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RAHWAY VALLEY SEWERAGE AUTHORITY RESOLVES LITIGATION AND ARBITRATION ON CO-GENERATION

After seven years, the Rahway Valley Sewerage Authority (RVSA) has reached resolution in the litigation and arbitration initiated in 2010 against several contractors, engineering firms and other related companies relative to the RVSA's co-generation and sludge drying facility originally proposed in 2002 and which only recently went into limited operation. The RVSA has recovered more than \$7 million.

In the last two years, the RVSA has made considerable strides in its ability to operate the co-gen facility on an increased basis despite its original shortcomings. This progress, coupled with settlement proposals, hastened the conclusion of these lengthy legal actions.

Economic factors also played a key role in the ability of the RVSA's Commissioners to accelerate the resolution of the long-standing disputes. The cost of natural gas has decreased, allowing the RVSA to increase co-gen operations while fine tuning its recent biogas cleaning project. The RVSA is now using the cleaned biogas to operate some of its boilers. The benefit of this progress is evidenced in the 2017 Budget passed at the Authority's January 19th Commissioner's meeting, which reflects nearly a half million dollar decrease in the cost of energy. After completing emissions testing, the cogeneration engines will be able to run on a blend of gases, which should result in significant additional savings for the RVSA over the next several years.

The RVSA's sludge drying facility has also been running on a limited basis during the last two years further justifying resolution of the legal proceedings. A recent increase in sludge disposal costs has helped to make the drying facility economically viable. There may also be future

potential for beneficial reuse of what is known as Class A sludge, or biosolids, like those produced by the Authority. Class A biosolids is a designation for dewatered and heated sewage sludge that meets the guidelines of the United States Environmental Protection Agency for land application. Therefore, Class A biosolids could legally be used as fertilizer or compost with further refinement, packaging, and marketing.

“To say this has been a long and arduous road would be a gross understatement,” said RVSA Executive Director James Meehan. “It’s important that we’re now able to close the chapter on these very unwelcomed set of circumstances having made the ratepayer close to whole and realizing considerable progress on co-gen facility operations.”

RVSA INKS PPP WITH WASTE MANAGEMENT OF NEW JERSEY

RVSA and Waste Management of New Jersey (WMNJ) signed a long-term public-private partnership (PPP) agreement on January 19th. The PPP arrangement is both unique and beneficial to the RVSA and its customers. The project, which will utilize unused plant capacity and will include a long-term organic feedstock delivery commitment from WMNJ, is among the first of its kind in the nation. Utilizing a cooperative PPP has many benefits to the RVSA, its ratepayers and the environment. Thousands of tons of food waste currently destined for landfills will divert to the RVSA’s digestion facilities and be converted into biogas, which will help power the co-generation system without compromising the ability to generate Class A biosolids. It is estimated that fees paid to RVSA for the receipt of the organic feedstock, savings from the creation and use of the biogas and revenues from the sale of Renewable Energy Certificates are estimated to provide more than \$5 million in revenue over the first ten years of a potential 20-year transaction. These funds will be used to offset the cost of running the RVSA.

The RVSA is a 35-acre wastewater treatment plant created in 1951 and currently serves 11 municipal members, approximately 250,000 residents and 3,500 commercial users. Visit www.rahwayvalleysa.com for more information.

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