

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
MINUTES OF REGULAR MEETING
WEDNESDAY, DECEMBER 20, 2017

Meeting Opening

The meeting was called to order at approximately 4:10 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-
Absent; Mr. Jones-Present; Mr. Lopez-Present; Mr. Nedohon-Present; Mr. Kelly-Present.

The Pledge of Allegiance was recited.

Freeholders present: None Present

Approval of Agenda

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

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

Approval of Minutes

Mr. Nedohon asked for a motion to approve the November 2017, Regular Meeting, Public Session Minutes. The motion was made by Mr. Jones, seconded by Mr. Lopez.

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

Executive Director's Report

Operations continue to move along very well at CWED, DMV, 275 N. Delsea Drive and W. Park Ave. We continue to operate as expected/budgeted. Additional (many more than required by code) handicapped parking spaces were added to accommodate county staff. 2018 service contracts are on the agenda for approval. We will need to re-bid snow removal. We are utilizing our sweeper and staff to maintain parking lot cleanliness.

We have received final Letters of Intent from Treasury and the City of Vineland to lease 100% of the office space. Treasury met with our staff for several hours to finalize its final floor plan requirements, and is expected to receive formal lease approval during the first week of January. The City has initiated cleaning and layout of their facility. CCIA has been selected by the City to implement the renovations. We expect demolition to begin in January and hope to occupy the buildings in May, 2018. We are finalizing plans and specifications for the interior work and MEP design. We will be utilizing our service contracts for construction, HVAC/Plumbing and Electric.

Other budget continues to include an increase as a result of new rents from 71 W. Park acquisition. As expected, rents and project development fees have started to increase during the final quarter of 2017. We continue to enhance our capacity to provide in-house construction management services. This will significantly decrease project costs to our customers, while generating an opportunity to reimburse the CCIA for our construction management staff. This revenue source will be used to offset the administrative costs associated with the economic development operations/staffing.

Our Bridgeton efforts continue to focus on the redevelopment of the Bank Building/adjacent properties as well as the expansion of the Food Specialization Center. One of our anticipated financing sources, New Market Tax Credits is currently in jeopardy as a result of the President's proposed tax legislation. We hope to have this resolved shortly.

Redevelopment Plans for both the Downtown and the Florida Ave. have been formally approved by City Council. We will be attending City Council and Planning Board meetings to obtain final Redevelopment Agreement and land use approvals. We will also be receiving land acquisition and street vacation approvals. The recent change to City Council has resulted in a shift in support of this worthwhile project. USEDA is requiring the CCIA to rebid the Food Specialization project. This rebid is expected to result in a delay, but should not negatively impact the overall project. This project will be constructed under a PLA. We are working with TD Bank to close financing by the end of this year. We are awaiting final title work.

Our county-wide equipment financing is not progressing as well as we had hoped. I am following up with TD Bank to work on a plan to better market and follow up with our municipalities.

Modifications to our personnel manual are on the agenda for approval. Included in the modifications is a cell phone policy that will better protect staff and our customers at the landfill. Cell phone use in areas with significant truck, heavy equipment and other vehicle traffic could be dangerous.

The Technical High School operations are going well. The track phase of the project is completed and the college is utilizing the fields for men's and women's soccer games.

We continue to implement the planning, financing and pre-development phase of the School of Health and Science and Medicine. We are working through this process with the Tech School and the College. We are working with DOE to finalize our application, drawings, specifications and front end. We expect to be out to bid in the early part of 2018.

The Arts and Innovation Center is complete and operations are moving along. College utilization and programming are increasing. The required water meter has been installed and a water utilization certification has been submitted to the City. We continue to oversee Property Management aspects of the project.

E-Waste collection issues continues to progress very well. We are still covering staffing costs internally, but we are now being reimbursed for materials used to process e-waste.

The City of Millville election results have created a significant modification to the composition of the Commission. I have already had several meetings with the newly elected commission and we expect a very positive and productive relationship with the City of Millville for at least the next 4 years.

As you know, 2018 budget and 2016 Audit have been formally approved by the State. No findings or issues with either.

Market fluctuation continues with regard to our Single Stream recycling. In order to mitigate market uncertainty, we continue to utilize two recycling vendors. Tonnage continues to increase. Due to the quality of our single stream and the positive change in the market, we were able to work out a contract with RE to process single stream and deliver residual waste to the landfill. This allows us to reduce the use and therefore the wear and tear on our tractor and trailers. The expected drop in pricing due to China/Asian recycling restrictions ("Chinese Sword") continues. We negotiated a \$0 floor so we will not be charged for recycling regardless of market conditions. See recycling report for additional information. Our Fleet Maintenance operation continues to progress well and volume increasing as Vineland's department directors become more comfortable with the process and the system. The City of Vineland is preparing to provide fleet services from our West Ave. This will assist with coordination between the CCIA and the City. The Fire Department is utilizing services on a regular basis. Staff continues to utilize

down time to support CCIA vehicle repairs and maintenance. Staff has been heavily involved in repairing our heavy equipment and trailers.

We are working with GPC, the parent company of NAPA to implement a parts, equipment and supplies distribution facility on site. This will allow us to enhance our shared services to the County and County Municipalities by creating an opportunity to purchase parts and supplies at wholesale pricing.

The Millville Housing Authority is expected to approve a shared services agreement with the CCIA this month.

We continue to upgrade our staff capacity and attending training opportunities to improve our effectiveness and efficiency.

Truck Wash is complete and we have begun utilizing the facility. Final adjustments to the equipment and system is underway and should be dialed in by the new year.

We created a pricing schedule. Cars will be charged \$11, Small buses \$22, Large buses \$33 and Trucks \$44. After running our vehicles through the wash, I am confident that our fleet and our customers' fleets by enhancing useful life of vehicles.

Our Energy HUB/Micro Grid Initiative continues to move forward. Our Data Center developers have contacted our Department of Workforce Development to identify the first 20 employees of the new facility. We are working on an initial strategy to connect our current engines to the newly installed natural gas lines. This will allow the 3 engines to provide more reliable energy to the data center as well as the landfill. We will also install the new generator at the EPP site to allow for the emergency generation to support the entire facility, rather than one building. Removing this generation from the grid will also allow the CCIA to free up space on the grid.

We are working on 5 significant initiatives. 1; the development of a Combined Heat Power Plant on the College Campus that would service the College, 2; a solar initiative that would be located at the SWC that would service all the electrical needs of the SWC, 3; the CNG facility, 4; the development of a Data Center and related solar field, and, 6; the development of a 69kV Ring Bus and Transformer to support the overall initiative. We are working with our developers to structure contribution agreements.

The Combined Heat and Power Plant grant application to the state Clean Energy Fund was completed and submitted to BPU. We hope to save the College approximately \$90,000 per year in utility costs. We received initial approval and are working with the college to finalize implementation.

DCA denied our request to modify the procurement process for the CNG facility. We are working with our general counsel to implement an alternative strategy.

SJI completed the gas line installation. This project will allow the conversion of our current diesel and propane systems as well as the CNG facility.

We believe we have located an alternative location for the Impound lot. We are providing a significant shared service to the County, but the vehicles are located in a very dusty area of the landfill.

We were able to identify an alternate tire recycling facility. This has allowed us to resume a more aggressive and predictable schedule.

Redevelopment Plan and Redevelopment Agreement are fully approved and allow us to implement our Energy HUB projects, biosolids, our administrative office and solar strategies and name the CCIA as the Redeveloper for the site. I attended the Deerfield, December 6th meeting to provide an update on the energy HUB.

The CCIA will allow the fire department to fill its tankers utilizing our wells. Deerfield in turn, will improve our well pumps and electronic timers. This project is moving along. Well contractor provided a cost estimate and we are going to implement the upgrades and receive reimbursement from Deerfield.

The Treatment Plant has been the focus of discussions and attention over the past several months.

Operating deficiencies have caused us to increase our hauling and associated hauling fees. In order to avoid this circumstance, we have been working to replace existing deficient components with new ones. Staff is still working to develop an effective cleaning and maintenance protocol that will allow the system to remain operational while being cleaned and/or maintained. We purchased and installed three new UF tubes that have increased our efficiency. We are going to purchase another 3 tubes so that the system can get back to the 70 GPM capacity originally specified. This upgrade in efficiency will reduce the reliance

on hauling leachate. I have explained to staff that hauling should not be the solution. We need to increase our efficiency and capacity in the treatment plant.

The new compactor was delivered and is operational. Unfortunately, the back-up compactor needs a motor replacement. We expected to move operations to Cell 7 with the addition of the new compactor. We are completing upgrades to the cell 7 berm and expect to be fully operational in cell 7 during the week of December 18th. We will continue to haul construction debris to the original cell, but all other trash will be placed in cell 7. Our objective is to reach the “wedge” so we can lower the berm on the slope and reduce leachate in cell 7.

Temporary tarp installation of the higher slopes is complete. The new cover will assist in the reduction of leachate, and help to increase gas production and reduce erosion into the swales on the side slopes. Makes a big difference aesthetically as well.

The new gas system is operating well. F&P Engineering is making great progress in monitoring, evaluating and adjusting the gas infrastructure. Recent adjustments have increased volume and quality of the gas. 2 engines are consistently running at capacity.

F&P has completed the draft design for the next phase of our landfill gas infrastructure. Our new Construction Manager has provided value engineering for the design. We initially anticipated going out to bid in October, but have decided to delay until February so that we can maximize the new volume of gas collected by the new system.

Our Class B Facility has received formal DEP approval to be included in the waste management plan. We are still waiting for the final approval from DEP. The process has taken almost a year. Still waiting...Still waiting...Still waiting...Still waiting...hope to receive before the new commissioner is named.

We finalized shared agreement develop for recycling wood waste. The agreement provides free recycling of wood waste for all municipalities, the county and the CCIA. The operator is also waiting for final DEP approval. Still waiting...still waiting...hope to receive before the new commissioner is named.

The purchase and installation of our central fueling and fleet management program is being finalized and will be implemented shortly. We have provided cost breakdown to the shared service participants for reimbursement. Fuel Master System will be utilized by the City of Vineland, the County and the CCIA to allow for centralized fueling and vehicle repair management. Initial talks with Dossier have begun to ensure a smooth transition and integration with our existing fleet maintenance software. The install will start at the CCIA to ensure all functions work as desired then we will move to the partner agencies (County and Vineland City).

Our new cover material policy is in place and we are approving tonnage at the new \$15/ton rate.

We are revising our Closure Plan to include the modified DEP funding and interest rate structure. This modification will require an increase in our tipping fee. We are now evaluating how much and how that will impact the overall fee. Increase will be implemented in 2019. If DEP implements the new policy, we expect a pretty significant increase; perhaps \$3-\$5 per ton. This will impact all landfills significantly. We are in a better position than most to work through this change. Many landfills will experience much higher increases and liabilities.

Construction of cells 7, 8 and 9 is complete. Punch list items are complete. Final pumps, valves are installed. We modified the contract to include berm enhancements in cell 7.

Administrative offices on Lebanon Road/SWC is out for bid. During this time, our landfill staff completed significant site work that will save the project in excess of \$250,000. This will be a PLA project. The move will significantly enhance our operational efficiencies and create a synergy with the proposed Data Center Office Building. We have several interested tenants to backfill our space in Millville. Move expected in October 2018. We are investigating the option of issuing a concessionaires license to perspective food/restaurant entities.

We received more good news regarding the Millville Airport. The new Drone/UAS contractor that is located at the landfill was awarded a \$50 million contract. We have been attempting to attract this type of activity at the airport for several months. We are hoping that the Drone/UAS activity continues to grow and attract additional related and ancillary business. DRBA representatives indicated that they have had

preliminary discussions with Amazon regarding the potential for utilization of the airport facility. We are hopeful that our new relationship with the City of Millville will provide a new platform for enhancing the development opportunities at the landfill.

Resolutions

Mr. Nedohon requested a motion to approve the Resolutions by consent.

Mr. Nedohon called for a motion to approve the Resolutions 2017-237 through 2017-297.

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

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

Mr. Nedohon requested that the Solicitor handle Resolutions on the Agenda. Resolutions were read by Solicitor Gibson.

Mr. Nedohon called for a motion to approve the Resolutions 2017-237 through 2017-297. The motion was made by Mr. Jones and seconded by Mr. Kelly.

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

Mr. Lopez abstained from Resolution #2017-280, #2017-284, #2017-285, #2017-290, #2017-291.

Treasurer's Report

1. Monthly Year over Year Tonnage:
16,674 tons were brought into the Solid Waste Complex including 7,865 tons of municipal solid waste generated in county. Total tonnage increased by 932 tons, or 6%, over the same period last year.
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 decrease in the general fund of \$24,151 for the month and an ending balance of \$2,299,708. Amounts owed back to the General Fund totaled \$10,802,378.
3. Cash and Investments:
Interest earned on the local and trustee accounts for the month amounted to \$10,650 as noted on the schedule of bank account balances.
4. Landfill Operations Summary – Profit and Loss Statement:
Landfill operations generated revenues of \$1,094,088 which included total tipping fees of \$1,049,096 and revenues from other landfill activities of \$44,992. Total revenues of \$1,114,904 less total expenses for the month of \$1,251,504 resulted in a net deficit of \$136,600. The deficit was primarily due to leachate hauling.
5. Economic Development Operations Summary – Profit and Loss Statement:
Economic Development operations generated revenues of \$292,620 which included rental income of \$246,584, Fleet Maintenance revenue of \$39,679,

and other income of \$6,357. Total revenues less total expenses of \$233,570 resulted in a net excess of \$59,050.

Old Business – No old business.

New Business – No new business.

Freeholder Liaison Remarks – None Present

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. Lopez to go into Open Public Comment Session.

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

Nancy Ridgeway – Questioned the Lincoln Avenue Property sale. Mr. Velazquez confirmed that the property was being sold and that the CCIA is not involved in the construction of the buildings.

Dean Hawk – Commented that he was unable to hear the President/C.E.O.'s report. Mr. Velazquez responded that if at any time you are unable to hear let the Staff and Board know and they will speak louder. Mr. Velazquez reminded Mr. Hawk that the President/C.E.O. report is provided on the website each month. Mr. Hawk also wanted to express that he does not think it is fair that the public is not able to comment on the Resolutions before the Board votes on them.

Mayor Santiago – Wished to thank the Board for inviting himself and the newly appointed Commissioners to the meeting and they are looking forward to working with the CCIA in 2018.

There were no other members of the public wishing to address the Board at this time.

Close Public Comment Session

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

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

Executive Session

At approximately 4:44 p.m. Mr. Nedohon called for a motion to go into Executive Session. Prior to the resolution, Solicitor Gibson 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, pending or anticipated litigation or contract negotiation where the public body is a party or may become a party. Solicitor Gibson read Resolution #2017-237 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 Absent; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes.

The motion was approved by a 4-0 Vote.

Resume Public Session

Mr. Nedohon called for a motion to come out of Executive Session and resume Public Session at approximately 5:15 p.m.

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

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

The motion was approved by a 4-0 Vote.

Adjournment

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

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

The motion was approved by a 4-0 Vote.