
Committee Meeting

of

SENATE ENVIRONMENT COMMITTEE ASSEMBLY ENVIRONMENT AND SOLID WASTE COMMITTEE

“Testimony on the recommendations of the Governor’s Highlands Task Force to assist the respective Committees in developing legislation to protect and preserve the essential drinking water resources in the Highlands region”

LOCATION: Committee Room 16
State House Annex
Trenton, New Jersey

DATE: March 22, 2004
10:00 a.m.

MEMBERS OF COMMITTEES PRESENT:

Senator Bob Smith, Co-Chair
Assemblyman John F. McKeon, Co-Chair
Senator Stephen M. Sweeney, Co-Vice Chair
Assemblyman Michael J. Panter, Co-Vice Chair
Senator Andrew R. Ciesla
Senator Henry P. McNamara
Assemblyman Robert M. Gordon
Assemblyman Reed Gusciora
Assemblyman Louis M. Manzo
Assemblyman Guy R. Gregg
Assemblyman John E. Rooney



ALSO PRESENT:

Judith L. Horowitz
Algis P. Matioska
Carrie Anne Calvo-Hahn
Lucinda Tiajoloff
*Office of Legislative Services
Committee Aides*

Kevil Duhon
*Senate Majority
Committee Aide*
David Eber
*Assembly Majority
Committee Aide*

Brian Alpert
*Senate Republican
Committee Aide*
Thea M. Sheridan
*Assembly Republican
Committee Aide*

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

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SENATOR BOB SMITH (Co-Chair): Good morning.

You're at a very unique event today. This is a hearing, a joint hearing of the Assembly Environment Committee and the Senate Environment Committee, a very rarely used procedure in our legislative system. But it's one which emphasizes the importance of this issue, namely the preservation of New Jersey's water supply and, really, our State's future.

I'd like to turn the microphone over to Chairman McKeon, so he can also welcome you. And then we'll get to the business at hand.

ASSEMBLYMAN JOHN F. McKEON (Co-Chair): Thank you, Senator.

And many thanks to Committee members for being here. And I just would like to thank leadership, again. Obviously, it's a very, very busy time in the Legislature, with that there's no more budget break -- about as busy as all the legislators are. And I think this speaks to both leadership -- certainly the Governor, and both Senator Smith and I, and our commitment to this very essential issue. The time is now, and we plan on moving forward in a judicious and expeditious fashion.

Thank you, again.

SENATOR SMITH: Thank you, Chairman.

We note the presence of the Commissioner of the Department of Environmental Protection, Brad Campbell. We'd ask Brad to come forward if he would like to say a few words.

Commissioner Campbell.

COMMISSIONER BRADLEY M. CAMPBELL: Good morning, Mr. Chairman and members of the Committee.

First of all, I want to thank and praise the leadership of this Committee in assuming the mantle of Highlands' protection, of putting in place long-overdue protections for the vital resources of the Highlands.

It is the recognition of the value of this resource to our drinking water, to our quality of life, to the natural legacy we owe to the future residents of New Jersey, that Governor McGreevey appointed a Highlands Task Force to develop specific recommendations. But it's a mantle that extends back more than a century to the first surveys of the Highlands' forest resources by Gifford Pinchot, who went on to become Teddy Roosevelt's first United States Forester, who had an able assistant named Alfred Gaskill, who became New Jersey's first State forester, and began his work in the year 1907; 1907, the same year that New Jersey's Potable Water Supply Commission recognized the importance of preserving the Highlands for New Jersey's future drinking water supply.

That legacy, that work that began in 1907, now comes to this Governor and before this Committee to finish that historic work, to continue that historic leadership in protecting the resource, and to implement the recommendations that were put forward by Governor McGreevey's Highlands Task Force. Those recommendations encompass a balanced approach comprised of the establishment of a core preservation area, the imposition of stricter environmental standards and protections in that area, the establishment of acquisition priorities specific to the Highlands, the creation of a regional council to begin and complete the work of more effective regional planning.

And I'm happy to acknowledge two members of our Task Force, who you will hear from following me: Freeholder Jack Schrier, Mayor Eileen Swan, who were among a range of representatives on the Task Force who

brought to the table every interest -- from that of chambers of commerce in the region, to the interest of locally elected officials, to the interest of environmental organizations. I think that what they have put forward is a balanced plan. It strikes the right balance between planning, acquisition, and stricter environmental planning and safeguards within the planning.

Within the specific environmental safeguards that I view as important and critical to this area are: tougher protections for both surface and groundwater from the impacts of impervious surface; stricter review and limitations on the extension of wastewater systems and the creation of new septic systems; provisions that will address forest resources, which are so essential to maintaining water resources, particularly provisions that will ensure that impacts to forest resources are avoided wherever possible, and minimized and mitigated where avoidance is not possible.

I commend the work of our Task Force in crafting a balanced set of proposals that will finish the work that Alfred Gaskill, New Jersey's first forester, started nearly a century ago. I commend their report to your consideration, and I commend the work, as well, of the Governor's staff: Curtis Fisher, Dante DiPirro, who are represented today. And we look forward, on behalf of the Governor and the administration, to a close working partnership with both Committees of both Houses to craft legislation and appropriate protections expeditiously to ensure that the Highlands' resource, which suffers additional losses, additional injuries every working day, is protected as quickly as possible with the right balance of protections. And I would submit that those protections and the right balance is presented in the report and recommendations of the Highlands Task Force.

And with that, I'll open to any questions you may have, and offer the services of my Department and the gratitude of my Governor for your early, invisible leadership in assuming this mantle, and finishing a job that was started more than a century ago.

Thank you very much.

SENATOR SMITH: Mr. Chairman -- oh, I'm sorry, Mr. Commissioner, one question. And this is in response to a quote in the *Star-Ledger* from a legislator, recently, at the builders' convention in Atlantic City, where a comment was made that there's no scientific evidence that development impacts the water quality of the area surrounding the development.

There is an additional comment in the Task Force report that the North Jersey Water Supply Authority indicates that, if we don't do something about what's happening in the Highlands, they're anticipating the costs of water treatment in that area to go up to \$30 billion. So could you just make a comment on why it is so critical for us to preserve this area, in terms of the water supply and the impact on water quality?

COMMISSIONER BRADLEY: Well, I think it's well-understood -- not withstanding the comments of the builders -- that the destruction of watershed lands, and development on watershed lands, has a serious and adverse impact on water quality and water quantity. Those impacts occur from a number of factors. They occur from surface runoff that accelerates erosion and brings additional contaminants into our waterways. It occurs from excessive, impervious surface that cuts off the recharge that's needed for groundwater. And I think time and again, in the State of New Jersey, we have

seen that the failure to protect waterways from development results in the removal of that waterway, in many cases, from our water supply.

Just over the weekend, I was meeting with some representatives of a Shark River coalition. They are trying to protect the Shark River, through reclassification as Category I status. They point out that in that same watershed, the Jumping Brook -- which once provided a water resource to the same communities -- is now off the table as a water supply, because it was affected by the siltation, the impairments to water quality, that inevitably resulted once development encroached on those critical watershed lands. So I think the moment is critical, in terms of enacting protections.

And as you pointed out, Mr. Chairman, the analysis that's been done, including an economic analysis that we presented at the time the Task Force released its recommendations, shows that without regard to the environmental issue, without regard to the issue of natural legacy, from a narrow cost-benefit perspective -- when you look at the cost of future water treatment, the cost of future efforts to address impairments that will result if we don't control development in that area -- the recommendations that the Task Force has put forward are amply cost-justified. And so this set of steps is not only the right thing to do from the perspective of protecting New Jersey's natural legacy, it's also the rational thing to do, in terms of the allocation of our resources as a State, and as communities.

SENATOR SMITH: Thank you, Mr. Commissioner.

Senator McNamara.

SENATOR McNAMARA: Thank you, Senator Smith.

Good morning, Commissioner.

COMMISSIONER BRADLEY: Good morning, Senator.

SENATOR McNAMARA: I'm pleased with a number of the comments that you made, because, obviously, I have been a major supporter over the years of open space. But I am concerned that recently, before our Committee, we had the opportunity to add watershed aid, to give moneys to these communities because, quite frankly -- and I'm glad this is the Assembly Solid Waste Committee -- maybe someone -- they're all aware that when we have a town that receives garbage, we pay them a host-community fee. Yet, we want to protect our most precious natural resource, and we are unwilling to meet where ready obligations, that we are, by law -- which was passed a few years ago, I was the sponsor of it -- to give watershed aid.

And now we're asking a number of communities to go forward. And I believe that a critical, absolutely critical part of that has to be in lieu of tax payment, because, true: If water is polluted -- and we fought to stop New York, because of the Ramapo and that water that was pumped into the Wanaque -- the cost of cleaning it is so much greater. Well, in the same fact, if we don't allow, and we prohibit, construction, and therefore protect the water resource, I believe those communities which receive-- Ringwood, for example, only receives 30 percent of their water from that reservoir. It is absolutely necessary that they receive -- and all other towns that are going to be impacted -- receive a watershed aid. And that's-- I've been saying it, and I would hope from your testimony this morning, it recognizes even more so why that's more important.

COMMISSIONER BRADLEY: Well, I think it's a testament to the wisdom of the Task Force that they did include in their recommendations --

specifically and explicitly noted the need for municipal aid to be part of the package. I think it's important to note, however, that that aid should really be part of a set of incentives, that are part of the structure, for municipalities to participate in, and conform to, the regional plan that's developed as the framework both for protection of the resource and for future growth management.

And harkening back to some of the points that those in the building and development community have made, that has to be part of the balance, creating those incentives in the areas that are outside the core preservation area, the areas that are where growth should occur. Having a municipality be part of the package of incentives that induces conformity to the regional plan outside the preservation, I think, has to be just as much a part of this as whatever aid is provided for those municipalities that are within the core.

SENATOR McNAMARA: I guess we don't -- we're not on the same page yet, but we're getting closer.

COMMISSIONER BRADLEY: We get closer with every hearing, Senator. (laughter)

SENATOR SMITH: Thank you, Senator.

Are there any other questions for the Commissioner.

Yes, sir, Assemblyman.

ASSEMBLYMAN GREGG: Thank you, Mr. Chairman.

As the other half of that legislation, I'll follow up the Senator's question, because I don't think it was answered as clear as I'd like to hear it.

Here's a statute on the books that clearly says that we should be reimbursing those municipalities for their loss of revenue. It's a statute, it's on the books, and it was undone. Why?

COMMISSIONER BRADLEY: Well, the statute authorizes an appropriation to those municipalities. It has long been the case that one legislature can't dictate that a future legislature make the requisite appropriation. And as I understand it, the appropriation simply wasn't made in subsequent years. And I think it's one reason why there was, in our public hearings convened for the Task Force, a number of local elected representatives who raised that issue, and why that's part of the discussion.

I also have to recognize that there are watershed and critical resource lands elsewhere in the state that aren't subject to pilot payments or offset aid. And I think whatever is crafted has to recognize that there must be something above and beyond preserved lands that would justify aid in a particular circumstance. And I think conformity to, and participation in, the regional plan should be part of that.

ASSEMBLYMAN GREGG: You mentioned, through the Chair -- or the Chair mentioned \$30 billion of infrastructure potential requirements, in the event we do not take some form of action on this. Where will that infrastructure be, and for what?

COMMISSIONER BRADLEY: It would be, essentially, for additional water supply infrastructure and for the treatment that's required, additional treatment that's required as water quality is impaired from development within that watershed. This is an issue that, I think, is not, again, not narrowly an environmental issue. One of the leaders in -- and forceful

voices -- in the Task Force process was the North Jersey Water Supply district and the Water Supply Authority, who recognizing their obligation to ensure the safety and security of New Jersey's future water supply, understood the protections recommended by the Task Force are critical to that effort.

ASSEMBLYMAN GREGG: Through the Chair, geographically, where would this infrastructure be?

COMMISSIONER BRADLEY: Well, roughly--

ASSEMBLYMAN GREGG: Would it be in Morris County? Would it be in Sussex County? Would it be in Warren County? Or would it be east of there?

COMMISSIONER BRADLEY: It could be both south, and east, and there, as well. Roughly 50 percent of the residents of New Jersey get at least some part of their drinking water supply from the Highlands. And so I think there is a broadly shared interest in preserving that resource and ensuring its sanctity.

And I have to recognize and applaud that there were numerous representatives of your county, Sussex County, and other affected counties in the Highlands on the Task Force, who recognize the importance of these issues. They included not just elected officials, not just cabinet officials -- like Secretary Kuperus, who hails from Sussex County -- but also the Sussex County Chamber of Commerce, who recognized that all of these issues -- the economic issues, the environmental issues, the future development issues -- must be captured in a balanced plan. And I think that balance is reflected in the Task Force's recommendations.

ASSEMBLYMAN GREGG: Through the Chair, I certainly understand that it was a very broad mix of individuals who dealt with this. However, I also understand, speaking to those individuals personally, that they're still waiting for the rest of the story. And that's what these hearings are about. It's about taking a document that is full of ideas and turning it into a document that executes those ideas. So this is the first step, from my standpoint, and my colleagues on my side of the aisle in my House, to look at and ensure that the other side of the equation, which was so accurately portrayed by the good Senator across the way -- ideas are only valuable when they are matched with dollars. And there is nothing in this plan that talks about dollars and where it's going to come from. And that's really going to be the rest of the story that, I hope, we move forward to. And I hope the tenor of these hearings stay on track of this wonderful -- every one of these issues that I've seen in here. Everybody's in favor of the environment, everybody's in favor of clean water, everybody's in favor of ensuring that history and agritourism has grown, and we have a perfect world up in Northwest New Jersey, and we have water in Northeast New Jersey. However, there will be a bill to have been paid, at some point, and how that is paid is going to be the big issue here.

And I think I'm going to stay on target on each individual who testifies, because that is the big question of the day: Where is the funding? And when you walk through the document, it talks about regulatory, it talks about incentives, and it talks about some opportunity to purchase property.

I'm greatly concerned that *regulatory* means confiscation of property. I'm greatly concerned that incentives will only be for some and not all. And I'm greatly concerned that the third part, which is real live money being produced

by folks who are utilizing the product and wish to have these things happen, is the third in line of those methodologies. And I am concerned. And I hope we all keep those thoughts in mind as we move forward. I'm very appreciative to your work, and the Committee's work. But I am going to be watching with a vigilant eye.

And I thank you, Mr. Chairman, for that latitude.

SENATOR SMITH: Thank you for your comments.

I believe Assemblyman Rooney had a question.

ASSEMBLYMAN ROONEY: Not quite a question, but just an observation, so to speak.

I've been involved in water quality and water protection-- Well, as the dean of the Assembly now -- go back to the early '80s, when we had the transfer of the watershed lands with the Hackensack Water Company -- then Hackensack Water Company -- got involved in it then.

I actually was the sponsor of the moratorium, the current moratorium on building in these watershed areas. I'm also the sponsor of the buffer bill, steep slopes bill, which have been environmental dreams for a long time. And we would like to see them enacted.

And yet, having all of that background in the environment -- and in water quality, and protection of our watersheds, and everything -- I have a real problem, especially when I get called upon from the administration staff, asking me to support this legislation -- which they know that deep down in my heart I want to support it -- and yet I'm insulted in my own district, I'm insulted in the Legislature by your Department, when you come into Closter, in my district, touting watershed protection, and don't invite me. That's an insult to

me. When you have this big session on introducing this new proposed legislation at the North Jersey Water District and don't invite me, I'm insulted.

Curtis, you've heard this story before. I'm a little fed up about what's happened in the past. And if we're going to be treated as a minority in that way, it's going to be difficult for us to get on board very enthusiastically. We may, in the end, support this legislation, whatever we determine are going to be the proper articles in this particular legislation, but it doesn't help to insult the minority party in this -- in our House or in the other House.

So I just want that on the record and being transcribed.

Thank you.

SENATOR SMITH: All right. Well, now that we're off to such an auspicious start, thank you for coming by, Commissioner.

ASSEMBLYMAN McKEON: Thank you.

SENATOR SMITH: We have about 40 people that have signed up, so we're going to bring people up in panels. We're probably going to try and keep the -- hold our questions until the end. Otherwise, the 40 people who made the efforts to be here today are not going to get a chance to speak.

So, with that, Chairman McKeon.

ASSEMBLYMAN McKEON: Thank you, again, Commissioner. We much appreciate you and your staff helping us through the evaluative process. And I'm sure that we'll call upon you again in the future, real soon.

Thank you.

COMMISSIONER BRADLEY: Thank you.

ASSEMBLYMAN McKEON: Before I call up the first panel, I would just, in very general terms, like to add my thanks and admiration for the

Highlands commission. For over six months, this commission had really worked very, very diligently, included all the stakeholders -- Democrats, Republicans, those who own land and have much at stake, some of the most strident environmentalists -- and together they've put together, in compromise, what I think is a comprehensive and incredible report.

Assemblyman Rooney, I certainly recognize and respect your knowledge of the environment and environmental issues. And you can count on -- as I shook your hand when I took over the Chairpersonship of this Committee -- to be bipartisan and work with you.

ASSEMBLYMAN ROONEY: Appreciate it. That hasn't been true in other areas.

ASSEMBLYMAN McKEON: It will be. I think that this Highland Task Force has been a great example to all of us, particularly the Legislature, as to how to work together.

I'd like to call upon Tom Gilmore, New Jersey Audubon Society; Mayor Eileen Swan; and Freeholder Director Jack Schrier, all members of the Highlands Task Force that I was just speaking about.

Welcome, Mr. Schrier. Why don't you lead us off?

FREEHOLDER JACK J. SCHRIER: Thank you, Chairman.

Would you like me to start?

ASSEMBLYMAN McKEON: Please.

FREEHOLDER SCHRIER: Okay. Thank you.

I thank you, Chairman.

ASSEMBLYMAN McKEON: You've got to hit-- (referring to PA microphone) When it looks red you're--

FREEHOLDER SCHRIER: Is this it?

ASSEMBLYMAN McKEON: Red.

FREEHOLDER SCHRIER: Unaccustomed as I am to public speaking-- (laughter)

I thank you and Chairman Smith for the opportunity to appear before you, and all of the members who are here.

As you may be able to detect, I'm not my usual, sonorous self this morning. And I'll do my best to muddle through this.

I also want to thank the Governor for putting me on this Task Force as the sole elected official from Morris County. I felt that it was a significant thing to be done, and a keen responsibility for me to represent my county.

I came to this process quite openly. And at the first meeting we had with the Governor on October 29, I expressed some skepticism over this process. And what I've heard a little bit of this morning is that skepticism has not diminished.

But I do want to say that we have come a very long way in the six months since this Task Force was formed. We are people who came to the process with different points of view, but with a common goal. And I think it's important to remember that. And I think that there were allusions made to that already this morning. The goal is important: to protect the watershed and protect the water resources for the people of not only my county, but for the other counties and the State of New Jersey, for the future.

With that common goal in our minds, we were able to overcome a lot of the difficulties and skepticism that we had, and try to work out something

that we thought would be broadly acceptable. As you know, we have consensus. Consensus is not unanimity, as you in the Legislature know very well, so there will be those -- and correctly -- who will criticize aspects of this plan that we have put forward. And I think that's appropriate. It's up to the Legislature to put meat on the bones that we have prepared in the plan. And that's all this is.

I think Assemblyman Gregg made a pertinent reference to that. This is just words on paper at the moment. It needs to be fleshed out. And so you have a gargantuan task ahead of you, but one that I hope, as you go forward in doing it, you will bear in mind the goal. That's critically important to all of us.

There was a reference made to equity and landowner equity. And Assemblyman Rooney was also right on that issue. The Task Force-- If you read carefully not only the executive summary, but the plan as a whole, you will find that we tried to address most, if not all, of the issues that are going to be on your minds as you go through the process. Whether we addressed them successfully or not is up for you to decide. We will have opportunities in the future, and there will be other public hearings, to talk about that.

But I think that if I can put it in a few words, it's all about money. It's like so many other things in life, almost everything in life. It's all about money. If you can provide a stable source of funding that is reliable, stable, does the job, and carries out the plan that we have laid before you, then I think we all would have done a wonderful job. I don't envy you that part. Our part was easy, getting together on this.

At the moment, I'll just yield to my colleagues.

Thank you, Senator.

MAYOR EILEEN SWAN: Good morning, all.

Chairmen Smith and McKeon, thank you very much for the opportunity to speak with learned members of the Senate and the Assembly this morning.

My name is Eileen Swan. I'm a Republican Mayor of Lebanon Township, in Hunterdon County, and a proud Task Force member.

I represent not just my township, but the many townships just like it in the Highlands; townships characterized by few ratables, increasing taxes, but blessed with great beauty and a supply of pristine waters that, if protected, will continue to supply people throughout the State of New Jersey. My township, like many others, will be in the preservation area, and will be greatly affected by these recommendations.

Nineteen members of the Task Force represented the different viewpoints of many stakeholders. The Task Force listened to the public at hearings, listened to the Five County Coalition, listened to the municipalities' representatives at meetings throughout the Highlands. Each recommendation represents study, debate, and often compromise. The result, we believe, is one that preserves and protects, while still allowing for smart growth.

Many reasons can be given to protect the Highlands, but I will focus on the one where we have consensus. Protection of the water supply and the quality of that water is critical. One hundred percent of Highlands' residents get their water from the Highlands; over half of New Jersey residents get their water from the Highlands; 900,000 people in urban areas such as Newark and Jersey City get their water from the Highlands; 800,000 residents of Somerset,

Mercer, Middlesex, and Union get their water from the Highlands. The population growth is nearly 50 percent faster in the Highlands than the statewide area. The expected annual trend of loss of acres in the Highlands is 3,000 acres every year.

If this water supply is not protected, every New Jersey resident, at some future date, will pay. Action is needed now. The recommendations call for a preservation area to be defined in a map. The draft map has been shown throughout the Highlands at municipal meetings, so most municipalities know what their situation is. The map is based on scientific data compiled by the U.S. Forest Service, Rutgers, and New Jersey Water Supply Authority. Primary consideration is given to lands that provide drinking water to reservoirs. It is clear that the map must be based on this type of sound evidence in order to be defensible.

The recommendations call for regional planning. And it was also called for at the public hearings. We heard overwhelmingly from the public that they support a regional plan. And coming from a town that prides itself on home rule, I've had to learn to think outside my boundaries. And I've had to learn to think geographically, because it is important to this state.

Just as we question the Machiavellian principle of the end justifying the means, do we believe that the means justify the end? If home rule had worked efficiently to date, the Highlands would already have been saved.

As one who sits on a local planning board, I can tell you how difficult it is to achieve the goals set forth in our own master plans. What municipality does not value water resources and seek to protect those resources in its master plan? The way our municipalities develop is largely outside of our

control. Good regional planning, with the safeguards and financial assistance set forth in these recommendations, will, I believe, assist home rulers in achieving their own goals.

Of the 15 council members of this regional planning entity, eight are to be local or county elected officials with at least one from every county in the Highlands. All eight should be residents of the Highlands. A municipal advisory board is to be set up with an appointed representative from each municipality. Aid is to be given to assist municipalities in updating and changing master plans and ordinances to conform to the regional plan. It is these kinds of recommendations that will help home rulers move forward and achieve what they set out in their own plans.

Municipalities that conform to the council's regional plan will, under these recommendations, have a legal shield and will be entitled to strong presumption of validity in the courts. Speaking from my own perspective, that is absolutely invaluable. If you can do that for us, then municipalities will truly be able to take a good hand at planning.

Admittedly, finance is crucial for these recommendations to take effect. But the cost will be cheaper today than when it's too late tomorrow. We plan now, or pay dearly later. The recommendations call for a planning area, but do not mandate growth outside that area. That would truly be an erosion of home rule.

The scientific evidence is that all of the Highlands is deserving of some protection, and, indeed, there are valuable resource lands not in the preservation area. All Highland development should be based on a carrying capacity analysis if we are to be consistent and serious about water protection.

Municipalities that designate areas for appropriate growth, either commercial or residential, should be financially assisted in achieving that, but it should not be mandated.

For too long, Highlands communities have carried a burden of high taxes made higher by the cost of land acquisition efforts that protect water for communities outside the area, the high cost of master plans and ordinances enacted to protect water, and then the cost of defending those plans in courts.

Ultimately, all New Jersey residents will pay for poor planning that leads to degradation of water supplies. What is the value of a house without adequate water, whether it is in the Highlands or reliant on the Highlands for its water?

The recommendations call for just compensation for landowners. And to ensure that, recommend that land acquisition appraisals be done at two points in time: before and after new DEP Highlands regulations. The landowner is to be paid at the pre-DEP regulation value. Separate Highlands farm preservation rounds are called for so that farms previously not eligible, because of the heavy reliance and soil criteria, will now get a chance to be included in the program. Preserving these farms has a direct public health benefit, as they ensure the continuation of water supply. A TDR program that allows for transfers outside of the Highlands will also help.

The Task Force made an effort to ensure consistency with the State plan. Designated centers are not in the preservation area. There must be appropriate smart growth, again, consistent with the State plan. There was an attempt to ensure that there would not be undue duplication of efforts, and that

the State Planning Commission and the Highlands Council would work together to ensure that.

The public input continues, as does the outreach to municipalities. It is important that one does not focus on one or two of the recommendations, but examines them as a package. In these recommendations are the solutions to a problem recognized and studied for decades.

I ask you, our legislators, to take immediate action so that future generations will recognize the moment when the tide turned and the Highlands were saved so that New Jersey residents had a continued, reliable supply of water.

Thank you.

ASSEMBLYMAN McKEON: Mayor, thank you very much.

Mr. Gilmore.

THOMAS J. GILMORE: Good morning.

My name is Tom Gilmore. And I would like to thank the Chairs McKeon and Smith for holding these hearings on such a critical issue for our state. I am the President of the New Jersey Audubon Society, and the co-founder of the Highlands Coalition. The Coalition has worked for almost two decades to get to where we are today. In addition to having the privilege of serving on the current Highlands Task Force, I also served on a similar task force created by Governor Kean and Governor Florio.

This time it was different. We felt a greater sense of urgency. I sense that if we didn't succeed in protecting the Highlands at this time, we might not have another chance. The members of this Task Force listened to the charge they were given by Governor McGreevey, and they listened to the voice of the

public who conveyed an overwhelming sense of urgency, and were united around a common goal of protecting the Highlands and the drinking water supply for over four million people in the State of New Jersey.

The work of our Task Force has been bipartisan. And although we represented different interest groups, we were willing to compromise to achieve a common goal of producing a report that would be an action plan for the Legislature to implement.

New Jersey Audubon strongly supports the recommendation of this Task Force. Passing legislation that would protect the Highlands is the number one priority of our 21,000 members, many of which live in the Highlands, and many more depend on the Highlands for their drinking water.

Some will question whether we can afford to protect these critical watershed lands. The answer is simple: We can't afford not to. As the Chair mentioned earlier, North Jersey District Water Supply estimates that if development in the Highlands continues without a change in policy, the water treatment costs will reach \$30 billion by the time our grandchildren are paying the taxes. As Jack said, it's all about money. Where are you going to find the money? Well, it's going to be expensive to do the right thing, but it's going to be more expensive if we don't.

So I hope that, by passing this strong legislation, that this Legislature will leave the greatest legacy to leave to future generations: pure drinking water.

Thank you for the opportunity to comment.

ASSEMBLYMAN McKEON: Thank you, Mr. Gilmore.

And thanks to the three of you for all of your hard work and being so articulate toward, ultimately, everybody's goal.

The Chairman's going to call the next panel.

We're going to defer questions to the individuals for the sake of expediting and giving everybody a chance.

SENATOR SMITH: Mr. Chairman, I'm also -- just before I call the three other members of the Highlands Task Force that wanted an opportunity to talk today -- just because we are developing a public record for the entire Assembly and Senate, I'd just like to report for that record that we have now received a Highlands support resolution from the Regional Plan Association, representing Connecticut, New Jersey, and New York. We also have been informed that township resolutions supporting Highlands protection and preservation have now been passed in 13 -- since February 17 of this year to March 3 of this year: Allamuchy, Byram, Chester, Harding, Frelinghuysen, Mahwah, Randolph, Green Township, Mendham Township, Montville Township, Oakland Township, Peapack-Gladstone, and Union Township have passed resolutions supporting Highlands protection and preservation. We're going to include that in the record of today's proceedings.

With that being said, Mr. Chairman, the next three members of the Task Force who asked for an opportunity to say something-- We have David Epstein, a member of the Task Force, from the Morris Land Conservancy; Michele Byers, from the New Jersey Conservation Foundation, also Highlands Task Force member; and Tom Gilbert, from the Task Force and also the Highlands Coalition. If you would, come forward, please.

DAVID EPSTEIN: I'm David Epstein.

Thank you for having us here.

I'm the Executive Director of the Morris Land Conservancy.

SENATOR SMITH: Do you want to hit the button so that you see red? (referring to PA microphone)

MR. EPSTEIN: Good morning.

My name is David Epstein. I'm the Executive Director of Morris Land Conservancy. I was appointed in 1999 as one of the founding members of the Garden State Preservation Trust, and I served the last six months on the Governor's Highlands Task Force.

We strongly support legislation to preserve the Highlands, including the establishment of a core preservation area of approximately 390,000 acres, with strong regulatory protections, as well. We specifically support C1 preservation for all of the streams in the core area of the Highlands, \$500 million for land acquisition of the privately owned lands within the core. We also support the establishment of a planning council to develop a regional plan for the core area of the Highlands, to be sure that we are doing this in concert with all the towns in the region; and a freeze on State development permits within the core area until the regional plan is put into place.

My organization, Morris Land Conservancy, has done 22 open space plans in different municipalities throughout New Jersey. We've done an open space plan for Sussex County, and we've done them for several water supply authorities, as well. And I want to bring to your attention a plan that we did for the North Jersey Water Supply District. And I've brought copies of this (indicating), which I hope you'll take a look at when you have the opportunity.

We've mapped, for the Water Supply commission, the Ringwood industrial zone, which is a 500-acre area zoned for heavy industry adjacent to the Wanaque and the Monksville reservoirs. These are New Jersey's largest water supply source. And what's stunning, when you look at this map that we've put down over an aerial photograph, is that you'll see that -- although only some of this area is built, most of it is unbuilt -- almost every lot that is planned for intensive industrial development has a stream running through it that runs directly into one of these reservoirs. And two million people are getting their drinking water from these reservoirs, where the town of Ringwood is planning to put heavy industry into this area.

And we met with the Mayor of Ringwood -- who is not the Mayor of Ringwood anymore -- as soon as we had finished this plan. And we talked to him about the possibility of purchasing some of the larger lots in there to preserve them. And he told me, when we met, that while Ringwood would not plan something like this there today -- that it didn't seem to make much sense to them today -- that this was their largest remaining ratable in town, and that they had to -- to support their town in the future, they had to have some ratable base with which to do that. So we weren't able to go forward with preserving any of that land.

While I sat on the Task Force, we listened to testimony from hundreds and hundreds of individuals, environmental groups, builders, farmers. And the two things that struck me where we had consensus from everybody who testified was, number one, the need to preserve our drinking water supply, and the need to preserve the core area of the Highlands. But number two, to do it

in a way that was balanced and a way that was fair to the landowners in this area and to the communities where these lands were located.

There are many Ringwood industrial zones in projects like this throughout the Highlands. And these types of developments make a lot of sense to the communities that they're located in, but they don't make any sense, in the bigger sense, to New Jersey and the people who drink the water in New Jersey.

And we support the development of funding sources, that we like to call *conservation ratables*, to give incentives, to give more incentives to communities to preserve these high-quality drinking water watershed lands than the types of incentives they have right now to develop them.

We've lost more than 60,000 acres since the first Highlands -- since the first Forest Service report was done in 1992. We can't afford to wait any longer.

I thank you very much for convening this hearing, and hope that you will join us in supporting strong legislation to preserve the Highlands.

Thank you.

SENATOR SMITH: Thank you.

MICHELE S. BYERS: Hi.

I'm Michele Byers. I'm the Executive Director of the New Jersey Conservation Foundation, also a co-founder of the Highlands Coalition. And I was very privileged to serve as a member of the Highlands Task Force. It was a great process. It exceeded my expectations in terms of the very sincere and dedicated efforts of the staff -- from the Governor's office and the various departments -- to bring together a very broad constituency of interest which,

over a short period of time, really did achieve a consensus. Which, I think, when you look at the very detailed language of the recommendations, you'll see a lot of the concerns that people are voicing were very, very seriously considered by the Task Force and are included in the recommendations.

Everyone's mentioned about the prior work that's gone into elevating the need to preserve the Highlands. It goes back decades. The Highlands Coalition is almost 20 years old now. And we are speaking for the Highlands Coalition and for the New Jersey Conservation Foundation -- extremely, very pleased to be here and thank you for making this an opportunity, and the leadership that you're showing in moving this issue forward.

I think I won't go into the details of the recommendations. Prior members of the Task Force did a really good job of that. But I would like to say that the consensus that was developed really has an incredible amount of compromise already built into it. There were some major compromises made by all parties. Not everybody was completely happy with the recommendations, but they do represent a broad consensus that deals with all the very difficult issues that one has to deal with when you're talking about changing how land is used in New Jersey.

I sit as the Vice Chair of the State Planning Commission for the last six or seven years. And I've been able to witness first hand how difficult it is to support local governments and achieve resource protection with a State plan that does not have any, sort of, mandatory requirements -- any real teeth to it to give the kind of support and protection that we're talking about, that's needed so desperately in the Highlands. It's a good State plan, but it simply is

not really providing the impetus that we need to make a real change on the ground. And these recommendations that the Highlands Task Force has put forth will actually make a difference if they're implemented.

Time is of the essence. The forces that will come and oppose this effort are always going to be there. They've been there for the last hundred years. They will continue to oppose any efforts to change how land is used in the state. But I think that you all have the opportunity to stand up to that and to make this a legacy for the future of the State, not only as a cost-saving measure, but as saving a real quality of life and a resource for the state--

A lot of people, for instance, don't have the opportunity to travel to Maine, or Vermont, or New England to see some of the beautiful rocky outcrops and scenic beauty in that part of the state. We have that here in the Highlands in New Jersey. Twenty-two million people can get out, within an hour's drive of the Highlands, and visit that kind of a resource. And we simply don't have that and won't have that in the future if it's not preserved now.

If anyone is -- any question in their mind about how the Highlands are threatened, I invite you to take a helicopter tour. I would make that available to each and every one of you to see first hand, from the air, what is happening to the Highlands. Just please let me know, and I would be glad to help put that together.

So the last thing I say is, please do everything in your power to implement the recommendations of the Highlands Task Force and really recognize that this is the opportunity now. There is a window of opportunity that has not existed in the last 15 years, and it's here right now.

Thank you.

THOMAS A. GILBERT: Good morning.

My name is Tom Gilbert. I'm the Director of the Highlands Coalition. And on behalf of the more than 100-member organizations of the Highlands Coalition, I want to thank Chairman Smith and Chairman McKeon for their leadership in scheduling these hearings, and their commitment to advance legislation, on an aggressive time line, to implement the recommendations of the Highlands Task Force, and to protect this crown jewel of the Garden State.

The value of the Highlands region, and the threats it is facing, have been well documented for more than a decade. The U.S. Forest Service has recognized the Highlands as nationally significant. The Highlands have been designated as a special resource area in the State plan. However, to date, this recognition has not been translated into a comprehensive and coordinated plan of action to safeguard the future of this region and these vital water supplies for more than half the state's population.

Thanks to Governor McGreevey's Highlands Task Force, of which I was privileged to serve as a member, we now have such a plan of action. We were able to achieve a remarkable level of consensus, as you've heard from Task Force members today -- and detailed -- among diverse interests including: local officials from both parties, conservationists, and the farm and business communities. This broad-based and bipartisan consensus provides a solid foundation for immediate legislative action.

While we support the overall recommendations of the Task Force, I would like to highlight several issues that we feel are most critical to the success of this important effort.

First, the legislation must define a core preservation area of 350,000 to 390,000 acres that includes the key watershed lands and contiguous forests. And the goal within that core preservation area should be to permanently preserve the remaining unprotected lands using a variety of tools -- including acquisition, transfer of development rights, strong State regulations, and designation of preservation zones -- within a regional master plan.

Second, legislation must establish a regional planning council to develop a regional master plan for the entire Highlands, with mandatory local and State consistency with the plan in the core area, and strong incentives to encourage consistency in the remainder of the region. A carrying capacity analysis should be conducted to determine what level of future growth the region can sustain within water and other resource constraints.

Third, the New Jersey DEP should be authorized to develop emergency rules and enhanced regulations to protect water and forest resources, steep slopes, and other environmentally sensitive values. And there should be a freeze on all development in the core preservation area until the emergency rules, regulations, and regional plan are adopted.

Finally, the State should commit \$500 million over 10 years, to be matched by Federal, local, and private funding, to preserve priority lands in the entire Highlands region. This would be a wise investment in the future and makes good economic sense given the rising water treatment costs that others have referred to today.

We have a historic opportunity to advance comprehensive, bipartisan, and balanced legislation to finally ensure the long-term protection of the water supply for millions of current and future residents of the state.

Future residents will either look back on us with thanks for our foresight and our vision, or with regret over our failure. Let us make the right choice.

Thank you.

SENATOR SMITH: Let me offer the gratitude of Chairman McKeon and myself to the terrific work; the long, hard work that the Highlands Task Force did. And let me say to you that your report will be the basis for the Highlands legislation. We are trying our very best to see that it matches to it line-by-line, issue-by-issue. We do appreciate your hard work, and we're going to work with you to try and make it happen.

Thank you so much.

Chairman.

ASSEMBLYMAN McKEON: Thank you, Mr. Chairman.

Again, my thanks to the three of you, and to the whole commission.

We have a number of elected officials who would like to speak today.

Senator Gormley tells me he outranks me. (laughter) So we're going to call upon him first.

But I'd also like to call a panel to appear with him: Mayor Ben Spinelli, from Chester; and Mayor Taule, from Ringwood. Would you both come forward and join the Senator?

Senator, if you would like to start -- or we can start with the Mayor. We'll defer to you.

SENATOR WILLIAM L. GORMLEY: Thank you.

Well, that's why all of us are here from the Highlands today.
(laughter)

First of all, I commend the report. I agree with the report. And you're probably wondering why is somebody here from South Jersey?

Well, Mayor, suppose they just announced a school in your home town. They have to build a new one every year.

In Atlantic County, there are three growth communities: Egg Harbor Township, Hamilton, and Galloway.

In last week's *Atlantic City Press*, for Egg Harbor Township alone-- Remember, this is the Pinelands. The water is just as pure. The environmental goals were outlined in 1978 by Brendan Byrne. There is now a forest named after Governor Byrne in the Pinelands, although he doesn't visit-- I would like him to visit the growth areas a little bit more.

So what we have is a report that's done today about the Highlands, which is an excellent report, and excellent recommendations. However, they learn by experimenting in my district. And I would only hope that if you move any legislation, you treat South Jersey equally, as you're calling for treatment in the Highlands.

Let me go over the points of the report that are so pertinent. In Egg Harbor Township, today, they're calling for new development -- this is just one -- 900 units. That will be a new school.

When I look at your report, I look at-- Well, let's look at Page 9 of the report: Compensations for school district that accept more growth. We've asked for that for 25 years. We would hope we could be included. You're calling for immediate action. We've called for immediate action for 25 years. You're calling for bold and immediate action. We begged for bold and immediate action. Okay?

Some of the proposals we've tried to move: About 18 months ago, on the floor of the Senate, we had a proposal for a timed growth ordinance, which I know these mayors would want, because what they're saying is, "If you don't provide us the money, don't mandate the growth." Unfortunately, it didn't get the votes on the floor. There were a number of abstentions that day. So you're calling for timed growth. We're for that. You're calling for smart growth. We want to move the units to Atlantic City and Pleasantville -- older, urban areas that already have the infrastructure that should be rebuilt.

But what's amazing, as you continue to go through it -- they're talking about, on Page 14, Green Acres funds should be prioritized for acquiring open space in the Highlands. I don't dispute the Highlands' needs. But to call for prioritization, when you have a growth area in southern New Jersey where we don't have additional school aid, we haven't had that same focus--

In fact, there's one part of the report that I find amusing, and I'll tell you why. Because it's so fair. I make the argument, over the years -- and shall I say I've been criticized by the environmental community for it -- and it relates to a mention on Page 13. There should be a provision for landowner equity. Well, yeah, there should be. But it should be both in North Jersey and in southern New Jersey. And what does it say? If you're going to pass regulations, base the appraisal of people's properties on the value before you change the regulations.

These are all the things that we have called for for 25 years. This is a better report, because Atlantic County, tragically, has been the guinea pig for this. What we're asking for is same or similar equity. We're asking to be treated the same way.

And what do we do? We want those regulations to limit growth. We want to be the model county for TDRs. We want to make sure there's additional school aid.

So everything you've called for-- Don't talk bold, and don't talk immediate. We're talking, how about retroactive for 25 years? It's easy to talk like John Wayne, when you're going perspective. But before you go perspective in any other area of the state -- and not to the exclusion of the Highlands -- it's essential there be fundamental fairness for the whole state.

This report is better than anything we could have ever written for Atlantic County, because you wrote it for us. Now, it might not have been the intent, but that's what you did. And we're asking to be a part of anything that you will do. We'll be the model for timed growth, we'll be the model for TDRs. We'll also do a transit village of 350 acres. We'll do everything you've called for in the report. We want to be treated the same way, because what's happening in those townships -- they're being taxed out of existence.

What happened was, they didn't provide any money, but they said, "Here's what we're going to give you: lots of growth in these three towns."

SENATOR SMITH: Are you saying that that was the biggest mistake, the mandated growth outside of the Pinelands?

SENATOR GORMLEY: Huge. Exactly. And what you have is-- Even in the *Star-Ledger*, when they did the first Highlands article-- It says -- one of the paragraphs -- "McGreevey has criticized aspects of the Million-Acres Pinelands Plan, particularly the failure by the State to prepare, assist towns designated for growth."

I will get a resolution from every Pinelands community in Atlantic County, just as you read off those resolutions. If they read this report and it said we're going to be treated the same way, they would pass the same resolution. But what we've had to put up with over the years, Mr. Chairpersons, is the fact that, "Well, we already took it." We already took it? How about fundamental fairness? Let's not base it on: you have more people or votes up north than south.

So, what we would appreciate is-- We want to be a part of it. We'll be the model, because the water is just as precious in the Pinelands as it is in the Highlands. So let's treat it the same way.

Thank you very much.

ASSEMBLYMAN McKEON: Senator, thank you very much. We hear they're going to be growing cranberries in the Highlands soon, so we are all one state.

SENATOR GORMLEY: As I said, I don't think there's any problem in putting the two in the same bill. Why not put the state together?

Thank you.

ASSEMBLYMAN McKEON: I'm going to call upon Mayor Spinelli.

Thank you, Senator.

MAYOR BENJAMIN SPINELLI: Good morning.

Thank you for giving me the opportunity to speak here today, Mr. Chairman. It's a pleasure to be here before one of my oldest friends, Chairman McKeon; and before my Assemblyman, Assemblyman Gregg. I'm glad to see both of you here, today.

I'm the Mayor of Chester Township, in Morris County, a community that's in the Highlands, a community that will be in the core area of the Highlands.

I'm here to speak, not for all municipalities, but for my municipality. We're going to be one of the ones that are going to be most affected by the legislation that's proposed here today.

Preserving the resource of the Highlands is nothing new to those of us who have been charged with being good stewards of those resources. We've been fighting this fight for many years, many longer than I have. But I've been involved in this for at least the last six years. And I'd like to take this opportunity to welcome the Legislature to the fight, as well.

Preserving the Highlands is not rocket science. It's nothing really complicated. It's a combination of good planning, money for land preservation, and a sense of where each community will fit in in the fabric of the state, as a whole. That's all it's going to take.

What the Highlands Task Force has done -- and I'm not going to -- Mayor Swan did a much better job than I could ever do of demonstrating how balanced their approach was. They took all the factors that had to be considered among the municipalities of the Highlands, and came up with a balanced approach.

What you have to do is balance the financial burdens that are going to be placed on the communities, the need to look forward to the future to make sure that the water resources are going to be there, and the preservation of the character of the community of the Highlands. Those are the most important things to us.

What this Legislature has to do is to make sure that we're given the tools to expand the principles necessary to preserve the resources of the Highlands, to extend the principles across all communities of the Highlands -- not just leave us to our own devices where we're forced to fight, each individual community as their own.

You're a tough act to follow, Senator.

What we've been able to do is, through a combination of luck, abundance, stubbornness, and good planning, is make sure that the resources are still here today. However, every run of luck runs out. Even the most stubborn among us will lose their will to fight. And for all its abundance, the resources of the Highlands are finite and will run out soon. That leaves us with good planning. What we have to do is combine strong environmentally based zoning, strong technical ordinances designed to protect the resources, adequate funding for both open space and farmland preservation to make sure the communities can meet the needs of future preservation. I think that the Highlands Task Force has proposed -- legislation has proposed measures that will do all those things.

When we look forward, politics should be set aside, because these are not partisan issues. When people look back on this 20 years from now, 30 years from now, 40 years from now, they're not going to look back and say, "Was this a Republican issue? Was this a Democratic issue? Was this a good common sense issue?"

Our responsibility is to those future generations of New Jerseyans. Good policy makes good politics. I don't know how to say it any plainer. Nobody's going to know, again, what party proposed it. Good policy makes

good politics. The voters will know who did the right thing. The voters want this. The people in my town want this.

The proposals of the Highlands Task Force will work. That's probably the most important thing, they will work. After years of going before the State Planning Commission, Highlands hearings, legislative hearings, we're finally at the juncture in our history where, perhaps, we can get something done. We will never have all the stars aligned again like we have now. If we fail now, and we're back to the drawing board, it will be five or 10 years from now, and what will be missing? Five or 10 years worth of our resources will be gone.

Future generations of New Jersey's residents will not forgive us, nor should they forgive us if we fail in this mission.

Thank you.

ASSEMBLYMAN McKEON: Thank you, Mayor, very much for your comments.

Mayor Taule.

M A Y O R W E N K E T A U L E: That's Mayor Taule (indicating pronunciation), T-A-U-L-E.

ASSEMBLYMAN McKEON: I'm sorry. You know what? I can't--

MAYOR TAULE: My name is very different.

ASSEMBLYMAN McKEON: I apologize. I just--

MAYOR TAULE: No problem. (laughter)

ASSEMBLYMAN McKEON: It's the glasses I didn't put on today.

MAYOR TAULE: I'm the Mayor of Ringwood, and I'm representing the Ringwood residents. And I know that they would like to see the critical treasures in the Highlands, and especially in Ringwood, preserved. From

what I understand, all of Ringwood would be designated in the core preservation area, and I think that is exciting for our residents.

For this reason, I hope the emergency rules and regulations will be used for land that does not have a willing seller. Our residents understand the importance of Ringwood's environmentally sensitive land. And I can safely say that Ringwood residents support the efforts of the Highlands Task Force and are anxious to see legislation pass that will preserve the quantity and the quality of our ground and surface water.

At the same time, we hope there will be incentives that will help stabilize our taxes. We support watershed aid through the establishment of a water tax and, also, increased payment in lieu of taxes.

As we all know, further surveys and reports are not needed. The time for action is now, and it will be historic if something is done to preserve our water.

Thank you very much.

ASSEMBLYMAN McKEON: Mayor, thanks to the three of you. Our next hearing -- and I'm reminded of it because you're the Mayor of Ringwood--

MAYOR TAULE: Is in Ringwood.

ASSEMBLYMAN McKEON: --is on the 30th up at Ringwood State Park at 7:00. And we'll get the pronunciation right by then, if we know what's good for us. (laughter)

MAYOR TAULE: Thank you.

SENATOR GORMLEY: Mr. Chairpersons, may I issue an invitation to Egg Harbor Township, for one hearing, to the school trailer that

they're now using, because they can't keep up with the school construction. So I think it would be wonderful if you could visit southern New Jersey.

Thank you so much.

ASSEMBLYMAN McKEON: I appreciate it.

I don't want to get into this colloquy with you, but come to some of our towns in North Jersey. We have some of the same trailers. I don't think this is a North or South issue, no more than it's Central, Democrat--

SENATOR GORMLEY: Trust me. I've been to all of those towns. I've lost many elections. I've campaigned in them. Don't worry about it.
(laughter)

ASSEMBLYMAN McKEON: It's a New Jersey issue.

Thank you.

Chairman.

SENATOR SMITH: Thank you, Chairman.

Just for the -- as a reminder to all of the people who are so interested in this legislation -- that the draft of the Highlands bill will be available for public review on Friday, March 26. And we'd urge all of the people, who are so interested, to make sure that you get your copy and make sure that you see that the concerns that you've expressed are, hopefully, represented in the legislation.

That being said, let me invite to the podium Mr. Mike Cerra, representing the League of Municipalities; Tom Carroll, Mayor of -- I'm sorry, Mayor. I have Tom Carroll, and I have organization: representative, Mayor Warren Hagstrom.

Mr. Carroll, are you the representative of the Mayor?

THOMAS CARROLL: Yes.

SENATOR SMITH: Okay. And that's the borough of Wanaque.

And then Councilwoman Joanne Atlas.

Come forward, please.

Let me ask Mr. Cerra, who is representing the League of Municipalities, to speak first.

MICHAEL F. CERRA: Thank you, and good morning, Chairman McKeon, Chairman Smith.

I speak today on behalf of the League of Municipalities.

First, I'd like to take the opportunity to thank the Task Force members who have certainly served the public good. In particular, I would like to thank the members of the Task Force who represented local governments, particularly Mayors Swan and Van Horn. And we would also extend our thanks to Curtis Fisher; and not to forget Dante, of the Governor's Office, who's professionalism in this matter has been second to none.

The League of Municipalities is in a unique and difficult position. As the voice for local government, and primary advocate for home rule, we have an obligation to look after the interest of municipal governments and taxpayers across the state. Achieving consensus, however, amongst a group of 90 very diverse municipalities is no easy task, believe me. There will surely be issues on which members of the municipal family will have to agree to disagree. In response to the Task Force report, and in anticipation of the forthcoming legislation, the League's Highlands committee has reached consensus on a number of points. And I would like to provide an overview to you today.

First, the map delineating the core areas is the key for us. We ask that the map be delineated explicitly in narrative form in the legislation, and that all Highlands municipalities be provided a map for comment and review. This should be done sooner rather than later, allowing municipalities and counties the opportunity to correct the map where necessary and to provide more detailed information.

Second, if the State does indeed create a regional board for the Highlands, the majority of the membership must be local officials from the Highlands. Many of us, me included, are latecomers to this debate. It is the local officials, whether it be an elected governing body member or an appointed member of a land use board, who have gone to bat for the Highlands for years. We appreciate that the Task Force recognized and recommended that a majority of the regional board should be local officials. Furthermore, a mayors' advisory council to the regional board should be created, and it should have input into all appointments to the board.

Third, critics of the Task Force's recommendations argue for mandating growth in areas outside the core. The League disagrees with these critics and applauds the Task Force for resisting this concept. Forcing development, irrespective of the ability to host such development, or contrary to the local planning vision, runs contrary to the intent of the Task Force's recommendations, to the spirit of home rule, and undermines the principles of smart growth and sound planning.

Fourth, previous State commitments, such as State Planning Commission center approvals and ongoing planning initiatives, should be honored and, when appropriate, grandfathered. Local governments that have

invested time and money in planning initiatives should not be expected to start the whole process all over again.

Fifth -- mentioned it all comes down to money -- municipalities that lose tax ratables should be made whole. Financial commitments should be made so that, one, land acquisition is fair and equitable. Out of fairness to landowners, a date should be locked in for the value determination of the land, which predates any diminished value caused by the Task Force report. Two, offset aid, or what we like to term *preservation aid*, should be dedicated revenues. And third, additional aid must be provided for planning and technical assistance. For instance, a municipality that recently completed its master plan reexamination should be fairly compensated for having to do it again.

Furthermore, earlier in this testimony, I made reference to critics who assert that mandated growth or, as we see it, mandated sprawl, should be required outside the core. This short-sighted strategy will backfire on us. Instead, the State should rededicate itself to assist the municipalities in preparing downtown revitalization and growth areas, such as the Smart Growth grants, and further encourage municipalities to invest in their downtowns and growth centers. Looking at the long-term, this is as important as the preservation aid and the hold-harmless funds that I referenced before.

From a more macro viewpoint, local governments are entitled to know how the proposed regional board will interact with existing planning bodies at the municipal, county, and State levels. For instance, in the upcoming months, municipalities will tackle a number of planning initiatives, including, but not limited to, cross-acceptance and plan endorsement -- that is, the voluntary comparison of local plans to the State plan. This is in addition to

ongoing planning issues that confront municipalities, such as the provision of affordable housing. Municipalities have participated in two rounds of cross-acceptance, have sought center designations, and have worked with local, county, and State governments to implement sound planning policies.

Now, as we embark on the next round of cross-acceptance, Highlands municipalities are entitled to know how the regional board that is proposed will interact with the State Planning Commission and existing planning bodies at the county and municipal levels.

Furthermore, these municipalities are also entitled to a full explanation as to the regulatory processes within and outside the core.

Lastly, any policy to preserve the Highlands will not work without the State providing the benefits and incentives referred to by the Task Force. Those benefits can also serve as incentives for municipalities outside the core. The State must step to the plate and provide benefits such as the legal shield, impact fees, and timed growth.

Later today, the State Senate is scheduled to vote on S-1287, sponsored by Senators Adler and Bark. This will authorize municipalities to enact transfer of development rights, commonly known as TDR. The League has long advocated TDR, and is pleased that the State Legislature is on the verge of providing this very important tool for smart growth and sound planning. We hope it is not the only such tool provided to all municipalities throughout the state, that is, both within and outside the Highlands.

Mr. Chairmen, I thank you for the opportunity to provide this overview. We recognize the importance of these issues, and we'll be an active participant in this process and ready to serve as a resource to you.

Thank you.

SENATOR SMITH: Our thanks to the League.

Councilwoman Atlas.

C O U N C I L W O M A N J O A N N E A T L A S: Good morning, Senators, Assemblymen.

I am Ringwood Borough Council Member Joanne Atlas.

Over two million New Jersey residents rely on the water resources in our town. Ringwood features Category I streams, steep slopes, rugged wilderness, and spectacular vistas.

I've come here to urge the speedy implementation of the recommendations contained in the Highlands Task Force Action Plan.

The Ringwood Planning Board will soon be facing a proposal for a golf course and residential development on one of the highest peaks in the region. At another steeply sloped property, the owner is requesting approvals to build a 100-unit assisted living facility. Scores of other developments are waiting in the wings. We don't have a moment to spare.

There needs to be an immediate freeze on development so that we can put into place a plan that will permanently preserve the remaining critical tracts, and also give us time to plan for a sustainable -- underline sustainable -- future. And the State needs to commit to providing the regulations and the necessary financial resources to accomplish this job.

I've lived in New Jersey for 66 years. And I've seen New Jersey has made many planning mistakes. I come from Hackensack. I've watched the Meadowlands grow and become, basically, a parking lot. So let us not go down

in history as the generation that refused to save the last vestiges of rugged wilderness.

As a postscript, there was a reference made before to our former Mayor of Ringwood. The citizens of Ringwood did not agree with the sentiments that were expressed, coming from our former Mayor and his running mates. They were resoundingly voted out of office, because they refused to support preservation. They kept on insisting that development pays. And we're learning here, today, actually -- interestingly -- that development doesn't pay. People are coming here and saying, "We've been forced to develop, and now we can't afford it. So give us money, too."

Anyway, I believe that the people are willing to pay now. They're willing to pay the freight for a clean, healthy environment, and for clean, safe drinking water.

Thank you very much for giving me this opportunity.

SENATOR SMITH: Thank you, Councilwoman.

Mr. Carroll, representing Mayor Warren Hagstrom, borough of Wanaque.

MR. CARROLL: Thank you, Mr. Chairmen.

My name is Thomas Carroll. I am the Borough Administrator of Wanaque, representing Mayor Warren Hagstrom and the Borough Council of Wanaque, which is the home of the Wanaque Reservoir. And we share the concerns raised in the Highlands study commission. However, we're very concerned about how a Highlands commission will take away the home rule of municipalities, and how the proposed curbs on development will curtail tax-ratable growth and raise property taxes. The 18-month moratorium on State

approvals can be catastrophic to municipalities who have approved developments and where those projects are going through the regulatory process.

With or without development, the cost of running municipal and county government in our school districts will continue to increase. State aid has not kept up with those costs, and we are relying on the property tax more and more.

Municipal governments have been sharing services, cooperative purchasing, joint insurance pools, and doing everything we can to save on costs. We've been doing it for years. There are no more places to cut in our budgets without reducing the basic services that we provide to our residents. Police salaries, health benefits, teacher salaries are the most expensive items that drive the property tax increases. Without restrictions on their growth, taxes will increase. Without additional tax ratables, taxes will increase.

Any moratorium in regulation on development in the Highlands must include a tax on the water, which is delivered from our region to the cities. The tax must be sufficient to give true compensation to all communities in the Highlands for hosting the reservoirs in the watershed areas, and for the loss of tax ratables the reduction in development will have.

This tax must provide for an annual increase based on the municipal cap index, so that the tax revenue keeps pace with the increase in the cost of municipal operations. The stagnant amount will help in the first few years, but without an inflation clause, the property owners in the Highlands will, again, bear the cost of municipal services in a disproportionate manner.

Many municipalities are facing issues with affordable housing under COAH. Any legislation establishing a moratorium must provide relief to

municipalities for 18 months after the establishment of the Highlands map, so that each community can respond appropriately to the new regulations.

On the immediate issue of a moratorium on State approvals related to development, we suggest that several exceptions be made. Any application filed with the State agency prior to the effective date of the legislation should remain active, and permits should be issued. The State Planning Commission spent a great deal of time revising the State map. Exceptions to the moratorium should be considered for planning areas one and two, and within a designated town center. Development within a redevelopment area which meets the criteria of the statute should also be exempt. Municipal, local, and regional authorities which are improving their infrastructure systems, which require DEP permits, should also be exempt.

The decisions made by the Governor and Legislature on this proposal will affect the lives of the residents of the Highlands for years to come. Our residents are being taxed to the point where lower income home owners and senior citizens can no longer afford to live in this area. Please don't make the burden any greater for them or for us.

Thank you.

SENATOR SMITH: Thank you.

Chairman.

ASSEMBLYMAN McKEON: Thank you, all, very much.

We have one other elected official, but we're going to hold you off until the next panel, and just switch it up a little bit.

The President of the New Jersey Farm Bureau, Rich Nieuwenhuis; Dale Davis, of the Morris County Board of Agriculture; and Devlen Mackey, Warren County Board of Agriculture.

Freeholder Gardner, you're going to be with the next panel.

RICHARD NIEUWENHUIS: Thank you very much, Chairmen, for hearing the New Jersey Farm Bureau, and also Committee members.

The New Jersey Farm Bureau is a private-sector trade organization that represents the farmers and the farming industry in the state. Our members have a great stake and interest in nearly all the environmental protection issues affecting the open space and rural New Jersey. In the Highlands region, I suspect that we have, in our membership, a significant percentage of the property owners, as well as the owners/operators of the large agricultural and forestry industries in that region.

The subject of our comments today will be the report of the Governor's Task Force, which was issued just one week ago. We understand the Governor's call for protection of the Highlands region. We accept the challenge to participate in the process of formulating a legislative response to it. The farming community has been very active over the years in farmland preservation, State development and redevelopment programs, soil conservation, water quality planning, and, more recently, in the drafting of the legislation for statewide TDRs. We support the leadership role of the Secretary of Agriculture, who, as a McGreevey administration cabinet member, has been a member on the Highlands Task Force and a vital link for our industry in this process.

I'm going to be real short, because there's a lot of people here. I have 10 points that I'd just like to quickly and briefly go over that are our main

concerns. The core preservation area: What criteria is going to be used for its delineation, and how much farmland is included? The Highlands council: composition, and method of appointment -- and we feel that agriculture must have a seat on that council. Regional TDR program: Will it conform to the criteria of the legislation being enacted currently? Land acquisition, equity protection policies: This is our most important issue. Landowners should not bear the public cost of aggressive preservation programs. Economic impact assessment of Highlands rules should accompany the development of new environmental regulations. Municipal compliance policy: Highlands region should share, not preempt, local zoning. Justification for enhanced environmental regulations: New regulations should not duplicate current DEP rules, and be based on sound science. DEP usurping the rules of Soil Conservation Districts and the County Ag Development Boards: We encourage the communication and/or explanation of the current roles -- or the expansion of the current roles for the State Soil Conservation Districts and the County Ag Development Boards. Farm viability ag impact statement of the Highlands rules: The net results of the Highlands regulations ought to be inactive -- incentive-based and supportive of long-term financial profitability of production agriculture. The timetable for action: We are prepared to meet any deadline for preparing comments and providing input. However, we encourage the Legislature to take all the time that is required to carefully consider public comments and formulate this Highlands legislation.

These are some of the recommendations and concepts that we have from the Farm Bureau. How those recommendations get implemented, though,

through the Legislature, will be very important to the sustainability of agriculture. We look forward to working with you on this important legislation.

Thank you.

DALE DAVIS: Hi, my name is Dale Davis. I'm representing the Morris County Board of Agriculture. I'm a farmer in Chester Township, in Chester Borough, in Morris County. My family's been farming there for 17 years. Some of the things that I'm very concerned about--

I should say, first, that one farm we farm, we rent and is a preserve farm. And our home farm, right now, is partway into the preservation program. So the process is working, and we're farming preserve farms.

However, some of the legislation, or some of the proposals, have me very worried. One, in particular, being how much encroachment -- how close to streams we can farm. Sweeping legislation, and things like that, could change my farm from being-- We farm pumpkins and need to till the property. And that could force us into just planting hay fields or something like that. All those things can be addressed through the NRCS, which we cooperate with fully. There's a Morris County Ag Development Board, which hears all kinds of farmer problems with legislation. So I really hope that you will use these things that are already in place when you're thinking about legislation. Most farmers are good stewards of the land and take very good care of everything.

That's pretty much all I have to say.

I'll turn it over to Mr. Mackey.

DEVLEN MACKAY: My name is Devlen Mackey. I'm President of the Warren County Board of Agriculture.

I thank you, Mr. Chairmen and the other folks that are here, for taking the time to listen to us.

Our main concerns are the makeup of a council, if it's so determined that that's the direction we're going to go, and how those people are appointed to it. We need to, as Rich said, have ag represented fairly, and have some kind of voice.

Most of us are just farmers that want to go about our daily business, doing what it is that we need, to try to pay our taxes and mortgage, and get through to the next month. We have many, many problems with the weather and the market forces. This is just one more thing that can burden us and, possibly, hurt us.

Our equity is paramount to us. We need to be able to either borrow against our farms if we're going to stay here-- If our farm is devalued to the point that we cannot borrow any more money against it, I fear that most of us will probably go out of business.

The vast majority of the farmers want to keep their land. They want to stay there, they want to farm, they want open space. We want water protection, we want water quality. So the concerns-- I think we have joint concerns.

It is imperative to us that we be able to use the water that we need, on our individual farms, without burdensome rules and regulations. We also need to have the right to farm. Rules that are in effect now help us stay where we are.

I am an eighth-generation farmer. I would hope that my kids would be the ninth.

Many of us have been offered-- And I do hope that you take my plight as the same as most -- as a lot of us in the Highlands.

Being that I just bought the farm, I owe a lot of money on my farm. And I'd like to stay there. I'd like to keep my kids there. I've had developers come and offer me big money. I haven't taken it. I don't want to take it. I want to stay there, and I want to be able to be profitable, as do most of us that are here.

I just hope that on the level that we are now, that-- Please, please listen to what we need, as the people who own the land and are, I believe, are good stewards of the land. And as you move forward, please, please be fair to us, as fair as you can. And invite us to the table. Any comments that you can -- you would like to have, or recommendations, or guides -- either through the county boards of ag, or individual farmers, or Farm Bureau, I'm sure we would be glad to give you.

I thank you for the time to come here and say my speech. And I apologize for not being such a good public speaker.

ASSEMBLYMAN McKEON: Great.

SENATOR SMITH: Thank you.

Our next panel will consist of an eclectic group. We have Mr. Gardner, who is a Freeholder, county of Warren; Mr. George Howard, the New Jersey Federation of Sportsmen's Clubs; and Robert Hagaman, Mullica Township, Pinelands Community, Atlantic County. Would you come forward, please?

Why don't we start with Mr. Gardner, the Freeholder from Warren County.

FREEHOLDER RICHARD D. GARDNER: Thank you, sir.

Thank you, Chairmen, and members of the Senate and Assembly Committee. I appreciate the opportunity I'm afforded the time here to speak this morning.

As you just heard, some of my friends from Warren County spoke--

As a life-long steward, farmer of the land, I fully am cognizant of what it truly means to have a potable water source. Many of us have gone through droughts. There are farmers who have had to leave the land because the drought crippled them financially. So we understand some of those implications.

As a Warren County Freeholder Director, I also appreciate the pristine -- have always appreciated the pristine, bucolic nature of our great county, and I don't want to see overdevelopment.

We have now reached the 10,000-acre mark in our land preservation efforts. That has taken over 20 years, and we're really on a trend now to, I think, have another 10,000 acres saved in perhaps the next five years. But I'm highly concerned that if the plan of action is put into place, along with other business implications to the farm community, we may dilute that effort.

I think it's also important to note, at this time, geographically, Warren County is, kind of, unique, because it does not supply water to those reservoirs that supply our eastern neighbors. So we are, kind of, an anomaly, in a certain sense.

Issues from some of my constituents that they have addressed to me -- and I hate to be redundant, but home rule is a big issue. Municipalities and county government have spent many hundreds of thousands and, collectively,

millions of dollars on their particular plans in the zoning and planning boards. What now becomes of their investment on their master plans? Because as I read the Action Plan, they are now a secondary authority and no longer the primary authority governing their respective locality.

It is important to note, too, most municipalities in Warren County have recently been reappraised, revalued. Private property owners are paying markedly more taxes, because the value of their homes and of their land have gone up. So is it fair and appropriate to, in our constitutional republic, devalue a landowner's equity and, moreover, especially when they are now paying the higher property taxes? Another issue is, is it fair and appropriate to take away the commercial and business zones of municipalities in the Highlands preservation area? Here again, they need those business areas to help offset their tax base. They're counting on that.

One of the paradigms, or principles of the Action Plan I do embrace is TDR. I think that can work. I think Burlington County has showed it works well. I think that if this is done in complete cooperation between the receiving districts and sending districts, it can be a great tool.

As the Action Plan is currently submitted, supportive countenance among some of our local and county officials, and professionals is not strong at this point in time. The plan of action currently proposed will have an impact -- a negative impact on the free and open market system, in terms of our real estate market in Warren County. I don't think there is any question that will have an impact.

However, I do want to commend the work that was put to the Action Plan. It's a laudable goal, a practical goal to have a potable water

source. However, I am highly concerned with some of the implications that we will encounter in our county. And I just hope the Legislature takes a sufficient and appropriate amount of time to deliberate completely on this significantly important issue.

And I, again, appreciate the time that I've been afforded here. And if you have any questions, please -- I'll be glad to answer any further questions.

SENATOR SMITH: Thank you, Mr. Gardner.

ASSEMBLYMAN McKEON: Thank you.

SENATOR SMITH: Mr. George Howard.

G E O R G E P. H O W A R D: My name is George Howard. And as Conservation Director of the State Federation of Sportsmen's Clubs, I'd like to thank the Joint Committee for the opportunity to testify here today.

The New Jersey State Federation of Sportsmen's Clubs strongly supports the recommendations of the Highlands Task Force Action Plan, and calls for immediate legislation to protect the natural resources of the Highlands region, its water, forests, open space, and wildlife. We call your attention to the urgency of the situation that exists today, demanding effective action to put an end to the destruction of the Highlands resource base, which is occurring daily through uncontrolled developmental sprawl.

We agree with the Task Force that bold action is needed to protect the Highlands and its water resources for future generations, and see the need for immediate identification and protection of the core preservation area of the Highlands, together with enhanced environmental regulations for land and resource uses. In this regard, we call for a moratorium on all development approvals in the core area until emergency rules, regulations, and a regional plan

have been adopted. We also recommend the immediate designation of all streams and rivers within the entire Highlands region as Category No. 1 waters.

The Federation supports the Task Force's conclusion that a regional planning entity, with its primary concern being the protection of water and natural resources, is one essential element needed to mandate meaningful changes in present development activities in this most environmentally sensitive area.

We see the need for a coordinated approach to land acquisition activities within the Highlands region between State, county, local, and non-profit entities, supported by adequate funding to complete the job within the next 10 years.

The Federation sees the activity generated by the formation of the Highlands Task Force as a once-in-a-lifetime opportunity to reverse a general disregard for natural resource destruction, in particular our water, forests, open space, and wildlife, which has been pervasive and ignored for generations. The Highlands Task Force Action Plan has provided much-needed and long-awaited recognition of the tremendous natural resource losses, which have been neglected over the years in New Jersey with little or no concern for the quality of life for future generations.

It is to be hoped that we have learned our lesson and will take full advantage of this tremendous opportunity, which will probably not come again.

Thank you.

SENATOR SMITH: Thank you, sir.

Mr. Hagaman, from Mullica Township.

ROBERT W. HAGAMAN: I thank you, Senator Smith.

SENATOR SMITH: Press the button so you can be heard.

MR. HAGAMAN: Thank you, Senator Smith and Assemblyman McKeon, and the Committee.

I'm from Atlantic County, and I didn't come for the same purpose Senator Gormley did. He's my Senator.

But I do agree with the legislation that brought on those high building areas, because it has affected us tremendously. If it were to happen again-- I think there's lessons been learned. We should have controls and regulations built in if that were to happen.

My reason to come is that I live in one of the communities -- we have 53 municipalities in the Pinelands area. We are Mullica Township. And we have -- Mullica River runs up our north side of our township. And therefore, we're controlled -- the controls from the Pinelands are very stringent. We have a lot of wetlands in our community.

But it has not -- in one sense, it has not affected our community and in another it has. We do not have water and sewer. It's all wells and all home sewage plants that we have in the town, which regulates our growth.

I have just finished an eight-year term on our township committee, and for most of the years, I was mayor. I am also on the Pinelands Municipal Council. And I would advise that you might look into that. That represents all 53 municipalities. And we meet bi-monthly with the Pinelands Committee.

There's been a lot of lessons learned over these 25 years there. They've just done a complete review of their comprehensive management plan, and that has helped to correct situations that have happened before and put new things in place. I'm also on the Pinelands Commission now, my second year.

And I've learned that if you're willing to work with this kind of legislation, it works in your community. And we had a lot of opposition. I did in the beginning, myself, because I am a farmer, also. And our preservation area boundary line went right through my property, and I thought that was going to totally destroy my opportunity there. I've been there, now, for -- I've owned this property and farmed it for close to 60 years. But it has not-- They've worked with me in everything that I want to do.

And this has been the rule, I think, in our whole township. We have a lot of blueberry farming in our township, and these farmers are able to go forward, also. We have cranberry farmers in our township, and they've been able to work with the Pinelands.

So the total picture, to me, is, I'm really encouraged that this is happening. I'm here to give a hoorah. I hope that this goes through. I'm not just a citizen of Mullica Township or Atlantic County, I'm a citizen of New Jersey. And I am deeply, deeply concerned about where we're going with the massive building programs going on across the state.

I happen to have had the privilege, when I was growing up, to see stripers -- any of you men that fish and know what we just went through with that -- I've seen it when there's been nothing but fins across the total surface of the Mullica River, when they were spawning up Mullica River. You don't see that anymore because of the overfishing, of course, and all the rest of the things that happened.

One of the key things I wanted to share with you, too, though -- because of this regional approach, the Pinelands has put a study in place -- and all the rivers in the Pinelands jurisdiction -- and they found that our feeder river

on the Mullica River, which is west of us, has all become polluted. And so through this study, now, they're starting a program to try to clean up this pollution. Citizen groups and such are helping this to happen. That wouldn't have happened without a regional growth where we could communicate with other municipalities. And I really believe that it's the same situation that you have up in the Highlands, because I've been to a meeting up there -- that this is the kind of approach that saves a very valuable part of our state.

I think that we are the crown jewel, naturally, coming from where I'm at. I'm right in the preservation area and that total Pinelands area, and it's just a beautiful, beautiful situation that we have there. And I hope it happens for the Highlands people.

I thank you.

SENATOR SMITH: Thank you.

Chairman.

ASSEMBLYMAN McKEON: Yes.

MR. HAGAMAN: Oh, by the way, I have a letter, also, from the Mayor of Buena Vista Township, which is on the western side of Atlantic County. Could I read that, or could I leave a--

SENATOR SMITH: Why don't you enter it into the record for us to take a look at?

MR. HAGAMAN: All right.

ASSEMBLYMAN McKEON: Thank you very much.

So everyone can know how we're going to conclude, if you will, today, there are three more witnesses we're going to call. They're after another

panel of three of the over 30 environmental groups that would like to be heard -- will be called by Senator Smith.

I think, thereafter, we're going to call upon the members of the Assembly and Senate who have been so patient in listening, to see if they have any particular comments to be made. And then Senator Smith can speak to our remaining schedule.

And if anybody has any written testimony prepared, that doesn't get called upon, please pass it along to staff, and that will be distributed to Committee members and will be made part of the record.

So with that, one other elected official, Mayor Szabo, from the borough of Oakland; Tom Dallessio, of the Regional Plan Association; and Chris Sturm, of New Jersey Future.

Welcome to all of you.

MAYOR JOHN P. SZABO JR.: Good morning.

My name is John Szabo, and it's my privilege and honor to be the Mayor of the borough of Oakland, Bergen County, one of the communities directly affected by the Highlands Task Force recommendations and the potential legislation that may arise from that.

There are two areas that I wish to address without being redundant, in terms of the comments that have been presented to you this morning, so eloquently, by other communities that are affected by this legislation.

Firstly, the borough of Oakland fully supports the Task Force's recommendations in creating a regional council in helping us regulate development throughout the Highlands region. We do so acknowledging the fact that we may be a participant, directly, in the process of creating a new

master plan. However, we're willing to consider that, with proper participation, because we understand this is a regional issue.

Unfortunately, we are the poster child example of why we may need regional controls. We are the poster child. And I say that because we recently went through a very contentious application, whereby I saw that the planning board -- this was prior to my becoming mayor -- simply did not have the tools to say no. The developing pressure that is being faced by the municipalities in the region are tremendous.

I wear another hat, as well. I'm a licensed professional planner in the State of New Jersey, with a degree in environmental planning. I have been practicing for the last 20 years, so I'm no stranger to the land-use issues that many communities face. We simply do not have the tools.

So, with that, the borough governing body unanimously, on a bipartisan basis, endorsed, by resolution, this effort.

Having said that, as a planner, I can share with you the thought that there has to be some balance. When you read the Task Force's recommendations -- and you've heard this from other communities so affected -- that there are benefits and incentives that are to be incorporated into the planning process here. One of which would be TDR, which we fully support. That cannot be the sole benefit, the sole incentive in redistributing some of the wealth that may occur by the disparity of the development that may occur in the Highlands region.

There has to be -- and we've heard this from other communities affected by the potential legislation -- the need for a stable and continuing funding source to reimburse municipalities for the loss of open space --

development potential as a result of purchase of open space in their communities. If we're going to redistribute development along Smart Growth guidelines -- which I fully endorse as a planner -- we're going to recognize that there are going to be some areas that are going to be slated for preservation, other areas slated for growth and growth potential, which may fall outside the boundaries of a particular municipality.

If you want to see municipalities get on board with the incentives and benefits, there has to be some way to equalize and monitor that distribution development. It makes perfect sense to redevelop. It makes perfect sense to concentrate development where there's infrastructure. It makes perfect sense to do that. But there has to be some equalization. And I say that because, we are ready to introduce our budget this year -- actually, Wednesday in Oakland -- and I can tell you that it is not a pretty picture. Under the growing mandates that we face on the local level, the tax burden that is growing on our residents is getting to the point where people are actually questioning whether they want to live in New Jersey. And I submit to you that that is not where we want to be.

So I believe that if you balance, if you look at TDR, but also a stable funding source to equalize whatever discrepancies there may be in the development patterns -- but also create this board with the idea that you're going to work with the municipalities and have them in partnership with you.

There are enough guidelines, there are enough models. We're not strangers to these issues. We have the will now. I will tell you that the political sentiment out there is strongly supportive of this effort. And I would encourage the Legislature to act now while this is on the forefront of everyone's mind, not

only because open space is at risk, but also because our drinking water is at risk. And I would encourage you--

I appreciate the opportunity to present these comments to you today.

Thank you.

ASSEMBLYMAN McKEON: Thank you, Mayor.

Yes, thank you.

T H O M A S G. D A L L E S S I O: Senator Smith, Assemblyman McKeon, members of the Committee, thank you very much for this opportunity.

I am Tom Dallessio, New Jersey Director of Regional Plan Association. And I'm here today to strongly support the recommendations of the Highlands Task Force, and to call for the immediate legislative action to implement these recommendations in order to protect the region and the water supply for over half the state.

As the nation's oldest independent planning organization, for more than 80 years, Regional Plan Association has been protecting open spaces, shaping transportation systems, and promoting better community design, planning, and advocacy. We anticipate the challenges the New Jersey, New York, Connecticut region will face in the years to come, and we mobilize the region's civic, business, and government sectors to take action. I am here today because we at Regional Plan Association believe the Highlands faces significant challenges, and we are prepared to join you to ensure that legislation is enacted to protect the quality of life in the Highlands for generations to come.

RPA strongly believes that the drinking water and other natural resources of the New Jersey Highlands must be permanently protected; a greensward that shapes the future of New Jersey as much as the creation of Central Park, 150 years ago, shaped the Manhattan we know today.

For the past 10 years, we have been studying and working to realize this vision. As part of the USDA's Forest Service study team's report in 1992 and 2002, we helped produce the regional studies that identified the need to maintain the ecological integrity of the Highlands and the water supply it provides. Our subsequent mapping shows that the core preservation area should be at least 350,000 acres, including the key watershed lands and contiguous forests.

At a recent meeting of RPA's New Jersey committee, a resolution was unanimously adopted to support the legislative, administrative, and other actions necessary to protect the Highlands.

And Senator Smith, we thank you very much for including that in the testimony. I actually have a copy of that for the other Committee members.

One of the key elements of that was the need to designate, through legislation, a core preservation area, with the goal of permanently preserving the remaining unprotected land through comprehensive planning, land acquisition, strong State regulation, and a transfer of development rights program.

We also strongly support the creation of a regional planning council to develop a master plan that will be mandatory in the core area and implemented through incentives outside the core area. The council should be comprised of people who strongly protect the natural resources of the Highlands, and a majority of which being local officials from the Highlands communities.

The council should also be authorized to review and approve or disapprove State and local projects in the Highlands, based upon consistency with this regional master plan. The council should work with municipalities to identify appropriate areas outside the core that could receive higher-density growth, as well as other means of effectively participating in the TDR program, essential to limit development in the core and other environmentally sensitive areas.

And last, we think it's critical that the council be given the resources to select independent, professional staff to undertake the critical research to produce and implement a comprehensive plan for the Highlands, and provide planning expertise to communities. RPA urges the legislative sponsors to include, in the Highlands resolution, an adequate budget and authority for the council to undertake the actions necessary to work with the municipalities and counties in the Highlands, and the State and Federal agencies to draft, approve, and implement a plan that meets the needs and desires of all involved.

I join the Mayor as a professional planner, and thank him for his effort, and urge you to look at that as a critical issue.

Thank you, again, for the time today. And we look forward to working with you. We welcome your comments and suggestions to our resolution, and we look forward to working with you to view the Governor signing this historic preservation soon.

Thank you.

ASSEMBLYMAN McKEON: Thank you very much.

Ms. Sturm.

CHRIS STURM: Hi.

Chairmen, and members of the Committee, thank you so much for this opportunity.

I'm Chris Sturm. I'm Project Director at New Jersey Future, which is the State's oldest and largest Smart Growth organization.

I'm fairly confident at this point that I echo the comments of everyone in this room when I ask you to create a legacy for our children of clean and abundant drinking water. It's absolutely critical for our quality of life. And I'm delighted to be able to endorse the Governor's Task Force recommendations to do just that, to protect those water resources.

We support the Task Force's recommendations for a regional planning council to develop a region-wide plan that will be mandatory within the core. And we feel that a big issue that is facing the Legislature now is how to achieve implementation of that plan outside the core.

There's three things that need to happen. We need to make sure that sprawl development outside the core doesn't undercut the preservation that's going to take place within. We need to make sure that the development that happens does so in appropriate places and appropriate ways. And there also needs to be mechanisms to implement the TDR system that's so critical to preserving lands in the core by transferring development to areas outside the core.

We'd like to highlight two Task Force recommendations that address these issues and deserve your careful legislative attention. First, as Tom said, you must provide adequate resources for the regional council so they can hire a professional staff and undertake scientific studies on which to base the regional plan.

Second, municipalities outside the core will need meaningful incentives to conform their ordinances to the regional plan and, in some cases, to designate growth areas for the TDR program.

New Jersey Future endorses the incentives recommended by the Task Force, and I'd like to highlight just a few of them that we think are especially important: planning grants for municipalities to make sure their plans and ordinances are consistent with the regional plan, the legal shield that Mayor Swan spoke about earlier, capital infrastructure funds for growth areas, compensation for school districts that would receive more residential development under the plan than they would without the regional plan, impact fees to address school capital costs, and access to TDR bank funds.

We at New Jersey Future are ready to assist you if you need to call on us to help with this initiative. And I thank you again for your time and attention.

SENATOR SMITH: Thank you.

Our last panel is a distilled panel. We have many, many environmental groups that have asked for the opportunity to speak. There were so many, in fact, that we asked them to go out in the hall and pick three representatives of all the groups. But I did want to mention the groups that were not speaking and who selected the representatives to speak on their behalf. So not speaking will be Dena Mottola, New Jersey PIRG; Dave Pringle, with the New Jersey Environmental Federation; Jad Daley, of the Appalachian Mountain Club; Jason Patrick, from Environmental Defense; Reggie R-E-G-R-A-T, Regrat (indicating pronunciation), from the Phillipsburg Riverview Organization; Timothy Matthews -- and Mr. Matthews, I don't have you identified any other

way, but you're with the group of environmentalists; Andrea Haype, Phillipsburg Riverview; Robin O'Hearn, Skylands CLEAN; Kathleen Weasner, New Jersey State Federation of Women's Clubs; Kim Ball, Association of New Jersey Environmental Commissions.

Let me just point out, we're going to have five hearings. This is the first of five, so please come to the other hearings and let us know of your feelings. We appreciate you being kind enough to be willing to allow the three other representatives to speak on your behalf.

Just before we get-- In fact, why don't we start getting them up -- Mr. Edward Goodell, New York-New Jersey Trail Conference; Sally Dudley, Garden Club of Morristown; and Jeff Tittel, New Jersey Sierra Club. While they're coming up, we are going to pass out to the audience the method by which you can get copies of the legislation on the 26th, so you can begin reviewing this at your earliest convenience. I will ask one of the staff to distribute these.

ASSEMBLYMAN McKEON: Similarly with the dates, Mr. Chairman.

SENATOR SMITH: And we also -- and Chairman McKeon was also kind enough to get copies of the hearing dates and locations. We are also passing those out to the audience. They're actually going to go over to the table on the side.

ASSEMBLYMAN McKEON: Mr. Chairman, if I might, there were three other names that we were going to defer, all three of which were from the agricultural community. We had several representatives here. But, for the record, Greg Donaldson, of the Morris/Warren Board of Agriculture; Sam Race,

of the Warren County Board of Agriculture; and Mark Caignwright, an organic farmer. Hopefully, you can join us at one of the other five hearings. We thank you for your attendance.

SENATOR SMITH: All right. And that being said, who would like to go first?

EDWARD GOODELL: Hi, my name is Edward Goodell. I'm the Executive Director of the New York-New Jersey Trail Conference.

Thank you, Senator Smith, and Assemblyman McKeon, and the entire conference -- Committee for allowing me to speak.

I also want to point out that I have written testimony from the Appalachian Mountain Club, which I will turn in, to enter into the record.

The New York-New Jersey Trail Conference is a federation of 88 clubs representing 100,000 people who hike in the New Jersey Highlands. We have members in all 21 counties, and 600-plus towns in New Jersey. We come together under the Trail Conference umbrella for the sole purpose of protecting outdoor resources. Simply put, our mission is to connect people with nature.

We're here today because, as you know from the Forest Service report, 14 million people recreate in the New Jersey Highlands every year. From the Outdoor Retailers Association's annual survey, over two million people say that they hike in this area, and 600,000 people say they hike at least once a month. So we can see that we're talking about not just waters, important as that is, but also about people's time and their quality of life in this region.

What the Trail Conference does, and has done since 1920, is recruit volunteers to protect these recreational resources, primarily through building trails -- 1,600 miles of trails in the region -- publishing maps, and protecting

land through acquisition and other means. All together, more than 40,000 hours are recorded by volunteers working with State, county, and municipal agencies to help protect these resources.

Here's what we're experiencing. All of our trails that connect the large, protected, open spaces in the region, such as State parks and county parks, essentially have, traditionally, gone on private land. They followed the forested ridges, and with permission from private landowners, to connect the protected open spaces.

What we're finding, on a disturbingly increasing basis over the last decade, is landowners coming to us and saying, "We need you to move your trail. You can no longer have a trail on this piece of land." We respect that, we politely move the trail. But it's beginning to really put a cramp in the connectivity of open space in the region. Just like Commissioner Campbell said -- that a stream can be taken out of the water supply system -- a trail can be taken out of the recreational system, also. And we're seeing that on an increasing basis.

Our position: Normally, we are a fairly laissez-faire, work-within-the-system type of organization. We help parks maintain their recreational resources. But I think, what we have here is, we have tried laissez-faire in the Highlands, and it's not working. We're at a point where we all know that build out is on the horizon, both literally (*sic*) and figuratively. It's in the next decade or two in this area.

So we have a chance to choose what is the permanent state of our environment in this area. And I think that's a very difficult choice to make. It's

not easy to implement. But it's something that this Committee and our State needs to do, and it needs to do it now.

As a result--

Well, our top recommendations, as far as the legislation, I should say, would be to increase the Green Acres funding. There's a lot of land that needs to be locked up permanently. Green Acres is the nation's leading state acquisition program, and we need to capitalize on it, and capitalize it.

The regional authority is very important. We always find out about problems that are affecting recreational resources at the end of the development cycle. The regional authority, we think, will help us find out about it early and work creatively with the developers to maintain the connectivity that's so important. Sale of development rights on the open market, we think, is critical, as well.

So, tomorrow night, I'm going to my board and asking them to get behind this legislation 100 percent. I'm almost certain that they will agree with me.

And I just want to end by saying that I appreciate the work that you're doing here. I know you have the State's heritage in your hands. And I want to ask you to get behind the legislation 100 percent and make it the best that it can be.

Thank you.

SENATOR SMITH: Thank you, Mr. Goodell.

Ms. Dudley.

SALLY DUDLEY: Thank you very much for having this hearing today and scheduling the series of regional hearings on this issue.

I'm here today as a representative of the Garden Club of Morristown, whose 80 members come from Morris, Somerset, and Hunterdon counties. Along with the 194 other garden clubs in 40 states throughout the country, we are members of the Garden Club of America, whose mission includes restoring, improving, and protecting the quality of the environment through educational programs and actions in the field of conservation and civic improvement. All 12 New Jersey Garden Club of America clubs have passed resolutions supporting Highlands preservation. And the New Jersey committee is a member of the Highlands Coalition.

In addition to Morristown, the New Jersey Garden Club of America Club includes Englewood, Madison, the Oranges, Plainfield, Princeton, Rumson, Short Hills, Somerset Mills, Stoney Brook, Summit, and Trenton. So it covers a lot of the Highlands and a lot of the areas that depend on the Highlands.

We recognize the importance of protecting the Highlands' incredible concentration of very special resources, and also are very distressed at the way that we are losing so much land every year. It's impossible to create new land when we lose it to sprawling development. Transforming forests and farmland into suburbia is a permanent, irreversible action.

The Garden Club of Morristown urges you to move ahead as quickly as possible to protect and preserve the Highlands' very special resources and ensure a good future quality of life for the region and the State of New Jersey.

I'd also like to say I have a long association with the Association of New Jersey Environmental Commissions, who's been working for Highlands

protection for more than 20 years. And we've learned, in talking to the environmental commissions in the Highlands, that many communities are trying to plan responsibly, but others are not, often with resulting development slated for environmentally critical areas.

Governor McGreevey invited Highlands environmental commissions to a conference call a couple of weeks ago to express their concerns with him and Commissioner Campbell. From listening to the discussions, it was clear that environmental commissions in the Highlands region -- and only half the communities have commissions -- were looking beyond their municipal borders for answers to natural resource protection. They recognize that a regional approach is needed to protect the vital resources of the Highlands. And ANJEC strongly supports the overall recommendations of the Highlands Task Force.

And also, as you indicated, that the State Federation of Women's Club would not be able to testify today -- but they also support the recommendations of the Task Force. And they have a statewide membership of approximately 14,000 women. So they're very good.

Thank you.

SENATOR SMITH: Thank you, Ms. Dudley.

Mr. Tittel.

JEFF TITTEL: Thank you.

I'm honored to be last. I think it kind of helps put some things in perspective. I just wanted to start off with, sort of, a question to the Committee, which is: Do you know what Manischewitz matzo, VIAGRA, Goya

beans, Budweiser, Progresso Soup, Valium, Tylenol, Drake's Cakes, Häagen-Dazs ice cream all have in common? And I would also--

SENATOR SMITH: They all use water from the Highlands.

MR. TITTEL: Exactly. (laughter)

Water is the engine that not only -- is the engine that drives our economy in this state. Our three major industries are water dependent. They are: food processing, pharmaceuticals, and tourism. And it's critical to have a good, clean water supply if we want to keep New Jersey growing. It's much more cost-effective to have cleaner water going into a treatment plant. It makes it cleaner and cheaper coming out. And it's really critical.

I just wanted to put this in a little bit of perspective -- because as someone who is a three-generation property owner in the Highlands, we've seen a lot of changes. As someone who's part of an organization that's been around for over 110 years, we've seen what happens when we lose wilderness and open space areas.

The first attempts to save the Highlands -- happen to have been a Ringwood resident by the name of Abram Hewitt, over a hundred years ago. He was owner of the Ringwood Mining Company. The Cooper-Hewitt Museum in New York is one of his legacies, as is Cooper Union College.

The Sierra Club supported the Weeks Act back in 1912, which would bring national forests to the eastern seaboard, including the Highlands region. We've seen attempts in the 1930s, '50s, '70, '80s, and '90s to try to save the Highlands. This is our last chance. We're losing 5,000 acres a year of land in the Highlands to overdevelopment. The battle -- and as someone who served as both chairman of an environmental commission and on the planning

board in my town -- has been left to the local citizens, whether it's fighting uranium mining, power plants, chemical factories right next to reservoirs. If it wasn't for local activism, Sterling Forest would be a city of 35,000 people. Bearfort Mountain in West Milford and Bowling Green Mountain in Morris County would have been blown up for airports. Just development, from one end to the other, highways cutting through our reservoirs-- These were mostly local fights, where local citizens had to raise money through bake sales and other things, in many cases with the support of local government, and some cases without -- to try to preserve this resource for over four million people.

It's not just the four million people outside the Highlands who get drinking water. And by the way, every member of these Committees -- every member of this Committee, except for Senator Ciesla, gets some of their drinking water from the Highlands. And I think everybody should realize that no matter where you are, you are going to get some.

And it's really critical that you understand that this is a resource that the State of New Jersey needs to take the lead on protecting. Sometimes we've actually had to fight the State on the new sewer plants, or on other permitting issues that they've done to try to ram things down in towns that didn't even want the growth -- sometimes even against the local towns. But many times, citizens also had to stand up to their local towns who -- fighting the ratables chase -- and resources. But we can't do it alone.

And the State needs to take leadership. And that's what's critical about this legislation, about the Task Force. I mean, the Mayor of my town, Mayor Wenke Taule, from Ringwood, talked-- Here's a town in the middle of the Highlands core area. We need your help. So many of the other people who

have been members of the Task Force who spoke on this issue-- We can't do it alone. And, quite frankly, we don't have the resources to protect the economy. A hundred-billion-dollar economy in northern New Jersey that's based on Highlands' water-- The State needs to do it.

We have these ads on TV where you can get EDA money. Well, one of the best places you can spend EDA money, if you really want New Jersey to have a good economy, is on saving the Highlands and getting this legislation passed, and having a strong plan that works in protecting natural resources, while encouraging proper economic and ecotourism, as well as historic tourism.

The Highlands in New Jersey was the cradle of the American Revolution. Ringwood Manor was where all the maps were made, where the Battle of Yorktown was actually planned. Revolutionary war cannon balls were made from the furnaces and forges throughout the Highlands. We have another battle. This is the battle against sprawl. We have a grassroots revolution in the Highlands, with citizens going out, night after night, trying to save the Highlands. And we also have this battle now, it's called *the battle to preserve New Jersey's future*. And the State Legislature needs to show leadership, as they did in the Pinelands and the Meadowlands, and pass that legislation. Because if we don't do it now, it won't be here.

And I just wanted to, kind of, end with the fact that, with global warming, if we don't save the Highlands now, we'll have to save it 30 years from now as a national seashore, because there won't be anything left. Just get it done. (laughter)

SENATOR SMITH: Thank you, all.

Chairman McKeon.

ASSEMBLYMAN McKEON: I'd like to ask any of our colleagues if they'd like to comment.

I just want to very briefly comment and thank everyone, again, for all of their input and everybody's continued hard work. Obviously, we have a daunting task before us. Senator Smith has been a fantastic leader and a role model to me in working with the Governor's Office, with the Commissioner, with the environmental concerns, with the Highlands Task Force, and with all those in need of having input in crafting what we'll be very proud of, to introduce in the legislative road map, if you will, based upon the -- what the Highlands put together for us.

I just want to emphasize, we are all in this together. My great boyhood friend, Ben Spinelli -- he happens to be Republican. He lives in a different section of the town -- of the state. We don't look to this as a Republican or Democratic issue. Both of us have children about the same age, and that's, from our perspective, what this is all about.

So, again, all of us together, being fair to those who do own property, being fair to the communities who will lose ratables, if you will -- without getting into that debate. We need to all be in this together to do what's in the best interest of New Jersey.

I'll start with Assemblyman Gregg, if you have anything. You don't have to.

ASSEMBLYMAN GREGG: Thank you very much, Mr. Chairman. Thank you for allowing me to sit in and substitute today. I don't know if I'll be on any others, but I'm sure our members on our side of the aisle will be ready, willing, and able.

But we are in this together, I think. One of my comments reflects the togetherness, as the one sitting up here who is not only the Hair Club president, I'm also a client. I live in the Highlands and certainly have a great stake in it on both sides of the issue.

I was very surprised to hear that a bill will be available to the public by the end of the week. And part of me is very pleased that there will be a bill available at the end of the week. The other part of me says, "My goodness. I didn't know anything about it." And no one on my side of the aisle did. And I think that is important for this group to understand. This is an initiative that is dealing predominantly, if not completely, with northwest New Jersey, whose elected officials are predominantly Republicans. And no one has reached out to us in the drafting of this legislation. That is not a good thing, ladies and gentlemen.

I've been told by the local folks, by freeholders, individuals who served on this commission, that this is meant to be bipartisan. It is. It should be. The environment is bipartisan. Water is bipartisan. And this bill should be bipartisan. But, unfortunately, we only got two out of three. In my world, the bill clearly should have a prime sponsor in one House as a Republican and one as a Democrat. And the prime sponsor in the other House should be a Democrat, and the co-prime should be a Republican, if we really believe this is a bipartisan issue. And then we can sit down to the table and start putting, as my good Freeholder Jack Schrier said, putting the meat on the bones, because right now we have a very skimpy little skeleton, as attractive as it may be. It needs a lot of work, because every one who came up here to testify talked about the funding, because without the funding, it really doesn't have much meat on

the bones. So how we find that, how we do it, and how we deal with personal property rights of individuals in the areas that I happen to represent, is the whole issue. And it isn't going to be done if this magical document happens at midnight, and slips out on Thursday, and only one half sees it.

So I would hope, Mr. Chairman and Mr. Chairman, that you can accept this as a door-opening process from my side of the aisle, as the Conference Leader in the Assembly, that we are ready, willing, and able to talk and meet. It hasn't happened yet, but we have hours before the day comes, and we have four more meetings before the final hour comes. So if this is meant to be bipartisan, if it's meant to be a solution to a long-term problem for folks up in northwest New Jersey, I would hope that we would be allowed in the process from beginning to end.

And I thank you for your courtesy in allowing me to make those statements.

SENATOR SMITH: Mr. Chairman, if I might, let me just interject a thought. And that is, as Assemblyman Gregg is not normally a member of the Assembly Environment Committee -- and, certainly, you're not on the Senate side-- But I can tell you that the dialogue with Senator McNamara has been ongoing, and we have a meeting with Senator McNamara next week.

Before anything was done on a bill, it would have been discourteous and politically improper to put a bill on the table before the Highlands Task Force had gone through its extensive year-long process. The Task Force released its recommendations about a week, week-and-a-half ago. They did an outstanding job. Not a good job, an outstanding job. That Task Force was as

bipartisan as it can get, with Republican freeholders, mayors, Democratic representatives, planning people, farmers, the whole group. They put together--

By the way, have you read the Task Force's report?

ASSEMBLYMAN GREGG: Mr. Chairman, I have read it. And I appreciate the fact that the individuals who came up with these ideas and recommendations were bipartisan. Unfortunately, we are where the rubber meets the road.

SENATOR SMITH: Right.

ASSEMBLYMAN GREGG: So we will determine the law that is required to execute this. So all the bipartisanship we've had before is accepted and appreciated. But now that we're going to start test driving the car -- and I think we'd like to be involved.

SENATOR SMITH: Well, let me just say that that Task Force report was the basis for the legislation. When people get their bill on the 26th, they're going to say, "That Task Force did an outstanding job," because the bill is going to reflect their recommendations and insights into the Highlands. At the point that we have a bill, it's appropriate, at that point, to try to make it as bipartisan as it can be.

I'm meeting with Senator McNamara. I know that Assemblyman McKeon is going to do his best in your House.

ASSEMBLYMAN McKEON: Assemblyman Rooney.

SENATOR SMITH: The environment should not be a partisan issue. It's drinking water for Democrats and Republicans that we're trying to protect. And you could take it to the bank that we're going to make it -- do the

best we can to make it a bipartisan effort that everyone in this state, no matter what party you're from, is going to be proud of.

ASSEMBLYMAN ROONEY: Was that my cue?

SENATOR SMITH: That was your cue.

ASSEMBLYMAN McKEON: Assemblyman Manzo.

ASSEMBLYMAN MANZO: I'll yield to Assemblyman Rooney, and then I'll come back.

ASSEMBLYMAN ROONEY: I just thought that was my cue.
(laughter)

ASSEMBLYMAN McKEON: That was. I actually mentioned you, not knowing you were behind me. As the ranking Republican, I think, on our Committee -- that we're going to be working closely with you. We're going to do this together.

Assemblyman Manzo.

ASSEMBLYMAN MANZO: Thank you, Mr. Chairman.

I, too, want to commend the group, the work group that put this proposed legislation together. I did read the report. I was impressed by the depth of it. And I think, where the meat has got to go on the bones -- and that's where, collectively, we've got to put our heads together -- is, where does the funding come to help the communities that are going to be giving up their land for what we need to do?

And one thing that everyone in this state must recognize is that we're all in this together. And we all need to shoulder that responsibility and not merely lay it at the foot of one community, where the water supply for most of our state lies. So that is an issue we have to come to grasp with.

The other question I have, as I always have, is the capability of DEP to handle this in the correct manner. Over the years, I've come to see that department, irregardless of which House it was steered by, totally neglect being able to handle the capabilities of this state's environmental needs. And I hope we can put them up to task when they assume this responsibility.

I look forward to the future hearings that we'll be having. I look forward to adding a few more meat -- a lot more meat on the bones here.

ASSEMBLYMAN McKEON: Thank you.

Former Chairman Gusciora.

ASSEMBLYMAN GUSCIORA: Thank you, Mr. Chair.

I want to commend our two Chairs for putting a lot of work and effort in these hearings, and look forward to the hearings to come.

I just wanted to pick up on Senator Gormley's point that we should do this holistically, in that no matter where you live in the state, you should be interested in the outcome of these hearings. And that, through teamwork, we preserved the Pinelands, we should preserve the Highlands, we should continue to preserve shore protection. But everyone in the state should be proud of the efforts of this Committee.

Also, in my eight years, this is the first time a bill, that I remember, will be open for public review of the draft. And I'm sure that there will be a lot of public input for the final outcome. And I look forward to being part of that process.

ASSEMBLYMAN McKEON: Thank you, Reed.

Assemblyman Gordon.

ASSEMBLYMAN GORDON: Thank you, Mr. Chairman.

I'd like to add my thanks to the good work done by the Task Force members. And I appreciate this opportunity to work with my colleagues on the Senate side, and on a bipartisan manner with the members of this Committee, to address this important problem.

It's been said that the most important legacy of the Byrne administration was the protection of the Highlands. That protected the largest aquifer in the State of New Jersey. And as I read the report for the Highlands, I realize that this challenge rises to the same level of importance.

As someone who is a mayor of a town, who experienced the pollution of our wells with a few parts per million of volatile organic chemicals, I know how many millions of dollars it can take to build the air stripping systems and to undertake all the remediation that's required to clean the water after its been polluted. So I think regional planning-- For me, it's obvious that regional planning is a much more cost-effective approach to protecting our water.

I agree with my colleagues that we need to address issues of funding, of making towns whole if they're losing their ratable opportunities. And I look forward to working to address those issues in the weeks ahead.

Thank you.

ASSEMBLYMAN McKEON: Thank you very much.

Vice Chairman Panter.

ASSEMBLYMAN PANTER: Sure.

I want to also thank all the members of the Task Force and others who testified here today.

I had the benefit, earlier today, of sitting down with quite a few members of the Task Force and being able to ask them some of my initial questions, having just reviewed the report, and I'm sure there will be many more.

But the one thing that struck me today, in listening to all the testimony, is that there seems to be a consensus that there is no question that the priorities that we're discussing, in terms of protecting New Jersey's drinking water, preserving our ever-increasing -- ever-diminishing, I should say, inventory of open space, are objectives that we all share. And they truly are objectives that affect the entire State of New Jersey.

My district is in Monmouth County and in Mercer County. And I think certain portions of our district are not directly affected by the Highlands. But as we've heard here today, virtually every person in New Jersey is affected by the issues we're discussing. I think that our challenge has been properly laid out by a number of officials here today, as making sure that we both respect and provide for just compensation -- not only for landowners, but to also be cognizant of municipalities and the struggle that they've been waging for years on these very issues, and to make sure that municipalities aren't unduly burdened by this, simply by virtue of being in the communities where the drinking water and the open space that we're seeking to protect resides.

So I look forward to this process. And I just wanted to make one comment with respect to what Assemblyman Gregg said here today, because I do share, as others have reiterated, that this needs to be a bipartisan process. It's certainly not a Republican or Democratic effort. It's an effort that benefits all New Jerseyans. We also have not reviewed, in any detail, any drafts of the

legislation. And I very much view this ongoing process as an opportunity to fully vent that with the public which, I think, as Assemblyman Gusciora said, is an unprecedented opportunity to involve all of us in that drafting. And I think, ultimately, that will end up in the best bill that, I hope, very closely reflects what the Task Force has recommended.

So I'm thankful to be a part of that process.

Thank you for your testimony today.

ASSEMBLYMAN McKEON: Thank you, Assemblyman.

And Assemblyman Rooney's been inspired and would like to speak.

ASSEMBLYMAN ROONEY: I didn't realize we were wrapping up, so I apologize for that.

ASSEMBLYMAN McKEON: Not at all.

ASSEMBLYMAN ROONEY: I also want to thank the Committee for what they've done in putting forth some draft legislation. It's a thankless job, and this is something that I think we'll all benefit from.

One of the things I remember, early on, as the -- when it originally came up, with the buying all of this property -- the Skylands property, the Highlands property. There was a lot of discussion on the cost of it, and the fact that we were buying land out of state, and all this other nonsense. It turned out, I think, the total price of the property that was purchased between New York and New Jersey was somewhere around \$60 million. And if we didn't purchase it -- if they didn't purchase it in New York, and we didn't purchase it here -- the real cost would have been about \$600 million in the processing -- and this is to the Assemblyman from Fairlawn-- His point is that that's what a water treatment -- a wastewater -- actually, a treatment plant would cost. You can pay

me now or pay me later. And that's really what we should keep in mind here -- that we've done something that is, basically, historic -- the cooperation between two states in buying this property for future generations, in both New York and New Jersey, to supply clean water. And that's the focus that we have to -- keep your eye on the prize. That's the prize: clean water. Regardless of what else we will have done, we've already made that first step. And the difference is 10 to 1.

I happen to be in the electrical industry. One of the jobs I'm currently working on over in New York is the Croton job, which is processing the water that's coming down from the Catskill region into New York City. It's a huge plant. But the thing is, it would have had to be an even huger plan -- if there is such a word -- because of the additional water treatment, the purification part of it.

So I think this is a good beginning. I look forward to working with everyone on both sides of the aisle. I had my say to the Commissioner, and that's where it belongs, with the Commissioner. We here-- And I've got to say to the Chairman of our Committee in the Assembly -- it's been nothing but bipartisan.

So, John, my congratulations to you. Keep up the good work. But I will tell it like it is when it comes to the administration and when they leave us out.

Thank you.

ASSEMBLYMAN McKEON: Thank you very much for those kind comments.

I'm going to leave Senator Smith with the final word.

But I just want to -- the last thank you is one that I should have mentioned last week. The partisan and nonpartisan staff -- meaning from OLS -- has been incredible in their efforts over the last, really, three months, in starting to work toward what will culminate in Friday's initial draft of the legislation. And they're to be thanked as wonderful public servants.

Senator Smith.

SENATOR SMITH: Just a quick comment, and that is that we meet next on March the 30, at 7:00, at the Skylands Manor, Ringwood Park, Ringwood.

The issues that were brought out today are the issues. You're right on the money. The interested parties are here, they're pointing out what we need to do to make this work. The Task Force did a tremendous job. We're going to use that as the blueprint for the legislation. And we are at that critical moment.

See you at the Skylands Manor.

(MEETING CONCLUDED)