

PUBLIC HEARING

before

ASSEMBLY COUNTY GOVERNMENT AND REGIONAL AUTHORITIES COMMITTEE

on

COUNTY SOLID WASTE MANAGEMENT ACTIVITIES

Held:
April 23, 1985
Room 346
State House Annex
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Harry A. McEnroe, Chairman
Assemblyman Anthony P. Vainieri

ALSO PRESENT:

Peggy McNutt
Office of Legislative Services
Aide, Assembly County Government
and Regional Authorities Committee

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ASSEMBLYMAN HARRY A. McENROE (Chairman): Good morning. I would like to welcome everyone to our public hearing. This is the Assembly County Government and Regional Authorities Committee, convened this morning for the purpose of providing an opportunity for a discussion between us, as Committee members with direct responsibility to the Legislature for matters relating to solid waste, and you, elected and appointed officials with responsibility in the area of solid waste. This hearing will allow you to provide us with your concerns and your advice regarding opportunities which we may have legislatively to assist you in the development of your solid waste management plans.

As all of you know, the debate over solid waste management in New Jersey began in approximately 1970. So, here we are 15 years later, still reviewing and discussing probably the most important institutional problem that we -- as the State of New Jersey -- have faced in many years. We have not only an immediate concern with water management, as all of us recognize, but, over the tenure of three Governors and seven Legislatures, a concern with appropriate solid waste management, which has been a matter for everyone's consideration and has been on everyone's agenda.

With me this morning is my colleague from Hudson County, Assemblyman Anthony Vainieri. Our three other members of the Committee are unable to be here this morning. We have some questions for you, and we hope you have questions for us. I hope we all leave here, really, with a sense that the Legislature is interested in your progress and very much concerned with any opportunity we might have to assist you further.

We anticipated having representatives of 13 counties and the Hackensack Meadowlands appear today. We have had a few cancellations, possibly Warren and Burlington Counties; other than that, I believe we will be hearing from each of our districts. Of course, the comments will be transcribed and transcripts will be made available for the benefit of the public. We will prepare a capsulized report for the members of the Legislature. We are, of course, representing the members of the Legislature. They, as well as we, all have a substantial interest in the areas where we can help the counties.

We will begin by calling Morris County's representative to join us at the witness table, please. I understand we have Freeholder Carol Murphy here this morning. Welcome, Freeholder.

FREEHOLDER CAROL J. MURPHY: Thank you very much, gentlemen. Chairman McEnroe, ladies and gentlemen: My name is Carol Murphy and I am a member of the Board of Chosen Freeholders of the County of Morris. I am here today representing my Board.

I wish to thank you for giving me this opportunity to discuss what we consider to be New Jersey's most pressing problem.

At the outset, we want to congratulate this Committee and its Chairman for the farsighted legislation that went to the heart of the solid waste problem, rewards and finances.

You are to be commended, and we would like to add our suggestions that the rewards be expanded and the burdens lessened by a few steps.

Morris County's financial advisers have yet to make a definitive study on financing a resource recovery plant, but the early opinions we have gathered appear to be saying, "Revenue bonds won't be enough."

We have been told there is some question on the ability of New Jersey's financial industry to absorb the \$4 billion in revenue bonds that will be needed to pay for the construction of 21 resource recovery plants, if, indeed, one is built in each county.

We would suggest that the State reconsider its plans to build the 21 plants and instead build half that number based upon the solid waste flow that would make them most efficient and economically practicable.

We would point out that this may be beyond the capabilities of the individual counties, since the political reality of siting makes it almost impossible, unless the financial rewards are great enough to overcome the "NIMBY," or the "Not in my back yard" syndrome we have all gotten to know so very well.

We are beginning to get indications that the financial benefits to be derived by a municipality hosting a resource recovery center may be sufficient to overcome the almost uniform resistance to siting any facility that has anything to do with garbage.

A statewide solid waste management authority, modeled after our other successful regional authorities, such as the Port Authority of New York and New Jersey, or the Sports and Exposition Authority, could be the vehicle for siting, financing, constructing, and operating the necessary plants.

Regionalization and rewards, we believe, will ultimately solve the problem.

I do want to thank you for showing the way and I hope our suggestions will be of some use in your future deliberations.

With me today is Mr. Glenn Schweizer, Morris County Solid Waste Coordinator, and Mr. Frank Schimmenti, Chairman of the Morris County Solid Waste Advisory Council.

If you have any questions, I or either of these gentlemen will be more than happy to answer them. Thank you again for hearing me.

ASSEMBLYMAN MCENROE: Thank you very much, Freeholder. One of the questions we have prepared to submit to some of the northern counties where the major difficulty with siting and management, in a sense-- One of the questions I have for you is whether you feel a regional solution might be of assistance to you. I'm sure you want to go on record, as you stated in your testimony--

FREEHOLDER MURPHY: (interrupting) Yes. Quite frankly, we really do feel that a regional solution will be on record. As you know, Morris County is one of the counties presently more heavily impacted, as we see it anyway, by the results of the Mount Laurel II decision. Since that has a great effect on our projections of population for the year 2000, we honestly feel that regionalization would give us the opportunity to develop a plant that could more easily be expanded to take the kind of population growth we see coming in that area, but for which we hesitate to spend the moneys at this time. To build a facility large enough, or perhaps as large as the one that is being developed in Newark, when it is not necessarily needed, could easily be a tremendous waste of the kind of moneys that we really feel are so very important in something like this. If the garbage coming in is not enough to make the plant economically feasible, then you have indeed wasted the taxpayers' money and violated their trust.

On the other hand, if you constantly have to be expanding or updating, and you don't have the room to, you must then duplicate the facility. Again, you have violated a trust and have certainly shown a lack of planning ability. This is quite a new area for us in the State of New Jersey, and I really don't think we have the track record yet to draw on to be right on target with everything, unless we do approach it rather cautiously. But the sums of money being looked at to be expended are rather concerning when you are looking at a projection.

ASSEMBLYMAN MCENROE: I want to comment that in our review, I really have not heard that DEP, or the Administration for that matter, is supporting the construction of 21 resource recovery plants.

FREEHOLDER MURPHY: Well, it had been our understanding, from things which have certainly been expressed before, that the goal was one resource recovery plant in each county. That is still 21, at least it was this morning when I left Morris County.

ASSEMBLYMAN MCENROE: I think 21 plans were considered, not 21 plants. Are there any other comments that Mr. Schimmenti or Mr. Schweizer wish to make on behalf of Morris County? (affirmative response) Will you join us, please?

FRANK SCHIMMENTI: Mr. Chairman, members of the Committee, ladies and gentlemen: I also want to thank you for this opportunity to address your Committee. I have a slight variation over what Freeholder Carol Murphy has just presented. I think it kind of points to an area which has a potential, and I would like to explore this with you at this time.

A little over two years ago, I drafted a proposal -- a copy of which is attached to the submission I just made -- and submitted it with a cover letter to Commissioner Hughey, Department of Environmental Protection, Commissioner Coleman, Department of Energy, and President Curran, Board of Public Utilities. This proposal is as timely today as it was when it was submitted. Resolution of solid waste disposal problems in the State and in legislated solid waste districts has not progressed very far.

At this time, I would like to reenter this proposal for your consideration. The proposal suggests that a legislative statute change

be made after field analysis to determine the validity of anticipated cost benefits to the State's solid waste management needs.

The United States Government Public Utility Regulatory Policy Act — PURPA, December, 1979 -- requires that all public utility companies buy excess electrical power produced by a cogenerator and pay him a fee equal to the highest avoided costs. The proposal I wish to make at this time suggests that State statutes be amended to carry this Federal mandate one step further. It proposes that legislative action be taken and regulations promulgated to require that public utilities serving the State buy steam directly which has been produced from solid waste, to offset steam requirements normally self-generated by burning fossil fuels. The public utilities, again, would be required to pay the producer of steam from waste a fee equal to the highest avoided costs.

The proposal is based on the following: New Jersey's projected municipal solid waste load, considering State goals for source separation, can be disposed of in from seven to eleven waste-to-energy conversion plants. According to Moody's Public Utility Handbook, 1983, there are currently 15 coal-burning steam-producing electric generating stations in New Jersey. These stations presumably have all the necessary controls -- generators, transformers, switching gear, substations, and other electrical ancillary capital equipment -- in operating order.

These stations can become the potential users of steam from waste produced by independent agencies for a fee, conserving natural resources and providing a service to the State. The public utility coal fuel boilers can be maintained on stand-by for use to supplement existing demands, to supplement peak demands, and to supplement growth situations.

The independent waste-to-steam energy producer can be located on, near, or adjacent to the public utility site for the necessary steam connections. The cost of waste-to-steam energy facilities will be considerably reduced, since the producer of steam need not duplicate any capital equipment on the public utility's steam side of the interface. Additionally, he will be required to use the "Best Available Control Technology" — BACT — for emission control.

The BACT requirement will markedly improve the areas of ambient air quality by reducing SO₂ and NO₂ emissions and acid rain condition implications. The operational cost of a waste facility, as compared to waste-to-electrical cogeneration, represents at least a 30% annual savings.

Waste fuel implementation can put a temporary hold on future public utility rate increase requests. It will conceivably reduce the current amount of energy being bought by New Jersey utilities from other states and Canada at cost premiums to New Jersey users.

In conclusion, I sincerely believe that the most cost-effective and timely way to resolve the statewide waste disposal problem is to implement the proposal stated herein. The legislative action and supporting regulations would cause utilities to buy steam directly produced from waste, producing electricity, and solving the State's need to dispose of solid waste.

I respectfully request that an appropriate technical State committee be established and charged to make a detailed field survey of steam generating stations in the State, their operating conditions, their capacities, their site characteristics and situations, and their steam requirements. The findings of the committee and its experts should establish the validity and need for legislative action.

I would like to just add -- off-the-cuff -- some of the commentary that has developed as a result of this past submission. DEP, of course, is concerned with recurrent State statutes which require independent district actions. As Carol Murphy, our Freeholder, has indicated, this has almost become an impossible task with public opposition and with the problems in siting these independent areas of waste control.

The BPU has indicated that this would, of course, be a real distasteful task to the public utilities themselves. At this time, I would like to point out that when the PURPA Act came into being in 1979, this was not a very pleasant task to be accepted by the utilities either. However, they have willingly postured themselves to accept all electrical energy produced by cogenerators in the State. So, I think here too, that while we may have general opposition from

the public utilities, I'm sure that with the need for the control of waste in this State and other more urgent needs for siting, and the beneficial aspects from using existing facilities and sites which have the bulk of electrical generation equipment already on hand, that this too may pass.

With that, I would just like to open up this area to your questions, if I may.

ASSEMBLYMAN MCENROE: Thank you, Mr. Schimmenti. We very much appreciate your report. It is a very technical report and, frankly, I do not have credentials anywhere comparable to yours regarding the concept you are proposing and introducing. I will ask our legislative research people to review your proposal. I would also like to ask the Department of Environmental Protection to look at your overall proposal. I am not sure that I comprehend your intention here exactly, other than your concern with the overall cost of implementation of resource recovery plants around the State. But, it is certainly worthy of our consideration. I don't know what our final position will be; however, it is certainly appreciated that you brought this to our attention.

MR. SCHIMMENTI: I would like to say -- maybe just in a nutshell -- that we have 15 steam-producing generating stations in the State. Most of these are under the control of Public Service Electric and Gas Company. A small number are controlled by the Atlantic City Electric Company, and there are a few under the Jersey Central Power and Light Company. These stations, as I understand them, are basically used for peaking purposes. Some of them are in a state of retirement; some may be in a state of modernization and improvement. I'm saying these sites exist; a lot of electrical capital equipment exists. If it is feasible, it is logical to site an independent steam generator next-door to them on the same site, adjacent to or nearby. You can be in the proximity of maybe a half a mile or up to a mile away and still be able to transfer steam energy without any large losses.

So, these facilities exist. They can be improved if they are actually in a state of disrepair, has as been indicated. The State is growing. There will be additional demands for electrical energy. We

have an auxiliary fuel in the way of waste that can be used for this purpose. We don't need to go into expensive cogeneration types of facilities, especially if this equipment is on hand and can be reused or can be improved and modernized. There is an avenue here that should definitely be looked at. I think it might have the potential for producing the necessary sites and the necessary means for solving a big waste program in the State.

ASSEMBLYMAN McENROE: Thank you very much. I have one question for both of you, as Solid Waste Chairman and as the Freeholder representing the County's elected officials. Has Morris County established a timetable for a resource recovery plant within its boundaries?

FREEHOLDER MURPHY: Yes. Presently, we are in an administrative consent order with the Department of Environmental Protection. That administrative consent order does, indeed, have timetables that establish the resource recovery facility, as well as our landfill.

ASSEMBLYMAN McENROE: Have you identified a site for your resource recovery facility?

FREEHOLDER MURPHY: We are waiting for the final environmental impact statement on the landfill projection prior to our definitive siting of the resource recovery facility. We thought we really should do one thing before the other.

ASSEMBLYMAN McENROE: Okay. How long do you think it will take you to site a resource recovery facility following the establishment of the landfill and the completion of that report?

FREEHOLDER MURPHY: We are looking at, I would say, four to five months.

UNIDENTIFIED STAFF PERSON FROM MORRIS COUNTY (from audience): Under the agreement with DEP, we are to choose a site by September, 1985.

FREEHOLDER MURPHY: But, we are still six weeks behind in receipt of the first environmental impact statement on the landfill, which, obviously, is one of the very key areas. So we may be six weeks more.

ASSEMBLYMAN MCENROE: Then you would begin selection of a site for a resource recovery facility?

FREEHOLDER MURPHY: Yes, we would.

ASSEMBLYMAN MCENROE: We can anticipate that Morris County will have at least sited a resource recovery facility within the County within the next—

FREEHOLDER MURPHY: (interrupting) We will certainly be going right along with the deadlines and time restraints that are in our schedule, yes sir.

ASSEMBLYMAN MCENROE: Thank you, Freeholder and Mr. Schimmenti; we appreciate it. Mr. Schweizer, thank you.

Freeholder Kenneth Miller from Warren County, do you want to testify now or later?

FREEHOLDER MILLER: I have an update on Warren County's progress, if you wish to hear that.

ASSEMBLYMAN MCENROE: We have you second on our list, but I know you requested to hold for a bit. Is it all right with you if—

FREEHOLDER MILLER: (interrupting) I would prefer to hold for a little while to hear some of the testimony.

ASSEMBLYMAN MCENROE: Very good, thank you. May we then hear from Mrs. Teresa Martin from Hunterdon County? (not present) Is Mark Everett, Executive Director, Cumberland County Improvement Authority, here? (affirmative response) Good morning, Mr. Everett. I'm Assemblyman McEnroe; Assemblyman Vainieri is on my right; Mr. Alati, our Majority Aide, is on his right; Miss McNutt, our Committee Aide; and, Mr. Torpey, our Minority Aide.

MARK EVERETT: Good morning, Mr. Chairman and members of the Committee. Thank you for giving me the opportunity to speak to you today. I am going to be somewhat brief.

I would just like to take this opportunity to convey some of Cumberland County's concerns regarding solid waste management. As I listened to some of the testimony, it brought back the fact that so many things are different in the southern part of the State than in the northern part of the State, as will be made very clear, I guess, in my talk.

When we open our new facility next year, all nine of these landfills will close. We are all aware that these landfills have to be closed in an environmentally sound manner. We estimate that the cost of closure to our County will be over \$8 million. We are very happy that Governor Kean has included \$50 million in his environmental trust package, but if you look at 200 to 250 possible landfills in this State that have to be closed within the next few years, \$50 million doesn't go too far. We are very, very concerned about the very small townships that may have 4,000 people in them being able to afford these enormous costs. We hope we are competitive with the big landfills throughout the State in regard to getting this type of funding.

ASSEMBLYMAN MCENROE: The closure costs in Cumberland County are a matter of genuine concern then?

MR. EVERETT: Absolutely.

ASSEMBLYMAN MCENROE: I should say "sufficient" closure costs.

MR. EVERETT: Right, getting that money, if there is money available in the Governor's package — the Environmental Trust Fund. We hope we will be competitive with the much, much larger landfills, which, obviously, have much more waste. I testified before Senator Dalton's Committee and indicated that some of the small landfills in my County received as much waste in their entire active life as some of the large landfills in North Jersey do in one day. We're talking about very small facilities that have a very limited amount of garbage. It has been going into these landfills for a long period of time, though not very much at a time. These landfills are open one day at a time.

ASSEMBLYMAN MCENROE: The capacity of the newly sited landfill that will serve the region — how many tons of waste per day will that accept? Is that planned?

MR. EVERETT: Our new County landfill is estimated to receive 350 tons of solid waste per day, 365 days a year.

ASSEMBLYMAN MCENROE: That will provide disposal facilities for all three counties?

MR. EVERETT: No.

ASSEMBLYMAN MCENROE: Just within your own County?

MR. EVERETT: Just our own County.

As prescribed in our solid waste management plan, Cumberland County has chosen a landfill site. We chose a site without a consent order, without a court mandate. We also have future plans for resource recovery in our County. Our County landfill application--

ASSEMBLYMAN MCENROE: (interrupting) May I just ask you a question? When you say you plan resource recovery in your County, will that be a Cumberland County facility alone?

MR. EVERETT: No, not necessarily. Our plan specifies that we will have an inter-district resource recovery facility or a single district resource recovery facility in our County. Currently, we are discussing, and have developed, a proposal with two neighboring counties for a joint resource recovery siting venture. The two counties are Atlantic County and Cape May County. Right now, we are not sure exactly how that is going to proceed, but we do have plans in that area. We have been working very hard at it. Do you have another question?

ASSEMBLYMAN MCENROE: No, that was it for the moment.

MR. EVERETT: As far as our landfill goes, we have an engineering design before DEP. DEP has indicated that it will try to rule on this application on an expedited basis within a six-month time period. Three months have gone by up to this point. We hope to be in construction possibly in September.

Most of my statements will relate to landfills, as our current problems and ongoing activities relate to landfills. Probably the greatest concern of our County is to encourage the State to continue to force other counties to fulfill their obligations under the Solid Waste Management Act. For better or for worse, the Act has designated counties as solid waste management districts. Implementation of district plans should be enforced by the State. Naturally, the greatest fear of a county such as ours in opening a new landfill is that the State will redirect solid waste to the new landfill, such as Cape May County. I think the whole siting process would be seriously impinged upon if this event did occur.

Of great concern to my County also is landfill closures. We currently have nine landfills in our County which are now operating.

ASSEMBLYMAN McENROE: That's Cumberland County.

MR. EVERETT: Right. I work for the Cumberland County Improvement Authority and its Board has raised a question concerning the administration of the resource recovery investment tax provided under Assembly Bill 1778. Under this bill, this tax will first go to the Division of Taxation, where 2% will be siphoned off for administrative costs. It will then proceed to DEP, where it would be held back, I believe, if in DEP's opinion the county was not fulfilling its obligations under the Solid Waste Management Act.

I would just like to indicate that for a county such as ours-- We were planning to do such a resource recovery tax, or set aside moneys out of our tipping fee to do this type of thing anyway, although I believe it is necessary, probably throughout the State, for such an action to occur. It really works against us in Cumberland County because we would have set this money aside anyway and we wouldn't have had to wait a year; and, we wouldn't have had to take 2% out for administration. Who is going to get the interest in this 12- to 18-month period before the counties actually receive the funds? So, if there is anyway that this type of fund could be worked, such as the closure escrow account on which DEP has the final say as far as an expenditure being made, maybe that would be a way that would satisfy counties such as Cumberland. If this bill is to be amended in any way in the future, I would like that to be considered.

ASSEMBLYMAN McENROE: The bill, and the current law derived from it, are under continual review. We will, of course, accept your recommendation, and we will review it carefully.

MR. EVERETT: There is one other comment I would like to make. Our Cumberland County Advisory Council has recently made a motion that the State take a very serious, long, and hard look at recycling markets before passing a mandatory recycling bill. I think we are all aware of the potential problems with the recycling bill producing so much recycled material without having adequate markets to reuse or recycle it. Such a bill would be a drastic measure for government to take. Such a bill would also require drastic measures to ensure that these materials could be marketed.

One final statement I would like to make, which I am not prepared to talk about very intelligently, is, as I speak with some of my counterparts in other counties and in the Hackensack Meadowlands, the insurance liability of landfills has become a great, great concern to anyone in the landfill business. I believe you are going to hear a great deal about that today. We are going to get into the insurance market later this month, or next month, and I understand that no one is writing policies for the liability of these facilities. That is of great concern to us and we will be addressing that in the next month or two.

Do you have any other questions?

ASSEMBLYMAN MCENROE: Thank you, Mr. Everett. We appreciate your comments on the insurance area because even in the resource recovery facilities when they are constructed, there is a matter of concern about whether they will be insured appropriately.

Without getting into the whole experience of the electric utilities as they relate to insurance or the lack of insurance at the Three Mile Island facility, this is all a matter of governmental concern and we are reviewing that and the possible requirements that these facilities be insured somewhat near their replacement value. That way there wouldn't be the impact in the future if there were any losses from it.

How do you think DEP has been functioning under the many mandates they have received from the Legislature regarding solid waste management in New Jersey? Do you think they favor the northern counties, the more populated areas? Have they only been concerned with resource recovery facilities, or have they been equally concerned with the more rural counties and their interest in sanitary landfills as a solution?

MR. EVERETT: I can only speak to my direct experience. I have only worked for the County for approximately 18 months. Since that time, we have moved pretty rapidly ahead, and DEP has worked with my group, with my County fairly well on this landfill siting issue. I don't have many complaints, but one area of concern that always seemed -- to me anyway, and this is my own personal opinion -- to be rather

obvious is that DEP gets mandate, after mandate, after mandate to do things and often they do not get the budget or the funding to be able to fully enact these mandates by the Legislature. Obviously, we are at a period in time where we don't have an endless supply of money to pay for these programs, and, honestly, DEP is growing by leaps and bounds as it is, but it is very difficult for this agency to fulfill all of the mandates within the current staffing budget.

ASSEMBLYMAN MCENROE: When the resource recovery facility is constructed for the region of Atlantic, Cape May, and Cumberland Counties, in what county will it be sited?

MR. EVERETT: Well, we are not at that stage yet. Right now, we are developing a proposal to do a siting study -- that is basically what it will be -- to investigate potential sites in the counties. Actually, the study would look at each county working independently, versus maybe siting two facilities, versus siting one facility in the associated landfills around it. Primarily we are just at the siting stage. We have not gone beyond that.

ASSEMBLYMAN MCENROE: You sited landfills that should be appropriate for your needs for the next -- what period of time?

MR. EVERETT: Well, Cape May County has a landfill on line. We expect Cumberland to be the second landfill in the State to be fully licensed under the Solid Waste Management Act. Atlantic County has fallen somewhat behind in its obligations to site a regional landfill.

ASSEMBLYMAN MCENROE: Thank you, Mr. Everett; we appreciate your testimony on behalf of Cumberland County.

MR. EVERETT: Thank you.

ASSEMBLYMAN MCENROE: Is Mr. Kirk Conover, Freeholder/Vice Chairman from Atlantic County, here? (affirmative response) Will you please join us? Mr. Conover, this is Assemblyman Vainieri on my right. We are pleased that you have come here this morning.

FREEHOLDER KIRK CONOVER: It is my pleasure to be here. Since I am a full-time businessman and only a part-time Freeholder, my written testimony will follow later this week in the mail.

First of all, just to recap what Atlantic County has done so far, last Tuesday night the Board of Freeholders chose a regional

landfill site for the County. Thursday the County Executive vetoed the site, and today we are going to override the veto.

ASSEMBLYMAN McENROE: A lot of things have happened.

FREEHOLDER CONOVER: Yes. Well, we're very active down there. I believe that in the five years I have been on the Board, this is the first veto ever issued. As you can see, among intelligent people there is a lot of disagreement as to where these facilities should go.

The second case in point, our resource recovery facility— We did a siting study that identified the FAA facility as the most logical place to site the resource recovery plant, for two reasons. It was almost directly in the center of what we call the "waste centroid" for the County, equidistant from where the centers of solid waste are generated, and it was our only reliable customer for steam. The FAA chose to issue a letter two paragraphs long on December 28, which said that they would not accept the facility within their boundaries. The reasons were because of seagulls and things that really didn't apply to resource recovery. We were very disappointed at the vague reasons they gave.

We have since asked Congressman Hughes to try to convene all of the interested parties, but I have a feeling that they are really not interested because they have other things on their agenda besides helping Atlantic County to solve its problem. We are going ahead with a new site selection study because we are just not going to be tied down by anyone else's decisions.

Last October, the County passed a recycling resolution asking all of the municipalities to go into mandatory recycling. I might note on that point that the County does not have the power to institute mandatory recycling. But, under our voluntary program, the tonnage, ever since we started three years ago, has doubled every year just through voluntary efforts.

Let me start by saying that I agree with the concept that county government should make the final decision. I personally — and I can speak on behalf of my colleagues on the Board — am not a big fan of regional authorities. We have always felt that we should handle our own problems and take responsibility for our own people into our own

hands. The things I am going to talk about are some improvements to the process. I have been the Chairman of the Solid Waste Committee for two and a half years now, and there are just a couple of things that I feel must be addressed and maybe in some way institutionalized. I feel that DEP should be working closely with the counties all the way along when siting landfills. My major point here is, we, as the Board of Freeholders, have made a decision and we are out on a limb on it. We don't know whether DEP really agrees with it or not. I feel that somewhere along the way a procedure should be instituted where there are regular consultations with DEP, so that if we are getting too far off the track, or our professional study is not up to its standards, we will know about it before we make the difficult decision.

We also feel that DEP should be assisting us in consolidating our activities. I would like to think that we can get together with Cape May and Cumberland Counties. Some of the difficulties which exist are political. Some of them are technical. I feel that if DEP could institutionalize the process before all the counties get out on a limb with a landfill and a resource recovery -- and it takes a lot of leadership and a lot of strength to make these decisions -- we should know that DEP is going to try to guide us in the proper direction if regionalization is appropriate.

One of the other big issues we face, and I'm speaking, I guess, for most of South Jersey, is that the Pinelands Commission, on December 7, at a face-to-face meeting with myself and two other Freeholders, said that they would not approve any landfills in the Pinelands area unless it can be decisively shown that there is no other location anywhere else in the County. Now this puts us, in particular, in a difficult situation because east of the Parkway we are governed by CAFRA. Most of the growth in the County is occurring east of the Parkway. West of the Parkway is where the Pinelands start, and if you take rational siting criteria, such as large buffer areas, large pieces of land adequate to last 20 years, you end up with Pinelands sites. What is really unfair is that we have one little stretch that goes up to Great Egg Harbor River west of the Parkway, definitely a Pinelands type environment -- as in CAFRA -- because in 1970, someone said, "This

piece of ground is very sensitive and should be protected." Technically, it is not in the Pinelands, and the Pinelands have come out and said in the paper that they would like us to put the facility at that site.

So, we have a definite problem with the Pinelands Commission. I feel that somewhere along the line the Pinelands, DEP, and the affected counties have to come up with a solution that does not write off one-third of the land area to landfills, because we all know we have to have landfills and we have to live with them.

ASSEMBLYMAN MCENROE: Do you think there is a legislative solution? Do you think the Legislature should identify particular counties and require that these counties join in a common effort to site a resource recovery facility in certain areas of the State?

FREEHOLDER CONOVER: Well, I'll tell you, I don't feel that the Pinelands Commission is as concerned about resource recovery facilities as it is about landfills. I think the resource recovery facility siting is going -- in a mutual economic interest -- to be a cooperative effort, whereas the landfill is simply an environmental issue and can expand into a political issue.

ASSEMBLYMAN MCENROE: Do you think there is more sensitivity to a landfill siting?

FREEHOLDER CONOVER: Absolutely.

ASSEMBLYMAN MCENROE: In most of those counties?

FREEHOLDER CONOVER: Absolutely. At our hearings, which we just went through-- We went through a whole series in December and we just went through a whole series in April, and the whole thing has been, "Well, let the State come in and site the landfills." Now, this regional approach comes from two groups of people. It comes from elected officials who cannot stand up to public pressure, and it also comes from citizens who think that the State is going to put it someplace else. I don't feel that those are valid reasons to have a regional authority on landfills, so to speak. We should try to develop some sort of institutionalized process where DEP mediates regional solutions where they make sense. We haven't run into any opposition yet on resource recovery siting. Regarding the FAA facility siting, no

one spoke up at our public hearings about that. When we said in the paper that we were going to find a new site, no one even wrote a letter to the editor.

One of the things that has come up is that at every public hearing we have had, people have said, "We want you to explore all of the alternative technologies." Now, I have seen the alternative technologies and I am not impressed. One of the things we lack as County officials is scientific backup. It could possibly be provided from the State level. The State could say that these resource recovery facilities are the best and alternatives A, B, C, and D really don't work. We are going to have to do that study ourselves at considerable expense to answer the public. It seems to me that maybe the information already exists at the State level to assist us.

ASSEMBLYMAN MCENROE: I have just one other question. I am sure the growth of the casino industry has impacted on the volume of solid waste. Has that been of assistance to you, the fact that Atlantic County is somewhat unique in that they have such an inordinate amount of refuse and waste coming from the casinos? Has that helped public support of resource recovery in the County?

FREEHOLDER CONOVER: Well, it has certainly made everyone wake up to the fact that we have to do something more with it than just have a landfill. An added benefit is, if an inter-district agreement cannot be worked out, we have sufficient quantities of refuse to build an economically viable resource recovery plant. We also, just by the nature of the industry, have a year-round supply that doesn't fluctuate very much. In the wintertime it drops off a little bit, but nowhere near the amount it would if we were still a summer resort community. So, in that sense it is helpful to us, as strange as that may sound.

There is one other little technical point, and we had to go to court over this. When we first passed the siting of our landfill, we did it by resolution because the 1975 law calls for the Board of Freeholders to make their siting selections by resolution. To me that makes sense because a solid waste plan is a plan, and a resolution implies that, "Okay, this is a planning document, and it is somewhat flexible." The judge ruled it should be an ordinance that the County

charter law supersede the Solid Waste Management Act. I think this is a technicality that would probably help the other counties which have a county executive form of government. I don't know what stage they are in in their planning, but this caused us a lot of problems. Now, an ordinance to me denotes that it is the final word, whereas--

ASSEMBLYMAN McENROE: (interrupting) Well, that is not a matter for the county council of a particular county to determine. Their charter is what is the appropriate--

FREEHOLDER CONOVER: (interrupting) Well, in the law it doesn't mention anything about county charter forms of government. Maybe that is something that could be addressed.

Other than that, that is about it.

ASSEMBLYMAN McENROE: Thank you. Is there any particular area of assistance where the Legislature could assist a particular county, such as Atlantic County, you know, besides appropriating money for you? Is there anything in the current law, anything in the uniqueness of Atlantic County that you could recommend that we review in order to provide some legislative assistance? My concern is really rooted, or at least it is my belief that Atlantic County should proceed as quickly and as expeditiously as possible to site a resource recovery facility, because I think it is in genuine need of providing a good example to the southern part of the State and because the volume of waste you have is continually escalating.

FREEHOLDER CONOVER: I would say the Pinelands issue is the one area where we need help. We either need legislation that says that the Pinelands should be open to a regional facility--

ASSEMBLYMAN McENROE: (interrupting) Do you mean a resource recovery facility?

FREEHOLDER CONOVER: No, a landfill.

ASSEMBLYMAN McENROE: A landfill?

FREEHOLDER CONOVER: Yes, a landfill. They have never said anything about resource recovery. I don't know whether they are even concerned about it. I have a feeling that their opinion of it--

ASSEMBLYMAN McENROE: (interrupting) But, the Pinelands are still a part of Atlantic County?

FREEHOLDER CONOVER: Oh, yes, 80%. See, that is the problem with siting a landfill. If they say it cannot be in the Pinelands, then we have to put it in an area where all our housing developments are.

ASSEMBLYMAN MCENROE: So, there is no possibility of siting a landfill east of the Garden State Parkway?

FREEHOLDER CONOVER: We could probably always find a place, but it wouldn't be as good as a Pinelands site because you wouldn't have the buffers and the large land areas. They would have to be smaller facilities much closer to homes and businesses, and things like that. We set up a criterion where the site should be 500 acres with a 2,500-foot buffer all around it. That would allow us the flexibility to have proper drainage and to construct an appropriate facility. If you go to a smaller facility, it becomes a nightmare as far as building it and being able to get your money back is concerned because it wouldn't have a long enough life. The biggest area where we need help then is in addressing the Pinelands, the CAFRA-- I mean, our whole County is controlled by one State agency or another. We don't really know where we stand. We are told to site landfills and resource recovery facilities, and it takes a lot of--

ASSEMBLYMAN MCENROE: (interrupting) Environmental regulation as a--

FREEHOLDER CONOVER: (continuing) --courage to make one of these decisions. Then you have the possibility that a State agency or the Pinelands Commission is going to shoot you down.

ASSEMBLYMAN MCENROE: But, you are moving expeditiously toward resource recovery and regional landfills?

FREEHOLDER CONOVER: Absolutely. We are committed to solving our own problems.

ASSEMBLYMAN MCENROE: And nothing that was said by Cumberland has any-- You don't disagree with much that was said, in that you do expect to have a regional solution with Cumberland and Cape May?

FREEHOLDER CONOVER: Yes, we would love to have a regional solution. As I said, I think DEP can assist us on some of the details, but we recognize that that is probably the ideal way to go. We are prepared to solve our own problems if it comes to that, and we will be moving forward.

ASSEMBLYMAN MCENROE: Thank you very much, Freeholder. We have a question for you from the Assemblyman from Hudson County, Mr. Vainieri.

ASSEMBLYMAN VAINIERI: Freeholder Conover, you mentioned in your report that the Pinelands Commission would not object to a resource recovery plant, but they would probably look unfavorably on a landfill siting. Is that correct?

FREEHOLDER CONOVER: They have never stated whether they are for or against resource recovery. The meeting we had with them was specifically to try to find out what their position was on landfill and resource recovery, but the whole meeting was centered around landfills. They said that they would not approve a landfill within the Pinelands' boundaries, unless it could be shown absolutely, positively by some power greater than ours that there was no other site.

ASSEMBLYMAN VAINIERI: The only other alternative there, Mr. Chairman, is resource recovery facilities. I think landfills are things of the past. That is the objective of the whole thing. So, we are leaning toward resource recovery as far as burning.

FREEHOLDER CONOVER: Well, the problem is, even with the best resource recovery plants, you still have to landfill the ash. The one in Baltimore, which was opened in December, is 3,000 tons, burns at 3,000 degrees, and the ash is totally harmless. But, they still have to landfill 30 or 40 tons of ash a day.

ASSEMBLYMAN VAINIERI: Are you speaking for the Pinelands Commission as far as saying that they won't object to resource recovery?

FREEHOLDER CONOVER: I haven't heard them express any objections to it yet. I can't speak definitively, but I have a feeling that they have looked at the situation and have concluded that the best place for resource recovery would be east of the Parkway, because that is where the population center is. So, it is probably not an issue that is on the front burner with them. You know, with all of the facilities, even the composting facilities we have seen, there is still a need for some sort of a landfill. I might note that until we get the resource recovery facility built, we are probably going to extend our

existing landfill for raw garbage. The new landfill we are siting is geared just to take the ash, which is supposedly harmless, but, you know, people don't believe that. As soon as you say it, they figure that everything within 10 miles is going to be polluted as if it were hit by an atomic bomb.

ASSEMBLYMAN MCENROE: Thank you, Freeholder. I have one more question for you. In Atlantic County, does the Board of Freeholders have a particular committee addressing solid waste?

FREEHOLDER CONOVER: Yes. We have a three-member committee on the Freeholder level, and we also have a larger committee we call the "Solid Waste Action Committee," which involves the County Executive, the County Council, the County Administrator, and the Utilities Authority, which is the contracted agency to carry out the studies and the technicalities of the plan.

ASSEMBLYMAN MCENROE: And I would think that you also have a Solid Waste Advisory Council under the law.

FREEHOLDER CONOVER: Right. So, there are a lot of heads thinking about this problem all the time. The one thing we can't solve is the Pinelands dilemma.

ASSEMBLYMAN MCENROE: Thank you, Freeholder. We appreciate your coming before our Committee.

FREEHOLDER CONOVER: You're welcome.

ASSEMBLYMAN MCENROE: We will now move to Essex County. We have the County Executive, Mr. Peter Shapiro, joining us. It seems quite appropriate that we welcome the County Executive this morning. This public hearing was scheduled probably a month or so ago. How fortuitous that after the decision made yesterday by the Council in the City of Newark favorable to the signing of the energy recovery facility in Essex County, we are able to welcome the County Executive. It has been a long six-year discussion. It has shown that when intelligent questions are answered with every available appropriate answer and public officials are sufficiently convinced that the public's interest is protected, and the public need is so great that a facility can be sited in a particular county, it can be done in the most densely populated State. I want to commend the County Executive and the

staff. I certainly want to recommend to the Freeholder members who are here that they consider the question very carefully. We anticipate some positive support.

Good morning and welcome.

PETER SHAPIRO: Thank you very much, Mr. Chairman. I wish I could say that the timing of this hearing was entirely gratuitous, but the truth is, we knew this hearing was coming and I didn't want to have to come here embarrassed without an approval, so we had to time it exactly this way. (laughter)

Seriously, it is a pleasure to be able to be here at this time, particularly on a day when we can celebrate a giant step forward for New Jersey. Yesterday, with the Newark City Council's vote approving the first detailed Host Municipality Agreement in the State, it will allow Essex County and its 22 municipalities to abandon the old, outmoded, unsafe garbage disposal methods of the past and to implement plans for the future.

We are proud to be in the forefront in sending out the message that we must stop treating garbage just to throw it away. It has been piled up all over New Jersey. As undoubtedly the members of this Committee recognize, landfilling is something which does not make sense. We have an imminent danger of choking in our own garbage. Our landfills blight our landscape and continue to give off a steady stream of unmonitored air pollution, as well as water pollution, which threaten our atmosphere and our water supply, and they simply cannot be allowed to continue. What is more — as I like to say — they provide one of the worst advertisements for the State of New Jersey there is. There are no "New Jersey and You, Perfect Together" ads that will counterbalance one short drive through the dumping grounds of the State of New Jersey, and that is frequently a drive that people take when they land at Newark Airport or when they come through the Holland Tunnel or the Lincoln Tunnel on their way into the most densely populated parts of the northern part of the State. Certainly, they get a similar view in some parts of the southern part of the State.

Essex County — which shares with Bergen County the distinction of being the largest producer of garbage in the State — is

instituting a two-part program composed of recycling and garbage-to-energy conversion, which when instituted together, should reduce our reliance on landfills to a tiny portion of today's level.

This program has been a long time in the making. It was one of my top priorities when I took office as County Executive at the end of 1978 because it was clear that landfills were destroying the environment. Even if landfills were safe -- which they are not -- they were becoming increasingly scarce and we needed to find a better way to deal with the garbage we generate.

The critical approval by the Newark City Council of a peaceful agreement between a host municipality and a county is the result of a cooperative effort and a partnership between the City and the county and the courage needed to make difficult and necessary decisions. I can't emphasize how important it is that this was not something that was rammed down anyone's throat. This is something that was negotiated and agreed to between willing, consenting governments, and that is something which I think strengthens our hand in saying that we have taken the right approach here.

There are several pertinent issues which I would like to touch upon today because they serve as an illustration of the steps that had to be taken to pave the way for the first energy recovery plant in the State. By the way, just for the record, we prefer to use the term "energy recovery" rather than "resource recovery" because that more accurately describes what we are doing, that is, we are pulling energy out of the garbage. We are not really pulling much in the way of other resources out of the garbage in the plant itself. The recycling process will do that, but for the main resource, the overwhelming resource pulled out of the garbage is strictly energy in one of these plants.

The issues I would like to stress are: the selection of the technology; the siting of the plant; the Host Municipality Agreement which was approved by the Newark City Council yesterday; recycling as an integral part of the garbage-to-energy plant; and, the State's role in recycling and resource recovery.

Let's take the technology first. We selected a process known as "water wall combustion," which efficiently burns garbage, reduces it to an inert and nontoxic ash, and creates electricity. This process was selected in a very conservative way because there are over 400 facilities in operation throughout the world, mostly in Europe and Japan, where they commonly rely on garbage burning plants right in the midst of their most densely populated centers. I think it is important to note that Europe and Japan are more densely populated than we are, even in New Jersey, and, therefore, they had to grapple with this issue earlier. I would oppose this plant at any site unless the technology had already been proven safe and environmentally sound.

No matter how safe the technology, siting decisions are still difficult and controversial. Before selecting the site on Blanchard Street in Newark, in the Newark Industrial Meadowlands, 45 potential sites were identified and evaluated.

In choosing a site, we set several goals: First, to protect public health and the environment. The spot we chose meets rigorous standards. It is a flat, open plain area not next to a high ridge nor lodged deep in a valley. The topography is considered ideal for ensuring minimum possible ground-level air pollution.

Second, to avoid deluging small local roads with a flood of garbage trucks. Our designated site is at the intersection of the New Jersey Turnpike, the Pulaski Skyway, and Routes 1 and 9. Among the many requirements in the permits is the establishment of mandatory truck routes to and from the facility that will keep all non-Newark trucks off local roads. The county police will be working on enforcing this, in conjunction with the City of Newark, our own Division of Solid Waste Management, and local citizens' groups.

Third, to minimize the cost of transporting garbage to the plant. Since garbage is produced by people, most of it is where the most people are. The urban eastern section of the county produces 65% of the garbage we generate; therefore, sites in this area of maximum production are associated with the shortest hauling distance and the lowest transportation costs.

Fourth, to maximize our ability to use garage as a resource rather than as a waste product. Sites were evaluated with respect to the cost of connecting to the power transmission system of Public Service Electric & Gas Company.

Fifth, to provide an economic stimulus where it would be most beneficial. This plant will generate hundreds of construction jobs and many permanent jobs, and jobs are most needed in our urban areas.

The siting analysis that we conducted with the aid of our engineers determined that the Blanchard Street site was the premier site. Siting decisions are difficult ones that must be based on sound and defensible criteria, as we believe ours have been.

The Newark City Council, which scrutinized all aspects of the Agreement, was particularly vigilant in demanding solid evidence to back up the siting decision. It takes great courage for local government officials to vote on siting a controversial new facility like this, instead of simply saying, as too often we hear, "Not in my back yard." For the Newark Municipal Council -- the first in the State to be called upon to make that public stand -- it took an even greater level of commitment. They will serve as an example to other councils and other city governments who will face the same difficult decisions in the future.

Let's take a look at the specific terms of the contract. This contract, which we refer to as the Host Municipality Agreement, is the result of tough negotiations that started four years ago. The initial Memorandum of Understanding, which had prior approval by the City, took place in March, 1982. The most important aspects of the Agreement are the measures to guarantee that the design aspects of the plant will be carried out according to the strictest standards to protect the health of our citizens and the values of the community.

I recognize that because we are in the forefront on this issue, our project is viewed with heightened concern, as well as heightened interest. It carries with it a special burden and a greater challenge. In truth, to many citizens, the inability to be able to point to an operating plant within New Jersey was one of the things which made it more difficult. Our ability to get this plant built as

quickly as possible should be an asset to every other county in the State in dealing with the siting question, when they can say, "You don't have to go to Saugus, Massachusetts, or Clearwater, Florida, to see a plant. You can go right here within New Jersey and see one that is working. It is regulated by the same regulators that will be regulating our plant." Then I think we will have a far better advertisement, as it were, for the success of this technology.

Because of our special burden here, we shoulder a larger responsibility than those who will follow to demonstrate the reliability and safety of a process that has been proven safe elsewhere, but has not yet been operated in this State.

There are, understandably, public health concerns that are raised with regard to this project. It is imperative that these concerns be met with the strictest environmental requirements and the tightest monitoring standards. The required performance of this facility will exceed DEP's own guidelines published in 1983, and the guidelines of the State of California, to which New Jersey's guidelines are most often compared. California is known for having the toughest air pollution standards in the world.

We will have continuous monitoring of key operational characteristics and emissions to ensure the elimination of danger to health by such potential pollutants as particulates, heavy metals, and organic compounds, such as dioxins. In addition, independent monitoring of emissions will be conducted quarterly. This supplemental monitoring program, to our knowledge, is the first ever to be written into an energy recovery facility agreement. It will be overseen by an environmental monitoring committee appointed by the City, the county, and the Port Authority. The cost of this monitoring will be borne as part of the project costs.

Our citizens' health must come first and foremost. We insist on -- and are willing to pay the price of -- the most modern, state-of-the-art pollution controls.

An integral part of the county's solid waste management plan is the expansion of recycling. Energy recovery without recycling is an environmentally unsound and overly expensive way to go.

There is no other area the size and diversity of Essex County that has set such an ambitious objective to reduce the amount of garbage through recycling. This commitment has resulted in our decision to reduce the size of our energy recovery plant by 15% in anticipation of the success of our recycling. And, we have gone a step further. We are requiring mandatory recycling as a condition for using the energy recovery facility. We had already done this before any State action along these lines was proposed, and we will go ahead with doing it regardless of whether or not a mandatory State recycling program goes into effect. We feel we are legally able to do that with the operation of the plant. We can simply say, "If you don't recycle, you can't bring your garbage here."

Essex County already has more mandatory recycling programs than any other county, and it leads the State in tonnage recycled. We will continue to seek new opportunities for recycling, but it would be naive to hope that recycling itself could be an effective solution to our entire garbage problem, as some have suggested. A good example of this is Berkeley, California, which several years ago adopted a 50% recycling goal — the highest in the nation. Even in affluent Berkeley, this has turned out to be a pipe dream. According to the City Manager, Berkeley today is recycling less than 7% of its garbage. Many of our Essex County municipalities are already doing better than that program, and we will continue to improve. Our target is to reduce our garbage by 15% to 25% through recycling.

Although approval by the Newark City Council was the single most critical step in the final round before ground breaking for construction of the plant, there are several actions that are still necessary. There are several final contractual agreements that need to be wrapped up. Final permits must be issued by DEP. Draft permits were issued in November, 1984, and a public hearing was held by DEP the following month to allow for public response. Because of the tough standards that have been set for the facility by the county and our partners, the City of Newark and the Port Authority, I am confident that the required permits will be issued this summer.

There remains the critical issue of financing, in which the State has agreed to play a part. The \$300 million energy recovery plant will be financed primarily by the Port Authority of New York and New Jersey, with a \$50 million equity investment by American REF-FUEL, which will design, build, and operate the facility under contract with the Port Authority. Let me be clear, by the way, that the financing being provided by the Port Authority is not a subsidy. That will be paid back by fees which are charged to users, so any other counties that hear this which may get the impression that somehow we are on a hayride by virtue of the Port Authority, should know that that is not the case. The equity investment by American REF-FUEL will also be paid back in the form of a profit share. The final pieces of financing are to be provided by the State, with \$50 million from the Natural Resources Bond Act and an additional \$25 to \$30 million in State funding to be provided through legislation or administrative action that will be considered this spring.

I look forward to working with this Committee and the Legislature in making this final piece of financial support come into place. I know it will be controversial.

I look to the Legislature, also, for bipartisan support of a package of environmental bills that will include the financial resources needed to get New Jersey's first energy recovery plant into operation.

To enhance solid waste management plans throughout the State, we need State action, as well, to develop strong markets for recyclable materials. This is urgent. Recycling depends upon growing markets, and strong leadership in this area will reap significant benefits. Without these markets, recycling will effectively disappear. That already seems to be the case as you look at the cyclical nature of recycling in areas like glass and metal. One example of a developing market is the use of recycled glass cullet for road beds and road paving materials. DOT could make a real difference in expanding this market.

Another area that is of tremendous importance -- which is not in my prepared text here, but which I want to emphasize -- is the need

to do something with regard to ash, the residue which is produced by the resource recovery plants. Ash recycling could become a reality in New Jersey if we, in a combined way, were to put our minds to it. Ash has been used as an ingredient in road aggregate in some of the other plants around the nation. For example, in the entire blacktopping of the area around the Saugus, Massachusetts, plant, they have used ash as part of a component of the road aggregate there. We could do that here, particularly in light of all of the road building projects which are going on in the State today, and which are likely to continue into the future. This would be a good time for us to make a commitment to do that, for us to join together the efforts we are making in environmental protection with the efforts we are making in transportation, to make sure that a public need is met. In the absence of satisfactory ash recycling, we need to develop regional sites for landfilling the residues of these plants. I emphasize this because it would be a silly thing, and a time-consuming and politically painful process, unnecessarily, to make it so that every county had to site a small ash landfill. Siting any landfill is difficult; preparing for acceptance of the ash is expensive. To do it county by county, bit by bit, just defies any kind of logic. It makes far more sense, as we suggested originally in our consent judgment with the State and the Hackensack Meadowlands, to have, for example, in the northern part of the State a four-county approach to this issue, knowing that all four counties -- Hudson, Essex, Passaic, and Bergen -- are going to develop these plants and are going to need a place to landfill small amounts of ash. We ought to be working on that jointly. It's crazy to simply be hiding our heads in the sand, pointing fingers at each other, and saying that each of us has to do it.

Another example of where recycling could be very helpful and could make a big contribution -- and where the State could do something which would be helpful -- would be the area of a nuisance thing, particularly to our neighbors in Hudson, and that is the area of rubber tires. There are constant rubber tire fires in the area because rubber tires are heaped up. They create noxious air pollution, and here is an area where a lot could be done with a determined effort in recycling.

Again, they could be used in part for road repaving materials. That has been done in other states.

Another area which is important would be to see that we use the State's purchasing power to make more use of recycled papers and other products made from recycled raw materials. A forward-looking purchasing or procurement policy by the State would motivate recycling throughout the State and would set an example.

Lastly, I would encourage the enactment of deposit legislation -- the so-called bottle bill -- to reduce litter, which is one way to reduce the waste. There is no reason to think that recycling and a deposit bill are incompatible. In fact, recycling should be enhanced as people become more aware and build up a greater consciousness about the monetary or economic value of the trash. I believe we need to think of garbage as the valuable resource it can be, and not just as something that is thrown away. If we in New Jersey use it as a resource, garbage can become to us what oil is to Kuwait.

Thank you very much.

ASSEMBLYMAN MCENROE: Thank you very much for your testimony, Mr. Shapiro. I appreciate your commenting on the mandatory recycling legislation which is before the Legislature at this time. In our particular Committee, we have a bill which has been introduced -- we have it under review -- relating to the establishment by DEP of regional landfills for the specific purpose of having a bill in the works, so to speak, that will address the concern that I think we all have with finding a place for the residual waste from energy recovery facilities that will be constructed in coming years in New Jersey.

Also, you anticipated my question regarding the legislative environmental package that is before the Legislature. It has not actually been introduced, but we are well aware of its contents. I think all of us are reviewing the substance of that package.

Assemblyman Vainieri of Hudson County, I'm sure you're pleased about the action of the Newark City Council yesterday.

ASSEMBLYMAN VAINIERI: Mr. Chairman, I just want to add to Mr. Shapiro's testimony. Mr. Shapiro, you should be congratulated and the Newark City Council should be congratulated for coming up with this

historical action and getting the first energy recovery plant site in the State.

MR. SHAPIRO: I think it is important, by the way, and I am not just saying this because of present company, but our Board of Freeholders played a big role in lobbying that through the Newark City Council. An awful lot of credit belongs there as well. The Council really showed tremendous courage on this, and I don't think that that was any accident. I think that occurred in good part because there was a real strong effort to make sure that the facts, not the misleading fears, were what got out to the people. I think seeing a vote which took place as heavily as it did in favor of the plan -- six in favor, two opposed, and one abstaining -- was because of a great effort by many people.

ASSEMBLYMAN MCENROE: Thank you, Mr. Shapiro. We appreciate your testimony. Again, I believe that the decision made in Essex County in support of the siting of what will probably be the largest of all the energy recovery facilities will set in motion appropriate decisions by other counties.

MR. SHAPIRO: If I may add just one thing based upon earlier testimony on a small issue that only has to do with county executives. We have always used the ordinance issue with regard to the adoption of our solid waste management plan. We never had a problem on that; it has never been an issue of tension between us. In fact, it is really appropriate to do it that way because it allows for the full scope of hearings an ordinance gets, which a resolution does not get. As I am sure you are aware from your experience, an ordinance requires a full two years, is subject to veto power, and is subject to the ability of the public to comment much more extensively; in fact, to have a referendum on any ordinance which is passed. That is something I think is an additional safeguard, which I think is really good.

ASSEMBLYMAN MCENROE: Sure. My comment relative to it being a matter for a county council reference-- Simply as a governmental body with good advice from our attorneys, I think that is the appropriate way. I certainly agree with you.

Thank you again. We appreciate your testimony.

MR. SHAPIRO: Thanks a lot.

ASSEMBLYMAN MCENROE: And, Mr. Hull, Director of Planning, we congratulate you also.

MR. HULL: Thank you very much.

ASSEMBLYMAN MCENROE: We would like to hear now from Freeholder Kenneth Miller of Warren County. Mr. Miller, will you please join us? Good morning.

FREEHOLDER KENNETH C. MILLER: Good morning, Mr. Chairman and members of the Committee. I want to thank you for the opportunity to be here today. I am a Freeholder representing Warren County.

I would like to give you an update on our activities at this point. Ours is a small county; we have no county executive and no administrator, so the three Freeholders run our business. I hesitate to make the next statement following Essex County, but I will anyway. Warren County has embarked upon a courageous effort to bring the first resource recovery system in New Jersey on line by March, 1988. It is a small facility of only 400 tons per day, but it is sized to meet our needs for the next 20 years.

Along with this facility, we envision a residual landfill opening simultaneously with the ERF. There are basically four key elements to the structure of our projects, and they are: the Pollution Control Financing Authority, the selected owner/operator of the ERF, the solid waste franchise district, and the Warren County Board of Freeholders.

Now, the Pollution Control Financing Authority was reactivated by the Board of Freeholders as a means of providing financing to a private owner/operator through the use of tax-free revenue bonds and to insulate and protect the County of Warren from financial liability in the event of a default in the repayment of those bonds. The Pollution Control Financing Authority was created under various State statutes which give us the basic power to purchase, lease, and sell land for the use of resource recovery facilities. They also give us the power to borrow money for such facilities through bonding, and the power to extend credit to the operator to build the facilities. Of utmost importance to us is 40:37(c)-10. This section provides that, and I'll quote: "The State, county, and municipalities

shall not, in any event, be liable for the payment of the principal of or interest or premiums, if any, on bonds of an authority or for the performance of any pledge, obligation, or agreement of any kind whatsoever which may be undertaken by such authority. No breach by an authority of any such pledge, obligation, or agreement may impose any pecuniary liability upon the State, county, or municipality or any charge upon their general credit or against their taxing power."

This paragraph is one of the main reasons we chose to use the Pollution Control Financing Authority as the vehicle to provide the financing for our project. The County of Warren will never be liable on the \$45 million bond obligation.

The County elected to proceed with private ownership of an ERF facility due to the analyzed tax and operating benefits. The owner/operator currently selected will build, operate, and own the ERF plant. He will build the plant with a portion of his own money or equity contribution, in addition to the funds loaned to him from the construction fund.

ASSEMBLYMAN MCENROE: Will that be the County's construction fund?

FREEHOLDER MILLER: Yes, we have that money in place. Excuse me, it's the Pollution Control Financing Authority's money; we have that money.

The exact relationship between the Authority and the owner/operator will be the subject of negotiations over the next few months. Subjects to be negotiated besides design and operation will be the net tipping fee to be paid by haulers to the facility, revenue sharing of energy revenues, if any, with the Authority, reimbursement of expenses and costs of planning and development as pass-through costs, and the like. It will be at this point that we will attempt to recover most, if not all, of the engineering expense of the project that has passed through reimbursements. Those expenses not covered in this manner will be reimbursed out of the remaining balance of the bond proceeds after construction. I might add that we expect to expend approximately \$2 million, which we hope to recover. We have already spent over \$1 million.

ASSEMBLYMAN MCENROE: Mr. Miller, do you have knowledge of any other county that is using a Pollution Control Financing Authority to develop a facility?

FREEHOLDER MILLER: I do not have any specific knowledge.

ASSEMBLYMAN MCENROE: So, Warren is the only county at this time that is using that opportunity?

FREEHOLDER MILLER: To my knowledge, that is correct.

ASSEMBLYMAN MCENROE: Because I know the Legislature— It became law a few years back that energy recovery facilities were included as a part of pollution control financing.

FREEHOLDER MILLER: There is a drawback to that, and I will get to it in just a very few minutes, if you don't mind.

ASSEMBLYMAN MCENROE: Go right ahead, sir.

FREEHOLDER MILLER: All right. We have applied for, and are on the verge of receiving, a designation of all of Warren County as a solid waste franchise district. This is necessary for several reasons. In order for our planned facility to work, it will need 320 tons of solid waste with an average BTU content of 4,500. If we are able to control all of Warren County's waste, we estimate it to be 240 tons per day. The collection practices in the 23 Warren County municipalities are diverse, some having municipal collection, some having private collection by private haulers, and some having free-for-all private selection of private haulers. Currently, there is no mechanism available to enforce sending all of Warren County's solid waste, no matter how it is collected, to our proposed facility, thus the need for the designation of a franchise district.

What we hope to accomplish is to possess another tool to enforce delivery of waste to our facility. Once we have received the designation of the area, all solid waste generated within that designated area, upon application for an operating franchise by the owner/operator for the facility, with resulting tipping fees and tariffs, by law enforceable through the BPU and the DEP, shall be required to be taken to and disposed of at our facility. This is one of two cornerstones behind our ability to make this thing work. We need this to prevent the haulers and those municipalities which haul

their own from market shopping at other facilities, be they landfills or ERF facilities. Once directed, they must come to us or face financial penalties and/or possible sanctions against their ability to haul. This particular step is crucial and critical to an operating facility.

We did not believe without a guaranteed waste flow by the County that we could really strike a deal to finance this project. It must be faced that there are some risks inherent in solving this problem. Guaranteeing the waste stream is the one we chose to take.

Probably the most confusing point at this juncture is the relationship between the Board of Freeholders and the Pollution Control Financing Authority. We studied projects which failed back in 1982 and discovered that one central theme in those failures was the lack of political backing from the governing bodies for the proposed projects. Recognizing this, we reconstituted the Pollution Control Financing Authority in 1984, and we included the entire three-member Board of Freeholders as three out of five members on the implementing authority. In this way we felt that the State, the County, and the vendors would all see that the political and governmental forces in the County were solidly behind the project. It was designed to prevent a runaway authority which could do what it wanted, notwithstanding the wishes of the Freeholder Board. As you can see from our membership, the Board has, at all times, an absolute voting majority on all issues.

As stated above, the Authority was used, and is used, to insulate and protect the County from exposure and ultimate liability for the project.

One of the most important powers -- and this is getting back to what I was referring to before -- which is needed by the Authority, which this statute conspicuously does not give it, is the power of eminent domain, commonly called "the power to condemn." Due to the confusing ownership situation discovered at our sites, and because of the cleaner approach to taking without requiring an owner's consent, it was suggested that taking the site through condemnation was the best approach for the County to take to acquire it. I say "for the County to take," for it is the County, in the absence of another authority,

which has the power to condemn. The funds to reimburse and the power to buy from the County once it owns this site already exist in the Authority.

I would now like to touch on a landfill. The question of ownership and operation of the landfill for residual purposes has not been totally decided by the Freeholder Board. Our initial thoughts have always been to have the County own and operate the facility due to its limited input per day and as a way of protecting ourselves from any outside solid waste through a private operator. The financing of the landfill, I would think, would come from three separate long-term bond issues as needed every five to seven years. Obviously, more analysis will have to be done on this issue as siting proceeds.

Where do we go from here? Well, we have a good plan. We have enough money in the bank to ultimately make the projects successful. We have, in my humble opinion, the best advisers money can buy.

The second thing we found wrong with most of the projects which failed in our studies back in 1982, and in our review of other county projects throughout the State in 1984, was the lack of a working project team that functioned as a team. If we did a single thing right in all of this, it was establishing our Working Project Committee. This Committee was the focal point of our efforts and consisted of all of our advisers, a Freeholder liaison, a solid waste coordinator, and a SWAC liaison.

I have tried to explain briefly how we have been proceeding during the past year or so — or several years. I hope that with this information you will have a better understanding of what Warren County is doing. If you have any further questions, I will be happy to try to answer them.

ASSEMBLYMAN MCENROE: Thank you, Freeholder. The question I have is: Do you think the Legislature should provide some attention to the contractual agreements between the collectors and the customers, whether they be municipalities or individuals? Assuming the BPU will not have a strong role in the establishment of tariffs for the collection of solid waste in the future, do you think there is a need

for legislative intervention in establishing at least some parameters for contractual agreements for collection?

FREEHOLDER MILLER: There must be a way to guarantee that the refuse will go to your facility. If you don't have that guarantee, I do not believe you will be able to find someone to own and operate it. In my opinion, it would help if there was legislation to that effect.

ASSEMBLYMAN MCENROE: I'm referring now to beyond the franchising question. In other words, I'm sure Warren County will be the controlling voice in the franchising question, but beyond that, should we— You make more uniform the collection procedures. Do you think it would be good for a county such as Warren, with so many small municipalities?

FREEHOLDER MILLER: As I said before, we have various methods of collection. We have one municipality which has received quite a drastic reduction in its costs. The collection is done by one hauler through a municipal contract and they have mandatory recycling. The costs on an approximate \$400,000 contract went down by \$100,000 through mandatory recycling. To answer your question, I believe that if you could regulate less diverse methods of collection for us, it would help.

ASSEMBLYMAN MCENROE: Thank you. I have one other question. Is Warren County interested at all in any regional solution with other counties in your area?

FREEHOLDER MILLER: We will be looking to our sister counties for some importation on a limited basis. We also envision an importation which would taper off as our County grows. So, at this point I would say that Warren County is trying to take care of its own waste within its own borders.

ASSEMBLYMAN MCENROE: And that is your long-range intention, sir?

FREEHOLDER MILLER: That is correct.

ASSEMBLYMAN MCENROE: Assemblyman Vainieri, do you have any questions?

ASSEMBLYMAN VAINIERI: No, thank you.

ASSEMBLYMAN MCENROE: Mr. Miller, we thank you for coming before our Committee, and we wish Warren County well. If there is any help we can provide for you, please call on us.

FREEHOLDER MILLER: Thank you.

ASSEMBLYMAN MCENROE: The next witness on our list is the engineer in charge of solid waste at the Hackensack Meadowlands Commission, Mr. Tom Marturano. How are you, sir? It's nice to see you, and welcome. I'm sure you have met my Freeholder colleague, Mr. Vainieri.

THOMAS MARTURANO: I will keep my statements brief because of the length of time this hearing has dragged on so far, but I would like to touch on a couple of items, specifically legislative changes I think you could work on which might help not only us in the Meadowlands, but everyone.

First and foremost is environmental impairment insurance. That situation is so critical right now that it is almost incomprehensible. The market has essentially dried up. There are many landfills up there that are not able to get it. Our policy at the Meadowlands is threatened to be cancelled in November. There is no one writing it. Lloyd's of London pulled out of the market. I think it is going to be necessary for the State to enter into a self-insured type of program for environmental impairment. Maybe we can put an additional tax on the landfill tipping fees. That, plus a premium paid by each one of the landfills, could be put into a generalized fund and could, in effect, underwrite the environmental impairment insurance for the landfills operating within the State. I think that is probably the only way you are going to have any type of safety, any type of insurance program for those landfills. No one is writing the insurance. We have been looking for quite a few months. We finally did get someone. Our premium went up from \$80,000 to \$330,000, but in spite of that dramatic increase in the premium, they are still deciding to pull out of the market.

I might add that we have never had a claim against our insurance policy. So, in spite of those facts, it appears as though none of the insurance industry wants to get involved in this market.

Without it, all of the residents of the State are really in jeopardy. We really need some sort of a statewide policy, and I think the money could be generated through the tipping fees.

ASSEMBLYMAN MCENROE: That was really my question. Are you functioning now without any insurance, any general liability?

MR. MARTURANO: We have until November. We are trying to— There are landfills in the Meadowlands that are not covered right now, and there are landfills in the State that are not covered right now. It is a dangerous situation for all residents of the State. We should really look toward getting that situation corrected as soon as possible. It looks as if the only way you are going to get this resolved is through some sort of State self-insuring program.

ASSEMBLYMAN MCENROE: Does the major element of losses concern the result of just the leachate problem up at the Meadowlands?

MR. MARTURANO: Well, that would certainly be one of them, but it would not be exclusively that. For example, the failure at the Global Landfill would be another example of that type of insurance. At some of the older dumps throughout the State, there may be long-term questions of liability that are going to have to be addressed. There are several different scenarios where that could come into play as environmental impairment liability. It all depends on— Each county's landfill is essentially different on what its most probable threat to the environment would be.

ASSEMBLYMAN MCENROE: Okay. Our Committee Aide has duly noted your concern, and we would really like to have the opportunity to call on you and your staff for a further review. If you could provide us with some definitive language, some supplemental background on the magnitude of the problem, I think we would certainly entertain thoughts of drafting some legislation that would address the problem.

MR. MARTURANO: Okay. The next item would be A-1778. There are a couple of items concerning that bill that came up as we started to get into the implementation of it and what it intended, which really need to be resolved. One of the most basic ones is a definition of a "resource recovery facility." The way it is described in the bill, the way it is being interpreted, it is too broad of a definition. I think

the intent of it was to literally just include the major resource recovery facilities.

ASSEMBLYMAN MCENROE: Energy recovery facilities.

MR. MARTURANO: Energy recovery facilities?

ASSEMBLYMAN MCENROE: I am not borrowing any terminology.

MR. MARTURANO: The definition as it now stands is so broad that it applies to paper recycling facilities, especially those in the northeastern part of the State. I mean, we have literally hundreds of those facilities in all of the towns. To try to administer this bill, if you were to try to give each one of those host community fees—First of all, I can't even conceive how you would go about doing that.

ASSEMBLYMAN MCENROE: So, we would identify it as an energy recovery facility of a certain size.

MR. MARTURANO: That would be one way of doing it, or a certain technology, or certain groups of technologies. The way it stands right now, that section of it is going to be non-implementable. What it is going to do is put a halt to the rest of it. I think that is something that needs to be resolved very quickly.

Another question that has come up is the implementation date of A-1778. It goes into effect May 1, but are the host community fees retroactive to the first of the year, or do the host community benefits start on May 1, the date of the enactment of the bill? That is something which is not clear; it is a question that has come up. Again, as we are trying to implement this bill, it is a question that has come up.

Another question that has come up is: Do the host community benefits accrue to residual landfill host communities? In other words, suppose a residual landfill is not located in the same town as a resource recovery plant and the ash residual is taken to another town in the same county, does that host community for the residual landfill also receive host community benefits? In other words, a dollar a ton is given to the host community of the resource recovery plant, but then there has to be another dollar for the ash generated at the resource recovery plant when that ash is deposited in that town.

ASSEMBLYMAN McENROE: We are aware of those particular problems and also the difficulty of providing host community benefits when a landfill is in more than one municipality. We have a formula worked out; it has gone through the Assembly and it is in the Senate now. But, we appreciate that point, too.

MR. MARTURANO: The implementation date is also very important, and how the benefits are repaid. I don't think that was clearly defined. You know, are they paid monthly, are they paid yearly, is it something--

ASSEMBLYMAN McENROE: (interrupting) I believe that is an administrative matter for DEP, but we can certainly--

MS. McNUTT: (interrupting) I think, also, that it is part of the agreement on how it is paid and when; for instance, if it is in lieu of taxes or in some other form or sort of payment.

MR. MARTURANO: What I'm saying is-- You're probably right, but what that has done is just add another element into the negotiations, which is delaying the process. If perhaps we could clear that up and make it--

ASSEMBLYMAN McENROE: (interrupting) Okay. We can relay that to DEP for you.

MR. MARTURANO: While we are on the question of the comment about residual landfills, I think -- and this is another issue -- that DEP should be directed towards establishing new regulations specifically for residual landfills. Obviously, there are none operating in the State right now. The existing regulations which are geared more towards traditional municipal sanitary landfills don't necessarily apply to residual landfills. There are many unique qualities to a residual landfill that really need to be addressed, and these need to be addressed now while these landfills are in the planning stages. We're calling for the construction of these residual landfills without necessarily all of the regulatory guidance the individual counties may need to construct and operate these residual landfills. I think that is something that statewide could have--

ASSEMBLYMAN McENROE: (interrupting) Do you think they pose an environmental danger commensurate with a sanitary landfill?

MR. MARTURANO: Not if the landfill is built properly. The technology which exists today is such that if you build the landfill properly there shouldn't be any more of a threat from a residual landfill than there would be from a sanitary landfill, again, built with the same technology -- you know, the good liners, collection systems for the handling of the leachate, etc. There is leachate generated.

The other thing about residual landfills -- and I don't know if I want to get too much into this because of what was said previously -- is that they are not just residual landfills. Okay? There is quite a bit of material which goes into these landfills, by necessity, which isn't ash, such as things which cannot be processed. There is going to be all the garbage, regular straight garbage, when that facility isn't operating. There will be many times when that facility will be down for either routine maintenance or for some other reason, especially when facilities are being designed on the edge; in other words, when the capacity is being downsized, for whatever reason, there isn't that built-in reserve capacity that you have in a lot of facilities. For example, waste water treatment plants are built for flows for year 2020. They are built so large in order to accommodate this future flow. Resource recovery planning is not following that. In fact, it is going just the opposite; they are making them smaller than the present loadings. The example in Essex County would be a primary example of that. We are actually building them smaller than what the present loadings are. There is no room for growth in the facilities. To build a several-hundred-million-dollar plant and to rely on recycling and whatever other waste reduction methods are being proposed to lower that waste loading, doesn't necessarily seem to me -- in my personal opinion -- to be the way we should be going, not when we are so conservative in other areas.

ASSEMBLYMAN MCENROE: The Essex County facility was downsized in anticipation of a greater recycling success and in anticipation of an efficiency--

MR. MARTURANO: (interrupting) And, zero population growth.

ASSEMBLYMAN MCENROE: (continuing) --allowing for an orderly growth.

MR. MARTURANO: No, it's zero population growth.

ASSEMBLYMAN MCENROE: Yes, I guess it is zero population growth.

MR. MARTURANO: Yes, and I don't know if that is necessarily the way it should have been done. It seems to be a large gamble there, and there is no contingency plan if that gamble fails. Suppose that gamble backfires, where is the contingency plan? There is no contingency plan at this point if that gamble doesn't pay off, and that is important.

The other thing with relation to that is the regionalization of residual landfills that Mr. Shapiro was alluding to. While that is certainly a viable alternative in certain areas of the State, it is not a viable alternative, for example--

ASSEMBLYMAN MCENROE: (interrupting) Do you feel it is a threat to the Hackensack Meadowlands?

MR. MARTURANO: It is not a question of it being a threat; it is a question of it being technically non-implementable. That is the significant difference between its being a threat to the Meadowlands specifically. The reason it's technically non-implementable is because of the quantities involved. The four counties in the Hackensack Meadowlands generate approximately 12,000 tons of garbage a day. That is what is coming into the district right now. If we were to take even the most optimistic waste reduction figures, they're saying that these plants will generate approximately 20% in ash, and approximately 20% of the original waste flow is non-processable and has to be landfilled directly. So, what we are talking about is 40% of the incoming waste load which still ends up in a landfill. That is at every facility, worked every day, that never has any down time.

At the Meadowlands, that would result in a landfill of about 5,000 tons a day, bigger than any of the landfills that now exist anywhere in the State. So, it is not a question of it being-- It is a question in our particular case -- in the northeastern part of the State -- of it being non-implementable from a technical standpoint. It is just going to be impossible to operate a landfill, especially when you are dealing with ash of that size. The truck traffic-- It would

just be impossible to operate a landfill of that size. First of all, where would you find a spot big enough? Second of all, there is the truck traffic concentrating on one area. What happens when you--

ASSEMBLYMAN McENROE: (interrupting) Well, you know, in fairness, Mr. Marturano, I have not heard that there is an absolute commitment on the part of those four counties to direct their residual waste to the Hackensack Meadowlands in future years.

MR. MARTURANO: No, there was a plan--

ASSEMBLYMAN McENROE: (interrupting) There is no concern about the implementation and support of a regional solution to the residual waste problem. Of course, there has been mention made of the Hackensack Meadowlands, but I have never heard it mentioned from the viewpoint of size of 5,000 tons per day to be deposited in perpetuity, if you will, to the Hackensack Meadowlands. I don't think that is part of anyone's plans.

MR. MARTURANO: Well, that is the plan. That is the plan which is being put forth by--

ASSEMBLYMAN McENROE: (interrupting) They may be your statistics, but I'm sure that there is no anticipation of the 5,000 tons per day, because I agree with you, I don't think it is technically feasible.

MR. MARTURANO: It absolutely is not. I can guarantee you that it is not. What happens--

ASSEMBLYMAN McENROE: (interrupting) That is, if we want to have a living Hackensack Meadowlands in the future.

MR. MARTURANO: What makes it worse, and here is where it really becomes non-implementable, is the fact that these facilities have routine downtime. If each facility only goes down 15% of its time, approximately two months-- If each facility were to be scheduled down for two months of the year, that would mean that eight months of the year, 5,000 tons per day of ash and non-processables would come in jumps anywhere between the 5,000 and the 10,000 figure. God forbid if all four of them ever went down at the same time; you would have a situation where you would have 12,000 tons a day converging on one site.

ASSEMBLYMAN McENROE: Yes, but the Essex County facility is designed so that downtime will not be a large problem for them.

MR. MARTURANO: Well, being designed so close to the edge like that — and there is routine maintenance on these facilities — if one of them goes down— Each one of them is 750 tons per day. Even if you take one out of service a week, you are still talking about a 750-ton additional increase in the waste loadings on that facility. If each one of the four counties were to do that, you would be talking about an additional 3,000 tons a day of straight garbage.

ASSEMBLYMAN McENROE: But there is storage designed into the facility, also.

MR. MARTURANO: Not nearly enough to handle any type of routine maintenance on those boilers. Once a boiler goes down— The start-up time alone on a boiler is over a week. So, once you take that boiler out of service, you're talking about more storage capacity than any of those facilities has available. You are talking about a significant impact on the residual/by-pass landfill. It is something that isn't being given enough thought to, and that is why, in spite of what was said before, each one of the counties should really be looking at solving its own problems in that respect, at least in the northern part of the State. In the southern part of the State, where the quantities are not that great, sure, maybe regionalization makes sense. In the northern part of the State--

ASSEMBLYMAN McENROE: (interrupting) Oh, I agree with you to a great degree.

MR. MARTURANO: (continuing) —there is no question about it. It is not a violation.

ASSEMBLYMAN McENROE: I thought you would be much more enthused about Essex County's success.

MR. MARTURANO: From the perspective of the Meadowlands, we see the Essex County success as not necessarily a success, only because they are significantly behind in their schedule. We have a July, 1987, consent order signed with them that they are going to be out of the district with straight landfilling.

ASSEMBLYMAN MCENROE: I have had the opportunity of representing Essex County in some of the negotiations in the Hackensack Meadowlands for six or seven years now, and I have always appreciated your diligence and protection of your Commission.

MR. MARTURANO: Well, when we sign a consent order with a judge—

ASSEMBLYMAN MCENROE: (interrupting) And your inflexibility at times regarding that question.

MR. MARTURANO: (continuing) —and we do planning based on that consent order, we anticipate that all the parties signing the consent order will put forth a good-faith effort toward meeting it. And, while we understand there are problems and we see good progress being made toward the siting of a resource recovery plant, I don't see that as an alleviation of the requirement to satisfy the consent order. There is no reason why the residual landfill couldn't be sited right now, wherever Essex County is going to site it, and in the interim period, before the resource recovery plant is built, there is no reason why that landfill can't be used for their straight landfilling and then become the residual landfill for Essex County.

ASSEMBLYMAN MCENROE: It is a matter of review by the County, and will really depend on the fairness of the judiciary.

MR. MARTURANO: Since it came up — I wasn't going to bring it up, but since it came up -- I felt it should be commented upon.

ASSEMBLYMAN MCENROE: You don't miss a trick, Tom; all right. (laughter)

MR. MARTURANO: Well, sometimes there is a lot more to these things than meets the eye.

Another problem that has come up which really needs some legislative help is in the recycling facilities. Okay? What has happened, especially up near the Meadowlands, is that we have these so-called recycling facilities that deal with the recycling of solid waste, not of material. Literally what they do is, they go into Manhattan and pick up office building waste, which is mostly paper, and take it back to their facilities in Hudson, Bergen, and Essex Counties. They "process" that material, and then the residue from their recycling operation is disposed of in New Jersey landfills.

The definitions of "recycling facility" and "process" are where we really need some help because that is totally up in the air right now. What is happening is, it is so loosely defined that literally thousands of tons of New York garbage a day are coming into New Jersey and are being legally disposed of in New Jersey landfills through this flux in the law. We really need to put some hard guidelines on recycling and processing, like performance standards, or something on that order, so that DEP can control these facilities. Right now, it is an open invitation for New York City garbage, because the economics are such that they can dump \$200 a truck cheaper in New Jersey than they can in New York. Any time you have that much of an incentive—

ASSEMBLYMAN MCENROE: (interrupting) To their extracting the recyclables?

MR. MARTURANO: Well, if they were doing that, we would not be so opposed to it. There are some who are doing that, but the majority of them are dumping 20 or 25 yards of garbage on the floor inside a building, taking out 5% to 10% in computer paper, and the rest of that material goes straight to the landfills. When the market is bad, they don't even take out the 10%. The material just—

ASSEMBLYMAN MCENROE: (interrupting) It's just private waste collected in New York City?

MR. MARTURANO: This is private waste collected. What is happening is, they are able to underbid their competitors in New York, obviously, because the economics are such that— It is so much cheaper that I can't— You know, it's incredible. Two hundred dollars a truckload is just incredible when you see the size of some of these. There are people with 500 trucks. So, you're talking about enormous amounts of money here and enormous quantities of New York garbage which is taking up valuable space there that we just don't have in New Jersey. We can't stop them because of interstate commerce laws, but we can try to improve the performance of their facilities, maybe through regulation and legislation.

ASSEMBLYMAN MCENROE: So, we're saying regulate to private collectors, in a sense, and recyclists.

MR. MARTURANO: Perhaps through some performance standards of the facilities, or possibly something worked out through the Division of Waste Management in DEP. Something really needs to be done because— What is happening is, one guy has made so much money in northern New Jersey that he just recently opened a facility in Camden. He can use the exact same loophole to take Philadelphia waste and bring it into New Jersey. In fact, he has been operating for quite a while now down in South Jersey.

ASSEMBLYMAN MCENROE: We will address your concern.

MR. MARTURANO: One final thing. I would just mention that we might want to give some thought to a rate-averaging system for the resource recovery plants. Once these plants come on line, they are all going to have some very varied tipping fees and there is not going to be any way to guarantee where these trucks are going to dispose of their waste. If all of them have the same tipping fee, then you might have a better handle — you might be able to better control where exactly the waste will end up. If some are cheaper, and there could be substantially cheaper numbers among the facilities, you are going to find small, cheap facilities being overrun and the larger, more expensive facilities looking for garbage. I mean, literally they are not going to have anyone bring it there because of the cost.

ASSEMBLYMAN MCENROE: That is certainly a long-range recommendation.

MR. MARTURANO: Well, three years from now, hopefully. One final thing would be that HMDC — and this is specifically just for HMDC— We have to go to the BPU for our rate increases and tariff increases. We are the only governmental agency in the State that has to do that. That has hindered us in quite a few of our dealings. I'm not sure why the HMDC has been forced to go to the BPU for its rate tariffs. We would really like to handle it more like the counties do when they have a utilities authority, where they can set their own tariffs for the landfills and hold public hearings on the tariffs, instead of having to go through the BPU process. It has seriously hampered our operations. We are in a situation where we have to go to BPU to ask for more money for inspection staffs to control the illegal

waste coming in. The main interveners in our petition are the waste haulers themselves.

So, we are going to the people-- We are trying to catch them bringing in illegal waste, and we have to go to them to ask for more money to hire people to do it. You can see that--

ASSEMBLYMAN MCENROE: (interrupting) And you would like to set your own tariffs and rates?

MR. MARTURANO: Yes, we would like to be treated just like the counties, the county utility authorities that are able to set their own tariffs just through holding public hearings.

ASSEMBLYMAN MCENROE: I'm sure there is a reason for that. Our aide has a question.

MS. McNUTT: Is it only the authorities which set their own rates, or does a county if it has, you know--

MR. MARTURANO: (interrupting) I think most of the counties running landfills are, in fact, authorities, but, to be honest with you, I am not sure of that.

ASSEMBLYMAN MCENROE: Okay, we will review that request. Hopefully, we will be able to provide some relief for you where we can. Is there any question you might have, Assemblyman Vainieri?

ASSEMBLYMAN VAINIERI: Mr. Chairman, I know that every time I listen to Tom Marturano's statements he is very informative. I am just wondering whether it is up to the legislative process to answer some of his questions. I think it is more an administrative problem. You know, DEP could answer your questions, rather than having us, as legislators, doing something about them. I don't see how we could be helpful to you.

MR. MARTURANO: Some of them, I think, are--

ASSEMBLYMAN VAINIERI: (interrupting) Well, some of them, yes. You mentioned A-1778, and Assemblyman McEnroe was the prime sponsor of that bill. You had some questions about that, and I'm sure they could be answered administratively. It's a statute right now, anyway. I'm sure it is a very good bill.

MR. MARTURANO: Oh, it is; it's excellent. There is no question about that.

ASSEMBLYMAN McENROE: We will review the assignments concerned.

MR. MARTURANO: We are just having some problems with the implementation of it.

ASSEMBLYMAN McENROE: Whatever we can do administratively, we will, and if there is legislative opportunity, we will pursue that also.

Thank you, Mr. Marturano. We appreciate your continuing interest in helping to solve this substantial problem.

Next on our list we have Gloucester County, Freeholder John Maier and/or Bob Dixon, representing the Gloucester Planning Board.

ROBERT F. DIXON: Mr. Chairman, Freeholder Director Maier sends his regrets; he could not get away.

ASSEMBLYMAN McENROE: We have a statement. I believe this is your statement, Mr. Dixon.

MR. DIXON: Yes.

ASSEMBLYMAN McENROE: I know we have met before; I believe it was down in Salem County.

MR. DIXON: Yes, during the entire--

ASSEMBLYMAN McENROE: (interrupting) You provided testimony on A-1778.

MR. DIXON: We do have a couple of questions about how that is going to work. They will be covered later on in my statement.

ASSEMBLYMAN McENROE: All right; thank you.

MR. DIXON: Mr. Chairman, members of the Committee: It is really a pleasure to be here on behalf of Gloucester County to testify on this issue, which, I guess, is really of universal concern throughout the State.

The Legislature, in establishing the Solid Waste Management Act, set up the 21 counties and the HMDC as the appropriate units to plan for, develop, and operate solid waste disposal facilities throughout the State. However, with very, very few exceptions, I don't think county governments had any experience in actually operating, designing, or planning for these types of facilities.

By 1980, I believe all 22 districts had developed plans and had gone through the process which was prescribed. Responding to State policies in guidelines and directions, almost every district looked at, if you will, a three-part solution to the problem, the emphasis being primarily on resource recovery as a primary method of waste disposal, with landfilling and recycling as the other two legs of the tripod.

In a general sense though, at this point in time, most counties really lack the resources — human, technical, and financial — to move these plans off the drawing board into structural solutions. Coupled with this general lack of resources and the growing public awareness of the serious problems emanating from past disposal practices, the counties, by and large, encountered substantial difficulties in the implementation process. Perhaps this convergence of events which, in a majority of cases, caused a paralysis of action throughout the State, can best be summed up by a quote from the journalist William Arthur Ward: "Uncertainty and worry amplify a whisper into a shout."

I think one only has to attend a public hearing at some point in time on the subject of locating a solid waste management facility to understand the above quote. I guess I am here to tell you where Gloucester County is and where some of our concerns are. During the past nine to twelve months, our County has taken very substantial steps to implement its solid waste management plan. In April, 1984, our County, utilizing the request for qualifications in the BPU process, selected the Signal-RESCO Company as our vendor for owning, constructing, and operating a resource recovery facility in our County.

On September 26, 1984, our County declined to amend its Solid Waste Management Plan to include a 55.3-million-cubic-yard expansion of a privately-owned landfill which provided disposal capacity for a substantial portion of the Philadelphia metropolitan region.

In late 1984, Gloucester County negotiated a four-year contract with an out-of-state landfill to accept County waste until in-county waste disposal facilities could be developed.

I guess one of my comments, as an aside now, is about one of the things I think the Solid Waste Management Act did accomplish. I believe it is really a full employment act for attorneys. (laughter) I believe our mailing list for the seven lawsuits — or eight lawsuits as of yesterday — we are involved in— Our distribution list totals somewhere between 35 and 40 different attorneys. So, it has accomplished some purpose, I guess.

ASSEMBLYMAN MCENROE: Are there any lawyers here?

MR. DIXON: On November 13, 1984, Superior Court Judge Samuel DeSimone, in response to a suit filed by Gloucester County municipalities — the owners of a privately-owned landfill — and many other interested and affected parties, ordered: a one-year expansion of the Kinsley Landfill, which is a privately-owned facility in our County; the County to site and have operational a landfill by November, 1985; and, each of the 24 municipalities within Gloucester County to begin a mandatory recycling program.

In response to this order, and to prior negotiations with DEP in mid-December, 1984, Gloucester County entered into an Administrative Consent Order with NJDEP which provided for a schedule to bring resource recovery and a County landfill on line. The landfill is to be operational in November, 1985, and resource recovery by 1990.

On December 28, 1984, Gloucester County amended its Management Plan and identified a 420-acre site for a County landfill.

On February 1, 1985, the New Jersey Department of Environmental Protection certified that amendment.

On February 13, 1985, the County entered into a series of contracts with the firm of Camp Dresser & McKee to undertake a Preliminary Environmental Impact Statement and A Preliminary Engineering Design. These are to be submitted to DEP for review and issuance of a one-year temporary Certificate of Operating Authority under the provisions of NJAC 7:26-1.7. I hope as I am sitting here today that that document will be delivered to DEP for its review.

On March 4, 1985, the County amended its Management Plan which identified a site for a resource recovery facility.

On March 8, 1985, this was submitted to DEP for its review and certification. We expect DEP action by June 1, 1985.

On April 23, 1985-- Again, the Preliminary Environmental Impact Statement, the Engineering Design, and all other supporting documents will be submitted to DEP and all its sister agencies for review and comment leading to the issuance, we hope, of a permit.

In addition to these actions, which are noted in the paper I presented to you, our County has designated its Improvement Authority as the implementing agent for the landfill to develop and own the County facility. Still under consideration, for a variety of reasons, is the involvement of the Improvement Authority -- the Air Pollution Control Authority -- the Finance Authority of Gloucester County, or the Freeholders themselves becoming the implementing agent for resource recovery. That has not yet been decided. I believe it is a matter of research through the law -- the statutes, the IRS statutes, the financing houses, etc. -- to see exactly how this will come together. It is a very complex issue.

We also obtained approval from the local finance board two weeks ago for the issuance of \$13.5 million worth of permanent financing to construct our landfill. The appropriate resolutions were passed last Tuesday by our Improvement Authority and we hope to culminate the issuance of these financial instruments on May 16. So, we will be well along and prepared financially, etc., to undertake the implementation of a landfill.

These actions have taken place at seven public hearings, and we have seven ongoing legal actions, one of which has already found its way to the United States Supreme Court. In short, the process is not really easy; it is not smooth. It does indicate, I think, that counties have the will to implement their Management Plans.

Along this line, it is Gloucester County's position that the financial provisions of A-1778 can provide a portion of this financial stimulation which I really think is necessary to reach a conclusion. However, our evaluation of the statute indicates that a more concise legislative directive on how, when, and under what circumstances these revenues will be made available to the implementing agencies is needed. I firmly believe that this kind of concise definition is necessary to get the money into the hands of the people who are doing the job, I guess, with the least amount of fuss as possible.

I would like to pose several very specific questions: The first relates to the Resource Recovery Implementation Tax, the Solid Waste Service Tax, and the Solid Waste Importation Tax. All are slated for initiation in May, 1985. The implementing agencies need to have an understanding of how and when these revenues will be disbursed so that revenues can be planned for. At this point in time, we have no exact ideas as to how these revenues will be delivered -- in what fashion they will be delivered -- nor how we can plug them into our budgets.

ASSEMBLYMAN MCENROE: Thank you. We are going to do some research on that, whether it is DEP's prerogative or--

MR. DIXON: (interrupting) Perhaps my second question will address that. The second question is: Are the implementing agencies going to have to wait for State agencies to develop a regulatory framework defining the circumstances for distribution of revenues? If that is the case, will it be through the process of regulatory development, the public hearing process, etc.? I mean, we could be sitting here perhaps next year, still wondering where our money is.

ASSEMBLYMAN MCENROE: Thank you. That is a good question, and we are going to research it. Go ahead, Peggy.

MS. McNUTT: I think the plan for the taxes is that they are going to be held at the State level until there is a county plan to use that money. DEP has approved that plan. Once that is done, then the county, you know, gets its money. I think--

MR. DIXON: (interrupting) Apparently there is no provision, particularly under the Service Tax, for that. There is under the Resource Recovery Implementation Tax, and I have some comments on that.

MS. McNUTT: Okay.

MR. DIXON: But, the Service Tax is a separate issue.

ASSEMBLYMAN MCENROE: And it is, therefore, enforcement, education, and regulation.

MR. DIXON: It could buy you the expertise you need; it could help to pay for the expertise, whether it be engineering, financial, legal, or technical, to implement your facilities. It could go a long way because it is a very expensive process.

ASSEMBLYMAN McENROE: But it would then be a judgment call by DEP whether or not the particular county is geared for those kinds of opportunities.

MR. DIXON: It is often hard to be left to the whims.

My third point is: Although I can understand the legislative intent of Section 15(d) — I don't have the c: references; I just have the printed copy of the statute -- which requires the development of a financial plan for the use of the money in the Resource Recovery Investment Tax, the requirement that this document be included in the Solid Waste Management Plan as an amendment sort of escapes me. The development of a resource recovery facility is really a complex fluid process. Requiring the implementation agencies to proceed through the plan amendment process with accompanying DEP certification procedures may add a cumbersome and unnecessary step in the implementation process.

For instance, as our implementation process continues, it may be necessary to shift the projected use of this revenue from the reduction of a tip fee which we may project today, to really utilizing these funds to finance our engineering, financial, or legal services. The question I have is: If we did have a plan, would we have to go through the entire plan amendment procedure again as a major modification to the plan in the certification process? Really, under statutory guidelines without an emergency provision, this could take at least six months. So, perhaps you would be leaving the counties in a lurch, because 18 months or two years from now, you could discover another need for those resources. That is just something to think about.

ASSEMBLYMAN McENROE: Thank you. One of the original thoughts, though, concerning the development of legislation, was to put in revenue to assist in tipping fee control, if you will.

MR. DIXON: What I'm saying, though, is that if you definitely state it in a plan that you are going to use "X" revenues for a certain purpose, it is a plan, it is in your plan; it goes through an entire legal process. If you want to substantially change that, then you have to amend your plan and go through at least a six-month review process.

ASSEMBLYMAN MCENROE: We always intended the bill to be, you know, a framework. We use that term all the time.

MR. DIXON: It is just a concern, but I think that many counties will—

ASSEMBLYMAN MCENROE: (interrupting) We can consider amending the law.

MR. DIXON: My last point dealing with the statute is: There seems to be some confusion in the wording of the "Host Benefit to Municipalities," covered by Section 38(a) of the statute. The host community: "Shall be entitled to an economic benefit not less than the equivalent of \$1.00 per ton of solids on all solid waste accepted at the sanitary landfill facility during the previous calendar year as determined by the department." The questions resulting from this language are: Is Deptford Township, which is the host of our currently used facility, eligible for payments of this benefit based on a 1984 calculation? And, two, will South Harrison Township, the proposed host of the County facility by November, 1985, be eligible for this benefit based on what was disposed of, for instance, at the Kinsley Landfill during that portion of 1985 covered? We have made no provisions in our budgeting procedures if this would be the interpretation. There seems to be some lack of clarity, at least from our perspective, of what the previous calendar year really means. That portion of the act took effect immediately, unlike the other three, the Importation Tax, the Use Tax, and the Resource Recovery Implementation Tax, which were effective May 1.

So, we are wondering whether it does back date. Is it a year back?

ASSEMBLYMAN MCENROE: Does the county have any role in that?

MS. McNUTT: I wish I had the bill in front of me right now. I am just wondering, is that the section—

MR. DIXON: (interrupting) I can offer you a copy.

ASSEMBLYMAN MCENROE: He is going to give you a copy.

MS. McNUTT: Oh, that's great; I'd love it.

MR. DIXON: I just happen to have it.

MS. McNUTT: I'm wondering if it gets paid at the beginning of the next year for what it received the year before.

MR. DIXON: That is our question.

MS. McNUTT: Okay. I think that is the way it read. In that case, in Deptford, since it did not accept any in the previous year, there wouldn't be—

MR. DIXON: (interrupting) From Deptford's perspective, since in 1984 Kinsley accepted something on the order of six million cubic yards of waste, I am sure they would be more than anxious to have one interpretation. Speaking for a member of an authority that is about to implement another landfill, we are not sure whether we should be making provisions for payment of that tax based upon our previous landfill for a regional facility. The language is confusing. Could we get some clarification?

ASSEMBLYMAN MCENROE: We have your testimony; we have sufficient copies of the bill and we will review it. We will, of course, discuss this with the Department to ascertain their interpretation of your questions.

MR. DIXON: I have one other comment that is not covered in the statement that was distributed to you. One of the problems we have — and we did testify previously during the formulation of A-1778 — deals with exactly how we are going to determine what these taxes will be levied on. The best estimates we have seen from a variety of sources throughout the State are somewhere between 10 and 13 million tons of waste disposed of in the State. When you're talking about something on the order of \$1.00 or more a ton, that's \$3 million we're guessing at. The question I have is: Gloucester has undertaken, at a cost of probably \$250,000, a two-year monitoring program, where we have what we feel is a very accurate idea of exactly how much solid waste is being disposed of in our County and where it is coming from.

We would like consideration given, if you will, to utilizing our figures, unless there are more accurate figures coming from the State and/or the facilities whereon to base the estimates for the distribution of the revenues emanating from the taxes.

ASSEMBLYMAN MCENROE: Do you provide the Department with some of your statistical data?

MR. DIXON: Yes. Our printouts are obtained every two weeks. As soon as we obtain them, the Department is provided with them.

ASSEMBLYMAN MCENROE: Is the Department evaluating that statistical data?

MR. DIXON: Yes, they are. They have been very useful—

ASSEMBLYMAN MCENROE: (interrupting) Through a request of yours?

MR. DIXON: (continuing) —through the judicial system and through the administrative process.

ASSEMBLYMAN MCENROE: So, are you satisfied with DEP's figures relating to tonnage?

MR. DIXON: DEP really doesn't have any, only what a facility operator provides them with.

ASSEMBLYMAN MCENROE: So, you would think, at least in your particular County, Gloucester, that the figures you have are more correct?

MR. DIXON: We would at least like an opportunity to compare our figures with whatever figures are generated on the distribution formula under consideration, since we have spent a considerable amount of resources to negotiate, perhaps, a distribution based upon those numbers.

ASSEMBLYMAN MCENROE: I don't think there is any difficulty with that. I don't see that being a problem under the A-1778 implementation.

MR. DIXON: Okay.

ASSEMBLYMAN MCENROE: They are allowed that kind of administrative leeway, I'm sure.

I have one question. In your comments, you mentioned: "On March 4, 1985, the County amended its Management Plan which identified a site for a resource recovery facility." In other words, that was the date you identified a resource recovery facility?

MR. DIXON: That was the date of the resolution when our Freeholder Board selected a site.

ASSEMBLYMAN MCENROE: Okay. What is Gloucester's intention as far as a final solution is concerned? Is it going to be on a regional basis, or strictly Gloucester County alone?

MR. DIXON: We have probably been talking for a year with both Salem and Cumberland Counties to try to resolve a regional solution to the solid waste problem, either the three counties, or a combination of Gloucester and somebody and somebody.

I think one of the things, perhaps, that the Committee has to be aware of is, there is a very, very tenuous and hard negotiation. One of the things you have to have to finance a resource recovery facility is a landfill. You just have to have one. Oftentimes, negotiations get down to, if you will— A resource recovery is sort of viewed as a less undesirable land use than a landfill. It has more economic benefits attached to it. Oftentimes you get into the negotiation position of who gets the resource recovery facility and who gets the landfill. I am not sure whether there is a legislative remedy to it by totally sharing benefits, including tax revenues that derive from a regional solution. I am just not sure. But, having been through about a year of these negotiations, they are tenuous at best, and awfully difficult.

ASSEMBLYMAN MCENROE: Sure. Thank you, Mr. Dixon. We do not have any further questions for you, but we appreciate your testimony this afternoon very much.

Is Teresa Martin from Hunterdon County present at this time, or is there anyone representing Hunterdon County present? (negative response)

Next we will have the Executive Director of the Mercer County Improvement Authority, Art Julian. Is Mr. Julian present? (negative response)

Mr. Robert McCarthy, Solid Waste Management Director, Middlesex County.

ROBERT MCCARTHY: I have no statement to make. I appreciate the opportunity to be here to listen.

ASSEMBLYMAN MCENROE: No statement, but you want to be recorded as being present on behalf of Middlesex County.

Now, we also have a few others. Is there someone here from Monmouth County?

UNIDENTIFIED REPRESENTATIVE FROM MONMOUTH COUNTY: (speaking from audience; not near microphone) We have no statement.

ASSEMBLYMAN McENROE: No statement. You wish to be reported as present and observing?

UNIDENTIFIED REPRESENTATIVE FROM MONMOUTH COUNTY: Yes, sir.

ASSEMBLYMAN McENROE: Is there any progress to report in Monmouth County?

UNIDENTIFIED REPRESENTATIVE FROM MONMOUTH COUNTY: We do have a County landfill on line, and our resource recovery plant should be on line by July, as agreed to by the DEP/Monmouth County Consent Order.

ASSEMBLYMAN McENROE: Thank you. Is John Horensky, Solid Waste Director from Somerset County, here?

JOHN HORENSKY: Yes.

ASSEMBLYMAN McENROE: Would you care to join us to make a statement or to ask us some questions?

MR. HORENSKY: I did not come with a prepared statement, but if I may, I would just like to follow up on some previous comments.

ASSEMBLYMAN McENROE: Kindly join us at the witness table. You may have the floor, and an opportunity to ask questions, make comments, or whatever would be your pleasure. You are John Horensky?

MR. HORENSKY: Yes, I am. Mr. Chairman, I would like to thank you for the opportunity to speak with you today. As I indicated, I did not come with a prepared statement, but I feel that Somerset County can offer its support, and observations, if you will, to a number of comments offered by others here today.

First of all, our County is a strong believer that the regionalization approach to resource recovery is the most desirable approach. In Somerset, we have conducted a number of studies relative to resource recovery and its applicability to the County as a unit unto itself. These studies have not proven to us that it is not conceivable for a facility to be constructed in the County. However, given the regional problem of solid waste disposal, we feel it is more appropriate that a regional approach, utilizing larger facilities, and

thereby minimizing the regional impact of smaller units, is the best way to go.

So, Somerset County has indicated a desire to participate in regionalization, if given that opportunity. Somerset County is also a strong believer in recycling and would support the development of a mandatory State action relative to recycling. However, we feel that there is a strong need for market development. We do not want to be put in a position whereby a County edict comes down indicating that all municipalities within our borders should recycle -- deliver materials to a marketplace, only to find out that that marketplace, I should say that centralized receiving area, has no place to dispose of its materials. To us it would be a real waste of time and effort to do significant recycling, only to have those materials wind up in a landfill.

So, I think the experiences we have had with our municipalities indicate that the market is not in a position to accept materials on a piecemeal basis. The market I am referring to is the secondary materials market. It is not interested in receiving five tons of glass or four tons of newspaper at a time. It would rather have much larger shipments and those shipments in a state whereby they could be utilized more directly by the processor.

To that end, Somerset County is proposing that we put together a centralized receiving area for our municipalities. We do not want to take over their municipal recycling programs, but what we do want to do is provide them with a centralized area whereby these materials can be brought, upgraded if necessary, and then shipped out in bulk. We feel that in that manner we could command a better price and we could command a market contract, whereas our municipalities, right now, cannot demand that type of service from the vendors. So, I think that before this thing moves to mandate recycling, the markets for these materials must be secured.

Those are my comments.

ASSEMBLYMAN McENROE: Okay, thank you, Mr. Horensky. It seems that Somerset County is in favor of transferring all of its solid waste. It seems that you want to have a facility -- a transfer station -- and then move it all to a regional solution.

MR. HORENSKY: Yes. If it comes to a point where we are made part of a regional approach, the County would do whatever it could to minimize its impact on the host county or host community. One such way would be the development of a transfer facility that would also enable removal of whatever recyclable materials could be removed in an economic fashion.

ASSEMBLYMAN MCENROE: But, is Somerset County encouraging recycling?

MR. HORENSKY: Yes, we are. Presently, we are working with the Association for Retarded Citizens. They have established an occupational training center in Somerset County and have approached a number of our municipalities. To date, they have two signed contracts with two of our older boroughs, in which they will provide curbside mixed-material collection service. They will bring it back to a warehouse and then, utilizing their clientele, upgrade the materials to market specifications.

They are also proposing to expand this service to the entire County, and we are looking at— That activity would necessitate County involvement. They do not have the resources, nor the space, at this point in time to do that, but the County is very serious about assisting them if we can, again, manage and be safe in assuming that the markets will be there once this program expands to that level.

ASSEMBLYMAN MCENROE: Thank you. Do you have any questions, Assemblyman Vainieri?

ASSEMBLYMAN VAINIERI: No questions, but it is interesting to see that Somerset County is going ahead with its recycling program anyway.

ASSEMBLYMAN MCENROE: Thank you very much for your testimony, Mr. Horensky.

We have contacted all of the counties, and I am pleased to see that the response has been supportive of our interest in assisting their needs. I believe we have called on each of the counties that asked to be heard today.

Again, just to repeat, Hunterdon County had said that it would be represented here, but there was no one here from Hunterdon.

Middlesex County is here, again, observing, and we appreciate that. Monmouth County, again, the same circumstance, not anxious at this moment to offer any testimony to the Committee.

We had DEP represented, and I appreciate their concern and interest in our public hearing today. I believe we have benefited very much from the testimony offered. We have garnered some initiatives from the testimony which we will review. Our basic intention remains that we, the Legislature, and this particular Committee, want to impress on the counties the importance and the seriousness of our offer of help to them in solving this substantial problem which affects all of us. County governments, as all of us know, traditionally have not been involved in this kind of responsible role. I think, really, it is an enhancement of the opportunities that the elected county officials, both executives and Freeholders, have in New Jersey government at this time.

I assure you of our cooperation and our interest in bringing to our fellow legislators your interest and the areas where we can be of benefit to you, where we are going to set aside any impediments to assist the counties in better implementing their responsibilities. There is an environmental package -- I am a part of the sponsorship, as is my colleague, Assemblyman Vainieri -- which will provide grants and loans to counties for the implementation of energy recovery facilities. There is companion legislation in preparation, about ready for introduction, that will provide funding for closure. That, of course, is an issue of great importance, more, I think, in the southernly and rural areas of the State. I don't believe either of those legislative opportunities will become mired in any long debate.

Again, if there is a particular concern that any of the counties have individually, please give us the opportunity of responding to that concern.

Thank you all for attending our public hearing. We had hoped to convene by ten and adjourn by one, and we have stayed somewhere near that schedule. Again, thank you very much.

(HEARING CONCLUDED)

APPENDIX

Recovery Energy in Waste

Introduction

The State of New Jersey creates and disposes approximately 10 million tons of municipal and commercial solid wastes each year. At a nominal density of 700#/cu yd, the collected waste would fill the Giants' football stadium to a height of approximately 150 feet every day of the year. Disposal of this growing solid waste load is being limited by a continuing reduction in numbers of landfills within the state. New landfill space is a nuisance, most communities will not accept without bitter outcry, legal maneuvers and political retribution. Many of the communities' concerns are based on valid considerations of noise, pollution, traffic, odors, infestation and loss in property values. To resolve all of these problems requires the wisdom of Solomon and unlimited resources. There is a way, however, to ameliorate some of these concerns and totally resolve others.

Since the oil embargo, the value of waste as a fuel has increased dramatically. The New Jersey waste tonnage contains the energy equivalent of 90 trillion BTU/yr. Fossil fuel equivalents of this quantity of energy in our waste are:

- 1) 15.5 million barrels of oil whose value at \$28.00/barrel equals \$434 million
- 2) 88 billion cu ft of natural gas with a value of \$353 million
- 3) 3.5 million tons of coal with a value of \$137 million

The potential economic values, as well as the energy reflected above on an annual level, are completely lost when collected wastes are relegated to landfills. These same wastes produced by New Jersey household and commercial establishments can offset a substantial portion of the fossil fuel required for electrical power generation.

The Proposal

Current changes in government regulations, specifically the Public Utility Regulatory Policy Act (PURPA Dec. 1979) require all public utilities to buy excess electrical power produced by a cogenerator and pay him a fee equal to the highest avoided cost.

STATE REGULATIONS SHOULD CARRY THE PURPA REQUIREMENTS ONE STEP FURTHER. ACCORDINGLY, IT IS PROPOSED THAT THE STATE, THROUGH LEGISLATIVE ACTION AND PROMULGATED REGULATIONS REQUIRE THAT THE PUBLIC UTILITIES OPERATING IN THE STATE BUY STEAM PRODUCED FROM SOLID WASTE FOR THEIR USE TO OFFSET STEAM REQUIREMENTS NORMALLY SELF GENERATED BY BURNING FOSSIL FUEL. THE PUBLIC UTILITIES WILL BE REQUIRED TO PAY THE PRODUCER OF STEAM FROM WASTE A FEE EQUAL TO THE HIGHEST AVOIDED COSTS.

Legis Action → Buy steam directly

Supporting Data and Considerations

1. Electrical Energy From Waste

N. J. Projected waste load (1990)	30,000 tons/day
Shrinkage (Mandatory source separation)	
State goal 25%	7,500 "
Waste for conversion to El. energy	22,500 "
Electrical energy potential @500 KW/ton	
equals	11,250,000 KW/day
or	468,750 KW/hr.

2. Public utility steam producing electrical generating stations in New Jersey

PSE&G Co.

<u>Location</u>	<u>Rated Output</u>	(Moody's 1983)
Bergen, N. J.	287,000 KW/hr	
Ridgefield "	283,000 "	
Burlington "	180,000 "	
Hudson "	383,000 "	
Jersey City "	600,000 "	
Kearny "	392,000 "	
Linden "	459,000 "	
Mercer "	306,000 "	
Hamilton Twp, N. J.	306,000 "	
Sewaren "	446,000 "	

JCP<. Co.

Sayreville, N. J.	347,000 KW/hr.
E. H. Werner, S. Amboy, N. J.	60,000 "
Gilbert Sta., Holland Twp "	126,000 "

Atlantic City Electric Co.

Deepwater, Penns Grove, N. J.	315,890 KW/hr.
B. L. England, Beasely Pt., N. J.	483,000 "

Nine of the above steam generating plants are located in the north eastern corridor of the state and in the area of a major portion of the waste generating population. Three plants are located in the central and western part of the state and the remaining three are located in the southern part of the state serving population centers like Trenton and Camden and Atlantic City.

3. Siting and Sizing Waste to Steam Plants

Based on expected useable waste tonnage rates of 22,500 tons/day, the number of waste to steam plants can vary depending on transportation access, physical site, proximity to steam utility, waste flow objectives and plant

rated waste capacity. Many early waste to energy facilities were beset by construction problems and operating difficulties. New systems have resolved many of these earlier problems. The larger new systems in the U.S.A. and Europe run the gamut of between 1000 ton/day to 3000 ton/day capacity. Assuming a medium size plant of 2000 ton/day capacity, approximately 11 plants would be required to handle the New Jersey daily waste load. At 2000 tons/day a plant could produce enough steam to generate 40,000 KW/hr. of electrical energy. From 5 to 10 acres of land is required to support a waste to steam plant. This acreage is required to support transportation access, weight scales, physical plant, queuing areas, parking and buffering. It is believed that this acreage can be made available on, adjacent to or sufficiently near each steam using utility to permit direct piping of produced steam to steam turbines without line losses. The actual number of plants, the sizing and site boundaries can be determined after physical survey of utility plants, waste flow optimization, transportation and traffic considerations.

4. Operations

The waste to steam facility should be owned, built and operated by private industry. There is no need in having the utilities get into the waste processing and disposal business. Capital costs can be covered by tax exempt revenue bonds and equity investments. Capital costs for plant and equipment can be significantly reduced, since the plant and equipment will be limited to producing a grade and quality of steam compatible to already in place steam turbines and control equipment.

5. Controls

The state, through its operating agencies, will select and define sites, approve designs, issue permits, assign waste flows, establish disposal rates, regulate operations, approve pollution controls and perform periodic inspections against standards. The state will, through its taxing powers and credit rating, establish an environment to permit private industry to undertake the necessary building and operation of a sufficient number of plants to serve the states' waste load.

Proposal Advantages

- A. Waste to steam sites are fixed in number, defined by size and located at, adjacent to or near current steam using electric utility plants.
- B. Capital costs of waste to energy facilities are considerably reduced due to cost avoidance of steam turbines, controls, housing maintenance and other ancillary equipment required to produce electricity.
- C. Operational costs of waste to energy facilities are

considerably reduced due to cost avoidance of operation of steam turbines, controls, housing maintenance and other ancillary equipment required to produce electricity.

- D. Landfill disposal in the future will be limited to steam plant residue, by-pass needs as they arise and demolition materials greatly reducing new landfill space requirements.
- E. Sulphur Dioxide from existing coal burning utilities (acid rain component) can be moderated and reduced.
- F. Savings in natural resources (fossil fuels), especially fuel oil, will have a major beneficial impact on the United States' balance of payments position, which is greatly weakened by our need for foreign oil.
- G. Full implementation will provide an increase in potential electrical capacity for the utilities in the state of approximately 500 Megawatts/Hr. A growth reserve against future power needs.
- H. Full implementation can put a temporary hold on future utility rate increase requests by the intangible benefits derived by the utility.
- I. Implementation of the proposal by the state will expedite plant design, development construction and operational availability by eliminating at least one layer of bureaucratic involvement.
- J. It will help reduce expenditures by Chapter 326 created districts in site selections for areas without stable steam markets.

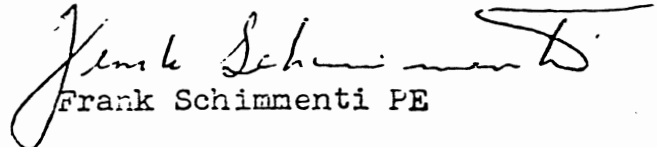
Conclusion, Recommendations and Summary

The most cost effective and expeditious manner for implementing a state-wide waste to energy plan to resolve the growing waste disposal problem is for the state and state agencies to resume control of this effort from the 22 districts, so charged by Chapter 326.

That the State, through legislative action and promulgated regulations, require that public utilities operating in the state buy steam produced from solid waste for their use to offset steam requirements normally self generated by burning fossil fuel.

That the State and State agencies, in concert with the public utilities of the state, site an appropriate number of waste to steam plants throughout the state located on or adjacent to existing public utility steam producing electrical generating stations.

That private industry be invited to bid, design, build and operate waste to steam plants for an appropriate fee schedule and that the private operator be permitted to sell steam to the utility and recover from the public utility a fair return from the utilities avoided costs. The size of the plants and number of plants shall be commensurate with site physical characteristics, waste flow objectives, traffic and transportation requirements and daily waste disposal volumes.


Frank Schimmenti PE

HACKENSACK MEADOWLANDS MUNICIPAL COMMITTEE

MEMBER COMMUNITIES

Carlstadt
East Rutherford
Jersey City
Kearny
Little Ferry
Lyndhurst
Moonachie
North Arlington
North Bergen
Ridgefield
Rutherford
Secaucus
South Hackensack
Teterboro

10 Stuyvesant Avenue
Lyndhurst, New Jersey 07071
(201) 933-9240



Dominick Casamassina
EXECUTIVE DIRECTOR

April 19, 1985

Mr. Harry A. McEnroe, Chairman
Assembly County Government
And Regional Authorities Committee
CN 042, State House Annex
Trenton, N.J., 08625

Dear Chairman:

Thank you for inviting us to meet with your Committee on April 23, 1985 to discuss vital state issues which affect the environment and the finances of the people in our great State.

As you know, the Hackensack Meadowlands Municipal Committee is designated as the Solid Waste Management Advisory Committee for the Meadowlands District. As such, we are submitting some of our thoughts on this subject which we hope you will consider in formulating legislative action.

They are as follows:

1) Resource Recovery Plants-Location

As you are aware, most municipalities reject the thought of locating a Resource Recovery Plant within its own boundaries. However, in certain municipalities, Resource Recovery Plants are welcomed for various reasons.

Therefore, we recommend that if a willing host is identified and the host meets all of the environmental criteria, the R & R facility should be located in that municipality.

We recommend that legislation be introduced and supported by your Committee to expedite the siting and construction of these vitally needed facilities.

2) Landfill Closure Costs

Municipalities and Counties who have been hosts to solid waste landfills are faced with high financial costs. These areas have been accepting solid waste as a necessity and for having the empty land and geographical location necessary for these operations.

Now, after 50 years of landfilling operations by private and municipal users, including out of state users, the present users must pay the huge landfill closure costs. In some areas, these costs are as high as 100 million dollars, (the Hackensack Meadowlands District landfill closure costs are a good example).

To make the present users responsible for these costs is totally unreasonable. These costs should be shared by the past and present users. But, since it is now impossible to collect costs from past users, the State of New Jersey should pay for these costs through a tax on all users of landfills in the state.

To supplement the above tax, the state could also use funds approved from various environmental or green acres bond issues that were approved by the voters.

We sincerely hope that your Committee considers these important points and support legislation in regard to the above.

Sincerely Yours


Dominick Casamassina

Six Hawthorne Drive
Westfield, New Jersey 07090
April 17, 1985

Honorable Harry A. McEnroe, Chairman
State of New Jersey
Assembly County Government and
Regional Authorities Committee
CN-042
State House Annex
Trenton, New Jersey 08625

Dear Mr. McEnroe:

Thank you for your letter of March 29, 1985, addressed to me
as Chairman of the Union County Solid Waste Advisory Committee.

I regret that I have another commitment so that I cannot
attend the hearing scheduled for Tuesday, April 23rd, before
the Assembly County Government and Regional Authorities. I
trust you will be hearing separately from the Union County
Board of Freeholders.

You might be interested in reviewing a talk I gave on the
solid waste problem as viewed from the perspective of one
municipal official - me - at a recent forum staged by the
Union County Chamber of Commerce. Also participating in the
program were Dr. Sadat of DEP and the representatives of the
Office of Recycling, the County, the City of Rahway and the
Solid Waste Industry. Whether you think it appropriate to
include this in the record of your hearing is in your
discretion.

Many thanks for the invitation, and I appreciate being kept
advised of the subject.

Very truly yours,



Garland C. Boothe, Jr.
Councilman of Town of Westfield
Chairman of the Union County
Solid Waste Advisory Committee

GCB:ms
cc: Louis Coletti, Union County Manager (w/enc.)

You have heard about this problem from the point of view of the state and the county. My comments are primarily from the point of view of a municipal official, not as chairman of the County's SWAC.

I would like to start by describing an ideal solid waste-recycling environment. Solid waste and garbage are collected throughout town - free - by private entrepreneurs. The collectors work out themselves on a pecking order who collects where. Since they work for nothing, there are no charges to the taxpayers for a municipal service. All material is recycled; the collectors themselves have joined to build facilities to melt and otherwise utilize the materials. Nothing is wasted.

This idyllic state exists in Cairo, according to a recent item in the Wall Street Journal. But the scavengers use donkeycarts. They take everything home and dump the carts in their courtyards, where whole families pitch in to sort out and melt down the good stuff. The garbage goes over a fence to pigs, who are of course also recycled.

Unfortunately, this won't work in Union County which, I hasten to add, is a lot cleaner than the Cairo I visited two years ago. ^{well?} They sure isn't 100% collection there, let alone recycling.

As one of over a hundred elected officials of varying backgrounds and political persuasions, in 21 municipalities in our county, I don't pretend to speak for all of them. Since we have three different approaches to residential solid waste collection in our

21 municipalities, I couldn't anyway. But five years on the Wesfield Town Council and the county Solid Waste Advisory Council have given me some insights as to how we see the problem.

And what a problem! As a businessman and lawyer with a large corporation, I have been involved in negotiating some pretty big deals. But the intricacies of solving our own solid waste problem in this and other counties - financial, engineering, legal, tax, environmental and political - will dwarf all but the largest, the most complex of deals in the business world.

In Union County, we have three different municipal situations with respect to household waste collection - in 4 towns refuse is collected by city personnel and equipment, and thus is a municipal service like police and fire, and the cost is built into municipal taxes. In 8 towns the municipality has no men or equipment of its own but has one or more contracts with private companies to do the collecting. The cost of those contracts is also part of local taxes. And in 9 towns, including mine, one or more private collectors operate, each in different areas. The County government itself, with 500,000 people producing 475,000 tons per year of solid waste - just under one ton or two-plus cubic yards for every man, woman and child - historically has had no role in solid waste.

In the first two cases, the cost is a municipal service, part of the budget. Anytime you say "budget" to one of us, your next word has to be "caps". The cap law in New Jersey is the major headache of every official, because it is a ceiling on what

the municipality can spend - not a ceiling on taxes or the tax rate. Grossly oversimplified, that means that as we put budgets together in the early months of the year the maximum that can be budgeted for spending is about 105 per cent of what was spent last year.

So what does a municipality do when it is told that, by reason of added solid waste collection and disposal expenses, its costs will exceed 105 per cent of what they were last year? Bear in mind that this increase comes about by reason of a combination of many different things - all beyond the control of the municipal officials - increases for labor, fuel and new equipment, an increase in the amount of solid waste to be collected because there are more residents, or they put out more. And the most recent types of increases - landfill charges and taxes.. In recent months we have experienced first, additional taxes imposed on the physical act of dumping a ton of waste in a landfill, second, additional charges by the landfill operator, a private entrepreneur, for the privilege of dumping, and most recently, increased travel time and waiting time as trucks go further to a different landfill. In Union County's case, most trucks were switched from from ILR in Edison to Edgeboro in South Brunswick. My own town engineer says that, whereas he used to be able to do three or even four runs a day of Westfield's garden and leaf debris, now he is lucky to get two. The haulers represented on SWAC say the same thing.

The cap law in the past has been very unsympathetic to these

problems and increases. Of course our taxpayer constituents are never happy about anything that raises taxes - especially something like garbage. If the cost goes up, especially if that happens after the budget is adopted, tough, the municipality has to cut back on some other service and hope for the best. It is not a pleasant situation for elected officials.

Let me give this audience of businessmen some numbers. Before 1981 it cost 75 cents to dump a cubic yard of solid waste. Two of these taxes were added to this by law in 1981, totaling 57 cents, and that was at least outside the cap law I have been complaining about. ILR, prior to closing, got from the Board of Public Utilities successive surcharges of \$1.42, 15 cents, and \$1.45 over a two-year period on the same cubic yard of waste, so all of a sudden what cost 75 cents in 1980 costs \$4.35 in 1983. Adding to the injury of having to pay these costs, municipalities were told that what the BPU authorized was administratively given, and hence not outside the cap. Since the cap is a restriction on what can be spent, the \$3.02 in extra charges was something that cannot be spent under the cap law on some other important municipal service - like policemen or street lighting or recreation.

Those towns with private contractors don't have the cap problem with respect to residential collections because all residents pay privately our own scavengers. The same is true for all the businesses in the county, because a recent survey showed that all commercial and industrial waste is likewise removed by

private contractors. But while not having the financial and budget squeeze from the cap law, they're not out of trouble.

In the 9 municipalities where householders deal with private collectors, since waste collection is not a municipal function, we have no control whatsoever over these collectors. The State Board of Public Utilities approves the rates and territory and terms of service of each individual collector. We thus have to turn a deaf ear, in effect, to complaints by our constituents. Telling them to complain about poor, sloppy or rude service to the Board of Public Utilities in Newark isn't a pleasant situation either.

Frustration is a very appropriate term for what many if not most of us feel on the subject of solid waste. In most other aspects of municipal life we can make decisions based upon investigating facts and alternatives and then see and cause results to follow. Not so here - and yet solid waste disposal, like electric, telephone and water service, is a daily fact of life for every one of our households. We have had strikes and other crises regularly in recent summers. As municipal officials there is little legally we can do to advise or assist our citizens in coping with same or in settling the strike or the crisis. That isn't very pleasant either.

Now lets deal with today's problems as seen from the perspective of at least one municipal official. Under the 1975 Solid Waste Management Act the county - which in the past had no role in solid waste and had, and to this day still has, no equipment, no personnel and most important of all no landfill -

the county and its Board of Freeholders and staff were made responsible for overseeing and coordinating the entire solid waste problem for the county. Sadat and the DEP. I think that the Union County officials in the past four years that I've been watching them, have done a pretty good job under the circumstances.

No community in the county except for Linden has a landfill. No community has the vacant land even if we wanted to create a new landfill. So we were dismayed by the charges and recent litigation to the effect that the county was somehow supposed to have an in-county landfill - we all know better, it's impossible.

As I've indicated, in case you weren't aware of it, a ton of solid waste is probably subject to more separate taxes in New Jersey than any other commodity. There were two taxes per ton commencing a couple of years ago. Starting April 1 four more were added - this is above and beyond the numbers I've already stated - and more are in the works. Most galling of all is a tax specifically imposed on solid waste that is put in a landfill in another county - and that is our situation.

Lets discuss recycling. The state's official policy and objective is 25%. Many of us, and many municipalities, are dedicated to the concept of recycling materials. In Westfield we have collected and recycled newspapers, glass, cans and leaves for years through a combination of volunteer and municipal effort. Others in the county have similiar programs. The biggest problem is that recycling at this stage of the game costs money, not saves

it. In large measure this is because there simply is no economically attractive market or indeed at times no market for what is collected by recycling. There have been instances, unfortunately, where materials that were very carefully sorted at the household level, and then very carefully put out or even brought in for recycling had to go to landfills because there was no commercial enterprise ready and willing to accept same. That is a principal reason why Union County's SWAC is very concerned about the practical implementation of the pending bill in the legislature.

There are a lot of taxpayers out there who are unhappy about the costs of a lot of essential municipal services - schools, roads, libraries and so on, not to mention desirable things like senior citizens centers. They vocalize this at school budget elections, town referenda and hearings. In the case of solid waste, they vote their sentiments by dumping refuse where it shouldn't go - parks, empty lots, leaf piles, containers at convenience stores and fast food outlets and downtown trash baskets. They are telling us that these costs have to be kept down - and this includes added expense in tax dollars if that comes about from refuse disposal or recycling or both.

This is an attitude and point of view I don't like, but I have to recognize it exists. We've talked about politicians - lets remember that "politics" has been defined as "the art of the possible". The collectors have had to raise residential collection costs at rates far beyond the rate of increase of most

other costs.

I've painted a pretty bleak and harsh picture intentionally, because there are a lot of tough problems to be addressed insofar as municipalities and residents are concerned. Many of these same problems exist at the commercial and industrial level also, and if you haven't heard some of the things we're talking about today from your plant managers and foremen, maybe you'd better ask some questions.

Where do we go? First and foremost, a Resource Recovery Plant such as Joe Kazar has described is a must. SWAC has been investigating these for over six years; we've visited and studied and had presentations on a number of them. There simply is no other way. Even if Middlesex County and the DEP would tolerate our waste going into Middlesex landfills for another 10 years and the space existed - both very doubtful propositions - the total of four of the six taxes per ton of solid waste which are already on the books and being collected would increase from \$ 3.50 per ton in 1985 to \$ 23.95 per ton in 10 years - an increase of 680 per cent. This is only this collection of taxes I mentioned - and add to this labor, fuel, equipment and the needed additional equipment, landfill fees, travel and waiting time and so on, as well as the fees in the proposed recycling act.

Trucking our waste to south Jersey - Ocean County, as has been unrealistically suggested from time to time, poses all the same costs. And Dr. Sadat has shown us today that that capacity would disappear in 3 years.

But Resource Recovery plants have questions, problems and opposition. In the next few days the City of Newark has to decide whether to allow one on a site in the Ironbound area near the Turnpike. Local residents have been up in arms in the past, and tomorrow a strong encore can be expected in hearings before the Newark City Council. Yet plants of this type are common in European and Japanese cities, and we now have them in Massachusetts, Westchester County and downtown Baltimore, among other places.

Many concerns about health and environmental problems, starting with emissions, are voiced, and recent problems from Bophal to Linden have done nothing to relieve apprehensions. Others worry about traffic patterns and flows. All of these have to be addressed, and are. Cost of operations is another real concern - no matter how it is done, it is apparent to everyone that it will cost more to dispose of a ton of refuse at one of these quarter-billion dollar plants than to dump it somewhere as we have been doing for 500 years. The 1984 amendments to the Internal Revenue Code, I should note, present a real monkey wrench into the financing of these plants.

The other policy that has to be met is to create and stabilize firm, dependable and viable markets for recycled materials. A lot of recyclable materials can and should be kept out of resource recovery plants to keep its operating and maintenance costs down. Finding and encouraging users for plastic, glass, metal and paper products must be a top priority.

for this state. This certainly goes beyond anything we municipal officials can solve.

Fortunately, a lot of dedicated and talented people have been working very hard on this difficult onslaught of problems. The Freeholders and County personnel have a good understanding of the problem, and the same is true for many local officials and state legislators I have talked with. The County SWAC, which elected me its chairman a year and a half ago, meets regularly to discharge our statutory responsibility, advising the Freeholders on Solid waste matters. Hopefully all of you will go away from today's program with a better understanding and appreciation of what all of us see, and what we propose to solve a problem that if not solved will literally bury all of us in our own garbage.

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