

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
MINUTES OF REGULAR MEETING
Wednesday, March 23, 2016

Meeting Opening

The meeting was called to order at approximately 4:02 p.m. by Mr. Nedohon. The notice of the meeting was read by Mr. Nedohon.

Roll call of the Board Members of the Improvement Authority was taken. Mr. Olivio-Present; Mr. Jones-Present; Mr. Lopez-Present; Mr. Nedohon-Present; Mr. Kelly-Absent.

The Pledge of Allegiance was recited.

Freeholders present: Mr. Joseph Derella

Approval of Agenda

Mr. Nedohon asked for a motion to approve the agenda. The motion was made by Mr. Jones, seconded by Mr. Olivio.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Absent.
The motion was approved by a 4-0 Vote.

Approval of Minutes

Mr. Nedohon asked for a motion to approve the February 24, 2016, Regular Meeting, Public Session Minutes, January 27, 2016 and February 24, 2016, Executive Session Minutes. The motion was made by Mr. Jones, seconded by Mr. Olivio.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Absent
The motion was approved by a 4-0 Vote.

Mr. Kelly arrived for the meeting at 4:08pm.

Executive Director's Report

Building Operations:

Operations continue to move along very well at CWED, DMV and 1st Floor of 275 N. Delsea Drive. Systems balancing, final closeout and operational training for the new facilities are ongoing, but we have a good handle on that. Final punch list is being completed by Ogren for CWED. Interior and exterior renovations continue on 275 N. Delsea Drive. Final CO is expected for the interior renovations on March 17 and final paving is scheduled for completion on March 25th. Final seal coating and line striping will be

completed in April and early May. Treasury, phase II will move in on March 21st and 23rd. Phase 3 design is completed and we are completing final pricing. Demolition will begin immediately (by Ogren under current contract) after we relocate the current County tenants out of their area into newly renovated space. We continue to operate as expected/budgeted. We have worked through additional parking options for phase III as well, but are waiting for final approval from adjacent owner before proceeding with final plans and approvals.

All Leases with NJ Treasury have been finalized. Cost estimates have been received and we are finalizing based upon revisions to scope and specifications required by the state. We are working through parking assignments for all tenants and customers. You will note that our monthly operating budget once again highlights a net loss. This is a result of prepaid principle and interest on our bonds. Nick's notes indicate the impact on the next several months' revenue stream as a result of the accounting in future months. I have also included an annual budget for the proposed operations for phases II and III for your review.

The Technical High School is moving along very well. We are working with the contractor to finalize current schedule. Security measures are going well. Because of the magnitude of the materials on site and installed in the building, we entered into a new contract with an insured and bonded security firm. We are installing a wireless camera system that will be remotely manned after hours to ensure continued safety measures are implemented. Construction report was forwarded under separate cover.

The Arts and Innovation Center is under construction. Site work is moving forward and footings and block walls are being installed. Unanticipated underground concrete footings have been removed. We are moving through NMTC financing and have pushed back the closing to April 2016. In the interim, CCIA will continue to provide predevelopment and construction financing. DCA approved and forwarded the initial funding for expense reimbursement to both the CCIA and MURC. CCIA has been repaid for a portion of its expenses and expects a check shortly after the Tri-Party Agreement is approved by the Board at this Month's meeting. HCDC has repaid \$360,000 of its outstanding loan. Balance will be paid after final DCA draw is received.

LED lighting installation is complete. Rebates were received. LED lighting is being installed in all new and newly renovated projects. We are experiencing some issues with LED lights installed at the SWC. The supplier and manufacturer are on site (3/17) to rectify the issue. We expect these to be covered under warranty.

E-Waste collection issues are being handled as a result of our new contract with a recycling vendor and the cooperation of all our municipal partners. We are gearing up to handle the current E-Waste on hand and hope to have a successful implementation.

Our Household Hazardous Waste RFP responses were received and we are making a recommendation to the Board for approval to the most responsible bidder. This will be for the 2016 HHW events.

Recycling Rebates were paid during the February meeting. We have made progress with the City of Millville that would allow them to execute the same agreement as all other Cumberland County municipalities. This is on the agenda for approval.

We will continue to utilize both recycling vendors to maximize efficiencies and pricing. Tonnage continues to increase. Pricing continues to be an issue. Our current rate has been at the floor for several months. We have negotiated a \$0 cost renewal with our current vendor. We will no longer be taking in residue from RE Communities. However, due to staffing issues and vendor issues, RE has asked us for an additional week of hauling during the week of March 23rd. These loads were causing significant damage to our trailers. We have started to receive NON-Flow Controlled type 10 trash to offset this loss of revenue. This waste stream is more conducive to landfill operations as well as gas production.

Our Fleet Maintenance operation continues to move along very well. Volume has increased in March as a result of extensive repairs to emergency vehicles at the Sheriff's department. We seem to be getting back on track, but not to the extent that we would like. Our new staff person has been charged with follow up and marketing efforts with County Department Heads.

We are investigating the implementation of a new car/truck wash to be located at the landfill. We believe this will be a great opportunity to continue to share services, provide a new resource to the county as well as our municipalities and the state. We also expect current customers to utilize the car wash. Obviously,

we cannot implement unless we can make this a break even operation for the CCIA. We are working with New Road to create an estimated cost for the facility. We are also working on location for the facility. We continue to look at CNG vehicle purchase to support Energy HUB and cost saving objectives. Working with CATS to create CNG vehicle purchase for all new buses. Because of low gas and diesel pricing, potential customers are not focused on less expensive options. In order to handle our current fleet, we are going to install a slow fill facility. This will hold us over until a new, more robust plan can be implemented.

Impound lot is completed and we continue to receive vehicles from the County.

As a result of a state recycling grant, we can implement a tire amnesty program for County residents. Our flyer was completed and included in your board packets for review. We expect to roll that program out in May 2016. We now have secured two vendors and tire recycling efforts are back on track.

Our Bridgeton efforts have been redirected to focus on the redevelopment of the Bank Building currently owned by the CCIA and the expansion of the Food Innovation Center. We have initiated a grant application for the FIC. We had a very productive meeting with USEDA representatives who indicated that significant grant funding would be available for this project. One of the South American companies that came down in September is now beginning to operate her business at the FIC. We also met with a California business that would be interested in locating in this facility. This is a great opportunity that can be replicated with other businesses and countries.

We had several meetings with Constellation Energy to move the Energy HUB project forward. We are working on two significant initiatives. One is the development of a Combined Heat Power Plant on the College Campus that would service both the College and new Technical High School, and the other is a solar initiative that would be located at the SWC that would service all the electrical needs of the SWC. Bio-Solids RFP: We approved 2 developers to provide move forward to the RFP phase of our Bio-Solids project. We met with each of the teams prior to officially releasing the RFP. We are finalizing the RFPs now.

Treatment enhancement project is completed and the system is operational. We are working on operational modifications to tune the system in. We continue to treat 50% of the previously rejected effluent and discharge directly into the basin. We are having issues related to the cleaning of the UF tubes. This is causing significant down time of the system. We are exploring the option of buying another UF tubing system and/or a cleaning system that will expedite this cleaning process.

Now that the system is operational and the new tank is on line, we can fill tankers directly from the large on site tank much more efficiently than current pumping process. Off-site hauling of leachate continues very well; our water levels have been reduced by more than 4 feet. However, in an effort to avert water/leachate issues, we have asked C and H to increase hauling to 5 trucks per day. Each truck hauls 2 to 3 tanks per day.

The impacts of this hauling and dewatering continue to have a positive impact on the methane gas operations, the treatment facility and the overall landfill operations. However, the cold weather is negatively impacting the landfill gas production. Condensation and freezing of meters and other measuring devices are caused by cold weather conditions. The gas system is still not operating as efficiently as I would expect. I am going to have a couple other entities look at the operations to obtain additional insights and suggestions. I am concerned that the gas plant operators may not be running the plant as effectively as possible to substantiate their strategy of eliminating one of the engines. Removal of one engine would create long term issues as we grow the landfill operations due to the new cells.

The GPS system that was installed on our large equipment has also made a significant impact to the overall operations on the landfill and associated dirt work for the cover, landfill earthwork and side slopes. The top of the landfill is flat and we have eliminated ponding water and increased our compacting and cover efficiencies. We have approximately 2 more lifts (20-25 feet) remaining on the current cells. First phase of the cell construction is well underway and moving along quickly. Significant progress has been made with the earthwork. Construction is still expected in early April. Our application for phase II has been submitted to NJEIT and is being processed. WE RECEIVED FINAL APPROVAL TO GO OUT TO BID. Bid is published and will be released on March 18th.

The Class B and Gasification facility were approved by the Freeholder Board. Resolution to the PILOT and MOU issues are on the Agenda for approval. Mayor Santiago has been very helpful in getting this issue accomplished. Resolution to approve municipal shared service agreements are also on the agenda for approval. This would include E-Waste, oil and antifreeze.

Resolutions

Mr. Nedohon requested that the Solicitor handle Resolutions on the Agenda. Resolutions were read by Solicitor Weinstein. Mr. Weinstein stated that Resolution 2016-055 would be tabled and considered for approval after Executive Session.

Mr. Nedohon called for a motion to approve the Resolutions 2016-045 through 2016-059, excluding 2016-055. The motion was made by Mr. Olivio and seconded by Mr. Kelly.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes.
The motion was approved by a 5-0 Vote

Treasurer's Report

1. Monthly Year over Year Tonnage:

15,134 tons were brought into the Solid Waste Complex; in-county municipal waste (type 10) increased by 937 tons or 15% likely due to one extra operating day as compared to 2015. Total in-county tons increased by 2,800 tons and out-of-county tons received decreased by 1,357 due to a prior year special project; this represents a net increase year over year of 1,443 tons or 11%.

2. General Fund:

The General Fund balance is variable based on cash needs for the month which include payments to be reimbursed from various sources of funds for closure projects, landfill equipment, other activities budget, and short-term loans for development activities. There was a net increase in the general fund of \$204,124 for the month and an ending balance of \$8,346,573. Amounts owed back to the General Fund were \$2,285,700 with the approval of a reimbursement from the BPU Closure Escrow account. This will reflect in the General Fund account balance in March.

3. Cash and Investments:

Interest earned on the local and trustee accounts for the month amounted to \$7,666 as noted on the schedule of bank account balances.

4. Landfill Operations Summary – Profit and Loss Statement:

Landfill operations generated revenues of \$1,050,170 which included total tipping fees of \$991,154 and revenues from other landfill activities of \$59,016. Total revenues of \$1,082,197 less total expenses for the month of \$768,381 resulted in a net excess of \$313,816.

5. Economic Development Operations Summary – Profit and Loss Statement:

Economic Development operations generated revenues of \$309,706 which included rental income of \$138,824, project management fees of \$160,388, and other income of \$10,494. Total revenues less total expenses of \$244,292 resulted in a net excess of \$65,414.

Old Business – No Old Business

New Business – No New Business

Freeholder Liaison Remarks

Mr. Derella thanked the Staff and Board for their good work and for the implementation of the various projects and shared service initiatives.

Open Public Comment Session

Mr. Nedohon called for a motion to go into Open Public Comment Session. A motion was made by Mr. Kelly, seconded by Mr. Jones to go into Open Public Comment Session.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes.
The motion was approved by a 5-0 Vote.

Ms. Nancy Ridgeway questioned the need for a truck wash for County vehicles when the County already had a one. Mr. Velazquez explained that the County's was a very basic system and that the automated system that the Authority will be operating is more effective. Ms. Ridgeway then asked what the Shared Service with the Municipalities, Resolution #2016-049 was for. Mr. Velazquez responded that it was an amendment to the original Shared Service regarding e-waste. Regarding mention of pensions in the Executive Director's report, Ms. Ridgeway asked how many Board Members were a part of the Authority's employee benefits. Mr. Velazquez answered none.

No other members of the public wished to comment at this time.

Close Public Comment Session

Mr. Nedohon called for a motion to close Public Comment Session. A motion was made by Mr. Lopez, seconded by Mr. Kelly to close Public Comment Session.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes.
The motion was approved by a 5-0 Vote.

Executive Session

At approximately 4:27 p.m. Mr. Nedohon called for a motion to go into Executive Session. Prior to the resolution, Solicitor Weinstein provided proper notice and indicated that discussion during the closed session would include the discussion of matters involving the purchase, lease or acquisition of real property, contract negotiation where the public body is a party or may become a party, appointment, termination of employment, conditions of employment, evaluation

of performance, promotion or disciplining Solicitor Weinstein read Resolution #2016-044 and noted that further business could be conducted after the conclusion of the Executive Session.

The motion was made by Mr. Jones, seconded by Mr. Kelly.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes. The motion was approved by a 5-0 Vote.

Resume Public Session

Mr. Nedohon called for a motion to come out of Executive Session and resume Public Session at approximately 4:51 p.m. The motion was made by Mr. Jones, seconded by Mr. Lopez.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes.

The motion was approved by a 5-0 Vote.

Mr. Weinstein requested that a motion be called for the approval of Resolution #2016-055 with modifications as noted by Mr. Weinstein.

Roll Call of the Board Members was taken.

Mr. Olivio-Present; Mr. Jones-Present; Mr. Lopez-Present; Mr. Nedohon-Present; Mr. Kelly-Present.

Mr. Nedohon asked for a motion to approve Resolution #2016-055. The motion was made by Mr. Olivio and seconded by Mr. Kelly.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes.

The motion was approved by a 5-0 vote.

Adjournment

Mr. Nedohon called for a motion to adjourn the meeting. A motion was made by Mr. Jones, seconded by Mr. Lopez.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes.

The motion was approved by a 5-0 Vote.