



UNION COUNTY UTILITIES AUTHORITY

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RESOLUTION NO.: 70-2013

DATED: November 13, 2013

**RESOLUTION OF THE UNION COUNTY UTILITIES AUTHORITY
AUTHORIZING A CHANGE IN THE DELIVERY DESTINATION
FORUCRRF ASH RESIDUE SUBJECT TO ALL NECESSARY
DUE DILIGENCE AND REGULATORY APPROVALS**

APPROVED AS TO FORM:

Joseph C. Bodek
Clerk of the Authority

By: *Joseph C. Bodek*

APPROVED AS TO SUFFICIENCY OF FUNDS

YES NO NONE REQUIRED
UNION COUNTY UTILITIES AUTHORITY

By: *[Signature]*

	PRESENT	ABSENT	AYE	NAY	ABSTAIN	MOTION	SECOND
<i>Badri</i>		X					
<i>Eastman</i>	X		X			X	
<i>Erdos</i>	X		X				X
<i>Huff</i>	X		X				
<i>Kennedy, Secretary</i>	X		X				
<i>Kulich</i>	X		X				
<i>People, Treasurer</i>	X		X				
<i>Kahn, Vice Chairman</i>	X		X				
<i>Jackus, Chairman</i>	X		X				
<i>Bonanno, Alternate No. 1</i>	X		X				
<i>Lombardo, Alternate No.2</i>	X		X				

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WHEREAS, the County of Union, New Jersey has previously developed the Union County District Solid Waste Management Plan in accordance with the New Jersey Solid Waste Management Act for the purpose of managing the disposal and/or recycling of solid waste generated in Union County; and

WHEREAS, the Union County Board of Chosen Freeholders has designated the Union County Utilities Authority (the "UCUA"), in accordance with the Solid Waste Management Act, as the implementing agency for its District Solid Waste Management Plan; and

WHEREAS, the UCUA owns a 1540 tons per day waste-to-energy facility ("UCRRF") located in the City of Rahway, New Jersey; and

WHEREAS, the UCUA has an agreement with the Empire Sanitary Landfill (now Alliance Landfill, Inc.), dated December 31, 1992, as amended as of June 15, 1998, for the disposal of residue and bypassed waste generated by the UCRRF (hereinafter "Landfill Agreement"); and

WHEREAS, the UCRRF has been leased to Covanta Union, Inc. (hereinafter, "Covanta", and previously referred to as Ogden Martin) pursuant to the terms of a Facility Lease, dated as of June 15, 1998, and as amended by First Amendment to Facility Lease Agreement dated as of December 15, 2011; and

WHEREAS, an additional component of the transaction with Covanta involved the execution of both a Waste Disposal Agreement and a Residue Disposal Agreement by and between the UCUA and Covanta which provide for the processing of Acceptable Waste (as defined therein) and the delivery of ash residue therefrom and any bypassed waste to the Alliance Landfill located in Taylor, Pennsylvania; and

WHEREAS, on July 8, 2002, the Pennsylvania Legislature enacted a law which provides for a \$4.00 charge to be levied against each ton of waste disposed at all Pennsylvania landfills, but provides for an exemption of such fee if such waste is utilized for beneficial reuse; and

WHEREAS, pursuant to the formal request of Waste Management, by way of Resolution 54-02, on or about October 16, 2002 the UCUA authorized a change in the destination for delivery of the above referenced UCRRF's residue to be used for beneficial reuse as daily landfill cover at the GROWS Landfill in Bucks County, Pennsylvania ("GROWS Landfill"), as the Alliance Landfill was not permitted by the Pennsylvania regulatory agencies to beneficially reuse residue; and

WHEREAS, by way of letters dated August 14, 2013 and November 1, 2013, from Waste Management to the UCUA, in order to ensure the continued beneficial reuse of the UCRRF ash residue as landfill cover Waste Management formally requested a further change in the destination for delivery of the ash residue as follows: (a) effective November 15th, 100% of the ash residue generated at the UCRRF to be directed to Grand Central Sanitary Landfill, in Pen Argyl, PA (“GCSL”); and (b) effective December 15, 2013, approximately 50% of the ash residue generated to be directed to GCSL, and approximately 50% of the ash generated will be directed to GROWS Landfill, Bucks County, PA. Waste Management has further proposed that, consistent with the terms of the above referenced Landfill Agreement and Residue Disposal Agreement, it will compensate Covanta \$2.00 per ton for all tons of ash residue redirected from the GROWS Landfill to GCSL prospectively and for the remainder of the term of the Landfill Agreement, which amount may escalate by regional CPI annually; and

WHEREAS, Covanta has confirmed its consent to the change in destination proposed by Waste Management, as well as the payment terms.

WHEREAS, the UCUA believes it is in its best interest to allow for the UCRRF residue and/or bypassed waste to be delivered to the GROWS Landfill and/or GCSL as set forth above, provided that appropriate due diligence is conducted and upon obtaining all necessary permitting and regulatory approvals, from both the New Jersey and Pennsylvania regulatory authorities and resolving any related issues that may arise with Waste Management, Inc. and/or Covanta in connection with this change.

NOW, THEREFORE, BE IT RESOLVED, by the Union County Utilities Authority as follows:

Section 1. All of the above recitals are incorporated herein by reference.

Section 2. The UCUA approves the changes outlined above which provide for (a) the direction of ash residue generated at the UCRRF to Grand Central Sanitary Landfill, in Pen Argyl, PA (“GCSL”) effective November 15, 2013; (b) effective December 15, 2013, the direction of approximately 50% of the ash residue generated to GCSL, and approximately 50% of the ash residue generated to GROWS Landfill; and (c) compensation from Waste Management to Covanta in the amount of \$2.00 per ton for all tons of ash residue redirected from the GROWS Landfill to GCSL prospectively and for the remainder of the term of the Landfill Agreement, which amount may escalate by regional CPI;

Section 3. This approval is subject to appropriate due diligence being conducted and the obtaining of any and all necessary permitting and regulatory approvals from both the New Jersey and Pennsylvania regulatory authorities and resolving any related issues that may arise with Waste Management, Inc. and/or Covanta in connection with this change; and

Section 4. The UCUA authorizes the Executive Director and General Counsel, with the assistance of Special Counsel and the UCUA's engineering consulting firms to undertake the necessary due diligence, execute, if required, any and all amendments or other documents in order to implement this change and to make all necessary notifications of this change.

Section 5. This resolution shall take effect immediately.