with waste acceptance rates as currently proposed. As explained in other sections of this Application, RRLLC is proposing an initial operation of 2,000 tons per day for the first year of operation, incrementally increasing to 5,000 tons per day by the fourth year of operation. Upon permit issuance, RRLLC expects that an 18-to 24-month period of construction and related activities will occur prior to revenue-generating operation, with full-scale operations at the proposed average daily volume (ADV) of 5,000 tons per day occurring approximately 3 full years after start-up operations.

The lender for this project desires to have 20 years of revenues from landfill operations over which to amortize the loan. With approximately 2 years lapsing between permit issuance and operations, and approximately 3 additional years to graduate to full-scale operations, a 25-year permit term is requested. RRLLC will make an initial investment of approximately \$73 million for this project, just to begin operating in the first cell. This initial investment for the project will include the following significant components:

- Highway interchange on Interstate Route 80 (I-80);
- Land acquisition, facility engineering, and permitting;
- Construction period interest;
- State-of-the-art 150,000 gallon per day (gpd) leachate treatment plant with 3 million gallons of liquid storage;
- New electrical service to the site;
- Scale facilities with radiation monitoring equipment;
- State-of-the-art wheelwash system with concrete sediment tanks and water recycling system;
- Meteorological monitoring station;
- Operations building;
- Maintenance building and fueling facilities;
- Potable water supply and treatment system;
- Stormwater management and erosion and sedimentation control facilities;
- Several thousand feet of on-site paved and unpaved access roads and extensive fencing for access and litter control;
- Landfill gas (LFG) collection and control facilities (e.g., blowers, flare, etc.);
- Landfill operating equipment (e.g., compactors, dozers, loaders, water truck, articulated dump trucks, sweeper, backhoe, etc.); and
- Initial landfill cell construction (i.e., earthwork, liner system, pumping systems, leachate conveyance system, etc.).



The specified term is reasonably needed to allow RRLLC to obtain the necessary financing for the facility. This need is confirmed in writing by RRLLC's source of funding; a letter is included in this attachment.

With RRLLC's Application complete for a term of at least 25 years, and with financial assurance proposed in accordance with the Department's requirements (Note: Bonding Worksheets have been completed, included under Form 28 of the Phase 2 Application, for "a likely worst-case scenario" over the life of the facility when the maximum amount of area would be open and require closure), the Department can issue a permit with a term of 25 years or more.

Furthermore, per Section 273.211(d), RRLLC understands that the Department will, from time to time, but at intervals not to exceed 5 years, review a permit issued under this article. In its review, the Department will evaluate the permit to determine whether it reflects currently applicable operating requirements, as well as current technology and management practices. RRLLC understands that the Department may require modification, suspension or revocation of the permit when necessary to carry out the purposes of the act, the environmental protection acts and this title (Title 25). Accordingly, a permit term of 25 years for this facility will not limit the Department's authority to conduct such periodic permit evaluations or to take such actions as deemed necessary by the Department.





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April 5, 2006

Resource Recovery LLC  
P.O. Box 525  
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RE: Facility Financing

Gentlemen:

Our Bank's ability to provide financing for the construction, the start-up process and the full functional operation of the Resource Recovery, LLC municipal solid waste landfill facility to be located in Rush Township, Centre County, PA will be in large measure determined by the length of the approved permit term granted by the Pennsylvania Department of Environmental Protection (PA DEP).

The length of the permit term for this project is particularly important given the significant cost of infrastructure improvements needed to satisfy PA DEP's regulatory requirements and local land use ordinances. The economic life of many of the newly constructed infrastructure improvements are designed to last well beyond the typical 10-year permit term granted by PA DEP. One measure of credit risk is to weigh the ability of an enterprise to repay financing over the life of the assets being financed. Under the circumstances, our Bank, as well as, other financial institutions that may participate in the financing structure for this 275-acre municipal solid waste facility will judge a 20-year permit term favorably as a mitigating risk factor.

Please do not hesitate to contact us should you have any questions concerning the importance of a longer PA DEP permit period than may have been previously issued.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel J. Kinney".

Daniel J. Kinney  
Senior Vice President

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