

City of Camden—Waterfront South & Morgan Village Covanta Community Benefits Agreement

Prepared By:

Camden County Energy Recovery Associates, L.P.

June 2022

I. Introduction

This Covanta Community Benefits Agreement (this “Agreement”) dated as of July __, 2022 is entered into by and between Camden County Energy Recovery Associates, L.P. (“Covanta” or “Covanta Camden”) having an office at 600 Morgan Street, Camden, NJ 08104 and The City of Camden (the “City”), located at 520 Market Street, Camden, NJ 08102.

By way of background, Covanta Camden is an award-winning Waste-to-Energy Facility that serves the 32 municipalities in Camden County and the surrounding region with reliable and sustainable waste management.

In addition to keeping waste out of landfills, Covanta Camden is committed to ensuring safe operations and minimizing environmental impacts. We have been consistently recognized for exceptional operations, including OSHA’s stringent Voluntary Protection Program Star certification.

Covanta Camden has been actively involved in the community since purchasing the facility in 2013. Through partnerships, sponsorships, and volunteer hours, Covanta Camden has worked alongside our host communities of Waterfront South and Morgan Village to be a good partner.

II. Investing in Air Quality Control System

Covanta has been outperforming the environmental standards set by the New Jersey Department of Environmental Protection, but we want to go even further for the City of Camden and our neighbors in Waterfront South and Morgan Village. To that end, Covanta Camden is proposing to upgrade our Air Quality Control System with a \$57M investment.

The Air Quality Control System investment would significantly reduce emissions that are already well below limits, including particulate, heavy metals, dioxins, and acid gases, and would include:

- Installation of state-of-the-art fabric filter baghouses;
- A new advanced dry recirculating scrubber system; and
- Enhanced controls for NOx emissions.

As part of this project, Covanta wishes to enter into a Community Benefits Agreement with the community. We want to make sure if revenues at the facility grow people in the community benefit directly. The volatility in the wholesale price of electricity and the uncertainty about the County’s waste coop’s long-term commitment to our facility have made it challenging for Covanta to enter into a significant long-term community benefits agreement.

Covanta is proposing to process liquid waste. Covanta has extensive experience in processing liquid waste and this addition will result in more resources for a robust Community Benefits Agreement without any increase in emissions, odors, truck traffic, or increase in permitted waste throughput. It's the same process that we have used at other plants including in Warren County, NJ.

This waste is non-hazardous and sprayed directly into the boiler. These non-hazardous liquids are typically at least 95% water and used as process wash waters in the pharmaceutical, food, or other industrial or manufacturing operations.

Processing liquid wastes will provide additional revenues to the facility that will be used to help fund the Air Quality Control System investment and provide additional financial resources to the community through this CBA.

This improvement is subject to all Federal, State and Local Reviews and Permits required by law, regulation, or ordinance.

III. On-Going Community Benefits

Since purchasing the Covanta Camden facility, Covanta has heavily invested in the community. Last year, we invested \$50,000 to support programs in the community. We are committed to continuing those efforts. Below are some examples of the types of projects and programs that Covanta has and will continue to participate in.

Continued Engagement with the Community

- Partner with local organizations to assist in various community engagements activities, fund raising events, plant tours or other events. Covanta expects to assist in at least twelve such activities per year.
- Covanta will provide each employee with up to 16 hours per year to volunteer within the community with full compensation.
- Covanta Camden employees and family members will volunteer for at least 250 hours per year of the agreement. Example of volunteer services may include but are not limited to labor for cleanup or beautification activities, labor for community services such as food distribution or job fairs, or teaching students on environmental-related subjects.
- Participate in monthly Camden Collaborative Initiative (CCI) meetings and support the annual Camden Environmental Summit.

Additional Environmental Initiatives

- Support Community cleanup and beautification efforts.
- Support anti-illegal dumping initiatives

- Covanta will dispose of up to 50 tons of Municipal Solid Waste (MSW), at no cost, generated by residents or non-profits of the City during clean-up or beautification events in the City.
- E-waste/mercury collection
- Promote recycling

Employment, Education and Training

- Covanta will adopt a "hire local" initiative whereby local workers are sought out and trained by Covanta.
- Covanta will provide funding for training Fire Department personnel in specific hazards that may be present in a response at our facility including at least an annual drill.
- Through organization such as the Camden School Foundation Covanta will sponsor scholarship's each year.

IV. Covanta Camden Community Benefits Fund

Covanta Camden Community Benefits Fund ("The Fund") will be a fund established by Covanta to fund distributions (grants) recommended by the Covanta Camden Community Benefits Agreement Committee, described in more detail below. The Fund initially will be administered by Community Foundation of South Jersey (CFSJ); provided, however, that Covanta reserves the right to remove CFSJ as the administrator at any time by providing at least 90 days advance written notice to the City and to self-administer the Fund consistent with the provisions of this Agreement. Distributions from the Fund shall be exclusively for the benefit of the people of Waterfront South and Morgan Village neighborhoods in Camden, New Jersey.

Annually, measured as of December 31, each year, approximately 50% of distribution recommendations will be allocated to charitable purposes benefitting Waterfront South and approximately 50% of distribution recommendations will be allocated to charitable purposes benefitting Morgan Village, unless otherwise agreed to by the Committee with a 2/3 vote.

All distributions from the Fund shall be for charitable, environmental, community improvements, educational, scientific, literary, or religious (including any combination of such purposes) and for administrative purposes. The distributions shall be made directly by the Community Foundation of South Jersey. The Covanta Camden Community Benefits Agreement Committee will submit recommendations for distributions (grants - minimum \$100). Distributions to individuals from the Fund are prohibited. CFNJ will distribute funds in accordance with the guidelines established by the Covanta Camden Community Benefits Agreement Committee (the "Committee"),

described in more detail below.

V. Covanta Camden Community Benefits Agreement Committee

This agreement establishes the Committee to make funding decisions for the Covanta Camden Community Benefits Fund. The Committee members will be volunteer positions and will not receive any compensation for their service on the committee. They will be required to file a conflict-of-interest disclosure with the Community Foundation of South Jersey. The Committee will develop an application for grants for charitable purposes, and those grants may be recommended to any 501(c)(3) organization or verified charitable entity located in the United States provided they benefit Waterfront South and/or Morgan Village. Distributions from the Fund shall be for the benefit of the people of Waterfront South and Morgan Village neighborhoods in Camden, New Jersey.

The Committee shall meet initially to work with CFSJ to establish guidelines on how the grants will be disbursed by CFSJ. Once the guidelines have been established the Committee shall meet bi-monthly to review disbursements made by CFSJ. The Committee may modify meeting intervals as more or less frequent as needed.

Members of the Committee shall serve a term of 2-years and then be eligible to be reappointed. If a member is not able to serve a full 2-year term, the group appointing the member that leaves will fill the position for the remain portion of that term. A member of the Committee shall be eligible to serve up to 5 consecutive full terms.

The Committee shall be made up of:

1. Community Representative from Waterfront South—Appointed by Waterfront South.
2. Community Representative from Morgan Village— Appointed by Morgan Village.
3. Non-Profit, Local Business or Faith-Based Organization Representative — nominated by the Community Representative from Waterfront South.
4. Non-Profit, Local Business or Faith-Based Organization Representative — nominated by the Community Representative from Morgan Village.
5. Covanta Representative
6. The Mayor or the Mayor's Representative
7. Ward 1 Council Member

VI. Funding Formula

Covanta will continue our existing outreach program for an annual value of \$50,000. In addition, Covanta will add \$50,000 to the Covanta Camden Community Benefits Fund when this Agreement is executed, and the Fund established with the Community Foundation of South Jersey on execution of a Fund Agreement. Covanta will add an additional \$50,000 to the Fund when the new air permit allowing the processing of non-hazardous liquids is approved for the Covanta Camden facility. Covanta will add an additional \$50,000 to the Fund when the solid waste permit allowing the processing of non-hazardous liquids is approved for the Covanta Camden facility. After liquid processing begins, Covanta will add an additional \$50,000 annually to the Fund as well as \$2 for every ton of liquids processed at the Covanta Camden facility. An example table is shown below while the dates and amounts for liquids processing are approximations:

Liquids		
Approximate Year	Fixed Funding to Covanta Camden Community Benefits Fund	Liquids Processing funding to Covanta Camden Community Benefits Fund
2022 - CBA signed and approved	\$50,000	
~2023 - Air permit received	\$50,000	
~2024 – Solid Waste permit received	\$50,000	
~2025 – BH 1 installed; 8,000 tons liquids processed	\$50,000	\$16,000
~2026 – BH 2/3 installed; 16,000 tons liquids processed	\$50,000	\$32,000
~2027 – BH Complete; 25,000 tons liquids processed	\$50,000	\$50,000

VII. Additional Funding Opportunities

Covanta will work with the community to identify additional types of revenue enhancements that could benefit both the facility and the community.

VIII. Term of Agreement

The Agreement will become effective on the date that the Agreement is signed by all parties. It will remain in effect through the permitting of the air quality control system and the processing of non-hazardous liquid waste and then as long as the Covanta Camden facility is processing liquid waste, unless otherwise agreed to in writing by both parties to this Agreement.

IX. Default and Remedies

If Covanta fails to perform under this Agreement, the City of Camden shall be entitled to remedies available at law or in equity, provided however that in no event shall Covanta be liable for incidental, consequential, special, exemplary, liquidated, or punitive damages; nor shall any member, manager, partner, officer, director or employee have any personal liability for the default of Covanta hereunder. The City of Camden shall provide Covanta prior written notice of any failure to perform the obligations set forth in the above referenced sections. Covanta shall have thirty (30) days, or such other longer period of time that is reasonable under the circumstances, to cure the failure. There are no third parties intended or entitled to enforce this Agreement.

X. Governing Law

This Agreement shall be governed by the laws of the State of New Jersey.

XI. Severability

If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall continue to be in full force and effect.

XII. Non-Discrimination

Covanta affirms that it is an Equal Opportunity Employer. Covanta will not discriminate in any employment or personnel practice against any employee or applicant on the basis of race, color, creed, religion, sex, national origin, sexual orientation, gender identity, disability or protected veteran status or any other status protected by law. Covanta follows similar policies when working with the community at large.

XIII. Contact

Covanta's contact person:

Name: Jack Bernardino
Title: Area Asset Manager, Covanta
Address: 600 Morgan Street
Camden, NJ 08104
Phone: (856) 966-7174
Email: jbernardino@covanta.com

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The City of Camden's contact person:

Name: Vic Carstarphen
Title: Mayor City of Camden
Address: 520 Market Street
Camden, NJ 08102
Phone: (856) 757-7200
Email: Mayor@ci.camden.nj.us

This Covanta Camden Community Benefits Agreement is hereby signed, executed, and agreed to by:

Covanta Camden

By: 

Jack Bernardino, Area Asset Manager, Covanta



Date



Vic Carstarphen, Mayor



Date