
Committee Meeting

of

SENATE ENVIRONMENT COMMITTEE
ASSEMBLY ENVIRONMENT AND SOLID WASTE COMMITTEE

SENATE BILL No. 1
and
ASSEMBLY BILL No. 2635

(The "Highlands Water Protection and Planning Act")

LOCATION: Morris County Frelinghuysen Arboretum **DATE:** April 12, 2004
Haggerty Center 7:00 p.m.
Morristown, New Jersey

MEMBERS OF COMMITTEES PRESENT:

Senator Bob Smith, Co-Chair
Assemblyman John F. McKeon, Co-Chair
Assemblyman Robert M. Gordon
Assemblyman Reed Gusciora
Assemblyman Louis M. Manzo
Assemblyman Alex DeCroce
Assemblyman John E. Rooney



ALSO PRESENT:

Judith L. Horowitz
Carrie Anne Calvo-Hahn
Lucinda Tiajloff
Office of Legislative Services
Committee Aides

Kevil Duhon
Senate Majority
Committee Aide
David Eber
Assembly Majority

John Hutchison
Senate Republican
Committee Aide
Thea M. Sheridan
Assembly Republican

Meeting Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey

Committee Aide

Committee Aide

TABLE OF CONTENTS

	<u>Page</u>
Maureen Ogden Former Assemblywoman Essex County, and Conservation Chair New Jersey Chapters Garden Club of America	4
Senator Robert J. Martin District 26	6
Rein Aasmaa Private Citizen	11
Paul J. Hollick Mayor Pequannock Township	12
Edward J. McGlynn Executive Vice President Weichert New Homes and Land Company	14
John W. Barba President New Jersey Builders Association	17
Benjamin L. Spinelli Mayor Chester Township	19
Carol Kesler Private Citizen	24
Agust Gudmundsson Chairman New Jersey State Council of Trout Unlimited, and Chairman Environmental Commission Liberty Township	26

TABLE OF CONTENTS

	<u>Page</u>
Jeff Tittel Director New Jersey Chapter Sierra Club	33
Jim Mullen Representing Pulte Homes	37
Tom Mac Allen Council Member Ringwood Borough	40
Victor I. Gailums Representing Gailum Brothers Construction, Inc.	42
Barbara Brummer State Director New Jersey Office The Nature Conservancy	42
Steven J. Caporaso Vice President New Jersey Builders Association, and Representing Farinella Homes	43
Ann Quinn President New Jersey State Federation of Women's Clubs	45
Todd Murphy, Esq. Representing Pulte Homes	46
Ted Korth	

TABLE OF CONTENTS

	<u>Page</u>
Director of Policy New Jersey Audubon Society	48
Barbara Lollin President Community Builders Association	49
Amy Hanson Private Citizen	51
Richard A. Billok Representing Pella Windows and Doors	52
Julia M. Somers Executive Director Great Swamp Watershed Association	53
Matt Sprung Vice Chairman Morris County Planning Board, and Chairman Highlands Committee New Jersey Builders Association	57
Ella F. Filippone, Ph.D. Executive Director Passaic River Coalition	60
Andy Aasmaa Private Citizen	63
Jason Patrick Land Use Analyst Environmental Defense	67
Brian McMorrow Partner	

TABLE OF CONTENTS

	<u>Page</u>
Henderson and Bodwell, L.L.P.	69
Sean T. Monaghan, Esq. Member New Jersey Committee Regional Plan Association	70
Dennis Loh Representing Geo-Technology Associates, Inc.	74
Bob Nolan Private Citizen	76
Ted Maglione Representing TM Group	78
Doug O'Malley Clean Water Advocate New Jersey Public Interest Research Group	80
Greg Donaldson Private Citizen	82
Martha Marks President New Jersey Chapter Republicans for Environmental Protection	85
Tom Flath Private Citizen	86
Patty Whitehouse Member	

TABLE OF CONTENTS

	<u>Page</u>
Peapack-Gladstone Woman's Club, and Legislation/Resolutions Chair New Jersey State Federation of Women's Clubs of GFWC	87
Jeff Meyer Private Citizen	88
Sam Huber Representing New York-New Jersey Trail Conference	90
Stuart Kramer Private Citizen	91
Ross Kushner Representing Pequannock River Coalition	93
Jay Grant Private Citizen	96
Ken Johanson Vice Chair New Jersey Chapter Sierra Club	98
Bob Rau Private Citizen	99
Robert Pirani Member Regional Plan Association	102
Dominick Pasagano Private Citizen	104
Kelly McNicholas	

TABLE OF CONTENTS

	<u>Page</u>
Representing New Jersey Chapter Sierra Club	106
Frank Golan Private Citizen	108
Kathleen Caren Representing Citizens for Planning Responsibly	110
Yair Bendory Private Citizen	113
Mark Cirillo Representing Ringwood Open Space Committee	116
Robert J. Bracken Private Citizen	118
Wayne Greenstone Private Citizen	121
Etai Harel Private Citizen	123
Lucy Meyer Chair The Pyramid Mount Committee	124
Jack Guerin Private Citizen	128
Mary Derstine Private Citizen	132
Gary Gutjar	

TABLE OF CONTENTS

	<u>Page</u>
Private Citizen	133
Chris Mills Conservation Chair Morris County, and Co-Chair Loantaka Group New Jersey Chapter Sierra Club	136
David Shore Private Citizen	138
Pat J. Matarazzo Chair Clean Water Council New Jersey Department of Environmental Protection, and Chair Environmental Commission Rockaway Township	140
Tim Matthews Chair White Township Open Space and Farmland Preservation Committee	141
Henry Grinbaum Vice President Farm Credit Banks	143
Louis Badwini Private Citizen	145
Devlen Mackey President Board of Agriculture Warren County	145
Sam Akin	

TABLE OF CONTENTS

	<u>Page</u>
Private Citizen	148
Arie Van Vugt Owner Plainview Growers, Inc.	153
Sam Race Representing White Township Business Association	156
Laura Akin Private Citizen	158
Doug Tavella Representing Appalachian Forestry Service	160
Eric Luscombe Private Citizen	163
APPENDIX:	
Testimony submitted by Maureen Ogden	1x
Testimony submitted by Agust Gudmundsson	2x
Testimony submitted by Ann Quinn	3x
Testimony submitted by	

Julia M. Somers	4x
Testimony and map submitted by Ella F. Filippone	8x
Development Activity For the Year 2002 submitted by Andy Aasmaa	11x
Statement submitted by Jason Patrick	13x

TABLE OF CONTENTS (continued)

APPENDIX (continued):

Page

Testimony submitted by Sean T. Monaghan, Esq.	15x
Statement submitted by Stuart Kramer	20x
Testimony submitted by Robert Pirani	21x
Statement submitted by Kelly McNicholas	23x
Testimony submitted by Lucy Meyer	24x
Statement	

submitted by Doug Tavella	26x
Statement submitted by Robert J. Jonas Private Citizen	27x
Testimony submitted by Ira Weiner Mayor Vernon Township	29x

TABLE OF CONTENTS (continued)

APPENDIX (continued):

Page

Letter addressed to Senate Environment Committee, and Assembly Environment and Solid Waste Committee from Heather J. Gracie-Petty President Gracie and Harrigan Consulting Foresters, Inc.	35x
Letter from Dwight Hiscano	36x
Statement submitted by Michelle Brook Private Citizen	37x
rs:1-100 lmb:101-170	

(As of April 12, 2004, Senate Bill No. 1 was introduced, and Assembly Bill No. 2635 was still pending introduction.)

SENATOR BOB SMITH (Co-Chair): The wonderful news is that a lot of New Jersey citizens are interested in their government. The bad news is that we're a little too crowded in terms of our fire code. We want everybody to have a chance to speak, so here's what we propose to do.

Would the people who are standing-- First of all, everybody should sit who has a chair. That would be a wonderful thing, so we can actually see where we are with chairs. If you would sit down-- If you have a chair, please sit.

All right. Now, if you don't have a chair, and you're in an aisle, let me ask that you step into the hallway. We're going to be quiet so that everybody can hear what's being said. After you give your testimony, if you would, step out into the hallway and let somebody come in. That way, everybody will get a chance to speak. So anybody who's standing in an aisle, if you would very quietly move to that outer area, we'd appreciate it.

I want to thank everyone for coming out tonight. Assemblyman McKeon, who Chairs the Assembly Environment Committee, is here. Both the Assembly Environment Committee and the Senate Environment is present. What you say is being recorded in the form of a transcript, which will be shared with all of the 120 members of the State Legislature.

We need to follow some ground rules, because an awful lot of people have opinions about this legislation. First, as in Ringwood -- which was our first hearing in the Highlands -- we limited testimony to a time limit. In that

hearing, we limited it to five minutes. There are more people who have signed up to speak tonight, so we will be limiting your testimony to four minutes.

We would ask that there be no clapping, hissing, tomato throwing -- whatever might be inappropriate for an orderly hearing -- because, remember, there are a lot of people who do want to express their opinions. And the only way they can do that is if we allow our fellow New Jerseyans to have the courtesy.

So, please, don't be repetitive. If someone has made your point -- you have very intelligent people listening to this, they're going to read your testimony in the record -- there is no need to repeat it over, and over, and over again. So, again, don't be repetitive.

That being said, let me turn the microphone over to Assemblyman McKeon to welcome you, as well.

Assemblyman.

ASSEMBLYMAN McKEON: Thank you very much, Chairman. And thank you for being a host to us today.

Again, I'm just going to reiterate that -- regarding the way everybody conducts themselves. We all have strong opinions. We certainly wouldn't be here -- we're not required to be -- unless we cared about what you had to say. So, understanding that, let's be respectful of each other's views and opinions -- and that, you can promise, we will, too.

Relative to our procedure -- and that's going to be in place -- we're here to listen to you. Thus, although I have many esteemed colleagues from the Legislature here, we're going to hold their comments until we're concluded with all of the public testimony today; at which time, every member that's here, and

those that are substituting in, will have the opportunity to address the Committee on the whole, and those of you who are left.

I'd just like to take a moment to introduce who is here, some in an unofficial capacity and some in an official capacity, as members: Assemblyman Guy Gregg, of course, from Morris. We're honored to have with us the Majority Leader (*sic*) who is not substituting in-- But I believe Alex DeCroce is here, as he is allowed to be, as the Majority Leader, under our rules of procedure--

SENATOR SMITH: Minority.

ASSEMBLYMAN McKEON: --or Minority Leader.

ASSEMBLYMAN DeCROCE: Soon to be.

ASSEMBLYMAN McKEON: --Boy, Joe Roberts just had a heart attack somewhere in South Jersey (laughter). As he is permitted to be, and we welcome him here and are glad that he's here with us.

I can't see over-- I see Assemblyman John Rooney, who is the dean of the Legislature in here and, himself, has great experience in environmental law. We have Assemblyman Lou Manzo, from Hudson County; Assemblyman Reed Gusciora, of Mercer County; and who else is -- Assemblyman Gordon has just made it to come in; and Joe Pennacchio.

I'm sorry, Joe. I asked you to sit down, and you didn't, and I left you out -- who is also here.

And somewhere in the audience is Assemblyman Michael Patrick Carroll, and he welcomed us here, as this is his home town.

So thank you to all of my colleagues that are here.

Senator Smith will then go forward.

SENATOR SMITH: Okay. Our first witness tonight was to be Senator Martin, but I think he may still be trying to get in the parking lot.

Senator Martin, are you out there? (no response)

All right. If not, we're going to start the list of witnesses, again remembering four minutes. Please don't be repetitive. And we will try to go back and forth between the two groups so that everybody has a fair opportunity to represent their viewpoint.

Our first witness tonight is former Assemblywoman Maureen Ogden.

Ms. Ogden, if you'd come forward.

Just before you start, if the first person who indicated they were opposed would get into the on-deck circle -- Mr. Rein Aasmaa -- if you'd get ready to testify.

Ms. Ogden.

A S S E M B L Y W O M A N M A U R E E N O G D E N: Thank you very much.

Which one is it? (referring to PA microphone) This one?

Thank you very much, Mr. Chairman, members of the Senate, members of the Assembly. It's a pleasure to be here tonight to speak on this very important legislation.

I'm speaking in the capacity -- as the Conservation Chair of the New Jersey Chapters of the Garden Club of America. Last year, all the chapters in New Jersey joined the Highlands Coalition to add their support to the more than 110 organizations that comprise the Coalition in the four-state area. And we've worked to support State and Federal funding, we've sent letters; we've met

with Federal representatives; attended meetings, press conferences; and most recently we were down in Washington the last week in February lobbying for the bill that's being sponsored by Senator Corzine and Congressman Frelinghuysen. We, obviously, are trying to play an important part in seeking to preserve this backyard paradise still left in the State of New Jersey.

Instead of really getting into some other parts that I have in here, I'd just like to -- being also mindful of my four minutes -- deal with my last paragraph here, and I can also give you a copy of the testimony.

I believe at such a time we should remember the wisdom of Newark leaders, when they purchased 35,000 acres in the Pequannock Watershed at the beginning of the 20th century, more than 100 years ago, to protect Newark's water supply. Despite economic hard times and subsequent riots, Newark has wisely preserved its residents' potable water. It has exhibited, I think, incredible stewardship, enlightened stewardship in what it did.

One hundred years later, the State of New Jersey has an unparalleled opportunity to assure the drinking water supply for one-half of its residents, four million people, by protecting the land that provides this invaluable resource. Its preservation is critical to the health and welfare of four million New Jersey residents.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Speak up, please.

ASSEMBLYWOMAN OGDEN: I thought I was speaking into the microphone here.

I commend you for sponsoring S-1, A-2635 to address the urgent need of protecting our water supply before more acreage is lost to development.

There is really nothing more important to the residents of our state than to assure that, in the years to come, there will be a pure water supply. That is absolutely invaluable.

SENATOR SMITH: Thank you, Assemblywoman. And if you would -- and this is for anyone -- if you have printed testimony, letters, anything you want the Legislature to consider, if you would give it to our staff, we'll enter it into the official record.

Senator Martin has arrived.

Senator, if I could ask that you would--

If Mr. Aasmaa would halt for just one second--

Senator Martin, you're the co-prime sponsor of S-1. And we told you tonight that we would give you an opportunity, early on, to make some comments.

Senator Bob Martin.

SENATOR ROBERT J. MARTIN: Thank you.

Well, I guess like many of us, I'm kind of overwhelmed by the interest shown by this piece of legislation. I hope that we will be able to convince many people -- in, sort of, the tradition of Maureen Ogden, who just spoke -- that, in the long run, this piece of legislation will be good for not only Morris County, but the State of New Jersey.

As I was coming here, I was thinking of a meeting I had with the mayors of my legislative district, which represents eastern Morris County and three towns in northwestern Passaic County. We had a mayors' meeting approximately two years ago. And at that time, Glenn Sisco, the Mayor of Kinnelon -- when we asked the mayors about what the biggest problems were

in New Jersey -- he, at that time, indicated that he thought that the preservation of water was going to be absolutely critical to the future well-being of Morris County and northwestern New Jersey.

It was kind of interesting because I think from that day forward it started to rain, and it's been raining a lot for the last two years. But it wasn't raining at the time he gave that -- or made that point. And I think, in the long run, what this bill is about, and the reason I am proud to be a co-sponsor, is that we need to make a statement, and we need to take action. And I think time is of the essence to preserve the amount of water we have, and also the quality of water.

And I think this bill gets that done. It has a concept that makes sense. It doesn't ask to take more than, I think, is critically necessary, by recognizing that there is a core where water originates. And water needs to be clean. That water will serve us all, and serve our children, and our grandchildren. And it will also -- it's also that area, the Highlands preservation -- and especially the core area -- will also make sure that the water is clean. It has always been my position that I think it's better to have clean water and keep it clean, rather than to run it down the streams and then go through a series of filtration systems to try to get it back to it's pristine condition in the past.

I suspect that most of the people who are here, who have concerns about the bill, are much interested in the well-being of their own property, as well as their community.

All I can say at this point, Mr. Chairman and co-sponsor of the legislation, is that I know that you have worked hard on those issues. This bill is still a work in progress. We have worked on a number of issues that are

important, I think, to those who own property in the -- especially the core area, as well as the Highlands as a whole -- and also to those who are the leaders in the various municipalities.

And with that, and rather than having a -- making a long statement longer, let me just say that this sponsor, and the administration, have been very willing to listen to concerns and to take amendments to this legislation. It is from a meeting that we had in Sussex County just Thursday night -- that it was emphasized, among the mayors in Sussex County, that there needed to be a village center. Once a town had gone through the efforts to establish a village center under the State Planning Act and the State Planning Commission, that that should be preserved. And I am offering an amendment, that the sponsor has agreed to, that will allow for those identified village or town centers to be outside of the core area so that they will be able to grow.

I have also insisted that those towns that have watershed property -- that they be funded. We have existing legislation that Senator Littell and many Morris County legislators worked on to ensure that those towns that lose the most, in the sense that they have critical watershed area -- that they be rightly and justly compensated. And this bill, which initially took that to heart and offered \$35 per acre with an amendment that-- (laughter)

That's not for purchase, that's to provide for property tax relief to the municipalities. (laughter)

SENATOR SMITH: Senator--

First of all, I'd ask anybody who is-- If you're going to make a comment, I'd ask that our officer who is present have you removed. We're here to take testimony and to listen to people who have serious comments. If you

want to make a cat call, you don't deserve to be here, and the officer will escort you out.

Senator Martin, if you would.

SENATOR MARTIN: That amount was established by some review of what the property is in its current value, as opposed to with respect to property tax payments, and what it would be if it were developed. So it's not an idle amount. But we have insisted, and the co-sponsor has agreed, to up that amount to \$40 rather than \$35.

SENATOR SMITH: That's with the concurrence of the towns involved, Senator?

SENATOR MARTIN: To my knowledge, every town that has watershed aid has recognized that that's a fair amount for that property. That property has been, historically, unbuildable now. And what the towns have had a problem with is seeing owners like Newark, which is primarily the largest owner of watershed property, have been able to -- not to pay what they think is a reasonable amount of property taxes, because they haven't been allowed to build on that. So this would be a form of in-lieu-of, so those towns at least receive some property tax relief.

I've also proposed a piece of legislation that indicates that -- for those properties which, by some demonstrable means, show that they lose value for those who own those individual properties that are more than an acre -- so they may be vulnerable to some reduction in property -- that those would be the highest priority, in terms of potential buyouts, at fair market value, should those individuals seek to -- fair market value at the time of the passage of the act, so it wouldn't be reduced by virtue of the act. So that they could, if they chose to,

sell their property and not suffer a loss. Those are key amendments which, I think, would make a good bill better.

The other thing, just in closing, I'd point out is that I really think, from my observation of North Jersey, and Jersey in general, most property values will increase outside of the core area. If you take, for example, a place like Long Beach Island, which is limited by virtue of the fact that it's an island, and there is limited development on it, those who have property will have inherently seen the value rise, largely because it's limited. And North Jersey, although not quite like a Long Beach Island, has limited capacity.

Please remember -- I know I'm not going to convince those who stand there with signs -- but I would just ask others to conceive of the fact that if you hear tonight that we're not building enough houses, just remember New Jersey is the most built-up state in the country, and North Jersey is three-quarters of the population of Jersey. So Jersey has largely done a lot of its share of providing, in my estimation, a reasonable accommodation to growth. And this bill still allows for growth. But to have unlimited growth, I think, would be a problem. And it would be a problem for water, and it would be a problem for our quality of life. I think that time is of the essence, and we should go forward.

And I thank you for the opportunity to make those remarks.

SENATOR SMITH: Thank you.

ASSEMBLYMAN McKEON: Thank you very much, Senator Martin.

Mr. Aasmaa, thank you for being patient to allow Senator Martin--
On deck is Mayor Paul Hollick, of the township of Pequannock.
Sir, thank you, again.

REIN AASMAA: My name is Rein Aasmaa. I live in Mountain Lakes, New Jersey.

My family are big landowners in the western part of Morris County. I would just like to start by saying that my grandfather lost his land in eastern Europe 70 years ago, when the communists came in, and knocked on the door, and took it away from him. My father is very concerned that he's going to have to relive this situation twice now for -- you know, 70 years later.

So I would just ask you people if you could get some funding together so that you do not steal our land, because that's all we have -- we have our land. And by the way this bill is being rushed through in three weeks, it just seems like the funding is not there, it's just trying to be crammed down our throat. And I would appreciate it if you guys would take some balance and really think about the impact that's going to happen to New Jersey, 30, 40 years from now, and to also compensate the landowners that are getting squashed with this bill as it stands right now. And there's no reason to rush this bill through. I think you should think about it.

We're trying to sell a piece of property right now. It's taken us four years to go through the planning board, and you guys are trying to do this in a couple of weeks. And I don't understand how that can be good planning.

Thank you very much.

I ask you to be balanced in your decisions.

ASSEMBLYMAN McKEON: Thank you, sir.

SENATOR SMITH: Mayor Hollick, if you'd come forward.

Let me ask the supporters of either side to not express your opinion by clapping or by comments. It's only going to prevent people from getting their

testimony on. We have a closing time of 9:00. Let's make sure everybody has a chance to get their comments in.

Mayor, after you is Ed McGlynn, from Weichert.

Mr. McGlynn, if you'd get into the on-deck circle.

Mayor Hollick of Pequannock Township.

MAYOR PAUL J. HOLLICK: Thank you very much, this esteemed panel, for allowing us a few minutes to speak.

As many of you know, Pequannock Township passed a resolution very much in support of this bill many months ago and sent it down to the Legislature. However, after reviewing the copies forwarded to us, we are concerned with several issues. We are certainly in favor of clean, clear water, and we want that area preserved. However, there are many issues in the bill which we disagree with as currently drafted: the size of the board, the 50-member composition. Morris County comprises 32 towns out of the 90 in there, and we only get one vote. That's certainly not adequate or follows the democratic process. If you just divide it up by population, we should get five votes out of the 15. And the Governor's veto period over that -- I think also should be looked at by the Legislature. If the council is going to run this in a productive, democratic way, then the towns involved have to be involved from a home rule point of view.

There are funding issues that are still outstanding, which you started to address a little bit, Bob. There are a lot of funding issues that have to be addressed.

The big issue with Pequannock is, we have a valley. We're in a river valley town. And the map that we've been shown now for the last four or

five years, that we bought into with that resolution really, is not in the plan as being adopted. We assume -- my assumption is, and it's everyone else's -- north of 287 in our community is where the line is.

As you and I well know, having had breakfast together several times, Pompton Lakes wants the line moved, Parsippany wants the line moved. Pequannock's happy where the line is, but I want to make sure the line is where it is. The way it's stated in your bill right now, it is not clear. The whole community is involved. It's a big concern for us.

The permitting process for the first nine months, the way the bill is drafted, is a bigger concern, with construction and ongoing permitting processes. You have many things going down before DEP which, the way the bill is drafted, can be withdrawn, especially with the sewer issues. We are in the process of a \$25 million development, and that would be suspect if the permits were pulled, the way the bill is currently drafted.

The water quality, again, we're all in favor for. What I'd like to do is-- We pay a lot of taxes, we have three wells in our town, we'd like to see if this would alleviate some of the taxes that we pay to pump our own water. We have our own water supply in our community, and we pump our own water. But we have to pay taxes to the State just for pumping our own water which, to me, we own, not the State.

In conclusion, the way the bill is being pushed through so very fast, my only remark would be: I wish the whole Legislature, with all the brain trust we have down there, could do the same thing with property tax reduction for the entire state, which is forthcoming. And that meeting was canceled. (applause)

SENATOR SMITH: Again, let me caution the group to not express a point of view by clapping, or whatever.

The next person is--

ASSEMBLYMAN McKEON: The next person is Ed McGlynn.

Mayor, the map will be out Thursday -- and for anybody else interested. And I believe we have representatives here that might be able to give you a Metes and Bounds description for your town now.

It's in the car. You both have to get your umbrella and go get it.

MAYOR HOLLICK: It's in the car, okay.

EDWARD J. MCGLYNN: Good evening.

Thank you for giving me this time to speak.

I have a number of concerns, as it relates to this bill. I'm not going to sit here and debate all of the individual points, but I do believe that a point that's already been touched upon, to me, is one of the key issues here, and that is the time frame in which this bill is being pushed through.

I believe a bill that is as complex and as far reaching as this bill needs to have more time to be considered. I also believe that the vast majority of the people in the room here tonight, who know about this, are here because they are members of organizations that this bill directly impacts, whether they're in favor of it, or whether they're opposed to it; whether they are with various builder groups, Realtor groups, or whether various environmental groups, they're aware of it.

I can assure you that the vast majority of the average citizens in this state know nothing about this. And I do not believe it is in anyone's best interest to rush to judgement on this bill.

The other thing that disturbs me is that I don't know how, in three weeks, you can make a decision on a bill when there has been no economic impact statement published for anyone to evaluate. (applause)

In addition, there are too many far-reaching aspects of this, and too many people in this state will be affected by it, if the sufficient percentage of the population does not have the ability to become aware of it and evaluate all the ramifications of this bill.

As I said, I'm not here to debate all the individual points. I'm sure you'll hear that from many other people.

There are many aspects of the bill that I find troubling. But I think, regardless of your position on the bill, more time is needed to adequately evaluate it and come to a compromise that works, that gives both sides what they're looking for.

Thank you.

SENATOR SMITH: Thank you for your comments.

Mayor Spinelli.

SENATOR SMITH: The fire marshal for Morris Township, Mr. Craig Goss, just came in to indicate that fire regulations require that we cannot have people standing in the aisles or around the room. You need to be seated in order to testify, in a chair. You can't sit in the aisles either.

So what we're suggesting is that you step outside. When people testify, somebody should come back in. We do want to hear everybody's testimony.

We're going to take a three-minute adjournment so that the people who are standing can leave.

ASSEMBLYMAN McKEON: The fire marshall's going to close down the whole meeting, and then we're not going to get to hear anybody.

(outbursts from audience)

(RECESS)

AFTER RECESS:

SENATOR SMITH: Let me ask one more time, in a nice way--

Listen, there are plenty of alternatives. Life is short. There are plenty of alternatives. If you want to have your say tonight, we're here with the legislative staff to listen to you. There are two classrooms downstairs where people can stay. And we're happy to send -- we're happy to get a sign-up slip so there's order. And when there's room, people can come up and have their say. We're happy to do that. We're happy to be here, and listen to you speak your peace, and get it on the record for the Legislature.

If the people who are shouting, who want to disturb this meeting and disrupt this meeting, you can do that. You can cause this meeting to be cancelled. What we're going to do is just go ahead with the third hearing at the next location. We'll expand the hours. We'll have slightly larger facilities.

UNIDENTIFIED SPEAKERS FROM AUDIENCE: Slightly?

UNIDENTIFIED SPEAKER FROM AUDIENCE: It's an outrage.

SENATOR SMITH: Listen, we know what the agenda is here. If you wanted to speak, you have the opportunity to speak.

UNIDENTIFIED SPEAKER FROM AUDIENCE: There's enough people here for Giant's Stadium, not a 200-seat place. It's ridiculous.

ASSEMBLYMAN McKEON: I'm just going to ask one more time, very, very nicely. We want to listen to you. The fire marshall won't allow us to do that while there are some people standing.

Senator Smith and I are willing to stay to 11:00. (outbursts from audience) We'll stay until 11:00, and if there's more people that want to be heard after that, maybe we'll stay later. We want to hear you. (applause)

SENATOR SMITH: We also have the President of the New Jersey Builders Association, who would like to ask his membership for order.

JOHN W. BARBA: I can't say that they're all membership. But for the builders in the room, this meeting -- we have the respect of several elected politicians up there, and we owe them our respect. And in order to get this meeting back on track, we do need to hear testimony so that we don't all go home without testimony being heard. So, if you would-- I know it's a challenge, I know it's hard, and I know there's a lot of people that are not in this room that feel like they're not given the opportunity. But I think, in all fairness, we have to follow the system that's in place. And I would ask for your respect.

Thank you.

UNIDENTIFIED SPEAKER FROM AUDIENCE: John, the facility's inadequate.

SENATOR SMITH: And that being said, there are two classrooms downstairs. We're happy to let people sign up who want to speak. If you are standing, if you would please go down to those two classrooms. And we'll send

people down as room opens up in the room, so that you can come up and give testimony.

UNIDENTIFIED SPEAKER FROM AUDIENCE: But we can't hear the meeting from the classrooms.

SENATOR SMITH: Now, we're also-- Senator Martin had another good suggestion, which is: if you want to testify, and for whatever reason you don't get a chance tonight -- you have to leave -- we will take your name, and you will have first priority at the next hearing to testify.

UNIDENTIFIED SPEAKER FROM AUDIENCE: When, the 23rd?

SENATOR SMITH: The next hearing is Thursday the 15th, in Lebanon Township. If you would like to sign up for the next meeting -- let me ask one of the OLS staff to take a yellow pad out there to get people to sign up -- with your name. And then if the people who are standing would please step outside and go down into the classrooms, we'd appreciate it.

If you cannot wait tonight, we have another hearing scheduled for Thursday night of this week in Lebanon High School (*sic*), and you're welcome to attend.

UNIDENTIFIED SPEAKER FROM AUDIENCE: That's the last one.

SENATOR SMITH: We then have another meeting on the 22nd of April.

All right, we're going to take testimony for five minutes. If the place has not cleared out, the fire marshall will have no choice but to close down the meeting. And then we will see you on Thursday night.

Mayor Spinelli.

MAYOR BENJAMIN L. SPINELLI: Thank you, Senator.

I didn't realize I was attending a school board budget hearing.
(laughter)

Thank you for giving me the opportunity to be heard again on this most important issue.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Can't hear you.

MAYOR SPINELLI: Is it working now? (referring to PA microphone)

SENATOR SMITH: Give it one more second.

MAYOR SPINELLI: Great, thank you.

Thank you for giving me the opportunity to be heard again on this most important issue. I had originally planned to discuss some of the technical aspects of the legislation. And I want to talk about them briefly, but that's not going to be the focus of my remarks.

I'll skip over the why part of saving the Highlands. That's a theme that's been addressed many, many times, and probably will be stated again. Other than an obligatory mention that the region's valuable natural resources need to be protected, I won't belabor that point. If that message hasn't gotten through, we wouldn't be standing here right now.

Let me get the technical part out of the way. This legislation is not perfect.

ASSEMBLYMAN McKEON: Please, everybody, there's somebody testifying.

Go ahead.

MAYOR SPINELLI: Sure.

Let me get the technical part out of the way. This legislation's not perfect. There's certain changes that I think need to be made. Many of them have already been addressed by the League of Municipalities. TDR needs to be permissive, not mandatory -- just another tool at the disposal of Highlands' planners. Otherwise, it's just a mandated growth area by another name.

You know that you need to fund these proposals both by providing sufficient preservation funding and sufficient local grants to meet the planning imperatives contained in the bill. You need to adjust the definitions contained in the bill to avoid unintended consequences or overreaching.

I know it's certainly not your intent to control single-lot development, and you're going to have to take a hard look at how many of the provisions that are intended to affect large-scale development, including the right of first refusal, have the inadvertent consequence of affecting small-scale applications.

Finally, you need to make sure that, to the extent reasonably possible, you leave farmers -- especially farmers who already own preserve farms -- alone. With some 65 percent of the undeveloped land of the Highlands currently in some form of agriculture, you need to find a way to preserve both farmland and farmer. But all of these problems are relatively minor and can be resolved with minimal effort. With the cooperation, responsiveness, and willingness to listen to local officials that have been demonstrated thus far, I'm sure that these remaining issues can and will be addressed in short order.

The formula for success is no secret. Preserving the Highlands will necessitate the application of a holistic approach to planning on a region-wide

basis. That means requiring Highlands communities to chart their respective futures by combining sound, environmentally based zoning with strong, technical ordinances, and aggressive and appropriate open space acquisition programs.

Highlands communities will need a plan with a sense of the unique role that each municipality fills in the region. Achieving this will require allowing towns to communicate and cooperate on planning matters across municipal and county boundaries. It will require making technical planning information resources and assistance readily available to the region's municipalities. It will require adequate financing of land preservation deals and mitigation of the fiscal impacts that are currently imposed upon Highlands municipalities that are meeting what is, essentially, a regional obligation. It will require protection of landowners' equity for properties targeted for preservation. It will require policies that preserve the agricultural resources of the region in addition to the high-profile environmental resources.

We've recognized these principles and followed them in my community for a long time, and I can tell you that they work. Rather than impact our home rule negatively, it will further bolster our planning efforts and give them another layer of legitimacy.

My main point tonight really comes from tonight being the sixth anniversary of when I filed my petition to run for mayor for the first time. As elected officials, I'm sure that's an event that you can all relate to. I know all of you remember the first day that you filed the petition in your own careers. When you first entered public service, I'm sure that each of you -- as I did -- had certain hopes and aspirations for changing the world for the better, for leaving

a lasting impact, for having something to show for all the effort and sacrifice it takes to serve in public office.

For me, it was saving land, protecting the future of my town, being a forceful advocate for my community's interests. I have been fortunate to have had success, and more than just a little bit of help, in achieving my goals. What I've also found, as I'm sure that you have, is that the opportunities to make a positive impact don't come around every day. And when the chance comes, you need to take full advantage. Balancing the budget, paving the roads, they're all important functions that need to be addressed, but this is something much more.

What you have in front of you is a historic opportunity to leave a lasting legacy, the chance to leave a mark. You should consider yourselves privileged to have the opportunity to pass legislation that will have a positive impact that will outlast all of us here tonight.

The most important legislation for the Highlands region, maybe for the entire state, likely to be considered in your careers, maybe your lifetimes -- something you'll be able to point to with great pride at the conclusion of your days of public service-- Think about that for a second. Not many people get the chance to make an impact like that.

As Mayor, I'm called upon to speak to groups from elementary school kids, to Scouts, to high school students, to civic organizations, to senior citizens. I talk a lot about serving future generations, having a vision, and about doing the right thing, about exhibiting courage and leadership.

Supporting this legislation doesn't take courage, but it will take leadership and vision. Those are the qualities necessary to try something new

and to overcome the demands or influences of today in order to provide for the future.

I'm asking you as a citizen of the Highlands, but I'm telling you as a leader of the Highlands community, to show this vision and leadership. This opportunity probably won't be here again, and if it is -- say in five years -- there will just be five more years worth of resources lost.

You've heard it from me before, I'll say it again, good policy makes good politics. Put aside your partisan, special, or parochial interests in favor of the long-term interests of our region and our state.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Time's up.

MAYOR SPINELLI: Take care of the future, and the present will take care of its self. (applause)

SENATOR SMITH: Please, no clapping.

ASSEMBLYMAN McKEON: Carol Kesler.

SENATOR SMITH: On deck is Agust Gudmundsson.

C A R O L K E S L E R: My name is Carol Kesler, and I'm from Treelicious Orchards in Mansfield Township, in Warren County.

My family and I operate a 130-acre fruit and vegetable farm. The fruits and vegetables we grow, and the baked goods we produce at our farm bakery are sold seasonally in New Jersey's farmers markets in Montclair, South Orange, and Montgomery Township. We also are involved year round in the New York City Greenmarket Program.

Our customers look forward to the fresh produce and products brought to the farmers markets from Treelicious and other family operated farms. Our farm is regularly visited by school children, handicapped groups, and

families of all ages to learn about agriculture in New Jersey, and to pick their own peaches and apples fresh from the trees.

I receive many notes of thanks from groups of all ages, and these examples of agritourism, including Pick Your Own, school tourism, and farm market cooking exhibits, benefit New Jersey and New York consumers of all ages.

As my son James prepares for the 2004 growing season, the proposed Highlands legislation has placed a pall over the future of our farm and the ability of consumers to access fresh fruits and vegetables from New Jersey.

Tonight, I would like to share with you my concerns regarding the proposed legislation. As many of you may or may not know, New Jersey passed the Right to Farm legislation in 1983. In 1998, New Jersey strengthened the Right to Farm Act through an amendment to benefit farms and farm markets. The proposed Highlands legislation attempts to undermine the existing Right to Farm legislation in New Jersey. It is absolutely critical that the proposed legislation uphold and confirm the right to farm for all family farms in New Jersey.

Without acknowledging the Federal Right to Farm, the proposed legislation, as drafted -- and believe me, I've read every page of it -- will yield the unintended consequence of making it impossible to sustain family operated farms in New Jersey.

While environmental activists will achieve their objective of controlled growth, excessive regulation and overzealous growth controls will preclude my family and other farm families from sustaining their operations. Of

great importance, New Jersey consumers will be forced to pay higher prices for foreign products rather than enjoying access to farm-fresh New Jersey produce.

I'm opposed to other aspects of the proposed legislation, including the denial of home rule to local municipalities, the appointment process to the commission, and excess restrictions placed on existing farming operations.

First, the proposed legislation must support the practice of home rule by local municipalities. Local municipalities, such as Mansfield Township, are in the best position to plan for their own growth and to understand the farming operations in their area.

Second, the Highlands Commission should reflect the demographics of the Highlands region, including at least one seat for a family farmer. Who best could speak to the issues impacting agriculture than a 21st century farmer?

Third, the Highlands Commission should act to preserve the equity in a farmer's land. Maintaining the farm's equity is the farmer's insurance policy to hedge the inherent risks in farming. Without preservation of farm valuations, farmers cannot obtain loans to grow crops, purchase trucks, pay employees, or maintain their own properties. Without this preservation of value, New Jersey's family operated farms will be unable to preserve their property and water rights, unable to pay increasing school taxes, and unable to sustain agricultural activities. The unintended results will be the abandonment of family farms, yielding a new economic burden for New Jersey municipalities.

I thank you for your thoughtful consideration of my concerns.

SENATOR SMITH: Ms. Kesler, thank you. And just so you know, we are working with the Farm Bureau and the Secretary of Agriculture to

try and make certain that farming is treated fairly in the bill. The bill will be amended.

MS. KESLER: It has to.

SENATOR SMITH: Is Mr. Agust Gudmundsson here?

A G U S T G U D M U N D S S O N: Yes.

I have copies.

ASSEMBLYMAN McKEON: Thank you.

MR. GUDMUNDSSON: My name is Agust Gudmundsson. I'm Chairman of the New Jersey State Council of Trout Unlimited. I'm also the Chairman of the Environmental Commission in Liberty Township.

I'll read, briefly, my comments.

Trout Unlimited is a long-time supporter of the Highlands Coalition, supports the Highlands Task Force Action Plan, and encourages the speedy implementation of it. Over the past few weeks, we have heard a number of objections, which I would like to take a moment to address.

Home rule has merit when the rules are clear and the enforcement consistent. It allows a town to plan according to its need. Watersheds, however, do not recognize municipal or county boundaries. There is little or no mechanism for establishing guidelines to prevent one town's mismanagement from impinging on its neighbors. There are a few examples of well-run, diligent, responsible municipalities in the Highlands. They are, however, the exception.

Too often have we witnessed the planning board or town council, greedy for ratables, push through variances to assure a development is built, especially at the edges of town where the neighbors bear the brunt of the increased traffic and runoff. Too often have boards approved a project under

the assumption that DEP will protect us if something is wrong, only to have DEP rubber stamp the permit assuming the town would have not allowed the project if there was a problem.

The proposed oversight committee does not remove home rule. It merely acts to ensure that the rulers actually follow the rules. It gives teeth to those communities that are working to protect open space and drinking water, and it prevents those who are building beyond the scope of the region from impacting negatively on their neighbors and those of us who rely on water from the Highlands.

There is a deserved emphasis on the millions of people in Bergen, Hudson, Essex, Union, Middlesex, and Somerset counties that rely on water from the Highlands. But don't lose sight of the hundreds of thousands of us who live in the Highlands and get our water from wells. Those of us in Sussex, Warren, Morris, Passaic, and Hunterdon counties -- our well doesn't come filtered, processed, chlorinated, and fluorinated. It comes raw and untreated from the wells in our yards, and that water is in danger.

If the current malignant sprawl is allowed to go unabated, New Jersey will be faced with a crisis of monstrous scale. The time to prevent the crisis is now. The proposed Highlands plan is the means to do this. Sitting on your hands in Trenton and waiting to see if the problem develops is irresponsible. You need to act now.

Steel yourselves against the call from those who have spent the last few years building at the last vestiges of open space in the Highlands. Their cries of, "Wait, let's study this. Let's not rush this. Let's not change things" -- they're just allowing them to build for a few more months or a few more years.

We're losing land at the rate of 60,000 to 80,000 acres a year. We have to act now.

Everyone's in favor of open space and clean water, but the lure of big money and quick profits is systemic. When we hear politicians spouting about slow down and wait, it's tantamount to saying, "I care more about the builders' money than your clean water." The clock is running, the fuse is lit, it's been too long. The time to act is now. Either do something now or wait for the explosion, and it will happen if you do not act.

Also, in regard to the T-shirts here: Those families need homes, but all of those people in those homes are going to use the water, and we don't have enough as it is.

Thank you. (applause)

And I'll relinquish my chair so someone can come in from the outside.

ASSEMBLYMAN McKEON: Thank you, sir.

We'd like to call upon John Barba, the President of the New Jersey Builders Association.

John.

On deck is Mr. Tittel of the Sierra Club.

MR. BARBA: Thank you, sir.

Mr. Chairman, members of the Committee, I'm John Barba--

ASSEMBLYMAN McKEON: Please give the speakers your courtesy.

Thank you.

MR. BARBA: --President of the New Jersey Builders Association, and a life-long resident of the Highlands region. I appreciate the opportunity to speak with you this evening.

The Highlands Water Protection and Planning Act is a complex proposal by any definition. It was introduced two weeks ago, and despite its length, it is not yet complete, lacking a map of the preservation area.

In speaking with my neighbors, residents of the region who are attentive to its future needs, I find that they are only generally aware of the measure. But they are very interested in learning more about its details and its implications. We all hope that when the bill is complete and amended to reflect the results of your hearings, there will be adequate time for concerned citizens to assess it.

When I testified before the Highlands Task Force in December, I was emphatic on two points. First, builders support increased protection of the region's water resources. And second, mandates that will protect our water resources must be balanced by mandates that will house and employ our human resources.

I suggested that a consensus could be readily achieved in support of a regional approach, one that uniformly applied Smart Growth principles throughout the Highlands. Sadly, the bill does not reflect these recommendations.

While the lack of balance is disappointing, its proponents deserve respect for making clear that balance wasn't their goal, and that requiring governments to address housing and employment needs would be a disaster and, therefore, is not in the bill.

Once the proposal is complete, the New Jersey Builders Association, with time permitting, will submit formal comments on the bill's extensive provisions, and we will work with those who believe that a balanced framework is essential to enhancing the quality of the region's resources, including its human resources.

In the interest of time, and the Committee's desire to hear from as many of my Highlands neighbors as possible, let me touch on just a couple of points. First, under the preservation area -- until the preservation area is delineated, we cannot meaningfully comment on the proposal's provisions for that area, or its implications for places outside of it, including communities outside of the region.

Second, by definition, the proposed planning area is not a critical resource area. That being the case, we have to question the rejection of balance in that area. Why does the bill embrace, indeed enhance, parochial decision-making at the expense of Smart Growth in that area? We would welcome -- I'm sorry -- we would expect that any regional approach to planning would do two things: It would define the areas that are off limits to economic development, and it would define the areas where the housing and workplaces will be built.

Even the most ardent supporters of the bill appear to acknowledge that there is an enormous need for housing in New Jersey that is not being met. This is evident in soaring house prices and rents, and an alarming rate of increase in those who cannot find an adequate place to live. But when pressed on how that need should be addressed, when pressed to answer where will people live, the response is an evasive: somewhere else.

We believe that those who propose regional restrictions on where people may live have an obligation to propose regional answers to where they will live. We are told that we should redevelop the older areas, that brownfields are the future. We don't disagree. As a review of the data demonstrates, we are already there. It is a fact, however, that not all of our current or future housing needs can be satisfied in those areas, particularly when the State policy fails to match rhetoric with resources.

One example of the magnitude of this issue lies with the roughly 100,000, mostly already in their 20s, currently living in the Highlands area. These are the grown children of families who reside in the region today. As they enter the workforce, where will they work; as they form their own households, where will they live? The bill does not address their needs, much less the needs of their younger sisters and brothers. In fact, the Highlands bill offers these young adults two choices: live in their parents' home or leave the area.

There is a better way. Tell us where they can live. Define where people will live in the region and require that State and local policies provide for them. It needs to be specific, and it will be a challenge.

For the past 11-and-a-half years, the State Plan has recognized the need for 143 centers in the Highlands region. So far, only 18 have been designated, and most of those have no growth potential.

The premise of the Highlands bill is we must fundamentally alter our approach to regulating land in the region, but lacking balance, it fails to do so. A regional approach must provide for people as rigorously as it provides for preservation. It must do more than dictate its restrictions, it must delineate its opportunities. In addition to directing where people will live and work, it must

provide incentives to facilitate intelligent growth that will accommodate the housing needs not just of the affluent, but of the middle and modest income households.

Members of the Committee, as I said at the outset, as a life-long resident of the Highlands, I treasure all that it has to offer and I'm committed to its future, because it is where I hope my children will live. If we are to achieve our mutual goal -- and if doing so requires that we must close the door to opportunity in certain areas -- then it is necessary that we open it wider elsewhere. For the current and future generations, that goal is as worthy, and compelling, and as urgent as any.

Thank you for the opportunity.

SENATOR SMITH: Thank you, Mr. Barba. We appreciate your comments. (applause)

Jeff Tittel.

We'd ask that you not clap. It's out of order.

Mr. Tittel, if you would.

And in the on-deck circle: Jim Mullen, from Pulte Homes.

Mr. Tittel.

J E F F T I T T E L: Thank you.

I just wanted to--

Jeff Tittel, Director, New Jersey Sierra Club.

I just wanted to address a couple of different items that I think have been brought out of characterization and, sort of, stoked up by people who really are opposed to the bill. And first and foremost is that everyone's saying this is moving too quick. Well, first of all, there have been-- This is the second

-- or third hearing already. There's two more planned. This bill will most likely go to Budget and Appropriations after this, and then for a floor vote.

On top of that, very rarely do any major pieces of legislation have five or six public hearings. It's very unheard of. On top of that, we've had a series of hearings on the Highlands Task Force. There's, I think, been at least three of those just in the last six months, where everybody was invited to attend. We had over 350 people here in Morristown back in December. We had other hearings with that. Prior to that, we had the State Planning Commission designate the Highlands as a special resource area where that was studied -- and put out a report. The U.S. Forest Service has done two studies: one last year, and one in 1992. There have actually been two Highlands Task Force, one under Governor McGreevey, one under Governor Florio. There was a Skylands Task Force under Governor Kean.

We've had studies upon studies on the Highlands for over 50 years. This isn't even the first bill. In 1970, there was the Skylands Protection Act, which talks about the same core areas we're trying to preserve now. It actually passed the Assembly in '69, and with the change of Legislature, it came up in 1970. It passed the State Senate, and Senator Sisco, from Passaic County, died and the bill didn't go anywhere. So we've been talking about preserving the Highlands not only for the last 30 years, but for the last 100 years. And time is running out.

Every year, we're suffering the death of a thousand cuts, with new developments going in where there was never any basis of planning, from an environmental standpoint, in the towns. When I sat on the planning board in my town of Ringwood -- and I'm a third-generation property owner in the

Highlands -- we would see new developments go in. And all of a sudden, when the new developments went in the mountains, all the homes along the road would have to put in new wells, because the new homes behind them sucked out the water.

Parts of the Highlands have a water deficit, because so much of our water is so critical for the State of New Jersey. Every day, four million people get some of their drinking water from the Highlands. Another half-a-million people who live in the Highlands get their drinking water--

And what has always amazed me was that the protection of this resource for so many people -- which is the lifeblood of our economy -- everything from Minoxidil to Manischewitz matzo, from Progresso Soup to Valium -- you can go down the list -- is dependent on Highlands waters. One hundred billion dollars of New Jersey's economy is based on clean water.

And what always bothered me was that that resource got its protection from local citizens and local town government. Sometimes the town governments were good, and we actually had to fight the State when they wanted to site things like garbage transfer stations next to potable water supply streams in West Milford. Other times, the citizens took on sewers to keep sprawl out of Ringwood, when the town council tried to put sewers in so that their developer buddies could build condos right on the reservoir. And the people in the town voted it down 3,500 to 1,000.

We've had this back and forth system that hasn't worked. We all want home rule, but home rule doesn't work, because we're talking about the resources for the entire State of New Jersey, for the people of the state that depend on having drinking water.

When we don't develop properly -- and you can see in the Passaic basin, we have one of the worst flood-prone basins in the country-- And when it rains real hard, people die, because we haven't managed that resource, and we haven't managed the lands that we have. We've allowed reservoirs in parts of the state to get closed because we've allowed overdevelopment in places like Clark, and Haledon, and so on and so forth, so that we've now lost water supplies. We've had thousands of wells in central New Jersey closed over the last 30 years because of pollution to groundwater from contaminated sites.

So every time we close a well or we lose a reservoir, more people are dependent on the water from the Highlands for their drinking water. And as we keep developing in the Highlands, more people in the Highlands are dependent on that water. And there's a conflict when places like Roxbury -- during a wet summer -- has to go on a water ban, because they're overpumping their aquifer. And when those towns overpump their aquifer, it means less water going into the Boonton Reservoir and other things.

We have not managed our lands properly, we have not managed our water properly. This bill is our last and best hope for that to happen. More people visit the Highlands--

UNIDENTIFIED SPEAKER FROM AUDIENCE: Time.

MR. TITTEL: More people visit the Highlands--

ASSEMBLYMAN McKEON: Wrap it up, please.

MR. TITTEL: I'd like to go as long as the gentleman before me.

ASSEMBLYMAN McKEON: This is the third time you've testified.

MR. TITTEL: More people visit the Highlands than visit Yosemite, Yellowstone, and the Grand Canyon combined. But the Highlands are more

important to the people of New Jersey, because we don't get our drinking water from Yosemite, and you can't get to Yellowstone from places like Hackensack.

In final -- I just want to say, we need this legislation, and it's important for it to go forward. I know there are going to be some changes along the way, but we need this bill, and we need it soon.

Thank you. (applause)

ASSEMBLYMAN McKEON: Thank you.

Jim Mullen.

SENATOR SMITH: We ask you not to clap on both sides. Just let us get the testimony, please.

ASSEMBLYMAN McKEON: Mr. Mullen, from Pulte Homes, are you still here?

And on deck is Tom Mac Allen, a Ringwood Councilperson.

J I M M U L L E N: Good evening, Mr. Chair, and thank you for the opportunity to speak tonight.

I have a couple of concerns about the bill. First of which is its length, and the time that we've had to review this. Introduction on March 29 -- and 150 pages. I haven't even been able to get through it all. So that alone, I'm sure, is a concern of many people here.

The bill itself -- to me it seems to be just another super zoning ordinance that's usurping the power of local municipalities and the counties, without any voice.

I know another speaker here tonight talked about the fact that there's going to be a 15-person council, and about seven of them will be from --

one each -- from each of the counties. It's certainly not representative of 90 municipalities in this region. So there needs to be more fairness in that regard.

Then, how will this act be compatible with the State Plan? Which will control, if there's an inconsistency, between the State Plan and the Highlands Act? To me, it would seem that the State Plan should take precedent. You have a plan that was developed over many years by all departments of the State government to put it in place, incorporating both the local and the county concerns and their cross acceptance. But this particular bill doesn't even mandate that the Department of Transportation or the Economic Development Authority should have a say or be considered in the act when it's being adopted.

And economics is another big concern. It's clear that the goals of this bill are mandated -- preservation and protection. But when it comes to economic growth and development -- improvements of towns -- the word that comes up in the bill *is encourage*. You encourage growth. I just think that that's not appropriate. You need these towns to grow commercially, they need to grow residentially, in order for them to thrive. You have businesses in towns where people are coming from Pennsylvania just to come to work because they can't afford a house in their own municipality. And it's not getting any better.

You have jobs created by the construction industry that you're looking to cut off. The economy is basically being fueled right now by the construction industry. There's about 100 jobs created by every single house that's being built in the State of New Jersey. And it's just unwise to put such a stranglehold on the economy by closing the door to that new construction and those new houses.

And housing itself-- I mean, I haven't read through the whole bill, but I don't see anything there of how housing, the Fair Housing Act is going to meld with this at all either. Is there going to be provisions for affordable housing anywhere? Is there still going to be that constitutional mandate of affordable housing provided in this act, or is that just going to go by the wayside because of the mandates of preservation?

And property rights, which have been spoken of innumerable tonight-- Is there a fund, a source of money that's going to be available to pay for all of the farms, all of the landowners, people who -- that's their investment. Maybe they don't have investments in stocks or portfolios. This is their investment, this is their life savings, and now there's no way they know their going to get paid out on that.

I know there's transfer of development rights talked about here, but that's been an experiment in Burlington County that I don't think is very successful at this point.

So, in conclusion, I respectfully request that this act be tabled until such time as all of the departments of this government can carefully consider all the impacts, because the citizens of this region are simply not being heard here, and this bill is being rammed forward, for political reasons, by a Legislature who is being driven by environmental special interests.

Thank you very much for your time.

SENATOR SMITH: Thank you for your comments.

Tom Mac Allen, Ringwood Councilman.

(applause)

And in the on-deck circle, Victor--

Could we ask that you not do that.

Or better yet, Officer, if there are any more of those outbursts, could you take the people out?

I mean, right now we have a very orderly meeting and getting the information on. We don't need the interruptions.

Mr. Gailums, you're next, and after--

I'm sorry, Mr. Mac Allen, you're next, and after that Victor Gailums in the on-deck circle.

Mr. Mac Allen.

T O M M A C A L L E N: Good evening.

I think it's appropriate that I come in right after Pulte Homes, as a Councilman in Ringwood. They have many homes going up in Ringwood. They're in the \$600,000 to \$700,000 range. I don't know how many families necessarily are affording those homes, not to mention the fact that if you go up there you'll find that there's almost no soil erosion sedimentation control devices. They're draining right into Class I waterways. But that wasn't the thrust of my presentation.

I'm also an engineer, besides being a Councilman in Ringwood. In 1981, I did the study of water supply for northeast New Jersey for the State of New Jersey. At that point, we were in the middle of a major drought. Hackensack Water was within 19 days of running out of water. All these people that want to build their homes would have been drinking sand.

While, since then, we've developed Monksville Reservoir and the Two Bridges pump station, these have only stemmed the tide temporarily. North Jersey is dangerously close to exceeding their safe yield. You only need

to look at the sandy bottom of the Wanaque Reservoir, only a mere couple years ago, to see just how close we were. Had it not been for Hurricane Floyd, you'd have been in major problems that year. If you look at the results of Floyd, it basically filled the reservoir, and you still were down to sand the following year.

At your last presentation up in Ringwood, you heard some sort of an attempt to make an analogy between pumping from Two Bridges as polluting the North Jersey district's water supply up in Wanaque, compared to that of -- the analogy he was trying to make that you build homes, it's no worse than pumping that water.

What the speaker failed to point out in his logic were a couple of things. First of all, believe me, they only turn those pumps on, at the cost of energy, very seldom and only when they're near drought and they're in desperate situations. And yes, it does cost some more money to treat that water in those times.

If you develop the watershed, you're going to be polluting that reservoir every day, and your cost of treating that water is going to go up every day.

In addition, what he failed to point out was that development is also going to use water and further stress your safe yields.

Yes, I personally do favor this bill. But as a steward of this water supply, we really do need tax relief in some shape or form. And your \$40 an acre is a nice gesture, but what you have to think of is the number of people that are making use of this water, and the cost per gallon of what it would be to have to treat a more developed watershed-- And I think you'll find that there's a cost

differentiation there that would be much higher. Forty dollars -- and you're talking about trying to preserve a core of 120,000 acres -- that's going to raise about \$5 million a year. You're providing water, just out of our area, to over two million people. If you count Newark in there, you're dealing with a lot more. I think a more realistic thing would be to look at how many people you're providing water to out of these watersheds, and then very easily you can compute what it's going to cost to have to treat a more developed watershed. And that differential should be the surcharge. And it doesn't even have to be that whole differential. You can either pay us to preserve, or you can pay to treat. And it's going to cost you far more to pay to treat than it will to preserve.

Thank you very much.

ASSEMBLYMAN McKEON: Thank you very much, sir.

We have Mr. Gailums, of Gailums Brothers Construction. And on deck is Barbara Brummer, of The Nature Conservancy.

VICTOR I. GAILUMS: I don't have a prepared speech. I just want to tell you my perception of what's going to happen.

You're going to cause a lot of people to lose their jobs. The economy is going to go way down. Then you're going to propose to buy the land that is worthless with tax dollars, taxing people who have lost their jobs. Does that make any sense?

And that's it.

ASSEMBLYMAN McKEON: Thank you, sir.

SENATOR SMITH: Barbara Brummer, of The Nature Conservancy. And after that, Steve Caporaso, of Farinella Homes.

BARBARA BRUMMER: Good evening.

My name is Barbara Brummer. I'm a life-long resident of New Jersey. I've lived here all my life. I am a scientist, with extensive training in field biology. In January, I became the State Director for The Nature Conservancy of New Jersey. The Nature Conservancy has protected over 55,000 acres of critical habitat in New Jersey. Our mission is to protect plant and animal species and the ecological communities where they live, by protecting the land and water they need to survive.

We have three offices in New Jersey, key areas of critical habitats. One office in the Delaware Bay Shores, one office in the Pine Barrens, and one office in the Skylands, the area that we're talking about tonight. Our science-based approach to conservation studies the needs, the threats, and the strategies for effective conservation. We strongly support this legislation.

There is a critical need for a strong regional planning council to guide development and to protect critical habitats with mandatory authority in the preservation area. The Highlands are home to many species and habitats that must be protected. The people of New Jersey rely on these areas to recharge our water supply. My grandchildren rely on me, and that is us, to protect their future.

We ask your support of the implementation of the recommendations of the Highlands Task Force.

Thank you very much.

ASSEMBLYMAN McKEON: Thank you very much.

Mr. Caporaso, and on deck is Ted Korth, of the New Jersey Audubon.

STEVEN J. CAPORASO: Thank you, again, for the opportunity to speak in front of this commission again.

I will be very brief, because a lot of the things-- I do oppose the bill. I've lived many years of my life in the Highlands. I'm raising my family in the Highlands. And I concur with a lot that's been said before, in particular what John Barba, the President of NJBA, has said earlier, so I'm not going to sit here and repeat myself.

I am going to comment on a few things. Senator Martin, earlier, said that this bill would be good for our children and grandchildren. I see it a little bit differently. This is going to make a lot of land value rise -- any land that is buildable -- the value will rise and will force any home to be built on that property to escalate in cost. Again, we will be taking out the young families, the 100,000 people that live in the Highlands currently, that are looking to move out, and those children, and grandchildren, and the people that are going to come into the State of New Jersey, an affordable place to live. So, for that reason, it is, again, going to just drive up the cost of housing.

And one other point I'd like to make-- We've talked a lot about water on both sides tonight. I do not see anywhere in the bill where it imposes any strategy to increase capacity in this area. If we're all worried about water, we should also consider increasing capacity by building new reservoirs, increasing the infrastructure so, when we do go into a drought, we are prepared with the current residents that are in that area and the residents that will move into that area.

Thank you very much. (applause)

SENATOR SMITH: Please, hold your clapping.

Ted Korth, New Jersey Audubon. And after that, in the on-deck circle, Todd Murphy, representing -- it just says builders.

Ted Korth, if you'd come forward. (no response)

Ann Quinn, New Jersey State Federation of Women's Clubs, and then Todd Murphy in the on-deck circle.

A N N Q U I N N: Good evening.

My name is Ann Quinn, and I'm President of the New Jersey State Federation of Women's Clubs. And it's a service organization with 309 clubs and approximately 14,000 members throughout the state. We represent the average resident, and strongly support Senate Bill 1 and Assembly Bill 2635.

Our membership is very concerned about the fate of the Highlands, not only because it is the last pristine area in New Jersey, with a landscape of national significance for visitors to enjoy, and therefore crucial to the tourism economy, but also because this area is a special resource for drinking water for half of New Jersey's residents.

Once lost to the same development sprawl covering other parts of the state, from where will the water be obtained, and at what cost to us, the taxpayers?

This legislation is an effort to protect a core area of undeveloped land in the Highlands, and makes provision for acquisition and transfer of development rights. We would also want to see a regional planning council, as recommended by the Task Force.

And as to the question of the fast pace of the bill, the questions affecting the Highlands were on the November ballot and were approved by the

voters of New Jersey by a very large margin, because residents of New Jersey are looking for open space.

This legislation is needed now. Let's get it passed.

Thank you.

ASSEMBLYMAN McKEON: Thank you very much, ma'am.

Mr. Murphy.

And next -- and I'm not sure -- this is a Kathy and Christina McGinnis signed up. I guess both of them can come.

All right, they've left.

T O D D M U R P H Y, E S Q .: Thank you, Mr. Chairmen, members of the Senate and Assembly. Thank you for this opportunity to speak to you tonight.

ASSEMBLYMAN McKEON: Mr. Murphy, I don't mean to interrupt you, but Mr. Korth, who was called before, I understand we found.

So you will be next.

Thank you, I'm sorry.

MR. MURPHY: Thank you.

My name is Todd Murphy. I'm an attorney with Pulte Homes, a nationally recognized new home builder. And, of course, we build homes here in New Jersey.

I will try to be brief, because I think many of the things have been said very well tonight. But I think the one message you've heard loud and clear has been the timing of the bill. Most of the people that have come before me have said, "Please slow it down." I would say the same.

Let me make it very clear that I think all builders, and certainly we at Pulte Homes, support, very much, water preservation and good planning.

However, this legislation has nothing to do with water preservation, and it's far from good planning; farther than I could ever imagine, quite frankly. An outright prohibition on development, including low and moderate income housing, which this bill is, is certainly not good planning. Therefore, I cannot support this legislation in its current form. And I urge this Committee to revisit many, if not all, of it's provisions.

A couple of examples: Where in the Water Preservation and Planning Act are the water preservation measures? Where is the feature of the bill that provides for expanding our reservoirs? Where in the bill do we have anything that monitors or upgrades the many sewage treatment plants that are located in the Highlands, which supply the drinking water that we're here discussing -- pardon me, would empty into the drinking water that we're here discussing? There are no controls for runoff of septic systems, there are no controls for runoff from fertilizers and farm animals, and there are no requirements for instituting water-saving plumbing devices, not only in the Highlands, but in the areas that are served by the Highlands: the Budweiser plant, for example.

I'm opposed to this bill because it guts our current laws for constructing low and moderate income housing. This affects not only the Highlands itself, but all of the many urban areas across the state which might receive the regional contributions that are often made.

Many of the towns in the Highlands have yet to fulfill their COAH requirements, and have yet to build their low and moderate income housing or fund a regional contribution agreement. What will happen to those homes that won't be built for low and moderate income housing?

I'm opposed to this bill also because it encourages precisely the type of development, which is known as sprawl, with its requirement for more than 3 percent impervious lot coverage. Only large lots will be developed. This bill is not smart growth.

I'm opposed to this bill because it flies in the face of a long-standing tradition in this state of home rule. Many of those mayors who have come before me tonight have said that, and I can only amplify that. The DEP veto provision does not, in any way, implement good planning.

Some farmers are here tonight who relied upon the ability to sell their land to developers as their retirement accounts and otherwise provide for their families. They're going to suffer devastating blows by the implementation of this bill.

The two segments of home buyers which will be hurt the most from this bill are first-time home buyers who look for low-cost homes, and seniors on a fixed income who also look for low-cost homes. A shortage of developable land will increase housing costs for all home buyers, but these home buyers will suffer the most from this bill.

Environmentalists are in favor of this bill because they just want absolutely no development, period. They enjoy their homes, but they don't want anyone else to have one. Unfortunately, this view is selfish and short-sighted. Yes, good planning is necessary. Yes, protection of the water is necessary. But so too are new homes necessary.

Thank you.

SENATOR SMITH: Thank you.

Ted Korth, New Jersey Audubon. And in the on-deck circle, Barbara Lollin, of the Community Builders Association.

T E D K O R T H: Chairman McKeon, Chairman Smith, thank you.

ASSEMBLYMAN McKEON: Thank you.

MR. KORTH: Ted Korth, New Jersey Audubon.

I'd like to say I'm glad that Pulte Homes is in favor of stronger water protections, and we look forward to working with them in the future on that.

This bill, however, has been in the works for a hundred years. I think, as the Senator pointed out earlier, since 1907, possibly before we've known that this protection is needed. We studied it in the late '80s, we studied it in the early '90s, we studied it in the mid '90s. Now we finally have a bill. It's long overdue. This is a good bill, it's a solid bill, it keeps equity, it will allow for growth in areas where growth is proper, it will allow for water protection where water protection is needed. There may be a few tweaks that you have to make to the bill along the way, but overall, it's a well-done effort and needed at this time.

Thank you.

SENATOR SMITH: Thank you.

ASSEMBLYMAN McKEON: Thank you.

Ms. Lollin. And on deck is Amy Hanson.

B A R B A R A L O L L I N: Hi, I'm Barbara Lollin, President of the Community Builders Association. Thank you for this opportunity to speak to you.

The Highlands bill before you today does not answer many questions, but it does clearly say where New Jersey citizens will not be living.

John and Marie are an actual family that live in the Highlands with their two small children. They were both born in the area, and their parents live close by. John works in the area and has an excellent job. They have good friends and contribute to the community through their participation in religious and cultural organizations.

They bought a modest, two-bedroom home five years ago, with the idea that they could expand it when they had more resources. Low interest rates and a bonus fueled their discussions until now they're ready to build an addition.

Unfortunately, John and Marie won't be able to expand their home under this legislation. They're not sure what they will do. They would like to remain in their home, but it doesn't meet their family's needs; and existing, larger homes in the area are all too expensive.

John attended a public meeting last week. Although many diverse opinions were stated, he was upset that the people most affected by this bill, people like him who need a place to live, were not vocal. He was also surprised that so few people knew the details of the legislation, or whether it actually dealt with water quality, water capacity, or water security. He was also worried that the company he works for may not want to remain in this area if it cannot expand.

A bill that radically alters the manner in which almost 17 percent of New Jersey is governed should not be rushed to judgement. No one is against clean water, but equal emphasis on the needs of homeowners, taxpayers,

businesses, people's jobs, and families should not be sacrificed to political posturing. Now is the time to ensure that both growth and preservation is done so that John, and other New Jersey citizens like him, can find a home.

If New Jersey is to remain a vibrant state, we need to take a close look at the issues of home rule, municipal compliance, balanced growth, and the economic impact of this bill on the future of New Jersey.

As President of the Community Builders Association, representing over 500 builders and associates in the Highlands, I am committed to clean water and balanced growth. I urge you to take time to carefully study this bill and all its implications.

Thank you.

SENATOR SMITH: Thank you.

Amy Hanson, identified as a farmer. And in the on-deck circle, Richard A. Billok, from Pella Windows and Doors.

Ms. Hanson.

AMY HANSON: Hi, my name is Amy Hanson, and my husband and I farm 38 acres in the Highlands.

We support the legislation 100 percent. My husband is a full-time farmer, and we're taxpayers in the Highlands. We have enrolled our farm in the Farmland Preservation Program in the hopes of supporting the future of locally grown food and the livelihoods of farmers.

Extensive analysis has gone into this bill, and we think it's time for it to pass now. We also are-- Particularly, I'm very in favor of affordable housing. I'd love to see some developments that are 100 percent affordable housing. I urge developers to address and embrace the many, many

redevelopment opportunities all over the State of New Jersey. I think it's time to be very creative, because we're losing our land, we're losing our clean water, and it's time to be creative in development opportunities.

Let's see. Our water supply does need this critical legislation, and I urge you to please protect our home by passing S-1, A-2635.

Thank you for the opportunity to speak.

ASSEMBLYMAN McKEON: Mr. Billok, I'm sorry if we didn't call you already -- with Pella Windows.

Thank you, sir.

And on deck is Ms. Somers.

RICHARD A. BILLOK: Thank you for giving me the time to talk.

I did prepare a couple of comments, which I'll try to get to in a moment or two.

But just taking some notes and listening to the various people speaking tonight--

For example, Senator Martin, you did indicate that this bill is still a work in progress. So I would ask you that, since it is still a work in progress, could you please get out some more information and maybe give it just a little bit more time for people to think about it and get all the information available -- to citizens of this state -- so that we can learn more about it and, effectively, everyone can make a proper judgement on it.

Also, number two, I did hear somebody from the Sierra Club talk about protection of water, which I'm sure everybody's for. Those that are in favor of this bill keep talking about how there's been study, after study, after study, and that's wonderful that there has been so many studies. But my first

question is that since there's been all these studies, not one person has thought about how to deal with runoff from excess of rain. We talk about how there's droughts and things like that, but nobody seems to talk about what can be done to prevent runoff from water that does exist. For example, we had a very tremendous rain season last year. Nothing was done to do anything with that water.

One thing I saw yesterday on television was -- yesterday morning -- a commercial with our Governor, Governor James McGreevey, inviting business and industry to come to New Jersey and move to New Jersey, which is absolutely a great idea for the state. But when all these companies, and industries, and commerce will come here, where are the people who work here -- what are they going to do? Are they going to commute, are they going to live here? If so, how are they going to afford to live here?

And just, once again, I would ask that those that are in favor of this bill -- you're more than entitled to believe that and be in favor of this bill. But I only ask that people stop, take a deep breath, think about this, and really make an informed decision.

Thank you.

ASSEMBLYMAN McKEON: Thank you very much, sir.

Julia Somers.

And I'm sorry, on deck is Matt Sprung, I believe with the builders.

JULIA M. SOMERS: Good evening.

My name is Julia Somers, and I am the Executive Director of the Great Swamp Watershed Association, an environmental nonprofit organization dedicated to the protection of the environmental, historical, and cultural

resources of the Great Swamp watershed. We presently have about 2,500 member households.

The Great Swamp watershed is comprised of all or part of 10 communities. In Morris County, its towns include Morristown, Morris Township, Mendham Township, Mendham Borough, Long Hill Township, Harding Township, Chatham Township, and Madison Borough.

In Somerset County, the two Great Swamp watershed communities are Bernardsville Borough and Bernards Township. Only part of the Great Swamp watershed lies within the Highlands, with Route 202 serving as its southern boundary -- that when we're giving classes on environmental stuff to interested people, that's where the continents collided. There is actually still a fault along Route 202, where they occasionally have earthquakes. That is the beginning of the Highlands. All of the watershed receives its water from the Highlands.

The service providers include New Jersey American Water Company, with its first outtake on the Passaic River at Canoe Brook -- just next to the Short Hills Mall -- where water is mixed with that drawn from its well, which pulls from the Buried Valley's Aquifer, an aquifer that is largely renewed by water from the Highlands.

The Passaic River rises in the Highlands, in the Mendhams, Bernardsville, Harding, Morris Township, and Morristown. From Canoe Brook, it is our understanding, approximately 1.2 million residents are served by New Jersey American alone, most of them not resident in the Highlands.

Other water service providers to our region include the Southeast Morris County Municipal Utilities Authority and many private wells,

particularly in Harding, Mendham Township, and Bernardsville. Two-and-a-half years ago -- a little more than that now -- a number of private wells went dry locally during the drought, some for a prolonged period of time.

As an example, the Cross Estate in Bernardsville -- part of the Morristown National Park -- had its oldest well run dry in July. That well is shallow, old, and served the residents of the main house. Then there was a second, deeper, and more modern well that serves the beautiful gardens, which are open to the public at the estate, and all household use was transferred to that well. Three weeks later it ran dry, too, and it remained so well into September. It was a much deeper well than the first one.

At the same time, it was estimated that nearly 93 percent of the Passaic River downstream was entirely treated effluent. This was water that then became drinking water again for residents of towns in northern New Jersey. The drought served as a sharp reminder that our water supply is not infinite.

Huge, more urban areas of northern and eastern New Jersey receive the entirety of their water from the Highlands, including Newark and Jersey City. You know that. You know from reading the newspaper that those water reservoirs are under increasing pressure from local towns like Parsippany, which has been requesting a new supply from the Jersey City Reservoir. And at this time, NJDEP is not sure that there is even enough supply available to meet the future demand of these towns currently dependent on the Jersey City Reservoir.

Competition among towns in the Highlands, and those in areas where the State Development and Redevelopment Plan says New Jersey should be growing, will become acute. The only tool to help us avert this crisis is in this slow-in-coming but far-sighted legislation that you are considering.

I know from my tenure as Chairman of the Open Space Committee of Watershed Management Area 6, which covers nearly all of Morris County and parts of Passaic, Union, Somerset, and Sussex counties, that headwaters of the mighty Passaic River rise over a substantial part of the Highlands.

Some of these headwater areas are unlikely to make it into what we hear referred to as the core area of the Highlands, in which regulatory review will be strictest under this legislation. I strongly encourage you to recognize that regulatory review should be intense throughout the Highlands, and also to recognize that protection of the entirety of the Highlands is essential if we are to succeed in protecting its water resource values for half the residents of the state and even larger percentage of its economy.

Certainly, the Great Swamp Watershed may not make it into the core area of the Highlands.

UNIDENTIFIED SPEAKERS FROM AUDIENCE: Time.

ASSEMBLYMAN McKEON: If you could wrap it up, thanks.

MS. SOMERS: Certainly.

You have heard, loud and clear, over and over now, throughout New Jersey, in repeated open space tax referendums-- The state's residents have voted with their pocketbooks by a 70 percent margin. We want a new approach to development, an end to further sprawl, a recognition of the economic and health benefits that open space and healthy ecosystems provide, and a stop to the influence of noisy, rich lobbyists. New Jersey's residents want you to protect the Highlands now, and we salute your courage and leadership in supporting this legislation.

Thank you.

SENATOR SMITH: Thank you very much.

Matt Sprung, identified as a builder. Mr. Sprung. And in the on-deck circle, Ella Filippone, Passaic River Coalition.

MATT SPRUNG: Thank you for coming to my county.

My name is Matt Sprung, and I'm Vice Chairman of the Morris County Planning Board and Chairman of the New Jersey Builders Association Highlands Committee.

When the preamble to the bill was removed, it forced me to rethink today's testimony. However, I think that it should be briefly addressed, because the thinking behind it makes up a big portion of my resistance to the bill.

As you look at the people representing the environmental committee on the Task Force, there was no person who had a history in water protection, per sé. Michele Byers, State Plan Advocate and preservationist; David Epstein, of the Morris Land Conservancy, is dedicated to preserving open space in northern New Jersey; Tom Gilbert, of the Highlands Committee, is dedicated to preserving the Highlands; Tom Gilmore is with the Audubon Society, so his mission is to conserve and restore natural ecosystems, focusing on birds and other wildlife and their habitats for the benefit of humanity and the earth's biological diversity. Environmentalists, like other fields, have specialities. Why wasn't an environmentalist chosen that specialized in things like water budgets, lake ecology, and groundwater protection? This is not a knock on the four people I mentioned, but I wouldn't go to a podiatrist if I had a chest pain.

Getting back to the dropped preamble; when people came to this country from overseas and smelled those pines 175 miles from shore, they did not go back from where they came. They stayed here because they realized it

would be a great place to raise families, build homes, and communities. They risked life and limb for a piece of the American dream. The objective shouldn't be preserve, preserve, preserve. It should be balance based on science and planning.

I am for a regional planning entity that would protect water and plan for people, but there is no emergency. I've been in West Virginia, where they have a magnificent Highlands region. In West Virginia, to get to the goal as cost effectively as possible, they take the top of mountains -- they literally dump them into the valleys, creating a large, flat area. They fill entire sections of streams that the DEP would categorize as C-I. In the Midwest, where they have pig farms consisting of tens of thousands of animals, they dump raw pig waste into the lagoons. It is not uncommon for those lagoons to spill over into local waterways and penetrate plastic membranes and into the ground water. These are two examples of environmental catastrophes that require an immediate action.

The New Jersey Highlands did not fit into this category. The Forest Service update indicated the water quality of the Highlands is very good. I am for a regional planning entity that will protect water and plan for people. But this bill does not plan for people. Where should the families live?

Senator Gormley, of Atlantic County, has come to northern New Jersey to ask the legislation not include growth areas, because towns in the Highlands (*sic*) have been inundated with growth, and he's concerned that the Highlands may suffer that same fate.

The State of New Jersey has invested billions of dollars in Atlantic City so that jobs could be created; my tax dollars and yours.

Senator Gormley, where should the employees of the casinos and their families live?

The Pinelands Commission has been around for decades. Why didn't they plan for the growth as they were supposed to? If we are going to pursue industry, then where should those employees and their families live? The bill must include growth areas.

We are not talking about a national park here. We have infrastructure in the Highlands, we have train stations in the Highlands, we have underutilized areas in the Highlands, we have sewer water service areas in the Highlands, we have interstate highways with interchanges in the Highlands, we have underutilized areas that need redevelopment in the Highlands, we also have the largest suburban office market in the country in the Highlands. This bill does nothing to recognize any of those reality.

I am for a regional planning entity that would protect water and plan for people. The master plan goals for the preservation of planning areas in the bill are almost identical. You call that planning for an area as important as this? One area is for preservation, and the other one is supposedly for planned growth. Yet, they have almost identical master plan goals. That's a crying shame.

The last issue I will address is the equity issue. This is issue number one in the State Development and Redevelopment Plan. The bill is asking the owners of about 5 percent of the state's landmass to give up his property rights so that 50 percent of the state's population can obtain clean water at no additional cost. The Task Force report, on Page 4, states that the New Jersey

Water Supply Commission will need to invest \$30 billion by the year 2054 if something isn't done.

Therefore, an argument can be made that the preservation of the Highlands is at least \$30 billion. That's \$100,000 per acre to purchase of your approximately 300,000 acres that are not governmentally owned. You can probably make a better deal than that. There's a value for those who will be using the land, and those users should pay.

I am for a regional planning entity that will protect water quality and plan for people. But what this bill does is give teeth to the State plan and preserve Planning Areas 4 and 5, while doing nothing to ensure the built areas, Planning Areas 1 and 2, are used to accommodate the people of the State of New Jersey.

This, in my mind, is not a water protection and planning bill, but rather a land-grab-with-no-planning bill.

Thank you.

ASSEMBLYMAN McKEON: Thank you very much.

Can I please call upon Ms. Filippone?

On deck is Andy Aasmaa, of the -- family builder and engineer association.

ELLA F. FILIPPONE, Ph.D.: Good evening.

My name is Ella Filippone. I'm the Executive Director of the Passaic River Coalition, a watershed association which has, for the past 35 years, dealt with the development and water resource problems of a river system that was considered the most polluted river in the United States.

In 1969, that river was so dirty, and you could practically walk on it. That is no longer the case.

But I have to imply one other point that I think is so very important to all of us here. There is no one in this room, not one person in this room, who is not totally dependant on water for their life support system. You don't have to drink water, you can drink beer, you can drink soda, you can drink any beverage you'd like. It is made up of water. If you want to talk about Budweiser, they get their water from the Highlands. They are a major employer in the state. We have seen so many pharmaceutical companies -- if we want to talk economics -- who are dependent on high-quality water in the state, and they are here because of the good water supply we have.

But let's take a look at the facts. New Jersey didn't get started developing yesterday. It has been developing for the past 300 years. When the settlers came to Newark, there was a reservoir there after a period of time. There was a reservoir in Belleville. Where is it today? It's gone. So many of the water supply areas -- the groundwater that was the key to fine industry that was dependent on water in the Essex County area -- is gone because of contamination and overdevelopment.

When we talk about balance, we've got to look at some statistics, too. The facts don't lie. And it is the USGS and the NJGS who have done the water studies that some people referred to before. Eighty to 85 percent of the surface water from upper Passaic County, in the Highlands, goes to the urban areas -- to parts of Passaic County, Essex County, and Bergen and Hudson counties. Seventy to 75 percent of the surface water withdrawals in Morris County also are exported out.

The people in the Highlands are dependent on groundwater. The geology in Highlands is hard rock. It's not sand and gravel. At the same time, our sand and gravel aquifers in the Buried Valley Aquifer -- which supplies water to towns like Parsippany, and Roseland, and Livingston -- have seen drops in static water levels.

What causes this? Two things: You have covered up your recharge areas or you are overpumping to supply a group of people who are there. They need the water. And so the static water level is dropping. And when we meet with our groundwater protection committee in times of drought, the first question you ask is, "How's your water supply holding up?" And in some municipalities during the last drought-- In Montville, for example, the water dropped 12 feet. That's a lot.

And so when we talk about balance in water resources, and you want to talk about the scientific integrity of many of these elements, you've got to look at who all the users are and whether those users have any kind of water supply whatsoever to support themselves. And the answer is, they don't.

ASSEMBLYMAN McKEON: I'm going to ask you to try to wrap up.

MS. FILIPPONE: I didn't even have my four minutes, John.

ASSEMBLYMAN McKEON: I was counting. I was trying to get ahead of my timers back there.

MS. FILIPPONE: I would like to, first of all then, support the legislation. I think that this is a bill that is long overdue. We've got to do something. And somebody is not going to be happy with this, but the balance that everybody keeps talking about is something that was made -- a decision

was made years and years ago. When Newark bought that land up in the Pequannock watershed, they transferred development rights from the Pequannock back down to Newark.

These are the kinds of things you've got to look at. I have a statement for you. I didn't read from it. But I want you to know that this legislation, the council that you establish, the rules that are being updated -- and I've read the entire bill-- Many of the objections that people have made tonight are in the bill. You've got to read the bill. You've got to go through it page by page. And it does take a long time to read. But there's a lot of good things in there that respond to the questions that have been raised by the opposition.

The time has come. Don't delay. Move it forward.

ASSEMBLYMAN McKEON: Thank you very much. (applause)

SENATOR SMITH: Andy Aasmaa.

Nobody clap, either side.

Mr. Aasmaa, you've identified yourself as a family builder, engineer, and property owner.

A N D Y A A S M A A: Yes, I live in Denville, New Jersey.

SENATOR SMITH: And on deck, Jason Patrick, from Environmental Defense.

Yes, sir.

MR. AASMAA: I live in Denville, New Jersey, and I've been a lifelong resident, Highlands resident. And I've been an engineer and a small family builder for the last 20 years.

I'm here before you for the first time in my life because I believe this bill is unbalanced. As initially proposed -- and I say initially, because I've

only read the initial version -- it not only takes away my livelihood, but my family's savings for our children, college, and retirement. In order to relieve this inequity to myself and others, I ask you to make modifications and provide delayed phase in of the bill.

The bill talks about the rate of development between 1995 and 2000. But the bill ignores that after 2000, during the lowest interest rate environment in 50 years, land development in Morris County has gone down substantially. It ignores that Morris County, since the year 2000-- In Morris County, since the year 2000, most of the open land has been zoned for five acres or more per house.

I reference a chart from the Morris County Planning Board Annual Report on Development Activity entitled 1998 to 2002. The number of single family houses from major subdivisions reported at the office of the Morris County Clerk-- From the year 2000 to 2001, there was a 46 percent drop in new lots, and another 3 percent drop in 2002, and another 20 percent drop in 2003. By 2005, the new storm water regulations will result in another substantial drop to the new lots -- in new lots. Thus, there appears to be a disconnect in the stated urgent purposes of the bill, in reality. It is as if this bill is being fast-tracked to avoid finding out that all of the other regulations are working and parts of the bill should be reconsidered. There is no reason not to take time to treat the stakeholders fairly.

The new stringent storm water regulations that were recently -- for the most part seem to have a thoughtful connection and purpose relating to water quality. From reading this bill, you would never know that the real water quality regulations were adopted by the DEP on February 2, 2004. It is as if it

never happened. Although the introductory language of this bill suggests that it's a water quality measure, it is really a takings bill, using a State-imposed zoning technique.

If you're giving the-- You are giving the DEP the power to zone, rumor has it, up to 330,000 acres for preservation without any other considerations. You're calling it *impervious cover*, you're tossing aside all other considerations, like neighborhood character, provided by the land use law.

With the new, unprecedented storm water regulations adopted this February 2, the 3 percent impervious cover restriction is unwarranted. I ask you to increase the impervious cover restriction to 5 percent. Although only a minor change, it would restore some landowner equity and reduce the cost of the bill.

The land use law provides vested approval periods for municipal land use approvals. These are obtained after many years of engineering work, and protracted hearings, and compromise at great expense to the landowner. For this equitable purpose, these protections have become a long-standing law in New Jersey as long as I have been building. This bill proposes to undo this protection, with great harm to my family and others that benefit from our work.

I ask you to keep this basic equitable right under which we have always worked. I believe, since the new storm water regulations were adopted and since development is rapidly decreasing, citing health and safety to eliminate subdivision approval vesting is unjustified.

The bill repeatedly refers to the concept of fairly compensating the landowner. However, there is no appropriation of these moneys. And today we've heard slightly otherwise.

Our freedoms are based on a free market economy. Land values are high. There are great disparities even in Morris County. The value of a single-family development right might be six to 25 times a multifamily development right in another town. The bill or the TDR law have no suggestions for reconciling these differences.

You want to immediately freeze the landowners' rights in the preservation area, but don't provide them any money. You have not disclosed this area. How do you know where it is if it is so important to preserve? If you don't know where it is, how do you know how much it will cost? When this bill goes into effect, all support functions and planning should be in place to run like a well-oiled machine. Since none of this is in place, you are, in essence, declaring an 18-month moratorium and freezing our land assets. It has far-reaching economic consequences. You can unjustly ruin a lot of people's lives.

To quote Mayor Bill Ford, of Boonton Township, "This bill is a monstrosity. Delaying the effective date of the bill by 18 months will help alleviate some hardships. How can the landowners' rights be protected with a stacked board like the Highlands Commission, and then have veto power of the same person who appointed them? There needs to be a predictable and certain approval outcome in a reasonable time frame. What happened to our constitutional protections and other laws that protect the landowner? Where is the due process in this legislation? This bill appears full of measures to thwart due process."

The right to own property was one of the basic freedoms for which this country was founded. I would ask that you uphold that right by incorporating the changes I have suggested.

Thank you for your consideration.

ASSEMBLYMAN McKEON: Thank you.

MR. AASMAA: And I'd like to leave you with a copy of a chart -- the Morris County Planning Board Annual Report.

ASSEMBLYMAN McKEON: Thank you, sir. We'll make sure everybody gets that.

Mr. Patrick. And on deck is Brian McMorrow, Henderson and Bodwell Consulting Engineers.

J A S O N P A T R I C K: Good evening.

My name is Jason Patrick. I'm here representing Environmental Defense. We're a national environmental organization with more than 12,000 members in New Jersey. We've been active for more than 20 years in efforts to protect regionally significant land and water resources throughout New Jersey.

I'd like to first address some of the concerns that some of the people here may have tonight. First, if you care about families, you will support this legislation, because this legislation supports and protects the resources of the Highlands. Secondly, if you care about property rights, you'll take the time to read the bill and notice that it strictly protects property rights, incidently at current high values.

In fact, in my specific comments, I'll talk about strengthening the legislation -- the aspect of it -- the transfer of development rights' provisions which, in fact, by their definition, protect property rights.

It'd be useful for the bill to give the council more direction as how it can best use a Highlands TDR program to preserve land in the preservation area and, at the same time, transfer some of the development potential from

those lands to appropriate locations in the planning area, with the support of Highlands municipalities. In so doing, the bill could provide some helpful specifics as to how the council and Highlands municipalities could take full advantage of New Jersey's new landmark TDR statute.

We suggest that the bill, in Section 12 or Section 13, provide that the council should determine the likely range of development potential that should be transferred, in order to achieve the land preservation goals of Section 12A, taking into account the scheduling and amount of acquisition funds and the impact of the regulatory program in the context of the regional master plan.

The bill should further provide: The council should confer with individual municipalities, as it works on the regional master plan, to determine what kind of development-potential receiving zone capacity could be located in individual municipalities. By setting a receiving zone, a municipality is supporting the goals of the act with a mechanism that funnels private development dollars used to purchase development potential, and thus helps preserve land and absorbs development pressure, thus reducing upward pressure on land prices in the preservation area.

It would be fitting for the council, jointly with NJDEP and other agencies, to provide extra public acquisition funds to these municipalities as an incentive for their endorsement of the TDR component of the regional master plan. More refined legislative guidance as to what specific role a Highlands TDR program could play would be very helpful.

That said, we strongly support this legislation and are prepared to do everything we can to ensure its enactment.

Thank you.

SENATOR SMITH: Thank you.

Mr. Sean Monaghan-- I'm sorry, wrong one.

Mr. Brian McMorrow, Professional Engineer, Henderson and Bodwell Consulting Engineers. And on deck should be Sean Monaghan from the Regional Plan Association.

BRIAN McMORROW: Thank you very much.

Senator Martin opened this evening's meeting by talking about unlimited growth in the State of New Jersey. I represent landowners large and small all across this state, including the Highlands, and I can tell you, at best, it takes two or three years to get an approval to develop property in the State of New Jersey. And at times, it takes as long as 15 or 20 years, including two cases that I have in the Highlands.

My comments tonight will be limited to two particular sections of the bill, as I've read it: Section 16 B-1, which states that, if final approval is inconsistent with the regional master plan, any rights conferred by final approval shall expire. The second one requires -- and this is in Section 26 -- that the DEP Commissioner be noticed, by certified mail, of any contract to sell land and that the State, then, would have the right of first refusal to match that.

Let me try to paint the process in a way that you folks, as legislators, may understand. The contract to buy land is akin to putting your name into a primary race. The tens and sometimes hundreds of thousands of dollars of professional fees is akin to raising funds for campaigns. Winning your primary approval, and the right to represent your party in an election, is like getting a preliminary subdivision or sight plan approval in this state. You win the general election, you've got your final approval. You take the oath of office,

you have a building permit. For this State to allow developers -- all the way up to the point where they're ready to (indiscernible) a building permit -- to lose everything, I feel, is unsubstantiated.

Thank you very much.

ASSEMBLYMAN McKEON: Thank you, sir.

Sean Monaghan. And on deck is Howard Van Natta Jr.

S E A N T. M O N A G H A N, E S Q.: Mr. Chairmen, members of the Committee, thank you for my opportunity to speak tonight.

My name is Sean Monaghan. I live in Chester. I work in Florham Park, and I'm here as a member of the New Jersey Committee of the Regional Plan Association. I'd like to comment on the bills S-1 and A-2635.

The Regional Plan Association, RPA, strongly supports the recommendation of the Highlands Task Force, and they're calling for the immediate legislation to implement the recommendations in order for the region and the water supply of over half the state to be protected.

I'm not going to cover everything. I'll submit the prepared remarks. If I cover something that somebody else spoke of it's because I was out in the hall, and there were not enough chairs.

At the February meeting -- the RPA's New Jersey Committee -- a resolution was unanimously adopted to support legislative, administrative, and other actions necessary to protect the Highlands. A copy of that resolution was already read in the record by our Director, our Executive Director, Tom Dallessio, at a hearing on March 22. I'd like to comment on a few provisions of the proposed legislation.

We commend the sponsors for your dedication to the goal of preservation and for including mechanisms such as land acquisition; strong State regulations; and a transfer of development rights, or TDR program. We also strongly support the creation of a regional planning council to develop a master plan. It will be mandatory in the core area, and implemented through incentives outside the core.

The bill goes a long way to addressing the challenges we face to protect water quality. However, the bill, as currently drafted, does not sufficiently address growth issues consistent with either the Highlands Task Force report or the RPA NJ Committee resolution. While RPA understands the concerns about mandating growth in the planning area, we do believe that somehow growth issues must be addressed, as land use will continue to change the Highlands. Development and redevelopment offer an opportunity to reinforce the existing centers, in accordance with State plan principles, and to be a required element of the TDR system envisioned for the preservation area.

Specifically, S-1 and A-2635 do not adequately address some of the most significant recommendations of the Highlands Task Force report regarding growth such as: Page 9, analyzing population and employment trends; Page 9, establishing appropriate development densities, including the establishment of greater densities where growth should occur and lesser densities where it should not; also on Page 9, considering existing infrastructure such as sewer lines already in the ground when considering where to encourage growth and redevelopment; Page 12, outside the preservation area, the council's authority should be advisory. Densities: the council should also work with municipalities to enter into agreements for appropriate, capacity-based densities. It might

include appropriate higher densities to support transit villages or in State plan-endorsed centers.

While provision 6T of the bill empowers the council to work with interested municipalities to enter into agreements to establish, where appropriate, capacity-based development densities, RPA believes the bill would be improved by including additional provisions to ensure comprehensive planning and promote Smart Growth. And we question whether there will be a sufficient number of interested municipalities without specific incentives and a more proactive approach to the council.

The Regional Plan Association recommends the following provisions be added to S-1 and A-2635 to strengthen the bill: recognition that some growth is anticipated for the region, both within and outside the Highlands, and that a certain amount of growth can be accommodated in the planning area while meeting the preservation goals of the act; ways to identify and address projected growth; cooperation between the council and towns to come to an agreement on a common set of projections for population employment, housing units, nonresidential development, and the like; cooperation between the council and towns to identify areas appropriate for accommodating growth consistent with the Highlands Act; planning coordination between the council and municipalities in the planning area; cooperation between the council and towns to come to agreement on policy standards and techniques regarding how and why.

Consistent with our research, planning, and advocacy, RPA holds that meeting the goals of the preservation area will require greater attention in the planning area. The TDR program will not work if receiving zones are not

mutually designated. We believe that the council can and should be empowered to work with municipalities within the planning area and beyond to ensure that development is transferred to places with the infrastructure and desire to make it happen. We also believe the council should have the ability to address growth issues in a municipality if all other measures to encourage it are unsuccessful.

Also, two structural issues I'll mention briefly: the gubernatorial veto, which basically gives the State the ability to control the council's work; and, secondly, the bill does not include an appropriation for the council. While the council is charged with developing a regional plan in a short time, and is authorized to retain staff to implement that charge, the council is not provided with funds to pay for consultants, contractors, staff, or other expenses.

The bill also looks to the council to provide a degree of oversight of regional development and enforcement of the regional plan. However, the bill does not provide the funds to pay for the human and other resources required for oversight and enforcement.

The bill requires the council--

ASSEMBLYMAN McKEON: Sir, I'm sorry. You're beyond the four. Just try to wrap it up for us.

MR. MONAGHAN: Thank you very much for the opportunity to comment this evening.

ASSEMBLYMAN McKEON: That's very good of you. Thank you.

SENATOR SMITH: You're submitting that written comment?

MR. MONAGHAN: Yes.

SENATOR SMITH: Good.

ASSEMBLYMAN McKEON: Thank you very much.

MR. MONAGHAN: You're welcome.

ASSEMBLYMAN McKEON: Mr. Van Natta. Howard Van Natta, of Van Natta Mechanical Corporation. (no response)

How about Dennis Loh, of Geo-Tech Associates.

Thank you, Mr. Loh.

And on deck is Frederick -- sorry if I'm not reading this -- Ege, of North Jersey Chapter of Trout Unlimited.

Thank you.

DENNIS LOH: My name is Dennis Loh. I'm a geo-technical engineer, and a professional engineer licensed in New Jersey.

I want to thank the legislators for this panel discussion and encourage future panel discussions in the years to come.

As an engineer, I'm particularly disturbed by the part of the bill that deals with drinking water. The bill proports to be necessary to protect and enhance the quality and quantity of our drinking water. There are currently numerous regulations required by the DEP that protect and enhance the quality -- the fundamental, physical, chemical, and biological aspects of our drinking water. They're spelled out in extreme detail in the New Jersey Stormwater Best Management Practices manual, which was adopted this winter.

The notion that water quality is in trouble, or that the water quality can be enhanced by stopping development suggests that the quality and quantity of our water is presently inadequate. Even if this were true, it is a problem that should be solved by enhancing the capabilities of our water treatment plants and maybe building additional reservoirs.

I ask the panel, is it your contention that the quality and quantity of our drinking water presently is inadequate? Are all of the engineering safeguards that the DEP has in place failing right now? If so, then something ought to be done immediately to make those treatment facilities better.

Thank you very much.

SENATOR SMITH: Thank you.

Mr. Frederick Ege, North Jersey Chapter, Trout Unlimited. (no response)

ASSEMBLYMAN McKEON: Who said he was fishing? That's not funny. (laughter)

SENATOR SMITH: Bob Nolan, private citizen, West Milford.

Mr. Nolan, and then in the on-deck circle, Howard Van Natta.

B O B N O L A N: Thank you, Mr. Chairmen and members of the Legislature.

I'm Bob Nolan. I'm a resident of West Milford for the past 24 years and, prior to that, a resident of Ringwood for five years. Ringwood and West Milford are where the reservoirs are. I want to come right out and say that I'm in favor of the legislation.

When I first moved to West Milford, over 20 years ago, I used to drive down Route 23 on my way to work every morning. The water from Newark's reservoir in West Milford was just pumped directly -- right into the pipeline, right through the taps. There's now a water treatment plant to treat that water. Obviously, the water quality is declining. I'm not an engineer, but if you have to put up a water treatment plant where previously you didn't need a water treatment plant, that tells me something.

And the legislation-- It's, obviously, a once-in-a-lifetime legislation. It's our last, best chance to preserve the Highlands and ensure clean drinking water for four million citizens.

I'm in favor of the regional planning aspect of the plan, because we need to stop suburban sprawl. And I'd like to thank Senator Martin for co-sponsoring the legislation.

You took a beating last week. You weren't there, but thank you for being a co-sponsor.

SENATOR MARTIN: I was there enough. (laughter)

MR. NOLAN: As far as West Milford is concerned, we're a township of 80 square miles. We have 26,000 residents. Most of the residents are middle class or upper middle class. We are a community of electricians, plumbers, office workers, teachers, nurses. We are not a community of investment bankers and corporate lawyers. We applaud your efforts to preserve the Highlands.

But we have six grammar schools, one junior high, one high school, and a \$56 million school budget. Being 80 square miles, we also have lots of roads to maintain and lots of snow to plow in the winter time, because when it snows -- and they mentioned the areas that in north and west of the city-- We're both.

I ask that you treat the residents of West Milford fairly when you develop your funding package. The tax relief -- whatever it is, or whatever you put together -- it must be fair, and it must be guaranteed. It cannot be subject to the State's fiscal fortunes, with the possibility of being excluded from the budget in tough fiscal times.

Thank you.

ASSEMBLYMAN McKEON: Thank you very much, sir.

Mr. Van Natta, Howard Van Natta. (no response) We'll also take this outside to see if he happens to be there.

UNIDENTIFIED SPEAKER FROM AUDIENCE: He just left.

ASSEMBLYMAN McKEON: Okay, thank you for that.

Ted Maglione, from the TM Group.

Thanks, Ted.

And on deck is Doug O'Malley.

T E D M A G L I O N E: Hello, I am Ted Maglione. I'm a builder and a licensed professional engineer and planner in the State of New Jersey. I also consider myself an environmentalist.

I have been for the concept of a regional plan for New Jersey since Governor Kean first initiated the process -- at least that was the first time I knew a process was being undertaken. But I do not believe that this plan, this process that's being discussed this evening, is appropriate at this time.

As we have all heard, people who are against the regulation, and even some who are for it, are not quite sure what it encompasses. There are still too many unknowns. And until that has been ironed out and brought to the forefront, I think it's just premature to enact something and then try to go back, modify it, correct it. It should be done properly the first time.

I wanted to talk about a few other issues that no one else has yet addressed. We've heard people from West Milford, Ringwood speak about the problems they're having with their water. It is my understanding that the Highlands is not just New Jersey. It's New Jersey, Connecticut, New York, and

Pennsylvania. It is also my understanding that New Jersey is the only state considering such drastic regulations. I am not a water expert by any means, but it would appear to me that the quality and the quantity of water that would be going into northern New Jersey would be coming from New York state. And, again, it is my understanding that they are doing nothing. So, in essence, this legislation may not have any positive effect upon those communities -- their water.

There's also another aspect, which was just briefly discussed, and that is the economic impact of this regulation. And a lot has been said about the impact it will have on the landowners. But I think that is, quite frankly-- I am a landowner, and I would be affected by that, but I think that is a small facet of the problem. What's going to happen to all of the people who are put out of work?

I can remember back into the mid '80s, when the building industry took a nosedive. There were a lot of people I knew then: a lot of developers, a lot of carpenters, electricians, whatever, who lost everything. They went bankrupt. And I believe that this legislation will have the same catastrophic effect. You're going to be, all of a sudden, banning development in a large area of this state. And there's no smooth, slow transition where people can go and find alternative forms of employment. I think what's going to happen is, the brakes are going to come on. No one could see it coming. And, quite frankly, we may not have a housing crisis because of all of the foreclosures.

Another thing it's going to do is, it's just going to drive up the property taxes. A lot of the people who are for the legislation say they're doing it for our children. I don't believe my children could afford to live here. Taxes

are already extremely high. Whenever I meet with a potential customer moving into New Jersey, they can get over the housing cost, but it's the other costs that just drive them crazy. It's, "How can you spend so much on your property taxes? How can you be taxed on this, taxed on that?" They can't comprehend it. And that feedback is getting back to their employers, and I believe that is why you're seeing auto plants closing down. We're seeing insurance companies moving out of the area. Everyone has had it. It's just become too expensive.

We enact this legislation, and people have to start paying for it-- It's just going to come out of our property taxes. A lot of-- Again, the people who are for the legislation say there is a mandate where the open space initiatives have passed, but those had a cap. There was a cap. You knew how much it was going to cost. No one knows what this will cost.

So, please, take the time, look it over, and look at all of the impacts.

Thank you.

SENATOR SMITH: Thank you.

ASSEMBLYMAN McKEON: Thank you.

SENATOR SMITH: Mr. Doug O'Malley, and on deck is Mary Ross, of Sunrise Communities.

D O U G O' M A L L E Y: That box there is not merely a box. It is statements from over 3,000 citizens in this state, from the Highlands, from the shore, from South Jersey, all who want increased protection for this region.

This bill should be supported. This bill will not kill development. This bill will reduce water pollution for our sources, this bill will not kill business of the state. Actually, if you look at the long-term, this bill will help

protect the most strongest industries in this state: tourism, pharmaceuticals, and food industry.

There certainly has been a lot of talk on what this bill will do to protect our water sources. It goes back to 1907, no reason to run through all the studies. However, one is very important, and that's the 2001 Rutgers land use study, which is certainly used by -- was made by the Task Force and used for recommendations. That data was also used by New Jersey PIRG to track water quality degradation.

The important statistic from that study -- it was from 1986 to 1995. It was nine years ago. There's been a lot of growth in the Highlands and across the state in that period. And only -- we can imagine what the water quality declines are in that period.

It's important to note, too, that-- We talk about water quality, mainly for surface water uses. The report talks about the cost for filtration -- \$30 billion by 2054. We don't necessarily talk about the impact for well water uses, an issue the State has only recently begun to examine. In 2001, it passed the Private Well Testing Act, which ensured that homeowners, upon selling their homes, would have to test the quality of their wells. And, unfortunately, the results -- as they start to come in -- are not doomsday, but they certainly are hardly encouraging. Eight percent of the tests coming in have failed. And a vast majority have failed for nitrates and fecal coliform, which are direct impacts from development here. And this is not only in one particular part of the state. It's all over, and especially in the Highlands region.

Development, as you know, also causes water supply to run into problems. It's a vicious cycle. It's an issue that towns close to here know well.

There was an article yesterday in the *Star-Ledger* talking about Parsippany's problems in getting a development, because they cannot get approval from the DEP for water supply. If this is a problem now, can we imagine what the problem will be 20 years from now?

And, also, perhaps we should talk to the homeowners whose wells went dry in the drought of 2002, or the homeowners who had to spend thousands upon thousands of dollars to drill deeper to get water that they've always depended upon.

We need to pass this bill. We need to ensure that waterways are protected, we need to acknowledge that some development will happen. But we should not back away from protecting the most critical areas of this region, protecting towns from getting development that is forced upon them. We need to say no to sprawl and yes to protecting our future.

Thank you.

ASSEMBLYMAN McKEON: Thank you very much.

Ms. Ross. (no response)

Not seeing Ms. Ross; Ira Weiner, Mayor of Vernon. (no response)

Greg Donaldson, of Donaldson Farms.

Just for the record, those who we're calling, we're going outside, through our staff, to see if they remained here or downstairs.

Thank you, sir. Sorry.

G R E G D O N A L D S O N: Thank you, Chairmen, for the opportunity to speak tonight.

Again, my name is Greg Donaldson, from Donaldson Farms. We farm 700 acres in the heart of the Highlands, just on the outskirts of

Hackettstown, New Jersey. We raise food, and we sell the food directly to the people of the Highlands. I have many concerns with this legislation before us tonight.

One of my concerns is the agricultural representation that the council may or may not have. It needs to include farm representation, and not just token members of the farm community. We need real, active farmers on the council. And from what I got earlier from other speakers, I think there needs to be more than 15 members on the council so you can get a broader spectrum of the interests. Again, not token members. The Task Force did not -- and I repeat, did not -- have any active farmers on the Task Force, and I think it shows in the legislation.

I'm very concerned with the effects this legislation will have on ag development. If we wanted to perform upgrades on our farm-- Say we have a tomato crop in the field, we see it's coming along real well, we work up a deal with Weiss Markets, and we may need to put up a small building to house a packing facility, and we need to do it quickly. I believe the bureaucracy that this bill is going to put upon us could make the deal go dead.

Also, another one that I think is going to be detrimental to agriculture is the land disturbance and the impervious coverage. I was kind of hoping that the lady that sat up here before -- my fellow farmer who said her husband farms full-time-- I'm not sure if she was aware, or her husband was aware, that it may be possible that we would need a permit to plow our fields, because we are going to be disturbing more than a quarter-acre.

Also, the impervious coverage, I think, would probably null and void some of the modern technology that we employ on our farm. We cover our

fields with plastic to conserve water. And the way the bill reads -- the way I read it -- I read every page -- does not delineate the difference of either.

Water allocation is another concern of mine. On our farm, our family has spent, in the last couple years, \$200,000 in conserving water through jib irrigation, terracing waterways. And we did all this on our own, through incentives, not through regulations. And it's working. There's projects out there, there's programs out there for farmers that do work. And I feel putting another layer of buracracy on top of us is going to take the money that we'll have to pay for that -- taking it away from where we can be using it to conserve our natural resources. And, in fact, I think the bill that's in front of us tonight, as far as agriculture is concerned, will do more to harm the environment than it will to save it.

The Highlands is home to, generally, small family businesses. We don't have the resources to comply with bulky regulations. Farmers are not thriving, as I have read in the Task Force Action Plan, we are surviving. We are an endangered species. Farmers need the protection, along with the bald eagles, the bog turtle, and all the other threatened Highlands species. If we take our time and thoroughly investigate the need of agriculture, as well as the needs of the Highlands altogether, we can implement a plan that would not produce the negative effects that the Pinelands legislation has imposed on agriculture in southern New Jersey. And I'm not sure if anyone is aware or has researched what the Pinelands has done to the farmers in Southern Jersey.

I just thank you for this time to give you my concerns.

SENATOR SMITH: Mr. Donaldson, just so you know, the concerns of farmers are a top priority of both the sponsors and the Committee.

And I can tell you that we are working very hard and very closely with the Secretary of Agriculture, Mr. Kuperus, and with the New Jersey Farm Bureau to make certain that, when the bill does go through its final amendatory process, the concerns and needs of farmers are in the bill, and that they're treated fairly and equitably. I mean, all of your concerns -- believe me, they will be addressed.

MR. DONALDSON: I really hope so.

Again, the way I've read it so far, it seems to be so far off-base -- there's so much that's going to have to be changed for agriculture itself that--

Thank you.

ASSEMBLYMAN McKEON: Candace Ashmun, of Basking Ridge.

UNIDENTIFIED SPEAKERS FROM AUDIENCE: She's here.

ASSEMBLYMAN McKEON: Okay. On deck will be Richard Norris. Is Mr. Norris here? Mr. Norris, just kind of wave your hand if you're here. (no response)

How about Tom Flath?

They're looking for Candace.

I'll tell you what, so we can move it along, is Martha Marks here?
Ms. Marks?

M A R T H A M A R K S: Thank you very much, Mr. Chairmen and members of the Commission. I appreciate the opportunity to speak with you this evening.

My name is Martha Marks. I'm the President of a national environmental organization called REP America. And the REP stands for Republicans for Environmental Protection. We are out to bring a bipartisan

voice and a bipartisan support for environmental initiatives like the proposal that you are considering this evening.

I'm here tonight, actually, at the request of quite a number of our members in New Jersey. We have a large and growing membership in New Jersey. They have come and asked -- or they've asked me to come and speak to you to support this proposal, to thank Senator Martin for his bipartisan co-sponsorship of this bill, and to let you know that we believe it is a wise, and farsighted, and thoughtful proposal, which certainly will attract some opposition, but that it is a good thing to do. We urge you to support the legislation, to recommend it to the Legislature, that it be approved.

And we thank you very much for your work on this.

ASSEMBLYMAN McKEON: Thank you very much.

And I believe Mr. Flath has been found.

T O M F L A T H: Yes.

ASSEMBLYMAN McKEON: Thank you, Tom.

And on deck is Patty Whitehouse, of the Peapack-Gladstone Woman's Club.

MR. FLATH: My name is Tom Flath. I was born in a small town called Winfield Park, New Jersey. My parents basically worked and educated their family to move out to the Highlands in an effort to provide a better life for my children.

A couple of things I would just like to ask-- Everyone has basically stated that they are for clean water. And the builders of New Jersey love the state just as much as everyone else. And I think this is really coming down to one question, despite all the rest of the issues that were brought up tonight. We

need the legislators to be responsible to all of the people in New Jersey, not just the environmentalists. The builders are viewing this as a clear, other layer of zoning.

The Governor uses the terms *unregulated growth*. Well, I'd like anybody-- I challenge anybody in this room to show me any place in New Jersey where there's unregulated growth.

I'm not going to belabor the issues, because I believe all of the issues that I had to discuss tonight have already been discussed. But I urge our legislators to be responsible to everybody in this state, not just the environmentalists. It's obvious that the Governor is running Mr. Tittel's play book.

When is it going to end? Why does it always have to fall on the laps of developers? It's not our fault that we're developing on five, 10, 12 acre lots. It's not our fault. We don't make the rules. We have to follow the rules.

All I'm asking is -- and believe me when I say this, I speak for every builder in New Jersey -- we love the state as much as you do. We're for clean water, we can't deliver houses without water. But you need to be responsible for all of the people, not just the environmentalists. We're sick and tired of carrying the weight for the turtles, the water, the schools, and everything else. The fact of the matter is, you need to look at the real issue, and stopping development is not the real issue.

Thank you.

SENATOR SMITH: Thank you.

Ms. Whitehouse, Peapack-Gladstone Woman's Club. And on deck should be Jeff Meyer, Top of the World Way, Warren, New Jersey.

PATTY WHITEHOUSE: Good evening.

My name is Patty Whitehouse. I'm a resident of Gladstone, long-time resident, and a member of the Peapack-Gladstone Woman's Club. It is one of 50 clubs in the Highlands that are members of the New Jersey State Federation of Women's Clubs.

I want to thank Senator Smith, and Senator Martin, and Assemblyman McKeon for sponsoring the legislation to protect the Highlands and for expediting the scheduling of the joint hearings before your Committees. I also would like to thank the rest of the members of the New Jersey Legislature for coming.

The New Jersey State Federation of Women's Clubs has been a long-time defender of the environment for more than a hundred years, and we strongly support the recommendations made by the Highlands Task Force, and urges both Committees not to weaken those recommendations.

The Highlands, as you've heard tonight, is the source of drinking water for more than half the residents of New Jersey, and as such needs to be protected from further sprawl in the region.

The core Highlands preservation area, an area of at least 350,000 acres, including the key watershed lands and contiguous forest, must be permanently preserved. The Federation supports the establishment of a Highlands regional planning council, along with a development of a master plan that will be mandatory in the core area, and can be implemented outside the core preservation area through incentives. State action in the form of comprehensive legislation is needed, and needed now.

Thank you for your time and for providing the residents of New Jersey with the opportunity to give testimony on this important topic.

ASSEMBLYMAN McKEON: Thank you very much.

Jeff Meyer.

J E F F M E Y E R: Thank you.

ASSEMBLYMAN McKEON: And Susan Hoag is on deck.

MR. MEYER: Hi, I'm Jeff Meyer. I'm here to urge you not to support the bill in its current format. There's a number of problems in my mind that many of the speakers before me have elaborated on, but I want to just touch on a couple.

Number one, this bill revokes affordable housing through the rollback of Mount Laurel and the obligations for any of the 90 municipalities that are covered by this regulation. Historically, many towns outside the Highlands have benefited through regional contribution allocations for Mount Laurel housing that has helped grow Jersey City and places like Newark. And now funding will not come out of -- be shared by any of the people that live in the Highlands.

Secondly, this bill does nothing to improve water quality. At best it only maintains the status quo of the existing water conditions. There are many ways-- If it truly was about water quality, there are many ways that water quality could be improved, and they're implemented throughout the United States through many different programs. There are opportunities for exchanging low-flow toilets that are utilized in places like Maryland and California, that have had a dramatic impact on water usage. That can be utilized in some of the urban areas of this state that would benefit the water supply.

Recently, there was a study published by Najarian Associates that was done for the NJDEP, which indicated that the water quality in the Highlands region is primarily based on the quality of the discharge of the sewer plants in this area. For the cost of millions of dollars rather than billions of dollars, we could actually improve the water quality. And those are the extent of my comments.

Thank you.

ASSEMBLYMAN McKEON: Thank you, sir.

SENATOR SMITH: Susan Hoag, township of Chatham.

And on deck would be Stuart Kramer. Mr. Kramer is not listed with representation.

Is Susan Hoag present? (no response)

How about Edward Goodell or Sam Huber, from the New York-New Jersey Trail Conference?

And if Mr. Kramer would get in the on-deck circle.

SAM HUBER: Hi, my name is Sam Huber. I am a resident of Montclair, New Jersey. And I'm here representing the New York-New Jersey Trail Conference. The Trail Conference is a coalition of 88 recreational groups, hiking groups, with approximately 100,000 members, who regularly use areas throughout the New York and New Jersey Highlands.

I have heard a tremendous number of comments from -- about all issues that are implied or directly addressed by this bill, but I'm here tonight to put in a plug for those of us who make regular use of the Highlands for their recreational opportunities, and to say that the protection of open space provided

for in this bills is something that we, that the Trail Conference and its members, feel very strongly about.

We've watched, over the years-- The Trail Conference has been working trails throughout the area for the past 90 years. And those of us who hike those trails are well aware of the encroachment of development from all directions.

The water quality issues, of course, are very important. But this is a tremendous resource for something like 25 million people who are within a two-hour drive of this Highlands area. And it is visited by more people on an annual basis than the Grand Canyon National Park, Yellowstone, and Yosemite put together. So as far as resources for New Jersey -- in terms of the ecotourism dollars and the cultural revenue streams available because of the beauty and the pristine quality of the lands and waters in the Highlands -- the municipalities and the general region have tremendous benefit in that ecotourist industry.

So we are fully in support of this bill. We recognize the historic nature of this moment. We do not think this bill is being rushed. We have watched for years and years as it has been argued back and forth. We think the time has come for us to take action. And we applaud the members of the Committee, and the members of the Task Force, and the members of the Assembly and the Senate who are courageous enough to confront this. And we encourage you to go forth.

Thank you.

ASSEMBLYMAN McKEON: Thank you, sir.

Mr. Kramer.

And beyond Mr. Kramer, Ross Kushner -- please, if you'd be prepared.

STUART KRAMER: I just have a statement regarding the 3 percent impervious cover. I don't know if anybody up there knows what that means, but most lots in the area are one acre or half-acre lots. If you're on a half-acre lot, and you have a house, and your family's growing, or you want to put a pool in, chances are your house is already over the 3 percent impervious soils, which means you cannot do an addition to your house, nor could you put a pool in.

As far as I've heard before, they're saving all this water for our children, for our children. Quite honestly, we can barely afford to live in New Jersey, never mind our children with the pricing and the taxes.

It's taken three weeks to shove this bill down our throats. In 30 years, the Legislature cannot get property taxes under control. It's incredible that you can do something so fast, but yet you can't get property taxes under control.

I urge that this bill slows down and looks at all the aspects that need to come together. We need to have housing. Whether it's in Newark, or whether it's in Long Valley, we need housing, we need affordable housing. The layers, and layers, and layers of approvals that we're going to be stripped of that we have-- Who is going to pay for the roads that are not top coated when the towns come to us and say, "We're calling your bonds in?" Well, we don't have approvals anymore, therefore the bonds are void. Let the town finish the road, let the town finish the infrastructure. There are hundreds of developments that need to be finished, and they can't just take our livelihoods, which we work very

hard to get approved over years and years, not weeks -- not three weeks to push a bill through.

This is going much too quickly, when you guys take 30, 40 years to fix property taxes. Why don't we work on that, and then we can worry about this other thing -- these things that need to be fine-tuned?

Thank you.

ASSEMBLYMAN McKEON: Thank you, sir.

Just note that as we call these names, if you're not here, you're certainly not outside. We've checked. Anybody that wants to testify, who happens to be outside -- is not there.

So as we go through these names, if they're not present, they've left for the day.

Mr. Kushner.

And I'm sorry, Mr. Chairman, Scott Wylie is on deck.

ROSS KUSHNER: Good evening.

My name is Ross Kushner, and I speak to you tonight on behalf of the Pequannock River Coalition. We're a watershed association in the northern Highlands.

Although my statement concerns the Highlands, I'd like to begin by directing your attention to another continent. I'm sure you're aware of the great devastation that has occurred in the rainforest of South America. One of the principle agents of that destruction is a practice known as slash and burn agriculture, where farmers clear-cut an area of rainforest, they plant crops for a few years, until the thin forest soils are exhausted, and then they move on and

repeat the cycle. It's an extremely wasteful system, it's extremely shortsighted, and very destructive.

Yet, for the last 75 years, we in New Jersey have practiced slash and burn development. We have continually turned our farms and forests into suburbs, our suburbs into cities. Then we abandon our cities, and we move on. It is a custom every bit as wasteful and every bit as destructive as what has occurred in the Amazon.

But we are not subsistence farmers, scratching the living from the jungle. We are supposedly educated and civilized people in one of the wealthiest areas of one of the most powerful nations on Earth. I believe we can do better, and we should do better.

At the heart of this debate is preservation of a core area of 130,000 acres. This core represents only 2 percent of our state's landmass, but it protects the water supply for 50 percent of our population. I ask you to consider that astounding ratio. That, my friends, is a bargain. On the other hand, the developers say it is too much. They demand growth areas. Isn't the other 98 percent of New Jersey enough? We must ask just how insatiable one industry can be.

Now, there are others that urge us to rely on home rule. Home rule is a wonderful thing if you're planning a neighborhood or you're trying to build a shopping center. But we're talking about a very large and very complex water supply system, and a critical water supply system. We need regional control, we need the oversight. Imagine, if you will, the kind of highway system we would have if, for example, Route 287 were built and maintained by every municipality that went through piecemeal. Imagine the highway system that would result

from that. But that is what we're doing with home rule. Albert Einstein once said that we cannot solve our problems with the same thinking that created them. Well, home rule is the thinking that got us into this mess, and it won't get us out.

Most troubling, perhaps, are those that insist that this process be slowed down, who ask us to wait. I submit to you that we have already waited. We waited while the Highlands were studied, and studied, and studied again. We waited while the Task Force reviewed those studies and developed a series of recommendations. We waited while those recommendations were crafted into this legislation. Now the waiting must end. This is a time for action. We cannot afford to quibble, and prevaricate, and drag our heels, because I know and you know that this kind of bold legislation requires a certain momentum. To move it through the legislative process is much like driving a car through deep snow. When you slow down, you stop. And when you stop, you're finished. So I urge you to keep these wheels spinning.

Make no mistake, for all our legislators, this is, and should be, a defining moment. This is the apex of many a political career.

I could read to you tonight the words of Lyndon Johnson on the signing of the Wilderness Act. I have them with. I can quote you Harry Truman on the inauguration of the Everglades as a national park. Or Senator Ed Muskie on the passage of the Clean Water Act. But I cannot quote those who stood against them. They are not remembered. Their words are lost. I believe there is a message in that, and I urge you to heed that message.

Thank you.

ASSEMBLYMAN McKEON: Thank you, sir.

We have Mr. Wylie, Scott Wylie. (no response) Scott Wylie, not here.

We have Jay Grant, and Ken Johnson next.

J A Y G R A N T: Thanks for your patience in listening to everyone's opinions.

I'd like to ask the board a question. Would anyone on the board like to buy a home from me? (no response) Not hearing an answer, I'll tell you that my homes start at a \$1.5 million, and I have others at \$2 million.

ASSEMBLYMAN McKEON: The answer is definitely no, then, for most of us. (laughter)

MR. GRANT: It's clear. I can sell you a house in Pennsylvania that's for sale for \$399,000 with my company, and that's because land is affordable in Pennsylvania. I am not building \$2 million homes because that's all I want to build. I'm a second-generation home builder. I've been here all my life. I grew up in Springfield. My father moved to Mendham when I went to college, and he developed for his career. When he bought a lot, he brought his \$30 to the building permit department and he built the next day.

The cost of building and the cost of land is reflected in the final price. When we have cost to produce the land that is buildable, it is, in effect, tripled. That's the financial ratio. When we buy land for \$100, we must sell the product for \$300 or \$400. That is the financial facts. Builders here will tell you that. And if they don't know it, they're not in business any longer.

Every time a new regulation is put on the state, the homeowner pays. I cannot sell your children houses, because they cannot pay my prices. And the reason they can't pay my price is because my land cost is so high.

This bill proposes more regulation, and more time, and more delays. One example I will leave you with is a 20-acre tract that I bought in 1996, in Mendham. And it took me three and a half years to get approval, not for 100 lots, as nobody would expect, but for four building lots. And my soft cost dollars spent for that approval -- which were all at risk -- out of my pocket was about \$350,000 in legal and engineering fees. So the cost was put into the product, and that's why my product is so high.

I would be happy to build houses that are more affordable. I don't build million-dollar homes because I want to, I build million-dollar homes because I have to if I want to stay in this business. I have three young children. I would like them to grow up in New Jersey. But this legislation is making it very difficult to do that.

And I urge you to consider that the financial impact of your work will be felt for many, many more generations. Your predecessors who were legislators, who had the responsibility of making rules, all understood that property rights came first. That's why people came here originally, and that's why they still want to be here. We need your understanding before you enact legislation that will continue to make the price of land more unaffordable.

I really did not come here to sell you guys a home tonight, but I would like you to consider that if I can sell your children a home, or if any builder in this room can sell your children a home, it's going to need thorough thought on how it's going to happen, and how it's not going to be prevented by additional legislation. We are delayed by construction and rules. And this legislation is going to delay us further. Please give that a lot of thought before you vote for it.

Thank you.

SENATOR SMITH: Thank you.

Ken Johanson, from the Sierra Club. And after that, Bob Rau, unidentified.

Mr. Johanson.

KEN JOHANSON: Thank you.

Good evening.

My name is Ken Johanson. I'm a volunteer with the Sierra Club. But, I think, more importantly, I was born and raised in New Jersey. I've been a resident of New Jersey for most of my life. And when I think back to my childhood, and the memories that I have, the visions that come to mind are forested areas, farms, open areas. This was part of my childhood. Too often now, when I look around, what I see is suburban sprawl, what I see is strip malls, what I see is intolerable traffic congestion.

We're fortunate here. It's unfortunate that we've lost so many opportunities, but we have one opportunity left. We have the Highlands. It's under tremendous pressure for development, but we still have a pristine area that we need to preserve.

So why do we need to preserve it? You've heard all the arguments tonight that I'm not going to repeat, in terms of water quality, water quantity, economic reasons, but, you know, there's another reason, and that's quality of life.

I'm going to go back now to my childhood, again. The experiences I had as a child, growing up in a more rural-type area like New Jersey was at the time-- That's part of what I am. That's part of what, probably, a lot of you

are. That's an important part of becoming a functioning human being on this planet. We need nature, we need open space, our children need this. We have to do everything we can to make sure that our children and our children's children have the same opportunities that we have to experience those lessons, experience those things, and to obtain those lessons that are so important for their future and for their upbringing.

And that's why it's so important that this bill be passed, and it has to be passed now, because we don't have the time to wait. That's been said often enough tonight. I'm not going to repeat it. But this is the one opportunity we have to get this bill through, and I would urge you all to do everything you can to make sure that it does get through.

Thank you very much.

ASSEMBLYMAN McKEON: Okay, Bob Rau.

And on deck is Robert Pirani.

B O B R A U: Good evening, Mr. Chairmen, members of the Committee. Thank you for this opportunity.

My name is Bob Rau. I don't live in the Highlands, but I am a former politician in a former life, and a former planning board member. So I do appreciate the time and effort that you folks put into your jobs.

I am against this bill, as you probably can see from my shirt. I want to bring forth a couple of reasons. One is that, at this point in my life, I've started to volunteer in nonprofit organizations that create housing opportunities. One of them is Morris Habitat for Humanity. It happens to be smack in the middle of the Highlands. One of the ways Morris Habitat is able to acquire property in order to build housing, affordable housing, is to partner with

communities, partner with communities in the Highlands, partner with them to provide affordable housing that they get counted toward their COAH obligation.

This bill seems to have provisions in it that will allow towns -- that maybe if they have approved projects in a preservation area, to now petition COAH to eliminate those particular projects, reducing their fair housing quota, and making it harder for organizations such as Habitat for Humanity to operate in Morris County.

I do not speak for Habitat. I happen to be on their construction committee, I happen to be an active member of the Morris chapter. But I think this bill could have a devastating effect on that particular type of housing. It's not just Habitat, but there are many other nonprofits that produce housing throughout this region. They compete for the same land as builders. And I am also a builder. So they compete for the same land I compete with.

The average price that Habitat can afford to pay for a lot in this area, and provide an affordable housing unit, is \$20,000. How many \$20,000 lots do you think they're going to be able to acquire if this legislation passes and we start driving the property values up? I don't think there will be any. That's my personal opinion.

I think there is also-- You need to know the type of people. There's a 200-person waiting list, right now, in Morris County for Habitat housing. We can't satisfy all the residents. We can't take care of all the social problems. But you need to know what the need is. Most of the people I've seen that qualify, or have been moving into this type of housing, are single mothers. I haven't heard much testimony from single mothers here this evening, and I don't suspect there's many single mothers on this panel who are creating this

legislation. But these are the people who need this type of housing. They're not at the public hearings, because they're home trying to make ends meet.

The other issue that I'd like to address with you is really immigration. My family came from Europe, England, Ireland. We missed the Mayflower, but we've been here for a long time. I've never lived in the Highlands, but I've lived in New Jersey for years. I look back -- as I grew up, there were a number of Italians, working people in the community, at that time, working hard as builders, masons, carpenters. They had families. Each one had a different profession. I think we're going to hurt immigration into this area. Immigration, right now, as I see it in my industry, and probably as you see it, is out of South America. I don't see any Ecuadoreans here tonight, Peruvians. I don't see any Costa Ricans. I don't see any Mexicans necessarily testifying about their needs and the needs of immigration.

It's the fair housing needs, I think, if you're wondering where I'm going. It's a need for all the people to be -- not to be exclusionary in our housing vision. And that's what I'm asking you to consider. This bill is an exclusionary bill for our vision of housing and creating the opportunity for affordable housing in our area.

Thank you.

ASSEMBLYMAN McKEON: Thank you very much.

Mr. Pirani.

Just to mention to everyone, it's just about 10:00. We have approximately 20 people signed up pro and 20 people signed up against the bill, that we have remaining, and about another three or four that didn't sign up either way. We're poised to move forward as quickly as we can to get

everybody in. Just to note that all the testimony has been very incisive and passionate, but it becomes cumulative after a while. So those who are left to speak, keep in mind that you want us to hear-- It's not a matter of putting how many in the pan -- we're about even there right now. It's a matter of the substance of what you have to say. So try to limit your comments to what the panel hasn't, maybe, heard yet. All right.

Thank you very much.

ROBERT PIRANI: Well, thank you, Mr. Chairman, for allowing me to address the joint meeting tonight.

You've already heard from Sean Monaghan, who is a member of our New Jersey committee, as to the Regional Plan Association's strong support for the proposed legislation, as well as some suggested modifications to the bill that we think can address many of the growth issues that have been raised this evening by representatives of the builders community.

I just want to add two, very quick, specific observations to this. For the past 10 years, RPA has been working to protect the regional drinking water and other natural resources in the Highlands area. We are members of the Forest Service Study Team that produced both the 1992 and 2002 Regional Study helping to identify the extraordinary resources at stake in the Highlands, where those resources are located, and what will happen to them if current development trends continue.

I'm hopeful that we won't be doing a third study in another 10 years, continuing to document the degradation of those resources. And I commend the Committee for moving forward with this legislation. It's a necessarily bold and even courageous step. And I trust that all of us here this

evening, in recognition of those resources that are at stake, can work together to resolve the differences that still exist within the legislation and move forward with something that is so important to the future of New Jersey.

The second observation draws on a recent symposium we held, right here in Morristown, bringing together local officials -- mayors and other appointed officials -- from towns within regional planning areas in the New Jersey Meadowlands, the New Jersey Pinelands, the Long Island Pine Barrens, and the New York City Watershed Protection Program. These were, again, elected officials in those communities. And to a person, the message from all those panelists was clear -- that regional planning works for them as local elected officials. Despite their initial skepticism, and even outright hostility to the idea of regional planning entity, all the panelists reported that they, and the majority of their constituents and counterparts in other affected municipalities, now support the Regional Planning Commissions.

What caused this change of heart? The mayors found that regional planning, rather than undercutting the local control as they originally feared, actually gave them additional powers to shape growth and control land use in their communities. They reported that coordinated regional planning -- that -- resulted not only in the environmental benefits that you might expect, but also in economic benefits as well. Their economic indicators are better in their communities than adjoining communities outside the regional planning area. Even their property taxes were lower. That's why 45 out of the 53 Pinelands mayors support the Pinelands Commission, despite the widespread opposition when it was first established.

More importantly, these symposium panelists urged the audience to be bold, not only in their vision for the Highlands, but in establishing a regional entity that can guide communities to realize the vision. When asked what they could have done differently, they all said that if they could do it differently, they would have been more aggressive at the start of their thinking and not rely on incremental actions to move forward with their regional agenda.

Again, I'd like to thank you for your hard work on this legislation and for the opportunity to testify.

Thank you.

SENATOR SMITH: Thank you.

Mr. Frank Golan is next.

And then Kelly McNicholas will be in the on-deck circle.

Is Mr. Golan here? (no response)

All right. Would you tell him he's been called.

Dominick Pasagano. Is Mr. Pasagano here? Mr. Pasagano, you don't indicate an organization that you're representative of, but I'm sure you will. Go ahead.

DOMINICK PASAGANO: Good evening. It's been a long night for everybody.

First, I'd like to say, I'm the son of two immigrant parents who came to this country looking for a better life. My father was a builder. I am a builder now. I've listened to a number of people speak. One of the other gentlemen, who was up earlier, had mentioned how he had his home for sale for a million-five and asked the board if they wanted to buy it. I will tell you that

I'm also building in that town, and I have a house for sale for a million-nine. He is the least expensive. I am the second least expensive new home in that town. I recently bought the lot for 650, because there was no other land available in that town.

I'll tell you a story how, last year, I had finished up one of the last houses in a project in another town in Morris County, which is Mountain Lakes. I had a woman come into the house as it was under construction and for sale, and she asked me the price of the home. At the time, it was 600,000, and I told her the price, and she started crying in front of me. She said that her family had been transferred from Ohio. Her husband had taken on a raise to come to New Jersey, and that they could not afford to buy a house nearly the size they had in Ohio. And that when I told her what the taxes would be on the home, she just broke apart.

Our area is so expensive for people to live, and we're taking away the availability to have affordable housing for everyone here. I believe that if you want to make houses affordable in this area, you have to improve the school systems. If you want to take people out of the suburbs and put them into the urban areas, improve the infrastructure, improve the school system, and people will want to go there. What you're doing is, you are legislating people out of areas they want to live in, and you're pushing them into the urban areas, because that's where you feel they should belong. But they should want to be there. And that is not what you're producing here. You're producing a forced agenda. And I don't think it's fair to the young people who want to buy a home, to be able to afford to live in New Jersey. They're going to be pushed into the cities, where they're not the top school systems.

The two towns that I've mentioned, where I have been selling houses, have both been ranked in the top 10 school systems in the state, consistently. And that is what has driven up the prices in the area. And if you want to take and you want to put people into these cities, then please improve the infrastructure and improve the school systems, and they will go there.

Thank you.

ASSEMBLYMAN McKEON: Thank you very much.

Kelly McNicholas.

And Frank Golan on deck.

KELLY McNICHOLAS: Hi. Good evening. It's Kelly McNicholas. I'm with the New Jersey Sierra Club, and thank you for the opportunity to speak this evening. The Sierra Club, obviously, is very supportive of this bill and how its current-- And we think this has been a long time coming and have spent many, many years fighting to protect the Highlands, fighting individual projects, piecemeal; and we think that this is a terrific solution in order to -- smart planning for New Jersey and for protecting the water supply here.

I'm going to be submitting into the record approximately 100 signatures for people who were not able to testify this evening and needed to leave, but who are supportive of this bill.

I think there are some misconceptions that are out there right now about this bill. For example, people are obviously concerned that they are going to be losing any potential to sell their land, to make a profit off it, use that to retire, send their kids to college, which are all very valid concerns. However, we feel that that's a large misconception, because what this bill will do is absorb

some of the development potential and give people money for the land, based on what the value is now, not when they think it's going to crash later on.

Also, I feel that -- I've been asked where do I live, what property do I own, how much taxes do I pay? Well, there is no affordable housing in New Jersey that I can afford. I don't own any property or pay any taxes. Yes, I do drink the water in every region of the state I go to, much of which comes out of the Highlands. It's a shared resource that we absolutely need to protect.

A second misconception that I feel like I've heard quite a bit is related to-- What was that? Excuse me, I've lost my thought. Any how, we do protect this bill strongly in the current form as written. We feel--

ASSEMBLYMAN McKEON: Please, go ahead.

MS. McNICHOLAS: That's fine. It's a long time coming. We hope that you will pass it out of Committee in its current form right now. Our 20,000 members in this state support this strongly, both in the south, in central New Jersey, in northern New Jersey. We have many members who take their water directly out -- that come directly out of the Highlands region in Bergen, Essex, Union County.

We're also a member of the New Jersey Environmental Justice Alliance, who support this strongly. Many of the members from there get their water in Trenton, take their water from either water transfers or out of the Delaware River. Also in Newark, which almost directly gets some of their water-- We don't feel like this is a bill that's going to take away the rights of people, but it's going to provide opportunities to protect recreation, to protect the supplies that business in New Jersey depend on. And we also feel that what this

is doing for developers is putting building and development into more appropriate places.

I live in Newark. I work in Trenton. These are cities with amazing, amazing potential for growth, and places that people will want to live. Okay. Developers want the easy route. Many of the larger developers want to go and take land that's already open, that's just fields, or clear-cut lands, not have to worry about cleaning it up. They don't pay for the loss that we have to that open space. And they don't pay for the sewers and the roads and sitting in traffic that we all, then, have to add into our daily lives. Okay.

However, there are programs, there are incentives for them to go and to redevelop some of these urban areas. The Brownfields Redevelopment Act, which was passed by the citizens of this state just last fall, is a program that's available, and that's going to encourage development, and encourage the revitalization of urban neighborhoods and make these good places for people to live.

So thank you again for the opportunity to speak, and I'm going to go ahead and submit these names over here.

ASSEMBLYMAN McKEON: Thank you very much.

Mr. Golan.

And on deck is Sarah Dean Link.

Mr. Golan, could you just tell us who you represent, sir?

FRANK GOLAN: Myself.

ASSEMBLYMAN McKEON: Okay.

MR. GOLAN: I live in Clinton, New Jersey. I was born in Bergen County. My parents still live there. I went to school all in New Jersey. I went

to Rutgers. I'm presently in NJIT, Environmental and Civil Engineering. I've moved to Clinton Township with my wife, who lived around the corner from myself and went to school, also, at Rutgers. We have two sons, right now, who are in North Hunterdon High School. The other one is in Round Valley Middle School. I guess one of my concerns that I have, in hearing a lot of this, is I just don't see them being able to work and live in this state in how we're progressing with the housing. I hear the builders talking about million-dollar homes, and I just don't see us being able to have our kids afford to stay here and live here -- how my parents still live in Bergen County, and I still live in New Jersey.

One of the guys who works in my company -- his wife just had a baby, and they're looking to move to Pennsylvania, simply because he wants to have his wife stay home, stay with the baby. And he's not going to be able to continue to afford living here. One of the things I think that's important is when bills like this come up, I think there needs to be representation from all people that are affected, whether it's the builders, the environmentalists, the people that are going to live in the state, the business people. It can't be something-- It appears that this is a bill that's being pushed through and just concerned with protecting the environment, which is very important, and I appreciate it, also. I live in Hunterdon County. I use the parks. I enjoy those. But I also like living there, too. And the only way I can live there is to have housing that I can afford.

I heard a few -- some of the people on the environmental side say that there's 90 percent of the land left for the developers to build in and do-- I suspect that 30 percent of that land is probably protected by the Wetlands Act, probably another 25 percent is protected by the Pinelands Act, another 25

percent is probably delayed in the courts, and the other 10 percent is where the guy with the million and \$2 million homes is, that -- sitting underneath it. That's the housing that we have the opportunity for our kids to buy. I don't know if they can afford it.

That's what I wanted to say.

Thank you.

SENATOR SMITH: Sarah Dean Link, from Mendham Township Environmental Commission.

Rick Ayr.

Ken Lockwood, Trout Unlimited.

Kathleen Caren, Citizens for Planning Responsibly.

And after Kathleen will be Lee Ehrenworth, from Watchung, New Jersey.

KATHLEEN CAREN: Good evening. Thank you for this opportunity. It's a little late. I'm sure we all want to get out of here.

I just want to read something really quickly, and then I have some comments. This is from a paper written by Richard Stapleton, called "Protecting the Source." "Water supply managers increasingly are coming to realize that watershed protection may be the best and cheapest way to guarantee both the quality and quantity of drinking water. Perhaps nowhere is the redirection in water system management more evident than in the State of New Jersey. Significantly, New Jersey's 1996 Master Plan calls for the development of a long-term source of funding for the acquisition of watershed properties, critical to the protection of both surface and groundwater. And given it's dual role of safeguarding drinking water, while at the same time reducing the threat

of disastrous flooding, the conservation of critical watershed lands may affect not only the quality of life, but life itself.”

That was written in 1997. There are numerous reports that we can all go back to and look at. The time to do something is now. We’ve talked enough. I support S-1 and A-2635. Granted, I’ve listened to a lot of people, tonight, on the other side who oppose this. No bill is perfect. That’s why there’s the amendatory process. It will be tweaked. I guarantee not everyone will be happy, but New Jersey, as a whole, will benefit from this. I ask that until these regulations and this panel is put together, that a freeze is put on State permits in West Milford, New Jersey, which is in the heart of the Highlands. We are entirely in the Highlands. Every day that passes that this bill is not passed, we lose watershed lands.

Now, I’ve lived in West Milford for 10 years, but I’m a life-long resident of New Jersey. I don’t live in a new house. My house was built in 1924. We are primarily wells and septic. And while we provide drinking water to three million people in the State of New Jersey, our water supply as citizens is threatened. We have had well dry-outs. Even with all of this rain that we’ve had in the last couple of years, Senator Martin, we still have well dry-outs.

I am a co-founding member of the group Citizens for Planning Responsibly. We started because we had some unbalanced planning in West Milford. A lot of people come into a town like West Milford. They built homes -- or they buy homes -- and then they complain, because they have to drive 10 minutes to the store. Well, what I say to those folks is, if you don’t want to have to drive those 10 minutes, then you shouldn’t be living up here. Think about that before you move up to a town like West Milford.

We had a planner who submitted our COAH certification based entirely on new development, ignoring group homes that exist in our town. And I'd like to state that last week when the mayor spoke, or the week before when the mayor spoke to you in Ringwood, he neglected to state that uncontrolled development was one of the reasons our property taxes are so high.

I sat on the planning board. I was not reappointed, because we had a new government come in. I did not support the candidacy of the people that won, whose candidacy, by the way, was supported by law firms, engineering firms, builders. I was also critical in starting an open space tax. I lobbied in 1999 and 2000. I lobbied. I applied for the committee. I was appointed. I was voted as chair.

SENATOR SMITH: Can you--

MS. CAREN: Okay. I'm sorry.

When I sat on the planning board, I did not see a lot of starter home developments in West Milford. New Jersey residents have overwhelmingly supported open space acquisition for the purpose of protecting water, as well as wildlife habitat and recreation. I and others are living proof that we need a regional commission.

Today, I just want to -- just one minute.

SENATOR SMITH: Ma'am, can you summarize quickly?

MS. CAREN: Today, North Jersey Regional Water Supply talked about adding a surcharge to the users. I stopped a half a mile from here. I picked up bottles of water for less than 99 cents. For less than this -- a one-time, annual charge -- we could buy up the critical watersheds and reimburse the watershed communities.

Thank you.

ASSEMBLYMAN McKEON: Thank you very much.

Mr. Ehrenworth, Lee Ehrenworth? (no response)

Yair Bendory, from Morris Plains. I'm sorry, Mr. Bendory--

Y A I R B E N D O R Y: Bendory.

ASSEMBLYMAN McKEON: Do you represent a particular group or--

MR. BENDORY: No, I represent myself.

I read the bill entirely. I understand it. I agree with the need to preserve the water. I have a problem with the way it's being rushed, because it's not done in a way that keeps the rights of all the people. I heard people today talk about the environment, which is a legitimate subject. But what about, for example, in the bill, if a developer has three lots that he has been working on to develop for four years, to buy them, and he has obtained preliminary approval, he has obtained final approval, but he doesn't have a building permit? I understand from this bill that upon the enactment of the legislation all his approval will be invalidated.

Is that true, Senator Martin?

SENATOR MARTIN: As currently written, you need the permits approved.

MR. BENDORY: Yes, it's true.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Answer the question.

SENATOR MARTIN: I did.

MR. BENDORY: In addition to that, I did--

ASSEMBLYMAN McKEON: Okay. We're here to take testimony that every member of the panel-- If you want to state questions, they'll make notes of them. If they want to address them, they can. But that's not how we're going to conduct things.

MR. BENDORY: Thank you. Sorry.

ASSEMBLYMAN McKEON: Please continue with your statements.

MR. BENDORY: Thank you.

Not only do I have preliminary and final approval for three lots on which I spent tens of thousands of dollars to get, and a long time, I also have DEP approval for stream encroachment, for the averaging plan, and for a discharge permit, which was given last December. When this bill is enacted, all my time is going to be wasted, because the approvals are invalidated. Those are approvals that have been received legally by whatever authority is appointed by the State or by the local government, and suddenly they are invalidated. I think this should be remedied in your bill.

I'm a very small builder. I do, maybe, two, three homes a year. That's all I do. In addition to that, for the last two decades, my family has owned land in the Highlands, in Independence. It's a substantial area of almost 200 acres. All the people around me have developed. They built homes on one-acre lots. Then the zoning was changed, and the next neighbor built more homes on two acres. Now they're building homes on four acres. I haven't applied for anything. The land is being logged every five years. I have a woodland plan management. We log the trees. I had no place to develop. I thought my grandkids, one day, will have something.

Now, I understand, that since it's in the uplands, I won't be able even to log it. I don't even dare think about developing it in the future. Today the zoning on my land, on about 200 acres, would probably yield 30 lots, the way the town has been changing the zoning every five, 10 years. I think that if someone has 200 acres and he wants to build 30 homes, he should be allowed to do that. And if people tell me that I'm not allowed to build homes because they need my water, let them come and buy my land at a price that's reasonable. The last offer I got, which has nothing to do with this bill, was from the Green Acre people, who offered me \$1,500 an acre. That's peanuts. Now I hear that the State will make equitable offers. We don't know what they are.

Now I wouldn't mention it again, but the map, the map. We're having a public hearing. We don't know what we're talking about.

ASSEMBLYMAN McKEON: Thursday night.

MR. BENDORY: Pardon?

SENATOR SMITH: Thursday you will have the boundaries.

MR. BENDORY: Thursday, after this hearing?

SENATOR SMITH: Yes. And just by way of information, the boundaries will be available Thursday. While we plan to release the bill from the Environment Committees on the 22nd, they'll be referred to appropriations, which means this process is going to go on for another few months. The record on the boundaries will be kept open for 30 days beyond the 22nd. So, if anybody believes that any mistakes have been made, you'll be able to call into the DEP, or the Office of Legislative Services, and put information before it, in terms of any corrections that you think are appropriate. So there will be plenty of time to take a look at the boundaries.

MR. BENDORY: Okay. Before I finish, one more point, your bill gives legitimate authority to the DEP Commissioner and all his departments. I want you to know that, in my opinion, the DEP is a tyrant organization. It's onerous. It's an organization that does not belong in a Democratic State.

Thank you.

SENATOR SMITH: Thank you for your comment.

Mary Pavlini, please? Mary Pavlini here? (no response)

And after her-- Is Mary Pavlini here? (no response) All right.

Then Mark Cirillo, Ringwood Open Space. Is Mr. Cirillo here?

All right. In the on-deck circle will be Barry -- and it's hard to read the last, second word -- S-O-L-O-N-D-Z, from East Brunswick, New Jersey.

All right. Mr. Cirillo, if you would.

MARK CIRILLO: Thanks. I'd just like to thank the Governor, the Highlands Task Force, and this Committee for acting on this important matter. We've had a lot of studies over the years, and it's nice to see, finally, some action is being taken.

I'm in strong support of this bill. The need to protect the water supply and the lands that affect it should be obvious. Without water, there is no life and no need for homes. From an economic perspective, the cost of treating polluted water supply will far outweigh the benefits of any development potential.

Municipalities are rightly concerned with the loss of tax revenues. I think that's a lot of the opposition that we're seeing tonight and, also, the other night in Ringwood. Compensation must be an integral part of this legislation, and it is in there.

One concern I did have -- there seemed to be a sunset provision in there, of a kind, in the section dealing with State aid -- that it would expire after five years and, obviously, that's not enough time. The compensation will need to be in perpetuity. So I'd like you to take a look at that.

Some of the other things I noticed -- one of the sections -- comments that the board has the power to purchase 80 percent of the value of development potential, and the other 20 percent would need to be picked up by a municipality or county. I don't know if that means that the State can't pick up 100 percent. In any case, I know there's some large parcels in Ringwood that we're hoping the State might be interested in acquiring, and we'd hope that they could pick up the tab for more than 80 percent, if they deem it valuable enough to do so.

Another section that I was concerned about is the one that deals with the Council on Affordable Housing. Although that's a noble initiative, developers have often used this as leverage to force development on municipalities who don't want it. So I would think, especially in the preservation area, that is looked at closely, so that there's still not that out, for things that you don't really want to happen.

Lastly, I'd just like to say that -- how many years of potential development do we really have left in Northern New Jersey -- 10, 20, 40? You can pick a number. But basically, we're at an end game in development. It's only a question of when it's going to be, whether it's now or just a few years down the road. I'm asking you, let's not squander the last best chance that we have to protect our water and quality of life in New Jersey.

Thank you.

ASSEMBLYMAN McKEON: Mr. Solondz, from East Brunswick?

(no response)

How about Pat Wallace, from Ringwood? (no response)

George Van Veldheisen? (no response)

Okay. Traci Marren of Three Bridges? (no response)

If you're here, you don't have to say you're here.

Robert Bracken of Hamburg? Is that Mr. Bracken? Sir.

And Bob Jones on deck. Bob Jonas. It's getting late for all of us.

Thank you, Mr. Bracken.

ROBERT J. BRACKEN: Thank you, ladies and gentlemen, for the opportunity to speak.

I'm a builder. I'm a former mayor of one of the towns in the Highlands, namely Hardyston Township. I know what it is to fight for money when you have a town that's almost 50 percent owned by Newark Watershed. One of my main concerns as a taxpayer in Hardyston Township is your sunset provision in helping out the towns regarding watershed properties and also--

SENATOR SMITH: The watershed is forever. Watershed aid is forever.

MR. BRACKEN: Okay. But the sunset, as far as the loss of revenue that they're going to lose in the development-- I was a mayor, and I worked very hard to have Crystal Springs approved. When I was the mayor of Crystal Springs, Joe Riggs, who was the owner of the property at the time-- Because that's a good rateable. And that's still a good rateable for this town in Sussex County. It's a highly dense development, with probably seven to nine acres per acre of approvals, between golf courses and what have you. But that

generates substantial sums of money for Hardyston Township. We can't afford not to have some development.

My concern is that you're putting a carrot out to the towns, and that if they conform to all your rules and regulations, they'll get assistance. And if they don't conform, and my problem -- and I've read this thing three times -- my problem is, are you also trying to induce them to make their planning area a preservation area by these inducements? That's not the way I'm reading the legislation. The legislation leaves a lot of loopholes, in my opinion, in a lot of aspects that-- I'm asking for a little delay. If you sit down with some reasonable people, from all sides, this legislation can get cleaned up so that, in our opinion on our side of the table, there's not a lot of loopholes that are left there.

I guess, listening to all the others, I'm the exception to the rule. I'm finishing a development in the Borough of Hamburg and selling houses for \$295,000, complete, turn-key -- has the appliances in the house, has the walls up.

SENATOR SMITH: Would you leave your phone number at the front desk? (laughter)

MR. BRACKEN: These are the opportunities that Sussex County affords. If you're not going to allow us to build affordable housing, you're going to have your \$2 million homes. North Jersey eventually is going to become an area where only millionaires are going to live. I built a house for my daughter four years ago. Between the property acquisition and the cost of building the house, a reasonable house, I had \$115,000 invested. I gave it to my daughter. Her tax bill on that house is \$6,300, today, in the Borough of Hamburg.

Somebody else raised the question, what are we doing about taxes? If I build a house, bought a piece of land four years ago and built a house for 115,000 total, including the land, and the taxes are \$6,300, we have a tax problem. You're going to be creating a bigger tax problem. Where is the money coming from for the land acquisitions? The TDRs aren't going to work, because you don't have legislation that force the towns or induce the towns to take the TDRs. The taxpayers are going to pick up the brunt of all of this.

And my last comment is, does the DEP have the wherewithal, manpower, and money to enact all of this when you stop us, when you sign this bill in the next 60 or 90 days? That's our concern. We're all reasonable people.

Thank you.

ASSEMBLYMAN McKEON: Thank you.

SENATOR SMITH: Is Mr. Jonas here? Bob Jonas? (no response)

Michelle Brook? Is Michelle Brook here? (no response)

Wayne Greenstone? Mr. Greenstone, if you would, indicate your representation?

And if Jennifer Weber would get into the on-deck circle.

WAYNE GREENSTONE: Chairman, I'd like to thank you very much for your patience and, also, for giving me a brief opportunity to address the members of the Committee. I'm appearing today as a private citizen, although I do serve as Chairman of the Board of Directors of the New Jersey Audubon Society. I do not speak for the Society.

I came to this hearing because I have been a resident of New Jersey for nearly 50 years. I've never testified at a legislative hearing before, and it's a privilege to do so at this point in time.

We are here at a very pivotal and historic moment, and all of you have the opportunity to make a tremendous difference for the citizens of this state. We live in the most densely populated state in the entire country, and a lot of the problems from having so many people in so little space have resulted from the fact that until now there's been little effort to try to regulate and control and direct development in this state.

When we sit on 287 or 280 or 80 or the Parkway or the Turnpike for hours upon hours, we all know about some of the effects of sprawl. I'm not familiar, nor do I have the expertise to talk about, some of the technical items in the legislation, but I would like to speak very briefly about quality of life. And I think there are really two aspects to that.

First, water. We all know how important water is for our lives and for everything that lives. Two years ago, when one drove through the areas of the Highlands and saw the dry reservoirs and saw the wells that had gone dry, saw the fact that there was no water to drink, to water our lawns, to do our washing, we realized that we lived in a very precarious balance with nature. And nature's issues with respect to water are cyclical, and we're going to have those problems again. And unless we exercise the foresight that you've shown in proposing this legislation, we're going to have the same problems, and they're only going to be worse.

So I applaud you for making the efforts. I think the balance of TDRs, regional planning, the capacity to try to deal equitably with landowners,

the redirection of development are all very important aspects of this bill that do reflect a fair balance. And I, for one, applaud you for it, and hope that the generations to come will also recognize that you had the courage to not take the way out for short-term expediency, but the long-term view on behalf of all the citizens.

No one has talked about eco-tourism, but I know you're all familiar with the efforts and the economic benefits to the region from that, which of course are part of the management of this area. And also, I must say that when we've accompanied school groups or scouting groups to the Highlands, and when you see the faces of children having the chance to see a bald eagle flying over New Jersey, I think you all recognize the important value of this quality of life. And without that, our state, instead of being the Garden State, will just be the butt of more jokes for the next *Tonight Show*, and they'll call us the asphalt state.

Thank you very much.

ASSEMBLYMAN McKEON: Jennifer Weber? (no response) I'm not seeing Ms. Weber here. No Jennifer Weber.

All right. Dawn Shum? (no response)

Jamie Chung? (no response)

Courtney Wilson? (no response)

Etai Harel? E-T-A-I, thank you.

E T A I H A R E L: That's Etai Harel.

ASSEMBLYMAN McKEON: Thank you, Etai, Mr. Harel.

Robert Moss is on deck.

MR. HAREL: I represent myself. I've been described tonight as a slash and burn, irresponsible -- I don't know what other terms were called about builders. That's unfortunate. But really what I wanted to talk about tonight is the fact that it's often described as a battle between environmentalists and builders. I just want to point out that there's more than just builders that are stakeholders when it comes to development. It happens that I don't own large tracks of land and a lot of builders aren't big land barons. There's a lot of small builders out there that try to pick up little lots here and there.

In the case of one project that I'm working on right now, in the past two-and-a-half years, I've been working on getting development rights to build three homes. It has taken two-and-a-half years, \$50,000 in legal, engineering, and permitting fees. Like the gentleman that spoke before, I too have final approvals, and I guess I, also, will lose the benefit of those approvals. It so happens that I purchased -- or I'm under contract to purchase this land from a church. This is the Evangelical Lutheran Church of the Holy Spirit in Montville. It's a 150-member church. They've owned the land for decades. They don't have any funds set aside to take care of this church. They don't have some wealthy person who is going to take care of them. And knowing full well that this land is their only asset, they've held on to it for a long time for a rainy day. It's starting to pour, quite literally. They want to replace their roof, they want to expand their church to accommodate a growing membership. What do I tell these people? What do you tell these people? They've been sitting on this land for 25 years, and now you're going to tell them that it's worthless.

So I would just like this board and the Legislature to understand that it's not just builders. It's small landowners, electricians, sheetrockers, average working people who aren't getting rich on development, but just trying to make a living. I understand we're under a lot of pressure. I know that Earth Day is around the corner, and Mr. McGreevey needs his photo op.

But I would ask that we just slow down. It took me two-and-a-half years to build three houses. So don't tell me that it's going to take four weeks or six weeks or eight weeks to legislate 850,000 acres.

Thank you.

ASSEMBLYMAN McKEON: Thank you.

Is Mr. Moss available? (no response) No.

Lucy Meyer. Miss Meyer.

And Jack Guerin is on deck.

LUCY MEYER: Thank you. I'm very grateful to be here in front of you and that you would listen.

SENATOR SMITH: Close to the microphone, Ma'am, okay.
(referring to PA microphone)

MS. MEYER: Okay.

My name is Lucy Meyer, and I'm a native of New Jersey. I was born here. I'm a senior citizen. I'm 74 years old, and I think you've heard a lot about senior citizens. I'm also a scientist.

I urge you to strongly support the Highlands Water Protection and Planning Act. I have -- for many years, I was on the Kinnelon Environmental Commission. In fact, I was on the Commission in 1970 when we formed our Commission. I've also been on the Historical Commission. I've acted as my

town's representative to the State Plan for many years since its inception, and I've attended most of the Highlands meetings with the Department of Agriculture, etc., etc.

As a scientist and volunteer, having done hydrology and resource studies for my municipality, which is Kinnelon Borough, starting as early as 1970 and participating, since this time, both in the planning process and protection of these natural resources, I cannot emphasize enough the need for a mandatory Regional Planning Authority for the Highlands. By the way, Kinnelon has met its COAH -- its low-cost housing obligation -- and I think you've heard a lot about towns not meeting it.

Since wetlands, streams, and reservoirs ignore municipal boundaries, we found that, in order to protect these resources, a regional approach is mandatory. It cannot be achieved solely at the municipal level. Ordinances to protect on a one-on-one municipal basis are subject to litigation. We have been through a lot of litigation in our Borough with steep slope ordinances and other ordinances. They also can be a hard-to-sell concept when they involve one municipality trying to protect the resources of another.

The headwaters of Kinnelon Borough feed into five reservoirs. We are a headwater area. It is imperative that the New Jersey Department of Environmental Protection should have enhanced regulatory authority to change development patterns that threaten water quality and quantity and the Highlands natural resources. These natural resources, such as the wetlands, forests, endangered species, are indicators of the quality of our water supply. You need those forests and the endangered species. Yes, they are endangered,

and they require habitats like that, so that's why they're indicators of water quality.

These natural resources-- Oh, we have worked very closely with NJDEP, for more than three decades, as a town. Despite some of what you may hear, we have worked with many, many very dedicated people there. Without an enhanced regulatory authority, they seem to be bound by law to a piecemeal approach rather than a regional one, and to insufficient personnel to monitor developments and to monitor regulations, such as even the Wetlands Act. Hence, drinking water quality and quantity is being increasingly degraded. Losses of watershed lands that also include forests and wildlife resources have increasingly succumbed to the development pressure.

SENATOR SMITH: Ma'am, could you summarize? We are at our four minutes.

MS. MEYER: Okay, I will.

It is extremely important that all watershed lands draining into reservoirs be designated Category I by the NJDEP. We have a lot of our watershed lands that directly flow into these reservoirs -- are unprotected. Butler, for instance, owns very little of it's watershed. Okay.

SENATOR SMITH: Ma'am, it's getting late, and no one's trying to show any disrespect to you, but we have asked everybody to live with the four-minute limit.

MS. MEYER: Okay.

I just have two- As early as 1894, the New Jersey-- Please.

SENATOR SMITH: A little courtesy please.

MS. MEYER: The New Jersey Geological Survey published a comprehensive book on water supply of this state. In it, they acknowledge the importance of the Highlands as a major source of clean drinking water for this state, warning that there was “abundant necessity that steps should be taken to guard the choice water gathering grounds of our Highlands” -- that’s a direct quote -- “and allow them not to be contaminated”.

I’ll conclude with--

SENATOR SMITH: Please.

MS. MEYER: --Patrick Henry said, “I know of no way of judging the future of”--

SENATOR SMITH: Ma’am, would you please finish?

MS. MEYER: Okay.

“By not wisely caring for our Highlands, we also will be unpardonably shortsighted,” as Patrick Henry said.

Thank you.

SENATOR SMITH: Thank you for your comments.

All right. Our next witness is Jack Guerin.

And after Mr. Guerin is Kathleen Kleiber.

Mr. Guerin.

JACK GUERIN: Thank you.

It’s a shame this legislation is being set up as a battle between environmental people and the builders, construction people, and business people. That’s a real shame. And I’ve heard over and over again, by the folks on the pro side here, that it’s important to go right away, because it’s been worked on for 80 to 100 years. Now, if it was worked on for 80, 100 years, I

don't understand why there's no budget, there's no source of funding, nobody has been hired for this commission that I know of, no one's been appointed, but it's been worked on for 80 to 100 years. Now, no business could survive like that.

It's just being ramroded through. Today we had people-- No one could get in the place. You have seats for 200 people. People want to speak. That's not good governing. And Senator, what you said to us before, we can go to Lebanon Township. We're in Morris County. We want to talk to our representatives here.

SENATOR SMITH: And we stayed here, and we're continuing to stay here to listen to you.

MR. GUERIN: Okay. But there's a lot of people that weren't able to speak.

SENATOR SMITH: I'd appreciate it if you'd get to your comments.

MR. GUERIN: Okay, let me--

ASSEMBLYMAN McKEON: And it's the second time I've met with you in the last three days. You were at the Morris meeting, too. So I was there and listened to you then.

MR. GUERIN: That's correct.

ASSEMBLYMAN McKEON: Okay, just so we're clear.

MR. GUERIN: All right. And I'm going to ask you some of the same questions I didn't get answer for, okay?

When I went through this whole bill and they talk about the Highlands Council, it just goes through more things they're setting up, adopting

bylaws, they can sue and sue in its own name, enact contracts, they can establish nonprofit organizations exempt from taxation, they can hire without tight regulations, they can set up standards. It goes on and on and on. Then it says, "set up compensation plan to owners of land when appropriate." Okay. I've heard over and over again that people are going to be compensated for their land. The bill doesn't say that. It says, "set up compensation plan to owners of land when appropriate." I want to know when it's not going to be appropriate to compensate?

The other thing is, none of this is funded. Where that money is coming from, no one has any idea. But they do have the power to establish and charge fees. So every application for an addition, or whatever, is going to have to have local and State -- and then they're going to have State fees. Okay. Then they're also going to establish rules and regulations to exercise its power. Now here's a council that's putting together -- that's going to establish its own rules and regulations to exercise its power. Then they're also going to, within 18 months after the date of its first meeting, prepare a detailed map of the Highlands region. Now, we're going into our last meetings, and they say these people are going to work on this 18 months after they've been set up. Okay.

Then it goes through, "consult with the DEP, consult with the Department of Community Affairs, consult with the State Planning Commission, consult with the Department of Education" -- these are going to be some real smart people, because they have so many things to do. It says, "review municipal plans, detail the cost of implementing the master plan to include payment in lieu of taxes." So none of that's been done. There is no idea how much money is going to have to be set up for that. It also says,

“review revisions of master plans for all 90 municipalities, approve or reject and hold hearings in 60 days on all 90 municipalities.” In 60 days, I mean-- “Upon rejection or conditional approval, enforce the planning municipalities.” What happens is, if the municipalities have something they want to bring in and negotiate, there is no negotiations. Because this council can veto and trump everything that a municipality wants to do.

Okay. It also says that “any municipality of the county fails to enforce any condition imposed by the council, the council may enforce compliance of the local authority to include stop construction orders.” It also said “they can identify past financial assessments and take that money back.” It also says, “This amount shall”-- All these moneys that are set up for buying peoples’ property and for handling the taxes for the municipality is not funded. And what the bill says, it says, “This amount shall be included in the State budget as a request.” It’s just a request to the Governor, and the Governor has final -- whether it’s going to be appropriated or not. So none of this money is here. And I keep hearing, everyone who comes from the pro side, is that the people are going to be constipated (*sic*) -- yeah, compensated. (laughter)

SENATOR SMITH: Maybe that too. (laughter)

MR. GUERIN: That’s true.

But there’s no money. There’s no money. How are they going to be compensated? Why isn’t this done ahead of time? Okay. What happens is, a lot of these people on this side of the aisle are paying a lot of taxes already. We had one lady come up and said, “I don’t pay any taxes. I don’t own any property.” Well, I’d be for it, too. But if there’s no money coming in to pay for the people who are taking-- The only thing could happen is there can be more

taxes. It either has to be a new tax or it has to be a higher property tax. So what we're looking at here, we're looking at people who are going to have higher taxes, we're looking at unemployment, and we're looking at nothing that's been done ahead of time. It's just going to be passed, because it has to be passed. This is our last chance.

I think what has to be done: Number one, most corporate executives could not accomplish the objectives of the Highlands Commission without a staff of 500 or 600 -- administrators, civil engineers, consultants, surveyors, ecological experts, political consultants, investigators, prosecutors, and advisory attorneys to support personnel. It says in this bill that these 15 council members are going to work for no compensation -- zero compensation. And yet, they're going to have a budget that could surpass Microsoft. I just think that much more time has to be put in this, because appointed people are going to have all this control.

I just think it is imperative that the legislation is fully analyzed, budgeted, and all sources for municipal tax relief and landowners' compensation is quantified and budgeted. The source of these funds must be itemized before the legislation is passed. No one is against clean water, but fairness to municipalities, landowners, business interests, and taxpayers is important. Taxpayers should not be hammered again by political posturing.

SENATOR SMITH: Thank you for your comments.

ASSEMBLYMAN McKEON: Thank you, sir.

Kathleen Kleiber. Kathleen Kleiber. (no response)

Mary D-E-R-S-T -- Derstine? Thank you.

And Gary Gutjar on deck.

MARY DERSTINE: Good evening. I'm almost too tired to think about what I'm trying to say, so I'm not going to read my notes. So I'll be quickly through. I've been in Kinnelon for 35 years in a very small house, and I've lived in New Jersey all my life. I've been involved with saving Pyramid Mountain, so I've been attending these open space meetings for about 20 years now.

I am strongly supporting this bill that's before us, and I hope that we can protect our water now. I've seen the development all around me. I've seen the wells. I worked at Pyramid Mountain for seven years. People are either telling me their wells are dry or they're flooded by all the development around them. So I think I have a lot of experience and listened to a lot of people over the years.

I just have something I feel I would just like to read that's from a book -- *Choices for a Sustainable Living* -- and it's from a course that I'm cofacilitating with the Kinnelon Center for Lifelong Learning. And it just says, "Where you choose to live matters." A group of architects interested in energy-saving design, noting that suburban living increases energy use by single-occupancy vehicles, did a study comparing energy use in types of neighborhoods. They compared a recently built, energy-efficient home in the suburbs with an uninsulated 88-year-old home in an inner city neighborhood in order to calculate the difference in household energy use each year.

The city home -- the one two-thirds the size of the suburban home -- used 49 percent more energy. When energy used in transportation was included, however, the suburban household used 10 percent more energy per year than the city household, with over half used for auto trips. The architects

attributed the difference to the pedestrian-friendly aspects of the city neighborhood, and concluded that a home's location ultimately has greater energy impact than its design features.

I have two growing children, and I know one thing. They don't want to live in the Highlands. They are very happy to be living in Hoboken and where they are in California, where they can use mass transportation.

SENATOR SMITH: We appreciate your comments.

ASSEMBLYMAN McKEON: Okay, thank you.

SENATOR SMITH: We have 20 more individuals who would like to speak. We're going to ask that you try to hold it to two minutes, if you can. If you can, talk about the things that we haven't already heard. Try to be succinct and get to your point quickly.

I believe this is Gary Gutjar.

GARY GUTJAR: Yes. I represent no one.

SENATOR SMITH: All right.

And the next party is Wesley Neff.

MR. GUTJAR: The first thing I want to say is we definitely need a larger venue to get more people to speak. A lot of people left earlier. I was one of the first people here, and a lot of people left. I think there needs to be a larger venue. I can arrange county college in this area, if it needs to be done.

I've read the bill as well, actually, twice. I'm going to quote Guy Gregg, an Assemblyman -- he's a Republican from Washington Township -- printed in the *Daily Record* on April 6, saying, "He knew of no other Republicans that were consulted when this bill has been introduced on March 29." And he quoted it in the paper. I don't know him. I'm just quoting what he said in the

paper, and he was very concerned that they didn't know about it. It seemed to be fast-tracked. That's his quote.

I want to respond to the Trail Commission earlier that spoke about the fact that he rides over private lands -- and regardless of the fact that he's riding through private lands, it's probably trespassing -- but he claimed that more people come to this area than Yellowstone and other parks out West. But what he fails to realize is the study he's quoting is actually business travelers that are made up in the Highlands region, all the hotels. Hanover Township, where you basically are tonight, has nine hotels, which is within the Highlands, which is business travelers, which they like to call *tourism*.

I also heard tonight that Highlands is 2 percent of the state, when actually in the bill it states that it's closer to 17 percent of the land mass in the State of New Jersey, when you include the preservation and the planning area.

The second thing I wanted to cover was lot coverage -- the 3 percent impervious coverage. I have no idea where that came from. It's a number that must have just been made up. Most homes in this area on acre lots are actually closer to 15 percent lot coverage. And that's not overdeveloped, that's just a normal half-acre or an acre with a modest home and maybe a pool or a driveway. A 3 percent lot coverage is ridiculous and would basically make a lot of land unbuildable and unusable, and therefore, take the value.

I live on a five-acre lot with a house, a pool, a patio, and a driveway. It's not enormous -- 7,000 square feet. That's 9 percent lot coverage on a five-acre lot.

I had a thought that, for less than \$1 billion, the 14 major reservoirs in the core preservation area -- they could be doubled in size. Double the

capacity of all the reservoirs. A hundred years ago, this country went to the Panama Canal and built that. You mean to tell me they couldn't double the size of the reservoirs in this area, keeping 90 percent of your concerns tonight -- from the people who wanted to preserve this area -- were regard to the future's water supply. If we simply make the reservoirs doubled in size, at 1/30 of the cost of what this bill is, I'd think you'd have to realize that that's a price that's worth doing.

Earlier there was 100 people that submitted a bill to you from the Audubon Society and a 3,000-person survey that was given to you. That represents about one person for every 50,000 that are living in the Highlands. So I don't think enough attention has been paid to the past DEP action from February 2. It's only -- just got passed February 2. You haven't even given it time to enact to see how it's going to affect the future. You're enacting this legislation right over that legislation. I think that needs to be given time and thought.

SENATOR SMITH: Thank you.

ASSEMBLYMAN McKEON: Thank you very much.

Wesley Neff. (no response)

Chris Mills. Mr. Mills.

David Shore, you're next.

CHRIS MILLS: Yes. I'm Chris Mills, Conservation Chair, for Morris County, of the Sierra Club of New Jersey. I'm also co-chair for the Loantaka Group of the Sierra Club, which has 2,500 member households in Morris and Union Counties.

I have heard points made by other speakers about the importance of safeguarding the precious environmental resources we have in the Highlands. However, I want to focus my comments on rebutting the idea that the proposed legislation would have a significant, adverse impact on housing, the economy, or employment in New Jersey. The first point is that this proposal isn't intended to hold growth in New Jersey or even in the Highlands area, but to channel it into areas where it would be less environmentally damaging.

Secondly, the core area proposed to be protected under this legislation is only a small fraction of the available, developable land in the state. So the idea protecting it could have major negative consequences for housing, jobs, and growth just doesn't make sense. We're only talking about 130,000 acres of additional protected land here, under this development, out of a total of 3 million acres out there to be developed.

Thirdly, we need to keep a sense of proportion about the relative importance of the construction industry in the state. Figures from the U.S. Bureau of Labor statistics show that construction, as a whole -- and that includes all types of construction, not only residential, but office construction, factory construction, road building, mass transit projects, etc., etc. -- the whole industry together, employs only 4 percent of New Jersey's total work force. And that's less than 2 percent of the state population.

Compare these numbers with the fact that almost half the state's population depends on the Highlands for all or part of its drinking water, and that other important industries in the state, such as pharmaceuticals, also depend on a reliable supply of clean water in order to maintain production.

I'd also like to address the issue of development of property taxes. Some have been concerned that this legislation could lead to higher property taxes if development is curtailed. However, the studies show that the opposite is more likely to be the case. A study from the American Farmland Trust concluded that residential development, the biggest threat to the Highlands, actually leads to higher property taxes, as each dollar of tax revenue generates \$1.36 in cost. Whereas open space generates minimal dollars, per dollar, of tax revenue. So the municipality is significantly worse off if the sites develop than if it had been left as open space.

A local study of Morris County municipalities, by Rutgers University, reached a similar conclusion -- finding that over 20 years the 39 municipalities in the county saw no net financial benefit from developing versus preserving open space. Therefore, I urge you to keep up the momentum and pass this legislation and protect this vital natural resource.

Thank you.

ASSEMBLYMAN McKEON: Thank you, sir.

David Shore.

DAVID SHORE: Good evening. I'm a life-long resident of New Jersey. I have a farm in the Highlands. I've read the bill, and I have a couple of questions on it. Well, first a comment.

I've read the bill quite thoroughly, and the only specifics I find in the bill are the penalties and the fees that this proposed Task Force can impose -- how much we can be fined, how much we can be penalized. I see no particulars as to how land values will be arrived at, the mechanism for compensation. None of that is addressed in the bill. Only the penalties.

Secondly, the same 46 inches of rain that fall here, fall all over New Jersey, not just here. Up here in the Highlands it's collected in reservoirs for the benefit of the towns in the lowlands. What happens to the water that falls in the lowlands? I'll tell you. It falls on the streets. It picks up the garbage that's on the streets and takes it into the ocean. Additionally, the water that originates up here as pristine, clear water becomes sewage in the lowlands and is dumped into the ocean at a standard much lower than sewage treatment plants are required up here. That's what happens.

What do we get out of it? We get out of it beach closings. We get shellfish beds closings. That's what happens to the waters that fall on the lowlands.

I have before me a permit, No. 5033, issued by the Department of Environmental Protection, Water Supply Administration. I'd like to read a few things from it. First of all, as a note, people who have septic systems up here in the Highlands use water 20 percent consumptively; 80 percent of it is returned to the earth for recycling. People in the lowlands that use water supplied by the Highlands use it 75 percent consumptively. It seems to me if you were really concerned about the efficient use of water, you would encourage it in the Highlands, not the lowlands (*sic*). This number itself should point that out.

Elizabethtown Water, according to this permit-- This permit was granted to Elizabethtown Water for an additional 20 million gallons a day, that's what it's for. They lose 16.4 percent of the water; 16.4 percent of the water that is delivered to them disappears -- leaking pipes, who knows what. That's almost the consumptive use of a Highlands resident for their septic system.

Additionally, within the intake area of Elizabethtown Water, which is in Bound Brook, there are 14 known, nearby potential pollution sites within one mile of the proposed diversion. The water quality is transformed as it leads from the Highlands from Category I water -- trout producing, trout maintenance water -- by the time it gets down to Bound Brook, it is nontrout producing water. Something happens to it after it leaves the Highlands, where it is degraded. One of the things that happens to it is there's existing pollution sites within a mile of the intake. There's also many other septic plant discharges into the South Branch of the Raritan River, where the intake is. One of them within 6,000 feet. So here we take these pristine waters that you're all worried about -- as soon as they leave the Highlands, they become degraded. And when you're done with them in the lowlands, they are turned to sewage and dumped into the ocean poorly treated. That's why I read about it in the paper where there's going to be additional beach closing as a result of high coliform bacteria levels. It happens every year. It's going to happen this year too. Not from activities in the Highlands, but from activities in the lowlands.

Thank you.

SENATOR SMITH: Thank you.

Pat Matarazzo, from Rockaway Township.

After that, it's Elaine Kramer.

P A T J. M A T A R A Z Z O: Good evening. Pat Matarazzo, Rockaway Township. I chair the Environmental Commission. I also chair the State's Clean Water Council, and I've sat on many rule committees within the DEP.

One of the things I get to see by working within DEP is connecting dots. The State right now is taking the Master Water Supply Plan and

reevaluating it every three years. We're looking at the depleted consumptive analysis, passing flows, existing allocations -- either allocations that are being totally utilized or underutilized. One of the things you should incorporate is looking at those water allocations.

For an example, when we're in the middle of the drought, I was on the drought task force. We evaluated the water coming out of the North Jersey water district, and we understood that they were selling 40 million gallons of water to New York state. United Water was wheeling water while we were in the middle of a drought. Why? They owned the water diversion rights. We need to start looking at those diversion rights. Some of those allocations go back 100 years. They do not own the water, they own the ability to transport it.

So while you move forward with this process, please look at what the rest of the state is doing. You're going to have yourself a very good set of tools. You've got the stormwater regulations coming online. This. You have the depletive, consumptive water analysis criteria that's happening now. You have the wildlife criteria just being adopted, plus the surface water quality standards. When we were looking at the State Planning Commission, one of the recommendations we made -- that all waters within Planning Area 5, the recommendation to the DEP was they'd be classified as C-I waters. That recommendation was made two years ago.

All these processes are in place. It behooves you to look at them. Coordinate it, connect the dots. If you want to form a council -- it looks very good. I like the idea of forming a council, but I don't understand why you don't have a technical component to it.

Thank you very much.

ASSEMBLYMAN McKEON: Thank you, sir.

Elaine Kramer. (no response)

Tim Matthews. Mr. Matthews.

Horace Chamberlain next.

Mr. Matthews.

TIM MATTHEWS: Thank you, gentlemen, for allowing me to speak tonight.

ASSEMBLYMAN McKEON: Thank you.

MR. MATTHEWS: I'm here for a couple reasons. I'd like to talk to you regarding-- Everybody talks about preserving the land. I'm a farmer. I believe in conserving the land, not preserving it. I'm also chairman of the White Township Open Space and Farmland Preservation Committee, and I am on the Open Space and Preservation Committee because I do want to help conserve the land in our township, in White Township, Warren County.

One of my problems with the bill is, you are stating in here that the planning and the building will be in certain areas of the state and certain areas of the Highlands. One of these areas that I'm very concerned about would be in a source service area or a water service area, which we have in White Township, on the very farms that we are trying to preserve and put in farmland preservation. We would hope that you would really look at this. We as a township have done quite a bit of work in trying to take these farms and preserve them.

One of the other things, we also have a project currently going on in White Township where there's 470 acres that was currently owned by the

Buckhorn Springs Water Company. This property is being funded by 1.7 million from Forest Legacy. They are looking for 800,000 from the county and 200,000 from the township. So that would be \$1 million from the local level. The State is projecting a contribution of 390,000. If the State were so interested in preserving water resources in the Highlands, I would think that they would be putting more money to purchase this land. That's another one of my major concerns with the legislation.

As a landowner/farmer, I believe that if the legislation goes through, if they can regulate your land away from you so that you can't obtain the value that is set by the developers, because the developers and the builders do set the land values currently, that why would they send the money to our area to reimburse the people? I mean, if they can stop the development through the legislation, why would they channel more money into the Highlands region? Why wouldn't they channel it into the areas for redevelopment and into the Brownstones?

Those are probably some of my major points. I do have a lot of other points, but a lot of them have been discussed here tonight.

So thank you very much for your time.

SENATOR SMITH: Right. And might I suggest that you contact the Farm Bureau.

MR. MATTHEWS: Yes, I--

SENATOR SMITH: We're working closely with the Farm Bureau and the Secretary of Agriculture, with regard to farming amendments. We want to make sure we do it right. So make sure you have input with them, and we greatly appreciate it.

ASSEMBLYMAN McKEON: Okay. In consulting with the Chair, we have seven in favor, seven opposed, and we have six that didn't mark either way. We're going to call -- and of all the seven that note as being opposed, all seven of them denote some type of organization relative to our agricultural community. What we'd like to do, if you can just help us and pull a couple chairs up is, we want to at least hear from all those opposed. So I'd like to call three at a time.

Devlen Mackey of the Warren Board of Agriculture. (*sic*)

Devlen. Oh, yes. I got a chance to see you the other day also. Nice to be here. Thank you for being here.

Henry -- and I'm sorry, guys.

HENRY GRINBAUM: Henry Grinbaum. I'm Farm Credit.

ASSEMBLYMAN McKEON: Thank you, Henry.

And Louis Badwini. Is Louis here? Okay, great.

And then we'll call three more in a moment.

We don't mean to cut into your time, but take us--

Thank you.

MR. GRINBAUM: I'll start. Henry Grinbaum. I'm Vice President with Farm Credit Banks, representing the premier lender of agricultural individuals in the State of New Jersey, primarily the north and the central part of the state. We have \$220 million worth of loans in this particular area we're talking about tonight, with about 1,100 customers. The last couple of weeks, I probably had 300 to 400 calls about this. We strongly feel this will reduce the equity to our farmers, which will increase the borrowing costs by our farmers, and will most likely reduce the profitability of our operations that we deal with.

The farmers have got a very -- Mr. Donaldson mentioned earlier, I deal with hundreds of them -- have a difficult time of just surviving in New Jersey agriculture. I think it's important to maintain agriculture in New Jersey. I think it's important for us as citizens of this area to be able to purchase products grown and produced and raised by our farmers. I've been in this area and in Farm Credit for 25 years. I've been in New Jersey for 46 years. My mom and dad were involved in the poultry industry for 50 years in Hunterdon County. I despise having to buy eggs from Georgia. I despise having to buy a poinsettia from Canada. I despise having to buy fruit and vegetables from not the Garden State. We are the Garden State. Let's keep the garden in the Garden State. And I really think that's exceptionally important, through our programs that have been up for almost 20 years, like the Jersey Fresh Program. The Jersey Fresh Program will do no good when tomatoes and other vegetables are coming in from other parts of the country.

Thank you.

SENATOR SMITH: We agree.

ASSEMBLYMAN McKEON: Thank you, sir.

LOUIS BADWINI: Henry, you were good.

I guess I-- I'm Lou Badwini. I'm a farmer from Warren County. I raise beef cattle. I guess I'm really disappointed in the fact that you took so long to bring out the map. I know you tell us tonight that it's coming out on Thursday. But I think that's truly been unfair to us to not know where the core area is. I think that should have come out at a much earlier date.

As a farmer and an owner of land, I'm very concerned about the equity. Henry touched on it. Everybody touched on it. You folks are in the

position of coming in and taking eminent domain and taking my property for whatever you think the value is at the proper time. I think that's truly unfair. And I think that that is something that we should be concerned about.

If you take a look at the Pinelands, that represents approximately 24 percent of the total land, and you take the Highlands proposal, which is probably about 14 percent, and the Meadowlands Commission, that puts about, roughly, 40 percent of all of the land -- going to be controlled by the State of New Jersey, through your organization by your commissions.

And just to end it up, I think the most serious part that I'm concerned about is that we in the Ag community feel that proper attention has not been given to the farmers' needs in this legislation.

DEVLEN MACKY: Thank you for listening to us.

My name is Devlen Mackey, representing Warren County Board of Agriculture, of which I'm president. Not to reiterate from what Lou had just said, you all keep pointing to the Farm Bureau and the Department of Ag and saying, "Well, get a hold of the Farm Bureau and the Department of Ag," which is fine. And I think that they're doing as good of a job as they can. However, there's thousands of us that they represent, and realistically how can two people represent and truly know what all of us want?

It bothers me to no end that this seems to be done behind closed doors. Maybe I'm naïvé, maybe I'm stupid -- I don't really know how your particular system works. When I went to school, we were taught that it was supposed to be a democracy and that things were supposed to be done out in the open and not behind closed doors, and that the public would have some input. I thank you for being -- letting us here tonight to try and do that.

We have a flag in the corner. It was my understanding that that represents democracy, a part of which, what I was taught in school -- and maybe it's wrong -- that the system of government that we have is designed intentionally to be a slow and arduous process so that mistakes are not made by those who wish to rush to judgment. I implore, or beg you, to please slow this process down a little bit, and let everyone have their input. Another six or eight months -- the whole state isn't going to be developed in six months or eight months. I just fail to see why this needs to be -- 30 days done.

I have many issues -- a lot of which the other folks have brought up. And I'd like the opportunity for you to either take the County Ag Development Boards or the County Boards of Agriculture in the affected region and have some input directly from us, as well as through the Department of Ag and as well as through the Farm Bureau, of which we're trying to work with them. But there are seven counties involved, there are seven Boards of Ag. If you would care to have us put together a list of our concerns so that you know that Warren County is concerned with 10 items--

SENATOR SMITH: We'd appreciate it.

MR. MACKEY: --I would appreciate that. It would, at least, give me a feeling that you're trying to do a little more than just work through the two organizations that we have.

SENATOR SMITH: For what it's worth, the two organizations are representing you very well. They're very aggressive about what they believe the farmers in this state need, and quite frankly, we're very sympathetic to it. We're going to try our best to have amendments addressing agricultural issues that the

community will be very satisfied with. All right. But we'd appreciate your direct input.

ASSEMBLYMAN McKEON: Thank you.

MR. MACKEY: And I don't doubt that, but I just--

SENATOR SMITH: If you send us -- send us some correspondence with your concerns in writing. That would be a big help.

MR. MACKEY: To your office, or--

SENATOR SMITH: To Chairman McKeon and myself.

MR. MACKEY: Okay.

SENATOR SMITH: Thank you.

ASSEMBLYMAN McKEON: Thank you all very much.

MR. MACKEY: Thanks for your time.

MR. GRINBAUM: Thank you.

MR. BADWINI: Thank you.

ASSEMBLYMAN McKEON: The last four that we have listed are Laura Akin and Sam Akin. I don't know if Mr. and Mrs. Akin are both here. They're both opposed, but we don't know if it's for the same reason or not.

And Arie Van Vugt.

And Sam Race. Is Mr. Race here? Mr. Race, are you part of the agricultural community? Why don't you come up then, too, sir?

And that would be the remainder of those we have listed.

We'll find a chair for you, I promise.

SENATOR SMITH: No extra charge.

ASSEMBLYMAN McKEON: Sir.

SAM AKIN: Okay. My name is Sam Akin. And eight years ago, my wife and I put our life savings in a preserved farm in Morris County, about 20 miles west of here. It's 115 acres. We produce beef and a large quantity of mixed vegetables. So you might, kind of, wonder why I'm here and what my concerns are, or do I even have a dog in this fight, in that we're already preserved. And the answer is, very definitely. I'd like to, kind of, talk about several specific issues that impact the farming. Some of them have been touched already, but I think they, maybe, could be emphasized a bit more. And then I'd like to talk -- kind of move away from the economic issues that affect our particular farm -- and talk about the quality of life issues that impact us, as well, that haven't been talked about as thoroughly.

Our farm has a brook that runs down along the western edge of it. As I said, when we bought this farm eight years ago, there was a 50-foot buffer off of the stream. Now, with the recent legislation, now it's been expanded to 300 feet. That's taken two-thirds of our farm and made it impossible to put any kind of an agricultural building on that property. That's a pretty significant impact on our ability to farm and make a living.

Additionally, the proposed limit on impervious cover has been talked about earlier, the 3 percent. If you think about a 115-acre farm, 3 percent impervious coverage says we can do something on three acres. Now, County Route 24 goes across our farm. There goes at least an acre under pavement to the county. We have some long driveways. We have a couple barns. We have a house. We won't be able to put up a greenhouse, I suspect, or maybe one on one corner of the farm, based on this legislation and the other

300-foot legislation, which has already taken place earlier this year. That's a pretty significant impact.

We have about 30 acres of mixed hardwoods on the steeper slopes of our farm. This bill says that there should be minimal impact of the Highlands forests. We depend on being able to go up there and take a few logs out. We're not clear cutting anything. It's a selective cut for some mature trees. There should be some recognition of the need for that kind of activity in this legislation, and I don't see it anywhere.

Finally, our farm -- one of the reasons we bought it was because the State had drilled a well on it. We use it for irrigation purposes. This bill takes the water allocation, and takes it from a 100,000 gallons a day to 50,000 gallons a day. And the last couple of years has been fairly wet. But when you've got a lot of sweet corn in the field and you need to be able to get water to it in a drought, having to go to the DEP and go through lengthy regulations in order to get water allocations-- The recent water allocations have been sitting at DEP for two years. I understand -- word of mouth -- that just before this legislation came up, those all got pushed off. A few of them got approved, and the rest got sent back for more details. "We don't have enough information," even though it's been sitting here for two years. That kind of bureaucracy doesn't allow farmers to be able to make a living.

So those are some of the specifics that concern me.

Now I'd like to talk about some of the quality-of-life issues that I think are very critical in this bill. Most important is the fact that the commission that is going to run this thing are 15 individuals -- all of whom are appointed by the Governor, none of whom are elected to this position. They

may be an elected official where they came from in one of the boroughs, but there's no representative government in control of this process. So we're going to have the DEP, and we're going to have 15 appointees of the Governor, and a Governor who has veto rights over this. So, basically, we don't trust the 90 officials in the 90 municipalities who are elected to try and work these issues. And I'm not saying that there isn't a benefit to some regional planning to get some continuity between things. I don't think it's an either/or kind of a question. I think you can have regional planning, but I think you can have some answerability to the people in the region in terms of those actions of those people.

So let's look at taking those 15 people, and instead of making them just appointees that are completely removed from us, make them accountable to us. Give them the responsibility to enforce some regional planning, to do some of the things that this legislation tries to do, but make them accountable to us. Don't put them beyond our reach. Don't make them hidden behind the halls of Trenton, where we can't get at them. I don't want to have to call DEP and say, "Push four for this, push three for this, and we'll get back to you in three years." That doesn't do it for us.

There are some people who say that, "Well, this is too important an issue. We can't trust the local people to handle this. It hasn't worked so far," so on, and so forth. I would point to the fact that we entrust our most basic freedoms -- the right to speak at a meeting like this, the right to assemble, the right of religion -- those things you trust of a representative government. Why should we set this thing apart? Why is it that real estate and fresh water and the environment can't be handled by a representative government? I don't

believe that. And I think that you ought to give some strong consideration to making this a representative body instead of an appointed body.

ASSEMBLYMAN McKEON: I'd ask you to try to conclude, sir.

MR. AKIN: Yes, I know. Obviously, there's a lot of emotion and a lot of thoughts here.

ASSEMBLYMAN McKEON: A lot of good points -- excellent.

And we'd, again, invite you -- any thoughts you don't express, give it to us in writing. They'll be considered. We promise that.

MR. AKIN: Last Wednesday, when we got together, I was in the audience listening -- and I appreciate your being there -- and we heard from Jack Schrier who was one of the freeholders on the original commission. He said, "This legislation" -- and I may not have the exact words, but I think I carry the gist of what he said -- "This legislation is intended to be onerous and burdensome, because that's the only way we can preserve the land in this region." I don't believe that. I think the land in this region can be preserved. We can address the issues without making it onerous and burdensome.

When I look at the legislation as it's written now, I agree with him. I mean, the fact that we have 15 members trying to handle the workload that 90 municipalities have been handling says that it's designed for long delays. Initially, there's a 28-month period where not much is going to happen, because they have 18 months to put the Regional Master Plan in place, then the local municipalities have another 8 months to take and make sure that their rules conform to the Regional Master Plan, and then there's another two months, at least, of approvals before those go into place. So there's going to be a long

moratorium. There's going to be a huge backlog behind this regional committee to get the work done.

So, just to conclude, we've heard a lot of hypotheticals tonight about: it's going to be too expensive for kids to live in the area, it's going to be too expensive for seniors to live in the area, etc., etc. I'd like to just give you one real concrete example. We have two sons who've both gone to college for agriculture. They're interested in farming. Our oldest son graduated from Iowa State this last year. He's decided to go into growing tomatoes, vegetables. We're not just preserving farmland, we have to preserve the people who are going to farm it and can make a living farming it. Unfortunately, his decision is that he's doing that in Iowa. And when we talked to him, he says, "Forget New Jersey." He says, "There too much bureaucracy. You can't get it done here."

ASSEMBLYMAN McKEON: Thank you for your comments.

Sir.

ARIE VAN VUGT: My name is Arie Van Vugt, owner of Plainview Growers in Allamuchy.

This is extremely disturbing to me. I just found out about this last Tuesday. I think everybody here in this room has just found out about this. And I think that the public was misled through newspaper articles stating that the Highlands project was under -- that it was being worked on. All it did was stress the Water Quality Act. Nothing that was within this bill was ever presented within the newspapers. No one knew anything about it until last week, Tuesday morning, when I found out about it. This is the busiest time of our season as a grower. I literally stopped what I was doing and literally became an activist overnight, I mean, because it concerns me so greatly.

Between my wife -- I have six young children, okay -- I purchased 200 acres in Allamuchy; 147 of that is preserved land. I went to the Warren County Ag Board seven years ago and asked them is it okay to put greenhouses on this land? They said, "Yes. It's preserved land. We want agriculture here." That wasn't enough for me. I went to Trenton. Trenton said, after three weeks of looking at this, unanimously, their board voted that, "Yes." I gave them a master plan, what I wanted to do with my land. Okay. It came back that, "Yes, this is preserved land. This is agriculture. You are able to do this on your land." I read this bill-- I've read it three times. Okay. If I look at what's in this bill the way it is today, I have no chance. I have to take greenhouses down. That's what I read in this bill. It is so disturbing to me. I mean, 3 percent of impervious coverage, when that's including brick pavers, it's including decks, it's including gravel driveways-- I've got an acre and a half of gravel driveways and parking lot. Where am I going to build greenhouses? I can't.

I literally get to the point where I have to stop and devalue that property. It's deed-restricted land. The way it's set up now, it's going to be worthless to me. I'm passionate about this. And I'm just asking, please, to look at the farmer. Okay. Three percent is nothing. It's absolutely nothing. You need to take a look at this. Okay. And again, please, don't railroad this thing through. It's not fair. There's 800,000 acres that's included in this whole area.

I mean, for this thing to come out last Tuesday and then to be ramroded through in two weeks, or three weeks, is just unbelievable to us. And I'm speaking on behalf of the farmers of our association. I mean, it's incredible that this can take place. I mean, to usurp the authority from 90 communities --

that their building officials have no say in what happens within the buildings. These are things -- this is what it says within the code.

SENATOR SMITH: No, it doesn't. There's so much-- Even though people read the bill, it's in legalese, and that makes it hard for people to understand it unless you live with these things on a daily basis. The only place where there's any mandatory land-use control is in the preservation area. The preservation area is 350,000 acres, out of this 850,000 acres. That's the only place where there's mandatory regional control. In that area, one-third is publicly owned land, one-third is already developed, and one-third is land that needs to be preserved, roughly about 110,000 to 120,000 acres. All right.

Quite frankly, the other thing -- you know from the farming side of it -- in that 350,000 acres, according to the Secretary of Agriculture, 15,000 of the acres are agricultural properties. All right. When the core -- when the preservation area and the Highlands were mapped, there was an extreme sensitivity to trying to keep farm properties out of the preservation area. Literally, 150 to 200 to 250,000 acres of farmland were kept out of that preservation area, and could be, for good scientific reasons. But there was an effort to do that. So there's an extremely small portion in the preservation area, where you have a mandatory land-use controls, ultimately, after a period of time that will affect farmers. And I promise you we are working with the Secretary of Agriculture and with the Farm Bureau to make certain that we don't hurt farmers. You are, literally, the backbone of our state. We don't want to see your operations or activities hurt. And we are going to bend over triple backwards to make sure that this bill does not hurt you.

MR. AKIN: Just to clarify, Senator, our farm is in the core area, is my understanding of it.

SENATOR SMITH: Fifteen thousand acres.

MR. AKIN: Our farm is.

SENATOR SMITH: Is it?

MR. AKIN: Yes.

ASSEMBLYMAN McKEON: What town -- I'm sorry -- again?

MR. AKIN: Long Valley.

MR. VAN VUGT: I just have one more point please, just one.

ASSEMBLYMAN McKEON: Yes, please, finish your point.

MR. VAN VUGT: Okay, I will.

With the Farmland Preservation Act -- that was a referendum that was passed by the State of New Jersey. We can just take the Farmland Preservation Act and just, kind of-- Even like this fellow, if he's in the core, that can just be totally reversed, and he's out of luck?

ASSEMBLYMAN McKEON: It would use the money from the Farmland Preservation Act to potentially purchase. In the way -- it's not reversed at all.

SENATOR SMITH: Yes. It's not reversed.

ASSEMBLYMAN DeCROCE: You can't sell it for it's highest and best use.

ASSEMBLYMAN McKEON: Sir.

S A M R A C E: It's a little hard to know where to start here. I was extremely impressed by the group of visitors you have this evening -- a tremendous crowd. But it seems to me to show a tremendous interest in this legislation that you're

proposing. I believe everyone favors the conservation and wise management of natural resources, not only in the Highlands, but in every acre in the state.

I think, having said that and having read this bill, I think we're witnessing-- And I'm going to say this not from the viewpoint of a farmer, but from the viewpoint of a person who has got experience with municipal government, who's got experience with State government, who ran a conservation program for the Department of Agriculture for 34 years, as a chief executive officer -- that we are seeing a major, bureaucratic expansion here and, I believe, a population control overkill. I think this is population control. I'm not sure what authority you have for population control. And it was said here before. The 15-member panel, appointed solely by the Governor, and the Governor has sole veto authority. You're putting a tremendous amount of power in the one place without representation. I think that's very difficult.

There are so many extremes in the current legislation -- \$50,000 for somebody, per day, for somebody who inadvertently doesn't comply with the law. \$50,000 a day is the maximum. That's pretty strong. Why do you want to not have DEP comply with the Administrative Procedures Act when they put in their interim regulations? That's only for extreme emergencies, the way I read it, when we used to write rules, when I worked for the Department of Agriculture. Why do you want to allow the bypassing of the Administrative Procedures Act? I don't understand that.

I believe this bill has been moving fast. I think the bill was written before the Task Force even finished its work. Because nobody could sit down and write that bill in a few days. That's a piece of work that took a lot of time. Anyway, I think there's an opportunity here for us to do things that you want

to do and, perhaps, we can all support. But this legislation is not going to do it the way it's written. I just think it's too severe. What happens to the person like me on a farm, which I moved there when I was 6 years old. My father owned it. He died, left my mother the farm. Now I have the farm. It's got a value, or at least it used to -- and I'm counting on it so I can have a little time when I don't have to work for my retirement. Don't take that value away, and I think this will.

Anyway, I don't support the bill, but I support an effort to do wise conservation management of not just the Highlands, but every acre in the state.

Thank you.

ASSEMBLYMAN McKEON: Thank you, sir.

Ma'am.

L A U R A A K I N: Actually, my husband spoke more eloquently to the Democratic process, which I do not see in the legislation. I appreciate that all of you are elected officials and you're all providing a Democratic process right here tonight. You're going through a Democratic process to get this legislation passed, but in fact, an appointed council is not providing for a Democratic process throughout the implementation and maintenance of this program. The Democratic process, however, will come into effect when it comes to funding. I assume that's going to come in under other legislation. Funding then comes under recreation, which the definition of which can include significant development, but it is provided for within this law under the Highlands. It could come under things like Nature Conservancy, that buys a lot of open space and puts easements on it or continues to own it. I see no provision in the legislation that allows those organizations -- many of which who have testified

tonight and don't seem to have addressed that of -- if they want to purchase land, that land purchase for them also has to go before this council and then be approved, and then that has to follow up with the Governor's approval of their actions taken.

I'm not sure that's a wise thing to be doing -- when some of those organizations that purchase open space and put easements on it and turn that property over to somebody, who is willing to own it with easements they put on it for conservation purposes -- that's a huge funding stream in the state for open space. And if that's cut off in the Highlands, I think that's a detriment. I'm not sure that I trust that the State can afford that kind of money to purchase it all on their own in the Highlands.

The other thing, in terms of water, which isn't addressed by this and maybe it's not the appropriate place to be addressed. And I only heard one other speaker mention something about the maintenance of our waterways, meaning water supplies and usage. We want to conserve the Highlands so we have pristine waters. And I think that the science does prove that the water gets out of the Highlands and is then not necessarily well-used, lost in antiquated water systems in some of the cities, where the amount that gets pumped in doesn't, in fact, get used in the supply, because we really should be upgrading the infrastructure there so that we have good delivery of that water, and we're not losing some in the system.

Talk about balance, there's a balance there of -- do you use political clout to get those systems in good shape, or do you use your political clout to preserve the land that supposedly supplies the water?

So thank you.

SENATOR SMITH: Or both.

MS. AKIN: Well, this doesn't address both. And there isn't a lot of attention paid to water usage.

ASSEMBLYMAN McKEON: Thank you.

MR. RACE: Could I add? I think you could do so much more with incentives rather than regulation. The original 1991 U.S. Bureau of Forestry Report talked about using incentives, and I didn't see any in the legislation. I think it would be good to use incentives.

ASSEMBLYMAN McKEON: Okay. Thank you very much, sir.

And thanks to the four of you. We'll listen, and did listen, very carefully.

Just bear with us for one minute. When I call your name, let me know if you're here.

Bob Nagler. (no response)

Todd Murphy. (no response)

Craig Villa. (no response)

Tony Fazio. (no response)

Mike Savage. (no response)

Now, continue to bear with me. These are the last few, and again, I do apologize. There's at least a dozen or more that are in favor of the bill that we're probably not going to call tonight. It's close to midnight. There's about another five names here that didn't say one way or the other.

So tell me, first of all, Doug Tavella. Doug, are you for or against?

DOUG TAVELLA: (speaking from audience) Neither.

ASSEMBLYMAN McKEON: Which is why you didn't show it either way. Okay.

Hold on for a minute, Doug.

Laura Ashley. Oh, I'm sorry, Laura Ashley. That's Larry Ashley. That's what my daughter wears, Laura Ashley. Larry's gone.

Aimee Ashley Myers. (no response) They're with the farm community, and I think those comments were so good, we got the gist of what they would have to say.

Henry Riewerts. (no response)

And Eric Luscombe. For or against, sir? More against. Okay.

Here are the last two witnesses then -- Doug Tavella and Eric Luscombe.

And that's everybody that signed up, either neutral or against.

You can both come up.

Sir.

MR. TAVELLA: We've heard a lot tonight about the -- from the development community and from the preservationist community. I'm neither. I'm a conservationist. I'm a forestry professional with 20 years of on-ground experience managing the privately owned woodlands of northwestern New Jersey. I'm troubled that proposed legislation with such a broad scope can so completely ignore the management of the woodlands that form the heart of the Highlands region.

The past 20 years have clearly shown the multiple benefits that accrue to our woodlands through the implementation of wise forest management. Via the Farmland Assessment Act, thousands of New Jersey

woodland owners have been working with trained and experienced foresters to improve wildlife habitat, stabilize soils, protect critical water supplies, enhance recreational use, and improve forest growth, production, and health.

I've traveled extensively in New York and Pennsylvania's woodlands. And New Jersey's woodlands -- thanks largely to management efforts over the past 20 years -- are, in my opinion, superior in health and composition to those of our neighboring states. Forests are not static entities that can be safely preserved by freezing them in a moment of time. These are dynamic ecosystems that require stewardship by trained professionals and motivated landowners in order to retain their health, vigor, and ability to reproduce future generations of high-quality trees. The stewardship that has been carried out in these woodlands, since the Woodland Amendment to the Farmland Assessment Act in 1986, has clearly shown management activities to be of great benefit.

A Highlands commission without trained foresters is equivalent to a highway commission without trained engineers. In my opinion, legislation which forms a Highlands commission that excludes forestry or even changes forest management policy, that's research tested and experience proven, is poorly thought out and poorly executed. It will lead to a long-term decline in the health and productivity of our precious forest lands. And onerous permitting process will very likely, eventually, bring beneficial management practices and productive relationships between foresters and woodland owners to an end.

We have the policy of the Pinelands Commission to look to for a precedent. Because of a lack of forestry in the Pinelands region, State and privately owned land is now more susceptible to fire and insect outbreaks than

perhaps any other time in its history. Woodland owners are tree farmers. Tree farmers are farmers.

I'm here to ask you to support the incorporation of forestry into the proposed legislation and to give a voice to the professional forest management community, which has as its only motivation the continued long-term health and productivity of New Jersey's woodlands -- woodlands that protect New Jersey's waters.

Thank you.

SENATOR SMITH: Thank you.

ASSEMBLYMAN McKEON: Thank you very much.

Sir.

ERIC LUSCOMBE: So, I win. (laughter) Wow. I also win on something else. I think I'm the only one that read it four times.

Anyway, I have some recommendations, a lot of questions, 101 pages -- it's just too much. But anyway, everybody was talking about, or a lot of people were talking about water supply. The way I read this, it may not be possible to put in a new reservoir. It may not be possible to increase the size of an existing reservoir. You have 300-foot bumpers. You have upland forests around. I think in this legislation if you don't specifically say that you can put in a reservoir or expand a reservoir, that the DEP is going to say, "You can't do it." I'd be very disappointed if you didn't put something in there saying that is allowed. Not that I don't trust the DEP, but that it's a real concern.

SENATOR SMITH: Just so you know, we do have a public health exception, that rules can be overridden for public health purposes.

MR. LUSCOMBE: I know. It's just a matter of trust.

I have a couple definitions that I need a little more help with. One of them is Highlands Open Waters. The part of that that says, "bodies of surface water, natural or artificial." Could you throw in some examples there? It's critical. Do you mean swales? Do you mean ditches? Let me tell you why it's critical. For people who own houses who have land that is going to be within 300 feet of the Highlands open water -- which can be a wetland, a stream -- these people will probably not be able to, if they're in the preservation area, they will not be able to put any additions on their houses. If they go out, they're not going to be able to disturb. If they go up -- and that means they have to put in a septic -- they can't disturb. So, if you could tell them exactly what you mean by -- and give examples of natural or artificial surface waters, that would be a big help. At least they would know what they're in for. I don't want somebody to be surprised when they go to a building inspector, and say, "Hey, construction official, I can't -- you can't do that," and say, "Why, because you have a swale within 250 feet of your house."

While I'm on that, I'm also a real estate broker and an appraiser. I believe that one of the things that you're going to see from this legislation is tax appeals for people who no longer can increase the size of their houses, are prohibited from doing any more destruction of their property. Maybe they can't even put in a garden within that 300 feet. Maybe a farmer can't increase what he's farming within that 300 feet. Scary. But anyway, that may be used for tax appeals.

Oh, numerous places in there it says -- it makes reference to upland forested areas. You can't build within an upland forested area. You can't disturb an upland forested area. How big an area are you talking about? Are

you talking about a giant swamp of upland forested area, or could it be a wooded lot? It doesn't say. I think you have to specifically say what you mean by an upland forested area. If it's a tenth of an acre, let us know. Because if you don't say exactly what it is, you know it's going to be interpreted the most conservative way possible.

If you have a house--

ASSEMBLYMAN McKEON: I'd just ask you, if you could, sir, to--

MR. LUSCOMBE: Yes. I'm down at the bottom.

ASSEMBLYMAN McKEON: Perfect.

MR. LUSCOMBE: If you have an existing house in a preservation area and it's within the 300 feet, and you've already used 3 percent of that lot for a driveway going into the house, the house burns. Can that house be rebuilt? I'm not sure.

ASSEMBLYMAN McKEON: We had taken--

I'm sorry, Senator. Go ahead.

SENATOR SMITH: One of the amendments that is under consideration is an absolute allowance for rebuild. And there are also mom-and-dad exceptions for review.

MR. LUSCOMBE: Okay.

ASSEMBLYMAN McKEON: That was in reaction to points brought up at a previous hearing.

MR. LUSCOMBE: Okay. And the other thing that people are going to be going for tax appeals on is the right of first refusal. If you talk to

any appraiser, you will find out that that will decrease the value of a piece of property -- if the right of first refusal is there.

Thank you.

ASSEMBLYMAN McKEON: Sir, thank you.

And again, with apologies to those who signed up in favor, the clock has just struck 12:00 exactly. So we've been at this for five hours. I have the greatest of respect for my colleagues here that sat through the process. And as promised, I'd like to ask you to give them the courtesy to hear their comments should they so desire.

Assemblyman DeCroce.

If you'd like to. No one has to.

ASSEMBLYMAN DeCROCE: Oh, yes. I'm sorry.

Well, this is a piece of legislation, unfortunately, that is really being rushed to judgment. The Chairman, Senator Smith, was quoted in the *Bergen Record* by saying that this was the most significant piece of legislation we're going to do in this decade. This is going to have a long-term impact on the State of New Jersey. It certainly will. It's going to have an impact on every citizen. We worry more about snail dodders, red-shouldered hawks, and bog turtles than we worry about people. And frankly, I think this is going to hurt a lot of people. I'm very concerned about this bill. We all want good water. Nobody in this room doesn't want good water. But we also want to have the rights of our citizens be able to live the way they've always lived, and not have those rights taken away from them, whether they be farmers, whether they be developers, whether they be Joe Citizen. I think we're losing a lot of that with this legislation.

Thank you.

ASSEMBLYMAN McKEON: Thank you, Assemblyman.

Assemblyman Manzo.

ASSEMBLYMAN MANZO: Thank you.

I want to thank the audience for their participation tonight and for their interest. As this process is moved along, I'm finding myself having more and more questions. I think we all-- I mean, I haven't heard one person with the intent of not wanting to preserve and conserve our water supply in this state, but the fact is we have to do that now. We have to do it. But the question we're grasping with is, what is a reasonable way and what is a fair way and what is a right way? And tonight I have a lot of questions whether or not the agricultural community in this state had any valid representation on the board that put this together, and whether we can rectify their issues. I mean, when questions are put up on interfering with some farming methods which actually conserve water, which this bill seems to cut into, I think we need to, maybe, either have another session before the 22nd, where this panel can ask questions of some of our State experts -- because I have a lot -- and reflect more deeply whether or not we're ready to move with the bill.

I would hate to put something or push something quickly and not have -- or at a later date regret it. I think we have to do this, but we have to do it the right way.

Thank you.

ASSEMBLYMAN McKEON: Assemblyman Gordon.

ASSEMBLYMAN GORDON: Thank you, Mr. Chairman.

I want to add my thanks to everyone who came here tonight and spoke. I found it enormously helpful, as I did the previous hearings. Much important information came out.

Twenty years ago, when I was first elected to local office in Bergen County, the issue that came to the fore was the pollution of my town's drinking water. So I have personal experience with the cost of cleaning up water that's been polluted. And so the idea of preserving the quality of water, rather than having to invest, perhaps, billions in cleaning it up has a great deal of merit for me.

That said, I do have concerns -- I share the concerns that were raised by a number of people today. I think we need to find a funding mechanism and a fair way of compensating people if we're going to deprive them of the right to develop their land. We need to accommodate those in the construction industry who have spent a lot of time and money getting approvals for a project. We simply can't remove those -- negate those approvals just because they don't have a construction permit. Having served 10 years on a planning board, I can appreciate what people go through in that process.

And I'll simply close by saying I look forward to working with my colleagues and addressing these and the other issues that I'm sure we will deal with in the days ahead.

Thank you.

ASSEMBLYMAN McKEON: Thank you very much, Assemblyman Gordon.

Again, thanks to the three of you -- and those who were here before that had to, understandably, leave -- for your hard work and commitment to the

people. And, please, as Chairman, let me know if there's anybody specifically you want to hear about, or from, or any other component of data that I can help in passing along. We certainly want to be accommodating.

Very briefly, my remarks are simply this: The only thing that I took umbrage to tonight -- and everybody is entitled to their opinions -- is saying that this is done without a lot of forethought. The hours that have been put in by many, many people, not to mention -- starting and ending with the Highlands Commission and their seven months of process in a bipartisan, and all stakeholders on some level being represented, as well as their public hearings -- let alone the hundreds of hours of meetings that have taken place outside of the public, mostly as driven through Senator Smith, and including DEP and the Governor's office and the various permutations of State government that would be involved and would want an opinion -- have taken place and will continue. We have meetings starting tomorrow, about eight hours from now, give or take, where we'll continue this process to do, in our best judgment, what's in the best interest of everybody in the State of New Jersey.

So you can all count on the continued hard work, and -- for at least me, as Chairman, and on all of us -- to value your very well-placed and well-thought-through opinions.

So, thank you for this evening.

I'll turn it over to Senator Smith.

SENATOR SMITH: Right. For a 30-second conclusion, which is: I'm tremendously encouraged by tonight's hearing. I am because when we were in Ringwood several weeks ago, no one had read the bill. Tonight, at least half of the people who testified, or maybe 40 percent of the people who testified,

actually have read the bill. And they're bringing out very legitimate concerns, whether it's the agricultural issue, the funding issue, or landowner equity. But I can tell you that those issues are very aggressively being worked on. I think that we said, from day one, this is a work in progress. And every day, we literally have a dozen people addressing the issues that are brought up in these hearings.

Tonight, the wonderful thing about the hearing was that the comments were pointed to sections in the bill in areas where people saw issues. And those are the kinds of comments that help us to develop better legislation. We're continuing to work on it. I'm hoping that when we get to the finish line with a release by the Environmental Committees, which is only a first step, that we'll have a bill that will have ironed out 99.999 percent of the problems. The bill then goes to appropriations in both Houses for further review on some of the funding issues and some of the other issues. But this is a long process.

When somebody said tonight that it started in 1907, that's really true. But if you take -- and it started under several prior administrations, that's also true. But the intense work that occurred, under that Task Force with the bipartisan and the representation of all sectors, was an outstanding Task Force report. And I think the bill has been a good starting point, that reflected that Task Force report, that's going to get better if you continue to participate. And we hope that you'll continue to send in your cards and your letters and your comments and come to the next hearing in Lebanon, which is Thursday night in the high school. I understand we have seating for in excess of 300. God willing, we don't need it. But we do appreciate your participation, your helping us to make this a better piece of legislation.

Thank you.

Good night.

Safe home.

(MEETING CONCLUDED)