

Key Terms of a Covanta/Camden Community Benefits Agreement (CCCBA) for discussion with the Community

Covanta has been outperforming the environmental standards set by the New Jersey Department of Environment, 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 Pollution Control System with a \$49m investment.

The Air Pollution 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 wants 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 drop in the wholesale price of electricity and the uncertainty about the County's waste coop's commitment to our facility have made it hard to enter into a significant long-term community benefits agreement.

To have the revenue to give back to the community, 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.

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.

Continued Engagement with the Community

- Partner with local organizations to assist in various community engagements activities, fund raising events, plant tours or other items. 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.

Additional Environmental Initiatives

- Support Electric Vehicle Charging stations in the community
- Support anti-Illegal dumping initiatives
- Covanta will dispose of up to 50 tons of 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 Footprint will provide living wages for our workforce.
- Covanta will adopt a "hire local" initiative whereby local workers are sought out and trained by Covanta.
- Covanta will establish a Camden college summer internship program for local youth. This program would be a 12-week internship focusing on skills and industries related to Covanta operations (sustainability, alternative energy development, etc.).
- Covanta will provide funding needed to train Fire Department personnel including at least an annual drill.
- Covanta will sponsor a \$2,500 scholarship each year of the agreement through the Camden School Foundation.

Covanta Camden Community Benefits Agreement

In addition to our existing efforts, Covanta wants to enter into a Community Benefits Agreement. The Covanta Camden Community Benefits Agreement (CCCBA) would be a long-term commitment with organized groups representing the people of Camden which have a significant presence in our neighborhoods of Waterfront South and Morgan Village. The agreement would setup a committee to decide what local projects receive funds and the committee would award the grants. The projects that would be funded must benefit Waterfront South and Morgan Village. There are two options for funding with and without liquids. Below are the two options.

Air Pollution Control System			
Approximate Year	Covanta's Existing Outreach	Fixed Funding to Covanta Camden Community Benefits Fund	Total
2022	\$50,000	\$50,000 ¹	\$100,000
2023	\$50,000	\$20,000 ²	\$70,000
2024 and beyond	\$50,000	\$20,000	\$70,000

Air Pollution Control System & Liquids				
Approximate Year	Covanta's Existing Outreach	Fixed Funding to Covanta Camden Community Benefits Fund	Liquids Processing funding to Covanta Camden Community Benefits Fund ^{3,4,5}	Total
2022	\$50,000	\$50,000 ¹	-	\$100,000
2023	\$50,000	\$50,000 ²	-	\$100,000
2024	\$50,000	\$50,000	\$16,000	\$116,000
2025	\$50,000	\$50,000	\$32,000	\$132,000
2026 and beyond	\$50,000	\$50,000	\$50,000	\$150,000

¹ At the signing of the CCCBA by the organized groups serving Waterfront South and Morgan Village

² Upon receipt of the permit changes from NJDEP for the Title V and Solid Waste permits

³ The total amount of funding from liquid waste processing may vary yearly, and will depend on final state approvals, the timing of equipment installation, and the amount disposed of each year.

⁴ At the beginning of processing of Liquid Waste which will take place after the first baghouse is installed

⁵ Contribution of \$2 a ton for liquid waste processed expected to process up to 25,000 tons, after the completion of the Air Pollution Control System.

Covanta Camden Community Benefits Fund

Covanta Camden Community Benefits Fund would be a fund established by Covanta to fund the grants awarded by the Covanta Camden Community Benefits Agreement Committee. Covanta would establish a separate account and meet all the contractual funding obligations. All decisions for funding projects would be made by the Covanta Camden Community Benefits Agreement Committee.

Covanta Camden Community Benefits Agreement Committee

The agreement would establish a committee to administer the fund. The Committee would be a volunteer position. The Committee would develop an application for groups or individuals to apply for grants. However, the grants must fund projects that will directly benefit Waterfront South and Morgan Village.

Covanta Camden Community Benefits Agreement Committee

1. Community Representative from Waterfront South—Appointed by Ward 1 Council Member
2. Community Representative from Morgan Village—Appointed by Ward 1 Council Member
3. Grassroots Organization—appointed by the Community Representative from Waterfront South
4. Grassroots Organization—appointed by the Community Representative from Morgan Village
5. Contractor Representative—Covanta
 - Non-Voting Members
 - Elected Representative—Ward 1 Council Member
 - Ex-officio from Mayor's Office

Additional Funding Opportunities

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

Note:

These are nonbinding terms for discussion with the Community.

The timing of funding will depend on the successful completion of the different steps.