Agenda Meeting between Pennsylvania Department of Environmental Protection and Covanta Delaware Valley

February 17, 2006

- 1. History of Permit Application
- 2. Agreement with Local Environmental Group
- 3. Draft Application
- 4. Remaining Application Items to be Completed
- 5. Guidance, Suggestions
- 6. Other Items / Questions

Paul E. Stauder Vice President Regional Business Management

Covanta Energy Corporation
40 Lane Road
Fairfield, NJ 07004
Tel 973 882 4180
Fax 973 882 4119
Cell 703 850 3281
Email pstauder@covantaenergy.com





January 20, 2006

Faith Temple Environmental Initiative 1007 West 7th Street Chester, PA 19013

Attn: Rev. Horace Strand

Subject:

Covanta Delaware Valley, L.P.

Community Plan

Dear Rev. Strand:

Pursuant to our recent conversations, we propose to implement a community plan on a go forward basis, to strengthen our involvement in the community as a good corporate citizen. We agree to spend up to \$30,000.00 on an annual basis for community beneficial programs that are mutually agreed to by the Community and Covanta. From our discussion, the currently agreed to programs and annual contribution amounts are as follows:

- \$10,000 for college level scholarships (for multiple students)
- \$5000 toward the Chester Little League.
- \$5000 toward church youth groups, and/ or town landscaping projects, depending on the need for funds in these particular areas.
- \$10,000 for Chester Environmental Partnership

Scholarship:

With regard to the scholarship, we suggest that a small committee be formed to select the worthy candidates. The committee could include you, two people from the facility and possibly another committee member who would be selected by an elected official. After each semester, the students would have to demonstrate that they had made satisfactory progress. Thus, these students would have to demonstrate a GPA of 2.5 or better and that they earned 12 credits or more during the semester. If a student, was unable to prove satisfactory progress, we would then provide the student one semester to correct the short fall. If the student is unsuccessful in meeting the program requirements, we would then have the committee select another worthy student for the next semester and give that student the opportunity to earn the balance of the scholarship for the academic year.

HWS EVBS

Little League/ Sports Programs:

We have donated to the Little League in the past and would like to continue with this program. We believe that a number of children would benefit from a \$5000 donation. We suggest that we form a task force of both Covanta plant employees and people from the town to assure the program is a success.

Church Youth Groups/ Other Community Beneficial Programs

We will need some help in identifying appropriate church youth groups. You are probably the right person to help us identify these groups and may already have one or two groups in mind. We would like to discuss further how the money will be used by a particular group that is under consideration to receive a contribution from the facility.

Chester Environmental Partnership

As a company, we support environmental initiatives and are willing to provide funding to environmental initiatives that are beneficial to the city of Chester. You have suggested that we provide funding to the community-based organization, the Chester Environmental Partnership.

In the past, you stated that you believed that donations to the causes that we have identified should result in us receiving some positive exposure in the community. We are in a challenging industry which typically struggles to receive positive endorsements from communities. We would appreciate any opportunity to receive positive exposure and any suggestions that you may have to ensure that contributions we make pursuit to this plan help our profile in the community.

Requested Permit Modification:

Covanta would like to expand our delivery hours as follows:

	Current	Requested
Monday-Friday:	6AM-6PM	5AM-6PM
 Saturday (normal) 	6AM-12PM	5AM-2PM

- Eliminate the one short Saturday per month
- Eliminate 3 holidays from our permit, Memorial Day, July 4th and Labor Day. (we will seek to minimize deliveries on these holidays)
- Approval to open the queuing yard at one hour earlier at 4AM

We are currently approved to receive 5250 tons/day, Monday-Friday, 1100 tons/day on most Saturdays except for holiday weeks where we may take 3000 tons/day on Saturday and 26,100 tons/week. We would like to modify our permit to receive 5700 tons/day, Monday-Friday, and 3000 tons/day on all Saturdays. The most important point that must be realized is that we will not be asking to change our weekly limit of 26,100 tons/day. As a result, the changes we are asking for will not result in greater overall deliveries. It will just redistribute our deliveries. Typically, we receive greater tonnage toward the beginning of the week. Issues such as inclement weather, election days, and roadway

AWS EVB

emergencies restrict facility traffic on an intermittent basis and affect the facility for varied periods of time. These situations along with other special or catastrophic events such as flooding add an element of unpredictability to our waste receipts that we are trying to reduce by seeking greater daily tonnage limits. Greater daily receipt limits will help ensure that we have greater flexibility to operate through these intermittent, often unpredictable situations and help spread traffic flow out to minimize congestion. You should be aware that our waste storage capacity on our tipping floor effectively limits our waste receipts. Facility traffic always slows as our tipping floor fills up regardless of our permitted waste receipt limit.

You have indicated that you would like Covanta to attend a group meeting to determine what could be done to assist in the purchase of nearby residences. We would be open to joining in these meetings, if the group assembled to discuss the issue includes other local industrial companies.

We believe our community plan will be beneficial to the people of Chester. For purposes of the harms-benefit analysis conducted by PADEP, we must still link our application to our community plan to demonstrate that the benefits of the application outweigh the harms. We appreciate the time you have spent talking with us and are hopeful that the application process will go smoothly.

Despite your concerns about us receiving more waste from Philadelphia in the future, this application has no impact on the amount of total waste receipts at the facility. Our permit application may help Philadelphia's waste vehicles flow through traffic more smoothly and if waste from Philadelphia does increase, we will be forced to reduce the amount of waste from other customers, thus the total tonnage to the plant will not increase.

You also indicated that you had concerns about technical issues regarding our permit. The most technical aspect of our proposed permit application will be our traffic study. PADEP will submit our traffic study to PennDOT for review. PennDOT will have its technical reviewers review that aspect of our permit. Hopefully that will allay your concerns.

If you have any questions, please contact Gene Bonner at (610)-497-8150 or me at (973)-882-4180.

Sincerely,

Paul Stauder

Covanta Energy, Inc.

V.P. Mid-Atlantic Region

Counter Signature:_

Reverend Horace Strand

Faith Temple Environmental Initiative

Bcc: Tim Gregan

DelVal- Community Relations