

MINUTES

**NEW JERSEY HIGHLANDS COUNCIL
MEETING OF DECEMBER 1, 2005**

PRESENT:

JOHN WEINGART)	CHAIRMAN
KURT ALSTED)	COUNCIL MEMBERS
TRACY CARLUCCIO)	
JANICE KOVACH)	
MIMI LETTS)	
DEBBIE PASQUARELLI)	
MIKAEL SALOVAARA)	
JACK SCHRIER)	
BEN SPINELLI)	
EILEEN SWAN)	
SCOTT WHITENACK)	

PARTICIPATING VIA TELECONFERENCE:
TIM DILLINGHAM

ABSENT:
LOIS CUCCINELLO
GLEN VETRANO

The following are the minutes from the New Jersey Highlands Council meeting which was held at 100 North Road, Chester, New Jersey on December 1, 2005 at 4:00 p.m.

CALL TO ORDER:

The Chairman of the Council, Mr. John Weingart, called the twentieth meeting of the New Jersey Highlands Water Protection and Planning Council to order at 4:10 p.m.

ROLL CALL: The members of the Council introduced themselves.

PLEDGE OF ALLEGIANCE was then recited.

OPEN PUBLIC MEETINGS ACT:

Chairman Weingart announced that the meeting was called in accordance with the Open Public Meetings Act, N.J.S.A. 10:4-6, and that the Highlands Council had sent written notice of the time, date and location of this meeting to pertinent newspapers of circulation throughout the State.

APPROVAL OF MINUTES (November 3, 2005):

Mr. Weingart asked if there were any comments to the minutes of November 3, 2005, and none were received. Mr. Schrier made a motion to approve, Ms. Kovach seconded, all others were in favor, APPROVED.

CHAIRMAN'S REPORT:

Mr. Weingart reported that a meeting schedule for 2006 Council meetings will be reviewed at the next meeting on December 15, 2005. He asked that if members had any suggestions for the schedule, to please send them to Erin Thomsen prior to the 15th.

Mr. Weingart also noted that discussion at previous Council meetings has occurred regarding the process for municipalities to opt in to the Highlands Regional Master Plan and reported that the staff is working up proposals to be presented by the Plan Development committee over the next few meetings.

Mr. Weingart advised that pursuant to Executive Order of the Governor, all Council members are required to complete mandatory ethics training. He noted that if any members had not completed the training to please do so as soon as possible.

Ms. Mimi Letts thanked those Council members and staff who attended a party in her honor in Parsippany the night before.

He asked if any members had reports and since none did, he turned the meeting to Mr. Adam Zellner for the Executive Director's report.

EXECUTIVE DIRECTOR'S REPORT:

Mr. Zellner reported that there will be a meeting on December 13th with representatives from the seven Highlands counties to discuss various issues, some of which will be mentioned in the committee reports later in the meeting.

Mr. Zellner noted that the Highlands' one year anniversary is coming in a couple weeks and that the Council will be visited by Waldwick High School students at their December 15th meeting.

Mr. Zellner noted that the first public meeting of the Property Tax Stabilization Board will occur on Monday December 6th at 1:00 p.m. at the Chester office. He advised that

Mr. Ross MacDonald will be the key Highlands staff member present at the meeting, and that Council members will be present as well as representatives of the Treasury Department.

Mr. Zellner reminded that Ms. Erin Thomsen will be checking with members over the following weeks for the purpose of compiling the 2006 meeting schedule and asked that they provide input.

Mr. Zellner next introduced and welcomed a new Highlands staff member, Ms. Sabina Martine.

Mr. Weingart noted for the public's information that Ms. Mimi Letts has decided to step down as Mayor of Parsippany, and that a surprise party was held in her honor the evening before. He noted that the ruse to get Ms. Letts to the event, was that she would be attending a Highlands Council meeting.

Mr. Weingart then introduced Ms. Carol Ash, Executive Director of the Palisades Parkway Commission and Mr. Jim Hall, Assistant Executive Director, and New Jersey Superintendent of the Palisades Parkway Commission.

PRESENTATION (Palisades Interstate Parkway Commission):

Ms. Ash and Mr. Hall gave a power point demonstration.

Ms. Ash said that the Palisades is much more than a parkway. It is 340 miles from top to bottom, from Saugerties, New York to the George Washington Bridge to New Jersey, down through Cumberland County, New Jersey. 9 million visitors come annually to its sites, there are 32 group camp parks, 23 parks, 2 preserves, 8 historic sites and battlefields, 2 beaches, 8 swimming pools, 36 lakes, zoos, 340 miles of trails, and trailside museums. The system was created in 1900, born on Christmas Eve, after a very long campaign led by the women of the NJ State Federation of Women's Clubs to halt the destruction of the New Jersey Palisades cliffs by quarry operations to build the streets of New York.

The Commission is now an interstate agency with a federal charter approved by Congress in 1937, the first interstate agency to receive a federal charter. It is a notable national example of interstate cooperation for conservation of outstanding scenic features and promotion of outdoor recreation.

In 1995 under Governor Whitman, the New Jersey Legislature amended the statutes concerning the park and expanded the area to include the New Jersey Highlands region: Bergen, Hunterdon, Morris, Passaic, Somerset and Warren Counties.

The Palisades Interstate Parkway Commission (PIPC) has a Board of 10 members, 5 appointed by each Governor (New York and New Jersey) for 5 year terms. The Board then elects the Executive Director. Ms. Ash has been Executive Director for seven years.

Ms. Ash noted some important firsts for the Palisades:

First interstate institution formed solely for the conservation of scenic features (1900)

First nature and science education museum (1920)

First government sponsored historic site in the nation

First nature trail (1925)

First section of the Appalachian trail which extends from Georgia to Maine

First organized group camping for disadvantaged youth (1906)

First scenic highway The Henry Hudson Drive

First interstate body ratified by Congress in 1937

Mr. Hall advised that the PIPC has been involved in the New Jersey watershed planning process and has served on the upland space committees and continues that involvement. One key interest of the Ramapo Water Interstate Municipal Council is the information the New Jersey Highlands Council is generating through its work today. The Commission's partnership activities with Passaic and Morris Counties, the Morris Land Conservancy, and the North District Water Supply Commission are in the interest of land preservation activity. The Commission has worked to partner with the North District Water Supply to preserve quality drinking water.

Ms. Ash advised that the Palisades has been an active member in the New Jersey Highlands Coalition and that Council member Tim Dillingham was the former head of that Coalition. She noted that New York Congressman Fred Gilman initiated movement on land preservation in the Highlands regions of New York and New Jersey in Washington, and a draft piece of legislation was drafted cooperatively between the states. Congressman Frelinghuysen, Senator Corzine and Senator Lautenberg worked together with the groups from both states, to produce the Highlands Conservation Act three years later. A member of the Executive Committee of the Highlands Coalition and the PIPC continue to bridge the gap between private, not-for-profit groups and government functions.

When the Highlands Conservation Act was brought to Washington, the delegation asked that Pennsylvania and Connecticut also be involved since they are also part of the Highlands. Today Pennsylvania and Connecticut are actively working with the Coalition and the Forest Service to organize efforts.

The Highlands Environmental National Research Institute, nicknamed "Henri" was created over the last 6 to 8 months. It has received several small grants and is chaired by Dr. Alex Gates from Rutgers, University. The primary goal of Henri is to be a repository for the scientific data of the Highlands to be easily accessed by anyone seeking information. Information such as how the lands and waters interact would be contained in the repository. Another goal of Henri is to help bridge the information gaps and obtain new research and determinations on how much water actually exists, as well as define what the land will support.

Ms. Ash noted that a primary concern of the PIPC is the high volume of vehicular traffic on the Parkway. She noted that 9 million cars ride over the George Washington Bridge every year. She added that the issue of too little water is real and that every housing development along the Palisades Parkway produces more traffic onto the Parkway. The Parkway is on the National Historic Register in the hope that public officials will sponsor public transportation. Ms. Ash noted that everyone needs to recognize that water supply goes down as development rises. Keeping record of what is protected, and easement monitoring, is a major concern to the PIPC. She hopes the Highlands Council encourages landowners to give easements.

Mr. Weingart thanked her for her presentation and asked her about the history of the federal legislation. Ms. Ash said that New Jersey was first to bring in the Forest Service regarding land cover issues, and that New Jersey has always been ahead of New York in looking to preserve land and limit build out, primarily due to its higher population density and therefore its urgent need to manage growth.

Mr. Schrier thanked Ms. Ash for coming and said he was invited to the last PIPC event by Ms. Katie Porter and noted that it was an informative event as well as interesting. He asked about her comments regarding the Highlands Conservation Act providing funding to New Jersey, New York, Connecticut, and Pennsylvania. He asked if she knew how much funding would be provided by virtue of the Act.

Ms. Ash noted that it is unknown what will be provided at present because the Act was passed at the very end of the Legislative session, and the 2006 budget amounts had already been set. She advised that the Act requires that the four Governors jointly submit their requests to the Department of Interior. Therefore, the four Governor's staffs worked together to provide the Legislature a joint letter listing what regions were designated as high protection areas. They also indicated in the letter a list of projects that were ripe for immediate funding.

Ms. Ash said the federal government agreed to fund 50%, and asked that the states include a list in their joint letter of the sources that would fund the balance, and they did so approximately four or five months ago. The list was submitted to the Department of Interior. The four Governors went to Washington after the joint letter was submitted to visit the Department of Interior to be sure they supplied complete and satisfactory information and attention to the matter. The Governors were received by Secretary Scarlet who was receptive and very pleased to see the collaborative efforts of the four Governors.

Mr. Schrier asked who manages the stewardship of the Palisades Parkway lands. Ms. Ash noted that the PIPC has a staff of forest rangers and that both New York and New Jersey State Police forces manage the parks. The parks are located and situated in a manner that the park managers have easy access to monitor the parks and lands.

Mr. Mikael Salovaara asked what the PIPC budget was. Ms. Ash noted that the operations budget for New York is \$12 million and that for New Jersey it is \$6 million.

She said the capital budget varies and that this year it was approximately \$45 million. Mr. Hall reported that in New York the majority of funding is derived through state appropriation, and that in New Jersey one-third is from state appropriation, the balance being generated from fees.

Mt. Weingart thanked them for their presentation and asked that staff obtain a copy of the joint letter submitted to the Interior by the four Governors. He then opened a public comment period. He asked that those wishing to speak limit their comments to three minutes in the interest of providing ample time for all wishing to speak.

PUBLIC COMMENT PERIOD:

Hank Klump, Farmer, Tewksbury. Mr. Klump owns 150 acres in the Highlands preservation area, Block 11, Lot 38. Mr. Klump commented about the slogan for the Highlands bill being “Save the Water for 5.4 Million People.” He asked when an evaluation of water resources was done on his farm. Mr. Klump also stated residents in the northern region of New Jersey feel they are being penalized and that the residents of southern New Jersey are not. He noted that land value is the main source of security for farmers. Mr. Klump said that property owners and farmers in the Highlands have to pay for water for the entire state and asked that there be a water tax. He also asked how the boundaries were decided. Mr. Klump provided his comments in writing.

Ted Koven, Farmer, Tewksbury. Mr. Koven stated that he has a stream on his property that is one-third of a mile long. He noted that over time the stream has changed. He stated that in the winter there are floods. Mr. Koven advised that he has served on township committees in the past and he has hope that things will improve for the future. He said that progress for preserving the Highlands has been slow and ineffective for years.

Debra Post, Chester. Ms. Post noted that her comments would be longer than 3 minutes, and read them aloud in their entirety to the Council. She stated that TDR pricing has typically been 1 credit for each possible building or dwelling. She proposed that a TDR unit in the Highlands should be priced higher depending on its location. She also proposed an alternative marketplace be created. She stated that she believes all residents of New Jersey should be responsible for contributing to the TDR bank not just those in the Highlands. Highlands TDR should be kept simple with no easement restrictions, and be at the discretion of the landowner. She stated that non-residential structures not requiring sewer service should not be prohibited. She asked that the Council do everything in their power to keep the property values in the Highlands fair. Ms. Post provided her comments in writing.

Mr. Weingart reminded that members of the public who have lengthy comments to kindly provide them to the Council in writing and to limit their public comments at meetings to three minutes.

COMMITTEE REPORTS:

Mr. Weingart, Chair of the **Plan Development Committee**, reported that the committee met on November 28, 2005 and that five members of the Council participated in the meeting. He noted that the committee discussed ten contracts at the meeting which total \$510,000.

Mr. Weingart noted that five contracts were being presented for the Council's immediate consideration and vote. He noted that copies of the proposed contracts and their scopes of work were included in their meeting packets. He also noted that the resolutions would be voted on after public comment for each was afforded.

Mr. Weingart then asked Ms. Pasquarelli, Treasurer of the **Budget and Finance Committee**, to give her report. Ms. Pasquarelli advised that the committee met earlier that day as a follow up to the Plan Development Committee's November 28th meeting regarding the proposed contracts that the Council would be voting on. She pointed to a five page document for the members' review, which indicated the total budget for 2006 as \$2 million. Ms. Pasquarelli reported that the document details both operating expenditures as well as one time expenditures.

She advised that one role of the Budget and Finance Committee is to review what is being recommended by the Plan Development Committee. Ms. Pasquarelli reported that all the members who participated in the Budget and Finance Committee meeting were in agreement with the contract figures identified by Plan Development, and also agreed that funding is in place to produce the Highlands Regional Master Plan. She asked if any members had questions, and none did.

Ms. Pasquarelli also noted there was a monthly report provided to the members listing disbursements and expenditures which illustrate work product for each month.

Ms. Pasquarelli advised that at the end of the ethics seminar she attended the week before, there was an audit procedure highlighted and asked Mr. Zellner to provide details.

Mr. Zellner explained that the Highlands budget is reviewed through 3 independent checks. One check is done by DEP's fiscal office, another by the Governor's office, and also by two Highlands standing committees, the Plan Development and Budget and Finance Committees. He advised that the recommendation of the two standing committees, was to create an Audit Committee for a second internal check, and that a private audit firm be brought in this January.

Mr. Weingart then asked Mr. Steve Balzano to briefly summarize each of the contracts prior to public comments and Council vote on each.

CONSIDERATION OF RESOLUTIONS TO APPROVE CONTRACTS TO HELP DEVELOP THE REGIONAL MASTER PLAN:

Mr. Balzano noted that there would be five resolutions for the members' vote pertaining to five contracts for technical work related to the development of the Regional Master Plan.

Mr. Balzano said that the selection process for the contracts under consideration was done through the RFQ process ("Request For Qualification"). All applications of qualifications submitted were reviewed by an internal staff committee of three staff members and independently ranked the qualifications. The resolutions for vote today were a direct reflection of the determinations of the most qualified applicants.

Mr. Balzano advised that the only contract that did not go through the RFP process was a contract for partnership with **Rutgers University** to conduct and create a build out analysis and impact model **through the National Center for Neighborhood & Brownfields Redevelopment**.

The build out information is necessary to assess resource protection goals as well as to evaluate fiscal impact implications of the plan.

The Plan Development Committee recommends that the Council authorize through this resolution an award in the amount of \$65,000 to the National Center for Neighborhood & Brownfields Redevelopment at Rutgers University to provide services.

Ms. Swan motioned to approve, Ms. Kovach seconded. Mr. Weingart asked if there were any members of the public wishing to comment.

Mr. Ted Koven asked if the build out helps townships with COAH obligations and could it be slanted that way. Mr. Balzano said the build out analysis will examine population and employment projections over time based upon whether or not the municipalities come into conformance with the Regional Master Plan. He added that in all cases the new COAH rules are based upon growth share obligations and it will help if necessary for towns looking to come into conformance if the municipalities assist to bring a municipality into conformance with the COAH rules based upon conformance with the Regional Master Plan. It is at the town's discretion or desire to grow.

David Shope, Long Valley. Mr. Shope asked if this build out was being done for the preservation area as well as for planning area. Mr. Balzano replied it was for both.

Susan Buck, Oxford. Ms. Oxford asked why build out analyses were being done for the preservation area since no development will occur there. Mr. Balzano stated it is being completed in order to quantify the effects of the Regional Master Plan and the Highlands Act on property values and development potential changes since the Act has passed.

Ms. Pasquarelli asked how much of the analysis will be based on the planning area versus the preservation area. Mr. Balzano advised that the analysis of the Highlands area will be based on up to four scenarios, and each scenario equates to a fourth of the cost, but factoring it based on land area on a whole it would be 50/50.

Mr. Salovaara asked why the analysis was needed by the end of January. Mr. Balzano advised that the analysis feeds the fiscal impact analysis as to population, employment and water infrastructure demands.

Mr. Di Pirro advised that the Act mandates that the Council examine the entire region and not just the planning area. The Act also requires that the Council complete a fiscal impact examination to compare what the build out would have been, and what it will be, and determine what the costs associated with it are. These are important aspects of what the fiscal impact of the Act will be and the build out analysis gives the Council adequate scientific data in order to quantify those effects in terms of dollars.

Ms. Pasquarelli asked Mr. Balzano for more details on the application of the build out analysis once obtained.

Mr. Balzano noted that the build out was absolutely necessary as it would provide a defensible conclusion regarding demand on infrastructure and impacts upon municipal budgets, as well as changes in development potential.

Ms. Pasquarelli identified that the build out study of the preservation area would answer the question as to what is going to happen, in contrast to what would have happened, absent the passage of the Act.

Mr. Zellner noted that there are many approved developments already in the preservation area that have to be examined and the analysis will identify those as well.

Mr. Salovaara requested that whenever appropriate in the future, a Whereas clause be added to each resolution being voted on by the Council, which states the action being taken by the Council is a result of the mandates imposed by the Legislature.

Ms. Swan accepted the requested changes on her prior motion made and seconded, all others were in favor, APPROVED.

Mr. Balzano outlined the next two resolutions for contracts together, for the firms of **AKRF, Inc.** and **Siemon & Larsen, P.A.**, regional planning consultants and TDR planning consultants, respectively. He advised that the RFQ process was conducted. Mr. Balzano said the reports which would be provided by the firms are necessary to augment the staff's capabilities in order to meet the schedule for producing the Highlands Regional Master Plan.

Mr. Balzano advised that two highly qualified responses were received with two different types of backgrounds, therefore it is being recommended to split the contract into two, and award different aspects to each.

The contract to AKRF, Inc., would be in the amount of \$25,000. AKRF, Inc. is a planning firm with a background in environmental science and natural resource and watershed management. The primary focus of the contract would be to assist staff in development of a policy decision matrix to ensure that decisions are presented to the Council in a timely and productive manner. It would also help the staff to pull necessary decisions together into a focused package. AKRF, Inc. is based in New York.

The contract to Siemon & Larsen, P.A., would be in the amount of \$10,000, to provide assistance to the TDR program in examining complex processes regarding market valuation, and developing the method for assigning values of credit. Siemon & Larsen is the Florida firm that previously worked extensively with the Pinelands Commission, and is highly qualified to provide the necessary assistance.

Mr. Schrier made a motion to approve, Ms. Letts seconded, Mr. Weingart asked if there were any questions from the public.

Ms. Susan Buck from Oxford asked why the Highlands Council would use Pinelands experts on TDR because she felt that the Pinelands TDR program was not successful.

Mr. Weingart replied that the Pinelands Commission was very satisfied with the work produced by Siemon & Larsen, and noted that the Council has the benefit of learning through the mistakes made by Pinelands.

No further questions were received, on the prior motion made and seconded, all were in favor, APPROVED.

Mr. Balzano noted that the next resolution for consideration was for the contract with the firm of **Hatch Mott MacDonald** to provide assistance in evaluating water and wastewater utility capacity in the region. This is an important and complex issue which requires that existing municipal capacities be examined in the Highlands municipalities. It will determine where and to what extent development can be accommodated. There are numerous water and wastewater treatment providers in the Highlands region. The evaluation would be in the area of engineering capability and design of those treatment facilities. The competitive RFQ selection process was conducted, and the recommendation is in the amount of \$78,800.

Ms. Letts asked Mr. Tom Borden if any conflict is created in the event any of the vendors affiliated with Hatch Mott MacDonald have provided services to members' respective districts. Mr. Borden replied that it did not. However, he noted that if a member had any doubt, then members should recuse themselves from voting.

Ms. Swan made a motion to approve, Ms. Kovach seconded. Mr. Schrier pointed to the fact that only one response to the competitive bidding process was received. Mr. Balzano replied that was correct. He said notices are posted during the open bidding period on the website, and that the bid received was made by an extraordinarily qualified firm fully familiar with the region and the staff is confident with the qualifications of the firm.

Ms. Pasquarelli asked that Mr. Balzano clarify for the public what will be provided to the counties and communities by virtue of this evaluation.

Mr. Balzano noted that the Council established three grant programs to date, one of which was for grants to solicit the counties' participation in plan development. Among the programs qualified under the county grant program, was the identification of existing water and wastewater service areas. Mr. Balzano noted that schedule constraints and the staffing demanded for performing the work necessary to identify wastewater infrastructure, are beyond the capabilities of Highlands staff. He added that this contract allows the Highlands Council to supply information where the counties could not provide.

On the prior motion made and seconded, Mr. Schrier, Ms. Letts, and Ms. Pasquarelli abstained, all others were in favor, APPROVED.

The contract for consideration with **URS, Corp.**, an environmental consulting and engineering firm, would be to conduct a transportation capacity analysis for the Highlands Regional Master Plan, in the amount of \$76,931.

The contract with URS, Corp. is a sole source award, and is currently under contract with the North Jersey Transportation Planning Authority ("NJTPA"), a federally authorized Metropolitan Planning Organization. URS, Corp. is both qualified and capable of providing the necessary work on time, and currently has access to the necessary transportation model. URS, Corp. will provide the transportation analysis to be incorporated into the Highlands Regional Master Plan and utilizing URS, Corp. would improve consistency throughout the region.

Ms. Kovach made a motion to approve, Ms. Pasquarelli seconded.

Ms. Wilma Frey of the Highlands Coalition noted that Rutgers University has a transportation center and asked whether Rutgers provided the Council with their opinion about URS, Corp. Mr. Balzano replied that the Transportation Advisory Committee did include representatives from two Rutgers schools, who also suggested the Council look to this transportation model.

On the prior motion made and seconded, all others were in favor, APPROVED.

Mr. Weingart commended the staff for its work on all the resolutions and the amount of time that goes into them. He asked that Mr. Zellner briefly outline the next resolution for the Council's consideration.

CONSIDERATION OF RESOLUTION TO APPROVE CONTRACTS TO HELP DEVELOP THE REGIONAL MASTER PLAN (voting matters with public comment):

Mr. Zellner advised that pursuant to the resolution previously approved for grants to counties and municipalities under the grant program which Mr. Balzano discussed, the staff is recommending a continuation of that program for two grants.

Mr. Zellner noted that the first grant would be to Lebanon Township for \$7,500, and the second grant to Warren County for parcel and zoning analysis data known as “MOD4” in the amount not to exceed \$57,000.

Ms. Carluccio made a motion to approve, Ms. Kovach seconded. Mr. Salovaara asked if it was known whether Warren County was still threatening litigation. Mr. Zellner replied that to date they have not done so, and that over the past couple months Warren County has been very cooperative, notably in meetings where the Warren County Planner has attended. He further stated that there is no indication that a lawsuit will be filed.

Mr. Steven Shaw, for the Warren County Board of Freeholders, noted that after its submission of the application for the Highlands grant program, the Board chose to ratify through resolution which he read in its entirety aloud to the Council and public.

He read: “Whereas, the New Jersey Highlands Council is awarding grants to counties and municipalities to act as contractors to obtain GIS mapping, database and other information for what will become public information which will be used by the Highlands Council; and Whereas, this information will only be of use to county and other planning agencies; and Whereas, irrespective of the Constitutionality of the Highlands Water Protection and Planning Act, the Highlands Council is a legally established public entity with which the County is statutorily obligated to share data; and Now Therefore, Be it Resolved by the Board of Chosen Freeholders of the County of Warren that the submission of the grant application in the amount of \$57,000 for parcel coverage and MOD4 reconciliation does hereby ratify and conclude.” He provided a copy of the resolution to Mr. Zellner.

Mr. Tom Borden noted for the record that the constitutionality of the Highlands Act was recently upheld by Morris County Assignment Judge Bozonelis.

Ms. Courtenay Mercer of the Office of Smart Growth noted that since the parcel data portion was already completed in Warren County, whether the grant funding was being provided solely for MOD4 data. Mr. Balzano noted the funding would be applied for both. The County expedited its production of the parcel data and the grant allows for reimbursement of those expenses, as well as funds for MOD4.

On the prior motion made and seconded, Ms. Swan and Ms. Pasquarelli abstained, all others were in favor, APPROVED.

COMMITTEE REPORTS CONTINUED:

Mr. Spinelli reported on the **Smart Growth Committee** which met on November 29, 2005. The committee centered on three presentations, one regarding the build out analysis, one regarding the complex technical aspects of the TDR program, and third on the fiscal impact analysis, all of which tie into the contracts which were just awarded.

Mr. Spinelli noted that Ms. Christine Danis presented a report at the meeting regarding how the build out analysis would be conducted for comparison purposes in order to develop a TDR program that would be both effective and complete.

Mr. Spinelli reported that TDR credits and property equity were discussed at length. Issues as to the value differentiations from one vicinity of the region to others were analyzed. Areas which do not typically fit the traditional methodologies for preservation or farmland preservation, were also examined. Discussion focused on how to set the value of credits on the market due to the variations in fair market values from one area to another.

Mr. Spinelli advised that the Council has a February deadline to develop a system for determining TDR values.

Mr. Spinelli reported that the Committee also discussed the fiscal impact analysis at length and added that the build out analysis will tie into the determination of fiscal impacts to measure trends and compare what would have occurred in the Highlands and what will occur. He noted that all of these issues will further be compared with the State Plan, and are very important factors for consideration in completing the fiscal impact analysis. The benefits to planning area towns for participating in the planning process were also discussed. He noted that Mr. Ross MacDonald gave a presentation at the meeting and also provided a detailed report on the data necessary for the fiscal analysis.

Mr. Schrier then reported on the **Local Participation Committee** which met earlier that day and discussed the draft report of the recent series of public outreach and participation meetings. He advised there were over 100 participants from the municipalities and that the primary purpose of the meetings was to encourage local participation.

Mr. Schrier noted that the resulting partnership report was reviewed by the committee and it includes 17 synthesized questions raised by participants who attended the six meetings. Issues which have been raised by the municipalities, the DEP, and COAH at the partnership meetings are also incorporated into the report.

Mr. Schrier advised that additional input for the report was provided by committee members at the meeting. The members requested that their suggestions be incorporated into the report, and that the report be revised accordingly and presented at the next Council meeting.

Mr. Schrier then excused himself to attend another meeting.

Mr. Dillingham reported on the **Natural Resource Committee** which met on November 29, 2005. The agenda had three items, a presentation by the US Geological Survey on technical work that they are conducting on water quality and groundwater assessments, an update on the DEP Highlands rules, and the concept of a potential grant program that the Council might pursue in terms of promoting consistent agricultural practices within the Highlands region.

Mr. Dillingham advised that the DEP is in the process of finalizing the rules which are expected to be published some time in December for adoption in May 2006. He noted that during that period, public comments will be taken on the rules. Mr. Dillingham reported that staff has been working with the DEP on incorporating some changes to the DEP's Highlands rules which were recommended by the Highlands Council through its letter recommendation.

The rules will include changes regarding alternative methods for defining upland forest, allowing septic system densities and standards to be implemented on spikes as opposed to a hard line in proportion of the lot covered by forest, and also group homes will be recognized in the rules as single family homes. He stated that the definition of linear development will not be changed in the rules.

Mr. Dillingham noted that the work being done by the USGS discussed highlighted establishing water quality benchmarks that relate to land use and effects of land use on water quality standards. The USGS gave a technical presentation on the methodology of their study and target levels of nitrate, as well as status of their study. The Council will be part of the planning process of having to set benchmarks throughout the region by examining the range of what is suitable for development as well as preservation.

Mr. Dillingham advised that the committee also discussed best practices for agriculture and farming and noted that possible ideas and priorities for grants distribution are being discussed and reviewed to promote efficiency and effectiveness.

Mr. Weingart pointed out that the status of the DEP rules is that they are currently being reviewed by the Office of Administrative Law ("OAL") and will be done by the next Council meeting on the 15th.

Ms. Swan noted that at a land conservation meeting she recently attended along with Ms. Susan Craft, concerns were raised about farmers in the preservation area and the possible effects when they choose to pursue preservation in those areas.

Mr. Zellner congratulated Ms. Laura Szwak and the Highlands staff for their work in obtaining \$35,000 from the Dodge Foundation. He noted that this was the Highlands first grant from an outside source.

Mr. Weingart noted that the next Council meeting would begin in Chester at 10:00 a.m. on December 15th and a meeting schedule for the next twelve months will be provided.

Ms. Pasquarelli asked when the next Plan Development Committee meeting would be taking place. Mr. Dante Di Pirro advised that it was tentatively scheduled for Thursday, December 8th.

PUBLIC COMMENT PERIOD:

Nancy Chambellan, Warren County Environmental Conservation. Ms. Chambellan commended the Council on the openness of its committee meetings, and also for acquiring highly qualified staff and also commended them for taking serious action on the issue of preserving water. She said that it is encouraging to learn that the matter of protecting New Jersey's critical water resources is being addressed by the Council.

David Shope, Long Valley. Mr. Shope noted the report from the Pinelands states that the rate of growth in the Pinelands preservation area has doubled and that he doesn't agree that is an adequate demonstration to compare to the situation in the Highlands. He provided a copy of an article comparing rural school districts. Mr. Shope also brought a copy of a 2002 county census he received from Monique Purcell of Department of Agriculture, and read some of the statistics from it. He stated he is anxious to learn what Governor-elect Corzine plans to do in the Highlands.

Robert Frye, Pohatcong Township, Farmer, preservation area core. Mr. Frye said that the Warren County Board of Agriculture is attempting to find out if new agricultural, cultural, or residential wells will be approved. Mr. Frye said he understood that previously approved non-severable exemptions would be allowed but asked what would happen to those which are in the hopper. In his case he said it took 5 years to receive any preservation money. He stated that he agrees with Mr. Klump, Ms. Post and Mr. Shope that the state has not addressed the agricultural community's concerns.

Ms. Swan asked with regard to status of non-severable exemptions, that the staff investigate further and provide details in response to the concerns Mr. Frye identified.

Ms. Pasquarelli asked Mr. Frye to clarify which office was unable to receive answers regarding new wells and he replied that it was the Board of Agriculture. Ms. Pasquarelli asked Mr. Frye if he could provide a copy of the letter he referred to that the Board of Agriculture sent seeking answers.

Mr. Zellner noted that the staff would appreciate being copied on any correspondence to keep better apprised of all issues being raised by stakeholders in the Highlands.

Andy Drysdale, Chester. Mr. Drysdale provided written comments to the Council and read them aloud. He said that open space and environmental protection vastly differ from each other. Mr. Drysdale noted that preservation areas will still need to do planning, and planning areas will still need to do preservation. He stated that steep slopes can be built

upon in such a way to protect end water recharge. Mr. Drysdale thought that water purification is not a difficult process and modern technology could be used.

Mr. Weingart thanked the public for their comments and since no further comments were received, asked if there was a motion to adjourn. Ms. Letts so moved, Ms. Kovach seconded, and the meeting ADJOURNED at 6:25 p.m.