

POLLUTION CONTROL FINANCING AUTHORITY
OF WARREN COUNTY

MINUTES OF REGULAR MONTHLY MEETING

May 23, 2016

Chairman James Cannon called the regular monthly meeting of the Pollution Control Financing Authority of Warren County to order at approximately 9:30 am.

Authority Members present: Richard Mach, James Cannon, Bud Allen, Joseph Pryor and Marc Pasquini.

ROLL CALL:	Mr. Allen	-	Present
	Mr. Pasquini	-	Present
	Mr. Pryor	-	Present
	Mr. Mach	-	Present
	Mr. Cannon	-	Present

Also present: James Williams, Director of Operations; Brian Tipton, General Counsel; Dan Olshefski, Chief Financial Officer; Freeholder Ed Smith; Anthony Fontana, New Jersey Department of Environmental Protection; Dr. Nicole Lewis, State of New Jersey Department of Agriculture Division of Animal Health; Susan Luchese, State of New Jersey Department of Agriculture Division of Animal Health; Jamie Banghart, Recording Secretary.

The Pledge of Allegiance was led by Chairman Cannon.

Mr. Cannon read the following statement: "Adequate notice of this meeting of May 23, 2016 was given in accordance with the Open Public Meetings Act by forwarding a schedule of regular meetings of the Pollution Control Financing Authority of Warren County (PCFAWC) to the Warren County Clerk, the Warren County Board of Chosen Freeholders, the Express Times, and by posting a copy thereof on the bulletin board in the office of the PCFAWC. Formal action may be taken by the PCFAWC at this meeting. Public participation is encouraged".

Mr. Cannon welcomed Susan Luchese and Dr. Nicole Lewis from the Department of Agriculture. He also welcomed Freeholder Ed Smith.

MINUTES

Mr. Cannon presented the regular monthly meeting minutes from April 25, 2016. Mr. Cannon stated that everyone is liking these minutes.

Mr. Pasquini made a motion to approve the regular monthly minutes of April 25, 2016 as presented, seconded by **Mr. Pryor**.

ROLL CALL: Mr. Allen - Yes
 Mr. Pasquini - Yes
 Mr. Pryor - Yes
 Mr. Mach - Yes
 Mr. Cannon - Yes

Mr. Cannon presented the Executive Session Minutes from April 25, 2016.

Mr. Pasquini made a motion to approve the executive session minutes of April 25, 2016 as presented, seconded by **Mr. Pryor**.

ROLL CALL: Mr. Allen - Yes
 Mr. Pasquini - Yes
 Mr. Pryor - Yes
 Mr. Mach - Yes
 Mr. Cannon - Yes

CORRESPONDENCE

None

PUBLIC COMMENTS (AGENDA ITEMS ONLY)

None

FINANCE/PERSONNEL

Mr. Olshefski stated that he has a couple items to discuss before he gets into the financial monthly report.

Mr. Olshefski stated that he would like to discuss the merchant card service, which is the credit card service that we have been discussing the last few months. He also stated that there was a handout. An email that was sent which was more detailed on the analysis on the two vendors that are wishing to get our services. One is our current vendor, Elavon and the other is Fulton which has submitted a proposal to become our new vendor.

Mr. Olshefski stated that the details of the analysis of the cost for both the Visa/MasterCard and American Express rates are less for both the Visa/ MasterCard than American Express. The findings show Fulton Bank rates are lower for Visa/MasterCard. Elavon rates are lower for American Express.

Mr. Olshefski stated that our recommendations are to continue the scalehouse as is with the addition of the American Express. The Authority will absorb those fees. The fees that we paid last year were a little over \$4,000.00.

Mr. Olshefski stated that we can expand our services to allow haulers to pay by credit card. The Authority can pass that process fee onto the hauler. He stated that for hauler charges only, we are

suggesting that for the Visa/ MasterCard it would be the total disposal tons times 2% and if they chose to use American Express it would be the total disposal times 3% for the convenience fee or whatever we want to call it for the credit card charge. He stated that we will develop a reference card that we could use if we want to charge the full service charge back to the hauler because there are some tiers referenced in the handout that he provided to the Board and that cost can vary slightly on the percentage.

Mr. Olshefski stated that what we need to clarify is, do we want to just charge a straight fee and absorb a slight portion of the cost or to charge the full cost back onto the hauler? This is the first thing that the Board needs to decide on if we are going to use American Express for haulers.

Mr. Cannon stated that a couple things that we went back and forth with email and phone and had this sent out to the other members is one he really thinks that we should disregard the tiers. He thinks that the rate we make is the rate. He also stated that if it is a lower amount then the difference is really not worth while. He thinks that this is one less process that we would not have to worry about depending on what tier they are at.

Mr. Cannon stated that we have talked about giving a round number so that if it fluctuates we do not have to maintain that 0.12% that changed month to month. He stated that the other charges for the Visa/ MasterCard/ Discover that Mr. Olshefski stated were lower than Fulton but he would like to know how much lower the rates were with Fulton? He did not see that anywhere and if he missed it please tell him. Mr. Olshefski stated that there are levels of cost. There is the individual card cost which is controlled by the vendor say if you had a Bank of America Visa card or PNC MasterCard, they have their own rates. This is between 1.55% and 2% and this is fixed on both sides. He stated that the real savings is in the merchant fee which is what the vendor charges, 0.12% for our current provider, Elevon and 0.11% for Fulton. He also stated that on each transaction there is a \$0.15 charge by our current provider, Elevon, and \$0.11 for Fulton. He also stated that there it is a slightly less charge for Fulton. The savings that are projected are anywhere between \$150.00 to \$250.00 per year by going to Fulton.

Mr. Cannon questioned that with Elevon we do not create any problems if we change vendors? Mr. Olshefski stated that there is a thirty day. He also stated that the only thing with the machine is, which we mentioned this before, we purchased the machines out right last year and it has the chip in it now for the more security. Mr. Cannon stated that supposedly they are faster. Mr. Olshefski stated that Fulton did say that if those machines are locked and he does not know but he did talk to their IT department about this. Since we purchased the machines out right, they do not think that they will be locked and this should not be an issue. He also stated that this has not been verified, and there would be a slight charge to upgrade the machines if they are locked. Mr. Williams stated that we checked with the vendor that we got them from and they are not locked.

Mr. Cannon questioned that there are no additional fees or anything that we encounter by changing to Fulton? Mr. Olshefski stated that he thinks with Fulton, there is an initial startup charge of \$100.00 to \$125.00. Mr. Cannon stated that this is all of savings right there. Mr. Olshefski stated that this is one year but after that, but that is the call.

Mr. Pryor has a couple of questions and he stated that he may be a little behind the curve on this. He stated that we save a little money with Fulton on the MasterCard and so on, and we give some of that back with the American Express. He said it looks like a wash pretty much. The reason for change is what? They are local? Mr. Williams replied that the customer service is lousy with Elevon. He stated

that sometimes it has been days before they have gotten back to us. Fulton has an individual at the phone. The customer service is more reliable. Mr. Olshefski stated that this is what the recommendation is to go to Fulton.

Mr. Cannon asked if any other members had any questions.

Mr. Cannon stated that he thinks that American Express with Fulton charge be at 3.23% at this point because that is the rate. He questioned that with the Visa/MasterCard/Discover, Mr. Olshefski is saying that this is less than 2%? Mr. Olshefski stated that there is a monthly fee and if we prorate that, it is really 2.1%. He also stated that 2% would be fine.

Mr. Olshefski suggested 2% for the Visa/MasterCard/Discover and 3.25% for American Express, only for haulers to clarify this. He stated that the scalehouse will continue as we are.

Mr. Cannon stated that hearing no other questions, a motion is needed that we approve the change to Fulton Bank for our credit card services for haulers with the fee being passed onto the haulers in the amount of 2% for Visa/MasterCard/Discover charges and/or 3.25% in American Express charges.

Mr. Pasquini agreed to Mr. Cannon's motion, seconded by **Mr. Pryor**.

ROLL CALL:	Mr. Allen	-	Yes
	Mr. Pasquini	-	Yes
	Mr. Pryor	-	Yes
	Mr. Mach	-	Yes
	Mr. Cannon	-	Yes

Mr. Olshefski stated that the second item he has for discussion is the 2015 Audit. His observations of the Audit this year is that it reflects what we have been basically saying at the monthly meetings that we are on good financial position going forward. Our cash balances increased from the prior year.

Mr. Williams stated that the resolution for the Audit was a hand out that is front of everybody this morning. Mr. Cannon stated that the Audit was handed out at our special meeting on May 6th. Mr. Cannon asked Mr. Olshefski to give the Board a quick overview of the Audit itself.

Mr. Olshefski stated that the Audit does reflect our cash balances have increased. At the end of 2014, our cash balance between restricted and unrestricted was \$36.8 million. At the end of 2015, our cash balance between restricted and unrestricted was \$39.4 million. He stated that we obviously do not have any debt and there are no findings in the Audit or recommendations which is always a good thing. He wants to point out that this year there was a requirement for reporting net pension liability. He stated that if the Board has had the chance to look at the Audit, there is a six page note in there and with talking to Bill Schroeder, our auditor, these numbers came from the State because we are part of the State's system. The State portions out what our percentage is, which is minimal to the overall debt of the whole system. He also stated that we all know that the pension system needs to make some changes in the next few years. It is reflected here, and is saying that our net liability today, 12/31/15, is \$1.8 million that is based on actuary and assumptions that we have healthy employees. He stated that we could take those assumptions and make your own decisions on it but the true picture is that there is a liability that everyone in the State is going to be incurring and the cost is getting higher to maintain the pension system and so changes will be made in the next few years.

Mr. Olshefski stated that we statutorily have an annual pension payment for an employer. In 2015, it was \$62,000.00 and in 2016, it was due on April 1st, it was \$69,000.00. He stated that this is the obligation that we have and we are fulfilling that.

Mr. Cannon questioned Mr. Olshefski if they are taking any portion of our shared services with the County as to yourself for instance, or is there none of that? Mr. Olshefski replied no that he is not on the PCFA payroll. He also stated that if you look at the note, our current liability projected is \$1.8 million, they said if there is a 1% variation, it could be \$2.2 million or \$1.4 million. His thought is what if it is a 2% variation? He stated that the number itself is not as important as knowing that the system needs to make some changes going forward.

Mr. Pryor questioned Mr. Olshefski on how does the annual payment relate to the total liability? Mr. Olshefski stated that they do a same type of analysis that they did here. If you take the \$1.8 million that we have because he was trying to run some numbers and we paid roughly \$70,000.00 this year, this is projected at twenty five years. He stated that then they give us our cost. He also stated that in theory each year, if we pay that \$70,000.00, you would think that liability would be reduced a little bit each year as we go forward. Here with the Authority, is that we have a stable workforce but with the County, as people retire they get retirement pensions and we fill that position this is where it starts really swelling. He stated that this is where the real issue is.

Mr. Pryor questioned that the total liability is a projection and again the annual payment is what we need to meet that projection? Mr. Olshefski replied with right and they are basing on a rate of return, they are going to get investments and there are all kind of variables that they have to monitor as they go through this each year. Mr. Cannon stated that they estimate high. Mr. Olshefski agreed.

Mr. Cannon questioned the Board if there are any other questions as to the Audit report? He emphasized again that there were no recommendations or guidance with any changes from the audit. There were no questions.

Mr. Cannon stated a motion was needed to approve the 2015 Annual Audit (R-05-04-16).

On a motion by *Mr. Allen*, seconded *Mr. Pryor*, the following resolution was adopted by the Pollution Control Financing Authority of Warren County at a meeting held on *May 23, 2016*

R E S O L U T I O N

R-05-04-16

APPROVING THE 2015 ANNUAL AUDIT

WHEREAS, N.J.S.A. 40A:5A-15 requires the governing body of every local unit to have made an annual audit of its books, accounts and financial transactions, and

WHEREAS, The Annual Report of Audit for the year 2015 has been filed by a Registered Municipal Accountant with the Secretary of the Board as per the requirements of N.J.S.A. 40A:5A-15, and a copy has been received by each member of the authority, and

WHEREAS, the Local Finance Board of the State of New Jersey is authorized to prescribe reports pertaining to the local fiscal affairs, as per R.S. 52:27BB-34, and

WHEREAS, the Local Finance Board has promulgated a regulation requiring that the governing body of each authority shall by resolution certify to the Local Finance Board of the State of New Jersey that all members of authority have reviewed, as a minimum, the section of the annual audit entitled:

General Comments

Recommendations

and

WHEREAS, The members of the authority have personally reviewed as a minimum the Annual Audit Report of Audit, and specifically the sections of the Annual Audit entitled:

General Comments

Recommendations

As evidenced by the group affidavit form of the governing body, and

WHEREAS, Such resolution of certification shall be adopted by the Authority no later than forty-five days after the receipt of the annual audit, as per the regulations of the Local Finance Board, and

WHEREAS, All members of the Authority have received and have familiarized themselves with, at least the minimum requirements of the Local Finance Board of the State of New Jersey, as stated aforesaid and have subscribed to the affidavit, as provided by the Local Finance Board, and

WHEREAS, Failure to comply with the promulgations of the Local Finance Board of the State of New Jersey may subject the members of the local authority to the penalty provisions of R.S. 52:27BB-52 - to wit:

R.S. 52:27BB-52 - "A local officer or member of a local governing body who, after a date fixed for compliance, fails or refuses to obey an order of the director (Director of Local Government Services), under the provisions of this Article, shall be guilty of misdemeanor and, upon conviction, may be fined not more than one thousand dollars (\$1,000.00) or imprisoned for not more than one year, or both, in addition shall forfeit his office."

NOW, THEREFORE BE IT RESOLVED, That the Board of the Pollution Control Financing Authority, hereby states that it has complied with the promulgation of the Local Finance Board of the State of New Jersey dated July 30, 1968 and does hereby submit a certified copy of this resolution and the required affidavit to said Board to show evidence of said compliance.

ROLL CALL: Mr. Allen - Yes
 Mr. Pasquini - Yes
 Mr. Pryor - Yes
 Mr. Mach - Yes
 Mr. Cannon - Yes

I hereby certify the above to be a true copy of a resolution adopted by the Pollution Control Financing Authority of Warren County on the date above mentioned.

Dated: 05/23/16

Jamie Banghart, Recording Secretary

Mr. Olshefski reported on the April Financial Report. He stated that we are a third of the way through the year. He also stated that we are continuing on a positive financial path.

Mr. Olshefski reported that the current volume of solid waste is up 5,000 tons over the previous year. Last year's number is what we based our budget on for this year, so we are above where we expected to be which is a key factor on where we are going to be with the budget at the end of the year.

Mr. Olshefski stated that the average fee per ton is up slightly over the prior year, which is good. The average fee per ton is \$21.92 for cover which was \$17.48 the prior year, and the solid waste average fee per ton is \$51.27 which was \$50.94 the prior year.

Mr. Olshefski stated that the receivables and all that on the bottom, we are still in the range that we normally expect on a monthly basis. No surprises there.

Mr. Olshefski stated that our overall budget is within lines, we are at a third with our revenues and only at 24% with our actual expenditures paid year to date.

Mr. Allen questioned Mr. Olshefski, the sixty one to ninety day backup, in 2015 it was \$30,000.00, is that due to one particular person? Mr. Olshefski stated that there may have been more than one. Mr. Williams stated that it was a number of them. Mr. Olshefski stated that those have been collected and you can see that right now we are down to \$1098.00. This was as of December 31, 2015. Mr. Allen stated that this dropped so quick and he thought maybe it was one person. Mr. Olshefski stated that there may have been more than one on that and he does not have that number here but we did collect that as you see it is down to less than \$2,000.00. Mr. Williams stated that it is multiple. Mr. Allen questioned that we do our own collections? Mr. Williams replied with yes.

Mr. Cannon presented the Resolution to Pay the Bills (R-05-01-16) 2016 Waste Disposal Fee Schedule.

On a motion by *Mr. Allen*, seconded by *Mr. Pryor*, the following resolution was adopted by the Pollution Control Financing Authority of Warren County at a meeting held on *May 23rd, 2016*.

R E S O L U T I O N

R-05-01-16

To Pay Bills – May 23, 2016

WHEREAS, the Pollution Control Financing Authority of Warren County has been presented with invoices for services, supplies and other materials rendered to it or on its behalf;

NOW, THEREFORE, be it resolved by the Pollution Control Financing Authority of Warren County that the following bills be paid:

See Attached

ROLL CALL:	Mr. Allen	-	Yes
	Mr. Pasquini	-	Yes
	Mr. Pryor	-	Yes
	Mr. Mach	-	Yes
	Mr. Cannon	-	Yes

We hereby certify Resolution to Pay Bills in the amount of **\$517,389.18** to be a true copy of a resolution adopted by the Pollution Control Financing Authority of Warren County on the *23rd* day of *May, 2016*.

Jamie Banghart, Recording Secretary
James Williams, Director of Operations

Mr. Cannon presented the 2016 Waste Disposal Fee Schedule.

Mr. Williams presented A-1, 2016 Waste Disposal Fee Schedule with the change in red (Stony Brook Regional Sewage Authority). The Board's approval is required.

Mr. Williams stated that they are a late comer to the group. Mr. Cannon questioned that they just sent in their contract? Mr. Williams stated that they have not been coming here for a number of years, so we just got a contract from them within the last week or so. This will expire along with all the rest of the contracts and the pricing is in accordance with the structure. Mr. Cannon questioned what kind of numbers were they doing in the past? Mr. Williams stated that it is about two to three thousand tons. It is light. Mr. Allen questioned where is this coming from? Mr. Williams replied it is coming from Stony

Brook in Lambertville. Mr. Mach questioned Mr. Williams, what is sludge ash? Mr. Williams replied that it is incinerated sewage sludge which once it is incinerated it creates an ash. We have had approval for a number of years to use this as an alternate daily cover also. Mr. Cannon questioned if this is a preliminary before it becomes a bio solid? Theoretically, is it considered a bio solid already? Mr. Williams stated this is sludge ash. Mr. Cannon questioned is there another process to where then it would become a bio solid and that can be used again? Mr. Pryor replied no it comes out as a sludge and it is dried so that you do not use all this fuel. He stated that then it goes into an incinerator and is stable ash when it comes out. Mr. Mach questioned if Stony Brook is a waste treatment plant? Mr. Pryor and Mr. Williams replied with yes. Mr. Williams stated that Stony Brook is along the same lines as SRVSA (Somerset Raritan Valley Sewage Authority) rate above it.

Mr. Pasquini made a motion to approve 2016 contract listed in red (Stony Brook Regional Sewage Authority), seconded by **Mr. Mach**.

ROLL CALL:	Mr. Allen	-	Yes
	Mr. Pasquini	-	Yes
	Mr. Pryor	-	Yes
	Mr. Mach	-	Yes
	Mr. Cannon	-	Yes

PRESENTATIONS

Mr. Cannon presented the next item on the Agenda, the presentation from the Department of Agriculture.

Mr. Williams introduced Anthony Fontana from the NJDEP.
The Board moved down below to see the power point presentation.

Dr. Nicole Lewis, a veterinarian with the New Jersey Department of Agriculture Division of Animal Health and Susan Luchese were present to discuss the Avian Influenza. Dr. Lewis stated that they will give a little bit of the background of the previous outbreaks that have been going on in the United States in the past two years or so, some basics on the virus, some planning and focusing mainly on their disposal options and the test burn exercise that they are planning to do at Covanta.

Dr. Lewis stated that in 2014/2015 there was a first detection on a commercial poultry farm in December. This came from comingling of migratory birds between Asia and Alaska that entered North America through the fly ways. The image on the power point demonstration is all the flyways. The spike in all the cases decreased in June of 2015. Once they started to get the outbreak under control, implemented biosecurity and the onset of summer heat. She stated that the higher temperatures tend to slow this virus down until you reach a temperature threshold that inactivates the virus. In total, there is about 211 commercial flocks affected, 21 backyard flocks, and 49,700,000 birds affected. As of August 2015, there was over \$600 million spent on response and indemnities.

Dr. Lewis stated that she wanted to show the Board what Iowa was kind of dealing with when they were looking for help to dispose of all these millions of dead birds. She stated that you get these very large farms with over a million birds composting and different options that you have to look at all of those things because you have limited resources after a while. As the outbreak is ongoing, you need to get rid of these birds in a quick fashion to decrease the chance of more spread.

Dr. Lewis stated that the virus itself is an RNA virus. She stated that you can have DNA viruses and RNA viruses. It affects a variety of birds with different degrees of severity. The reservoir is known to be the wild birds so it is typically shorebirds and waterfowl. Mallards are actually one of the highest ones that tend to carry the virus but they are not affected by it they just shed it into the environment. This is where it can be picked up. She stated that they name Avian Influenza so we will hear the H5N1. The nomenclature comes from two surface proteins on the virus; hemagglutinin and neuraminidase. She stated that hemagglutinin comes in a range of numbers of 1-16 and the neuraminidase is 1-5. This is where they get the H5N1 and other various combinations there.

Dr. Lewis stated that it is classified as a low pathogenic or a high pathogenic. The low pathogenic is what a lot of the wild birds have or are carrying, you get milder or no clinical signs at all. There is a very low to moderate amount of mortality. But if you have the H5 and H7, these are the ones with concern because they can become highly pathogenic. The highly pathogenic is you get the sudden onset, sever clinical signs and high mortality so you can have up to 100% within 48 hours.

Dr. Lewis stated that this can be incubated in their bodies for 3 to 7 days. This is shed in their saliva, nasal secretions and feces. The incubation period depends on the strain of the virus, the dose of the inoculum, the age and immune status of the bird and management and environmental factors.

Dr. Lewis stated that in the environment, survivability of Avian Influenza in the environment is really dependent on a lot of different factors including temperature, pH and heavy metals. In different studies, it has been found that pH can induce inactivation as low as less than 6.4 pH and up to a pH of 10 and 14. She stated that it has also been found to be inactivated by the presence of copper and zinc as well as high temperatures, which she will discuss a little more, has been found to rapidly inactivate Avian Influenza in eggs, poultry, and poultry products.

Dr. Lewis stated that during an outbreak, based on previous experience with Highly Pathogenic Avian Influenza (HPAI), the importance of an emergency preparedness plan, which is what the State is doing. She stated that having a plan is imperative to decrease the risk of spread to other flocks and to minimize the impact of an outbreak on the farmers and the economy.

Dr. Lewis stated that this is kind of how it is handled. This is a general layout. You quarantine the animals, control movement of any of the products, personnel, deliveries, etc. She stated that you depopulate the flocks so that the infected flocks are depopulated to eliminate the virus on the premise. There is generally a zone place around in a certain distance around the area so that all the flocks incased in that area are not allowed to move any products out of there. They are tested and checked for Avian Influenza as well and then the disposal of the birds. There is cleaning, disinfection and quarantine release after that has been done. Then you repopulate after weeks or months of downtime depending on how long this outbreak lasts and the surrounding flocks that could be infected.

Dr. Lewis stated that there is few different disposal options out there that have been used by different states and different countries that are generally considered acceptable. She also stated that she will discuss the first three which is onsite composting, landfilling, and incineration with ash burial. She stated that rendering has been discussed and used in certain different types of outbreaks, not necessarily Avian Influenza. Rendering, lactic acid fermentation, and alkaline hydrolysis tend to be really cost prohibitive and getting the supplies are really difficult.

Mr. Allen questioned Dr. Lewis if she could describe the rendering? Dr. Lewis replied that she really does not know enough about that process. She knows that they use this in cattle a lot. Mrs. Susan

Luchese stated that rendering is when they take valuable fats, and they cook down the product. Mr. Allen questioned is this done onsite? Ms. Luchese replied with no that would be transported off which it is an option but not their first option. She stated that their first option is to keep the disease contained to the premise and if we have a disposal option on the premise that is their first option that they will use. Mr. Allen stated that maybe she will cover this but in the previous slide, Dr. Lewis talked about decontamination. Is everything cleaned and available for disposal without the possibility of there being active virus? Ms. Luchese questioned does he mean in the movement of stuff? She stated that there is great care taken if we would have to move something off the infected premise that those vehicles and any conveyances are cleaned and disinfected prior to movement. Mr. Allen questioned so it is disease free if it leaves the premise? Ms. Luchese replied with except the product within the containers, if we have infected birds to be moved. Mr. Allen questioned how do you render a bird if it sent offsite? Ms. Luchese replied that it will be contained.

Dr. Lewis stated that onsite composting, which is their number one option and it is the one that is most commonly done if they have the space to do it. It has been shown to be very effective at inactivating the virus. Basically, you are controlling the decomposition of organic material. They will do this either within the barn or they will do it if they have the space outside. If they have a large number of birds, they create these images in the bottom by creating these wind rows. There is a carbon source in there to help breakdown the birds, and they do a layering effect. After so many days, they will rotate the rows. They have to reach a certain internal temperature and it has to stay at that temperature for at least three days. Ms. Luchese stated that they do fourteen day periods. Dr. Lewis stated that they have to rotate to make sure everything decomposes.

Mr. Cannon questioned when they say they, who would they be? Ms. Luchese replied that it would be the contractors. She stated that in large events, we get Federal assistance, Federal monies. She also stated that in the outbreak in the Midwest, the cost at \$600 million dollar figure, which is almost up to \$1 billion dollars took care of that event for a year's time was supplied by the Federal Government. There were monies appropriated for that. They go to Congress and get monies appropriated. She stated that if it were a small event on a backyard flock situation, the State Government would take care of this with the assistance from the Federal. There is indemnity money paid. Ms. Luchese stated they have experienced it in low path events and they have been paid for cleaning and disinfecting our time the producer has been paid in small events.

Ms. Luchese stated that what they are looking at is a large event on our large bird facility in this County. She stated that their first phone call was to let the farm know that they are positive. The second phone call would be to the Federal Government to start that up to activate their teams that come in because they have a field staff of five people so they would need help.

Mr. Cannon stated that this was his question, that the overall fee as to the expenses, that covers the smaller ones and when these farms have no requirement for insurance or bonding or anything what so ever, someone comes in and solves it for them? Ms. Luchese stated that in this particular situation with the disease outbreak of Avian Flu, to date the Federal Government has. She stated that they have heard stories when a big event happens and if we were to have another event like this two years from now, there will be no money in the Federal Government. She also stated that this has happened with Exotic New Castle about ten years ago in California where they spent close to \$1 billion dollars cleaning this up and they came out and said if this were to happen again then they would not have the funding. Ms. Luchese stated that what they do is they go to Congress and it does get appropriated. She also stated that the State, we are always told that we have no money for indemnity, and they always come through.

Dr. Lewis stated that they kind of all work together as far as making the wind rows. From all the different talks that she has sat in on from people from Indiana and the people that had this outbreak, the farmers will sometimes help in building these by using their own equipment but they work with the Feds and the contractors. Mr. Cannon questioned that the contractors take this work assuming that there is going to be reimbursement from the Federal Government? Dr. Lewis and Ms. Luchese replied correct.

Dr. Lewis stated that there is one in particular person that she has been talking to and he is a contractor who is currently in Missouri setting up the composting for birds on one flock. He was also in Indiana and he is basically activated by the Federal Government to go to these.

Mr. Cannon questioned so the preparedness is what this is about to a degree? He has some emergency management background and asked the following additional questions: He was wondering how much the farms themselves require to do any preparedness as far as not having composting materials available immediately but within forty eight hours, would they be required to stock pile anything on site? Would they be required to have a plan, that yes we have the space and we had to do this as opposed to no we do not have the space? So we have to have an offsite situation some way solved for us? So do they have to have any type of emergency plan in place?

Ms. Luchese replied with yes but in our State it is not a requirement. They have been working cooperatively with the State's big producers to get them, and they have been very cooperative. In turn, we have provided the resources for the Warren facility to have soils tested and our Ag and Nat resources within the Department of Ag went out and did soil sampling and selected sites that would handle pretty much the majority of the birds on that premise. She also stated that they then provided them with how much carbon. They are in turn getting that lined up. They cannot store this on their site. The Warren facility composts onsite now so they do keep some carbon sources for that daily mortality that they have but the amount of carbon is astronomical to do a million birds. Ms. Luchese stated that they are getting this lined up and this is why they turned to their alternative options. The key is if we have an infected barn, we would have to depopulate that barn within forty eight hours and get those birds disposed of in some way. They have a little bit of resources on the farm right now to start but they would most probably need to remove some of those birds to another option such as the burn to get things going to take care of the birds onsite that were dead now. Mr. Cannon stated that they are trying to get them to get some sort of emergency preparedness plan.

Ms. Luchese stated that we have three large lay complexes in the State, five turkey producers that are seasonal, game bird growers. She stated that they have met with them in many occasions and did site visits, coordinated meetings, and have composting sites picked out. Then the next thing would be the bird markets in our urban areas which they are working on getting disposal actions for those. Then the backyard flocks which would be individual.

Mr. Cannon questioned how much composting area does this Warren County facility have that they will be able to handle in a catastrophe? 50%? Ms. Luchese replied that they have been given a proposal from their Ag and Nat folks that they can do 100% of the birds there onsite but the key is if they start dying is to get them disposed of quickly.

Dr. Lewis stated so that is option #1 and this is what it looks like onsite composting with big wind rows that they create.

Ms. Luchese added that with the Warren facility, the design of that barn with the cages inside, they cannot compost inside. They have a dedicated barn that they have removed equipment out of it that they

compost on a daily basis. She stated that the inside composting is done with the mostly the turkey producers because the birds are depopulated in the barn. Mr. Cannon questioned does the Warren facility has enough property outside? Ms. Luchese replied with yes.

Dr. Lewis stated that landfill disposal has been used in some cases. It is another viable option. In 2002, in Virginia there were over four million birds that were disposed of in municipal solid waste. She stated that the study in the next two bullets she has available if anyone is interested in it, she can email them. This is for a particular strain of Avian Influenza and with these certain conditions. Temperature proved to have a significant effect on Avian Influenza inactivation within the landfill. She stated that it inactivated the poultry products and was not found in the leachate and the water. The inactivation times were found well within the design lifetimes of the composite barrier, gas and leachate collection systems of that type of landfill. Dr. Lewis stated that currently, Indiana is doing a risk assessment of Avian Influenza viability in leachate because there were concerns from the landfill management during that actual outbreak and they are worried about their contact with Avian Influenza. Mr. Mach questioned if there were any results from that study? Dr. Lewis replied that this study just started. Mr. Cannon stated that we would love to be on a cc: list on that if it ever finishes.

Dr. Lewis presented the pictures of landfill disposal in Iowa. She stated that they dug trenches and they have the bags full of birds. They breach the bags to let the gases out from the decomposing poultry. They dispose of this in the trenches. Mr. Cannon questioned if these are all contractors that are working? Not the landfill person? Ms. Luchese replied with that they use the word that your landfill will become a host and the landfill is pretty much taken over by the contractors working with the landfill cooperatively but all the mechanics of people movement, equipment. Mr. Cannon questioned the liability? Ms. Luchese replied that the liability is, we cannot answer that. She stated that it is always a question of course and their response in an emergency situation the orders will come from the high levels and they will need to have this done. Dr. Lewis stated that you do the best you can and minimize the risks.

Mr. Allen questioned a picture that if that bag is supposed to contain the birds, and you are picking it up with a fork lift, aren't you puncturing that bag? Dr. Lewis replied with that you are puncturing and you want to puncture that bag because the gases will continue to expand that bag, so you have to let the gases out. She also stated that it is not a huge hole. It is that you have to let the gases out. Mr. Allen questioned if there was no air born situation there when that happens? Dr. Lewis stated that Avian Influenza can be aerosolized. There is a potential for that. Mr. Allen questioned so the guy driving that fork lift is in danger? Ms. Luchese replied that they are in protective equipment. It is recommended. She stated that the recommendations come out from the CDC, and this has been an issue with the landfills of course, and the contractors are responsible for employees to provide the recommendations. She also stated the workers on the farm and the landfill operators that are in close proximity are fit tested for respirators. The truck driver will not get out of the truck. The risk is minimal but yes it is there. If there is a bird population, they have sharp shooters onsite to prevent spread to wildlife. Ms. Luchese stated that there is a risk involved.

Ms. Luchese stated that she thought there was a study done here where they brought birds in. Mr. Cannon stated that there was a fish issue with the Pequest. Ms. Luchese stated that she thought that there was a study and the wildlife folks brought special birds, predator birds, to take care of some the other birds. Mr. Williams questioned that wasn't this down at Atlantic or Cumberland? Ms. Luchese stated that she thought it was here. Mr. Williams replied that this was not us. Ms. Luchese stated that there was a report because when they visited Covanta they brought it up. Mr. Williams stated no. Mr.

Fontana stated that at certain landfills like at Ocean County Landfill, they have full time falcon which keeps the seagulls away.

Dr. Lewis presented the next option of incineration. She stated that this is an approved disposal option that states and countries have included in their emergency preparedness plan. She also stated that Avian Influenza is inactivated at about 160 degrees Fahrenheit and the incinerator temperatures tend to range between 1400 to 2200 degrees Fahrenheit so there is no Avian Influenza in that.

Dr. Lewis stated that what they are planning to do is having a test burn in the next two weeks. The objective is to evaluate different methods and materials for the bio secure packaging, handling and transportation of the carcasses, uninfected carcasses, and to determine the feasibility of incinerating that type of material in an energy from waste facility to see if it is a good viable option for them. She stated that they are going to collect an approximate 1000 uninfected poultry carcasses from normal daily mortalities and package them into three different types of containers. They will be sealed and loaded onto wooden pallets then secured to the wooden pallets with shrink wrap. Those pallets will then be loaded onto vehicles and transported to the Covanta Warren facility following traffic routes that are planned in a minimized exposure of susceptible animals or farms that have poultry.

Dr. Lewis stated that at the Warren County facility, company personnel will unload the pallets of packaged poultry carcasses and load them into the hopper of the burner. Both the handling and combustion characteristics will be monitored and evaluated by them, NJ Department of Ag. She stated that the evaluation of the trial will lead to recommendations and determine if incineration is a viable option in the event of an outbreak.

Dr. Lewis stated that Highly Pathogenic Avian Influenza flocks must be depopulated as soon as possible, 24 hours after detection in an ideal world. There is many methods for disposal available. Incineration could be a viable option for them. She also stated that preparedness has been shown to significantly decrease the duration and impact of an outbreak.

Mr. Mach stated that he heard part of this presentation at the Solid Waste Advisory Council meeting that was held roughly a month ago and he expressed his concerns then. His concern is this, and you kind of addressed it in one of your slides regarding the University of Indiana that is conducting a risk assessment of the viability in leachate. This is his concern. The test burn in his opinion is not going to prove anything to us. This Board who has the responsibility for the viability or sustainability of the virus through the entire process until the time it reaches the Delaware River. This is his deepest concern. He is concerned even in spite of their best efforts and the best efforts of the contractors that they will have onsite, some of the virus may slip by, some of it may get passed in the incinerator. It may survive in the ash. He stated that he is sure why this last comment on this slide is about. If it does survive, leachate is produced from the landfill. The leachate is a product of the rainfall going through the ash that is deposited here, going through the landfill and getting collected at the bottom of the landfill and getting sent to another treatment facility. In our case, we sent it to PRMUA and to Passaic Valley Sewage Authority. He also stated that if the virus was to survive the process of getting into the leachate, it will then go to those processing facilities. The Pequest River Municipal Utilities Authority discharges into the Pequest River. The Pequest River discharges into the Delaware River. Passaic Valley discharges into the Passaic River, which eventually goes down to Newark Bay. That is their problem. Our problem is that the leachate that leaves here that is going to get treated in a facility that may contain the virus, may eventually go through the Pequest River down to the Delaware River. Mr. Mach stated that his opinion as of right now is that he is not in favor of accepting any ash from the infected birds. He also

stated that the test run may be a different situation but in his mind this is just an exercise in futility because they are going to prove the process and the ashes are going to come here.

Mr. Cannon stated that there is no way to somehow simulate, and he is no scientist here, but there is no way to simulate something that would be virus like in the test burn to see if the residual did not have the virus. He thinks that the point of the test burn is they want to figure out the process and go through the whole thing. They will not find anything with clean birds. Is there some way to simulate something or to artificially put something in? Ms. Luchese stated that their thought is the temperature itself inside the incinerator we know that the virus is inactivated at a certain temperature and we know that the incinerator reaches a certain temperature. She also stated that if that process is done correctly then there should not be virus on the other end.

Mr. Cannon stated that the premise is, if the process is done 100% correctly, the virus will be gone because of the incinerator temperature. Ms. Luchese stated that this is correct.

Mr. Pryor questioned what do they do with the compost when they are done? Ms. Luchese replied that it is usually land applied. Mr. Pryor stated so the temperature in the compost is going to be much lower than incineration. Ms. Luchese and Dr. Lewis replied with absolutely. Mr. Pryor questioned that this has been tested for the virus? Ms. Luchese and Dr. Lewis replied with correct. Mr. Pryor then questioned that they take the composted birds and landfill them some place? Ms. Luchese stated yes that it has been tested experimentally in the lab. There really is not a test for compost. They do not historically or routinely test the compost. They know again knowing that if something reaches a certain temperature the virus is inactivated and if that is done correctly and temperature is monitored through the whole twenty one day cycle. Mr. Pryor stated that he is not speaking either in favor or against, he sees all these guys with space suits touching whatever and he understands viruses mutate and so on. He thinks that from his perspective the science is very fuzzy right now and people are studying this and that. He thinks that there is a general reluctance here to commit until based on what we know.

Mr. Cannon stated that in their presentation that onsite is obviously the preferred option for various reasons. He questioned that the issue he saw, some of the landfills refused in the USA Today article, he read through the whole thing but the fact is how much exposure would we be putting our employees, our customers, whatever the case may be, just through something being tracked on a tire on the truck? He stated that we are not there yet, and we do not know where we are going with this, but he would like the Authority to possibly look at the somehow some way assisting the preparedness of the onsite one in Warren County. He stated that we spoke about the carbon issue and everything else and they seem to have the available land there as they are composting everything now from their daily mortalities, but maybe some way we could help keep that there that maybe this Board would consider if push came to shove someday that where we are able to help facilitate that and keep that where it is as opposed to letting it come down the line as Mr. Mach described. Mr. Mach agrees.

Mr. Cannon stated that it is clear to him that the timeline is the most important thing and how some way somehow we could facilitate that timeline being met without incineration and/or residuals then coming to the landfill.

Mr. Cannon stated that this is just a thought and that we would love to see what Indiana is going to have since they already have their study going. This will be terrific to look at but this is just a thought of his and he is not speaking for the rest of the members obviously but he is very concerned that if it did go offsite. He also stated that there is a couple of options that we would much rather prefer before we cross

the bridge of opening up incinerator, landfill, water residuals, and our leachate so on and so forth. Mr. Cannon stated that it seems like the risk is much much larger when we open all those possibilities.

Ms. Luchese stated that this has been proven and they have learned, not themselves but the Country has learned from its mistakes of breaching that biosecurity of spread. She also stated that we had bird flu in 1983-1984 in Pennsylvania and we did have one case in southern New Jersey that was traced back to a feed truck coming in and infected a premise in south Jersey. She also stated so that happens and we put many layers in place to, if anything leaves the farm it is completely cleaned and disinfected. The Warren facility has a pad set up for that with collection. Ms. Luchese stated that we also need to think about you are a big agricultural county and you have many folks with small flocks of chickens so we need to think about that as well how to dispose of those. She also stated that a lot of the turkey guys do not want to compost onsite because of public perception of having it on their farm. The premise themselves are intergraded where they have you pick it and they have many other operations going along with these turkeys. So their mentality, when they met with them, is to depopulate the birds and have them removed so that they can clean and disinfect and get them back up and operational right away.

Ms. Luchese stated that the word “option” is key with disposal. So when we have an event, she stated that if we have an event, that we are prepared to go in there and we know we can do one, two, or three. She stated that each site will be evaluated and they would like us to consider that as well. Mr. Cannon stated that he knows and we have discussed this a few times. He has learned more in the last few months than frankly he would care to know. He thinks that we are thinking of other ideas too like the outside incineration was a great idea but he knows that the turkey farmers take a little resistance to that. He also stated that the Board are all volunteers here and we are just here to keep the environment clean not do any pollution obviously. This is where the thrust of their concerns are coming from.

Mr. Allen had a question regarding the landfill disposal option, there has been concerns about taking ash from an incinerator but landfill disposal worries him even more. It says on a slide that the 2002 outbreak in Virginia, that study that is listed below, is that done on the Virginia disposal? Dr. Lewis replied no that it was separate. Mr. Allen questioned what was that study based on? Dr. Lewis stated that they were just looking at different... Mr. Allen questioned so it was not a real life study where they tested leachate from a landfill? Dr. Lewis replied with no.

Mr. Allen stated ok there is currently one in Indiana with a risk assessment going on, at a landfill site where the birds have been exposed? Ms. Luchese stated that this is just a risk assessment meaning that they go in and analyze each step determined. They did the Indiana outbreak which was in January of 2016. They did take one load of poultry but they were not infected. They were what was called a high risk bird with close proximity to an infected farm. She stated that they are just looking, a routine risk assessment, from her knowledge and not doing anything experimental as far inoculant, inoculating leachate or anything like that. She also stated from knowing what a risk assessment looks at, they are not and she does not know what exactly they are doing.

Mr. Allen questioned if there were any other studies of incineration, with the ash from incineration? Has this been done anywhere else? Ms. Luchese questioned with infected poultry? Not to her knowledge as far as the infected birds. She stated that Indiana is actually doing tomorrow a simulated exercise no inoculant. Mr. Allen questioned so nothing has been done at the Federal level to find out anything about this? Ms. Luchese replied with not to our knowledge with incineration. She stated not a real time study but there has been experimental with temperatures but not incineration. Mr. Allen said ok and thank you.

Mr. Cannon questioned if they know the state that does have vendors who have or can bring incinerators on the site? Mr. Fontana stated that we looked but not for poultry at all. He also stated that after Hurricane Sandy we had so much wood debris down and it was decided not to at the time. New York State ran some tests and we sent some of our air boats up there. It was not a successful test. Mr. Cannon stated that this was from construction material being burnt. Mr. Fontana said no this was from trees. He also stated that we had so many trees down but we ended up going with our regular option. We just let permits go way above capacity and processed into mulch. We did not go that way but using the air curtain incinerator, these mobile incinerators, they require a lot of wood and they operate slow. Mr. Fontana stated that if you are trying to get rid of stuff in a short period of time, it did not work.

Mr. Cannon questioned that they do not think it is a viable option? Ms. Luchese replied with they did use them in the turkeys in Virginia about ten years ago. She stated that they started with the air curtain incinerators onsite at the landfills actually, they were transporting birds and they did not have enough fuel or there was not enough fat in the birds that they could not get the fire up to temperature and keep it going, but this was in a large outbreak. She also stated that they may consider doing that on a smaller facility but probably not. Mr. Cannon stated that it may work for a smaller percentage but we do not know where that line is. Ms. Luchese stated that the fuel becomes an issue and getting the fuel in to keep it going and they have not even talked to the air quality folks.

Mr. Fontana stated that when they were looking at this they were trying to maintain a certain temperature. He thinks that you might have variability, but are you going to get the high temperature at 100% of the area? Ms. Luchese stated that it is basically a big fire. She also stated on how to monitor that temperature she is not really sure how they work.

Mr. Fontana stated that one of the things that they are very curious of, is that you can send a package through the incinerator and it can char on the outside and it can get through the other end and not burn everything. This is why they are looking at different packaging to make sure they get a complete burn out before it comes out the other side.

Mr. Cannon stated that it will be sealed safely for transportation, then be able to burn it throughout. Mr. Fontana stated that if you pack them in tighter or make the package bigger there is greater likely hood it will get through versus the smaller. This is one of the things that they are evaluating. He stated that they can basically control the speed of the packages going through the incinerator. They can slow it down and/or increase the temperature. Mr. Cannon stated that the longer exposure to the heat may help. Mr. Fontana stated that the key is to make sure when it comes out the other side that it is completely burned through.

Mr. Allen stated that he would like to give his closing thoughts. He stated that he appreciates their input. He also stated that obviously there is no real solution to this. There is no hard data to ease his concerns and he does not know about the rest of the Board members. He stated that it boggles his mind that this has been going on for how many years and we still do not have the hard data.

Dr. Lewis stated that every outbreak is different.

Mr. Allen stated that he understands if you take a vial of the virus and put it into an incinerator and say well it is dead at 160 degrees but you know when you have four million birds going into a landfill with no hard data as to what goes downstream from that. That is kind of scary. He also stated that seeing that bag on that forklift and seeing a guy in that forklift with just a mask on, what does he do when he goes home? Does he take a shower here? It just does not make sense to him. This is his thoughts.

Mr. Cannon stated that in the defense of the Ag, they are trying to work the best with what they have. They do not have all of the answers. He also stated that we appreciate them working with us to a degree if we can but he thinks that the Board has clearly represented their questions and their concerns. He also stated that we do not reflect it on the Department of Ag because he thinks they know what they are talking about, but we have had multiple discussions regarding this already. He stated that we could not understand the process as that down the line is anyone going to worry about the water in the Delaware, Pequest type of thing. If there is a residual, then we cannot put the cork back into the bottle. That is a question.

Ms. Luchese questioned how is the leachate water treated at these facilities? Mr. Cannon stated that we can do pre-treatment onsite on some of the issues, and some we have to tanker offsite.

Mr. Pryor stated that we just pretreat and then just send it down. He also stated that we do not do any disinfection here, right Mr. Williams? Mr. Williams replied with correct.

Ms. Luchese questioned what is a pre-treat? So you are talking about your leachate that is collected? Mr. Pryor replied that in our case it is nitrification and some denitrification but whatever viruses or bacteria is in there, we do not disinfect here. Ms. Luchese questioned where do they do that? Mr. Pryor stated that they do that downstream. Mr. Williams stated that what we are pretreating for is ammonia reduction. Ms. Luchese replied with ok and they are more bacteria and viral? Mr. Williams stated that they are more a biological processes at both. Mr. Pryor stated that they are doing a lot of things like suspended solids and a lot of bio-chemical oxygen demand.

Ms. Luchese questioned if the Board is worried about the liability from your site to the other facilities? Is that the concern? Mr. Mach stated that his concern is going all the way down to the Delaware River. Mr. Mach stated that he does not know the process well enough at these other facilities. Ms. Luchese stated that this is something that they could perhaps look into.

Mr. Cannon questioned what are you going to do with the ash on the test burn? Ms. Luchese replied that she thought that it was coming here. She also thought that because they were uninfected birds and that is a question, the ash is not coming here?

Mr. Fontana stated that they were assuming that the ash was coming here because all of their ash comes here, right? Mr. Williams replied with correct to answer Mr. Fontana's question, right now. Mr. Pryor questioned is everything going to be comingled, and his guess, with everything else?

Mr. Cannon questioned are they going to separate that, is it going to be a separate burn, or they just going to add it to their normal operation? Ms. Luchese replied with to their normal operation and they are just doing a longer period of time between drops, between feeding the hopper so that they can get a good estimate that the complete burn happened and that this is their product.

Mr. Cannon stated that he thinks that part of the Board's problem here is that Covanta has not had any discussions with us about this, about how they are doing the process, when they are doing the process, whether it was going to be separate from not be comingled as we described. They have not had any discussions with us whatsoever and the point was brought up that the concern about precedent. He also stated that he appreciates the word that he used of assuming is part of the problem, he thinks, as to whether we were going to take that ash because that has not been discussed up until this moment.

Freeholder Smith stated that he had a couple of quick things. First of all, he wants to point out the fact that Covanta made us aware of this situation and he does not think it was a case where they were trying to not inform us.

Freeholder Smith stated that there were two things that he wanted to touch on. Mr. Cannon stated that made you aware. Freeholder Smith stated that well it was brought to the attention, if you recall, he reached out to this Board and you saw our correspondence. Mr. Cannon stated right.

Freeholder Smith stated that there are two things that he wants to mention and perhaps the Department of Ag could clarify this for the Board, as well. The Freeholder Board received a letter from the Secretary of Agriculture indicating that they have virtual police power here and he would like to have some clarification, perhaps this Board needs to understand where that is. He also stated that Mr. Fontana had mentioned that fact that there have been permit waivers and things like that. In those types of cases, he stated that when we looked at from a standpoint of protocol and because these are not infected birds, if that is a possibility far better that we at least have some type of protocol for uninfected birds as opposed to just going into it blindly. He questioned Mr. Williams did this letter find its way over here? He thinks this was forwarded over. Mr. Williams replied with this was sent over a month or so ago. Freeholder Smith stated that it was a letter that was actually sent to Freeholder Director Sarnoski indicating to us that if it was to be determined by the State that this is what they were going to do that it would happen irrespective of our objection. He thinks that this is something that needs to be put on the table here which brings us back again to the situation of where do we stand from indemnification standpoint? Mr. Mach stated exactly. Freeholder Smith stated that if something like that does happen, and we are creatures of the State no matter how we may choose to look at it otherwise. In this type of situation, he stated that it is important that it is considered by the Board, that it is a viable option that they have where they can do so even without our approval. He stated that he was not happy about that but this something we have to consider.

Mr. Mach stated that let's go to the worst case scenario, we have infected birds and run the incineration process. He then questioned is the product from the incineration process forced upon us? Freeholder Smith replied that this is his understanding. Mr. Mach stated that the ash from that process goes into our landfill because we have to take it. He also stated that the leachate is produced and there is a remote possibility that something may slip by. Are we responsible, we, this Board, responsible for everything that happens downstream from here including PRMUA, pollution of the Pequest and the Delaware? He questioned that he is exaggerating this, but is it the fact that it is throwing the liability on this Board? Freeholder Smith replied and to that end and to just recap what the Freeholder Board did was they put on the record, that was a concern and he believes that they asked for indemnification and also the fact that they would be limited to counties as well. He stated that at a bare minimum he would strongly encourage this Board to memorialize its concern as well. It be our, perhaps, only or best defense in the event that such a situation like this was to take place. He was somewhat taken back to see the tone of the letter that we had received and he will just leave it at that.

Mr. Cannon stated that going back to what Freeholder Smith stated at the beginning, the entire process of this test is pretty much that you guys are in charge of all of that and we understand that the process is in place probably already planned. He stated that the end line of that ash of the uninfected birds is the only thing that we have a question mark with here right now. He thinks that the other process is really not an issue. He stated that he thinks that our resolution in the past did have a vote as far as the non-acceptance. Mr. Cannon questioned Mr. Williams when we had this resolution? Mr. Williams replied with months ago. Mr. Mach stated that just for a correction point, that refusal was for carcasses not ash from

carcasses. Mr. Cannon replied that is correct. He was just saying to refresh memory there that we did make a motion and did it unanimously as far as against that.

Mr. Cannon stated that he would have liked more discussion as to acceptance of and he would have liked to have spoken to Covanta or had Covanta in here. He knows that they spoke to the Freeholders. Mr. Cannon stated that he was under the impression until this point that it was not going to be comingled and that they were going to do it alone. They would not be comingling it, would they? Ms. Luchese stated that she was under the assumption that they were. That they were not stopping operation. Mr. Fontana stated that yes for this test. Ms. Luchese replied with even in an outbreak. Mr. Cannon stated that in an outbreak was his question. Mr. Fontana stated that he does not know and we have not gotten that far. Mr. Pryor stated that he would guess that it would be comingled by nature of the process. Mr. Fontana stated that yes, you would just feed it by nature of the process.

Mr. Cannon stated that we are not sure of the process. Mr. Fontana stated again that they have not gotten that far. Mr. Cannon stated that even infected birds incinerated would be comingled with their ash, but we do not know but the assumption is that at 160 degrees it is going to kill it whether it is in the other ash it does not matter.

Ms. Luchese stated that in theory, she thought that they needed the municipal waste to keep the birds charged. Mr. Mach stated correct that they need the municipal waste for fuel.

Mr. Fontana stated that we are all jumping ahead a little. Mr. Cannon stated right but you said a test burn in a couple of weeks. He also stated that they will be bringing in sealed containers. He did not know if they were going to put them in line with the rest of the stuff or if they were going to have a separate setup.

Mr. Fontana stated that for this test burn there is no virus. Mr. Cannon stated that he is not talking about the test burn. He is saying infected birds we really do not know the answer to that question? Mr. Fontana stated no we have not gotten that far. Mr. Cannon stated that is fair enough.

Mr. Cannon asked the Board if there were any other questions.

Mr. Pryor stated that he had a comment.

Mr. Pryor stated that they incinerate infectious waste around the Country and it is handled. He is sure that there is a technical solution to this. He also stated that his problem is the way this is coming to us, it is coming to us in bits and pieces. The data is anecdotal. He also stated that certainly the liability could be handled legislatively. It seems to him that the State has to put together some sort of package and say this is our proposal and it would address all of these things. He stated that you cannot do that sort of planning at this level, it is beyond us. The science has to be there. The institutional arrangements have to be there. The liability has to be there. He thinks that they all can be solved.

Mr. Cannon stated that he thinks that we may be a little bit ahead, thank goodness. With Freeholder Smith's information, he stated that we got in the loop probably sooner. He understands that this is probably a work in progress for them too. He would like to be part of the working process that we could help them and they can help us, type of thing. He thinks that we have made our concerns pretty clear today. He does not think, no matter how long we keep them here, he does not think they will have any new answers for us.

Ms. Luchese stated that they have our concerns and they had them prior when Dr. Rice attended the other meeting. They have turned this all in to their folks. She questioned if there is anything that they can do with the ash? Mr. Fontana questioned what would the Board like in terms of the ash? Mr. Cannon stated that he thinks we will give a call to Covanta to be frank to see what they have planned. He also stated that we could get a little bit more eyes wide open from there and when they tell us they were going to do this then maybe we could have some input from that point. His concern is to replicate exactly what if catastrophe hit. This is what his thinking is and maybe they have a different plan from test burn versus reality.

Mr. Fontana stated that what they are doing is three different packaging to see which one works best. This is really more towards, it was not this is an actual emergency type drill. Mr. Cannon stated that everyone will not be wearing suits and everything for this test burn. Ms. Luchese replied with no. Mr. Fontana stated that it is more towards packaging and they charge the incinerator, does it burn out and so on. Ms. Luchese stated that they wear the suits on the farm but that is normal. She also stated that if you were to see us that is normal for us just because going from farm to farm to farm in our normal business.

Mr. Cannon asked Freeholder Smith if he had something to add there quick?

Freeholder Smith stated that he wants to emphasize as they talk about situations with Covanta. He thinks that this was really presented to them and it is not something that they and their effort all be it because he is their contact as well, was to provide the way for us to be having the dialog that we are having today. He does not know that if it is fair to say that they were planning to slip into the stream. He thinks what they were planning to do was to make it where we would have the process that we are having right now to ensure that the permitting with the DEP came and would be involved in this discussion. He also stated that no one from the DEP came to the Freeholder meeting. He thinks that as a result of this it has, yes, come into a full blown discussion that he thinks now that all parties that are involved. He thinks that the only thing he would say about the discussion that he had with Covanta is that they do not want to have a problem with the permitting agency. They do not want to have a problem with us on this end. They are still trying to come up with a solution. Freeholder Smith just wanted to make that clear.

Mr. Cannon thanked all. He appreciates their time, their drive and their presentation. He also stated that we are all a little bit smarter, he thinks now after all we have digested here. He thanked them again.

Dr. Lewis, Ms. Luchese and Mr. Fontana left the meeting at 10:54 am.

Mr. Olshefski left the meeting at 10:55 am.

FACILITIES/RECYCLING

Mr. Williams reported on A-3, which is an update on the Tire Amnesty Day for the farming community that we did on May 5, 2016. We took in a total of 278 farming type tractor tires. He stated that he believes it went very well. He also stated that we ended up with four tractor trailer loads because they take up a lot air space. Two tractor trailer loads have been sent down to Lakewood, New Jersey to be recycled. We still have two loads onsite that have yet to be shipped. He stated that one should be going later on this week. They are a little backed up so they asked us to hold off. Then we will have to call back next week to see when we can send the last of those.

Mr. Williams stated that this Thursday we are doing the Tire Amnesty Day for the residential customers only. He also stated that we are getting all set up and have done all the advertising as far as that goes. That is this Thursday. He also stated that the same thing will apply there, ten tires per household and we will see how that goes. Once this is all done, he stated that we will add up what all the costs have been to date to see if we have enough funding to do this again later on. We will continue to move along that line until we have expended the grant money that we have received.

Mr. Cannon questioned if there were any rejections? Mr. Williams replied that we had a couple that we rejected and they were very cooperative. He thinks that there were two farmers that came in and the tires looked like they just dug them out of the field. They were very dirty and we told that they needed to be cleaned. He stated that they actually took them back and they cleaned them and came back with no problem.

Mr. Cannon questioned how about Franklin? What is going on in Franklin? Mr. Williams replied that a very large number of tires came from Franklin. Mr. Cannon stated that it was 300 to 400% more than the next one. Mr. Williams stated that Franklin is a typical farming community and is very large. He also stated that Harmony is another one. Mr. Cannon stated that the word got out better in Franklin is what he was wondering. Mr. Williams stated that of course you can see the small numbers that do not have a big farming community. He thought it was good to present it this way so that we can see where they are all coming from. Mr. Williams stated that it worked out well.

Mr. Williams reported on the treatment plant operations. He stated that there was nothing more to report on there. Everything is going good on our end.

Mr. Williams reported on the landfill operations. He stated that everything is going smooth there with no issues.

Mr. Williams reported on the H2S removal system. He stated that everything is running good there also.

Mr. Williams reported on the solar panel projects. He stated that there are no issues there. He also stated that Mr. Tipton will be giving the Board an update a little bit later on the WCLE termination agreement.

Mr. Williams presented the next item on the agenda, A-4, the gentlemen from T&M are present. We will be reconvening upstairs. He introduced Jeff Winegar and Archie Ross from T&M.

Mr. Williams presented A-5, which is the Cornerstone updates on the landfill expansion. He stated that the only real big thing that has occurred, other than their updates on certain drawings so on and so forth that they have been doing, is they did come back in the month of May to do the wetland delineation for the second time. We have not heard of what their findings are but he is going to go out on a limb and say it is going to be very positive to us that the only wetlands that will probably show up are the ones in the detention basin itself where the cattails are. He stated that they originally outlined five items, he thinks that they have been taken care of and hopefully they come back and report as a non-wetland type area. Mr. Cannon stated that all their status updates on their report are basically unchanged except for that one. Mr. Williams stated that Cornerstone expects some time, and he will touch base with Mr. Cannon once he hears a little bit more, that they should be very close in early June to have a draft application. He also stated that this would be a good idea for us to convene a workshop

meeting sometime possibly during the month June to sit down with them one last time to see the application that they have put together for us prior to submittal.

Mr. Cannon stated that this has no bearing on the layout, the roads, the plans, for all the members so we know that. Mr. Williams stated that this is a typical straight forward application. Mr. Cannon stated that it is just the application to the State but has nothing to do with ideas that we have for setups and so on and so forth.

Mr. Williams stated that once he gets a little bit more information where they are, he will touch base with Mr. Cannon. We will then see what kind of availability there is during June. He stated that looking at the calendar for the month of June, it looks like it is unavailable for a lot of people. If it is not June, then it can be early July too.

Mr. Williams presented the next item on the agenda, A-6, the 2015 Recycling Enhancement Act Tax Fund Entitlement Spending Plan application. This has been approved at the Freeholder level. He stated that he believes this has been sent down to the DEP. He also stated that one thing that we need to do is pass Resolution R-05-02-16 that we are the authorized agency on behalf of the County.

Mr. Cannon questioned Mr. Tipton if he could give him some clarity. He stated that we do not set the budget. We do not determine how the money is spent. We do not have any input as to what these monies are being spent on, yet we are basically the funnel for this money where we are accepting it and we are approving that budget that we do not have any approval over. Mr. Tipton stated that this is his understanding but he thinks Mr. Williams knows this better than he does because he does not get involved in the emails. Mr. Williams stated that the County applies for the grant and then the County appoints us as the implementing agency to follow through with the plan that they presented. He also stated that he speaks with Dave Dech.

Mr. Cannon questioned who sets the budget? Does the County set the budget? Freeholder Smith stated that the amount is determined on the tonnage. Mr. Cannon stated that he knows but he meant the numbers that are in the budget, the line items not the total amount. Freeholder Smith questioned that the portion of, for instance the money that is sent over here? Mr. Cannon replied no, let's talk for instance, the Express Times and the advertising, \$13,500.00. Freeholder Smith stated that is correct. It is the recycling magazine that goes out. He also stated that there are certain things within the recycling program itself that has certain categories of what they are supposed to do. For example, he also stated that we do the hazardous waste returns. The actual notification and the advertisements that they have to do including stickers, handouts, and presentations at the schools, this is a portion of it. Mr. Cannon stated that these are requirements that they have to meet for the State. Freeholder Smith stated that this is actually part of the statutory construction. As he understands it, the statute requires certain components that have to be included in the program. Mr. Cannon questioned that they are not even choosing those components, those components are already chosen for them? Freeholder Smith replied with in a generic sense. He stated that we happen to have a recycling coordinator. They had to have a municipal coordinators. He also stated that there is a lot structure that is tied fast to the funding. Mr. Williams stated our advertising that we expend here, is factored in as that is developed. Freeholder Smith stated that the recycling flyer that goes out in the newspaper is the majority of the grant amount.

Mr. Williams stated that the Resolution R-05-02-16 is before the Board to consider and approve.

Mr. Allen questioned item #1 task #1 for electronics, seeing how we cannot find somebody to dispose of the electronics, what happens to that money? Freeholder Smith stated that it is just sitting there right now. Mr. Williams stated that it just sits there. Mr. Allen questioned if it could be used for something else or is it dedicated? Mr. Williams replied that there is only certain things that these funds can be used for. He stated that hopefully we can find an electronics recycler.

Freeholder Smith stated that that he was just down to NJAC, which this is across the State. There is a lot of pressure on the legislature to reauthorize the electronic recycling act, which was the thing that actually provided the other side of that. He stated that right now everything has come to a screeching halt because he was told that even Abilities has stopped taking electronics. He does not know where these things are supposed to go.

On a motion by *Mr. Mach*, seconded by *Mr. Allen*, the following resolution was adopted by the Pollution Control Financing Authority of Warren County at a meeting held on *May 23rd, 2016*.

RESOLUTION

R-05-02-16

AUTHORIZING THE FILING OF A SPENDING PLAN FOR 2015 RECYCLING ENHANCEMENT ACT TAX FUND

Enabling Resolution Authorizing the filing of a Spending Plan for 2015 Recycling Enhancement Act Tax Fund Entitlement pursuant to P.L. 2007 c.311 et seq. hereinafter, the Act.

WHEREAS, P.L. 2007 c.311 et seq. provides for the awarding of Recycling Enhancement Tax entitlements by the Department of Environmental Protection to designated solid waste management districts to assist them in the preparation, revision and implementation of comprehensive solid waste management and recycling plans; and

WHEREAS, the Pollution Control Financing Authority of Warren County desires such financial assistance to fulfill its responsibilities under the Solid Waste Management Act and the Recycling Enhancement Act.

NOW THEREFORE, BE IT RESOLVED by the Pollution Control Financing Authority of Warren County:

1. That a Spending Plan be submitted to the Solid and Hazardous Waste Management Program for 2015 Recycling Enhancement Act Tax Entitlement in the amount of \$143,320.00.
2. That the Board Chairman of the Pollution Control Financing Authority of Warren County is hereby authorized and directed to execute and file such spending plan with the Department of Environmental Protection, to provide additional information and furnish such documents as may be required; to execute such documents as are required; and to act as the authorized correspondent of the Warren County Solid Waste Management District.

3. That the Pollution Control Financing Authority of Warren County designated by the Warren County Board of Chosen Freeholders as the implementing agency to perform the Recycling Enhancement Tax Entitlement on April 27, 2016.
4. That the Warren County Solid Waste Management District does hereby hold the State of New Jersey, and its departments and agencies harmless from any damages, losses and claims which may arise directly or indirectly from the execution of the entitlement.
5. That the Warren County Solid Waste Management District hereby accepts the terms and conditions set forth in the Act and the guidelines promulgated under it.

ROLL CALL: Mr. Allen - Yes
 Mr. Pasquini - Yes
 Mr. Pryor - Yes
 Mr. Mach - Yes
 Mr. Cannon - Yes

Date: *May 23, 2016*

I hereby certify the above to be a true copy of a resolution adopted by the Pollution Control Financing Authority of Warren County on the date above mentioned.

Jamie Banghart, Recording Secretary

Mr. Williams stated that he handed out to the Board the regular tires that we have collected in 2016, the first quarter. These are the tires that people are paying for. He stated that so far to date, we have collected 622 tires.

NEW BUSINESS

None

OTHER BUSINESS

Freeholder Smith stated that he has received tremendous positive feedback on the tire program. He stated that it is probably one of the most positive things and especially with the increase of the Zika threat. This is definitely on peoples' mind and he always makes it a point that the PCFA is the one who is actually behind this. He also stated kudos to the PCFA.

Mr. Cannon stated that we are going to reconvene upstairs. We are going to keep the meeting open as we progress upstairs. He stated that when we go upstairs, after our Counsel's report, we will have to go into executive session. He will remind everyone that we are still in session when we do go upstairs, then executive session stays in executive session.

GENERAL COUNSEL'S REPORT

Mr. Tipton reported that he has two items to discuss.

Mr. Tipton stated that he will start with the WCLE termination agreement. This is something that we have been talking about for six months or so. He stated that we finally have the final paperwork here in front of us. It is the termination payment release agreement, the assignment and assumption agreement, and the bill of sale. He stated that those three documents collectively allow us to terminate the landfill gas agreement and transfer what rights interests that WCLE has with respect to the solar panel agreement and the interconnection agreement to Marina Energy, which is the related company. That assignment is authorized in the power purchase agreement and specifically authorized. So it was known that this could happen. He also stated that we really do not have any say in this but this makes the paperwork proper. The bill of sale essentially transfers ownership interest to the building and any equipment that is left behind that is identified in the exhibits termination agreement. He also stated that with that being said, if there is any questions he can try to answer them but it is pretty simple and straight forward that we are getting paid everything that we are required to be paid. There are no exceptions being made. It is just simply an early termination.

Mr. Cannon stated that a question that he asked Mr. Tipton this morning was that the agreement also covers us down the road for another if entity or another LLC takes over as far as our ability to possibly connect to the equipment in the future to get some of the electric out of there if we wanted to in the future. Mr. Tipton replied with correct.

Mr. Pasquini stated that this obviously happened before his time. He questioned if we had to do this or do we want to do this? Mr. Cannon stated that the company stated that it was no longer efficient for them as far as dollars and cents so they wanted to get out of the agreement sooner and pay us off because it was not a viable option for them any longer.

Mr. Mach questioned Mr. Williams on how much revenue are we losing annually as a result of this termination? Mr. Williams stated that once it is all said and done it is about \$86,000.00 give or take. That is for the sale of the gas and a small lease payment possibly added in there too. Mr. Cannon stated that the reason to fill Mr. Pasquini in from that is because the amount coming out of the landfill to produce the electricity was decreasing and it was not enough to where it would be creating that same amount of money. It was not cost effective for them to maintain and/or keep going on the operation. Mr. Cannon also stated that the \$86,000.00 is not constant and it is decreasing. He questioned that they expected the operation to be done by June 1st? Mr. Williams questioned Mr. Tipton if he remembered if it was early 2017, when the original contract was expiring? Mr. Tipton stated December 2017 was the original contract. Mr. Cannon stated that this was the original contract but they were projecting as to it was going to run out sooner. Mr. Tipton stated that the problem was, it was not that they were going to completely run out, it was the amount of gas that was there costs them more to run the engines as opposed to.

Mr. Cannon stated that a motion was needed approving the termination of the payment and the release agreement.

Mr. Allen made a motion, seconded by *Mr. Mach*.

ROLL CALL:	Mr. Allen	-	Yes
	Mr. Pasquini	-	Yes
	Mr. Pryor	-	Yes
	Mr. Mach	-	Yes
	Mr. Cannon	-	Yes

Mr. Tipton stated that we received a motion since the last meeting from BRI. It is essentially to discharge an old debt. He stated that this goes back to 1998, so this is an old judgment that PCFA had against BRI. In 1998, this was one year before the appellate division case where we had that huge battle about the stranded debt. BRI was player in that law suit. He can only imagine that it was probably related to some deliveries and failure to pay for deliveries. He also stated that they since went through a bankruptcy and this debt should have been discharged through that process, somehow it was not. They are now trying to sell something post-bankruptcy and they have a house keeping issue. He believes that the motion is something that we cannot stop. He is looking into it as of this morning and his associate Katy is trying to find a little bit more paperwork from the attorney. The attorney is being cooperative. If we cannot get satisfaction by June 2, then we will oppose the motion but he is pretty sure it is just a house cleaning thing and he does not waste too much of our time. Mr. Cannon questioned if there is any assets left in the company, would we have a claim? Mr. Tipton stated that if it was discharged then no, but if it was not properly discharged they may have a technicality issue and they may have some resources if they are trying to sell something. Mr. Pryor questioned if they came out of bankruptcy? Mr. Tipton stated that he believes they did. Mr. Pryor stated that then they have something. Mr. Tipton stated that these are details going back when he was in law school when this thing happened. He knows his firm was representing the PCFA as Special Counsel at the time but he does not think that they have those records. Mr. Cannon stated that his concern would be if we have any rights that for them to have this paperwork cleaned up and maybe we can make up some of that lost revenue on our gas and electric.

Mr. Tipton stated that he does not need any action on this. We will deal with this and most likely at our next meeting he will be telling us it was discharged and a done issue.

CLOSING PUBLIC COMMENT

None

PRESS COMMENTS & QUESTIONS

None

EXECUTIVE SESSION

Executive Session was entered at 11:25 am.

RESOLUTION

R-05-03-16

AUTHORIZING EXECUTIVE SESSION

WHEREAS, the Authority has a need to discuss the following matter(s) in Executive Session:

Contract Negotiations

It is not possible, at this time, for the Authority to determine when and under what circumstances the above-referenced item(s), which are to be discussed in Executive Session, can be publicly disclosed;

NOW, THEREFORE, Pursuant to N.J.S.A. 10:4-1 et. seq., BE IT RESOLVED by the Pollution Control Financing Authority of Warren County that the matter(s) as noted above will be discussed in Executive Session.

Moved By: **Mr. Pryor**

Seconded By: **Mr. Allen**

ROLL CALL:	Mr. Allen	-	Yes
	Mr. Pasquini	-	Yes
	Mr. Pryor	-	Yes
	Mr. Mach	-	Yes
	Mr. Cannon	-	Yes

I hereby certify the above to be a true copy of a resolution adopted by the Pollution Control Financing Authority of Warren County on the date above mentioned.

Jamie Banghart, Recording Secretary

Dated: 05/23/16

Mr. Pasquini made a motion to come out of Executive Session, seconded by **Mr. Mach**.

ROLL CALL:	Mr. Allen	-	Yes
	Mr. Pasquini	-	Yes
	Mr. Pryor	-	Yes
	Mr. Mach	-	Yes
	Mr. Cannon	-	Yes

Regular session resumed at 12:20 pm.

No action was taken in Executive Session.

ADJOURNMENT

With no other business to discuss, *Mr. Allen* motioned to Adjourn, seconded by *Mr. Pasquini*, at 12:21 pm.

ROLL CALL:	Mr. Allen	-	Yes
	Mr. Pasquini	-	Yes
	Mr. Pryor	-	Yes
	Mr. Mach	-	Yes
	Mr. Cannon	-	Yes

Respectfully submitted by:
Jamie Banghart, Recording Secretary

Approved: 06/27/16