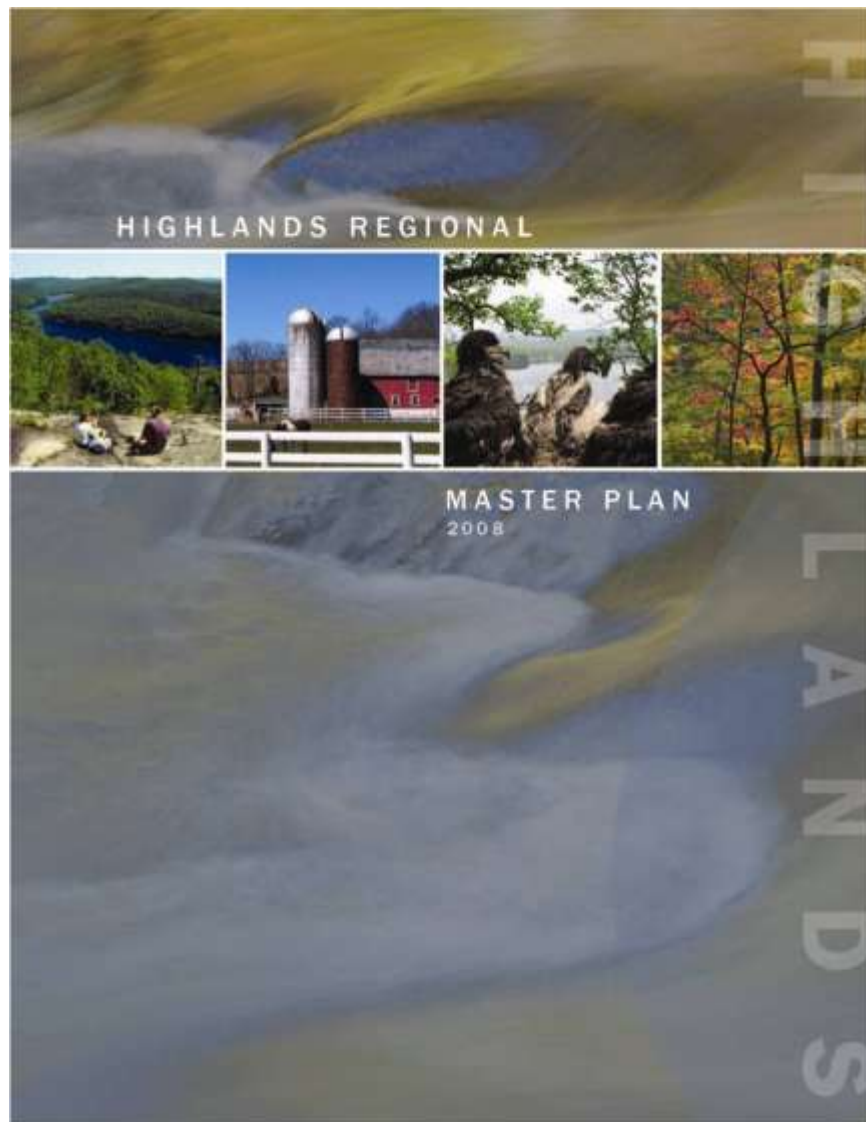




# 2009 Annual Report



New Jersey Highlands Water Protection and Planning Council

*March 31, 2010*



## State of New Jersey

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**CHRIS CHRISTIE**  
*Governor*

**KIM GUADAGNO**  
*Lt. Governor*

**JACK SCHRIER**  
*Acting Chairman*

**EILEEN SWAN**  
*Executive Director*

### *A Message from the Acting Chairman and Executive Director*

Dear Friend of the New Jersey Highlands:

It is with great pleasure that we present to you the New Jersey Highlands Water Protection and Planning Council's Annual Report for 2009.

This year marked an important transition in the history of the New Jersey Highlands, as the Highlands Council switched its focus from creating the Highlands Regional Master Plan to working with municipalities and counties to implement that Plan. To that end, the Highlands Council oversaw a \$7.5 million grant program to fund activities of the municipalities and counties that are conforming to the Regional Master Plan. These grants will ensure that local government is not burdened with the cost of paying to conform to the Highlands Regional Master Plan. Conformance to the Regional Master Plan will benefit not only residents of the Highlands Region, but also the more than 5 million New Jerseyans who rely on this region for their public drinking water supply.

The primary accomplishment of the Highlands Council in 2009 was meeting the 15-month deadline, established by the Highlands Act, for municipalities and counties to file plan conformance documents for lands in the Preservation Area. The Highlands Council accomplished this goal by working in partnership with local government through the use of grants, draft documents, and technical information. Local government officials and planning professionals frequently met with the Highlands Council to discuss the conformance process. Fifty municipalities representing 95 percent of the Preservation Area filed plan conformance documents by this deadline. In addition, 23 of those municipalities also filed documents to conform for lands in the Planning Area. Four municipalities with lands solely in the Planning Area also have filed to conform, and two Planning Area municipalities submitted petition documents and are considering formally petitioning the Highlands Council.

Another major accomplishment in 2009 was the first meeting of the Highlands Development Credit Bank and the launching of the Transfer of Development Rights program in the Highlands Region, a key component of the Highlands Council's effort to ensure landowner equity for those affected by the Highlands Act. In November, 2009, the Highlands Council launched the [Highlands Development Credit Estimator](#). Using this tool, found on the Highlands Council website, residential property owners can see a range of how many credits their property may be entitled to receive if they enroll in the Transfer of Development Rights program.

Additional accomplishments by the Highlands Council in 2009 include:

- The Highlands Council led and approved two Highlands Act Exemptions for utilities in 2009: Public Service Electric & Gas's proposed Susquehanna-Roseland 500-kV Transmission Line Project and Tennessee Gas Pipeline Company's 300 Project. As part of its application, each company agreed to a comprehensive mitigation plan to protect the resources of the Highlands Region in both the Planning Area and the Preservation Area under the standards set by the Highlands Regional Master Plan.

- The Highlands Council created two new grant programs in 2009: The Plan Conformance Grant Program, a \$7.5 million program which offsets the costs of conforming to the Highlands Regional Master Plan; and the Water Use and Conservation Management Grant Program, a \$1 million program that will assist communities to address water deficit areas.
- The Highlands Council partnered with 74 Highlands Council municipalities to prepare Highlands Municipal Build-Out Reports. The reports are a capacity-based, parcel-level analysis of a municipality's potential for development if that municipality conforms to the Highlands Regional Master Plan. Even if that municipality chooses not to conform, the Highlands Municipal Build-Out Report will be an invaluable tool for municipal master plans, affordable housing plans, and waste water and water supply plans. The Highlands Council also partnered with 56 municipalities on Housing Element & Fair Share Plans and Municipal Environmental Resource Inventories as part of the Plan Conformance process.
- The Council held 10 public meetings in 2009 to discuss and resolve a variety of issues concerning completion and implementation of the Plan, and the Highlands Development Credit Bank held seven public meetings in 2009. All meetings held throughout the year provided opportunities for input from State agency representatives and the public. Audio recordings of every meeting are available on the website.
- In its ongoing commitment to transparency in government, the Council staff attended more than 50 public meetings in Highlands municipalities to present information about the Regional Master Plan, plan conformance, and grants programs available through the Highlands Council, and to answer questions from local officials and members of the public. The Highlands Council also held several information sessions for elected officials and planning professionals at the Highlands Council office to provide information about the Plan Conformance process. Feedback was sought and incorporated into the process.
- The Highlands Council, in a continuing effort to coordinate its activities with other state agencies, provided guidance to Highlands Region municipalities regarding the Council on Affordable Housing. On August 12, 2009, COAH granted a six-month extension for the submission of petition for substantive certification to June 8, 2010. Fifty-one Highlands municipalities have been granted this extension.
- The Highlands Council added two new members in 2009 – Mayor Robert F. Holtaway of Bedminster and Councilman Michael Francis of Hopatcong.

Implementation of the Highlands Regional Master Plan will fulfill the vision and mandate of the Highlands Act. Through the Regional Master Plan, the Highlands Council can protect the source of drinking water for more than half the residents of the state as well as preserve the unique character of the Highlands Region.

Sincerely,



Jack Schrier, Acting Chairman  
New Jersey Highlands Council




Eileen Swan, Executive Director  
New Jersey Highlands Council



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## **Highlands Water Protection and Planning Council**

**Acting Chairman Jack Schrier**

Mendham Township, Morris County  
Morris County Freeholder  
Councilman, Mendham Township

**Treasurer William Cogger**

Chester Township, Morris County  
Mayor, Chester Township

**Kurt Alstede**

Chester Township, Morris County  
Founder, Alstede Farms

**Tracy Carluccio**

East Amwell, Hunterdon County  
Deputy Director,  
Delaware Riverkeeper Network

**Michael Francis**

Hopatcong Borough, Sussex County  
Councilman, Hopatcong Borough

**Robert Holtaway**

Bedminster Township,  
Somerset County  
Mayor, Bedminster Township

**Janice Kovach**

Clinton Town, Hunterdon County  
Former Councilmember, Clinton Town

**Mimi Letts**

Parsippany- Troy Hills, Morris County  
Former Mayor, Parsippany-Troy Hills

**Carl J. Richko**

West Milford Township, Passaic County  
Former Mayor, West Milford Township

**Glen Vetrano**

Hampton Township, Sussex County  
Former Sussex County Freeholder

**James A. Visioli**

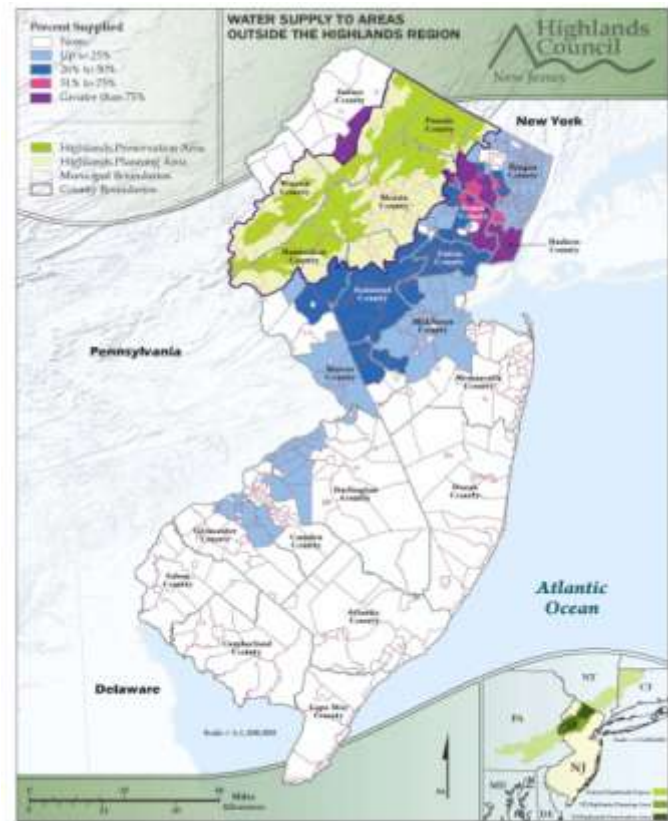
Dover Town, Morris County  
Alderman, Dover Town



## Highlands Overview

Through passage of the Highlands Water Protection and Planning Act (Highlands Act) on August 10, 2004, the New Jersey Highlands Water Protection and Planning Council (Highlands Council) was created and charged with the important task of developing a Regional Master Plan (RMP) to restore and enhance the significant values of the abundant and critical resources of the Highlands Region. The Act establishes a fundamental goal to protect, restore and enhance water quality and water quantity in the Highlands Region and also includes important goals relating to the protection of agricultural viability, ecosystems, as well as scenic and historic resources.

The Highlands Act divided the 859,358-acre Highlands Region into the Preservation Area (414,965 acres), where conformance to the RMP is mandatory, and the Planning Area (444,394 acres), where conformance is voluntary. The Highlands Region has 88 municipalities in Bergen, Hunterdon, Morris, Passaic, Somerset, Sussex, and Warren Counties.



The Highlands Region supplies more than one half of New Jersey residents with drinking water supplies and thus a major purpose of the RMP is to “determine the amount and type of human development and activity which the ecosystem of the Highlands Region can sustain.” The RMP establishes the capacity limitations for future growth within the Highlands Region related to both natural systems, such as protection of our drinking water supplies and natural ecosystems, and the built environment, such as wastewater and transportation infrastructure.

*“...the New Jersey Highlands is an essential source of drinking water...for one-half of the State's population...contains other exceptional natural resources such as clean air, contiguous forest lands, wetlands, pristine watersheds, and habitat ... many sites of historic significance... abundant recreational opportunities.”*

The RMP embodies a regional vision for the Highlands Region and will be implemented at all levels of government, through conformance by municipalities and counties, financial, and technical assistance by the Highlands Council, and State and federal coordination.

The RMP, adopted by the Highlands Council on July 17, 2008, became effective on September 8, 2008. The Highlands Council is working intensely in partnership with all 88 municipalities and seven counties in the Highlands Region to design new resource protection methods and provide greater regional coordination. To this end, the Highlands Council initiated the RMP Plan conformance process (Plan Conformance) and has provided all Highlands municipalities and counties with important cutting edge scientific, technical and planning information to update master plans and land use ordinances to enable them to better meet the regional goals of critical resource protection and economic viability.

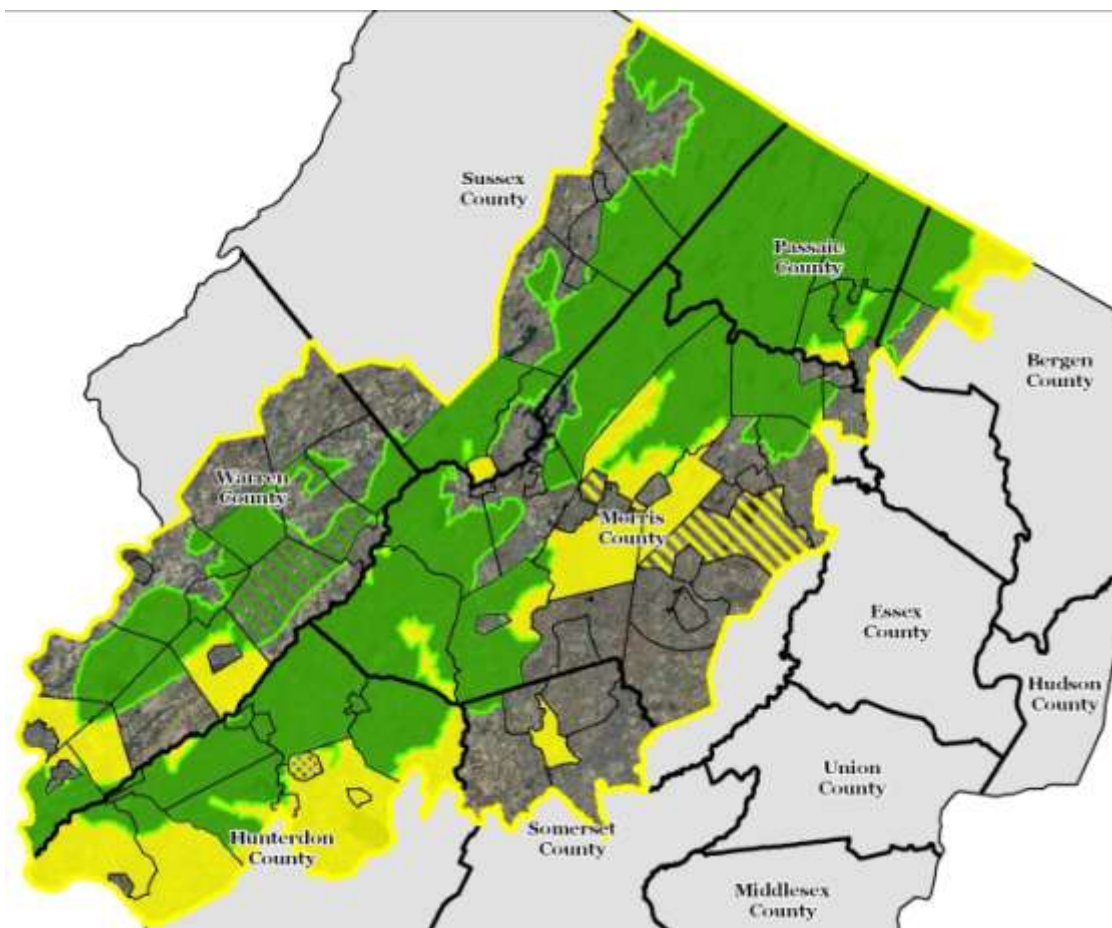
## 2009: The Year in Review

### **Plan Conformance**

The primary accomplishment in 2009 by the Highlands Council was meeting the 15-month deadline, established by the Highlands Act, for municipalities to file plan conformance documents for lands in the Preservation Area.

Fifty municipalities representing 95 percent of the Preservation Area filed plan conformance documents by the deadline of December 8, 2009. Four counties also filed plan conformance documents in 2009; a fifth filed in January 2010. The remaining two counties and two municipalities with lands in the Preservation Area continue to work with the Highlands Council staff on plan conformance.

In addition, 23 of the 50 municipalities also filed documents to conform for their lands in the Planning Area, where conformance is voluntary and there is no deadline to do so. Four municipalities with lands solely in the Planning Area also have petitioned to conform, and two Planning Area municipalities submitted petition documents but at this time have not adopted resolutions to petition the Highlands Council. In total, 56 municipalities submitted documents in 2009, representing 395,660 acres in the Preservation Area and 153,942 acres in the Planning Area for a total of 549,602 acres.



Green indicates Preservation Area lands that have petitioned the Highlands Council for conformance; green stripes indicate Preservation Area lands that have not yet submitted petitions. Yellow indicates Planning Area lands that have petitioned for conformance; yellow stripes indicate Planning Area lands that have submitted conformance documents but have not yet petitioned; yellow cross-hatching indicates Planning Area lands where municipality has filed a petitioning ordinance.

The table below shows the dates Plan Conformance materials were received by the Highlands Council, and whether the petition applies to the Planning Area, Preservation Area, or both:

| <b>County or Municipality</b> | <b>Area</b> | <b>Date</b> | <b>County or Municipality</b> | <b>Area</b> | <b>Date</b> |
|-------------------------------|-------------|-------------|-------------------------------|-------------|-------------|
| <b>Bergen County</b>          | NA          | 12/7/09     | Washington Township           | Both        | 12/8/09     |
| Mahwah Township               | Both        | 12/8/09     | <b>Passaic County</b>         | NA          | 1/11/10     |
| Oakland Borough               | Pres        | 12/8/09     | Bloomington Borough           | Both        | 12/8/09     |
| <b>Hunterdon County</b>       | NA          |             | Ringwood Borough              | Pres        | 12/8/09     |
| Alexandria Township           | Both        | 12/8/09     | Wanaque Borough               | Both        | 12/8/09     |
| Bethlehem Township            | Both        | 12/7/09     | West Milford Township         | Pres        | 12/8/09     |
| Bloomsbury Borough            | Pres        | 12/8/09     | <b>Somerset County</b>        | NA          | 12/8/09     |
| Califon Borough               | Pres        | 12/8/09     | Bedminster Township           | Pres        | 12/8/09     |
| Clinton Town                  | Both        | 12/7/09     | Far Hills Borough             | Plan        | 12/8/09     |
| Clinton Township              | Both        | 12/8/09     | <b>Sussex County</b>          | NA          | 12/22/09    |
| Glen Gardner Borough          | Pres        | 12/7/09     | Byram Township                | Both        | 12/8/09     |
| Hampton Borough               | Both        | 12/8/09     | Green Township                | Pres        | 12/8/09     |
| High Bridge Borough           | Plan        | 12/24/09    | Hardyston Township            | Pres        | 12/8/09     |
| Holland Township              | Both        | 12/7/09     | Hopatcong Borough             | Pres        | 12/8/09     |
| Lebanon Borough               | Plan        | 12/7/09     | Ogdensburg Borough            | Pres        | 12/8/09     |
| Lebanon Township              | Both        | 12/8/09     | Sparta Township               | Pres        | 12/8/09     |
| Tewksbury Township            | Both        | 12/8/09     | Stanhope Borough              | Plan        | 12/8/09     |
| Union Township                | Both        | 12/7/09     | Vernon Township               | Pres        | 12/8/09     |
| <b>Morris County</b>          | NA          | 12/7/09     | <b>Warren County</b>          | NA          |             |
| Boonton Township              | Pres        | 12/8/09     | Allamuchy Township            | Pres        | 12/8/09     |
| Chester Township              | Both        | 12/7/09     | Franklin Township             | Pres        | 12/8/09     |
| Denville Township             | Both        | 12/8/09     | Greenwich Township            | Both        | 12/7/09     |
| Jefferson Township            | Pres        | 12/8/09     | Hackettstown Town             | Pres        | 12/7/09     |
| Kinnelon Borough              | Both        | 12/8/09     | Harmony Township              | Pres        | 12/8/09     |
| Montville Township            | Pres        | 12/8/09     | Liberty Township              | Pres        | 12/8/09     |
| Mount Arlington Borough       | Pres        | 12/8/09     | Lopatcong Township            | Both        | 12/7/09     |
| Mount Olive Township          | Pres        | 12/8/09     | Oxford Township               | Pres        | 12/8/09     |
| Pequannock Township           | Pres        | 12/8/09     | Pohatcong Township            | Both        | 12/8/09     |
| Randolph Township             | Both        | 12/7/09     | Washington Township           | Both        | 12/8/09     |
| Rockaway Township             | Both        | 12/8/09     | White Township                | Pres        | 12/8/09     |
| Roxbury Township              | Pres        | 12/8/09     |                               |             |             |



Parsippany-Troy Hills and Wharton, both in Morris County, submitted plan conformance documents by December 8, 2009, but have not adopted resolutions to petition the Highlands Council for plan conformance.

The municipal Plan Conformance activities were divided into seven modules, which, according to the Highlands Act, had to be submitted by December 8, 2009 for lands in the Preservation Area:

### **Municipal Build-Out, Land Use and Resource Capacity Analysis (Modules 1 and 2)**

A municipality seeking to conform to the RMP will work with the Highlands Council to analyze the build-out potential under the Plan. The Highlands Municipal Build-Out Report uses a limiting factor analysis to examine Land Based Capacity (potential developable lands), Resource Based Capacity (Septic System Yield and Net Water Availability), and Utility Based Capacity (public water and wastewater). The Highlands Council has prepared 74 Highlands Municipal Build-Out Reports in partnership with municipalities. The reports are a capacity-based, parcel-level analysis of a municipality's potential for development if that municipality conforms to the Highlands Regional Master Plan. Even if that municipality chooses not to conform, the Highlands Municipal Build-Out Report will be an invaluable tool for municipal master plans, affordable housing plans, and waste water and water supply plans. The Highlands Municipal Build-Out Reports are posted on the Council website at:

<http://www.highlands.state.nj.us/njhighlands/planconformance/buildoutreports.html>.

### **Housing Element & Fair Share Plan (Module 3)**

The RMP requires that conforming municipalities must prepare a Housing Element and Fair Share Plan in accordance with the both the requirements of the Fair Housing Act and the RMP to protect natural resources as well as meet the constitutional obligation to provide for affordable housing. On August 12, 2009, COAH adopted two resolutions providing further guidance to Highlands municipalities that are under COAH's jurisdiction. The first resolution granted a six month extension for the submission of a petition for substantive certification to June 8, 2010. Fifty-one Highlands municipalities were granted this extension. This action was consistent with the provision in Executive Order 114 to grant reasonable extensions of time to allow Highlands municipalities to address both the requirements of the Highlands Act and the Fair Housing Act. The second resolution, and guidance for same, approved the granting of a waiver to provide revised growth projections for those municipalities that conform to the RMP. COAH and the Highlands Council worked closely together to develop clear guidance for Highlands municipalities. The guidance relies upon the build-out analysis reports that are being completed by the Highlands Council for each Highlands municipality. Instructions for Module 3 are available at:

[http://www.highlands.state.nj.us/njhighlands/planconformance/Module\\_3\\_instructions\\_final\\_082009.pdf](http://www.highlands.state.nj.us/njhighlands/planconformance/Module_3_instructions_final_082009.pdf).

### **Model Municipal Environmental Resource Inventory (Module 4)**

In order to assist municipalities in the development of an updated Environmental Resource Inventory (ERI), the Highlands Council prepared individual draft inventories for each participating Highlands municipality. The Council then provided municipalities with an opportunity to update these draft inventories. Instruction for preparing the ERI can be found on the Highlands Council website at:

[http://www.highlands.state.nj.us/njhighlands/planconformance/mod\\_4\\_instructions.pdf](http://www.highlands.state.nj.us/njhighlands/planconformance/mod_4_instructions.pdf).

### **Model Municipal Master Plan Highlands Element (Module 5)**

The Council also prepared a model Municipal Master Plan Elements in order to assist Highlands municipalities. The Highlands Element sets forth the policies that guide the future land use development in a conforming municipality. It provides the rationale and framework for the adoption of land use

regulations that are protective of Highlands resources and consistent with the Highlands Regional Master Plan. See the draft Element on the Council website at:

[http://www.highlands.state.nj.us/njhighlands/planconformance/mod\\_5\\_060209.pdf](http://www.highlands.state.nj.us/njhighlands/planconformance/mod_5_060209.pdf)

### **Model Highlands Land Use Ordinance (Module 6)**

The draft Model Highlands Land Use Ordinance was sent to municipalities and their professionals for review and comment. The Highlands Council also held informational sessions for municipalities on August 20<sup>th</sup> and 25<sup>th</sup>. Seventy-four municipal professionals attended the meetings and based on municipal comments, a Model Highlands Land Use Ordinance was released and can be found at

[http://www.highlands.state.nj.us/njhighlands/planconformance/model\\_land\\_use\\_ord\\_0909.pdf](http://www.highlands.state.nj.us/njhighlands/planconformance/model_land_use_ord_0909.pdf).

### **Municipal Self Assessment, Implementation Plan & Petition (Module 7)**

Sample municipal Petitions for Plan Conformance have been provided to municipalities with a detailed description of the requirements and schedule for Plan Conformance. Included are the model resolutions and ordinances for municipalities pursuing Plan Conformance. Training programs were held for municipal professionals on October 8<sup>th</sup> and 15<sup>th</sup>. Instructions can be found at:

[http://www.highlands.state.nj.us/njhighlands/planconformance/mod\\_7\\_0909.pdf](http://www.highlands.state.nj.us/njhighlands/planconformance/mod_7_0909.pdf).

The County Plan Conformance process was similarly broken down into separate steps to facilitate the conformance process for counties:

### **Environmental Resource Inventory (Task A)**

The Highlands Council prepared for each county an individualized draft Environmental Resource Inventory, then provided each county with the opportunity to update the Highlands Council with additional information. The County Environmental Resource Inventory followed the same format as the Municipal Environmental Resource Inventory, and instructions for preparing the ERI can be found on the Highlands Council website at:

[http://www.highlands.state.nj.us/njhighlands/planconformance/mod\\_4\\_instructions.pdf](http://www.highlands.state.nj.us/njhighlands/planconformance/mod_4_instructions.pdf).

### **Model Highlands Element for County Master Plans (Task B)**

The Highlands Council provided conforming counties with a model Highlands Element for County Master Plans. The Highlands Element provides a rationale and a framework for the review and approval of land use and development activities over which the county has jurisdiction in a manner and location that is consistent with the protection of Highlands resources and with the Highlands Regional Master Plan. The Model Highlands Element for County Master Plans can be found here:

[http://www.highlands.state.nj.us/njhighlands/planconformance/Model\\_County\\_Master\\_Plan\\_Highlands\\_Element\\_Sept09.pdf](http://www.highlands.state.nj.us/njhighlands/planconformance/Model_County_Master_Plan_Highlands_Element_Sept09.pdf)

### **Model Highlands Regulations for Development of County Lands and Facilities (Task C)**

The Highlands Council provided counties with model Highlands Regulations for County Master Plans, which would address the goals, requirements and provisions of the Highlands Act and the Highlands Regional Master Plan. The Model Highlands Regulations are available on the Highlands Council website:

[http://www.highlands.state.nj.us/njhighlands/planconformance/Model\\_County\\_Regulations\\_Oct09.pdf](http://www.highlands.state.nj.us/njhighlands/planconformance/Model_County_Regulations_Oct09.pdf)

## **Grant Programs**

The Highlands Council created two new grant programs in 2009: the Plan Conformance Grant Program and the Water Use and Conservation Management Program.

### **Plan Conformance Grant Program**

To fund Plan Conformance activities, the Highlands Council created the 2009 Plan Conformance Grant Program and authorized up to \$7.5 million in funding to cover the reasonable expenses related to conformance. Municipalities are eligible for the \$50,000 grant (with the possibility of up to \$100,000 based on demonstrated need) to assist with 2009 Plan Conformance activities. Counties are eligible for the \$20,000 grant (with the possibility of up to \$50,000 based on demonstrated need) to assist with 2009 Plan Conformance activities. Seventy-five municipalities and four counties applied for the 2009 Plan Conformance Grant Program.

### **Water Use and Conservation Management Grant Program**

In pursuit of the Regional Master Plan's Goal 2B, to protect restore, and enhance water quality and quantity of surface and ground waters, and Objective 2B8c, requiring the development of Water Use and Conservation Management Plans, the Highlands Council on February 26, 2009, authorized the creation of the Water Use and Conservation Management Plan Grant Program. Under this program, Camp Dresser & McKee, Inc. was contracted to develop a Water Use and Conservation Management Plan for ten pilot project areas affecting up to twenty HUC14 subwatersheds in Highlands municipalities or counties for an amount not to exceed \$500,000.

### **Transfer of Development Rights Program**

The Highlands Council is implementing a comprehensive Transfer of Development Rights (TDR) Program for the Highlands Region as one method to address landowners' equity concerns due to the effects of the Highlands Act. To assist in implementing and overseeing the Highlands TDR Program, the Highlands Act created the Highlands Development Credit (HDC) Bank.

On September 3, 2009, the HDC Bank adopted its operating procedures, which will govern the day-to-day operations of the Bank. These activities include recording and tracking all HDC transactions, monitoring the HDC market, providing information to the public about the Highlands TDR Program, and where appropriate, purchasing and selling HDCs. In addition, the Bank adopted Resolution 2009-06 authorizing the Bank to launch an initial HDC purchase program using some of the \$10 million in funding provided in Executive Order 114. This program seeks to aid landowners who are experiencing extenuating financial circumstances due to hardships exacerbated by the Highlands Act while the Highlands Council partners with municipalities to establish voluntary receiving zones.

The Highlands Council launched a HDC Estimator Tool on the website to provide an estimated range of HDCs, at <http://maps.njhighlands.us/hgis/hdc/> to any parcel that is:

- Located in the Preservation Area and situated in Protection and Conservation Zones or environmentally-constrained subzones;
- Residentially zoned based upon Highlands Council composite zoning;
- At least five acres in size or, if less than five acres, are at least three times the minimum lot size in effect on 8-10-2004; and
- After accounting for pre-Highlands Act environmental constraints, had at least one lost development opportunity (i.e. at least one potentially buildable lot).

- Does not provide an estimated HDC range if non-residentially zoned, presently preserved, or parcel has not lost at least one development opportunity.
- Although a parcel may receive an allocation, this does not mean that that parcel is entitled to have its HDCs purchased by the Highlands Development Credit (HDC) Bank or on the private market.

## **Legislative Initiatives**

On October 16, 2009, the Highlands Council suggested to the Governor and the Legislature two specific legislative amendments regarding the Highlands Transfer of Development Rights Program and the Garden State Preservation Trust dual appraisal program.

As currently enacted, the Highlands Act only permits a total of 218 municipalities to serve as voluntary receiving zones. Thus, one of the roadblocks to utilizing TDR is the inability of Highlands Region communities to take advantage of TDR receiving zones on a statewide basis. The Highlands Council supported an amendment to the Highlands Act to allow municipalities anywhere in the State to voluntarily agree to establish receiving zones for the transfer of development rights from sending zones in the Highlands Region, and Executive Director Eileen Swan spoke at the Senate Environment and Energy Committee in support of this amendment. In 2010, legislation was passed by the Assembly and Senate allowing Highlands TDR receiving zones to be created anywhere in the state, and is awaiting the governor's approval.

With regard to the dual appraisal methodology, the Highlands Council believes there is a vital need to use the GSPT to meet the open space and agricultural preservation needs of the Highlands Region and the State and address landowner equity issues in the Highlands. Landowner equity issues should be addressed through the extension of the dual appraisal methodology created in the GSPT through the Highlands Act. The Legislature designed the dual appraisal approach in the Highlands Act to ensure that willing landowners participating in the State's open space and farmland preservation programs obtain an appraisal based upon pre-Highlands Act values. The Highlands Council supported a reasonable extension, of at least five years, beyond the June 30, 2009 expiration of the dual appraisal method set forth in the Highlands Act. In March 2010, a dual appraisal extension bill was passed out of the Senate Environment and Energy Committee.

## **PSE&G, Tennessee Gas Highlands Act Exemptions Approved**

In 2009, the Highlands Council led the examination of two Highlands Act Exemptions under Exemption #11 for the upgrade of existing projects through the Highlands Region in order to ensure the protections and standards of the Highlands Regional Master Plan would apply to the project in both the Preservation Area and the Planning Area. Each applicant prepared a Comprehensive Mitigation Plan to preserve Highlands resources.

On June 25, 2009, the Highlands Council approved a Highlands Act Exemption for Public Service Electric & Gas's proposed Susquehanna-Roseland 500-kV Transmission Line Project. The Highlands Council approval for the project was conditional upon a finding of need by the Board of Public Utilities. BPU ruled the project is necessary in February 2010.

As part of an amended application, PSE&G proposed a Comprehensive Mitigation Plan to protect and enhance the resources of the Highlands Region, which included the relocation of a proposed switching station, the implementation of protection, restoration and mitigation measures, the construction of 11 fewer towers, and \$18.6 million for the acquisition or stewardship of priority lands in the Highlands



Region. The Highlands Council vote also meant the protections of the Highlands Act and the Regional Master Plan applied to the project along its entire 26-mile existing right of way in both the Planning and Preservation Areas.

On November 12, 2009, the Highlands Council approved a Highlands Act Exemption for Tennessee Gas Pipeline Company's 300 Project. Under its amended application, Tennessee Gas Pipeline submitted a Comprehensive Mitigation Plan to protect the natural resources of the Highlands Region for impacts both inside and outside of the existing right of way.

For both projects, the Comprehensive Management Plans were designed such that project implementation will avoid, minimize and mitigate adverse impacts to Highlands Region resources and will achieve no net loss of Highlands resources. The Comprehensive Management Plans include the provision that the applicants will coordinate with the Highlands Council throughout the construction phase of the projects. The applicants committed to provide the Council with annual monitoring reports for three years following construction, or until such time as all restoration efforts are deemed successful by the Highlands Council. Further, the applicants will post performance bonds, with the dollar amount to be determined by the Highlands Council based on information from the Highlands Council, to ensure completion of the individual plans of the Comprehensive Management Plans.

## **New Members**

The Highlands Council welcomed two new Council Members in 2009: Robert Holtaway, Mayor of Bedminster Township, Somerset County, and Michael Francis, a member of the Hopatcong Borough Council and the Sussex County Planning Board.



## Transparency and Outreach

The Highlands Council is committed to sharing information with the public. Information about the Highlands Council is shared through its [website](#) and at regularly scheduled meetings that are advertised in local newspapers in accordance with the Open Public Meetings Act. The meeting schedule is posted on the Highlands Council website's [calendar page](#). This page also makes available information from previous meetings, including agendas, resolutions, presentations, and other materials, as well as audio recordings and minutes of the meetings themselves. The website also provides information on [projects reviewed by the Highlands Council](#), the activities of the [Highlands Development Credit Bank](#) and status of the [Transfer of Development Rights Program](#), documents and other materials related to [Plan Conformance](#) and The [Highlands Development Credit Estimator](#), unveiled in November 2009, which gives residential property owners the ability to see a range of how many credits their property may be entitled to receive if they enroll in the Transfer of Development Rights program.

In 2009, the Highlands Council held 10 public meetings to discuss and resolve a variety of issues concerning completion and implementation of the RMP; the Highlands Development Credit Bank held seven public meetings in 2009. All meetings provided opportunities for input from the Highlands Council staff, State agency representatives and the public. Additionally, Highlands Council staff attended, upon invitation, more than 50 public meetings in Highlands municipalities in 2009 to present information about the Regional Master Plan, Plan Conformance, and grants programs available through the Highlands Council, and to answer questions from local officials and members of the public. The Highlands Council also held several information sessions for municipal officials and professionals at the Highlands Council office to provide information about the Plan Conformance process.

## Looking Ahead

The Highlands Council anticipates a very busy but fruitful year ahead. An aggressive agenda has been set as we continue to partner with local government on implementation of the Highlands Regional Master Plan to ensure the protection of New Jersey's water supply and the natural resources of the Highlands Region. Clean, plentiful water from the Highlands is critical to more than 5 million New Jersey residents, and to several of the state's largest employers, including the pharmaceutical and brewing industries. Priorities for 2010 include working with local governments on preparing Water Use and Conservation Management Plans and Housing Element and Fair Share Plans, identifying and approving redevelopment areas, and on stream and lake restoration plans. In addition, the Highlands Development Credit Bank will be considering the first purchases under the Transfer of Development Rights program, and will continue to work with municipalities inside and outside of the Highlands Region to create voluntary TDR receiving zones.



The Highlands Council will continue to protect the resources of the Highlands Region while following the directives established by Governor Chris Christie – using its website, public meetings and other outreach methods to promote transparency in government and communication with stakeholders; coordinating its efforts with other State agencies; minimizing costs to local government through conformance grants; and continuing to respond to constituents and applicants in a timely and professional manner.

**New Jersey Highlands Water Protection and Planning Council**  
**Statement of Activities and Financial Report for the period ending December 31, 2009**

**General Operating Budget FY09 - July 1, 2008 through June 30, 2009**

**REVENUES:**

|   |                     |
|---|---------------------|
| State of New Jersey Appropriation FY09  | \$ 2,300,000.00     |
| Balance from FY08                       | \$ 489,453.02       |
| Miscellaneous Revenues & Reimbursements | <u>\$ 15,356.13</u> |

**TOTAL** **\$ 2,804,809.15**

**EXPENDITURES:**

|  |                      |
|--|----------------------|
| Salaries                               | \$ 1,738,096.59      |
| Materials and Supplies                 | \$ 38,944.47         |
| Other Operating Expenses               | \$ 211,528.64        |
| Maintenance and Repairs                | \$ 235,071.24        |
| Equipment, Additions, and Improvements | \$ 100,253.36        |
| Balance through June 30, 2009          | <u>\$ 480,914.85</u> |

**TOTAL** **\$ 2,804,809.15**

**General Operating Budget for Portion of FY10 - July 1, 2009 through December 31, 2009**

**REVENUES:**

|   |                    |
|---|--------------------|
| State of New Jersey Appropriation FY10  | \$ 2,227,000.00    |
| Highlands Balance from FY09             | \$ 480,914.85      |
| Miscellaneous Revenues & Reimbursements | <u>\$ 8,500.00</u> |

**TOTAL** **\$ 2,716,414.85**

**EXPENDITURES:**

|  |                        |
|--|------------------------|
| Salaries                               | \$ 826,940.88          |
| Materials and Supplies                 | \$ 12,117.12           |
| Other Operating Expenses               | \$ 53,240.16           |
| Maintenance and Repairs                | \$ 2,658.40            |
| Equipment, Additions, and Improvements | \$ 8,891.06            |
| Balance through June 30, 2010          | <u>\$ 1,812,567.23</u> |

**TOTAL** **\$ 2,716,414.85**

**Regional Master Plan Budget for Portion of FY10 - July 1, 2009 through December 31, 2009**

**REVENUES:**

|                   |                        |
|-------------------|------------------------|
| Balance From FY09 | <u>\$ 1,005,984.37</u> |
|-------------------|------------------------|

**TOTAL** **\$ 1,005,984.37**

**EXPENDITURES:**

|                               |                      |
|-------------------------------|----------------------|
| Contracts Paid to Date        | \$ 70,393.82         |
| Balance on Approved Contracts | \$ 654,980.66        |
| Balance through June 30, 2010 | <u>\$ 280,609.89</u> |

**TOTAL** **\$ 1,005,984.37**

