

1. Notice And Meeting Materials

Documents:

[4-8-2020 NOTICE OF EARLIER START TIME \(PDF\).PDF](#)

[4-8-2020 FREEHOLDER MEETING AGENDA \(PDF\).PDF](#)

[4-8-2020 SCMUA PRESENTATION ON LANDFILL LIFE EXTENSION \(PDF\).PDF](#)



SUSSEX COUNTY BOARD OF CHOSEN FREEHOLDERS
Sussex County Administrative Center
One Spring Street
Newton, New Jersey 07860
PRESS RELEASE

County of Sussex

Posted November 30, 2020

**BOARD OF CHOSEN FREEHOLDERS
SUSSEX COUNTY, NEW JERSEY
CHANGE OF MEETING START TIME**

NOTICE IS HEREBY GIVEN in accordance with the Open Public Meetings Act, the Board of Chosen Freeholders Regular April 8, 2020 meeting will commence at 4:30 PM at the Sussex County Administrative Center, 1 Spring Street, Newton, New Jersey. Pursuant to Government Guidelines, this meeting will be conducted via a conference call platform. To participate in this meeting, dial 973-310-7191.

Teresa Lyons, Clerk
Board of Chosen Freeholders
Sussex County, New Jersey

Due to public health issues arising from the coronavirus situation, the Sussex County Board of Freeholders will “meet” on Wednesday, April 8 at 4:30PMPM and will handle county government business remotely via a conference call.

County residents are invited to listen and will have an opportunity to make comments.

Residents are invited to attend this meeting by calling: 973-310-7191.

FREEHOLDER MEETING OF APRIL 8, 2020 AT 4:30PM
FREEHOLDER MEETING ROOM
REGULAR BUSINESS

Item

1. **CALL TO ORDER BY DIRECTOR**
2. **ROLL CALL**
3. **MOMENT OF SILENCE AND SALUTE TO THE FLAG**
4. **PUBLIC STATEMENT**

"Pursuant to the Open Public Meetings Act, Chapter 231, P.L. 1975 Adequate Notice as defined by Section 3D of Chapter 231, P.L. 1975, has been made by regular mail, such notice being submitted on March 30, 2020 from the Administrative Center of the County of Sussex, located at One Spring Street, Newton, New Jersey to the following:

New Jersey Herald WSUS Radio
New Jersey Sunday Herald WNNJ Radio
Star Ledger

and is also posted on the bulletin board maintained in the Administrative Center for public announcements and has been submitted to the Sussex County Clerk in compliance with said Act."

5. **APPROVAL OF AGENDA**

MOTION to approve the Agenda

6. **PROCLAMATIONS/CERTIFICATES/PRESENTATIONS**

A. **PROCLAMATIONS**

1. Recognizing Wear Purple Day – April 17, 2020
2. Recognizing The Epsilon Charter is celebrating its 60th Birthday
3. Recognizing April as Child Abuse Prevention Month
4. Recognizing Sexual Assault Awareness Month 2020
5. Thanking Those On the Frontlines

MOTION to adopt the Proclamations
(Voice Vote)

B. PRESENTATIONS

SCMUA Landfill Operations & Financing- Power Point Via Conference Call

7. **RESOLUTION RE:**
AUTHORIZING THE READING OF THE 2020 SUSSEX COUNTY BUDGET BY TITLE ONLY IN ACCORDANCE WITH N.J.S.A. 40A:4-8
(Voice vote)

8. **PUBLIC HEARINGS**

2020 SUSSEX COUNTY BUDGET AS APPROVED

MOTION to open Public Hearing for the 2020 Sussex County Budget as Approved.
(Voice vote)

PUBLIC HEARING IS NOW OPEN

Is anyone present to be heard regarding the 2020 County Budget as Approved?

MOTION that the Public Hearing be closed.
(Voice vote)

9. **RESOLUTION RE:**
AMENDING THE 2020 COUNTY BUDGET AS INTRODUCED (ELKE WILL READ THE FULL RESOLUTION)
(Voice vote)

MOTION to open Public Hearing for Amending the 2020 County Budget as introduced
(Voice Vote)

PUBLIC HEARING IS NOW OPEN

Is anyone present to be heard regarding the 2020 County Budget as Approved?

10. **RESOLUTION RE: FINAL ADOPTION OF THE 2020 SUSSEX COUNTY BUDGET AS AMENDED**

Freeholder Director Petillo: "BE IT RESOLVED by the Board of Chosen Freeholders of the County of Sussex that the Budget hereinbefore set forth is hereby adopted and shall constitute an appropriation for the purposes stated of the sums therein set forth as appropriations, and authorization of the amount of \$117,371,761.70 for the County purposes to be raised by taxation and certification to the County Board of Taxation of the following summary of general revenues and appropriations."

MOTION to finally adopt the 2020 County Budget as Amended

(Roll call vote) Majority of the Full membership

11. **PUBLIC SESSION FROM THE FLOOR**

Comments are limited to 3 minutes or less and must only address issues regarding agenda items. Please state your name, and print your name and municipality on the sign in sheet.

MOTION to open the floor for public comment
(Voice Vote)

MOTION to close the floor for public comment
(Voice Vote)

12. **FREEHOLDERS' COMMENTS**

13. **APPROVAL OF CONSENT AGENDA – None for this meeting**

14. **APPROVAL OF MINUTES**

MOTION to approve the minutes

Regular Meeting – March 25, 2020
(Voice Vote)

Freeholder Emergency Meeting – March 20, 2020
Regular Session
(Voice Vote)

Executive Session- March 20, 2020
(Voice Vote)

15. **APPOINTMENTS AND/OR RESIGNATIONS**

- A. **RESOLUTION RE:**
APPOINTMENT OF RICHARD TOMKO AS FIRST ALTERNATE MEMBER TO THE SUSSEX COUNTY PLANNING BOARD FOR A TERM OF THREE (3) YEARS. SAID TERM TO BEGIN IMMEDIATELY AND EXPIRE DECEMBER 31, 2023

MOTION to adopt said Resolution A
(Voice Vote)

16. **RESOLUTIONS**

- A. **RESOLUTION RE:**
EMERGENCY SITUATION PERTAINING TO PUBLIC HEALTH SAFETY AS A RESULT OF THE CORONAVIRUS OUTBREAK AND AUTHORIZING THE AWARD OF CONTRACTS FOR THE REQUIRED GOODS AND SERVICES WITHOUT PUBLIC BIDDING IN ACCORDANCE WITH N.J.S.A. 40A:11-6
- B. **RESOLUTION RE:**
AUTHORIZATION FOR THE COUNTY OF SUSSEX TO PROCESS AN INVOLUNTARY DISABILITY RETIREMENT APPLICATION

- C. **RESOLUTION RE:**
AUTHORIZING THE COUNTY OF SUSSEX TO ENTER INTO AN AGREEMENT WITH EVERGREEN ENVIRONMENTAL FOR THE PURCHASE OF RIPARIAN MITIGATION CREDITS FOR THE REPLACEMENT OF SUSSEX COUNTY BRIDGE Q-06, MAIN STREET OVER WALLKILL RIVER, SPARTA TOWNSHIP IN THE AMOUNT OF \$12,400.00
- D. **RESOLUTION RE:**
AUTHORIZING CONSENT TO SETTLEMENT OF CLAIMS IN THE MATTER OF CHARITY M. THOMPSON V. WILLIAM R. LUNGER, JR., MICHAEL F. STRADA, ROBERT E. UNTIG, SUSSEX COUNTY SHERIFF'S OFFICE, COUNTY OF SUSSEX. SUPERIOR COURT OF NEW JERSEY, LAW DIVISION, MORRIS COUNTY, DOCKET NO. MRS-L-520-18
- E. **RESOLUTION RE:**
SALARY INCREASES AND ESTABLISHMENT OF NEW SALARY RANGES FOR EMPLOYEES NOT REPRESENTED BY A BARGAINING AGENT FOR 2020
- F. **RESOLUTION RE:**
AUTHORIZATION TO ACCEPT AWARD FOR HAZARD MITIGATION GRANT FUNDS FROM THE STATE OF NEW JERSEY, DEPARTMENT OF LAW AND PUBLIC SAFETY, DIVISION OF STATE POLICE, FOR AN AMOUNT OF \$166,667.00, TO BE USED FOR HIRING A QUALIFIED CONSULTANT TO COMPLETE A FIVE YEAR UPDATE TO THE CURRENT SUSSEX COUNTY MULTI-JURISDICTIONAL HAZARD MITIGATION PLAN

MOTION to adopt said Resolutions A-F
(Roll Call vote)

17. **AWARDS OF CONTRACT/CHANGE ORDERS/BID**

- A. **RESOLUTION RE:**
AUTHORIZATION TO PROVIDE FOR THE PURCHASE OF ONE (1) DUMP BODY WITH HYDRAULIC PUMP, CONTROLS SPREADER AND PLOW FROM TONY SANCHEZ LTD FOR THE COUNTY OF SUSSEX, OFFICE OF FLEET MANAGEMENT IN THE AMOUNT OF \$49,881.00
- B. **RESOLUTION RE:**
AUTHORIZATION TO PROVIDE FOR THE PURCHASE OF ONE (1) TOP PAVER SPECIAL 35 TON GOOSENECK TRAILER BY THE SUSSEX COUNTY OFFICE OF FLEET MANAGEMENT FOR USE BY SUSSEX COUNTY DIVISION OF PUBLIC WORKS FROM CHERRY VALLEY TRACTOR SALES IN THE AMOUNT OF \$54,379.92
- C. **RESOLUTION RE:**
AUTHORIZATION TO PROVIDE FOR THE PURCHASE OF VICTIM WITNESS PORTAL MODULES FOR THE PROSECUTOR'S OFFICE FROM SOFTWARE HOUSE INTERNATIONAL IN THE AMOUNT OF \$75,000.00

- D. **RESOLUTION RE:**
AUTHORIZATION TO PROVIDE FOR THE PURCHASE OF INFOSHARE DATABASE MODULES FOR THE PROSECUTOR'S OFFICE FROM SOFTWARE HOUSE INTERNATIONAL IN THE AMOUNT OF \$80,000.00

- E. **RESOLUTION RE:**
AWARD OF CONTRACT EXTENSION THROUGH THE COMPETITIVE CONTRACTING PROCESS FOR PHARMACEUTICAL SERVICES FOR THE KEOGH DWYER CORRECTIONAL FACILITY TO DIAMOND PHARMACY SERVICES FROM APRIL 11, 2020 UNTIL APRIL 10, 2021 IN THE AMOUNT NOT TO EXCEED \$10,000.00

- F. **RESOLUTION RE:**
AWARD OF CONTRACT EXTENSION FOR THE PURCHASE OF HOT POUR CRACK SEALING MATERIAL AND RENTAL OF CRACK SEALING EQUIPMENT FOR THE COUNTY OF SUSSEX TO SEALMASTER PRODUCT AND SERVICES FROM APRIL 24, 2020 UNTIL APRIL 23, 2021

The Board of Chosen Freeholders of the County of Sussex has reviewed the Award of Contract/Change Orders/Bids consisting of various proposed Resolutions and determined that adoption of the said Resolutions is in and will further the public interest.

MOTION to approve Contracts A -F
(Roll call vote)

18. FINANCIAL

- A. **RESOLUTION RE:**
PAYMENT OF BILLS LIST
April 8, 2020

MOTION to approve the Resolution
(Roll call vote)

- B. **INTRODUCTION FOR FIRST READING- ORDINANCE 20-02**

BOND ORDINANCE PROVIDING FOR VARIOUS 2020 CAPITAL IMPROVEMENTS, BY AND IN THE COUNTY OF SUSSEX, STATE OF NEW JERSEY; APPROPRIATING \$14,811,465 THEREFOR (INCLUDING GRANTS IN THE AMOUNT OF \$5,971,768) AND AUTHORIZING \$7,705,000 BONDS OR NOTES OF THE COUNTY TO FINANCE PART OF THE COSTS THEREOF

MOTION to adopt this Ordinance on first reading and authorize the Clerk to advertise this Ordinance as introduced for first reading, and also post same on the bulletin board in the lobby of the County Administrative Center, together with a Notice of Public Hearing stating that a hearing will be held on April 22, 2020 at 6:00 p.m. prior to final adoption of this Ordinance
(Roll Call Vote)

C. INTRODUCTION FOR FIRST READING- ORDINANCE 20-03

BOND ORDINANCE PROVIDING FOR CAPITAL IMPROVEMENTS TO THE SUSSEX COUNTY TECHNICAL SCHOOL, LOCATED WITHIN THE COUNTY OF SUSSEX, STATE OF NEW JERSEY; APPROPRIATING \$895,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$895,000 BONDS OR NOTES OF THE COUNTY OF SUSSEX, STATE OF NEW JERSEY, FOR FINANCING OF SUCH APPROPRIATION

MOTION to adopt this Ordinance on first reading and authorize the Clerk to advertise this Ordinance as introduced for first reading, and also post same on the bulletin board in the lobby of the County Administrative Center, together with a Notice of Public Hearing stating that a hearing will be held on April 22, 2020 at 6:00 p.m. prior to final adoption of this Ordinance
(Roll Call Vote)

D. INTRODUCTION FOR FIRST READING- ORDINANCE 20-04

BOND ORDINANCE PROVIDING FOR THE UNDERTAKING OF 2020 CAPITAL IMPROVEMENTS AT AND FOR CERTAIN FACILITIES OF SUSSEX COUNTY COMMUNITY COLLEGE, LOCATED WITHIN THE COUNTY OF SUSSEX, STATE OF NEW JERSEY; APPROPRIATING \$2,800,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$2,800,000 BONDS OR NOTES OF THE COUNTY OF SUSSEX, STATE OF NEW JERSEY, FOR FINANCING SUCH APPROPRIATION, THE PRINCIPAL OF AND INTEREST ON THE AGGREGATE PRINCIPAL AMOUNT OF WHICH WILL BE ENTITLED TO STATE AID, PURSUANT TO CHAPTER 12 OF THE LAWS OF NEW JERSEY OF 1971

MOTION to adopt this Ordinance on first reading and authorize the Clerk to advertise this Ordinance as introduced for first reading, and also post same on the bulletin board in the lobby of the County Administrative Center, together with a Notice of Public Hearing stating that a hearing will be held on April 22, 2020 at 6:00 p.m. prior to final adoption of this Ordinance
(Roll Call Vote)

19. **PERSONNEL**- No items for this meeting.
20. **ADMINISTRATIVE REPORT**
21. **COUNTY COUNSEL REPORT**
22. **UNFINISHED BUSINESS**
23. **NEW BUSINESS**
24. **PUBLIC SESSION FROM THE FLOOR**

Everyone is asked to keep their comments to 3 minutes. Please state your name and print name and municipality on sign in sheet.

MOTION to open the floor for public comment:
(Voice vote)

MOTION to close the floor for public comment and return to regular business:
(Voice vote)

25. **REMINDERS**

Please check the County’s website at www.sussex.nj.us for meeting schedules.

26. **EXECUTIVE SESSION – (Closed Session)**

RESOLUTION RE: PROVIDING FOR AN EXECUTIVE (CLOSED) SESSION NOT OPEN TO THE PUBLIC IN ACCORDANCE WITH THE PROVISIONS OF N.J.S.A. 10:4-12 ET SEQ.

WHEREAS, the subject matter(s) about to be discussed may be excluded from the public portion of the meeting by Resolution of the Board of Chosen Freeholders as an exception to the “Open Public Meetings Act” pursuant to N.J.S.A. 10:4-12 (b); and

WHEREAS, it appears necessary for the Board of Chosen Freeholders to discuss such matter(s) in Executive Session.

NOW, THEREFORE, BE IT RESOLVED that the Board of Chosen Freeholders of the County of Sussex, in accordance with the provisions of N.J.S.A. 10:4-12(b) and N.J.S.A. 10:4-13 that the Board at this time enter into an Executive Session from which the public shall be excluded; and

BE IT FURTHER RESOLVED, that the general nature of the subject(s) to be discussed relate to the following item(s) authorized by N.J.S.A. 10:4-12(b) as designated below:

- _____ (1) **Matters Required by Law to be Confidential:**
- _____ (2) **Matters Where the Release of Information Would Impair the Right to Receive Funds:**
- _____ (3) **Matters Involving Individual Privacy:**
- _____ (4) **Matters Relating to Collective Bargaining Agreements:**
- _____ (5) **Matters Relating to the Purchase, Lease of Acquisition of Real Property or the Investment of Public Funds:**
- _____ (6) **Matters Relating to Public Safety and Property:**
- X (7) **Matters Relating to Litigation, Negotiations and the Attorney Client Privilege;**

Strada v County of Sussex, et al

_____ (8) **Matters Relating to the Employment Relationship:**

_____ (9) **Matters Relating to the Potential Imposition of a Penalty:**

BE IT FURTHER RESOLVED that the deliberations conducted in closed session may be disclosed to the public upon the determination of the Sussex County Board of Chosen Freeholders or provided by law that the public interest will no longer be served by such confidentiality; and

BE IT FURTHER RESOLVED that upon completion of the business, for which the Board has entered into the Executive Session, the Board shall reconvene and resume its meeting open to the public.

BE IT FURTHER RESOLVED that the Board expects to/not to take formal action after returning from Executive Session except to adjourn the regular meeting.

MOTION to adopt the Executive Session Resolution and enter into Executive Session
(Voice vote)

MOTION to adjourn from Executive Session and return to Regular Business
(Voice vote)

25. **ADJOURNMENT**

MOTION to adjourn the meeting:
(Voice vote)



SCMUA

LANDFILL LIFE EXTENSION CONSTRUCTION PROJECTS
SEQUENCE AND FUNDING

Summary

▶ Project

- ▶ Landfill Expansion Project that will allow for the extension of the life of the landfill ranging from 2041 through 2045.

▶ Why Project is Needed?

- ▶ Running Out of Capacity – Without the Undertaking of these Projects, the Landfill will reach capacity in 2023 and SCMUA will no longer be able to accept waste.
- ▶ We are utilizing Landfill capacity faster than originally anticipated when we completed the last project in 2017.

Summary

▶ Why Now?

- ▶ Construction for this total project will not be completed until 2024, but with this “phase-in” approach, we will gain immediate capacity by December 2020 and additional capacity in Early 2022.
- ▶ Debt was retired in 2016 and we added new debt to extend capacity in May 2018 and this additional debt is part of our overall plan to extend landfill capacity without creating significant increases in tipping fees.

Summary

- ▶ **Projected Tipping Fee Revenues Are Sufficient To Pay For The Bonds**
 - ▶ SCMUA's Tipping Fee Revenues are more than sufficient to pay for the bonds, as will be shown from a historical perspective and from reasonable projections. Additionally, there will be no projected upward pressure to increase tipping fees related to this project and debt; however, SCMUA retains the ability to adjust tipping fees should there be a decrease in tonnage related revenues and to protect the County from having to pay under the 1987 County Agreement
 - ▶ A Tipping Fee is paid by anyone who disposes of waste at the landfill. The **fee** is based on the weight of waste per ton, as well as other charges.

Summary

▶ Time Sensitive

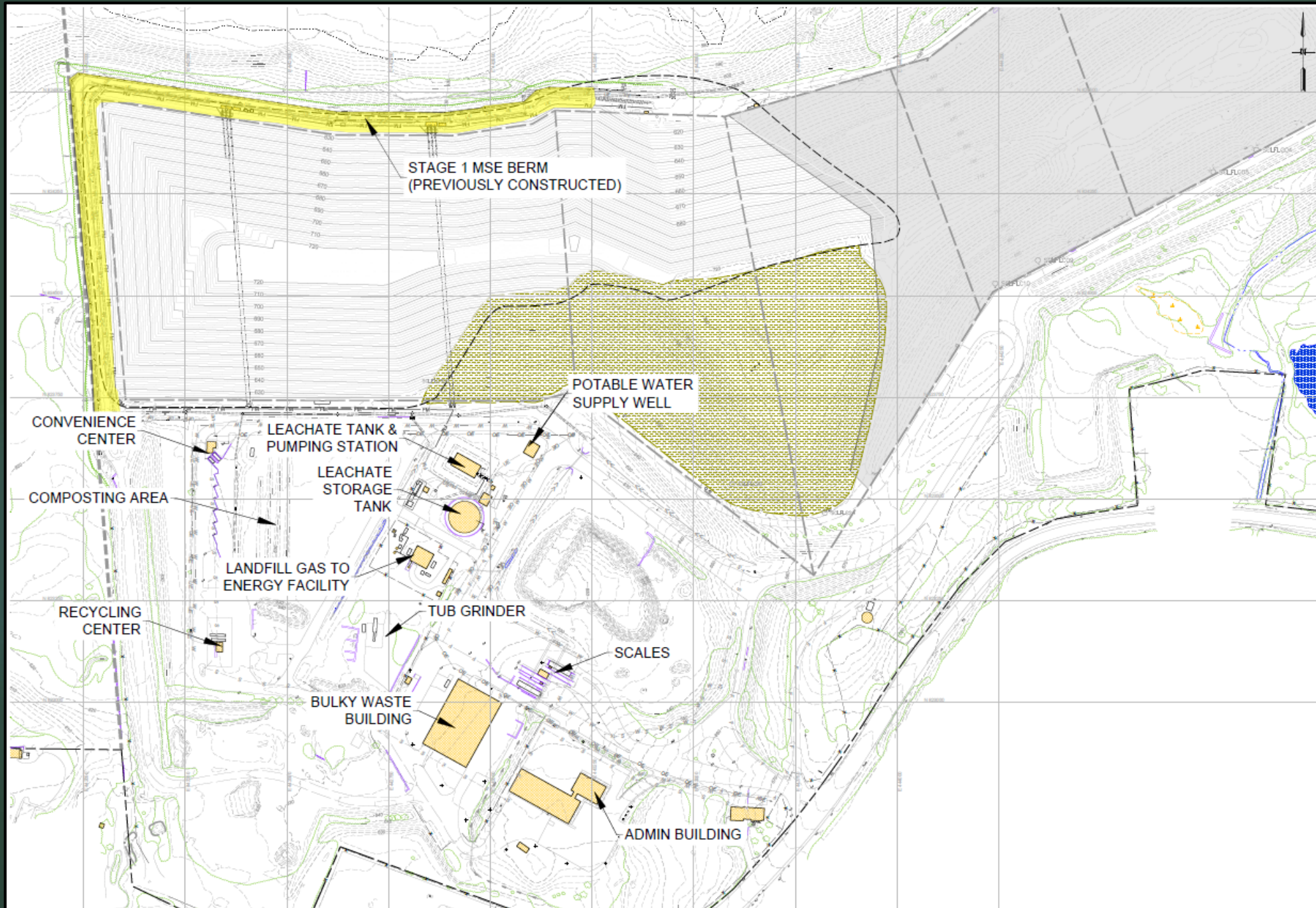
- ▶ This project and associated approvals from the County, the Local Finance Board, SCMUA, NJIB and NJDEP are time sensitive, because of the timing of the construction projects in order to maintain landfill capacity for waste.
- ▶ The first project will commence this year and be completed by December 2020, with the other projects seeking the regulatory approvals necessary to commence construction immediately after [December 2020].

Overview



- ▶ Review of site construction sequencing/timeline, construction costs, and capacity.
- ▶ Financing options for construction.
- ▶ Financing Legal Requirements

Existing Conditions Plan

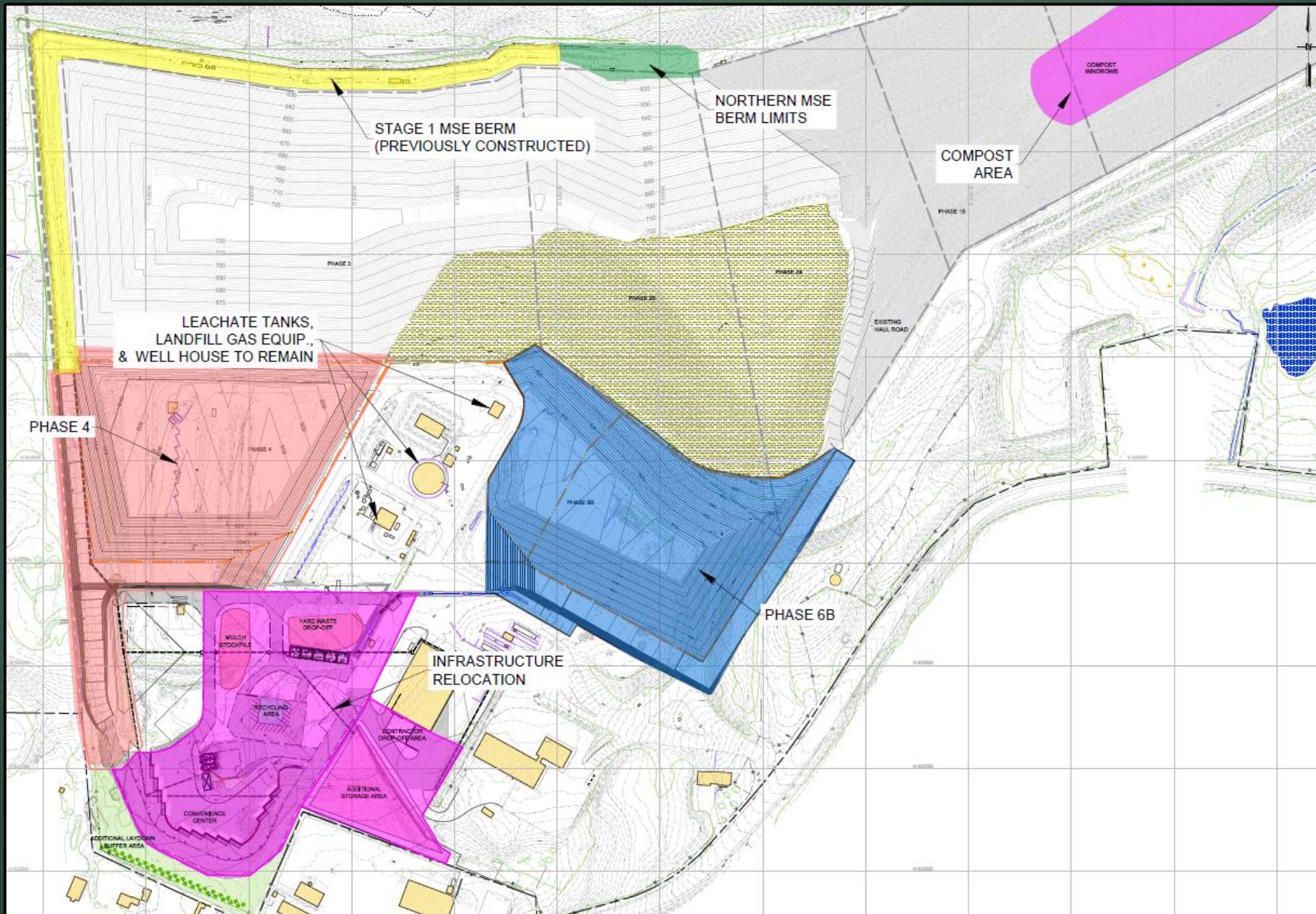


Remaining Capacity Calcs

Stage 1 Construction was completed in 2018.

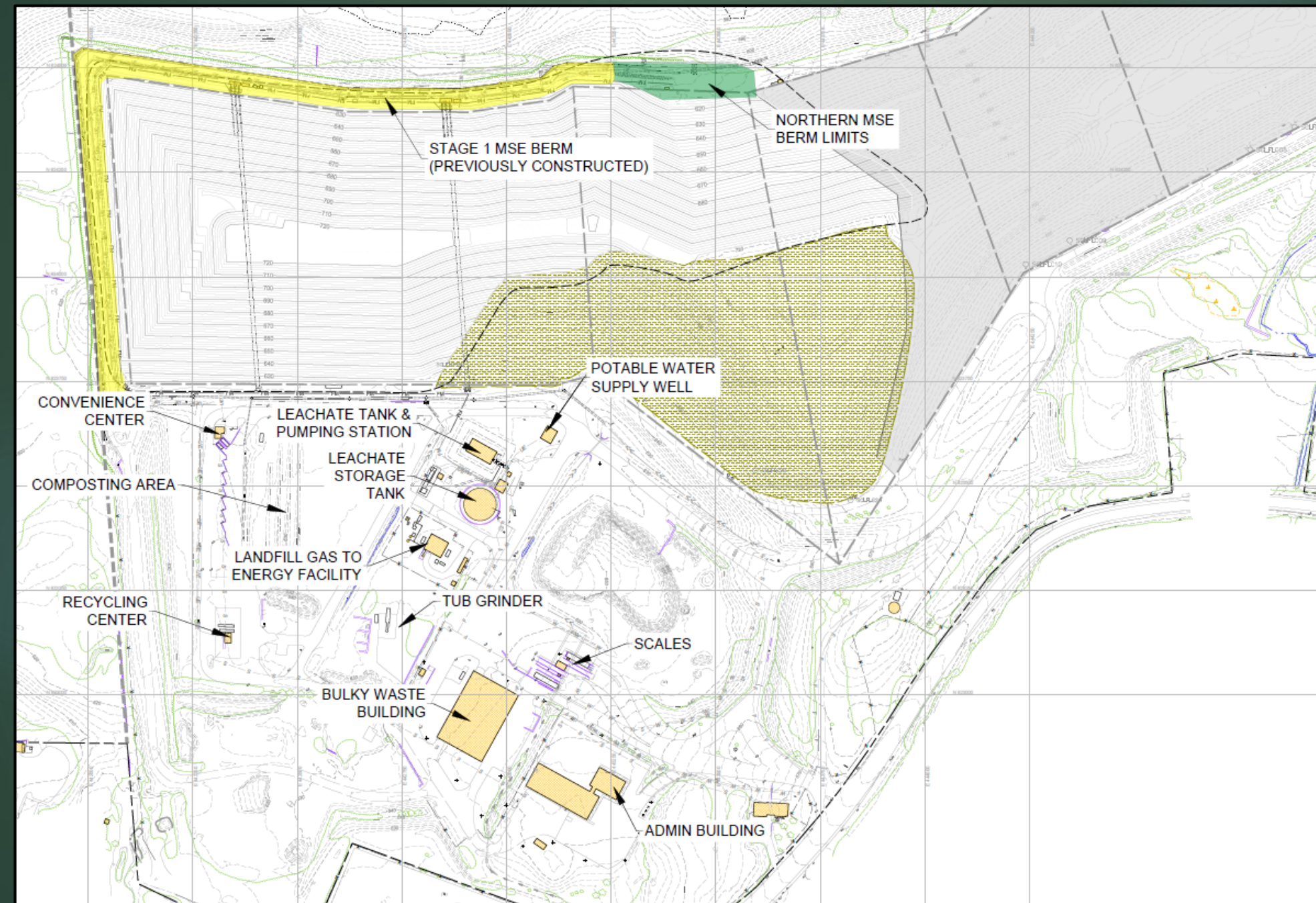
The table below summarizes the remaining constructed capacity:

Fill Rate (tons/yr)	Adjusted Capacity (Years Remaining)	Date Adjusted Capacity Depleted
90,000	6.1	1/15/2025
95,000	5.8	9/19/2024
100,000	5.5	6/5/2024
105,000	5.2	3/2/2024
110,000	5.0	12/6/2023
115,000	4.8	9/17/2023
120,000	4.6	7/6/2023
125,000	4.4	4/30/2023
130,000	4.2	2/27/2023

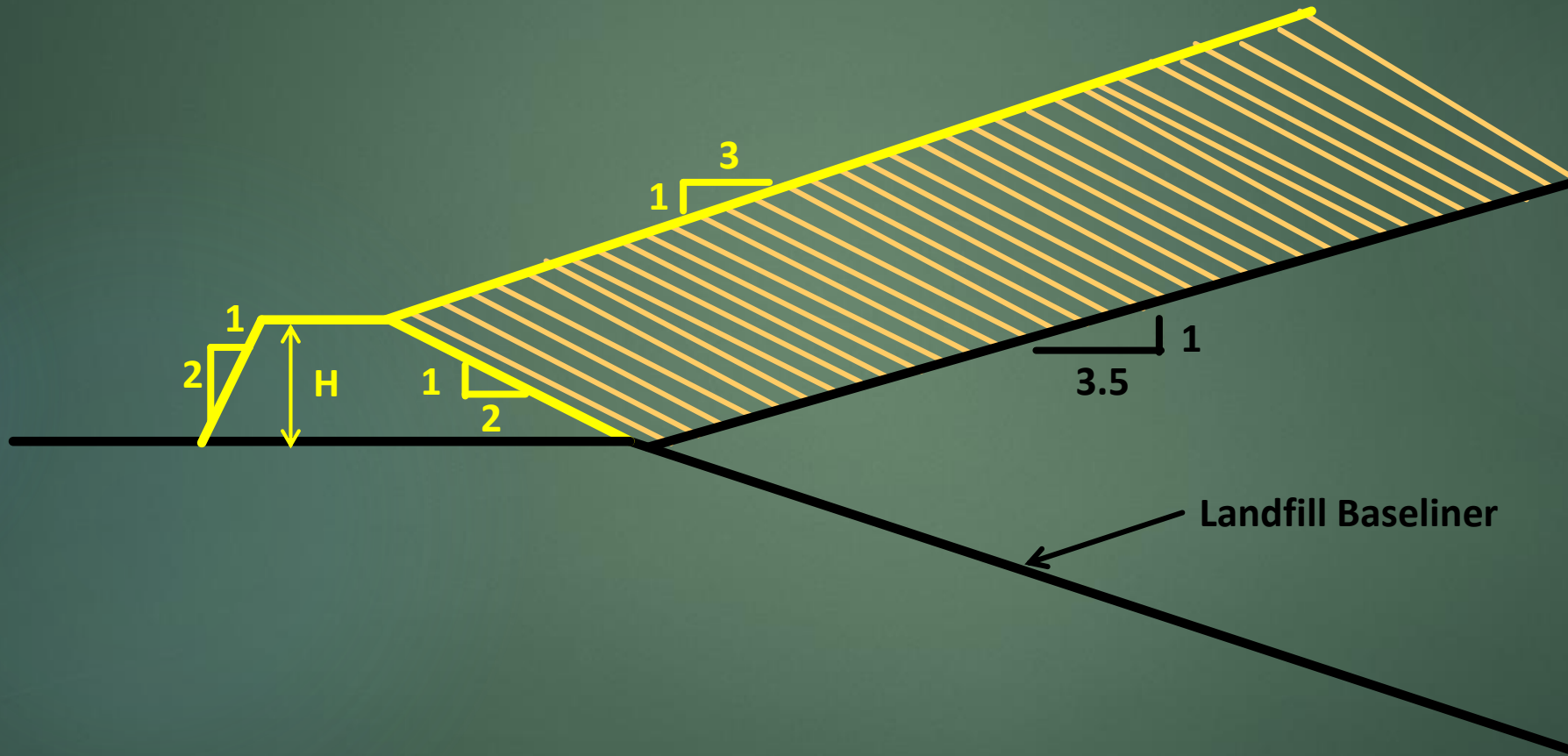


Proposed Construction

Northern MSE Berm



Northern MSE Berm Cross-Section



Northern MSE Berm Information

Construction

- Construction is anticipated to last ~6 months
- Construction costs are estimated to be ~\$2 million

Capacity

- Provides approximately 1.8 years of total capacity
- Approximately 1.0 years of capacity can be captured immediately after construction

Need

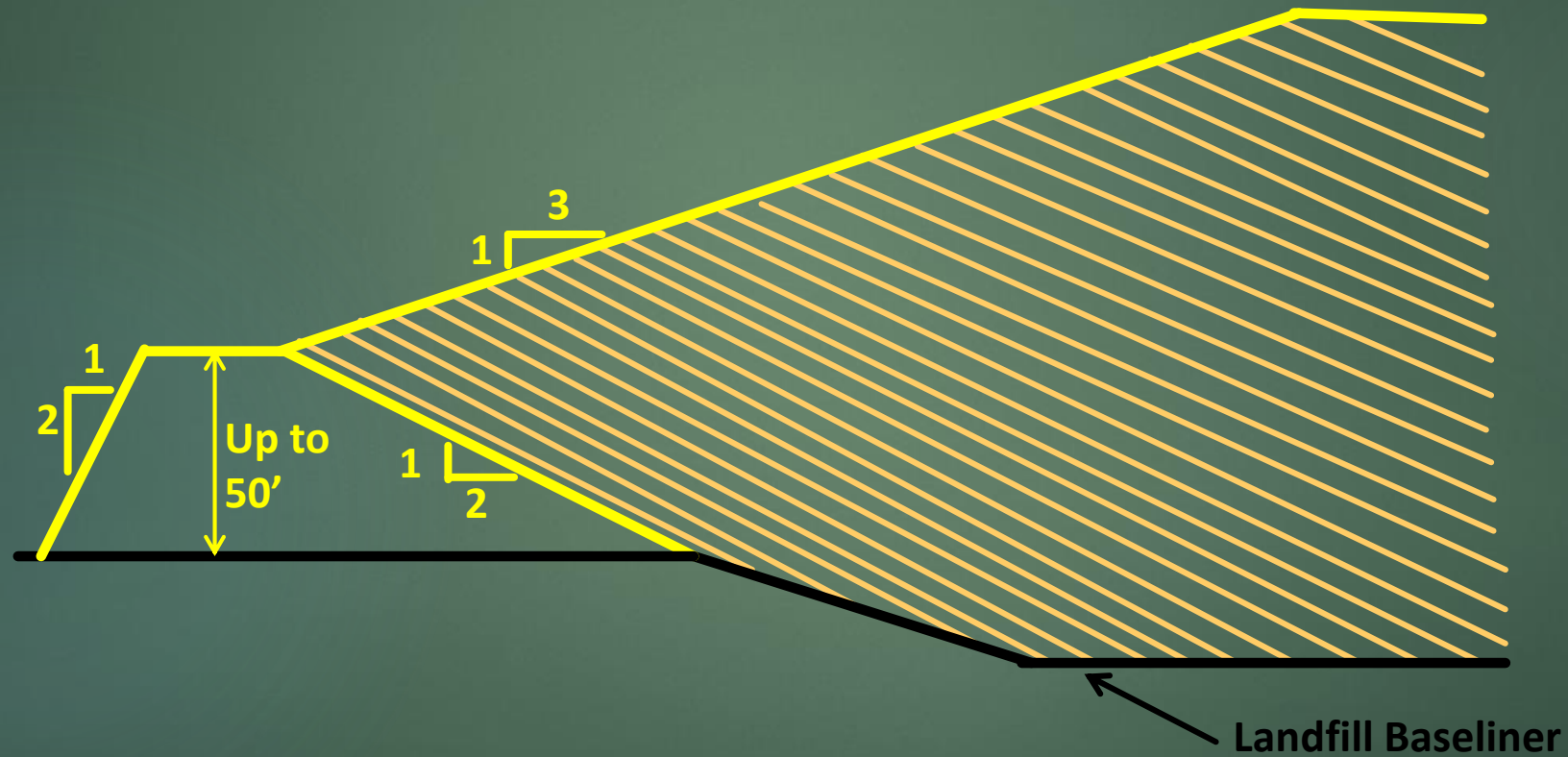
- If not constructed now, airspace will be extremely challenging to fill.
- Provides additional buffer for major construction (Phase 4 & 6B).

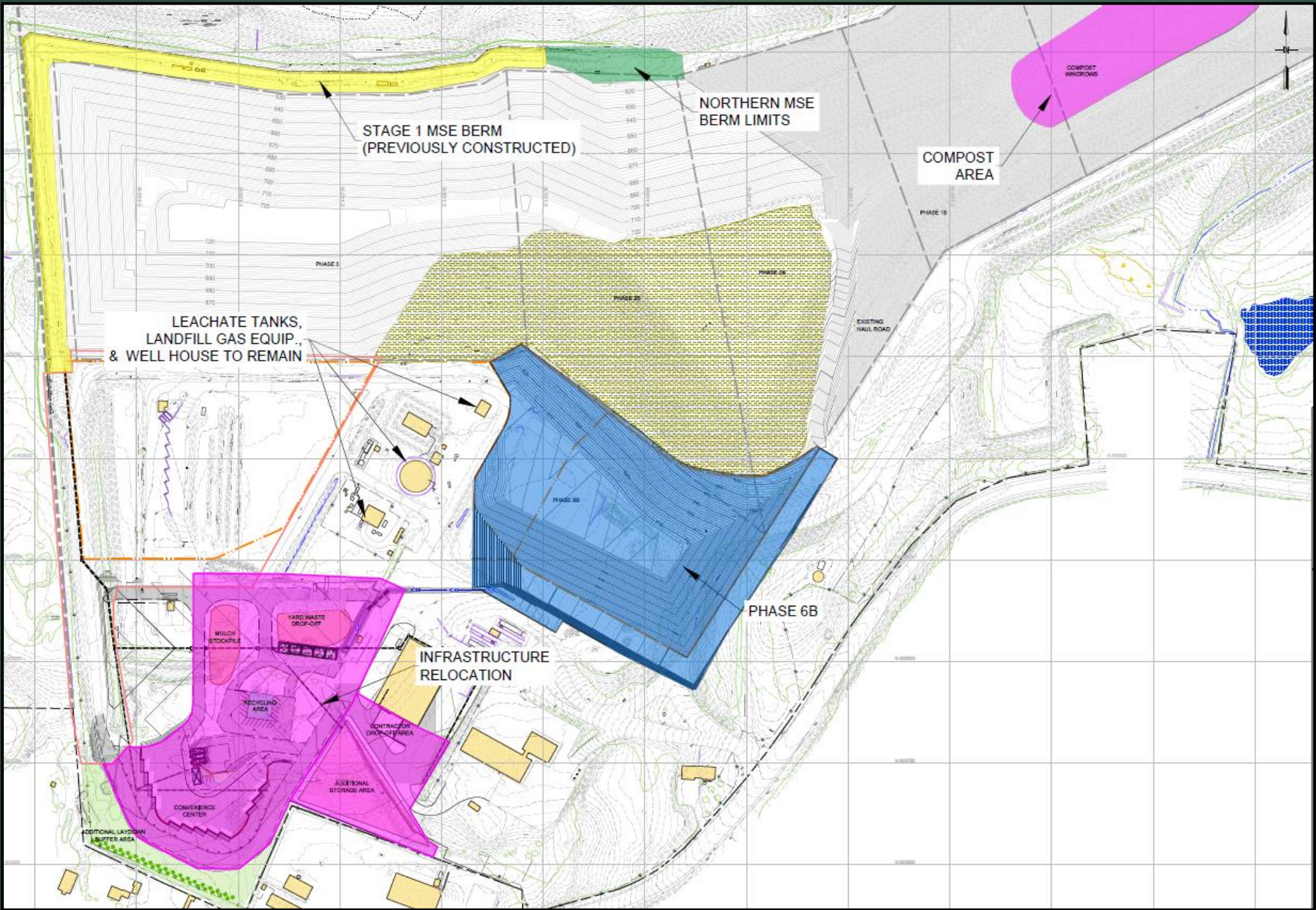


Phase 6B

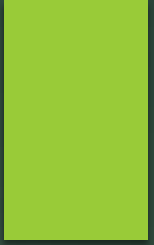


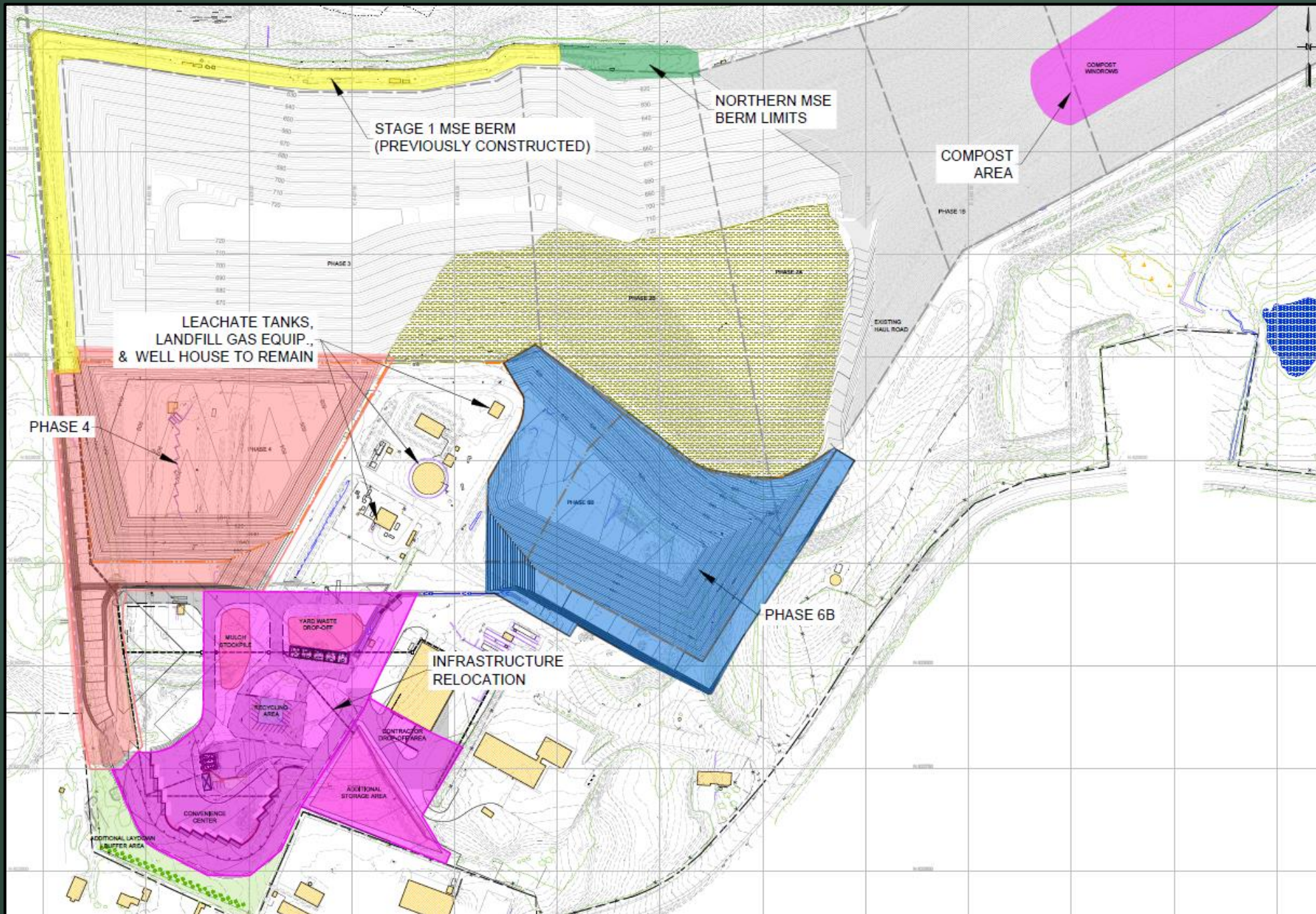
Phase 4 & 6B Cross-section





Infrastructure Plan





Phase 4



Construction Information

Phase	Est. Construction Costs	Timeframe to Construct ⁽¹⁾	Years of Capacity Provided ⁽²⁾
Phase 6B	\$12.6 million	~14 months	6.5 – 8.2 years
Infrastructure Relocation	\$4.4 million	~13 months	-
Phase 4	\$12.3 million	~15 months	9.5 – 12.1 years
Engineering/Soft Costs	\$5.7 million	-	-
TOTAL	\$35 million	~42 months	16 – 20 years

- (1) Timeframe to construct based on individual projects. Actual construction time will likely be decreased if all work awarded under one contract.
- (2) Years of capacity provided is dependent upon density. The low end of the range is based on 1,425 lb/CY (2018 average) and the high end is based on 1,800 lb/CY (density considering future consolidation, realized at landfills accepting similar wastes). The assumed fill rate is 105,000 tons/yr.

Timeline

Construction Event

Estimated Completion Date

▶ Northern MSE Berm

▶ December 2020

▶ Phase 6B

▶ January 2022

▶ Infrastructure Relocation

▶ February 2023

▶ Phase 4

▶ May 2024

FINANCING OPTIONS

Financing Options



NORTH BERM LANDFILL EXPANSION PROJECT

- Will be funded by stand-alone SCMUA Project Notes
- To be issued in 2020
- Expected to be paid off over two (2) years from SCMUA revenue

4/6B LANDFILL EXPANSION PROJECTS

- Initial funding by notes during construction
- SCMUA and its professionals analyzed bond financing terms of 16 and 20 years
- Bonds projected to be issued in 2022 to pay off notes
- Structures analyzed:
 - SCMUA Revenue Bonds
 - New Jersey Infrastructure Bank (NJIB) Loan

Financing Options – 4/6B Landfill Expansion

SCMUA Revenue Bonds

- Project Notes can be issued during initial construction period
- SCMUA issues bonds at prevailing market rates based on SCMUA's "AA+" bond rating (issuance assumed in 2022)
- Project costs and typical bond issuance costs are financed by the notes and bonds
- Analyzed structure that wraps around existing SCMUA landfill debt

New Jersey Infrastructure Bank (NJIB) Loan

- Interest free "interim project loan" during construction period
- NJIB issues bonds and proceeds are loaned to SCMUA (issuance assumed in 2022)
 - 50% at prevailing market rates based on NJIB's "AAA" rating (plus annual fees)
 - 50% interest free
- Project costs, NJIB issuance costs, and NJIB additional fees are financed by the bonds
- Level debt service structure is assumed but SCMUA professionals will request an alternate structure that incorporates existing landfill debt

Financing Options

Comparison of SCMUA vs. NJIB Financing – 20 Years

	<u>OPTION 1:</u> <u>SCMUA BONDS</u> ¹	<u>OPTION 2:</u> <u>NJIB</u> ²
Total Project Costs	\$35,000,000	\$35,000,000
Bond Financing Costs	\$351,775	\$130,985
Additional Fees ³	\$0	\$2,394,000
Other Costs to Finance ⁴	<u>\$7,000,000</u>	<u>\$7,420,000</u>
Total Amount Financed	\$42,351,775	\$44,944,985
Annual Fees (Total) ⁵	\$0	\$2,205,300
Borrowing Rate (TIC)	2.80%	1.40%
Avg Annual Debt Service	\$2,900,000	\$2,710,000
Total Debt Service (Incl Ann Fees)	\$58,057,652	\$54,118,042
Length of Borrowing	20 Years	20 Years

(1) Based on "AA+" interest rates as of March 19, 2020. Includes estimated interest on \$35 million 2-year Project Notes at 2.00%. Bond debt service structured to wrap-around existing debt service.

(2) Assumes 50% DEP Interest-Free Loan, 50% NJIB Market Rate Loan, based on March 19, 2020 "AAA" interest rates.

(3) Includes NJIB additional fees for Additional AIS & Engineering.

(4) Includes additional engineering, NJIB administrative expenses and other project-related costs.

(5) Represents NJIB ongoing annual Fees and Costs

Projected Debt Service – 20 Years

Year Ending 12/1	Existing Debt Service		OPTION 1: STAND ALONE ¹		OPTION 2: NJIB ²		Difference OPTION 1 vs 2
	Existing NJIB Loans	Est. North Berm D/S	Total Debt Service	Total D/S w/ Existing	Total Debt Service	Total D/S w/ Existing	
2020	956,893		0	\$956,893		\$956,893	\$0
2021	1,333,393	1,730,000	700,000	3,763,393		3,063,393	700,000
2022	1,333,393	300,000	700,000	2,333,393		1,633,393	700,000
2023	1,332,893		1,107,953	2,440,846	399,637	1,732,530	708,316
2024	1,331,893		2,152,953	3,484,846	943,454	2,275,347	1,209,499
2025	1,330,393		2,154,858	3,485,251	1,633,022	2,963,415	521,837
2026	1,333,393		2,151,104	3,484,497	2,289,271	3,622,664	(138,167)
2027	1,019,516		2,466,797	3,486,313	2,584,180	3,603,696	(117,383)
2028	376,000		3,109,908	3,485,908	3,131,187	3,507,187	(21,279)
2029	376,000		3,107,335	3,483,335	3,130,914	3,506,914	(23,579)
2030	376,000		3,107,885	3,483,885	3,134,623	3,510,623	(26,738)
2031	376,000		3,106,405	3,482,405	3,049,683	3,425,683	56,722
2032	376,000		3,107,180	3,483,180	3,045,693	3,421,693	61,488
2033	376,000		3,110,016	3,486,016	3,045,229	3,421,229	64,788
2034	376,000		3,109,945	3,485,945	3,043,265	3,419,265	66,681
2035	376,000		3,107,138	3,483,138	3,039,898	3,415,898	67,240
2036	376,000		3,106,037	3,482,037	3,044,823	3,420,823	61,214
2037	376,000		3,106,932	3,482,932	3,048,022	3,424,022	58,910
2038	376,000		3,109,620	3,485,620	3,049,452	3,425,452	60,168
2039	376,000		3,108,890	3,484,890	3,044,073	3,420,073	64,818
2040	376,000		3,109,668	3,485,668	3,046,983	3,422,983	62,686
2041	376,000		3,106,733	3,482,733	3,047,866	3,423,866	58,868
2042	376,000		3,110,298	3,486,298	3,046,838	3,422,838	63,460
Total	\$16,739,770	\$2,030,000	\$58,057,652	\$76,827,422	\$53,798,107	\$72,567,877	\$4,259,545
	Borrowing Rate:		2.75%		1.40%		
	Costs of Issuance ³ :		\$351,775		\$639,773		

(1) Based on "AA+" interest rates as of March 19, 2020. Includes estimated interest on \$35 million 2-year Project Notes at 2.00%. Bond debt service structured to wrap-around existing debt service.

(2) Assumes 50% DEP Interest-Free Loan, 50% NJIB Market Rate Loan, based on March 19, 2020 "AAA" interest rates. Includes NJIB ongoing Fees and Costs. Assumes long-term loans are issued in stages as each project is complete.

(3) Includes estimated issuance costs, including NJIB upfront Fees and Costs.

Projected Revenue vs. Debt Service

Year Ending 12/01	DEBT SERVICE		ACTUAL/PROJECTED REVENUE ASSUMPTIONS			Actual/Projected Revenue vs. Debt Service
	Existing Plus Projected New Debt Service	(2013-2019)/ Projected Tonnage	Average Revenue Per Ton*	Actual (2013-2019)/ Projected Revenue	Net Revenue Avail for Debt Service	
2013	\$7,473,000	102,477	\$107/ton	\$15,529,379	\$9,799,253	\$2,326,253
2014	3,745,000	99,257	108/ton	11,214,406	5,188,653	1,443,653
2015	3,760,000	93,390	109/ton	10,599,659	4,628,340	868,340
2016	3,770,000	97,707	109/ton	11,164,970	4,823,394	1,053,394
2017	0	101,301	110/ton	11,661,197	2,889,778	2,889,778
2018	568,457	105,176	110/ton	12,198,507	4,206,185	3,637,728
2019	974,964	106,570	111/ton	12,166,599	2,978,599	2,003,635
2020	956,893	105,000	111/ton	12,250,000	3,062,000	2,105,107
2021	2,333,393	105,000	111/ton	12,375,000	3,187,000	853,607
2022	2,363,393	105,000	111/ton	12,500,000	3,312,000	948,607
2023	1,732,530	105,000	111/ton	12,650,000	3,462,000	1,729,470
2024	2,275,347	105,000	111/ton	12,700,000	3,512,000	1,236,653
2025	2,963,415	105,000	111/ton	12,725,000	3,537,000	573,585
2026	3,622,664	105,000	113/ton	12,908,000	3,720,000	97,336
2027	3,603,696	105,000	113/ton	12,923,000	3,735,000	131,304
2028	3,507,187	105,000	113/ton	12,860,000	3,672,000	164,813
2029	3,506,914	105,000	113/ton	12,824,000	3,636,000	129,086
2030	3,510,623	105,000	113/ton	12,783,000	3,595,000	84,377
2031	3,425,683	105,000	113/ton	12,723,000	3,535,000	109,317
2032	3,421,693	105,000	113/ton	12,879,000	3,691,000	269,308
2033	3,421,229	105,000	113/ton	12,923,000	3,735,000	313,772
2034	3,419,265	105,000	113/ton	13,017,000	3,829,000	409,736
2035	3,415,898	105,000	113/ton	12,859,000	3,671,000	255,103
2036	3,420,823	105,000	113/ton	12,933,000	3,745,000	324,178
2037	3,424,022	105,000	113/ton	12,734,000	3,546,000	121,979
2038	3,425,452	105,000	113/ton	12,666,000	3,478,000	52,549
2039	3,420,073	105,000	113/ton	12,808,000	3,620,000	199,928
2040	3,422,983	105,000	113/ton	12,738,000	3,550,000	127,018
2041	3,423,866	105,000	113/ton	12,849,000	3,661,000	237,135
2042	3,422,838	105,000	113/ton	12,914,000	3,726,000	303,162
Total:	\$91,731,298					

* Represents tipping fee revenue and other revenue. Current tipping fee schedule has been in place since before period shown.

Financing Options Summary



North Berm Landfill Expansion

- Will be funded with SCMUA project notes over a two (2) year period

4/6B Landfill Expansion

- New Jersey Infrastructure Bank (NJIB) Loan provides a lower “all-in” cost of financing the project
- Similar projects throughout the State have been financed through NJIB
- Local Finance Board has indicated they will only approve this project if financed through NJIB, based on preliminary discussions, and will allow SCMUA bonds only if the NJIB is unavailable to SCMUA

FINANCING LEGAL REQUIREMENTS

REPAYMENT STREAM AND SECURITY FOR THE NOTES AND BONDS

- ▶ **TIPPING FEES** – the primary source of repayment of and security for the notes and bonds are the Tipping Fees charged by SCMUA (including all revenues, income and receipts derived or to be derived by the Authority, from or attributable to the ownership or use of the Solid Waste System).
- ▶ **Bonds and Notes Have A Rate Covenant Of SCMUA To Raise Tipping Fees To Pay Debt Service** – The Authority's Master Bond Resolution requires rents, fees and other charges for the use of the Solid Waste to be so estimated, computed, made, charged, imposed and collected so that the rents, fees and charges which are collected and paid for each Fiscal Year, will be at least sufficient to: (i) to pay the Operating Expenses of the Authority with respect to the Solid Waste System in each Fiscal Year; and (ii) to provide an amount which is equal to the Debt Service Requirement and several other requirements.
- ▶ **County In Second Position To Tipping Fee Ratepayers** – If There Are Not Sufficient Revenues From Ratepayers the County is Required To Pay

Step One: County Freeholders & SCMUA Commissioners Actions

SUSSEX FREEHOLDERS

- ▶ April 22, 2020 - County Freeholders are to consider a Resolution Approving and Consenting to the Issuance of Bonds and Notes, in one or more series, in the not to exceed amount of \$37,500,000 for the Landfill Expansion Project, which includes but is not limited to, the Northern MSE Berm Project, the Phase 6B Landfill Expansion Project, the Infrastructure Relocation Project and the Phase 4 Landfill Expansion Project

SCMUA COMMISSIONERS

- ▶ May 6, 2020 - SCMUA Commissioners are to adopt Resolution Making Application to the Local Finance Board

Step Two: Local Finance Board

- ▶ May 20, 2020 - The SCMUA Professional Team will make Application to the Local Finance Board
- ▶ June 10, 2020 - The SCMUA Professional Team and Chairperson or Vice Chairperson will attend the Local Finance Board Hearing on behalf of SCMUA

Step Three: SCMUA Commissioners Adoption of Resolutions

NORTH BERM LANDFILL EXPANSION

- ▶ JUNE 17, 2020 - SCMUA Commissioners are to adopt a Supplemental Bond Resolution that has been prepared by the SCMUA Professional Team

4/6B LANDFILL EXPANSION AND INFRASTRUCTURE RELOCATION PROJECT

- ▶ JUNE 17, 2020 - SCMUA Commissioners are to adopt a Supplemental Bond Resolution that has been prepared by the SCMUA Professional Team as well as any and all associated NJIB Required Resolutions

Note and Bond Financings

NORTH BERM LANDFILL EXPANSION

- ▶ Summer 2020 - The SCMUA Professional Team will undertake and close on a stand-alone Note Financing for this Project

4/6B LANDFILL EXPANSION AND INFRASTRUCTURE RELOCATION PROJECT

- ▶ SUMMER/FALL 2020 - The SCMUA Professional Team will undertake and close on a Note Financing (to be followed by Bond Financings) through the NJIB